

# HERITAGE RANCH COMMUNITY SERVICES DISTRICT

## MEMORANDUM

**TO:** Board of Directors

**FROM:** Scott Duffield, General Manager

**DATE:** February 20, 2020

**SUBJECT:** Hearing to conduct a second reading and adopt an Ordinance by title only amending Chapter 3 of the District Code of Ordinances to comply with Senate Bill 998 regarding discontinuance of residential water service.

### **Recommendation**

It is recommended that the Board of Directors:

1. Hold a public hearing to conduct a second reading of an Ordinance by title only amending Chapter 3 of the District Code of Ordinances to comply with Senate Bill 998 regarding discontinuance of residential water service; and
2. Adopt the Ordinance by approval of Resolution 20-03.

### **Background**

Senate Bill (SB) 998 was approved by the Governor on September 28, 2018 and goes into effect for the District on April 1, 2020. The legislation requires the District to adopt a policy with specific provisions associated with discontinuance of residential water service for nonpayment and is known as the Water Shutoff Protection Act. SB 998 has been chaptered into Health and Safety Code Sections 116900 – 116926.

### **Discussion**

Your Board conducted a first reading of the Ordinance at the January 16, 2020 meeting. Ordinances require two readings before adoption. The Ordinance should be adopted today and will go into effect April 1, 2020.

This new legislation requires the District to adopt policy and procedures with specific provisions as summarized below. The major changes include:

- Water systems must adopt written discontinuation policies that are available in English, Spanish, Chinese, Tagalog, Vietnamese, Korean and any other language spoken by 10 percent or more people within the system's service area. The policies must contain certain information, and be posted on the water system's website.

- Water systems may not discontinue residential water service due to delinquent payment until payments are delinquent for at least 60 days. After that time, the water system must attempt to provide notice to customers by telephone or in writing, and provide information about appeals, extensions and alternative repayment options.
- Water systems may not discontinue residential water service if all of the following take place: 1) a primary care provider certifies that the discontinuation of water service will pose a serious or potentially fatal threat to a resident, 2) the customer demonstrates inability to pay and 3) the customer is willing to enter into an alternative payment arrangement. A customer can demonstrate an inability to pay based on the receipt of certain public assistance by someone in the household, or a declaration from the customer that the household is below 200 percent of the federal poverty level.
- Water systems must limit certain low-income residential customers' reconnection fees to no more than \$50 during regular business hours, and \$150 during non-regular hours.
- Water systems must attempt to provide notice to renters and mobile home residents that their service may be discontinued due to delinquent payments by their landlords, and that the residents have the right to become customers of the water system without paying the past-due amounts on the landlords' accounts.
- Water systems must annually post on their websites the number of times the system has discontinued residential service due to inability to pay.

Attached is the proposed amendment of Chapter 3 of the District Code of Ordinances. The changes have been reviewed by District Counsel and recommended for board approval and adoption.

### **Fiscal Considerations**

Implementation of SB 998 discontinuance of service requirements may have a negative effect on District cash flow due to the extended length in time before payments are made and/or when water service can be discontinued for nonpayment. The negative effect is not measurable at this time but will be monitored by staff.

### **Results**

Adoption of the Ordinance by approval of Resolution 20-03 will result in the Ordinance becoming effective April 1, 2020.

Attachments: Resolution 20-03 Amending District Code of Ordinances Chapter 3 Modifying Discontinuance of Service Procedures

File: Code of Ordinances

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 20-03**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
HERITAGE RANCH COMMUNITY SERVICES DISTRICT AMENDING DISTRICT  
CODE OF ORDINANCES CHAPTER 3  
MODIFYING DISCONTINUANCE OF SERVICE PROCEDURES**

**WHEREAS**, the Heritage Ranch Community Services District (the “District”), in the State of California (the “State”), is a community services district duly organized and existing pursuant to the constitution and laws of the State; and

**WHEREAS**, SB 998, filed with the Secretary of State on September 28, 2018, requires an urban and community water system, defined as a public water system that supplies water to more than 200 service connections, to have a written policy on discontinuation of water service consistent with the provisions of SB 998; and

**WHEREAS**, The bill requires an urban and community water system, as defined, to comply with the bill’s provisions on and after April 1, 2020; and

**WHEREAS**, The District, as defined, is an urban and community water system and subject to the provisions of SB 998; and

**WHEREAS**, On January 16, 2020, the Board of Directors directed staff to proceed with the incorporation of changes into Chapter 3 of the District Code of Ordinances (Code); and

**WHEREAS**, The Board of Directors has noticed this public meeting pursuant to Water Code § 375 and has considered the Staff Report and public testimony regarding the adoption of this Ordinance.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** by the Board of Directors of the Heritage Ranch Community Services District as follows:

**Section 1. Authority.** This Ordinance is enacted pursuant to the California Government Code § 61000.

**Section 2. Amendment and Restatement of Chapters 3 of District Code.** Chapter 3 of the District Code are hereby amended and restated as provided in Exhibit A, attached hereto and incorporated herein by reference.

**Section 3. Environmental Review.** The Board of Directors of the District finds that the adoption of the Amendment and Restatement of Chapter 3 of the District Code does not constitute a "project" under the California Environmental Quality Act ("CEQA") (Public Resources Code Section 21000 et. seq.) or its implementing Guidelines (14 California Code of Regulations Section 15000 et seq.) ("CEQA Guidelines"). The Board of Directors finds that the adoption of the

Amendment and Restatement of Chapter 3 of the District Code constitutes “general policy and procedure making” described in Section 15378(b)(2) of the CEQA Guidelines which are deemed not to be "projects". Even if the adoption of the Amendment and Restatement of Chapter 3 of the District Code is a "project" for purposes of CEQA, the District Board finds that it is exempt from review pursuant to Section 15061(b)(3) which provides that an activity is not subject to CEQA review where it can be seen with certainty that there is no possibility that it may have a "significant effect on the environment." The District Board finds that it can be seen with certainty that there is no possibility that the adoption of the Amendment and Restatement of Chapter 3 of the District Code may have a significant effect on the environment.

The District General Manager is authorized to prepare, execute and file a notice of exemption, but is not required to do so.

**Section 4. Findings.** The Board of Directors hereby finds and determines that the proposed changes in the District Code are necessary to bring the District’s rules for discontinuance of water service in conformance with current State Law.

**Section 5. Repeal of Prior Ordinances and Resolutions.** All Ordinances, sections of Ordinances and Resolutions that are inconsistent with this Ordinance are hereby repealed.

**Section 6. Incorporations of Recitals.** The Recitals are true and correct and incorporated here by this reference.

**Section 7. Severance Clause.** If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional, ineffective or in any manner in conflict with the laws of the United States, or the State of California, such decision shall not affect the validity of the remaining portions of this Ordinance. The Governing Board of the District hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsection, sentence, clause or phrase be declared unconstitutional, ineffective, or in any manner in conflict with the laws of the United States or the State of California.

**Section 8. Effective Date.** This Ordinance shall take effect thirty (30) days from date of its passage hereof. Before the expiration of fifteen (15) days after the adoption of this Ordinance, Exhibit A shall be published once with the names of the members of the Board of Directors voting for and against the Ordinance in a newspaper of general circulation within the District.

**PASSED, APPROVED AND ADOPTED** by the Board of Directors of the Heritage Ranch Community Services District on the 20<sup>th</sup> day of February 2020, by the following roll call vote.

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

**APPROVED:** \_\_\_\_\_  
**Dan Burgess, President**  
**Board of Directors**

**ATTEST:** \_\_\_\_\_  
**Kristen Gelos, Secretary**  
**Board of Directors**

## HERITAGE RANCH COMMUNITY SERVICES DISTRICT

### MEMORANDUM

**TO:** Board of Directors

**FROM:** Scott Duffield, General Manager

**DATE:** February 20, 2020

**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.

#### **Discussion**

Notice of Award and Agreement with Stockman's Energy, Inc.

The Notice of Award was sent to Stockman's Energy, Inc. (Stockman's) along with the final draft Agreement for signature.

Schedule

The Notice to Proceed will be executed once all the preliminary matters are complete. The initial construction schedule to Substantial Completion is 224 Calendar Days.

#### **Fiscal Considerations**

The FY 2019/20 Budget includes \$79,868 for the design and bid phase of the Project. There is currently enough budgeted in this line item to cover project management costs. Proportionate cash reserves will be transferred from the sewer and water funds as needed to fund construction of the Project this fiscal year. The FY 2020/21 budget will be prepared to include the Project. Substantial energy cost savings will also be realized.

As previously directed by your Board, staff is moving forward with applying for a private placement loan to partially fund the Project. The private placement loan process is like a project itself and includes the placement agent issuing a Request for Proposals to

numerous banks, and usually takes about 45-60 days to complete once the RFP is issued. Your Board previously adopted a reimbursement resolution that allows pay back of the cash reserves with the private placement loan. The loan documents will be brought to your Board for approval at a future meeting.

### **Results**

Approval of the recommended action will keep the Board formally informed on the progress of the Project.

File: Projects\_PVS

## HERITAGE RANCH COMMUNITY SERVICES DISTRICT

### MEMORANDUM

**TO:** Board of Directors

**FROM:** Operations & Engineering Committee (Barker, Capps, Duffield)

**DATE:** February 20, 2020

**SUBJECT:** Request to approve Addendum No. 1 to the agreement for professional services with Kenwood Energy related to development and delivery of a photovoltaic system project in a not to exceed amount of \$36,400.

#### **Recommendation**

It is recommended that the Board of Directors approve Addendum No. 1 to the agreement for professional services with Kenwood Energy related to development and delivery of a photovoltaic system project in a not to exceed amount of \$36,400.

#### **Background**

The District executed an agreement for professional services (Agreement) with Kenwood Energy for services related to development and delivery of a photovoltaic system project (Project).

#### **Discussion**

The current Agreement includes two main tasks:

1. Rates and PV Analysis
2. Request for Proposal Development and Support

The Addendum No. 1 is for an additional task of Construction Support. The scope of work associated with this additional task is attached.

Kenwood Energy will continue to coordinate and facilitate delivery of the Project in close communication with staff, the Operations & Engineering Committee, and your Board.



## **Fiscal Implications**

The FY 2019/20 Budget includes \$79,868 for the design and bid phase of the Project. There is currently enough budgeted in this line item to cover the Addendum No. 1. Should additional budget be needed staff will return to your Board.

## **Results**

Approval of Addendum No. 1 to the professional services agreement with Kenwood Energy will provide resources and expertise to deliver the Project.

Attachments: Addendum No. 1 to the professional services agreement with Kenwood Energy

File: Projects\_PVS

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
AMENDMENT NO. 1 TO AGREEMENT FOR PROFESSIONAL SERVICES**

**THIS AMENDMENT NO. 1** to an agreement for professional services (hereinafter referred to as "Amendment No. 1") is made by and between the Heritage Ranch Community Services District, a Community Services District duly existing and operating pursuant to the provisions of Government Code Section 61000 et seq. (hereinafter referred to as "HRCSD" or "District") and Kenwood Energy (hereinafter referred to as "Consultant"), with reference to the following Recitals:

**WHEREAS**, HRCSD and Consultant previously entered into an Agreement for Professional Services (Agreement) dated April 26, 2019 to provide services related to the Photovoltaic System Project ("Project").

**WHEREAS**, HRCSD desires to engage Consultant to provide additional services, and Consultant has offered to provide the additional services, for the Project.

**NOW, THEREFORE**, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

1. **SCOPE OF SERVICES.** Consultant agrees to provide the services and submit deliverables to HRCSD in accordance with the individual Task Orders attached to this Amendment No. 1, subject to the direction of HRCSD as provided from time to time. Consultant represents and warrants that the Not-to-Exceed amount represented in individual Task Orders will be sufficient to provide the services and submit the deliverables identified in individual Task Orders.
2. **TERM.** Consultant shall commence performance within five (5) days of HRCSD's Execution of Task Orders and unless otherwise directed in writing by HRCSD or unless earlier terminated as provided in the Agreement, shall complete performance and make deliverable as provided in the individual Task Orders.
3. **COMPENSATION OF CONSULTANT.** Consultant will be paid for the services provided to HRCSD in accordance with the schedule set forth in the Task Orders and subject to the Not-to-Exceed amount.
4. All other terms and conditions of the Agreement remain in effect and are incorporated herein by reference.

**IN WITNESS WHEREOF**, the parties have executed this Agreement to be effective on the date executed by the HRCSD.

DISTRICT

CONSULTANT

By: Scott Duffield, Date \_\_\_\_\_  
General Manager

By: Tim Holmes, Date \_\_\_\_\_  
President

**Heritage Ranch Community Services District**  
**Consultant Scope of Work (SOW)**  
**Construction Support**

Kenwood Energy (KE) proposes to support Heritage Ranch through the construction process.

1. **Kick-off Meeting:** Participate in the construction kick-off meeting. The kick-off meeting is an effective way to finalize the contractor's scope of work, timeline, communication protocol, special procedures, etc. Kenwood Energy will draft an agenda that will include introductions, lines of communication, reporting, regular meetings, Heritage Ranch policies, project scope and schedule, logistics, etc.
2. **Submittal Review:** The RFP details submittals that are required prior to beginning construction. Kenwood Energy will review the 50% and 90% complete submittals and product data sheets to ensure that the design meets the requirements of the Specification. A written overview will be provided to Staff and the vendor as a guide to update the drawings. Kenwood Energy will also complete a final review of the 100% complete drawings.
3. **Regular Meetings:** Scheduled meetings will help to ensure that the project remains on track and progresses as planned. It is anticipated that meetings will be needed once every two weeks or less during the design phase, but will be needed weekly once construction starts. Kenwood Energy will participate in weekly meetings both onsite or via teleconference. We will develop and maintain a tracking tool that captures construction issues as they arise and through resolution. Typical meetings will include discussion of safety issues, long term and short term schedules, inspections, logistics, change order requests, pay applications, and miscellaneous items. This scope includes meetings for a 6-month construction process. KE will also take advantage of onsite meetings to conduct project walks to monitor progress.
4. **Technical Support:** Kenwood Energy will work with Heritage Ranch as needed to review and discuss requests-for-information related to the specification and design; requests for change orders submitted by the contractor; payment applications / invoices for reasonableness based on the actual work completed; etc.
5. **Miscellaneous Services:** Kenwood Energy has included 8 hours of work to address items as requested by Heritage Ranch. This may include working on interconnection issues, CEC loan processing, updating savings and cash flow calculations, participating in meetings, etc.
6. **Project Closeout:** Once the installation is substantially complete, and the contractor has submitted the Permission to Operate request to the utility, Kenwood Energy will inspect the system to identify a punch-list of items that need to be addressed prior to final sign-off, and will review all of the submittals and commissioning documents as required by the RFP.
7. **Sustainability:** Once the installation is completed, a monthly report will be generated early in each month that includes the output for the month compared to the

projections, the year-to-date output compared to projections, and a brief overview of the PV system specifications for a period of 4 months.

