

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS' REGULAR MEETING**
Minutes of July 21, 2022

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

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

2. ROLL CALL

Secretary Gelos called the roll. Director Barker was absent. All other Directors were present.

Staff present: General Manager Scott Duffield, Operations Manager Mike Wilcox, and District Engineer Doug Groshart.

3. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

Director Capps spoke and handed out information on THMs.

4. CONSENT ITEMS

- a. **Meeting Minutes:** Receive/approve minutes of regular meeting of June 16, 2022.
- b. **Warrant Register:** Receive/approve June 2022 warrants.
- c. **Treasurer's Report:** Receive/file June 2022 Report.
- d. **Treasurer's Report:** Receive/file FY 2021/22 4th Quarter Report.
- e. **Treasurer's Report:** Receive/file FY 2021/22 Annual Report.
- f. **Fiscal Report:** Receive/file June 2022 status report.
- g. **Office Report:** Receive/file June 2022 report.

There were no public comments.

Director Burgess made a motion to approve all items presented. Director Rowley seconded the motion. The motion passed by the following voice vote:

Ayes: Burgess, Capps, Cousineau, Rowley

Absent: Barker

5. PUBLIC HEARINGS

- a. **Submittal for approval Resolution 22-07 providing for collection of delinquent solid waste charges and penalties to be collected on the tax roll in the same manner as property taxes.**

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

Secretary Gelos presented an amendment to Exhibit A.

There were no public comments.

Director Burgess made a motion to approve Resolution 22-07 as amended. Director Rowley seconded the motion. The motion passed by the following roll call vote:

Ayes: Burgess, Capps, Cousineau, Rowley

Absent: Barker

b. Submittal for approval Resolution 22-08 providing for collection of delinquent water and sewer charges and penalties to be collected on the tax roll in the same manner as property taxes.

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

Secretary Gelos presented an amendment to Exhibit A.

There were no public comments.

Director Rowley made a motion to approve Resolution 22-08 as amended. Director Burgess seconded the motion. The motion passed by the following roll call vote:

Ayes: Burgess, Capps, Cousineau, Rowley

Absent: Barker

c. Submittal for approval Resolution 22-09 adopting a Fiscal Year 2022/23 Final Budget and Salary Schedule.

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

There were no public comments.

Director Capps made a motion to approve Resolution 22-09. Director Rowley seconded the motion. The motion passed by the following roll call vote:

Ayes: Burgess, Capps, Cousineau, Rowley

Absent: Barker

6. DISCUSSION ITEMS

a. Submittal for approval Resolution 22-10 adopting the Second Amendment and Restated Joint Powers Agreement with the San Luis Obispo County Integrated Waste Management Authority.

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

There were no public comments.

Director Rowley made a motion to adopt Resolution 22-10. Director Capps seconded the motion. The motion passed by the following roll call vote:

Ayes: Burgess, Capps, Cousineau, Rowley

Absent: Barker

b. Request to receive and review a proposed 5-year Capital Improvement Program and provide direction to staff.

District Engineer Groshart presented the proposed 5-year Capital Improvement Program and answered any questions the Board had. The consensus of the Board was that the projects in the proposed 5-year program as presented are priority projects for the next five years. The Board directed staff to finalize the proposed capital outlay/prioritization and return to the Board for approval of the 5-year Capital Improvement Program, reserving potential revisions as the rate study moves forward.

There were no public comments.

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 July 2022 report was received and filed.

8. DISTRICT ENGINEER REPORT

District Engineer Groshart provided a brief summary of the report and answered any questions the Board had.

There were no public comments.

The July 2022 report was received and filed.

9. OPERATIONS MANAGER REPORT

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

There were no public comments.

The June 2022 report was received and filed.

10. COMMITTEE AND DIRECTOR REPORTS

There were no Committee reports.

There were no public comments.

11. ADJOURNMENT

On a motion by Director Capps and seconded by Director Rowley the meeting adjourned at 6:34 pm to the next scheduled regular meeting on Thursday, August 18, 2022.

APPROVED:

**Reg Cousineau, President
Board of Directors**

ATTEST:

**Kristen Gelos, Secretary
Board of Directors**

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
JULY 2022
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
07/01/22	R. ARNOLD NET PAYROLL	2,411.29	\$ 2,411.29
07/01/22	M. HUMPHREY NET PAYROLL	1,990.04	\$ 1,990.04
07/01/22	B. VOGEL NET PAYROLL	2,260.17	\$ 2,260.17
07/01/22	T. SHOGREN NET PAYROLL	2,068.57	\$ 2,068.57
07/01/22	H. HALL NET PAYROLL	1,270.88	\$ 1,270.88
07/01/22	K. GELOS NET PAYROLL	2,454.60	\$ 2,454.60
07/01/22	D. BURGESS NET PAYROLL	184.70	\$ 184.70
07/01/22	B. BARKER NET PAYROLL	92.35	\$ 92.35
07/01/22	M. ROWLEY NET PAYROLL	92.35	\$ 92.35
07/01/22	R. COUSINEAU NET PAYROLL	184.70	\$ 184.70
07/01/22	S. DUFFIELD NET PAYROLL	3,886.27	\$ 3,886.27
07/01/22	D. CAPPS NET PAYROLL	92.35	\$ 92.35
07/01/22	M. WILCOX NET PAYROLL	1,989.93	\$ 1,989.93
07/01/22	D. GROSHART NET PAYROLL	4,147.07	\$ 4,147.07

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
JULY 2022
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
07/01/22	CALPERS 457 DEFFERED COMP PROGRAM PERS 457- DEFFERED COMP.	2,258.00	\$ 2,258.00
07/01/22	INTERNAL REVENUE SERVICE FEDERAL WITHHOLDING TAXES FICA WITHIHOLDING MEDICARE	2,339.84 86.80 941.60	\$ 3,368.24
07/01/22	EMPLOYMENT DEVELOPMENT DEPARTMENT ETT SDI SUI STATE WITHHOLDING	1.59 349.46 25.37 946.85	\$ 1,323.27
07/01/22	CALPERS RETIREMENT SYSTEM PERS UNIFORM CONTRIBUTION PERS RETIREMENT PERS RETIREMENT TIER 2 PERS RETIREMENT PEPRA SURVIVOR BENEFIT	9.64 1,273.42 1,538.26 2,218.73 8.37	\$ 5,048.42
07/03/22	CALPERS HEALTH BENEFITS EMPLOYEE PAID HEALTH BENEFIT EMPLOYEE PAID HEALTH BENEFIT	756.44 756.44	\$ 1,512.88
07/03/22	CALPERS HEALTH BENEFITS CALPERS HEALTH BENEFITS	14,502.32	\$ 14,502.32
07/08/22	PG&E ELECTRICITY	3,522.86	\$ 3,522.86
07/12/22	STATE WATER RESOURCES CONTROL LICENSES & PERMITS	60.00	\$ 60.00
07/12/22	ADAMSKI, MOROSKI, MADDEN, CUMB LEGAL & ATTORNEY	1,896.00	\$ 1,896.00
07/12/22	SPECIAL DISTRICT RISK MANAGEME W/C INSURANCE FY 2022-23 PROP./LIAB. INSURANCE FY22/23	21,524.91 38,921.04	\$ 60,445.95
07/12/22	HACH COMPANY MAINTENANCE FIXED EQUIPMENT	593.94	\$ 593.94

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
JULY 2022
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
07/12/22	BRENNTAG PACIFIC, INC CHEMICALS CHEMICALS	8,698.47 5,675.16	\$ 14,373.63
07/12/22	TYLER TECHNOLOGIES PROFESSIONAL SERVICES	17.30	\$ 17.30
07/12/22	RENTAL DEPOT EQUIPMENT RENT/LEASE EQUIPMENT RENT/LEASE	189.90 102.60	\$ 292.50
07/12/22	ABALONE COAST ANALYTICAL, INC. LAB TESTING	2,089.00	\$ 2,089.00
07/12/22	U.S. BANK WTP FILTERS RENOVATION PROJECT	68.34	\$ 68.34
07/12/22	CORE & MAIN LP METERS & EQUIPMENT MAINTENANCE FIXED EQUIPMENT	412.54 3,488.00	\$ 3,900.54
07/12/22	BURT INDUSTRIAL SUPPLY MAINT. FIXED EQUIP./SUPPLIES	89.39	\$ 89.39
07/12/22	DATA PROSE LLC PROFESSIONAL SERVICES JUNE BILLING	489.82 1,515.50	\$ 2,005.32
07/12/22	WESTERN EXTERMINATOR STRUCTURES & GROUNDS STRUCTURES & GROUNDS	102.15 99.00	\$ 201.15
07/12/22	BEEBE'S WATER SYSTEMS, INC MAINTENANCE FIXED EQUIPMENT	2,754.20	\$ 2,754.20
07/12/22	SPEEDY COASTAL MESSENGER, INC. LAB TESTING	360.00	\$ 360.00
07/12/22	RENTAL DEPOT EQUIPMENT RENT/LEASE EQUIPMENT RENT/LEASE	102.60 102.60	\$ 205.20

