

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: January 16, 2020

SUBJECT: 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.

Recommendation

It is recommended that the Board of Directors:

- 1) Hold a hearing to consider protests to proposed solid waste rate adjustments, and upon conclusion of the hearing, determine whether there is a majority protest.
- 2) If a majority protest is not received, approve new solid waste rates effective February 1, 2020, by adoption of Resolution 20-01.

Background

The District is the solid waste authority at Heritage Ranch and has a Franchise Agreement (Agreement) with San Miguel Garbage Company (SMGC) to provide solid waste services within the District. The current Agreement was executed in February 2017 and has a term up to twenty years.

Pursuant to the Agreement, the rates charged by SMGC may be adjusted from time to time. SMGC requested rate adjustments for both the residential and commercial customers per language in the Agreement Article 9, Section 9.4 - Extraordinary Rate Adjustment.

At the November 21, 2019, meeting, your Board reviewed and approved the proposed solid waste rate adjustments and scheduled this public hearing for adoption of the adjusted solid waste rates.

Discussion

This solid waste rate adjustment request follows the same approval process as with water and sewer rates; review and approval of the rate adjustments, a 45-day written notice, and a public hearing.

On December 1, 2019 San Miguel Garbage Company mailed notices of the proposed solid waste rate adjustments. If more than fifty percent of the impacted property owners protest the rate adjustment in writing, your Board can not adopt the rate adjustments.

If a majority protest of the proposed solid waste rates increase is not received, staff recommends approval of the attached Resolution 20-01 establishing the adjusted solid waste service rates effective February 1, 2020. The adjustments are a 4.8% increase to residential rates and a 34.2% increase to commercial rates as approved by your Board at the November 21, 2019 meeting.

Fiscal Considerations

The proposed solid waste rates are consistent with the Agreement and if adopted a slight increase in franchise fee revenue will be reflected in the budget.

Results

Rate adjustments enable San Miguel Garbage Company to continue to provide excellent solid waste services to the residents of Heritage Ranch at reasonable costs.

Attachments: Resolution 20-01

File: G.03 SMGC Rates

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 20-01**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
HERITAGE RANCH COMMUNITY SERVICES DISTRICT AMENDING DISTRICT
CODE OF ORDINANCES SECTION 3.900 (C), SOLID WASTE FEES**

WHEREAS the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (codified as California Public Resources Code Section 40000 et seq.), has declared that it is within the public interest to authorize and require local agencies to make adequate provisions for solid waste handling within their jurisdictions; and

WHEREAS, on November 5, 1996, the voters of the Heritage Ranch Community Services District (District) approved Ballot Measure D authorizing the District to provide collection and disposal of garbage and refuse services pursuant to Government Code Section 61100 (c); and

WHEREAS, on February 1, 2017, the District entered into an exclusive franchise agreement with San Miguel Garbage Company to continue to provide District residents with the collection and disposal of solid waste; and

WHEREAS, San Miguel Garbage Company has performed with exceptional service and commitment throughout the term of their franchise agreements including providing consistent and customer-oriented services to the residents of Heritage Ranch; and

WHEREAS, The District Board met in open session to discuss and receive public comment on proposed new solid waste rates on November 21, 2019, and January 16, 2020; and

WHEREAS, The San Miguel Garbage Company mailed a notice to all Heritage Ranch solid waste customers and property owners on December 1, 2019, noticing them of a public hearing on January 16, 2020, to approve new solid waste rates and advising them of their right to protest the rates in writing pursuant to Article XIII D Section 6 of the State Constitution; and

WHEREAS, the District Board of Directors desires to adopt this Resolution to approve new solid waste rates as detailed in Exhibit A; and amend District Ordinance Code Section 3.900 (C) - Solid Waste Fees; and

WHEREAS, based on the facts and analysis presented by District staff, the staff report, and public testimony received, the Board of Directors finds:

- A. The public meeting adopting this Ordinance has been properly noticed pursuant to Government Code §54954.2 (The Brown Act); and
- B. The fees, rules and regulations that are the subject of this Resolution are fair and reasonably relate to the services provided; and

- C. That the procedures for adoption of the fees and charges that are the subject of the amendment to 3.900 (C) of the District Code of Ordinances comply with Article XIII D (6) of the California Constitution; and

WHEREAS, The Board of Directors of the District finds that these rates, fees, or charges adopted by amendments to District Ordinance 3.900 (C) are exempt from the California Environmental Quality Act pursuant to Public Resources Code § 21080(b)(8).

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

1. The Board of Directors finds that it has complied with all procedural and substantive requirements including but not limited to Article XIID of the California Constitution and the Proposition 218 Omnibus Implementation Act.
2. The Board of Directors adopts the adjusted solid waste rates as provided in Exhibit “A”, effective February 1, 2020.
3. The Board of Directors amends Code of Ordinances Chapter 3 Section 3.90 (C) of the Fee Schedule for Heritage Ranch Community Services District replacing it with the solid waste rates provided in Exhibit “A”, effective February 1, 2020.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Heritage Ranch Community Services District on the 16th day of January 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

Exhibit A

**San Miguel Garbage Co, Inc.
6625 Benton Rd.
Paso Robles, CA 93446**

**HERITAGE RANCH
Waste Collection Price List
Proposed Effective Date: **February 1st, 2020****

RESIDENTIAL CAN SERVICE		CURRENT CUST RATE	=	PROPOSED CUST RATE
35 GAL	monthly	\$27.29	=	\$28.59
64 GAL	monthly	\$35.45	=	\$37.14
96 GAL	monthly	\$40.95	=	\$42.90

*All can rates based on standard garbage cans 35 gallon or smaller with 50-pound weight limit.
Cans must be readily accessible.*

CAN SERVICE MISCELLANEOUS

Stickers	per sticker	\$4.66	=	\$4.88
Re-Delivery Cans	per occurrence	\$29.16	=	\$30.56
Go Back Residential	per occurrence	\$6.20	=	\$6.50 plus add additional mileage fee per mile
Walk-In Fee Service - Truck does not leave road & worker must walk in yard	per occurrence	\$2.70	=	\$2.83
2nd Recycle or Greenwaste Cart	per cart monthly	\$6.03	=	\$6.32

*Carts are the property of the garbage company & must be returned when service is stopped or cancelled.
If cart is not returned the company may impose the appropriate fee to the customer for each cart not returned.*

Missing Cart - 35 GAL	per cart	\$45.86	=	\$48.06
Missing Cart - 64 GAL	per cart	\$60.32	=	\$63.22
Missing Cart - 96 GAL	per cart	\$82.04	=	\$85.98

COMMERCIAL CONTAINER SERVICE (one time delivery fee will apply upon delivery)

1 YARD	1X WK	monthly	\$94.28	=	\$126.54
	2X WK	monthly	\$127.28	=	\$170.83
1.5 YARD	1X WK	monthly	\$105.38	=	\$141.44
	2X WK	monthly	\$142.26	=	\$190.94
2 YARD	1X WK	monthly	\$134.65	=	\$180.73
	2X WK	monthly	\$181.79	=	\$244.00
3 YARD	1X WK	monthly	\$154.90	=	\$207.90
	2X WK	monthly	\$236.98	=	\$318.07
4 YARD	1X WK	monthly	\$205.11	=	\$275.29
	2X WK	monthly	\$313.79	=	\$421.17
6 YARD	1X WK	monthly	\$309.50	=	\$415.41
	2X WK	monthly	\$411.59	=	\$552.44

Every other week rate is the same as 1X WK rate.

COMMERCIAL EXTRA PICKUP + PER MILE TRIP CHARGE *

1 YARD	per occurrence	\$26.70	=	\$35.84
1.5 YARD	per occurrence	\$29.80	=	\$39.99
2 YARD	per occurrence	\$33.09	=	\$44.41
3 YARD	per occurrence	\$43.36	=	\$58.20
4 YARD	per occurrence	\$65.44	=	\$87.84
6 YARD	per occurrence	\$86.98	=	\$116.74

Exhibit A

San Miguel Garbage Co, Inc.
6625 Benton Rd.
Paso Robles, CA 93446

HERITAGE RANCH
Waste Collection Price List
Proposed Effective Date: February 1st, 2020

COMMERCIAL SERVICE MISCELLANEOUS		CURRENT		PROPOSED
		CUST RATE		CUST RATE
* Trip Charge per Mile	per occurrence	\$5.48	=	\$7.37
Delivery Fee & Re-Delivery Containers	per occurrence	\$29.74	=	\$39.92
Extra trash less than 1 yard	per occurrence	\$23.32	=	\$31.30
Extra trash per yard	per occurrence	\$26.70	=	\$35.84
Manual Labor per yard	per occurrence	\$20.88	=	\$28.02
Go Back Commercial	per occurrence	\$10.55	=	\$14.16 plus add additional mileage fee per mile
Lock Bar Set Up	per occurrence	\$47.96	=	\$64.37
Lock Bar Set Up Plus Key & Lock	per occurrence	\$57.92	=	\$77.75
Unlocking Fee	per occurrence	\$2.56	=	\$3.44
Container Exchange Fee	per occurrence	\$122.93	=	\$165.00

DRIVE IN-YARD CHARGES

Charged to customers that require the waste collection truck to enter the customers property

In-Yard 100'	monthly	\$11.02	=	\$14.79
In-Yard 1/4 Mile	monthly	\$15.46	=	\$20.75
In-Yard 1 Mile	monthly	\$17.07	=	\$22.91
In-Yard Over 1 Mile	monthly	multiply "In-Yard 1 Mile" rate X total miles		

ADDITIONAL CHARGES - Rates below will fluctuate depending on current disposal and handling fees to remove.

Can Pressure Wash Fee	per occurrence	\$29.16	=	\$30.56	
Water Heater	each	2020 N/C White Goods	\$24.13	=	\$25.29
Fridge	each	2020 N/C White Goods	\$32.57	=	\$34.13
Washer/Dryer	each	2020 N/C White Goods	\$24.13	=	\$25.29
Toilet	each	N/C with Low Flow Incentive	\$40.83	=	\$41.35
Mattress or boxspring TWN	each		\$21.42	=	\$22.45
Mattress or boxspring Q-K	each		\$37.17	=	\$38.95
Couches	each		\$26.54	=	\$27.81
Truck Tires	each		\$21.42	=	\$22.45
Car Tire only	each		\$4.23	=	\$4.43
Car Tire with Rim	each		\$6.34	=	\$6.64
T.V.	CAN NOT TAKE				

All other items not listed call office for rate.