The SOW is based on construction of the base-bid projections, and an 8-month construction schedule starting with the kickoff meeting. It includes 7 onsite meetings and participating in a weekly project management call.

**FEES**

Kenwood Energy proposes to bill Heritage Ranch on an hourly basis. Kenwood Energy's hourly rates are:

Senior Engineer	\$195.00 per hour
Senior Analyst	\$165.00 per hour
Not-to-exceed	\$36,400.00

Costs include expenses. Kenwood Energy will submit monthly progress payment invoices. Payments shall be made within 30 days of receiving Kenwood Energy's invoice.

## HERITAGE RANCH COMMUNITY SERVICES DISTRICT

### MEMORANDUM

**TO:** Board of Directors

**FROM:** Operations & Engineering Committee (Barker, Capps, Duffield)

**DATE:** February 20, 2020

**SUBJECT:** Request to approve an agreement for professional services with MKN & Associates, Inc. for water treatment plant assistance in a not to exceed amount of \$9,515.

#### **Recommendation**

It is recommended that the Board of Directors approve an agreement for professional services with MKN & Associates, Inc. for water treatment plant assistance in a not to exceed amount of \$9,515.

#### **Background**

Staff previously reported to your Board that the water system recently failed a drinking water standard for disinfection byproducts. Your Board directed staff to work with the Operations & Engineering Committee to address this issue and report to the Board regularly.

#### **Discussion**

Staff has reached out to MKN & Associates, Inc. (MKN) to assist with these efforts. A draft professional services agreement with MKN is attached for your Board's approval.

The O&E Committee convened on February 12, 2020 and has provided the recommended action.

Alternatively, the Board may consider putting out an RFP for these services.

#### **Fiscal Implications**

There is currently enough in the FY 2019/20 Budget to cover the scope of work currently proposed. Should additional budget be needed moving forward, staff will return to your Board.

## **Results**

Approval of the professional services agreement with MKN will provide resources and expertise towards refinements to the water system to continue to provide safe and reliable services to the community.

Attachments: Agreement for Professional Services with MKN & Associates, Inc.

File: Agreements\_MKN

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
AGREEMENT FOR PROFESSIONAL SERVICES**

**THIS AGREEMENT** for professional services (hereinafter referred to as “Agreement”) is made by and between the Heritage Ranch Community Services District, a Community Services District duly existing and operating pursuant to the provisions of Government Code Section 61000 et seq. (hereinafter referred to as “HRCSD” or “District”) and MKN & Associates, Inc. (hereinafter referred to as “Consultant”), with reference to the following Recitals:

**RECITALS**

A. HRCSD desires to retain Consultant to provide services related to water treatment plant assistance as identified in the attached proposal (“Proposal”).

B. HRCSD desires to engage Consultant to provide services by reason of qualifications and experience in performing such services, and Consultant has offered to provide the required services through the Proposal on the terms and in the manner set forth herein.

**NOW, THEREFORE**, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

**1. DESIGNATED REPRESENTATIVES.** Scott Duffield, General Manager, at telephone number (805) 227-6230 is the representative of HRCSD and will administer this Agreement for and on behalf of HRCSD. \_\_\_\_\_, at telephone number \_\_\_\_\_, is the authorized representative for Consultant. Changes in designated representatives shall be made only after prior written notice to the other party.

**2. NOTICES.** Any notice or consent required or permitted to be given under this Agreement shall be given to the respective parties in writing, by first-class mail, postage prepaid, or otherwise delivered as follows:

**HRCSD:** Heritage Ranch Community Services District  
4870 Heritage Road  
Paso Robles, CA 93446  
Attn: Scott Duffield, General Manager  
Facsimile: (805) 227-6231  
Email: [scott@heritageranchcsd.ca.gov](mailto:scott@heritageranchcsd.ca.gov)

**CONSULTANT:** MKN & Associates, Inc.  
PO Box 1604  
Arroyo Grande, CA 93421  
Attn: \_\_\_\_\_  
Email: \_\_\_\_\_

or at such other address or to such other person that the parties may from time to time designate. Notices and consents under this section, which are sent by mail, shall be deemed to be received five (5) days following their deposit in the U.S. mail.

### **3. TASK ORDERS.**

A. Task Orders of this Agreement are outlined in the attached Proposal:

1. The Scope of Services that shall be performed by Consultant are outlined in the attached Proposal as "Tasks";

2. The compensation schedules for services including reimbursable expenses are detailed in the attached Proposal;

3. This Agreement has a total Not-to-Exceed amount of \$9,515.00 for all Tasks as outlined in the attached proposal.

B. The terms and conditions of this Agreement are incorporated into individual Task Orders.

**4. SCOPE OF SERVICES.** Consultant agrees to provide the services and submit deliverables to HRCSD in accordance with the individual Task Orders and this Agreement, subject to the direction of HRCSD as provided from time to time. Consultant represents and warrants that the Not-to-Exceed amount represented in individual Task Orders will be sufficient to provide the services and submit the deliverables identified in individual Task Orders.

**5. TERM.** Consultant shall commence performance within five (5) days of HRCSD's Execution of Task Orders and unless otherwise directed in writing by HRCSD or unless earlier terminated as provided in this Agreement, shall complete performance and make deliverable as provided in this Agreement and individual Task Orders.

### **6. COMPENSATION OF CONSULTANT.**

A. Consultant will be paid for the services provided to HRCSD in accordance with the schedule set forth in the Task Orders and subject to the Not-to-Exceed amount.

B. Consultant shall submit invoices no more often than monthly for services performed and reimbursable expenses incurred. Each invoice shall identify the person providing the service, the services performed, a report on the services performed that at a minimum summarizes the meetings and conferences attended by Consultant on behalf of the District, and the corresponding Task Order.

C. HRCSD shall review each invoice submitted by Consultant to determine whether it accurately reflects the services performed and reimbursable expenses incurred in compliance with the provisions of this Agreement and the Task Order. In the event no



charges or expenses are disputed, the invoice shall be approved and paid within thirty (30) days of receipt of the invoice. In the event HRCSD disputes any charge or expense, it shall return the original invoice to Consultant for correction and resubmission, however, the undisputed amount shall be paid as indicated above.

D. HRCSD shall not pay Consultant more than the Not-to-Exceed amount referenced in individual Task Orders without the prior written authorization of the HRCSD. In order for HRCSD to increase the Not-to-Exceed amount, Consultant must identify and document how circumstances beyond its reasonable control have increased the time and/or costs of performing the services beyond the amounts identified in the Task Orders. The HRCSD, in its sole discretion, may deny in part or in whole the request to increase the Not-to-Exceed amount, modify the Scope of Services, or approve the increase in the Not-to-Exceed amount.

E. Payment to Consultant shall be full compensation for all personnel, materials, supplies, and equipment used in carrying out the services.

F. Payment of an invoice by HRCSD shall not constitute acceptance of defective services, and HRCSD's failure to discover or object to any unsatisfactory services or billing prior to payment will not constitute a waiver of HRCSD's right to:

1. Require Consultant to correct such work or billings; or
2. Seek any other legal remedy.

G. HRCSD may withhold, or on account of subsequently discovered evidence nullify, the whole or a part of any payment to such extent as may be necessary to protect HRCSD from loss, including costs and attorneys' fees, on account of (1) defective or deficient work product not remedied; (2) subsequently discovered errors in invoices previously paid; (3) claims filed or reasonable evidence indicating probable filing of a claim or claims; (4) failure of Consultant to make payments properly to its employees or sub-consultants; or (5) Consultant's failure to adhere to the schedules or to achieve sufficient progress with the services such that Consultant is unlikely to achieve timely completion.

## **7. STATUS OF CONSULTANT.**

A. Consultant is and shall at all times remain a wholly independent contractor and not an officer, employee or agent of HRCSD. Consultant shall have no authority to bind HRCSD in any manner, nor to incur any obligation, debt or liability of any kind on behalf of or against HRCSD, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by HRCSD.

B. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither HRCSD, nor any elected or appointed boards, officers, officials, employees or agents of HRCSD, shall have control over the conduct of Consultant or any of Consultant's officers,

employees or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that Consultant or any of Consultant's officers, employees, subcontractors, or agents are in any manner officials, officers, employees or agents of HRCSD.

C. Neither Consultant, nor any of Consultant's officers, employees, subcontractors, or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to HRCSD's employees. Consultant expressly waives any claim Consultant may have to any such rights.

## **8. PERFORMANCE STANDARDS.**

A. Compliance with laws. Consultant shall (and shall cause its agents and sub-contractors), at its sole cost and expense, comply with all State and Federal ordinances, regulations and statutes now in force or which may hereafter be in force with regard to the services referenced in individual Task Orders, and this Agreement. The judgment of any court of competent jurisdiction, or the admission of Consultant in any action or proceeding against Consultant, whether HRCSD be a party thereto or not, that Consultant has violated any such ordinance or statute, shall be conclusive of that fact as between Consultant and HRCSD. Except as provided above any corrections to Consultant's services which become necessary as a result of the Consultant's failure to comply with these requirements shall be made at Consultant's expense.

B. Standard of Performance. Consultant represents that it has the skills, expertise, and licenses necessary to perform the services required under this Agreement and subsequently executed Task Orders. Consultant shall perform all such services in the manner and according to the standards observed by professionals experienced in providing services identified in individual Task Orders. All documents and services of whatsoever nature that Consultant delivers to HRCSD pursuant to this Agreement and individual Task Orders shall conform to the standards of quality normally observed by professionals experienced in providing services identified in individual Task Orders. Consultant shall promptly correct or revise any errors or omissions at HRCSD's request without additional compensation. Licenses required to perform such services shall be obtained and maintained by Consultant without additional compensation throughout the term of this Agreement

**9. FAMILIARITY WITH SERVICES TO BE PERFORMED.** By executing individual Task Orders, Consultant represents that Consultant, (a) has thoroughly investigated and considered the Scope of Services referenced in Task Orders to be performed; (b) has carefully considered how the services should be performed; (c) fully understands the difficulties and restrictions attending performance of the services under this Agreement; an (d) that the Not-to-Exceed amount is adequate for the services to be performed by Consultant.

**10. TAXES.** Consultant shall pay all taxes, assessments and premiums under the federal Social Security Act, any applicable unemployment insurance contributions,

Workers Compensation insurance premiums, sales taxes, use taxes, personal property taxes, or other taxes or assessments now or hereafter in effect and payable by reason of or in connection with the services to be performed by Consultant.

**11. CONFLICT OF INTEREST.** Consultant covenants that neither it, nor any officer or principal of its firm, or subcontractors retained by Consultant has, or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of HRCSD for Task Order work or which would in any way hinder Consultant's performance of services under this Agreement or Task Order. Consultant further covenants that in the performance of the services, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the prior express written consent of the HRCSD Manager. Consultant agrees to at all times avoid conflicts of interest, or the appearance of any conflicts of interest, with the interests of the HRCSD in the performance of the services pursuant to individual Task Orders.

**12. RESPONSIBILITIES OF HRCSD.** HRCSD shall provide all information reasonably necessary by Consultant in performing the services provided herein.

**13. OWNERSHIP OF DOCUMENTS.** All reports, documents, drawings, photographs, videotape, specifications, data, and other instruments of professional service, in paper and electronic form, whether in draft or final, prepared by Consultant during the performance of this Agreement (the "Documents") shall be and become the property of HRCSD. Consultant shall deliver the Documents to the HRCSD promptly upon completion of the services or termination of this Agreement, for any reason, whichever shall occur first.

**14. RECORDS, AUDIT AND REVIEW.** Consultant and Consultant's subcontractors shall keep such business records pursuant to this Agreement as would be kept by a reasonably prudent practitioner of Consultant's profession and shall maintain such records for at least four (4) years following the termination of this Agreement. All accounting records shall be kept in accordance with generally accepted accounting practices. HRCSD shall have the right to audit and review all such documents and records at any time during Consultant's regular business hours or upon reasonable notice.

## **15. INDEMNIFICATION**

A. To the fullest extent permitted by law, Consultant shall defend, (with legal counsel reasonably acceptable to the HRCSD) indemnify and hold harmless HRCSD and its officers, agents, departments, officials, representatives and employees (collectively "Indemnitees") from and against any and all claims, loss, cost, damage, injury (including, without limitation, injury to or death of an employee of Consultant or its subconsultants), expense and liability of every kind, nature and description (including, without limitation, fines, penalties, incidental and consequential damages, court costs, attorney's fees, litigation expenses and fees of expert consultants or expert witnesses incurred in connection therewith, and costs of investigation), to the extent that they arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Consultant,

any subconsultant, anyone directly or indirectly employed by them, or anyone that they control (collectively "Liabilities") in performing services pursuant to Task Orders. Such obligations to defend, hold harmless and indemnify any Indemnitee shall not apply to the extent that such Liabilities are caused by the sole negligence, or willful misconduct of such Indemnitee.

B. Neither termination of this Agreement or completion of the services referenced in individual Task Orders under this Agreement shall release Consultant from its obligations referenced in subsection A, above, as to any claims, so long as the event upon which such claims is predicated shall have occurred prior to the effective date of any such termination or completion and arose out of or was in any way connected with performance or operations under this Agreement by Consultant, its employees, agents or consultants, or the employee, agent or consultant of any one of them.

C. Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth in this section from each and every subconsultant or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement and individual Task Orders. If Consultant fails to obtain such indemnity obligations from others as required, Consultant shall be fully responsible for all obligations under this Section. HRCSD's failure to monitor compliance with this requirement imposes no additional obligations on HRCSD and will in no way act as a waiver of any rights hereunder. The obligation to indemnify and defend HRCSD as set forth herein is binding on the successors, assigns or heirs of Consultant and shall survive the termination of this Agreement or this section.

