

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager
Aron Kardashian, San Miguel Garbage Company

DATE: November 21, 2019

SUBJECT: Request to approve an extraordinary rate adjustment for solid waste services provided by San Miguel Garbage Company, and schedule a public hearing for January 16, 2020, for adoption of the adjusted rates.

Recommendation

It is recommended that the Board of Directors review and approve the extraordinary rate adjustment for solid waste services provided by San Miguel Garbage Company, and schedule a public hearing for January 16, 2020, for adoption of the adjusted rates.

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.

Discussion

Pursuant to the Agreement, the rates charged by SMGC may be adjusted from time to time. SMGC is requesting that a rate adjustment be imposed on both the residential and commercial customers per language in the Agreement Article 9, Section 9.4 - Extraordinary Rate Adjustment.

The rates set by the Agreement are calculated to pay certain expenses and costs that are of a contingent and uncertain nature. Therefore, the rates under Section 9.4 of the Agreement shall, upon written request of Franchisee or District, be further adjusted on an interim basis for increased or decreased expenses associated with performance of the services due to any one or more of the following causes:

- material changes in Franchisee's costs resulting from a Force Majeure event;
- changes to Franchisee's operations or the Franchise Fee or other fees required or initiated by District;
- Franchisee desires to provide additional new services or the District requests the Franchisee to provide any additional new services, or Franchisee desires or the District requests the Franchisee to change the method of providing, or the technology used to provide, existing services under this Agreement;

- any increase or decrease in disposal fees or in fees for the processing of recyclable materials if such recyclables materials are being processed at a third-party facility.
- any change in the cost of compliance with new state or federal laws.

In this case the request is due to bullets two, four, and five.

With the changes in environmental regulations in China, the largest importer of U.S. recyclables materials, the cost of recycling has increased and led to limited markets for the material across the U.S. Standards for materials have increased and prices have decreased. The Chinese ban on mixed recyclables materials has forced the recovered materials industry to slow down its sort lines and add labor to remove contamination that had crept into the mix over the past two decades.

Since the inception of SB1383 and AB1826 there are many new goals the state has implemented. One that will affect the District directly is the organic’s regulations imposing a new standard for picking up green waste and food waste. San Miguel Garbage Company will be utilizing the Kompogas Digestion facility in San Luis Obispo for the recycling and renewable energy disposal of all or part of our organic material. SMGC will continue to process the organics in house and deliver a product ready for digestion to Kompogas. This will also have a direct cost increase associated with the processing of this material.

The Agreement also specifies how rate adjustments shall be determined. This process requires submittal of detailed financial and operating information which is carefully reviewed and analyzed by the District.

The extraordinary rate adjustments are presented as detailed in the following table and corresponding attached rate schedule included with the notice to customers as Attachment A.

Customer Type	Rate Adjustment
Residential	4.80% to go into effect February 1, 2020
Commercial	34.22% to go into effect February 1, 2020

The rate setting objective is to determine integrated solid waste management rates that are fair to residents and which provide adequate revenue to the hauler. With the District’s review, the rates that San Miguel Garbage Company has asked for are justifiable and supportable and have followed the guidelines of the rate setting process.

Rate Approval Process

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

California State Constitution Article 3D, Section 6(5)(c) requires notice to property owners 45-days before a public hearing in which an adjustment in solid waste rates are to be considered. If more than fifty percent of the impacted property owners protest the fee adjustment in writing, your Board can not adopt the adjustment. SMGC has prepared a notice that will be mailed to all property owners on December 1, 2019. The public hearing is to be held on January 16, 2020, and the new fees would become effective February 1, 2020.

The notice to property owners is included as Attachment A.

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 solid waste companies to maintain established profit margins pursuant to franchise agreements while continuing to provide solid waste services to the public at reasonable costs. Approval of the recommended action will also result in setting the date for a public hearing to consider adoption of the adjusted rates.

Attachment: Attachment A – Notice to property owners

File: G.03 SMGC Rates

Attachment A

San Miguel Garbage Co. Inc.
P.O. Box 249
San Miguel, Ca. 93451
805-467-9283

December 1, 2019

Dear Customer:

San Miguel Garbage Co, Inc. would like to take this time to say “Thank you” for your continued service. Below you will find some important dates to remember and additional information regarding the services we provide.

Upcoming Holiday Pickups:

Pickup days for the weeks of December 25, 2019 and January 1, 2020 will be as follows:

Residential customers – pickup will be on your normal pick up day

Commercial customers – pickup will NOT be on your normal pickup day.
On these two weeks the commercial pickup day will be the next business day.

Notice of Rate Increase:

Proposition 218 and 2020 proposed rates are enclosed.

Within the rates a mandatory IWMA AB939 fee is included. Information regarding the IWMA (Integrated Waste Management Authority) can be found online at www.IWMA.com or you can reach them by phone at 805-782-8530. This fee is .30 cents for all customers with a monthly bill of \$49.99 or less. All customers with a monthly bill of \$50.00 or more will be charged 2% of their monthly bill.

SERVICE

Per the Franchise Agreement between Heritage Ranch Community Service District and San Miguel Garbage Co. (section 5.2), and per the property owners Code of Ordinance Agreement (section 8.20), waste collection is mandatory for all property owners in the Heritage Ranch Community.

All residential customers are provided with three waste wheeler carts: All cans are the property of San Miguel Garbage. You will be charged the current cost for missing/lost cans when service is stopped or terminated.

Black Garbage cart – used for all refuse, garbage, solid waste or rubbish, ordinarily produced in and about the household. Do not use for dead animals, refuse from construction, demolition or alteration of buildings, earth rocks or hot ashes.

Blue Commingled Recycling cart - used for all rigid plastic containers with a neck, glass bottles & jars, steel, tin & aluminum cans, junk mail, office paper, newspaper, boxes, catalogs and magazines. Do not use for contaminated trash, clothing, wood, green waste or hazardous material. For a complete list of all recyclable items you can call Integrated Waste Management Authority at (805)782-8530, or see their website at www.iwma.com. Your nearest recycling drop-off & buy back center is A1 Metals (805)238-3545 located at 5795 Stockdale Rd. Paso Robles, CA 93446.