NSF FEES

1ST occurrence	\$20.00
2ND occurrence	\$30.00
3RD occurrence	\$35.00
4TH occurrence	\$40.00

RENT-A-BIN (all areas)		CURRENT		PROPOSED
		CUST RATE		CUST RATE
2 YARD - 1 PU 1 WEEK	60x43x38	\$95.28	=	\$127.88
3 YARD - 1 PU 1 WEEK	72x43x52	\$128.09	=	\$171.92
DAILY RENTAL after 1 wk with no pickup	per day	\$2.69	=	\$3.61

ROLL-OFF RENTALS

20 YARD ROLL-OFF (includes 2 tons trash)	per dump	\$492.30	=	\$492.30
40 YARD ROLL-OFF (includes 3 tons of trash)	per dump	\$558.82	=	\$558.82

Roll-Off Service is for 7 days. Rental after 7 days is \$5.00/day for 20yd and \$7.00/day for 40 yd.

Weight in excess of allowed weight will be charged current landfill per ton rate up to 10 tons.

Any load that exceeds 10 tons will be charged an additional \$50.00 per ton, in addition to the current landfill rate, after the first 10 tons.

Contracts must be completely filled out and signed, and deposits received, before delivery of all containers and roll-offs.

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: January 16, 2020

SUBJECT: 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.

Recommendation

It is recommended that the Board of Directors:

1. 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
2. Set a public hearing for February 20, 2020 for final adoption.

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

In order to introduce the Ordinance, the Board should read by title only and waive further reading. The Ordinance can be adopted at the next regular Board meeting of February 20, 2020 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

Setting the public hearing date to adopt the proposed Ordinance at the February 20, 2020 Board meeting will result in the Ordinance becoming effective April 1, 2020.

Attachments: Draft amended Code of Ordinance Chapter 3 redline

File: Code of Ordinances

CHAPTER 3 - FEES, ASSESSMENTS AND OTHER CHARGES

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3.000 - Establishment of Fees and Charges

The fees, assessments and other charges established by this chapter and specifically Section 3.900 - Fee Schedule, shall apply to every lot or parcel of land as shown on a proposed or approved tentative map or final map within the boundaries of the District and every person using the services or facilities of the District. All fees and charges may be revised by the Board of Directors.

3.100 - Definitions and Applicability of Fees

This Section defines the terms and phrases as they are used for applying fees in this chapter.

Application. The new application for water and/or sewer service.

Change of ownership. The transfer of a present interest in the property, and a transfer of the right to beneficial use thereof, the value of which is substantially equal to the value of the fee interest, regardless of whether such transfer is voluntary, involuntary, or by operation of law, court order, grant, gift, devise, inheritance, trust, contract of sale, addition or deletion of an owner, property settlement, or any other means.

Connection fees. Fees assessed for existing or future capital improvements, for facilities in existence at the time the fee is imposed or charges for new facilities to be constructed and operated in the future which are of benefit to the person or property being charged. Connection fees shall apply to the expansion, extension, and increased utilization of any service connection where use of the service or demand on the District's system increases.

Hookup charges. All fees and charges, but not including connection fees, to reimburse the District for its actual costs of connecting a user of water or sewer services to the District's water or sewer system.

Date of presentation. The date upon which a bill of notice is mailed or delivered personally to the customer.

Depositor. A person, firm, corporation or agency paying cash to the District to guarantee payment for water and/or services to be received from the District.

Normal working hours. The normal working hours of the District shall be defined as Monday through Friday 7:30 a.m. to 4:00 p.m. and excluding any observed holidays.

Rate and fee schedules. The effective rates, fees, rentals, charges, and regulations, as set forth by the District.

Retail sales fees. All goods and supplies for resale.

Period. For purposes of assessing charges, a period shall be used to mean a complete period or any fraction thereof. As utilized in Section 3.900, period shall refer to any one of the following:

Day. A day shall be used to mean any twenty-four (24) hour period of time or portion thereof, commencing when the service is first conducted.

Hour. An hour is a sixty-minute period of time billed in fifteen (15) minute increments unless a minimum has been specified in Section 3.900.

Month. A month shall mean any calendar month. For the purposes of calculating prorated daily charges, a month shall be thirty (30) days; a prorated day is the charge divided by thirty.

Year. A year, for purposes of this chapter is intended to be from July 1, to June 30 unless otherwise stated as a calendar year.

3.200 – Billing

Customer fees for water and sewer-services will be combined into one bill and will be rendered monthly.

3.210 - Opening and Closing Bills

Opening bills rendered for periods smaller or greater than one month will be prorated. For opening bills rendered for periods smaller or greater than one month, the minimum will be prorated with the usage charged per HCF. Both opening and closing bills will be for not less than the monthly minimum charge, prorated for the number of days the account was active. Closing bills shall be processed from a final read on the meter at the time service is terminated.

3.220 - Payment of Bills

Bills are due and payable upon delivery to the customer. Payment may be made at the District's office, to an authorized collector, or by US Mail. When bills are delinquent, the District may demand that the full amount of both delinquent and current bills be paid in full. If service is to be discontinued, closing bills are due and payable by the date on the bill.

3.230 – Change of Ownership Bills

It is the premise owner's responsibility to notify the District when a change of ownership occurs. Upon change of premises ownership, the previous user shall be responsible for all District rates, charges, and fees incurred up to the date of transfer of ownership, and the new user shall be responsible for all District rates, charges and fees after that date. If the District is not given notice of the date of the change of ownership, the District shall read the water meter and allocate the service charges to the previous owners from the date notice is given for the service period in question. All charges from that point forward will be allocated to the current owner.

3.240 – Minimum Bills

Upon initial connection of service, each user shall thereafter pay a minimum charge as established in Section 3.900 regardless of the amount of actual usage, except where existing services are connected to property not yet improved with a structure used for residential or business, solid waste fees shall not be assessed and except where otherwise approved by the Board.

3.250 - Billing of Separate Meters not Combined

Each water meter on customer's premises will be considered separately and the readings of two or more meters will not be combined, unless the District's operating convenience requires the use of more than one meter, or of a battery of meters. The minimum monthly charge for such combined meters will be based on the diameter of the total combined discharge areas of the meters.

3.260 - Meter Reading

Meters will be read at **monthly** intervals on or around the **1st** day of the month for the preparation of regular bills, and as required for the preparation of opening bills, closing bills and special bills. Billing periods containing less than **thirty** (30) days will be prorated.

- A. It may not always be possible to read meters on the same day of each period.
- B. Where a meter cannot be read without undue difficulty because of an obstruction, the customer will be notified and requested to correct the condition. The District has the right to discontinue the service if the condition is not corrected and/or estimate water usage for billing purposes. Where service is turned off for such cause, the District may require payment of a turn-on charge pursuant to Section 3.900 before restoring service.

3.270 - Disputed Bills

To dispute a bill, a customer must contact the District and provide in writing all available evidence. Should the customer not pay the disputed bill by the due date, the District will notify the customer in writing:

- A. That in lieu of paying the disputed bill he/she may deposit with the District the amount claimed due in cash or check made payable to the Heritage Ranch Community Services District.
- B. That upon receipt of a deposit, the General Manager will investigate the matter, advise the customer of his/her findings, and dispose of the deposit in accordance therewith.
- C. That service will not be discontinued pending the outcome of the General Manager's investigation provided that subsequent bills are paid or deposited with the District.
- D. That failure of the customer to make such deposits within ten days after the date of notification will warrant discontinuance of his service without further notice in accordance with Section 3.820 below.

3.280 – Automatic Payment of Bills

A customer may submit a written application to have their water and sewer bills automatically paid to the District through electronic deductions from their bank account. The automatic payment application must be made to the District in writing on the District's form, by the property owner or his/her authorized agent. Customers shall provide a voided check from the account that automatic payment will be deducted from.

For reference purposes, the District will deliver monthly bills to customers that have elected automatic payment, except that the bills will be marked Do Not Pay – Paid by Automatic Draft. Any customer dispute of the billing amount must be made to the District within 13 days of the billing date. Approximately on the 15th of the month, the District will process the automatic payment and deduct the billing amount from the customer's account. Customers shall notify the District if there are any changes to their account that may affect the electronic payment of bills. If a customer's account has insufficient funds to pay the bill, the District shall notify the customer and may terminate the automatic payment option and collect on the bill pursuant to Section 3.800. Automatic payments of bills may be terminated by the customer for any reason upon 10-day notice to the District.

3.290 – Prepayment of Bills

A customer may submit a written request to prepay water and sewer bills to the District. The District will estimate prepayment amounts for the time period requested. Actual charges may be more or less than the estimate and will depend on actual water usage and rate adjustments. The District shall determine actual charges incurred during the prepayment period and if actual charges incurred exceeds the amount prepaid to the District, the District will bill the customer for the excess. In the event the actual charges are less than the amount prepaid, the District will credit the customer's account for the difference or if the account is closed a refund will be mailed.

3.300 – Standby Assessments

A standby or availability charge will be assessed each year for water and/or sewer service availability for all parcels within the boundaries of the District. The standby charges shall be used to fund debt repayment, maintenance, repair, and replacement of water and sewer facilities. Government Code Section 54894, et. al. provides the authority to impose this charge.

3.310 - Initiate Standby Charges

The Board shall adopt a resolution on or before April 1 of each year to initiate proceedings to fix a standby charge. The resolution shall contain all of the following information:

- A. A statement that the report of a qualified engineer is on file with the District and that a standby charge is proposed based upon the report. The report shall include all of the following:
 - (1) A description of the charge and the method by which it will be imposed.
 - (2) A compilation of the amount of the charge proposed for each parcel subject to the charge.
 - (3) A statement of the methodology and rationale followed in determining the degree of benefit conferred by the service for which the charge is made.
 - (4) The other factors listed in Government Code Section 54984.2.
- B. A description of the lands upon which the charge is to be imposed. Assessor parcel numbers shall constitute sufficient description for this purpose.
- C. The amount of the charge for each of the lands so described.
- D. The date, time, and place upon which the Board will hold a public protest hearing regarding the imposition of the charge and notice that the Board will hear and consider all objections or protests, if any, to the proposed charges.