D. Submission of insurance certificates or submission of other proof of compliance with the insurance requirements in the Agreement does not relieve Consultant from liability referenced in this Section 15. The obligations of this Section 15 shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

## **16. INSURANCE.**

A. Consultant and its subconsultants shall procure and maintain insurance with companies authorized to do business in the State of California and assigned an A.M. Best's rating of no less than A-(IX), the following insurance coverage on an "occurrence basis", written on the ISO form shown below (or its equivalent) at the limits of liability specified for each:

General Liability Insurance	(ISO Form CG001 11/85)
including coverage for premises, products and completed operations, independent Consultants/vendors, personal injury and contractual obligations with combined single limits of coverage of at least	\$ 1 Million per occurrence. \$ 2 Million in the aggregate
Workers' Compensation Insurance*	Statutory

Employer's Liability Insurance	\$ 1 Million policy limit
Professional Liability Insurance** or	\$ 1 Million per claim
Errors and Omissions Insurance**	\$ 1 Million in the aggregate
* Required if/when the Consultant has employees	
** May be waived upon approval by the District	

B. To the extent Consultant or its employees and agents use personal automobiles in any way performing services contemplated by this Agreement, Consultant represents and warrants that evidence of personal auto liability coverage for each person shall be maintained at commercially reasonable levels.

C. The General and Commercial Automobile liability policies shall be endorsed to include the following:

(1) HRCSD, its officers, directors, employees and agents shall be named as Additional Insureds using an endorsement appropriate for design professionals; and

(2) The coverage afforded HRCSD shall be primary and non-contributing with any other insurance maintained by HRCSD.

(3) If not covered separately under a business automobile liability policy, the general liability policy shall also be endorsed to include non-owned and hired automobile liability.

D. Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant and "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend. The policy retroactive date shall be on or before the effective date of this Agreement.

E. Prior to commencing work under this Agreement, Consultant shall provide HRCSD with Certificates of Insurance evidencing compliance with the foregoing requirements, accompanied by copies of the required endorsements. Certificates of Insurance for commercial general liability, automobile liability, employer's liability, and professional liability insurance shall specify that the Consultant shall give HRCSD thirty (30) days advance written notice by the insurer prior to cancellation of the policy except ten (10) days for nonpayment of premium. Consultant shall give HRCSD fifteen (15) days advance written notice prior to cancellation of the workers' compensation policy except seven (7) days for nonpayment of premium.

F. All insurance coverage required hereunder shall be kept in full force and effect for the term of this Agreement. Professional liability insurance shall be maintained for an additional, uninterrupted period of three (3) years after termination of this Agreement, provided such insurance is commercially available at rates reasonably

comparable to those currently in effect. Certificates of Insurance evidencing renewal of the required coverage shall be provided within ten (10) days of the expiration of any policy at any time during the period such policy is required to be maintained by Consultant hereunder. Any failure to comply with this requirement shall constitute a material breach of this Agreement.

G. All insurance coverage and limits provided by Consultant and available or applicable to this Agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the HRCSD or its operations limits the application of such insurance coverage.

H. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to HRCSD and approved of in writing.

I. No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any contractor or subcontractor.

J. Consultant agrees to provide immediate notice to HRCSD of any claim or loss against Consultant arising out of the work performed under this Agreement. HRCSD assumes no obligation or liability by such notice but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve HRCSD.

## **17. PERSONNEL.**

A. The Consultant represents that it has, or will secure at its own expense, all personnel, sub-consultants and/or subcontractors required in performing the services under this Agreement. All the services required hereunder will be performed by the Consultant or under Consultant's supervision, and all personnel engaged in the work shall be qualified to perform such services.

B. Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's employees, associates and subconsultants assigned to perform the services required under this Agreement.

## **18. TERMINATION.**

A. If Consultant at any time refuses or neglects to perform the services in a timely fashion or in accordance with the schedule referenced in Task Orders, or is adjudicated a bankrupt, or commits any act of insolvency, or makes an assignment for the benefit of creditors without HRCSD's written consent, or fails to make prompt payment to persons furnishing labor, equipment, or materials, or fails in any respect to properly and diligently prosecute the services, or otherwise fails to perform fully any and all of the Agreements herein contained, Consultant shall be in default.

B. If Consultant fails to cure the default within seven (7) days after written notice thereof, HRCSD may, at its sole option, take possession of any documents, files (including CAD and other electronic files), or other materials prepared or used by Consultant in connection with the services and, (a) provide any such services, labor, or materials as may be necessary to overcome the default and deduct the cost thereof from any money then due or thereafter to become due to Consultant under this Agreement; or (b) terminate Consultant's right to proceed with the services.

C. In the event HRCSD elects to terminate this Agreement, HRCSD shall have the right to immediate possession of all Documents and other work in progress prepared by or on behalf of Consultant, whether located at the District Office, at Consultant's place of business, or at the offices of a subcontractor, and may employ any other person or persons to provide the services and provide the materials therefore. In case of such default termination, Consultant shall not be entitled to receive any further payment under this Agreement until the services are completely finished. At that time, if the unpaid balance of the amount to be paid under this Agreement exceeds the expenses incurred by HRCSD in obtaining services, such excess shall be paid by HRCSD to Consultant, but, if such expense shall exceed such unpaid balance, then Consultant shall promptly pay to HRCSD the amount by which the expenses exceeds the unpaid balance. The expense referred to in the last sentence shall include expenses incurred by HRCSD in obtaining the services from others, for attorneys' fees, and for any damages sustained by HRCSD by reason of Consultant's default or defective services.

D. In addition to the foregoing right to terminate for default, HRCSD reserves the absolute right to terminate the services authorized by this Agreement without cause ("Terminate for Convenience"), upon 72-hours' written notice to Consultant. In the event of termination without cause, Consultant shall be entitled to payment in an amount not to exceed the Not-to-Exceed amount referenced in Task Orders, which shall be calculated as follows: (1) Payment for any services then satisfactorily completed and accepted by HRCSD, plus (2) reimbursable costs actually incurred by Consultant; plus (3) reasonable termination costs incurred by Consultant solely on account of the termination for convenience. There shall be deducted from such sums as provided in this section the amount of any payment made to Consultant prior to the date of termination of the services. Consultant shall not be entitled to any claim or lien against HRCSD or the proposed project for any additional compensation or damages in the event of such termination and payment. In addition, the HRCSD's right to hold funds pursuant to Section 6 G shall be applicable in the event of a termination for convenience.

E. If this Agreement is terminated by HRCSD for default and it is later determined that the default termination was wrongful, such termination automatically shall be converted to and treated as a Termination for Convenience under Section D, above, and Consultant shall be entitled to receive only the amounts payable hereunder in the event of a Termination for Convenience.

F. Should HRCSD fail to pay Consultant undisputed payments set forth in Section 6 above, Consultant may, at Consultant's option, suspend its services if such

failure is not remedied by HRCSD within thirty (30) days of written notice to HRCSD of such late payment.

**19. BREACH OF LAW.** In the event the Consultant or any of its officers, directors, shareholders, employees, agents, subsidiaries or affiliates is convicted (i) of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of a contract or subcontract; (ii) under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a public consultant or Consultant; (iii) under state or federal antitrust statutes arising out of the submission of bids or proposals; or (iv) of violation of Paragraphs 11, 23, 24, 25 of this Agreement; or for any other cause the HRCSD determines to be so serious and compelling as to affect Consultant's responsibility as a public consultant or Consultant, including but not limited to, debarment by another governmental agency, then the HRCSD reserves the unilateral right to terminate this Agreement, seek indemnification and/or to impose such other sanctions (which may include financial sanctions, temporary suspensions or any other condition deemed appropriate short of termination) as it deems proper.

## **20. DISPUTE RESOLUTION.**

A. The parties agree in good faith to attempt to resolve amicably, without litigation, any dispute arising out of or relating to this agreement. In the event that any dispute cannot be resolved through direct discussions, the parties agree to endeavor to settle the dispute by mediation. Either party may make a written demand for mediation, which demand shall specify the facts of the dispute. The matter shall be submitted to a mediator who shall hear the matter and provide an informal nonbinding opinion and advice in order to help resolve the dispute. The mediator's fee shall be shared equally by the parties. If the dispute is not resolved through mediation, the matter may be submitted to the judicial system, in which event all litigation and collection expenses, witness fees, court costs and attorneys' fees shall be paid to the prevailing party.

B. No claim, potential claim, dispute or controversy, except non-payment by HRCSD of undisputed amounts, shall interfere with the progress and performance of the services referenced in Task Orders, or any changes thereto, and Consultant shall proceed as directed by the HRCSD in all instances with its services, including any disputed services, or any changes thereto and any failure of Consultant to proceed shall be deemed a material breach of this Agreement entitling HRCSD to all remedies available under Section 19 or other provision of the Agreement and/or applicable law. Except as provided elsewhere in this Agreement, HRCSD shall continue to make payments in accordance with the Agreement.

**21. HRCSD NOT OBLIGATED TO THIRD PARTIES.** HRCSD shall not be obligated or liable for payment hereunder to any party other than the Consultant.



**22. NON-DISCRIMINATION.** Consultant shall not discriminate in any way against any person on the basis of race, color, religious creed, national origin, ancestry, sex, age, physical handicap, medical condition or marital status in connection with, or related to, the performance of this Agreement.

**23. UNAUTHORIZED ALIENS.** Consultant hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, et. seq., as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Consultant so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement and should the any liability or sanctions be imposed against HRCSD for such use of unauthorized aliens, Consultant hereby agrees to and shall reimburse HRCSD for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by HRCSD. Consultant shall comply with all the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, et seq., as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein.

**24. CONFIDENTIAL INFORMATION; RELEASE OF INFORMATION.**

A. All information gained, or work product produced by Consultant in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Consultant. Consultant shall not release or disclose any such information or work product to persons or entities other than HRCSD without prior written authorization from the District Manager, except as may be required by law.

B. Consultant, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the District Manager or unless requested by the District Legal Counsel of HRCSD, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives HRCSD notice of such court order or subpoena.

C. If Consultant, or any officer, employee, agent or subcontractor of Consultant, provides any information or work product in violation of this Agreement, then HRCSD shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorney's fees, caused by or incurred as a result of Consultant's conduct.

D. Consultant shall promptly notify HRCSD should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed there-under. HRCSD retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing or similar proceeding.

Consultant agrees to cooperate fully with HRCSD and to provide HRCSD with the opportunity to review any response to discovery requests provided by Consultant. However, this right to review any such response does not imply or mean the right by HRCSD to control, direct, or rewrite said response.

**25. ASSIGNMENT.** The expertise and experience of Consultant are material considerations for this Agreement. HRCSD has an interest in the qualifications of and capability of the persons and entities who will fulfill the duties and obligations imposed upon Consultant under this Agreement. In recognition of that interest, Consultant shall not assign or transfer this Agreement or any portion of this Agreement or the performance of any of Consultant's duties or obligations under this Agreement without the prior written consent of the District Board of Directors. Any attempted assignment shall be ineffective, null and void, and shall constitute a material breach of this Agreement entitling HRCSD to any and all remedies at law or in equity, including summary termination of this Agreement. HRCSD acknowledges, however, that Consultant, in the performance of its duties pursuant to this Agreement, may utilize subcontractors.

**26. COSTS AND ATTORNEY'S FEES.** Except for disputes that are resolved by non-binding mediation, the prevailing party in any action between the parties to this Agreement brought to enforce the terms of this Agreement or arising out of this Agreement may recover its reasonable costs and attorney's fees expended in connection with such an action from the other party.

**27. SECTION HEADINGS.** The headings of the several sections, and any table of contents appended hereto, shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof.

**28. SEVERABILITY.** If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

**29. REMEDIES NOT EXCLUSIVE.** Except for disputes related solely to the payment for services performed by Consultant, no remedy herein conferred upon or reserved to the Parties is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

**30. NONEXCLUSIVE AGREEMENT.** Consultant understands that this is not an exclusive Agreement and that HRCSD shall have the right to negotiate with and enter into contracts with others providing the same or similar services as those provided by Consultant as the HRCSD desires.

**31. NOT USED**

**32. NON-LIABILITY OF DISTRICT OFFICERS AND EMPLOYEES.** No officer or employee of HRCSD will be personally liable to Consultant, in the event of any default or breach by the HRCSD or for any amount that may become due to Consultant.

**33. INTERPRETATION OF THIS AGREEMENT.** The parties acknowledge that each party and its attorney had the opportunity to review, negotiate and revise this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any document executed and delivered by any party in connection with the obligations contemplated by this Agreement.

**34. TIME IS OF THE ESSENCE.** Time is of the essence in this Agreement and each covenant and term is a condition herein.

**35. NO WAIVER OF DEFAULT.** No delay or omission of HRCSD to exercise any right or power arising upon the occurrence of any event of default shall impair any such right or power or shall be construed to be a waiver of any such default of an acquiescence therein; and every power and remedy given by this Agreement to HRCSD shall be exercised from time to time and as often as may be deemed expedient in the sole discretion of HRCSD.

**36. ENTIRE AGREEMENT AND AGREEMENT.** In conjunction with the matters considered herein, this Agreement contains the entire understanding and Agreement of the parties and there have been no promises, representations, Agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature hereafter binding except as set forth herein. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the parties to this Agreement and by no other means. Each party waives their future right to claim, contest or assert that this Agreement was modified, canceled, superseded, or changed by any oral Agreements, course of conduct, waiver or estoppel.

**37. SUCCESSORS AND ASSIGNS.** All representations, covenants and warranties set forth in this Agreement, by or on behalf of, or for the benefit of any or all of the parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.

**38. CALIFORNIA LAW.** This Agreement shall be governed by the laws of the State of California. Any litigation regarding this Agreement or its contents shall be filed in the County of San Luis Obispo, if in state court, or in the federal court nearest to San Luis Obispo County, if in federal court.

**39. EXECUTION OF COUNTERPARTS.** This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed

to be an original; and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

**40. PRECEDENCE.** In the event of a conflict between the Task Orders and this Agreement, the provisions of this Agreement shall control.

**41. RECITALS.** Recitals A through B are incorporated herein by reference as though set forth at length.

**42. AUTHORITY TO EXECUTE.** All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles, and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity (ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Furthermore, by entering into this Agreement, Consultant hereby warrants that it shall not have breached the terms or conditions of any other contract or Agreement to which Consultant is obligated, which breach would have a material effect hereon.

**IN WITNESS WHEREOF**, the parties have executed this Agreement to be effective on the date executed by the HRCSD.

CONSULTANT: MKN & Associates, Inc.

