



Hidden Valley Lake Community Services District

Regular Board Meeting

DATE: October 16, 2012
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 September 18, 2012.

(B) WARRANTS: Approval of Warrants #030276-#030348 is recommended.

(C) Approval of Resolution 2012-15 Authorizing Interim General Manager to Sign Checks

- 6) ANNUAL WATER CONSERVATION T-SHIRT CONTEST AWARDS
- 7) BOARD COMMITTEE REPORTS (for information only, no action anticipated)
 - Personnel Committee
 - Finance committee
 - Security and Disaster Preparedness Program Committee
- 8) STAFF REPORTS (for information only, no action anticipated)
 - Accountant/Controller's Report
 - General Manager's Report
- 9) DISCUSSION AND POSSIBLE ACTION: Resolution approving and adopting revised Investment Policy for fiscal year 2012-2013
- 10) DISCUSSION AND POSSIBLE ACTION: Recommended elements of an agreement between the HVLCSD and HVLA for construction and maintenance of a levee trail
- 11) DISCUSSION AND POSSIBLE ACTION: CPS HR Consulting Service Agreement for base salary surveys
- 12) DISCUSSION AND POSSIBLE ACTION: Documenting and Cataloging District Policies
- 13) PUBLIC COMMENT
- 14) BOARD MEMBER COMMENT
- 15) CLOSED SESSION: Government Code Section 54957 (e) Public Employee
Title: General Manager Position
- 16) ADJOURNMENT (Next Regular Board Meeting: November 20, 2012)



Hidden Valley Lake Community Services District

Regular Board Meeting

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

Regular Board Meeting Minutes

DATE: September 18, 2012
TIME: 7:00 p.m.
PLACE: Hidden Valley Lake CSD
Administration Office, Boardroom
19400 Hartmann Road
Hidden Valley Lake, CA

1) CALL TO ORDER:

Meeting of the Hidden Valley Lake Community Services District Board of Directors called to order on September 18, 2012 at the hour of 7:00 p.m. by President Herndon at 19400 Hartmann Road, Hidden Valley Lake, California.

2) PLEDGE OF ALLEGIANCE:

3) ROLL CALL:

Present – Directors Freeman, Graham, Lieberman, Mirbegian and Herndon. Also present: Roland Sanford, Interim General Manager.

4) APPROVAL OF AGENDA:

Director Mirbegian moved, Director Graham seconded to approve the September 18, 2012 Agenda with the following change:

Move Agenda Item 14a ahead of Agenda Item 8.

Motion approved by unanimous vote.

5) APPROVAL OF CONSENT CALENDAR:

- A. MINUTES: Approval of the August 21, 27 and 29, 2012 Meeting Minutes
- B. WARRANTS: Approved warrant # 030183-030275.
- C. Approval of Revised HVLCSD Organizational Chart to reflect inclusion of “Hidden Valley Lake CSD Rate Payers”
- D. Approval to Submit HVLCSD Application to Join South Lake Fire Safe Council
- E. Approval of Resolution 2012-14 Authorizing Adoption of Anti-Harassment and Discrimination Policy

Director Freeman moved, Director Graham seconded to approve the Consent Calendar.

Motion approved by unanimous vote.

6) BOARD COMMITTEE REPORTS:

Personnel Committee – no report.

Finance Committee Report – Director Mirbegian reported the committee met on August 23, 2012 and reviewed the Investment Policy and opportunities to refinance District loans.

Security and Disaster Preparedness Program Committee Report – no report.

7) STAFF REPORTS:

Accountant/Controller's Finance and Investment Report

Report enclosed in board packet.

General Manager's Report:

Interim General Manager Roland Sanford reported on the status of the State Water Resources Control Board regarding Putah Creek Supplemental Stream Flow Cease and Desist Order, and noted that the District and the SWRCB were close to resolving the issue. He updated the Board on the Water Rights Petition for Change and reported that the petition will to be submitted to SWRCB before the holidays.

14) CLOSED SESSION:

- a) Government Code Section 54956.9(c) - Conference with Legal Counsel - Anticipated Litigation. Significant exposure to litigation against the District pursuant to subdivision (b) of Section 54956.9: (3 potential case)

The Board moved into Closed Session at 7:15 p.m. to conference with legal counsel in regards to potential litigation (3 potential cases). The Board came out of Closed Session at 8:16 pm.

Board President Herndon reported that on motion made by Director Mirbegian and second by Director Herndon the Board unanimously voted to formally deny the claims filed by Tasha Klewe and Kathy Burns, both dated July 3, 2012, against the District.

8) DISCUSSION AND POSSIBLE ACTION: Salary range adjustment to the Administrative Assistant/Secretary to the Board position

Director Herndon introduced the agenda item and stated that pursuant to the recent Grand Jury report, the Board was obligated to adjust the salary scale for the Administrative Assistant/Secretary to the Board position as recommended by the CPS HR Consulting base salary study. She proposed that the salary scale be reduced by 32 percent, approximately 6 percent lower than the median base salary figure identified by CPS HR Consulting, to allow for future near-term cost of living increases while at the same time remaining in compliance with the Board's Compensation Policy.

Several members of the public expressed concerns regarding the CPS HR Consulting base salary study and the manner in which the Board was proposing to move forward with the salary reduction. One member of the public spoke in support of the proposed salary reduction. Following public comment, Director Mirbegian stated that it was the Board's duty to address excessive salaries, but also recommended that the salary reduction be limited to 25.7 percent, as recommended in the CPS HR Consulting base salary study, rather than the 32 percent reduction proposed by Director Herndon.

On a motion made by Director Graham and second by Director Mirbegian the Board unanimously voted to reduce the salary of the Administrative Assistant/Secretary to the Board position by 25.7 percent, effective September 28, 2012.

9) ANNUAL WATER CONSERVATION T-SHIRT CONTEST

Interim General Manager Roland Sanford briefed the Board on the District's annual water conservation t-shirt contest for the students of Coyote Valley Elementary School and explained that the Board members would be selecting the 1st, 2nd and 3rd place winners from among the top entries, as identified by the school's Parent Teacher Organization. The top three contestants and

9) ANNUAL WATER CONSERVATION T-SHIRT CONTEST *Cont'd*

families will be invited to the October 16, 2012 Board meeting for a brief awards ceremony and photos with the Board.

10) DISCUSSION AND POSSIBLE ACTION: Appointment of the HVLCSD Representatives to ACWA JPIA Board of Directors

On a motion made by Director Freeman and second by Director Graham the Board unanimously voted to appoint Director Mirbegian as the District's representative to the ACWA JPIA Board of Directors, and Director Lieberman as the District's alternate representative to the ACWA JPIA Board of Directors.

11) DISCUSSION AND POSSIBLE ACTION: Development of Strategic Plan

Interim General Manager Roland Sanford introduced the strategic planning topic and stated that as a first step toward the development of a Strategic Plan the Board should consider what it hoped to achieve through strategic planning and the purpose of the Strategic Plan, the appropriate level of detail, and whether or not the plan should be prepared in-house or with consultant assistance. The Board discussed the questions posed by the Interim General Manager and directed staff to develop a schedule and work plan for preparing the Strategic Plan.

12) PUBLIC COMMENTS:

A property owner announced that the next meeting of the Putah Creek Stewardship group was scheduled for 7 pm on Wednesday, September 19th, at the Calpine visitor center.

13) BOARD MEMBER COMMENT:

There was none.

14) CLOSED SESSION:

- b) Government Code Section 54957 (e) Public Employee
Title: General Manager

The Board moved into closed session at 9:45 pm to discuss item 14b (General Manager position) and returned to open session at 10:03 pm.

Board President Herndon announced that there was no reportable action taken during closed session.

15) ADJOURNMENT: On a motion made by Director Freeman and second by Director Mirbegian the Board unanimously voted to adjourn the meeting at 10:05 pm.

Tami Ipsen Date
Secretary to the Board

Linda Herndon Date
President of the Board

**Hidden Valley Lake CSD
Warrant Summary Report
September 30, 2012**

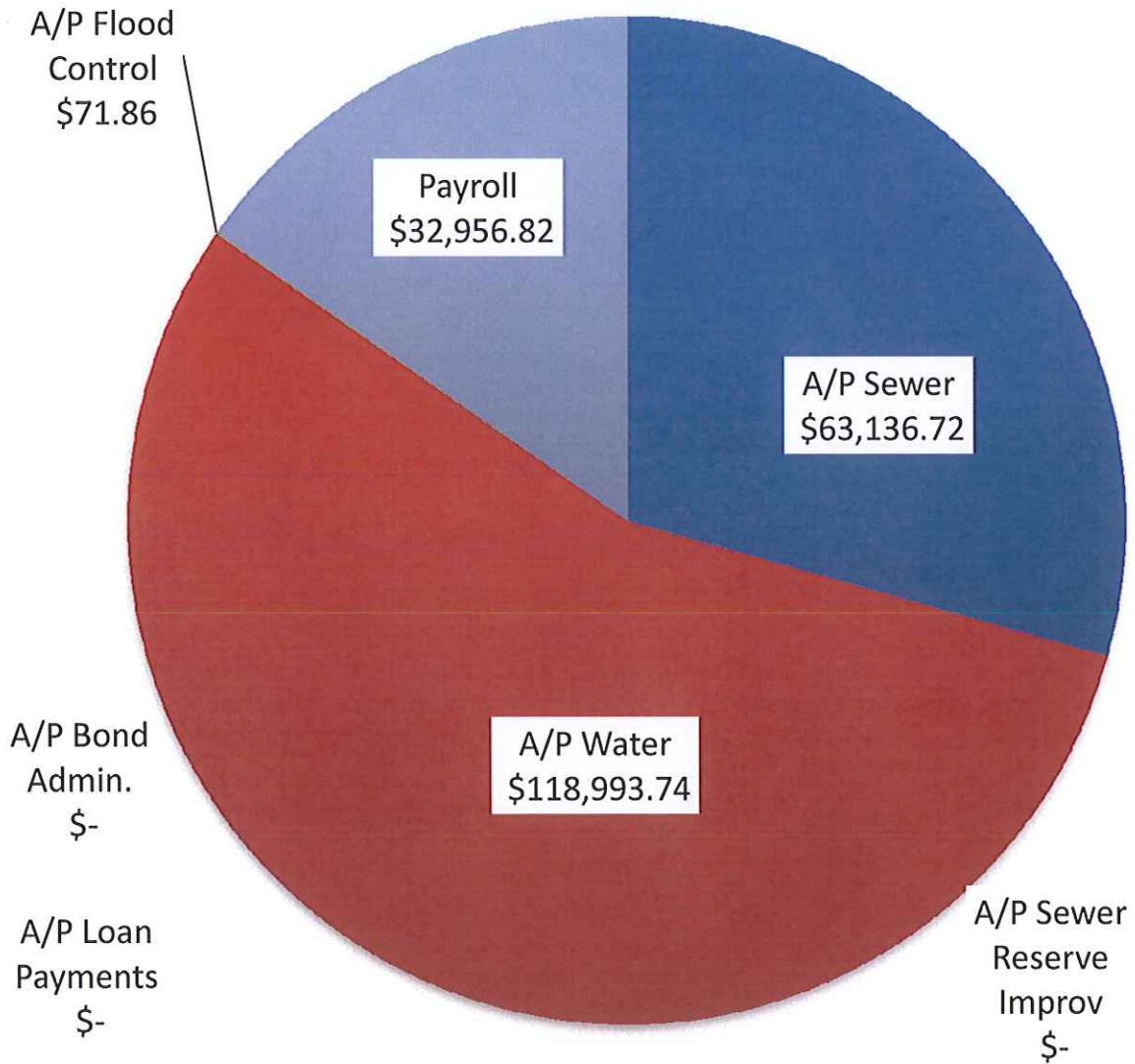
HVLCSD Deposit Summary

Cash	\$	304,303.25
Transfers:		
Money Market	\$	-
Total Deposits	\$	304,303.25

HVLCSD Expenditure Summary

Accounts Payable		
120 - Sewer	\$	63,136.72
130 - Water	\$	118,993.74
140 - Flood Control	\$	71.86
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	\$	182,202.32
Payroll	\$	32,956.82
Total Warrants	\$	215,159.14

**Hidden Valley Lake CSD
Warrants
September 30, 2012
\$215,159**



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

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

CHECK DATE: 9/01/2012 THRU 9/30/2012
 CLEAR DATE: 0/00/0000 THRU 99/99/9999
 STATEMENT: 0/00/0000 THRU 99/99/9999
 VOIDED DATE: 0/00/0000 THRU 99/99/9999
 AMOUNT: 0.00 THRU 999,999,999.99
 CHECK NUMBER: 000000 THRU 999999

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT----	STATUS	FOLIO	CLEAR DATE	
BANK DRAFT:									
1010	9/07/2012	BANK-DRAFT		US DEPARTMENT OF THE TREASURY	3,750.54CR	CLEARED	A	9/07/2012	
1010	9/21/2012	BANK-DRAFT		US DEPARTMENT OF THE TREASURY	26.60CR	CLEARED	A	9/21/2012	
1010	9/21/2012	BANK-DRAFT	000001	US DEPARTMENT OF THE TREASURY	3,603.95CR	CLEARED	A	9/21/2012	
CHECK:									
1010	9/07/2012	CHECK	030276	WHITE, DENNIS E	1,330.51CR	CLEARED	P	9/07/2012	
1010	9/07/2012	CHECK	030277	AMERICAN EXPRESS	93.80CR	CLEARED	A	9/10/2012	
1010	9/07/2012	CHECK	030278	CHASE CARD SERVICES UNITED MIL	1,388.03CR	CLEARED	A	9/13/2012	
1010	9/07/2012	CHECK	030279	DOWNEY BRAND ATTORNEYS LLP	3,747.50CR	CLEARED	A	9/11/2012	
1010	9/07/2012	CHECK	030280	SPECIAL DISTRICT RISK MANAGEME	5,269.00CR	CLEARED	A	9/12/2012	
1010	9/07/2012	CHECK	030281	BRELJE AND RACE LABS, INC.	1,072.30CR	CLEARED	A	9/12/2012	
1010	9/07/2012	CHECK	030282	JIM JONAS INC.	1,145.86CR	CLEARED	A	9/11/2012	
1010	9/07/2012	CHECK	030283	LAKE COUNTY COURIER EXPRESS, L	1,410.40CR	CLEARED	A	9/11/2012	
1010	9/07/2012	CHECK	030284	OFFICE DEPOT	26.80CR	CLEARED	A	9/11/2012	
1010	9/07/2012	CHECK	030285	PACE SUPPLY CORP	1,024.90CR	CLEARED	A	9/11/2012	
1010	9/07/2012	CHECK	030286	PARKSON CORPORATION	1,153.33CR	CLEARED	A	9/11/2012	
1010	9/07/2012	CHECK	030287	TELESTAR INSTRUMENTS, INC	2,711.60CR	CLEARED	A	9/11/2012	
1010	9/07/2012	CHECK	030288	CALIFORNIA PUBLIC EMPLOYEES RE	5,774.54CR	CLEARED	A	9/13/2012	
1010	9/07/2012	CHECK	030289	STATE OF CALIFORNIA EMPLOYMENT	1,015.35CR	CLEARED	A	9/10/2012	
1010	9/07/2012	CHECK	030290	VARIABLE ANNUITY LIFE INSURANC	150.00CR	CLEARED	A	9/11/2012	
***	1010	9/14/2012	CHECK	030292	ARMED FORCE PEST CONTROLVOIDED	180.00CR	VOIDED	A	0/00/0000
1010	9/14/2012	CHECK	030293	BLUETARP FINANCIAL, INC.	451.39CR	CLEARED	A	0/00/0000	
1010	9/14/2012	CHECK	030294	LAKE LABS	2,270.00CR	CLEARED	A	9/21/2012	
1010	9/14/2012	CHECK	030295	MENDO MILL CLEARLAKE	78.32CR	CLEARED	A	9/19/2012	
1010	9/14/2012	CHECK	030296	PACE SUPPLY CORP	169.84CR	CLEARED	A	9/18/2012	
1010	9/14/2012	CHECK	030297	PACIFIC GAS & ELECTRIC COMPANY	22,135.46CR	CLEARED	A	9/21/2012	
1010	9/14/2012	CHECK	030298	PUBLIC SERVICE DEPARTMENT	5.55CR	CLEARED	A	9/20/2012	
1010	9/14/2012	CHECK	030299	USA BLUE BOOK	386.96CR	CLEARED	A	9/19/2012	
1010	9/14/2012	CHECK	030300	A R DONNELSON	150.00CR	CLEARED	A	9/18/2012	
1010	9/14/2012	CHECK	030301	ACWA JOINT POWERS INSURANCE AU	774.29CR	CLEARED	A	9/18/2012	
1010	9/14/2012	CHECK	030302	AT&T	1,180.86CR	CLEARED	A	9/19/2012	
1010	9/14/2012	CHECK	030303	CSG SYSTEMS	484.11CR	CLEARED	A	9/18/2012	
1010	9/14/2012	CHECK	030304	GHD	1,821.88CR	CLEARED	A	9/19/2012	
1010	9/14/2012	CHECK	030305	LAKE COUNTY RECORD BEE	139.50CR	CLEARED	A	9/21/2012	
1010	9/14/2012	CHECK	030306	MICHELLE HAMILTON	625.00CR	CLEARED	A	9/18/2012	
1010	9/14/2012	CHECK	030307	MIDDLETOWN TIMES STAR	86.50CR	CLEARED	A	9/18/2012	
1010	9/14/2012	CHECK	030308	PRIMUS	92.35CR	CLEARED	A	9/19/2012	
1010	9/14/2012	CHECK	030309	PRIMUS TELECOMMUNICATIONS, INC	17.73CR	CLEARED	A	9/19/2012	
1010	9/14/2012	CHECK	030310	QSI 2011, INC.	2,099.65CR	CLEARED	A	9/18/2012	
1010	9/14/2012	CHECK	030311	REDFORD SERVICES	950.00CR	CLEARED	A	10/01/2012	
1010	9/14/2012	CHECK	030312	ROLAND SANFORD	223.02CR	CLEARED	A	9/18/2012	
1010	9/14/2012	CHECK	030313	SOUTH LAKE REFUSE COMPANY	158.07CR	CLEARED	A	9/18/2012	
1010	9/14/2012	CHECK	030314	SPECIAL DISTRICT RISK MANAGEME	19,941.69CR	CLEARED	A	9/19/2012	
1010	9/21/2012	CHECK	030315	WHITE, DENNIS E	1,139.00CR	CLEARED	P	9/21/2012	

COMPANY: 999 - POOLED CASH FUND

CHECK DATE: 9/01/2012 THRU 9/30/2012

ACCOUNT: 1010 CASH - POOLED

CLEAR DATE: 0/00/0000 THRU 99/99/9999

TYPE: ALL

STATEMENT: 0/00/0000 THRU 99/99/9999

STATUS: ALL

VOIDED DATE: 0/00/0000 THRU 99/99/9999

FOLIO: ALL

AMOUNT: 0.00 THRU 999,999,999.99

CHECK NUMBER: 000000 THRU 999999

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	---AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK:	-----							
1010	9/21/2012	CHECK	030316	JOSEPH & JUDITH MILLER	150.00CR	OUTSTND	A	0/00/0000
1010	9/21/2012	CHECK	030317	MEDIACOM	75.90CR	CLEARED	A	9/26/2012
1010	9/21/2012	CHECK	030318	MERRILL, ARNONE & JONES, LLP	2,247.00CR	CLEARED	A	9/25/2012
1010	9/21/2012	CHECK	030319	TYLER TECHNOLOGY	2,609.90CR	CLEARED	A	9/24/2012
1010	9/21/2012	CHECK	030320	WAGNER & BONSIGNORE	6,813.25CR	CLEARED	A	9/28/2012
1010	9/21/2012	CHECK	030321	PAUL SILVA	25.56CR	CLEARED	A	9/25/2012
1010	9/21/2012	CHECK	030322	PIPEEYE	514.00CR	CLEARED	A	9/26/2012
1010	9/21/2012	CHECK	030323	SIERRA CHEMICAL CO.	544.42CR	CLEARED	A	9/25/2012
1010	9/21/2012	CHECK	030324	VERIZON WIRELESS	646.63CR	CLEARED	A	10/01/2012
1010	9/21/2012	CHECK	030325	CALIFORNIA PUBLIC EMPLOYEES RE	5,914.87CR	CLEARED	A	9/27/2012
1010	9/21/2012	CHECK	030326	STATE OF CALIFORNIA EMPLOYMENT	980.44CR	CLEARED	A	9/24/2012
1010	9/21/2012	CHECK	030327	VARIABLE ANNUITY LIFE INSURANC	150.00CR	CLEARED	A	9/25/2012
1010	9/21/2012	CHECK	030328	PATTON, ROBIN	59.62CR	OUTSTND	A	0/00/0000
1010	9/28/2012	CHECK	030329	DEPT OF HEALTH SERVICES DRINKI	10,181.74CR	CLEARED	A	10/03/2012
1010	9/28/2012	CHECK	030330	EEL RIVER FUELS, INC.	2,712.48CR	CLEARED	A	10/02/2012
1010	9/28/2012	CHECK	030331	GRAPHIC FX, INC.	991.70CR	CLEARED	A	10/04/2012
1010	9/28/2012	CHECK	030332	HACH COMPANY	579.39CR	CLEARED	A	10/02/2012
1010	9/28/2012	CHECK	030333	HARDESTER'S MARKETS & HARDWARE	146.56CR	CLEARED	A	10/03/2012
1010	9/28/2012	CHECK	030334	MENDO MILL CLEARLAKE	2,309.84CR	CLEARED	A	10/04/2012
1010	9/28/2012	CHECK	030335	PACE SUPPLY CORP	630.63CR	CLEARED	A	10/02/2012
1010	9/28/2012	CHECK	030336	PACIFIC GAS & ELECTRIC COMPANY	24,967.43CR	CLEARED	A	10/03/2012
1010	9/28/2012	CHECK	030337	XYLEM WATER SOLUTIONS U.S.A.,	7,692.01CR	CLEARED	A	10/03/2012
1010	9/28/2012	CHECK	030338	ARMED FORCE PEST CONTROL, INC.	180.00CR	CLEARED	A	10/02/2012
1010	9/28/2012	CHECK	030339	GOVERNMENT STAFFING SERVICES,	21,477.60CR	CLEARED	A	10/04/2012
1010	9/28/2012	CHECK	030340	OFFICE DEPOT	143.76CR	CLEARED	A	10/02/2012
1010	9/28/2012	CHECK	030341	PATRICIA WILKINSON	73.26CR	CLEARED	A	9/28/2012
1010	9/28/2012	CHECK	030342	PITNEY BOWES, INC.	317.28CR	CLEARED	A	10/04/2012
1010	9/28/2012	CHECK	030343	SOUTH LAKE FIRE SAFE COUNCIL	25.00CR	OUTSTND	A	0/00/0000
1010	9/28/2012	CHECK	030344	SUCCEED.NET	79.70CR	OUTSTND	A	0/00/0000
1010	9/28/2012	CHECK	030345	TAMI IPSEN	92.83CR	CLEARED	A	9/28/2012
1010	9/28/2012	CHECK	030346	WILLIAM SHEPARD	50.00CR	CLEARED	A	10/04/2012
1010	9/28/2012	CHECK	030347	WQI	600.00CR	OUTSTND	A	0/00/0000
1010	9/28/2012	CHECK	030348	VARDANEGA, ROBERT	612.85CR	CLEARED	A	10/01/2012

