

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS' REGULAR MEETING**
Minutes of December 17, 2020

This meeting was held virtually pursuant to the virtual meeting protocols as outlined in the President's Declaration of April 6, 2020.

1. 4:00 PM OPEN SESSION / CALL TO ORDER / FLAG SALUTE

President Burgess called the meeting to order at 4:00 pm and led the flag salute.

2. OATH OF OFFICE ELECTED/APPOINTED BOARD MEMBERS

Secretary Gelos administered the Oath of Office to Director Burgess and Director Capps.

3. ROLL CALL

Secretary Gelos called the role. All Directors were present.

Staff present: General Manager Scott Duffield, Office Supervisor/Board Secretary Kristen Gelos, District legal counsel Jeff Minnery and Jennifer Blackburn, and District Auditor Adam Guise.

4. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

No comments

5. CONSENT ITEMS

- a. Meeting Minutes:** Receive/approve minutes of regular meeting of November 19, 2020.
- b. Warrant Register:** Receive/approve November 2020 warrants.
- c. Treasurer's Report:** Receive/file November 2020 report.
- d. Fiscal Report:** Receive/file November 2020 status report.

Director Capps made a motion to approve all consent items as presented. Director Cousineau seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

President Burgess moved item 10 – Election of Board Officers and 11 – Appointments to District Committees to address prior to Discussion Items.

10. ELECTION OF BOARD OFFICERS

Director Burgess made a motion nominating Director Capps for President. Director Capps accepted. Director Barker seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

Director Burgess made a motion nominating Director Cousineau for Vice President. Director Cousineau accepted. Director Barker seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

Director Burgess passed meeting on to newly elected President Capps to proceed with meeting.

11. APPOINTMENTS TO DISTRICT COMMITTEES

Manager Duffield provided a brief summary and history of the item.

After discussion amongst the board, Director Burgess made a motion to table the item for the next board meeting. Director Capps seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

Director Burgess left the meeting after this item.

6. DISCUSSION ITEMS

a. Request to accept and direct staff to file the Independent Auditor's Report and Financial Statements for the Year Ended June 30, 2020, prepared by Moss, Levy & Hartzheim LLP.

Adam Guise from Moss, Levy & Hartzheim presented the Board with a summary of the District Financial Statement (Audit) and answered any questions the Board had.

Director Barker made a motion to accept and file the Independent Auditor's Report and Financial Statements as presented. Director Cousineau seconded the motion. The motion passed by the following roll-call vote:

Ayes: Barker, Capps, Cousineau, Rowley

Absent: Burgess

b. Request to receive and file a report on the status of Nacimiento Reservoir and provide direction to staff.

Manager Duffield provided a power-point presentation and answered any questions the board had.

The report was received and filed.

7. MANAGER'S REPORT

Manager Duffield provided a brief summary of the item.

The report was received and filed.

8. STAFF REPORTS

The reports were received and filed.

9. COMMITTEE AND DIRECTOR REPORTS

Director Capps wanted to discuss the previously tabled item, Committees. Director Barker commented that the item has been tabled and will need to be discussed at next meeting.

12. ADJOURNMENT

On a motion by Director Cousineau and seconded by Director Capps, the meeting adjourned at 5:23 pm to the next scheduled regular meeting on Thursday, January 21, 2021.

APPROVED:

Devin Capps, President
Board of Directors

ATTEST:

Kristen Gelos, Secretary
Board of Directors

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
DECEMBER 2020
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
12/3/2020	CALPERS HEALTH BENEFITS		
	CALPERS HEALTH BENEFITS	9,738.75	
	EMPLOYEE PAID HEALTH BENEFIT	819.88	
	EMPLOYEE PAID HEALTH BENEFIT	874.06	\$ 11,432.69
12/7/2020	PG&E		
	ELECTRICITY	21,950.57	\$ 21,950.57
12/8/2020	INTERNAL REVENUE SERVICE		
	FEDERAL WITHHOLDING TAXES	2,024.66	
	MEDICARE	709.14	\$ 2,733.80
12/8/2020	EMPLOYMENT DEVELOPMENT DEPARTM		
	SDI	183.00	
	STATE WITHHOLDING	748.13	\$ 931.13
12/8/2020	SAN MIGUEL GARBAGE		
	DELINQUENT SOLID WASTE FEES	280.00	\$ 280.00
12/10/2020	GREAT WESTERN ALARM		
	ALARM / ANSWERING SERVICE	285.55	\$ 285.55
12/10/2020	SWRCB		
	LICENSES & PERMITS	2,848.00	
	LICENSES & PERMITS	682.00	\$ 3,530.00
12/10/2020	ASSOCIATED BACKFLOW SERVICES		
	PROFESSIONAL SERVICES	874.00	\$ 874.00
12/10/2020	WESTERN JANITOR SUPPLY		
	MAINTENANCE FIXED EQUIP.	199.96	\$ 199.96
12/10/2020	DELTA LIQUID ENERGY		
	PROPANE	206.88	\$ 206.88
12/10/2020	FLUID RESOURCE MANAGEMENT		
	PROFESSIONAL SERVICES	1,038.75	\$ 1,038.75
12/10/2020	NAPA AUTO PARTS		
	VEHICLES	31.72	
	VEHICLES	339.65	\$ 371.37

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
DECEMBER 2020
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
12/10/2020	U.S. BANK CORPORATE PAYMENT SY VEHICLES	49.75	
	STRUCTURES & GROUNDS	7.59	
	MAINTENANCE FIXED EQUIPMENT	639.55	\$ 696.89
12/10/2020	MICHAEL K. NUNLEY & ASSOCIATES PROJECT X	2,185.15	\$ 2,185.15
12/10/2020	DATA PROSE LLC DECEMBER BILLING	1,118.81	\$ 1,118.81
12/10/2020	RIVAL TECHNOLOGY INC. PROFESSIONAL SERVICES	630.70	
	COMPUTER/SOFTWARE	130.00	\$ 760.70
12/10/2020	KENWOOD ENERGY PVS PROJECT	2,778.75	\$ 2,778.75
12/10/2020	STREAMLINE COMPUTER/SOFTWARE	600.00	\$ 600.00
12/10/2020	ALL WAYS CLEAN STRUCTURES & GROUNDS	400.00	\$ 400.00
12/11/2020	CALPERS 457 DEFFERED COMP PROG PERS 457- DEFFERED COMP.	1,028.00	\$ 1,028.00
12/11/2020	CALPERS RETIREMENT SYSTEM PERS RETIREMENT	2,094.59	
	PERS RETIREMENT	339.13	
	PERS RETIREMENT TIER 2	1,075.89	
	PERS RETIREMENT PEPPRA	615.31	
	SURVIVOR BENEFIT	6.51	\$ 4,131.43
12/11/2020	SAN MIGUEL GARBAGE DELINQUENT SOLID WASTE FEES	1,634.50	\$ 1,634.50
12/16/2020	SAN MIGUEL GARBAGE DELINQUENT SOLID WASTE FEES	443.50	\$ 443.50
12/21/2020	INTERNAL REVENUE SERVICE BALANCE DUE ON RETURN	528.56	\$ 528.56

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
DECEMBER 2020
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
12/22/2020	INTERNAL REVENUE SERVICE FEDERAL WITHHOLDING TAXES FICA WITHHOLDING MEDICARE	1,870.54 62.00 688.96	\$ 2,621.50
12/22/2020	EMPLOYMENT DEVELOPMENT DEPARTM SDI STATE WITHHOLDING	171.03 659.67	\$ 830.70
12/22/2020	AT&T TELEPHONE / INTERNET	175.99	\$ 175.99
12/23/2020	ALL AMERICAN DRILLING, INC. VERTICAL INTAKE PROJECT	50,477.30	\$ 50,477.30
12/24/2020	CALPERS RETIREMENT SYSTEM PERS RETIREMENT U/L PERS RETIREMENT U/L	6,642.76 250.10	\$ 6,892.86
12/25/2020	CALPERS 457 DEFFERED COMP PROG PERS 457- DEFFERED COMP.	1,078.00	\$ 1,078.00
12/25/2020	CALPERS RETIREMENT SYSTEM EMPLOYER'S CONTRIBUTION PERS RETIREMENT PERS RETIREMENT TIER 2 PERS RETIREMENT PEPPRA SURVIVOR BENEFIT	15.27 2,433.72 1,075.89 615.31 6.51	\$ 4,146.70
12/25/2020	J.B. DEWAR. INC. FUEL & OIL	801.13	\$ 801.13
12/28/2020	CHARTER COMMUNICATIONS INTERNET	84.99	\$ 84.99
12/30/2020	STOCKMAN'S ENERGY, INC. PVS PROJECT	180,031.18	\$ 180,031.18
12/30/2020	STAPLES CREDIT PLAN OFFICE SUPPLIES	26.80	\$ 26.80
12/30/2020	GREAT WESTERN ALARM ALARM/ANSWERING SERVICE	277.30	\$ 277.30

