HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager
Kristen Gelos, Administrative Manager

DATE: July 16, 2026

SUBJECT: Submittal for approval Resolution 26-07 providing for collection of delinquent solid waste charges and penalties to be collected on the tax roll in the same manner as property taxes.

Recommendation

It is recommended that the Board of Directors:

1. Open the Public Hearing to provide an opportunity for filing objections and presentation of testimony or other evidence concerning this report; and

2. At the close of the Public Hearing, approve Resolution 26-07 providing for collection of delinquent solid waste charges and penalties to be collected on the tax roll in the same manner as property taxes.

Background

District Code of Ordinances Title 8 – Solid Waste is entitled “Mandatory Solid Waste, Organic Waste, and Recycling Materials Ordinance” (Title 8). Title 8 specifies that all developed properties located within the District shall be subject to mandatory solid waste, organic waste, and recycling materials service. The collection service may be either curbside or by commercial bin service. This requirement is predicated on an identical requirement adopted by the Heritage Ranch Owner’s Association, dated March 25, 1999.

Discussion

Title 8 Section 8.300 specifies the collection procedures for overdue solid waste accounts. This section incorporates the procedures of the Government Code that provides for the collection of charges and any penalties for services provided to be collected on the tax roll in the same manner as property taxes. Thus, the Board of Directors may authorize the San Luis Obispo County auditor to collect delinquent solid waste service charges and penalties by placing them on the property owners’ property tax bill for collection.

The following required procedures were used to notify delinquent customers of their account status:

- On April 15, 2026, San Miguel Garbage Company sent certified letters to each delinquent account customer giving a 45-day notice to pay pursuant to District Code 8.330. This letter stated that non-payment may result in the District collecting the amount owed with general taxes.

- On June 1, 2026, San Miguel Garbage provided the District with a listing of delinquent accounts.

- On June 18, 2026, the District sent a Notice of Public Hearing to each delinquent property owner.

- On June 17, 2026 and July 1, 2026, the Notice of Public Hearing was published in *The Tribune.*

- Property owners that have paid since June 30, 2026, will be removed from the delinquent listing (Exhibit A) at the Public Meeting.

Fiscal Considerations

This action will enforce the mandatory solid waste provision of District Code of Ordinances Title 8, and collect monies owed to San Miguel Garbage Company for services provided.

Results

The attached Resolution 26-07 authorizes the San Luis Obispo County Auditor to levy the amounts due on delinquent solid waste accounts to be collected with property taxes.

Attachments: Resolution 26-07
Exhibit A – 2025/2026 Delinquent Solid Waste Charges and Penalties

File: Solid Waste_SMGC

HERITAGE RANCH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 26-07

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HERITAGE RANCH COMMUNITY SERVICES DISTRICT PROVIDING FOR COLLECTION OF DELINQUENT SOLID WASTE CHARGES AND PENALTIES TO BE COLLECTED ON THE TAX ROLL IN THE SAME MANNER AS PROPERTY TAXES

WHEREAS, the Heritage Ranch Community Services District ("District") makes the following finding of fact:

1. The District is duly authorized to provide its residents with solid waste, organic waste, and recycling materials service.

2. All developed properties located within the District are subject to mandatory solid waste service pursuant to District Code of Ordinances Title 8 – Solid Waste entitled "Mandatory Solid Waste, Organic Waste, and Recycling Materials Ordinance" (Title 8).

3. Title 8 Section 8.300 provides that all solid waste accounts that are more than 120 days past due during the year are subject to collection procedures.

4. The Franchisee who provides solid waste collection services, has provided notice to delinquent service accounts pursuant to Title 8 Section 8.310.

5. The District General Manager has prepared and filed a report ("Report") that describes each affected parcel of real property and the amounts of charges and delinquencies for each affected parcel for the year. Said Report is attached hereto as Exhibit "A" and incorporated herein by this reference.

6. The District General Manager, pursuant to the Government Code, has published notice of the filing of the Report and has caused notice in writing to be mailed to the owner of each affected parcel as shown on the last equalized assessment roll available on the date the Report was prepared, as the address shown on the assessment roll, or as known to the General Manager.

7. On July 16, 2026, a public hearing was held before the District Board at which time all interested persons were given the opportunity to object or protest the Report or any portions thereof.

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

1. Each of the above findings are true and correct and incorporated herein by this reference.

2. The Report (Exhibit "A") as submitted and as may be revised by the Board is hereby confirmed and adopted.

3. The charges and penalties as described in the Report have been determined by the Board to be delinquent and unpaid.

4. On or before August 10, 2026, the District General Manager is authorized to file with the county auditor a copy of this Resolution and Report showing the unpaid charges and penalties as required by Section §61115(b) of the Government Code.

5. Pursuant to Government Code §61115(b), the county auditor shall enter the amount of charges and penalties against each of the affected parcels of real property as they appear on the current assessment roll. The county tax collector shall include the amount of the charges and penalties on the tax bills for each affected parcel of real property and collect the charges and penalties in the same manner as property taxes.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Heritage Ranch Community Services District on the 16th day of July 2026, by the following roll call vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

APPROVED: ___________________________
Bill Barker, President
Board of Directors

ATTEST: ___________________________
Kristen Gelos
Board Secretary

2025/2026 Delinquent Solid Waste Charges and Penalties
Exhibit A

	APN #	AMOUNT TO BE COLLECTED ON TAX ROLL
1	012-274-041	**$532.00**
2	012-276-015	**$472.00**
3	012-325-059	**$328.00**
4	012-323-011	**$921.00**
5	012-274-043	**$574.00**
6	012-275-016	**$420.00**
7	012-301-031	**$419.00**
8	012-326-023	**$330.00**
9	012-272-005	**$532.00**
10	012-183-021	**$420.00**
11	012-272-011	**$608.00**
12	012-284-048	**$571.00**
13	012-352-008	**$373.00**
14	012-322-033	**$515.00**
15	012-284-045	**$477.00**
16	012-182-060	**$678.00**
17	012-273-054	**$871.00**
18	012-274-051	**$532.00**
19	012-194-028	**$576.00**
20	012-345-026	**$494.00**
21	012-272-066	**$532.00**
22	012-282-010	**$676.00**
23	012-195-013	**$776.00**
24	012-188-006	**$218.00**
25	012-284-010	**$523.00**
26	012-326-015	**$209.00**
27	012-373-006	**$343.00**
28	012-272-008	**$337.00**
29	012-373-001	**$492.00**
30	012-362-011	**$576.00**
31	012-282-052	**$671.00**
32	012-274-012	**$266.00**
33	012-325-025	**$532.00**
34	012-275-006	**$378.00**
35	012-322-008	**$532.00**
36	012-275-017	**$761.00**
37	012-275-021	**$626.00**

19,091.00

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager
Kristen Gelos, Administrative Manager

DATE: July 16, 2026

SUBJECT: Submittal for approval Resolution 26-08 providing for collection of delinquent water and sewer charges and penalties to be collected on the tax roll in the same manner as property taxes.

Recommendation

It is recommended that the Board of Directors:

1. Open the Public Hearing to provide an opportunity for filing objections and presentation of testimony or other evidence concerning this report; and
2. At the close of the Public Hearing, approve Resolution 26-08 providing for collection of delinquent water and sewer charges and penalties to be collected on the tax roll in the same manner as property taxes.

Background

District Code of Ordinances (Code) Section 3.820 and 3.830 specify that the District may elect to have any or all District's rates, charges, and fees, including any overdue fees, collected on the Tax roll in the forthcoming fiscal year.

Discussion

These Code sections incorporate the procedures of Government Code Section 61115(b) that provides for the collection of charges and any penalties for services provided to be collected on the tax roll in the same manner as property taxes. Thus, the Board of Directors may authorize the San Luis Obispo County auditor to collect delinquent water and sewer service charges and penalties by placing them on the property owners' property tax bill for collection.

The following required procedures were used to notify delinquent customers of their account status:

- On May 1, 2026, the District sent letters to each delinquent account customer giving a 45-day notice to pay pursuant to the Government Code. This letter stated that non-payment may result in the District collecting the amount owed with general taxes.

- On June 18, 2026, the District sent a Notice of Public Hearing to each delinquent property owner.

- On June 17, 2026 and July 1, 2026, the Notice of Public Hearing was published in *The Tribune.*

- Property owners that have paid since June 30, 2026, will be removed from the delinquent listing (Exhibit A) at the Public Meeting.

Fiscal Considerations

This action will provide for collection of monies owed to the District for services provided.

Results

The attached Resolution 26-08 authorizes the San Luis Obispo County Auditor to levy the amounts due on delinquent water and sewer accounts to be collected with property taxes.

Attachments: Resolution 26-08
Exhibit A – 2025/2026 Delinquent Water and Sewer Charges and Penalties

File: HR Delinquent Water-Sewer

HERITAGE RANCH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 26-08

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HERITAGE RANCH COMMUNITY SERVICES DISTRICT PROVIDING FOR COLLECTION OF DELINQUENT WATER AND SEWER CHARGES AND PENALTIES TO BE COLLECTED ON THE TAX ROLL IN THE SAME MANNER AS PROPERTY TAXES

WHEREAS, the Heritage Ranch Community Services District ("District") makes the following finding of fact:

1. The District is duly authorized to provide its residents with water and sewer services.

2. District Code of Ordinances Title 3 Sections 3.820 and 3.830 provide that water and sewer accounts that are past due during the year are subject to collection procedures.

3. The District General Manager has prepared and filed a report ("Report") that describes each affected parcel of real property and the amounts of charges and delinquencies for each affected parcel for the year. Said Report is attached hereto as Exhibit "A" and incorporated herein by this reference.

4. The District General Manager, pursuant to the Government Code, has published notice of the filing of the Report and has caused notice in writing to be mailed to the owner of each affected parcel as shown on the last equalized assessment roll available on the date the Report was prepared, as the address shown on the assessment roll, or as known to the General Manager.

5. On July 16, 2026, a public hearing was held before the District Board at which time all interested persons were given the opportunity to object or protest the Report or any portions thereof.

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

1. Each of the above findings are true and correct and incorporated herein by this reference.

2. The Report (Exhibit "A") as submitted and as may be revised by the Board is hereby confirmed and adopted.

3. The charges and penalties as described in the Report have been determined by the Board to be delinquent and unpaid.

4. On or before August 10, 2026, the District General Manager is authorized to file with the county auditor a copy of this Resolution and Report showing the unpaid charges and penalties as required by Section §61115(b) of the Government Code.

5. Pursuant to Government Code §61115(b), the county auditor shall enter the amount of charges and penalties against each of the affected parcels of real property as they appear on the current assessment roll. The county tax collector shall include the amount of the charges and penalties on the tax bills for each affected parcel of real property and collect the charges and penalties in the same manner as property taxes.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Heritage Ranch Community Services District on the 16th day of July 2026, by the following roll call vote.

AYES:
NOES:
ABSTAIN:
ABSENT:

APPROVED: ___________________________
Bill Barker, President
Board of Directors

ATTEST: ___________________________
Kristen Gelos
Board Secretary

2025/2026 Delinquent Water and Sewer Charges and Penalties
Exhibit A

	APN#	AMOUNT TO BE COLLECTED ON TAX ROLL
1	012-324-016	**$286.00**
2	012-274-041	**$1,485.00**
3	012-276-015	**$307.00**
4	012-325-039	**$397.00**
5	012-276-041	**$204.00**
6	012-275-016	**$481.00**
7	012-272-005	**$1,624.00**
8	012-272-011	**$297.00**
9	012-194-027	**$349.00**
10	012-187-031	**$364.00**
11	012-326-037	**$544.00**
12	012-284-045	**$210.00**
13	012-182-060	**$229.00**
14	012-342-018	**$130.00**
15	012-345-031	**$314.00**
16	012-272-066	**$1,720.00**
17	012-282-010	**$1,246.00**
18	012-187-050	**$229.00**
19	012-190-001	**$997.00**
20	012-284-010	**$4,167.00**
21	012-273-044	**$330.00**
22	012-326-015	**$374.00**
23	012-342-041	**$1,485.00**
24	012-324-015	**$324.00**
25	012-188-031	**$330.00**
26	012-272-008	**$379.00**
27	012-362-011	**$242.00**
28	012-274-012	**$339.00**
29	012-325-025	**$1,485.00**
30	012-275-017	**$1,484.00**

$22,352.00

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: July 16, 2026

SUBJECT: Request to hold a public hearing and receive and file the District annual workforce vacancy report in compliance with Assembly Bill 2561.

Recommendation

It is recommended that the Board of Directors hold a public hearing and receive and file the District annual workforce vacancy report in compliance with Assembly Bill 2561.

Background

Assembly Bill 2561 (AB 2561) was signed into law by Governor Newsom on September 22, 2024, creating a new obligation for public agencies to address the status of vacancies and recruitment and retention efforts at a public hearing. The public hearing is to be held once per fiscal year prior to the adoption of an annual budget and must also identify any necessary changes to policies, procedures and recruitment activities that may lead to obstacles in the hiring process. To the extent there are any recognized employee organizations, such organizations are permitted to make presentations during the hearing regarding the vacancies, retention, and recruitment efforts.

Discussion

The District's previous budget had ten (10) authorized full-time and budgeted positions. For the FY 2026-2027 Budget there are ten (10) authorized full-time and budgeted positions, all the same classifications and with no vacancies. The positions are shown in the Table below.

Budgeted Positions 25/26	Additions / Deletions 26/27	Budgeted Positions 26/27	staff names 26/27	Position
1	0	1	Hannah	Administrative Assistant
2	0	2	Jason, Nick	Treatment Op. 1
2	0	2	Troy, Jered	Treatment Op. 2
1	0	1	Kristen	Administrative Manager
2	0	2	Brian, Roy	Operations Manager
1	0	1	Doug	District Engineer
1	0	1	Scott	General Manager
10	0	10		Total

Staff have identified no necessary changes to policies, procedures, or recruitment activities that may present obstacles in the hiring process.

Fiscal Implications

There are no direct fiscal implications for this item.

Results

Acceptance of this report further informs the Board and ensures the District is adequately staffed.

File: Human Resources

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Finance & Audit Committee (Burgess, Camou)
Scott Duffield, General Manager

DATE: July 16, 2026

SUBJECT: Submittal for approval Resolution 26-09 adopting a Fiscal Year 2026/27 Final Budget and Salary Schedule.

Recommendation

It is recommended that the Board of Directors:

1. Hold a public hearing to consider adopting a final budget for Fiscal Year 2026/27; and

2. At the close of the public hearing approve Resolution 26-09 adopting a Fiscal Year 2026/27 Final Budget and Salary Schedule.

Background

On June 18, 2026, your Board adopted the Fiscal Year 2026/27 Preliminary Budget. The meeting allowed the opportunity for the public to provide input prior to the adoption of the Preliminary Budget. Following the meeting a notice was published in the Tribune indicating the Preliminary Budget had been adopted and setting the date of July 16, 2026 for a public hearing and adoption of a Final Budget. The Preliminary Budget has been available for public review. The District has not received any written public comments.

California Code of Regulations Title 2, Section 570.5, and Section 571 subsection (b) require salary schedules and special compensation to be publicly available and duly approved and adopted by the Board.