By: \_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_

Date: \_\_\_\_\_

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

By: \_\_\_\_\_  
Scott Duffield, General Manager

Date: \_\_\_\_\_



MKN & Associates, Inc.  
PO Box 1604  
Arroyo Grande, CA 93421  
805-904-6530

January 31, 2020

Scott Duffield  
General Manager  
Heritage Ranch Community Services District  
(submitted electronically)

**RE: Heritage Ranch CSD Water Treatment Plant Assistance**

Dear Scott,

Heritage Ranch Community Services District (HRCSD) owns and operates a surface water treatment plant (WTP) to supply water to its customers. The WTP treats water from Lake Nacimiento, which is extracted through an infiltration gallery, treated with potassium permanganate to oxidize iron and organics, coagulated, filtered, and disinfected with chlorine prior to delivery. Recent analyses have shown that halo-acetic acids (HAAs), a disinfection byproduct, have been present in the delivered water at concentrations exceeding the maximum contaminant level (MCL) of 60 µg/L established by the State of California. The WTP has historically had difficulties treating the water because of its unusual chemistry. Specifically, finding an effective method of coagulation, flocculation, and settling has been challenging.

The District requested Michael K. Nunley Associates (MKN) to provide this proposal for engineering services to assist the District in addressing the high HAA concentrations as well as implementing previous recommendations to improve operation at the WTP. Specific assistance requested by the District includes:

1. Develop a testing plan for implementing recommendations.
2. Observe and assist District staff efforts to implement the testing plan.
3. Assess the results of the testing plan, provide follow-on recommendations and provide a report describing the efforts.

A more detailed scope of services is provided below.

**SCOPE OF SERVICES**

**Task 100 Develop Testing Plan**

MKN will provide a draft Testing Plan describing recommended chemical dosing, flow rates, and treatment times, for implementation by District staff. The intent of this Plan will be to evaluate the effectiveness of previous recommendations and whether they can be practically implemented without causing disruptions to plant operation. Following review by the District, MKN will produce a final Testing Plan for implementation by the District.

**Task 200 Implement Testing Plan**

MKN will perform a visit to the WTP to observe and assist District staff in implementing the Testing Plan. Assistance will be limited to performing calculations, recommending operating modes, assisting in taking measurements, and recording activities and results. The District will provide all equipment and materials required to implement the testing plan. District staff will at all times be responsible for safe operation of the WTP in accordance with all laws and regulations. MKN assumes that the duration of the testing will be two days.

**Task 300 Reporting**

MKN will provide a draft report describing the activities performed during testing, presenting results, and providing recommendations for future operations and, if beneficial, additional testing. The recommendations will include specific actions to be taken and a recommended schedule for implementation. Where applicable, opinions of the cost of implementing recommendations will be provided. Following District review of the draft report, MKN will incorporate comments and prepare a final report for District use.

MKN will provide two engineers to attend District meetings to explain the testing and results. This will include one meeting with the Operations and Engineering Committee and one meeting before the full District Board of Directors.

**Task 400 Project Management and QA/QC**

MKN will provide effective management of staff, budget, and schedule for the project. A senior engineer not associated with the project will review all deliverables prior to delivery to ensure fulfillment of the scope of services.

**Fee and Schedule**

MKN proposes to perform the work on a time and materials basis for a fee of \$9,515. An itemization of the fee and schedule is presented below. Note that while the testing is assumed to require two days, the schedule for implementation of the testing plan will be determined by the ability of the District to obtain materials and perform any necessary modifications to the existing equipment.

<b>Task</b>	<b>Fee</b>	<b>Schedule</b>
100 Develop Testing Plan	\$2,239	3 weeks
200 Implement Testing Plan	\$2,431	2 days
300 Reporting	\$4,452	4 weeks
400 Project Management and QA/QC	\$393	NA
<b>Total</b>	<b>\$9,515</b>	

Scott Duffield

Thank you for providing MKN and Associates, Inc., with the opportunity to provide professional engineering services for your project. If you have any questions regarding this proposal, please contact me at [eshields@mknassociates.us](mailto:eshields@mknassociates.us) or by phone at (805) 904-6530 x105.

Sincerely,



Eileen Shields, PE  
Principal Engineer



Christopher J. Martin, PE  
Principal Engineer

Attachments:

Budget  
Fee Schedule

HRCSD WTP Assistance								
	Project Director	Principal Engineer	Assistant Engineer	Administrative Assistant	Total Hours	ODCs	Total MKN Labor	Total Cost
<b>Task</b>								
100 Develop Testing Plan	2	2	12		16	\$ 65	\$ 2,174	\$ 2,239
200 Implement Testing Plan		1	16		17	\$ 400	\$ 2,031	\$ 2,431
300 Reporting	4	8	16	2	30	\$ 130	\$ 4,322	\$ 4,452
400 Project Management and QA/QC		2	0		2	\$ 11	\$ 382	\$ 393
<b>Subtotal</b>	<b>4</b>	<b>13</b>	<b>44</b>	<b>2</b>	<b>65</b>	<b>\$ 606</b>	<b>\$ 8,909</b>	<b>\$ 9,515</b>
<b>TOTAL ESTIMATED FEE</b>								
	<b>4</b>	<b>13</b>	<b>44</b>	<b>2</b>	<b>65</b>	<b>\$ 606</b>	<b>\$ 8,909</b>	<b>\$ 9,515</b>

Billing Rates	\$/hr
Project Director	206
Principal Engineer	191
Project Engineer/ Senior Scientist	159
Water Resources Planner	145
Assistant Engineer	115
GIS Specialist	138
Drafting	128
Administrative Assistant	65

Mileage to be reimbursed at IRS rate







MKN & Associates, Inc.  
PO Box 1604  
Arroyo Grande, CA 93421  
805 904 6530

## FEE SCHEDULE FOR PROFESSIONAL SERVICES

### ENGINEERS AND TECHNICAL SUPPORT STAFF

Project Director/ Operations Manager	\$206/HR
Principal Engineer	\$191/HR
Senior Project Engineer	\$180/HR
Project Engineer/ Senior Scientist	\$159/HR
Water Resources Planner	\$145/HR
GIS Specialist	\$139/HR
Assistant Engineer II	\$136/HR
Assistant Engineer I	\$115/HR
GIS Technician	\$115/HR
Supervising Drafter	\$138/HR
Drafting/Design Technician II	\$128/HR
Drafting/Design Technician I	\$105/HR
Administrative Assistant	\$65/HR
Engineering Intern	\$60/HR

*Routine office expenses such as computer usage, software licenses and fees, telephone charges, office equipment and supplies, incidental postage, copying, and faxes are included as a 3% fee on labor cost.*

### DIRECT PROJECT EXPENSES

Outside Reproduction	Cost + 10%
Subcontracted or Subconsultant Services	Cost + 10%
Travel & Subsistence (other than mileage)	Cost
Auto Mileage	Current IRS Rate - \$.58/mi.

## HERITAGE RANCH COMMUNITY SERVICES DISTRICT

### MEMORANDUM

**TO:** Board of Directors

**FROM:** Operations & Engineering Committee (Barker, Capps, Duffield)

**DATE:** February 20, 2020

**SUBJECT:** Request to approve an agreement for professional services with Cleath-Harris Geologists, Inc. for services associated with the vertical well project in a not to exceed amount of \$14,900.

#### **Recommendation**

It is recommended that the Board of Directors approve an agreement for professional services with Cleath-Harris Geologists, Inc. for services associated with the vertical well project in a not to exceed amount of \$14,900.

#### **Background**

Staff previously reported to your Board that the water system recently failed a drinking water standard for disinfection byproducts. Your Board directed staff to work with the Operations & Engineering Committee to address this issue and report to the Board regularly.

#### **Discussion**

Staff has reached out to Cleath-Harris Geologists, Inc. (Cleath-Harris) to assist with these efforts. Cleath-Harris was the firm that performed the geologic investigation and provided well siting recommendations in 2012. The design phase for the Vertical Well Project is already planned for this fiscal year and staff anticipates that once operational it will also help with the disinfection byproducts issue. A draft professional services agreement with Cleath-Harris is attached for your Board's approval.

The O&E Committee convened on February 12, 2020 and has provided the recommended action.

Alternatively, the Board may consider putting out an RFP for these services.

## **Fiscal Implications**

There is currently enough in the FY 2019/20 Budget to cover the scope of work currently proposed. Should additional budget be needed moving forward, staff will return to your Board.

## **Results**

Approval of the professional services agreement with Cleath-Harris will provide resources and expertise towards refinements to the water system to continue to provide safe and reliable services to the community.

Attachments: Agreement for Professional Services with Cleath-Harris Geologists, Inc.

File: Projects\_Vertical Well

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
AGREEMENT FOR PROFESSIONAL SERVICES**

**THIS AGREEMENT** for professional services (hereinafter referred to as “Agreement”) is made by and between the Heritage Ranch Community Services District, a Community Services District duly existing and operating pursuant to the provisions of Government Code Section 61000 et seq. (hereinafter referred to as “HRCSD” or “District”) and Cleath-Harris Geologists, Inc. (hereinafter referred to as “Consultant”), with reference to the following Recitals:

**RECITALS**

A. HRCSD desires to retain Consultant to provide services related to water treatment plant assistance as identified in the attached proposal (“Proposal”).

B. HRCSD desires to engage Consultant to provide services by reason of qualifications and experience in performing such services, and Consultant has offered to provide the required services through the Proposal on the terms and in the manner set forth herein.

**NOW, THEREFORE**, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

**1. DESIGNATED REPRESENTATIVES.** Scott Duffield, General Manager, at telephone number (805) 227-6230 is the representative of HRCSD and will administer this Agreement for and on behalf of HRCSD. \_\_\_\_\_, at telephone number \_\_\_\_\_, is the authorized representative for Consultant. Changes in designated representatives shall be made only after prior written notice to the other party.

**2. NOTICES.** Any notice or consent required or permitted to be given under this Agreement shall be given to the respective parties in writing, by first-class mail, postage prepaid, or otherwise delivered as follows:

**HRCSD:** Heritage Ranch Community Services District  
4870 Heritage Road  
Paso Robles, CA 93446  
Attn: Scott Duffield, General Manager  
Facsimile: (805) 227-6231  
Email: [scott@heritageranchcsd.ca.gov](mailto:scott@heritageranchcsd.ca.gov)

**CONSULTANT:** Cleath-Harris Geologists, Inc.  
75 Zaca Lane, Suite 10  
San Luis Obispo, CA 93401  
Attn: \_\_\_\_\_  
Email: \_\_\_\_\_

or at such other address or to such other person that the parties may from time to time designate. Notices and consents under this section, which are sent by mail, shall be deemed to be received five (5) days following their deposit in the U.S. mail.

### **3. TASK ORDERS.**

A. Task Orders of this Agreement are outlined in the attached Proposal:

1. The Scope of Services that shall be performed by Consultant are outlined in the attached Proposal as "Tasks";

2. The compensation schedules for services including reimbursable expenses are detailed in the attached Proposal;

3. This Agreement has a total Not-to-Exceed amount of \$14,900.00 for all Tasks as outlined in the attached proposal.

B. The terms and conditions of this Agreement are incorporated into individual Task Orders.

**4. SCOPE OF SERVICES.** Consultant agrees to provide the services and submit deliverables to HRCSD in accordance with the individual Task Orders and this Agreement, subject to the direction of HRCSD as provided from time to time. Consultant represents and warrants that the Not-to-Exceed amount represented in individual Task Orders will be sufficient to provide the services and submit the deliverables identified in individual Task Orders.

**5. TERM.** Consultant shall commence performance within five (5) days of HRCSD's Execution of Task Orders and unless otherwise directed in writing by HRCSD or unless earlier terminated as provided in this Agreement, shall complete performance and make deliverable as provided in this Agreement and individual Task Orders.

### **6. COMPENSATION OF CONSULTANT.**

A. Consultant will be paid for the services provided to HRCSD in accordance with the schedule set forth in the Task Orders and subject to the Not-to-Exceed amount.

B. Consultant shall submit invoices no more often than monthly for services performed and reimbursable expenses incurred. Each invoice shall identify the person providing the service, the services performed, a report on the services performed that at a minimum summarizes the meetings and conferences attended by Consultant on behalf of the District, and the corresponding Task Order.

C. HRCSD shall review each invoice submitted by Consultant to determine whether it accurately reflects the services performed and reimbursable expenses incurred in compliance with the provisions of this Agreement and the Task Order. In the event no

charges or expenses are disputed, the invoice shall be approved and paid within thirty (30) days of receipt of the invoice. In the event HRCSD disputes any charge or expense, it shall return the original invoice to Consultant for correction and resubmission, however, the undisputed amount shall be paid as indicated above.

D. HRCSD shall not pay Consultant more than the Not-to-Exceed amount referenced in individual Task Orders without the prior written authorization of the HRCSD. In order for HRCSD to increase the Not-to-Exceed amount, Consultant must identify and document how circumstances beyond its reasonable control have increased the time and/or costs of performing the services beyond the amounts identified in the Task Orders. The HRCSD, in its sole discretion, may deny in part or in whole the request to increase the Not-to-Exceed amount, modify the Scope of Services, or approve the increase in the Not-to-Exceed amount.

E. Payment to Consultant shall be full compensation for all personnel, materials, supplies, and equipment used in carrying out the services.

F. Payment of an invoice by HRCSD shall not constitute acceptance of defective services, and HRCSD's failure to discover or object to any unsatisfactory services or billing prior to payment will not constitute a waiver of HRCSD's right to:

1. Require Consultant to correct such work or billings; or
2. Seek any other legal remedy.

G. HRCSD may withhold, or on account of subsequently discovered evidence nullify, the whole or a part of any payment to such extent as may be necessary to protect HRCSD from loss, including costs and attorneys' fees, on account of (1) defective or deficient work product not remedied; (2) subsequently discovered errors in invoices previously paid; (3) claims filed or reasonable evidence indicating probable filing of a claim or claims; (4) failure of Consultant to make payments properly to its employees or sub-consultants; or (5) Consultant's failure to adhere to the schedules or to achieve sufficient progress with the services such that Consultant is unlikely to achieve timely completion.

## **7. STATUS OF CONSULTANT.**

A. Consultant is and shall at all times remain a wholly independent contractor and not an officer, employee or agent of HRCSD. Consultant shall have no authority to bind HRCSD in any manner, nor to incur any obligation, debt or liability of any kind on behalf of or against HRCSD, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by HRCSD.

B. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither HRCSD, nor any elected or appointed boards, officers, officials, employees or agents of HRCSD, shall have control over the conduct of Consultant or any of Consultant's officers,

employees or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that Consultant or any of Consultant's officers, employees, subcontractors, or agents are in any manner officials, officers, employees or agents of HRCSD.