3.320 - Establish Standby Charges

On or before June 1 of each year the Board shall hold a public hearing and establish the water and sewer standby charge, on land within the jurisdiction of the District to which water, sewer, or water and sewer services are made available for any purpose by the District, whether the water or sewer services are actually used or not.

3.330 - Hearing

A Public Hearing and notice shall be conducted pursuant to Government Code Sections 6066, 54984.4, and 54984.7 to establish standby charges. At the time and place stated in the notice, the Board shall conduct the hearing, and shall hear and consider all objections or protests, if any, to the resolution referred to in the notice, and may continue the hearing from time to time.

- A. Any landowner desiring to make a protest shall do so by written communication filed with the District not later than the hour set for the hearing. A protest by a landowner shall contain a description sufficient to identify the land owned by the landowner. A written protest may be withdrawn at any time before the determination on the charge by the Board (Government Code Section 54984.6(a)).
- B. If the Board receives written protests which are not withdrawn at the time of the determination by the Board, which protests represent 15 percent or more of the parcels subject to the charges authorized by this Section the Board may still adopt, revise, change, reduce, or modify a charge, but all the charges are ineffective until collectively approved by a majority of the vote in an election within the affected territory in which the owner of one or more parcels may cast one vote for each parcel owned within the affected territory (Government Code Section 54984.9(c)).

3.340 - Confirm Standby Charges

On or before July 1 of each year the Board shall adopt a resolution to confirm standby charges. Standby charges shall be confirmed and set for the forthcoming year if less than 15% of the landowners subject to the charges submit a protest.

3.350 – Standby Charges Collection

After the making of a final determination pursuant to this Section and Government Code Sections 54984.5 and 54984.7 the Board shall cause the standby charge to be collected at the same time, and in the same manner, as is available to it under applicable law.

3.400 – Connection Fees

All applications requesting a new water and/or sewer connection to the main lines shall pay in advance to the District a connection fee as outlined in Section 3.900. Any relocations of service lines exceeding ten feet in length may be required to pay a new connection fee. Any change in water service size or sewer use are required to pay a new connection fee less a credit for the previously paid connection fee. Connection fees shall be used to defray the cost of upgrading District water and sewer facilities.

3.500 – Hookup Charges

Hookup charges for the installation of water meters and inspection of sewer laterals will be charged for all new service connections as outlined in Section 3.900. Any relocation of a water meter may require additional hookup charges. Any change in water service meter size may require both an additional hookup charge and connection charge as determined by the General Manager. Hookup fees shall be used to defray the actual costs of the meters, equipment, inspection, and installation.

3.600 - Service Call Response Fee

Whenever District staff responds to a customer's premises for a service call made by the customer, or an agent or representative acting on behalf of the customer, concerning District water or sewer service, the customer shall pay to the District a service call response fee. For service calls made outside of normal working hours, the labor charge will be multiplied by 1½ as an overtime premium per Section 3.900. The District may collect the service call response fee together with the regular charges for District services and may be billed upon the same bill and collected as one item, or the service call response fee may be collected in any other manner provided by statute or District ordinance.

3.610 - Service Call Response Fee - Exceptions

There shall be no service call response fee for emergency response, for responses concerning facilities owned by the District, or for service calls necessitated by the District's operation of its facilities. For purposes of this Section, an "emergency response" means an unforeseen circumstance or combination of circumstances that calls for immediate action in order to avoid loss of property and/or injury or death to persons.

3.700 - Request for Information

For the purpose of providing copies of specifically identified documents which require no time to locate or research, the charge shall be thirty (30) cents for each page. For time used in searching for or preparing legal or other documents an hourly labor charge shall be assessed based on total District staff time required in complying with the request. The labor fee is outlined in Section 3.900. If District Counsel or Engineer involvement is required, then the hourly rate established by Counsel or Engineer for such services shall be charged in addition to the aforementioned charges. This Section does not apply to copies of meeting agendas, budgets, or other documents provided free of charge at the direction of the Board.

3.710 - Deposit

Upon receipt of a written request for information or material the General Manager or his designated representative shall determine the estimated time and associated cost to comply with the request and a full deposit shall be made by the applicant prior to the start of any work.

3.720 - Additional Charges and Credits

If during the course of processing the request, it is determined that the cost of processing will be in excess of the amount deposited, the applicant shall be notified and will deposit an additional amount as requested before any further processing work will be done. If upon completion of processing the costs for services are less than the amount deposited, the District shall refund the difference between the amount deposited and the actual costs incurred upon written request by the person or agency making such request.

3.800 – Collections

The General Manager, or his/her designated representatives have the authority to collect assessed charges or fees, interest and penalties in accordance with the provisions of this Code and any resolution adopted pursuant to this Code. Delinquent accounts may be turned over to a collection agency and/or court action may proceed.

3.810 - Accounts Receivable

- A. Account due dates. All water and sewer services are billed in arrears and the accounts are due upon presentation irrespective of whether the bill is received by the user. Accounts are not overdue until the date specified on the bill.
- B. Full payment required. All account balances will be paid in full before the District will authorize transfer of water or sewer permits.
- C. Check handling. No post-dated checks will be accepted, nor will the District hold any checks for future deposit. Returned checks will be charged at the rate established in Section 3.900. If checks of any customer are returned for insufficient funds or closed account more than once in a two-year period, payment in cash or by cashier's check, or money order only may be required unless the customer submits a letter from his or her bank stating that the returned check was as a result of a bank error. Passing a bad check with intent to defraud is a crime. Failure to pay upon demand is considered presumptive evidence of knowledge of the insufficiency of funds. Bad checks may be forwarded to the District Attorney's Office for purposes of prosecution. (California Penal Code Section 476a, 476a(c))
- D. Charges, payment in advance. Payment for new water or sewer connection and/or hookup fees must be made in advance of undergoing procedure or receiving service.

3.820 - Overdue Accounts – Non-residential

- A. Accounts are overdue if not paid in full by 4:00 p.m. on the 25th day following the month or months in which the service was provided.
- B. Accounts will be assessed a 10% penalty on the overdue balance if not paid by the due date.
- C. The following collection procedures will be initiated on all overdue accounts:
 - (1) An overdue bill shall be mailed to the billing address of record. Customer must bring account current within 10 days (Government Code Section 60370 et. seq.).
 - (2) If overdue payment is not received within the ten-day period, a \$10.00 fee will be imposed, and a 48-hour notice will be placed at the premises notifying the customer that full payment on account is due within 48 hours of the date of the notice (Government Code Section 60370 et. seq.).
 - (3) The District will disconnect a customer's water service in the event the account is not paid in full within the 48-hour overdue notice and a \$30.00 disconnection fee will be assessed to all accounts that are disconnected for nonpayment and then reconnected at a later date after payment has been made. The disconnection date will be determined by the District.
 - (4) A \$120.00 fee will be assessed for all after normal work hour reconnections. Reconnection will only occur once payment has been received for the overdue bill, penalties and any fees incurred.
 - (5) Accounts may be sent to a collection agency for recovery of all overdue balances and penalties.
 - (6) Impose a 40% account reactivation fee for all accounts that are sent to the collection agencies and are then paid by the user and reconnected for service.
 - (7) Lien procedures on the real property in which service was received may be initiated on all accounts that remain overdue and all other collection procedures fail.
- D. Amortization Agreement. The District will approve an amortization agreement for an overdue account upon the certification of a licensed physician that disconnection of a customer's water supply will be life threatening to the customer and the customer is unable to pay for services within the normal payment period. The amortization agreement must be requested by the customer for charges owed. The amortization agreement shall not exceed a 12-month period. All normal charge must be kept current by the customer during the amortization period.
- E. Court Action. The District may initiate litigation for the collection of overdue accounts if approved by the Board. All court costs and attorney fees that may be approved by the courts will be added to the overdue account balance.
- F. Collection on Tax Roll. The District may elect to have any or all District's rates, charges, and fess, including any overdue fees, collected on the Tax roll in the forthcoming fiscal year as provided in California Government Code Section 61115 et seq.
- G. Partial payment plans for overdue accounts may be authorized by the General Manager or by the Board.

3.830 - Overdue Accounts – Residential**A. Purpose**

This policy has been established to comply with Senate Bill 998, known as the “Water Shutoff Protection Act” and approved by the Governor on September 28, 2018.

B. Effective Date

This policy shall be effective on April 1, 2020.

C. Published Languages

This policy and written notices required in this policy shall be available and published in English, the languages listed in Section 1632 of the Civil Code, which includes Spanish, Chinese, Tagalog, Vietnamese, and Korean, and any other language spoken by at least 10 percent of the people residing in the District’s water service area.

D. Requirements Precedent to Discontinuing Water Service

- (1) The District shall not discontinue residential service for nonpayment until a payment by a customer has been delinquent for at least 60 days. No less than seven business days before discontinuation of residential service for nonpayment, the District shall contact the customer named on the account by telephone or written notice.
- (2) When the District contacts the customer named on the account by telephone pursuant to subparagraph (A), staff shall offer to provide in writing to the customer this policy. District staff shall offer to discuss options to avert discontinuation of service for nonpayment, including, but not limited to, alternative payment schedules, deferred payments, minimum payments, procedures for requesting amortization of the unpaid balance, and petition for bill review and appeal.
- (3) When the District contacts the customer named on the account by written notice pursuant to subparagraph (A), the written notice of payment delinquency and impending discontinuation shall be mailed to the customer of the residence to which the residential service is provided. If the customer’s address is not the address of the property to which residential service is provided, the notice also shall be sent to the address of the property to which residential service is provided, addressed to “Occupant.” The notice shall include, but is not limited to, all of the following information in a clear and legible format:
 - (i) The customer’s name and address.
 - (ii) The amount of the delinquency.
 - (iii) The date by which payment or arrangement for payment is required in order to avoid discontinuation of residential service, which shall be 60 days from the date that the bill became delinquent unless extended by the discretion of the General Manager.
 - (iv) A description of the process to apply for an extension of time to pay the delinquent charges.
 - (v) A description of the procedure to petition for bill review and appeal.
 - (vi) A description of the procedure by which the customer may request a deferred, reduced, or alternative payment schedule, including an amortization of the delinquent residential service charges.