Green Greenwaste cart – used for grass, tree, landscape trimmings and non-treated lumber. Do not use for pretreated, oil stained or painted wood, building materials, trash or commingled recyclables.

Commercial bin customers may also receive carts for recyclables and green waste.

Attachment A

Free Curbside Oil Recycling is available. Please call our office to have a clean oil recycling container dropped off. Once you have filled the container give us a call and we will pick it up.

Household Hazardous Waste – a free drop-off facility located at the Heritage Ranch Community Services District Maintenance Yard is open on Friday 12:00pm to 2:00pm or by appointment. Please call (805)227-6230 for more information.

WHITE GOODS PICKUP

The White Goods pickup program has been extended through **2020**. All White Goods (refrigerators, washers, dryers, stoves etc) will be picked up at no charge. Call our office Monday – Friday, 8:30am to 4:00pm, to schedule a pickup of your White Goods item.

BILLING & PAYMENTS

San Miguel Garbage Co. will bill at the beginning of each month. Payments can be made by cash, check or credit card (Visa, MasterCard, AmEx, Discover). You can pay by credit card online at www.sanmiguelgarbage.com.

We also offer our customers the convenience of automatic payments, withdrawn on the 10th of each month, via credit card or ACH check. Enclosed are two forms, one for credit card payment and the other for ACH check. If you would like to set automatic payments up, please fill out the form of your choice, sign and return to our office. If you choose the ACH check options, please attach a voided check to the form.

The waste collection service account is the responsibility of the property owners, even if the house is rented out. Account balances are reviewed annually. All accounts 120 days past due will be sent to the county for collection via property taxes.

HOLIDAY SCHEDULE

San Miguel Garbage Co, Inc. works all holidays except Christmas day & New Years day. If the holiday falls on a business day, and your pickup day is **ON** or **AFTER** one of the above days, pickup will be delayed one day.

ANNUAL CLEANUP

San Miguel Garbage Co, Inc. provides two annual cleanup days. The 2020 annual cleanup days will be **Monday, December 2nd, 2019 and Monday, June 1st, 2020**. On these two days you may put out **1 extra can of trash with your regular trash**, at no additional cost to you.

PART-TIME STICKERS

If needed, we provide part time customers with “Part-Time” stickers to put on their cans. The stickers will allow our drivers to return all containers adjacent to the dwelling once they have been dumped.

All Part-Time Residents that desire to utilize this service must call the office to be placed on the part-time list and have their containers marked with a PT sticker supplied, and installed, by San Miguel Garbage.

QUESTIONS - CHANGES - COMPLAINTS

San Miguel Garbage Company’s goal is to provide you with the best customer service. If you have any questions or would like to change your current service, please call our office between 8:30am and 4:00pm Monday – Friday at (805)467-9283 and let us know of any solid waste situations so we can work together to correct them. Also, refer to the back of your monthly statement for additional information.

Our office is located at 6625 Benton Rd., Paso Robles, CA 93446. Our mailing address is P.O. Box 249, San Miguel, CA 93451. If we are unable to satisfy your needs, you should contact the Heritage Ranch Community Services District at (805)227-6230.

Attachment A
SAN MIGUEL GARBAGE COMPANY, INC.
MAILING ADDRESS
P.O. BOX 249
SAN MIGUEL, CA 93451

Notice of Public Hearing Regarding Proposed Solid Waste Rate Increases

December 1, 2019

Dear Property Owner/Customer:

This notice is intended to inform you that the Heritage Ranch Community Services District (District) will hold a public hearing regarding rate increases proposed by San Miguel Garbage Company for customers receiving solid waste, recycling, and green waste services within the District. The proposed rate increases will be considered by the District Board of Directors at the date, time, and location specified below.

Consistent with the requirements of Proposition 218, this notice provides you with the following information:

- The date, time, and location of the public hearing; and
- The amount of the proposed increases; and
- The basis upon which the amount of the proposed increases were calculated; and
- How to protest the proposed increases.

Notice of Public Hearing

The Public Hearing for the proposed rate increases will be held on:

Date: Thursday, January 16, 2020

Time: 4:00 p.m.

Place: 4870 Heritage Road, Heritage Ranch, California, 93446

If adopted by the District Board of Directors, the proposed increases will become effective February 1, 2020.

Reasons for the Proposed Rate Increases

The proposed rate increases are necessary for San Miguel Garbage Company to continue to provide safe, environmentally sound, and reliable solid waste, recycling, and green waste collection, transportation and disposal or processing services to the citizens within the District. Several factors have contributed to these increased costs, including, but not limited to: the rising costs associated with the processing of recycling material, increased costs associated with purchase, operation and fuel for vehicles, increased labor costs, and costs associated with the implementation of an Organics Program mandated by California Assembly Bill 1826 (AB 1826). AB 1826 requires local jurisdictions to develop a program to divert organic waste from landfills to an authorized composting facility. Organic waste is food waste, green waste, landscape and pruning waste, and nonhazardous wood waste.

Basis for the Proposed Rate Increases

The total Proposed Residential Rate Increase of 4.80 percent and the total Proposed Commercial Rate Increase of 34.22 percent is based on the following cost increases incurred by San Miguel Garbage Co Inc:

Residential

1. 1.87 percent of the Proposed Rate Increase is based on the increased costs of general operations to include labor, fuel, maintenance, and the purchase of new equipment in order to stay compliant with state mandated air pollution regulations.

Attachment A

- 2.93 percent of the Proposed Rate Increase is based on the implementation of an Organics Program mandated by the State of California and the increase of costs to process recyclable material.

Commercial

- 32.08 percent of the Proposed Rate Increase is based on additional increased services in the commercial customer base, to maintain self-sufficiency and prevent burdening the residential rate with any of the commercial services' expenses.
- 2.14 percent of the Proposed Rate Increase is also based on the implementation of an Organics Program mandated by the State of California and the increase of costs to process recyclable material.

In addition, commencing on January 1, 2021 and January 1, 2022, CPI adjustments, if any, shall be effective April 1 of each year stated below and based on the following:

- Increases, if any, in the Consumer Price Index (CPI) for Bureau of Labor Statistics' Consumer Price Index for Urban Consumers based on the All U.S. City Average, Bureau of Labor Statistics for the month of June 2020 for January 1, 2021 and June 2021 for January 1, 2022.