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
JULY 2022
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
07/12/22	SPICE INTEGRATION MAINTENANCE FIXED EQUIPMENT	8,125.00	\$ 8,125.00
07/12/22	BURT INDUSTRIAL SUPPLY MAINTENANCE FIXED EQUIPMENT MAINTENANCE FIXED EQUIPMENT MAINT. FIXED EQUIP./SUPPLIES	(84.26) 398.10 74.49	\$ 388.33
07/12/22	RIVAL TECHNOLOGY INC. PROFESSIONAL SERVICES COMPUTER/SOFTWARE	816.66 130.00	\$ 946.66
07/12/22	STREAMLINE COMPUTER/SOFTWARE	2,400.00	\$ 2,400.00
07/12/22	CHARTER COMMUNICATIONS INTERNET	89.99	\$ 89.99
07/12/22	HOME DEPOT CREDIT SERVICES SMALL TOOLS & EQUIPMENT	269.99	\$ 269.99
07/12/22	CALIFORNIA RURAL WATER ASSOCIA TRAINING & TRAVEL	825.00	\$ 825.00
07/12/22	LOWE'S SUPPLIES MAINTENANCE FIXED EQUIPMENT	13.16 34.78	\$ 47.94
07/12/22	RING CENTRAL TELEPHONE	213.94	\$ 213.94
07/12/22	SURFACE PUMPS, INC. MAINTENANCE FIXED EQUIPMENT	1,574.83	\$ 1,574.83
07/12/22	AMAZON OFFICE SUPPLIES	63.48	\$ 63.48
07/12/22	EBAY MAINTENANCE FIXED EQUIPMENT	188.13	\$ 188.13
07/12/22	SCREEN & SHADE CO. STRUCTURES & GROUNDS	174.00	\$ 174.00

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
JULY 2022
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
07/13/22	CALPERS RETIREMENT SYSTEM		
	SURVIVOR EMPLOYER PREM.FY21/22	159.80	
	SURVIVOR EMPLOYER PREM.FY21/22	216.20	
	SURVIVOR EMPLOYER PREM.FY21/22	108.10	\$ 484.10
07/15/22	R. ARNOLD		
	NET PAYROLL	2,450.90	\$ 2,450.90
07/15/22	M. HUMPHREY		
	NET PAYROLL	2,246.44	\$ 2,246.44
07/15/22	B. VOGEL		
	NET PAYROLL	2,266.54	\$ 2,266.54
07/15/22	T. SHOGREN		
	NET PAYROLL	2,593.48	\$ 2,593.48
07/15/22	H. HALL		
	NET PAYROLL	1,635.60	\$ 1,635.60
07/15/22	K. GELOS		
	NET PAYROLL	2,571.34	\$ 2,571.34
07/15/22	S. DUFFIELD		
	NET PAYROLL	4,035.75	\$ 4,035.75
07/15/22	M. WILCOX		
	NET PAYROLL	2,123.85	\$ 2,123.85
07/15/22	D. GROSHART		
	NET PAYROLL	4,307.46	\$ 4,307.46
07/15/22	CALPERS 457 DEFFERED COMP PROGRAM		
	PERS 457- DEFFERED COMP.	2,258.00	\$ 2,258.00
07/15/22	EMPLOYMENT DEVELOPMENT DEPARTMENT		
	ETT	0.38	
	SDI	376.99	
	SUI	6.14	
	STATE WITHHOLDING	1,115.15	\$ 1,498.66

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
JULY 2022
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
07/15/22	INTERNAL REVENUE SERVICE FEDERAL WITHHOLDING TAXES MEDICARE	2,708.90 993.88	\$ 3,702.78
07/15/22	CALPERS RETIREMENT SYSTEM PERS RETIREMENT PERS RETIREMENT TIER 2 PERS RETIREMENT PEPRA SURVIVOR BENEFIT	1,337.58 1,646.78 2,369.15 8.37	\$ 5,361.88
07/23/22	FIRSTNET INTERNET	40.24	\$ 40.24
07/24/22	CALPERS RETIREMENT SYSTEM PERS UNFUNDED LIABILITY PERS UNFUNDED LIABILITY PERS UNFUNDED LIABILITY	8,996.83 738.00 544.00	\$ 10,278.83
07/28/22	J.B. DEWAR. INC. FUEL & OIL	1,470.36	\$ 1,470.36
07/29/22	R. ARNOLD NET PAYROLL	2,459.13	\$ 2,459.13
07/29/22	M. HUMPHREY NET PAYROLL	2,328.81	\$ 2,328.81
07/29/22	B. VOGEL NET PAYROLL	2,408.69	\$ 2,408.69
07/29/22	T. SHOGREN NET PAYROLL	2,015.39	\$ 2,015.39
07/29/22	H. HALL NET PAYROLL	1,635.60	\$ 1,635.60
07/29/22	K. GELOS NET PAYROLL	2,571.34	\$ 2,571.34
07/29/22	S. DUFFIELD NET PAYROLL	4,035.75	\$ 4,035.75

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
JULY 2022
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
07/29/22	M. WILCOX NET PAYROLL	2,123.85	\$ 2,123.85
07/29/22	D. GROSHART NET PAYROLL	4,307.46	\$ 4,307.46
07/29/22	CALPERS 457 DEFFERED COMP PROGRAM PERS 457- DEFFERED COMP.	2,258.00	\$ 2,258.00
07/29/22	INTERNAL REVENUE SERVICE FEDERAL WITHHOLDING TAXES MEDICARE	2,673.67 982.30	\$ 3,655.97
07/29/22	EMPLOYMENT DEVELOPMENT DEPARTMENT SDI STATE WITHHOLDING	372.60 1,107.12	\$ 1,479.72
07/29/22	CALPERS RETIREMENT SYSTEM PERS RETIREMENT PERS RETIREMENT TIER 2 PERS RETIREMENT PEPRA SURVIVOR BENEFIT	1,337.58 1,646.78 2,369.15 8.37	\$ 5,361.88
GRAND TOTAL FOR ALL WARRANTS			\$ 245,288.81

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
TREASURER'S REPORT
JULY 2022**

SUMMARY REPORT OF ALL ACCOUNTS

Beginning Balance:	\$ 4,974,082.68
Ending Balance:	\$ 4,960,526.70
Variance:	\$ (13,555.98)
Interest Earnings for the Month Reported:	\$ 8,650.51
Interest Earnings Fiscal Year-to-Date:	\$ 8,650.51

ANALYSIS OF REVENUES

Total operating income for water and sewer was:	\$ 195,147.13
Non-operating income was:	\$ 23,726.03
Franchise fees paid to the District by San Miguel Garbage was:	\$ 6,232.62
Interest earnings for the LAIF account was:	\$ 8,371.84
Interest earnings for the Five Star Bank checking account was:	\$ 9.05
Interest earnings for the Five Star Bank DWR Loan Services account was:	\$ 18.44
Interest earnings for the Five Star Bank DWR Reserve account was:	\$ 80.35
Interest earnings for the Mechanics Bank money market account was:	\$ 0.09

ANALYSIS OF EXPENSES

Five Star Bank checking account total warrants, fees, and Electronic Fund Transfers was:	\$ (273,235.21)
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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
MAY 2022**

BEGINNING BALANCE ALL ACCOUNTS		\$4,974,082.68
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OPERATING CASH IN DRAWER		\$ 300.00
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FIVE STAR BANK DWR LOAN REPAYMENT (1994-2029):		
BEGINNING BALANCE 6/30/2022	26,068.09	
QUARTERLY DEPOSIT	-	
INTEREST EARNED	18.44	
SEMI-ANNUAL PAYMENT	-	
ENDING BALANCE 7/31/2022		\$ 26,086.53
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FIVE STAR BANK DWR RESERVE ACCOUNT		
BEGINNING BALANCE 6/30/2022	113,612.65	
INTEREST EARNED	80.35	
ENDING BALANCE 7/31/2022		\$ 113,693.00
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FIVE STAR BANK SDWSRF LOAN SERVICES ACCOUNT		
BEGINNING BALANCE 6/30/2022	285.71	
QUARTERLY DEPOSIT	-	
INTEREST EARNED	0.20	
SEMI-ANNUAL PAYMENT	-	
ENDING BALANCE 7/31/2022		\$ 285.91
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FIVE STAR BANK SDWSRF RESERVE ACCOUNT		
BEGINNING BALANCE 6/30/2022	58,793.26	
INTEREST EARNED	41.58	
REVENUE TRANSFER	-	
ENDING BALANCE 7/31/2022		\$ 58,834.84
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MECHANICS BANK MONEY MARKET ACCOUNT		
BEGINNING BALANCE 6/30/2022	4,710.97	
DEPOSIT REVENUE - CASH	2,605.19	
INTEREST EARNED	0.09	
REVENUE TRANSFER <i>To Five Star Checking</i>	(615.32)	
ENDING BALANCE 7/31/2022		\$ 6,700.93
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FIVE STAR BANK - MONEY MARKET		
BEGINNING BALANCE 6/30/2022	206,248.23	
INTEREST EARNED	119.91	
REVENUE TRANSFER <i>To Five Star Checking</i>	(55,000.00)	
ENDING BALANCE 7/31/2022		\$ 151,368.14
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**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
STATUS REPORT FOR ALL ACCOUNTS
MAY 2022**

FIVE STAR BANK - CHECKING

BEGINNING BALANCE 6/30/2022	92,427.78	
DEPOSIT REVENUE & MISCELLANEOUS INCOME	248,432.58	
INTEREST EARNED	9.05	
TOTAL CHECKS, FEES AND EFT'S	(273,235.21)	
REVENUE TRANSFER <i>From Mechanics Money Market</i>	615.32	
REVENUE TRANSFER <i>From Five Star Money Market</i>	55,000.00	
ENDING BALANCE 7/31/2022		\$ 123,249.52

LOCAL AGENCY INVESTMENT FUND (LAIF)

