



**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS' SPECIAL MEETING**
Minutes of September 16, 2021

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

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

2. ROLL CALL

Secretary Gelos called the roll. All Directors were present.

Staff present: General Manager Scott Duffield, Office Supervisor/Board Secretary Kristen Gelos, Operations Manager Mike Wilcox and District Counsel Jeff Minnery.

3. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

There were no comments.

4. CONSENT ITEMS

- a. **Meeting Minutes:** Receive/approve minutes of special meeting of August 12, 2021.
- b. **Meeting Minutes:** Receive/approve minutes of regular meeting of August 15, 2021.

There were no public comments.

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

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

5. PUBLIC HEARINGS

- a. **Hearing to conduct a second reading and adopt an Ordinance revision by title only amending Chapter 2 Section 2.050 Compensation and Expenses by approval of Resolution 21-09.**

President Capps opened the public hearing. Manager Duffield provided a brief summary of the item and answered any questions the board had.

There were no public comments.

President Capps closed the public hearing.

Director Burgess made a motion to approve Resolution 21-09. Director Rowley seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

6. DISCUSSION ITEMS

- a. **Submittal for approval Resolution 21-10 fixing the employer contribution at an equal amount for employees and annuitants under the Public Employees' Medical and Hospital Care Act.**

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

There were no public comments.

Director Barker made a motion to approve Resolution 21-10. Director Rowley seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

- b. **Submittal for approval Resolution 21-11 declaring certain items to be surplus property and authorizing disposal.**

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

There were no public comments.

Director Cousineau made a motion to approve Resolution 21-11. Director Burgess seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

- c. **Request to approve media replacement and other maintenance items on the four filters at the Jim McWilliams Water Treatment Plant (WTP) at an estimated cost of \$200,000 and authorize a corresponding budget adjustment from reserves.**

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

There were no public comments.

Director Barker made a motion to approve media replacement and other maintenance items on the four filters at the WTP and authorize a corresponding budget adjustment from reserves. Director Rowley Seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

- d. **Request to consider approval of maintenance of the District parking lot, and the Heritage Village Seniors Parking lot, at an estimated cost of \$20,000 and authorize a corresponding budget adjustment from reserves.**

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

Kris Barker, President of the Heritage Village Seniors, thanked the board for adding this item to the agenda. Barker also brought to the Board's attention

some necessary maintenance with specifics to the ramp from the parking lot in front of the Senior Center.

Director Burgess made a motion to approve maintenance of the District parking lot and the Heritage Village Seniors parking lot and authorize a corresponding budget adjustment from reserves. Director Barker seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

7. MANAGER REPORT

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

There were no public comments.

The September 2021 report was received and filed.

8. OPERATIONS REPORT

Operations Manager Wilcox provided a brief summary of the report and answered any questions the board had.

There were no public comments.

The September 2021 report was received and filed.

9. COMMITTEE AND DIRECTOR REPORTS

There were no reports.

10. ADJOURNMENT

On a motion by Director Barker and seconded by Director Burgess the meeting adjourned at 5:15 pm to the next scheduled regular meeting on Thursday, October 21, 2021.

APPROVED:

**Devin Capps, President
Board of Directors**

ATTEST:

**Kristen Gelos, Secretary
Board of Directors**

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
AUGUST 2021
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
8/3/2021	CALPERS HEALTH BENEFITS		
8/3/2021	CALPERS HEALTH BENEFITS	9,114.01	
8/3/2021	EMPLOYEE PAID HEALTH BENEFIT	604.45	
8/3/2021	EMPLOYEE PAID HEALTH BENEFIT	604.45	
8/3/2021	EMPLOYEE PAID HEALTH BENEFIT	648.47	\$ 10,971.38
8/5/2021	PITNEY BOWES GLOBAL FINANCIAL		
8/5/2021	POSTAGE METER LEASE	161.79	\$ 161.79
8/9/2021	PG&E		
8/9/2021	ELECTRICITY	1,676.51	\$ 1,676.51
8/10/2021	STAPLES CREDIT PLAN		
8/10/2021	OFFICE SUPPLIES/COMP./SOFTWARE	89.52	
8/10/2021	OFFICE SUPPLIES	81.39	\$ 170.91
8/10/2021	GREAT WESTERN ALARM		
8/10/2021	ALARM / ANSWERING SERVICE	285.75	\$ 285.75
8/10/2021	FERGUSON ENTERPRISES INC		
8/10/2021	METERS & EQUIPMENT	104.40	\$ 104.40
8/10/2021	WALLACE GROUP		
8/10/2021	PVS PROJECT	207.00	
8/10/2021	CONSULTING & ENGINEERING	1,779.50	
8/10/2021	VERTICAL INTAKE PROJECT	1,963.57	
8/10/2021	WRF UPGRADE PROJECT	2,826.82	
8/10/2021	CONSULTING & ENGINEERING	574.82	\$ 7,351.71
8/10/2021	ADAMSKI, MOROSKI, MADDEN, CUMBERLAND, GREEN		
8/10/2021	LEGAL & ATTORNEY	975.00	\$ 975.00
8/10/2021	COUNTY OF SLO ACTTC		
8/10/2021	LAFCO 2021-22	6,268.61	\$ 6,268.61
8/10/2021	PG&E		
8/10/2021	ELECTRICITY	25.96	\$ 25.96
8/10/2021	MOSS, LEVY & HARTZHEIM LLP		
8/10/2021	AUDIT FY 2020/21	3,000.00	\$ 3,000.00

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
AUGUST 2021
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
8/10/2021	USA BLUEBOOK		
8/10/2021	LAB TESTING/SUPPLIES/FIXED EQP	2,637.32	
8/10/2021	MAINTENANCE FIXED EQUIPMENT	208.83	
8/10/2021	SMALL TOOLS & EQUIPMENT	117.84	
8/10/2021	MAINTENANCE FIXED EQUIPMENT	759.05	
8/10/2021	MAINTENANCE FIXED EQUIPMENT	280.43	
8/10/2021	MAINTENANCE FIXED EQUIPMENT	30.54	
8/10/2021	MAINTENANCE FIXED EQUIPMENT	91.63	
8/10/2021	MAINTENANCE FIXED EQUIPMENT	30.54	
8/10/2021	MAINTENANCE FIXED EQUIPMENT	157.55	\$ 4,313.73
8/10/2021	UNDERGROUND SERVICE ALERT		
8/10/2021	DUES & SUBSCRIPTIONS	150.00	\$ 150.00
8/10/2021	THE BLUEPRINTER		
8/10/2021	VERTICAL INTAKE PROJECT	156.34	\$ 156.34
8/10/2021	FGL ENVIRONMENTAL		
8/10/2021	LAB TESTING	18.00	\$ 18.00
8/10/2021	J.H. SMITH CONSULTING		
8/10/2021	PROFESSIONAL SERVICES	404.00	\$ 404.00
8/10/2021	ABALONE COAST ANALYTICAL, INC.		
8/10/2021	LAB TESTING	2,789.00	\$ 2,789.00
8/10/2021	R&B COMPANY A CORE & MAIN COMP		
8/10/2021	MAINTENANCE FIXED EQUIPMENT	567.13	
8/10/2021	METERS & EQUIPMENT	157.61	
8/10/2021	MAINTENANCE FIXED EQUIPMENT	64.35	\$ 789.09
8/10/2021	TRACTOR SUPPLY CO.		
8/10/2021	MAINTENANCE FIXED EQUIPMENT	220.73	\$ 220.73
8/10/2021	DATA PROSE LLC		
8/10/2021	PROFESSIONAL SERVICES	232.56	
8/10/2021	JULY BILLING	1,144.80	\$ 1,377.36
8/10/2021	RIVAL TECHNOLOGY INC.		
8/10/2021	PROFESSIONAL SERVICES	662.70	
8/10/2021	COMPUTER/SOFTWARE	130.00	\$ 792.70

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
AUGUST 2021
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
8/10/2021	U.S. BANK		
8/10/2021	MAINTENANCE FIXED EQUIPMENT	16.41	
8/10/2021	SM TOOLS & EQUIP / SUPPLIES	338.94	
8/10/2021	TELEPHONE	200.68	
8/10/2021	OFFICE SUPPLIES	17.14	
8/10/2021	OFFICE SUPPLIES	19.29	
8/10/2021	OFFICE SUPPLIES	429.32	
8/10/2021	ADVERTISING	210.00	
8/10/2021	STRUCTURES & GROUNDS	13.93	
8/10/2021	TELEPHONE	199.83	
8/10/2021	MAINTENANCE FIXED EQUIPMENT	8.14	
8/10/2021	OFFICE SUPPLIES	12.86	
8/10/2021	BOARD TRAINING & TRAVEL	72.64	
8/10/2021	ADVERTISING	199.00	
8/10/2021	ADVERTISING	199.00	
8/10/2021	TRAINING & TRAVEL	67.38	\$ 2,004.56
8/10/2021	MARK HUMPHREY		
8/10/2021	UNIFORM ALLOWANCE	415.35	\$ 415.35
8/10/2021	KENWOOD ENERGY		
8/10/2021	PVS PROJECT	195.00	\$ 195.00
8/10/2021	MACLEOD WATTS, INC		
8/10/2021	PROFESSIONAL SERVICES	1,950.00	\$ 1,950.00
8/10/2021	STOCKMAN'S ENERGY, INC.		
8/10/2021	PVS PROJECT	42,753.66	\$ 42,753.66
8/10/2021	ALL WAYS CLEAN		
8/10/2021	STRUCTURES & GROUNDS	425.00	\$ 425.00
8/10/2021	MID-STATE REPAIR SERVICE		
8/10/2021	VEHICLES	128.87	\$ 128.87
8/10/2021	LARRY WALKER ASSOCIATES		
8/10/2021	CONSULTING & ENGINEERING	1,986.50	\$ 1,986.50
8/10/2021	LAGUNA, JOHN		
8/10/2021	US REFUND	11.37	\$ 11.37

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
AUGUST 2021
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
8/13/2021	J.B. DEWAR. INC.		
8/13/2021	FUEL & OIL	877.39	\$ 877.39
8/13/2021	R. ARNOLD NET PAYROLL	2,548.51	\$ 2,548.51
8/13/2021	J. PRITCHETT NET PAYROLL	2,340.72	\$ 2,340.72
8/13/2021	M. HUMPHREY NET PAYROLL	1,874.93	\$ 1,874.93
8/13/2021	B. VOGEL NET PAYROLL	1,994.39	\$ 1,994.39
8/13/2021	K. GELOS NET PAYROLL	2,453.28	\$ 2,453.28
8/13/2021	D. BURGESS NET PAYROLL	92.35	\$ 92.35
8/13/2021	B. BARKER NET PAYROLL	138.52	\$ 138.52
8/13/2021	M. ROWLEY NET PAYROLL	92.35	\$ 92.35
8/13/2021	R. COUSINEAU NET PAYROLL	138.52	\$ 138.52
8/13/2021	S. DUFFIELD NET PAYROLL	3,837.48	\$ 3,837.48
8/13/2021	D. CAPPS NET PAYROLL	92.35	\$ 92.35
8/13/2021	M. WILCOX NET PAYROLL	1,988.48	\$ 1,988.48
8/13/2021	CALPERS 457 DEFFERED COMP PROGRAM		
8/13/2021	PERS 457- DEFFERED COMP.	2,220.00	\$ 2,220.00

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
AUGUST 2021
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
8/13/2021	INTERNAL REVENUE SERVICE		
8/13/2021	FEDERAL WITHHOLDING TAXES	1,885.49	
8/13/2021	FICA WITHHOLDING	74.40	
8/13/2021	MEDICARE	738.76	\$ 2,698.65
8/13/2021	EMPLOYMENT DEVELOPMENT DEPARTMENT		
8/13/2021	SDI	298.49	
8/13/2021	STATE WITHHOLDING	693.89	\$ 992.38
8/13/2021	CALPERS RETIREMENT SYSTEM		
8/13/2021	PERS RETIREMENT	1,836.10	
8/13/2021	PERS RETIREMENT TIER 2	1,120.44	
8/13/2021	PERS RETIREMENT PEPRA	1,152.83	
8/13/2021	SURVIVOR BENEFIT	6.51	\$ 4,115.88
8/13/2021	CALPERS RETIREMENT SYSTEM		
8/13/2021	CALPERS UNIFORM ALLOWANCE	10.10	\$ 10.10
8/19/2021	PG&E		
8/19/2021	ELECTRICITY	18,514.50	\$ 18,514.50
8/19/2021	AT&T		
8/19/2021	TELEPHONE & INTERNET	437.00	\$ 437.00
8/19/2021	PG&E		
8/19/2021	ELECTRICITY	12,477.34	\$ 12,477.34
8/23/2021	PG&E		
8/23/2021	ELECTRICITY	4,067.48	\$ 4,067.48
8/24/2021	CALPERS RETIREMENT SYSTEM		
8/24/2021	PERS RETIREMENT U/L	7,832.92	
8/24/2021	PERS RETIREMENT U/L	51.75	
8/24/2021	PERS RETIREMENT U/L	82.75	\$ 7,967.42
8/27/2021	R. ARNOLD		
	NET PAYROLL	2,179.04	\$ 2,179.04
8/27/2021	J. PRITCHETT		
	NET PAYROLL	2,450.18	\$ 2,450.18

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
AUGUST 2021
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
8/27/2021	M. HUMPHREY NET PAYROLL	1,977.78	\$ 1,977.78
8/27/2021	B. VOGEL NET PAYROLL	2,140.16	\$ 2,140.16
8/27/2021	T. SHOGREN NET PAYROLL	1,008.76	\$ 1,008.76
8/27/2021	K. GELOS NET PAYROLL	2,453.28	\$ 2,453.28
8/27/2021	S. DUFFIELD NET PAYROLL	3,674.22	\$ 3,674.22
8/27/2021	M. WILCOX NET PAYROLL	1,988.48	\$ 1,988.48
8/27/2021	CALPERS 457 DEFERRED COMP PROGRAM		
8/27/2021	PERS 457- DEFERRED COMP.	2,220.00	\$ 2,220.00
8/27/2021	INTERNAL REVENUE SERVICE		
8/27/2021	FEDERAL WITHHOLDING TAXES	1,853.02	
8/27/2021	MEDICARE	748.40	\$ 2,601.42
8/27/2021	EMPLOYMENT DEVELOPMENT DEPARTMENT		
8/27/2021	ETT	1.20	
8/27/2021	SDI	309.68	
8/27/2021	SUI	26.51	
8/27/2021	STATE WITHHOLDING	657.98	\$ 995.37
8/27/2021	CALPERS RETIREMENT SYSTEM		
8/27/2021	PERS RETIREMENT	1,836.10	
8/27/2021	PERS RETIREMENT TIER 2	1,329.36	
8/27/2021	PERS RETIREMENT PEPRA	1,152.83	
8/27/2021	SURVIVOR BENEFIT	7.44	\$ 4,325.73
8/28/2021	CHARTER COMMUNICATIONS		
8/28/2021	INTERNET	89.99	\$ 89.99

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
AUGUST 2021
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
8/29/2021	CALPERS RETIREMENT SYSTEM		
8/29/2021	PROFESSIONAL SVCS - GASB 68	1,050.00	\$ 1,050.00
8/29/2021	J.B. DEWAR. INC.		
8/29/2021	FUEL & OIL	611.97	\$ 611.97
GRAND TOTAL FOR ALL WARRANTS			\$193,609.68

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
 SEPTEMBER 2021
 WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
9/2/2021	READY REFRESH BY NESTLE LAB TESTING	16.94	\$ 16.94
9/3/2021	CALPERS HEALTH BENEFITS EMPLOYEE PAID HEALTH BENEFIT EMPLOYEE PAID HEALTH BENEFIT	648.47 705.70	\$ 1,354.17
9/3/2021	CALPERS HEALTH BENEFITS CALPERS HEALTH BENEFITS	11,529.66	\$ 11,529.66
9/10/2021	R. ARNOLD NET PAYROLL	2,468.10	\$ 2,468.10
9/10/2021	J. PRITCHETT NET PAYROLL	2,576.33	\$ 2,576.33
9/10/2021	M. HUMPHREY NET PAYROLL	1,945.98	\$ 1,945.98
9/10/2021	B. VOGEL NET PAYROLL	1,804.41	\$ 1,804.41
9/10/2021	T. SHOGREN NET PAYROLL	1,970.71	\$ 1,970.71
9/10/2021	K. GELOS NET PAYROLL	2,453.28	\$ 2,453.28
9/10/2021	D. BURGESS NET PAYROLL	138.52	\$ 138.52
9/10/2021	B. BARKER NET PAYROLL	138.52	\$ 138.52
9/10/2021	M. ROWLEY NET PAYROLL	138.52	\$ 138.52
9/10/2021	R. COUSINEAU NET PAYROLL	138.52	\$ 138.52