Discussion

Budget

The attached Fiscal Year 2026/27 Final Budget is presented for your adoption. Increases or decreases in line-item categories from the adopted FY 2026/27 Preliminary Budget are indicated. This proposed budget primarily uses the analyses from the Rate Studies as a basis. Overall, the consolidated budget is balanced with the water fund calculated to have a surplus of $491,230, and the sewer fund calculated to have a surplus of $1,039,294.

Salary Schedule

All agencies that are members of CalPERS are required to ensure that pay schedules and special compensation (e.g., out-of-class pay, certification pay) are publicly available as prescribed by the California Code of Regulations, Title 2, §570.5, and §571 subsection (b). "Publicly available" is defined as posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website.

Your Board approves a budget, a Memorandum of Understanding with the Heritage Ranch Community Services Employees Association, and an employment agreement with the General Manager. All these items are publicly available and contain salary schedules and special compensation items pursuant to the code sections noted above. Thus, approval of the FY 2026/27 Salary Schedule with the budget is recommended.

Results

Approval of Resolution 26-09 adopting a Fiscal Year 2026/27 Final Budget and Salary Schedule will result in maintaining fiscally responsible management of the District.

Attachments: Resolution 26-09
Fiscal Year 2026/27 Final Budget
Fiscal Year 2026/27 Salary Schedule

File: Budget_FY 2026/27

HERITAGE RANCH
COMMUNITY SERVICES DISTRICT

FISCAL YEAR 2026-2027
FINAL BUDGET
July 16, 2026

HERITAGE RANCH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 26-09

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HERITAGE RANCH COMMUNITY SERVICES DISTRICT ADOPTING A FISCAL YEAR 2026/27 FINAL BUDGET AND SALARY SCHEDULE

WHEREAS, the District is required, pursuant to Government Code Section 61110, to adopt a preliminary budget that conforms to Generally Accepted Accounting Principles before July 1 of each year; and

WHEREAS, The District's budget outlines anticipated revenue and expense for each of its operating funds; and

WHEREAS, the District adopted a preliminary budget on June 18, 2026, and published said budget for public review and comment, and set the date of July 16, 2026, for adoption of a Final Budget.

WHEREAS, the District is required to ensure that pay schedules and special compensation (e.g., out-of-class pay, certification pay) are publicly available as prescribed by the California Code of Regulations, Title 2, §570.5, and §571 subsection (b); and

WHEREAS, your Board approves a budget, a Memorandum of Understanding with the Heritage Ranch Community Services Employees Association, and an employment agreement with the General Manager; and

WHEREAS, the rates listed in the FY 2026/27 Salary Schedule are reflected in the FY 2026/27 Final Budget.

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

1. The District Final Budget for Fiscal Year 2026/27, a copy of which is attached and made a part hereof, is hereby adopted.

2. The budget be administered as established by current policies and practices.

3. The District Salary Schedule for Fiscal Year 2026/27, a copy of which is attached and made a part hereof, is hereby adopted.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Heritage Ranch Community Services District on the 16th day of July 2026, by the following roll call vote.

AYES:
NOES:
ABSTAIN:
ABSENT:

APPROVED:__________________________
Bill Barker, President
Board of Directors

ATTEST:_________________________
Kristen Gelos, Secretary
Board of Directors

HERITAGE RANCH COMMUNITY SERVICES DISTRICT
Preliminary 2026/27 Capital & Equipment Budget

		Funding Source						
		Capital Reserves		Operating Budget			Operating Reserves	
PROJECTS	Budget	Water	Sewer	Water	Sewer	General	Water	Sewer
WRF Upgrade Project	$17,008,771		$5,953,070					$11,055,701
Lift Station 1-5 Rehab (const)	$175,104							$175,104
Pressure Reducing Valves (Waterview, Equestrian)	$58,491						$58,491	
Raw Water Vertical Intake No. 2 (design and const)	$86,411	$27,651					$58,759	
DBP Project	$800,000						$800,000	
Wastewater Collection System Model & I / I	$64,848		$22,048					$42,800
Pump Station Covers (design and const)	$85,000	$27,200					$57,800	
Electric Gate at Corp Yard	$50,000	$9,600	$6,800				$20,400	$13,200
Rebuild Treated Water Pumps	$50,000						$50,000	
subtotal Projects	$18,378,624	$64,451	$5,981,918	$0	$0	$0	$1,045,450	$11,286,805
EQUIPMENT								
Vehicle replacement (small pickup)	$36,699						$22,019	$14,680
Vehicle replacement (standard pickup)	$50,000						$30,000	$20,000
EOL Workstation Replacement	$23,000					$23,000		
Network Hardware Implemention	$47,000					$47,000		
subtotal Equipment	$156,699	$0	$0	$0	$0	$70,000	$52,019	$34,680
TOTAL CAPITAL	$18,535,323	$64,451	$5,981,918	$0	$0	$70,000	$1,097,469	$11,321,484

HERITAGE RANCH COMMUNITY SERVICES DISTRICT - WATER FUND

2025/26 un-audited, Preliminary 2026/27, & Final 2026/27

OPERATING REVENUE	Un-audited 25/26	Preliminary 26/27	Changes from Preliminary	Notes	Final Budget 26/27
Water Fees	1,973,949	2,052,970	0		2,052,970
Late Fees	23,080	11,220	0		11,220
Hook-Up Fees	2,500	2,000	0		2,000
Turn on Fees	1,320	2,000	0		2,000
Plan Check & Inspection	3,713	800	0		800
Miscellaneous Income	6,342	0	0		0
TOTAL OPERATING REVENUE	$2,010,905	$2,068,990	$0		$2,068,990
NON-OPERATING REVENUE					
Standby Charges	201,598	203,000	0		203,000
Property Tax	281,134	285,997	0		285,997
Interest	189,929	19,756	86,244	Board direction	106,000
Connection Fees	32,775	12,698	0		12,698
TOTAL NON-OPERATING REVENUE	$705,436	$521,451	$86,244		$607,695
RESERVE REVENUE					
Capital Reserves	52,458	64,451	0		64,451
General Reserves	217,373	1,117,450	-19,981	updated to FYE	1,097,469
TOTAL RESERVE REVENUE	$269,831	$1,181,901	($19,981)		$1,161,920
TOTAL REVENUE	$2,986,172	$3,772,342	$66,263		$3,838,605
OPERATING EXPENSES					
SALARIES AND BENEFITS					
Salaries	297,877	345,013	0		345,013
Overtime	804	1,114	0		1,114
Standby	16,932	20,628	0		20,628
Health Insurance	66,671	72,176	0		72,176
Pers Retirement	81,363	60,829	0		60,829
Workers Comp. Ins.	13,676	17,129	0		17,129
Medicare/FICA	4,815	5,003	0		5,003
Uniforms	3,297	5,257	0		5,257
TOTAL SALARIES & BENEFITS	$485,434	$527,148	($0)		$527,148
UTILITIES					
Electricity	75,895	105,994	0		105,994
Water Purchase	28,600	28,600	0		28,600
Telephone/Internet	6,069	4,969	0		4,969
TOTAL UTILITIES	$110,564	$139,563	$0		$139,563

	A	B	C	D	E	F
56	HERITAGE RANCH COMMUNITY SERVICES DISTRICT - WATER FUND					
57	2025/26 un-audited, Preliminary 2026/27, & Final 2026/27					
58						
59						
60		Un-audited	Preliminary	Changes from		Final Budget
61	MAINTENANCE & SUPPLIES	25/26	26/27	Preliminary	Notes	26/27
62	Chemicals	53,582	72,531	0		72,531
63	Computer/Software	285	9,768	0		9,768
64	Equip. Rental/Lease	0	2,250	0		2,250
65	Fixed Equip.	196,014	222,987	0		222,987
66	Fuel & Oil	12,828	10,529	0		10,529
67	Lab Testing	23,151	40,243	0		40,243
68	Struct./Grnds.	1,805	4,369	0		4,369
69	Small Tools/Equip.	1,901	2,106	0		2,106
70	Supplies	1,717	3,510	0		3,510
71	Meters/Equip.	12,807	14,038	0		14,038
72	Vehicles	6,848	4,212	0		4,212
73	TOTAL MAINT. & SUP.	$310,938	$386,544	$0		$386,544
74						
75	GENERAL & ADMINISTRATION					
76	Allocation of General Fund	485,629	550,667	0		550,667
77	Alarm/Answering Service	1,032	1,170	0		1,170
78	Bank Charges/Fees	0	0	0		0
79	Consulting/Engineering	0	5,000	0		5,000
80	Dues/Subscription	4,152	4,000	0		4,000
81	Insurance (Property/Liability)	21,190	23,247	0		23,247
82	Legal/Attorney	0	0	0		0
83	Licenses/Permits	21,080	18,834	0		18,834
84	Plan Check & Inspection	0	800	0		800
85	Professional Service	11,284	60,833	0		60,833
86	Training & Travel	502	3,510	0		3,510
87	TOTAL G & A	$544,869	$668,060	$0		$668,060
88						
89						
90	CAPITAL PROJECTS & EQUIPMENT					
91	Project	229,870	1,109,901	0		1,109,901
92	Equipment	39,961	72,000	-19,981	updated to FYE	52,019
93	TOTAL CAPITAL	$269,831	$1,181,901	($19,981)		$1,161,920
94						
95	DEBT					
96	State Loan Payment-DWR	103,628	103,628	0		103,628
97	State Loan Payment Phase II-SRF	58,739	58,740	0		58,740
98	Western Alliance Lease-PVS	113,814	114,075	0		114,075
99	TOTAL DEBT	$276,181	$276,443	$0		$276,443
100						
101						
102	FUNDED DEPRECIATION	175,000	175,000	0		175,000
103	UNFUNDED DEPRECIATION	0	0	0		0
104						
105	TOTAL EXPENSE	$2,172,817	$3,354,658	($19,981)		$3,334,677
106						
107	TRANSFER TO RESERVES	$32,775	$12,698	$0		$12,698
108						
109	**FUND TOTAL**	**$780,579**	**$404,986**	**$86,244**		**$491,230**

	A	B	C	D	E	F
1	**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - SEWER FUND**					
2	**2025/26 un-audited, Preliminary 2026/27, & Final 2026/27**					
3						
4						
5						
6		**Un-audited**	**Preliminary**	**Changes from**		**Final Budget**
7	**OPERATING REVENUE**	**25/26**	**26/27**	**Preliminary**	**Notes**	**26/27**
8	Sewer Fees	1,597,505	1,920,185	0		1,920,185
9	Late Fees	18,719	9,600	0		9,600
10	Hook-Up Fees	500	400	0		400
11	Turn on Fees	880	1,500	0		1,500
12	Plan Check & Inspection	2,709	800	0		800
13	Miscellaneous Income	4,228	0	0		0
14	**TOTAL OPERATING REVENUE**	$1,624,541	$1,932,485	$0		$1,932,485
15						
16						
17	**NON-OPERATING REVENUE**					
18	Standby Charges	41,291	39,200	0		39,200
19	Property Tax	153,346	155,999	0		155,999
20	Interest	37,465	92,953	1,047	Board direction	94,000
21	Connection Fees	40,187	15,534	0		15,534
22	**TOTAL NON-OPERATING REVENUE**	$272,288	$303,686	$1,047		$304,733
23						
24						
25	**RESERVE REVENUE**					
26	Capital Reserves	40,122	6,471,250	-489,332	updated to FYE	5,981,918
27	General Reserves	4,663,657	12,512,702	-1,191,217	updated to FYE	11,321,485
28	**TOTAL RESERVE**	$4,703,779	$18,983,952	($1,680,549)		$17,303,403
29						
30	TOTAL REVENUE	$6,600,608	$21,220,123	($1,679,502)		$19,540,621
31						
32	**OPERATING EXPENSES**					
33						
34	**SALARIES AND BENEFITS**					
35	Salaries	198,585	230,009	0		230,009
36	Overtime	536	743	0		743
37	Standby	11,288	13,752	0		13,752
38	Health Insurance	45,020	48,117	0		48,117
39	Pers Retirement	53,756	40,553	0		40,553
40	Workers Comp. Ins.	9,031	11,311	0		11,311
41	Medicare/FICA	3,210	3,335	0		3,335
42	Uniforms	2,198	3,504	0		3,504
43	**TOTAL SALARIES & BENEFITS**	$323,624	$351,324	$0		$351,324
44						
45						
46	**UTILITIES**					
47	Electricity	89,262	40,685	0		40,685
48	Telephone/Internet	4,231	3,463	0		3,463
49	**TOTAL UTILITIES**	$93,492	$44,148	$0		$44,148
50						
51						
52						

	A	B	C	D	E	F
53	HERITAGE RANCH COMMUNITY SERVICES DISTRICT - SEWER FUND					
54	2025/26 un-audited, Preliminary 2026/27, & Final 2026/27					
55						
56						
57						
58		Un-audited	Preliminary	Changes from		Final Budget
59	**MAINTENANCE & SUPPLIES**	25/26	26/27	Preliminary	Notes	26/27
60	Chemicals	27,865	20,659	0		20,659
61	Computer/Software	175	9,534	0		9,534
62	Equip. Rental/Lease	0	584	0		584
63	Fixed Equip.	89,596	70,776	0		70,776
64	Fuel & Oil	8,552	7,019	0		7,019
65	Lab Testing	32,542	28,779	0		28,779
66	Struct./Grnds.	3,647	8,739	0		8,739
67	Small Tools/Equip.	1,267	1,404	0		1,404
68	Supplies	1,223	1,754	0		1,754
69	Vehicles	4,565	2,808	0		2,808
70	**TOTAL MAINT. & SUP.**	$169,432	$152,056	$0		$152,056
71						
72						
73	**GENERAL & ADMINISTRATION**					
74	Allocation of General Fund	373,560	423,590	0		423,590
75	Alarm/Answering Service	1,032	1,170	0		1,170
76	Bank Charges/Fees	0	0	0		0
77	Consulting/Engineering	706	5,000	0		5,000
78	Dues/Subscription	2,251	2,146	0		2,146
79	Insurance (Property/Liability)	16,145	17,712	0		17,712
80	Legal/Attorney	0	0	0		0
81	Licenses/Permits	12,718	15,091	0		15,091
82	Plan Check & Inspection	0	800	0		800
83	Professional Service	8,831	29,247	0		29,247
84	Training & Travel	777	3,510	0		3,510
85	**TOTAL G & A**	$416,021	$498,266	$0		$498,266
86						
87						
88						
89	**CAPITAL PROJECTS & EQUIPMENT**					
90	Project	4,677,138	18,935,952	-1,667,229	updated to FYE	17,268,723
91	Equipment	26,641	48,000	-13,320	updated to FYE	34,680
92	**TOTAL CAPITAL**	$4,703,779	$18,983,952	($1,680,549)		$17,303,403
93						
94	**DEBT**					
95	Western Alliance Lease-PVS	38,507	38,595	0		38,595
96	**TOTAL DEBT**	$38,507	$38,595	$0		$38,595
97						
98						
99	FUNDED DEPRECIATION	98,000	98,000	0		98,000
100	UNFUNDED DEPRECIATION	0	0	0		0
101						
102	TOTAL EXPENSE	$5,842,854	$20,166,341	-$1,680,549		$18,485,792
103						
104	TRANSFER TO RESERVES	$40,187	$15,534	$0		$15,534
105						
106						
107	**FUND TOTAL**	**$717,567**	**$1,038,247**	**$1,047**		**$1,039,294**