BEGINNING BALANCE 6/30/2022	4,471,635.99	
INTEREST EARNED	8,371.84	
REVENUE TRANSFERS	-	
ENDING BALANCE 7/31/2022		\$4,480,007.83

ENDING BALANCE ALL ACCOUNTS		\$4,960,526.70
DIFFERENCE FROM LAST MONTH	Decrease	\$ (13,555.98)

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2022/23 Budget**

OPERATING REVENUE	Budget FY 22/23	Actual July	Actual Year to Date	Percentage Year to Date	Variance Explanation
Water Fees	1,107,981	126,447	126,447	11%	
Sewer Fees	704,110	62,850	62,850	9%	
Hook-Up Fees	3,000	0	0	0%	
Turn on Fees	3,500	175	175	5%	
Late Fees	18,500	2,406	2,406	13%	
Plan Check & Inspection	10,000	0	0	0%	
Miscellaneous Income	500	3,270	3,270	654%	Delq. W/S Fees
TOTAL OPERATING	\$1,847,591	\$195,147	\$195,147	11%	

FRANCHISE REVENUE					
Solid Waste Franchise Fees	82,587	6,233	6,233	8%	
TOTAL FRANCHISE	\$82,587	\$6,233	\$6,233	8%	

TOTAL OPERATING \$1,930,178 \$201,380 \$201,380 10%

NON-OPERATING REVENUE					
Standby Charges	242,144	6,098	6,098	3%	
Property Tax	423,381	8,978	8,978	2%	
Interest	15,000	8,651	8,651	58%	
Connection Fees	70,580	0	0	0%	
TOTAL NON-OPERATING	\$751,105	\$23,726	\$23,726	3%	

RESERVE REVENUE					
Capital Reserves	503,512	0	0	0%	
Operating Reserves	1,413,759	0	0	0%	
TOTAL RESERVE	\$1,917,271	\$0	\$0	0%	

TOTAL NON-OPERATING \$2,668,376 \$23,726 \$23,726 1%

TOTAL ALL INCOME	\$4,598,554	\$225,106	\$225,106	5%	
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**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2022/23 Budget**

OPERATING EXPENSES

SALARIES AND BENEFITS	Budget FY 22/23	Actual July	Actual Year to Date	Percentage Year to Date	Variance Explanation
Salaries	913,750	97,508	97,508	11%	
Health Insurance	159,110	10,525	10,525	7%	
Health Insurance - Retirees	47,600	3,944	3,944	8%	
Pers Retirement	149,871	19,217	19,217	13%	
OPEB Funding/Transfer	28,306				
Standby	13,200	1,454	1,454	11%	
Overtime	10,812	735	735	7%	
Workers Comp. Ins.	23,525	21,525	21,525	91%	Paid Annually
Directors' Fees	9,000	700	700	8%	
Medicare/FICA	13,182	1,502	1,502	11%	
Car Allowance	3,000	250	250	8%	
SUI/ETT	1,000	0	0	0%	
Uniforms	5,000	0	0	0%	
TOTAL SALARIES & BENEFITS	\$1,377,356	\$157,359	\$157,359	11%	

UTILITIES

Electricity	124,292	0	0	0%	
Propane	1,466	0	0	0%	
Water Purchase	23,114	0	0	0%	
Telephone/Internet	11,594	40	40	0%	
TOTAL UTILITIES	\$160,466	\$40	\$40	0%	

MAINTENANCE & SUPPLIES

Chemicals	79,000	0	0	0%	
Computer/Software	33,900	2,530	2,530	7%	
Equip. Rental/Lease	2,500	205	205	8%	
Fixed Equip.	187,000	281	281	0%	
Fuel & Oil	15,000	1,470	1,470	10%	
Lab Testing	59,000	0	0	0%	
Office Supplies	1,500	0	0	0%	
Parks & Recreation	0	0	0	0%	
Struct./Grnds.	14,940	0	0	0%	
Small Tools/Equip.	3,000	0	0	0%	
Supplies	4,500	15	15	0%	
Meters/Equip.	12,000	0	0	0%	
Vehicles	6,000	0	0	0%	
TOTAL MAINT. & SUP.	\$418,340	\$4,501	\$4,501	1%	

HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2022/23 Budget

GENERAL & ADMINISTRATION	Budget FY 22/23	Actual July	Actual Year to Date	Percentage Year to Date	Variance Explanation
Ads./Advertising	1,500	0	0	0%	
Alarm/Answering Service	4,000	0	0	0%	
Audit	10,000	0	0	0%	
Bank Charges/Fees	1,000	36	36	4%	
Consulting/Engineering	10,000	0	0	0%	
Dues/Subscription	10,000	0	0	0%	
Elections	5,000	0	0	0%	
Insurance	39,330	-67	-67	0%	
LAFCO	6,930	0	0	0%	
Legal/Attorney	25,000	0	0	0%	
Licenses/Permits	29,000	60	60	0%	
Plan Check & Inspection	10,000	0	0	0%	
Postage/Billing	15,000	0	0	0%	
Professional Service	89,300	817	817	1%	
Tax Collection	6,200	0	0	0%	
Staff Training & Travel	12,000	0	0	0%	
Board Training & Travel	1,000	0	0	0%	
TOTAL G & A	\$275,260	\$845	\$845	0%	

CAPITAL PROJECTS & EQUIPMENT

Structures/Improvements	1,513,607	0	0	0%	
Equipment	155,000	0	0	0%	
TOTAL CAPITAL EXPENSE	\$1,668,607	0	0	0%	

DEBT

State Loan Payment	103,629	0	0	0%	
State Loan Payment Phase II	58,740	29	0	0%	
Western Alliance Lease-PVS	152,638	0	0	0%	
TOTAL DEBT	\$315,007	\$29	\$0		

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

TOTAL EXPENSE	\$4,503,037	\$186,775	\$162,746	4%	
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CAPACITY CHARGES TRANSFER \$70,580 \$0 \$0 0%

SOLID WASTE FEES TRANSFER \$24,937 -\$419 -\$319 -1%

FUND TOTAL	\$1	\$38,749	\$62,678		
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HERITAGE RANCH COMMUNITY SERVICES DISTRICT

Office Report For the Month of July 2022

Utility Billing

- On August 1st, 1,936 bills were processed for a total dollar amount of \$ 184,448 for water and sewer user fees for the month of July.
- We processed 247 Late Notices for bills that were due by July 25th.

Customer Service Orders

- Staff completed a total of 35 service orders for the month of July. The breakdown by job code is as follows:

Miscellaneous	3	Occupant Change	10
Lock Meter	3	USA	8
Swap Meter	1	Unlock	6
Leak	2	Call Out	2

Administration

- Nothing to report

San Miguel Garbage Franchise Fees Received

- The total Franchise Fees received for the Month of May was \$ 6,232.62
The breakdown is as follows:

Residential Garbage Collection - \$ 4,975.26
Commercial Garbage Collection - \$ 1,012.31
Roll-Off Collection - \$ 245.05

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager
Dylan Wade, Water Systems Consulting

DATE: August 18, 2022

SUBJECT: Receive a presentation for the Water Resource Recovery Facility Upgrade project evaluating a package facility versus a site-constructed facility and provide direction to staff.

Recommendation

It is requested that the Board of Directors receive a presentation evaluating a package facility versus a site-constructed facility for the Water Resource Recovery Facility Upgrade project and provide direction to staff.

Background

Your Board selected Water Systems Consulting (WSC) as our consultant for a design phase contract for the Water Resource Recovery Facility Upgrade project (Project) at the Board Special Meeting of August 12, 2021. The contract was executed September 16, 2021.

Discussion

WSC is working on preliminary engineering and design tasks for the Project. One of those tasks is Design Confirmation. The Design Confirmation task is intended to confirm the selection of a packaged membrane bioreactor (MBR) treatment process for the Project. Design confirmation will be performed using economic criteria (from budgetary cost opinions and life cycle costs) and non-economic criteria (established by the Program Charter). Subsequent tasks of WSC Scope of Work assume the packaged MBR treatment process is the selected design process and would need to be revisited should the District elect a different approach to the Project.

Results

At the end of discussion, it is requested that your Board provide direction to staff by confirming the type of MBR facility.

The requested action will lead to further the design of the project.

File: Projects_WRRF

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager
Kristen Gelos, Office Supervisor

DATE: August 18, 2022

SUBJECT: Submittal for approval Resolution 22-11 fixing the employer contribution at an equal amount for employees and annuitants under the Public Employees' Medical and Hospital Care Act.

Recommendation

It is recommended that the Board of Directors approve Resolution 22-11 fixing the employer contribution at an equal amount for employees and annuitants under the Public Employees' Medical and Hospital Care Act.

Background

The District entered into agreement with CalPERS for medical coverage in 1992. The Resolution stipulates the District will contribute the total amount of insurance premiums for employees and retirees and their dependents.

In 2002, the Board adopted Resolution 02-13 setting health benefits vesting requirements for future retirees. The vesting applies to all employees hired on or after January 2003 and requires the retiree to have worked at least twenty years under the CalPERS system including at least five with the District and limited the employer's contribution to the average cost of CalPERS' various plans.

In 2006, the Board adopted Resolution 06-04 establishing health plans the District will fund for future retirees. The intent of this Resolution is to limit liability to the least expensive HMO or PPO.

In 2010, the Board adopted Resolution 10-01 establishing health plans the District will fund for employees and annuitants. The intent of this Resolution was to limit liability to the least expensive HMO or PPO.