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
SEPTEMBER 2021
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
9/10/2021	S. DUFFIELD NET PAYROLL	3,837.48	\$ 3,837.48
9/10/2021	M. WILCOX NET PAYROLL	1,988.48	\$ 1,988.48
9/10/2021	CALPERS 457 DEFFERED COMP PROGRAM PERS 457- DEFFERED COMP.	2,220.00	\$ 2,220.00
9/10/2021	INTERNAL REVENUE SERVICE FEDERAL WITHHOLDING TAXES FICA WITHIHOLDING MEDICARE	2,037.75 74.40 811.26	\$ 2,923.41
9/10/2021	EMPLOYMENT DEVELOPMENT DEPARTMENT ETT SDI SUI STATE WITHHOLDING	2.44 328.48 53.76 741.18	\$ 1,125.86
9/10/2021	CALPERS RETIREMENT SYSTEM CALPERS UNIFORM ALLOWANCE PERS RETIREMENT PERS RETIREMENT TIER 2 PERS RETIREMENT PEPRA SURVIVOR BENEFIT	14.69 1,836.10 1,538.26 1,152.83 7.44	\$ 4,549.32
9/13/2021	STAPLES CREDIT PLAN OFFICE SUPPLIES OFFICE SUPPLIES OFFICE SUPPLIES	32.30 102.01 34.85	\$ 169.16
9/13/2021	GREAT WESTERN ALARM ALARM/ANSWERING SERVICE	281.28	\$ 281.28
9/13/2021	MCCLATCHY COMPANY LLC ADVERTISING	149.10	\$ 149.10
9/13/2021	PG&E ELECTRICITY	5,743.99	\$ 5,743.99

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
 SEPTEMBER 2021
 WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
9/13/2021	HOME DEPOT CREDIT SERVICES MAINTENANCE FIXED EQUIPMENT	166.17	\$ 166.17
9/13/2021	UNDERGROUND SERVICE ALERT DUES & SUBSCRIPTIONS	111.70	\$ 111.70
9/13/2021	KRITZ EXCAVATING & TRUCKING MAINTENANCE FIXED EQUIPMENT MAINTENANCE FIXED EQUIPMENT MAINTENANCE FIXED EQUIPMENT	1,073.33 733.12 332.56	\$ 2,139.01
9/13/2021	PASO ROBLES SAFE & LOCK MAINTENANCE FIXED EQUIPMENT	130.28	\$ 130.28
9/13/2021	FGL ENVIRONMENTAL LAB TESTING LAB TESTING	39.00 501.00	\$ 540.00
9/13/2021	CAL COAST IRRIGATION, INC. MAINTENANCE FIXED EQUIPMENT	15.15	\$ 15.15
9/13/2021	WESTERN JANITOR SUPPLY SUPPLIES	215.74	\$ 215.74
9/13/2021	ROY ARNOLD CELL/INTERNET ALLOWANCE	80.00	\$ 80.00
9/13/2021	RENTAL DEPOT EQUIPMENT RENT/LEASE	286.49	\$ 286.49
9/13/2021	ANTHONY'S TIRE STORE VEHICLES	470.02	\$ 470.02
9/13/2021	SPRING STREET AUTO, INC. VEHICLES VEHICLES	49.75 49.75	\$ 99.50
9/13/2021	NAPA AUTO PARTS SUPPLIES MAINTENANCE FIXED EQUIPMENT	46.21 84.38	\$ 130.59

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
 SEPTEMBER 2021
 WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
9/13/2021	ABALONE COAST ANALYTICAL, INC. LAB TESTING	1,668.00	\$ 1,668.00
9/13/2021	FASTENAL COMPANY MAINTENANCE FIXED EQUIPMENT	69.49	\$ 69.49
9/13/2021	KRISTEN GELOS CELL/INTERNET ALLOWANCE	40.00	\$ 40.00
9/13/2021	JAMES A. PRITCHETT CELL/INTERNET ALLOWANCE	80.00	\$ 80.00
9/13/2021	R&B COMPANY A CORE & MAIN COMPANY MAINTENANCE FIXED EQUIPMENT	157.70	\$ 157.70
9/13/2021	BURT INDUSTRIAL SUPPLY MAINTENANCE FIXED EQUIPMENT SM TOOLS/SUPPLIES/FIXED EQUIP SUPPLIES/FIXED EQUIPMENT	48.89 367.11 224.28	\$ 640.28
9/13/2021	MEDPOST URGENT CARE - PASO ROBLES PROFESSIONAL SERVICES	115.00	\$ 115.00
9/13/2021	DATA PROSE LLC PROFESSIONAL SERVICES POSTAGE - DEPOSIT AUG/SEP BILLING	183.16 334.60 2,414.90	\$ 2,932.66
9/13/2021	SCOTT DUFFIELD CELL/INTERNET ALLOWANCE	40.00	\$ 40.00
9/13/2021	WESTERN EXTERMINATOR COMPANY STRUCTURES & GROUNDS STRUCTURES & GROUNDS	92.00 90.00	\$ 182.00
9/13/2021	RIVAL TECHNOLOGY INC. COMPUTER/SOFTWARE COMPUTER/SOFTWARE PROFESSIONAL SERVICES COMPUTER/SOFTWARE	72.19 1,272.72 803.47 130.00	\$ 2,278.38

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
SEPTEMBER 2021
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
9/13/2021	MARK HUMPHREY CELL/INTERNET ALLOWANCE	80.00	\$ 80.00
9/13/2021	KENWOOD ENERGY PVS PROJECT	1,852.50	\$ 1,852.50
9/13/2021	STOCKMAN'S ENERGY, INC. PVS PROJECT	9,535.84	\$ 9,535.84
9/13/2021	ALL WAYS CLEAN STRUCTURES & GROUNDS	425.00	\$ 425.00
9/13/2021	BRIAN VOGEL CELL/INTERNET ALLOWANCE	80.00	\$ 80.00
9/13/2021	MIKE WILCOX UNIFORM ALLOWANCE UNIFORM ALLOWANCE CELL/INTERNET ALLOWANCE	260.99 90.05 80.00	\$ 431.04
9/13/2021	JAMES R. GREEN PROFESSIONAL SERVICES PROFESSIONAL SERVICES	4,000.00 2,000.00	\$ 6,000.00
9/14/2021	USA BLUEBOOK MAINTENANCE FIXED EQUIPMENT MAINTENANCE FIXED EQUIPMENT	(32.12) 763.12	\$ 731.00
9/14/2021	MULTI W SYSTEMS, INC. MAINTENANCE FIXED EQUIPMENT	5,264.07	\$ 5,264.07
9/20/2021	PG&E ELECTRICITY	12,651.74	\$ 12,651.74
9/20/2021	AT&T TELEPHONE/INTERNET	437.68	\$ 437.68
9/20/2021	CAL COAST IRRIGATION, INC. MAINTENANCE FIXED EQUIPMENT	132.89	\$ 132.89

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
SEPTEMBER 2021
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
9/20/2021	USA BLUEBOOK		
	WTP FILTERS RENOVATION PROJECT	(707.64)	
	MAINTENANCE FIXED EQUIPMENT	91.63	
	WTP FILTERS RENOVATION PROJECT	660.45	
	MAINTENANCE FIXED EQUIPMENT	174.65	\$ 219.09
9/20/2021	BRENNTAG PACIFIC, INC		
	CHEMICALS	(13,060.39)	
	CHEMICALS	2,037.24	
	CHEMICALS	718.98	
	CHEMICALS	2,407.31	
	CHEMICALS	3,101.75	
	CHEMICALS	667.42	
	CHEMICALS	4,217.00	
	CHEMICALS	3,424.74	\$ 3,514.05
9/20/2021	WESTERN JANITOR SUPPLY		
	OFFICE SUPPLIES	63.05	\$ 63.05
9/20/2021	ROY ARNOLD		
	CELL & INTERNET ALLOWANCE	80.00	\$ 80.00
9/20/2021	FLUID RESOURCE MANAGEMENT		
	PROFESSIONAL SERVICES	520.00	\$ 520.00
9/20/2021	NAPA AUTO PARTS		
	VEHICLES	153.49	
	VEHICLES	407.86	\$ 561.35
9/20/2021	KRISTEN GELOS		
	CELL & INTERNET ALLOWANCE	40.00	\$ 40.00
9/20/2021	U.S. BANK		
	SUPPLIES	16.70	
	EQUIPMENT RENT/LEASE	102.60	
	MAINTENANCE FIXED EQUIPMENT	111.82	
	MAINTENANCE FIXED EQUIPMENT	431.83	
	TRAINING & TRAVEL	42.23	
	BOARD TRAINING & TRAVEL	27.64	
	SM TOOLS & EQUIPMENT	11.96	\$ 744.78

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
 SEPTEMBER 2021
 WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
9/20/2021	JAMES A. PRITCHETT CELL & INTERNET ALLOWANCE	80.00	\$ 80.00
9/20/2021	SCOTT DUFFIELD CELL & INTERNET ALLOWANCE	40.00	\$ 40.00
9/20/2021	WESTERN EXTERMINATOR COMPANY STRUCTURES & GROUNDS	92.00	
	STRUCTURES & GROUNDS	90.00	\$ 182.00
9/20/2021	MARK HUMPHREY CELL & INTERNET ALLOWANCE	80.00	\$ 80.00
9/20/2021	BRIAN VOGEL MEDICAL REIMBURSEMENTS	475.60	
	CELL & INTERNET ALLOWANCE	80.00	\$ 555.60
9/20/2021	MIKE WILCOX CELL & INTERNET ALLOWANCE	80.00	\$ 80.00
9/20/2021	MULTI W SYSTEMS, INC. MAINTENANCE FIXED EQUIPMENT	4,370.30	\$ 4,370.30
9/22/2021	SPECIAL DISTRICT RISK MANAGEMENT PROP/LIABILITY INS. FY 2021-22	36,043.14	\$ 36,043.14
9/23/2021	CALPERS RETIREMENT SYSTEM PERS RETIREMENT U/L	7,832.92	
	PERS RETIREMENT U/L	51.75	
	PERS RETIREMENT U/L	82.75	\$ 7,967.42
9/23/2021	RDO EQUIPMENT CO. 2021 VAC TRAILER	83,487.70	\$ 83,487.70
9/23/2021	J.B. DEWAR. INC. FUEL & OIL	747.98	\$ 747.98
9/24/2021	PG&E ELECTRICITY	3,580.31	\$ 3,580.31

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
 SEPTEMBER 2021
 WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
9/24/2021	R. ARNOLD NET PAYROLL	2,338.49	\$ 2,338.49
9/24/2021	J. PRITCHETT NET PAYROLL	2,450.19	\$ 2,450.19
9/24/2021	M. HUMPHREY NET PAYROLL	1,956.48	\$ 1,956.48
9/24/2021	B. VOGEL NET PAYROLL	2,081.15	\$ 2,081.15
9/24/2021	T. SHOGREN NET PAYROLL	1,762.32	\$ 1,762.32
9/24/2021	K. GELOS NET PAYROLL	2,453.28	\$ 2,453.28
9/24/2021	S. DUFFIELD NET PAYROLL	3,674.22	\$ 3,674.22
9/24/2021	M. WILCOX NET PAYROLL	1,988.48	\$ 1,988.48
9/24/2021	CALPERS 457 DEFFERED COMP PROGRAM PERS 457- DEFFERED COMP.	2,220.00	\$ 2,220.00
9/24/2021	INTERNAL REVENUE SERVICE FEDERAL WITHHOLDING TAXES MEDICARE	1,956.90 779.46	\$ 2,736.36
9/24/2021	EMPLOYMENT DEVELOPMENT DEPARTMENT ETT SDI SUI STATE WITHHOLDING	2.17 322.54 47.71 696.64	\$ 1,069.06

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
 SEPTEMBER 2021
 WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
9/24/2021	CALPERS RETIREMENT SYSTEM		
	PERS RETIREMENT	1,836.10	
	PERS RETIREMENT TIER 2	1,496.48	
	PERS RETIREMENT PEPRA	1,152.83	
	SURVIVOR BENEFIT	7.44	\$ 4,492.85
9/28/2021	CHARTER COMMUNICATIONS		
	INTERNET	89.99	\$ 89.99
9/29/2021	PITNEY BOWES GLOBAL FINANCIAL		
	POSTAGE METER RENTAL	21.20	\$ 21.20
GRAND TOTAL FOR ALL WARRANTS			\$272,162.50

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
TREASURER'S REPORT
AUGUST 2021**

SUMMARY REPORT OF ALL ACCOUNTS

Beginning Balance:	\$ 4,983,218.15
Ending Balance:	\$ 4,994,952.64
Variance:	\$ 11,734.49
Interest Earnings for the Month Reported:	\$ 1.29
Interest Earnings Fiscal Year-to-Date:	\$ 3,761.64

ANALYSIS OF REVENUES

Total operating income for water and sewer was:	\$187,553
Non-operating income was:	\$1
Franchise fees paid to the District by San Miguel Garbage was:	\$ 6,375.86
Interest earnings for the P.P.B. checking account was:	\$ 1.29
Interest earnings for the P.P.B. DWR Loan Services account was:	\$ -
Interest earnings for the P.P.B. DWR Reserve account was:	\$ -
Interest earnings for the P.P.B. SRF Loan Services account was:	\$ -
Interest earnings for the Western Alliance account was:	\$ -
Interest earnings for the LAIF account was:	\$ -

ANALYSIS OF EXPENSES

Pacific Premier Bank checking account total warrants, fees, and Electronic Fund Transfers was:	\$198,410.57
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STATEMENT OF COMPLIANCE

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

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
STATUS REPORT FOR ALL ACCOUNTS
AUGUST 2021**

BEGINNING BALANCE ALL ACCOUNTS **\$ 4,983,218.15**

OPERATING CASH IN DRAWER **\$300.00**

PACIFIC PREMIER BANK - CHECKING

BEGINNING BALANCE 7/31/2021	\$151,443.80	
DEPOSIT REVENUE & MISCELLANEOUS INCOME	\$210,143.77	
INTEREST EARNED	1.29	
TOTAL CHECKS, FEES AND EFT'S	(\$198,410.57)	
TRANSFER TO LAIF ACCOUNT	\$0.00	
TRANSFER FROM LAIF ACCOUNT	\$0.00	
ENDING BALANCE 8/31/2021		\$163,178.29

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

LOAN SERVICES ACCOUNT

BEGINNING BALANCE 7/31/2021	\$26,043.45	
QUARTERLY DEPOSIT	\$0.00	
INTEREST EARNED	\$0.00	
SEMI-ANNUAL PAYMENT	\$0.00	
ENDING BALANCE 8/31/2021		\$26,043.45

PACIFIC PREMIER BANK DWR RESERVE ACCOUNT

BEGINNING BALANCE 7/31/2021	\$113,433.62	
INTEREST EARNED	\$0.00	
ENDING BALANCE 8/31/2021		\$113,433.62

PACIFIC PREMIER BANK SDWSRF LOAN SERVICES ACCOUNT

BEGINNING BALANCE 7/31/2021	\$29,616.87	
QUARTERLY DEPOSIT	\$0.00	
INTEREST EARNED	\$0.00	
SEMI-ANNUAL PAYMENT	\$0.00	
ENDING BALANCE 8/31/2021		\$29,616.87

WESTERN ALLIANCE

PVS PROJECT CAPITALIZED INTEREST FUND

BEGINNING BALANCE 7/31/2021	\$18.34	
INTEREST EARNED	\$0.00	
INTEREST PAYMENT	\$0.00	
ENDING BALANCE 8/31/2021		\$18.34

LOCAL AGENCY INVESTMENT FUND (LAIF)

BEGINNING BALANCE 7/31/2021	\$4,662,662.07	
INTEREST EARNED	\$0.00	
TRANSFER FROM PACIFIC PREMIER CHECKING	\$0.00	
TRANSFER TO PACIFIC PREMIER CHECKING	\$0.00	
ENDING BALANCE 8/31/2021		\$4,662,662.07

ENDING BALANCE ALL ACCOUNTS **\$4,994,952.64**

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
STATUS REPORT FOR ALL ACCOUNTS
AUGUST 2021**

DIFFERENCE FROM LAST MONTH

Increase

\$11,734.49

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
TREASURER'S REPORT
SEPTEMBER 2021**

SUMMARY REPORT OF ALL ACCOUNTS

Beginning Balance:	\$ 4,994,952.64
Ending Balance:	\$ 4,856,339.54
Variance:	\$ (138,613.10)
Interest Earnings for the Month Reported:	\$ 52.54
Interest Earnings Fiscal Year-to-Date:	\$ 3,814.18

ANALYSIS OF REVENUES

Total operating income for water and sewer was:	\$178,046
Non-operating income was:	\$27,184
Franchise fees paid to the District by San Miguel Garbage was:	\$ 6,243.42
Interest earnings for the P.P.B. checking account was:	\$ 1.45
Interest earnings for the P.P.B. DWR Loan Services account was:	\$ 8.11
Interest earnings for the P.P.B. DWR Reserve account was:	\$ 33.94
Interest earnings for the P.P.B. SRF Loan Services account was:	\$ 9.04
Interest earnings for the Western Alliance account was:	\$ -
Interest earnings for the LAIF account was:	\$ -

ANALYSIS OF EXPENSES

Pacific Premier Bank checking account total warrants, fees, and Electronic Fund Transfers was:	\$395,330.23
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STATEMENT OF COMPLIANCE

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

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
STATUS REPORT FOR ALL ACCOUNTS
SEPTEMBER 2021**