	A	B	C	D	E	F
1	**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - SOLID WASTE FUND**					
2	**2025/26 un-audited, Preliminary 2026/27, & Final 2026/27**					
3						
4						
5						
6		**Un-audited**	**Preliminary**	**Changes from**		**Final Budget**
7	**OPERATING REVENUE**	**25/26**	**26/27**	**Preliminary**	**Notes**	**26/27**
8	TOTAL FRANCHISE FEES	$60,781	$47,819	$0		$47,819
9						
10						
11						
12						
13	**EXPENSE**					
14	Allocation of General Fund	74,712	84,718	0		84,718
15	TOTAL EXPENSES	$74,712	$84,718	$0		$84,718
16						
17	**TRANSFER TO RESERVES**	-$13,931	-$36,899	$0		**-$36,899**
18						
19	**FUND TOTAL**	**$0**	**$0**	**$0**		**$0**
20						

	A	B	C	D	E	F
1	**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - GENERAL FUND**					
2	**2025/26 un-audited, Preliminary 2026/27, & Final 2026/27**					
3						
4						
5						
6		**Un-audited**	**Preliminary**	**Changes from**		**Final Budget**
7	**OPERATING REVENUE**	**25/26**	**26/27**	**Preliminary**	**Notes**	**26/27**
8	Transfer from other Funds	0	0	0		0
9	Miscellaneous Income	4,972	500	0		500
10	**TOTAL OPERATING**	$4,972	$500	$0		$500
11						
12						
13						
14	**NON-OPERATING REVENUE**					
15	Property Tax	76,673	77,999	0		77,999
16	Interest	0	0	0		0
17	**TOTAL NON-OPERATING**	$76,673	$77,999	$0		$77,999
18						
19						
20						
21	**RESERVE REVENUE**					
22	Capital Reserves	0	0	0		0
23	General Reserves	0	70,000	0		70,000
24	**TOTAL RESERVE**	$0	$70,000	$0		$70,000
25						
26	TOTAL REVENUE	$81,645	$148,499	$0		$148,499
27						
28						
29						
30	**OPERATING EXPENSES**					
31						
32	**SALARIES AND BENEFITS**					
33	Salaries	520,221	583,417	0		583,417
34	Overtime	0	0	0		0
35	Health Insurance	67,675	110,593	0		110,593
36	Health Insurance - Retirees	57,136	59,416	0		59,416
37	Pers Retirement	116,711	106,973	0		106,973
38	OPEB Funding/Transfer	35,000	35,000	0		35,000
39	Workers Comp. Ins.	3,096	3,878	0		3,878
40	Directors' Fees	5,900	36,000	-18,000	moved to training	18,000
41	Medicare/FICA	7,740	8,982	0		8,982
42	Car Allowance	3,000	3,000	0		3,000
43	SUI/ETT	573	1,000	0		1,000
44	**TOTAL SALARIES & BENEFITS**	$817,052	$948,259	-$18,000		$930,259
45						
46						
47						
48	**UTILITIES**					
49	Electricity	937	245	0		245
50	Propane	999	1,715	0		1,715
51	Telephone/Internet	8,055	5,968	0		5,968
52	**TOTAL UTILITIES**	$9,992	$7,928	$0		$7,928
53						
54						

	A	B	C	D	E	F
55	**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - GENERAL FUND**					
56	**2025/26 un-audited, Preliminary 2026/27, & Final 2026/27**					
57						
58						
59						
60		**Un-audited**	**Preliminary**	**Changes from**		**Final Budget**
61	**MAINTENANCE & SUPPLIES**	**25/26**	**26/27**	**Preliminary**	**Notes**	**26/27**
62	Computer/Software	34,467	20,356	0		20,356
63	Equip. Rental/Lease	0	0	0		0
64	Fixed Equip.	0	0	0		0
65	Office Supplies	1,732	1,755	0		1,755
66	Parks & Recreation	0	0	0		0
67	Struct./Grnds.	1,805	4,369	0		4,369
68	Supplies	35	100	0		100
69	**TOTAL MAINT. & SUP.**	$38,039	$26,580	$0		$26,580
70						
71						
72	**GENERAL & ADMINISTRATION**					
73	Ads./Advertising	1,060	1,687	0		1,687
74	Alarm/Answering Service	2,064	2,340	0		2,340
75	Audit	9,745	20,000	0		20,000
76	Bank Charges/Fees	140	500	0		500
77	Consulting/Engineering	0	0	0		0
78	Dues/Subscription	6,061	5,568	0		5,568
79	Elections	0	10,000	0		10,000
80	Insurance (Property/Liability)	13,118	14,391	0		14,391
81	LAFCO	9,227	9,604	0		9,604
82	Legal/Attorney	27,415	28,122	0		28,122
83	Licenses/Permits	0	0	0		0
84	Postage	24,943	17,548	0		17,548
85	Professional Service	27,647	14,389	0		14,389
86	Tax Collection	7,414	7,414	0		7,414
87	Staff Training & Travel	6,341	7,019	0		7,019
88	Board Training & Travel	289	1,125	18,000	moved from fees	19,125
89	**TOTAL G & A**	$135,463	$139,707	$18,000		$157,707
90						
91						
92						
93	**CAPITAL PROJECTS & EQUIPMENT**					
94	Project	0	0	0		0
95	Equipment	0	70,000	0		70,000
96	**TOTAL CAPITAL**	$0	$70,000	$0		$70,000
97						
98						
99	FUNDED DEPRECIATION	15,000	15,000	0		15,000
100	UNFUNDED DEPRECIATION	0	0	0		0
101				$0		
102	TOTAL EXPENSE	$1,015,546	$1,207,474	$0		$1,207,474
103						
104	TRANSFERRED TO OTHER FUNDS	**($933,901)**	**($1,058,975)**	**$0**		**($1,058,975)**
105						
106	**FUND TOTAL**	**$0**	**$0**	**$0**		**$0**

HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET

2025/26 un-audited, Preliminary 2026/27, & Final 2026/27

OPERATING REVENUE	**Un-audited 25/26**	**Preliminary 26/27**	**Changes from Preliminary**	**Notes**	**Final Budget 26/27**
Water Fees	1,973,949	2,052,970	0		2,052,970
Sewer Fees	1,597,505	1,920,185	0		1,920,185
Hook-Up Fees	3,000	2,400	0		2,400
Turn on Fees	2,200	3,500	0		3,500
Late Fees	41,799	20,820	0		20,820
Plan Check & Inspection	6,422	1,600	0		1,600
Miscellaneous Income	15,542	500	0		500
OPERATING	$3,640,418	$4,001,975	$0		$4,001,975
FRANCHISE REVENUE					
FRANCHISE	60,781	47,819	0		$47,819
TOTAL OPERATING	$3,701,199	$4,049,794	$0		$4,049,794
NON-OPERATING REVENUE					
Standby Charges	242,889	242,200	0		242,200
Property Tax	511,153	519,995	0		519,995
Interest	227,394	112,709	87,291	Board direction	200,000
Connection Fees	72,962	28,232	0		28,232
TOTAL NON-OPERATING	$1,054,397	$903,136	$87,291		$990,427
RESERVE REVENUE					
Capital Reserves	92,579	6,535,701	-489,332	updated to FYE	6,046,369
General Reserves	4,881,031	13,700,152	-1,211,198	updated to FYE	12,488,954
TOTAL RESERVE	$4,973,610	$20,235,853	($1,700,530)		$18,535,323
TOTAL NON-OPERATING	$6,028,007	$21,138,989	($1,613,239)		$19,525,750
TOTAL ALL REVENUE	$9,729,206	$25,188,783	($1,613,239)		$23,575,544

HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET

2025/26 un-audited, Preliminary 2026/27, & Final 2026/27

OPERATING EXPENSES

SALARIES AND BENEFITS	Un-audited 25/26	Preliminary 26/27	Changes from Preliminary	Notes	Final Budget 26/27
Salaries	1,016,682	1,158,439	0		1,158,439
Health Insurance	179,366	230,886	0		230,886
Health Insurance - Retiree	57,136	59,416	0		59,416
Pers Retirement	251,830	208,355	0		208,355
OPEB Funding/Transfer	35,000	35,000	0		35,000
Standby	28,220	34,380	0		34,380
Overtime	1,339	1,857	0		1,857
Workers Comp. Ins.	25,804	32,318	0		32,318
Directors' Fees	5,900	36,000	-18,000	moved to training	18,000
Medicare/FICA	15,766	17,320	0		17,320
Car Allowance	3,000	3,000	0		3,000
SUI/ETT	573	1,000	0		1,000
Uniforms	5,495	8,761	0		8,761
TOTAL SALARIES & BENEFITS	$1,626,110	$1,826,732	-$18,000		$1,808,731

UTILITIES					
Electricity	166,094	146,924	0		146,924
Propane	999	1,715	0		1,715
Water Purchase	28,600	28,600	0		28,600
Telephone/Internet	18,355	14,400	0		14,400
TOTAL UTILITIES	$214,048	$191,639	$0		$191,639

MAINTENANCE & SUPPLIES					
Chemicals	81,447	93,190	0		93,190
Computer/Software	34,927	39,659	0		39,659
Equip. Rental/Lease	0	2,834	0		2,834
Fixed Equip.	285,611	293,763	0		293,763
Fuel & Oil	21,379	17,548	0		17,548
Lab Testing	55,693	69,022	0		69,022
Office Supplies	1,732	1,755	0		1,755
Parks & Recreation	0	0	0		0
Struct./Grnds.	7,258	17,477	0		17,477
Small Tools/Equip.	3,168	3,510	0		3,510
Supplies	2,975	5,364	0		5,364
Meters/Equip.	12,807	14,038	0		14,038
Vehicles	11,413	7,020	0		7,020
TOTAL MAINT. & SUP.	$518,410	$565,180	$0		$565,180

	A	B	C	D	E	F
108	**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET**					
109	**2025/26 un-audited, Preliminary 2026/27, & Final 2026/27**					
110						
111						
112						
113		**Un-audited**	**Preliminary**	**Changes from**		**Final Budget**
114	**GENERAL & ADMINISTRATION**	**25/26**	**26/27**	**Preliminary**	**Notes**	**26/27**
115	Ads./Advertising	1,060	1,687	0		1,687
116	Alarm/Answering Service	4,129	4,680	0		4,680
117	Audit	9,745	20,000	0		20,000
118	Bank Charges/Fees	140	500	0		500
119	Consulting/Engineering	706	10,000	0		10,000
120	Dues/Subscription	12,464	11,714	0		11,714
121	Elections	0	10,000	0		10,000
122	Insurance (Property/Liability)	50,453	55,350	0		55,350
123	LAFCO	9,227	9,604	0		9,604
124	Legal/Attorney	27,415	28,122	0		28,122
125	Licenses/Permits	33,798	33,925	0		33,925
126	Plan Check & Inspection	0	1,600	0		1,600
127	Postage/Billing	24,943	17,548	0		17,548
128	Professional Service	47,763	104,469	0		104,469
129	Tax Collection	7,414	7,414	0		7,414
130	Staff Training & Travel	7,620	14,039	0		14,039
131	Board Training & Travel	289	1,125	18,000	moved from fees	19,125
132	**TOTAL G & A**	$237,164	$331,776	$18,000		$349,776
133						
134						
135						
136	**CAPITAL PROJECTS & EQUIPMENT**					
137	Structures/Improvements	4,907,008	20,045,853	-1,667,229	updated to FYE	18,378,624
138	Equipment	66,601	190,000	-33,301	updated to FYE	156,699
139	**TOTAL CAPITAL**	$4,973,610	$20,235,853	($1,700,530)		$18,535,323
140						
141						
142						
143	**DEBT**					
144	State Loan Payment - DWR	103,628	103,628	0		103,628
145	State Loan Payment Phase II - SRF	58,739	58,740	0		58,740
146	Western Alliance Lease-PVS	152,321	152,669	0		152,669
147	**TOTAL DEBT**	$314,688	$315,037	$0		$315,037
148						
149	FUNDED DEPRECIATION	$288,000	$288,000	$0		$288,000
150	UNFUNDED DEPRECIATION	$0	$0	$0		$0
151						
152						
153	TOTAL EXPENSE	$8,172,029	$23,754,217	-$1,700,530		$22,053,687
154						
155	CAPACTIY CHARGES TRANSFER	$72,962	$28,232	$0		$28,232
156						
157	SOLID WASTE FEES TRANSFER	-$13,931	-$36,899	$0		-$36,899
158			-$8,667			-$8,667
159						
160	**FUND TOTAL**	**$1,498,146**	**$1,443,233**	**$87,291**		**$1,530,524**

HRCSD Salaries Ranges FY 2026/2027

07/01/2026 Budget

Budgeted Positions 25/26	Additions / Deletions 26/27	Budgeted Positions 26/27	Position	Range	Hourly Pay Range per Step					Longevity		
					A	B	C	D	E	10 years	15 years	20 years
			Customer Service Representative I	5	$18.57	$19.50	$20.48	$21.50	$22.58	$23.14	$23.71	$24.27
			Customer Service Representative II	9	$20.48	$21.51	$22.58	$23.71	$24.90	$25.52	$26.14	$26.76
			Customer Service Representative III	13	$22.58	$23.71	$24.90	$26.14	$27.45	$28.13	$28.82	$29.51
			Maintenance Worker	14	$23.15	$24.31	$25.52	$26.80	$28.14	$28.84	$29.54	$30.25
1	0	1	Administrative Assistant	22	$28.14	$29.54	$31.02	$32.57	$34.20	$35.06	$35.91	$36.77
			Operator In Training	22	$28.14	$29.54	$31.02	$32.57	$34.20	$35.06	$35.91	$36.77
2	0	2	Treatment Op. 1	28	$32.57	$34.20	$35.91	$37.71	$39.59	$40.58	$41.57	$42.56
			Office Assistant II	28	$32.57	$34.20	$35.91	$37.71	$39.59	$40.58	$41.57	$42.56
			Treatment Op. 1 / WW I	30	$34.20	$35.91	$37.71	$39.60	$41.58	$42.62	$43.65	$44.69
2	0	2	Treatment Op. 2	32	$35.92	$37.71	$39.60	$41.58	$43.66	$44.75	$45.84	$46.93
			Treatment Op. 2 / T3	33	$36.79	$38.63	$40.56	$42.59	$44.72	$45.84	$46.95	$48.07
			Treatment Operator 2 / WW I	34	$36.25	$38.06	$39.97	$41.97	$44.06	$45.16	$46.27	$47.37
			Treatment Op. 2 / WW I - lab	35	$37.14	$39.00	$40.95	$43.00	$45.15	$46.27	$47.40	$48.53
			Office Supervisor	37	$40.56	$42.59	$44.72	$46.96	$49.30	$50.54	$51.77	$53.00
			Treatment Operator 3	38	$41.57	$43.65	$45.83	$48.12	$50.53	$51.79	$53.06	$54.32
1	0	1	Administrative Manager	50	$55.69	$58.48	$61.40	$64.47	$67.70	N/A		
2	0	2	Operations Manager	50	$55.69	$58.48	$61.40	$64.47	$67.70	N/A		
			Assistant General Manager	54	$61.44	$64.52	$67.74	$71.13	$74.69	N/A		
1	0	1	District Engineer	58	$67.82	$71.21	$74.77	$78.51	$82.44	N/A		
1	0	1	General Manager	Contract	Annual Base Salary $222,768					N/A		
10	0	10	Total									

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HERITAGE RANCH COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR MEETING MINUTES

June 18, 2026

1. **CALL TO ORDER / FLAG SALUTE**

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

2. **ROLL CALL**

   Secretary Gelos called the roll. Director Burgess was absent. All other directors were in attendance.