C. Neither Consultant, nor any of Consultant's officers, employees, subcontractors, or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to HRCSD's employees. Consultant expressly waives any claim Consultant may have to any such rights.

## **8. PERFORMANCE STANDARDS.**

A. Compliance with laws. Consultant shall (and shall cause its agents and sub-contractors), at its sole cost and expense, comply with all State and Federal ordinances, regulations and statutes now in force or which may hereafter be in force with regard to the services referenced in individual Task Orders, and this Agreement. The judgment of any court of competent jurisdiction, or the admission of Consultant in any action or proceeding against Consultant, whether HRCSD be a party thereto or not, that Consultant has violated any such ordinance or statute, shall be conclusive of that fact as between Consultant and HRCSD. Except as provided above any corrections to Consultant's services which become necessary as a result of the Consultant's failure to comply with these requirements shall be made at Consultant's expense.

B. Standard of Performance. Consultant represents that it has the skills, expertise, and licenses necessary to perform the services required under this Agreement and subsequently executed Task Orders. Consultant shall perform all such services in the manner and according to the standards observed by professionals experienced in providing services identified in individual Task Orders. All documents and services of whatsoever nature that Consultant delivers to HRCSD pursuant to this Agreement and individual Task Orders shall conform to the standards of quality normally observed by professionals experienced in providing services identified in individual Task Orders. Consultant shall promptly correct or revise any errors or omissions at HRCSD's request without additional compensation. Licenses required to perform such services shall be obtained and maintained by Consultant without additional compensation throughout the term of this Agreement

**9. FAMILIARITY WITH SERVICES TO BE PERFORMED.** By executing individual Task Orders, Consultant represents that Consultant, (a) has thoroughly investigated and considered the Scope of Services referenced in Task Orders to be performed; (b) has carefully considered how the services should be performed; (c) fully understands the difficulties and restrictions attending performance of the services under this Agreement; an (d) that the Not-to-Exceed amount is adequate for the services to be performed by Consultant.

**10. TAXES.** Consultant shall pay all taxes, assessments and premiums under the federal Social Security Act, any applicable unemployment insurance contributions,

Workers Compensation insurance premiums, sales taxes, use taxes, personal property taxes, or other taxes or assessments now or hereafter in effect and payable by reason of or in connection with the services to be performed by Consultant.

**11. CONFLICT OF INTEREST.** Consultant covenants that neither it, nor any officer or principal of its firm, or subcontractors retained by Consultant has, or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of HRCSD for Task Order work or which would in any way hinder Consultant's performance of services under this Agreement or Task Order. Consultant further covenants that in the performance of the services, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the prior express written consent of the HRCSD Manager. Consultant agrees to at all times avoid conflicts of interest, or the appearance of any conflicts of interest, with the interests of the HRCSD in the performance of the services pursuant to individual Task Orders.

**12. RESPONSIBILITIES OF HRCSD.** HRCSD shall provide all information reasonably necessary by Consultant in performing the services provided herein.

**13. OWNERSHIP OF DOCUMENTS.** All reports, documents, drawings, photographs, videotape, specifications, data, and other instruments of professional service, in paper and electronic form, whether in draft or final, prepared by Consultant during the performance of this Agreement (the "Documents") shall be and become the property of HRCSD. Consultant shall deliver the Documents to the HRCSD promptly upon completion of the services or termination of this Agreement, for any reason, whichever shall occur first.

**14. RECORDS, AUDIT AND REVIEW.** Consultant and Consultant's subcontractors shall keep such business records pursuant to this Agreement as would be kept by a reasonably prudent practitioner of Consultant's profession and shall maintain such records for at least four (4) years following the termination of this Agreement. All accounting records shall be kept in accordance with generally accepted accounting practices. HRCSD shall have the right to audit and review all such documents and records at any time during Consultant's regular business hours or upon reasonable notice.

## **15. INDEMNIFICATION**

A. To the fullest extent permitted by law, Consultant shall defend, (with legal counsel reasonably acceptable to the HRCSD) indemnify and hold harmless HRCSD and its officers, agents, departments, officials, representatives and employees (collectively "Indemnitees") from and against any and all claims, loss, cost, damage, injury (including, without limitation, injury to or death of an employee of Consultant or its subconsultants), expense and liability of every kind, nature and description (including, without limitation, fines, penalties, incidental and consequential damages, court costs, attorney's fees, litigation expenses and fees of expert consultants or expert witnesses incurred in connection therewith, and costs of investigation), to the extent that they arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Consultant,



any subconsultant, anyone directly or indirectly employed by them, or anyone that they control (collectively "Liabilities") in performing services pursuant to Task Orders. Such obligations to defend, hold harmless and indemnify any Indemnitee shall not apply to the extent that such Liabilities are caused by the sole negligence, or willful misconduct of such Indemnitee.

B. Neither termination of this Agreement or completion of the services referenced in individual Task Orders under this Agreement shall release Consultant from its obligations referenced in subsection A, above, as to any claims, so long as the event upon which such claims is predicated shall have occurred prior to the effective date of any such termination or completion and arose out of or was in any way connected with performance or operations under this Agreement by Consultant, its employees, agents or consultants, or the employee, agent or consultant of any one of them.

C. Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth in this section from each and every subconsultant or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement and individual Task Orders. If Consultant fails to obtain such indemnity obligations from others as required, Consultant shall be fully responsible for all obligations under this Section. HRCSD's failure to monitor compliance with this requirement imposes no additional obligations on HRCSD and will in no way act as a waiver of any rights hereunder. The obligation to indemnify and defend HRCSD as set forth herein is binding on the successors, assigns or heirs of Consultant and shall survive the termination of this Agreement or this section.

D. Submission of insurance certificates or submission of other proof of compliance with the insurance requirements in the Agreement does not relieve Consultant from liability referenced in this Section 15. The obligations of this Section 15 shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

## **16. INSURANCE.**

A. Consultant and its subconsultants shall procure and maintain insurance with companies authorized to do business in the State of California and assigned an A.M. Best's rating of no less than A-(IX), the following insurance coverage on an "occurrence basis", written on the ISO form shown below (or its equivalent) at the limits of liability specified for each:

General Liability Insurance	(ISO Form CG001 11/85)
including coverage for premises, products and completed operations, independent Consultants/vendors, personal injury and contractual obligations with combined single limits of coverage of at least	\$ 1 Million per occurrence. \$ 2 Million in the aggregate
Workers' Compensation Insurance*	Statutory

Employer's Liability Insurance	\$ 1 Million policy limit
Professional Liability Insurance** or	\$ 1 Million per claim
Errors and Omissions Insurance**	\$ 1 Million in the aggregate
* Required if/when the Consultant has employees	
** May be waived upon approval by the District	

B. To the extent Consultant or its employees and agents use personal automobiles in any way performing services contemplated by this Agreement, Consultant represents and warrants that evidence of personal auto liability coverage for each person shall be maintained at commercially reasonable levels.

C. The General and Commercial Automobile liability policies shall be endorsed to include the following:

(1) HRCSD, its officers, directors, employees and agents shall be named as Additional Insureds using an endorsement appropriate for design professionals; and

(2) The coverage afforded HRCSD shall be primary and non-contributing with any other insurance maintained by HRCSD.

(3) If not covered separately under a business automobile liability policy, the general liability policy shall also be endorsed to include non-owned and hired automobile liability.

D. Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant and "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend. The policy retroactive date shall be on or before the effective date of this Agreement.

E. Prior to commencing work under this Agreement, Consultant shall provide HRCSD with Certificates of Insurance evidencing compliance with the foregoing requirements, accompanied by copies of the required endorsements. Certificates of Insurance for commercial general liability, automobile liability, employer's liability, and professional liability insurance shall specify that the Consultant shall give HRCSD thirty (30) days advance written notice by the insurer prior to cancellation of the policy except ten (10) days for nonpayment of premium. Consultant shall give HRCSD fifteen (15) days advance written notice prior to cancellation of the workers' compensation policy except seven (7) days for nonpayment of premium.

F. All insurance coverage required hereunder shall be kept in full force and effect for the term of this Agreement. Professional liability insurance shall be maintained for an additional, uninterrupted period of three (3) years after termination of this Agreement, provided such insurance is commercially available at rates reasonably

comparable to those currently in effect. Certificates of Insurance evidencing renewal of the required coverage shall be provided within ten (10) days of the expiration of any policy at any time during the period such policy is required to be maintained by Consultant hereunder. Any failure to comply with this requirement shall constitute a material breach of this Agreement.

G. All insurance coverage and limits provided by Consultant and available or applicable to this Agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the HRCSD or its operations limits the application of such insurance coverage.

H. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to HRCSD and approved of in writing.

I. No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any contractor or subcontractor.

J. Consultant agrees to provide immediate notice to HRCSD of any claim or loss against Consultant arising out of the work performed under this Agreement. HRCSD assumes no obligation or liability by such notice but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve HRCSD.

## **17. PERSONNEL.**

A. The Consultant represents that it has, or will secure at its own expense, all personnel, sub-consultants and/or subcontractors required in performing the services under this Agreement. All the services required hereunder will be performed by the Consultant or under Consultant's supervision, and all personnel engaged in the work shall be qualified to perform such services.

B. Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's employees, associates and subconsultants assigned to perform the services required under this Agreement.

## **18. TERMINATION.**

A. If Consultant at any time refuses or neglects to perform the services in a timely fashion or in accordance with the schedule referenced in Task Orders, or is adjudicated a bankrupt, or commits any act of insolvency, or makes an assignment for the benefit of creditors without HRCSD's written consent, or fails to make prompt payment to persons furnishing labor, equipment, or materials, or fails in any respect to properly and diligently prosecute the services, or otherwise fails to perform fully any and all of the Agreements herein contained, Consultant shall be in default.

B. If Consultant fails to cure the default within seven (7) days after written notice thereof, HRCSD may, at its sole option, take possession of any documents, files (including CAD and other electronic files), or other materials prepared or used by Consultant in connection with the services and, (a) provide any such services, labor, or materials as may be necessary to overcome the default and deduct the cost thereof from any money then due or thereafter to become due to Consultant under this Agreement; or (b) terminate Consultant's right to proceed with the services.

C. In the event HRCSD elects to terminate this Agreement, HRCSD shall have the right to immediate possession of all Documents and other work in progress prepared by or on behalf of Consultant, whether located at the District Office, at Consultant's place of business, or at the offices of a subcontractor, and may employ any other person or persons to provide the services and provide the materials therefore. In case of such default termination, Consultant shall not be entitled to receive any further payment under this Agreement until the services are completely finished. At that time, if the unpaid balance of the amount to be paid under this Agreement exceeds the expenses incurred by HRCSD in obtaining services, such excess shall be paid by HRCSD to Consultant, but, if such expense shall exceed such unpaid balance, then Consultant shall promptly pay to HRCSD the amount by which the expenses exceeds the unpaid balance. The expense referred to in the last sentence shall include expenses incurred by HRCSD in obtaining the services from others, for attorneys' fees, and for any damages sustained by HRCSD by reason of Consultant's default or defective services.

D. In addition to the foregoing right to terminate for default, HRCSD reserves the absolute right to terminate the services authorized by this Agreement without cause ("Terminate for Convenience"), upon 72-hours' written notice to Consultant. In the event of termination without cause, Consultant shall be entitled to payment in an amount not to exceed the Not-to-Exceed amount referenced in Task Orders, which shall be calculated as follows: (1) Payment for any services then satisfactorily completed and accepted by HRCSD, plus (2) reimbursable costs actually incurred by Consultant; plus (3) reasonable termination costs incurred by Consultant solely on account of the termination for convenience. There shall be deducted from such sums as provided in this section the amount of any payment made to Consultant prior to the date of termination of the services. Consultant shall not be entitled to any claim or lien against HRCSD or the proposed project for any additional compensation or damages in the event of such termination and payment. In addition, the HRCSD's right to hold funds pursuant to Section 6 G shall be applicable in the event of a termination for convenience.

E. If this Agreement is terminated by HRCSD for default and it is later determined that the default termination was wrongful, such termination automatically shall be converted to and treated as a Termination for Convenience under Section D, above, and Consultant shall be entitled to receive only the amounts payable hereunder in the event of a Termination for Convenience.

F. Should HRCSD fail to pay Consultant undisputed payments set forth in Section 6 above, Consultant may, at Consultant's option, suspend its services if such

failure is not remedied by HRCSD within thirty (30) days of written notice to HRCSD of such late payment.

**19. BREACH OF LAW.** In the event the Consultant or any of its officers, directors, shareholders, employees, agents, subsidiaries or affiliates is convicted (i) of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of a contract or subcontract; (ii) under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a public consultant or Consultant; (iii) under state or federal antitrust statutes arising out of the submission of bids or proposals; or (iv) of violation of Paragraphs 11, 23, 24, 25 of this Agreement; or for any other cause the HRCSD determines to be so serious and compelling as to affect Consultant's responsibility as a public consultant or Consultant, including but not limited to, debarment by another governmental agency, then the HRCSD reserves the unilateral right to terminate this Agreement, seek indemnification and/or to impose such other sanctions (which may include financial sanctions, temporary suspensions or any other condition deemed appropriate short of termination) as it deems proper.

## **20. DISPUTE RESOLUTION.**

A. The parties agree in good faith to attempt to resolve amicably, without litigation, any dispute arising out of or relating to this agreement. In the event that any dispute cannot be resolved through direct discussions, the parties agree to endeavor to settle the dispute by mediation. Either party may make a written demand for mediation, which demand shall specify the facts of the dispute. The matter shall be submitted to a mediator who shall hear the matter and provide an informal nonbinding opinion and advice in order to help resolve the dispute. The mediator's fee shall be shared equally by the parties. If the dispute is not resolved through mediation, the matter may be submitted to the judicial system, in which event all litigation and collection expenses, witness fees, court costs and attorneys' fees shall be paid to the prevailing party.

B. No claim, potential claim, dispute or controversy, except non-payment by HRCSD of undisputed amounts, shall interfere with the progress and performance of the services referenced in Task Orders, or any changes thereto, and Consultant shall proceed as directed by the HRCSD in all instances with its services, including any disputed services, or any changes thereto and any failure of Consultant to proceed shall be deemed a material breach of this Agreement entitling HRCSD to all remedies available under Section 19 or other provision of the Agreement and/or applicable law. Except as provided elsewhere in this Agreement, HRCSD shall continue to make payments in accordance with the Agreement.

**21. HRCSD NOT OBLIGATED TO THIRD PARTIES.** HRCSD shall not be obligated or liable for payment hereunder to any party other than the Consultant.