In 2016, the Board adopted Resolution 16-10 fixing the employer contribution at an equal amount for employees and annuitants under the Public Employees' Medical and Hospital Care Act.

Discussion

The District needs to provide an amended resolution to CalPERS every year indicating the specified health plan(s) the District covers for employees and annuitants under the Public Employees’ Medical and Hospital Care Act. The health plans for calendar year 2023 to be covered by the District pursuant to District policy are shown in the table below.

2023	
Members	Health Plan Region 2
Basic Enrollments	PERS Gold
Medicare Enrollments	UnitedHealthcare
Combination Enrollments	PERS Gold

Fiscal Considerations

The FY 2022/23 Budget includes health coverage costs.

Results

Approval of Resolution 22-11 will provide CalPERS with the documentation required to maintain District provided health coverage.

Attachments: Resolution 22-11

FILE: CalPERS

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 22-11**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
HERITAGE RANCH COMMUNITY SERVICES DISTRICT
FIXING THE EMPLOYER CONTRIBUTION AT AN EQUAL AMOUNT FOR
EMPLOYEES AND ANNUITANTS UNDER THE PUBLIC EMPLOYEES' MEDICAL
AND HOSPITAL CARE ACT**

WHEREAS, the Heritage Ranch Community Services District is a contracting agency under Government Code Section 22920 and subject to the Public Employees' Medical and Hospital Care Act (the "Act"); and

WHEREAS, Government Code Section 22892(a) provides that a contracting agency subject to Act shall fix the amount of the employer contribution by resolution; and

WHEREAS, Government Code Section 22892(b) provides that the employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed by Section 22892(b) of the Act; and

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

- A. The employer contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members in a health benefits plan up to a maximum of:

2023	
Members	Health Plan Region 2
Basic Enrollments	PERS Gold
Medicare Enrollments	UnitedHealthcare
Combination Enrollments	PERS Gold

Per month, plus administrative fees and Contingency Reserve Fund assessments.

- B. Heritage Ranch Community Services District has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above.
- C. The participation of the employees and annuitants of Heritage Ranch Community Services District shall be subject to determination of its status as an "agency of instrumentality of the state or political subdivision of a State" that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that Heritage Ranch Community Services District would not qualify as an agency or instrumentality of the State of political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer.

D. The executive body appoint and direct, and it does hereby appoint and direct, the General Manager to file with the Board a verified copy of this resolution, and to perform on behalf of Heritage Ranch Community Services District all functions required of it under the Act.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Heritage Ranch Community Services District on the 18th day of August 2022, by the following roll call vote.

AYES:
NOES:
ABSTAIN:
ABSENT:

APPROVED: _____
Reg Cousineau, 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
Doug Groshart, District Engineer

DATE: August 18, 2022

SUBJECT: Request to approve the proposed 5-year Capital Improvement Program and provide direction to staff.

Recommendation

It is recommended that the Board of Directors approve the proposed 5-year Capital Improvement Program (CIP) and provide direction to Staff.

Background

At the July 21, 2022 meeting, your Board received a draft CIP and provided direction to staff including prioritization of projects.

Discussion

A draft CIP report was presented to your Board at the July 21, 2022 meeting. It is included in this report with an additional attachment which shows the estimated cost of each project as well as the projected capital outlay for each project for each of the next five years. This project cost and projected outlay information will be shared with the District's rate study consultant for incorporation into the rate study. The CIP may go through further review and revisions with your Board as the rate study moves along.

Fiscal Considerations

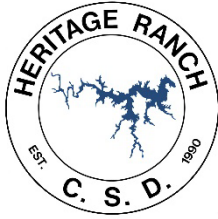
Public agencies may choose to fund at least a portion of their CIP from annual revenues and/or reserves. Larger capital improvements usually require funding via the acquisition of debt. The debt service for these projects requires annual payments, but it allows the agency to spread the cost of the projects out over a larger timeframe, which lessens the impacts to rates and the annual operating budget. As shown in the CIP, projects are largely funded via cash reserves, with the exception of the Water Resource Recovery Facility (WRRF) which is projected to be funded by debt and/or grants.

Results

Approval of the 5-year CIP as proposed with the understanding that project costs and scope may be adjusted in the future will direct Staff to incorporate the CIP into the upcoming rate study.

Attachments: August 18, 2022 Capital Improvement Program Memorandum

File: Capital Improvement Program



Heritage Ranch Community Services District

4870 Heritage Road, Paso Robles, CA 93446

(805) 227-6230 ~ Fax (805) 227-6231

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MEMORANDUM

To: Board of Directors
From: Doug Groshart, District Engineer
Date: August 18, 2022
Subject: 5-Year Capital Improvement Program

As part of the District's upcoming water and sewer rate study to be conducted by Tuckfield Associates, Staff has prepared a 5-year Capital Improvement Program (CIP) for incorporation into the study's considerations. It is customary to develop and project key capital improvement projects anticipated to occur during this 5-year time period, as these overall costs must be incorporated into the water and sewer rate structures.

Overall CIP Considerations

Each Capital Improvement Program may have varying cost components and schedule considerations. This 5-year CIP will project expected timelines for when expenditures will occur within the 5-year timeline. Timelines may also be projected beyond to the 5-year window to provide the Board with an overall understanding of project duration and timeline. Expenditures that will occur beyond the 5-year timeframe may be projected during the next 5-year CIP/rate study to be conducted in subsequent years. For the purposes of this CIP, staff has considered projects from previous CIPs, current operational, maintenance and compliance-related issues, and future development within the District. We have divided the current and future projects between three time periods: 1-5 years, 6-10 years and 11-20 years. We have divided the projects in this way because, based on staffing and budgetary considerations, there are only so many projects the District can design, construct and pay for in a given time period. Projects included in the first category (1-5 years) have been deemed to be the most pressing. There may be other projects that arise within the next five years that will require attention. There may be projects that are currently categorized as 6-10 or 11-20 year projects that require higher prioritization within the next 5 years, but this is the best estimation we can currently provide.

"Soft" Costs versus "Hard" Costs.

"Soft" costs are defined as planning, environmental, engineering and administrative costs that are all necessary components of public improvement projects. "Hard" costs are the actual construction and equipment purchase costs associated with the Project. The soft costs are sometimes overlooked but are significant components of CIP overall project costs. Examples of soft costs include:

- **Administrative Costs/District staff time.** Some projects, especially those that may be funded by State or Federal monies, can often require considerable staff time and effort to administer projects to comply with financing agency requirements.
- **Environmental review.** All projects require compliance with the California Environmental Quality Act (CEQA). The environmental review required varies considerably, depending on the size and complexity of the Project, if the Project is new or “grass roots” compared to modification or upgrade to an existing facility, environmentally sensitive resources including plants and animal species, and other factors. The costs associated with environmental review can sometimes be difficult to ascertain. Simple public improvement projects, such as a water main replacement/upgrade, generally are exempt from CEQA, where environmental review for projects such as the WRRF could be considerably more complex and costly, and will depend heavily on the extent that construction may extend to “untouched” land.
- **Planning.** Depending on the nature of the Project, planning activities may be required. This can be as basic as general planning and logistical considerations for the Project, to detailed review of a Project relative to County land use and zoning requirements and securing a conditional use permit (CUP). In general, however, special district water and sewer facilities including building and grading activities are exempt from County jurisdiction and permits.
- **Survey and Geotechnical Work.** Some projects require survey and/or geotechnical work, depending on the nature of the project and the need for structural foundation work. In these instances, survey is necessary for the preparation of engineering plans suitable for public bidding. Geotechnical work will also be required, as new facilities will require structural concrete, foundations must be adequately designed to support equipment loads, and equipment must be adequately secured and protected against seismic movement.
- **Engineering.** Certain projects require engineering work to design facilities, such as pipelines, pump stations, treatment facilities, etc. Many public improvement projects require that plans be designed and stamped by a professional civil engineer licensed in the State of California. For many of the proposed projects, District staff will provide the lion’s share of the engineering. However, specialized projects or large scale projects (for example the WRRF project) will require outside consultants (managed by staff).
- **Public Bidding.** Publicly funded projects of \$25,000 value and greater must be bid in accordance with California contracting laws. Publicly bid projects have numerous requirements including prevailing wages, performance and payment bonds, public bid openings, bid evaluation, and other requirements. The District Engineer will typically represent the District in completion of the various public bid requirements. However, there may be certain situations where additional assistance is required.
- **Construction Management/Administration.** Depending on the nature, magnitude and complexity of the Project, construction management and administration support is needed. Activities may include administering the construction contract, progress payments, daily reports and inspections, coordination with specialty inspections such as soils testing, periodic site visits to assess general conformance with contract requirements, submittal reviews, responding to requests for information (RFIs),

developing punchlist, filing notice of completion, and numerous other functions. A third party engineering firm can provide CM services, and many times the same engineering company as the engineer of record (EOR) provides such services. The District Engineer will typically represent the District in completion of the Construction Management/Administration for the Capital Improvement projects. However, there may be certain situations where additional assistance is required.

Soft costs are generally developed based on engineering judgment, cost data collected from experience and comparison of similar work in the Central Coast area, consultation with vendors and contractors, established budgetary unit prices for the work, and other reliable sources. Soft costs are budgeted for based on taking the hard construction costs and escalating by a factor of 1.4 or 40% when using all consultant staffing and no in-house staffing. As the District now has an in-house engineer, these soft costs can be greatly reduced, but should still be considered. The percentage can be adjusted based on the nature of the Project and whether it requires services such as environmental considerations, permitting/planning, additional consultants, special inspections, etc.