DEPOSIT:	-----							
1010	9/04/2012	DEPOSIT		CREDIT CARD 9/04/2012	148.52	CLEARED	C	9/05/2012
1010	9/04/2012	DEPOSIT	000001	CREDIT CARD 9/04/2012	174.62	CLEARED	C	9/07/2012
1010	9/04/2012	DEPOSIT	000002	CREDIT CARD 9/04/2012	969.80	CLEARED	C	9/07/2012
1010	9/04/2012	DEPOSIT	000003	REGULAR DAILY POST 9/04/2012	2,834.59	CLEARED	C	9/05/2012
1010	9/05/2012	DEPOSIT		CREDIT CARD 9/05/2012	199.72	CLEARED	C	9/07/2012
1010	9/05/2012	DEPOSIT	000001	CREDIT CARD 9/05/2012	482.28	CLEARED	C	9/10/2012
1010	9/05/2012	DEPOSIT	000002	CREDIT CARD 9/05/2012	1,196.43	CLEARED	C	9/10/2012
1010	9/05/2012	DEPOSIT	000003	REGULAR DAILY POST 9/05/2012	4,102.33	CLEARED	C	9/06/2012
1010	9/06/2012	DEPOSIT		CREDIT CARD 9/06/2012	349.24	CLEARED	C	9/11/2012

COMPANY: 999 - POOLED CASH FUND

ACCOUNT: 1010 CASH - POOLED

TYPE: ALL

STATUS: ALL

FOLIO: ALL

CHECK DATE: 9/01/2012 THRU 9/30/2012

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
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1010	9/07/2012	DEPOSIT		CREDIT CARD 9/07/2012	100.00	CLEARED	C	9/11/2012
1010	9/07/2012	DEPOSIT	000001	CREDIT CARD 9/07/2012	221.59	CLEARED	C	9/11/2012
1010	9/07/2012	DEPOSIT	000002	REGULAR DAILY POST 9/07/2012	13,667.28	CLEARED	C	9/10/2012
1010	9/10/2012	DEPOSIT		CREDIT CARD 9/10/2012	349.24	CLEARED	C	9/13/2012
1010	9/10/2012	DEPOSIT	000001	CREDIT CARD 9/10/2012	945.46	CLEARED	C	9/13/2012
1010	9/10/2012	DEPOSIT	000002	REGULAR DAILY POST 9/10/2012	25,694.00	CLEARED	C	9/11/2012
1010	9/11/2012	DEPOSIT		CREDIT CARD 9/11/2012	621.15	CLEARED	C	9/14/2012
1010	9/11/2012	DEPOSIT	000001	REGULAR DAILY POST 9/11/2012	9,334.57	CLEARED	C	9/12/2012
1010	9/12/2012	DEPOSIT		CREDIT CARD 9/12/2012	371.29	CLEARED	C	9/17/2012
1010	9/12/2012	DEPOSIT	000001	CREDIT CARD 9/12/2012	689.60	CLEARED	C	9/17/2012
1010	9/12/2012	DEPOSIT	000002	REGULAR DAILY POST 9/12/2012	12,891.94	CLEARED	C	9/13/2012
1010	9/13/2012	DEPOSIT		CREDIT CARD 9/13/2012	463.19	CLEARED	C	9/18/2012
1010	9/13/2012	DEPOSIT	000001	REGULAR DAILY POST 9/13/2012	7,386.28	CLEARED	C	9/14/2012
1010	9/14/2012	DEPOSIT		CREDIT CARD 9/14/2012	248.88	CLEARED	C	9/18/2012
1010	9/14/2012	DEPOSIT	000001	CREDIT CARD 9/14/2012	362.28	CLEARED	C	9/18/2012
1010	9/14/2012	DEPOSIT	000002	REGULAR DAILY POST 9/14/2012	7,770.85	CLEARED	C	9/17/2012
1010	9/17/2012	DEPOSIT		CREDIT CARD 9/17/2012	996.57	CLEARED	C	9/19/2012
1010	9/17/2012	DEPOSIT	000001	CREDIT CARD 9/17/2012	1,033.89	CLEARED	C	9/20/2012
1010	9/17/2012	DEPOSIT	000002	REGULAR DAILY POST 9/17/2012	18,457.23	CLEARED	C	9/18/2012
1010	9/18/2012	DEPOSIT		Transfer from UB	186.24	OUTSTND	R	0/00/0000
1010	9/18/2012	DEPOSIT	000001	CREDIT CARD 9/18/2012	181.18	CLEARED	C	9/21/2012
1010	9/18/2012	DEPOSIT	000002	CREDIT CARD 9/18/2012	1,185.47	CLEARED	C	9/21/2012
1010	9/18/2012	DEPOSIT	000003	REGULAR DAILY POST 9/18/2012	8,097.48	CLEARED	C	9/19/2012
1010	9/18/2012	DEPOSIT	000004	DRAFT POSTING	7,657.71	CLEARED	U	9/21/2012
1010	9/19/2012	DEPOSIT		CREDIT CARD 9/19/2012	135.55	CLEARED	C	9/21/2012
1010	9/19/2012	DEPOSIT	000001	CREDIT CARD 9/19/2012	1,017.61	CLEARED	C	9/24/2012
1010	9/19/2012	DEPOSIT	000002	REGULAR DAILY POST 9/19/2012	7,896.37	CLEARED	C	9/20/2012
1010	9/20/2012	DEPOSIT		CREDIT CARD 9/20/2012	74.26	CLEARED	C	9/26/2012
1010	9/20/2012	DEPOSIT	000001	CREDIT CARD 9/20/2012	170.37	CLEARED	C	9/21/2012
1010	9/20/2012	DEPOSIT	000002	CREDIT CARD 9/20/2012	1,102.20	CLEARED	C	9/25/2012
1010	9/20/2012	DEPOSIT	000003	REGULAR DAILY POST 9/20/2012	8,042.73	CLEARED	C	9/21/2012
1010	9/21/2012	DEPOSIT		CREDIT CARD 9/21/2012	364.02	CLEARED	C	9/26/2012
1010	9/21/2012	DEPOSIT	000001	CREDIT CARD 9/21/2012	312.05	CLEARED	C	9/26/2012
1010	9/21/2012	DEPOSIT	000002	CREDIT CARD 9/21/2012	1,887.40	CLEARED	C	9/25/2012
1010	9/21/2012	DEPOSIT	000003	REGULAR DAILY POST 9/21/2012	6,470.78	CLEARED	C	9/24/2012
1010	9/21/2012	DEPOSIT	000004	CC DRAFT POSTING	11.31	CLEARED	U	9/21/2012
1010	9/21/2012	DEPOSIT	000005	CC DRAFT POSTING	51.64	CLEARED	U	9/21/2012
1010	9/21/2012	DEPOSIT	000006	CC DRAFT POSTING	14,054.59	CLEARED	U	9/21/2012
1010	9/24/2012	DEPOSIT		CREDIT CARD 9/24/2012	963.82	CLEARED	C	9/27/2012
1010	9/24/2012	DEPOSIT	000001	CREDIT CARD 9/24/2012	552.37	CLEARED	C	9/27/2012
1010	9/24/2012	DEPOSIT	000002	CREDIT CARD 9/24/2012	2,804.07	CLEARED	C	9/27/2012
1010	9/24/2012	DEPOSIT	000003	REGULAR DAILY POST 9/24/2012	16,949.33	CLEARED	C	9/25/2012

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

CHECK DATE: 9/01/2012 THRU 9/30/2012
 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	9/24/2012	DEPOSIT	000004	DAILY PAYMENT POSTING - ADJ	429.35CR	CLEARED	U	9/24/2012
1010	9/24/2012	DEPOSIT	000005	DAILY PAYMENT POSTING - ADJ	42.40CR	CLEARED	U	9/24/2012
1010	9/25/2012	DEPOSIT		CREDIT CARD 9/25/2012	248.88	CLEARED	C	9/28/2012
1010	9/25/2012	DEPOSIT	000001	CREDIT CARD 9/25/2012	1,621.30	CLEARED	C	9/28/2012
1010	9/25/2012	DEPOSIT	000002	REGULAR DAILY POST 9/25/2012	14,062.22	CLEARED	C	9/26/2012
1010	9/26/2012	DEPOSIT		CREDIT CARD 9/26/2012	567.50	CLEARED	C	10/01/2012
1010	9/26/2012	DEPOSIT	000001	CREDIT CARD 9/26/2012	3,040.11	CLEARED	C	10/01/2012
1010	9/26/2012	DEPOSIT	000002	REGULAR DAILY POST 9/26/2012	8,928.89	CLEARED	C	9/27/2012
1010	9/27/2012	DEPOSIT		CREDIT CARD 9/27/2012	199.17	CLEARED	C	10/01/2012
1010	9/27/2012	DEPOSIT	000001	CREDIT CARD 9/27/2012	922.86	CLEARED	C	10/02/2012
1010	9/27/2012	DEPOSIT	000002	CREDIT CARD 9/27/2012	4,542.99	CLEARED	C	10/02/2012
1010	9/27/2012	DEPOSIT	000003	REGULAR DAILY POST 9/27/2012	19,422.01	CLEARED	C	9/28/2012
1010	9/28/2012	DEPOSIT		CREDIT CARD 9/28/2012	2,164.13	CLEARED	C	10/02/2012
1010	9/28/2012	DEPOSIT	000001	CREDIT CARD 9/28/2012	8,595.87	CLEARED	C	10/02/2012
1010	9/28/2012	DEPOSIT	000002	REGULAR DAILY POST 9/28/2012	34,757.76	CLEARED	C	10/01/2012
MISCELLANEOUS:								
1010	9/07/2012	MISC.		PAYROLL DIRECT DEPOSIT	14,978.05CR	CLEARED	P	9/07/2012
1010	9/14/2012	MISC.	030292	ARMED FORCE PEST CONTROLVOIDED	180.00	VOIDED	A	0/00/0000
1010	9/18/2012	MISC.		PAYROLL DIRECT DEPOSIT	188.70CR	CLEARED	P	0/00/0000
1010	9/21/2012	MISC.		PAYROLL DIRECT DEPOSIT	15,320.56CR	CLEARED	P	9/21/2012
SERVICE CHARGE:								
1010	9/05/2012	SERV-CHG		August 2012 ETS Fees	552.77CR	CLEARED	G	9/05/2012
1010	9/05/2012	SERV-CHG	000001	August 2012 ETS Fees	150.03CR	CLEARED	G	9/05/2012
1010	9/15/2012	SERV-CHG		August 2012 Analysis Fees	262.61CR	CLEARED	G	9/17/2012
TOTALS FOR ACCOUNT 1010				CHECK	TOTAL:	177,470.74CR		
				DEPOSIT	TOTAL:	304,303.25		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	30,307.31CR		
				SERVICE CHARGE	TOTAL:	965.41CR		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	7,381.09CR		
TOTALS FOR POOLED CASH FUND				CHECK	TOTAL:	177,470.74CR		
				DEPOSIT	TOTAL:	304,303.25		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	30,307.31CR		
				SERVICE CHARGE	TOTAL:	965.41CR		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	7,381.09CR		

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	7,381.09	N	120 2091	FIT PAYABLE	2,704.81
					120 2093	SOCIAL SECURITY PAYABL	124.52
					120 2094	MEDICARE PAYABLE	322.94
					120 5-10-5010	SALARIES & WAGES	307.56
					120 5-20-5010	SALARIES & WAGES	43.92
					120 5-30-5010	SALARIES & WAGES	148.41
					120 5-40-5010	DIRECTORS COMPENSATION	6.88
					130 2091	FIT PAYABLE	3,005.74
					130 2093	SOCIAL SECURITY PAYABL	4.62
					130 2094	MEDICARE PAYABLE	352.44
					130 5-10-5010	SALARIES & WAGES	87.62
					130 5-20-5010	SALARIES & WAGES	53.69
					130 5-30-5010	SALARIES & WAGES	191.64
					130 5-35-5010	SALARIES & WAGES	17.88
					130 5-40-5010	DIRECTORS COMPENSATION	8.42
01-1946	AMERICAN EXPRESS	030277	93.80	N	120 5-00-5148	OPERATING SUPPLIES	17.38
					120 5-30-5090	OFFICE SUPPLIES	36.43
					130 5-00-5148	OPERATING SUPPLIES	3.56
					130 5-30-5090	OFFICE SUPPLIES	36.43
01-2197	CHASE CARD SERVICES UNITE	030278	1,388.03	N	120 5-00-5020	EMPLOYEE BENEFITS	62.50
					120 5-00-5090	OFFICE SUPPLIES	207.41
					120 5-00-5148	OPERATING SUPPLIES	32.09
					120 5-00-5150	REPAIR & REPLACE	62.47
					120 5-10-5175	EDUCATION / SEMINARS	141.00
					120 5-30-5090	OFFICE SUPPLIES	10.19CR
					120 5-40-5176	DIRECTOR TRAINING	235.00
					130 5-00-5020	EMPLOYEE BENEFITS	62.50
					130 5-00-5090	OFFICE SUPPLIES	207.40
					130 5-00-5148	OPERATING SUPPLIES	6.57
					130 5-00-5150	REPAIR & REPLACE	62.48
					130 5-10-5175	EDUCATION / SEMINARS	94.00
					130 5-30-5090	OFFICE SUPPLIES	10.20CR
					130 5-40-5176	DIRECTOR TRAINING	235.00
01-2798	DOWNNEY BRAND ATTORNEYS LL	030279	3,747.50	N	120 5-00-5121	LEGAL SERVICES	1,873.75
					130 5-00-5121	LEGAL SERVICES	1,873.75
01-1705	SPECIAL DISTRICT RISK MAN	030280	5,269.00	N	120 5-00-5020	EMPLOYEE BENEFITS	2,842.00
					130 5-00-5020	EMPLOYEE BENEFITS	2,427.00
01-47	BRELJE AND RACE LABS, INC	030281	1,072.30	N	120 5-00-5195	ENV/MONITORING	1,072.30
01-112	EEL RIVER FUELS, INC.	030282	1,145.86	N	120 5-00-5060	GASOLINE, OIL & FUEL	572.93
					130 5-00-5060	GASOLINE, OIL & FUEL	572.93
01-2743	LAKE COUNTY COURIER EXPRE	030283	1,410.40	N	120 5-00-5110	CONTRACTUAL SERVICES	1,410.40
01-2684	OFFICE DEPOT	030284	26.80	N	120 5-30-5090	OFFICE SUPPLIES	13.40
					130 5-30-5090	OFFICE SUPPLIES	13.40
01-2702	PACE SUPPLY CORP	030285	1,024.90	N	130 5-00-5150	REPAIR & REPLACE	1,024.90

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

VENDOR	NAME	CHECK #	TOTAL AMOUNT	1099	G/L ACCT NO#	G/L NAME	G/L AMOUNT
01-1122	PARKSON CORPORATION	030286	1,153.33	N	120 5-00-5150	REPAIR & REPLACE	1,153.33
01-2195	TELESTAR INSTRUMENTS, INC	030287	2,711.60	N	130 5-00-5150	REPAIR & REPLACE	2,711.60
01-21	CALIFORNIA PUBLIC EMPLOYE	030288	5,774.54	N	120 2088	SURVIVOR BENEFITS - PE	4.34
					120 2090	PERS PAYABLE	932.52
					120 5-10-5021	RETIREMENT EXPENSES	513.76
					120 5-20-5021	RETIREMENT EXPENSES	273.24
					120 5-30-5021	RETIREMENT EXPENSES	887.60
					130 2088	SURVIVOR BENEFITS - PE	5.89
					130 2090	PERS PAYABLE	1,114.75
					130 5-10-5021	RETIREMENT EXPENSES	513.75
					130 5-20-5021	RETIREMENT EXPENSES	333.94
					130 5-30-5021	RETIREMENT EXPENSES	981.03
					130 5-35-5021	RETIREMENT EXPENSES	213.72
01-11	STATE OF CALIFORNIA EMPLO	030289	1,015.35	N	120 2092	CIT PAYBLE	356.50
					120 2095	S D I PAYABLE	111.80
					130 2092	CIT PAYABLE	427.16
					130 2095	S D I PAYABLE	119.89
01-1530	VARIABLE ANNUITY LIFE INS	030290	150.00	N	120 2099	DEFERRED COMP - PLAN 4	51.25
					130 2099	DEFERRED COMP - PLAN 4	98.75
01-2531	BLUETARP FINANCIAL, INC.	030293	451.39	N	120 5-00-5312	TOOLS - FIELD	228.70
					130 5-00-5312	TOOLS - FIELD	222.69
01-129	LAKE LABS	030294	2,270.00	Y	120 5-00-5195	ENV/MONITORING	1,822.00
					130 5-00-5195	ENV/MONITORING	448.00
01-2541	MENDO MILL CLEARLAKE	030295	78.32	N	120 5-00-5148	OPERATING SUPPLIES	3.77
					120 5-00-5155	MAINT BLDG & GROUNDS	22.59
					130 5-00-5148	OPERATING SUPPLIES	3.77
					130 5-00-5150	REPAIR & REPLACE	25.60
					130 5-00-5155	MAINT BLDG & GROUNDS	22.59
01-2702	PACE SUPPLY CORP	030296	169.84	N	120 5-00-5150	REPAIR & REPLACE	169.84
01-9	PACIFIC GAS & ELECTRIC CO	030297	22,135.46	N	120 5-00-5192	ELECTRICITY	1,679.90
					130 5-00-5192	ELECTRICITY	20,429.93
					140 5-00-5192	ELECTRICITY	25.63
01-2667	PUBLIC SERVICE DEPARTMENT	030298	5.55	N	120 5-00-5155	MAINT BLDG & GROUNDS	2.78
					130 5-00-5155	MAINT BLDG & GROUNDS	2.77
01-1751	USA BLUE BOOK	030299	386.96	N	120 5-00-5148	OPERATING SUPPLIES	386.96
01-1	MISCELLANEOUS VENDOR	030300	150.00	N	130 5-00-5505	WATER CONSERVATION	150.00
01-1961	ACWA/JPIA	030301	774.29	N	120 5-00-5020	EMPLOYEE BENEFITS	324.49
					130 5-00-5020	EMPLOYEE BENEFITS	449.80
01-8	AT&T	030302	1,180.86	N	120 5-00-5191	TELEPHONE	590.43
					130 5-00-5191	TELEPHONE	590.43

ACCOUNTS PAYABLE
 DISBURSEMENT REPORT

SORTED BY CHECK

VENDOR	NAME	CHECK #	TOTAL AMOUNT	1099	G/L ACCT NO#	G/L NAME	G/L AMOUNT
01-2111	CSG SYSTEMS	030303	484.11	N	120 5-00-5110	CONTRACTUAL SERVICES	242.05
					130 5-00-5110	CONTRACTUAL SERVICES	242.06
01-2788	GHD	030304	1,821.88	N	130 5-00-5122	ENGINEERING SERVICES	1,821.88
01-122	LAKE COUNTY RECORD BEE	030305	139.50	N	120 5-00-5130	PRINTING & PUBLICATION	69.75
					130 5-00-5130	PRINTING & PUBLICATION	69.75
01-2699	MICHELLE HAMILTON	030306	625.00	Y	120 5-00-5110	CONTRACTUAL SERVICES	300.00
					130 5-00-5110	CONTRACTUAL SERVICES	325.00
01-179	MIDDLETOWN TIMES STAR	030307	86.50	N	120 5-00-5130	PRINTING & PUBLICATION	43.25
					130 5-00-5130	PRINTING & PUBLICATION	43.25
01-1982	PRIMUS	030308	92.35	N	120 5-00-5191	TELEPHONE	46.18
					130 5-00-5191	TELEPHONE	46.17
01-2543	PRIMUS TELECOMMUNICATIONS	030309	17.73	N	120 5-00-5191	TELEPHONE	8.86
					130 5-00-5191	TELEPHONE	8.87
01-2054	QSI 2011, INC.	030310	2,099.65	N	120 5-00-5110	CONTRACTUAL SERVICES	1,007.84
					130 5-00-5110	CONTRACTUAL SERVICES	1,091.81
01-2700	REDFORD SERVICES	030311	950.00	Y	120 5-00-5110	CONTRACTUAL SERVICES	456.00
					130 5-00-5110	CONTRACTUAL SERVICES	494.00
01-2804	ROLAND SANFORD	030312	223.02	N	120 5-10-5170	TRAVEL MILEAGE	41.82
					130 5-10-5170	TRAVEL MILEAGE	181.20
01-1579	SOUTH LAKE REFUSE COMPANY	030313	158.07	Y	120 5-00-5155	MAINT BLDG & GROUNDS	78.56
					130 5-00-5155	MAINT BLDG & GROUNDS	78.56
					140 5-00-5155	MAINT BLDG & GROUNDS	0.95
01-1705	SPECIAL DISTRICT RISK MAN	030314	19,941.69	N	120 5-00-5025	RETIREE HEALTH BENEFIT	1,113.90
					120 5-10-5020	EMPLOYEE BENEFITS	747.78
					120 5-20-5020	EMPLOYEE BENEFITS	1,322.99
					120 5-30-5020	EMPLOYEE BENEFITS	2,933.58
					120 5-40-5020	EMPLOYEE BENEFITS	2,789.60
					130 5-00-5025	RETIREE HEALTH BENEFIT	1,113.89
					130 5-10-5020	EMPLOYEE BENEFITS	1,063.10
					130 5-20-5020	EMPLOYEE BENEFITS	1,880.87
					130 5-30-5020	EMPLOYEE BENEFITS	4,170.60
					130 5-40-5020	EMPLOYEE BENEFITS	2,789.60
					140 5-10-5020	EMPLOYEE BENEFITS	2.36
					140 5-20-5020	EMPLOYEE BENEFITS	4.17
					140 5-30-5020	EMPLOYEE BENEFITS	9.25
01-1	MISCELLANEOUS VENDOR	030316	150.00	N	130 5-00-5505	WATER CONSERVATION	150.00
01-1392	MEDIACOM	030317	75.90	N	120 5-00-5110	CONTRACTUAL SERVICES	36.44
					130 5-00-5110	CONTRACTUAL SERVICES	39.46
01-2754	MERRILL, ARNONE & JONES,	030318	2,247.00	Y	120 5-00-5121	LEGAL SERVICES	1,123.50
					130 5-00-5121	LEGAL SERVICES	1,123.50