   Staff Present: General Manager, Scott Duffield, District Engineer, Doug Groshart, and District Counsel, Craig Steel.

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

   There were no public comments.

4. **CONSENT ITEMS**

   a. **Meeting Minutes: Receive/approve minutes of regular meeting of May 21, 2026.**
   b. **Warrant Register: Receive/approve May 2026 warrants.**
   c. **Treasurer's Report: Receive/file May 2026 report.**
   d. **Fiscal Report: Receive/file May 2026 status report.**
   e. **Office Report: Receive/file May 2026 report.**
   f. **District Engineer Report: Receive/file June 2026 report.**
   g. **Operations Manager Report: Receive/file June 2026 report.**
   h. **Updates regarding disinfection byproducts.**

      There were no public comments.

      Upon the motion of Director Camou and seconded by Director Swanson, the board approved all items as presented following a voice vote:

      Ayes: Barker, Camou, Swanson, Yaffee
      Absent: Burgess

5. **BUSINESS ITEMS**

   a. **Request to adopt a Preliminary FY 2026/27 Budget, and schedule a public hearing for July 16, 2026, for adoption of a Final FY 2026/27 Budget.**

      There were no public comments.

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

Upon the motion of Director Camou and seconded by Director Swanson, the board adopted a Preliminary FY 2026/27 Budget with changes to Interest Revenue, and scheduled a public hearing for July 16, 2026 following a roll call vote:

Ayes: Barker, Camou, Swanson, Yaffee
Absent: Burgess

b. **Submittal for approval Resolution 26-05 requesting consolidation of the District's biennial election with the November 3, 2026 Consolidated General Election, and Resolution 26-06 adopting regulations for candidates for elective office pertaining to, and costs of, candidate statements.**

There were no public comments.

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

Upon the motion of Director Yaffee and seconded by Director Camou, the board approved resolutions 26-05 and 26-06 following a roll call vote:

Ayes: Barker, Camou, Swanson, Yaffee
Absent: Burgess

c. **Submittal for approval amendment to the Memorandum of Understanding between Heritage Ranch Community Services Employees Association and Heritage Ranch Community Services District for FYE 2027-2028.**

There were no public comments.

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

Upon the motion of Director Swanson and seconded by Director Yaffee, the board approved amendment to the Memorandum of Understanding following a roll call vote:

Ayes: Barker, Camou, Swanson, Yaffee
Absent: Burgess

d. **Request to approve a proposal from Tuckfield & Associates to perform a Water and Wastewater Capacity Charge study for a not to exceed amount of $14,900.**

There were no public comments.

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

Upon the motion of Director Swanson and seconded by Director Yaffee, the board approved a proposal from Tuckfield & Associates following a roll call vote:

Ayes: Barker, Camou, Swanson, Yaffee
Absent: Burgess

e. **Request to consider renewal of conditional will serve letters for Vesting Tentative Tract Map 2879 and Vesting Tentative Tract Map 3110.**

Public Comment: Sam Poppen spoke.

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

Upon the motion of Director Yaffee and seconded by Director Swanson, the board approved renewal of conditional will serve letters following a roll call vote:

Ayes: Barker, Swanson, Yaffee
Noes: Camou
Absent: Burgess

f. Receive and file Water Resource Recovery Facility Project updates.

There were no public comments.

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

The report was received and filed.

6. GENERAL MANAGER REPORT

There were no public comments.

Manager Duffield presented the item and answered questions from the board.

The report was received and filed.

7. COMMITTEE / DIRECTOR REPORTS (oral reports)

There were no committee / director reports.

8. FUTURE AGENDA ITEMS

There were no public comments.

There were no additional future agenda items requested.

9. ADJOURN TO CLOSED SESSION

Public Employee Performance Evaluation (Government Code §54957) Title: General Manager

There were no public comments.

Upon a motion by Director Camou and Seconded by Director Swanson, the board adjourned to closed session at 5:39 p.m.

10. RECONVENE TO OPEN SESSION

The board reconvened to open session at 6:17 p.m.

District Counsel, Craig Steele, reported the proposal to the General Manager is to have a 4% increase, and the Brown Act requires that the total compensation amount be announces, which would be $222,768 if the board approves this amount.

Upon a motion by Director Barker and seconded by Director Camou, the board directed District Counsel to amend the General Managers employment contract following a voice vote:

Ayes: Barker, Camou, Swanson, Yaffee
Absent: Burgess

11. ADJOURNMENT

Upon a motion by Director Camou, and seconded by Director Swanson, the meeting adjourned at 6:19 p.m.

Minutes submitted by: Kristen Gelos*, Secretary, Board of Directors*
Minutes approved by:

HERITAGE RANCH COMMUNITY SERVICES DISTRICT
WARRANT REGISTER
June 2026

DATE	NAME OF PAYEE	ITEM AMOUNT		WARRANT AMOUNT
6/1/2026	SAN MIGUEL GARBAGE			
	DELINQUENT SOLID WASTE FEES	5,250.00	$	5,250.00
6/1/2026	CALPERS FISCAL SERVICES DIVISI			
	OPEB CONTRIBUTION FY 2025/26	35,000.00	$	35,000.00
6/3/2026	CALPERS HEALTH BENEFITS			
	EMPLOYEE PAID HEALTH BENEFIT	904.08		
	EMPLOYEE PAID HEALTH BENEFIT	904.08		
	EMPLOYEE PAID HEALTH BENEFIT	904.08	$	2,712.24
6/3/2026	CALPERS HEALTH BENEFITS			
	CALPERS HEALTH BENEFITS	21,101.86	$	21,101.86
6/9/2026	SAN MIGUEL GARBAGE			
	DELINQUENT SOLID WASTE FEES	356.00	$	356.00
6/9/2026	CARDMEMBER SERVICES-FIVE STAR			
	FS CC PURCHASES	1,340.06	$	1,340.06
6/9/2026	STAPLES CREDIT PLAN			
	OFFICE SUPPLIES	116.39	$	116.39
6/9/2026	GREAT WESTERN ALARM			
	ALARM / ANSWERING SERVICE	341.32	$	341.32
6/9/2026	MCCLATCHY COMPANY LLC			
	ADVERTISING	96.97	$	96.97
6/9/2026	USA BLUEBOOK			
	CHEMICALS	386.89		
	MAINTENANCE FIXED EQUIPMENT	4,062.26	$	4,449.15
6/9/2026	BRENNTAG PACIFIC, INC			
	CHEMICALS	3,663.71		
	CHEMICALS	3,885.87		
	CHEMICALS	3,299.71	$	10,849.29
6/9/2026	THE BLUEPRINTER			
	CONSULTING & ENGINEERING	705.66	$	705.66
6/9/2026	COUNTY OF SAN LUIS OBISPO			
	PROFESSIONAL SERVICES	527.30	$	527.30

HERITAGE RANCH COMMUNITY SERVICES DISTRICT
WARRANT REGISTER
June 2026

DATE	NAME OF PAYEE	ITEM AMOUNT		WARRANT AMOUNT
6/9/2026	ROY ARNOLD			
	CELL PHONE/INTERNET ALLOWANCE	80.00	$	80.00
6/9/2026	DELTA LIQUID ENERGY			
	PROPANE - SERVICE AGREEMENT	55.00		
	PROPANE - SERVICE AGREEMENT	55.00	$	110.00
6/9/2026	NAPA AUTO PARTS			
	FUEL & OIL / MAINT.FIXED EQUIP	116.50	$	116.50
6/9/2026	ABALONE COAST ANALYTICAL, INC.			
	LAB TESTING	3,327.00	$	3,327.00
6/9/2026	KRISTEN GELOS			
	CELL PHONE/INTERNET ALLOWANCE	80.00	$	80.00
6/9/2026	CLA-VAL			
	MAINTENANCE FIXED EQUIPMENT	2,494.41		
	MAINTENANCE FIXED EQUIPMENT	1,780.69		
	MAINTENANCE FIXED EQUIPMENT	1,670.01		
	MAINTENANCE FIXED EQUIPMENT	1,253.88		
	MAINTENANCE FIXED EQUIPMENT	1,754.30		
	MAINTENANCE FIXED EQUIPMENT	2,524.81	$	11,478.10
6/9/2026	MATRIX IMAGING SOLUTIONS			
	POSTAGE	133.00		
	JUNE BILLING	1,632.21	$	1,765.21
6/9/2026	SCOTT DUFFIELD			
	CELL PHONE/INTERNET ALLOWANCE	80.00	$	80.00
6/9/2026	BRIAN VOGEL			
	CELL PHONE/INTERNET ALLOWANCE	80.00		
	UNIFORM ALLOWANCE	375.45	$	455.45
6/9/2026	TROY SHOGREN			
	CELL PHONE/INTERNET ALLOWANCE	80.00	$	80.00
6/9/2026	DOUGLAS GROSHART			
	CELL PHONE/INTERNET ALLOWANCE	80.00	$	80.00
6/9/2026	SPEEDY COASTAL MESSENGER, INC.			
	LAB TESTING	495.00	$	495.00

HERITAGE RANCH COMMUNITY SERVICES DISTRICT
WARRANT REGISTER
June 2026

DATE	NAME OF PAYEE	ITEM AMOUNT		WARRANT AMOUNT
6/9/2026	AUTOMATION DIRECT			
	MAINTENANCE FIXED EQUIPMENT	341.06		
	MAINTENANCE FIXED EQUIPMENT	395.75		
	MAINTENANCE FIXED EQUIPMENT	468.68	$	1,205.49
6/9/2026	AMAZON			
	COMPUTER/SOFTWARE	41.76		
	SMALL TOOLS & EQUIPMENT	476.20		
	MAINTENANCE FIXED EQUIPMENT	10.88		
	COMPUTER/SOFTWARE	109.92		
	CHEMICALS	39.45	$	678.21
6/9/2026	IN-SITU INC			
	MAINTENANCE FIXED EQUIPMENT	2,343.98	$	2,343.98
6/9/2026	EVOQUA WATER TECHNOLOGIES LLC			
	MAINTENANCE FIXED EQUIPMENT	1,501.50		
	MAINTENANCE FIXED EQUIPMENT	1,501.50	$	3,003.00
6/9/2026	JERED MARTY			
	CELL PHONE/INTERNET ALLOWANCE	80.00	$	80.00
6/9/2026	JASON GULARTE			
	CELL PHONE/INTERNET ALLOWANCE	80.00	$	80.00
6/9/2026	VC3, INC.			
	COMPUTER/SOFTWARE	383.20	$	383.20
6/9/2026	RWG LAW			
	LEGAL & ATTORNEY	236.00		
	LEGAL & ATTORNEY	1,150.50	$	1,386.50
6/9/2026	NICK OTTO			
	CELL & INTERNET ALLOWANCE	80.00	$	80.00
6/9/2026	FLUID RESOURCE MANAGEMENT			
	LS#2 PROJECT	10,171.75		
	LS#2 PROJECT	3,330.00		
	LS#2 PROJECT	4,991.25		
	LS#2 PROJECT	3,446.61		
	LS#2 PROJECT	2,509.87		
	LS#2 PROJECT	3,723.83		
	PROFESSIONAL SERVICES	920.00	$	29,093.31

HERITAGE RANCH COMMUNITY SERVICES DISTRICT
WARRANT REGISTER
June 2026

DATE	NAME OF PAYEE	ITEM AMOUNT		WARRANT AMOUNT
6/9/2026	AT&T			
	MAINTENANCE FIXED EQUIPMENT	81.48	$	81.48
6/9/2026	CHARTER COMMUNICATIONS			
	INTERNET	131.25	$	131.25
6/9/2026	BATTERY SYSTEMS INC.			
	MAINTENANCE FIXED EQUIPMENT	120.68	$	120.68
6/9/2026	CAL COAST MACHINERY			
	MAINTENANCE FIXED EQUIPMENT	430.74	$	430.74
6/9/2026	RING CENTRAL			
	TELEPHONE	295.91	$	295.91
6/9/2026	STARLINK			
	INTERNET	280.00	$	280.00
6/9/2026	SAFEGUARD PROPERTIES			
	US REFUND	5.06	$	5.06
6/10/2026	FLUID RESOURCE MANAGEMENT			
	LS#2 PROJECT	240,965.00	$	240,965.00
6/12/2026	R. ARNOLD			
	NET PAYROLL	3,328.37	$	3,328.37
6/12/2026	B. VOGEL			
	NET PAYROLL	3,321.01	$	3,321.01
6/12/2026	T. SHOGREN			
	NET PAYROLL	2,919.43	$	2,919.43
6/12/2026	J. MARTY			
	NET PAYROLL	2,434.68	$	2,434.68
6/12/2026	J. GULARTE			
	NET PAYROLL	2,359.37	$	2,359.37
6/12/2026	N. OTTO			
	NET PAYROLL	2,858.19	$	2,858.19
6/12/2026	K. GELOS			
	NET PAYROLL	3,370.97	$	3,370.97

HERITAGE RANCH COMMUNITY SERVICES DISTRICT
WARRANT REGISTER
June 2026

DATE	NAME OF PAYEE	ITEM AMOUNT		WARRANT AMOUNT
6/12/2026	D. BURGESS			
	NET PAYROLL	92.35	$	92.35
6/12/2026	B. BARKER			
	NET PAYROLL	92.35	$	92.35
6/12/2026	S. DUFFIELD			
	NET PAYROLL	4,605.32	$	4,605.32
6/12/2026	D. GROSHART			
	NET PAYROLL	4,694.15	$	4,694.15
6/12/2026	M. CAMOU			
	NET PAYROLL	184.70	$	184.70
6/12/2026	M. YAFFEE			
	NET PAYROLL	92.35	$	92.35
6/12/2026	H. COLLINS			
	NET PAYROLL	1,710.20	$	1,710.20
6/12/2026	INTERNAL REVENUE SERVICE			
	FEDERAL WITHHOLDING TAXES	4,118.74		
	FICA WITHIHOLDING	62.00		
	MEDICARE	1,289.20	$	5,469.94
6/12/2026	EMPLOYMENT DEVELOPMENT DEPARTM			
	ETT	1.59		
	SDI	571.40		
	SUI	25.41		
	STATE WITHHOLDING	1,311.50	$	1,909.90
6/12/2026	CALPERS RETIREMENT SYSTEM			
	CALPERS UNIFORM ALLOWANCE	10.53		
	PERS-IRC 457 CONTRIBUTIONS	395.00		
	PERS-IRC 457 CONTRIBUTIONS	1,252.27		
	PERS RETIREMENT	1,995.49		
	PERS RETIREMENT TIER 2	2,196.43		
	PERS RETIREMENT PEPRA	3,286.02		
	SURVIVOR BENEFIT	9.30	$	9,145.04
6/15/2026	PG&E			
	ELECTRICITY	3,250.81		
	ELECTRICITY	13,330.12	$	16,580.93

