

SIERRA HIGHLANDS COMMUNITY SERVICES DISTRICT

- ANNUAL REPORT for CALENDAR YEAR 2019 -

The Board of Directors for the Sierra Highlands Community Services District is submitting this Annual Report for your information and review of District activities during the calendar year 2019. In addition to the Report, test results are outlined in the **2019 Consumer Confidence Report (CCR)** (**see enclosed*) which focuses specifically on water quality issues. This separate **CCR** is in conformance with State regulations (Title 22, Chapter 15, Article 20), 'California Health and Safety Code' (Section 116470), and the Federal Consumer Confidence Report Rule (40CFR part 141 Subpart). Within you will find detailed technical information ... including definitions used within the water industry, explanation of the District's source of water, plus tables with the most current water testing results.

The **Annual Report for Calendar Year 2019** highlights areas of interest and concern pertaining to operation of the System. **Residents are encouraged to read both reports and become familiar with not only the status of the quality of SHCSD water, but also with the maintenance and repairs that have gone into keeping the System in good working order throughout the past year.**

SYSTEM IMPROVEMENTS and OPERATION:

A. Irrigation Practices

The greatest use of water is yard irrigation! Because of the importance of water usage within the District, mention of irrigation practices is made not only in the Customer Letter, but again in this Annual Report. It is worth repeating ... and will hopefully, be adhered to by all home owners.

The District's energy rates, under the current SCE Rate Plan, are as high as 47 cents per kilowatt/hour. The 47-cent range is in effect during **peak hour** operation from 8:00 a.m. to 9:00 p.m. During off-peak hours ... 9 p.m. to 8:00 a.m., the rate is as low as 9 cents per kilowatt/hour! Energy costs for irrigation sky-rock during peak hours (**8 a.m. – 9 p.m.**) to as much as 5X that of non-peak hours.

* The Board of Directors **strongly** encourages all residents to therefore, limit yard irrigation to the **9 p.m. to 8 a.m. non-peak times** in order to help keep energy costs down. Restricting irrigation to these hours will reduce not only evaporation but the amount of water needed. This simple act will directly affect energy costs while keeping water usage down ... a benefit to all residents. An added bonus in limiting watering usage ... the District is able to stay within the water conservation guidelines established by the State of California.

B. Sustainable Groundwater Project

Set up of the 2014 Sustainable Groundwater Management Act by the CA Department of Water Resources required the formation of **Groundwater Sustainable Agencies (GSA)** in high and medium priority basins and sub-basins by June 30, 2017.

Since the Owens Valley basin was classified as a '*medium priority*' groundwater basin, the Inyo County Board of Supervisors took action on February 21, 2017 to form a Groundwater Sustainability Agency for the Owens Valley Groundwater Basin ... in order to meet established CA code requirements.

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The Sierra Highlands Community Services District had the option to form its own GSA or join with Inyo County and other like agencies within the basin. In the best interest of the District, and to minimize financial liability, the Directors chose to become part of the Inyo County initiative. Director John Camphouse was appointed by the Board to represent the District at all meetings associated with the Agency. John Beischel, Director, was appointed to act as alternate representative as needed.

During deliberations among participants at meetings of the Inyo County GSA throughout the year, the State of California had been considering lowering of the Owens Valley from 'medium' status to a 'low' priority category. A final decision was not reached until 2020.

NOTES and SUMMARY:

1. The Board operated with a full complement of Directors in 2019. There were six (6) bi-monthly meetings held during the year.

2. At the end of calendar year 2019, **service connections** for SHCSD totaled 215.

* As a Reminder: ***Before*** a new service can be activated, contact must be made with SHCSD Board of Directors to obtain approval and to pay necessary hook-up fees and/or pro-rated annual fees.

3. The District continues to be represented by the General Manager at bi-annual meetings for the **Association of California Water Agencies (ACWA)** where educational sessions and current information are provided on water issues, state and federal legislation, and up-to-date requirements for both large and small water districts. In connection with ACWA Conferences, there are special meetings sponsored by our liability insurance carrier ... **Joint Powers Insurance Authority (JPIA)**. In order for the District to maintain insurance coverage, mandatory yearly attendance is required at those scheduled meetings. Director John Camphouse represented the District at the JPIA Conference held the first week of December in San Diego.

4. Note: Factors associated with any increase in the District's **annual fees** are directly related to energy charges established by Southern California Edison and the Consumer Price Index (CPI). CPI adjustments are made on an annual basis as determined by the Bureau of Labor Statistics (*through comparison of the current year's financial figures to that of the previous year*). The Board made an assessment of changes posted by both SCE and CPI and decided to maintain the same rates for Fiscal Year 2019-2020 as those set for 2018-2019 .

5. **Resolution on Delinquent Accounts (01-21-19)** Each year the District is faced with the problem of dealing with some property owners who do not pay their annual water service fee prior to the required deadlines. Again in 2019, many late fee charges were issued. Ongoing follow-up for payment is both time-consuming and costly when the September 1st deadline is not honored by all residents.

Therefore, on January 21, 2019, the Board of Directors passed a Resolution (# 19-01) authorizing the District to initiate a tax lien on a delinquent property through the Tax Collector's office of the Inyo County Treasurer. Delinquent charges would be recovered by the Tax Collector through regular property tax channels. As allowed by law, an increase of 1% (from .05%) to the delinquent fee balance was initiated for accounts that extended additional months beyond September.