E. Good Faith Noticing Requirements

- (1) If the District is unable to make contact with the customer or an adult occupying the residence by telephone, and written notice is returned through the mail as undeliverable,

the District shall make a good faith effort to visit the residence and leave, or make other arrangements for placement in a conspicuous place of, a notice of imminent discontinuation of residential service for nonpayment and the District's policy for discontinuation of residential service for nonpayment.

- (2) If an adult at the residence appeals the water bill to the District or any other administrative or legal body to which such an appeal may be lawfully taken, the District shall not discontinue residential service while the appeal is pending. Appeal rights are established in District Ordinance Section 3.270.

F. Prohibition Against Discontinuing Residential Water Service

- (1) The District shall not discontinue residential service for nonpayment if all of the following conditions are met:
 - (i) The customer, or a tenant of the customer, submits to the District the certification of a primary care provider, as that term is defined in subparagraph (A) of paragraph (1) of subdivision (b) of Section 14088 of the Welfare and Institutions Code, that discontinuation of residential service will be life threatening to, or pose a serious threat to the health and safety of, a resident of the premises where residential service is provided.
 - (ii) The customer demonstrates that he or she is financially unable to pay for residential service within the District's normal billing cycle. The customer shall be deemed financially unable to pay for residential service within the District's normal billing cycle if any member of the customer's household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or the customer declares that the household's annual income is less than 200 percent of the federal poverty level.
 - (iii) The customer is willing to enter into an amortization agreement, alternative payment schedule, or a plan for deferred or reduced payment with respect to all delinquent charges.
- (2) If the conditions listed above are all met, the District shall offer the customer one or more of the following options:
 - (i) Amortization of the unpaid balance.
 - (ii) Participation in an alternative payment schedule.
 - (iii) A partial or full reduction of the unpaid balance financed without additional charges to other ratepayers.
 - (iv) Temporary deferral of payment.
- (3) The General Manager is authorized to determine which of the payment options described in paragraph (B) the customer undertakes and may set the parameters of that payment option provided that the repayment of any remaining outstanding balance occurs within 12 months, and further provided that the General Manager may only approve a partial or full reduction of the unpaid balance if that reduction can be funded with property tax revenues that the District Board of Directors has approved and transferred into the Water Fund budget explicitly for the purpose of doing so.
- (4) Residential service may be discontinued no sooner than 5 business days after the District posts a final notice of intent to disconnect service in a prominent and conspicuous location at the property under either of the following circumstances:

- (i) The customer fails to comply with an amortization agreement, an alternative payment schedule, or a deferral or reduction in payment plan for delinquent charges for 60 days or more.
- (ii) While undertaking an amortization agreement, an alternative payment schedule, or a deferral or reduction in payment plan for delinquent charges, the customer does not pay his or her current residential service charges for 60 days or more.

G. Restoration of Water Service

- (1) An urban and community water system that discontinues residential service for nonpayment shall provide the customer with information on how to restore residential service. For a residential customer who demonstrates to the District that the household income is below 200 percent of the federal poverty line, the District shall do both of the following:
 - (i) Set a reconnection of service fee for reconnection during normal operating hours in an amount that does not exceed fifty dollars (\$50), or the actual cost of reconnection if it is less. For the reconnection of residential service during nonoperational hours, the District shall set a reconnection of service fee that does not exceed one hundred fifty dollars (\$150), or the actual cost of reconnection during nonoperational hours if it is less. The maximum amount of \$50 for reconnection during operational hours and \$150 during nonoperational hours shall be subject to an annual adjustment for changes in the Consumer Price Index beginning January 1, 2021. The District shall use the average of the Los Angeles area and San Francisco area for determining the increase in the Consumer Price Index.
 - (ii) Waive interest charges on delinquent bills once every 12 months.
- (2) An urban and community water system shall deem a residential customer to have a household income below 200 percent of the federal poverty line if any member of the household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or the customer declares that the household's annual income is less than 200 percent of the federal poverty level.

H. Services Involving Landlord-Tenant Relationships

- (1) If the District furnishes individually metered residential service to residential occupants of a detached single-family dwelling, a multiunit residential structure, mobilehome park, or permanent residential structure in a labor camp as defined in Section 17008, and the owner, manager, or operator of the dwelling, structure, or park is the customer of record, the District shall make every good faith effort to inform the residential occupants, by means of written notice, when the account is in arrears that service will be terminated at least 10 days prior to the termination. The written notice shall further inform the residential occupants that they have the right to become customers, to whom the service will then be billed, without being required to pay any amount which may be due on the delinquent account.
- (2) The District shall not make service available to the residential occupants unless each residential occupant agrees to the terms and conditions of service and meets the requirements of law and the District's ordinances, resolutions, rules and regulations. However, if one or more of the residential occupants are willing and able to assume responsibility for the subsequent charges to the account to the satisfaction of the District, including requirements which may include but not be limited to payment of a deposit of \$120 and completion of a District application for service so that the General Manager, or designee, can evaluate whether the District is satisfied that the residential applicants can meet the terms and conditions of service, or if there is a physical means legally available

for the District to selectively terminate service to those residential occupants who have not met the requirements of the District's, the District shall make service available to those residential occupants who the District is satisfied can meet the terms and conditions of service.

- I. Reporting Requirements – The District shall annually report the number of discontinuations of residential service for inability to pay on the District's Internet Web site and to the State Water Resources Control Board.
- J. Limitations of this Policy - Nothing in this policy restricts, limits or otherwise impairs the District's ability to terminate service to a customer for reasons other than those explicitly stated in this policy including but not limited to unauthorized actions of the customer.
- K. Other Actions to Secure Collection of Delinquent Charges –
 - (1) Pursuant to Government Code Section 61115(3)(C) the District penalize a customer for the nonpayment of charges at a rate of ten percent (10%), plus an additional penalty of one percent (1%) per month for the nonpayment of the charges.
 - (2) Pursuant to Government Code Section 61115(b) the District may collect any delinquent charges and penalties on the tax roll in the same manner as property taxes.
 - (3) Pursuant to Government Code Section 61115(c), the Board of Directors authorizes the General Manager or designee to execute a certificate declaring on a form approved by District legal counsel the amount of the delinquent charges and penalties due and the name and last known address of the person liable for the delinquent charges and penalties, and to record said certificate in the office of the San Luis Obispo County Recorder in accordance with procedures established by the General Manager. Said procedures shall include a provision that recording the certificate can only occur after notifying the customer of the District's intent to record the certificate, that the customers has ten business days to inform the District if the customer intends to appeal the recording of the certificate to the Board of Directors, and if the customer appeals, then the certificate can only be recorded after the Board of Directors considers the appeal and only if the Board of Directors directs that the certificate is recorded.

3.900 - Fee Schedule for Heritage Ranch Community Services District

The fees, tariffs and other charges listed in Section 3.900 of this chapter are intended to pay for the actual costs of providing the services herein described.

A. Water	January 1, 2018	January 1, 2019	January 1, 2020	January 1, 2021	January 1, 2022
(1) Fixed Water Charge based on meter size	\$/month	\$/month	\$/month	\$/month	\$/month
¾"	\$20.03	\$21.64	\$23.37	\$25.24	\$27.24
1"	27.27	29.48	31.84	34.41	37.14
1 ½"	44.61	48.23	52.13	56.33	60.85
2"	66.78	72.22	78.07	84.38	91.16
3"	\$137.31	\$148.55	\$160.58	\$173.61	\$187.53
Over 3"	Based on calculation by District Engineer				
(2) Volume Water Charge based on use	\$/Unit	\$/Unit	\$/Unit	\$/Unit	\$/Unit
Per Unit	\$2.58	\$2.80	\$3.03	\$3.29	\$3.56
(3) Fixed Private Fire Line Charge based on size	\$/month	\$/month	\$/month	\$/month	\$/month
1"	\$0.44	\$0.48	\$0.52	\$0.56	\$0.61
1 ½"	1.29	1.40	1.51	1.64	1.77
2"	2.75	2.98	3.23	3.49	3.78
2 ½"	4.95	5.36	5.80	6.27	6.79
3"	8.00	8.66	9.37	10.13	10.97
4"	17.05	18.45	19.96	21.59	23.37
6"	49.51	53.59	57.99	62.73	67.88
8"	105.51	114.19	123.58	133.67	144.66
10"	\$189.75	\$205.36	\$222.24	\$240.39	\$260.15
(4) Water meter hookup fee based on meter size	Per Meter				
¾"	\$500.00				
1"	\$700.00				
1 ½"	\$900.00				
2"	\$1,200.00				
3"	\$2,500.00				
Over 3"	Based on calculation by District Engineer				
(5) Water system capacity charge based on meter size	Per Meter				
¾"	\$6,698				
1"	\$11,185				
1 ½"	\$22,304				
2"	\$35,700				
3"	\$71,467				
4"	\$111,655				
6"	\$267,920				
8"	\$446,555				