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
DECEMBER 2020
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
12/30/2020	WALLACE GROUP CONSULTING & ENGINEERING PVS PROJECT VERTICAL INTAKE PROJECT	97.50 1,560.00 386.91	\$ 2,044.41
12/30/2020	ADAMSKI, MOROSKI, MADDEN, CUMB LEGAL & ATTORNEY	1,400.00	\$ 1,400.00
12/30/2020	RYAN BRINK CELL/INTERNET ALLOWANCE	80.00	\$ 80.00
12/30/2020	USA BLUEBOOK SUPPLIES SUPPLIES / MAINT FIXED EQUIP. MAINTENANCE FIXED EQUIPMENT	105.59 1,267.79 609.74	\$ 1,983.12
12/30/2020	BRENNTAG PACIFIC, INC CHEMICALS CHEMICALS CHEMICALS CHEMICALS	2,110.52 1,569.25 2,077.79 2,684.70	\$ 8,442.26
12/30/2020	SWRCB LICENSES & PERMITS	4,799.00	\$ 4,799.00
12/30/2020	CAL COAST IRRIGATION, INC. MAINTENANCE FIXED EQUIPMENT	418.18	\$ 418.18
12/30/2020	WESTERN JANITOR SUPPLY SUPPLIES	101.91	\$ 101.91
12/30/2020	COUNTY OF SAN LUIS OBISPO LICENSES & PERMITS LICENSES & PERMITS	454.00 801.00	\$ 1,255.00
12/30/2020	ROY ARNOLD CELL/INTERNET ALLOWANCE	80.00	\$ 80.00
12/30/2020	ANTHONY'S TIRE STORE VEHICLES	89.00	\$ 89.00
12/30/2020	FLUID RESOURCE MANAGEMENT PROFESSIONAL SERVICES	727.51	\$ 727.51

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
DECEMBER 2020
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
12/30/2020	ABALONE COAST ANALYTICAL, INC. LAB TESTING	1,533.00	\$ 1,533.00
12/30/2020	ALPHA ELECTRICAL SERVICE MAINTENANCE FIXED EQUIPMENT MAINTENANCE FIXED EQUIPMENT	554.00 366.50	\$ 920.50
12/30/2020	FASTENAL COMPANY MAINTENANCE FIXED EQUIPMENT	28.07	\$ 28.07
12/30/2020	KRISTEN GELOS CELL/INTERNET ALLOWANCE	40.00	\$ 40.00
12/30/2020	JAMES A. PRITCHETT CELL/INTERNET ALLOWANCE	80.00	\$ 80.00
12/30/2020	R&B COMPANY A CORE & MAIN COMP METERS & EQUIPMENT	910.70	\$ 910.70
12/30/2020	RAMINHA CONSTRUCTION, INC. MAINTENANCE FIXED EQUIPMENT	4,270.97	\$ 4,270.97
12/30/2020	CAL COAST MACHINERY SMALL TOOLS & EQUIPMENT	894.55	\$ 894.55
12/30/2020	MASTER METER, INC. COMPUTER/SOFTWARE	1,500.00	\$ 1,500.00
12/30/2020	BURT INDUSTRIAL SUPPLY MAINTENANCE FIXED EQUIPMENT MAINTENANCE FIXED EQUIPMENT	1,099.62 240.22	\$ 1,339.84
12/30/2020	SCOTT DUFFIELD CELL/INTERNET ALLOWANCE	40.00	\$ 40.00
12/30/2020	WESTERN EXTERMINATOR COMPANY STRUCTURES & GROUNDS	86.00	\$ 86.00
12/30/2020	MARK HUMPHREY CELL/INTERNET ALLOWANCE	80.00	\$ 80.00
12/30/2020	TABORDA SOLUTIONS COMPUTER/SOFTWARE	211.98	\$ 211.98

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
DECEMBER 2020
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
12/30/2020	BRIAN VOGEL CELL/INTERNET ALLOWANCE	80.00	\$ 80.00
12/30/2020	LARRY WALKER ASSOCIATES CONSULTING & ENGINEERING	738.00	\$ 738.00
GRAND TOTAL FOR ALL WARRANTS			\$341,759.44

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
TREASURER'S REPORT
DECEMBER 2020**

SUMMARY REPORT OF ALL ACCOUNTS

Beginning Balance:	\$ 5,010,100.92
Ending Balance:	\$ 4,943,690.43
Variance:	\$ (66,410.49)
Interest Earnings for the Month Reported:	\$ 73.28
Interest Earnings Fiscal Year-to-Date:	\$ 26,352.59

ANALYSIS OF REVENUES

Total operating income for water and sewer was:	\$ 145,349.75
Non-operating income was:	\$ 217,469.71
Franchise fees paid to the District by San Miguel Garbage was:	\$ 6,423.65
Interest earnings for the P.P.B. checking account was:	\$ 1.95
Interest earnings for the P.P.B. DWR Loan Services account was:	\$ 0.06
Interest earnings for the P.P.B. DWR Reserve account was:	\$ 47.37
Interest earnings for the P.P.B. SRF Loan Services account was:	\$ 22.71
Interest earnings for the Western Alliance account was:	\$ 1.19
Interest earnings for the LAIF account was:	\$ -

ANALYSIS OF EXPENSES

Pacific Premier Bank checking account total warrants, fees, and Electronic Fund Transfers was:	\$ 420,381.36
--	---------------

STATEMENT OF COMPLIANCE

This report was prepared in accordance with the Heritage Ranch Community Services District Statement of Investment Policy. All investment activity was within policy limits. There are sufficient funds to meet the next 30 days obligations. Attached is a status report of all accounts and related bank statements.

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
STATUS REPORT FOR ALL ACCOUNTS
DECEMBER 2020**

BEGINNING BALANCE ALL ACCOUNTS **\$ 5,010,100.92**

OPERATING CASH IN DRAWER **\$300.00**

PACIFIC PREMIER BANK - CHECKING

BEGINNING BALANCE 11/30/2020	\$138,529.83	
DEPOSIT REVENUE & MISCELLANEOUS INCOME	\$383,266.87	
INTEREST EARNED	\$1.95	
TOTAL CHECKS, FEES AND EFT'S	(\$420,381.36)	
TRANSFER TO LAIF ACCOUNT	\$0.00	
ENDING BALANCE 12/31/2020		\$101,417.29

**PACIFIC PREMIER BANK DWR LOAN REPAYMENT (1994-2029):
LOAN SERVICES ACCOUNT**

BEGINNING BALANCE 11/30/2020	\$133.32	
QUARTERLY DEPOSIT	\$0.00	
INTEREST EARNED	\$0.06	
SEMI-ANNUAL PAYMENT	\$0.00	
ENDING BALANCE 12/31/2020		\$133.38

PACIFIC PREMIER BANK DWR RESERVE ACCOUNT

BEGINNING BALANCE 11/30/2020	\$113,301.91	
INTEREST EARNED	\$47.37	
ENDING BALANCE 12/31/2020		\$113,349.28

PACIFIC PREMIER BANK SDWSRF LOAN SERVICES ACCOUNT

BEGINNING BALANCE 11/30/2020	\$58,931.96	
QUARTERLY DEPOSIT	\$0.00	
INTEREST EARNED	\$22.71	
SEMI-ANNUAL PAYMENT	(\$29,369.28)	
ENDING BALANCE 12/31/2020		\$29,585.39

WESTERN ALLIANCE

PVS PROJECT CAPITALIZED INTEREST FUND

BEGINNING BALANCE 11/30/2020	\$27,837.32	
INTEREST EARNED	\$1.19	
INTEREST PAYMENT	\$0.00	
ENDING BALANCE 12/31/2020		\$27,838.51

LOCAL AGENCY INVESTMENT FUND (LAIF)

BEGINNING BALANCE 11/30/2020	\$4,671,366.58	
INTEREST EARNED	\$0.00	
TRANSFER FROM PACIFIC PREMIER CHECKING	\$0.00	
TRANSFER TO PACIFIC PREMIER CHECKING	\$0.00	
ENDING BALANCE 12/31/2020		\$4,671,366.58

ENDING BALANCE ALL ACCOUNTS		\$4,943,690.43
DIFFERENCE FROM LAST MONTH	Decrease	(\$66,410.49)

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
QUARTERLY TREASURER'S
REPORT FOR THE PERIOD OF
OCTOBER 1, 2020 – DECEMBER 31, 2020**

SUMMARY REPORT OF ALL ACCOUNTS

Beginning Balance	\$	5,132,292
Ending Balance	\$	4,943,690
Variance	\$	-188,602
Interest Earnings	\$	10,401.93

STATEMENT OF COMPLIANCE

This report was prepared in accordance with the HRCSD Statement of Investment Policy. All investment activity was within policy limits. There are sufficient funds to meet the next 180 days' obligations. Attached is a status report of all accounts and related bank statements. For more information contact the District Office.

ACCOUNT PROFILE INFORMATION

1. Operating cash in cash drawer: Maintained to make change for cash transactions.
2. Pacific Premier Bank Checking: Variable interest-bearing checking account currently at 0.01%, at Pacific Premier branch in Paso Robles used for most of our transactions such as payroll, accounts receivable and accounts payable. Statements are received on a monthly basis.
3. Pacific Premier Bank DWR loan repayments: The Loan Services Account interest earnings rate is 0.25%. Quarterly deposits are made into each account. Semi-annual payments are made from the Loan Services account by the bank, which functions as our fiscal agent, to DWR for repayment of a \$2 million loan to partially finance our water treatment plant and water pumping facilities.
4. Pacific Premier Bank DWR reserve: The Reserve Account interest earnings rate is 0.25%. The purpose of the Reserve Account was to build up over ten years an amount equal to debt service for one year, a DWR requirement. Statements are received on a quarterly basis.
5. Pacific Premier Bank SDWSRF (Safe Drinking Water State Revolving Fund) loan repayments: The Loan Services Account interest earnings rate is 0.25%. Quarterly deposits will be made into the Loan Services. Semi-annual payments will be made from the Loan Services account by the bank, which functions as our fiscal agent, to SDWSRF for repayment of a \$714,000 loan to finance upgrades at the water treatment plant. The fund will provide for a twenty (20) year repayment period at a 1.7875 percent interest rate. Statements are received on a quarterly basis.
6. Western Alliance Bank PVS Project Capitalized Interest Fund: The Capitalized Interest Fund interest earnings rate is 0.05%. The purpose of this Account is to hold the first two interest payments which the District will begin paying on October 1, 2020.
7. LAIF: Local Agency Investment Fund, a variable interest-bearing investment fund administered by the California State Treasurer. The majority of our funds are retained in this account. The last reported interest rate was 2.57%. Statements are received on a quarterly basis.