A copy of the Base Year Rate Adjustment Application, which provides additional information on the proposed rate increases, is available at the District office located at 4870 Heritage Road, Paso Robles, CA 93446.

Written Protest

Pursuant to Proposition 218, you may protest any or all of the proposed increases, prior to the close of the public hearing referenced above. An official protest must be in writing and must contain:

- A statement that it is a protest against the proposed rates or charges which is the subject of the hearing; and
- Name of the record owner; and
- Identity of the affected parcel by the Assessor's Parcel Number (APN) or service address; and
- Original signature of the record owner with respect to the identified parcel.

Written protest must be submitted to the District Secretary by the date of the hearing at 4:00 PM by:

- Mail or delivery to the Heritage Ranch Community Services District Office at 4870 Heritage Road, Paso Robles, CA 93446.
- Personally submitting the protest at the public hearing.

A written protest may only be submitted by the record owner who signed the protest or an individual authorized in writing by the record owner to submit the protest. That written authorization shall be provided to the District Secretary so the Secretary may accept a protest from someone other than the person who signed it.

Questions

Please review the District website at www.heritageranchcsd.ca.gov, or contact San Miguel Garbage Company at (805) 467-9283, for more information.

RESIDENTIAL CAN SERVICE		CURRENT		PROPOSED
		CUST RATE		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

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: Operations & Engineering Committee (Barker, Capps)
Scott Duffield, General Manager

DATE: November 21, 2019

SUBJECT: Submittal for approval Resolution 19-10 approving the Photovoltaic System Project (Project); declaring the Project to be categorically exempt from CEQA; and awarding the Project to Stockman's Energy, Inc.

Recommendation

It is recommended that the Board of Directors adopt Resolution 19-10:

1. Approving the Project and declaring it to be categorically exempt from CEQA; and
2. Awarding the Project to Stockman's Energy, Inc.; 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 September 20th. There were four proposals submitted.

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

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.”

At a Board special meeting on November 6, 2019 your Board received presentations and interviewed the following companies that submitted proposals for the Project:

1. CalCom Energy
2. Calsun
3. REC Solar
4. Stockman’s Energy, Inc.

The table below is a tabulation of the proposals. Since this is a Design-Build project, the important numbers to look are the highlighted columns.

The blue column is the internal rate of return and can be considered the best value; the higher the number the better the value.

The yellow column is the cost per kW DC and can be considered the lowest cost proposal based on the size; the lower the number the lower the cost.

	Proposal Price	kW DC (size)	rank	Internal Rate of Return	rank	Cost per kW DC	rank
Calcom	\$ 931,809	436.6	2	18.8	1	\$ 2,134.29	2
CalSun	\$ 971,300	428.8	3	17.7	3	\$ 2,265.16	3
REC	\$ 1,049,429	404.0	4	16.7	4	\$ 2,597.38	4
Stockmans	\$ 961,390	453.9	1	18.2	2	\$ 2,118.17	1

As can be seen, Stockman’s is #1 in system size, #2 in best value, and #1 in lowest cost.

The Operations & Engineering Committee convened on November 13, 2019 and recommend that Stockman’s Energy, Inc. be awarded the Project. Approval of the recommended action will authorize the General Manager to execute an agreement and issue a notice to proceed.

Fiscal Considerations

The base proposal cost from the recommended company is \$961,389.86. There are enough cash reserves to fund the Project.

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.

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 19-10

FILE: PVS Project

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 19-10**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HERITAGE RANCH
COMMUNITY SERVICES DISTRICT APPROVING THE PHOTOVOLTAIC
SYSTEM PROJECT (PROJECT); DECLARING THE PROJECT TO BE
CATEGORICALLY EXEMPT FROM CEQA; AND AWARDING THE PROJECT TO
STOCKMAN'S ENERGY, INC.**

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 130 kWDC 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 310 kWDC 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.

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 Stockman’s Energy, Inc.

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 21st day of November 2019, by the following roll call vote.

AYES:
NOES:
ABSTAIN:
ABSENT:

APPROVED: _____
Bill Barker Jr., President
Board of Directors

ATTEST: _____
Scott Duffield, Manager
Board of Directors



**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS' REGULAR MEETING**

Minutes of October 17, 2019

1. 4:00 PM OPEN SESSION / 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 roll. All Directors were present.

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

3. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

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

4. DISCUSSION ITEMS

- a. Request to receive and file a letter from the Heritage Ranch Owners Association Board of Directors regarding the use of District property for their proposed new administrative office building, and provide direction to staff.**

Manager Duffield provided a brief summary of the item and answered any questions the Board had. The Board received and discussed the request from the Heritage Ranch Owners Association (HROA) Board of Directors along with a preliminary site plan.

HROA Directors Tingley and Arend were present to provide additional information and answered any questions the Board had.

The direction to staff was to continue discussion with HROA.

- b. Request to receive an update on the Photovoltaic System Project, and provide direction to staff:**

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

The direction to staff was to schedule an Operations & Engineering Committee meeting for next week after the October 22nd deadline to submit proposals, as well as a special Board meeting the week of November 5th for contractor interviews.

5. CONSENT ITEMS

- a. Meeting Minutes:** Receive/approve minutes of regular meeting of September 19, 2019.

- b. Warrant Register:** Receive/approve September 2019 warrants.
- c. Treasurer's Report:** Receive/file September 2019 report.
- d. Treasurer's Report:** Receive/file FY2019/20 1st Quarter report.
- e. Fiscal Report:** Receive/file September 2019 status report.
- f. Manager's Report:** Receive/file September 2019 report.
- g. Staff Reports:** Receive/file September 2019 reports.

Director Barker pulled items F and G (Manager and Staff Reports). Director Burgess made a motion to approve items A through E as presented. Director Rowley seconded the motion. The motion passed by the following voice vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

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

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

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

6. DIRECTORS/MANAGER COMMENTS

No comments

7. ADJOURNMENT

On a motion by Director Burgess and seconded by Director Capps, the meeting adjourned at 5:15 pm to the next scheduled meeting on Thursday, November 21, 2019.