HERITAGE RANCH COMMUNITY SERVICES DISTRICT
WARRANT REGISTER
June 2026

DATE	NAME OF PAYEE	ITEM AMOUNT		WARRANT AMOUNT
6/15/2026	JORANDA MARKETING, INC. / JAN-			
	STRUCTURES & GROUNDS	304.60	$	304.60
6/17/2026	PITNEY BOWES			
	POSTAGE	200.00	$	200.00
6/23/2026	CALPERS RETIREMENT SYSTEM			
	CALPERS UNFUNDED LIABILITY	11,740.08	$	11,740.08
6/24/2026	SPECIAL DISTRICT RISK MANAGEME			
	W/C INSURANCE FY 2026/27	29,921.98	$	29,921.98
6/24/2026	AT&T			
	TELEPHONE	90.16	$	90.16
6/24/2026	HOME DEPOT CREDIT SERVICES			
	MAINTENANCE FIXED EQUIPMENT	638.30	$	638.30
6/24/2026	USA BLUEBOOK			
	CHEMICALS	364.95		
	CHEMICALS	185.61	$	550.56
6/24/2026	KRITZ EXCAVATING & TRUCKING, I			
	MAINTENANCE FIXED EQUIPMENT	1,204.38		
	MAINTENANCE FIXED EQUIPMENT	684.86	$	1,889.24
6/24/2026	FGL ENVIRONMENTAL			
	LAB TESTING	1,254.00		
	LAB TESTING	110.00	$	1,364.00
6/24/2026	ROY ARNOLD			
	MEDICAL REIMBURSEMENT	200.00		
	UNIFORM ALLOWANCE	124.15	$	324.15
6/24/2026	FLUID RESOURCE MANAGEMENT			
	PROFESSIONAL SERVICES	660.00	$	660.00
6/24/2026	CORE & MAIN LP			
	MAINTENANCE FIXED EQUIPMENT	1,102.53		
	MAINTENANCE FIXED EQUIPMENT	405.71		
	METERS & EQUIPMENT	546.26		
	MAINTENANCE FIXED EQUIPMENT	193.05		
	METERS & EQUIPMENT	251.70		

HERITAGE RANCH COMMUNITY SERVICES DISTRICT
WARRANT REGISTER
June 2026

DATE	NAME OF PAYEE	ITEM AMOUNT		WARRANT AMOUNT
6/24/2026	METERS & EQUIPMENT	548.91		
	METERS & EQUIPMENT	412.06	$	3,460.22
6/24/2026	CLA-VAL			
	MAINTENANCE FIXED EQUIPMENT	2,026.08		
	MAINTENANCE FIXED EQUIPMENT	2,051.06		
	MAINTENANCE FIXED EQUIPMENT	1,253.88		
	MAINTENANCE FIXED EQUIPMENT	957.79	$	6,288.81
6/24/2026	RINCON CONSULTANTS, INC.			
	WFFR PROJECT	15,067.13	$	15,067.13
6/24/2026	WESTERN EXTERMINATOR			
	STRUCTURES & GROUNDS	144.43	$	144.43
6/24/2026	HYDROPRO SOLUTIONS			
	METERS & EQUIPMENT	1,669.57	$	1,669.57
6/24/2026	HYDROSCIENCE ENGINEERS INC			
	WFFR PROJECT	79,929.33	$	79,929.33
6/24/2026	U.S. BANK EQUIPMENT FINANCE			
	COMPUTER/SOFTWARE	281.63	$	281.63
6/24/2026	VC3, INC.			
	PROFESSIONAL SERVICES	1,526.90	$	1,526.90
6/24/2026	W. M. LYLES CO.			
	WRRF PROJECT	1,303,094.67	$	1,303,094.67
6/25/2026	J.B. DEWAR. INC.			
	FUEL & OIL	2,037.48	$	2,037.48
6/26/2026	R. ARNOLD			
	NET PAYROLL	3,328.37	$	3,328.37
6/26/2026	B. VOGEL			
	NET PAYROLL	3,321.01	$	3,321.01
6/26/2026	T. SHOGREN			
	NET PAYROLL	3,366.72	$	3,366.72
6/26/2026	J. MARTY			
	NET PAYROLL	2,680.38	$	2,680.38

HERITAGE RANCH COMMUNITY SERVICES DISTRICT
WARRANT REGISTER
June 2026

DATE	NAME OF PAYEE	ITEM AMOUNT		WARRANT AMOUNT
6/26/2026	J. GULARTE			
	NET PAYROLL	1,984.02	$	1,984.02
6/26/2026	N. OTTO			
	NET PAYROLL	2,225.09	$	2,225.09
6/26/2026	K. GELOS			
	NET PAYROLL	3,370.97	$	3,370.97
6/26/2026	S. DUFFIELD			
	NET PAYROLL	4,442.76	$	4,442.76
6/26/2026	D. GROSHART			
	NET PAYROLL	4,694.15	$	4,694.15
6/26/2026	H. COLLINS			
	NET PAYROLL	1,710.20	$	1,710.20
6/26/2026	INTERNAL REVENUE SERVICE			
	FEDERAL WITHHOLDING TAXES	4,020.16		
	MEDICARE	1,256.00	$	5,276.16
6/26/2026	EMPLOYMENT DEVELOPMENT DEPARTM			
	SDI	563.03		
	STATE WITHHOLDING	1,262.30	$	1,825.33
6/26/2026	CALPERS RETIREMENT SYSTEM			
	PERS-IRC 457 CONTRIBUTIONS	395.00		
	PERS-IRC 457 CONTRIBUTIONS	1,252.27		
	PERS RETIREMENT	1,995.48		
	PERS RETIREMENT TIER 2	2,196.43		
	PERS RETIREMENT PEPRA	3,286.02		
	SURVIVOR BENEFIT	9.30	$	9,134.50
6/30/2026	AT&T			
	MAINTENANCE FIXED EQUIPMENT	81.48	$	81.48
6/30/2026	CHARTER COMMUNICATIONS			
	INTERNET	130.00	$	130.00
6/30/2026	LOWE'S			
	SMALL TOOLS & EQUIPMENT	162.04		
	MAINTENANCE FIXED EQUIPMENT	29.88	$	191.92

HERITAGE RANCH COMMUNITY SERVICES DISTRICT
WARRANT REGISTER
June 2026

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
6/30/2026	HOME DEPOT CREDIT SERVICES		
	MAINTENANCE FIXED EQUIPMENT	129.62	$ 129.62
6/30/2026	ANYTHING GOES		
	POSTAGE	82.40	$ 82.40
6/30/2026	RING CENTRAL		
	TELEPHONE	12.15	
	TELEPHONE	334.44	$ 346.59
6/30/2026	STARLINK		
	INTERNET	280.00	$ 280.00
		TOTAL ALL WARRANTS	**$1,956,591.47**

HERITAGE RANCH COMMUNITY SERVICES DISTRICT
TREASURER'S REPORT
June 2026

SUMMARY REPORT OF ALL ACCOUNTS

Beginning Balance:	$ 9,315,740
Ending Balance:	$ 9,090,683
Variance:	$ (225,057)
Interest Earnings for the Month Reported:	$ 23,300
Interest Earnings Fiscal Year-to-Date:	$ 227,394

ANALYSIS OF REVENUES

Total operating income for water and sewer was:	$ 323,613
Non-operating income was:	$ 2,277,773
Franchise fees paid to the District by San Miguel Garbage was:	$ 9,297
Interest earnings for the LAIF account was:	$ -
Interest earnings for the California CLASS account was:	$ 3,055
Interest earnings for the Five Star Bank checking account was:	$ 47
Interest earnings for the Five Star Bank DWR Loan Services account was:	$ 90
Interest earnings for the Five Star Bank DWR Reserve account was:	$ 410
Interest earnings for the Mechanics Bank money market account was:	$ 0

ANALYSIS OF EXPENSES

Five Star Bank checking account total warrants, fees, and Electronic Fund Transfers was:	$ 198,183

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
June 2026

BEGINNING BALANCE ALL ACCOUNTS		**$**	**9,315,740.01**
OPERATING CASH IN DRAWER		**$**	**300.00**
FIVE STAR BANK DWR LOAN REPAYMENT (1994-2029):			
BEGINNING BALANCE 5/31/2026	28,759.15		
QUARTERLY DEPOSIT	-		
INTEREST EARNED	90.20		
SEMI-ANNUAL PAYMENT	-		
ENDING BALANCE 6/30/2026		**$**	**28,849.35**
FIVE STAR BANK DWR RESERVE ACCOUNT			
BEGINNING BALANCE 5/31/2026	130,647.60		
INTEREST EARNED	409.75		
ENDING BALANCE 6/30/2026		**$**	**131,057.35**
FIVE STAR BANK SDWSRF LOAN SERVICES ACCOUNT			
BEGINNING BALANCE 5/31/2026	31,566.14		
QUARTERLY DEPOSIT			
INTEREST EARNED	59.12		
SEMI-ANNUAL PAYMENT	(29,369.28)		
ENDING BALANCE 6/30/2026		**$**	**2,255.98**
FIVE STAR BANK SDWSRF RESERVE ACCOUNT			
BEGINNING BALANCE 5/31/2026	67,608.65		
INTEREST EARNED	212.05		
ENDING BALANCE 6/30/2026		**$**	**67,820.70**
BANNER BANK WRRF CHECKING ACCOUNT			
BEGINNING BALANCE 5/31/2026	29.86		
TOTAL CHECKS, FEES AND EFT'S	(35.01)		
REVENUE TRANSFER *From Banner Bank WRRF Loan Account*	1,398,091.00		
REVENUE TRANSFER *To Five Star Money Market*	(1,398,050.86)		
ENDING BALANCE 6/30/2026		**$**	**34.99**
BANNER BANK WRRF RESERVE ACCOUNT			
BEGINNING BALANCE 5/31/2026	1,241,707.36		
INTEREST EARNED	20.41		
ENDING BALANCE 6/30/2026		**$**	**1,241,727.77**

HERITAGE RANCH COMMUNITY SERVICES DISTRICT
STATUS REPORT FOR ALL ACCOUNTS
June 2026

MECHANICS BANK MONEY MARKET ACCOUNT		
BEGINNING BALANCE 5/31/2026	6,507.30	
DEPOSIT REVENUE - CASH	413.54	
INTEREST EARNED	0.07	
REVENUE TRANSFER *To Five Star Checking*	(2,652.30)	
ENDING BALANCE 6/30/2026		**$ 4,268.61**
FIVE STAR BANK - MONEY MARKET		
BEGINNING BALANCE 5/31/2026	6,336,438.75	
INTEREST EARNED	19,406.94	
TOTAL CHECKS, FEES AND EFT'S	-	
REVENUE TRANSFER *To Five Star Checking*	(1,750,000.00)	
REVENUE TRANSFER *From Banner Bank Checking*	1,398,050.86	
ENDING BALANCE 6/30/2026		**$ 6,003,896.55**
FIVE STAR BANK - CHECKING		
BEGINNING BALANCE 5/31/2026	198,182.50	
DEPOSIT REVENUE & MISCELLANEOUS INCOME	339,013.88	
INTEREST EARNED	46.59	
TOTAL CHECKS, FEES AND EFT'S	(1,956,471.86)	
REVENUE TRANSFER *From Mechanics Bank*	2,652.30	
REVENUE TRANSFER *To Five Star Money Market*	1,750,000.00	
ENDING BALANCE 6/30/2026		**$ 333,423.41**
LOCAL AGENCY INVESTMENT FUND (LAIF)		
BEGINNING BALANCE 5/31/2026	269,071.19	
INTEREST EARNED	-	
ENDING BALANCE 6/30/2026		**$ 269,071.19**
CALIFORNIA CLASS		
BEGINNING BALANCE 5/31/2026	1,004,921.51	
INTEREST EARNED	3,055.36	
ENDING BALANCE 6/30/2026		**$ 1,007,976.87**

ENDING BALANCE ALL ACCOUNTS		**$ 9,090,682.77**
DIFFERENCE FROM LAST MONTH	**Decrease**	**$ (225,057.24)**

HERITAGE RANCH COMMUNITY SERVICES DISTRICT
QUARTERLY TREASURER'S REPORT
APRIL 1, 2026 – JUNE 31, 2026

SUMMARY REPORT OF ALL ACCOUNTS

Beginning Balance	$	8,830,495.55
Ending Balance	$	9,090,682.77
Variance	$	260,187.22
Interest Earnings	$	42,001.41

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-day 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 drawer: Maintained to make change for cash transactions.

2. Five Star Bank DWR Loan Repayments: Quarterly deposits are made into the account. Semi-annual payments are made from the 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. The interest rate at the end of the quarter was 3.88%. Statements are received monthly.

3. Five Star Bank DWR Reserve: 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. The interest rate at the end of the quarter was 3.88%. Statements are received monthly.

4. Five Star Bank SDWSRF (Safe Drinking Water State Revolving Fund) Loan Repayments: Quarterly deposits are made into the account. Semi-annual payments are made from the 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. The interest rate at the end of the quarter was 3.88%. Statements are received monthly.

5. Five Star Bank SDWSRF Reserve: The purpose of the Reserve Account was to build up over ten years an amount equal to debt service for one year, a SDWSRF requirement. The interest rate at the end of the quarter was 3.88%. Statements are received monthly.

6. Banner Bank WRRF Checking Account: The purpose of this account is to receive deposits from the Water Resource Recovery Facility project Banner Bank Loan Account as requisition requests are approved by USDA. The deposited funds are used to pay costs associated with the project. Payments may be made directly from

this account; however, in practice all funds will be immediately transferred to one of the other treasury accounts that have higher interest rates. This account does not earn interest.

7. Banner Bank WRRF Reserve Account: This reserve account was required by Banner Bank as a condition of the loan agreement for the Water Resource Recovery Facility project. This reserve account will be used to make the loan interest payments due on August 1, 2026, February 1, 2027, and August 1, 2027. Any amount remaining in the reserve account after August 1, 2027, will be transferred to the Banner Bank checking account to be used for project costs. The interest rate at the end of the month was 0.02%.

8. Mechanics Bank Money Market: This account handles all cash transactions as Five Star Bank does not have a local branch. Any amount above the minimum required by the bank will be transferred to Five Star bank checking account. The interest rate at the end of the quarter was 0.02%. Statements are received monthly.

9. Five Star Bank Money Market: The interest rate at the end of the quarter was 3.88%. The purpose of this account is to facilitate cash flow and maximize interest within our Five Star Bank accounts. Statements are received monthly.

10. Five Star Bank Checking: Variable interest-bearing account currently at 0.10%, at Five Star branch in Roseville used for most of our transactions such as payroll, accounts receivable and accounts payable. Statements are received monthly.

11. LAIF: Local Agency Investment Fund, a variable interest-bearing investment fund administered by the California State Treasurer. LAIF Account interest rate at the end of the quarter was 3.88%. Statements are received monthly.

12. California Class: Joint Powers Authority Investment pool, a variable interest-bearing investment fund. The majority of our funds are retained in this account. CA Class Account interest rate at the end of the quarter was 3.6996%. Statements are received monthly.