INTEREST EARNINGS: TRENDS & PROJECTIONS

The number of accounts in this report totals seven. The interest earnings for those accounts are summarized below. The accounts are referenced by number which corresponds with the Account Profile Information.

SUMMARY OF INTEREST EARNINGS

* *Account Profile by Reference Number*

	Beginning Balance	Total Debits	Total Credits	Interest Earnings	Ending Balance
1	300.00	-	-	-	300.00
2	102,231.48	-992,177.53	991,353.83	9.51	101,417.29
3	133.32	0	0	0.06	133.38
4	113,301.91	0.00	0.00	47.37	113,349.28
5	44,246.96	-29,369.28	14,685.00	22.71	29,585.39
6	51,330.91	-23,495.91	0.00	3.51	27,838.51
7	4,821,047.81	-160,000.00	0.00	10,318.77	4,671,366.58
TOTALS	\$5,132,592.39	(\$1,205,042.72)	\$1,006,038.83	\$10,401.93	\$4,943,990.43

Interest earnings in accounts 2, 3, 4, 5 & 6 above are always low because of account balance policies. Account 7 (LAIF) is the one account with more productive interest earnings because it typically holds over 90% of HRCSD cash reserves. Interest rates continue to fluctuate and remain low.

MANAGEMENT BY CONTRACTED PARTIES

For the reporting period, only the Local Agency Investment Fund (LAIF) is held under the Management By Contracted Parties.

LAIF is a treasury of pooled money made up of deposits from many of the over 5,000 local agencies within California. More than \$25 billion is vested in a variety of ways with a cumulative net yield of a conservative nature. State law requires, and the LAIF Pooled Money Investment Board requires that pooled money first be invested in such a manner to realize the maximum return consistent with safe and prudent management after which yield is considered. In other words, because these are public moneys invested and managed by others, the investments are low risk, low yield.

HRCSD typically has most of its cash (over 90%) deposited in LAIF. This is common strategy with many local agencies in the state, especially those with cash reserves of less than \$5 million. Complete reports of all investment activity, etc. are received from the LAIF Board on a monthly basis, along with an annual report, which are available for inspection at the District office. In addition, an analysis is provided in our *Status Report of All Accounts* for our share of LAIF deposits on a monthly basis.

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2020/21 Budget**

OPERATING INCOME	Budget FY 20/21	Actual December	Actual Year to Date	Percentage Year to Date	Variance Explanation
Water Fees	1,021,511	86,846	639,404	63%	
Sewer Fees	658,012	55,043	329,837	50%	
Hook-Up Fees	3,000	1,200	2,500	83%	Fluctuates based on activity
Turn on Fees	3,500	325	2,250	64%	
Late Fees	17,000	1,936	9,612	57%	
Plan Check & Inspection	10,000	0	0	0%	
Miscellaneous Income	2,000	0	178	9%	
TOTAL OPERATING INCOME	\$1,715,023	\$145,350	\$983,780	57%	

FRANCHISE INCOME					
Solid Waste Franchise Fees	66,984	6,424	41,500	62%	
TOTAL FRANCHISE REVENUE	\$66,984	\$6,424	\$41,500	62%	

NON-OPERATING INCOME					
Standby Charges	242,144	74,791	108,025	45%	
Property Tax	383,074	114,374	179,169	47%	
Interest	80,000	73	26,353	33%	Fluctuates based on activity
Connection Fees	70,580	28,232	53,533	76%	Fluctuates based on activity
TOTAL NON-OPERATING INCOME	\$775,798	\$217,470	\$367,079	47%	

RESERVE REVENUE					
Capital Reserves	654,941	81,210	191,169	29%	
Operating Reserves	1,508,148	156,209	367,473	24%	
TOTAL RESERVE REVENUE	\$2,163,089	\$237,419	\$558,642	26%	

TOTAL ALL INCOME	\$4,720,894	\$606,662	\$1,951,002	41%	
-------------------------	--------------------	------------------	--------------------	------------	--

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2020/21 Budget**

OPERATING EXPENSES

SALARIES AND BENEFITS	Budget FY 20/21	Actual December	Actual Year to Date	Percentage Year to Date	Variance Explanation
Salaries	715,567	44,919	278,822	39%	
Health Insurance	103,862	5,790	37,477	36%	
Health Insurance - Retiree	48,451	3,758	23,504	49%	
PERS	126,097	11,810	71,657	57%	
Standby	14,000	1,000	6,426	46%	
Overtime	16,000	1,791	8,280	52%	Fluctuates based on need & staffing
Workers Comp. Ins.	19,194	0	20,642	108%	Paid Annually
Directors' Fees	12,000	500	3,000	25%	
Medicare/FICA	10,550	730	5,034	48%	
Car Allowance	3,000	0	1,250	42%	
SUI/ETT	1,500	0	0	0%	
Uniforms	5,000	0	1,241	25%	
TOTAL SALARIES & BENEFITS	\$1,075,221	\$70,298	\$457,332	43%	

UTILITIES

Electricity	249,810	21,951	135,289	54%	
Propane	1,012	207	207	20%	
Water Purchase	23,114	0	11,557	50%	Paid Semiannually
Telephone/Internet	12,129	741	4,863	40%	
TOTAL UTILITIES EXPENSE	\$286,065	\$22,898	\$151,916	53%	

MAINTENANCE & SUPPLIES

Chemicals	76,000	8,442	40,282	53%	
Computer/Software	29,450	2,442	5,940	20%	
Equip. Rental/Lease	2,500	0	148	6%	
Fixed Equip.	142,000	9,291	34,578	24%	
Fuel & Oil	12,000	801	4,170	35%	
Lab Testing	41,000	1,533	12,810	31%	
Office Supplies	2,000	27	564	28%	
Parks & Recreation	0	0	0	0%	
Struct./Grnds.	14,140	494	4,471	32%	
Small Tools/Equip.	3,000	895	1,965	65%	
Supplies	5,000	611	2,088	42%	
Meters/Equip.	5,000	911	2,365	47%	Fluctuates based on activity
Vehicles	6,500	510	4,453	69%	
TOTAL MAINT. & SUPPLY EXPENSE	\$338,590	\$25,956	\$113,833	34%	

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2020/21 Budget**

GENERAL & ADMINISTRATION	Budget FY 20/21	Actual December	Actual Year to Date	Percentage Year to Date	Variance Explanation
Ads./Advertising	1,500	0	948	63%	Fluctuates based on activity
Alarm/Answering Service	4,000	563	1,967	49%	
Audit	8,200	0	8,000	98%	
Bank Charges/Fees	4,000	612	3,814	95%	Fluctuates based on activity
Consulting/Engineering	85,000	836	10,216	12%	
Dues/Subscription	8,750	0	8,314	95%	
Elections	1,000	0	0	0%	
Insurance	41,370	0	41,863	101%	Paid Annually
LAFCO	6,600	0	5,870	89%	Paid Annually
Legal/Attorney	25,000	1,400	6,200	25%	
Licenses/Permits	32,100	9,584	9,694	30%	
Plan Check & Inspection	10,000	0	0	0%	
Postage/Billing	20,000	1,119	7,770	39%	
Professional Service	36,900	3,271	29,459	80%	
Tax Collection	5,300	0	0	0%	
Staff Training & Travel	8,000	0	1,517	19%	
Board Training & Travel	1,000	0	0	0%	
TOTAL G & A	\$298,720	\$17,385	\$135,631	45%	

CAPITAL PROJECTS & EQUIPMENT

Projects	2,078,089	237,419	558,642	27%	
Equipment	85,000	0	0	0%	
TOTAL CAPITAL EXPENSE	\$2,163,089	237,419	558,642	26%	

DEBT

State Loan Payment	103,629	0	51,814	50%	paid semiannually
State Loan Payment Phase II	58,740	29,369	29,369	50%	paid semiannually
TOTAL DEBT	\$162,369	\$29,369	\$81,184		

FUNDED DEPRECIATION	\$288,000	\$24,000	\$144,000	50%	
UNFUNDED DEPRECIATION	\$0	\$0	\$0	0%	

TOTAL EXPENSE	\$4,612,054	\$427,326	\$1,642,538	36%	
----------------------	--------------------	------------------	--------------------	------------	--

CONNECTION FEES TRANSFER \$70,580 \$28,232 \$53,533 76%

SOLID WASTE FEES TRANSFER \$30,924 \$4,790 \$22,447 73%

FUND TOTAL	\$7,336	\$146,315	\$232,484		
-------------------	----------------	------------------	------------------	--	--

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: January 21, 2021

SUBJECT: Request to receive and file disinfection byproducts status updates.