B. Sewer	January 1, 2018	January 1, 2019	January 1, 2020	January 1, 2021	January 1, 2022
(1) Fixed Sewer Charge based on use category	\$/month	\$/month	\$/month	\$/month	\$/month
Residential	\$27.79	\$29.59	\$31.52	\$33.56	\$35.75
RV Space	22.23	23.67	25.21	26.85	28.60
Commercial	27.79	29.59	31.52	33.56	35.75
Camp Restroom	58.97	62.79	66.88	71.21	75.86
Dump Facility	234.70	249.90	266.20	283.43	301.92
Holiday Condo.	\$833.70	\$887.70	\$945.60	\$1,006.80	\$1,072.50
(2) Sewer hookup fee based on use category	Charge per Dwelling Unit				
Single family	\$100.00				
Multiple dwelling	\$100.00				
Mobile home	\$100.00				
RV space	\$100.00				
Commercial	Based on calculation by District engineer				
Other	Based on calculation by District engineer				
(3) Sewer system capacity charge based on use category	Charge per Dwelling Unit				
Single family	\$8,212				
Multiple dwelling	\$8,212				
Mobile home	\$8,212				
RV space	\$6,570				
Commercial	Based on calculation by District engineer				
Other	Based on calculation by District engineer				
Other	Based on calculation by District engineer				
C. Solid Waste Fees				Fee	Period
RESIDENTIAL CAN SERVICE					
35 Gallon Cart, Residential – 1 pickup/ week				\$27.29	Monthly
64 Gallon Cart, Residential – 1 pickup/ week				\$35.45	Monthly
96 Gallon Cart, Residential – 1 pickup/ week				\$40.95	Monthly
<i>All can rates based on standard garbage cans 35 gallon or smaller with 50-pound weight limit. Cans must be readily accessible.</i>					
CAN SERVICE MISCELLANEOUS					
Stickers				\$4.66	Monthly
Re-Delivery Cans				\$29.16	Occurrence
Go Back Residential (additional mileage fee per mile)				\$6.20	Occurrence
Walk-In Fee Service (worker must walk in yard)				\$2.70	Occurrence
2 nd Recycle or Green Waste Cart				\$6.03	Monthly
<i>Carts are the property of the garbage company & must be returned when service is stopped or cancelled. If cart is not returned the company may impose the appropriate fee to the customer for each cart not returned.</i>					
Missing Cart – 35 GAL				\$45.86	Occurrence
Missing Cart – 64 GAL				\$60.32	Occurrence
Missing Cart – 96 GAL				\$82.04	Occurrence
COMMERCIAL CONTAINER SERVICE					
1 Yard Bin – 1XWK				\$94.28	Monthly

2XWK	\$127.28	Monthly
1.5 Yard Bin – 1XWK	\$105.38	Monthly
2XWK	\$142.26	Monthly
2 Yard Bin – 1XWK	\$134.65	Monthly
2XWK	\$181.79	Monthly
3 Yard Bin – 1XWK	\$154.90	Monthly
2XWK	\$236.98	Monthly
4 Yard Bin – 1XWK	\$205.11	Monthly
2XWK	\$313.79	Monthly
6 Yard Bin – 1XWK	\$309.50	Monthly
2XWK	\$411.59	Monthly
<i>Every other week rate is the same as 1X WK rate.</i>		
COMMERCIAL EXTRA PICKUP + PER MILE TRIP CHARGE *		
1 Yard Bin	\$26.70	per trip
1.5 Yard Bin	\$29.80	per trip
2 Yard Bin	\$33.09	per trip
3 Yard Bin	\$43.36	per trip
4 Yard Bin	\$65.44	per trip
6 Yard Bin	\$86.98	per trip
COMMERCIAL SERVICE MISCELLANEOUS		
Trip Charge per Mile	\$5.48	Occurrence
Delivery Fee & Re-Delivery Containers	\$29.74	Occurrence
Extra Trash Less Than 1 Yard	\$23.32	Occurrence
Extra Trash Per Yard	\$26.70	Occurrence
Manual Labor Per Yard	\$20.88	Occurrence
Go Back Commercial (add additional mileage fee per mile)	\$10.55	Occurrence
Lock Bar Set Up	\$47.96	Occurrence
Lock Bar Set Up Plus Key & Lock	\$57.92	Occurrence
Unlocking Fee	\$2.56	Occurrence
Container Exchange Fee	\$122.93	Occurrence
DRIVE IN-YARD CHARGES		
<i>Charged to customers that require the waste collection truck to enter customers property</i>		
In-Yard 100'	\$11.02	Monthly
In-Yard ¼ Mile	\$15.46	Monthly
In-Yard 1 Mile	\$17.07	Monthly
In-Yard Over 1 Mile (Multiply "In-Yard 1 Mile rate X total miles)		
ADDITIONAL CHARGES		
<i>Rates below will fluctuate depending on current disposal & handling fees</i>		
Can Pressure Wash Fee	\$29.16	Occurrence
Water Heater	NC	
Fridge	NC	
Washer/Dryer	NC	
Toilet (NC with low flow incentive)	NC	
Mattress or Box Spring Twin	\$21.42	Each
Mattress or Box Spring Q-K	\$37.17	Each
Couches	\$26.54	Each
Truck Tires	\$21.42	Each
Car Tire Only	\$4.23	Each

Car Tire with Rim	\$6.34	Each
T.V (CAN NOT TAKE)		
NSF FEES		
1ST	\$20	Occurrence
2nd	\$30	Occurrence
3rd	\$35	Occurrence
4th	\$40	Occurrence
RENT-A-BIN (ALL AREAS)		
2 Yard- 1 PU 1 Week 60x43x38	\$95.28	Week
3 Yard- 1 PU 1 Week 72x43x52	\$128.09	Week
Daily Rental after 1 Week with no pickup	\$2.69	Per Day
ROLL-OFF RENTALS		
20 Yard Roll-Off (includes 2 tons of trash)	\$492.30	Per Dump
40 Yard Roll-Off (includes 3 tons of trash)	\$558.82	Per Dump
<p><i>Roll-Off Service is for 7 days. Rental after 7 days is \$5.00/day for 20yd and \$7.00/day for 40 yd. Weight in excess of allowed weight will be charged current landfill per ton rate up to 10 tons. Any load that exceeds 10 tons will be charged an additional \$50.00 per ton, in addition to the current land fill rate, after the first 10 tons.</i></p> <p><i>Contracts must be completely filled out and signed, and deposits received before delivery of all containers and roll-offs.</i></p>		

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: January 16, 2020

SUBJECT: 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.

Recommendation

It is recommended that the Board of Directors adopt Resolution 20-02:

1. Approving the Project and declaring it to be categorically exempt from CEQA; and
2. Awarding the Project to the most qualified proposer; and
3. Authorizing the General Manager to execute a construction contract and issue a notice to proceed upon completion of all requirements.

Background

Your Board approved Contract Documents and a Request for Proposals for the Project. The Contract Documents and Request for Proposals were published on December 20, 2019.

Discussion

Project approval and CEQA

The recommended actions will provide formal approval of the Project and adopt findings pursuant to the California Environmental Quality Act (CEQA). CEQA was enacted in 1970 as a system of checks and balances for land-use development and management decisions in California. In general, there are three main purposes of CEQA:

- To inform public decision-makers of potential adverse environmental impacts of public or private projects carried out or approved by them.
- To provide for public participation in the environmental review process.
- To identify and require the implementation of feasible alternatives or measures that would mitigate (reduce or avoid) a proposed project's adverse environmental impacts.

Any activity that may cause a physical change in the environment is a project subject to CEQA review. CEQA provides both categorical and statutory exemptions for certain types of projects.

The following findings support that the Project is consistent with these exemptions:

- Categorical Exemption: CEQA Guidelines Section 15301 Existing Facilities exempts projects that involve *“the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency’s determination.”*

Findings: The following findings support that the Project is consistent with this provision:

- The solar equipment will offset energy for the operation of the existing public facilities at the water treatment plant and the wastewater treatment plant.
- The solar equipment consists of minor alteration to the existing public facilities at the water treatment plant and the wastewater treatment plant.
- The solar equipment will be erected within existing disturbed footprints of the water treatment plant and the wastewater treatment plant sites.
- The solar equipment will not involve expansion of use of the public facilities beyond that existing at the time of determination.

- Categorical Exemption: CEQA Guidelines Section 15303 New Construction exempts projects that involve *“construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure.”*

Findings: The following findings support that the Project is consistent with this provision:

- The solar equipment consists of construction and location of limited numbers of new, small facilities to the existing public facilities at the water treatment plant and the wastewater treatment plant.
- The solar equipment will be erected within existing disturbed footprints of the water treatment plant and the wastewater treatment plant sites.
- The solar equipment will not involve expansion of use of the public facilities beyond that existing at the time of determination.

For the reasons described above, the Project is categorically exempt under CEQA. If approved by your Board staff will file a Notice of Exemption with the County Clerk and Office of Planning and Research to enter these findings into the record.

Project award

This is a Design-Build project and as such is not required to be awarded to the lowest responsible proposer. In addition, Section 4217.16 of the Government Code provides the following for energy conservation projects:

“Prior to awarding or entering into an agreement or lease, the public agency may request proposals from qualified persons. After evaluating the proposals, the public agency may award the contract on the basis of the experience of the contractor, the type of technology employed by the contractor, the cost to the local agency, and any other relevant considerations.”

The proposals submitted by the deadline have been provided to the Board.

Since this is a Design-Build project and the Government Code provides for it, award of a contract for the Project may be done via a qualifications-based selection process. Staff recommends that the most qualified responsible proposer as determined by the District should be selected.

Fiscal Considerations

Since this is a Design-Build project, award of a contract may be done via a qualifications-based selection process as mentioned above. If the Board chooses to consider the price as part of the qualifications-based selection process, a tabulation of the proposals will be provided at the meeting.

There are enough cash reserves to fund 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 application will be brought to your Board for approval at a future meeting.

Results

Approval of the recommended action will initiate execution of a construction agreement and issuance of a notice to proceed to start construction of the Project.

Attachments: Resolution 20-02

FILE: PVS Project

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 20-02**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HERITAGE RANCH
COMMUNITY SERVICES DISTRICT APPROVING THE PHOTOVOLTAIC
SYSTEM PROJECT AND DECLARING IT TO BE CATEGORICALLY EXEMPT
FROM CEQA; AND AWARDING THE PROJECT TO THE MOST QUALIFIED
PROPOSER.**

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, the Board of Directors of the District (the “Board”) is the governing body of the District; and

WHEREAS, the Board has determined that it is in the best interest of the District to make certain expenditures relating to certain solar energy generation facilities of benefit to the District consisting of the following: (a) a primary solar array of approximately 162 kW DC in size to be located at 4870 Heritage Road to offset energy used by the Wastewater Treatment Plant and Administration Building, (b) a primary solar array of approximately 385 kW DC in size to be located at Well Road to offset energy used by the Water Treatment Plant, Pump Station 1, and Pump Station 4, and (c) certain secondary solar arrays to be located within the District (collectively, the “Project”); and

WHEREAS, the Board desires to deliver the Project as a Design-Build contract.