BEGINNING BALANCE ALL ACCOUNTS **\$ 4,994,952.64**

OPERATING CASH IN DRAWER **\$300.00**

PACIFIC PREMIER BANK - CHECKING

BEGINNING BALANCE 8/31/2021	\$163,178.29	
DEPOSIT REVENUE & MISCELLANEOUS INCOME	\$216,072.59	
INTEREST EARNED	\$1.45	
TOTAL CHECKS, FEES AND EFT'S	-\$395,330.23	
TRANSFER TO LAIF ACCOUNT	\$0.00	
TRANSFER FROM LAIF ACCOUNT	\$70,000.00	
ENDING BALANCE 9/30/2021		\$53,922.10

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

LOAN SERVICES ACCOUNT

BEGINNING BALANCE 8/31/2021	\$26,043.45	
QUARTERLY DEPOSIT	\$25,907.00	
INTEREST EARNED	\$8.11	
SEMI-ANNUAL PAYMENT	\$0.00	
ENDING BALANCE 9/30/2021		\$51,958.56

PACIFIC PREMIER BANK DWR RESERVE ACCOUNT

BEGINNING BALANCE 8/31/2021	\$113,433.62	
INTEREST EARNED	\$33.94	
ENDING BALANCE 9/30/2021		\$113,467.56

PACIFIC PREMIER BANK SDWSRF LOAN SERVICES ACCOUNT

BEGINNING BALANCE 8/31/2021	\$29,616.87	
QUARTERLY DEPOSIT	\$14,685.00	
INTEREST EARNED	\$9.04	
SEMI-ANNUAL PAYMENT	\$0.00	
ENDING BALANCE 9/30/2021		\$44,310.91

WESTERN ALLIANCE

PVS PROJECT CAPITALIZED INTEREST FUND

BEGINNING BALANCE 8/31/2021	\$18.34	
INTEREST EARNED	\$0.00	
INTEREST PAYMENT	\$0.00	
ENDING BALANCE 9/30/2021		\$18.34

LOCAL AGENCY INVESTMENT FUND (LAIF)

BEGINNING BALANCE 8/31/2021	\$4,662,662.07	
INTEREST EARNED	\$0.00	
TRANSFER FROM PACIFIC PREMIER CHECKING	(\$70,000.00)	
TRANSFER TO PACIFIC PREMIER CHECKING	\$0.00	
ENDING BALANCE 9/30/2021		\$4,592,662.07

ENDING BALANCE ALL ACCOUNTS **\$4,856,339.54**

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
STATUS REPORT FOR ALL ACCOUNTS
SEPTEMBER 2021**

DIFFERENCE FROM LAST MONTH

Decrease (\$138,613.10)

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
QUARTERLY TREASURER'S
REPORT FOR THE PERIOD OF
JULY 1, 2021 – SEPTEMBER 30, 2021**

SUMMARY REPORT OF ALL ACCOUNTS

Beginning Balance	\$	5,012,266
Ending Balance	\$	4,856,340
Variance	\$	-155,926
Interest Earnings	\$	3,814.18

STATEMENT OF COMPLIANCE

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

ACCOUNT PROFILE INFORMATION

1. Operating cash in cash drawer: Maintained to make change for cash transactions.
2. Pacific Premier Bank Checking: Variable interest-bearing checking account currently at 0.01%, at Pacific Premier branch in Paso Robles used for most of our transactions such as payroll, accounts receivable and accounts payable. Statements are received on a monthly basis.
3. Pacific Premier Bank DWR loan repayments: The Loan Services Account interest earnings rate is 0.25%. Quarterly deposits are made into each account. Semi-annual payments are made from the Loan Services account by the bank, which functions as our fiscal agent, to DWR for repayment of a \$2 million loan to partially finance our water treatment plant and water pumping facilities.
4. Pacific Premier Bank DWR reserve: The Reserve Account interest earnings rate is 0.25%. The purpose of the Reserve Account was to build up over ten years an amount equal to debt service for one year, a DWR requirement. Statements are received on a quarterly basis.
5. Pacific Premier Bank SDWSRF (Safe Drinking Water State Revolving Fund) loan repayments: The Loan Services Account interest earnings rate is 0.25%. Quarterly deposits will be made into the Loan Services. Semi-annual payments will be made from the Loan Services account by the bank, which functions as our fiscal agent, to SDWSRF for repayment of a \$714,000 loan to finance upgrades at the water treatment plant. The fund will provide for a twenty (20) year repayment period at a 1.7875 percent interest rate. Statements are received on a quarterly basis.
6. Pacific Premier Bank SDWSRF (Safe Drinking Water State Revolving Fund) reserve: Quarterly deposits will be made into the Reserve Account. The purpose of the Reserve Account is to build up over ten years an amount equal to two semiannual payments, which is based upon the estimated loan principal and interest rate.
7. Western Alliance Bank Photovoltaic System Project Capitalized Interest Fund: The account interest earnings rate is 0.05%. The purpose of the Account was to hold \$51,320.01 representing capitalized interest to be used for the payment of the interest component of the Lease payments on October 1, 2020 and April 1, 2021, as per the Lease Agreement. Statements are received on a monthly basis.

8. LAIF: Local Agency Investment Fund, a variable interest-bearing investment fund administered by the California State Treasurer. The majority of our funds are retained in this account. The last reported interest rate was 0.33%. Statements are received on a quarterly basis.

INTEREST EARNINGS: TRENDS & PROJECTIONS

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

SUMMARY OF INTEREST EARNINGS

** Account Profile by Reference Number*

	Beginning Balance	Total Debits	Total Credits	Interest Earnings	Ending Balance
1	300.00	-	-	-	300.00
2	210,157.23	-859,735.25	703,496.03	4.09	53,922.10
3	136.45	0.00	51,814.00	8.11	51,958.56
4	113,433.62	0.00	0.00	33.94	113,467.56
5	29,616.87	0.00	14,685.00	9.04	44,310.91
6	0.00	0.00	0.00	0.00	0.00
7	18.34	0.00	0.00	0.00	18.34
8	4,658,903.07	-70,000.00	0.00	3,759.00	4,592,662.07
TOTALS	\$5,012,565.58	(\$929,735.25)	\$769,995.03	\$3,814.18	\$4,856,639.54

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

MANAGEMENT BY CONTRACTED PARTIES

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

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

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

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2021/22 Budget**

OPERATING REVENUE	Budget FY 21/22	Actual August	Actual Year to Date	Percentage Year to Date	Variance Explanation
Water Fees	1,107,981	126,095	239,442	22%	
Sewer Fees	704,110	58,975	117,620	17%	
Hook-Up Fees	3,000	0	700	23%	
Turn on Fees	3,500	200	525	15%	
Late Fees	18,500	2,283	4,290	23%	
Plan Check & Inspection	10,000	0	0	0%	
Miscellaneous Income	500	0	33	7%	
TOTAL OPERATING	\$1,847,591	\$187,553	\$362,610	20%	

FRANCHISE REVENUE					
Solid Waste Franchise Fees	77,220	6,376	13,052	17%	
TOTAL FRANCHISE	\$77,220	\$6,376	\$13,052	17%	

TOTAL OPERATING \$1,924,811 \$193,929 \$375,662 20%

NON-OPERATING REVENUE					
Standby Charges	242,144	0	0	0%	
Property Tax	404,308	0	0	0%	
Interest	50,000	1	3,762	8%	
Connection Fees	70,580	0	11,185	16%	
TOTAL NON-OPERATING	\$767,032	\$1	\$14,947	2%	

RESERVE REVENUE					
Capital Reserves	656,000	16,492	17,446	3%	
Operating Reserves	1,585,986	31,610	33,657	2%	
TOTAL RESERVE	\$2,241,986	\$48,102	\$51,103	2%	

TOTAL NON-OPERATING \$3,009,018 \$48,104 \$66,050 2%

TOTAL ALL INCOME	\$4,933,829	\$242,033	\$441,712	9%	
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**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2021/22 Budget**

OPERATING EXPENSES

SALARIES AND BENEFITS	Budget FY 21/22	Actual August	Actual Year to Date	Percentage Year to Date	Variance Explanation
Salaries	810,774	48,895	119,350	15%	
Health Insurance	149,611	5,480	12,268	8%	
Health Insurance - Retirees	44,584	3,634	7,268	16%	
PERS	146,225	12,877	27,467	19%	
Standby	13,100	981	2,397	18%	
Overtime	15,600	582	3,305	21%	
Workers Comp. Ins.	18,355	-2,170	16,185	88%	Paid Annually
Directors' Fees	9,000	600	1,200	13%	
Medicare/FICA	11,953	781	1,912	16%	
Car Allowance	3,000	250	500	17%	
SUI/ETT	1,500	0	0	0%	
Uniforms	5,000	415	415	8%	
TOTAL SALARIES & BENEFITS	\$1,228,702	\$72,325	\$192,267	16%	

UTILITIES

Electricity	121,527	24,284	24,284	20%	
Propane	1,025	0	0	0%	
Water Purchase	23,114	0	11,557	50%	Paid Semiannually
Telephone/Internet	10,800	928	2,396	22%	
TOTAL UTILITIES	\$156,466	\$25,212	\$38,237	24%	

MAINTENANCE & SUPPLIES

Chemicals	87,000	0	3,237	4%	
Computer/Software	29,450	173	2,963	10%	
Equip. Rental/Lease	2,500	0	0	0%	
Fixed Equip.	172,000	4,906	5,327	3%	
Fuel & Oil	10,000	1,489	2,318	23%	
Lab Testing	38,400	2,940	7,110	19%	
Office Supplies	1,500	607	607	40%	
Parks & Recreation	0	0	0	0%	
Struct./Grnds.	8,140	439	1,171	14%	
Small Tools/Equip.	3,000	311	311	10%	
Supplies	2,500	179	245	10%	
Meters/Equip.	12,000	262	262	2%	
Vehicles	6,000	129	1,638	27%	
TOTAL MAINT. & SUP.	\$372,490	\$11,435	\$25,189	7%	

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2021/22 Budget**

GENERAL & ADMINISTRATION	Budget FY 21/22	Actual August	Actual Year to Date	Percentage Year to Date	Variance Explanation
Ads./Advertising	1,500	608	700	47%	
Alarm/Answering Service	4,000	286	560	14%	
Audit	10,000	3,000	3,000	30%	
Bank Charges/Fees	8,000	610	1,542	19%	
Consulting/Engineering	20,000	4,341	6,153	31%	
Dues/Subscription	9,850	150	150	2%	
Elections	0	0	0	0%	
Insurance	36,590	0	0	0%	
LAFCO	6,600	6,269	6,269	95%	
Legal/Attorney	15,000	975	975	7%	
Licenses/Permits	32,100	0	95	0%	
Plan Check & Inspection	10,000	0	0	0%	
Postage/Billing	15,000	1,307	1,507	10%	
Professional Service	44,300	4,299	12,812	29%	
Tax Collection	6,000	0	0	0%	
Staff Training & Travel	8,000	67	326	4%	
Board Training & Travel	1,000	73	73	7%	
TOTAL G & A	\$227,940	\$21,984	\$34,160	15%	

CAPITAL PROJECTS & EQUIPMENT

Structures/Improvements	2,021,986	48,102	50,872	3%	
Equipment	220,000	0	0	0%	
TOTAL CAPITAL EXPENSE	\$2,241,986	48,102	50,872	2%	

DEBT

State Loan Payment	103,629	0	0	0%	
State Loan Payment Phase II	58,740	0	0	0%	
Western Alliance Lease-PVS	152,849	0	0	0%	
TOTAL DEBT	\$315,218	\$0	\$0		

FUNDED DEPRECIATION	\$288,000	\$24,000	\$46,750	16%	
UNFUNDED DEPRECIATION	\$0	\$0	\$0	0%	

TOTAL EXPENSE	\$4,830,802	\$203,058	\$387,476	8%	
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CAPACITY CHARGES TRANSFER \$70,580 \$0 \$11,185 16%

SOLID WASTE FEES TRANSFER \$30,783 \$1,778 \$3,519 11%

FUND TOTAL	\$1,664	\$37,196	\$39,532		
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**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2021/22 Budget**

OPERATING REVENUE	Budget FY 21/22	Actual September	Actual Year to Date	Percentage Year to Date	Variance Explanation
Water Fees	1,107,981	116,043	355,484	32%	
Sewer Fees	704,110	58,979	176,599	25%	
Hook-Up Fees	3,000	600	1,300	43%	
Turn on Fees	3,500	200	725	21%	
Late Fees	18,500	2,224	6,514	35%	
Plan Check & Inspection	10,000	0	0	0%	
Miscellaneous Income	500	0	33	7%	
TOTAL OPERATING	\$1,847,591	\$178,046	\$540,655	29%	

FRANCHISE REVENUE					
Solid Waste Franchise Fees	77,220	6,243	19,295	25%	
TOTAL FRANCHISE	\$77,220	\$6,243	\$19,295	25%	

TOTAL OPERATING \$1,924,811 \$184,289 \$559,951 29%

NON-OPERATING REVENUE					
Standby Charges	242,144	0	0	0%	
Property Tax	404,308	12,222	12,222	3%	
Interest	50,000	53	3,814	8%	
Connection Fees	70,580	14,910	26,095	37%	
TOTAL NON-OPERATING	\$767,032	\$27,184	\$42,131	5%	

RESERVE REVENUE					
Capital Reserves	656,000	3,901	21,347	3%	
Operating Reserves	1,785,986	90,928	124,585	7%	
TOTAL RESERVE	\$2,441,986	\$94,829	\$145,932	6%	

TOTAL NON-OPERATING \$3,209,018 \$122,013 \$188,063 6%

TOTAL ALL INCOME	\$5,133,829	\$306,302	\$748,014	15%	
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**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2021/22 Budget**

OPERATING EXPENSES

SALARIES AND BENEFITS	Budget FY 21/22	Actual September	Actual Year to Date	Percentage Year to Date	Variance Explanation
Salaries	810,774	52,309	171,659	21%	
Health Insurance	149,611	8,371	20,639	14%	
Health Insurance - Retirees	44,584	3,536	10,804	24%	
PERS	146,225	13,230	40,697	28%	
Standby	13,100	993	3,390	26%	
Overtime	15,600	805	4,110	26%	
Workers Comp. Ins.	18,355	0	16,185	88%	Paid Annually
Directors' Fees	9,000	600	1,800	20%	
Medicare/FICA	11,953	833	2,744	23%	
Car Allowance	3,000	250	750	25%	
SUI/ETT	1,500	0	0	0%	
Uniforms	5,000	351	766	15%	
TOTAL SALARIES & BENEFITS	\$1,228,702	\$81,278	\$273,545	22%	

UTILITIES

Electricity	121,527	21,976	46,260	38%	
Propane	1,025	0	0	0%	
Water Purchase	23,114	0	11,557	50%	Paid Semiannually
Telephone/Internet	10,800	1,384	3,779	35%	
TOTAL UTILITIES	\$156,466	\$23,360	\$61,597	39%	

MAINTENANCE & SUPPLIES

Chemicals	87,000	3,514	6,751	8%	
Computer/Software	29,450	1,475	4,438	15%	
Equip. Rental/Lease	2,500	389	389	16%	
Fixed Equip.	172,000	14,309	19,636	11%	
Fuel & Oil	10,000	748	3,066	31%	
Lab Testing	38,400	2,225	9,335	24%	
Office Supplies	1,500	232	839	56%	
Parks & Recreation	0	0	0	0%	
Struct./Grnds.	8,140	789	1,960	24%	
Small Tools/Equip.	3,000	135	446	15%	
Supplies	2,500	557	802	32%	
Meters/Equip.	12,000	0	262	2%	
Vehicles	6,000	1,131	2,769	46%	
TOTAL MAINT. & SUP.	\$372,490	\$25,504	\$50,693	14%	

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2021/22 Budget**

GENERAL & ADMINISTRATION	Budget FY 21/22	Actual September	Actual Year to Date	Percentage Year to Date	Variance Explanation
Ads./Advertising	1,500	149	849	57%	
Alarm/Answering Service	4,000	281	842	21%	
Audit	10,000	0	3,000	30%	
Bank Charges/Fees	8,000	513	2,054	26%	
Consulting/Engineering	20,000	0	6,153	31%	
Dues/Subscription	9,850	112	262	3%	
Elections	0	0	0	0%	
Insurance	36,590	36,043	36,043	99%	Paid Annually
LAFCO	6,600	0	6,269	95%	Paid Annually
Legal/Attorney	15,000	0	975	7%	
Licenses/Permits	32,100	0	95	0%	
Plan Check & Inspection	10,000	0	0	0%	
Postage/Billing	15,000	2,771	4,277	29%	
Professional Service	44,300	7,622	20,433	46%	
Tax Collection	6,000	0	0	0%	
Staff Training & Travel	8,000	42	368	5%	
Board Training & Travel	1,000	28	100	10%	
TOTAL G & A	\$227,940	\$47,560	\$81,720	36%	

CAPITAL PROJECTS & EQUIPMENT

Structures/Improvements	2,221,986	11,341	62,214	3%	
Equipment	220,000	83,488	83,488	38%	
TOTAL CAPITAL EXPENSE	\$2,441,986	94,829	145,701	6%	

DEBT

State Loan Payment	103,629	0	0	0%	
State Loan Payment Phase II	58,740	0	0	0%	
Western Alliance Lease-PVS	152,849	36,613	36,613	24%	
TOTAL DEBT	\$315,218	\$36,613	\$36,613		

FUNDED DEPRECIATION	\$288,000	\$24,000	\$70,750	25%	
UNFUNDED DEPRECIATION	\$0	\$0	\$0	0%	

TOTAL EXPENSE	\$5,030,802	\$333,143	\$720,619	14%	
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CAPACITY CHARGES TRANSFER \$70,580 \$14,910 \$26,095 37%

SOLID WASTE FEES TRANSFER \$30,783 \$1,721 \$5,241 17%

FUND TOTAL	\$1,664	(\$43,472)	(\$3,941)		
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**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
AUGUST 2021 OFFICE REPORT**

Water & Sewer

On September 1st, we processed 1,928 bills for a total dollar amount of \$193,563 for water and sewer user fees for the month of August. The number of Automatic Drafts processed was 608 for a total dollar amount of \$56,641.