Recommendation

It is recommended that the Board of Directors receive and file disinfection byproducts updates.

Background

On January 2, 2020, the District received a citation from the Division of Drinking Water for our treated water exceeding the haloacetic acids maximum contaminant level. This is not an immediate health risk and you do not need to use an alternative water supply. Since then your Board has been updated regularly on this issue.

Disinfection Byproducts Rule

The Environmental Protection Agency adopted, and the California State Division of Drinking Water is implementing the Disinfection Byproducts Rule. This Federal Rule limits the levels of Total Trihalomethanes (TTHM) and Halocetic Acids (HAA5) in drinking water. In 2002, the District began sampling our distribution system water for TTHM and HAA5. The Maximum Contamination Level (MCL) for TTHM is 80 ug/l and for HAA5 it is 60 ug/l (parts per billion) based on a locational running annual average (LRAA).

Both TTHM and HAA5 are byproducts of drinking water disinfection and are controlled by State Primary Drinking Water Standards. TTHM and HAA5 are formed in drinking water when free chlorine comes in contact with organic compounds. All surface water has the presence of organic compounds. During a heavy rain event, the level of organics found in surface water can increase rapidly.

All water utilities that use surface water have become concerned with the presence of organic compounds in their water and the implications of the Disinfection Byproducts Rule. Most water systems treat their water with a chemical disinfectant (e.g. Chlorine) to inactivate pathogens that cause diseases. The public health benefit of common disinfection practices is obvious, significant, and well recognized; however, disinfection poses risks of its own. While disinfectants are effective in controlling many harmful

microorganisms, they react with organic matter in the water and form disinfection byproducts, some of which pose health risks over time when present above certain levels.

Total Organic Carbon (TOC) levels have been found to be an important factor in Disinfection Byproduct formation. Lake Nacimiento TOC levels range from 2.5 mg/l to 4 mg/l (parts per million) and has been more towards the higher side over the last several years. Our current treatment system is removing about 25% of the TOC, reducing from about 4.0 mg/l to about 3.0 mg/l.

For our system, the current LRAA of haloacetic acids is 68 ug/l at the Black Horse Lane sample site and 74 ug/l at the Wood Duck Lane sample site (ug/l=parts per billion).

Discussion

Staff has recorded increasing levels of TOC over time in the raw and finished water. The increase in TOC has caused a corresponding increase in disinfection byproduct levels. The District installed a powder activated carbon (PAC) system in 2011 with the goal of TOC reduction prior to filtration and disinfection. Additionally, a plate settler was installed in 2015 to reduce turbidity and PAC loading to the downstream filter units. The PAC system and the plate settler have proven very challenging to operate and their potential may have already been reached using our current chemical combination.

Treated water has exceeded the haloacetic acids maximum contaminant level for all quarters in 2020. We are actively pursuing all currently available options to lower the haloacetic acid MCL's within the system and anticipate resolving the problem within the calendar year. Staff is working closely with the Division of Drinking Water (DDW) and speak with them often. A recent email from DDW is attached. Here is what we have been working on over the last 12-months to address this issue:

- Initiated a more robust waterline flushing program
- Adjusted pressure reducing valves in the water distribution system to try and increase circulation
- Hired MKN to look at treatment options who then prepared a Chemical Optimization Pilot Testing Plan
- Installed an improved water mixing system inside the 2-million-gallon water storage tank
- Commenced construction of a raw water vertical intake facility
- Researched granular activated carbon with two different vendors, and also spoke with the City of Paso Robles who has a granular activated carbon system treatment component

- Cleaned the inside of all the water storage tanks
- Adjusted the arrangement of tank shark mixing system in raw water tank to improve settling problems of powder activated carbon.
- Discussed trying a different brand of carbon with our chemical vendor
- Performed scaled down chemical optimization testing through the plate settler only (water sent to waste ponds) and sampled for organics
- District and DDW staff are currently working together to adjust the chlorine contact time at the WTP while maintaining compliance with many other parameters

As mentioned to your Board during previous meetings, the DDW does not approve of the MKN chemical optimization testing plan and suggested we look at the items above. Any changes to the treatment process; chemicals, pH, etc. will need to be approved by DDW. Chemical and pH changes especially will affect other requirements such as the lead and copper rule and will require additional analysis and testing before approval.

The Division of Drinking Water will need to be consulted, informed, and ultimately approve anything the District is considering implementing to address the haloacetic acids issue.

The HAA5 levels did trend downward this last sample period or two, but individual results were still above the MCL. Sampling for the first quarter of 2021 will be performed in mid-January. Tables showing the HAA5 sample data, and the fourth quarter 2020 reporting form are attached.

Fiscal Implications

Capital projects are expensive and take time. The Board should consider all options before making large capital expenses.

Other fiscal implications are District Engineer and/or consultant labor costs and Manager and Staff time.

Results

This is a receive and file item.

Attachments: Email from DDW dated 01/06/2021
HAA5 Sample Data
Stage 2 Reporting Form_2020

File: OPERATIONS_DBP

From: Salazar, Ingrid@Waterboards
To: Scott Duffield; Densmore, Jeff@Waterboards; Cunningham, Jason@Waterboards
Subject: Heritage Ranch CSD - Meeting Summary
Date: Wednesday, January 6, 2021 3:22:25 PM

Hello All,

Thank you everyone for your participation in today's meeting. The purpose of this meeting was for the Division of Drinking Water (DDW) and Heritage Ranch CSD (HRCSD) to discuss potential treatment optimization to reduce water quality problems in the distribution system. This email is a summary of the discussion exchange between DDW and HRCSD.

HRCSD has actively made efforts to reduce the amount of organic material in raw water to minimize the level of disinfection byproducts (DBPs) observed in the distribution system. Back in March 2020, HRCSD shared with DDW a technical memorandum by MKN Associates for a treatment optimization pilot study to improve organic materials removal. At that time, DDW recommended HRCSD pursue reduction of DBP through optimization of its distribution operations. Since then, HRCSD has enhanced their flushing program and installed a mixer at their 2 MG Reservoir. Although DBP levels have been declining, it has not been enough to bring HRCSD back into compliance with the DBP MCL. DDW and HRCSD have agreed to the following steps in an attempt to improve DBPs:

1. Review CT Ratio. DDW will review HRCSD's CT Ratio calculation to better assist HRCSD with its chlorine dosages. It is believe there may be an opportunity for HRCSD to reduce its chlorine dosage at the clearwell to alleviate the DBPs downstream. This review will include HRCSD's "worst case scenario" CT calculation documented in HRCSD's water supply permit or past sanitary surveys'.
2. HPC distribution samples. HRCSD has agreed to collect HPC samples in the distribution system where the chlorine residuals are historically low. This is meant to help DDW and HRCSD establish a baseline of bacterial activity in those areas to determine if a reduction of chlorine at the treatment plant is possible. HRCSD will collected HPC samples weekly, for at least 2 weeks.
3. Pilot Study. HRCSD will inform DDW if it will proceed with a modified version of the pilot study recommended by MKN Associates.

DDW and HRCSD will meet again on January 13, 2021 to discuss the CT ratio and any HPC analytical results available.

Other items discussed that are worth mentioning:

- HRCSD has installed a vertical intake in hopes of reducing the amount of organics pulled from the river. Initial analytical results show that organic material is similar to that observed at the gallery wells.
- An inspection of the clearwell unveiled a failure of the baffles. HRCSD mentioned the possibility of replacing the baffles with a mixer. DDW informed that if such a replacement does occur, the CT calculation will need to be reevaluated. Specifically, the baffling factor will need to be reduced which will decrease the amount of actual CT achieved and the ratio as well.

Corrosion and pH in pilot study. DDW noted that if the pH delivered to the distribution system is altered, HRCSD must keep in mind that this could increase the corrosion monitoring in the distribution system, along with other water quality analysis.

Please feel free to respond with anything I might have missed or if there are any questions. Scott – Please feel free to forward this email to the other participants not included in this email. Thank you again for your participation.