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

VENDOR	NAME	CHECK #	TOTAL AMOUNT	1099	G/L ACCT NO#	G/L NAME	G/L AMOUNT
01-2585	TYLER TECHNOLOGY	030319	2,609.90	N	120 5-00-5110	CONTRACTUAL SERVICES	1,252.76
					130 5-00-5110	CONTRACTUAL SERVICES	1,357.14
01-1659	WAGNER & BONSIGNORE	030320	6,813.25	N	130 5-00-5123	OTHER PROFESSIONAL SER	6,813.25
01-2703	PAUL SILVA	030321	25.56	N	120 5-30-5175	EDUCATION / SEMINARS	25.56
01-2724	PIPEEYE	030322	514.00	N	120 5-00-5150	REPAIR & REPLACE	514.00
01-2736	SIERRA CHEMICAL CO.	030323	544.42	N	120 5-00-5148	OPERATING SUPPLIES	544.42
01-2598	VERIZON WIRELESS	030324	646.63	N	120 5-00-5191	TELEPHONE	326.32
					130 5-00-5191	TELEPHONE	320.31
01-21	CALIFORNIA PUBLIC EMPLOYE	030325	5,914.87	N	120 2088	SURVIVOR BENEFITS - PE	4.44
					120 2090	PERS PAYABLE	944.63
					120 5-10-5021	RETIREMENT EXPENSES	571.54
					120 5-20-5021	RETIREMENT EXPENSES	273.24
					120 5-30-5021	RETIREMENT EXPENSES	857.40
					130 2088	SURVIVOR BENEFITS - PE	5.79
					130 2090	PERS PAYABLE	1,145.43
					130 5-10-5021	RETIREMENT EXPENSES	571.54
					130 5-20-5021	RETIREMENT EXPENSES	333.94
					130 5-30-5021	RETIREMENT EXPENSES	1,206.92
01-11	STATE OF CALIFORNIA EMPLO	030326	980.44	N	120 2092	CIT PAYABLE	335.38
					120 2095	S D I PAYABLE	110.00
					130 2092	CIT PAYABLE	412.98
					130 2095	S D I PAYABLE	122.08
01-1530	VARIABLE ANNUITY LIFE INS	030327	150.00	N	120 2099	DEFERRED COMP - PLAN 4	31.47
					130 2099	DEFERRED COMP - PLAN 4	118.53
01-1	MISCELLANEOUS VENDOR	030328	59.62		130 1052	ACCTS REC WATER USE	59.62
01-78	DEPT OF HEALTH SERVICES D	030329	10,181.74	N	130 5-00-5198	ANNUAL OPERATING FEES	10,181.74
01-112	EEL RIVER FUELS, INC.	030330	2,712.48	N	120 5-00-5060	GASOLINE, OIL & FUEL	1,356.24
					130 5-00-5060	GASOLINE, OIL & FUEL	1,356.24
01-2751	GRAPHIC FX, INC.	030331	991.70	N	120 5-30-5020	EMPLOYEE BENEFITS	408.98
					130 5-30-5020	EMPLOYEE BENEFITS	581.43
					140 5-30-5020	EMPLOYEE BENEFITS	1.29
01-1023	HACH COMPANY	030332	579.39	N	120 5-00-5148	OPERATING SUPPLIES	579.39
01-2538	HARDESTER'S MARKETS & HAR	030333	146.56	N	120 5-00-5148	OPERATING SUPPLIES	79.23
					120 5-00-5150	REPAIR & REPLACE	19.62
					130 5-00-5148	OPERATING SUPPLIES	16.23
					130 5-00-5150	REPAIR & REPLACE	31.48
01-2541	MENDO MILL CLEARLAKE	030334	2,309.84	N	120 5-00-5150	REPAIR & REPLACE	204.52
					120 5-00-5312	TOOLS - FIELD	37.48
					130 5-00-5061	VEHICLE MAINT	238.05

ACCOUNTS PAYABLE
DISBURSEMENT REPORT

SORTED BY CHECK

VENDOR	NAME	CHECK #	TOTAL AMOUNT	1099	G/L ACCT NO#	G/L NAME	G/L AMOUNT
01-2541	MENDO MILL CLEARLAKE	030334	2,309.84	N	** (CONTINUED) **		
					130 5-00-5150	REPAIR & REPLACE	1,722.31
					130 5-00-5312	TOOLS - FIELD	107.48
01-2702	PACE SUPPLY CORP	030335	630.63	N	130 5-00-5150	REPAIR & REPLACE	630.63
01-9	PACIFIC GAS & ELECTRIC CO	030336	24,967.43	N	120 5-00-5192	ELECTRICITY	1,629.40
					130 5-00-5192	ELECTRICITY	23,309.82
					140 5-00-5192	ELECTRICITY	28.21
01-2802	XYLEM WATER SOLUTIONS U.S	030337	7,692.01	N	120 1286	FIELD EQUIPMENT	7,692.01
01-2283	ARMED FORCE PEST CONTROL,	030338	180.00	N	120 5-00-5155	MAINT BLDG & GROUNDS	90.00
					130 5-00-5155	MAINT BLDG & GROUNDS	90.00
01-2797	GOVERNMENT STAFFING SERVI	030339	21,477.60	N	120 5-00-5123	OTHER PROFESSIONAL SER	10,738.80
					130 5-00-5123	OTHER PROFESSIONAL SER	10,738.80
01-2684	OFFICE DEPOT	030340	143.76	N	120 5-10-5090	OFFICE SUPPLIES	71.87
					130 5-10-5090	OFFICE SUPPLIES	71.89
01-2607	PATRICIA WILKINSON	030341	73.26	N	120 5-20-5170	TRAVEL MILEAGE	13.74
					130 5-20-5170	TRAVEL MILEAGE	59.52
01-148	PITNEY BOWES, INC.	030342	317.28	N	120 5-00-5110	CONTRACTUAL SERVICES	152.30
					130 5-00-5110	CONTRACTUAL SERVICES	164.98
01-1	MISCELLANEOUS VENDOR	030343	25.00	N	120 5-10-5080	MEMBERSHIP & SUBSCRIPT	2.50
					130 5-10-5080	MEMBERSHIP & SUBSCRIPT	22.50
01-2784	SUCCEED.NET	030344	79.70	Y	120 5-00-5110	CONTRACTUAL SERVICES	38.26
					130 5-00-5110	CONTRACTUAL SERVICES	41.44
01-1652	TAMI IPSEN	030345	92.83	N	120 5-10-5170	TRAVEL MILEAGE	17.41
					130 5-10-5170	TRAVEL MILEAGE	75.42
01-1	MISCELLANEOUS VENDOR	030346	50.00	N	130 5-00-5505	WATER CONSERVATION	50.00
01-1	MISCELLANEOUS VENDOR	030347	600.00	N	120 5-30-5175	EDUCATION / SEMINARS	108.00
					130 5-30-5175	EDUCATION / SEMINARS	492.00
01-1	MISCELLANEOUS VENDOR	030348	612.85		130 1052	ACCTS REC WATER USE	612.85
1099 ELIGIBLE			6		6,329.77		
1099 EXEMPT			64		<u>175,872.55</u>		
*** REPORT TOTALS ***			70		182,202.32		

G / L EXPENSE DISTRIBUTION

ACCOUNT NUMBER ACCOUNT NAME AMOUNT

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
120 1286	FIELD EQUIPMENT	7,692.01
120 2088	SURVIVOR BENEFITS - PERS 4TH L	8.78
120 2090	PERS PAYABLE	1,877.15
120 2091	FIT PAYABLE	2,704.81
120 2092	CIT PAYBLE	691.88
120 2093	SOCIAL SECURITY PAYABLE	124.52
120 2094	MEDICARE PAYABLE	322.94
120 2095	S D I PAYABLE	221.80
120 2099	DEFERRED COMP - PLAN 457 PAY	82.72
120 5-00-5020	EMPLOYEE BENEFITS	3,228.99
120 5-00-5025	RETIREE HEALTH BENEFITS	1,113.90
120 5-00-5060	GASOLINE, OIL & FUEL	1,929.17
120 5-00-5090	OFFICE SUPPLIES	207.41
120 5-00-5110	CONTRACTUAL SERVICES	4,896.05
120 5-00-5121	LEGAL SERVICES	2,997.25
120 5-00-5123	OTHER PROFESSIONAL SERVICES	10,738.80
120 5-00-5130	PRINTING & PUBLICATION	113.00
120 5-00-5148	OPERATING SUPPLIES	1,643.24
120 5-00-5150	REPAIR & REPLACE	2,123.78
120 5-00-5155	MAINT BLDG & GROUNDS	193.93
120 5-00-5191	TELEPHONE	971.79
120 5-00-5192	ELECTRICITY	3,309.30
120 5-00-5195	ENV/MONITORING	2,894.30
120 5-00-5312	TOOLS - FIELD	266.18
120 5-10-5010	SALARIES & WAGES	307.56
120 5-10-5020	EMPLOYEE BENEFITS	747.78
120 5-10-5021	RETIREMENT EXPENSES	1,085.30
120 5-10-5080	MEMBERSHIP & SUBSCRIPTION	2.50
120 5-10-5090	OFFICE SUPPLIES	71.87
120 5-10-5170	TRAVEL MILEAGE	59.23
120 5-10-5175	EDUCATION / SEMINARS	141.00
120 5-20-5010	SALARIES & WAGES	43.92
120 5-20-5020	EMPLOYEE BENEFITS	1,322.99
120 5-20-5021	RETIREMENT EXPENSES	546.48
120 5-20-5170	TRAVEL MILEAGE	13.74
120 5-30-5010	SALARIES & WAGES	148.41
120 5-30-5020	EMPLOYEE BENEFITS	3,342.56
120 5-30-5021	RETIREMENT EXPENSES	1,745.00
120 5-30-5090	OFFICE SUPPLIES	39.64
120 5-30-5175	EDUCATION / SEMINARS	133.56
120 5-40-5010	DIRECTORS COMPENSATION	6.88
120 5-40-5020	EMPLOYEE BENEFITS	2,789.60
120 5-40-5176	DIRECTOR TRAINING	235.00
	** FUND TOTAL **	63,136.72
130 1052	ACCTS REC WATER USE	672.47
130 2088	SURVIVOR BENEFITS - PERS 4TH L	11.68

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 2090	PERS PAYABLE	2,260.18
130 2091	FIT PAYABLE	3,005.74
130 2092	CIT PAYABLE	840.14
130 2093	SOCIAL SECURITY PAYABLE	4.62
130 2094	MEDICARE PAYABLE	352.44
130 2095	S D I PAYABLE	241.97
130 2099	DEFERRED COMP - PLAN 457 PAYAB	217.28
130 5-00-5020	EMPLOYEE BENEFITS	2,939.30
130 5-00-5025	RETIREE HEALTH BENEFITS	1,113.89
130 5-00-5060	GASOLINE, OIL & FUEL	1,929.17
130 5-00-5061	VEHICLE MAINT	238.05
130 5-00-5090	OFFICE SUPPLIES	207.40
130 5-00-5110	CONTRACTUAL SERVICES	3,755.89
130 5-00-5121	LEGAL SERVICES	2,997.25
130 5-00-5122	ENGINEERING SERVICES	1,821.88
130 5-00-5123	OTHER PROFESSIONAL SERVICES	17,552.05
130 5-00-5130	PRINTING & PUBLICATION	113.00
130 5-00-5148	OPERATING SUPPLIES	30.13
130 5-00-5150	REPAIR & REPLACE	6,209.00
130 5-00-5155	MAINT BLDG & GROUNDS	193.92
130 5-00-5191	TELEPHONE	965.78
130 5-00-5192	ELECTRICITY	43,739.75
130 5-00-5195	ENV/MONITORING	448.00
130 5-00-5198	ANNUAL OPERATING FEES	10,181.74
130 5-00-5312	TOOLS - FIELD	330.17
130 5-00-5505	WATER CONSERVATION	350.00
130 5-10-5010	SALARIES & WAGES	87.62
130 5-10-5020	EMPLOYEE BENEFITS	1,063.10
130 5-10-5021	RETIREMENT EXPENSES	1,085.29
130 5-10-5080	MEMBERSHIP & SUBSCRIPTION	22.50
130 5-10-5090	OFFICE SUPPLIES	71.89
130 5-10-5170	TRAVEL MILEAGE	256.62
130 5-10-5175	EDUCATION / SEMINARS	94.00
130 5-20-5010	SALARIES & WAGES	53.69
130 5-20-5020	EMPLOYEE BENEFITS	1,880.87
130 5-20-5021	RETIREMENT EXPENSES	667.88
130 5-20-5170	TRAVEL MILEAGE	59.52
130 5-30-5010	SALARIES & WAGES	191.64
130 5-30-5020	EMPLOYEE BENEFITS	4,752.03
130 5-30-5021	RETIREMENT EXPENSES	2,187.95
130 5-30-5090	OFFICE SUPPLIES	39.63
130 5-30-5175	EDUCATION / SEMINARS	492.00
130 5-35-5010	SALARIES & WAGES	17.88
130 5-35-5021	RETIREMENT EXPENSES	213.72
130 5-40-5010	DIRECTORS COMPENSATION	8.42
130 5-40-5020	EMPLOYEE BENEFITS	2,789.60
130 5-40-5176	DIRECTOR TRAINING	235.00

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

** FUND TOTAL **		118,993.74
140 5-00-5155	MAINT BLDG & GROUNDS	0.95
140 5-00-5192	ELECTRICITY	53.84
140 5-10-5020	EMPLOYEE BENEFITS	2.36
140 5-20-5020	EMPLOYEE BENEFITS	4.17
140 5-30-5020	EMPLOYEE BENEFITS	10.54
** FUND TOTAL **		71.86

** TOTAL ** 182,202.32

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 : 9/01/2012 THRU 9/30/2012 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: October 16, 2012

AGENDA ITEM: Approval of Resolution 2012-15 Authorizing Interim General Manager to sign checks

STAFF RECOMMENDATION:

Adopt resolution authorizing the Interim General Manager to sign checks on behalf of the District.

FINANCIAL IMPACT:

None

BACKGROUND:

The Interim General Manager is currently not authorized to sign checks. Authorization is requested to facilitate payment of invoices and other expenses routinely incurred by 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

Resolution 2012-15

A RESOLUTION OF THE HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS AUTHORIZING ROLAND SANFORD TO ENTER INTO DEPOSIT ACCOUNT, FUNDS TRANSFER, INVESTMENT, CASH MANAGEMENT AND DEPOSIT SERVICE AGREEMENTS WITH WESTAMERICA BANK

RESOLVED: Until further notice, Roland Sanford is authorized to enter into deposit account, funds transfer, investment, cash management and deposit service agreements with Westamerica Bank on behalf of the Hidden Valley Lake Community Services District.

PASSED AND ADOPTED on October 16, 2012 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

President of the Board of Directors
Hidden Valley Lake Community Services District

ATTEST:

Secretary to the Board of Directors
Hidden Valley Lake Community Services District

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

DATE: October 16, 2012

AGENDA ITEM: Annual Water Conservation T-Shirt Contest Awards

STAFF RECOMMENDATION: Recognize and congratulate the 5 finalists of the Water Conservation T-Shirt Contest

FINANCIAL IMPACT:

No prize money will be given; each of the top five entries will receive a framed certificate.

BACKGROUND:

As a part of the District's water conservation outreach program, the District sponsored a water conservation t-shirt contest for the students of Coyote Valley Elementary School. Over 200 entries were received. The school's Parent Teacher Organization (PTO) selected the top five t-shirt designs, from which the Board selected the following 1st, 2nd and 3rd place winners of the contest:

1 st Place	Ms. Alessandra Diaz
2 nd Place	Ms. Hollie Alberigi
3 rd Place	Ms. Madeline Hoskins

Copies of the t-shirt designs are attached. Ms. Diaz's winning t-shirt design will be featured on the t-shirts to be worn by the students during the school's "Jog a Thon" fundraiser, which is scheduled for October 19, 2012.

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:

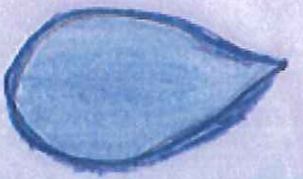
Ayes:

Noes:

Abstain:

Absent:

Secretary to the Board



Coyotes



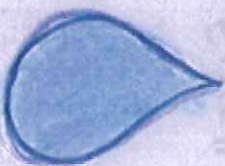
Saving



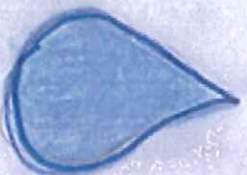
Water



Drop



By

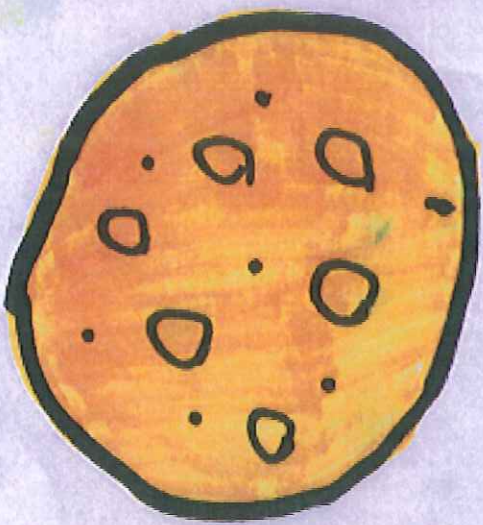


Drop





Saving Water
Drop By Drop



54

My Coyote

Bank

2012
Jog-a-thon





SAVE WATER





Hidden Valley Lake Community Services District

Finance Committee Report

DATE: September 21, 2012
TIME: 12:00 p.m. – 1:30 p.m.
PLACE: Hidden Valley Lake CSD
Administration Office, Boardroom
19400 Hartmann Road
Hidden Valley Lake, CA

1) CALL TO ORDER:

Meeting of the Hidden Valley Lake Community Services District Finance Committee called to order on September 21, 2012 at the hour of 12:00 p.m. by Director Mirbegian at 19400 Hartmann Road, Hidden Valley Lake, California.

2) PLEDGE OF ALLEGIANCE:

3) ROLL CALL:

Present – Directors Freeman and Director Mirbegian. Also present: Roland Sanford, Interim General Manager.

4) APPROVAL OF AGENDA:

Director Freeman moved, Director Mirbegian seconded to approve the September 21, 2012 agenda.

Motion approved by unanimous vote.

5) REVIEW OF THE FY 2012-2013 INVESTMENT POLICY

The committee reviewed the final draft Investment Policy for approval by the Board of Directors at the October 16, 2012 board meeting.

6) AUDIT SERVICES RFP

The committee reviewed the final draft of the RFP for Audit Services. The RFP will be posted in October.

7) OPPORTUNITIES TO REFINANCE DISTRICT DEBT

The committee discussed opportunities that are available.

8) PUBLIC COMMENTS:

There was none.

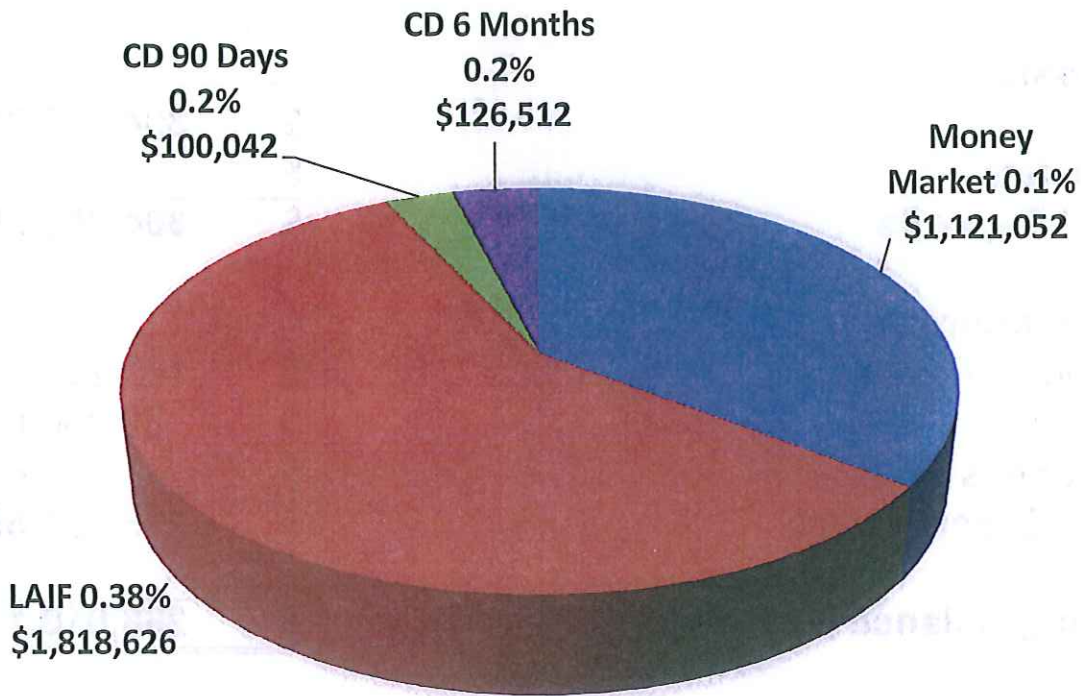
9) ADJOURNMENT:

The meeting was adjourned at 1:25 p.m. on motion by Director Freeman, seconded by Director Mirbegian, and unanimously carried.

**Hidden Valley Lake CSD
Pooled Cash
September 30, 2012**

Beginning Balance	\$ 179,831.47
Deposits	
Cash	\$ 304,303.25
Transfers	\$ -
Total Deposits	\$ 304,303.25
Expenditures	
Accounts Payable	\$ 182,202.32
Payroll	\$ 32,956.82
Bank Fees	\$ 965.41
Total Expenditures	\$ 216,124.55
Ending Balance	\$ 268,010.17

**HIDDEN VALLEY LAKE CSD
INVESTMENT REPORT
September 30, 2012
\$3,166,232**



Investment	Interest Rate	Interest Earned this Period	Funds Invested
Money Market	0.10%	\$ 86.96	\$ 1,121,052
LAIF	0.38%	1,613.92	\$ 1,818,626
90 Day CD	0.20%	4.50	\$ 100,042
6 Month CD	0.20%	18.52	\$ 126,512
Total Funds Invested			\$ 3,166,232

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 CSD
Revenue & Expense Report
Year to Date September 30, 2012**

	Revenue Budget	Revenue YTD Actual	% To Date	Budget s/b 1 Cycles*	YTD Over (Under) Budget	Remaining Budget YTD
Sewer Fund 120	\$ 978,100	\$ 208,527	21.32%	16.67%	4.65%	\$ 769,573
Water Fund 130	\$ 1,267,700	\$ 266,051	20.99%	16.67%	4.32%	\$ 1,001,649
Total YTD Operating Revenue	\$ 2,245,800	\$ 474,578	21.13%	16.67%	4.47%	\$ 1,771,222

*Revenue collected bi-monthly, 6 cycles per year

	Expense Budget	Expense YTD Actual	% To Date	Budget s/b 3 mo	YTD Over (Under) Budget	Remaining Budget YTD
Sewer Fund 120	\$ 978,100	\$ 196,199	20.06%	25.00%	-4.94%	\$ 781,901
Water Fund 130	\$ 1,267,700	\$ 281,478	22.20%	25.00%	-2.80%	\$ 986,222
Total YTD Operating Expenditures	\$ 2,245,800	\$ 477,677	21.27%	25.00%	-3.73%	\$ 1,768,123

HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
YEAR TO DATE SEPTEMBER 30, 2012

130-WATER ENTERPRISE FUND
REVENUES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-4035 RECONNECT FEES	13,000.00	200.00	2,050.00	10,950.00	15.77%
130-4038 COMM WATER METER INSTALL	0.00	0.00	0.00	0.00	0.00%
130-4039 WATER METER INST	0.00	100.00	200.00	(200.00)	0.00%
130-4040 RECORDING FEES INCOME	300.00	10.00	90.00	210.00	30.00%
130-4045 AVAILABILITY FEES	23,500.00	0.00	0.00	23,500.00	0.00%
130-4110 COMM WATER USE	13,800.00	1,151.03	3,453.09	10,346.91	25.02%
130-4112 GOV'T WATER USE	800.00	74.26	222.78	577.22	27.85%
130-4115 WATER USE CHARGES	1,024,800.00	643.64	173,499.49	851,300.51	16.93%
130-4117 WATER OVERAGE USE FEE	161,200.00	(578.93)	74,470.75	86,729.25	46.20%
130-4118 WATER OVERAGE COMM	7,400.00	1,504.38	6,115.07	1,284.93	82.64%
130-4119 WATER OVERAGE GOV	0.00	0.00	0.00	0.00	0.00%
130-4210 LATE FEE 10%	21,800.00	58.45	3,847.32	17,952.68	17.65%
130-4215 RETURNED CHECK CHARGE	800.00	0.00	50.00	750.00	6.25%
130-4300 MISC INCOME	200.00	10.73	24.69	175.31	12.35%
130-4310 OTHER INCOME	0.00	0.00	0.00	0.00	0.00%
130-4505 LEASE INCOME	0.00	514.55	2,052.68	(2,052.68)	0.00%
130-4550 INTEREST	100.00	(17.59)	(24.54)	124.54	-24.54%
130-4580 TRANSFER IN	0.00	0.00	0.00	0.00	0.00%
TOTAL REVENUES	1,267,700.00	3,670.52	266,051.33	1,001,648.67	20.99%

HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
YEAR TO DATE SEPTEMBER 30, 2012

130-WATER ENTERPRISE FUND
EXPENDITURES - ALL DEPTS

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-5010 SALARY & WAGES	427,600.00	23,059.37	79,124.93	348,475.07	18.50%
130-5020 EMPLOYEE BENEFITS	165,400.00	13,424.90	34,715.43	130,684.57	20.99%
130-5021 RETIREMENT BENEFITS	74,400.00	4,154.84	12,281.20	62,118.80	16.51%
130-5025 RETIREE HEALTH BENEFITS	6,700.00	556.94	1,670.83	5,029.17	24.94%
130-5040 ELECTION EXPENSE	0.00	0.00	0.00	0.00	0.00%
130-5050 DEPRECIATION	0.00	0.00	0.00	0.00	0.00%
130-5060 GASOLINE, OIL & FUEL	11,800.00	1,929.17	2,713.04	9,086.96	22.99%
130-5061 VEHICLE MAINT	8,000.00	238.05	1,483.70	6,516.30	18.55%
130-5062 TAXES & LIC	1,000.00	0.00	0.00	1,000.00	0.00%
130-5074 INSURANCE	15,500.00	0.00	0.00	15,500.00	0.00%
130-5075 BANK FEES	4,800.00	482.71	1,248.33	3,551.67	26.01%
130-5090 OFFICE SUPPLIES	5,400.00	318.92	946.20	4,453.80	17.52%
130-5092 POSTAGE & SHIPPING	2,200.00	0.00	8.43	2,191.57	0.38%
130-5110 CONTRACTUAL SERVICES	37,800.00	3,755.89	8,667.92	29,132.08	22.93%
130-5121 LEGAL SERVICES	5,700.00	2,997.25	3,671.03	2,028.97	64.40%
130-5122 ENGINEERING SERVICES	26,300.00	1,821.88	3,311.14	22,988.86	12.59%
130-5123 OTHER PROFESSIONAL SERVICE	15,800.00	17,552.05	31,520.61	(15,720.61)	199.50%
130-5124 WATER RIGHTS	14,700.00	0.00	0.00	14,700.00	0.00%
130-5125 STRATEGIC PLANNING	1,000.00	0.00	0.00	1,000.00	0.00%
130-5126 RECRUITMENT	10,000.00	0.00	0.00	10,000.00	0.00%
130-5130 PRINTING & PUBLICATION	600.00	113.00	113.00	487.00	18.83%
130-5135 NEWSLETTER	700.00	0.00	0.00	700.00	0.00%
130-5140 RENT & LEASES	0.00	0.00	0.00	0.00	0.00%
130-5145 EQUIPMENT RENTAL	0.00	0.00	0.00	0.00	0.00%
130-5148 OPERATING SUPPLIES	1,000.00	30.13	1,152.81	(152.81)	115.28%
130-5150 REPAIR & REPLACE	60,000.00	6,209.00	15,341.00	44,659.00	25.57%
130-5155 MAINT BLDG & GROUNDS	2,500.00	193.92	534.79	1,965.21	21.39%
130-5170 MILEAGE	4,000.00	316.14	691.99	3,308.01	17.30%
130-5175 EDUC / SEMINARS	14,400.00	586.00	794.98	13,605.02	5.52%
130-5176 DIRECTOR TRAINING	5,000.00	235.00	299.74	4,700.26	5.99%
130-5179 ADM MISC EXPENSE	0.00	0.00	16.00	(16.00)	0.00%
130-5191 TELEPHONE	9,500.00	965.78	2,947.36	6,552.64	31.02%
130-5192 ELECTRICITY	108,500.00	43,739.75	63,226.41	45,273.59	58.27%
130-5195 ENV/MONITORING	6,200.00	448.00	1,216.00	4,984.00	19.61%
130-5198 ANNUAL OPERATING FEES	13,100.00	10,181.74	11,310.90	1,789.10	86.34%
130-5310 EQUIPMENT - FIELD	1,400.00	0.00	0.00	1,400.00	0.00%
130-5311 EQUIPMENT - OFFICE	3,400.00	0.00	0.00	3,400.00	0.00%
130-5312 TOOLS - FIELD	2,100.00	330.17	370.03	1,729.97	17.62%
130-5315 SAFETY EQUIPMENT	900.00	0.00	0.00	900.00	0.00%
130-5505 WATER CONSERVATION	10,000.00	350.00	700.00	9,300.00	7.00%
130-5545 RECORDING FEES	400.00	0.00	101.00	299.00	25.25%
130-5580 TRANSFERS OUT (CIEDB)	173,300.00	0.00	0.00	173,300.00	0.00%
130-5585 FLOOD CONTROL	0.00	0.00	85.26	(85.26)	0.00%
130-5590 NON-OPERATING OTHER	0.00	0.00	0.00	0.00	0.00%
130-5591 EXP APPLICABLE TO PRIOR YEAR	0.00	0.00	0.00	0.00	0.00%
TOTAL EXPENDITURES	1,267,700.00	134,013.10	281,478.49	986,221.51	22.20%

HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
YEAR TO DATE SEPTEMBER 30, 2012

120-SEWER ENTERPRISE FUND
REVENUE

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-4020 PERMIT & INSPECTION FEES	0.00	100.00	100.00	(100.00)	0.00%
120-4036 DEVELOPER SEWER FEES	0.00	0.00	0.00	0.00	0.00%
120-4045 AVAILABILITY FEES	6,000.00	0.00	0.00	6,000.00	0.00%
120-4050 SALES OF RECLAIMED WATER	78,100.00	13,827.75	55,051.46	23,048.54	70.49%
120-4111 COMM SEWER USE	20,500.00	0.00	0.00	20,500.00	0.00%
120-4112 GOV'T SEWER USE	0.00	1,703.61	5,110.83	(5,110.83)	0.00%
120-4116 SEWER USE CHARGES	849,000.00	433.99	145,401.44	703,598.56	17.13%
120-4210 LATE FEE 10%	15,400.00	49.88	2,708.09	12,691.91	17.59%
120-4300 MISC INCOME	700.00	10.72	(49.72)	749.72	-7.10%
120-4310 OTHER INCOME	0.00	0.00	0.00	0.00	0.00%
120-4505 LEASE INCOME	8,400.00	131.61	208.88	8,191.12	2.49%
120-4550 INTEREST	0.00	2.76	(4.00)	4.00	0.00%
TOTAL REVENUES	978,100.00	16,260.32	208,526.98	769,573.02	21.32%

HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
YEAR TO DATE SEPTEMBER 30, 2012

120-SEWER ENTERPRISE FUND EXPENDITURES - ALL DEPTS	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5010 SALARY & WAGES	391,300.00	24,255.39	80,084.67	311,215.33	20.47%
120-5020 EMPLOYEE BENEFITS	130,100.00	11,616.54	29,142.06	100,957.94	22.40%
120-5021 RETIREMENT BENEFITS	68,400.00	3,376.78	10,591.85	57,808.15	15.49%
120-5025 RETIREE HEALTH BENEFITS	6,700.00	556.95	1,670.85	5,029.15	24.94%
120-5040 ELECTION EXPENSE	0.00	0.00	0.00	0.00	0.00%
120-5060 GASOLINE, OIL & FUEL	11,800.00	1,929.17	3,384.40	8,415.60	28.68%
120-5061 VEHICLE MAINT	8,000.00	0.00	790.39	7,209.61	9.88%
120-5062 TAXES & LIC	1,000.00	0.00	0.00	1,000.00	0.00%
120-5074 INSURANCE	17,700.00	0.00	0.00	17,700.00	0.00%
120-5075 BANK FEES	4,800.00	482.70	1,248.32	3,551.68	26.01%
120-5080 MEMBERSHIP & SUBSCRIPTIONS	3,600.00	2.50	160.81	3,439.19	4.47%
120-5090 OFFICE SUPPLIES	5,400.00	318.92	1,023.35	4,376.65	18.95%
120-5092 POSTAGE & SHIPPING	2,200.00	0.00	8.41	2,191.59	0.38%
120-5110 CONTRACTUAL SERVICES	29,000.00	4,896.05	9,799.64	19,200.36	33.79%
120-5121 LEGAL SERVICES	5,700.00	2,997.25	3,671.02	2,028.98	64.40%
120-5122 ENGINEERING SERVICES	0.00	0.00	0.00	0.00	0.00%
120-5123 OTHER PROFESSIONAL SERVICE	6,800.00	10,738.80	19,947.30	(13,147.30)	293.34%
120-5125 STRATEGIC PLANNING	1,000.00	0.00	0.00	1,000.00	0.00%
120-5126 RECRUITMENT	10,000.00	0.00	0.00	10,000.00	0.00%
120-5130 PRINTING & PUBLICATION	600.00	113.00	113.00	487.00	18.83%
120-5135 NEWSLETTER	700.00	0.00	0.00	700.00	0.00%
120-5140 RENTS & LEASES	0.00	0.00	0.00	0.00	0.00%
120-5145 EQUIPMENT RENTAL	0.00	0.00	0.00	0.00	0.00%
120-5148 OPERATING SUPPLIES	8,800.00	1,643.24	4,094.59	4,705.41	46.53%
120-5150 REPAIR & REPLACE	72,500.00	2,123.78	6,774.94	65,725.06	9.34%
120-5155 MAINT BLDG & GROUNDS	5,700.00	193.93	1,130.97	4,569.03	19.84%
120-5160 SLUDGE DISPOSAL	22,600.00	0.00	8,118.75	14,481.25	35.92%
120-5170 TRAVEL & MEETINGS	2,500.00	72.97	159.69	2,340.31	6.39%
120-5175 EDUCATION / SEMINARS	11,900.00	274.56	412.13	11,487.87	3.46%
120-5176 DIRECTOR TRAINING	5,000.00	235.00	263.89	4,736.11	5.28%
120-5179 ADM MISC EXPENSE	0.00	0.00	16.00	(16.00)	0.00%
120-5191 TELEPHONE	9,500.00	971.79	2,953.36	6,546.64	31.09%
120-5192 ELECTRICITY	40,000.00	3,309.30	4,976.21	35,023.79	12.44%
120-5195 ENV/MONITORING	35,400.00	2,894.30	4,154.30	31,245.70	11.74%
120-5198 ANNUAL OPERATING FEES	3,200.00	0.00	0.00	3,200.00	0.00%
120-5310 EQUIPMENT - FIELD	2,300.00	0.00	0.00	2,300.00	0.00%
120-5311 EQUIPMENT - OFFICE	3,400.00	0.00	0.00	3,400.00	0.00%
120-5312 TOOLS - FIELD	1,800.00	266.18	1,406.95	393.05	78.16%
120-5315 SAFETY EQUIPMENT	900.00	0.00	0.00	900.00	0.00%
120-5545 RECORDING FEES	200.00	0.00	101.00	99.00	50.50%
120-5580 TRANSFERS OUT	0.00	0.00	0.00	0.00	0.00%
120-5585 FLOOD CONTROL EXPENSE	0.00	0.00	0.00	0.00	0.00%
120-5590 NON-OPERATING OTHER	30,100.00	0.00	0.00	30,100.00	0.00%
120-5591 EXP APPLICABLE TO PRIOR YR	0.00	0.00	0.00	0.00	0.00%
120-5605 OPERATING CONTINGENCY	17,500.00	0.00	0.00	17,500.00	0.00%
TOTAL COMBINED EXPENDITURES	978,100.00	73,269.10	196,198.85	781,901.15	20.06%

**Hidden Valley Lake CSD
Foreclosure Totals**

	<u>As of July 10, 2012</u>	<u>As of Aug 14, 2012</u>	<u>As of Sept 11, 2012</u>	<u>As of Oct 10, 2012</u>				
Total Foreclosures	131	\$9,906.90	132	\$4,286.12	133	\$8,595.01	135	\$4,435.63
# With Meter Locked	18	\$2,786.76	15	\$1,481.28	17	\$1,873.28	17	\$1,630.74
# On Active Status	52	\$7,120.14	27	\$2,804.84	46	\$6,721.73	29	\$2,804.89
# With \$0.00 Balance	8	\$0.00	37	\$0.00	17	\$0.00	36	\$0.00
# Property No Meter	53	\$0.00	53	\$0.00	53	\$0.00	53	\$0.00

Board of Directors

JIM FREEMAN

CAROLYN GRAHAM

LINDA HERNDON

JIM LIEBERMAN

JUDY MIRBEGIAN



Interim General Manager
ROLAND SANFORD

Administrative Assistant
TAMI IPSEN

Accountant/Controller
TASHA KLEWE

*Hidden Valley Lake
Community Services District*

Memo

To: HVLCSO Board of Directors

From: Roland Sanford, Interim General Manager

Date: October 12, 2012

RE: General Manager's Monthly Report

In late September District staff and a contractor completed the interior inspection and cleaning of three storage tanks; 1A, 1B and 4A - the first time any of these tanks have been cleaned since their installation over 25 years ago. All three tanks were observed to be in good condition, with remarkably little sediment present (approximately a ¼-inch layer of sediment in each tank). The District's remaining storage tanks are scheduled for cleaning over the next two years. Tank inspection and cleaning projects are somewhat unusual in that they are typically performed with the tank at least partially filled with water and require the use of divers and specialized equipment. For those that are curious, an underwater video of the recent tank cleaning project is available for viewing.

Also of note, earlier this month District staff and a contractor conducted a "pump test" of the District's groundwater wells. Completion of the pump test is required by the California Department of Public Health (CDPH) as part of a "source capacity" evaluation of the District's drinking water supply. The purpose of the source capacity evaluation is to assess the ability of the District's existing infrastructure to meet current and future peak water demands. During the test the District's groundwater wells were pumped and the extent of groundwater drawdown in each well measured, along with the time required for groundwater levels to return to "pre-pumping levels", once the pumps were turned off. Preliminary results indicate that the District's wells satisfy all applicable CDPH source capacity criteria and that groundwater levels at and near the District wells quickly recover following cessation of pumping. A final report is being prepared by the contractor and will be submitted to CDPH by December 2012.

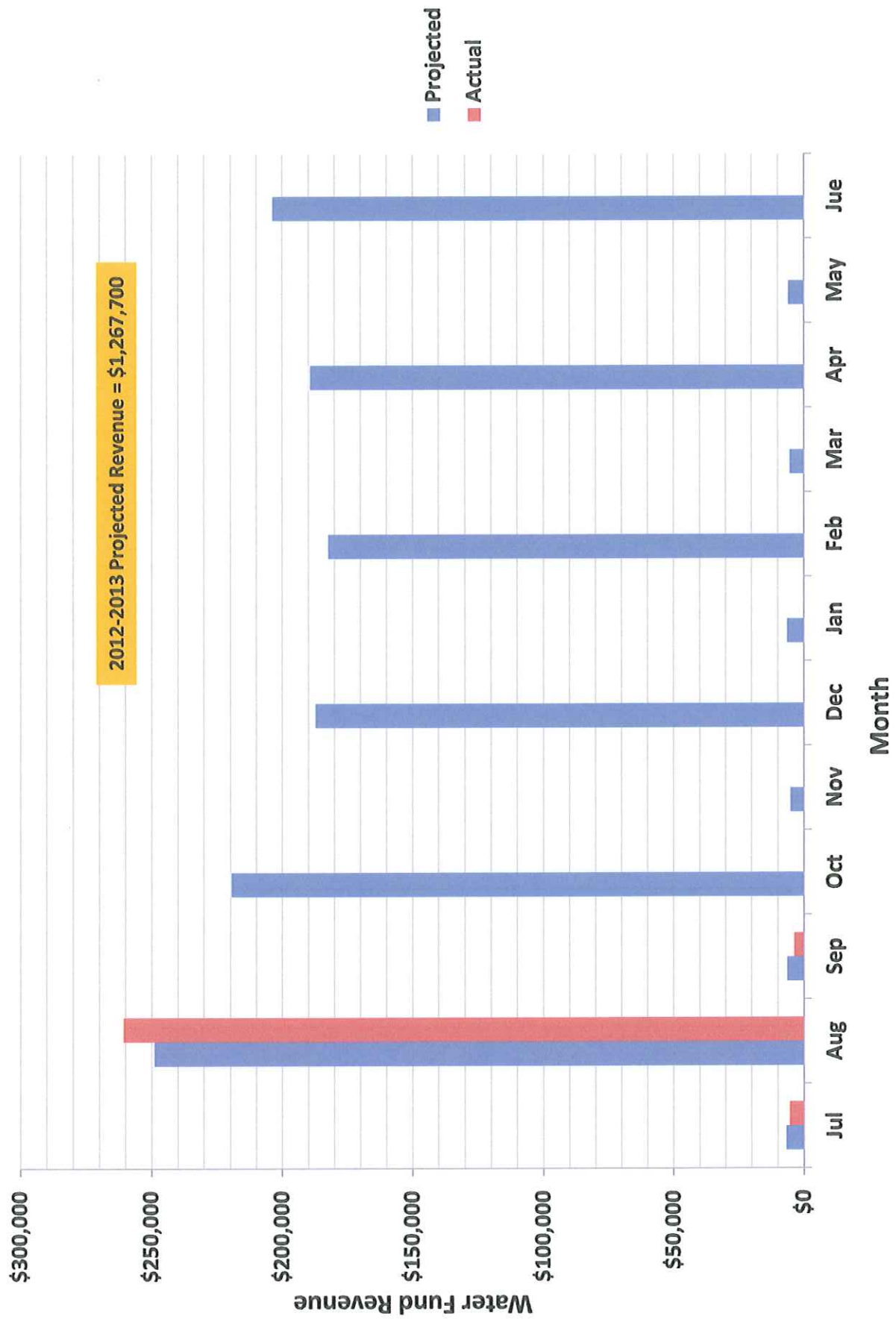
The “audit season” has begun and the District’s Accountant/Controller has been busy providing data to Smith & Newell Certified Public Accountants, the District’s auditor. Earlier this month, in preparation of next year’s audit, the District released a “Request for Proposals” (RFP) for audit services. While the District is pleased with the audit services that have been provided by Smith & Newell Certified Public Accountants, it is generally recommended that an organization such as ours periodically switch auditors to obtain a “fresh set of eyes”. Smith & Newell Certified Public Accountants has served as the District auditor for over ten years.

In keeping with the financial theme, as of October 1 we are now in the second quarter of the 2012-2013 fiscal year. To date revenues have been trending slightly above anticipated levels (see attached graphic depicting actual and projected water sales) while in general, expenses have been at or near budget. Notable exceptions include our professional services and electrical expenses, which have been higher than anticipated. The former is largely attributable to the unanticipated expenses associated with the CDPH source capacity evaluation, while the latter – electrical expenses – is attributable to the unprecedented supplemental Putah Creek release requirements for water right compliance purposes (due to below normal precipitation in the prior rainy season and other factors this is the first time the District, out of necessity, has continuously pumped and discharged 2 cubic feet per second into Putah Creek all summer long) and to a lesser extent the elevated water demands – more water sold translating to more groundwater pumping and distribution of potable water supplies.

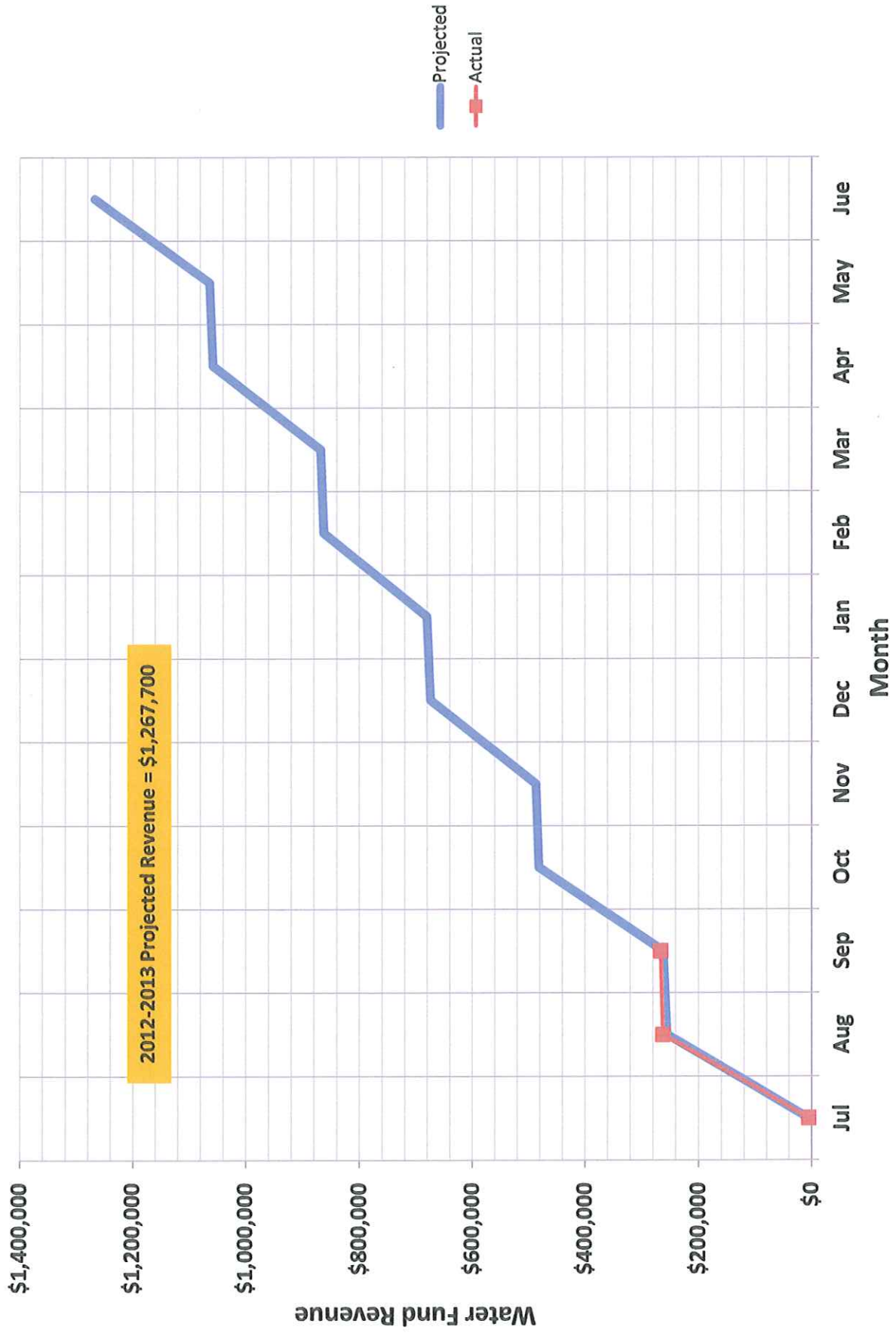
In past General Manager reports I have referenced ongoing efforts to explore opportunities for refinancing existing District debt and to increase investment earnings. So far staff has received mixed messages regarding refinancing opportunities. Not surprisingly, those proposing to assist (for a fee) the District with refinancing are more optimistic about the potential savings than those without a financial interest. Staff and the Finance Committee will continue to explore refinancing opportunities and monitor prevailing loan interest rates. If nothing else, this exercise has highlighted the potential benefits of certain fiscal policies that the District currently does not have in place, such as a fiscal reserve policy, that if adopted would potentially make the District more attractive to lenders – a topic for future Finance Committee meetings.

Finally, at the September 18, 2012 Board of Directors meeting the Board and staff briefly discussed strategic planning and the Board’s expectations vis-à-vis strategic plan development. From the discussion, and conversations I have had with individual Board members since then, I am sensing that a continuation of the September 18, 2012 Board discussion would be helpful – but this time in a workshop format - to make sure everyone’s expectations are aligned. Staff is recommending that the Board schedule a strategic planning workshop in November, at which time staff will present a tentative work plan for strategic plan development.