San Miguel Garbage Franchise Fees

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

Month of July

Garbage Collection (10%) - \$ 6,174.49

Roll-Off Collection (10%) - \$ 201.37

Total Franchise Fees Collected - \$ 6,375.86

Service Orders Completed

Staff completed a total of 15 service orders for the month of August. Below is a breakdown by job code.

OCCUPANT CHANGE	9	USA	1
DIRTY WATER COMP.	3	SEWER INSP.	1
CALL OUT	1		

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
SEPTEMBER 2021 OFFICE REPORT**

Water & Sewer

On October 1st, we processed 1,927 bills for a total dollar amount of \$173,654 for water and sewer user fees for the month of September. The number of Automatic Drafts processed was 614 for a total dollar amount of \$53,337.

San Miguel Garbage Franchise Fees

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

Month of August

Garbage Collection (10%) - \$ 6,001.43

Roll-Off Collection (10%) - \$ 241.99

Total Franchise Fees Collected - \$ 6,243.42

Service Orders Completed

Staff completed a total of 16 service orders for the month of September. Below is a breakdown by job code.

OCCUPANT CHANGE	10	USA	1
LEAK	5		

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: October 21, 2021

SUBJECT: Request to receive and file a letter from the Central Coast Regional Water Quality Control Board regarding a revised conditional offer to participate in their expedited payment program relating to violations of our wastewater discharge permit, WDR Order No. R3-2017-0026, NPDES No. CA0048941, WDID No. 3 401013001, and authorize a budget adjustment from reserves in the amount of \$18,000.

Recommendation

It is recommended that the Board of Directors receive and file the subject a letter and authorize a budget adjustment from reserves in the amount of \$18,000 to participate in the expedited payment program.

Background

Compliance with the standards of the NPDES permit has become very complex over the last few years. The Regional Board does not have any discretion on the standards of the NPDES permit. The minimum financial penalties must be imposed for violation of any of the monitoring or discharge requirements of the NPDES permit.

Discussion

The District has been working through the increasing compliance requirements for several years, most recently with the issuance of our 2017 Permit and Time Schedule Order (TSO). Your Board is now working towards a permanent solution to compliance with a significant plant upgrade. In the meantime, we will have to deal with any violations as they come up.

On March 23, 2021, the Central Coast Water Board Assistant Executive Officer issued the District a conditional offer (Offer) to settle nine alleged violations of Waste Discharge Requirements Order No. R3-2017-0026. As provided for in the Offer, on April 5, 2021, the District submitted a letter (District Letter) requesting the Central Coast Water Board's review and rescission of all nine alleged violations. The attached letter provides the Central Coast Water Board enforcement staff's responses to the District Letter and revises the Offer.

After the Water Board review, four of the nine alleged violations were removed. However, one additional alleged violation occurred during the review period. Therefore, there are a total of six violations with a mandatory minimum penalty of \$3,000 each. The Manager has already signed and returned the acceptance of the offer to participate in the expedited payment program for these current violations.

Fiscal Considerations

The current Budget does not include these violations and a budget adjustment from reserves in the amount of \$18,000 is needed.

Results

Approval of the recommended action will satisfy the Central Coast Regional Water Quality Control Board revised conditional offer to participate in their expedited payment program relating to violations of our wastewater discharge permit.

Attachments: Letter from Central Coast Regional Water Quality Control Board

File: Wastewater_Regulatory Compliance



Central Coast Regional Water Quality Control Board

September 14, 2021

Scott Duffield
General Manager
Heritage Ranch Community
Services District
4870 Heritage Road
Paso Robles, CA 93446
Email: scott@heritageranchcsd.ca.gov

**Via Electronic Mail and Certified Mail
No. 7020 1810 0002 0767 7684**

Dear Mr. Duffield:

ENFORCEMENT PROGRAM: RESPONSE TO HERITAGE RANCH CSD CONTEST OF VIOLATIONS ALLEGED IN EXPEDITED PAYMENT LETTER (EPL) NO. R3-2021-0030 DATED MARCH 23, 2021, REVISED CONDITIONAL OFFER TO PARTICIPATE IN EXPEDITED PAYMENT PROGRAM RELATING TO VIOLATIONS OF NPDES PERMIT, SAN LUIS OBISPO COUNTY, WDR ORDER NO. R3-2017-0026, NPDES NO. CA0048941, WDID NO. 3 401013001

On March 23, 2021, the Central Coast Water Board Assistant Executive Officer issued the Heritage Ranch Community Services District (hereinafter "District") a conditional offer (Offer) to settle nine alleged violations of Waste Discharge Requirements Order No. R3-2017-0026 (WDR Order). As provided for in the Offer, on April 5, 2021, the District submitted a letter (District Letter) requesting the Central Coast Water Board's review and rescission of all nine alleged violations. This letter provides the Central Coast Water Board enforcement staff's responses to the District Letter and revises the Offer for the District's consideration.

DISCUSSION:

This section provides our responses to each of the alleged violations by summarizing the District's basis for contesting the violation and providing our response and determination. Unless otherwise noted, violations are referenced from the March 23, 2021 Offer Exhibit A - Notice of Violation.

The District's first general question was whether mandatory minimum penalties are determined based on final permit effluent limits in the WDR Order or interim effluent limits established in Time Schedule Order No. R3-2018-0011 (TSO). TSO Finding #14

DR. JEAN-PIERRE WOLFF, CHAIR | MATTHEW T. KEELING, EXECUTIVE OFFICER

clarifies this question by stating that violations of the final effluent limits for copper, nitrate, and un-ionized ammonia in the WDR Order are not subject to mandatory minimum penalties as long as the District complies with all of the requirements of the TSO. As referenced in the finding, this is derived from and consistent with California Water Code section 13385(j)(3), which states that mandatory minimum penalties do not apply to violations of waste discharge requirement effluent limits (i.e., final effluent limits) where the discharger is in compliance with a time schedule order. Therefore, when the District does not comply with the TSO by exceeding a TSO interim effluent limit, a mandatory minimum penalty applies based on the final effluent limit in the WDR Order. In other words, when a TSO interim effluent limit is exceeded, the Water Code protections from mandatory minimum penalties are lifted, and mandatory minimum penalties apply to the exceedance of the final effluent limit just as they would without the TSO.

Three of the nine violations alleged in the Offer and contested by the District relate to total nitrate and are shown in Table 1 below.

Table 1: Total Nitrate Alleged Violations

# in Offer	Violation Number	TSO Interim Limit (mg/L)	District Reported Result (mg/L)	WDR Order Final Limit (mg/L)	Percent Over Final Limit
1	1071353	17	22.1	10	121%
7	1078675	17	18.1	10	81%
9	1080567	17	23.5	10	135%

Each of the violations shown in Table 1 exceeded the TSO interim effluent limit and is subject to a mandatory minimum penalty based on comparing the reported result to the WDR Order final effluent limit. Because each of the three violations exceeded the final effluent limit by 40 percent or more, each is subject to a mandatory minimum penalty of \$3,000.

Two of the nine violations alleged in the Offer and contested by the District relate to copper and the question of whether mandatory minimum penalties are determined based on final effluent limits in the WDR Order or interim effluent limits established in the TSO. As demonstrated above in the discussion of total nitrate violations, mandatory minimum penalties apply based on the final effluent limits in the WDR Order.

The District Letter also notes that by letter dated October 6, 2020, and its attached memorandum dated September 30, 2020, the District proposed updated copper intake credits to apply to its effluent sampling results to determine compliance with the TSO and WDR Order. By retroactively applying the September 2020 proposed copper intake credits to the January 2020 effluent copper results, and comparing the revised results to *interim* effluent limits in the TSO rather than the *final* effluent limits in the WDR Order, the District determined that instead of two serious violations for copper as shown in the Offer there should be one chronic violation and one serious violation. However, applying the District's proposed updated copper intake credits and comparing the

adjusted effluent copper results to the final effluent limits in the WDR Order still indicates that two serious violations occurred as shown in Table 2 below.

Table 2: Copper Alleged Violations

# in Offer	Violation Number	TSO Interim Limit (µg/L)	District Adjusted Result (µg/L)	WDR Order Final Limit (µg/L)	Percent Over Final Limit
2	1076769	25 (maximum daily)	28.1	22	28%
3	1076768	18 (average monthly)	28.1	11	155%

Each of the violations shown in Table 2 exceeded the applicable TSO interim effluent limit and is subject a mandatory minimum penalty based on comparing the reported and now adjusted result¹ to the WDR Order final effluent limit. Because both of the violations exceeded the final effluent limit by 20 percent or more, each is subject to a mandatory minimum penalty of \$3,000.

Four of the nine violations alleged in the Offer and contested by the District relate to oil and grease and are listed below.

- #4, Violation Number 1076655, April 2, 2020
- #5, Violation Number 1074931, April 30, 2020
- #6, Violation Number 1078361, July 1, 2020
- #8, Violation Number 1078360, July 31, 2020

The District's April 5, 2021 letter refers to laboratory errors reported by Fruit Growers Laboratory in its letter to the District dated September 29, 2020. Based on the laboratory's letter confirming an error in its standard operating procedures relating to oil and grease analysis, non-detect results for oil and grease after retesting an August 2020 effluent sample after correcting the analytical error, and the absence of oil and grease violations in the District's self-monitoring reports since that time, Central Coast Water Board staff agrees that there is substantial evidence that the oil and grease violations listed above may not have been valid and therefore do not warrant mandatory minimum penalties. Central Coast Water Board staff dismissed these violations from the California Integrated Water Quality System (CIWQS) database.

The net result of the above review is the reduction in the original Offer's alleged violations from nine violations to five corresponding with a reduction in the proposed penalty from \$27,000 to \$15,000.

¹ At this time, Central Coast Water Board enforcement staff is not aware of whether Central Coast Water Board permitting staff approved the use of the District's proposed copper intake credits. However, for the purposes of this review, Central Coast Water Board enforcement staff used the adjusted results to demonstrate that using the lowest possible results still indicates two serious violations. This approach does not constitute formal evaluation or approval of the proposed intake credits by Central Coast Water Board permitting staff.

REVIEW OF RECENTLY REPORTED VIOLATIONS:

Since the issuance of the Offer on March 23, 2021, the District's self-monitoring report submittals indicate one additional nitrate effluent violation that is subject to a mandatory minimum penalty as shown in Table 3 below.

Table 3: New Alleged Violation for Total Nitrate

Date	Violation Number	TSO Interim Limit (mg/L)	District Reported Result (mg/L)	WDR Order Final Limit (mg/L)	Percent Over Final Limit
7/16/21	1093638	17	25.8	10	158%

Similar to the above discussions about how mandatory minimum penalties apply based on the final effluent limit in the WDR Order when a TSO interim effluent limit is exceeded, the July 16, 2021 effluent analysis for total nitrate shows that the result of 25.8 mg/L exceeded the TSO interim effluent limit of 17 mg/L and is subject to a mandatory minimum penalty of \$3,000 based on the WDR Order final effluent limit of 10 mg/L. Central Coast Water Board staff added this new violation to the attached revised Exhibit A - Notice of Violation, which increases the proposed penalty from \$15,000 to \$18,000.

The remainder of this letter has the same standard language as our Offer dated March 23, 2021, and provides the District with the same response options.

NOTICE OF VIOLATION:

Based on information in the California Integrated Water Quality System (CIWQS), the Central Coast Water Board's Assistant Executive Officer alleges that from January 7, 2020 through July 16, 2021, the Permittee violated the effluent limitations identified in the notice of violation (NOV) attached as Exhibit A. The Permittee will have the opportunity to address the alleged violations as discussed below. To assist the Permittee in reviewing the alleged violations, the attached Exhibit A-NOV provides instructions for accessing the alleged violations within CIWQS.

STATUTORY LIABILITY:

Subdivisions (h) and (i) of California Water Code section 13385 require the assessment of a mandatory minimum penalty of \$3,000 for specified serious and non-serious (formerly named "chronic") effluent limit violations. The Permittee is also potentially subject to discretionary administrative civil liabilities of up to ten thousand dollars (\$10,000) for each day in which the violation occurs, plus ten dollars (\$10) for each gallon discharged but not cleaned up in excess of 1,000 gallons. These mandatory minimum penalties and discretionary administrative civil liabilities may be assessed by the Central Coast Water Board or the State Water Board (collectively "the Water Boards"), beginning with the date that the violations first occurred. The formal enforcement action that the Water Boards use to assess such liability is an administrative civil liability complaint, although the Water Boards may instead refer such matters to the Attorney General's Office for prosecution. If referred to the Attorney

General for prosecution, the Superior Court may assess up to twenty-five thousand dollars (\$25,000) per violation. In addition, the Superior Court may assess up to twenty-five dollars (\$25) per gallon discharged but not cleaned up in excess of 1,000 gallons.

CONDITIONAL OFFER TO PARTICIPATE IN EXPEDITED PAYMENT PROGRAM:

The Permittee can avoid the issuance of a formal enforcement action and settle the alleged violations identified in the attached NOV by participating in the Central Coast Water Board's expedited payment program. Details of the proposed settlement are described below and addressed in the enclosed documents.

To promote resolution of these alleged violations, the Central Coast Water Board enforcement staff makes this Conditional Offer. The Permittee may accept this offer, waive the Permittee's right to a hearing, and pay the mandatory minimum penalty as indicated on Exhibit A for the violations described. If the Permittee elects to do so, subject to the conditions below, the Central Coast Water Board will accept that payment in settlement of any enforcement action that would otherwise arise out of the violations identified in the NOV. Accordingly, the Central Coast Water Board enforcement staff will forego issuance of a formal administrative complaint, will not refer the violations to the Attorney General, and will waive its right to seek additional discretionary civil liabilities for the violations identified in the NOV.

The expedited payment program does not address liability for any violation that is not specifically identified in the NOV.

PERMITTEE'S OPTIONS FOR RESPONSE TO OFFER:

If you accept this offer, please complete and return the enclosed "Acceptance of Conditional Offer and Waiver of Right to Hearing; Settlement Agreement and Stipulation for Entry of Administrative Civil Liability Order No. R3-2021-0030 (Upon Execution)" (Acceptance and Waiver) **no later than October 14, 2021**. The returned Acceptance and Waiver will be held, pending a 30-day public notice period, and then will be countersigned by the Executive Officer and returned to you with instructions for payment. *No payment is due at the time the Permittee returns the signed Acceptance and Waiver form to the Central Coast Water Board.*

If the Permittee chooses to contest any of the violations alleged in the NOV, please identify each violation and the basis for its challenge (e.g., factual error, affirmative defense, etc.) on or before the above due date. Central Coast Water Board staff will evaluate the contested violations and take the following actions:

1. Where the available evidence supports the removal of alleged violations, Water Board staff will expunge those violations from the CIWQS database and take no further action against the Permittee for those violations.
2. Water Board staff will provide the Permittee with a revised NOV reflecting any changes warranted by the above evaluation and provide another opportunity to submit a signed Acceptance and Waiver.
3. If the above evaluation resolves all of the alleged violations, Central Coast Water Board staff will notify the Permittee that no further action is necessary.

If the Permittee chooses not to submit an Acceptance and Waiver at any stage of the process described above and therefore rejects the offer, or elects to reserve the right to address any contested matters and resolve only uncontested violations via this offer, Central Coast Water Board staff will contact the Permittee regarding the initiation of formal enforcement action with regard to any unresolved violations. In a formal enforcement action, the liability amount sought and/or imposed may exceed the liability amount set forth in this Conditional Offer. Moreover, the cost of enforcement is a factor which can be considered in assessing the liability amount.

CONDITIONS FOR CENTRAL COAST WATER BOARD ACCEPTANCE:

Federal regulations require the Central Coast Water Board to publish any proposed settlement of an enforcement action addressing NPDES permit violations and provide at least 30 days for public comment [40 C.F.R. section 123.27(d)(2)(iii)]. Upon receipt of the Permittee's Acceptance and Waiver, Central Coast Water Board enforcement staff will publish a notice of the proposed settlement of the violations.

If no comments are received within the 30-day period, and unless there are new material facts that become available to the Central Coast Water Board, the Executive Officer will execute the Acceptance and Waiver as a settlement agreement and stipulation for entry of administrative civil liability order assessing the uncontested mandatory minimum penalty amount pursuant to Water Code section 13385.