Regards,

Ingrid Salazar

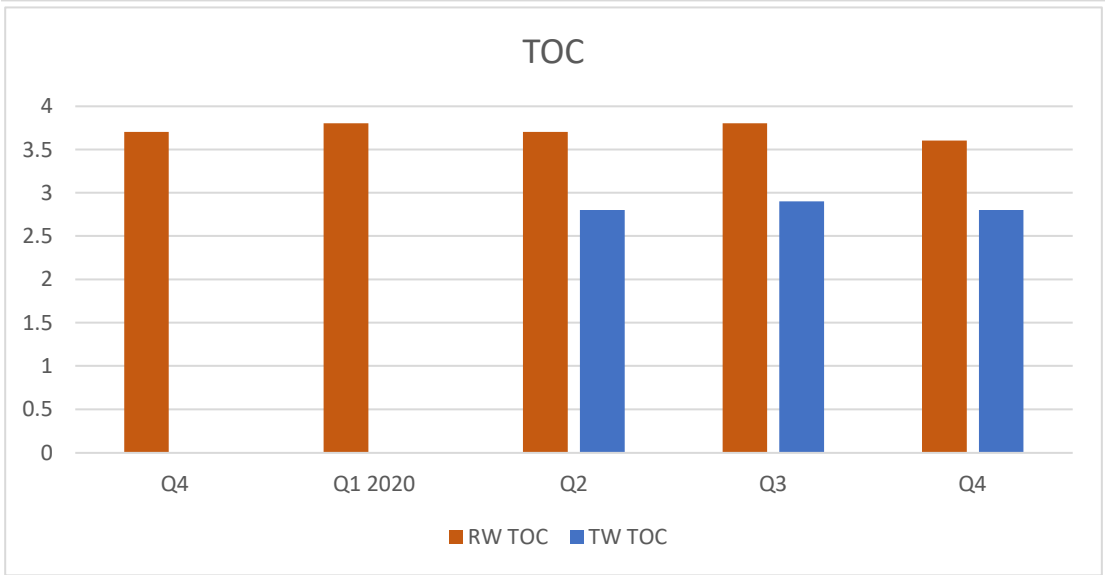
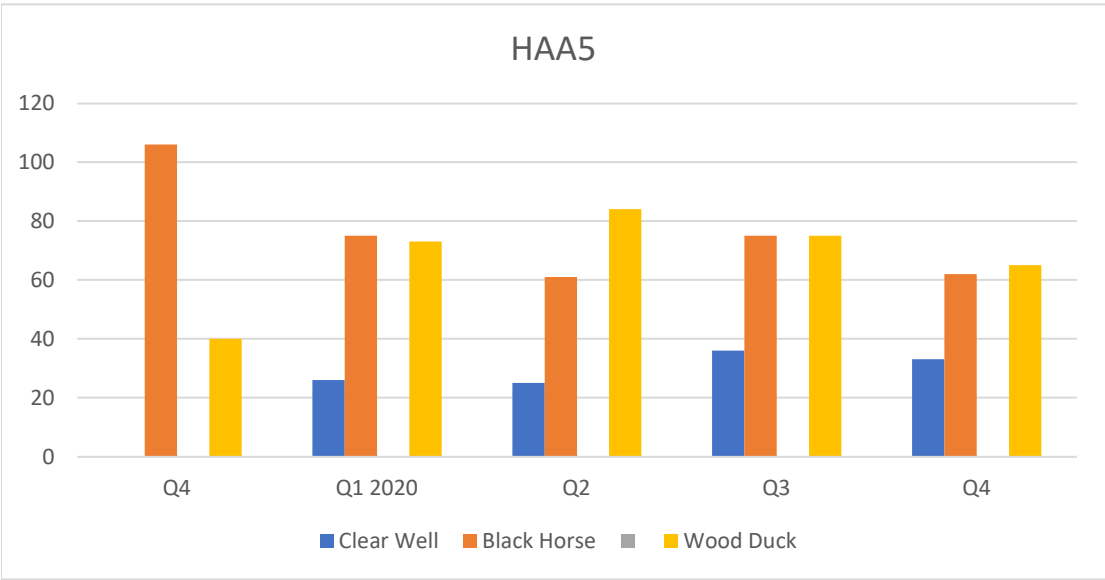
Water Resource Control Engineer

[SWRCB-Division of Drinking Water](#)

Santa Barbara Field Office

(805) 566-5339 DIRECT

This email has been scanned for spam and viruses by Proofpoint Essentials. Click [here](#) to report this email as spam.



STAGE 2 DISINFECTION BYPRODUCT RULE TOTAL TRIHALOMETHANE (TTHM) AND HALOACETIC ACIDS (HAA5) QUARTERLY SUMMARY REPORT

Water System Name Heritage Ranch CSD

Water System Number 4010012

Sample Locations	PS CODE	TTHM (ppb)						HAA5 (ppb)						
		Monitoring Periods				OEL	LRAA	Monitoring Periods				OEL	LRAA	
		1ST QTR	2ND QTR	3RD QTR	4TH QTR			1ST QTR	2ND QTR	3RD QTR	4TH QTR			
		Sample Dates						Sample Dates						
		1/16/20	4/10/20	7/15/20	10/14/20	1/16/20	4/10/20	7/15/20	10/14/20					
1	4010012-004 Wood Duck Lane	4010012	76	77	78	76	76.8	76.8	73	84	75	65	72.3	74.3
2	4010012-005 Black Horse Lane	4010012	79.5	67	81	71	72.5	74.6	75	61	75	62	65.0	68.3
3	Clear Well Tank	4010012		27	52	56				25	36	33		
4	Raw Water TOC		3.8	3.7	3.8	3.6		3.7	3.8	3.7	3.8	3.6		3.7
5	Treated Water TOC			2.8	2.9	2.8		2.8		2.8	2.9	2.8		2.8
6														
7														
8														

Signature _____

Date _____

- Instructions:**
1. Please begin by filling out your water system name and number.
 2. Enter the name of the Stage 2 sample site at the left of each row used.
 3. Fill in the date of the current monitoring period under the TTHM Section on the left. The same date will automatically appear under the same monitoring period in the HAA5 section on the right. Use the format; mm/dd/yy.
 4. Under the date entered, place the TTHM result for each sample station on the left hand side and do the same for HAA5 results on the right hand side.
 5. The Operational Evaluation Level (OEL) and Locational Running Annual Average (LRAA) will automatically be calculated if you're using this form electronically. Please keep the previous three quarters of data on the sheet and update the newest quarters date and results to allow these calculations to work. If you are not using this form electronically, the equations for the OEL and LRAA are located at the bottom of the page.
 6. Sign and date the report

OEL = Operational Evaluation Level = $((2 * MP1) + MP2 + MP3) / 4$
 LRAA = Locational Running Annual Average = $(MP1 + MP2 + MP3 + MP4) / 4$
 MP1 = Current Monitoring Period
 MP2 = Previous Quarter
 MP3 = 2 Quarters Ago
 MP4 = 3 Quarters Ago

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: January 21, 2021

SUBJECT: Request to receive and file Photovoltaic System Project updates.

Recommendation

It is recommended that the Board of Directors receive and file Photovoltaic System Project updates.

Background

Your Board approved the Photovoltaic System Project (Project) at the January 16, 2020 meeting and selected Stockman's Energy, Inc. as the most qualified proposer. The Notice to Proceed was issued March 3, 2020.

Project Updates

Project Scope

WWTP:

- Solar panel installation is complete.
- Solar panel stringing is complete.
- The inverters have been installed.
- Remaining wire connections at the array and inverters is complete.
- DC and AC trenching and conduit is complete.
- Bollard installation at WWTP is complete.
- Switchgear has been received and installation should be complete by the end of the week (setting, anchoring, and connecting to existing switchgear).
- County Fire and County Final Inspections to take place this week or the following week and mark date of substantial completion for WWTP.
- After speaking with Larry Hoff of PG&E, the box #6 installation at WWTP is scheduled to be completed in the next three weeks. The contractor was also able to talk him into scheduling for electrical work now instead of waiting for box #6 install and final mandrel test. Electrical work by PG&E is scheduled to be completed 2/16 - 2/19.
- Commissioning could be end of February to first week of March.

WTP:

- Racking is complete.
- Solar Panel installation is complete.
- DC trenching complete.
- AC trenching partially complete. The critical sections are being done by an underground contractor, LTEC. The District requested a work plan. LTEC used ground penetrating radar and potholing and Stockmans submitted a work plan which was approved by the District last week. Stockmans will schedule LTEC will to perform the work asap.
- Fencing is complete.
- Remaining wire connections continues.
- PG&E has accepted our Interconnection Agreement application and has informed us that the mitigation work has been initiated with Service Planning. The work will be assigned to the appropriate Service Planning Rep and the estimating team will determine the actual costs. PG&E will provide the Rule 21 invoice and contracts once estimating is complete. The contractor has already ordered the switchgear, but PG&E still needs to provide the plans for the other specific upgrade work the contractor will need to do (transformer pad, any boxes, trenching and conduit to the new switchgear, etc.).

Change Order No. 1 was issued adding 211 Days for:

- Land survey work at WTP site
- Revised fencing at WTP site
- Electrical upgrade work at WWTP site
- Electrical upgrade work at WTP site

Project Budget

The Project is currently within budget.

Change Order No. 1 was issued in the amount of \$ (9,647.80) for:

- Land survey work at WTP site – Additive \$ 3,220 to contract price
- Revised fencing at WTP site – Deductive \$ (83,855) to contract price
- Electrical upgrade work at WWTP site – Additive \$ 49,039 to contract price
- Electrical upgrade work at WTP site (portion) – Additive \$21,947 to contract price

Additional budget changes we are tracking include:

- Electrical upgrade work at WTP site (remainder) – Additive \$TBD to contract price

PG&E direct costs to date include:

- Upgrades for WWTP – \$23,262.55
- Upgrades for WTP – \$TBD

Project Schedule

The schedules have been updated to include the additional work for the service upgrades at both sites. Contract Change Order No. 1 was issued for the scope and budget changes noted above with additional time given to accommodate the service upgrades and PG&E's timeline we are given. Therefore, Substantial Completion of the entire project is now May 13, 2021.

The critical path still goes through PG&E's portion of the work. The latest schedules from the contractor indicate commissioning of the WWTP system April 5, 2021, and the WTP system August 20, 2021.