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

Section 1. Approval of Project and CEQA. The Board approves the Project and declares the Project to be categorically exempt in accordance with Section 15301, and Section 15303 of the CEQA Guidelines. The following findings support that the Project is consistent with these exemptions:

- Categorical Exemption: CEQA Guidelines Section 15301 Existing Facilities, exempts projects that involve “*the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.*”

Findings: The following findings support that the Project is consistent with this provision:

- The solar equipment will offset energy for the operation of the existing public facilities at the water treatment plant and the wastewater treatment plant.
- The solar equipment consists of minor alteration to the existing public facilities at the water treatment plant and the wastewater treatment plant.

- The solar equipment will be erected within existing disturbed footprints of the water treatment plant and the wastewater treatment plant sites.
 - The solar equipment will not involve expansion of use of the public facilities beyond that existing at the time of determination.
- Categorical Exemption: CEQA Guidelines Section 15303 New Construction, exempts projects that involve “*construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure.*”

Findings: The following findings support that the Project is consistent with this provision:

- The solar equipment consists of construction and location of limited numbers of new, small facilities to the existing public facilities at the water treatment plant and the wastewater treatment plant.
- The solar equipment will be erected within existing disturbed footprints of the water treatment plant and the wastewater treatment plant sites.
- The solar equipment will not involve expansion of use of the public facilities beyond that existing at the time of determination.

Section 2. Award of Project. The Board awards the Project to the most qualified proposer determined by the Board to be _____.

Section 3. Authorization. The Board authorizes the General Manager to file a Notice of Exemption with the County Clerk and Office of Planning and Research, and to execute a construction agreement and issue a notice to proceed for the Project.

Section 4. Effective Date. This Resolution shall take effect upon its passage.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Heritage Ranch Community Services District on the 16th day of January 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
BOARD OF DIRECTORS' REGULAR MEETING**

Minutes of December 19, 2019

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. All 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. ELECTION OF BOARD OFFICERS

Director Cousineau nominated Director Burgess for President for 2020. Director Burgess accepted.

Director Cousineau made a motion to elect Director Burgess for President. Director Capps seconded the motion. The motion passed by the following voice vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

Nays: None

Director Burgess nominated Director Capps for Vice President for 2020. Director Capps accepted.

Director Burgess made a motion to elect Director Capps for Vice President. Director Barker seconded the motion. The motion passed by the following voice vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

Nays: None

4. 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.

5. DISCUSSION ITEMS

- a. **Request to accept and direct staff to file the Independent Auditor's Report and Financial Statements for the Year Ended June 30, 2019, prepared by Crosby Company.**

Manager Duffield provided a brief summary of the item and introduced District Auditor Bob Crosby of Crosby Company.

Mr. Crosby provided a summary of the Independent Auditor's Report and Financial Statements and answered any questions the board had.

Director Barker made a motion to accept the Independent Auditor's Report and Financial Statements and direct staff to file. Director Rowley seconded the motion. The motion passed by the following voice vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

Nays: None

b. Request to approve draft Design-Build contract documents for the Photovoltaic System Project and direct staff to advertise for proposals.

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 the draft Design-Build contract documents and direct staff to advertise for proposals. Director Barker seconded the motion. The motion passed by the following voice vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

Nays: None

c. Request to approve a lease agreement with the Heritage Ranch Owners' Association for the purpose of establishing parcel contiguity for the Photovoltaic System Project water treatment plant site.

Manager Duffield along with District Counsel, Jeff Minnery provided a brief summary of the item and answered any questions the board had.

Director Barker made a motion to approve the lease agreement with the Heritage Ranch Owners' Association. Director Capps seconded the motion. The motion passed by the following voice vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

Nays: None

6. CONSENT ITEMS

- a. Meeting Minutes:** Receive/approve minutes of regular meeting of November 21, 2019.
- b. Warrant Register:** Receive/approve November 2019 warrants.
- c. Treasurer's Report:** Receive/file November 2019 report.
- d. Fiscal Report:** Receive/file November 2019 status report.
- e. Manager's Report:** Receive/file November 2019 report.
- f. Staff Reports:** Receive/file November 2019 reports.

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

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

Nays: None

7. DIRECTORS/MANAGER COMMENTS

Director Cousineau thanked Director Barker for his term as President.

Manager Duffield reported to the Board, two staff members of the operations crew was thanked by the Fire Department for helping with an emergency during business hours.

Operation Supervisor Molinari reported to the Board, our water system recently violated a drinking water standard, Disinfection Byproducts.

8. ADJOURNMENT

On a motion by Director Barker and seconded by Director Cousineau, the meeting adjourned at 5:30 pm to the next scheduled regular meeting on Thursday, January 16, 2020.

APPROVED:

Dan Burgess, President
Board of Directors

ATTEST:

Kristen Gelos, Secretary
Board of Directors

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
DECEMBER 2019
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
12/2/2019	AT&T TELEPHONE & INTERNET	259.07	\$259.07
12/3/2019	CALPERS HEALTH BENEFITS CALPERS HEALTH BENEFITS EMPLOYEE PAID HEALTH BENEFIT EMPLOYEE PAID HEALTH BENEFIT	10,904.78 795.92 795.92	\$12,496.62
12/5/2019	J.B. DEWAR. INC. FUEL & OIL	1,678.32	\$1,678.32
12/6/2019	R. BRINK NET PAYROLL	2,027.60	\$2,027.60
12/6/2019	J. MOLINARI NET PAYROLL	2,885.15	\$2,885.15
12/6/2019	R. ARNOLD NET PAYROLL	2,296.10	\$2,296.10
12/6/2019	J. PRITCHETT NET PAYROLL	1,929.55	\$1,929.55
12/6/2019	M. HUMPHREY NET PAYROLL	1,932.49	\$1,932.49
12/6/2019	K. GELOS NET PAYROLL	2,319.41	\$2,319.41
12/6/2019	D. BURGESS NET PAYROLL	46.17	\$46.17
12/6/2019	B. BARKER NET PAYROLL	46.17	\$46.17
12/6/2019	M. ROWLEY NET PAYROLL	46.17	\$46.17
12/6/2019	S. DUFFIELD NET PAYROLL	3,490.07	\$3,490.07
12/6/2019	D. CAPPS NET PAYROLL	46.17	\$46.17

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
DECEMBER 2019
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
12/6/2019	S. BRENNEMAN NET PAYROLL	1,555.45	\$1,555.45
12/9/2019	ADAMSKI, MOROSKI, MADDEN, CUMB LEGAL & ATTORNEY/PVS PROJECT	2,559.03	\$2,559.03
12/9/2019	RYAN BRINK MEDICAL REIMBURSEMENT	212.82	\$212.82
12/9/2019	PG&E ELECTRICITY	19,845.57	\$19,845.57
12/9/2019	FERGUSON ENTERPRISES INC MAINTENANCE FIXED EQUIPMENT SUPPLIES	211.13 85.08	\$296.21
12/9/2019	BLAKES INC SUPPLIES	9.68	\$9.68
12/9/2019	USA BLUEBOOK LAB TESTING	172.18	\$172.18
12/9/2019	KRITZ EXCAVATING & TRUCKING MAINTENANCE FIXED EQUIPMENT	98.38	\$98.38
12/9/2019	BRENNTAG PACIFIC, INC CHEMICALS	2,434.98	\$2,434.98
12/9/2019	FGL ENVIRONMENTAL LAB TESTING	73.00	\$73.00
12/9/2019	ASSOCIATED BACKFLOW SERVICES PROFESSIONAL SERVICES	585.00	\$585.00
12/9/2019	AIRFLOW FILTER SERVICE, INC. VEHICLES	21.57	
	FUEL & OIL	17.82	\$39.39
12/9/2019	ROY ARNOLD MEDICAL REIMBURSEMENT	760.00	
	UNIFORM ALLOWANCE	135.14	\$895.14
12/9/2019	CSDA DUES & SUBSCRIPTIONS	7,077.00	\$7,077.00

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
DECEMBER 2019
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
12/9/2019	APPLIED TELECOM TECHNOLOGY PROFESSIONAL SERVICES	224.00	\$224.00
12/9/2019	NAPA AUTO PARTS VEHICLES VEHICLES	151.84 202.51	\$354.35
12/9/2019	KRISTEN GELOS MEDICAL REIMBURSEMENT	481.50	\$481.50
12/9/2019	R. BAKER INC. MAINTENANCE FIXED EQUIPMENT	700.00	\$700.00
12/9/2019	WINE COUNTRY BALANCE PROFESSIONAL SERVICES	77.00	\$77.00
12/9/2019	RIVAL TECHNOLOGY INC. COMPUTER / SOFTWARE	144.74	\$144.74
12/9/2019	KENWOOD ENERGY PVS PROJECT	5,801.25	\$5,801.25
12/9/2019	SWRCB PROFESSIONAL SERVICES	4,391.00	\$4,391.00
12/9/2019	HROA HYDRANT METER RENTAL CRED	56.60	\$56.60
12/9/2019	COUNTY OF SAN LUIS OBISPO WATER PURCHASE	11,557.00	\$11,557.00
12/9/2019	COASTLINE EQUIPMENT 2020 JOHN DEERE BACKHOE BACKHOE REPLACEMENT	104,161.95 162.29	\$104,324.24
12/10/2019	EMPLOYMENT DEVELOPMENT DEPARTM SDI	266.69	
	STATE WITHHOLDING	961.06	\$1,227.75
12/10/2019	INTERNAL REVENUE SERVICE FEDERAL WITHHOLDING TAXES	2,578.50	
	FICA WITHI HOLDING	31.00	
	MEDICARE	780.72	\$3,390.22