Financing and Funding Options

Certain CIP projects may be substantial enough to warrant financing. In some cases, there may be opportunities for both grant and loan options. Some potential opportunities for funding may include, but not be limited to:

1. State Revolving Funds (SRF) program
2. State Prop 1 grants.
3. USDA/RUS grant and loans (likely funding source for WRRF project)

Cost Basis

CIPs are generally expressed in “current” dollars, based on the Engineering News Record (ENR) Cost Index. This is an established cost index indicative of the value of the dollar in the current month/year indicated. The ENR Construction Cost Index used for this CIP (April 2022) is **12899**. In future years, in order to project costs in the current year, the ratio of current ENR Index divided by prior ENR Index, is multiplied by the historic cost to project future costs. For example, the ENR in January 2013 for a Project was **9437**, and the Engineer’s Opinion of Probable Cost for the Project was estimated at \$250,000 in Year 2013. The current value of the Project would be calculated as follows: $12899/9437 \times \$250,000 = \$341,713$.

For a 5-year CIP projection, the term of 5 years is relatively short, and the adjustment of capital costs during this time frame using an ENR Index or other tools is not as critical as when planning over a 20 year planning period (such as a master plan). However, should economic changes be significant during the time period, certainly the ENR Index should be applied. The rate consultant may have other means of adjusting costs as part of the Rate Study.

Cost Allocations to Future Growth

Some of the capital improvement projects are required in part to serve future growth, while other CIPs are mostly to serve existing customer needs. The District Engineer will work closely with

the rate consultant and General Manager to determine to what extent capital expenditures/projects should be paid for by future development. The distinction is that for an existing water or sewer facility that requires an upgrade or replacement of equipment, but it does not change capacity of the system (and is not required to be upsized as a result of future demands), the new development's established capacity charge would cover the cost of the CIP (essentially, the capacity charge established is calculated to "buy in" to that Development's fair share of the existing infrastructure). In the case where a capital project is needed to increase capacity to serve the new development, that will be paid for by the Developer at the time of Development.

Projects that directly benefit existing and future developments include:

- Water Resource Recovery Facility (WRRF) (designed to meet current and future demands)
- Potential Second Vertical Intake (helps to increase flow and quality of water for current and future demands)
- DBP Project (helps to increase water quality for current and future demands)

Implementation Schedules

A number of CIP projects will be relatively simple to implement, with little to no permitting, environmental review or engineering required. These projects can be implemented and completed within a short time frame within a single fiscal year. Other projects that will take over one year to complete include:

- WRRF
- Second Vertical Intake
- DBP Project

Water System Projects

Second Vertical Intake

A second vertical intake is recommended to increase water supply reliability to all customers, meet peak water production demands during summer months, and serve future demands. The capacity is envisioned to be approximately 150 gpm. The current yield of the existing gallery field is around 400 gpm. The newly installed vertical intake is also 150 gpm. This is a relatively high priority project for the District. Having limited sources to withdraw water from the Nacimiento River (horizontal gallery wells and new vertical intake) creates vulnerability to the water system in the event the gallery wells are inadvertently destroyed during high river flows, as has happened in recent past. The gallery wells also tend to lose hydraulic capacity due to plugging of the media surrounding them. The new vertical intake addressed both of these concerns, however additional flow capacity will improve system function, reliability and water quality. The new vertical intake would be drilled and installed upstream of the existing vertical intake, adjacent to the River near the existing PS1 facility. The Project will require drilling, pump design and installation, and programming. Although direct access to the River is not required, a Well Permit is required, and some environmental review will be required as part of the Project. A hydrogeologist, such as Cleath-Harris Geologists will design details of the well pack and

casing, and the District Engineer would design the well pump and overall equipping of the well. Having recently installed a similar project, and having much of the environmental and hydrogeological completed, this new vertical intake should come together more quickly than the previous project. This project has been carried over from the 2017 CIP.

Cost Allocation: As mentioned above, the vertical intake will benefit all residents, in part for water supply reliability, but also to meet future and peak summer demands. The existing units at Heritage Ranch total 1,971 units. Full build-out is 2,900 units. This means that the community is 68% built out at this time. It would be reasonable to estimate that future development should pay for 32% of the total cost of the project.

Estimated Cost: \$225,000

Estimated Schedule:

- Environmental Review - 3 months
- Design/Bid Process - 3 months
- Construction - 3 to 5 months (critical path item likely pump lead time)

Pressure Reducing Valves (Equestrian, Waterview and Meadowlark)

The isolation valves located in the Equestrian Road pressure reducing valve vault do not shut off completely. Due to this, one of the pressure reducing valves was not able to be re-built by Cla-Val. The project would consist of replacing all four isolation valves and the two Cla-Vals. Before this happens, Staff needs to determine if the existing main line valve for Equestrian at G-14 is functional. If it is not, a new valve needs to be inserted by hot tapping the line. The estimated cost for the installation of a new isolation valve, if necessary, is \$25,000. Staff will work with a local contractor to install the equipment.

The isolation valves located in the lower Water View PRV vault do not shut off completely. Any maintenance or repair requires approximately ten customer's water service to be shut off while repairs/maintenance is performed. The project consists of replacing the shut off valves and installing two new Cla-Vals. Staff will work with local contractor to install the equipment.

This project is a combination of projects previously on the 2017 CIP.

Estimated Cost: \$175,000

Estimated Schedule:

- Design/Bid Process - 3 months
- Construction - 2 to 3 months (critical path item likely PRV lead time)

Rebuild Treated Water Pumps

This project involves rebuilding the remaining three pumps located at pump station three and four. Rebuilding the pumps will yield more flow (GPM) and efficiency. This project has been carried over from the 2017 CIP.

Estimated Cost: \$50,000

Estimated Schedule: 1 to 2 months per pump (critical path item likely pump parts lead time)

Pump Station Covers

This project involves the installation of pump covers/weather protection at pump stations 1, 2 and 3. units are envisioned to be pre-fabricated sheds that are installed by outside contractors. This project has been carried over from the 2017 CIP.

Estimated Cost: \$85,000

Estimated Schedule:

- Design/Fabrication - 3 months
- Construction – 2 to 3 months

Media Replacement in WTP Filters

This Project consists of removing and replacing the existing media in three of the four filters at the WTP. This is an ongoing project. One filter has been completely refurbished by Operations Staff and is back online with greatly improved functionality and runtime between backwash cycles. This project will provide for the refurbishment of the remaining three filters. Operations Staff may complete the remaining three filters, however the budgetary pricing assumes that the work will be performed by an outside contractor with assistance from Operations Staff.

Estimated Cost: \$60,000

Estimated Schedule:

- Construction - 3 to 6 months (critical path item likely Staff/Contractor availability)

Upgrade SCADA System

The existing SCADA system at the WTP requires complete replacement. The existing software platform is no longer supported, and the existing programming is antiquated and does not allow for modification by Operations Staff. Staff has contacted several vendors and consultants and all have recommended a changeover from the existing Lookout software to Ignition. This project will consist of the replacement of the existing SCADA software, hardware and programming at the WTP. Additionally, the new system will integrate all of the pumping stations into the SCADA to allow for remote monitoring and control.

Estimated Cost: \$300,000

Estimated Schedule:

- Design/Bid - 3 months

- Construction - 3 to 5 months (critical path item likely computer hardware)

DBP/Compliance-related Project

The District has been making various additions and modifications to its water supply and treatment systems in order to come into compliance with Disinfectant By-Product (DBP) requirements. The new vertical intake has improved water quality, as has the refurbishment of one of the WTP filters. Currently, Staff is working with a new chemical to improve the coagulation and flocculation of organics in the raw water. As this is an iterative process, and it takes time to see if modifications will have impact on DBP levels, it is not clear what, if any, additional project(s) will be required to achieve compliance. This project may involve any combination of adjustments to the existing plate settler, GAC, pH adjustment, additional chlorination locations throughout the system, UV, etc. Currently, the CIP includes a budgetary estimate of \$1,000,000 dedicated to this potential project, but without knowing the actual project, pricing and schedule are difficult to estimate.

Estimated Cost: \$1,000,000

Estimated Schedule:

- Environmental Review - 6 months
- Design - 3 to 6 months
- Construction - 3 to 6 months (critical path item likely equipment lead time)

Sewer System Projects

Water Resource Recovery Facility

This project is currently in the design phase with consultant WSC, Inc. under contract for the design and permitting of a new Water Resource Recovery Facility (WRRF). This new facility will treat current and future wastewater to meet regulatory requirements for disposal and/or recycling. As the project is still in preliminary design stages, the actual cost will depend upon the final design. The project is necessary to bring the District into compliance with State Water Board requirements and to increase capacity for future build-out.

Estimated Cost: \$10-\$15,000,000

Estimated Schedule:

- Environmental Review - 6 months
- Design – 2 years
- Construction – 2 years (critical path item likely equipment lead time)

Lift Station 3 Rehabilitation

The existing wetwell needs to be coated for corrosion protection, and existing piping and valves need to be replaced. Bypassing sewage around LS 3 will be the critical element to this Project. This may or may not require the installation of a new bypass manhole. If so, the Work may be addressed in two phases: 1) construct one bypass manhole immediately upstream of LS3 on the influent line coming from Black Horse Lane; and 2) implement the bypass, wetwell coating and valve/piping replacement work. The construction of the bypass manhole is expected to be relatively costly, so other options for bypass will be researched as well. If the bypass manhole is deemed necessary, the District Engineer will work with staff to prepare a simple sketch of the desired bypass manhole configuration. The installation is very deep at this location, on the order of 22 to 24 feet. The District Engineer will prepare plans and specifications for the wetwell coating, and valve/piping plans. The Lift Station Project will be implemented using standard design-bid-build protocol. Potentially, more than one lift station's refurbishment may be included in the final project. Staff will utilize additive alternates to the base project scope in an effort to optimize pricing for this project via economy of scale. The budgetary number below assumes a worst-case scenario where a bypass manhole is required.