Attachments: Project Schedules dated 1/13/21

File: Projects_PVS

Task Name	Duration	Start	Finish	Status	Notes	Qtr 1, 2020			Qtr 2, 2020			Qtr 3, 2020			Qtr 4, 2020			Qtr 1, 2021			Qtr 2, 2021	
						Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Utility Locate 811	104 days	Thu 2/20/20	Tue 7/14/20	Complete																		
Gather and Present Submittals to District for Approval	44 days	Tue 3/3/20	Fri 5/1/20	Complete																		
Create Permit Packages and Submit to County	86 days	Tue 3/3/20	Tue 6/30/20	Complete																		
Solar Panels Ordered	1 day	Fri 3/6/20	Fri 3/6/20	Complete																		
Survey Water Treatment Plant	2 days	Tue 3/24/20	Wed 3/25/20	Complete																		
Pull Testing and Geotech	1 day	Tue 3/24/20	Tue 3/24/20	Complete																		
Solar Panels Delivered	3 days	Fri 3/27/20	Tue 3/31/20	Complete																		
District Permit Review	45 days	Mon 3/30/20	Fri 5/29/20	Complete																		
Submit Documents to Initiate Interconnection Process	1 day	Wed 4/1/20	Wed 4/1/20	Complete																		
PG&E Interconnection Process: Initial Review	10 days	Thu 4/2/20	Wed 4/15/20	Complete																		
PG&E Interconnection Process: Engineering Review WWTP	18 days	Thu 4/16/20	Mon 5/11/20	Complete																		
PG&E Interconnection Process: Service Planning WWTP	41 days	Tue 5/12/20	Tue 7/7/20	Complete																		
County Permit Review Process	40 days	Wed 7/1/20	Tue 8/25/20	Complete																		
PG&E Interconnection Process: Estimating Process WWTP	44 days	Tue 7/7/20	Fri 9/4/20	Complete																		
Order Racking	1 day	Thu 8/27/20	Thu 8/27/20	Complete																		
District Reviews & Executes Contract with PG&E, WWTP	30 days	Mon 9/7/20	Fri 10/16/20	Complete	LATE																	
Stockmans PG&E Service Upgrade Estimate Prepared	6 days	Wed 9/30/20	Wed 10/7/20	Complete																		
Mobilize	1 day	Mon 10/5/20	Mon 10/5/20	Complete																		
Site Preparation	16 days	Mon 10/5/20	Mon 10/26/20	Complete																		
PG&E Service Upgrades: WWTP	6 mons	Mon 10/19/20	Fri 4/2/21	On Schedule																		
Racking Delivered	5 days	Mon 10/19/20	Fri 10/23/20	Complete																		
Solar Racking Installation	20 days	Mon 10/26/20	Fri 11/20/20	Complete																		
Stockmans Orders Switchgear & Other PG&E Service Upgrade Equipmer	45 days	Tue 10/27/20	Mon 12/28/20	Complete	LATE																	
Balance of System Delivery Date	5 days	Mon 11/16/20	Fri 11/20/20	Complete																		
DC Trenching and Conduit Installation	10 days	Mon 11/16/20	Fri 11/27/20	Complete																		
Install Solar Panels and Mount Electrical Equipment	10 days	Mon 11/23/20	Fri 12/4/20	Complete																		
AC Trenching and Conduit Installation	10 days	Mon 11/23/20	Fri 12/4/20	Complete																		
County Trench Inspection	1 day	Wed 11/25/20	Wed 11/25/20	Complete																		
SU: Trenching & Conduit Installation	10 days	Mon 11/30/20	Fri 12/11/20	Complete																		
SU: Set Transformer Pad and Bollards	25 days	Mon 12/7/20	Fri 1/8/21	Complete																		
SU: Trench Inspection & Backfill	3 days	Mon 12/14/20	Wed 12/16/20	Complete																		
Finish Remaining Wiring Connections	20 days	Mon 12/14/20	Fri 1/8/21	Complete																		
SU: Switchgear Pad Install	14 days	Mon 12/14/20	Thu 12/31/20	Complete																		
SU: Box #6 Installation (PG&E or Other)	18 days	Wed 1/6/21	Fri 1/29/21	On Schedule																		
SU: Expected Switchgear Delivery	6 days	Fri 1/8/21	Fri 1/15/21	On Schedule																		
SU: Pad & Bollard Inspection	2 days	Mon 1/11/21	Tue 1/12/21	Complete																		
SU: Switchgear Installation	10 days	Mon 1/11/21	Fri 1/22/21	On Schedule																		
County Fire Inspection	5 days	Mon 1/18/21	Fri 1/22/21	Future Task																		

Heritage Ranch CSD WWTP Solar Project 2020 Wed 1/13/21	Task		Project Summary		Manual Task		Start-only		Deadline	
	Split		Inactive Task		Duration-only		Finish-only		Progress	
	Milestone		Inactive Milestone		Manual Summary Rollup		External Tasks		Manual Progress	
	Summary		Inactive Summary		Manual Summary		External Milestone			

Task Name	Duration	Start	Finish	Status	Notes	Qtr 1, 2020			Qtr 2, 2020			Qtr 3, 2020			Qtr 4, 2020			Qtr 1, 2021			Qtr 2, 2021	
						Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
County Final Inspection: Date of Substantial Completion	10 days	Mon 1/18/21	Fri 1/29/21	Future Task																		
SU: Mandrel Inspection	2 days	Mon 2/1/21	Tue 2/2/21	Future Task																		
SU: Final Inspection	2 days	Mon 2/1/21	Tue 2/2/21	Future Task																		
Submit Final Documents for Interconnection with PG&E	1 day	Mon 2/1/21	Mon 2/1/21	Future Task	LATE																	
SU: PG&E Electrical Work Scheduled For	4 days	Tue 2/16/21	Fri 2/19/21	Future Task																		
Commissioning of System: WWTP	5 days	Mon 4/5/21	Fri 4/9/21	Future Task	LATE																	

Heritage Ranch CSD WWTP Solar Project 2020 Wed 1/13/21	Task		Project Summary		Manual Task		Start-only		Deadline	
	Split		Inactive Task		Duration-only		Finish-only		Progress	
	Milestone		Inactive Milestone		Manual Summary Rollup		External Tasks		Manual Progress	
	Summary		Inactive Summary		Manual Summary		External Milestone			

Task Name	Duration	Start	Finish	Status	Notes	Qtr 1, 2020			Qtr 2, 2020			Qtr 3, 2020			Qtr 4, 2020			Qtr 1, 2021			Qtr 2, 2021			Qtr 3, 2021		
						Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Stockmans Prepares PG&E Service Upgrade Estimate #2	5 days	Fri 3/5/21	Thu 3/11/21	Future Task	LATE																					
SU: Trenching & Conduit Installation	15 days	Fri 3/12/21	Thu 4/1/21	Future Task																						
Stockmans Orders Other PG&E Service Upgrade Equipment	15 days	Mon 3/15/21	Fri 4/2/21	Future Task	LATE																					
SU: Trench Inspection & Backfill	2 days	Mon 4/5/21	Tue 4/6/21	Future Task																						
SU: Set Transformer Pad and Bollards	15 days	Mon 4/5/21	Fri 4/23/21	Future Task																						
SU: Switchgear Pad Install	10 days	Mon 4/5/21	Fri 4/16/21	Future Task																						
SU: Switchgear Installation	8 days	Mon 4/19/21	Wed 4/28/21	Future Task																						
SU: Transformer Pad & Bollard Inspection	3 days	Mon 4/26/21	Wed 4/28/21	Future Task																						
County Fire Inspection	5 days	Thu 4/29/21	Wed 5/5/21	Future Task	LATE																					
County Final Inspections: Date of Substantial Completion	10 days	Thu 4/29/21	Wed 5/12/21	Future Task	LATE																					
SU: Mandrel Inspection	3 days	Thu 4/29/21	Mon 5/3/21	Future Task																						
SU: Final Inspection	3 days	Thu 4/29/21	Mon 5/3/21	Future Task																						
SU: PG&E Work is Scheduled (7wks per Larry Hoff)	35 days	Wed 5/5/21	Tue 6/22/21	Future Task																						
Submit Final Documents for Interconnection with PG&E	1 day	Thu 5/13/21	Thu 5/13/21	Future Task	LATE																					
Commissioning of System: WTP	5 days	Fri 8/20/21	Thu 8/26/21	Future Task	LATE																					



Heritage Ranch CSD
WTP Solar Project 2020
Wed 1/13/21

Task		Project Summary		Manual Task		Start-only		Deadline	
Split		Inactive Task		Duration-only		Finish-only		Progress	
Milestone		Inactive Milestone		Manual Summary Rollup		External Tasks		Manual Progress	
Summary		Inactive Summary		Manual Summary		External Milestone			

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

Manager Report For the Month of January 2021

In addition to normal operations and administrative duties, below are updates for several areas of work:

Administration

- The Manager attended bi-weekly virtual Special District Managers meetings.
- The Manager attended the IWMA Board January 14th Board meeting to keep a pulse on initiative they are working on that will affect the District.
- The Manager is tracking the COVID situation.

Operations

- Prepared and submitted the Water Treatment Plant Monthly Report.
- Submitted the Wastewater Treatment Plant Self-Monitoring Reports.
- Prepared and submitted the Disinfection Byproduct Monthly Report.
- Additional updates regarding operations can be found in the Operations Report.

Solid Waste

The Manager was appointed by fellow Special District Managers as the Special District staff representative participating on a Local Task Force for SLO County Integrated Waste Management Authority to facilitate the implementation of SB 1383. SB 1383 establishes targets to achieve a 50% reduction in the level of the statewide disposal of organic waste from the 2014 level by 2020 and a 75% reduction by 2025. It also includes mandatory food waste composting, an edible food recovery element, and procurement requirements among other things.