APPROVED:

Bill Barker Jr., President
Board of Directors

ATTEST:

Kristen Gelos, Secretary
Board of Directors



**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS' REGULAR MEETING**

Minutes of November 6, 2019

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

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

2. ROLL CALL

Manager Duffield called the roll. All Directors were present.

Staff present: General Manager Scott Duffield and District Engineer Steve Tanaka.

3. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

None.

4. DISCUSSION ITEMS

a. Request to receive presentations and interview companies that submitted proposals for the Photovoltaic System Project.

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

The Board received presentations and interviewed the four companies that submitted proposals for the project.

The District's consultant Tim Holmes provided a summary and post interviews discussion and answered any questions the Board had.

5. ADJOURNMENT

On a motion by Director Cousineau and seconded by Director Capps, the meeting adjourned at 7:35 pm.

APPROVED:

**Bill Barker Jr., President
Board of Directors**

ATTEST:

**Scott Duffield, Manager
Board of Directors**

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

PACIFIC PREMIER BANK WARRANTS

DATE	NAME OF PAYEE	DESCRIPTION	AMOUNT
10/14/19	U.S. BANK	LAB TESTING	\$ 4.55
10/4/19	CALPERS RETIREMENT SYSTEM	SURVIVOR BENEFIT	\$ 7.44
10/18/19	CALPERS RETIREMENT SYSTEM	SURVIVOR BENEFIT	\$ 7.44
10/1/19	NAPA AUTO PARTS	VECHILES	\$ 8.60
10/14/19	NAPA AUTO PARTS	MAINTENANCE FIXED EQUIPMENT	\$ 17.75
10/18/19	CALPERS RETIREMENT SYSTEM	EMPLOYER'S CONTRIBUTION	\$ 19.44
10/31/19	SCOTT DUFFIELD	MEDICAL REIMBURSEMENT	\$ 19.53
10/14/19	U.S. BANK	MAINTENANCE FIXED EQUIPMENT	\$ 21.25
10/31/19	NAPA AUTO PARTS	VEHICLES	\$ 23.55
10/14/19	LOWE'S	SUPPLIES	\$ 27.61
10/31/19	CALIFORNIA ENVIRONMENTAL CONTR	MAINTENANCE FIXED EQUIPMENT	\$ 29.22
10/31/19	NAPA AUTO PARTS	VEHICLES	\$ 30.31
10/14/19	READY REFRESH BY NESTLE	LAB TESTING	\$ 32.50
10/24/19	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT U/L	\$ 36.14
10/1/19	KRISTEN GELOS	CELL PHONE/INTERNET ALLOWANCE	\$ 40.00
10/1/19	SCOTT DUFFIELD	CELL PHONE/INTERNET ALLOWANCE	\$ 40.00
10/31/19	KRISTEN GELOS	CELL / INTERNET ALLOWANCE	\$ 40.00
10/31/19	SCOTT DUFFIELD	CELL / INTERNET ALLOWANCE	\$ 40.00
10/31/19	OFFICE SUPPLIES	OFFICE SUPPLIES	\$ 54.64
10/14/19	U.S. BANK	OFFICE SUPPLIES	\$ 55.34
10/14/19	U.S. BANK	VEHICLES	\$ 58.00
10/14/19	U.S. BANK	TRAINING & TRAVEL	\$ 60.00
10/29/19	INTERNAL REVENUE SERVICE	FICA WITHIHOLDING	\$ 62.00
10/31/19	STAPLES CREDIT PLAN	OFFICE SUPPLIES	\$ 71.07
10/1/19	INTERNAL REVENUE SERVICE	FICA WITHIHOLDING	\$ 74.40
10/1/19	RYAN BRINK	CELL PHONE/INTERNET ALLOWANCE	\$ 80.00
10/1/19	JASON MOLINARI	CELL PHONE/INTERNET ALLOWANCE	\$ 80.00
10/1/19	ROY ARNOLD	CELL PHONE/INTERNET ALLOWANCE	\$ 80.00
10/1/19	JAMES A. PRITCHETT	CELL PHONE/INTERNET ALLOWANCE	\$ 80.00
10/1/19	MARK HUMPHREY	CELL PHONE/INTERNET ALLOWANCE	\$ 80.00
10/31/19	RYAN BRINK	CELL / INTERNET ALLOWANCE	\$ 80.00
10/31/19	JASON MOLINARI	CELL / INTERNET ALLOWANCE	\$ 80.00
10/31/19	ROY ARNOLD	CELL / INTERNET ALLOWANCE	\$ 80.00
10/31/19	JAMES A. PRITCHETT	CELL / INTERNET ALLOWANCE	\$ 80.00
10/31/19	MARK HUMPHREY	CELL / INTERNET ALLOWANCE	\$ 80.00
10/1/19	RELIABLE OFFICE MACHINE REPAIR	OFFICE SUPPLIES	\$ 80.81
10/31/19	JAMES A. PRITCHETT	UNIFORM ALLOWANCE	\$ 81.76
10/28/19	CHARTER COMMUNICATIONS	INTERNET	\$ 84.99
10/14/19	WESTERN EXTERMINATOR COMPANY	STRUCTURES & GROUNDS	\$ 86.00
10/25/19	D. BURGESS	NET PAYROLL	\$ 92.35
10/25/19	B. BARKER	NET PAYROLL	\$ 92.35
10/25/19	M. ROWLEY	NET PAYROLL	\$ 92.35