**22. NON-DISCRIMINATION.** Consultant shall not discriminate in any way against any person on the basis of race, color, religious creed, national origin, ancestry, sex, age, physical handicap, medical condition or marital status in connection with, or related to, the performance of this Agreement.

**23. UNAUTHORIZED ALIENS.** Consultant hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, et. seq., as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Consultant so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement and should the any liability or sanctions be imposed against HRCSD for such use of unauthorized aliens, Consultant hereby agrees to and shall reimburse HRCSD for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by HRCSD. Consultant shall comply with all the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, et seq., as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein.

**24. CONFIDENTIAL INFORMATION; RELEASE OF INFORMATION.**

A. All information gained, or work product produced by Consultant in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Consultant. Consultant shall not release or disclose any such information or work product to persons or entities other than HRCSD without prior written authorization from the District Manager, except as may be required by law.

B. Consultant, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the District Manager or unless requested by the District Legal Counsel of HRCSD, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives HRCSD notice of such court order or subpoena.

C. If Consultant, or any officer, employee, agent or subcontractor of Consultant, provides any information or work product in violation of this Agreement, then HRCSD shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorney's fees, caused by or incurred as a result of Consultant's conduct.

D. Consultant shall promptly notify HRCSD should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed there-under. HRCSD retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing or similar proceeding.

Consultant agrees to cooperate fully with HRCSD and to provide HRCSD with the opportunity to review any response to discovery requests provided by Consultant. However, this right to review any such response does not imply or mean the right by HRCSD to control, direct, or rewrite said response.

**25. ASSIGNMENT.** The expertise and experience of Consultant are material considerations for this Agreement. HRCSD has an interest in the qualifications of and capability of the persons and entities who will fulfill the duties and obligations imposed upon Consultant under this Agreement. In recognition of that interest, Consultant shall not assign or transfer this Agreement or any portion of this Agreement or the performance of any of Consultant's duties or obligations under this Agreement without the prior written consent of the District Board of Directors. Any attempted assignment shall be ineffective, null and void, and shall constitute a material breach of this Agreement entitling HRCSD to any and all remedies at law or in equity, including summary termination of this Agreement. HRCSD acknowledges, however, that Consultant, in the performance of its duties pursuant to this Agreement, may utilize subcontractors.

**26. COSTS AND ATTORNEY'S FEES.** Except for disputes that are resolved by non-binding mediation, the prevailing party in any action between the parties to this Agreement brought to enforce the terms of this Agreement or arising out of this Agreement may recover its reasonable costs and attorney's fees expended in connection with such an action from the other party.

**27. SECTION HEADINGS.** The headings of the several sections, and any table of contents appended hereto, shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof.

**28. SEVERABILITY.** If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

**29. REMEDIES NOT EXCLUSIVE.** Except for disputes related solely to the payment for services performed by Consultant, no remedy herein conferred upon or reserved to the Parties is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

**30. NONEXCLUSIVE AGREEMENT.** Consultant understands that this is not an exclusive Agreement and that HRCSD shall have the right to negotiate with and enter into contracts with others providing the same or similar services as those provided by Consultant as the HRCSD desires.

**31. NOT USED**

**32. NON-LIABILITY OF DISTRICT OFFICERS AND EMPLOYEES.** No officer or employee of HRCSD will be personally liable to Consultant, in the event of any default or breach by the HRCSD or for any amount that may become due to Consultant.

**33. INTERPRETATION OF THIS AGREEMENT.** The parties acknowledge that each party and its attorney had the opportunity to review, negotiate and revise this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any document executed and delivered by any party in connection with the obligations contemplated by this Agreement.

**34. TIME IS OF THE ESSENCE.** Time is of the essence in this Agreement and each covenant and term is a condition herein.

**35. NO WAIVER OF DEFAULT.** No delay or omission of HRCSD to exercise any right or power arising upon the occurrence of any event of default shall impair any such right or power or shall be construed to be a waiver of any such default of an acquiescence therein; and every power and remedy given by this Agreement to HRCSD shall be exercised from time to time and as often as may be deemed expedient in the sole discretion of HRCSD.

**36. ENTIRE AGREEMENT AND AGREEMENT.** In conjunction with the matters considered herein, this Agreement contains the entire understanding and Agreement of the parties and there have been no promises, representations, Agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature hereafter binding except as set forth herein. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the parties to this Agreement and by no other means. Each party waives their future right to claim, contest or assert that this Agreement was modified, canceled, superseded, or changed by any oral Agreements, course of conduct, waiver or estoppel.

**37. SUCCESSORS AND ASSIGNS.** All representations, covenants and warranties set forth in this Agreement, by or on behalf of, or for the benefit of any or all of the parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.

**38. CALIFORNIA LAW.** This Agreement shall be governed by the laws of the State of California. Any litigation regarding this Agreement or its contents shall be filed in the County of San Luis Obispo, if in state court, or in the federal court nearest to San Luis Obispo County, if in federal court.

**39. EXECUTION OF COUNTERPARTS.** This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed



to be an original; and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

**40. PRECEDENCE.** In the event of a conflict between the Task Orders and this Agreement, the provisions of this Agreement shall control.

**41. RECITALS.** Recitals A through B are incorporated herein by reference as though set forth at length.

**42. AUTHORITY TO EXECUTE.** All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles, and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity (ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Furthermore, by entering into this Agreement, Consultant hereby warrants that it shall not have breached the terms or conditions of any other contract or Agreement to which Consultant is obligated, which breach would have a material effect hereon.

**IN WITNESS WHEREOF**, the parties have executed this Agreement to be effective on the date executed by the HRCSD.

CONSULTANT: Cleath-Harris Geologists, Inc.

By: \_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_

Date: \_\_\_\_\_

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

By: \_\_\_\_\_  
Scott Duffield, General Manager

Date: \_\_\_\_\_



February 12, 2020

Mr. Scott Duffield  
Heritage Ranch CSD  
4870 Heritage Road  
Paso Robles, CA 93446

**SUBJECT: Proposal for hydrogeological services related to construction of a shallow test well for the Heritage Ranch Community Services District**

Dear Mr. Duffield:

Cleath-Harris Geologists (CHG) proposes to provide hydrogeologic services to permit, site, design, and monitor drilling and construction and testing of one vertical water supply well for Heritage Ranch Community Services District (HRCSD). This proposal presents a scope of work, schedule, and estimated costs for these services.

The water well location is within the parcel that includes other water supply facilities and we assume that sensitive habitat resource considerations have been addressed on this parcel.

CHG services would be for hydrogeologic and permitting activities for the water well. Civil engineering services for the well pump and well head appurtenances are not included in our proposed services. The constructed water well should be considered as a test well initially, though it will be designed for use as a public water supply well. The produced water from this well is directly recharged by the adjacent river flow and will require treatment prior to potable use similarly to the existing gallery water supply.

**BACKGROUND**

The proposed vertical well will be diverting surface water from the Nacimiento River approximately 1/2 mile east of the Nacimiento Lake dam. Test boreholes at this site were drilled in 2012 showed that the bedrock in this vicinity is a maximum of 29 feet below ground surface and water levels are a maximum 19 feet below ground surface. The proposed well is located at Boring #1 from the initial exploration (which encountered gravels to 25 feet depth and a water level at 4 feet depth).

**SCOPE OF WORK**

The tasks that CHG will perform include the following:



## **PHASE 1: Pre-Construction Services**

### **Permitting/Planning**

1. CHG would prepare a CEQA Notice of Categorical Exemption based on Class 2 criteria for the project, for submission to the State by Heritage Ranch CSD.
2. A site plan would be prepared for inclusion in well permit application submitted by the water well contractor.

### **Siting**

1. The selected well site will be verified using the HVSR passive seismic survey.
2. Site specific constraints would be identified related to well construction and well protection and incorporated into the specifications as required.

### **Specifications/Bidding**

1. Prepare the technical specifications for the water well drilling and construction and testing.
2. Obtain general specifications from the District and incorporate into the well specifications.
3. Provide specifications package to the District for distribution to bidding contractors along with a list of well drilling contractors.
4. Attend a site visit with interested bidders.
5. Review submitted bids and recommend contractor to the District.

## **PHASE 2: Active drilling, completion, pumping tests**

1. Monitor the drilling of the borehole, including logging cuttings and documenting the activities during drilling.
2. Monitor the installation of casing.
3. Coordinate and monitor pump testing of the well, including a 2-hour Rossum Sand Test.
4. Collect water quality samples.

## **PHASE 3: Well Completion Summary**

1. Recommend the flow rate and setting depth of the pump in the well.



2. Write a report documenting the well's construction and completion, along with other findings.

## **SCHEDULE**

CHG will provide services in a timely manner to expedite the project, subject to driller and pump contractor availability.

## **FEES AND CONDITIONS**

CHG proposes to perform the above scope of work on an hourly rate plus expenses basis in accordance with the hourly rates schedule and attached terms of fees and conditions.

The estimated cost for professional services is \$14,900.

This proposal is for professional hydrogeologic services only. Previously provided quotes for contractor services has been estimated at \$54,000. HRCSD would contract directly with the driller for contractor services. Water quality analytical costs are not included in this proposal.

### **SCHEDULE OF HOURLY RATES**

Principal Hydrogeologist	\$160
Senior Hydrogeologist	\$150
Project Geologist	\$135
Environmental Scientist	\$120
GIS Specialist	\$120
Staff Geologist II	\$120
Staff Geologist I	\$105

### **EXPENSES**

Mileage	\$0.58/mile
Other expenses at cost plus 10 percent handling	



**AGREEMENT**

If the above described work scope and fees and conditions are acceptable, this proposal will serve as the basis for agreement.

Respectfully submitted,

CLEATH-HARRIS GEOLOGISTS, INC.

Andrea M. Berge, Project Geologist

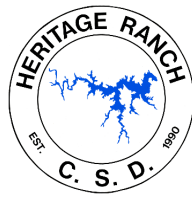
Timothy S. Cleath, President

**TERMS OF FEES AND CONDITIONS**



1. Invoices will be submitted monthly. The invoice is due and payable upon receipt.
2. In order to defray carrying charges resulting from delayed payments, simple interest at the rate of ten percent (10%) per annum (but not to exceed the maximum rate allowed by law) will be added to the unpaid balance of each invoice. The interest period shall commence 30 days after date of original invoice and shall terminate upon date of payment. Payments will be first credited to interest and then to principle. No interest charge would be added during the initial 30 day period following date of invoice.
3. The fee for services will be based on current hourly rates for specific classifications and expenses. Hourly rates and expenses included in the attached schedule are reevaluated on January 1 and July 1 of each year.
4. Documents including tracings, maps, and other original documents as instruments of service are and shall remain properties of the consultant except where by law or precedent these documents become public property.
5. If any portion of the work is terminated by the client, then the provisions of this Schedule of Fees and Conditions in regard to compensation and payment shall apply insofar as possible to that portion of the work not terminated or abandoned. If said termination occurs prior to completion of any phase of the project, the fee for services performed during such phase shall be based on the consultant's reasonable estimate of the portion of such phase completed prior to said termination, plus a reasonable amount to reimburse consultant for termination costs.
6. If either party becomes involved in litigation arising out of this contract or the performance thereof, the court in such litigation shall award reasonable costs and expenses, including attorney's fees, to the party justly entitled thereto. In awarding attorney's fees the court shall not be bound by any court fee schedule, but shall, if it is in the interest of justice to do so, award the full amount of costs, expenses, and attorney's fees paid or incurred in good faith.
7. All of the terms, conditions and provisions hereof shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns, provided, however, that no assignment of the contract shall be made without written consent of the parties to the agreement.





**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS' REGULAR MEETING**  
*Minutes of January 16, 2020*

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

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

**2. ROLL CALL**

Secretary Gelos called the role. Director Capps was absent, all other Directors were present.

Staff present: General Manager Scott Duffield, Operations Supervisor/AGM Jason Molinari, Office Supervisor/Board Secretary Kristen Gelos, District Counsel Jeff Minnery and District Engineer Steve Tanaka.

**3. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA**

Sheriff Deputy Florentino provided the Board and public with a monthly report on calls for service which pertain to the community.

**4. PUBLIC HEARINGS**

- a. Hearing to consider protests to proposed solid waste rate adjustments and, if a majority protest is not received, recommendation to approve Resolution 20-01 adopting solid waste rate adjustments effective February 1, 2020.**

The Board received one written protest.

Director Barker made a motion to approve Resolution 20-01 adopting solid waste rate adjustments. Director Cousineau seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Cousineau, Rowley

Absent: Capps

**5. DISCUSSION ITEMS**

- a. Request to approve the introduction and first reading of an Ordinance by title only amending Chapter 3 of the District Code of Ordinances to comply with Senate Bill 998 regarding discontinuance of residential water service; and set a public hearing for February 20, 2020 for final adoption.**

Manager Duffield provided a brief summary of the item and answered any questions the board had.



Director Barker made a motion to approve the first reading of an Ordinance by title only amending Chapter 3 of the District Code of Ordinances and set public hearing. Director Rowley seconded the motion. The motion passed by the following voice vote:

Ayes: Barker, Burgess, Cousineau, Rowley  
Absent: Capps

**b. Submittal for approval Resolution 20-02 approving the Photovoltaic System Project and declaring it to be categorically exempt from CEQA; and awarding the Project to the most qualified proposer.**

Manager Duffield along with Tim Holmes of Kenwood Energy provided a brief summary of the item and answered any questions the Board had.

Director Cousineau made a motion to approve Resolution 20-02 approving the Photovoltaic System Project and declaring it to be categorically exempt from CEQA and award the project to Stockman's Energy, Inc. Director Rowley seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Cousineau, Rowley  
Absent: Capps

**6. CONSENT ITEMS**

- a. Meeting Minutes:** Receive/approve minutes of regular meeting of December 19, 2019.
- b. Warrant Register:** Receive/approve December 2019 warrants.
- c. Treasurer's Report:** Receive/file December 2019 report.
- d. Treasurer's Report:** Receive/file FY 2019/20 2<sup>nd</sup> Quarter report.
- e. Fiscal Report:** Receive/file December 2019 status report.
- f. Manager's Report:** Receive/file December 2019 report.
- g. Staff Reports:** Receive/file December 2019 reports.

Director Rowley pulled items F & G (Manager and Staff reports).