The schedule to implement SB 1383 is aggressive and the new laws become effective January 1, 2022. The impacts that stand out to me are the things agencies will need to do:

1. Update Franchise Agreement
2. Update Municipal Code
3. Update Purchasing Policy
4. Update the JPA with IWMA

I believe IWMA has or will have template language for these items; however, there is still much work associated with adopting them in the end. A SB 1383 Summary Checklist and the preliminary schedule are attached for information. Staff will return to your Board with specific action items as needed, anticipated to be starting around the month of May.

The Manager attends the Local Task Force meetings every month.

Reservoir Status

- As reported by Monterey County Water Resources Agency (MCWRA), as of January 13, 2021, the reservoir was at approximately 725.9 feet in elevation, 22% of capacity, or 82,165-acre feet of storage. MCWRA water releases were shown as 65 cfs.

Capital Improvement Program

Projects / equipment replacement planned for this fiscal year and their status include:

- PVS: see separate agenda item.
- Vertical Intake: Intake structure is complete. Design of the pump and piping by the District Engineer is pending.
- Wastewater project x: The project alternatives analysis by the District Consultant is pending.
- Lift Station 1-5 rehabilitation design phase: Development of contract documents by the District Engineer is pending.
- Vehicle / Equipment replacement: Purpose and need statements and specifications list by staff is pending.
- The 2MG Tank mixing system has been installed and is operating normally.

Development

- Nothing significant to report.

Public Relations and Community

- Nothing significant to report.

Human Resources

- A recruitment for the Operations Manager position remains open.

Board Member & Staff Information and Learning Opportunities

- CSDA has released the 2021 Professional Development Catalog. CSDA is a leading source of information and training for special districts. In 2021 all webinars are free to new or existing members. Please check the catalog for important event dates and access information.

* * *

SB 1383 Summary Checklist

This SB 1383 Jurisdictional Checklist was prepared by HF&H Consultants, LLC based on CalRecycle's

SB 1383 Short-Lived Climate Pollutant regulations ("SB 1383") approved on November 3, 2020. HF&H provides this as a guidance document to highlight key requirements for jurisdiction compliance; however, it does not reflect all requirements. In this checklist, "jurisdiction" means city or county. Requirements that pertain only to counties are labeled accordingly. Several items in the checklist may be assigned to a jurisdiction's designee, but it is ultimately the responsibility of a jurisdiction to comply with SB 1383 pursuant to 14 CCR Section 18981.2.c. Unless otherwise stated, jurisdiction compliance with SB 1383 shall occur by January 1, 2022. SB 1383 also includes requirements for generators, haulers, food recovery services, food recovery organizations, and facility operators; however, these are not summarized in this checklist.

Ordinances & Policies

- Adopt enforceable ordinance(s) or similar mechanism(s) requiring compliance with various SB 1383 requirements, including but not limited to: 14 CCR 18984.9.a-e, 18984.9-11, 18988.1-3, 18989.1-3, 18991.5, and 18993.1.a (14 CCR 18981.2.a)
- Require organic haulers to identify their organics facilities as a condition of their contract or other authorization (14 CCR 18988.1)

Collection & Processing

- Provide organic waste collection services (including paper and cardboard collection) to all organic waste generators, except self-haulers, using compliance options listed below (14 CCR 18984)
 - Three-container collection system (14 CCR 18984.1)
 - ◇ Green container for organics; delivery to organics recovery facility
 - ◇ Blue container for paper, wood, dry lumber, and nonorganic recyclables; delivery to facility for recovery
 - ◇ Gray container for nonorganic waste for disposal; may include organics if taken to high diversion organics processing facility
 - Two-container collection systems – select one option below (14 CCR 18984.2)
 - ◇ Green and gray containers: Green for organics; delivery to organics facility; gray for other materials, including organic waste not designated for the green container; delivery to high diversion organic waste processing facility
 - ◇ Blue and gray containers: Blue for paper products, printing and writing paper, wood, and lumber, and textiles (optional), and nonorganic waste; gray for all other materials, including organic waste not designated for the blue container; delivery to high diversion organics processing facility
 - Unsegregated single-container collection system (14 CCR 18984.3)
 - ◇ Gray container for all materials; delivery to high diversion organics processing facility
- Conduct route reviews of randomly selected containers for contaminants with all routes inspected annually, or conduct waste evaluations twice a year for blue, green, and gray containers (quarterly for gray containers in performance-based approach) (14 CCR 18984.5)
- Notify generators of recycling requirements if contamination is found (14 CCR 18984.5.b, 18984.5.c)
- Provide collection containers to generators that comply with color requirements when replacing containers after January 1, 2022 or by January 1, 2036, whichever comes first (Note: Use of containers purchased prior to January 1, 2022 is allowed) (14 CCR 18984.7)
- Label all new containers or lids with SB 1383-compliant labels commencing January 1, 2022 (14 CCR 18984.8)
- Allow limited generator waivers for de minimis volumes and physical space constraints; maintain related records (14 CCR 18984.11)
- Determine if jurisdiction meets CalRecycle criteria for low-population, high elevation, or rural waivers; in which case, jurisdiction does not need to perform the above tasks in those geographic regions (14 CCR 18984.12)

Edible Food Recovery

- Implement food recovery program that educates commercial edible food generators and increases access to food recovery programs (14 CCR 18991.1)
- Identify Tier One and Tier Two commercial edible food generators (14 CCR 18991.1)
- Increase edible food recovery capacity if current capacity is insufficient (14 CCR 18991.1)
- Prior to February 1, 2022, annually thereafter, maintain list of food recovery organizations/services (14 CCR 18985.2.a)
- Prior to February 1, 2022, annually thereafter, provide Tier One/Tier Two commercial edible food generators with information on their requirements, food recovery programs, and food recovery organizations/services (14 CCR 18985.2.b)

www.hfh-consultants.com



Northern California Office
201 N. Civic Drive, Suite 230
Walnut Creek, CA 94596
(707) 246-4803
info@hfh-consultants.com

Southern California Office
19200 Von Karman Ave, Suite 360
Irvine, CA 92612
(949) 504-5150
info@hfh-consultants.com

Procurement Requirements

- Procure a quantity of recovered organic waste, such as compost, mulch, renewable natural gas, or electricity from biomass, that meets or exceeds the annual organic waste product procurement target determined by CalRecycle and where products meet standards specified in SB 1383; procurement may be satisfied by direct service provider(s) to the jurisdiction (Note: Rural jurisdictions do not need to comply until after December 1, 2026 **(14 CCR 18993.1)**)
- Purchase paper products and printing and writing paper with at least 30% post-consumer, recycled-content fibers, that are recyclable; require businesses from whom it purchases these products to certify in compliance in writing **(14 CCR 18993.3)**

Enforcement & Penalties

- Implement desk-top compliance monitoring program for multi-family and commercial organic waste generators with two cubic yards or more of materials per week and inspection program for Tier One/Tier Two edible food generators, and food recovery organizations and services by January 1, 2022 **(14 CCR 18985.1.a)**
- Provide educational materials to regulated entities not in compliance in 2022 and 2023 **(14 CCR 18995.1.a)**
- Investigate and maintain records of all complaints received alleging non-compliance with SB 1383 **(14 CCR 18995.3)**
- Take enforcement actions, including issuing notices of violations and assessing penalties in amounts consistent with those specified in SB 1383 by January 1, 2024 **(14 CCR 18995.1.a.5, 18997.2)**
- Pay penalties if assessed by CalRecycle **(14 CCR 18997.3)**

Education & Outreach

- Prior to February 1, 2022 and annually thereafter, provide generators using two or three-container systems with information on properly separating materials, organic waste prevention, on-site recycling, methane reduction benefits, how to recycle organic waste, approved haulers, self-haul requirements, and edible food donation **(14 CCR 18985.1.a)**
- Prior to February 1, 2022 and annually thereafter, provide generators using single-container system information on organic waste prevention, on-site recycling, methane reduction benefits, how to recycle organic waste, a list of approved haulers, self-haul requirements, edible food recovery donation information, and information that waste is processed at a high diversion organic waste processing facility **(14 CCR 18985.1.b)**
- Provide communications in non-English languages spoken by a substantial number of the public that are provided organic waste collection services, consistent with requirements of Government Code Section 7295 **(14 CCR 18985.1.e)**
- Annually, commencing in 2022, provide Tier One and Tier Two commercial edible food generators with information on jurisdiction's edible food recovery program, generator requirements, and food recovery organizations **(14 CCR 18985.2)**

Record Keeping & Reporting

- By April 1, 2022, file initial compliance report containing ordinance(s) or other enforceable mechanism(s) adopted and reporting items listed in the annual reporting section **(14 CCR 18994.1)**
- By October 1, 2022, and August 1 annually thereafter, submit annual SB 1383 compliance report **(14 CCR 18994.2)**
- Maintain all implementation records in a central location (physical or electronic) that can be made available to or accessed by CalRecycle within ten business days **(14 CCR 18995.2)**
- Report (*by counties only*) on capacity planning activities conducted in accordance with 14 CCR 18992.1, 18992.2, 18992.3 beginning August 1, 2022, then August 1, 2024, 2029, and 2034 **(14 CCR 18992.3, 18994.2.i)**