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

DATE	NAME OF PAYEE	DESCRIPTION	AMOUNT
10/25/19	R. COUSINEAU	NET PAYROLL	\$ 92.35
10/25/19	D. CAPPS	NET PAYROLL	\$ 92.35
10/1/19	FGL ENVIRONMENTAL	LAB TESTING	\$ 108.00
10/31/19	FGL ENVIRONMENTAL	LAB TESTING	\$ 108.00
10/14/19	U.S. BANK	EQUIPMENT RENT/LEASE	\$ 110.00
10/31/19	SCOTT DUFFIELD	TRAINING & TRAVEL	\$ 121.00
10/1/19	CORE & MAIN LP	MAINTENANCE FIXED EQUIPMENT	\$ 134.06
10/14/19	RIVAL TECHNOLOGY INC.	COMPUTER / SOFTWARE	\$ 144.74
10/14/19	U.S. BANK	SUPPLIES	\$ 145.00
10/14/19	U.S. BANK	OFFICE SUPPLIES	\$ 148.25
10/31/19	AIRFLOW FILTER SERVICE, INC.	SUPPLIES / SM TOOLS & EQUIP.	\$ 148.98
10/31/19	SHORE-TEK INC	SUPPLIES/UNIFORMS/EQUIP.RENT	\$ 150.76
10/1/19	CORE & MAIN LP	MAINTENANCE FIXED EQUIPMENT	\$ 154.28
10/1/19	STAPLES CREDIT PLAN	FIXED EQUIP / OFFICE SUPPLIES	\$ 158.49
10/14/19	HOME DEPOT CREDIT SERVICES	FIXED EQUIP/VEHICLES/SUPPLIES	\$ 158.97
10/21/19	AT&T	TELEPHONE / INTERNET	\$ 159.64
10/14/19	THE TRIBUNE	ADVERTISING	\$ 159.72
10/14/19	AIRFLOW FILTER SERVICE, INC.	FUEL & OIL / SUPPLIES	\$ 161.59
10/24/19	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT U/L	\$ 168.52
10/1/19	BAUTISTA'S CLEANING SERVICE	STRUCTURES & GROUNDS	\$ 180.00
10/31/19	BAUTISTA'S CLEANING SERVICE	STRUCTURES & GROUNDS	\$ 180.00
10/31/19	KRITZ EXCAVATING & TRUCKING	MAINTENANCE FIXED EQUIPMENT	\$ 186.87
10/31/19	HOME DEPOT CREDIT SERVICES	SM TOOLS & EQUIP/SUPPLIES	\$ 187.14
10/14/19	STREAMLINE	COMPUTER / SOFTWARE	\$ 200.00
10/1/19	CORE & MAIN LP	MAINTENANCE FIXED EQUIPMENT	\$ 202.19
10/31/19	HOME DEPOT CREDIT SERVICES	MAINTENANCE FIXED EQUIPMENT	\$ 202.57
10/31/19	BURT INDUSTRIAL SUPPLY	SUPPLIES	\$ 204.42
10/14/19	MARK HUMPHREY	UNIFORM ALLOWANCE	\$ 211.15
10/14/19	U.S. BANK	UNIFORMS	\$ 212.13
10/31/19	LOWE'S	SUPPLIES / MAINT. FIXED EQUIP.	\$ 221.22
10/16/19	COUNTY OF SAN LUIS OBISPO	PROFESSIONAL SERVICES	\$ 228.70
10/1/19	FGL ENVIRONMENTAL	LAB TESTING	\$ 240.00
10/14/19	FLUID RESOURCE MANAGEMENT	COMPUTER / SOFTWARE	\$ 240.00
10/29/19	AT&T	TELEPHONE & INTERNET	\$ 253.22
10/1/19	CORE & MAIN LP	MAINTENANCE FIXED EQUIPMENT	\$ 262.37
10/15/19	EDD	SDI	\$ 265.42
10/1/19	EDD	SDI	\$ 268.24
10/1/19	FLUID RESOURCE MANAGEMENT	PROFESSIONAL SERVICES	\$ 275.00
10/29/19	EDD	SDI	\$ 275.14
10/31/19	GREAT WESTERN ALARM	ALARM & ANSWERING SERVICE	\$ 291.35
10/1/19	GREAT WESTERN ALARM	ALARM & ANSWERING SERVICE	\$ 295.60
10/31/19	JASON MOLINARI	MEDICAL REIMBURSEMENTS	\$ 318.67
10/1/19	PRAXAIR DISTRIBUTION, INC.	SMALL TOOLS & EQUIPMENT	\$ 327.56

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

DATE	NAME OF PAYEE	DESCRIPTION	AMOUNT
10/14/19	DATA PROSE LLC	FALL NEWSLETTER	\$ 337.32
10/31/19	CORE & MAIN LP	MAINTENANCE FIXED EQUIPMENT	\$ 366.94
10/31/19	CELL / INTERNET ALLOWANCE	MEDICAL REIMBURSEMENT	\$ 380.35
10/31/19	ANTHONY'S TIRE STORE	MAINTENANCE FIXED EUQIPMENT	\$ 419.01
10/1/19	FGL ENVIRONMENTAL	LAB TESTING	\$ 420.00
10/1/19	WALLACE GROUP	CONSULTING & ENGINEERING	\$ 440.03
10/31/19	WALLACE GROUP	CONSULTING & ENGINEERING	\$ 441.48
10/31/19	CELL / INTERNET ALLOWANCE	TRAINING & TRAVEL	\$ 446.49
10/31/19	USA BLUEBOOK	LAB TESTING	\$ 457.83
10/14/19	ANTHONY'S TIRE STORE	VEHICLES	\$ 485.00
10/4/19	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT PEPRA	\$ 485.67
10/18/19	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT PEPRA	\$ 485.67
10/14/19	J.B. DEWAR. INC.	FUEL & OIL	\$ 516.77
10/31/19	MATT CHLOR INC.	MAINTENANCE FIXED EQUIPMENT	\$ 544.59
10/14/19	U.S. BANK	TRAINING & TRAVEL	\$ 550.00
10/14/19	U.S. BANK	VEHICLES	\$ 594.17
10/1/19	FLUID RESOURCE MANAGEMENT	PROFESSIONAL SERVICES	\$ 625.00
10/27/19	J.B. DEWAR. INC.	FUEL & OIL	\$ 727.61
10/14/19	KRITZ EXCAVATING & TRUCKING	SUPPLIES	\$ 744.44
10/1/19	RDO EQUIPMENT CO.	VEHICLES	\$ 759.43
10/15/19	INTERNAL REVENUE SERVICE	MEDICARE	\$ 769.74
10/14/19	CALIFORNIA RURAL WATER ASSOCIA	CALIFORNIA RURAL WATER ASSOCIA	\$ 777.00
10/31/19	KRITZ EXCAVATING & TRUCKING	SUPPLIES	\$ 779.93
10/1/19	INTERNAL REVENUE SERVICE	MEDICARE	\$ 795.34
10/29/19	INTERNAL REVENUE SERVICE	MEDICARE	\$ 812.44
10/14/19	ABALONE COAST ANALYTICAL, INC.	LAB TESTING	\$ 902.00
10/15/19	EDD	STATE WITHHOLDING	\$ 950.43
10/4/19	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT TIER 2	\$ 962.32
10/18/19	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT TIER 2	\$ 962.32
10/1/19	EDD	STATE WITHHOLDING	\$ 967.40
10/31/19	LAB TESTING	LAB TESTING	\$ 1,012.00
10/29/19	EDD	STATE WITHHOLDING	\$ 1,041.23
10/14/19	USA BLUEBOOK	FIXED EQUIPMENT / LAB TESTING	\$ 1,111.79
10/4/19	CALPERS 457 DEFFERED COMP PROG	PERS 457- DEFFERED COMP.	\$ 1,225.00
10/18/19	CALPERS 457 DEFFERED COMP PROG	PERS 457- DEFFERED COMP.	\$ 1,225.00
10/14/19	DATA PROSE LLC	SEPTEMBER BILLING/LATE NOTICES	\$ 1,256.73
10/14/19	CDW GOVERNMENT	COMPUTER / SOFTWARE	\$ 1,272.72
10/11/19	S. BRENNEMAN	NET PAYROLL	\$ 1,555.45
10/25/19	S. BRENNEMAN	NET PAYROLL	\$ 1,555.45
10/11/19	M. HUMPHREY	NET PAYROLL	\$ 1,692.08
10/25/19	M. HUMPHREY	NET PAYROLL	\$ 1,700.24
10/1/19	WALLACE GROUP	PVS PROJECT	\$ 1,790.00
10/11/19	J. PRITCHETT	NET PAYROLL	\$ 1,928.64