If, however, significant comments are received in opposition to the settlement, this Conditional Offer may be withdrawn. In that case, the Permittee's waiver pursuant to the Acceptance and Waiver will also be treated as withdrawn, and the unresolved violations will be addressed in a revised offer or a liability assessment proceeding. In the latter case, at the liability assessment hearing the Permittee will be free to make arguments as to any of the alleged violations, and the Permittee's agreement to accept this Conditional Offer will not in any way be binding or used as evidence against the Permittee. The Permittee will be provided with further information on the liability assessment proceeding.

In the event the Acceptance and Waiver is executed by the Executive Officer as a stipulated order, Central Coast Water Board staff will then send you that order in a separate letter. Payment of the assessed amount will then be due and payable as specified in the letter that will accompany the Executive Officer's signed stipulated order. Failure to pay the penalty within the required time period may subject the Permittee to further liability. *Again, please note that no payment is due at the time the Permittee returns the signed Acceptance and Waiver form to the Central Coast Water Board.*

CONTACT PERSONS:

Should you have any questions about the Notice of Violation or the Conditional Offer, please contact Todd Stanley at Todd.Stanley@waterboards.ca.gov or (805) 542-4769, or Thea Tryon at Thea.Tryon@waterboards.ca.gov or (805) 542-4776.

Sincerely,

Thea S. Tryon
Assistant Executive Officer

Attachments:

1. Revised Exhibit A - Notice of Violation
2. Revised Acceptance of Conditional Offer and Waiver of Right to Hearing; Settlement Agreement and Stipulation for Entry of Administrative Civil Liability Order No. R3-2021-0030 (Upon Execution)

cc via email:

Central Coast Water Board:
Thea Tryon
Tamara Anderson
Harvey Packard
Arwen Wyatt-Mayer
Katie DiSimone
Todd Stanley

File Location: R:\RB3\Enforcement\EPLs\2021 Heritage Ranch\Heritage Ranch - MMP EPL Offer 21-0030 Resp to Contest.docx

ECM Primary Indexing # 230132

Revised Exhibit A – Notice of Violation
Heritage Ranch Community Services District Wastewater Treatment Plant
Mandatory Minimum Penalty Violations Requiring Enforcement
Alleged Violation Dates: January 7, 2020 – July 16, 2021

The enforcement staff of the Regional Water Quality Control Board, Central Coast Region (Central Coast Water Board) reviewed information submitted by this facility to determine whether the discharger is subject to mandatory minimum penalties (MMPs) pursuant to subdivisions (h) and (i) of California Water Code section 13385. The following table lists this facility’s alleged violations of Waste Discharge Requirements Order No. R3-2017-0026, National Pollutant Discharge Elimination System Permit No. CA0048941 from January 7, 2020 through July 16, 2021, for which the Central Coast Water Board has not assessed MMPs. Final calculation of MMP amounts owed and definitions of some of the terms used in this document are listed below the table.

For additional information about the alleged violations listed in the table, please refer to [the State Water Resources Control Board California Integrated Water Quality System \(CIWQS\) Public Reports webpage](#) and select the “Mandatory Minimum Penalty (MMP) Report” link located under the “Violations Reports” category. Once in the Mandatory Minimum Penalty Reports search page, select Region 3 along with the beginning and ending dates shown in this exhibit, select Run Report, and then select your facility to access the list of violations. Expand the “Effluent MMP Violations” section of the page by selecting the “+” icon to the left of the section title. To view details of a violation, select the “Violation ID” number. For chronic (non-serious) violations, select the “Chronic” link in the “MMP Type” column to see a list of the three or more violations preceding each chronic violation within 180 days and thus qualifying the chronic violation as an MMP.

EPL No. R3-2021-0030 – Exhibit A
 Stipulated ACL Order No. R3-2021-0030
 Heritage Ranch Community Services District Wastewater Treatment Plant

#	Violation Number	Violation Date	Pollutant	Pollutant Type	Limitation Period	Limit	Result	Units	% Over Limit	Serious or Non-Serious (Chronic) Violation	Date 180 Days Prior	No. of Viols within 180 days	Mandatory Minimum Penalty
1	1071353	1/7/20	Nitrate, Total (as N)	Group 1	Daily Maximum	10	22.1	mg/L	121%	S	N/A	N/A	\$ 3,000
2	1076769	1/7/20	Copper, Total	Group 2	Daily Maximum	22	28.1	ug/L	28%	S	N/A	N/A	\$ 3,000
3	1076768	1/31/20	Copper, Total	Group 2	Monthly Average	11	28.1	ug/L	155%	S	N/A	N/A	\$ 3,000
4	1078675	7/15/20	Nitrate, Total (as N)	Group 1	Daily Maximum	10	18.1	mg/L	81%	S	N/A	N/A	\$ 3,000
5	1080567	9/10/20	Nitrate, Total (as N)	Group 1	Daily Maximum	10	23.5	mg/L	135%	S	N/A	N/A	\$ 3,000
6	1093638	7/16/21	Nitrate, Total (as N)	Group 1	Daily Maximum	10	25.8	mg/L	158%	S	N/A	N/A	\$ 3,000

Total Penalty: \$18,000

Total Mandatory Minimum Penalty Amount for Effluent Violations
 (6 Serious Violation + 0 Non-Serious Violations) × \$3,000 = \$18,000

EPL No. R3-2021-0030 – Exhibit A
 Stipulated ACL Order No. R3-2021-0030
 Heritage Ranch Community Services District Wastewater Treatment Plant

For Group 1 pollutants, a violation is serious when the limit is exceeded by 40% or more, and non-serious (referred to as “chronic” in CIWQS) when the limit is exceeded by less than 40%.

For Group 2 pollutants, a violation is serious when the limit is exceeded by 20% or more, and non-serious when the limit is exceeded by less than 20%.

Serious violations are subject to a mandatory minimum penalty of \$3,000 each.

Term	Definition
Units	mg/L = milligrams per liter ug/L = micrograms per liter
N/A	Not Applicable
CIWQS	California Integrated Water Quality System database used by the Water Boards to manage violation and enforcement activities, as well as other data types relevant to water quality protection.
Violation Number	Identification number assigned to a violation in CIWQS.
Violation Date	Date that a violation actually occurred, with the exception that for some violation types, such as a monthly average, the last day of the reporting period is used. If the occurrence date is unknown, the date used is the day the violation was first discovered by staff, the Discharger, or a third party.
Pollutant Types: Group 1 & 2	Groups of pollutants defined in the State Water Resources Control Board Water Quality Enforcement Policy. Also referred to as Category 1 or CAT1 and Category 2 or CAT2, respectively.

File Location: R:\RB3\Enforcement\EPLs\2021 Heritage Ranch\Heritage Ranch MMP EPL Offer 21-0030 Exh A-NOV_Revised.docx

ECM Primary Indexing # 230132

**REVISED ACCEPTANCE OF CONDITIONAL OFFER
AND WAIVER OF RIGHT TO HEARING;
SETTLEMENT AGREEMENT AND STIPULATION FOR ENTRY OF ADMINISTRATIVE
CIVIL LIABILITY (ACL) ORDER NO. R3-2021-0030 (UPON EXECUTION)**

Heritage Ranch Community Services District Wastewater Treatment Plant
EPL No. R3-2021-0030
Waste Discharge Requirements Order No. R3-2017-0026
National Pollutant Discharge Elimination System (NPDES) Permit No. CA0048941
WDID: 3 401013001

By signing below and returning this Acceptance of Conditional Offer and Waiver of Right to Hearing (Acceptance and Waiver) to the Central Coast Regional Water Quality Control Board (Central Coast Water Board), the Heritage Ranch Community Services District (Permittee) hereby accepts Expedited Payment Letter No. R3-2021-0030 (Conditional Offer) to participate in the expedited payment program relating to violations of the Permittee's NPDES permit for the Heritage Ranch Community Services District Wastewater Treatment Plant, and waives the right to a hearing before the Central Coast Water Board to dispute the alleged violations described in the notice of violation (NOV) attached to the Conditional Offer as Exhibit A and incorporated herein by reference.

The Permittee agrees that the NOV shall serve as a complaint pursuant to Division 7, Chapter 5, Article 2.5 of the California Water Code and that no separate complaint is required for the Central Coast Water Board to assert jurisdiction over the alleged violations through its enforcement staff. The Permittee agrees to pay the penalties authorized by California Water Code section 13385, as specified in the NOV (expedited payment amount), which shall be deemed payment in full of any civil liability pursuant to Water Code sections 13385 and 13385.1 that otherwise might be assessed for the violations described in the NOV.

Expedited Payment Amount: \$18,000.

The Permittee understands that this Acceptance and Waiver does not address or resolve liability for any violation that is not specifically identified in the NOV.

Upon signature by the Permittee, the Permittee must return this Acceptance and Waiver to:

Thea Tryon
Assistant Executive Officer
Central Coast Water Board
895 Aerovista Place, Suite 101
San Luis Obispo, CA 93401

Expedited Payment Letter (EPL) No. R3-2021-0030
Settlement Agreement and Stipulation for Entry of
Administrative Civil Liability Order No. R3-2021-0030

The Permittee understands that federal regulations set forth in title 40, Code of Federal Regulations, section 123.27(d)(2)(iii) require the Central Coast Water Board to publish notice of any proposed settlement of this enforcement action and provide at least 30 days for public comment. Accordingly, Central Coast Water Board staff will publish this Acceptance and Waiver for public comment prior to execution by the Executive Officer of the Central Coast Water Board.

The Permittee understands that if significant comments are received in opposition to the Conditional Offer, then the Central Coast Water Board enforcement staff's offer to resolve the violations set forth in the NOV may be withdrawn. In that circumstance, Central Coast Water Board enforcement staff will advise the Permittee of the withdrawal, a revised offer or an administrative civil liability complaint may be issued, and the matter may be set for a hearing before the Central Coast Water Board. For such a liability hearing, the Permittee understands that this Acceptance and Waiver executed by the Permittee will be treated as a settlement communication and will not be used as evidence in that hearing.

If no comments are received within the notice period that cause the Executive Officer to reconsider the Conditional Offer, the Executive Officer will execute the Acceptance and Waiver as Settlement Agreement and Stipulation for Entry of Administrative Civil Liability Order No. R3-2021-0030 (Settlement and Order).

The Permittee understands that no payments are due at the time it returns the signed Acceptance and Waiver form to the Central Coast Water Board. The Permittee understands that after the signed Acceptance and Waiver is publicly noticed and executed by the Executive Officer of the Central Coast Water Board, Central Coast Water Board staff will transmit this Acceptance and Waiver as an executed Settlement and Order to the Permittee with payment instructions and due dates. Furthermore, the Permittee understands that full payment of the expedited payment amount by the hereby incorporated due date or dates specified in the transmittal letter and/or invoices associated with the executed Settlement and Order is a condition of this Acceptance and Waiver.

Expedited Payment Letter (EPL) No. R3-2021-0030
Settlement Agreement and Stipulation for Entry of
Administrative Civil Liability Order No. R3-2021-0030

I hereby affirm that I am duly authorized to act on behalf of and to bind the Permittee in the making and giving of this Acceptance and Waiver and the terms of the Settlement and Order.

By: _____
(Signed Name)

(Date)

(Printed or typed name)

(Title)

Expedited Payment Letter (EPL) No. R3-2021-0030
Settlement Agreement and Stipulation for Entry of
Administrative Civil Liability Order No. R3-2021-0030

IT IS HEREBY ORDERED pursuant to Water Code section 13323, Government Code section 11415.60, and Resolution No. R3-2014-0043, on behalf of the California Regional Water Quality Control Board, Central Coast Region.

By: _____

Matthew T. Keeling
Executive Officer
Central Coast Water Board

File Location: R:\RB3\Enforcement\EPLs\2021 Heritage Ranch\Heritage Ranch - MMP EPL Offer 21-00XX Waiver_Revised.docx

ECM Primary Indexing # 230132

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: October 21, 2021

SUBJECT: Request to receive and file a report on the status of Nacimiento Reservoir, and set a Public Hearing for the November 18, 2021 meeting to consider implementing Stage III of the Emergency Water Shortage Regulations and Staged Water Use Reduction Plan.

Recommendation

It is recommended that the Board of receive and file a report on the status of Nacimiento Reservoir, and set a Public Hearing for the November 18, 2021 meeting to consider implementing Stage III of the Emergency Water Shortage Regulations and Staged Water Use Reduction Plan.

Background

At the July 15, 2021 meeting, your Board declared a drought and implemented Stage II of the Emergency Water Shortage Regulations and Staged Water Use Reduction Plan (Plan). Stage II water conservation includes outdoor watering restrictions with the goal of 15% conservation.

Discussion

As reported by Monterey County Water Resources Agency (MCWRA), as of October 8, 2021, the reservoir was at approximately 704.85 feet in elevation, 11% of capacity, or 42,133-acre feet of storage. MCWRA water releases were shown as 66 cfs.

The most current MCWRA release schedule (attached) shows reaching Stage III (700' in elevation / 9%) around the first or second week in November, barring any inflows.

Section 5.900 of Chapter 5 of the District Code is known and cited as the Heritage Ranch Community Services District Emergency Water Shortage Regulations and Staged Water Use Reduction Plan. The purpose and intent is to provide water shortage response procedures to minimize the effect of any existing or threatened water shortage conditions on customers.

Conservation goals are based on historical average and staged conservation measures are triggered by reservoir elevation. Water shortage conservation stages are summarized below:

Stage I	Elevation 730' – 720'
Stage II	Elevation 720' – 700'
Stage III	Elevation 700' – 680'
Stage IV	Elevation 680' – 670'

The current release schedule for 2021 shows maintaining sufficient water in the reservoir to allow river flow and the District's use of the gallery wells. Use of the emergency intertie project should not be needed.

Fiscal Considerations

As the Staged Water use Reduction Plan is implemented for Stage II and above, then there may be a corresponding reduction in water fund revenue.

Results

The Manager recommends that the Board set a Public Hearing for the November 18, 2021 meeting to consider implementation of Stage III.

Attachments: MCWRA Reservoir Release Schedule for 2021 dated 8/17/21
Reservoir elevations and staged water use reduction plan graphic
Draft Resolution

File: Water_Drought 2021

RESERVOIR RELEASE SCHEDULE FOR 2021

Month	Combined Releases (cfs) ¹	Combined Releases (ac-ft)	NACIMIENTO							SAN ANTONIO						
			Evap. Losses (ac-ft)	Reservoir Releases (cfs) ¹	Reservoir Releases (ac-ft)	NWP Orders (ac-ft)	NWP Diversions (ac-ft)	Beginning of Month Storage		Evap. Losses (ac-ft)	Reservoir Releases (cfs) ¹	Reservoir Releases (ac-ft)	Beginning of Month Storage			
								(ac-ft)	(%)	Elev. (ft)				(ac-ft)	(%)	Elev. (ft)
Jan	74	4,552	351	64	3,937	488	0	83,840	22%	726.6	196	10	615	53,268	16%	693.2
Feb	70	4,044	566	60	3,469	806	0	154,055	41%	750.9	262	10	575	65,120	19%	700.8
Mar	70	4,304	598	60	3,689	1,105	2	154,745	41%	751.1	329	10	615	66,688	20%	701.8
Apr	536	31,889	1,041	355	21,134	1,092	328	152,675	40%	750.5	503	181	10,755	67,182	20%	702.1
May	521	32,028	1,321	378	23,251	1,512	815	130,838	35%	743.8	674	143	8,777	56,750	17%	695.5
Jun	594	35,372	1,605	399	23,768	2,143	1,223	106,075	28%	735.3	798	195	11,603	47,148	14%	688.9
Jul	530	32,579	1,403	345	21,219	2,211		79,360	21%	724.7	656	185	11,360	35,470	11%	679.2
Aug	70	4,304	1,153	60	3,689	2,210		55,580	15%	713.1	518	10	615	24,190	7%	667.3
Sep	70	4,165	872	60	3,570	2,100		49,132	13%	709.4	415	10	595	23,144	7%	666.0
Oct	70	4,304	572	60	3,689	1,268		42,649	11%	705.2	297	10	615	22,138	7%	664.7
Nov	70	4,165	274	60	3,570	767		37,163	10%	701.3	153	10	595	21,232	6%	663.5
Dec	70	4,304	163	60	3,689	460		32,476	9%	697.6	93	10	615	20,486	6%	662.5
Jan 2021								28,750	8%	694.4				19,801	6%	661.6
Totals		166,011	9,920		118,677	16,162	2,368				4,893		47,334			