Actual vs. Projected 2012-2013 Monthly Water Fund Revenue



Actual vs. Projected 2012-2013 Cumulative Water Fund Revenue





Hidden Valley Lake
Community Services District

MONTHLY FIELD REPORT September-12

MONTHLY RAINFALL 0.1
SEASON RAINFALL 28.05

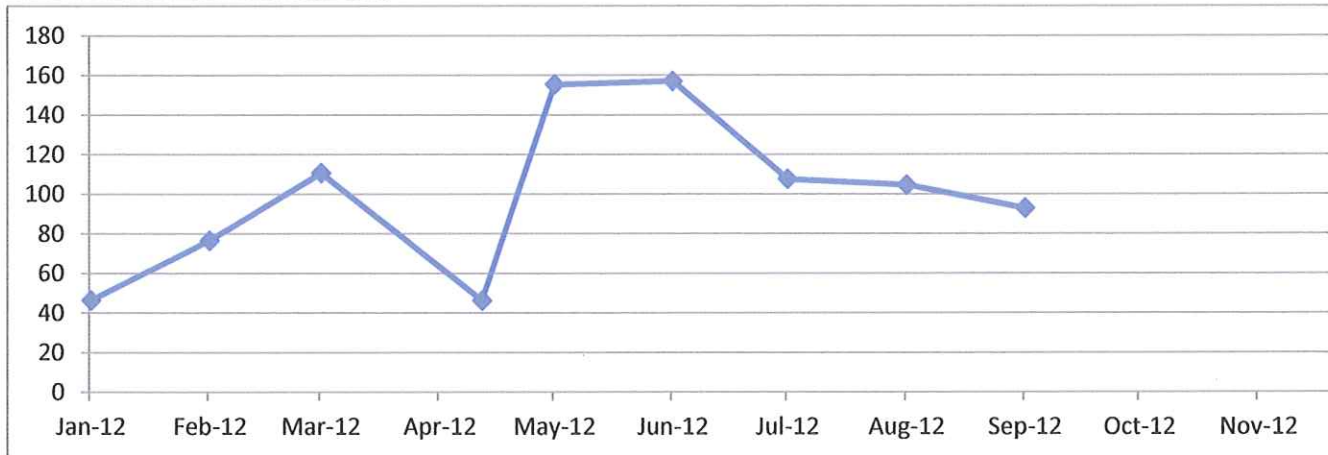
WATER CONNECTIONS

RESIDENTIAL METERS 2410
COMMERCIAL & GOVERNMENT METERS 34
TOTAL METERS 2444

WASTEWATER CONNECTIONS

RESIDENTIAL
COMMERCIAL & GOVERNMENT
TOTAL

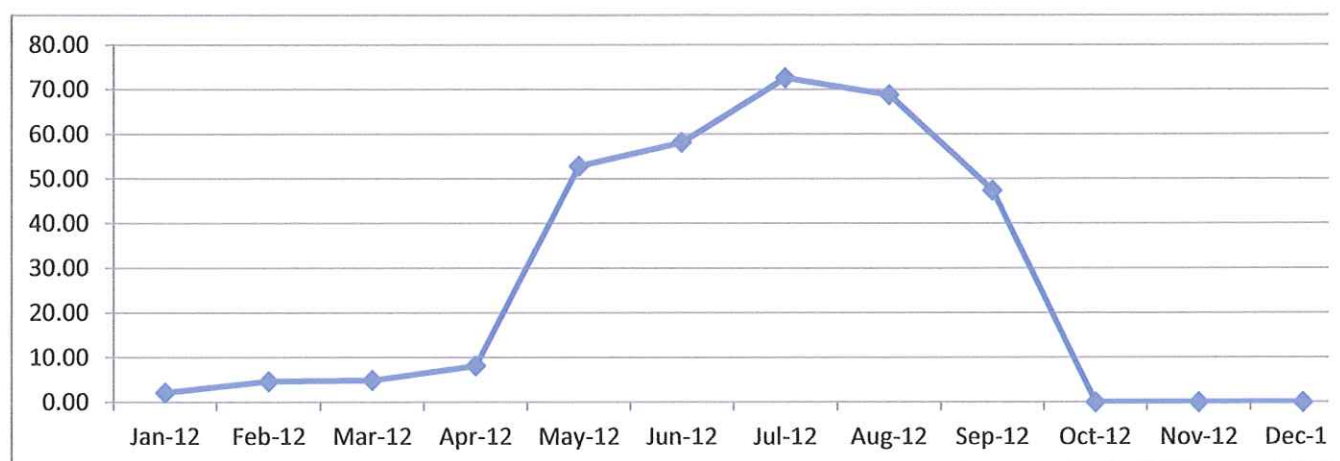
WELL PRODUCTION (ACRE FEET)



RECLAIMED WATER

MONTHLY WASTEWATER INFLUENT 5.62
YEAR TO DATE WASTEWATER INFLUENT 161.52
EFFLUENT POND LEVEL 8

RECLAIMED WATER (ACRE FEET)



FIELD OPERATIONS

LEAD WASTEWATER OPERATOR REPORT

Pipeye jetted and ran a camera down a sewer main section consisting of 3 manholes leading into Lift Station 5, and located another manhole that's been paved over.

Looking at quotes for Lift Station 5 vault door replacement.

Xylem reinstalled Pump Station 2 at Lift Station 1.

Lift Station 4 sewer discharge and easement maintenance.

Additional sludge bed maintenance and preparations for disposal. Cummings West performed scheduled maintenance on WWTP and Portable Generators.

LEAD WATER OPERATOR REPORT

See GM Report

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

DATE: October 16, 2012

AGENDA ITEM: Discussion and Possible Action: Resolution approving and adopting revised Investment Policy for Fiscal Year 2012-2013

STAFF RECOMMENDATION:

Approve and adopt revised Investment Policy for fiscal year 2012-2013 via adoption of Resolution 2012-16.

FINANCIAL IMPACT:

None

BACKGROUND:

At the June 19, 2012 Board of Directors meeting the Board adopted the District's Investment Policy for fiscal year 2012-2013 (copy attached). In the discussion that preceded policy adoption, the Board noted that it had been several years since the District's Investment Policy had been thoroughly reviewed, and while adopting the current version of the Investment Policy, also directed the Finance Committee and staff to conduct a thorough review of the Investment Policy text and if appropriate, propose changes to the Investment Policy, for consideration at a subsequent Board meeting.

The Finance Committee and staff have completed their review and are proposing that the District's Investment Policy be reformatted to more closely follow formats recommended by the Government Finance Officers Association (GFOA) and the California Debt and Investment Advisory Commission (CDIAC). Other proposed revisions include the preparation of more detailed investment reports by the Accountant/Controller, but on a quarterly as opposed to the current monthly schedule, and the selection of performance benchmarks to provide a metric for evaluating the degree to which the District's investment goals are met. A copy of the revised Investment Policy, as currently proposed, is attached.

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 NO. 2012-16

A RESOLUTION APPROVING AND ADOPTING
REVISED INVESTMENT POLICY FOR FISCAL YEAR 2012/2013

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

RESOLVED, by the Board of Directors of the Hidden Valley Lake Community Services District, Lake County, California, that revised certain Investment Policy for Fiscal Year 2012/2013, setting forth the policy for investment of District's funds for said Fiscal Year, be and it is hereby, approved and adopted as the Official Investment Policy of this District for Fiscal Year 2012/2013.

* * * * *

I hereby certify that the foregoing resolution was duly and regularly adopted by the Board of Directors of the Hidden Valley Lake Community Services District, Lake County, California, at a meeting thereof held on the 16th day of October, 2012, by the following vote:

AYES,

NOES,

ABSENT,

ABSTAIN,

Linda Herndon
President of the Board

Tami Ipsen
Secretary to the Board

Hidden Valley Lake Community Services District Investment Policy

I. Introduction

The intent of the Hidden Valley Lake Community Services District (District) Investment Policy is to define the parameters within which the District's funds are to be managed. In methods, procedures and practices, the policy formalizes the framework of the investment program that must be exercised to ensure effective and judicious fiscal management of the District's funds.

II. Governing Authority

1. Governing Body

The District's Board of Directors will serve as the Governing Body and will retain ultimate fiduciary responsibility for the District's assets. The Governing Body will receive quarterly reports and review the Investment Policy annually.

2. Investment Officers

The authority to manage the investment program is granted to the General Manager by the Governing Body. The responsibility for operation of the investment program is in turn delegated by the General Manager to the District's Accountant/Controller, who shall act in accordance with the written procedures and internal controls established by this Investment Policy and will prepare quarterly investment reports and other special reports as deemed necessary. Collectively, the General Manager and the District Accountant/Controller constitute the Investment Officers.

3. Finance Committee

The District's Board of Directors Finance Committee provides oversight of the District's finances and will assist the Governing Body and Investment Officers with implementation of the Investment Policy.

III. General Objectives

The primary objectives of the District's investment program, from highest to lowest priority, shall be:

1. Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The goal will be to mitigate credit risk and interest rate risk.

2. Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

3. Return

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs.

4. Local Considerations

Where possible, funds may be invested for the betterment of the local economy or that of local entities within the State.

IV. Standards of Care

1. Prudence

The "prudent person" standard shall be applied when managing the District's investment program. Pursuant to the prudent person standard, "...investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

Investment Officers acting in accordance with this investment policy and exercising due diligence shall be relieved of personal liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

2. Ethics and Conflicts of Interest

District representatives and personnel who are involved in the investment process shall refrain from any personal activity that could conflict with the proper execution and management of the District's investment program, or that could impair their ability to make impartial investment decisions. Said District representatives shall disclose any personal material interests in the financial institutions with which the District conduct business. Disclosure shall be made to the Governing Body. They shall further disclose any personal financial/investment positions that could be related to the performance of the District's investment portfolio. Said District representatives shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the District.

V. Safekeeping and Custody

The Investment Officers, under the direction of the Governing Body, shall establish and document in writing a system of internal controls, which shall be reviewed annually by the Finance Committee and the District's independent auditor. The internal controls shall be designed to prevent the loss of public funds arising from fraud, employee error, miss representation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the District.

VI. Authorized Financial Institutions, and Depositories

The Investment Officers shall identify the financial institutions that are authorized to provide investment services to the District. Institutions eligible to transact investment business with the District include the Federal Reserve Bank; national or state chartered banks; primary government dealers, as designated by the Federal Reserve Bank; and direct issuers of securities eligible for purchase. All financial institutions who desire to become depositories must supply, as appropriate, audited financial statements demonstrating compliance with state and federal capital adequacy guidelines, proof of state registration, and evidence of adequate insurance coverage.

Any domestic bank in which District assets are invested must be rated "B/C" or better and with a TBW-1 short term rating by Thomson Bank Watch Inc. Similarly, District assets may be invested in those foreign banks that maintain domestic offices and that are rated "AAA" for country risk, and maintain a "B" or better and TBW-1 short term rating by Thomson Bank Watch Inc.

VII. Authorized Investments

1. *Investment Types*

The investment of District funds is limited to the financial instruments identified in Table 1 and as conditioned by California Government Code Sections 53600 et seq.

Table 1. Financial Instruments Eligible for Investment of District Funds

<u>Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Allowable % of District Portfolio Value</u>	<u>Minimum Quality Requirements</u>
Repurchase Agreements (a)	1 year	none	none
Local Agency Investment Fund	n/a	none	none
U.S. Treasury Obligations	5 years	none	none
U.S. Agency Obligations (b)	5 years	none	none
Bankers' Acceptances (c)	180 days	40 %	none
Commercial Paper (d)	270 days	25 %	(e)
Negotiable Certificates of Deposit	5 years	30 %	none
Bank/Time Deposits	5 years	none	none
Reverse Repurchase Agreements	92 days	20 %	none

Notes:

- "a" Repurchase Agreements
Repurchase agreements may be transacted with banks and broker dealers. All repurchase agreements shall be collateralized by Government Securities, Banker's Acceptance, Commercial Paper or Negotiable Certificates of Deposit, and the market value plus accrued interest of the collateral must at all times equal or exceed 102% of the repurchase agreement purchase price.
- "b" U.S. Government Agency Obligations
The purchase of obligations issued by the Government National Mortgage Association (GNMA), the Federal National Mortgage Association (FNMA), the Federal Home Loan Bank Board (FHLB), the Federal Farm Credit System (FFCB), and the Federal Home Loan Mortgage Association (FHLMC) is permitted.

- “c” Bankers’ Acceptances
Bills of exchange or time drafts drawn on and accepted by commercial banks, otherwise known as Bankers’ Acceptances, may be purchased from institutions included on the American Banker trade journal’s most recent list of the Top 100 Banks of the World. No more than 30% of the District’s funds may be invested in Bankers Acceptances of any one commercial bank.
- “d” Commercial Paper
No more than 10 percent of the District’s funds may be invested in any one issuer’s commercial paper.
- “e” Commercial Paper
Purchases of commercial paper ranked P1 by Moody’s Investor Services or A1+ by Standard & Poor’s and issued by domestic corporations with assets in excess of \$500,000,000 and an AA or better rating on their long term debentures, as provided by Moody’s or Standard and Poor’s, is permitted.

2. Exceptions

Monies held by a trustee or fiscal agent and pledged to the payment or security of notes, bonds, or other indebtedness, or obligations under a lease, installment sale, or other agreement, or certificates of participation in such obligations (collectively “debt obligation”), may be invested in accordance with the statutory provisions governing the issuance of those debt obligations or in accordance with the ordinance, resolution, indenture, or agreement providing for their issuance.

VIII. **Protocols for Purchase and Sale of Investments**

1. Purchases

Purchases shall attempt to be made in minimum amounts of \$1,000, par value. When practical, a minimum of three bids shall be obtained to ensure competitive pricing. Investments shall be held in a safekeeping account with the exception that Time Certificates of Deposit shall be delivered to the District’s vault and held until maturity. All transactions will be settled on payment vs. delivery.

2. Sales

Securities may be sold prior to maturity to provide for cash flow needs. Securities shall not be sold for less than cost plus accrued interest without prior approval of the Governing Body. When possible, three bids should be obtained to ensure competitive pricing. Settlement shall be on a payment vs. delivery basis.

3. Trades

The concurrent sale of an owned investment and purchase of a substitute investment may be performed provided the transaction results in a minimum gain of \$600.00. Normally, the maturity of the new investment should be within two weeks in either direction of the maturity of the security sold.

4. Comingling of District Funds

The District may comingle funds, most notably the District’s water and sewer enterprise funds, to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

5. Periodic Rebalancing of Investment Portfolio

Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time subsequent to the purchase of a particular security. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made. Similarly, if the credit rating of a security is subsequently downgraded below the minimum rating level for a new investment of that security, the Investment Officers shall evaluate the downgrade on a case-by-case basis in order to determine if the security should be held or sold.

IX. Risk Management

1. Diversification

To avoid losses resulting from the over-concentration of assets in a specific maturity, issuer, or class of securities, assets in all District funds shall be diversified by maturity, issuer, and class of security. Guidelines for the diversification of investment types are presented in Table 1.

2. Market Risk

Market risk is defined here as the risk that portfolio values will fluctuate due to changes in interest rates. The District shall mitigate market risk by providing adequate liquidity for short-term cash needs and by making longer-term investments only with funds that are not needed for current cash flow purposes. In order to retain sufficient liquidity, the District shall maintain a minimum of three months of budgeted operating expenditures in the Local Agency Investment Fund (LAIF) or similar pooled investment fund, or in money market instruments maturing one year or less. With the exception of monies set aside as reserves or for capital improvement projects, the maximum stated final maturity of the District's investment securities shall not exceed five years.

X. Performance Standards/Evaluation

The District's cash management portfolio shall be designed with the objective of regularly meeting or exceeding a selected performance benchmark, such as the average return on three-month U.S. Treasury bills, the state investment pool, a money market mutual fund, or the average rate of return for Federal funds. The Investment Officers, under the direction of the Governing Body, shall select and from time-to-time review and revise performance benchmarks.

XI. Reporting/Disclosure

1. Quarterly Investment Reports

The District Accountant/Controller shall prepare quarterly investment reports that summarize the current status of the investment portfolio and all transactions executed in the prior fiscal quarter, and from which the Governing Body can ascertain whether the investment activities during the reporting period conformed with the investment policy. Quarterly investment reports will include, at a minimum, the following:

- An asset listing showing par value, cost and market value of each security, type of investment, issuer, and interest rate
- Distribution by type of investment

- Total rate of return for the portfolio for the prior one month, three months, twelve months, year to date, and since inception compared to the selected performance benchmark returns for the same period
- Average maturity of the portfolio and maturity distribution of the portfolio
- Average portfolio credit quality

2. Annual Audit

The Governing Body shall establish an annual process of independent review by an external auditor to assure compliance with the internal controls of the Investment Policy. The external auditor shall submit a report of his/her findings to the Governing Body, and upon deliberation, the Governing Body shall consider the report and by official action, accept or reject it.

XII. Policy Considerations

Any investment currently held that does not meet the guidelines of this policy shall be temporarily exempted from the requirements of this policy. Investments must come in conformance with the policy within six months of the policy's adoption or the governing board must be presented with a plan through which investments will come into conformance.

XIII. Approval of Investment Policy

The Investment Policy shall be adopted annually, by resolution of the Governing Body, in conjunction with the annual adoption of the District's fiscal year budget. From time-to-time the Investment Policy may also be reviewed by the Investment Officers and/or Finance Committee to ensure consistency with the overall objectives of preservation of principal, liquidity and yield, compliance with current law, and relation to prevailing financial and economic trends. Any proposed amendments to the policy shall be forwarded to the Governing Body for approval and subsequent adoption.

XIV. Legislative Changes

Any state or federal legislative action that furthers restricts allowable maturities, investment type or percentage allocations will be incorporated into the District's Investment Policy and will supersede all previous applicable language.

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
INVESTMENT POLICY

Except for immediate cash requirement or pursuant to specific action by the Board of Directors, the District shall invest all of its surplus funds with the Local Agency Investment Fund, administered by the Treasurer of the State of California, or in a money market fund held with the District's Service Bank to assure in priority order; Safety; Liquidity and Yield with minimum risk and administrative cost.

Upon a positive vote by the Board, the District may invest in other securities and instruments as noted in Appendix A within the limitations indicated.

Reporting

District Staff shall prepare a monthly report titled "Investment Report", for review by the Board at its regular monthly meetings. This report shall display:

1. Monthly investments by the District
2. Rate of return and yield by item
3. Total interest income for the period

Total interest income earned for the period shall agree with the District's monthly financial reports.

The report shall include the type of investment, issuer, and account balance. For investments in the Local Agency Investment Fund, in Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association, or in a county investment pool, the report may instead attach the most recent statement received from the institutions. The monthly report shall state that the portfolio complies with this Investment Policy or the manner in which the portfolio is not in compliance. Monies not required for immediate needs shall be considered surplus funds and shall be invested to provide the highest yield and liquidity at the minimum level of risk, until needed for payment of District obligations.

The Controller, or designee, shall present the Investment Report to the Board of Directors for consideration at the District's regular monthly meetings.

Service Bank

The Board shall designate a State or Federally chartered bank, operating within the State of California, to serve as the District's primary service bank, and the District shall use said bank as a clearing house for all funds.

Safekeeping Account

When practical all negotiable securities shall be held in a safekeeping account at the Trust Department of the designated District Service Bank.

Investment Documentation and Review

Each investment transaction must be duly documented. All dealer and safekeeping confirmations are to be reviewed by a person other than the person initiating the transaction. Any discrepancies must be resolved immediately and a new confirmation issued.

Audit

The Board shall establish an annual process of independent review by an external auditor. This review shall provide internal control by assuring compliance with policies and procedures. The external auditor shall submit a report of his/her findings for consideration by the Board. Upon deliberation, the Board shall consider the report and by official action accept or reject it.

Policy Review

The Hidden Valley Lake Community Services District's Investment Policy shall be adopted by resolution of the Board of Directors on an annual basis. This Investment Policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation to principal, liquidity and yield, and its compliance with current law and relation to financial and economic trends. Any amendments to the policy shall be forwarded to the Board of Directors for approval.

Standard of Care (Prudent Investor Standard)

The standard of care to be used in investing District funds shall be the prudent investor standard described in Government Code section 53600.3 and shall be applied in the context of managing an overall portfolio. The Board, acting in accordance with written procedures and this Investment Policy, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

Legislative Changes

Any State of California legislative action that further restricts allowable maturities, investment type or percentage allocations will be incorporated into the Hidden Valley Lake Community Services District's Investment Policy and supersedes any and all previous applicable language.

Interest Earnings

All monies earned and collected from investments authorized in this policy shall be allocated monthly to various fund accounts based on the cash balance in each fund as a percentage of the entire pooled portfolio.

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
INVESTMENT POLICY

APPENDIX A

Authorized Investments

Investments of District Funds are governed by the California Government Code Sections 53600 et seq. Within the context of those limitations, the following investments are authorized as further limited herein:

<u>INSTRUMENT</u>	<u>PERCENTAGE OF PORTFOLIO</u>
Repurchase Agreements	0 to 100%
Local Agency Investment Fund	0 to 100%
U.S. Treasury Bonds/Notes/Bills	0 to 100%
U.S. Government Agency Obligations	0 to 100%
Bankers' Acceptances	0 to 40%
Commercial Paper	0 to 15%
Negotiable Certificates of Deposit	0 to 30%
Time Certificates of Deposit	0 to 25%
Reverse Repurchase Agreements	0 to 20%

1. United States Treasury Bills, Bonds, Notes or certificates of indebtedness or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no percentage limitation of the portfolio which can be invested in this category, although a five year maturity limitation is applicable.

2. Obligations issued by the Government National Mortgage Association (GNMA), the Federal National Mortgage Association (FNMA), the Federal Home Loan Bank Board (FHLB), the Federal Farm Credit System (FFCB), and the Federal Home Loan Mortgage Association (FHLMC). There is no percentage limitation of the portfolio which can be invested in this category, although a five year maturity limitation is applicable.

Investments detailed in items 3 through 10 are further restricted to percentage of the cost value of the portfolio in any one user name to a maximum of 15%. The total value invested in any one issuer shall not exceed 5% of the issuer's net worth. Again, a five year maximum maturity limitation is applicable unless further restricted by this policy.

3. Bills of exchange or time drafts drawn on and accepted by commercial banks, otherwise as Bankers' Acceptances. Bankers' Acceptances purchased may not exceed 270 days maturity or 40% of the cost value of the portfolio. Bankers' Acceptances may only be purchased from the top 100 Banks of the World as compiled by American Banker from Merrill Lynch.

4. Commercial paper ranked P1 by Moody's Investor Services or A1+ by Standard & Poor's, and issued by domestic corporations having assets in excess of \$500,000,000 and having an AA or better rating on its' long term debentures as provided by Moody's or Standard and Poor's. Purchases of eligible commercial paper may not exceed 180 days to maturity nor represent more than 10% of the outstanding paper if the issuing corporation. Purchases of commercial paper may not exceed 15% of the cost value of the portfolio.

5. Negotiable Certificates of Deposit will be issued by nationally or state chartered banks or state or federal savings institutions. Purchases of negotiable certificates of deposit may not exceed 30% of total portfolio. A maturity limitation of five years is applicable.

6. Repurchase agreements which specify terms and conditions may be transacted with banks and broker dealers. The maturity of the repurchase agreements shall not exceed 90 days. The market value of the securities used as collateral for the repurchase agreements shall be monitored by the investment staff and shall not be allowed to fall below 102% of the value of the repurchase agreement.

7. Reverse repurchase agreements which specifies terms and conditions may be transacted with broker dealers and financial institutions but cannot exceed 20% of the portfolio value on the date entered into. The District may enter into reverse repurchase agreements only to fund short term liquidity needs. The term of reverse repurchase agreements may not exceed 92 days. Prior approval by the Board is required. The underlying securities must have been owned by the District at least 30 days before sale.