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
DECEMBER 2019
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
12/11/2019	BAUTISTA'S CLEANING SERVICE STRUCTURES & GROUNDS	180.00	\$180.00
12/13/2019	CALPERS 457 DEFFERED COMP PROG PERS 457- DEFFERED COMP.	1,225.00	\$1,225.00
12/13/2019	CALPERS RETIREMENT SYSTEM PERS RETIREMENT PERS RETIREMENT TIER 2 PERS RETIREMENT PEPRA SURVIVOR BENEFIT	3,123.28 962.32 499.18 7.44	\$4,592.22
12/17/2019	SAN MIGUEL GARBAGE DELINQUENT SOLID WASTE FEES	2,525.50	\$2,525.50
12/20/2019	J.B. DEWAR. INC. FUEL & OIL	449.45	\$449.45
12/20/2019	R. BRINK SICK LEAVE PAY-OUT	1,528.01	\$1,528.01
12/20/2019	R. BRINK NET PAYROLL	2,264.89	\$2,264.89
12/20/2019	J. MOLINARI SICK LEAVE PAY-OUT	1,609.45	\$1,609.45
12/20/2019	J. MOLINARI NET PAYROLL	2,921.50	\$2,921.50
12/20/2019	R. ARNOLD SICK LEAVE PAY-OUT	447.83	\$447.83
12/20/2019	R. ARNOLD NET PAYROLL	2,180.77	\$2,180.77
12/20/2019	J. PRITCHETT NET PAYROLL	1,908.64	\$1,908.64
12/20/2019	M. HUMPHREY NET PAYROLL	1,838.02	\$1,838.02
12/20/2019	K. GELOS NET PAYROLL	2,319.41	\$2,319.41

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
DECEMBER 2019
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
12/20/2019	S. DUFFIELD NET PAYROLL	3,715.94	\$3,715.94
12/20/2019	S. BRENNEMAN NET PAYROLL	1,614.64	\$1,614.64
12/20/2019	SAN MIGUEL GARBAGE DELINQUENT SOLID WASTE FEES	201.50	\$201.50
12/23/2019	AT&T TELEPHONE & INTERNET	167.19	\$167.19
12/23/2019	CALPERS RETIREMENT SYSTEM PERS RETIREMENT U/L PERS RETIREMENT U/L PERS RETIREMENT U/L	5,797.93 168.52 36.14	\$6,002.59
12/24/2019	INTERNAL REVENUE SERVICE FEDERAL WITHHOLDING TAXES MEDICARE	3,000.14 902.54	\$3,902.68
12/24/2019	EMPLOYMENT DEVELOPMENT DEPARTM SDI STATE WITHHOLDING	204.83 1,069.21	\$1,274.04
12/27/2019	CALPERS 457 DEFFERED COMP PROG PERS 457- DEFFERED COMP. PERS 457- DEFFERED COMP.	587.00 638.00	\$1,225.00
12/27/2019	CALPERS RETIREMENT SYSTEM EMPLOYER'S CONTRIBUTION PERS RETIREMENT PERS RETIREMENT TIER 2 PERS RETIREMENT PEPRA SURVIVOR BENEFIT	19.44 3,123.28 962.32 509.95 7.44	\$4,622.43
12/31/2019	GREAT WESTERN ALARM ALARM / ANSWERING SERVICE	288.30	\$288.30
12/31/2019	CONSOLIDATED ELECTRICAL DISTRI STRUCTURES & GROUNDS	36.53	\$36.53
12/31/2019	RYAN BRINK CELL / INTERNET ALLOWANCE	80.00	\$80.00

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
DECEMBER 2019
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
12/30/2019	AT&T TELEPHONE / INTERNET	258.66	\$258.66
12/31/2019	READY REFRESH BY NESTLE LAB TESTING	15.94	\$15.94
12/28/2019	CHARTER COMMUNICATIONS INTERNET	84.99	\$84.99
12/31/2019	HOME DEPOT CREDIT SERVICES FIXED EQUIP. / SM TOOLS	75.93	\$75.93
12/31/2019	FARM SUPPLY COMPANY MAINTENANCE FIXED EQUIPMENT MAINTENANCE FIXED EQUIPMENT	221.94 212.85	\$434.79
12/31/2019	JASON MOLINARI CELL / INTERNET ALLOWANCE	80.00	\$80.00
12/31/2019	COUNTY OF SAN LUIS OBISPO PROFESSIONAL SERVICES	250.40	\$250.40
12/31/2019	ROY ARNOLD CELL / INTERNET ALLOWANCE	80.00	\$80.00
12/31/2019	FLUID RESOURCE MANAGEMENT PROFESSIONAL SERVICES	550.00	\$550.00
12/31/2019	ABALONE COAST ANALYTICAL, INC. LAB TESTING	1,301.00	\$1,301.00
12/31/2019	CROSBY COMPANY, CPA FYE 6/30/19 AUDIT	6,000.00	\$6,000.00
12/31/2019	KRISTEN GELOS CELL / INTERNET ALLOWANCE	40.00	\$40.00
12/31/2019	CALIFORNIA ENVIRONMENTAL CONTR MAINTENANCE FIXED EQUIPMENT	1,597.40	\$1,597.40
12/31/2019	JAMES A. PRITCHETT CELL / INTERNET ALLOWANCE	80.00	\$80.00

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
DECEMBER 2019
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
12/31/2019	CORE & MAIN LP COMPUTERS / SOFTWARE	253.85	\$253.85
12/31/2019	LOWE'S FIXED EQUIPMENT / SUPPLIES SM TOOLS / STRUCTURES & GRNDS	182.98 131.49	\$314.47
12/31/2019	U.S. BANK TRAINING & TRAVEL TRAINING & TRAVEL VEHICLES MAINTENANCE FIXED EQUIPMENT SMALL TOOLS & EQUIPMENT TRAINING & TRAVEL EQUIPMENT RENT / LEASE	823.29 411.65 21.53 109.26 26.23 190.00 70.97	\$1,652.93
12/31/2019	MASTER METER, INC. COMPUTER/SOFTWARE	1,500.00	\$1,500.00
12/31/2019	SCOTT DUFFIELD CELL / INTERNET ALLOWANCE	40.00	\$40.00
12/31/2019	WESTERN EXTERMINATOR COMPANY STRUCTURES & GROUNDS	86.00	\$86.00
12/31/2019	MARK HUMPHREY CELL / INTERNET ALLOWANCE	80.00	\$80.00
12/31/2019	TABORDA SOLUTIONS COMPUTER / SOFTWARE	207.96	\$207.96
12/31/2019	NATIONSTAR MORTGAGE UTILITY REFUND - FINAL ACCOUNT	6.92	\$6.92
GRAND TOTAL FOR ALL WARRANTS			\$264,195.31

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
TREASURER'S REPORT
DECEMBER 2019**

SUMMARY REPORT OF ALL ACCOUNTS

Beginning Balance:	\$ 3,718,311.87
Ending Balance:	\$ 3,707,833.05
Variance:	\$ (10,478.82)
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:	\$ 8.84
Interest earnings for the P.P.B. DWR Loan Services account was:	\$ 5.38
Interest earnings for the P.P.B. DWR Reserve account was:	\$ 71.24
Interest earnings for the P.P.B. SRF Loan Services account was:	\$ 26.72
Interest earnings for the P.P.B. SRF Reserve account was:	\$ -
Interest earnings for the LAIF account was:	\$ -

ANALYSIS OF EXPENSES

Pacific Premier Bank checking account total warrants, fees, and Electronic Fund Transfers was:	\$ 310,442.91
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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
DECEMBER 2019**

BEGINNING BALANCE ALL ACCOUNTS **\$ 3,718,311.87**

OPERATING CASH IN DRAWER **\$300.00**

PACIFIC PREMIER BANK - CHECKING

BEGINNING BALANCE 11/30/2019	\$203,710.56	
DEPOSIT REVENUE & MISCELLANEOUS INCOME	\$388,629.19	
INTEREST EARNED	\$8.84	
TOTAL CHECKS, FEES AND EFT'S	(\$310,442.91)	
TRANSFER TO LAIF ACCOUNT	(\$100,000.00)	
ENDING BALANCE 12/31/2019		\$181,905.68

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

LOAN SERVICES ACCOUNT

BEGINNING BALANCE 11/30/2019	\$96.49	
QUARTERLY DEPOSIT	\$25,907.00	
INTEREST EARNED	\$5.38	
SEMI-ANNUAL PAYMENT	\$0.00	
ENDING BALANCE 12/31/2019		\$26,008.87

PACIFIC PREMIER BANK DWR RESERVE ACCOUNT

BEGINNING BALANCE 11/30/2019	\$113,018.81	
INTEREST EARNED	\$71.24	
ENDING BALANCE 12/31/2019		\$113,090.05

PACIFIC PREMIER BANK SDWSRF LOAN SERVICES ACCOUNT

BEGINNING BALANCE 11/30/2019	\$44,149.89	
QUARTERLY DEPOSIT	\$14,685.00	
INTEREST EARNED	\$26.72	
SEMI-ANNUAL PAYMENT	(\$29,369.28)	
ENDING BALANCE 12/31/2019		\$29,492.33

PACIFIC PREMIER BANK SDWSRF RESERVE ACCOUNT

BEGINNING BALANCE 11/30/2019	\$0.00	
QUARTERLY DEPOSIT	\$0.00	
INTEREST EARNED	\$0.00	
ENDING BALANCE 12/31/2019		\$0.00

LOCAL AGENCY INVESTMENT FUND (LAIF)

BEGINNING BALANCE 11/30/2019	\$3,357,336.12	
INTEREST EARNED	\$0.00	
TRANSFER FROM PACIFIC PREMIER CHECKING	\$100,000.00	
TRANSFER TO PACIFIC PREMIER CHECKING	(\$100,000.00)	
ENDING BALANCE 12/31/2019		\$3,357,336.12

ENDING BALANCE ALL ACCOUNTS		\$3,707,833.05
DIFFERENCE FROM LAST MONTH	Decrease	(\$10,478.82)

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
QUARTERLY TREASURER'S
REPORT FOR THE PERIOD OF
OCTOBER 1, 2019 – DECEMBER 30, 2019**

SUMMARY REPORT OF ALL ACCOUNTS

Beginning Balance	\$	3,568,879
Ending Balance	\$	3,707,833
Variance	\$	138,954
Interest Earnings	\$	20,717.21