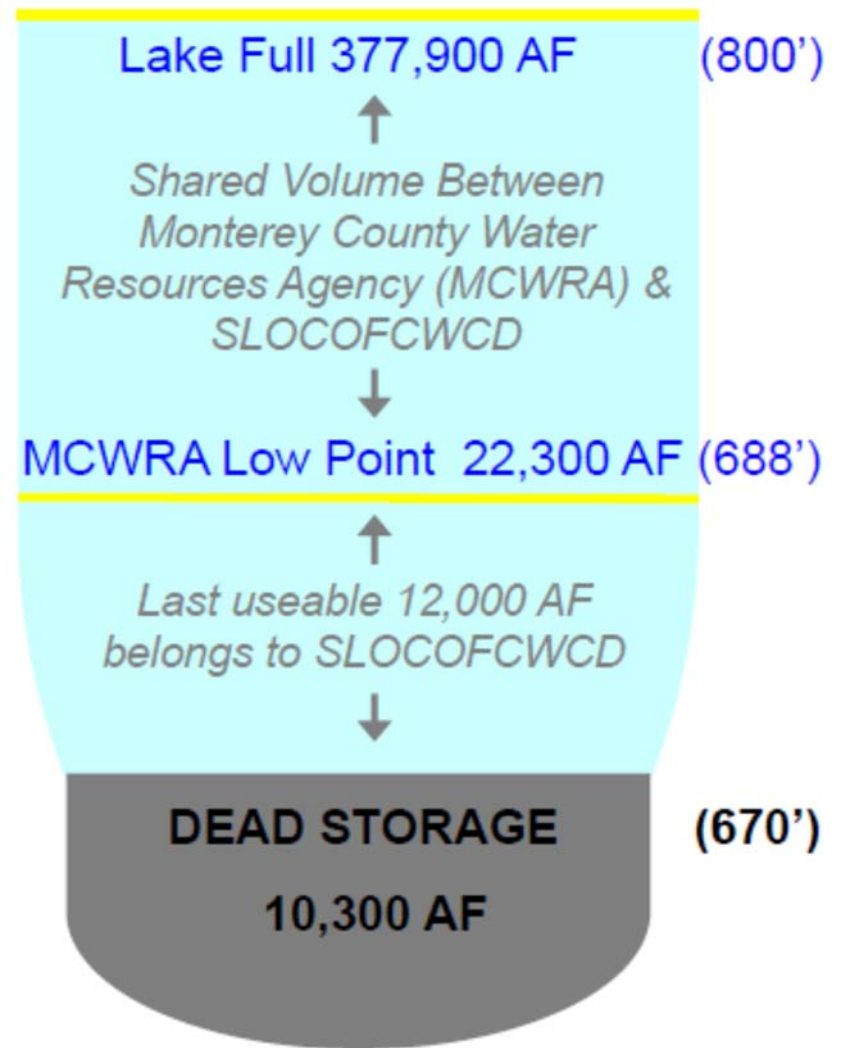
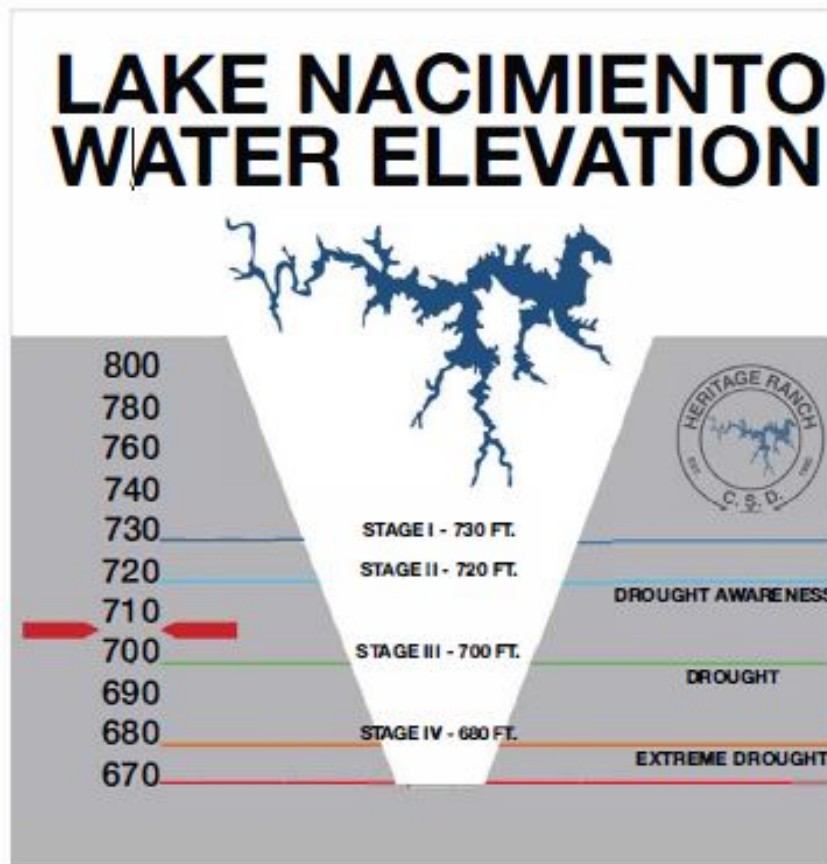
Revision Date: 8/17/21

Notes:

1. Mean daily flow for the month in cubic feet per second.
2. Shaded areas denote actual values. Non-shaded areas are projected values.
3. Nacimiento Reservoir storage capacity: 377,900 acre feet; San Antonio Reservoir storage capacity: 335,000 acre feet.
4. Reservoir Operations Advisory Committee may make release considerations for fish spawn and holiday periods to benefit recreation.
5. Schedule assumes no inflow to reservoirs after April 1st. Actual elevations may be influenced by inflow.
6. "NWP Diversions" are San Luis Obispo County - Nacimiento Water Project conveyance facilities diversions. Max. allowable water year (Oct. 1 - Sept. 30) diversions: 15,750 ac-ft.
7. Nacimiento "NWP Diversions" do not include lakeside water use which is estimated at approximately 1,750 acre feet per year.



Nacimiento Reservoir Water Elevations and Heritage Ranch CSD Staged Water Use Reduction Plan



**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 21-__**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HERITAGE RANCH
COMMUNITY SERVICES DISTRICT DECLARING DROUGHT CONDITIONS AND
IMPLEMENTING EMERGENCY WATER SHORTAGE REGULATIONS AND
STAGED WATER USE REDUCTION PLAN**

WHEREAS, the District adopted Resolution 09-07 on July 16, 2009, establishing Code of Ordinance Section 5.900, Emergency Water Shortage Regulation and Staged Water Use Reduction Plan; and

WHEREAS, Monterey County Water Resources Agency is projected to release water to the Nacimiento River at an average flow of about 273 cubic feet per second (cfs) for the remainder of July; and

WHEREAS, Monterey County Water Resources Agency is projected to release water to the Nacimiento River at an average flow of about 60 cubic feet per second (cfs) from August 2021, to the end of the calendar year; and

WHEREAS, these water releases will result in Nacimiento Reservoir reaching elevations that trigger implementation of Code of Ordinance Section 5.900, Emergency Water Shortage Regulation and Staged Water Use Reduction Plan; and

WHEREAS, the District intends to implement Code of Ordinance Section 5.900, Emergency Water Shortage Regulation and Staged Water Use Reduction Plan; and

WHEREAS, this Resolution is adopted to conserve a public water supply for the protection of the health, welfare, and safety of the residents of the Heritage Ranch Community Services District.

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

- 1) The Board of Directors finds that it has complied with all procedural and code requirements.
- 2) Stage III Water Conservation Measures pursuant to Code of Ordinances Section 5.900 shall apply to all customers and property served by the District within the District's Water Service Area boundaries, and shall be effective November 19, 2021.

In addition to the water conservation measures established in Stage I and Stage II, the following prohibitions are adopted by the Board of Directors, with the goal of achieving a minimum of fifteen percent (30%) reduction in water consumption:

- a) In addition to the regular metered water service charges under Section 3.900 of the District Code, every customer shall pay for each billing period an excess charge (fee surcharge) for water delivered in excess of the allotments established below:
 - i. Group 1 – Tracts 446, 447, 452, 475, 424, 466, 474, 1094, 720, and 1990. 174 gpd/meter or 7 units of water monthly.
 - ii. Group 2 – Tracts 721 and 693. 279 gpd/meter or 11 units of water monthly.
 - iii. Group 3 – Tract 1910. 384 gpd/meter or 16 units of water monthly.
 - iv. Group 4 – Tract 1063. 734 gpd/meter or 30 units of water monthly.
 - v. Group 5 – Tract 71-217. 1,266 gpd/meter or 51 units of water monthly.
- b) Non-residential uses shall receive a water allocation using a percent reduction methodology based on the average of the previous two years of water use. Stage III will be a minimum 30% reduction from the average use over the past two years.
- c) A fee surcharge of one hundred percent (100%) per unit will be levied on all residential and non-residential water accounts that use in excess of the maximum water allotment referenced in subparagraphs (a) and (b), above.
- d) The use of potable water for washing vehicles, sidewalks, driveways, etc, will be prohibited.
- e) Use of water from fire hydrants shall be limited to fire suppression and/or other activities immediately necessary to maintain health, safety and welfare of residents within the boundaries of the Heritage Ranch Community Services District.
- f) Water main flushing shall be prohibited unless authorized in writing by the District General Manager.
- g) Will Serve Letters shall not be issued. Applications for Will Serve Letters shall be received and placed on a waiting list.
- h) The use of District potable water for dust control and soil compaction for construction projects shall be prohibited.
- i) The District will pursue a vigorous public information program about water supply conditions and the need to reduce water consumption by such means deemed appropriate by the General Manager.

- j) In addition to those measures stated above, the Board of Directors, by resolution and/or ordinance, may adopt additional water conservation measures on an urgency basis.
- k) The General Manager shall provide notice to all District customers regarding the Board of Directors declaration of water drought conditions and activation of Stage III Water Conservation Program. Such notice shall be mailed within fourteen (14) days of the Board's action. However, failure to mail the notice within this fourteen (14) day time period shall not invalidate the Board's action.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Heritage Ranch Community Services District on the ___th day of _____ 2021, by the following roll call vote.

AYES:
NOES:
ABSTAIN:
ABSENT:

APPROVED: _____
Devin Capps, President
Board of Directors

ATTEST: _____
Kristen Gelos, Secretary
Board of Directors

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: October 21, 2021

SUBJECT: Hearing to consider a request from Jesse Dominguez for a variance from the application of the District Code of Ordinances.

Recommendation

It is recommended that the Board of Directors deny a request from Jesse Dominguez for a variance from the application of the District Code of Ordinances.

Background

The role of your Board is to govern and set District policies, including the District Code of Ordinances (Code). The role of staff is to implement those policies. The Code includes a provision that states,

“9.300 - Variances

Any person affected by this Code may, at any time, apply in writing for a variance from the strict application of this Code. A written application for the variance shall be filed with the District.”

The Board has the power to grant variances from the requirements of the Code if the Board makes the following findings:

- 1) The strict application of the Code would result in unfair or unequal treatment, undue hardship, or an emergency condition exists which requires that the variance be granted; and
- 2) Granting the variance will not cause a significant adverse effect on the water supply or on service to other persons served by the District; and
- 3) The variance is in the best interests of the District.

Discussion

Staff was called out to the Dominguez property after hours (on the weekend) because they had a leak. The on-call staff arrived within approximately 30-minutes and found:

1. The customer had already shut the water off at the District equipment (angle stop). The property does not have a ball valve on their side. The water line in the home was broken by the customer's appliance installer. On-site water lines are not the District's responsibility to maintain or operate.
2. The customer completely destroyed the District valve box in order to shut the water off at the District angle stop.

The District billed \$393.08 to the customer for the overtime call-out and labor and materials to replace the destroyed valve box. The Manager received a letter from the customer which is attached. The Manager recommends the variance be denied.

Below are several excerpts from the District Code of Ordinances that support the determination:

“3.600 - Service Call Response Fee

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

5.520 - Damage to District Property

Meters and all other facilities installed by the District on private property for the purpose of rendering water service shall remain the property of the District and may be maintained, repaired or replaced by the District without consent or interference of the owner of the premises. The owner shall use reasonable care in the protection of the facilities. The District shall have no obligation to make payment for the placing or maintaining of the facilities on private property. The customers shall be liable for any damage to any facilities of the District property when such damage is from causes originating on the premises by an act of the customer or his tenants, agents, employees, contractors, licensees or permittee, including the breaking or destruction of locks by the customer or others on or near a meter and any damage to a meter that may result from hot water or steam from a boiler or heater on the customer's premises. The District shall be reimbursed by the customer for any such damage promptly on demand.

5.530 - Service Curb Stop

The customer shall not use the service curb stop to turn water on and off for his convenience. Any damage to the curb stop caused by customer use shall be a violation of this Code. Customers may install a suitable valve, as close to the meter

location as practicable, the operation of which will control the entire water supply from the service.

9.200 - Enforcement Procedures

The actions and remedies available to the District as listed below may be utilized separately or in combination by the District as it deems appropriate:

- A. *Civil penalties. Any person or entity who violates any provision of this Code or who discharges wastewater which causes pollution, or who violates any cease and desist order, prohibition, pretreatment or toxicity standard, or violates any cross connection regulation of this Code shall be liable for costs to the District incurred as a result of such acts.*

- B. *Criminal penalties. Any person or entity who violates any provision of this Code or who discharges wastewater which causes pollution, or who violates any cease and desist order, prohibition, pretreatment or toxicity standard, or violates any cross connection regulation of this Code shall be subject to the penalties for violations as a result of such acts.*

- C. *Damage to property or facilities. Any person who willfully or carelessly destroys, damages, disturbs, defaces, or interferes with any equipment, structure, sign, notice, or any other property whatsoever, or discharges wastes causing obstruction, damage or any other impairment to District sewage or water facilities, the District may fine or assess a charge against the person, user, owner, tenant, lessee or licensee for the work required to clean, repair, or otherwise restore the facility to its condition before the damage occurred.*

9.300 - Variances

Any person affected by this Code may, at any time, apply in writing for a variance from the strict application of this Code. A written application for the variance shall be filed with the District.”

Fiscal Considerations

Approval of the variance would result in loss of revenue which other customers would be subsidizing.

Results

The result of the recommended action will be a determination that the amount charged to the customer account are appropriate and consistent with applicable codes and policies and are fair and equitable for everyone in the community.

Attachments: Letter from Jesse Dominguez

File: Customer Correspondence

September 11, 2021

RECEIVED SEP 13 2021

Scott Duffield
General Manager
Community Services District
Re: account # 1094-2062-03, #393 labor charge

This letter is an explanation of action taken to shut off our main water. We discovered a leak coming from under the house up through our kitchen floor. I couldn't access because the back of the box was against the valve prohibiting access to turn valve off. Before going further I called your after hours #. It was over an hour before he came out. I couldn't wait any longer so I had to remove box to turn off water. It took a plumber 36 hours to come out & repair pipe and turn water back on.

I take full responsibility for not being more familiar with the rules of our main community.

We had only been living here for a month before this incident. I've had 2 back surgeries since July. The leak was caused by Costco installing my new refrigerator. They broke the water line. I'm not trying to make excuses just

simply trying to explain.

I never intentionally tried to break any rules, I only wanted to take care of our new home.

Respectively

Jesse Dominguez

2464 Bridle trail lane

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Mike Wilcox, Operations Manager

VIA: Scott Duffield, General Manager

DATE: October 21, 2021

SUBJECT: Request to approve the purchase of three pieces of road work equipment; a rammer style trench compactor, a vibrating plate compactor, and an asphalt saw for water and wastewater utility repairs, for an estimated cost of \$10,000, and authorize a corresponding budget adjustment from reserves.

Recommendation

It is recommended that the Board of Directors

1. Approve the purchase of three pieces of road work equipment; a rammer style trench compactor, a vibrating plate compactor, and an asphalt saw for water and wastewater utility repairs, for an estimated cost of \$10,000; and
2. Authorize a corresponding budget adjustment from reserves.

Background

The District's purchasing policy requires Board approval of any requisition for capital items in excess of \$1,000.

Discussion

The current road work equipment is old and dilapidated often causing delays in repair schedules due to break downs causing staff to halt work and rent equipment to complete the work.

Fiscal Considerations

The replacement of this equipment is not budgeted for this Fiscal Year. If approved a corresponding Budget adjustment from reserves is necessary.

Results

Approval of the recommended action will allow for staff to continue providing the highest level of customer service with fewer delays due to equipment failures.

File: Vehicles and Equipment

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: October 21, 2021

SUBJECT: Submittal for approval a Second Amendment to the Household Hazardous Waste Agreement with the San Luis Obispo County Integrated Waste Management Authority.

Recommendation

It is recommended that the Board of Directors approve a Second Amendment to the Household Hazardous Waste Agreement with the San Luis Obispo County Integrated Waste Management Authority (IWMA), and direct the Board President to sign.

Background

On January 28, 2002, the IWMA and the District (parties) entered into an agreement to maintain and operate a household hazardous waste (HHW) collection facility on District property for a period of ten years. On January 28, 2018, the parties executed an amendment to the original agreement. On March 27, 2019, the parties executed an affirmation and restatement of the agreement confirming the expiration date as January 28, 2022.

Discussion

IWMA has requested that the agreement be extended another ten years until January 27, 2032.

Fiscal Considerations

There are no direct costs currently associated with this item. The IWMA provides for all costs associated with the household hazardous waste facility.

Results

Approval of the recommended action will formally extend the agreement.

Attachments: HHW Second Amendment, Affirmation, First Amendment, and Agreement

File: Solid Waste_IWMA HHW

**HOUSEHOLD HAZARDOUS WASTE AGREEMENT
SECOND AMENDMENT**

THIS SECOND AMENDMENT shall modify the term of the HOUSEHOLD HAZARDOUS WASTE AGREEMENT dated January 28, 2002, by and between the **SAN LUIS OBISPO COUNTY INTEGRATED WASTE MANAGEMENT AUTHORITY (“IWMA”)** and the **HERITAGE RANCH COMMUNITY SERVICES DISTRICT (“DISTRICT”)** (collectively referred to as the “Parties”).