INTEREST EARNINGS: TRENDS & PROJECTIONS

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

SUMMARY OF INTEREST EARNINGS
Account Profile by Reference Number

	Beginning Balance	Credits	Debits	Interest Earnings	Ending Balance
1	**300.00**	-	-	-	**300.00**
2	**2,758.60**	26,000.55	-	90.20	**28,849.35**
3	**129,815.51**	-	-	1,241.84	**131,057.35**
4	**16,730.89**	14,835.25	-29,369.28	59.12	**2,255.98**
5	**67,178.06**	-	-	642.64	**67,820.70**
6	**0.00**	3,582,610.00	-,3,582,575.01	-	**34.99**
7	**1,241,665.86**	-	-	61.91	**1,241,727.77**
8	**10,823.49**	4,124.28	-10,679.23	0.07	**4,268.61**
9	**3,153,276.77**	6,510,196.11	-3,678,983.27	19,406.94	**6,003,896.55**
10	**20,535.35**	7,837,014.93	-7,524,173.46	46.59	**333,423.41**
11	**266,459.99**	-	-	2,611.20	**269,071.19**
12	**3,920,951.03**	-	-2,932,848.86	19,874.70	**1,007,976.87**
	$8,830,495.55	**$14,351,335.32**	**($2,932,848.86)**	**$42,001.41**	**$9,090,682.77**

MANAGEMENT BY CONTRACTED PARTIES

For the reporting period, only the Local Agency Investment Fund (LAIF) and California Class (CA Class) are 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 money invested and managed by others, the investments are low risk, low yield.

CA Class is a Joint Powers Authority investment pool that provides public agencies with the opportunity to invest funds on a cooperative basis in rated pools that are managed in accordance with state law with the primary objective of offering Participants safety, daily and next-day liquidity, and optimized returns.

HRCSD typically has most of its cash (over 90%) deposited in CA Class. This is a common strategy with many local agencies in the state, especially those with cash reserves of less than $5 million. Complete reports on all investment activities, etc. are received from the CA Class Board monthly, 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 CA Class deposits monthly.

HERITAGE RANCH COMMUNITY SERVICES DISTRICT
ANNUAL TREASURER'S REPORT
FOR THE FISCAL YEAR ENDING
JUNE 30, 2026

INTRODUCTION

This report covers all investments and fund activities of the District for the period of July 1, 2025 to June 30, 2026. This report is prepared in accordance with the District's Statement of Investment Policy, adopted by Resolution No. 24-03.

The Heritage Ranch Community Services District is a public subdivision formed and operated under enabling state law. The District provides water and sewer service, and solid waste collection (via a Franchise Agreement with San Miguel Garbage Company for solid waste removal) which is categorized as an enterprise function (fee for service). The District's latent powers also include parks and recreation, a non-enterprise function, and the only item in this category is the Heritage Village Senior's Center. The District has formally appointed the Manager as the Treasurer. District staff prepares all fiscal reports, and the Treasurer and staff oversee all financial activity and make recommendations to the District Board of Directors.

Treasurer's Reports are submitted on a monthly, quarterly, and annual basis to the Board of Directors. A detailed description of contents for each type of report is contained in Section 5 of said Statement of Investment Policy, a copy of which is attached as part of this report.

REVIEW

Table 1 provides the beginning and ending balances, and the variance of all funds combined for each month of the year.

Table 1

PERIOD	BEGINNING BALANCE	ENDING BALANCE	VARIANCE
JUL 25	$4,625,888	$4,658,250	$32,362
AUG 25	$4,658,250	$4,764,439	$106,189
SEPT 25	$4,764,439	$4,780,530	$16,091
OCT 25	$4,780,530	$4,838,899	$58,369
NOV 25	$4,838,899	$5,025,663	$186,764
DEC 25	$5,025,663	$5,148,162	$122,499
JAN 26	$5,148,162	$5,304,889	$156,727
FEB 26	$5,304,889	$8,704,259	$3,399,370
MAR 26	$8,704,259	$8,830,496	$126,237
APR 26	$8,830,496	$8,998,606	$168,110
MAY 26	$8,998,606	$9,315,740	$317,134
JUN 26	$9,315,740	$9,090,683	($225,057)

The District maintained a total of ten locations/accounts for its cash during the reporting year. Of these ten, two are considered investments; the Local Agency Investment Fund (LAIF) and California Class (Ca Class). A complete profile of all of the aforementioned accounts follows:

1. Operating cash in cash drawer: Maintained to make change for cash transactions.

2. Five Star Bank DWR Loan Repayments: Quarterly deposits are made into the account. Semi-annual payments are made from the 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. The last reported interest rate was 3.88%. Statements are received on a monthly basis.

3. Five Star Bank DWR Reserve: 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. The last reported interest rate was 3.88%. Statements are received on a monthly basis.

4. Five Star Bank SDWSRF (Safe Drinking Water State Revolving Fund) Loan Repayments: Quarterly deposits are made into the account. Semi-annual payments are made from the 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. The last reported interest rate was 3.88%. Statements are received on a monthly basis.

5. Five Star Bank SDWSRF (Safe Drinking Water State Revolving Fund) Reserve: The purpose of the reserve account was to build up over ten years an amount equal to debt service for one year, a SDWSRF requirement. The last reported interest rate was 3.88%. Statements are received on a monthly basis.

6. Banner Bank WRRF Checking Account: The purpose of this account is to receive deposits from the Water Resource Recovery Facility project Banner Bank Loan Account as requisition requests are approved by USDA. The deposited funds are used to pay costs associated with the project. Payments may be made directly from this account; however, in practice all funds will be immediately transferred to one of the other treasury accounts that have higher interest rates. This account does not earn interest.

7. Banner Bank WRRF Reserve Account: This reserve account was required by Banner Bank as a condition of the loan agreement for the Water Resource Recovery Facility project. This reserve account will be used to make the loan interest payments due on August 1, 2026, February 1, 2027, and August 1, 2027. Any amount remaining in the reserve account after August 1, 2027, will be transferred to the Banner Bank checking account to be used for project costs. The interest rate at the end of the month was 0.02%.

8. Mechanics Bank Money Market: This account handles all cash transactions as Five Star Bank does not have a local branch. Any amount above the minimum required by the bank will be transferred to Five Star bank checking account. The last reported interest rate was 0.02%. Statement are received on a monthly basis.

9. Five Star Bank Money Market: The last reported interest rate was 3.88%. Statements are received on a monthly basis. The purpose of this account is to facilitate cashflows and maximize interest within our Five Star Bank accounts.

10. Five Star Bank Checking: Variable interest-bearing checking account. The last reported interest rate was 0.10%, at Five Star Branch in Roseville used for most of our transactions such as payroll, accounts receivable and accounts payable. Statements are received on a monthly basis.

11. LAIF: Local Agency Investment Fund, a variable interest-bearing investment fund administered by the California State Treasurer. The last reported interest rate was 3.88%. Statements are received on a quarterly basis.

12. CA Class: Joint Powers Authority Investment Pool, a variable interest-bearing investment fund. The majority of our funds are retained in this account. The last reported interest rate was 3.6996%.

The term "fund" is applied in our operations in two distinct ways. One application is a reference to services rendered by the District and their related funds, i.e. water and sewer, general, and solid waste. These are functions of internal bookkeeping where revenue and expenses are allocated according to revenue source and type of expense. The other application is used to identify moneys within certain accounts. For example, the analysis of the balance in LAIF is reported on each monthly Treasurer's Report, and the allocation of interest earnings from all accounts to funds is based on established policy.

A recap of interest earned in each account is presented in Table 2. Some accounts do not bear interest, as stated in the account profile above, but all accounts are listed for reference. The dollar amounts posted are the totals for the fiscal year for each account.

Table 2

ACCOUNTS	INTEREST EARNINGS	INTEREST RATE
1. Cash Drawer	$ 0.00	0.00%
2. Five Star DWR Loan Repayments	$ 647.11	3.88%
3. Five Star DWR Reserve	$ 5,202.09	3.88%
4. Five Star SRF Loan Repayments	$ 563.80	3.88%
5. Five Star SRF Reserve	$ 2,692.03	3.88%
6. Banner Bank WRRF Checking	$ 0.00	0.00%
7. Banner Bank WRRF Reserve	$ 104.77	0.02%
8. Mechanics Money Market	$ 1.53	0.02%
9. Five Star Money Market	$ 5,001.52	3.88%
10. Five Star Checking	$ 225.84	0.10%
11. LAIF	$ 57,735.45	3.88%
12. CA Class	$ 162,183.00	3.6996%
TOTAL INTEREST EARNINGS	**$ 234,357.14**	

CONCLUSION

The District appears to be managing its cash and investments in a prudent manner with adherence to optimal safety, yield, and liquidity. Treasurer's Reports are presented to the Board of Directors monthly, quarterly, and annually. A formal Statement of Investment Policy is in place. Internal policies for allocation of earned interest and preparation of reports, including a running analysis of funds deposited in LAIF and CA Class, is complete and straight-forward. By approval of this report the Board is re-affirming the Statement of Investment Policy for the next fiscal year.

Attachment: Resolution 24-03 Statement of Investment Policy

HERITAGE RANCH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 24-03

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HERITAGE RANCH COMMUNITY SERVICES DISTRICT APPROVING ADOPTING AN UPDATED STATEMENT OF INVESTMENT POLICY

WHEREAS, the Board of Directors of the Heritage Ranch Community Services District ("District") believes that public funds should, so far as is reasonably possible, be invested in financial institutions to produce revenue for the District rather than to remain idle; and

WHEREAS, from time to time there are District funds which for varying periods of time will not be required for immediate use by the District, and which will, therefore, be available for the purpose of investing in financial institutions with the objectives of safety, liquidity, yield, and compliance with state and federal laws and policies; and

WHEREAS, it is impractical for the Board of Directors to take individual actions authorizing the investment of such funds when funds are available and not needed for varying periods of time, and the Board of Directors does find and determine that the Treasurer of this District should be authorized to invest such funds in accordance with the provisions of the California Government Code; and

WHEREAS, the District's investments are governed by an investment policy, originally adopted in 1990, subsequently amended in 1996 by Resolution No. 96-1, that is reviewed annually and requires updating from time to time.

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

1. The Treasurer of the District be is hereby authorized to deposit or invest for safekeeping, as far as possible, all money belonging to, or in the custody of the District, pursuant to the Government Code.

2. The District hereby adopts a Statement of Investment Policy, attached hereto as Exhibit "A" which supersedes the previous policy set forth in Resolution 96-1, effective immediately.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Heritage Ranch Community Services District on the 21st day of March 2024, by the following roll call vote.

AYES: Barker, Burgess, Camou, Yaffee
NOES:
ABSTAIN:
ABSENT:

(signatures follow)

APPROVED: ______________________
Dan Burgess, President
Board of Directors

ATTEST: ______________________
Kristen Gelos, Secretary
Board of Directors

APPROVED AS TO FORM AND LEGAL EFFECT: ______________________
Jeffrey A. Minnery
District Counsel

EXHIBIT "A"

STATEMENT OF INVESTMENT POLICY

1. INTRODUCTION

It shall be the policy of the District to invest its cash assets in such a manner as to comply with the requirements of the California Government Code, to maintain the integrity of the principal of all investments, and to provide for necessary liquidity. Within those restrictions, the District shall attempt to obtain the highest return possible.

2. SCOPE

This Policy shall include monies from all funds of the District.

3. OBJECTIVES

a. SAFETY. It is the primary duty and responsibility of the Treasurer to protect, preserve and maintain cash and investments placed in his/her trust on behalf of the property owners within the District.

b. LIQUIDITY. A minimum of 50% of the investment portfolio should be maintained in liquid short-term, 90-day maximum securities to be converted to cash if necessary to meet disbursement requirement. Since all cash requirements cannot be anticipated, investments in securities with action secondary or resale markets may be used. Emphasis is placed OP marketable securities to minimize risk due to price fluctuation from a rise or drop in market interest rates.

c. YIELD. Yield shall be a consideration only after requirements of safety and liquidity have been met.

4. POLICY

a. LEGAL INVESTMENT AUTHORITY. Investments shall be in accordance with provisions of the Government Code of the State of California and/or local statutes and regulations (California Government Code Section 53600 et. seq.).

b. STATEMENT OF INVESTMENT POLICY. The Treasurer shall submit a "Statement of Investment Policy" annually and any proposed mid-year changes to the Board of Directors for approval. Approval may be by minute order except where changes are made in which case, it shall be done by Resolution.

c. SELLING SECURITIES PRIOR TO MATURITY. Losses shall be acceptable only if the proposed swap/trade can clearly enhance yield (value) over the life of the new security on a total return basis.

5. REPORTS. The Treasurer shall file a monthly report with the Board of Directors at each regular monthly meeting. Minimum required elements of the monthly report are as follows:

   a. Type of investment and rate of interest.
   b. Issuer/Institution and statements from same.
   c. Date of maturity, par value and dollar value, if applicable.
   d. Statement regarding the report's compliance or non-compliance with the Statement of Investment Policy.
   e. Statement that there are sufficient funds to meet the next 30 days' obligations or an explanation as to why sufficient money shall or may not be available.

   The Treasurer shall file a quarterly report with the Board of Directors within 30 days after the end of each quarter (i.e., by May 1, August 1, November 1, and February 1). Minimum required elements of the quarterly report are as follows for all securities, investments, and monies:

   a. Type of investment, rate of interest, and accrued interest earnings and trends for same.
   b. Issuer/Institution and statements from same.
   c. Date of maturity, par value and dollar value, if applicable.
   d. A description of funds, investments, or programs held under the management of contracted parties including lending programs.
   e. Current market value to all securities held by the District and under the management of any outside party that is not also a local agency or the State of California Local Agency Investment Fund (LAIF).
   f. Statement regarding the report's compliance or non-compliance with the Statement of Investment Policy.
   g. Statement that there are sufficient funds to meet investment pool's expenditure requirements for the next six months, or an explanation as to why sufficient money shall or may not be available.

   The Treasurer shall file an annual report with the Board of Directors within

30 days after the end of the District's fiscal year. Minimum required elements of the Annual Report are as follows:

a. The same information required in monthly reports.
b. A copy of the Statement of Investment Policy or Policies in effect during the reporting period.
c. Charts and/or graphs showing (1) trends for account balances and accrued interest earnings and (2) flow or money between said accounts.
d. Explanation for allocation of interest earnings to internal funds.
e. Statement from the District Finance Committee re any comments on the report.
f. Recommendations, if any, on proposed changes to current investment strategies or to the Statement of Investment Policy itself.

6. <u>GUIDELINES</u>

    a. INVESTMENT TRANSACTIONS. Every investment transaction must be reviewed, authorized, and documented by the Treasurer.

    b. POOLED CASH. Whenever practical, District cash should be consolidated into one bank account and invested on a pooled concept basis. Interest earnings may be allocated according to fund cash and investment balances at predetermined intervals, i.e., monthly, quarterly, etc.

    c. COMPETITIVE BIDS. Purchase and sale of securities should be made on the basis of competitive offers and bids when practical.

7. INVESTMENT LIMITATIONS. Security purchases and holdings will be maintained within limits imposed by the Government Code as shown in Figure 1 from the CDIAC Local Agency Investment Guidelines attached.