8. Local Agency Investment Fund (LAIF) which is a State of California managed investment pool may be used up to the maximum permitted by California State Law.

9. Time deposits, non-negotiable and collateralized in accordance with the California Government Code, may be purchased through banks or savings and loan associations. Since time deposits are not liquid, no more than 25% of the investment portfolio may be invested in this investment type.

10. Moneys held by a trustee or fiscal agent and pledged to the payment or security of notes, bonds, or other indebtedness, or obligations under a lease, installment sale, or other agreement, or certificates of participation in such obligations (collectively "debt obligation"), may be invested in accordance with the statutory provisions governing the issuance of those debt obligations or in accordance with the ordinance, resolution, indenture, or agreement providing for their issuance.

AUTHORIZED BROKERS: Purchases and sales of securities shall be made through firms designated as Primary Dealers by the Federal Reserve Board; furthermore, the firm must operate from an office within this state.

INVESTMENT PURCHASES: Purchases shall attempt to be made in minimum amounts of \$1,000, par value. When practical, a minimum of three bids shall be obtained to insure competitive pricing. Investments shall be held in the safekeeping account with the exception that Time Certificates of Deposit shall be delivered to the District's vault and held until maturity. All transactions will be settled on payment vs. delivery.

INVESTMENT SALES: Securities may be sold prior to maturity to provide for cash flow needs. Securities shall not be sold for less than cost plus accrued interest without prior approval of the Board. Three bids should, when possible, be obtained to insure competitive pricing. Settlement shall be on a payment vs. delivery basis.

SWAP TRADES: The concurrent sale of an owned investment and purchase of a substitute investment may be performed provided the transaction results in a minimum gain of \$600.00. Normally, the maturity of the new investment should be within two weeks in either direction of the maturity of the security sold.

REPURCHASE AGREEMENT: Repo's shall be collateralized by Government Securities, Bankers' Acceptance, Commercial Paper or Negotiable Certificates of Deposit. Collateral will be included in percentage limitations under authorized investments. The market value plus accrued interest of the collateral must equal or exceed 102% of the repo cost at all times. All collateral shall be delivered to the safekeeping account or to the District.

REVERSE REPURCHASE AGREEMENT: Securities may be sold under an agreement to repurchase only when necessary to fund short term cash flow needs. However, each such transaction must be approved in advanced by the Board. Securities sold under such agreement to repurchase shall at no time be in excess of \$300,000, nor for a longer period than 92 days.

CREDIT REQUIREMENTS: For the purpose of this Policy, all Domestic Banks are limited to those with a current Thomson Bank Watch Inc. rating of "B/C" or better and a TBW-1 short term rating. The Investment Group is granted the authority to specify approved California Banks with a Thomson Bank Watch Inc. rating of "C" or better and TBW-2 rating where appropriate. Foreign Banks with domestic licensed offices must be AAA for country risk and "B" or better and a TBW-1 short term for the company by Thomson Bank Watch Inc. Domestic Savings Banks must be rated "B/C" or better and a TBW-1 short term rating by Thomson Bank Watch Inc.

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

DATE: October 16, 2012

AGENDA ITEM: Discussion and Possible Action: Recommended elements of an agreement between the HVLCSD and HVLA for construction and maintenance of a levee trail

STAFF RECOMMENDATION:

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

FINANCIAL IMPACT:

None

BACKGROUND:

See attached memo to HVLCSD Board of Directors dated October 3, 2012.

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

Board of Directors

JIM FREEMAN
CAROLYN GRAHAM
LINDA HERNDON
JIM LIEBERMAN
JUDY MIRBEGIAN



Interim General Manager
ROLAND SANFORD

Administrative Assistant
TAMI IPSEN

Accountant/Controller
TASHA KLEWE

*Hidden Valley Lake
Community Services District*

MEMO

To: HVLCSO Board of Directors

From: Roland Sanford, Interim General Manager

Date: October 3, 2012

RE: Recommended elements of an agreement between the HVLCSO and
HVLA for construction of a Levee Trail

At the August 21, 2012 HVLCSO Board of Directors meeting Bill Chapman and Rob Neves of the Hidden Valley lake Homeowners Association (Association) gave a brief presentation on the Association's Levee Trail Concept Plan – a plan to construct a pathway along nearly all if not all of the District's levee flanking Putah Creek. The purpose of the presentation was to inform the HVLCSO Board of the project and to gauge the District's potential willingness to allow the Association to construct and maintain said pathway. Upon hearing the presentation, the HVLCSO Board affirmed its interest in the project and directed District staff to identify the potential terms of any agreement that would be needed between the District and Association, in order for the Association to proceed with project construction.

Staff has identified a similar project involving the City of Vacaville (Vacaville) and the Solano County Water Agency (SCWA), in which Vacaville has constructed pathways along various flood control channels owned and maintained by SCWA. The associated agreement between Vacaville and the SCWA (copy attached) appears to address many if not all of the key issues that would need to be addressed by any agreement between the District and Association, and in that sense may serve as a good template.

Based on the information obtained to date, staff anticipates that any agreement between the District and Association, for construction and maintenance of a pathway along all or portions of the District's levee, should include the following elements:

Grant of Easement. The District would grant a non-exclusive easement to the Association, which would allow the Association to construct and maintain the pathway on District property. The easement could be for a limited duration or in perpetuity.

Construction Design and Approval. Prior to construction, plans for the pathway would be submitted to the District for approval. The District would review the plans to confirm that the pathway and ancillary features would not adversely impact the District's operation and maintenance of the levee.

Maintenance by Association. The Association would be responsible for maintenance of the pathway and ancillary features, and would also be responsible for any additional maintenance of District facilities - routine refuse and litter cleanup, graffiti removal and acts of vandalism – resulting from pathway usage by the public. Maintenance activities could be performed by the Association or on a cost reimbursement basis by the District.

Maintenance by District. From time-to-time the District may need to access the levee and the Association's pathway for maintenance or emergency purposes. While the District would make all reasonable efforts to avoid blocking or damaging the pathway, the District would not be responsible for or obligated to mitigate any damages that occur to the Association's pathway and ancillary features as a result of the District's operation and maintenance activities.

Pathway Closures. The District would reserve the right to close the pathway to public access for levee maintenance purposes or when conditions exist that the District deems dangerous for public access.

Liability Insurance. The Association would need to provide and maintain general liability insurance of no less than two million dollars per occurrence and at least four million dollars in the aggregate for bodily injury, personal injury, and property damage. The Association would be required to name the District, its directors, officers, employees and authorized volunteers as additional insured with respect to any liability arising out of the property to be occupied and maintained by the Association.

AGREEMENT BETWEEN THE CITY OF VACAVILLE AND THE SOLANO COUNTY
WATER AGENCY TO ALLOW DEVELOPMENT OF A MULTI-PURPOSE PATH IN THE
RIGHT-OF-WAY OF THE ULATIS FLOOD CONTROL PROJECT.

This Agreement to Allow Development of a Multi-purpose Path ("Agreement"), dated _____, 2001, is entered into by and between the City of Vacaville, hereinafter referred to as "City", and the Solano County Water Agency, hereinafter referred to as "Agency".

RECITALS

- A. The Agency is responsible for Operations and Maintenance of the Ulatis Flood Control Project ("Ulatis Project").
- B. The City desires to construct and maintain a paved multi-purpose path along the southerly bank of the Ulatis Creek Unit of the Ulatis Project, between Ulatis Drive and Leisure Town Road, as more particularly shown on the map attached as Exhibit "A" and incorporated herein by this reference, ("Path"), consistent with the City's General Plan.
- C. The Agency owns the real property upon which the City desires to construct the Path ("Property").
- D. The Agency generally restricts public access along the right-of-way of the Ulatis Project; nevertheless, the Agency is willing to allow public access to the Path subject to the terms and conditions specified in this Agreement.
- E. The timing of construction of the Path is uncertain and is dependent upon the City acquiring adequate funding for the Path.

AGREEMENT

1. Grant of Easement. Agency will grant the City, for the fee of \$1.00, a non-exclusive easement to construct and maintain the Path on the Property, in the form attached as Exhibit "B" and incorporated herein by this reference. The Path may be constructed in, at most, three segments.
2. Notice of Intent to Take Possession. Although Agency is currently granting City the aforementioned easement, Agency and City understand that City shall not immediately, and may not for several years, take possession of or occupy the easement. Therefore, City shall provide, to Agency, 30 days written notice of City's intent to take possession of the easement, or any portion thereof. City, upon conclusion of the 30 day notice period, may take possession of and occupy the easement as set forth hereunder. Neither City nor its agents or contractors shall have access to the easement until notice is given and the 30 day notice period has expired.

3. Construction Design and Approval. Prior to commencement of construction, plans for the Path must be submitted for approval to the Agency, which approval by the Agency shall not be unreasonably withheld. The Agency will review the plans to confirm that the Path, and ancillary features, will not adversely impact operation and maintenance of the Ulatis Project. For example, landscaping and benches, if a part of the Path, must not interfere with vehicular access through the easement. Agency will also review the entrance and exit of the Path to ensure adequate access for Agency maintenance vehicles. The Path will be constructed and maintained so as to slope away from the channel at all times in order to prevent runoff from the Path entering upon or eroding the channel slopes in excess of any runoff that would occur absent construction of the path. Runoff from the Path will be directed to drains, which will discharge into the flood control channel through drop inlets. The City shall be responsible for gates and fences to separate its easement from those portions of the Agency's right-of-way not subject to public access, whether on a temporary or permanent basis (i.e. if the path is constructed in phases, a fence or gate shall be constructed across the right-of-way to prohibit access to the future portions of the Path that are not yet constructed).
4. Maintenance. The City shall be responsible for all maintenance of the Path and all ancillary features of the Path. The City shall also be responsible for any additional maintenance required for SCWA facilities along the Path caused by the Path or other related improvements installed by City, and/or by allowing public access to the Path and related improvements, including but not limited to, excessive wear and tear, graffiti removal and acts of vandalism.
5. Slope Protection. Prior to the construction of the Path, the City shall pay for rock riprap slope protection for the southerly side slope of the Ulatis Creek Unit of the Ulatis Project between Ulatis Drive and Leisure Town Road, as shown on the map attached as Exhibit "A". The work is described in Exhibit C, the July 27, 2000 and January 31, 2001 letters from Tom Holmgren, Channel Maintenance Supervisor to David B. Okita, General Manager, and shall be performed by a contractor selected by and under contract with the Agency. The City shall be responsible for the payment for labor, equipment and materials as identified in Exhibit C for costs not to exceed Two Hundred Fifty Thousand Nine Hundred Twenty One Dollars (\$250,921.00). If installation of the rock rip-rap is not done during calendar year 2001 the cost shall be adjusted, up or down, in proportion to any changes in the first quarterly Implicit Price Deflator ("IPD") published, in the relevant year, in the Survey of Current Business, by the United States Department of Commerce. If the IPD is no longer available, then the most comparable available index shall be used instead. If prior to or at the time of engineering and installation of the slope protection, the Agency desires an alternate form of slope protection, due to requirements of regulatory agencies or for other reasons, the City will still be required to contribute the funding specified in this section, toward the cost of more extensive protection with the difference to be funded by the Agency. The City may elect to construct the Path in up to three segments. Upon such election the obligation to fund slope protection set forth in this Section can be divided to match the segmentation of the Path. The City's obligations under this section shall not arise unless and until the City provides the notice specified in section 2 hereinabove.

6. Use of Heavy Equipment. The Agency shall not drive heavy equipment (a maximum of one-ton vehicles) on the Path except in the case of an emergency. In an emergency situation, which shall be determined in the Agency's sole discretion, Agency shall not be responsible for any damage thereto if reasonable care is used during the emergency situation.
7. Path Closure. The Agency reserves the right to close the Path to public access for maintenance purposes and when conditions exist that the Agency deems dangerous for public access. Reasonable prior notice will be provided to the City's Public Works Department of any closure except in case of an emergency.
8. No Liability for Agency's Use of Easement. Agency shall make every reasonable effort to avoid loss of use or damage to the Path or improvements thereon. However, City shall make no claim against Agency for, or on account of, any such loss of use or damage to the Path caused by or suffered in connection with Agency's operations or activities related to the use of the Agency's Property. Agency shall not be responsible for any damage to the Path or any improvement situated thereon, including paved and landscaped areas, caused by any of Agency's work required to operate, maintain or repair the Agency's facilities. City may make a claim in response to a negligent act or willful misconduct by the Agency.
9. Indemnification. The parties wish to strike an equitable balance with regard to indemnification. It is the parties' intent that the Agency will indemnify the City for any and all liability that would have been imposed upon the Agency for operation of the Ulatis Project if the Multi-Purpose Path had not been constructed. Conversely, it is the parties' intent that the City will indemnify the Agency for any and all liability that is imposed as a result of construction and/or operation of the Multi-Purpose Path.
 - a) By Agency. To the fullest extent permitted by law, the Agency shall indemnify, hold harmless and defend City, its officers, officials, employees, and authorized volunteers and each of them from and against any and all claims, demands, causes of action, damages, costs, expenses, losses or liabilities, in law or in equity, of every kind or nature whatsoever for, including, but not limited to injury to or death of any person and damage to or destruction of property, occurring on or arising out of the Property, which occur prior to the City's taking possession pursuant to section 2 hereinabove.
 - b) By City. Following City's taking possession of the easement, pursuant to section 2 hereinabove, City shall, to the fullest extent permitted by law, indemnify and hold harmless and defend Agency, its directors, officers, employees, or authorized volunteers, and each of them from and against any and all claims, demands, causes of action, damages, costs, expenses, losses or liabilities, in law or in equity, of every kind or nature whatsoever for, but not limited to, injury to or death of any person including Agency and/or City, or any directors, officers, employees, or authorized volunteers of Agency or City, and damages to or destruction of property of any person, including but not limited to, Agency and/or City or their directors, officers, employees or authorized volunteers, arising out of or in any manner directly or indirectly connected with the City's performance or actions under this Agreement, or the use or existence of the Path, however caused, regardless of any negligence of Agency or its directors, officers,

employees, or authorized volunteers, except for such claims, demands, causes of action, damages, costs, expenses, losses, or liabilities, in law or in equity, arising out of the sole negligence or willful misconduct of Agency or its directors, officers, employees, or authorized volunteers.

c) Reciprocal. To the fullest extent permitted by law, each party shall indemnify and hold harmless and defend the other, its directors, officers, employees, or authorized volunteers, and each of them from and against:

(1) Any and all actions, proceedings, damages, costs, expenses, penalties or liabilities, in law or equity, of every kind or nature whatsoever, arising out of, resulting from, or on account of the violation of any governmental law or regulation, compliance with which is the responsibility of the indemnitor.

(2) Any and all losses, expenses, damages, attorneys' fees and other costs, including all costs of defense, which any of them may incur with respect to the failure, negligence or refusal of the other party to faithfully perform all of its obligations under the Agreement. Such costs, expenses, and damages shall include all costs, including attorneys' fees, incurred by the indemnified parties in any lawsuit to which they are a party.

To the extent provided in this Section, the indemnitor shall defend, at its own cost, expense and risk, any and all such aforesaid suits, actions, or other legal proceeding of every kind that may be brought or instituted against the indemnified party or its directors, officers, employees, or authorized volunteers. The indemnitor shall pay and satisfy any judgment, award or decree that may be entered against the indemnified party or its directors, officers, employees or authorized volunteers, in any and all such suits, actions or other legal proceedings. The indemnitor shall reimburse the indemnified party or its directors, officers, employees or authorized volunteers, for any and all legal expenses and costs reasonably incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Indemnitor's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the indemnified party, or its directors, officers, employees, or authorized volunteers.

10. Laws, Regulations and Permits. City shall give all notices required by law and comply with all laws, ordinances, rules, and regulations pertaining to operation of the Property for recreational purposes, and City shall be liable for all violations of the law in connection with such requirement. Agency shall give all notices required by law and comply with all laws, ordinances, rules, and regulations pertaining to operation and maintenance of the Property for flood control purposes or other Ulatis Flood Control Project purposes, and Agency shall be liable for all violations of the law in connection with such requirement.

11. Safety & Environmental Protection. City shall construct and maintain the Path and the Property so as to avoid injury or damage to any person or property. City shall be responsible for police protection on the Property in compliance with the Vacaville Municipal Code and at the same level as City provides police protection to similar City facilities. City shall also

post signs along the path, in conspicuous locations, indicating hours of permitted use. In carrying out its work, City shall at all times exercise all necessary precautions for the safety and environmental protection of the Property, and be in compliance with all applicable federal, state and local statutory and regulatory requirements including State of California, Department of Industrial Relations (Cal/OSHA) regulations, Cal/EPA, U.S./EPA and the U.S. Department of Transportation including the Omnibus Transportation Employee Testing Act.

City shall not use or knowingly allow anyone else to use the property to generate, manufacture, refine, transport, treat, store, handle, recycle, release, use or dispose of any hazardous material, other than as reasonably necessary for the operation of City's activities as contemplated under this Agreement. The term "hazardous material" means any hazardous substance, material or waste, including but not limited to those listed in 49 CFS 172.101 (U.S. Department of Transportation), the Cal/EPA Chemical Lists, or petroleum products and their derivatives. However, this shall not apply to the reasonable use of petroleum products and related substances incidental to operation of motorized equipment and vehicles whose operation on the Property is contemplated by this Agreement.

City shall immediately notify Agency in writing upon becoming aware of any release of hazardous material, violation of any environmental law or actions brought by third parties against the City alleging environmental damage.

12. Commercial General Liability Insurance. City shall provide and maintain the following commercial general liability insurance:
 - a. **Coverage:** Coverage for commercial general liability shall be at least as broad as Insurance Services office (ISO) Commercial General Liability Coverage (Occurrence Form CG 0001).
 - b. **Limits:** The City shall maintain limits of no less than one million dollars (\$1,000,000) per occurrence, for bodily injury, personal injury and property damage. Coverage shall include contractual liability covering the City's obligations in Section 7 above. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply to the Property (with the ISO CG 2503, or ISO CG 2504, or insurer's equivalent endorsement provided to the Agency) or the general aggregate limit shall be twice the required occurrence limit.
 - c. **Required Provision:** The general liability policy is to contain, or be endorsed to contain the following provisions:
 1. The Agency, its directors, officers, employees and authorized volunteers are to be given insured status (via ISO endorsement CG 2011, CG 2024 (if land only), or insurer's equivalent for general liability coverage) as respects: liability arising out of the Property to be occupied by City and the general public. The coverage shall contain no special limitations on the scope of protection afforded to the Agency, its directors, officers, employees, or authorized volunteers.

2. For any claims related to this Agreement, the City's insurance shall be primary insurance as respects the Agency, its directors, officers, employees, or authorized volunteers. Any insurance, self-insurance or other coverage maintained by the Agency, its directors, employees, or authorized volunteers shall not contribute to it.
3. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the Agency, its directors, officers, employees or authorized volunteers.
4. The City's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. Each insurance policy required by this Agreement shall state or be endorsed to state that coverage shall not be canceled by the insurance carrier or the City, except after thirty (30) days (10 days for non-payment of premium) prior written notice by U.S. mail has been given to Agency.

Such liability insurance shall indemnify the Agency and its contractors against loss from liability imposed by law, upon, or assumed under contract by, the Agency or its contractors for damages on account of such bodily injury (including death), property damage, and personal injury. The general liability policy shall cover bodily injury and property damage liability, owned and non-owned equipment, and blanket contractual liability. All of the insurance shall be provided on policy forms and through companies satisfactory to the Agency, and with insurers having a current A.M. Best rating of no less than A-:VII or equivalent or as otherwise approved by the Agency.

13. Deductibles and Self-Insured Retentions. Any deductible or self-insured retention must be declared to and approved by the Agency. At the option of the Agency, the insurer shall either reduce or eliminate such deductibles or self-insured retentions.
14. Worker's Compensation and Employer's Liability Insurance. City shall insure, or be a qualified self-insured, with respect to the applicable laws relating to workers' compensation coverage (California Labor Code Section 3700), all of the City's employees working on or about the Agency's facilities. City shall provide the Agency with a certificate of Workers' Compensation and Employers Liability insurance coverage to be placed with a carrier with an A.M. Best rating of no less than A-:VII, or equivalent, or as otherwise approved by the Agency. The employers liability limit shall be no less than \$1,000,000 each accident or disease.
15. Evidence of Insurance. Prior to execution of this Agreement, the City shall file with the Agency a certificate of insurance (Acord Form 25-S or equivalent) signed by the Insurer's representative evidencing the coverage required by this Agreement. Such evidence shall include an additional insured endorsement signed by the insurer's representative. Such evidence shall also include confirmation that coverage includes or has been modified to

include the provisions required in Section 12.c of this Agreement. If any of the above coverages expire during the term of this agreement, the City shall deliver the renewal certificate(s) including general liability additional insured endorsement to the Agency at least ten (10) days prior to the expiration date.

16. Exclusion. The City's indemnity, defense and hold harmless obligations contained in this Agreement shall not apply to liability, claims, actions, causes of action, damages, injury to property, personal injury, including, but not limited to death, and expenses arising out of or related to the Agency's use of the adjacent flood control channel for flood control or other purposes unrelated to the City's use of the easement, which would have occurred in the absence of the City's easement, and were not contributed to in any way by use of the easement by the City or the general public.
17. Subcontractors. In the event that the City employees contractors or sub-contractors to perform any or all of the improvements contemplated by this Agreement, it shall be the City's responsibility to require and confirm that each sub-contractor meets the minimum insurance requirements specified above.
18. Assignment. Subject to the Agency's written approval, the City's rights and obligations under this Agreement shall be assignable by City. Agency's approval shall not be unreasonably withheld. City agrees that it shall not assign its rights and obligations under this Agreement to any homeowner's association.
19. The execution of this Agreement and/or grant of the easement in no way binds or commits City to the construction or installation of the Path, or any or all portions thereof, or the timing of such construction or installation, and none of City's obligations hereunder become effective until such time as City provides notice of intent to take possession, pursuant to section 2, hereinabove, or where applicable, until the city takes possession or commences construction of the Path itself.
20. Entire Agreement. This Agreement including the recitals and Exhibits A, B and C constitute the entire agreement of the parties. Any prior representations or warranties, written or oral, are superceded by this Agreement. No modification of this Agreement shall be effective unless signed by the parties.
21. Notices Any notice, request, demand, or other communication required or permitted hereunder shall be deemed to be properly given when deposited in the United States mail, postage prepaid, addressed:

City Manager
City of Vacaville
650 Merchant Street
Vacaville, CA 95688

General Manager
Solano County Water Agency
508 Elmira Road
Vacaville, CA 95687

IN WITNESS WHEREOF, the parties hereto have hereunder affixed their names the day and year hereinabove written.

CITY OF VACAVILLE

SOLANO COUNTY WATER AGENCY

David Fleming, Mayor

Skip Thomson, Chair

Attest:

Attest:

Kathleen M. Dussault, City Clerk

David Okita, Secretary

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

DATE: October 16, 2012

AGENDA ITEM: Discussion and Possible Action: CPS HR Consulting Service Agreement for base salary surveys

STAFF RECOMMENDATION:

Authorize Interim General Manager to sign \$6,090 Service Agreement with CPS HR Consulting to conduct base salary surveys for all District job positions that have not been surveyed in the last two years – seven existing job descriptions and one revised job description.

FINANCIAL IMPACT:

The estimated cost of the proposed salary surveys is \$6,090. The District’s FY 2012-2013 budget includes \$1,600 for salary surveys (budget line items 120-5123; 130-5123). The remaining funds could be obtained from the \$20,000 currently budgeted for the General Manager recruitment (budget line items 120-5126; 130-5126).