STATEMENT OF COMPLIANCE

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

ACCOUNT PROFILE INFORMATION

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

INTEREST EARNINGS: TRENDS & PROJECTIONS

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

SUMMARY OF INTEREST EARNINGS

* Account Profile by Reference Number

	Beginning Balance	Total Debits	Total Credits	Interest Earnings	Ending Balance
1	300.00	-	-	-	300.00
2	89,555.94	-815,899.55	723,570.49	20.68	181,905.68
3	96.49	-25,907.00	0.00	5.38	26,008.87
4	113,018.81	0.00	0.00	71.24	113,090.05
5	29,464.89	-29,370.00	29,369.28	26.72	29,492.33
6	0.00	0.00	0.00	0.00	0.00
7	3,336,742.93	-100,000.00	100,000.00	20,593.19	3,357,336.12
TOTALS	\$3,569,179.06	(\$971,176.55)	\$852,939.77	\$20,717.21	\$3,708,133.05

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

MANAGEMENT BY CONTRACTED PARTIES

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

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

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

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

OPERATING INCOME	Budget FY 19/20	Actual December	Actual Year to Date	Percentage Year to Date	Variance Explanation
Water Fees	1,048,675	79,679	570,529	54%	
Sewer Fees	628,817	51,563	308,760	49%	
Hook-Up Fees	6,000	0	600	10%	Fluctuates based on activity
Turn on Fees	3,500	225	1,650	47%	
Late Fees	18,000	1,431	8,824	49%	
Plan Check & Inspection	10,000	0	993	10%	
Miscellaneous Income	2,000	78	9,834	492%	
TOTAL OPERATING INCOME	\$1,716,992	\$132,977	\$901,189	52%	

FRANCHISE INCOME					
Solid Waste Franchise Fees	70,932	5,294	35,260	50%	
TOTAL FRANCHISE REVENUE	\$70,932	\$5,294	\$35,260	50%	

NON-OPERATING INCOME					
Standby Charges	242,466	56,549	101,470	42%	
Property Tax	364,361	82,817	166,470	46%	
Interest	50,000	112	42,313	85%	Fluctuates based on activity
Connection Fees	141,160	0	14,116	10%	Fluctuates based on activity
TOTAL NON-OPERATING INCOME	\$797,987	\$139,477	\$324,369	41%	

RESERVE REVENUE					
Capital Reserves	63,307	2,439	12,084	19%	
Operating Reserves	151,584	46,339	71,986	47%	
TOTAL RESERVE REVENUE	\$214,891	\$48,778	\$84,070	39%	

TOTAL ALL INCOME	\$2,800,802	\$326,526	\$1,344,888	48%	
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**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2019/20 Budget**

OPERATING EXPENSES

SALARIES AND BENEFITS	Budget FY 19/20	Actual December	Actual Year to Date	Percentage Year to Date	Variance Explanation
Salaries	644,289	55,188	333,646	52%	
Health Insurance	96,753	9,077	50,875	53%	
Health Insurance - Retiree	48,561	3,836	23,688	49%	
PERS	115,465	11,327	70,235	61%	
Standby	12,900	1,022	6,074	47%	
Overtime	15,050	778	6,946	46%	Fluctuates based on need & staffing
Workers Comp. Ins.	25,072	0	21,681	86%	Paid Annually
Directors' Fees	7,000	250	3,300	47%	
Medicare/FICA	9,863	857	5,353	54%	
Car Allowance	3,000	250	1,500	50%	
SUI/ETT	1,500	0	0	0%	
Uniforms	4,500	135	1,512	34%	
TOTAL SALARIES & BENEFITS	\$983,953	\$82,720	\$524,810	53%	

UTILITIES

Electricity	240,202	19,846	119,886	50%	
Propane	973	0	150	15%	
Water Purchase	23,114	11,557	23,114	100%	Paid Semiannually
Telephone/Internet	11,663	1,250	5,699	49%	
TOTAL UTILITIES EXPENSE	\$275,952	\$32,652	\$148,848	54%	

MAINTENANCE & SUPPLIES

Chemicals	76,000	2,435	28,622	38%	
Computer/Software	7,000	2,107	5,299	76%	
Equip. Rental/Lease	1,000	71	215	22%	
Fixed Equip.	103,000	3,229	34,467	33%	
Fuel & Oil	12,000	2,146	6,784	57%	
Lab Testing	30,000	1,562	20,289	68%	
Office Supplies	3,000	0	792	26%	
Parks & Recreation	500	0	0	0%	
Struct./Grnds.	14,000	415	6,397	46%	
Small Tools/Equip.	3,500	98	1,614	46%	
Supplies	6,000	223	4,562	76%	
Meters/Equip.	5,000	0	0	0%	Fluctuates based on activity
Vehicles	8,500	397	4,800	56%	
TOTAL MAINT. & SUPPLY EXPENSE	\$269,500	\$12,683	\$113,840	42%	

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

GENERAL & ADMINISTRATION	Budget FY 19/20	Actual December	Actual Year to Date	Percentage Year to Date	Variance Explanation
Ads./Advertising	1,500	0	382	25%	Fluctuates based on activity
Alarm/Answering Service	3,275	288	1,749	53%	
Audit	10,000	6,000	6,057	61%	
Bank Charges/Fees	3,000	327	2,021	67%	
Consulting/Engineering	20,000	0	1,933	10%	
Dues/Subscription	9,400	7,077	8,103	86%	
Elections	1,000	0	0	0%	
Insurance	20,488	0	29,668	145%	Paid Annually
LAFCO	8,000	0	7,904	99%	Paid Annually
Legal/Attorney	22,000	1,269	7,959	36%	
Licenses/Permits	28,200	0	4,920	17%	
Plan Check & Inspection	10,000	0	993	10%	
Postage/Billing	20,000	0	5,783	29%	
Professional Service	38,400	6,077	18,937	49%	
Tax Collection	5,300	0	0	0%	
Staff Training & Travel	7,000	1,425	3,652	52%	
Board Training & Travel	10,000	0	20	0%	
TOTAL G & A	\$217,563	\$22,464	\$100,080	46%	

CAPITAL PROJECTS & EQUIPMENT

Projects	243,918	7,091	53,874	22%	
Equipment	135,000	104,324	104,324	77%	
TOTAL CAPITAL EXPENSE	\$378,918	111,416	158,199	42%	

DEBT

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

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

TOTAL EXPENSE	\$2,576,255	\$315,303	\$1,270,961	49%	
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CONNECTION FEES TRANSFER \$141,160 \$0 \$14,116 10%

SOLID WASTE FEES TRANSFER \$30,321 \$2,292 \$15,248 50%

FUND TOTAL	\$53,065	\$8,930	\$44,563		
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HERITAGE RANCH COMMUNITY SERVICES DISTRICT

Manager Report For the Month of January 2020

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

Administration

- Staff coordinated updating systems with the new year information such as rates, fees, charges, calendars, and human resources related items.
- The office was closed 12/24/19 – 12/27 for the Christmas Holiday. Operations tasks were maintained during this time.

Operations

- The District officially received a citation from the Division of Drinking Water for exceeding the haloacetic acids maximum contaminant level for the fourth calendar quarter of 2019. Staff reported to your Board at the December meeting that this was anticipated. The main cause is the increase in total organic compounds in the raw water from Nacimiento Reservoir which could partially be contributed to effects from the Chimney Fire. There is no immediate threat and customers do not need to do anything. The District is required to notify customers of the issue and how it will be addressed which will go out with the next billing cycle. Staff is working on short term actions to address the issue which include adjusting the distribution system, increasing the powder activated carbon dosing, and using a different polymer to name a few. The Operations & Engineering Committee convened last week to discuss these short-term as well as long-term improvements to the water system. The District will engage an engineering firm to assist with long-term actions which may include but not be limited to installation of a granular activated carbon system and prioritizing the vertical well project. The Operations & Engineering Committee will convene on a regular basis and will keep the Board informed.
- Additional updates regarding operations can be found in the Operations Report.

Solid Waste

- Nothing significant to report.

Reservoir Status

- As reported by Monterey County Water Resources Agency (MCWRA), as of January 7, 2020, the reservoir was at approximately 762 feet in elevation, 52% of

capacity, or 195,590-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

- The calendar of events for CSDA should be published soon and will contain many different training opportunities for Directors and Staff.

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Heritage Ranch Community Services District Operations Report -December 2019

Water Treatment:

- 7.5 Million gallons of water was treated
- Cleaned the plate settler
- Began repair of the plate settler actuated valve
- Submitted monthly treatment plant report
- Met with representative from Calgon carbon to discuss alternative carbon options
- Met with PG&E representative to discuss energy efficient lighting options

Water Distribution:

- Repaired two water service line leaks
- Scheduled tri-annual rebuilding of the District's pressure reducing valves
- Troubleshoot and replaced two overload sensors at Pump Station 6

Wastewater Treatment:

- 3.78 Million gallons of wastewater was treated
- Collected 4th quarter Time Schedule Order samples
- Completed aeration adjustments to balance the nitrogen cycle in Ponds 1 and 2
- Completed and passed the annual quality assurance testing for the Environmental Laboratory Accreditation Program (ELAP). Passing this test allows the District to analyze certain wastewater constituents in house
- Submitted monthly treatment plant report

Wastewater Collection:

- Completed monthly lift station checks
- Monthly checks of all back-up generators

Vehicle & Equipment Maintenance:

- Routine oil changes on District Equipment
- Replaced alternator on the 2008 Ford Ranger

Structures & Grounds:

- Sealed exposed areas of the office building to prevent water intrusion
- Completed landscaping at Lift Station 7

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
DECEMBER 2019 OFFICE REPORT**

Water & Sewer

On January 1st, we processed 1,917 bills for a total dollar amount of \$117,181 for water and sewer user fees for the month of December. The number of Automatic Drafts processed was 548 for a total dollar amount of \$36,346. On December 26th we processed 230 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 November

Garbage Collection (10%) - \$ 5,176.68

Roll-Off Collection (10%) - \$ 116.94

Total Franchise Fees Collected - \$ 5,293.62

Service Orders Completed

Staff completed a total of 36 service orders for the month of December. Below is a breakdown by job code.

UNLOCK	4	SWAP/PULL METER	7
USA	10	MISC	1
OCCUPANT CHANGE	5	CONNECT	2
SEWER PROBLEM	1	LEAK	1
CALL OUT	5		