Director Cousineau made a motion to approve consent items (a-e) as presented. Director Barker seconded the motion. The motion passed by the following voice vote:

Ayes: Barker, Burgess, Cousineau, Rowley  
Absent: Capps

Manager Duffield provided a summary of item F (Manager's Report) and answered any questions the Board had. Operations Manager Molinari provided a summary of item G (Staff report) and answered any questions the Board had.

Director Barker made a motion to approve consent items (F and G) as presented. Director Cousineau seconded the motion. The motion passed by the following voice vote:

Ayes: Barker, Burgess, Cousineau, Rowley  
Absent: Capps

**7. DIRECTORS/MANAGER COMMENTS**

None

**8. ADJOURNMENT**

On a motion by Director Barker and seconded by Director Rowley, the meeting adjourned at 5:12 pm to the next scheduled regular meeting on Thursday, February 20, 2020.

**APPROVED:**

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**Dan Burgess, President  
Board of Directors**

**ATTEST:**

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**Kristen Gelos, Secretary  
Board of Directors**

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

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>ITEM AMOUNT</b>	<b>WARRANT AMOUNT</b>
1/3/2020	CALPERS HEALTH BENEFITS		
	CALPERS HEALTH BENEFITS	10,865.21	
	EMPLOYEE PAID HEALTH BENEFIT	874.06	
	EMPLOYEE PAID HEALTH BENEFIT	874.06	\$12,613.33
1/3/2020	R. BRINK NET PAYROLL	1,951.95	\$1,951.95
1/3/2020	J. MOLINARI NET PAYROLL	2,892.95	2,892.95
1/3/2020	R. ARNOLD NET PAYROLL	2,252.76	2,252.76
1/3/2020	J. PRITCHETT NET PAYROLL	2,199.65	2,199.65
1/3/2020	M. HUMPHREY NET PAYROLL	1,851.97	1,851.97
1/3/2020	K. GELOS NET PAYROLL	2,323.75	2,323.75
1/3/2020	D. BURGESS NET PAYROLL	92.35	92.35
1/3/2020	B. BARKER NET PAYROLL	92.35	92.35
1/3/2020	M. ROWLEY NET PAYROLL	92.35	92.35
1/3/2020	R. COUSINEAU NET PAYROLL	92.35	92.35
1/3/2020	S. DUFFIELD NET PAYROLL	3,502.95	3,502.95
1/3/2020	D. CAPPS NET PAYROLL	92.35	92.35
1/3/2020	S. BRENNEMAN NET PAYROLL	1,458.07	1,458.07

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

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>ITEM AMOUNT</b>	<b>WARRANT AMOUNT</b>
1/5/2020	J.B. DEWAR. INC. FUEL & OIL	375.05	\$375.05
1/6/2020	ADAMSKI, MOROSKI, MADDEN, CUMB PVS PROJECT	3,850.00	\$3,850.00
1/6/2020	BRENNTAG PACIFIC, INC CHEMICALS	2,434.98	\$2,434.98
1/6/2020	FGL ENVIRONMENTAL LAB TESTING LAB TESTING LAB TESTING	175.00 60.00 73.00	\$308.00
1/6/2020	DELTA LIQUID ENERGY PROPANE	210.38	\$210.38
1/6/2020	FLUID RESOURCE MANAGEMENT PROFESSIONAL SERVICES	275.00	\$275.00
1/6/2020	ALL TECH SERIVCES, INC. MAINTENANCE FIXED EQUIPMENT	496.36	\$496.36
1/6/2020	CALTROL INC FIXED EQUIPMENT	469.79	\$469.79
1/7/2020	BAUTISTA'S CLEANING SERVICE STRUCTURES & GROUNDS	180.00	\$180.00
1/7/2020	INTERNAL REVENUE SERVICE FEDERAL WITHHOLDING TAXES FICA WITHIHOLDING MEDICARE	2,581.85 62.00 787.38	\$3,431.23
1/7/2020	EMPLOYMENT DEVELOPMENT DEPARTM ETT SDI SUI STATE WITHHOLDING	26.65 266.50 826.19 949.37	\$2,068.71
1/8/2020	PG&E ELECTRICITY	16,109.94	\$16,109.94

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

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>ITEM AMOUNT</b>	<b>WARRANT AMOUNT</b>
1/10/2020	CALPERS 457 DEFFERED COMP PROG PERS 457- DEFFERED COMP.	1,225.00	\$1,225.00
1/10/2020	CALPERS RETIREMENT SYSTEM PERS RETIREMENT PERS RETIREMENT TIER 2 PERS RETIREMENT PEPRA SURVIVOR BENEFIT	3,123.28 962.32 481.58 7.44	\$4,574.62
1/15/2020	SAN MIGUEL GARBAGE DELINQUENT SOLID WASTE FEES	328.00	\$328.00
1/17/2020	R. BRINK NET PAYROLL	2,248.03	\$2,248.03
1/17/2020	J. MOLINARI NET PAYROLL	2,892.95	\$2,892.95
1/17/2020	R. ARNOLD NET PAYROLL	2,161.54	\$2,161.54
1/17/2020	J. PRITCHETT NET PAYROLL	2,364.61	\$2,364.61
1/17/2020	M. HUMPHREY NET PAYROLL	1,656.69	\$1,656.69
1/17/2020	K. GELOS NET PAYROLL	2,323.75	\$2,323.75
1/17/2020	B. BARKER NET PAYROLL	92.35	\$92.35
1/17/2020	S. DUFFIELD NET PAYROLL	3,502.95	\$3,502.95
1/17/2020	D. CAPPS NET PAYROLL	92.35	\$92.35
1/17/2020	S. BRENNEMAN NET PAYROLL	1,617.52	\$1,617.52
1/21/2020	FERGUSON ENTERPRISES INC MAINTENANCE FIXED EQUIPMENT	141.44	\$141.44

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

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>ITEM AMOUNT</b>	<b>WARRANT AMOUNT</b>
1/21/2020	RYAN BRINK MEDICAL REIMBURSEMENT CELL / INTERNET ALLOWANCE	135.18 80.00	\$215.18
1/21/2020	AT&T TELEPHONE / INTERNET	167.19	\$167.19
1/21/2020	FARM SUPPLY COMPANY MAINTENANCE FIXED EQUIPMENT	65.37	\$65.37
1/21/2020	FGL ENVIRONMENTAL LAB TESTING LAB TESTING LAB TESTING LAB TESTING	39.00 18.00 1,540.00 73.00	\$1,670.00
1/21/2020	CAL COAST IRRIGATION, INC. MAINTENANCE FIXED EQUIPMENT SM TOOLS/MAINT. FIXED EQUIP.	98.42 95.20	\$193.62
1/21/2020	JASON MOLINARI CELL / INTERNET ALLOWANCE	80.00	\$80.00
1/21/2020	WESTERN JANITOR SUPPLY SUPPLIES	128.04	\$128.04
1/21/2020	ROY ARNOLD CELL / INTERNET ALLOWANCE	80.00	\$80.00
1/21/2020	ABALONE COAST ANALYTICAL, INC. LAB TESTING	150.00	\$150.00
1/21/2020	ALPHA ELECTRICAL SERVICE MAINTENANCE FIXED EQUIPMENT	1,495.30	\$1,495.30
1/21/2020	KRISTEN GELOS CELL / INTERNET ALLOWANCE	40.00	\$40.00
1/21/2020	CALIFORNIA ENVIRONMENTAL CONTR MAINTENANCE FIXED EQUIPMENT	567.53	\$567.53
1/21/2020	READY REFRESH BY NESTLE LAB TESTING	42.91	\$42.91

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

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>ITEM AMOUNT</b>	<b>WARRANT AMOUNT</b>
1/21/2020	U.S. BANK CORPORATE PAYMENT SY TRAINING & TRAVEL	55.50	
	TRAINING & TRAVEL	5.69	
	OFFICE SUPPLIES	55.38	\$116.57
1/21/2020	JAMES A. PRITCHETT CELL / INTERNET ALLOWANCE	80.00	\$80.00
1/21/2020	CORE & MAIN LP MAINTENANCE FIXED EQUIPMENT	109.49	\$109.49
1/21/2020	DATA PROSE LLC NOV/DEC BILLING/LATE NOTICES	2,386.53	
	DECEMBER LATE NOTICES	154.43	\$2,540.96
1/21/2020	SCOTT DUFFIELD CELL / INTERNET ALLOWANCE	40.00	\$40.00
1/21/2020	WESTERN EXTERMINATOR COMPANY STRUCTURES & GROUNDS	86.00	\$86.00
1/21/2020	RIVAL TECHNOLOGY INC. PROFESSIONAL SVCS/COMPUTERS	344.74	\$344.74
1/21/2020	MARK HUMPHREY CELL / INTERNET ALLOWANCE	80.00	\$80.00
1/21/2020	KENWOOD ENERGY PVS PROJECT	2,681.25	\$2,681.25
1/21/2020	CALTROL, INC. MAINTENANCE FIXED EQUIPMENT	1,577.74	\$1,577.74
1/21/2020	USA BLUEBOOK LAB TESTING	2,222.86	\$2,222.86
1/21/2020	SPECIAL DISTRICT RISK MANAGEME PROPERTY/LIABILITY INSURANCE	637.67	\$637.67
1/21/2020	EMPLOYMENT DEVELOPMENT DEPARTM ETT	20.31	
	SDI	270.74	
	SUI	487.57	
	STATE WITHHOLDING	959.40	\$1,738.02

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

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>ITEM AMOUNT</b>	<b>WARRANT AMOUNT</b>
1/21/2020	INTERNAL REVENUE SERVICE FEDERAL WITHHOLDING TAXES FICA WITHHOLDING MEDICARE	2,637.27 24.80 790.94	\$3,453.01
1/24/2020	CALPERS 457 DEFFERED COMP PROG PERS 457- DEFFERED COMP.	1,225.00	\$1,225.00
1/24/2020	CALPERS RETIREMENT SYSTEM PERS RETIREMENT U//L T1 PERS RETIREMENT U/L T2 PERS RETIREMENT U/L T3 EMPLOYER'S CONTRIBUTION PERS RETIREMENT PERS RETIREMENT TIER 2 PERS RETIREMENT PEPRA SURVIVOR BENEFIT	5,797.93 168.52 36.14 19.44 3,123.27 962.32 509.95 7.44	\$10,625.01
1/28/2020	CHARTER COMMUNICATIONS INTERNET	84.99	\$84.99
1/29/2020	AT&T TELEPHONE / INTERNET	256.09	\$256.09
1/31/2020	R. BRINK NET PAYROLL	1,951.95	\$2,248.03
1/31/2020	J. MOLINARI NET PAYROLL	2,892.95	\$2,892.95
1/31/2020	R. ARNOLD NET PAYROLL	2,441.18	\$2,161.54
1/31/2020	J. PRITCHETT NET PAYROLL	2,472.27	\$2,364.61
1/31/2020	M. HUMPHREY NET PAYROLL	1,729.73	\$1,656.69
1/31/2020	K. GELOS NET PAYROLL	2,323.75	\$2,323.75
1/31/2020	D. BURGESS NET PAYROLL	46.17	\$92.35



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

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>ITEM AMOUNT</b>	<b>WARRANT AMOUNT</b>
1/31/2020	B. BARKER NET PAYROLL	46.17	\$92.35
1/31/2020	M. ROWLEY NET PAYROLL	46.17	\$92.35
1/31/2020	R. COUSINEAU NET PAYROLL	46.17	\$92.35
1/31/2020	S. DUFFIELD NET PAYROLL	3,669.82	\$3,502.95
1/31/2020	S. BRENNEMAN NET PAYROLL	1,617.52	\$1,617.52
<b>GRAND TOTAL FOR ALL WARRANTS</b>			<b>\$138,872.35</b>

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

**SUMMARY REPORT OF ALL ACCOUNTS**

Beginning Balance:	\$ 3,707,833.05
Ending Balance:	\$ 3,817,453.29
Variance:	\$ 109,620.24
Interest Earnings for the Month Reported:	\$ 95.33
Interest Earnings Fiscal Year-to-Date:	\$ 68,659.96

**ANALYSIS OF REVENUES**

Total operating income for water and sewer was:	\$ 141,442.82
Non-operating income was:	\$ 21,981.21
Franchise fees paid to the District by San Miguel Garbage was:	\$ 6,567.29
Interest earnings for the P.P.B. checking account was:	\$ 6.61
Interest earnings for the P.P.B. DWR Loan Services account was:	\$ -
Interest earnings for the P.P.B. DWR Reserve account was:	\$ -
Interest earnings for the P.P.B. SRF Loan Services account was:	\$ -
Interest earnings for the P.P.B. SRF Reserve account was:	\$ -
Interest earnings for the LAIF account was:	\$ 19,224.43

**ANALYSIS OF EXPENSES**

Pacific Premier Bank checking account total warrants, fees, and Electronic Fund Transfers was:	\$ 140,710.38
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**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  
JANUARY 2020**

**BEGINNING BALANCE ALL ACCOUNTS** **\$ 3,707,833.05**

**OPERATING CASH IN DRAWER** **\$300.00**

**PACIFIC PREMIER BANK - CHECKING**

<b>BEGINNING BALANCE 12/31/2019</b>	\$181,905.68	
DEPOSIT REVENUE & MISCELLANEOUS INCOME	\$231,099.58	
INTEREST EARNED	\$6.61	
TOTAL CHECKS, FEES AND EFT'S	(\$140,710.38)	
TRANSFER TO LAIF ACCOUNT	(\$160,000.00)	
<b>ENDING BALANCE 01/31/2020</b>		<b>\$112,301.49</b>

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

**LOAN SERVICES ACCOUNT**

<b>BEGINNING BALANCE 12/31/2019</b>	\$26,008.87	
QUARTERLY DEPOSIT	\$0.00	
INTEREST EARNED	\$0.00	
SEMI-ANNUAL PAYMENT	\$0.00	
<b>ENDING BALANCE 01/31/2020</b>		<b>\$26,008.87</b>

**PACIFIC PREMIER BANK DWR RESERVE ACCOUNT**

<b>BEGINNING BALANCE 12/31/2019</b>	\$113,090.05	
INTEREST EARNED	\$0.00	
<b>ENDING BALANCE 01/31/2020</b>		<b>\$113,090.05</b>

**PACIFIC PREMIER BANK SDWSRF LOAN SERVICES ACCOUNT**

<b>BEGINNING BALANCE 12/31/2019</b>	\$29,492.33	
QUARTERLY DEPOSIT	\$0.00	
INTEREST EARNED	\$0.00	
SEMI-ANNUAL PAYMENT	\$0.00	
<b>ENDING BALANCE 01/31/2020</b>		<b>\$29,492.33</b>