BACKGROUND:

On May 22, 2012 the Board adopted a Compensation Policy that establishes compensation parameters for District employees and memorializes the Board’s intent to cap District employee base salaries at the prevailing market median rate. Periodic base salary surveys – at least once every five years – are needed to monitor labor market conditions and ensure policy compliance. Base salary surveys have been completed for two District positions; the Accountant/Controller, and the Administrative Assistant/Secretary to the Board job descriptions, leaving seven existing positions to complete.

On August 29, 2012 the Board directed staff to develop a revised job description for the District’s existing Administrative Assistant/Secretary to the Board position. A base salary survey is needed to assign an appropriate salary scale to the revised job description.

Staff is recommending that CPS HR Consulting – the same firm that performed the base salary surveys for the Account/Controller and Administrative Assistant/Secretary to the Board job descriptions - be retained to conduct the base salary surveys for the seven existing positions and the revised job description. CPS HR Consulting, by virtue of their previous work with the District, is well positioned to complete the proposed scope of work in a cost effective manner. Two other firms; the Biddle Consulting Group in Folsom, and CompAnalysis Compensation and Human Resources Consulting in Lafayette were contacted, but ultimately declined to provide a cost estimate.

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



STATEMENT OF WORK NO. 2

Salary Study and Recommendation on New Class

This Statement of Work ("SOW"), effective October 22, 2012 ("Effective Date") is issued under and subject to all of the terms and conditions of the Master Consulting Services Agreement, (the "Agreement"), dated as of September 1, 2011 by and between Cooperative Personnel Services, dba **CPS HR Consulting** a California Joint Powers Authority ("CPS") with offices at 241 Lathrop Way, Sacramento, CA 95815 and **Hidden Valley Lake Community Services District** ("Client") with offices at 19420 Hartmann Road, Hidden Valley Lake, CA 95467.

Any modifications specified in this SOW shall be applicable only to the parties hereto and shall not affect the Agreement or any other agreement. All changes to this SOW must be mutually agreed to and executed in writing by duly authorized representatives of both parties as an amendment to this SOW.

Capitalized terms used herein shall have the meanings ascribed to them in the Agreement.

1. **SERVICES:** The services to be provided are identified in Attachment "A."
2. **CLIENT RESPONSIBILITIES:**
 - a. Client must timely perform all those Client roles and responsibilities set forth in this SOW. Successful completion of this project within the time specified depends largely upon an effective working relationship between Client and CPS project staff. Client's Project Representative will be responsible for the following activities:
 1. Coordinating all meeting schedules, conference calls, facilities and equipment needs
 2. Coordinating facilities and distributing project update information
 3. Identifying and providing current classification and compensation information (i.e. current job specifications, salary structure, benchmark positions, and organizations, etc.), personnel policies and procedures, etc.
 - b. Any work products developed during the activities described above will be submitted to Client's Project Representative for review, comment and/or approval. This is a critical step to ensure accurate, reliable, and valid products.
3. **START DATE:** October 22, 2012
4. **COMPLETION DATE:** January 31, 2013
5. **CPS PROJECT MANAGER:** Debbie Owen Phone Number: (916) 471-3122
6. **CLIENT MANAGER:** Roland Sanford Phone Number: (707) 987-9201
7. **SERVICE FEES:** \$6,090.00
 - a. All Services provided to Client by CPS hereunder are priced on a **TIME AND MATERIALS** basis. Any estimates provided by CPS to Client, whether written herein or given orally, shall not be binding on CPS or convert this SOW into a fixed price engagement with respect to such Services. Any such estimates are for informational purposes only, and the actual fees payable by Client may be higher or lower than such estimates.
 - b. CPS will invoice Client at the rate of \$120.00 per hour for Project Manager hours, \$105.00 per hour for Consultant hours and \$60.00 per hour for Technical hours. Invoices will be submitted for payment monthly. Client will pay CPS within thirty (30) days following receipt and approval of a proper consultant invoice.

- 8. In the event the project is terminated early, CPS will be paid such amount as is due for professional services performed and out-of-pocket expenses incurred up to and including the effective date of termination.
- 9. This SOW covers work requested and performed prior to the commencement of this SOW.

EACH PARTY ACKNOWLEDGES THAT IT HAS READ THIS SOW, UNDERSTANDS IT, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.

**Cooperative Personnel Services dba
CPS HR Consulting,
A California Joint Powers Authority**

Hidden Valley Lake Community Services District

By: _____
Authorized Signature

By: _____
Authorized Signature

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Attachment A

Scope of Work

CPS HR Consulting will provide assistance in conducting a base salary study for seven of the Client's classifications as follows:

- Senior Account Representative
- Lead Water Operator
- Lead Wastewater Operator
- Operator I
- Operator II
- Utility Worker
- Assistant to Field Operations

These classifications will be surveyed in the Client's current established labor market of eleven (11) agencies.

In addition, the Client requires an analysis of a proposed new classification with respect to an appropriate salary level.

Task 1 – Project Preparation– Upon contract execution, Ms. Garrison–Reusch (the “Project Consultant”), will contact the District's Interim General Manager (Mr. Sanford) in order to gather background information such as classification specifications, salary schedules, and any other documentation relating to the project.

Task 2 – Project Initiation Meeting – Ms. Garrison-Reusch will conduct a conference call with Mr. Sanford to discuss any issues or areas of concern with respect to any of the classifications included in the survey.

Task 3 – Design, Develop and Distribute Survey Instrument –CPS HR will develop a survey instrument to ensure the effective collection of base salary information from each of the survey agencies. The survey instrument will include a brief description of each of the survey classifications with a request for the minimum and maximum monthly salary. In addition, we will request copies of class specifications, organization charts, staffing information and other useful reference materials to substantiate the accuracy of the comparability of the matches. It is critical that the consultant review such documents since titles alone can often be misleading and should not be relied upon.

Task 4 – Review, Analyze and Validate Labor Market Survey Data - In conjunction with the survey instrument received from each labor market agency, the Project Consultant will review additional background materials (i.e. organization charts, salary schedules, position control documents, classification specifications, and related documentation). The Project Consultant will contact survey agencies with any issues, concerns, or questions on the data submitted to ensure that matches are accurate.

Task 5 – Design and Develop Data Spreadsheets – CPS HR will develop data sheets that present the comparable classification used in each agency along with the relevant data associated with that classification, i.e., the range minimum and maximum. The labor market data will be analyzed relative to the District's labor market position which is the labor market median.

Task 6 – Prepare Draft Compensation Memo Report –CPS HR will develop a Draft Compensation Memo Report for submission to Mr. Sanford. The report will comprise the following:

- Scope of the study
- Labor market agencies
- Benchmark classifications
- Survey procedures
- Labor market data analysis/methodologies
- Results of the base salary survey

Once Mr. Sanford has reviewed the Draft Compensation Memo Report, any issues, concerns, and comments will be addressed and resolved prior to the preparation of the Final Compensation Memo Report.

Task 7 – Prepare Final Compensation Memo Report – CPS HR will prepare and submit the Final Compensation Memo Report to Mr. Sanford.

Task 8 – Proposed New Classification Salary Recommendation – Ms. Owen, the Project Manager, will review the proposed new classification, and based on the results of the previous survey completed in May, 2012, will provide a recommendation for an appropriate salary level for this new classification. Ms. Owen will conduct a conference call with Mr. Sanford to review this recommendation and will research any issues or concerns prior to finalizing the recommendation.

Timeline

Based upon the scope of work described within this proposal, we anticipate that the work for Tasks 1-7 can be completed within a mutually agreed upon time frame, and Task 8 will be completed within ten days of contract execution. All timelines presume, and are dependent upon, the Client's timely participation where needed, as well as timely completion/review of surveys by the labor market agencies.

Cost Proposal

CPS is proposing that the professional services fees be based on an hourly time and materials basis, with a not to exceed amount of \$6,090 (Six thousand and ninety Dollars). The cost outlined above is based on the assumption that no on-site meetings will be required.

Should the District require any additional on-site visits, we would do so with the additional time charged at a rate of \$105 per hour for Ms. Garrison-Reusch's services and \$120 per hour for Ms. Owen's services. Incidental expenses such as mileage, printing, copying and other related costs will be billed at actual cost, although we do not anticipate any expenses for this project.

October 3, 2012

Mr. Roland Sanford
Interim General Manager
Hidden Valley Lake Community Services District
19420 Hartmann Road
Hidden Valley Lake, CA. 95467

Via e-mail: rsanford@hiddenvalleylake.com

Dear Mr. Sanford:

CPS HR Consulting (CPS HR) is pleased to submit this proposal to conduct a base salary study for seven District classifications. In the following pages, we outline our understanding of the project scope and present a detailed work plan describing the specific CPS HR services involved in this project. Our approach and methodology can be further tailored to fit the District's needs and objectives.

We thank you very much for the opportunity to submit this proposal and look forward to discussing this proposal with you. Once you have had an opportunity to review the proposal, please feel welcome to contact Debbie Owen, our proposed Project Manager, on 916-471-3122 and she will be pleased to respond to any comments or questions you may have.

Best Regards,



Connie Champnoise
Director

Our Understanding of the Scope of Work

The Hidden Valley Lake Community Services District (the “District”) is seeking the services of a professional consulting firm to provide assistance in conducting a base salary study for seven of its classifications as follows:

- Senior Account Representative
- Lead Water Operator
- Lead Wastewater Operator
- Operator I
- Operator II
- Utility Worker
- Assistant to Field Operations

These classifications will be surveyed in the District’s current established labor market of eleven (11) agencies.

In addition, the District requires an analysis of a proposed new classification with respect to an appropriate salary level.

Task 1 – Project Preparation– Upon contract execution, Ms. Garrison–Reusch (the “Project Consultant”), will contact the District’s Interim General Manager (Mr. Sanford) in order to gather background information such as classification specifications, salary schedules, and any other documentation relating to the project.

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Should the District require any additional on-site visits, we would do so with the additional time charged at a rate of \$105 per hour for Ms. Garrison-Reusch’s services and \$120 per hour for Ms. Owen’s services. Incidental expenses such as mileage, printing, copying and other related costs will be billed at actual cost, although we do not anticipate any expenses for this project.

The CPS HR rate schedule is presented below.

Consultant Classification	Hourly Rate
Project Manager	\$120
Project Consultant	\$105
Project Technical Staff	\$ 60

Project Staffing

CPS is committed to meeting the highest professional standards of quality and recommends that Ms. Debbie Owen, the CPS HR Technical Director, Classification and Compensation serve as Project Manager and Ms. Monica Garrison-Reusch serve as the Project Consultant for this engagement. Resumes for Ms. Owen and Ms. Garrison-Reusch are presented on the following pages.

Debbie Owen

Profile

Ms. Owen is the Technical Director, Classification and Compensation with CPS HR Consulting. She has over twenty years of human resources program experience, fifteen of which involved serving as a Project Manager or team consultant on projects with public sector agencies, within her specialty areas of classification and compensation; and five years in the private sector as a compensation specialist and benefits

administrator. Ms. Owen served as the Project/Contract Manager for the Merit System Services (MSS) contract with the California State Personnel Board for over three years. She also manages and participates in the full range of classification and compensation services for state and local government agencies, including cities, counties, utilities, and special districts.

Employment History

- Technical Director, Classification and Compensation, CPS HR Consulting
- Practice Leader, CPS HR Consulting
- Manager, Retention and Deployment Services, CPS HR Consulting
- Principal Consultant, CPS HR Consulting
- Project Consultant/Senior Consultant, CPS HR Consulting
- Consultant/Senior Consultant, Ralph Andersen and Associates/Johnson and Associates
- Benefits Administrator/Compensation and Benefits Specialist, Calgene, Inc.

Professional Experience

- Serves as Project Manager and/or technical expert/advisor for base salary or total compensation studies for state and local government agencies including cities, counties, transit agencies, state governments, utilities, school districts and special districts. Project management responsibilities include labor market selection; the design and development of survey tools; the audit of analyzed compensation and benefits data; compensation report writing and review; and presentation of study results to key stakeholders including employees, management, bargaining unit representatives and governing boards.
- Served as Project/Contract Manager for the Merit System Services (MSS) contract with the California State Personnel Board – MSS directly administers, or oversees compliance with, personnel programs for county social services and child support services programs. Thirty counties are Interagency Merit System (IMS) counties for whom MSS provides direct personnel services such as recruitment and selection, examination services, position classification, appointment certification, disciplinary appeal, layoff standards and consulting in compliance with LAPS and federal merit principles. Twenty-eight counties have implemented an Approved Local Merit System (ALMS) and are subject to periodic audits by MSS to ensure compliance with the local agency personnel standards promulgated by SPB.
- Base salary and/or total compensation studies managed include City of Huntington Beach, City of Modesto, State of California Law Enforcement Study, State of California Department of Transportation and Office of the Receiver total compensation studies, Amador County, San Joaquin County, San Mateo County, Placer County, City of Vacaville, Imperial Irrigation District , Eastern Municipal

Water District, Western Municipal Water District, Napa County Transportation Planning Agency and the Yosemite Community College District.

- Serves as project manager for comprehensive classification studies including conducting employee briefings, developing classification concepts and individual employee allocation recommendations; reviewing/preparing classification specifications and the presentation of study results to key stakeholders including employees, management, bargaining unit representatives and governing boards.
- Classification studies managed include the City of Huntington Beach, City/County of San Francisco, Napa County Transportation Planning Agency, the City of Modesto, Amador County and Orange County Information Technology study.
- Human resources benefit program experience includes the design, development, implementation and administration of employee health and retirement benefit programs; monitoring and evaluating benefit program costs; implementing cost controls; analyzing and implementing cost sharing programs; ensuring all programs were in compliance with mandated requirements; developing program communications and administration manuals; and conducting training sessions on compensation and benefit programs.
- Human resources compensation program administration experience includes the design and administration of corporate and subsidiary compensation programs; job analysis, salary recommendations/range placement, and merit review adjustments.

Education

- Pierce College, Athens, Greece.

Professional Associations and Certification

- Certified Compensation Professional (CCP) attained through WorldatWork (formerly the American Compensation Association) in 1992.
- Member, *WorldatWork*
- Member, International Public Management Association (IPMA)
- Member, California Public Employer Labor Relations Association (CalPELRA)

- Training and facilitation experience includes developing training materials and training public employees at varying levels on classification and compensation topics.

Education

- Golden Gate University, Sacramento: Masters in Business Administration, Sacramento, CA
- University of Southern California: Bachelor of Science in Business Administration, Los Angeles, CA

About CPS HR Consulting

Cooperative Personnel Services is our legal name, and we do business as CPS HR Consulting. We are a Joint Powers Authority, a public agency governed by a Board of Directors and an organization led by a Chief Executive Officer.

Our contact information is as follows:

CPS Human Resource Services

241 Lathrop Way

Sacramento, CA 95815

Phone: 916-263-3600

Fax: 916-263-3614

website: www.cps.ca.gov

As a network of thought leaders in human resource systems, CPS HR Consulting delivers breakthrough solutions that dramatically transform public sector organizations to positively impact the communities they serve. By establishing centers of excellence and communities of practice, we provide your organization with the latest knowledge and the expertise to put that knowledge into action. With offices in Sacramento, CA and Bethesda, MD (as well as partners throughout the country), our clients draw experience from a powerful national network.



OUR VISION:

Enabling people to
realize the promise of
public service.

Our client base includes more than 1,200 public agencies. CPS HR employs more than 80 full-time employees and approximately 200 consultants who provide professional services and technical assistance to clients across the country. Our client list includes federal, state, county and city governments, and other governmental agencies, such as special districts, colleges, universities, school districts and non-profit organizations.

Our Joint Powers Authority charter commits us to providing services only to other public sector or non-profit agencies, which means that all our tools, our consultants, our strategies, and our products are focused and designed specifically for our clients in federal, state and local government, and non-profit organizations. CPS HR appreciates the complexity of the challenges facing today's public sector organizations and develops on-going efforts to listen and respond to the needs of public sector leaders.

CPS HR offers the full range of human resource management consulting services from the moment an organization considers a new hire, to the time the employee leaves the organization and our program offerings, are unmatched in any other single consulting firm. Our primary services include:

- **Recruitment and Selection**
 - Recruitment and Staffing Strategy
 - Job Analysis
 - Develop/Deliver Assessment Services
 - Test Development and Administration
 - Executive Recruitment
- **Talent Management**
 - Competency Modeling
 - Workforce and Succession Planning
 - HR Process Reengineering
 - Organizational Assessment, Design and Development
 - Performance Management
 - Employee Engagement
 - Employee Relations
- **Classification, Compensation and Total Rewards**
 - Position Classification
 - Job Evaluation
 - Compensation
 - Awards, Pay for Performance, Merit Pay
- **Training and Development**
 - Organizational Needs Assessment or Training Strategy
 - Organizational Training Programs
 - Coaching and Coaching Programs
 - Mentoring and Mentoring Programs
 - Training Courses (off the shelf, or custom)
 - Leadership Development
 - Facilitation

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

DATE: October 16, 2012

AGENDA ITEM: Discussion and Possible Action: Documenting and Cataloging District Policies

STAFF RECOMMENDATION:

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

FINANCIAL IMPACT:

None

BACKGROUND:

Over the years the District has adopted a variety of policies. Some, such as those pertaining to personnel, are compiled in a single, readily retrievable document. Other policies are not. A compilation of all District policies as of January 2012 is attached. Within the coming months it is anticipated that additional District policies, covering a variety of topics, will be proposed and adopted by the Board. Before proceeding with the adoption of any additional policies, the Board may want to review the manner in which District policies have been documented and cataloged to date, and direct staff as appropriate.

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's
Policy list

- 1) Personnel Policy
- 2) Drug and Alcohol Abuse Policy
- 3) Non-Discrimination Policy
- 4) Family Medical Leave Policy
- 5) Vehicle Operations Policy
- 6) Resolution 94-18 – Establishing Educational Policy
- 7) Personnel Records Policy
- 8) Policies, Procedures and Bidding Regulations Governing Purchase of Supplies and Equipment By the Hidden Valley Lake Community Services District
- 9) Policy Regarding Information of the District's Facilities and Operations
- 10) Records Retention Policy
- 11) Review of Personnel Policy Manual By District's Legal Counsel
- 12) Capital Expenditure Policy
- 13) Hidden Valley Lake Community Services District's Board Members Contacting Consultants' Policy
- 14) Security and Disaster Preparedness Program Committee Policy to Review Vulnerability Assessment, Emergency Response Plan, and District's Facilities Annually
- 15) Policy for the Stonehouse Mutual Water Company Delinquent Water Fees
- 16) Director's Compensation and Reimbursement of Expense Policy (revised 2005 to meet SB 135 requirements)
- 17) Health Insurance Portability and Accountability Act, Privacy Policy Effective Date April 14, 2004
- 18) Notice of Privacy Practices for the Use and Disclosure of Private Health Information
- 19) Boardroom Use Policy
- 20) Customer Arrangements Policy
- 21) Harassment Policy
- 22) Sexual Harassment Policy
- 23) Policy Regarding Information of the District's Facilities and Operations
- 24) Hours of Worked and Overtime Policy
- 25) Policy for the Finance Committee to Review Audit Recommendations
- 26) Internet Use Policy
- 27) Hidden Valley Lake Community Services District Policy Regarding the Provisions of Water and Sewer Services to Residential Development with Affordable Housing Units
- 28) Bad Debt Account Policy
- 29) Capital Expenditures, Depreciation Schedule and Fixed Asset Policy
- 30) Office Cross Training and Handling of Financial Records
- 31) Hidden Valley Lake Community Services District Delinquency Management Policy for Special Assessments Districts
- 32) Employee Health and Dental Alternative Coverage Policy
- 33) Hidden Valley Lake Community Services District Employee Travel Expense Policy

- 34) Director Appointment Policy
- 35) Payment Arrangement Policy
- 36) Personnel Committee Policy
- 37) Smoke Free Work Place
- 38) Illness and Injury Prevention Policy
- 39) Military Leave Policy
- 40) Investment Policy 2010-2011
- 41) Clothing Allowance (revised)
- 42) Personnel Committee Policy (revised)
- 43) Bill Adjustment Policy and Application
- 44) Director Training Policy
- 45) Investment Policy 2011-2012

Cal Water to hold informational workshop for Lucerne water system

By staff reports

Updated: 10/08/2012 07:32:40 PM PDT

LUCERNE -- The California Water Service Company (Cal Water) will host a rate workshop on Oct. 24 to provide information about the company's general rate case application for its Lucerne water system.

The workshop will be held at 6 p.m. in the Lucerne Elementary School gym/multi-purpose room, located at 3351 Country Club Drive.

Cal Water filed the case with the California Public Utilities Commission (CPUC) in July.

Company representatives will provide details about planned water system improvements, how rates are set and other important information about water rates. Attendees will have an opportunity to ask questions.

"We want to help customers understand the general rate case filing and the rate-setting process," Gay Guidotti, Redwood Valley District Manager, said. "Any increase approved by the CPUC would not become effective until 2014, and our rate workshop will be followed by a formal public hearing hosted by the CPUC next year."

Cal Water serves about 3,600 people through 1,900 service connections in its Redwood Valley District. The company has provided water utility services in the area since 2000.

The utility's last general rate case was filed in 2009 and became effective in 2011.

For more information, visit www.calwater.com.



Investigators: City not in violation of water rules

OCTOBER 04, 2012 12:00 AM • SEAN SCULLY

Investigators from the State Water Control Board say they found no evidence that Calistoga was draining too much water from Kimball Creek and killing fish downstream, as several longtime critics of the city had alleged.

Inspectors visited the Kimball Dam on Sept. 6 in response to complaints filed by the Living Rivers Council, California Fisheries and Water Unlimited, and Bill McKinnon, the attorney for Grant Reynolds, the San Diego man who has dogged the city with lawsuits related to the dam and other water issues for several years.

They had complained that the city was refusing to allow any water to flow out of the reservoir that supplies most of Calistoga's drinking water, thereby drying up the creek and lowering water levels downstream in the Napa River. They circulated a photo of a fish, apparently dead, lying on a river rock.

The city is required by the state to allow some water to flow downstream during the dry summer months to keep the river flowing to protect the spawning grounds for steelhead trout and salmon.

Inspectors, however, found that the city was in fact releasing more water than was required on the day of their visit, according to a statement last week from the Water Control Board. Inspectors said city records show that water had been flowing downstream as required throughout the summer.

They also found evidence of living fish in the river and no signs of any dead fish.

"This preliminary information supports that the city was operating in compliance with conditions of its water rights licenses," the board statement said.

City officials had said from the start that they were not violating the terms of their water licenses.

"I can say that the city is in compliance with its Kimball Reservoir licenses, as confirmed by the Water Board back in 2009 and now again in 2012," Public Works Director Dan Takasugi said in an email last week.

The Water Control Board's preliminary report is not the final word. The board said it had contacted other agencies, including the state Department of Fish and Game, to see if they knew of any evidence that the city's conduct was harming fish populations.

The water board investigators will then make a recommendation to Les Grober, assistant deputy director for water rights, who will make a final decision on the complaints.

Board spokeswoman Kathie Smith said it's not yet clear when that final decision will be made.

City Manager Richard Spitler reacted with irritation to the complaint, calling it a "setup" by critics of city government.

"This city is under attack by various groups, unfortunately assisted by some local residents," he said.

The city has spent around \$1 million in defending against lawsuits by Reynolds, who started by suing on a water rights claim on behalf of family friends Matt Hickerson and his wife Debbie O'Gorman. That suit was eventually dismissed, but not before it evolved into an additional claim that the city was drawing too much water from the dam to the detriment of the fish populations downstream.

In 2011, just months before that claim was to go to trial, the City Council passed a plan to send more water downstream. The city denied that it was responding to Reynolds' lawsuit, but instead to longstanding pressure from state regulators.