Estimated Cost: \$425,000

Estimated Schedule:

- Design - 3 months
- Construction - 3 to 6 months (critical path item likely material lead time)

Lift Station 2 Rehabilitation

As with Lift Station 3, the existing wetwell needs to be coated for corrosion protection, and existing piping and valves need to be replaced. Bypassing of flows is also a critical issue with this lift station. Additionally, available space around LS 2 is more limited than LS 3. This project will be designed, bid and constructed similarly to LS 3 so there will be similar bid packages for both projects, allowing for more efficient bidding. As detailed above, depending on market conditions and contractor pricing, this project may be combined with LS 3.

Estimated Cost: \$125,000

Estimated Schedule:

- Design - 3 months
- Construction - 3 to 6 months (critical path item likely material lead time)

Collection System SCADA

Currently, the lift stations are not all connected to the central SCADA system for wastewater. Additionally, the software on the lift stations that are connected is no longer supported. This project will connect all 10 lift stations to a new central SCADA system which will allow Staff to

monitor and control lift stations remotely. The project will include new hardware, software and programming.

Estimated Cost: \$200,000

Estimated Schedule:

- Design - 3 months
- Construction - 3 to 6 months (critical path item likely computer hardware lead time)

Wastewater Collection System Model and Infiltration/Inflow Phase II

This Project consists of combined projects in order to best utilize outside consulting services. The creation of a wastewater collection system model will require site survey and system modeling. Infiltration/Inflow Phase II will require field work such as smoke testing and/or sewer video inspection. While these projects are not adding to the system infrastructure, they are deemed Capital Projects because the resulting recommendations from these studies may potentially yield future Capital Projects.

Estimated Cost: \$75,000

Estimated Schedule:

- Scoping/Consultant Selection - 3 months
- Design/Model - 3 to 6 months (critical path item likely consultant availability)

Additional Project

Electric Gate at Corp Yard

This Project consists of the design and installation of a new electric gate at the District's Corp Yard. This gate is necessary to increase security at the yard by preventing trespassing, theft, liability, etc. As the yard is used for both water and sewer, this project will be funded by both funds (40% Sewer, 60% Water).

Estimated Cost: \$50,000

Estimated Schedule:

- Design - 3 months
- Construction - 3 to 6 months (critical path item likely equipment lead time)

Attachment: CIP 5-year Outlay

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
Water Capital Improvement Program 5 Year**

Project/Equipment	Description	Notes	Water CIP	Funding Source	5 Year CIP				
					2022/23	2023/24	2024/25	2025/26	2026/27
2nd Vertical Intake	Design/permits-environmental	Second vertical intake for improved reduction in TOC and subsequent DBPs	50,000	HRCSD cash reserves	0	50,000	0	0	0
	Construct		175,000	HRCSD cash reserves	0	0	175,000	0	0
Pressure Reducing Valves (Equestrian, Waterview and Meadowlark)	Replace isolation valves and rebuild/replace existing PRVs	Replace non-functioning equipment	175,000	HRCSD cash reserves	0	0	0	50,000	125,000
Rebuild Treated Water Pumps	PS 3 and 4, three pumps total	Improve overall pump efficiency	50,000	HRCSD cash reserves	0	0	0	50,000	0
Pump Station Covers	Design, bid	PS 1,2 and 3 to provide shade/sun protection	15,000	HRCSD cash reserves	0	0	15,000	0	0
	Construct		70,000	HRCSD cash reserves	0	0	0	70,000	0
Media Replacement in WTP Filters	Ongoing filter media replacement	3 of 4 remaining	60,000	HRCSD cash reserves	60,000	0	0	0	0
Upgrade SCADA System	New hardware, software, programming, telemetry and instrumentation	Phase 1 - Replace hardware/software and programming. Phase 2 - Telemetry to interconnect system components. Phase 3 - Instrumentation for advanced monitoring and control	300,000	HRCSD cash reserves	225,000	75,000			
DBP/Compliance-related Project	Research and Project Development for potential new project(s) to reduce DBPs to compliant levels	Phase 1 - Research and Project Development to determine best method for DBPs/compliance. Phase 2 - Installation of permanent solution, if necessary	1,000,000	HRCSD cash reserves, Possible Debt / Grant(s)	200,000	200,000	200,000	200,000	200,000
Electric Gate at Corp Yard (60% of Cost)	Design/Install new electric gate a Corp Yard	Need automatic gate for improved security and safety at Corp Yard. Split 60/40 between water/sewer	30,000	HRCSD cash reserves	0	0	30,000	0	0
Total Water			\$1,925,000		485,000	325,000	420,000	370,000	325,000
Funded Capital Reserves			\$1,925,000						
Funded Debt / Grant(s)			\$0						

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
Sewer Capital Improvement Program 5 Year**

Project/Equipment	Description	Notes	Sewer CIP	Funding Source	5 Year CIP				
					2022/23	2023/24	2024/25	2025/26	2026/27
Water Resource Recovery Facility	Design, bid		1,500,000	HRCSD cash reserves	600,000	600,000	300,000		
	Construct		TBD	Debt / Grant(s)		TBD	TBD	TBD	TBD
Lift Station 3 Rehabilitation	Recoating, replacing of piping and valving, possible bypass manhole required	Pricing assumes bypass manhole required	425,000	HRCSD cash reserves	25,000	150,000	0	125,000	125,000
Lift Station 2 Rehabilitation	Recoating, replacing of piping and valving, flow bypass likely required	As space is limited, bypass manhole is not currently considered. This project may be combined with LS 3.	125,000	HRCSD cash reserves	25,000	0	0	50,000	50,000
Collection System SCADA	Upgrade software/hardware at sewer lift stations. In combination with Water System SCADA, improve telemetry and instrumentation.	Phase 1 - Replace hardware/software and programming. Phase 2 - Telemetry to interconnect system components. Phase 3 - Instrumentation for advanced monitoring and control. May install telemetry upgrades first, concurrent with Water System telemetry upgrades.	200,000	HRCSD cash reserves	100,000	100,000	0	0	0
Wastewater Collection System Model and Infiltration/Inflow Phase II	Collection system model (topo survey required), field work for I/I (smoke testing, possible video inspection, etc.)	Model will allow for better conditioning of development approval with known modeled flows and areas needing improvements. I/I Phase II will assist with limiting wastewater flows due to I/I.	75,000	HRCSD cash reserves	75,000	0	0	0	0
Electric Gate at Corp Yard (40% of Cost)	Design/Install new electric gate a Corp Yard	Need automatic gate for improved security and safety at Corp Yard. Split 60/40 between water/sewer	20,000	HRCSD cash reserves	0	0	20,000	0	0
Total Sewer			\$2,345,000		825,000	850,000	320,000	175,000	175,000
Funded Capital Reserves			\$2,345,000						
Funded Debt / Grant(s)			TBD						

WATER AND SEWER CIP PROGRAM COMBINED	TOTAL	2022/23	2023/24	2024/25	2025/26	2026/27
FY Summary of Costs	\$4,270,000	\$1,310,000	\$1,175,000	\$740,000	\$545,000	\$500,000
Funded Capital Reserves	\$4,270,000	\$1,310,000	\$1,175,000	\$740,000	\$545,000	\$500,000
Funded Debt	TBD	TBD	TBD	TBD	TBD	TBD

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

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

DATE: August 18, 2022

SUBJECT: Request to approve the Water System SCADA project at an estimated cost of \$300,000; authorize a corresponding budget adjustment from reserves; and approve a proposal from SPICE Integration LLC for design and integration of the project and authorize the General Manager to execute a professional services agreement in an amount not to exceed \$100,000.

Recommendation

It is recommended that the Board of Directors

1. Approve the Water System SCADA project at an estimated cost of \$300,000;
2. Authorize a corresponding budget adjustment from reserves; and
3. Approve a proposal from SPICE Integration LLC for design and integration of the project and authorize the General Manager to execute a professional services agreement in an amount not to exceed \$100,000.

Background

Your Board directed staff to initiate the Water System SCADA project (Project) at the July 21, 2022 meeting. This Project is included in the Capital Improvement Program dated August 18, 2022 which is also being considered by your Board today.

Discussion

The purpose of the Water System SCADA project is to replicate the existing SCADA System that is currently on a no-longer-supported software (Lookout) onto a newer, fully supported and much more user friendly software platform (Ignition). The existing SCADA system cannot be modified by operations staff. In the event of a need to change operational procedures, setpoints, alarms, etc. an outside SCADA consultant technician must come to the WTP, determine the issues, and adjust the system while onsite. This usually requires some wait time between the callout and the technician being available.

The basics of Supervisory Control and Data Acquisition (SCADA) involve the technology of the software itself as well as the Human Machine Interface (HMI). In other words, SCADA and the HMI are how a water treatment plant is controlled, how treatment is documented for regulatory compliance, how a plant operates within the highest level of energy and chemical conservation, and how operations staff interfaces with the treatment plant.