RECITALS

WHEREAS, the Parties executed a Household Hazardous Waste Agreement on January 28, 2002 (“Agreement”); and

WHEREAS, Section B.1. of the Agreement provided for a ten (10) year term with an option to extend the Agreement for an additional period of ten (10) years from the original expiration date of the Agreement; and

WHEREAS, the Parties executed an amendment to the Agreement on February 28, 2018 (“Amendment One”); and

WHEREAS, on or about March 2019, the IWMA and the Heritage Ranch Community Services District executed an Affirmation and Restatement of the Agreement confirming the expiration date of the Agreement as January 28, 2022, and affirming all other terms of the Agreement and Amendment One; and

WHEREAS, the Parties mutually understand and acknowledge that the District is working on a project to upgrade its Water Reclamation Facility, which may require moving all or a portion of the IWMA equipment and/or facilities during the term of this Second Amendment to accommodate this upgrade, which the IWMA will accomplish at its own expense; and

WHEREAS, the Parties now desire to extend the term of the Agreement another ten (10) years with a new expiration date of January 27, 2032 pursuant to the terms contained herein.

NOW, THEREFORE, the Parties do mutually agree as follows:

1. On January 28, 2022, the Agreement will automatically renew for another ten (10) years with the new expiration date of January 27, 2032.
2. In the event that the IWMA equipment and/or facilities need to be moved or relocated to accommodate the District’s upgrade to its Water Reclamation Facility, the IWMA will do so at its own expense and in cooperation with the District’s project plan and time frame.

3. In all other aspects, the HOUSEHOLD HAZARDOUS WASTE AGREEMENT dated January 28, 2002, and the AMENDMENT TO THE HOUSEHOLD HAZARDOUS WASTE AGREEMENT dated February 28, 2018, shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this Second Amendment to the Household Hazardous Waste Agreement as set forth below.

San Luis Obispo County
Integrated Waste Management Authority

By: _____ Date: _____
Charles Bourbeau, President of the Board

Heritage Ranch Community Services District

By: _____ Date: _____
Devin Capps, President of the Board

**AFFIRMATION AND RESTATEMENT OF THE
HOUSEHOLD HAZARDOUS WASTE AGREEMENT**

THIS AFFIRMATION AND RESTATEMENT shall affirm and restate the terms of the HOUSEHOLD HAZARDOUS WASTE AGREEMENT dated January 28, 2002 by and between the SAN LUIS OBISPO COUNTY INTEGRATED WASTE MANAGEMENT AUTHORITY (“IWMA”) and the **HERITAGE RANCH COMMUNITY SERVICES DISTRICT** (collectively referred to as the “Parties”).

RECITALS

WHEREAS, the Parties executed the original agreement on January 28, 2002 (“Agreement”); and

WHEREAS, Section B.1. of the Agreement provides the IWMA an option to extend the Agreement for an additional period of ten (10) years from the original expiration date of the Agreement; and

WHEREAS, the original expiration date of the Agreement was January 28, 2012; and

WHEREAS, IWMA informally exercised its option to extend the term of the Agreement after the original expiration date by email dated December 18, 2017; and


WHEREAS, it appears that the Parties, by their course of conduct in continuing to operate pursuant to the Agreement, intended to formally exercise the option to extend the term of the Agreement prior to its expiration date; and

WHEREAS, the Parties executed an amendment to the original agreement on February 28, 2018, unrelated to the term of the Agreement.

NOW, THEREFORE, the Parties do mutually agree as follows:

1. The Parties mutually affirm and restate the Agreement and the February 28, 2018 amendment, including exercise of the option to extend the term as if exercised prior to the original expiration date of the Agreement, making the new expiration date January 28, 2022.
2. In all other aspects, the HOUSEHOLD HAZARDOUS WASTE AGREEMENT dated January 28, 2002 and the AMENDMENT TO THE HOUSEHOLD HAZARDOUS WASTE AGREEMENT dated February 28, 2018 shall remain unchanged and in full force and effect.

San Luis Obispo County
Integrated Waste Management Authority

By:  _____
Jeff Lee, President

Date: 3/27/2019

Heritage Ranch Community Services District

By:  _____
Bill Barker, Jr., President

Date: FEB 21, 2019

C103(f)

AMENDMENT TO HOUSEHOLD HAZARDOUS WASTE AGREEMENT

THIS AMENDMENT shall modify the HOUSEHOLD HAZARDOUS WASTE AGREEMENT dated January 28, 2002 (Agreement) by and between the **SAN LUIS OBISPO COUNTY INTEGRATED WASTE MANAGEMENT AUTHORITY**, hereinafter referred to as "IWMA", and **HERITAGE RANCH COMMUNITY SERVICES DISTRICT**, hereinafter referred to as "Owner."

Whereas, IWMA and Owner entered into the Agreement in January 28, 2002; and

Whereas, changes to the operation of the Household Hazardous Waste (HHW) facilities have been implemented; and

Whereas, IWMA and Owner desire to amend certain Sections of the Agreement.

Now, therefore the parties agree as follows.

(1) This Amendment shall add:

Section A. 9. The IWMA shall receive HHW from members of the public and place the HHW in the HHW collection facility.

(2) This Amendment shall delete Section B.2 which says: The Owner shall receive HHW from members of the public and place the HHW in the HHW collections facility.

(3) All other aspects the HOUSEHOLD HAZARDOUS WASTE AGREEMENT dated January 28, 2002 shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment this 18th day of January 2018.

San Luis Obispo County Integrated Waste Management Authority

By: [Signature] Date: 2/28/2018
Jeff Lee, President

Heritage Ranch Community Services District

By: C.M. Rowley Date: 1/18/2018
Martin Rowley, President

Approved as to form and legal effect.

By: [Signature] Date: 2/28/18
Raymond A. Biering, IWMA Counsel

HOUSEHOLD HAZARDOUS WASTE AGREEMENT

This Agreement is made and entered into between the San Luis Obispo County Integrated Waste Management Authority, hereinafter called "IWMA", and Heritage Ranch Community Services District, hereinafter referred to as "Owner".

RECITALS

WHEREAS, the IWMA desires to lease from Owner, a portion of land at the Owner's facility located at 4870 Heritage Road and described on "Exhibit 1", which is attached and made a part of the Agreement, for the purposes of constructing a permanent household hazardous waste (HHW) collection facility; and

WHEREAS, the Owner will make its premises available for such use by the IWMA, subject to the terms and conditions of the Agreement; and

WHEREAS, the IWMA and the Owner desire to provide a HHW collection facility to provide for the convenient and proper management of household hazardous waste.

NOW, THEREFORE, the parties do mutually agree as follows:

A. RESPONSIBILITIES OF THE IWMA

1. The IWMA shall provide and place at the designated HHW collection facility location a modular storage unit to be used by Owner for the acceptance and storage of HHW pursuant to the Agreement. The storage unit shall meet or exceed applicable fire and hazardous materials storage requirements. In addition, the Owner shall provide a concrete pad.
2. The IWMA shall comply with, and ensure that the HHW collection facility complies with all federal, state and local statutes, regulations, ordinances and other laws relating to the design, installation and operation of a HHW collection facility. IWMA also shall ensure that the transportation and disposal of the HHW collected at the site complies with applicable federal, state and local statutes, regulations, ordinances and other laws.
3. The IWMA shall provide all storage and handling equipment necessary for the storage of HHW collected by the IWMA and adequate materials for packing the same.
4. The IWMA shall contract with a licensed hazardous waste hauler to dispose of HHW collected at the site and shall maintain and provide proof of insurance to Owner.
5. The IWMA shall be responsible for obtaining all necessary permits for the construction and operation of the HHW collection facility.

6. The IWMA shall train personnel prior to initiation of collection services, and as a necessary thereafter due to changes in law or circumstances, but at least annually.
7. The IWMA shall provide the closure assurance required by State Law
8. IWMA shall keep and maintain the HHW collection facility and surrounding area in good, safe and sanitary condition, including site clean up if necessary.

B. RESPONSIBILITY OF THE OWNER

1. The Owner agrees to lease the designated HHW collection location to the IWMA. The parties agree that the term of the lease shall be for a period of ten years commencing on the date of this signed agreement. The IWMA agrees to pay to Owner annual rent of one dollar (\$1.00) for each year during the term of this lease. The parties agree that the IWMA shall, if not then in default of this Agreement, have an option to extend the term of this Agreement for an additional period of ten (10) years from the original expiration date of this Agreement.
2. The Owner shall receive HHW from members of the public and place the HHW in the HHW collections facility.
3. The Owner will allow the IWMA to have access to the HHW facility for the purpose of removing the HHW.

C. INDEMNIFICATION

It is agreed that IWMA shall defend, save harmless, and indemnify the Owner, their officers and employees from any and all liabilities, damages, penalties and claims for injuries to persons and/or property which arise out of the terms and conditions of this Agreement and which result from the negligent acts or omissions of the IWMA, its officers, employees and/or *contractors*.

It is further agreed that the Owner shall defend, save harmless, and indemnify the IWMA, its officers and employees from any and all claims for injuries and damages to persons and/or property which arise out of the terms and conditions of this Agreement and which result from the negligent acts or omissions of the Owner, their officers and/or employees.

IWMA bears and assumes all risk of loss or damage to or destruction of the HHW collection facility, and any other associated fixtures, material, equipment and improvements on the property, from fire, theft or any other casualty, whether or not insured, and IWMA shall hold Owner harmless with respect to any such loss, damage or destruction during the term of this lease, as well as name the Owner as an additional insured.

D. CLEAN UP OF SITE

At the end of this Agreement, the IWMA shall remove any and all of IWMA's equipment, including the storage unit remaining at the facility.

Upon expiration or earlier termination of this lease, IWMA shall promptly remove the HHW collection facility and surrender and deliver the property to Owner in as good condition as it was in at the commencement of this lease agreement.

If the property and/or the HHW collection facility are damaged in any way or destroyed, IWMA shall either (a) at IWMA's sole cost and expense repair, replace, rebuild or restore the property and improvements to substantially the same condition as they were in immediately prior to such destruction or damage, or (b) terminate this Agreement and surrender possession of the property to Owner. Upon such damage or destruction, Owner shall have no duty or obligation under this lease to repair, replace, rebuild or restore the property or HHW collection facility.

E. TERMINATION

This Agreement is subject to the annual appropriation of funds to provide HHW services. If the IWMA fails to appropriate the funds necessary to conduct the program, and then the Agreement can be terminated with 30 days notice. The Owner may terminate this Agreement before expiration of its term by giving 30-days advance written notice of termination to IWMA.

F. COMPLETE AGREEMENT

This Agreement contains the complete agreement between the parties and can only be modified by written amendment.

IN WITNESS WHEREOF, the parties have executed this Agreement this _____ day of _____, 2002.

San Luis Obispo County
Integrated Waste Management Authority

By: Shirley Bianchi
Shirley Bianchi, President

Date: 1/28/02

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: October 21, 2021

SUBJECT: Submittal for approval a First Amendment to the Memorandum of Agreement between the Member Jurisdictions of the San Luis Obispo County Integrated Waste Management Authority and the Authorized Districts.

Recommendation

It is recommended that the Board of Directors approve a First Amendment to the Memorandum of Agreement between the Member Jurisdictions of the San Luis Obispo County Integrated Waste Management Authority and the Authorized Districts, and direct the Board President to sign.

Background

On May 10, 1994, an agreement was executed by and between the Cities and the County forming a Joint Powers Authority (JPA) for the purposes of facilitating the development of waste diversion programs and providing economies of scale on a regional basis. In 2001, a Memorandum of Agreement (MOA, and First Amendment to the JPA) was executed by and between the Cities, the County, and Special Districts with solid waste powers within the County, amending the JPA agreement to include the Authorized Districts for representation on the IWMA Board.

Discussion

On September 14, 2021, the County Board of Supervisors voted to withdraw from the IWMA with an effective date of November 15, 2021. In order to facilitate the continued operation of the IWMA Board of Directors without the County as a member jurisdiction, a Second Amendment to the JPA is necessary to:

- (1) Revise the representative members of the IWMA Board of Directors to eliminate the participation of the County Board of Supervisors.
- (2) Eliminate the requirement that a County representative is required to establish a quorum of the IWMA Board.

It is anticipated that the JPA agreement will be amended (Second Amendment to the JPA Agreement) to reflect the County of San Luis Obispo's withdrawal from the IWMA and this being the first amendment to the MOA, the parties hereto desire to acknowledge, accept,

and agree to be bound by the terms and conditions of the Second Amendment to the JPA Agreement when and if it is executed.

Fiscal Considerations

There are no direct costs currently associated with this item. There may be other fiscal considerations soon as the IWMA adjusts to new leadership, members, and compliance with SB 1383.

Results

Approval of the recommended action will provide for the District to remain a member of IWMA.

Attachments: First Amendment to the MOA Between the Member Jurisdictions of IWMA and the Authorized Districts

File: Solid Waste_IWMA JPA / MOA

**FIRST AMENDMENT TO THE
MEMORANDUM OF AGREEMENT BETWEEN THE MEMBER JURISDICTIONS OF
THE SAN LUIS OBISPO COUNTY INTEGRATED WASTE MANAGEMENT
AUTHORITY AND THE AUTHORIZED DISTRICTS**

This First Amendment to the Memorandum of Agreement (“First Amendment to the MOA”) is executed on the date below stated, by and between the Member Jurisdictions of the San Luis Obispo County Integrated Waste Management Authority (the County of San Luis Obispo and the incorporated cities of Arroyo Grande, Atascadero, El Paso de Robles, Grover Beach, Morro Bay, Pismo Beach, and San Luis Obispo) and the special district parties to the Memorandum of Agreement (“MOA”) (California Valley Community Services District, Cambria Community Services District, Cayucos Sanitary District, Ground Squirrel Hollow Community Services District, Heritage Ranch Community Services District, Los Osos Community Services District, Nipomo Community Services District, Oceano Community Services district, San Miguel Community Services District, San Simeon Community Services District, and Templeton Community Services District (hereinafter “Authorized Districts”)).

RECITALS

WHEREAS, on May 10, 1994, an agreement was executed by and between the incorporated cities of San Luis Obispo County and the County of San Luis Obispo forming a joint powers authority pursuant to the provisions of the Joint Exercise of Powers Act (Government Code sections 6500 et seq.), for the purpose of facilitating the development of waste diversion programs and projects that provide economies of scale without interfering with individual agencies’ exercise of power within their own jurisdiction (hereinafter referred to as the “JPA Agreement”); and

WHEREAS, pursuant to the JPA Agreement, the power to perform the responsibilities of the joint powers authority was vested in the San Luis Obispo County Integrated Waste Management Authority Board of Directors (“IWMA Board”); and

WHEREAS, in or around 2001, an MOA was executed by and between the incorporated cities, the County of San Luis Obispo, and the Authorized Districts amending the JPA Agreement to include the Authorized Districts for representation on the IWMA Board (“First Amendment to the JPA Agreement”); and

WHEREAS, in or around October 13, 2021, the JPA Agreement was amended (“Second Amendment to the JPA Agreement”) to reflect the County of San Luis Obispo’s withdrawal from the IWMA (a true and correct copy of the Second Amendment to the JPA Agreement is attached hereto as Exhibit A); and

WHEREAS, by this First Amendment to the MOA, the parties hereto desire to acknowledge, accept, and agree to be bound by the terms and conditions of the Second Amendment to the JPA Agreement.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. The parties hereto desire to acknowledge, accept, and agree to be bound by the terms and conditions of the Second Amendment to the JPA Agreement.
2. All other terms and conditions of the MOA will remain in full force and effect.

This First Amendment to the MOA may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all counterparts together shall constitute a single agreement.

IN WITNESS WHEREOF, the parties have each caused this First Amendment to the MOA to be executed by their duly authorized representative effective upon the execution by all member agencies.

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: October 21, 2021

SUBJECT: Submittal for approval a conflict waiver for the Second Amendment to the Household Hazardous Waste Agreement with the San Luis Obispo County Integrated Waste Management Authority.

Recommendation

It is recommended that the Board of Directors approve a conflict waiver for the Second Amendment to the Household Hazardous Waste Agreement with the San Luis Obispo County Integrated Waste Management Authority, and direct the Board President to sign.

Background

Currently, Adamski, Moroski, Madden, Cumberland & Green LLP (AMMCG) represent the IWMA, and at the same time, they also represent the District.

Discussion

AMMCG legal counsel, Jeff Minnery, drafted the Household Hazardous Waste Agreement Second Amendment between the San Luis Obispo County Integrated Waste Management Authority and the Heritage Ranch Community Services District (HRCSD). It could be perceived that a conflict exists regarding the HRCSD and the firm's support of IWMA. AMMCG is precluded from representing either the HRCSD or IWMA without a conflict waiver from both agencies.

This conflict waiver was approved by the IWMA Board at their October 13, 2021 meeting.

Fiscal Considerations

There are no direct costs currently associated with this item.