Reynolds, however, argued that the city buckled under his pressure and that his attorney, McKinnon, was entitled to more than \$1 million in legal fees, which state law allows in successful cases involving the misuse of public resources by local government. A judge dismissed that request earlier this year.

Reynolds filed a third, unrelated suit last year saying that the city had misused money collected by a 1998 sales tax intended to pay for flood control measures, known as Measure A, to finance the new water tank under construction on Mount Washington. A judge dismissed that suit too, but the Napa County grand jury largely agreed with Reynolds' argument in a report over the summer, saying the city's use of Measure A money had been "inappropriate," though it did not call on the city to repay the money it has already spent.

All three of Reynolds' claims are on appeal and both city and county authorities have rejected the grand jury report, saying its members misunderstood the structure and intent of the original law.

Reynolds responded to the investigator's preliminary report on the recent complaints by calling them "total BS" in an email. He did not respond to a request to elaborate.

Editor's Note: The original version of this story, and the version in the print edition, misstated the Grand Jury's recommendation on Measure A money given to Calistoga. The Grand Jury asked that the city return any unspent money, but did not call on the city to repay money already spent on the Mount Washington water tank and other projects. City officials have said they do not intend to return any remaining money.

Breaking: Lakeport council approves water, sewer rate hikes

*By staff reports Record Bee
Updated:*

record-
bee.com

LAKEPORT -- Lakeport City Council voted 4-1 in favor of increasing water and sewer rates within the city Tuesday night. Councilman Tom Engstrom dissented.

The water rates take effect Jan. 1 and the sewer rates begin July 1. Subsequent increases for both will occur at the start of 2014, 2015 and 2016.

This story will be updated on Wednesday with more information about the vote and the rest of Tuesday night's council meeting.

Council approves water, sewer rate hikes

By Jeremy Walsh -- Staff reporter Record Bee
Updated:

record-bee.com

LAKEPORT -- Water and sewer rates in the city are going up.

The Lakeport City Council voted 4-1 Tuesday night in favor of a new rate structure that phases in increases over the next three-plus years.

"We need a rate increase we need to have this stuff done, period. And if I don't get re-elected, at least I'll be able to flush my toilet and get a glass of water," Councilman Bob Rumpfelt said.

Councilman Tom Engstrom, who ultimately voted against the proposal, said, "I'm having a hard time making a decision on something that is going to impact this community long after I'm dead."

The water rates take effect Jan. 1 and the sewer rates July 1. Subsequent increases for both will occur at the start of 2014, 2015 and 2016.

The money generated will go toward funding ongoing operations, increasing reserves, helping the city secure possible federal financing for water and sewer projects, and saving for other improvements, Public Works Director Mark Brannigan said.

As approved, the water rate structure will nearly double the flat-rate service fees for residential customers as well as increase the charges they pay based on their water usage, by January 2016.

On the sewer side, residential customers in the north part of the city will see their flat rate more than double by January 2016. The charge for southern residents will increase by almost 60 percent during that time.

The hikes also affect other properties such as commercial buildings and apartments.

The council discussed the rate proposal two weeks ago but delayed deliberations until Tuesday.

A total of 640 valid written protests were submitted by the close of the protest hearing on Sept. 18. The count meant approximately 26 percent of city parcels protested. Had a majority turned in valid protests, the proposal would have been rejected outright.

About 60 people attended Tuesday's meeting at Lakeport City Hall and more than a dozen spoke in opposition to the proposal.

"It seems to me we're biting off a big, big chunk in the midst of probably what is a depression," former councilman Arlin Pischke said. "The people do not have wealth."

Resident Bob Bridges was among the speakers who asked the council to hold off on deciding,

rethink the proposal and enlist a citizen's committee to analyze options.

"It's apparent that this is going to cause great pain," he said. "It's just time to slow down, take a deep breath and try to do a better job."

Verna Schaffer agreed, saying to council members, "If you vote for this now, you're not representing the folks who elected you to make these decisions for them."

The city recruited people to join a committee more than a year ago but couldn't generate any interest from city stakeholders, according to Brannigan.

Additionally, the city applied to the U.S. Department of Agriculture, Rural Development for a pair of grants of up to \$1 million each and a roughly \$7 million loan (40 years at 2 percent interest) to help fund 10 proposed water and sewer projects.

Adequate rates need to be in place for the city to have a chance to receive the financing, Brannigan said.

"I think that part of the reason that we're running in the red is because no one has had the courage to plan for the future," mayor Stacey Mattina said.

"I'd rather pay a higher rate to the city of Lakeport than pay it to the damn state of California," councilman Roy Parmentier said, referring to the potential for fines and sanctions if issues with the systems are not addressed.

Councilwoman Suzanne Lyons also expressed support, saying, "If you owned rental property and you never fixed it up and you just let it fall apart, then we would be calling you slumlords. So basically that's what we don't want to be with this water system."

After the roughly two-hour discussion Tuesday, the council voted 4-1 to adopt resolutions establishing the new water and sewer rates. Members also voted unanimously to certify the protest hearing.

The approved rates will likely decrease a bit before taking effect, according to Brannigan. The city should know by November whether it received the grant funding, which would allow it to reduce the water and sewer rates by about \$1 each if the maximum grants were obtained.

If the city fails to receive grant funding, the council directed staff to remove one proposed project -- the replacement of water meters -- from consideration, which would slightly reduce water rates.

Tiny Lucerne faces huge water bills

By [GLENDA ANDERSON](#)

THE PRESS DEMOCRAT

Published: Tuesday, September 25, 2012 at 7:24 p.m.

Many residents in California are bemoaning the rising costs of water but few are paying as much as the 3,000 people of Lucerne, a modest community on the shores of Clear Lake that is facing yet another big rate-hike proposal.

"We have to fight this. People here simply cannot afford the water," said Douglas Reams, a Lucerne dentist whose last bi-monthly bill for his business was \$1,013.

The average household pays nearly \$125 a month.

State and local officials have written letters to the Public Utilities Commission opposing the latest proposed hike: 77 percent over three years.

"I am not sure that another severe water rate increase can be absorbed without severe repercussions to the community," wrote Assemblyman Wesley Chesbro, D-Arcata. According to the Census Bureau, more than 41 percent of Lucerne's households earn less than \$25,000 a year and almost 21 percent are seniors, Chesbro wrote.

"This is a very impoverished area," said Lynette "Lenny" Matthews, who gets by on a \$1,356 a month disability check. Her bi-monthly water bill is about \$250.

Lake County Supervisor Denise Rushing called Lucerne's water rates "ridiculously high." She's part of a lobbying effort to bring them under control.

Since California Water Service Co., or Cal Water, bought the district in 2000, it has raised rates 429 percent for regular customers and 366 percent for low-income residents, according to Darin Duncan, the company rate manager.

The fee hikes are necessary to improve infrastructure, he said. When Cal Water took over the district, which has about 1,200 customer connections, the typical bill was \$19 a month, Duncan said. But the infrastructure was in bad shape, requiring a new surface water treatment plant that cost \$7 million, he said. Now it needs to replace leaking pipes.

Currently, the average monthly water bill for a Lucerne household is \$123.79, according to the company's website. The figure includes 500 cubic feet of water, or 3,740 gallons. Very-low-income residents benefit from discounts.

By comparison, nearby Nice residents are charged \$43 for the same amount of water; Lower Lake residents pay \$59.15; and Clearlake residents supplied by Golden State Water Co. pay \$53.42. Clearlake is supplied by three different companies. There are more than a dozen water companies in the county.

In Lakeport, where hundreds are protesting a proposed water rate hike, the cost for that same amount of water is just \$23.45. Santa Rosa city water customers pay about \$38.

Lucerne's water rates are high, but not the highest in the state. In Marin County, Dillon Beach residents using 500 cubic feet of water pay \$218.29 a month, according to Cal Water's online charge estimator.

Duncan said one of the reasons for Lucerne's high costs is its small customer base. "I think our story is economy of scale. There are not a lot of customers in Lucerne," he said. That means everyone pays more.

There's also an added cost of being privately owned. Private companies pay additional regulatory fees and they're allowed to make a profit for their shareholders.

Cal Water is allowed an 8.24 percent rate on its investments each year, Duncan said.

As water prices escalate, so do questions of whether water supplies should be in private hands.

"It's not in the public interest" for water agencies to be owned by private corporations, said Adam Scow, California campaign director for Food and Water Watch, a nonprofit group advocating for access to safe and affordable food and drinking water.

Several California towns, including Ojai and Felton, are trying to wrest control of their water supply from private companies, he said.

It's a thought that's crossed the minds of Lucerne residents and some members of the board of supervisors. But it can be a daunting and costly process.

Local officials would prefer to see the Public Utilities Commission do more to protect ratepayers from runaway costs.

There are several measures the Public Utilities Commission can take to reduce ratepayer costs while reviewing the rate increase proposal, said Danilo Sanchez, manager of the CPUC's Water Branch Division of Ratepayer Advocates.

They include evaluating whether proposed infrastructure improvements are necessary and spreading the costs among the water company's other customers.

Cal Water has about 500,000 customers in 23 water districts throughout the state, according to Duncan. Some pay significantly less than people in Lucerne.

"The problem then is they'll be subsidizing Lucerne" if costs are spread out, Duncan said.

Lucerne residents, who also mounted opposition to past hikes, aren't optimistic the CPUC will help them out. The agency has scaled back the increases Cal Water has requested each time, but that hasn't prevent rates from skyrocketing, Reams said.

"Whatever they (Cal Water) want, they get," he said.

Some Lucerne residents believe they must continue to fight Cal Water or risk their town. Businesses already are closing and houses are not selling, in part because of the high cost of water, Reams said.

"Why would anybody build here or invest here when they can do it right down the road without those incredibly high water bills?" asked Kenny Ornellas, owner of the local Foster's Freeze.

"It's the future of our town. We've got to keep fighting," Reams said.

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Lakeport water, sewer protest count finalized

By Jeremy Walsh -- Staff reporter Record Bee

Updated:

[record-bee.com](http://www.record-bee.com)

LAKEPORT -- The city received 640 valid written protests opposing its proposed water and sewer rate increases -- a total that fell well short of the threshold that would have resulted in the proposal being automatically rejected.

The Lakeport City Council discussed the issue Tuesday evening but decided to continue its conversation until the Oct. 2 meeting. The council closed the public hearing Tuesday, which marked the protest deadline.

City Clerk Janel Chapman said she completed the verification process Friday afternoon.

The final count meant that approximately 26 percent of city parcels protested the proposal, which would phase in increases during the next three-plus years.

Additionally, the city received 178 invalid protests. Most of those were duplicates -- multiple protests per parcel -- while others were submitted by non-city residents or without an address or parcel number, Chapman said.

Had a majority of parcels submitted valid protests, the city proposal would have been rejected.

As it stands, the council could approve increases equal to or lower than the amounts set forth in the proposal, according to City Attorney Steven Brookes.

As currently recommended, the new water rate structure would nearly double the flat-rate service fees for residential customers by January 2016 and create a new tiered system for charges based on water usage.

The proposed water hikes would also affect commercial customers and those with duplexes, mobile homes, apartments and motels.

On the sewer side, residential customers in the north part of the city would see their flat rate more than double by January 2016. The charge for southern residents would increase by almost 60 percent during that time.

Residents do not pay a consumption charge for sewer. The sewer rate changes would also impact apartments and commercial buildings.

For more information, visit www.cityoflakeport.com.

Lakeport council to consider water and sewer rate increases

*By staff reports Record Bee
Updated:*

record-
bee.com

LAKEPORT -- The Lakeport City Council will hold a public hearing on proposed increases for water and sewer rates in conformance with Proposition 218 Tuesday evening.

The city proposal would phase in increases for water and sewer rates over the next three and a half years.

Property owners are allowed to protest the proposed rates in writing before the end of the public hearing. If a majority of affected property owners present written protests by the deadline, the proposed rate increase will be rejected.

The council will also consider a seven-item consent agenda during its regular meeting Tuesday, which starts at 6 p.m. in Lakeport City Hall, 225 Park St.

Lakeport council continues discussion on water, sewer hikes

By *Jeremy Walsh* -- staff reporter *Record Bee*
Updated:

record-
bee.com

LAKEPORT -- The Lakeport City Council unanimously decided to continue its discussion on water and sewer rate increases until its next meeting after receiving far fewer written protests than needed to automatically reject the proposal Tuesday.

"That would give us the opportunity to consider everything that we've heard and look at, again, every last alternative," Mayor Stacey Mattina said Tuesday evening at Lakeport City Hall.

The issue will be taken up Oct. 2.

The decision to postpone came after council members listened to more than two dozen people speak in opposition to the proposal, which would phase in increases during the next three-plus years.

Approximately 100 people attended the public hearing, but many trickled out of the council chambers during the course of the nearly three-hour conversation.

The opponents expressed a range of concerns, including for potential impacts on low-income residents, retirees on a fixed-income, businesses and people who maintain lawns and gardens.

"You're going to kill households," resident Bob Bridges said.

The city received about 360 written protests, which officials will work to validate -- each city parcel was allowed one protest.

The council closed the public hearing Tuesday, so no more written protests will be accepted. Had the city received 1,215 valid protests (representing a majority of parcels), the rate proposal would have been rejected.

As currently recommended, the new water rate structure would nearly double the flat-rate service fees for residential customers by January 2016 and create a new tiered system for charges based on water consumption.

The proposed water hikes would also affect commercial customers and those with duplexes, mobile homes, apartments and motels.

On the sewer side, residential customers in the north part of the city would see their flat rate more than double by January 2016. The charge for southern residents would increase by almost 60 percent during that time.

Residents do not pay a consumption charge for sewer. The sewer rate changes would impact

apartments and commercial buildings.

The new rates would take effect at the time of council approval. The city would implement subsequent increases at the beginning of 2014, 2015 and 2016.

"I'm concerned about how fast the water rate increase is," opponent Keith Kirsch said.

Water and sewer revenues have gone down while costs have risen, resulting in delayed infrastructure improvement projects, Public Works Director Mark Brannigan said.

"It would be nice to know that we had a system that wasn't going to fail, we weren't going to be paying fines and we knew it was going to keep working for awhile," Mattina said. "So, why didn't we do this in the past to plan for the future? Well, nobody wanted to raise the rates."

The money generated by the increases would go toward future projects, building reserves and helping secure U.S. Department of Agriculture, Rural Development grants and low-interest, long-term loans, which the city applied for this year, Brannigan said.

"Without the adequate rates in place, we won't qualify for the financing or the potential grant," he said.

Some of the increased revenue would go toward paying down any federal loans the city received for 10 specific water and sewer enhancement projects.

Bridges and others questioned the need for some of the proposed improvements, including the replacement of water meters and the controversial south-city water main loop.

"You folks need to go back to the drawing boards and really do what you need to do and throw out the stuff you don't need to do," Bridges said.

Some people who spoke during the meeting asked the council for more time to gather protests. A couple attendees said neither they nor their tenants were notified of the hearing.

City staff said legal notices were mailed to each property owner as well as each person who receives a utility bill. The notification was also available on the city website.

Council members could approve rates lower than the amounts outlined in the legal notices, but if they wanted to implement higher rates, the city would have to start the hearing process over, City Attorney Steven Brookes said.

"Everything you said tonight, I hear you," Councilman Bob Rumfelt said to citizens at the meeting. "But what a lot of you folks don't understand is this problem has been going on for a long time, and it's getting to where we can't control it and we need more money."

For more information about the rate proposal, call 263-3578 or visit www.cityoflakeport.com.

Supervisors, city officials discuss South Lakeport Water System

by Kevin N. Hume -- staff reporter Record Bee
Updated:

record-
bee.com

LAKEPORT -- A feasibility study for the proposed South Lakeport Water System rehashed a discussion Tuesday between city and county officials about how to best serve homes and businesses in the area.

The Lake County Board of Supervisors (BOS) ultimately approved three motions related to the study and issues surrounding it. District 1 Supervisor Jim Comstock was absent.

The feasibility study was conducted by Ruzicka and Associates following the supervisors' approval in April.

Two proposals to provide water to about 170 resident unit equivalents (RUEs) in the South Lakeport area were examined: one that would hook into the existing Kelseyville/Finley water system by extension at the nearest connection point, while the other proposal created a new water system for the area.

Special Districts Administrator Mark Dellinger said hooking up to the Kelseyville/Finley system would cost between \$2.1 and \$2.5 million, while the proposed new system would cost about \$3.1 million.

Dellinger said connecting to the Kelseyville/Finley system would require extending an 8-inch diameter plastic pipe by 4,400 lineal feet to the nearest connection point, which is located west of Meadow Drive near Konocti Vista Casino.

He said the Kelseyville/Finley system has existing water storage, but connecting more customers to the system would require additional storage.

Dellinger said creating a new well, treatment and storage system to serve the area would require digging an 8-inch diameter well with treatment and pumping systems and approximately 300,000 gallons of storage.

According to the report, the new well system would need to produce water at 106 gallons per minute in order to meet supply requirements.

Richard Knoll, Community Development Director for the City of Lakeport, said the study should include the discussion of environmental factors.

The supervisors directed staff to examine environmental concerns related to the study.

Knoll said the idea of using Kelseyville water for Lakeport residents didn't make sense when there was an option within the city that would provide residents with Lakeport water.

"That option is annexation," Knoll said.

City officials previously expressed desire to annex the unincorporated South Lakeport corridor in order to provide parcels with water service.

"The city has a policy of not extending water (service) outside the city limits," Knoll said, adding a reasonable discussion between city and county officials about annexing the corridor should take place.

"We're talking about a part of the Lakeport community here," he said.

During past discussions, more than 80 percent of the parcel owners in the corridor indicated they were against annexation, which led the supervisors to oppose annexation.

The BOS then went over two proposed letters to the Lakeport City Council regarding annexation and a proposed wastewater treatment system for Lampson Field Airport.

The first proposed letter stated the county would not support the city's proposal to extend a water line to provide water to customers along the unincorporated South Main Street/Soda Bay Road corridor.

The letter stated annexation would not be in the best interest of the residents and businesses in the area as well as for the county because it would remove an estimated \$500,000 in tax revenues to the county.

The letter stated the only way annexation would be possible is if a "fair and reasonable" tax sharing agreement was included; if not, the county would deny the city an encroachment permit within the county's right-of-way for the city's water line extension.

District 3 Supervisor Denise Rushing amended the letter to include language that asked the city council to "alternatively negotiate with the county for an out-of-area service agreement for the constituents that are adjacent to the water line with the county's participation in the project."

The second letter discussed the agreement between the city and county to transport wastewater from Lampson Field to the city's Municipal Sewer District wastewater treatment facility.


The agreement also provides for an equivalent amount of wastewater to be transported from the city to the Lake County Sanitation District's Northwest Treatment Facility.

The letter stated county officials are preparing to evaluate wastewater alternatives for the airport and wanted the city council to confirm it is willing to extend the subject agreement.

The supervisors added language that asked the letters be placed on to the city council's agenda for its next available meeting. The supervisors also included language that encouraged a joint meeting between the two governing bodies to discuss annexation.

The BOS directed staff to wait for response from the city council before moving forward on any proposals.

Sonoma City Council rejects water rate hikes

Posted by PD staff in [Cities](#) on September 18th, 2012 tags: [Bates](#), [Brown](#), [Golenpaul](#), [Rouse](#), [Sanders](#), [Sonoma](#), [Sonoma City Council](#), [Valley of the Moon Water District](#)
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By DEREK MOORE

THE PRESS DEMOCRAT

Sonoma's City Council on Monday night unanimously rejected raising water rates by at least 25 percent over the next five years amid concerns that the city has not explored other options, including consolidating services with other water agencies to cut costs.

"I think we have a little more due diligence to do," Councilman Tom Rouse said.

The city Public Works Department sought a 5 percent rate increase for each of the next five years to help offset a projected deficit in the water budget and to pay for capital improvements, such as replacing aging wells.

The city buys 95 percent of its water from the Sonoma County Water Agency and in recent years has absorbed increases in those costs, according to staff.

Public Works Director Milenka Bates told the council that without the rate increases, the city would have to defer projects and "fix things as they break."

She said the capital improvement budget of \$1.91 million is enough to fund the city's water needs for two years. The city also could sell water bonds as another source of revenue, she said.

About a dozen Sonoma residents spoke against the proposed increases, saying they would hurt seniors and others on fixed incomes.

"We have been nicked and dined to death in the last five years," said veteran council watcher Herb Golenpaul.

Mayor Joanne Sanders called the proposed increases an "assault" on families.

"We can only brown our lawns so much, but we still have to eat and flush our toilets," she said.

Sonoma's service charges for water use are the third highest in Sonoma County behind Rohnert Park and Larkfield.

Under the proposal for the first year, the average water bill for a typical single-family residence would have gone from \$61.47 to \$64.43. That's for a family that uses about 9,000 gallons of water in a two-month period.

Several council members said the city should possibly explore consolidating with the Valley of the Moon Water District to try to cut costs.

Sanders said the fact Sonoma has its own water department “seems like a luxury” given the city’s small geographic size.

Council members also raised concerns about how much the city is having to pay the county water agency and how much of that amount is related to overhead, such as salaries.

Councilman Ken Brown said “safe water costs money,” and he predicted if the city does not provide it, there would not be a building large enough to accommodate the angry crowd.

They will “come out with their flames and their pitch forks and everything else at their command,” he said.

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Sonoma wrestles with water rate hike

By *DEREK MOORE*

THE PRESS DEMOCRAT

Published: Sunday, September 16, 2012 at 6:00 p.m.

Sonoma Mayor Joanne Sanders said she does not support a proposed 25 percent increase in the city's water rates over the next five years, saying it will hurt people on fixed incomes the most.

"I don't think we are in a time when people can afford this, and it's for five years," Sanders said Friday.

The Sonoma City Council today will consider the proposed rate increase of 5 percent each year for five years, which city staff says is needed to operate and maintain the city's water services and to offset the city's increased costs to purchase water from the Sonoma County Water Agency.

Under the proposal, the average water bill for a typical single-family residence would go from \$61.47 to \$64.43. That's for a family that uses approximately 9,000 gallons of water in a two-month period.

The proposed increase is less than what several other North Bay communities have adopted recently.

North Marin last year approved a three-year increase of 11 percent each year, Windsor bumped rates up by 9 percent and Sebastopol recently approved a four-year increase of 32 percent each year.

The proposed increase in Sonoma also is less than the 7 percent hike recommended by a consultant in 2010.

Milenka Bates, the city's Public Works director, said the 7 percent hike is not warranted at this time because the city has had to delay several large capital improvement projects because of permitting issues.

"We are a small operation and can only move so fast with all of the permitting (and) environmental issues that we are working through," Bates said. "I do not want to impact our rate payers if we do not have to."

Sanders said the Public Works Department should consider reductions in personnel costs, including pensions, before seeking to pass the costs on to ratepayers.

"Maybe that is an area where we can't afford to continue those benefits we've been paying out, and maybe we should be cutting back," she said.

She said the city also could pull money from a special projects fund to offset the need for higher water rate increases.

Bates said even with the five percent increase, the city's water agency would still have a projected shortfall of about \$2.7 million for operations and capital improvement needs. She said the city may have to consider issuing water bonds to make up the difference.

The city as of Thursday had received about 150 letters from water customers who are opposed to the increase. A majority of ratepayers would have to object for the increases to be thwarted. The city has 4,326 utility customers.

Gerry Simmel, a retired journalist living in Sonoma, said the city already is charging him too much for his water use. He said his water bills have gone up 25 percent in the past five years, while his usage over that period fell by 14 percent.

He said two-thirds of his bills are to pay for service charges.

"I'm opposed to any utility that has a big service charge rather than basing the amount you pay on usage," Simmel said.

Today's City Council meeting is at 6 p.m. at the Community Meeting Room on First Street West.

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