*In accordance with District policy, service to a property that is delinquent for a period of **60 days** after the September 1st delinquent date – specifically, **November 1st** – may be terminated and/or subject to having a TAX LIEN placed on the delinquent property. A tax lien will remain in effect and water service will not be restored until all delinquent charges are paid in full.*

6. Resolution on Contamination Issues (9-17-02): All customers are reminded that any surface water, including: *ponds, *ditches, *backyard swimming pools, *animal troughs, or *other standing water CAN pose a potential contamination threat to the District's water supply. If a hose is left submerged in any of the above-mentioned waters, attached to a hose bib that is supplied with District water and the faucet is 'on' with water running, this could cause a potential Cross-Contamination Issue. If during this period, the System should experience a rapid decrease in pressure, a negative pressure or vacuum could occur, sucking the water into the hose and eventually into District mains. Should such an event occur, the District would be forced to mandate backflow prevention devices, installed at the property owners expense, for all properties with surface water access. This would also require the District to begin continuous disinfection with chlorine. Cross-contamination is a major source of water system contamination throughout the United States that can result in sickness and even death. A copy of the Resolution, prepared by the Board of Directors addressing backflow issues, is attached.

7. Resolution on Commercial Restrictions (1-20-03): At the time the Water District was originally formed, the System was established for a community of individual residences. System facilities, equipment, operations, and employees were set up and guided by a volunteer Board of Directors to provide potable water for private use at an affordable cost in order to accommodate individual homeowners. During 2003, the original intent and purpose of the Community Services District came into question when water was used for something other than individual residential use. Because of the importance of this particular issue, herein attached is a copy of the Resolution (*prepared by the Board of Directors*), addressing water use, **and** re-stating that water is **not** to be used for commercial purposes.

8. Kendall Weisenberg, a licensed General Contractor, continues to provide plumbing services to the District for any major repair work. He has a complete set of District maps and records and is available for any on-site repair, replacement or maintenance needs. In the event of an emergency, if General Manager, Fred Finkbeiner, or members of the Board cannot be reached, Mr. Weisenberg can be contacted at: (760) 872-2566.

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2019 SHCSD BOARD OF DIRECTORS

	(Area Code: 760)
John Beischel	873-5367 / Cell: 920-3666
John Camphouse	873-8354 / Cell: 920-0730
Bruce Kingsbury	872-4219
Jim Langley	872-4546 / Cell: 475-7553
Randall Van Tassell	873-7240 / Wk: 872-1122
General Manager: Fred Finkbeiner	873-4302 / Cell: 920-0680
District Secretary: Diane Finkbeiner	873-4302

Note: Board Meetings are scheduled for 7:00 p.m. on the 3rd Monday of every odd-numbered month at offices of **Van Tassell & Paegel Accountants** (*located on 119 MacIver Street*). You are welcome to attend any meeting, but first call the District Secretary to confirm that no changes have been made with either date or place. Please let us know if you have either comments or a concern that you wish to have placed on the meeting agenda ... contact telephone numbers are listed above.

The District's mailing address is: P.O. Box 782, Bishop, CA 93515

- * Prior to each meeting, notifications are announced on the KIBS/KBOV radio stations as well as printed in the 'Community Calendar' of the local Inyo Register newspaper. In addition, a copy of the Board Agenda is posted in the wooden box located on the Barlow site fence facing toward Glenbrook Way.

REMINDER:

Residents will be receiving the annual Billing Statement, as usual, the end of June. Statements are payable as of July 1, and past due on September 1, at which time late fees begin to accrue. In order for the District to meet operating costs during the new fiscal year 2020-2021, prompt payment of the fee is appreciated. Please note the attached copy of District Policies regarding 'Annual Fees, Payments and Delinquent Accounts'.

DISTRICT POLICY ON *ANNUAL FEES, *PAYMENTS, AND *DELINQUENT ACCOUNTS
DISTRICT POLICY REGARDING CURB VALVES ON INDIVIDUAL PROPERTY

As in previous years, the Board was forced to address several cases of non-payment of water fees. Action was taken by assessing a late fee for several properties and water service termination on one property. To avoid this unnecessary waste of time and needless expense, the District Board is reaffirming the following policies on payment of annual fees, urging all customers to take a few minutes not only to review them but also to acknowledge personal responsibility as residents of the District:

1. Billing Statements for the **ANNUAL WATER SERVICE FEE** are mailed out each year at the end of June. The deadline for payment of that Water Fee is **September 1st**. If payment is not received by that date, the account becomes delinquent and a **10% late charge** will be invoked. Thereafter, 1% of the unpaid balance will be assessed per month as stipulated in Government Code Section 61621.

2. For all **accounts delinquent** as of **November 1st**, the property is subject to termination of water service and/or placement of a tax lien on the property.

3. A Resolution addressing **Shut-Off of Water Service on Delinquent Accounts** was included in the **2000 Annual Report**. A copy of that Resolution can be obtained from the District Secretary if needed.

4. The Water District is responsible for the repair and replacement of all District facilities up to and including the **CURB VALVE**. The curb valve, or any replacement thereof, remains the property of the Water District.

All pipes, related valves and appurtenances that convey water beyond the curb valve are owned by and are the responsibility of, the private property owner.

The Water District authorizes **one** curb valve to each customer. Installation includes a valve box to access the curb valve (which may be located at the rear of the property).

The property owner is responsible for protecting and preserving the valve box so that the curb valve is accessible and can be easily located at any time. The valve may be operated as the need arises by either the Water District or property owner.

Any replacement or relocation of the curb valve may be made only with the approval of the Water District.

In the event the property owner cannot locate the curb valve, the Water District will, upon request, provide the best information it has as to curb valve location ... such as depth and distance from the curb and property line. However, the cost of any excavation necessary to locate the curb valve and/or replace the sleeve and cap shall be the sole responsibility of the property owner.