Attachments: Conflict Waiver for the Second Amendment to the HHW Agreement with IWMA

File: Solid Waste_IWMA HHW

**ADAMSKI MOROSKI MADDEN
CUMBERLAND & GREEN LLP**

ATTORNEYS AT LAW

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October 13, 2021

Heritage Ranch Community Services District
Attn: Board of Directors
4870 Heritage Road
Paso Robles, CA 93446

Re: Conflict Waiver

Dear Directors of the Board:

In January of 2002, the Heritage Ranch Community Service District (“HRCSD”) entered into a Household Hazardous Waste Agreement (“2002 Agreement”) with the San Luis Obispo County Integrated Waste Management Authority (“IWMA”). The 2002 Agreement provided for IWMA’s lease of land to construct a permanent household hazardous waste collection facility. In 2019, your Board ratified the terms of the 2002 Agreement and formally exercised an option to extend the term of the 2002 Agreement for an additional 10-year term. The current term expires in January of 2022.

At this time, the issue before your Board is to again exercise of the option to renew the 2002 Agreement for an additional 10-year term. The proposed extension also anticipates the potential relocation of the IWMA equipment (at IWMA’s expense) to accommodate the District’s upgrade to its Water Reclamation Facility.

My office represents a number of local government agencies, including acting as District legal counsel for IWMA. Accordingly, a conflict exists, and I am precluded from representing either the HRCSD or IWMA on this matter without a conflict waiver from both agencies.

The California Rules of Professional Conduct prevent an attorney from representing a party in one matter where that attorney represents a different client in the same matter adverse to the first client unless both clients provide informed written consent. The following are the pertinent Rules of Professional Conduct related to this engagement:

RULES OF PROFESSIONAL CONDUCT

Rule 1.7 of the California Rules of Professional Conduct provides in pertinent part:

(a) A lawyer shall not, without informed written consent* from each client and compliance with paragraph (d), represent a client if the representation is directly adverse to another client in the same or a separate matter.

(b) A lawyer shall not, without informed written consent* from each affected client and compliance with paragraph (d), represent a client if there is a significant risk the lawyer's representation of the client will be materially limited by the lawyer's responsibilities to or relationships with another client, a former client or a third person,* or by the lawyer's own interests.

(c) Even when a significant risk requiring a lawyer to comply with paragraph (b) is not present, a lawyer shall not represent a client without written disclosure of the relationship to the client and compliance with paragraph (d) where:

- (1) the lawyer has, or knows that another lawyer in the lawyer's firm has, a legal, business, financial, professional, or personal relationship with or responsibility to a party or witness in the same matter; or
- (2) the lawyer knows or reasonably should know that another party's lawyer is a spouse, parent, child, or sibling of the lawyer, lives with the lawyer, is a client of the lawyer or another lawyer in the lawyer's firm, or has an intimate personal relationship with the lawyer. *See Exhibit A* (a complete copy of Rule 1.7 of the California Rules of Professional Conduct)

Here, because the matter is a renewal of an existing agreement, I am confident that I am able to provide you competent and diligent representation in all matters even if I simultaneously represent the IWMA regarding the renewal of this same Agreement. Nevertheless, I am obliged to inform you of any actual or reasonably foreseeable adverse effects of this representation. At this time, it is foreseeable that your Board could perceive my representation of both parties as a breach of loyalty.

YOUR CONSENT

It is understood that this consent will not waive any protection that you may have with regard to attorney-client communications with me in this matter. Those communications will remain confidential and will not be disclosed to any third party without your consent.

I believe that the HRCSD Board is familiar with the factual background relevant to the content of this letter, and that I have given you a sufficiently-detailed description for obtaining informed written consent. However, if you believe that there is any other information that you or

Heritage Ranch Community Services District
October 13, 2021
Page 3

I need to have before such consent can be granted, please let me know immediately or such matters can be discussed at the October 21, 2021 meeting of the Board. You are advised of your right to seek independent legal advice related to the conflict represented by this waiver.

In the event that circumstances change or I become aware of new information that may affect your consent, you will be notified of that fact immediately, and continued representation will be subject to the informed written consent of involved parties.

Your execution of this consent form will constitute an acknowledgment of full disclosure in compliance with the requirements of Rule 1.7 of the California Rules of Professional Conduct previously quoted in this letter.

Very truly yours,

ADAMSKI MOROSKI MADDEN
CUMBERLAND & GREEN LLP



JEFFREY A. MINNERY

Heritage Ranch Community Services District

Devin Capps, President

Date: _____



The State Bar of California

Rule 1.7 Conflict of Interest: Current Clients (Rule Approved by the Supreme Court, Effective November 1, 2018)

- (a) A lawyer shall not, without informed written consent* from each client and compliance with paragraph (d), represent a client if the representation is directly adverse to another client in the same or a separate matter.
- (b) A lawyer shall not, without informed written consent* from each affected client and compliance with paragraph (d), represent a client if there is a significant risk the lawyer's representation of the client will be materially limited by the lawyer's responsibilities to or relationships with another client, a former client or a third person,* or by the lawyer's own interests.
- (c) Even when a significant risk requiring a lawyer to comply with paragraph (b) is not present, a lawyer shall not represent a client without written* disclosure of the relationship to the client and compliance with paragraph (d) where:
 - (1) the lawyer has, or knows* that another lawyer in the lawyer's firm* has, a legal, business, financial, professional, or personal relationship with or responsibility to a party or witness in the same matter; or
 - (2) the lawyer knows* or reasonably should know* that another party's lawyer is a spouse, parent, child, or sibling of the lawyer, lives with the lawyer, is a client of the lawyer or another lawyer in the lawyer's firm,* or has an intimate personal relationship with the lawyer.
- (d) Representation is permitted under this rule only if the lawyer complies with paragraphs (a), (b), and (c), and:
 - (1) the lawyer reasonably believes* that the lawyer will be able to provide competent and diligent representation to each affected client;
 - (2) the representation is not prohibited by law; and
 - (3) the representation does not involve the assertion of a claim by one client against another client represented by the lawyer in the same litigation or other proceeding before a tribunal.
- (e) For purposes of this rule, "matter" includes any judicial or other proceeding, application, request for a ruling or other determination, contract, transaction, claim, controversy, investigation, charge, accusation, arrest, or other deliberation, decision, or action that is focused on the interests of specific persons,* or a discrete and identifiable class of persons.*

Comment

[1] Loyalty and independent judgment are essential elements in the lawyer's relationship to a client. The duty of undivided loyalty to a current client prohibits

undertaking representation directly adverse to that client without that client's informed written consent.* Thus, absent consent, a lawyer may not act as an advocate in one matter against a person* the lawyer represents in some other matter, even when the matters are wholly unrelated. (See *Flatt v. Superior Court* (1994) 9 Cal.4th 275 [36 Cal.Rptr.2d 537].) A directly adverse conflict under paragraph (a) can arise in a number of ways, for example, when: (i) a lawyer accepts representation of more than one client in a matter in which the interests of the clients actually conflict; (ii) a lawyer, while representing a client, accepts in another matter the representation of a person* who, in the first matter, is directly adverse to the lawyer's client; or (iii) a lawyer accepts representation of a person* in a matter in which an opposing party is a client of the lawyer or the lawyer's law firm.* Similarly, direct adversity can arise when a lawyer cross-examines a non-party witness who is the lawyer's client in another matter, if the examination is likely to harm or embarrass the witness. On the other hand, simultaneous representation in unrelated matters of clients whose interests are only economically adverse, such as representation of competing economic enterprises in unrelated litigation, does not ordinarily constitute a conflict of interest and thus may not require informed written consent* of the respective clients.

[2] Paragraphs (a) and (b) apply to all types of legal representations, including the concurrent representation of multiple parties in litigation or in a single transaction or in some other common enterprise or legal relationship. Examples of the latter include the formation of a partnership for several partners* or a corporation for several shareholders, the preparation of a pre-nuptial agreement, or joint or reciprocal wills for a husband and wife, or the resolution of an "uncontested" marital dissolution. If a lawyer initially represents multiple clients with the informed written consent* as required under paragraph (b), and circumstances later develop indicating that direct adversity exists between the clients, the lawyer must obtain further informed written consent* of the clients under paragraph (a).

[3] In *State Farm Mutual Automobile Insurance Company v. Federal Insurance Company* (1999) 72 Cal.App.4th 1422 [86 Cal.Rptr.2d 20], the court held that paragraph (C)(3) of predecessor rule 3-310 was violated when a lawyer, retained by an insurer to defend one suit, and while that suit was still pending, filed a direct action against the same insurer in an unrelated action without securing the insurer's consent. Notwithstanding *State Farm*, paragraph (a) does not apply with respect to the relationship between an insurer and a lawyer when, in each matter, the insurer's interest is only as an indemnity provider and not as a direct party to the action.

[4] Even where there is no direct adversity, a conflict of interest requiring informed written consent* under paragraph (b) exists if there is a significant risk that a lawyer's ability to consider, recommend or carry out an appropriate course of action for the client will be materially limited as a result of the lawyer's other responsibilities, interests, or relationships, whether legal, business, financial, professional, or personal. For example, a lawyer's obligations to two or more clients in the same matter, such as several individuals seeking to form a joint venture, may materially limit the lawyer's ability to recommend or advocate all possible positions that each might take because of the lawyer's duty of loyalty to the other clients. The risk is that the lawyer may not be

able to offer alternatives that would otherwise be available to each of the clients. The mere possibility of subsequent harm does not itself require disclosure and informed written consent.* The critical questions are the likelihood that a difference in interests exists or will eventuate and, if it does, whether it will materially interfere with the lawyer's independent professional judgment in considering alternatives or foreclose courses of action that reasonably* should be pursued on behalf of each client. The risk that the lawyer's representation may be materially limited may also arise from present or past relationships between the lawyer, or another member of the lawyer's firm*, with a party, a witness, or another person* who may be affected substantially by the resolution of the matter.

[5] Paragraph (c) requires written* disclosure of any of the specified relationships even if there is not a significant risk the relationship will materially limit the lawyer's representation of the client. However, if the particular circumstances present a significant risk the relationship will materially limit the lawyer's representation of the client, informed written consent* is required under paragraph (b).

[6] Ordinarily paragraphs (a) and (b) will not require informed written consent* simply because a lawyer takes inconsistent legal positions in different tribunals* at different times on behalf of different clients. Advocating a legal position on behalf of a client that might create precedent adverse to the interests of another client represented by a lawyer in an unrelated matter is not sufficient, standing alone, to create a conflict of interest requiring informed written consent.* Informed written consent* may be required, however, if there is a significant risk that: (i) the lawyer may temper the lawyer's advocacy on behalf of one client out of concern about creating precedent adverse to the interest of another client; or (ii) the lawyer's action on behalf of one client will materially limit the lawyer's effectiveness in representing another client in a different case, for example, when a decision favoring one client will create a precedent likely to seriously weaken the position taken on behalf of the other client. Factors relevant in determining whether the clients' informed written consent* is required include: the courts and jurisdictions where the different cases are pending, whether a ruling in one case would have a precedential effect on the other case, whether the legal question is substantive or procedural, the temporal relationship between the matters, the significance of the legal question to the immediate and long-term interests of the clients involved, and the clients' reasonable* expectations in retaining the lawyer.

[7] Other rules and laws may preclude the disclosures necessary to obtain the informed written consent* or provide the information required to permit representation under this rule. (See, e.g., Bus. & Prof. Code, § 6068, subd. (e)(1) and rule 1.6.) If such disclosure is precluded, representation subject to paragraph (a), (b), or (c) of this rule is likewise precluded.

[8] Paragraph (d) imposes conditions that must be satisfied even if informed written consent* is obtained as required by paragraphs (a) or (b) or the lawyer has informed the client in writing* as required by paragraph (c). There are some matters in which the conflicts are such that even informed written consent* may not suffice to permit representation. (See *Woods v. Superior Court* (1983) 149 Cal.App.3d 931 [197 Cal.Rptr.

185]; *Klemm v. Superior Court* (1977) 75 Cal.App.3d 893 [142 Cal.Rptr. 509]; *Ishmael v. Millington* (1966) 241 Cal.App.2d 520 [50 Cal.Rptr. 592].)

[9] This rule does not preclude an informed written consent* to a future conflict in compliance with applicable case law. The effectiveness of an advance consent is generally determined by the extent to which the client reasonably* understands the material risks that the consent entails. The more comprehensive the explanation of the types of future representations that might arise and the actual and reasonably* foreseeable adverse consequences to the client of those representations, the greater the likelihood that the client will have the requisite understanding. The experience and sophistication of the client giving consent, as well as whether the client is independently represented in connection with giving consent, are also relevant in determining whether the client reasonably* understands the risks involved in giving consent. An advance consent cannot be effective if the circumstances that materialize in the future make the conflict nonconsentable under paragraph (d). A lawyer who obtains from a client an advance consent that complies with this rule will have all the duties of a lawyer to that client except as expressly limited by the consent. A lawyer cannot obtain an advance consent to incompetent representation. (See rule 1.8.8.)

[10] A material change in circumstances relevant to application of this rule may trigger a requirement to make new disclosures and, where applicable, obtain new informed written consents.* In the absence of such consents, depending on the circumstances, the lawyer may have the option to withdraw from one or more of the representations in order to avoid the conflict. The lawyer must seek court approval where necessary and take steps to minimize harm to the clients. See rule 1.16. The lawyer must continue to protect the confidences of the clients from whose representation the lawyer has withdrawn. (See rule 1.9(c).)

[11] For special rules governing membership in a legal service organization, see rule 6.3; and for work in conjunction with certain limited legal services programs, see rule 6.5.

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

Manager Report For the Month of October 2021

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

Administration

- The Manager attended a Special District Manager meeting.
- The Manager attended the CSDA SLO Chapter quarterly meeting.

Operations

- Prepared and submitted the Water Treatment Plant Monthly Report.
- Submitted the Wastewater Treatment Plant Self-Monitoring Report.
- Prepared and submitted the Disinfection Byproduct Monthly Report.
- The Manager and Operations Manager met with the DDW and provided an update on the disinfection byproducts work. We also scheduled the Sanitary Survey that is performed every five years by DDW to review the permit and other things. It is scheduled for October 19th.
- Additional updates regarding operations can be found in the Operations Report.

Solid Waste

- The Manager attended the IWMA Executive Committee meeting, the Local Task Force meeting, and the Board meeting.
- The Manager attended a webinar regarding Low Population Waivers related to SB 1383.
- The Manager met with San Miguel CSD and San Miguel Garbage Company to discuss SB 1383 and other common interests including several things related to IWMA.
- See also two separate agenda items.

Reservoir Status

- The Manager attended the MCWRA Reservoir Operations Committee meeting.
- See also separate agenda item.

Capital Improvement Program and Projects

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

- Vertical Intake: Start-up and testing is scheduled for October 13, 2021.
- Lift Station 1-5 rehabilitation design phase: Development of contract documents by the District Engineer is on hold.
- PVS: The contractor is working on punch list items and final submittals. Formal completion of the project is anticipated soon. A final project report will be given to your Board soon thereafter.
- Water and Wastewater Rate Study: A consultant contract was approved by your Board at the May 2021 meeting. The Notice to Proceed is on hold pending coordination with progress of the WRF upgrade project.
- Rebuild Treated Water Pumps at PS 3 & 4: Not yet commenced.
- Pump Station Covers: Not yet commenced.
- Vehicle / Equipment replacement: The Vac Trailer has been delivered and is now in service. The Service Truck and Body have been ordered.
- Water Reclamation Facility Upgrade project: The kickoff meeting with the consultant (WSC) was held on September 24th and staff is currently responding to the initial data request.

We have considered our approach to engaging the Regional Board and are planning to meet with them as soon as we can.

We will be sending out a survey/questionnaire to all Directors to complete as part of the Chartering task. Subsequently, it is anticipated that there will be a Board Special Meeting for the actual Chartering Workshop, then the Charter can be considered for approval at the next Board Regular Meeting.

Development

- There has been recent activity on the proposed storage facility at the applicant's (CJ Rudolph) property across from the marina. It appears the applicant has switched to a new engineer who is asking questions about the District's requirements and process. The Manager and the District Engineer has been in communication with the applicant and engineer, and all time spent is being billed to the applicant.

Public Relations and Community

- The Manager attended a meeting with the community BMX focus group coordinated by one of the HROA Directors.

Human Resources

- Currently recruiting for one Treatment Operator I/II/III.

Board Member & Staff Information and Learning Opportunities

- Nothing significant to report.

* * *

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

Operations Report For the Month of October 2021

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

Water treatment

- Staff completed a second one day trial of a new coagulant, Ad/Floc CTC-11 on 9/21/21-9/22/21 where a significant improvement was realized in the UV Absorption of processed/filtered water. This allowed for about a 20% reduction in Chlorine use to meet demand. The best results were achieved while operating the plant at 500 GPM. A seven-day trial will commence on 10/13/21.

Water distribution

- Staff coordinated with Toste Construction on the permanent asphalt repairs for eight water leak patches on Old Wrangler and Silver Saddle Lanes.

Wastewater collection

- A major root intrusion from a customers sewer lateral was remediated on Saddle Back Lane, and the customer was advised to seek the service of a professional plumber to replace or clear his sewer lateral.

Wastewater treatment

- Staff installed a rebuilt pump in the wet well at Lift Station #10

Vehicles and equipment

- All vehicles are currently in operable condition.