**PACIFIC PREMIER BANK SDWSRF RESERVE ACCOUNT**

<b>BEGINNING BALANCE 12/31/2019</b>	\$0.00	
QUARTERLY DEPOSIT	\$0.00	
INTEREST EARNED	\$0.00	
<b>ENDING BALANCE 01/31/2020</b>		<b>\$0.00</b>

**LOCAL AGENCY INVESTMENT FUND (LAIF)**

<b>BEGINNING BALANCE 12/31/2019</b>	\$3,357,336.12	
INTEREST EARNED	\$19,224.43	
TRANSFER FROM PACIFIC PREMIER CHECKING	\$160,000.00	
TRANSFER TO PACIFIC PREMIER CHECKING	\$0.00	
<b>ENDING BALANCE 01/31/2020</b>		<b>\$3,536,560.55</b>

<b>ENDING BALANCE ALL ACCOUNTS</b>		<b>\$3,817,453.29</b>
<b>DIFFERENCE FROM LAST MONTH</b>	<b>Increase</b>	<b>\$109,620.24</b>

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET  
2019/20 Budget**

<b>OPERATING INCOME</b>	<b>Budget FY 19/20</b>	<b>Actual January</b>	<b>Actual Year to Date</b>	<b>Percentage Year to Date</b>	<b>Variance Explanation</b>
Water Fees	1,048,675	66,902	637,431	61%	
Sewer Fees	628,817	51,494	360,254	57%	
Hook-Up Fees	6,000	600	1,200	20%	Fluctuates based on activity
Turn on Fees	3,500	200	1,850	53%	
Late Fees	18,000	1,395	10,219	57%	
Plan Check & Inspection	10,000	0	993	10%	
Miscellaneous Income	2,000	0	9,834	492%	
<b>TOTAL OPERATING INCOME</b>	<b>\$1,716,992</b>	<b>\$120,591</b>	<b>\$1,021,780</b>	<b>60%</b>	

<b>FRANCHISE INCOME</b>					
Solid Waste Franchise Fees	70,932	5,416	40,676	57%	
<b>TOTAL FRANCHISE REVENUE</b>	<b>\$70,932</b>	<b>\$5,416</b>	<b>\$40,676</b>	<b>57%</b>	

<b>NON-OPERATING INCOME</b>					
Standby Charges	242,466	32,161	133,631	55%	
Property Tax	364,361	54,381	220,851	61%	
Interest	50,000	19,231	61,544	123%	Fluctuates based on activity
Connection Fees	141,160	14,116	28,232	20%	Fluctuates based on activity
<b>TOTAL NON-OPERATING INCOME</b>	<b>\$797,987</b>	<b>\$119,889</b>	<b>\$444,258</b>	<b>56%</b>	

<b>RESERVE REVENUE</b>					
Capital Reserves	63,307	2,247	14,331	23%	
Operating Reserves	151,584	1,698	73,684	49%	
<b>TOTAL RESERVE REVENUE</b>	<b>\$214,891</b>	<b>\$3,945</b>	<b>\$88,015</b>	<b>41%</b>	

<b>TOTAL ALL INCOME</b>	<b>\$2,800,802</b>	<b>\$249,841</b>	<b>\$1,594,728</b>	<b>57%</b>	
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**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET  
2019/20 Budget**

**OPERATING EXPENSES**

<b>SALARIES AND BENEFITS</b>	<b>Budget FY 19/20</b>	<b>Actual January</b>	<b>Actual Year to Date</b>	<b>Percentage Year to Date</b>	<b>Variance Explanation</b>
Salaries	644,289	77,263	410,909	64%	
Health Insurance	96,753	7,881	58,756	61%	
Health Insurance - Retiree	48,561	3,950	27,638	57%	
PERS	115,465	11,318	81,553	71%	
Standby	12,900	1,556	7,630	59%	
Overtime	15,050	1,805	8,752	58%	Fluctuates based on need & staffing
Workers Comp. Ins.	25,072	0	21,681	86%	Paid Annually
Directors' Fees	7,000	900	4,200	60%	
Medicare/FICA	9,863	833	6,186	63%	
Car Allowance	3,000	250	1,750	58%	
SUI/ETT	1,500	492	492	33%	
Uniforms	4,500	0	1,512	34%	
<b>TOTAL SALARIES &amp; BENEFITS</b>	<b>\$983,953</b>	<b>\$106,248</b>	<b>\$631,059</b>	<b>64%</b>	

**UTILITIES**

Electricity	240,202	16,110	135,996	57%	
Propane	973	210	360	37%	
Water Purchase	23,114	0	23,114	100%	Paid Semiannually
Telephone/Internet	11,663	988	6,687	57%	
<b>TOTAL UTILITIES EXPENSE</b>	<b>\$275,952</b>	<b>\$17,309</b>	<b>\$166,157</b>	<b>60%</b>	

**MAINTENANCE & SUPPLIES**

Chemicals	76,000	2,435	31,057	41%	
Computer/Software	7,000	145	5,444	78%	
Equip. Rental/Lease	1,000	0	215	22%	
Fixed Equip.	103,000	5,094	39,561	38%	
Fuel & Oil	12,000	375	7,159	60%	
Lab Testing	30,000	4,394	24,682	82%	
Office Supplies	3,000	55	847	28%	
Parks & Recreation	500	0	0	0%	
Struct./Grnds.	14,000	266	6,663	48%	
Small Tools/Equip.	3,500	22	1,637	47%	
Supplies	6,000	128	4,690	78%	
Meters/Equip.	5,000	0	0	0%	Fluctuates based on activity
Vehicles	8,500	0	4,800	56%	
<b>TOTAL MAINT. &amp; SUPPLY EXPENSE</b>	<b>\$269,500</b>	<b>\$12,915</b>	<b>\$126,755</b>	<b>47%</b>	

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET  
2019/20 Budget**

<b>GENERAL &amp; ADMINISTRATION</b>	<b>Budget FY 19/20</b>	<b>Actual January</b>	<b>Actual Year to Date</b>	<b>Percentage Year to Date</b>	<b>Variance Explanation</b>
Ads./Advertising	1,500	0	382	25%	Fluctuates based on activity
Alarm/Answering Service	3,275	0	1,749	53%	
Audit	10,000	0	6,057	61%	
Bank Charges/Fees	3,000	454	2,475	83%	
Consulting/Engineering	20,000	0	1,933	10%	
Dues/Subscription	9,400	0	8,103	86%	
Elections	1,000	0	0	0%	
Insurance	20,488	638	30,306	148%	Paid Annually
LAFCO	8,000	0	7,904	99%	Paid Annually
Legal/Attorney	22,000	0	7,959	36%	
Licenses/Permits	28,200	0	4,920	17%	
Plan Check & Inspection	10,000	0	993	10%	
Postage/Billing	20,000	2,541	8,324	42%	
Professional Service	38,400	475	19,412	51%	
Tax Collection	5,300	0	0	0%	
Staff Training & Travel	7,000	61	3,713	53%	
Board Training & Travel	10,000	0	20	0%	
<b>TOTAL G &amp; A</b>	<b>\$217,563</b>	<b>\$4,169</b>	<b>\$104,249</b>	<b>48%</b>	

**CAPITAL PROJECTS & EQUIPMENT**

Projects	243,918	6,531	60,406	25%	
Equipment	135,000	0	104,324	77%	
<b>TOTAL CAPITAL EXPENSE</b>	<b>\$378,918</b>	<b>6,531</b>	<b>164,730</b>	<b>43%</b>	

**DEBT**

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

FUNDED DEPRECIATION	\$288,000	\$24,000	\$168,000	58%	
UNFUNDED DEPRECIATION	\$0	\$0	\$0	0%	

<b>TOTAL EXPENSE</b>	<b>\$2,576,255</b>	<b>\$171,171</b>	<b>\$1,442,133</b>	<b>56%</b>	
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CONNECTION FEES TRANSFER      \$141,160      \$14,116      \$28,232      20%

SOLID WASTE FEES TRANSFER      \$30,321      \$1,975      \$17,223      57%

<b>FUND TOTAL</b>	<b>\$53,065</b>	<b>\$62,578</b>	<b>\$107,141</b>		
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## HERITAGE RANCH COMMUNITY SERVICES DISTRICT

### Manager Report For the Month of February 2020

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

#### Administration

- The County Clerk-Recorder delivered and set up a ballot drop-off box in the lobby. The District Board Room will also be a polling place for the March 3, 2020 election.
- Supervisor Peschong held office hours in the District Board Room in January.
- The Manager, Office Supervisor, and Directors Burgess, Capps, and Cousineau attended the CSDA SLO Chapter Annual Meeting. Kristen was elected to continue as the Chapter Treasurer. Thank you Kristen!
- The Manager, Operations Manager, and Office Supervisor attended a live webinar to complete the required 2-hour sexual harassment training due every two years.
- The Operations and Administrative staff attended a live webinar to complete the required 1-hour sexual harassment training due every two years.
- The Manager communicated and coordinated with PG&E regarding a project they will be working on from Welch Way to Tumbleweed Way. This is a “back-tie” project and PG&E will be boring, placing a new conduit and cable, and setting new enclosures. The work should not affect District facilities, but PG&E will be required to obtain an encroachment permit from the District.
- The Manager communicated and coordinated with the civil engineering representative of HROA (Marcia Walther) regarding road projects they are working on or will be working on soon. These projects will most likely impact sewer manhole collars and water valve can collars that may be the responsibility of the District. The Manager will continue to coordinate and inform the Board.
- The Manager developed a Request for Proposals for auditing services which will be reviewed with the Finance & Audit Committee before being presented to the Board, most likely at the March meeting.
- The Manager developed an amendment to the professional services agreement with Kenwood Energy for construction phase support for the Photovoltaic System Project.
- The Manager contacted, met with, and developed a professional services agreement with MKN & Associates for water treatment plant assistance.
- The Manager contacted, met with, and developed a professional services agreement with Cleath-Harris Geologists for work associated with the vertical well project.

- The Manager and staff continued to discuss and anticipate changes in our meter reading and billing procedures due to the new legislation (SB998) regarding discontinuance of residential water service that will be effective April 1<sup>st</sup>.

### Operations

- The Manager completed all the requirements of the citation we received from the Division of Drinking Water for exceeding the haloacetic acids maximum contaminant level for the fourth calendar quarter of 2019. Staff is working on short, medium, and longer-term actions to address the issue and convening the Operations & Engineering Committee on a regular basis. The Operations & Engineering Committee will also report to the Board on a regular basis.
- Additional updates regarding operations can be found in the Operations Report.

### Solid Waste

- As adopted by your Board, new rates went into effect February 1, 2020.

### Reservoir Status

- As reported by Monterey County Water Resources Agency (MCWRA), as of February 6, 2020, the reservoir was at approximately 763 feet in elevation, 52% of capacity, or 198,355-acre feet of storage. MCWRA water releases were shown as 60 cfs.

### Capital Improvement Program (current FY)

- WTP Actuator Replacement: This project is continued from the previous FY and is in progress.
- Other projects / equipment replacement planned for this fiscal year include
  - Vertical well design phase
  - Lift Station 5 connection to Lift Station 10
  - Lift Station 1-5 rehabilitation design phase
  - VOiP System

### Development

- There has been no new activity for the two subdivisions for which your Board has issued conditional will serves; Tract 2879, and Tract 3110.
- There has been no new activity for the RV / boat storage facility (DRC2019-00099) for which your Board has issued a conditional will serve.



## Public Relations and Community

- Nothing significant to report.

## Human Resources

- The term of the Memorandum of Understanding with the employee's association is through June 30, 2020. The Board should anticipate entering negotiations for renewal of the MOU in the next few months.

## Board Member & Staff Information and Learning Opportunities

- As a reminder as a Supervisor (Director), there are two trainings required by legislation; Public Service Ethics and Sexual Harassment Prevention.
- The calendar of events for CSDA is now published. There are many different training opportunities for Directors and Staff including on-demand webinars. A few for March are:
  - Workshop – Conversations Worth Having, March 3, Sacramento
  - Workshop – Budgeting for Special Districts, March 4, Sacramento
  - Workshop – Rate Setting under Prop 218, March 10, Cambria
  - Webinar – How to Collect Unpaid Bills...under SB998, March 11

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## **Heritage Ranch Community Services District Operations Report -January 2020**

### **Water Treatment:**

- 7.5 Million gallons of water was treated
- Installed back-up power supplies for the potassium permanganate and powder activated carbon systems
- Repaired the actuated influent flow valve on the plate settler
- Submitted monthly water treatment plant report
- Repaired powder activated carbon discharge pump
- Ordered poly aluminum chloride to test in the plate settler in an effort to reduce disinfection byproducts
- Increased powder activated carbon dose to 18.5 parts per million

### **Water Distribution:**

- Replaced pump packing at Pump Station 1
- Repaired a water leak on Meadowlark Lane
- Collected quarterly disinfection byproducts and additional investigative samples

### **Wastewater Treatment:**

- 3.78 Million gallons of wastewater was treated
- Completed and submitted the 4<sup>th</sup> Quarter Time Schedule Order Report
- Maintenance and clean-up of Ponds 1 and 2
- Collected the required semi-annual samples

### **Wastewater Collection:**

- Completed monthly lift station and back-up generator checks
- Annual update of the wastewater collection system questionnaire

### **Vehicle & Equipment Maintenance:**

- Replaced alternator on Ford Ranger
- Modification to the new backhoe bucket completed under warranty

### **Structures & Grounds:**

- General landscaping clean-up by community service worker

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

**Water & Sewer**

On February 1<sup>st</sup>, we processed 1,916 bills for a total dollar amount of \$127,351 for water and sewer user fees for the month of January. The number of Automatic Drafts processed was 553 for a total dollar amount of \$33,428. On January 27<sup>th</sup> we processed 241 Late Notices.

**San Miguel Garbage Franchise Fees**

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

Month of December

Garbage Collection (10%) - \$ 5,312.53

Roll-Off Collection (10%) - \$ 103.17

Total Franchise Fees Collected - \$ 5,415.70

**Service Orders Completed**

Staff completed a total of 73 service orders for the month of December. Below is a breakdown by job code.

USA	34	CALL OUT	1
OCCUPANT CHANGE	7	SEWER INSPECTION	1
LEAK	4	SWAP/PULL METER	1
MISC-W/O METER INFORMATION	3	LOCK METER	11
UNLOCK	8	48 HOUR NOTICES	1
TURN-OFF ANGLE STOP	1	TURN-ON ANGLE STOP	1