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

DATE	NAME OF PAYEE	DESCRIPTION	AMOUNT
10/31/19	TELSTAR INSTRUMENTS INC.	WTP ACTUATOR REPLACEMENT	\$ 1,950.00
10/31/19	ADAMSKI, MOROSKI, MADDEN, CUMB	PVS PROJECT / LEGAL & ATTORNEY	\$ 1,975.00
10/11/19	R. BRINK	NET PAYROLL	\$ 2,177.02
10/25/19	R. BRINK	NET PAYROLL	\$ 2,273.81
10/11/19	K. GELOS	NET PAYROLL	\$ 2,318.32
10/25/19	K. GELOS	NET PAYROLL	\$ 2,318.32
10/25/19	R. ARNOLD	NET PAYROLL	\$ 2,333.50
10/25/19	J. PRITCHETT	NET PAYROLL	\$ 2,340.08
10/11/19	R. ARNOLD	NET PAYROLL	\$ 2,368.93
10/15/19	INTERNAL REVENUE SERVICE	FEDERAL WITHHOLDING TAXES	\$ 2,541.79
10/31/19	BRENNTAG PACIFIC, INC	CHEMICALS	\$ 2,543.97
10/1/19	INTERNAL REVENUE SERVICE	FEDERAL WITHHOLDING TAXES	\$ 2,622.26
10/1/19	BRENNTAG PACIFIC, INC	CHEMICALS	\$ 2,668.50
10/29/19	INTERNAL REVENUE SERVICE	FEDERAL WITHHOLDING TAXES	\$ 2,746.31
10/11/19	J. MOLINARI	NET PAYROLL	\$ 2,884.28
10/25/19	J. MOLINARI	NET PAYROLL	\$ 2,884.28
10/18/19	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT	\$ 3,123.27
10/4/19	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT	\$ 3,123.28
10/1/19	ADAMSKI, MOROSKI, MADDEN, CUMB	LEGAL & ATTORNEY	\$ 3,325.00
10/11/19	S. DUFFIELD	NET PAYROLL	\$ 3,519.13
10/25/19	S. DUFFIELD	NET PAYROLL	\$ 3,684.21
10/1/19	TOUGH AUTOMATION	PROFESSIONAL SERVICES	\$ 3,856.53
10/1/19	TELSTAR INSTRUMENTS INC.	WTP ACTUATOR REPLACEMENT	\$ 3,900.00
10/14/19	KENWOOD ENERGY	PVS PROJECT	\$ 3,997.50
10/24/19	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT U/L	\$ 5,797.93
10/31/19	WALLACE GROUP	PVS PROJECT	\$ 5,962.56
10/31/19	BRENNTAG PACIFIC, INC	CHEMICALS	\$ 6,587.69
10/10/19	PG&E	ELECTRICITY	\$ 26,442.55
GRAND TOTAL FOR ALL WARRANTS			\$ 160,184.12

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

SUMMARY REPORT OF ALL ACCOUNTS

Beginning Balance:	\$ 3,568,854.05
Ending Balance:	\$ 3,630,753.94
Variance:	\$ 61,899.89
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:	\$ 4.51
Interest earnings for the P.P.B. DWR Loan Services account was:	\$ -
Interest earnings for the P.P.B. DWR Reserve account was:	\$ -
Interest earnings for the P.P.B. SRF Loan Services account was:	\$ -
Interest earnings for the P.P.B. SRF Reserve account was:	\$ -
Interest earnings for the LAIF account was:	\$ 20,593.19

ANALYSIS OF EXPENSES

Pacific Premier Bank checking account total warrants, fees, and Electronic Fund Transfers was:	\$ 176,391.56
--	---------------

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
OCTOBER 2019**

BEGINNING BALANCE ALL ACCOUNTS **\$ 3,568,854.05**

OPERATING CASH IN DRAWER **\$300.00**

PACIFIC PREMIER BANK - CHECKING

BEGINNING BALANCE 09/30/2019	\$89,530.93	
DEPOSIT REVENUE & MISCELLANEOUS INCOME	\$203,008.75	
INTEREST EARNED	\$4.51	
TOTAL CHECKS, FEES AND EFT'S	(\$176,391.56)	
TRANSFER TO LAIF ACCOUNT	\$0.00	
ENDING BALANCE 10/31/2019		\$116,152.63

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

LOAN SERVICES ACCOUNT

BEGINNING BALANCE 09/30/2019	\$96.49	
QUARTERLY DEPOSIT	\$0.00	
INTEREST EARNED	\$0.00	
SEMI-ANNUAL PAYMENT	\$0.00	
ENDING BALANCE 10/31/2019		\$96.49