8. LIQUIDITY. The marketability (salability) of a security should be considered at the time of purchase, as the security may have to be sold at a later date to meet unanticipated cash demands. The portfolio should therefore consist largely of securities with active secondary or resale markets. This would include short-term maturities to limit the effect of market risk on the market price of the securities.

9. LONG-TERM MATURITIES. As a general rule, long-term maturities

should not represent a significant percentage of the total portfolio, as the principal risk involved can outweigh the potential for higher earnings. Maximum terms should be as specified in the Government Code (currently five years as per Sections 53601/53635 unless previously authorized by the Board of Directors).

10. DEALERS / BROKERS. Dealers / Brokers and investment advisors shall be provided a copy of this Policy to assure that they are aware of what are designated as permitted investments.

11. DIVERSIFICATION. The purpose of diversifying is to reduce the overall portfolio risks while attaining an average market rate of return; therefore, it needs to be conceptualized in terms of maturity, instrument types, and issuer. The portfolio should consist of a mix of various types of securities, issuers, and maturities.

12. SAFEKEEPING. All trades of marketable securities should be on a Delivery Versus Payment (DVP) basis to ensure that securities are deposited prior to the release of funds. Securities will be held in accordance with provisions of Section 53601 of the Government Code.

Attachment: Figure 1 from the CDIAC Local Agency Investment Guidelines

* * *

FIGURE 1

ALLOWABLE INVESTMENT INSTRUMENTS PER STATE GOVERNMENT CODE (AS OF JANUARY 1, 2024)[A] APPLICABLE TO ALL LOCAL AGENCIES[B]

See "Table of Notes for Figure 1" on the next page for footnotes related to this figure.

INVESTMENT TYPE	MAXIMUM MATURITY[C]	MAXIMUM SPECIFIED % OF PORTFOLIO[D]	MINIMUM QUALITY REQUIREMENTS	GOV'T CODE SECTIONS
Local Agency Bonds	5 years	None	None	53601(a)
U.S. Treasury Obligations	5 years	None	None	53601(b)
State Obligations— CA And Others	5 years	None	None	53601(c) 53601(d)
CA Local Agency Obligations	5 years	None	None	53601(e)
U.S Agency Obligations	5 years	None	None	53601(f)
Bankers' Acceptances	180 days	40%[E]	None	53601(g)
Commercial Paper—Non-Pooled Funds[F] (under $100,000,000 of investments)	270 days or less	25% of the agency's money[G]	Highest letter and number rating by an NRSRO[H]	53601(h)(2)(c)
Commercial Paper—Non-Pooled Funds[I] (min. $100,000,000 of investments)	270 days or less	40% of the agency's money[G]	Highest letter and number rating by an NRSRO[H]	53601(h)(2)(c)
Commercial Paper— Pooled Funds[J]	270 days or less	40% of the agency's money[G]	Highest letter and number rating by an NRSRO[H]	53635(a)(1)
Negotiable Certificates of Deposit	5 years	30%[K]	None	53601(i)
Non-negotiable Certificates of Deposit	5 years	None	None	53630 et seq.
Placement Service Deposits	5 years	50%[L]	None	53601.8 and 53635.8
Placement Service Certificates of Deposit	5 years	50%[L]	None	53601.8 and 53635.8
Repurchase Agreements	1 year	None	None	53601(j)
Reverse Repurchase Agreements and Securities Lending Agreements	92 days[M]	20% of the base value of the portfolio	None[N]	53601(j)
Medium-Term Notes[O]	5 years or less	30%	"A" rating category or its equivalent or better	53601(k)
Mutual Funds And Money Market Mutual Funds	N/A	20%[P]	Multiple[Q, R]	53601(l) and 53601.6(b)
Collateralized Bank Deposits[S]	5 years	None	None	53630 et seq. and 53601(n)
Mortgage Pass-Through and Asset-Backed Securities[T]	5 years or less[T]	20%	"AA" rating category or its equivalent or better[T]	53601(o)
County Pooled Investment Funds	N/A	None	None	27133
Joint Powers Authority Pool	N/A	None	Multiple[U]	53601(p)
Local Agency Investment Fund (LAIF)	N/A	None	None	16429.1
Voluntary Investment Program Fund[V]	N/A	None	None	16340
Supranational Obligations[W]	5 years or less	30%	"AA" rating category or its equivalent or better	53601(q)
Public Bank Obligations	5 years	None	None	53601(r), 53635(c) and 57603

TABLE OF NOTES FOR FIGURE 1

[A] Sources: Sections 16340, 16429.1, 27133, 53601, 53601.6, 53601.8, 53630 et seq., 53635, 53635.8, and 57603.

[B] Municipal Utilities Districts have the authority under the Public Utilities Code Section 12871 to invest in certain securities not addressed here.

[C] Section 53601 provides that the maximum term of any investment authorized under this section, unless otherwise stated, is five years from the settlement date. However, the legislative body may grant express authority to make investments either specifically or as a part of an investment program approved by the legislative body that exceeds this five year remaining maturity limit. Such approval must be issued no less than three months prior to the purchase of any security exceeding the five-year maturity limit.

[D] Percentages apply to all portfolio investments regardless of source of funds. For instance, cash from a reverse repurchase agreement would be subject to the restrictions.

[E] No more than 30% of the agency's money may be in bankers' acceptances of any one commercial bank.

[F] Applies to local agencies, other than counties or a city and county, with less than $100 million of investment assets under management. Includes agencies defined as a city, a district, or other local agency that do not pool money in deposits or investment with other local agencies, other than local agencies that have the same governing body.

[G] Local agencies, other than counties or a city and county, may purchase no more than 10% of the outstanding commercial paper and medium-term notes of any single issuer.

[H] Issuing corporation must be organized and operating within the U.S., have assets in excess of $500 million, and debt other than commercial paper must be in a rating category of "A" or its equivalent or higher by a nationally recognized statistical rating organization, or the issuing corporation must be organized within the U.S. as a special purpose corporation, trust, or LLC, have program wide credit enhancements, and have commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical rating organization.

[I] Applies to counties or a city and county, and the City of Los Angeles that have $100 million or more of investment assets under management.

[J] Includes agencies defined as a county, a city and county, or other local agency that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body. Local agencies that pool exclusively with other local agencies that have the same governing body must adhere to the limits set forth in Section 53601(h)(2)(C).

[K] No more than 30% of the agency's money may be in negotiable certificates of deposit that are authorized under Section 53601(i).

[L] Effective January 1, 2020, no more than 50% of the agency's money may be invested in deposits, including certificates of deposit, through a placement service as authorized under 53601.8 (excludes negotiable certificates of deposit authorized under Section 53601(i)). On January 1, 2026, the maximum percentage of the portfolio reverts back to 30%. Investments made pursuant to 53635.8 remain subject to a maximum of 30% of the portfolio.

[M] Reverse repurchase agreements or securities lending agreements may exceed the 92-day term if the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity dates of the same security.

[N] Reverse repurchase agreements must be made with primary dealers of the Federal Reserve Bank of New York or with a nationally or state chartered bank that has a significant relationship with the local agency. The local agency must have held the securities used for the agreements for at least 30 days.

[O] "Medium-term notes" are defined in Section 53601 as "all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States."

[P] No more than 10% invested in any one mutual fund. This limitation does not apply to money market mutual funds.

[Q] A mutual fund must receive the highest ranking by not less than two nationally recognized rating agencies or the fund must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of $500 million, and has at least five years' experience investing in instruments authorized by Sections 53601 and 53635.

[R] A money market mutual fund must receive the highest ranking by not less than two nationally recognized statistical rating organizations or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five years' experience investing in money market instruments with assets under management in excess of $500 million.

[S] Investments in notes, bonds, or other obligations under Section 53601(n) require that collateral be placed into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, among other specific collateral requirements.

[T] Security types authorized under Section 53601(o) that are issued or guaranteed by an issuer identified in subdivisions (b) or (f), are not subject to the limitations placed on privately issued securities authorized in Section 53601(o)(2)(A)(B).

[U] A joint powers authority pool must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of $500 million, and has at least five years' experience investing in instruments authorized by Section 53601, subdivisions (a) to (o).

[V] Local entities can deposit between $200 million and $10 billion into the Voluntary Investment Program Fund, upon approval by their governing bodies. Deposits in the fund will be invested in the Pooled Money Investment Account.

[W] Only those obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less.

HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2025/26 Budget

OPERATING REVENUE	Budget FY 25/26	Actual June	Actual Year to Date	Percentage Year to Date	Variance Explanation
Water Fees	1,791,637	183,278	1,973,949	110%	
Sewer Fees	1,600,609	135,374	1,597,505	100%	
Hook-Up Fees	2,400	600	3,000	125%	
Turn on Fees	3,500	150	2,200	63%	
Late Fees	20,790	4,131	41,799	201%	Fluctuates based on activity
Plan Check & Inspection	1,600	0	6,422	401%	Fluctuates based on activity
Miscellaneous Income	500	80	15,542	3108%	Fluctuates based on activity
TOTAL OPERATING	$3,421,036	$323,613	$3,640,418	106%	

FRANCHISE REVENUE					
Solid Waste Franchise Fees	46,336	9,297	60,781	131%	
TOTAL FRANCHISE	$46,336	$9,297	$60,781	131%	
TOTAL OPERATING	$3,467,372	$332,909	$3,701,199	107%	

NON-OPERATING REVENUE					
Standby Charges	242,200	3,496	242,889	100%	
Property Tax	497,891	5,486	511,153	103%	
Interest	64,494	23,300	227,394	353%	Fluctuates based on activity
Connection Fees	28,232	14,910	72,962	258%	Fluctuates based on activity
TOTAL NON-OPERATING	$832,817	$47,193	$1,054,397	127%	

RESERVE REVENUE					
Capital Reserves	223,288	0	92,579	41%	
Operating Reserves	24,429,683	2,230,580	4,881,031	20%	
TOTAL RESERVE	$24,652,971	$2,230,580	$4,973,610	20%	
TOTAL NON-OPERATING	$25,485,788	$2,277,773	$6,028,007	24%	

TOTAL ALL REVENUE	$28,953,160	$2,610,682	$9,729,206	34%	

HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2025/26 Budget

OPERATING EXPENSES

SALARIES AND BENEFITS	Budget FY 25/26	Actual June	Actual Year to Date	Percentage Year to Date	Variance Explanation
Salaries	1,095,291	84,022	1,016,682	93%	
Health Insurance	247,593	17,275	179,366	72%	
Health Insurance - Retirees	62,535	4,765	57,136	91%	
Pers Retirement	195,963	20,401	251,830	129%	
OPEB Funding/Transfer	35,000	35,000	35,000	100%	
Standby	34,380	2,254	28,220	82%	
Overtime	3,985	0	1,339	34%	
Workers Comp. Ins.	34,469	0	25,804	75%	
Directors' Fees	36,000	500	5,900	16%	
Medicare/FICA	16,405	1,304	15,766	96%	
Car Allowance	3,000	250	3,000	100%	
SUI/ETT	1,000	27	573	57%	
Uniforms	8,424	500	5,495	65%	
TOTAL SALARIES & BENEFITS	$1,774,045	$166,298	$1,626,110	92%	

UTILITIES					
Electricity	140,535	22,685	166,094	118%	
Propane	1,649	110	999	61%	
Water Purchase	28,600	0	28,600	100%	Paid Semiannually
Telephone/Internet	13,846	2,274	18,355	133%	
TOTAL UTILITIES	$184,630	$25,069	$214,048	116%	

MAINTENANCE & SUPPLIES					
Chemicals	89,232	11,826	81,447	91%	
Computer/Software	38,134	817	34,927	92%	
Equip. Rental/Lease	2,812	0	0	0%	
Fixed Equip.	210,349	33,563	285,611	136%	
Fuel & Oil	16,873	2,145	21,379	127%	
Lab Testing	66,367	5,440	55,693	84%	
Office Supplies	1,687	198	1,732	103%	
Parks & Recreation	0	0	0	0%	
Struct./Grnds.	16,805	449	7,258	43%	
Small Tools/Equip.	3,375	768	3,168	94%	
Supplies	5,062	0	2,975	59%	
Meters/Equip.	13,498	7,920	12,807	95%	
Vehicles	6,750	0	11,413	169%	
TOTAL MAINT. & SUP.	$470,944	$63,126	$518,410	110%	

HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2025/26 Budget

GENERAL & ADMINISTRATION	Budget FY 25/26	Actual June	Actual Year to Date	Percentage Year to Date	Variance Explanation
Ads./Advertising	1,622	97	1,060	65%	
Alarm/Answering Service	4,500	341	4,129	92%	
Audit	10,816	0	9,745	90%	
Bank Charges/Fees	0	35	140	0%	
Consulting/Engineering	10,000	706	706	7%	
Dues/Subscription	11,248	0	12,464	111%	
Elections	0	0	0	0%	
Insurance	50,754	0	0	0%	
LAFCO	8,652	0	9,227	107%	Paid Annually
Legal/Attorney	27,040	2,216	27,415	101%	
Licenses/Permits	32,621	0	33,798	104%	
Plan Check & Inspection	1,600	0	0	0%	
Postage/Billing	16,873	3,680	24,943	148%	
Professional Service	100,451	3,243	47,763	48%	
Tax Collection	7,847	0	7,414	94%	
Staff Training & Travel	13,499	0	7,620	56%	
Board Training & Travel	1,082	0	289	27%	
TOTAL G & A	$298,605	$10,318	$186,711	63%	

CAPITAL PROJECTS & EQUIPMENT					
Structures/Improvements	24,582,971	2,163,979	4,907,008	20%	
Equipment	70,000	66,601	66,601	95%	
TOTAL CAPITAL EXPENSE	$24,652,971	2,230,580	4,973,610	20%	

DEBT					
State Loan Payment	103,628	0	103,628	100%	paid semiannually
State Loan Payment Phase II	58,740	29,369	58,739	100%	paid semiannually
Western Alliance Lease-PVS	152,321	0	152,321	100%	paid semiannually
TOTAL DEBT	$314,689	$29,369	$314,688		

FUNDED DEPRECIATION	$288,000	$24,000	$288,000	100%	
UNFUNDED DEPRECIATION	$0	$0	$0	0%	
TOTAL EXPENSE	$27,983,884	$2,548,759	$8,121,576	29%	
CAPACITY CHARGES TRANSFER	$28,232	$14,910	$72,962	258%	
SOLID WASTE FEES TRANSFER	-$25,630	$544	-$12,882	50%	
FUND TOTAL	**$966,674**	**$46,468**	**$1,547,549**		

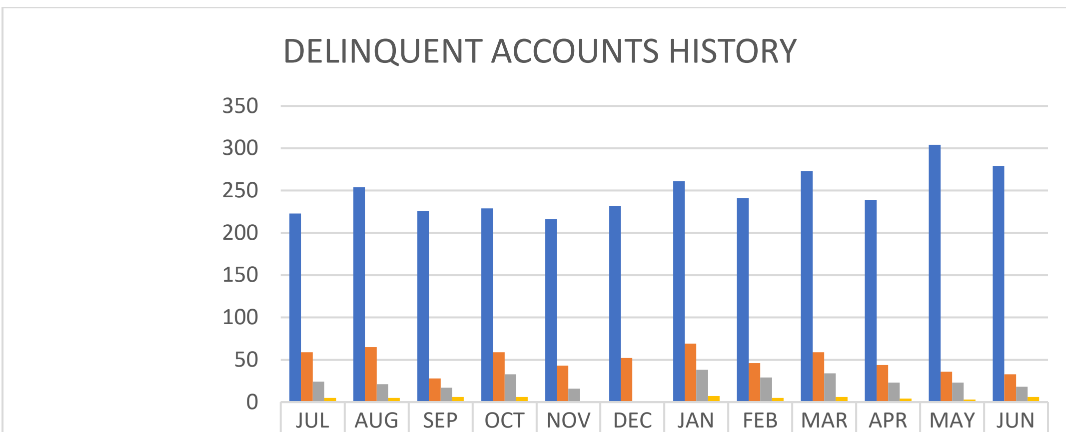
HERITAGE RANCH COMMUNITY SERVICES DISTRICT
OFFICE REPORT
JUNE 2026

<u>Utility Billing</u>

➢ On July 1st,1,942 bills were processed for a total dollar amount of $363,435 for water and sewer user fees for the month of June.