Capacity Planning

- Counties*, in coordination with jurisdictions and regional agencies, are responsible for the following activities
 - Conduct organics waste recycling and edible food recovery capacity planning described below **(14 CCR 18992.1, 18992.2, 18992.3)**
 - Estimate amount of organic waste disposed, identify amount of verifiable organic waste recycling capacity available to the jurisdiction, and estimate amount of new or expanded capacity required **(14 CCR 18992.1)**
 - Estimate amount of edible food that will be disposed by Tier One/Tier Two commercial edible food generators; identify food recovery capacity available; identify new or expanded capacity; and calculate minimum capacity needed for edible food recovery from Tier One/Tier Two commercial edible food generators **(14 CCR 18992.2.a)**
- If County *determines* existing, new, or planned organic waste recycling or edible food recovery capacity is insufficient for one or more jurisdiction's needs, notify jurisdiction(s); jurisdictions shall submit an implementation schedule (including timelines and milestones) demonstrating how capacity will be secured by the end of the reporting period **(14 CCR 18992.1, 14 CCR 18992.2.c)**



OBJECTIVE 1: IMPLEMENTATION OF SB 1383

Objective 1: Implementation of SB 1383	2021																																																							
	January				February				March				April				May				June				July				August				September				October				November				December											
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4				
1.1 Franchise																																																								
1.2 Policy																																																								
1.3 Contamination Monitoring																																																								
1.4 Edible Food Recovery																																																								
1.5 Procurement																																																								
1.6 Education																																																								
1.7 Recordkeeping & Reporting																																																								
1.8 Monitoring & Enforcement																																																								
1.9 Infrastructure Development																																																								

Objective 1: Implementation of SB 1383	2021												2022												2023												2024												2025											
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
1.1 Franchise																																																												
1.2 Policy																																																												
1.3 Contamination Monitoring																																																												
1.4 Edible Food Recovery																																																												
1.5 Procurement																																																												
1.6 Education																																																												
1.7 Recordkeeping & Reporting																																																												
1.8 Monitoring & Enforcement																																																												
1.9 Infrastructure Development																																																												

LEGEND
Planning
Development
Negotiation/Stakeholding
Approval
Implementation
Ongoing Operation

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
DECEMBER 2020 OFFICE REPORT**

Water & Sewer

On January 1st, we processed 1,922 bills for a total dollar amount of \$137,188 for water and sewer user fees for the month of December. The number of Automatic Drafts processed was 565 for a total dollar amount of \$41,370.

San Miguel Garbage Franchise Fees

Each month, the District receives franchise fees from the previous month. The breakdown is as follows:

Month of November

Garbage Collection (10%) - \$ 6,040.50

Roll-Off Collection (10%) - \$ 383.15

Total Franchise Fees Collected - \$ 6,423.65

Service Orders Completed

Staff completed a total of 21 service orders for the month of December. Below is a breakdown by job code.

OCCUPANT CHANGE	11	CALL OUT	2
SEWER PROBLEM	1	TURN-OFF ANGLE STOP	1
USA	5	SEWER INSPECTION	1

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: January 21, 2021

SUBJECT: Request to consider appointments to the District's committees for the term 2020 – 2022.

Recommendation

It is recommended that the Board of Directors discuss and consider appointments to the District's committees for the term 2020 – 2022.

Background

- The Board may appoint standing and/or ad-hoc committees. The District currently has five standing committees.
- The purpose of the committees is to provide recommendations to the Board of Directors.
- Any such recommendations shall be advisory to the Board and shall not commit the District to any policy, act or expenditure unless expressly delegated by Board action.
- Nor may any committee direct staff to perform specific duties unless duly authorized by the Board.
- The committee chair is authorized to schedule committee meetings as deemed necessary and all such meetings shall be in compliance with Open Meeting Law of California (Brown Act).
- Committees may include two Board members and members of the public. The Manager is the staff person assigned to all committees.
- Committee membership is for two years.
- The Standing Committees Statement of Purpose is provided as Attachment A.

Discussion

The District's current committee membership and one option for filling the Director positions for the next term is provided as Attachment B.

Fiscal Considerations

The current approved budget includes estimated costs to utilize the committees.

Results

Appointments to the District's committees will provide additional resources to review and analyze important issues and initiatives, and develop informed data driven recommendations to the Board.

Attachments: Attachment A – Standing Committees Statement of Purpose
Attachment B – District Committee Membership

Attachment B

Committees

The Board President may appoint standing and/or ad-hoc committees. Committee motions and recommendations shall be advisory to the Board and shall not commit the District to any policy, act or expenditure unless expressly delegated by Board action. Nor may any committee direct staff to perform specific duties unless duly authorized by the Board. The committee chair is authorized to schedule committee meetings as deemed necessary and all such meetings shall be in compliance with Open Meeting Law of California (Brown Act).

Committees may include two Board members and members of the public. The Manager is the staff person assigned to all Committees. The Board President appoints membership to committees at the first regular meeting in December in even number years. Committee membership last for two years.

Each standing committee has a Board approved Statement of Purpose as set forth below:

Finance & Audit Committee

Statement of Purpose - February 20, 1997

There are those who believe that budget reports are the most important documents produced by an organization. If they are not, they certainly come close. After all, money and the amount available is the fuel of our engine.

As a public agency, we are the stewards of public funds. We are charged with the responsibility to invest and spend wisely. We have the obligation to sustain an infrastructure that in turn sustains life itself, as well as monetary investment in property and improvements by our constituency.

The purpose of this committee is to seek and maintain a balance of revenues and expenditures which are both fair to our constituents and sustain the community owned infrastructure which serves them. This philosophy is accomplished through developments and use of budgets, financial reports and audits that enable adequate cash flows for both routine operations and special projects. This Committee reviews all rate increase issues.

Operations and Engineering Committee

Statement of Purpose - February 20, 1997

Engineering is the practical application of knowledge. In our case, this means such things as the mechanics of providing services and enhancement of same as technology allows or regulations dictate. For this reason, engineering relates to operations, and therefore are combined.

A major element of our operation is of course the facilities used to provide water and sewer services.

This includes not only the more direct components such as pumps and pipelines, but also the indirect or supporting components such as rolling stock, equipment, labs, shops, tools, and parts.

Attachment B

We also have the authority for removal of Solid Waste, a function handled by contract with the San Miguel Garbage Company. The District does not perform any hands-on activity with this operation.

Following the reorganization of CSA 19 to the District, we have facilitated a number of capital improvements and upgrades. As time progresses, we will have more such activity, especially if we add new services or face new regulatory requirements. The relationship of engineering and operations calls for integration of applied science to create and build along with efficient operation and proper maintenance.

The purpose of this committee is to ensure efficient operation of our facilities. By definition, this includes improvements or enhancements that improve that purpose or to maintain long term integrity of our facilities as determined by planning. This Committee receives consulting advice from the District Engineer.

Personnel Committee

Statement of Purpose - February 20, 1997

In order to carry out the mission of any organization, it is essential that staff be competent. To retain qualified personnel, it is incumbent on this committee to establish and sustain an environment in which District personnel can be productive.

The cornerstone of effective administration for our type of organization is the establishment and executive of written procedures. These take the form of many examples such as state law, District Ordinances and Resolution, Policies and Procedures and so on. This concept provides a clear picture to all with consistency and fair ideology.

The purpose of this committee is to endeavor to sustain a high degree of integrity of District operations through the practice of effective administration strategies including the element of competent personnel. This Committee reviews all wage and benefit issues related to employee compensation.

Safety Committee

Statement of Purpose - February 20, 1997

Safety is an attitude. It is also an important concept in terms of cost and production; cost relative to risk exposure and production relative to lost man hours and impact on work schedules. Safety is an issue that concerns both staff and the public. Our best defense is an awareness and an on-going campaign of prevention measures.

The purpose of this committee is to promote and establish safety awareness, to prevent accidents, and if accidents do occur, to investigate them with a resolve to prevent repetition. The methods to accomplish this purpose include education, training, and inspections. Resources include such things as video tapes, tailgate sessions, safety equipment, implementation of policy and procedures, practice drills, etc.

Attachment B

Public Relations Committee

Statement of Purpose - February 20, 1997

Communications are all important in any organization regardless of type or size. As a public agency, we want to communicate with our constituency those issues that may be of concern, and to the extent possible, encourage feedback so as to “complete the loop”. This act of communication is basically a flow of information which informs and gives a certain comfort level to our constituents on what their Community Services District is accomplishing.

The purpose of this committee is to develop and foster public relations with our constituency. This includes information about District activities, future plans, helpful hints, and customer service. This is accomplished through “user friendly” customer service policies and procedures, promotion beneficial to the public, positive relationships with other agencies, making information and documents available, distribution of newsletter, bulletins, etc.

**Heritage Ranch Community Services District
Committee Membership**

Committee	2016-18	2018-20	2020-22	2022-24	2024-26
Finance & Audit	Cousineau Barker	Barker Burgess	Cousineau Burgess		
Operations & Engineering	Barker Cousineau	Capps Barker	Barker Cousineau		
Personnel	Cousineau Burgess	Burgess Rowley	Burgess Barker		
Safety	Rowley Cousineau	Cousineau Capps	Rowley Capps		
Public Relations	Burgess Rowley	Rowley Cousineau	Capps Rowley		
SGMA (Ad-hoc)	Cousineau Barker	Cousineau Rowley	NA	NA	NA