PACIFIC PREMIER BANK DWR RESERVE ACCOUNT

BEGINNING BALANCE 09/30/2019	\$113,018.81	
INTEREST EARNED	\$0.00	
ENDING BALANCE 10/31/2019		\$113,018.81

PACIFIC PREMIER BANK SDWSRF LOAN SERVICES ACCOUNT

BEGINNING BALANCE 09/30/2019	\$29,464.89	
QUARTERLY DEPOSIT	\$14,685.00	
INTEREST EARNED	\$0.00	
SEMI-ANNUAL PAYMENT	\$0.00	
ENDING BALANCE 10/31/2019		\$44,149.89

PACIFIC PREMIER BANK SDWSRF RESERVE ACCOUNT

BEGINNING BALANCE 09/30/2019	\$0.00	
QUARTERLY DEPOSIT	\$0.00	
INTEREST EARNED	\$0.00	
ENDING BALANCE 10/31/2019		\$0.00

LOCAL AGENCY INVESTMENT FUND (LAIF)

BEGINNING BALANCE 09/30/2019	\$3,336,742.93	
INTEREST EARNED	\$20,593.19	
TRANSFER FROM PACIFIC PREMIER CHECKING	\$0.00	
TRANSFER TO PACIFIC PREMIER CHECKING	\$0.00	
ENDING BALANCE 10/31/2019		\$3,357,336.12

ENDING BALANCE ALL ACCOUNTS		\$3,630,753.94
DIFFERENCE FROM LAST MONTH	Increase	\$61,899.89

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

OPERATING INCOME	Budget FY 19/20	Actual October	Actual Year to Date	Percentage Year to Date	Variance Explanation
Water Fees	1,048,675	94,904	395,486	38%	
Sewer Fees	628,817	51,511	205,759	33%	
Hook-Up Fees	6,000	0	600	10%	Fluctuates based on activity
Turn on Fees	3,500	325	1,275	36%	
Late Fees	18,000	1,376	5,765	32%	
Plan Check & Inspection	10,000	0	993	10%	
Miscellaneous Income	2,000	8,972	9,665	483%	SDRMA Claim Reimb. - Leak in lab
TOTAL OPERATING INCOME	\$1,716,992	\$157,088	\$619,542	36%	

FRANCHISE INCOME					
Solid Waste Franchise Fees	70,932	5,801	24,403	34%	
TOTAL FRANCHISE REVENUE	\$70,932	\$5,801	\$24,403	34%	

NON-OPERATING INCOME					
Standby Charges	242,466	14,302	14,302	6%	
Property Tax	364,361	22,429	39,549	11%	
Interest	50,000	20,598	42,193	84%	Fluctuates based on activity
Connection Fees	141,160	0	14,116	10%	Fluctuates based on activity
TOTAL NON-OPERATING INCOME	\$797,987	\$57,328	\$110,160	14%	

RESERVE REVENUE					
Capital Reserves	63,307	5,143	8,629	14%	
Operating Reserves	151,584	9,737	22,067	15%	
TOTAL RESERVE REVENUE	\$214,891	\$14,880	\$30,696	14%	

TOTAL ALL INCOME	\$2,800,802	\$235,097	\$784,801	28%	
-------------------------	--------------------	------------------	------------------	------------	--

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

OPERATING EXPENSES

SALARIES AND BENEFITS	Budget FY 19/20	Actual October	Actual Year to Date	Percentage Year to Date	Variance Explanation
Salaries	644,289	50,855	227,506	35%	
Health Insurance	96,753	1,272	33,596	35%	
Health Insurance - Retiree	48,561	0	16,016	33%	
PERS	115,465	11,308	44,937	39%	
Standby	12,900	932	4,056	31%	
Overtime	15,050	1,468	5,066	34%	Fluctuates based on need & staffing
Workers Comp. Ins.	25,072	0	21,681	86%	Paid Annually
Directors' Fees	7,000	500	2,350	34%	
Medicare/FICA	9,863	1,257	3,662	37%	
Car Allowance	3,000	250	1,000	33%	
SUI/ETT	1,500	0	0	0%	
Uniforms	4,500	591	1,376	31%	
TOTAL SALARIES & BENEFITS	\$983,953	\$68,433	\$361,247	37%	

UTILITIES

Electricity	240,202	26,443	77,699	32%	
Propane	973	0	0	0%	
Water Purchase	23,114	0	11,557	50%	Paid Semiannually
Telephone/Internet	11,663	1,458	3,713	32%	
TOTAL UTILITIES EXPENSE	\$275,952	\$27,900	\$92,970	34%	

MAINTENANCE & SUPPLIES

Chemicals	76,000	11,800	22,157	29%	
Computer/Software	7,000	1,857	2,848	41%	
Equip. Rental/Lease	1,000	144	144	14%	
Fixed Equip.	103,000	3,976	25,728	25%	
Fuel & Oil	12,000	1,406	4,122	34%	
Lab Testing	30,000	3,409	17,206	57%	
Office Supplies	3,000	429	631	21%	
Parks & Recreation	500	0	0	0%	
Struct./Grnds.	14,000	446	3,596	26%	
Small Tools/Equip.	3,500	521	1,345	38%	
Supplies	6,000	2,142	4,237	71%	
Meters/Equip.	5,000	0	0	0%	Fluctuates based on activity
Vehicles	8,500	1,964	4,044	48%	
TOTAL MAINT. & SUPPLY EXPENSE	\$269,500	\$28,095	\$86,059	32%	

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

GENERAL & ADMINISTRATION	Budget FY 19/20	Actual October	Actual Year to Date	Percentage Year to Date	Variance Explanation
Ads./Advertising	1,500	160	382	25%	Fluctuates based on activity
Alarm/Answering Service	3,275	587	1,161	35%	
Audit	10,000	0	57	1%	
Bank Charges/Fees	3,000	474	1,401	47%	
Consulting/Engineering	20,000	882	1,933	10%	
Dues/Subscription	9,400	777	927	10%	
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	2,100	6,690	30%	
Licenses/Permits	28,200	0	210	1%	
Plan Check & Inspection	10,000	0	993	10%	
Postage/Billing	20,000	1,594	4,388	22%	
Professional Service	38,400	4,985	12,372	32%	
Tax Collection	5,300	0	0	0%	
Staff Training & Travel	7,000	1,157	2,152	31%	
Board Training & Travel	10,000	20	20	0%	
TOTAL G & A	\$217,563	\$12,736	\$70,258	32%	