The table below reflects the following data over a twelve-month period:

- Number of late penalties posted for bills that were due by June 25th
- Intent To Disconnect letters mailed to customers that were more than 60 days delinquent
- 48-hour notices issued
- Number of meters locked off for non-payment



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Penalty	223	254	226	229	216	232	261	241	273	239	304	279
Intent to Disconnect	59	65	28	59	43	52	69	46	59	44	36	33
48-Hour Notice	24	21	17	33	16	0	38	29	34	23	23	18
Locked	5	5	6	6	0	0	7	5	6	4	3	6

<u>Customer Service Orders</u>

➢ Staff completed the following service orders for the month:
- Occupant Change – 9
- Unlock – 4
- Lock Meter - 6
- Swap/Pull Meter – 5
- Leak - 1

<u>Administration</u>

➢ Nothing significant to report.

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

District Engineer Report
For the Month of July 2026

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

Operations Support

- Working with Operations Staff re:
  - GAC project operation, design of new GAC project
  - PRV project installation on Equestrian
  - Lift Station 3 project scoping
  - Startup and operation of Vertical Intake No. 2

Capital Improvement Projects

Projects / equipment replacement budgeted for this fiscal year and their status:
(Note: projects are listed in the order shown on the Capital and Equipment Budget spreadsheet)

- Lift Station 1-5 rehabilitation design phase: Lift Station 2 is is fully operational and working well. Lift Station 3 is in the planning stages, with pump selection, project scoping and scheduling underway.

- Pressure Reducing Valves (Waterview/Equestrian): Lower Waterview PRV complete and operational. Equestrian PRV insertion valves are complete. The next step is the installation of the new vault, lid, valves and piping. Staff will install this portion of the work. Equipment is on order and we are awaiting delivery before scheduling installation.

- Raw Water Vertical Intake No. 2: Vertical Intake No. 2 is complete and operational. Staff are working with SPICE to complete integration to our existing SCADA system. There are a few small punch list items remaining for the Contractor to complete, but the two vertical intakes are now in operation and providing approximately 200 gpm of water.

- DBP Project: Staff finalized the purchase order with AqueoUS Vets for the GAC System and approved the equipment submittals. The equipment is now released for fabrication. Construction should take place in October 2026. Staff are working with structural and electrical consulting engineers to determine the scope and design requirements for the proposed project. We will be completing the piping/valving/equipment design in-house.

- Wastewater collection system model & I/I: Staff continue to work on reducing I/I into the collection system.

- Pump Station Covers (design): No further work has been completed on this project at this time.

- Electric Gate at Corp Yard: Work has not begun on this project.

- Rebuild Treater Water Pumps: Work has not begun on this project.

Additional Tasks

- Development: Responding to requests for existing water and sewer system documents as they come up. Discussing existing systems and future developments with potential developers as they make contact.

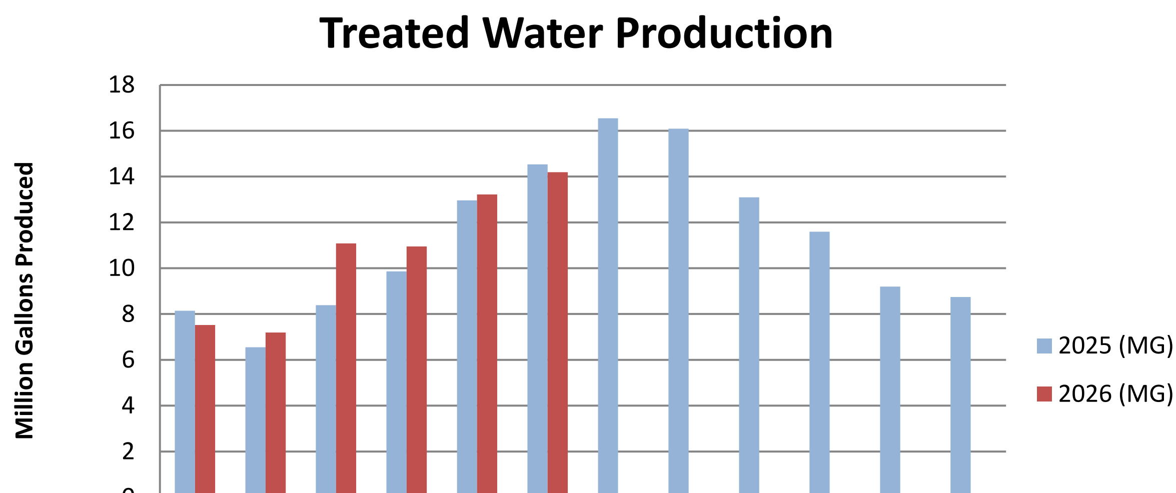
Project Name	Original CIP Budget	Estimated Design Completion	Estimated Construction Completion
Lift Station 1-5 Rehab (Construction Phase)	$550,000	LS 2 - Complete LS 3 - July, 2026 LS 1 - TBD	LS 2 - Complete LS 3 - TBD LS 1 - TBD
Water System SCADA Upgrade	$300,000	Complete	Complete
Pressure Reducing Valves (Waterview, Equestrian)	$175,000	Complete	Waterview - Complete Equestrian - Estimated completion by 8/30/26
Raw Water Vertical Intake No. 2	$225,000	Complete	Complete
DBP Project	$1,000,000	August, 2026	December, 2026
Wastewater Collection System SCADA Upgrade	$200,000	Complete	Complete
Wastewater Collection System Model & I/I	$75,000	TBD	TBD
Pump Station Covers (Design and Construction)	$85,000	TBD	TBD
Electric Gate at Corp Yard	$50,000	TBD	TBD
Rebuild Treated Water Pumps	$50,000	TBD	TBD
Total	**$2,710,000**		

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

Operations Report
For the Month of July 2026

In addition to normal operations duties, below are other tasks / updates for several areas of work:

Water production:



	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2025 (MG)	8.14	6.55	8.39	9.86	12.96	14.53	16.54	16.09	13.09	11.59	9.2	8.74
2026 (MG)	7.52	7.19	11.08	10.95	13.22	14.19						

Water treatment

- Produced 14.19 million gallons of treated water.
- Tested, programed, and placed Vertical Intake #2 online. We are currently getting 75 Gallons per minute flow.
- Replaced online turbidimeter on filter #4. Malfunctioning turbidimeter was sent in and repaired.
- Check valves on chemical metering pumps were removed, inspected and cleaned. All pumps were immediately returned to service.
- Flushed potassium permanganate line that runs down to Pump station #1 with hot water to clean line.
- Pressure washed all filters and Clarifiers.
- Performed weekly calibrations on turbidimeters.
- Collected monthly DBP samples.

Water distribution

- Repaired leaks on Tennessee walker, Pinto, and Wood duck. All leaks were on service lines.
- Customer Struck Hydrant with car on loop rd. hydrant was repaired and put back in service.
- Repaired and replaced hydrant located Tennessee walker.
- Pump station #6 began experiencing erratic behavior. We believe a faulty pressure sensor is to blame. A new sensor has been ordered and will be installed as soon as we receive it.
- PRV located on equestrian was adjusted to encourage fresh water throughout the pressure zone.

Wastewater collection

- Lift station #6 high level float failed. a new float was sourced and installed.
- Lift station #4 contactors became unresponsive. Station was power cycled. Contactors were cleaned and station was put back into service. We since have had smooth operation.
- Cooling fan at lift station #3 was replaced. previous fan failed.
- Lift station #9 pump 2 failed during operation. Diagnostics and testing were done. pump was cycled and put back in service. Pump has been working correctly since.
- Performed monthly lift station checks

Wastewater treatment

- Treated 3.36 million gallons of wastewater
- Effluent Chlorine pump became cavitated. Pump was primed and put back into service.
- Continued to run pond 2 recirculation line from effluent of pond 2 to the influent of pond 1
- The line running from pond 1 to pond 2 was jetted and cleaned to ensure constant flow.
- Collected state required grease and oil samples.
- Lowered intakes on pond 1 and pond 2 to ensure adequate treatment.
- Lowered aeration times on all pond aerators.
- Collected all state required Bac T samples along with BOD samples.

Vehicles and equipment

- Took delivery of new Ford maverick.

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager
Doug Groshart, District Engineer

DATE: June 18, 2026

SUBJECT: Discussion and direction regarding disinfection byproducts.

Background

The District water system was exceeding the maximum contaminant level for haloacetic acids, a disinfection byproduct. Your Board has been updated regularly on this issue.

Discussion

Sample data

The sample data for haloacetic acids (HAA5) over the last several quarters is shown below. This data is for individual samples.

The reportable data required by the Division of Drinking Water (DDW) is the Locational Running Annual Average (LRAA) by calendar quarter. The maximum contaminant level (MCL) for HAA5 is 60 ppb.

The most recent LRAA for HAA5 is 52 ppb at the Black Horse Lane location and 51 ppb at the Wood Duck Lane location; both under the MCL.

Results for individual months at both locations can be seen in the tables and graphs on the following page.

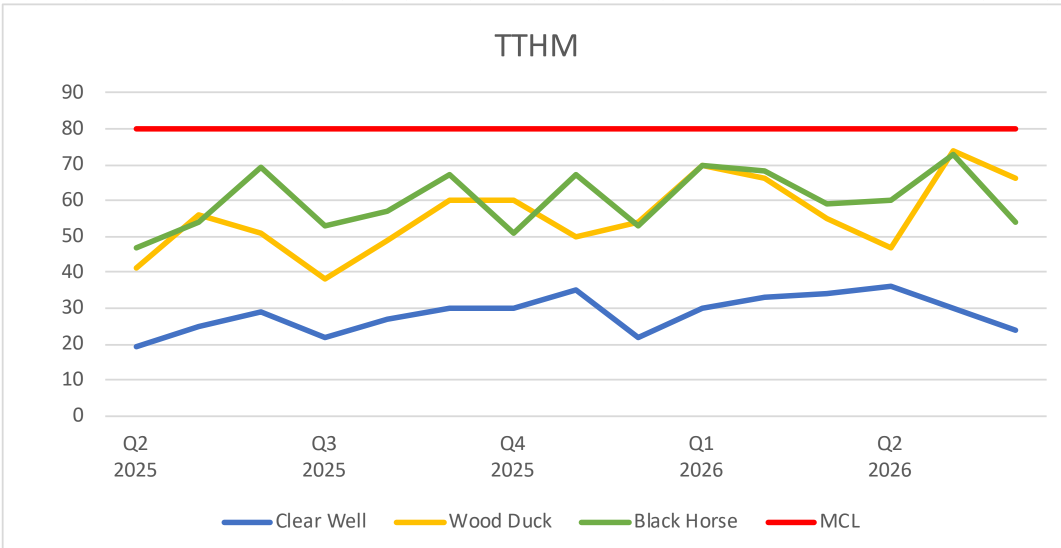
Operations and project updates

The Operations staff has made no major operational changes to the water treatment process since last month's report; however, staff continue to adjust the system PRVs to improve overall circulation throughout the system. New GAC vessels were installed on May 27, 2026, and put into service. The current batch of GAC is the seventh batch we have used.

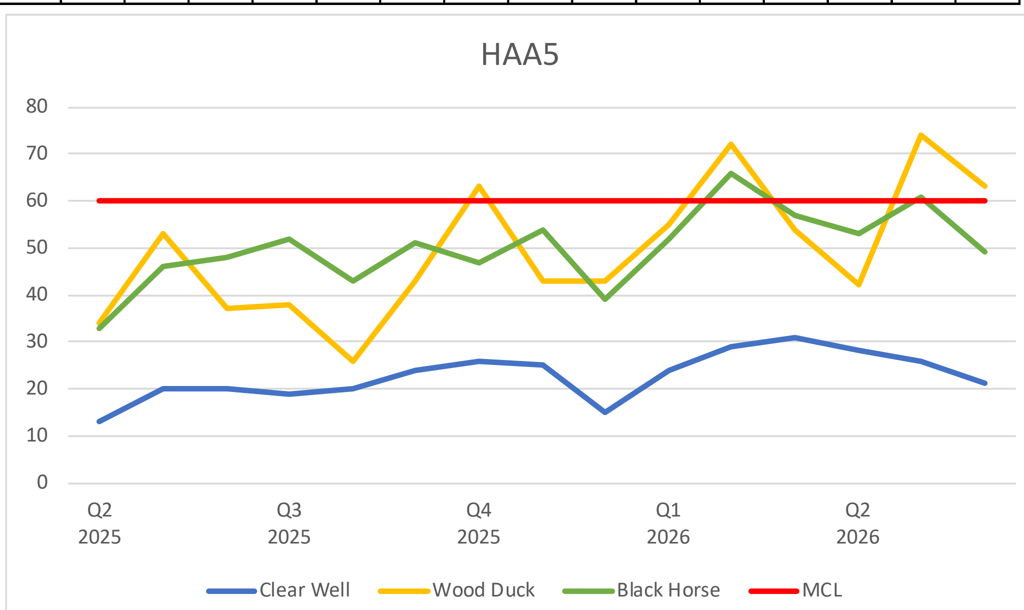
As of July 9, 2026, 43 days since the new ones were placed online, the GAC vessels were removing 26% of the organics from the flow being sent to them (approximately 150 gpm or 20% of the total flow.)

For updates regarding the Vertical Intake No. 2 project and the permanent GAC project, please refer to this month's District Engineer Report.

TTHM	Q2 2025			Q3 2025			Q4 2025			Q1 2026			Q2 2026		
Clear Well	19	25	29	22	27	30	30	35	22	30	33	34	36	30	24
Wood Duck	41	56	51	38	49	60	60	50	54	70	66	55	47	74	66
Black Horse	47	54	69	53	57	67	51	67	53	70	68	59	60	73	54
MCL	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80



HAA5	Q2 2025			Q3 2025			Q4 2025			Q1 2026			Q2 2026		
Clear Well	13	20	20	19	20	24	26	25	15	24	29	31	28	26	21
Wood Duck	34	53	37	38	26	43	63	43	43	55	72	54	42	74	63
Black Horse	33	46	48	52	43	51	47	54	39	52	66	57	53	61	49
MCL	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60



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