With the current SCADA system, operations staff is considerably hindered in their ability to monitor, control, operate, and provide compliance reports for the WTP. The new SCADA system will include the Ignition software, new servers with redundancy, and a new customized HMI that will allow the operations staff to better operate the plant, which will help to provide better water quality, better regulatory compliance, and more efficiency at the plant.

The SCADA proposal from SPICE Integration LLC is to provide the programming expertise to perform the smooth changeover from Lookout to Ignition with the WTP in operation. Once approved to proceed, SPICE will work with District staff to determine the required software and hardware purchases in order to meet the desired operability of the system. Staff will obtain pricing for these items and bring them back to the Board for approval to procure these items. From there, SPICE will work with operations staff to determine the HMI screens, reports, set points, alarms, etc. that they require in the new SCADA. Once the new system is complete and tested, SPICE will also train operations staff in the use and modification of the system.

Another portion of the SCADA system project is to improve the ability to transmit and receive data throughout the distribution system. This is known as telemetry, and it will allow for better system monitoring and operation from anywhere in the District or remotely. To determine what modifications will be required for the existing telemetry system, SPICE will perform a telemetry survey. This survey will determine any required improvements such as transmitters, receivers, etc., and where to best install these improvements. The SPICE proposal includes labor and materials for performing this survey.

Once this survey is complete, SPICE will provide us with estimates for the required equipment and the labor to install it. Staff will bring that portion of the scope and its associated pricing and schedule to the Board once known.

Upon completion of the telemetry portion of the project, the complete infrastructure for the new SCADA system will be in place. After operating the water system with the new SCADA, there may be additional instrumentation or monitoring points that are needed to further optimize the operation, monitoring and compliance. Staff will bring updates to the Board regarding these potential improvements as they arise.

Fiscal Considerations

The current Budget does not include this Project; however, it is included in the 2022 5-Year Capital Improvement Program (CIP). If approved by your Board, \$300,000 will be transferred from reserves to the FY 2022/23 capital budget.

Results

Improved SCADA will allow for more efficient and flexible operation of the WTP. It will allow for easier modification to the system in order to adjust to changes in the water from the gallery wells and vertical intake as they arise. This will improve the ability of the WTP to maintain compliance, even with changing source water.

Attachment: SPICE SCADA Proposal
SPICE Telemetry Survey Proposal

File: SCADA 2022 Water project



SPICE Integration
9081 La Paz Lane
Atascadero, CA 93422
805.614.4111

Scott Duffield
General Manager
Heritage Ranch Community Services District

Re: SCADA Software Update

Dear Scott,

SPICE Integration is pleased to propose engineering services for the update of the Heritage Ranch Community Services District SCADA system.

We have reviewed the current system, and heard several qualms to remove and desires modify from the staff. Our primary tasks will be:

- Replication of the current National Instruments Lookout™ SCADA using Inductive Automation's Ignition SCADA
- Thorough coordination with the Heritage Ranch CSD team to understand current function and gather a list of possible changes that can be done at equal cost/efficiency to replication
- Write up of a Standard Operating Procedure for Operators post project completion
- Training time for the Heritage Ranch CSD team
- Installation of servers, an uninterruptible power supply, and a client computer at the Water Treatment Plant site
- Milestone reports and coordination for approval of path of project

SPICE Integration proposes this labor be done on a Time and Materials basis, following a Not To Exceed value of \$90,250.00. SPICE Integration will provide expected estimation for hardware and software license requirements to be procured by Heritage Ranch CSD.

Given this work will include gathering a list of concerns and requests, SPICE Integration will evaluate any of the Heritage Ranch team's requests and provide estimation of costs for items that would substantially exceed the scope of replication to fulfill. All work for this project and proposed additional modifications (at time of project completion) will be billed at a rate of \$125/HR.

SPICE Integration will submit monthly invoicing on a Time and Materials basis, at the rates listed below, along with project progression updates.

SPICE Integration expects to be able to complete all associated work within 6 months of project approval. Upon completion of install, full access/control to the system will be given to Heritage Ranch CSD to be able to directly modify or freely contract modifications. Additionally, we will provide digital copies of a Standard Operating Procedure and system backups.

Sincerely,
John Bowers
Co-Owner

SPICE Integration LLC

9081 La Paz Lane
Atascadero, CA 93422 US
billing@spiceintegration.com

Estimate

ADDRESS
HRCSD Mike Wilcox
Heritage Ranch Community Services District
4870 Heritage Road
Paso Robles, CA 93446
United States of America

ESTIMATE 1004
DATE 08/02/2022
EXPIRATION DATE 09/30/2022

SERVICE	DESCRIPTION	QTY	RATE	AMOUNT
Hours	Meeting, planning, gathering 'wishlist' from Heritage Ranch CSD Team	40	125.00	5,000.00
Hours	Post planning, pre build. Mock-ups and graphic rough in work to make assure path is accepted.	24	125.00	3,000.00
Hours	Initial setup of servers, databases, Ignition, and PLC integration	32	125.00	4,000.00
Hours	General page work. Headers and footers for entire project. Alarm setup, operator roster data.	24	125.00	3,000.00
Hours	Lookout SCADA Screen replication. 11 screens in total. Spot testing while developing. Incorporating operator requests where efficient to go off book from duplication.	352	125.00	44,000.00
Hours	VoIP callout Testing, thorough screen testing, and PLC connections.	80	125.00	10,000.00
Hours	Creation of Standard Operating Procedure booklet for HRCSD Team	32	125.00	4,000.00
Hours	System installation in parallel with current SCADA	16	125.00	2,000.00
Hours	Training/walkthrough of functionality with HRCSD Team	8	125.00	1,000.00
Hours	Training/walkthrough of functionality with HRCSD Team (second round, for refresher and/or members not present day 1)	8	125.00	1,000.00
Hours	Removal of current Lookout SCADA and associated hardware. To be done at approval/schedule of HRCSD team.	2	125.00	250.00
Hours	Initial Report design for 2 reports.	24	125.00	3,000.00
Hours	General project overhead and meeting time through project. Milestone updates, periodic updates sent for confirmation of progress and project direction.	80	125.00	10,000.00

SUBTOTAL 90,250.00

TAX 0.00

TOTAL **\$90,250.00**

Accepted By

Accepted Date



SPICE Integration
9081 La Paz Lane
Atascadero, CA 93422
805.614.4111

Scott Duffield
General Manager
Heritage Ranch Community Services District

Re: Telemetry Survey

Dear Scott,

SPICE Integration is pleased to propose engineering services for a telemetry survey project of the Heritage Ranch Community Services District treated and waste water locations.

We have reviewed the current site locations and propose the following tasks:

- Procuring Ubiquiti Wireless Network devices that could plausibly be used for a full telemetry coverage project
- Preparing test systems that can be easily transported and powered throughout the proposed coverage area/locations
- Use the above mentioned systems to test and document possible paths and locations of Wireless Network devices to provide coverage across all treated and waste water locations.

SPICE Integration proposes this project be done on a Time and Materials basis, following a Not To Exceed value of \$5,500. This includes labor and an estimation of small parts and hardware to assemble test systems.

SPICE Integration will recommend Wireless Network devices for procurement by Heritage Ranch CSD to be used for this survey project. Upon procurement, SPICE Integration can assemble test rigs and begin a site survey. The attached estimate includes these devices and estimated costs.

SPICE Integration will submit monthly invoicing on a Time and Materials basis, at a rate of \$125/Hour plus miscellaneous hardware costs.

SPICE Integration will provide a full list of findings, recommended hardware, and labor estimates for full site* wireless network connectivity upon completion.

*Full site assuming there is not a situation where terrain or other obstructions prove preventative of connectivity.

Sincerely,
John Bowers
Co-Owner

SPICE Integration LLC

9081 La Paz Lane
Atascadero, CA 93422 US
billing@spiceintegration.com

Estimate

ADDRESS
HRCSD Mike Wilcox
Heritage Ranch Community Services District
4870 Heritage Road
Paso Robles, CA 93446
United States of America

ESTIMATE 1005
DATE 08/02/2022
EXPIRATION DATE 09/30/2022

SERVICE	DESCRIPTION	QTY	RATE	AMOUNT
Ubiquiti LTU Rocket	Radio Base for Point to Multi point origin.	1	526.68	526.68T
airMax Sector 5GHz Antenna	Antenna for LTU Rocket	1	183.48	183.48T
LTU-LR	Radio/Antenna Point from Multi point	2	170.28	340.56T
Misc Hardware Components	Misc hardware	1	500.00	500.00
Hours	Prep Rig	8	125.00	1,000.00
Hours	Testing/Survey Time with 2 techs	32	125.00	4,000.00
SUBTOTAL				6,550.72
TAX				76.18
TOTAL				\$6,626.90

Accepted By

Accepted Date

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

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

DATE: August 18, 2022

SUBJECT: Receive and file updates regarding disinfection byproducts.

Background

The District water system is exceeding the disinfection byproducts maximum contaminant level, specifically haloacetic acids. This is not an immediate health risk and you do not need to use an alternative water supply. Your Board has been updated regularly on this issue.

Disinfection Byproducts Rule

The Environmental Protection Agency adopted, and the California State Division of Drinking Water is implementing the Disinfection Byproducts Rule. This Federal Rule limits the levels of total trihalomethanes (TTHM) and haloacetic acids (HAA5) in drinking water. In 2002, the District began sampling our distribution system water for TTHM and HAA5. The maximum contamination level (MCL) for TTHM is 80 parts per billion (ppb) and for HAA5 it is 60 ppb, based on a locational running annual average (LRAA).