CAPITAL PROJECTS & EQUIPMENT

Projects	243,918	20,800	41,018	17%	
Equipment	135,000	0	0	0%	
TOTAL CAPITAL EXPENSE	\$378,918	20,800	41,018	11%	

DEBT

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

FUNDED DEPRECIATION	\$288,000	\$24,000	\$96,000	33%	
UNFUNDED DEPRECIATION	\$0	\$0	\$0	0%	

TOTAL EXPENSE	\$2,576,255	\$181,963	\$799,366	31%	
----------------------	--------------------	------------------	------------------	------------	--

CONNECTION FEES TRANSFER \$141,160 \$0 \$14,116 10%

SOLID WASTE FEES TRANSFER \$30,321 \$3,818 \$10,056 33%

FUND TOTAL	\$53,065	\$49,315	(\$38,736)		
-------------------	-----------------	-----------------	-------------------	--	--

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

Manager Report For the Month of November 2019

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

Administration

- Staff coordinated with the District Auditor and provided any requested documents or information to complete the FY 2018/19 Audit for the December regular meeting.

Operations

- An arborist completed removal of the large pine tree directly adjacent to the Administrative Building that appeared to be a potential danger. There was a similar tree across the field near the water lab building that broke last winter about six feet up on the trunk. If that would have happened to this tree it would probably have fallen onto the building.
- 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 November 14, 2019, the reservoir was at approximately 756 feet in elevation, 45% of capacity, or 171,769-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.
- The Manager met with the County Planning Department to confirm if there are any land use issues with the two main solar arrays for the PVS project. They said that only a site plan review will be necessary which is normally done with the building permit submittal. The Planning technician made notes on the parcels for future reference and to facilitate intake of the plans.
- The Manager met with PG&E to review the requirements for determining parcel contiguity so that we can use NEMA for the Water Treatment Plant array. It was

recommended that we use a very simple lease document rather than an easement. The Manager and District Counsel have this item in the final draft stage.

- The Operations & Engineering Committee convened on October 24th to review the proposals submitted for the PVS project.
- A Board special meeting was held on November 6th to receive presentations from the four companies that submitted proposals for the PVS Project.
- The Operations & Engineering Committee convened again on November 13th to consider a recommendation to the Board.
- Other projects / equipment replacement planned for this fiscal year include...

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

- The Manager attended the 2019 CenCal Workshop in SLO. This event is a workshop focusing on energy with a day full of networking and presentations on smart community planning, electric vehicle roadmaps, energy behavioral campaigns, and strategies for getting small communities to Zero Net Energy. The event is hosted by San Luis Obispo County Energy Watch, Valley Innovative Energy Watch, and the utility companies.

Human Resources

- Nothing significant to report.

Board Member & Staff Information and Learning Opportunities

- The Manager and the Office Supervisor attended the CalPERS Educational Forum 2019, in Oakland on October 28-30. This event is equivalent to an annual conference with everything we want to know and learn about CalPERS. The event provided a good overview of CalPERS as a whole as well as numerous break-out learning sessions focusing on specific topics. Although we are by no means experts on CalPERS from attending this one conference, we did learn many things. Three big take aways are that the District is in a good position fiscally, that we are a very small organization compared to others that attended, and that we are reporting things correctly. Staff will continue to attend CalPERS trainings so that we can better understand and plan for our fiscal wellbeing.

* * *

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

Water & Sewer

On November 1st, we processed 1,914 bills for a total dollar amount of \$145,046 for water and sewer user fees for the month of October. The number of Automatic Drafts processed was 539 for a total dollar amount of \$40,597. On October 28th we processed 207 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 September

Garbage Collection (10%) - \$ 5,404.40

Roll-Off Collection (10%) - \$ 396.93

Total Franchise Fees Collected - \$ 5,801.33

District Transparency Certificate

On October 21st the District was notified that our District Transparency Certificate of Excellence Application had been approved. We will receive the official certificate sometime next month.

Service Orders Completed

Staff completed a total of 129 service orders for the month of September. Below is a breakdown by job code.

USA	67	Dirty Water Complaint	4
Swap/Pull Meter	12	Call Out	4
Unlock	9	Hydrant Meter	2
Leak	9	48 Hour Notices	2
Lock Meter	7	Misc-W/Meter Information	2
Occupant Change	7	Cal Fire Water Ver. Form	1
Misc-W/O Meter Information	4	Pressure	1

Heritage Ranch Community Services District Operations Report - October 2019

Water Treatment:

- 14.6 Million gallons of water was treated
- Staff completed acid washing of the four, mixed media filters at the water treatment plant
- Received the parts to repair the plate settler actuator, installation is tentatively scheduled for December 1st
- Switched from ferric chloride back to aluminum sulfate as the primary coagulant
- Submitted the October water treatment plant report to the Division of Drinking Water
- Ongoing programming of the filter actuators

Water Distribution:

- Staff continues to work with Master Meter to complete warranty water meter register replacement
- Repaired four water service line leaks
- Completed weekly water quality checks and required sampling

Wastewater Treatment:

- 3.3 Million gallons of wastewater was treated
- Collected 3rd Quarter Time Schedule Order Samples and submitted quarterly report
- Cleaned and repaired transfer pipe between Pond 1 and Pond 2
- Completed annual effluent pump maintenance

Wastewater Collection:

- Troubleshoot an electrical issue to a breaker which monitors pump failure at Lift Station 3
- Replaced air pump at Lift Station 4
- Rebuilt check valve at Lift Station 3
- Removed and replaced failing concrete on a sewer manhole located on Heritage Rd.
- Met with District engineer to discuss specifications for Lift Station Rehabilitation

Vehicle & Equipment Maintenance:

- Extensive generator maintenance in preparation for possible long-term power outages
- Performed routine oil changes on District vehicles and equipment
- Replaced drive belts on the vacuum trailer
- Completed required smog checks and submitted annual report to the Bureau of Automotive Repair

Structures & Grounds:

- Landscaping around plate settler to prevent weed growth and improve aesthetics