For our system, the most recent LRAA for haloacetic acids is 77 ppb at the Black Horse Lane sample site and 93 ppb at the Wood Duck Lane sample site.

Discussion

Both TTHM and HAA5 are byproducts of drinking water disinfection and are controlled by State Primary Drinking Water Standards. TTHM and HAA5 are formed in drinking water when free chlorine comes in contact with organic compounds. All surface water has the presence of organic compounds. During a heavy rain event, the level of organics found in surface water can increase rapidly.

All water utilities that use surface water have become more concerned with the presence of organic compounds in their water and the implications of the Disinfection Byproducts Rule. Most water systems treat their water with a chemical disinfectant (e.g. Chlorine) to inactivate pathogens that cause diseases. The public health benefit of common disinfection practices is obvious, significant, and well recognized. While disinfectants are

effective in controlling many harmful microorganisms, they react with organic matter in the water and form disinfection byproducts, some of which pose health risks over time when present above certain levels.

Total organic carbon (TOC) levels are an important factor in disinfection byproduct formation. TOC levels have increased in both our raw and finished water over time, and significantly since 2016 after the Chimney Fire. The increased organic matter left over from wildfire is transported via rainfall runoff through the watershed, and in this case deposited into Nacimiento Reservoir. The increase in TOC coincides with a corresponding increase in haloacetic acid levels. The table below shows the average and range of raw water TOC, treated water TOC, and LRAA haloacetic acids.

Time Period	Raw Water TOC ppm	Treated Water TOC ppm	Total Haloacetic Acids ppb
2010 - 2016	2.6 average (1.5 - 4.2)	2.2 average (1.3 - 3.6)	39.2 average (24.0 - 67.0)
2016 - 2022	3.5 average (2.3 - 5.0)	2.5 average (1.8 - 3.9)	55.3 average (31.3 - 82.8)

Staff continues to work with the State Water Resources Control Board, Division of Drinking Water (DDW), who is very supportive of our approach and appreciates that we are continuing to work on this challenging issue. A summary of District work specific to disinfection byproducts is:

- Constructed Phase I of raw water improvements which include a potassium permanganate, powder activated carbon, and raw water tank mixing system to reduce TOC.
- Constructed Phase II of raw water improvements which include the plate settler to reduce high turbidity events and PAC loading to the downstream filter units.
- Consulted with MKN who developed a chemical optimization pilot testing plan.
- Researched granular activated carbon with two different vendors and the City of Paso Robles.
- Routinely clean the inside of the water storage tanks.
- Adjusted the arrangement of the raw water tank mixing system to improve circulation and minimize settling of powder activated carbon.
- Initiated a more robust waterline flushing program to increase circulation.
- Adjusted pressure reducing valves in the water distribution system to further increase circulation.

- Installed a water mixing system at the 2-million-gallon water storage tank.
- Constructed Vertical Intake No. 1 to primarily supplement gallery well flows but also assess if lower TOC could be realized.
- Commenced WTP filters renovation maintenance project.
- Reviewed current chemical use and performed several scaled down chemical optimization trials in coordination with the State Water Resources Control Board, Division of Drinking Water.

Staff is currently maximizing use of the Vertical Intake where the TOC was recently analyzed at 2.6 ppm (compared to 3.9 ppm from the gallery wells). Staff is also assessing information for other potential projects and/or operational changes, including reviewing and researching possible pilot studies for additional treatment methods (granular activated carbon that was presented to your Board June 18, 2020, ion exchange, reverse osmosis, etc.). These three specific treatments have had success in lowering DBPs in other systems. Additionally, these three treatment methods have had success with other substances that may require testing and, if present, removal in the future (such as PFAS, other currently non-regulated DBPs, etc.).

As mentioned to your Board during previous meetings, the DDW has some reservations with the MKN proposal which included pH suppression, because of the additional complexity it would add to the treatment plant. In addition, with a package filter plant, they are not sure how effective adding enhanced coagulation would be due to the short detention time through the treatment plant. DDW has stated that the MKN study seemed to be focused on pH adjustment and didn't discuss existing issues (like filter media, optimized pretreatment (PAC, KMnO₄, coagulation), distribution improvements, etc.). Their point of view is, before we make this little treatment plant even more complicated, the District should ensure that what we currently have is optimized.

The Division of Drinking Water will need to be consulted, informed, and ultimately approve any significant treatment changes the District is considering.

Fiscal Implications

Current customer rates do not support large capital projects that may ultimately be necessary; however, the operating fund and/or cash reserves can support some of the smaller projects/items.

Results

This is a receive and file item.

File: OPERATIONS_DBP

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

Manager Report For the Month of August 2022

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

Administration

- The Manager was contacted by SLO County regarding allocation of Nacimiento water. SLO County originally allocated 1100 acre-feet per year of their entitlement of Nacimiento water for development of Heritage Ranch. As land was developed, specific amounts of water were assigned to the development under contracts between the landowners and SLO County. When the District was formed, the water that was already assigned to the existing development was transferred to a contract between the District and SLO County. As more land was developed (TR 1910, TR 1990 e.g.) additional water from the contract between the landowners and SLO County was transferred to the contract between the District and SLO County. This is how the process still works when development occurs; the two tracts proposed by HR Holdings and the RV Storage Facility proposed by Snug Harbor for example would transfer water to the contract between the District and SLO County.

The total amount of water currently under contract between the District and SLO County is 889 acre-feet per year. This is assigned to existing development. The remaining 211 acre-feet per year has remained under contract between the landowners and SLO County. The Manager understands that the contract for the remaining 211 acre-feet has expired, and that the County would prefer the District to take ownership of that water. This new contract between the District and SLO County will bring our total contracted Nacimiento water amount to the full allocation of 1100 acre-feet per year. SLO County is working on that contract which will then be presented to your Board for consideration at a future meeting.

- The Manager attended the monthly CSDA SLO Chapter General Manager meeting.

Capital Improvement Program and Projects

- The Manager contacted the CSDA Finance Corporation to inform them that we are working on a large project that will most likely need interim financing that they may be able to assist us with. Their representatives routinely travel to meet with clients and will coordinate a meeting with the Manager on the next trip.

- The Manager and WSC met with USDA regarding the WRRF Project to review the preferred process to submit our Preliminary Engineering Report to them, and to just check in with them in general.

Operations

- Reviewed and submitted the monthly wastewater treatment plant self-monitoring report.
- Prepared and submitted the monthly disinfection byproduct report.

Solid Waste

- Nothing significant to report.

Reservoir Status

- As reported by Monterey County Water Resources Agency (MCWRA), as of August 11, 2022, the reservoir was at approximately 725.20 feet in elevation, 21% of capacity, or 80,520-acre feet of storage. MCWRA water releases were shown as 60 cfs.
- The reservoir is currently within the Stage I drought elevations.

* * *

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

District Engineer Report For the Month of August 2022

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

Operations Support

- Working with Staff re: 5-year CIP and project prioritization.
- Working with Staff re: DBPs and operational modifications with current equipment. Scoping potential future improvements (project included in 5-year CIP).
- Working with Staff re: SCADA needs, schedule for upgrade, etc.
- Additional updates regarding operations can be found in the Operations Report.

Capital Improvement Program and Projects

- Engineer has completed the revised 5-year CIP draft for Board review, approval and direction. The revised CIP includes a spreadsheet detailing proposed annual capital outlay by project for the next 5 years.

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

- Water Resource Reclamation Facility Upgrade: Staff and WSC are working on the initial design phase tasks. Engineer is working with WSC to provide information, review of documents, etc. as requested.
- Lift Station 1-5 rehabilitation design phase: Lift Stations 2 and 3 included in 5-year CIP.
- DBP/Compliance: Included in 5-year CIP and prioritized. See also separate Board item.
- SCADA water system: See separate Board Item.

Development Review

- Engineer continues to work with the development team for Snug Harbor and is awaiting revised plans.

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

Operations Report For the Month of August 2022

Water treatment

- Following minor improvements to PLC programming and dosing pump controls, staff was able to complete a two-month trial with the Coagulant (CTC 00011). The trial was successful in that we ran the trial without any dosing glitches.
- Further improvements to the other dosing pumps and software improvements are in the planning phase.
- Staff is working with Beebe Water System and Guy Schott, Associate Civil Engineer State Water Resources Control Board, on future coagulant trials.

Water distribution

- We experienced some Manganese oxidation in the distribution system earlier in this month. Staff was able to identify this in the morning and get out ahead of it with main line flushing. Manganese is a naturally occurring mineral present in Lake Nacimiento. Manganese in drinking water does not pose a health risk, but at elevated levels can create color in water when oxidized. The district's water treatment plant is currently experiencing elevated levels of manganese in the source water. After filtration, chlorine is used as a disinfectant. One byproduct of disinfection with chlorine is the oxidation of manganese. Once manganese is oxidized, it changes to a brown color. This brown color is typically the source of "dirty" water complaints.

Wastewater collection

- Staff is working diligently to maintain good percolation and filtration in the sand filters despite the lack of a Kubota to facilitate tilling of the sand between filter runs.

Wastewater treatment

- We have experienced some hardware issues due to the increased temperatures. Fortunately, we have a small inventory of replacement parts to keep the lift stations online.

Facilities

- Staff replaced the ductless split in the laboratory this month after three failed attempts at recharging the system.
- Trees around the office and in the Corporation Yard were trimmed by an Arborist to remove dead branches and lift trees off the structures.

Vehicles and equipment

- Operations is still awaiting notification of "in production" for the new service truck and spending appropriately to maintain the old truck and aging fleet.