



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

October 17, 2024

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

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

2. ROLL CALL

Secretary Gelos called the roll.

Directors present: Bill Barker, Dan Burgess, Michael Camou, Tom Swanson, and Mason Yaffee.

Staff present: General Manager, Scott Duffield, District Engineer, Doug Groshart, Operations Manager, Brian Vogel and District Counsel Jeff Minnery.

3. PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

There were no public comments.

4. CONSENT ITEMS

a. Meeting Minutes: Receive/approve minutes of special meeting of September 19, 2024.

b. Warrant Register: Receive/approve September 2024 warrants.

c. Treasurer's Report: Receive/file September 2024 report.

d. Treasurer's Report: Receive/file 3rd Quarter 2024 report.

e. Fiscal Report: Receive/file September 2024 status report.

f. Office Report: Receive/file September 2024 report.

g. District Engineer Report: Receive/file October 2024 report.

h. Operations Manager Report: Receive/fil October 2024 report.

i. Updates regarding disinfections byproducts.

There were no public comments.

Director Barker made a motion to pull item I to be presented with Item 6 (Manager's Report). Director Camou seconded the motion. The motion passes unanimously.

Director Yaffee made a motion to approve items A-H as presented. Director Camou seconded the motion. The motion passed unanimously.

5. BUSINESS ITEMS

a. Accept the Independent Auditor's Report and financial Statements for the Year Ended June 30, 2024, prepared and to be presented by Moss, Levy & Hartzheim LLP.

There were no public comments.

Adam Guise presented a summary of the report to the board and answered any questions they had.

Director Barker made a motion accepting the Independent Auditor's Report and Financial Statements. Director Swanson seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Camou, Swanson, Yaffee

b. Request to approve a Preliminary Agreement to provide utility bill auditing services with Utility Cost Management, LLC.

There were no public comments.

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

Director Burgess made a motion to table this item until a future meeting. Director Yaffee seconded the motion. The motion passed unanimously:

Ayes: Barker, Burgess, Camou, Swanson, Yaffee

6. GENERAL MANAGER REPORT

There were no public comments.

Manager Duffield presented Item I (Updates regarding disinfection byproducts) and answered any questions the Board had.

Report was received and filed.

7. COMMITTEE REPORTS

There were no public comments.

The WRRF Project committee met and will bring a draft of the financing options to the next meeting.

8. FUTURE AGENDA ITEMS

There were no public comments.

The Board determined to add the following to a future agenda:

- Utility Cost Management Agreement – tbd

9. ADJOURNMENT

On a motion by Director Yaffee and seconded by Director Camou the meeting adjourned at 5:16 pm to the next scheduled meeting on Thursday, November 21, 2024.

APPROVED:

ATTEST:

**Dan Burgess, President
Board of Directors**

**Kristen Gelos, Secretary
Board of Directors**



**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS SPECIAL MEETING MINUTES**

October 25, 2024

1. 4:24 PM OPEN SESSION / CALL TO ORDER / FLAG SALUTE

President Burgess called the meeting to order at 4:24 pm and led the flag salute.

2. ROLL CALL

Manager Duffield called the roll.

Directors present: Bill Barker, Dan Burgess, Michael Camou.

Directors absent: Tom Swanson, Masen Yaffee.

Staff present: General Manager, Scott Duffield, Administrative Manager, Kristen Gelos via Zoom.

3. BUSINESS ITEMS

- a. Request to approve a professional services agreement with Rincon Consultants, Inc. to provide revised CEQA and NEPA documentation for the WRRF project in a not to exceed amount of \$35,000; and approve a WRRF financial plan scenario to inform the sewer rate study.**

There were no public comments.

Director Barker made a motion to approve a professional services agreement with Rincon Consultants, Inc. to provide revised CEQA and NEPA documentation for the WRRF project in a not to exceed amount of \$35,000 and authorize a corresponding budget adjustment from reserves. Director Camou seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Camou

Absent: Swanson, Yaffee

Director Barker made a motion to approve the WRRF Interim Financing Scenario 4 (with reimbursement and capitalized interest) from the presented financial plan scenarios that will inform the sewer rate study. Director Burgess seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Camou

Absent: Swanson, Yaffee

4. ADJOURNMENT

On a motion by Director Camou and seconded by Director Barker the meeting adjourned at 4:54 pm to the next scheduled meeting on Thursday, November 21, 2024.

APPROVED:

ATTEST:

**Dan Burgess, President
Board of Directors**

**Kristen Gelos, Secretary
Board of Directors**

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
WARRANT REGISTER
OCTOBER 2024**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
10/3/2024	CALPERS HEALTH BENEFITS EMPLOYEE PAID HEALTH BENEFIT EMPLOYEE PAID HEALTH BENEFIT	790.07 790.07	\$ 1,580.14
10/3/2024	CALPERS HEALTH BENEFITS CALPERS HEALTH BENEFITS	16,835.26	\$ 16,835.26
10/4/2024	R. ARNOLD NET PAYROLL	2,962.53	\$ 2,962.53
10/4/2024	T. SHOGREN NET PAYROLL	2,712.13	\$ 2,712.13
10/4/2024	J. MARTY NET PAYROLL	2,242.46	\$ 2,242.46
10/4/2024	A. GRAY NET PAYROLL	1,828.61	\$ 1,828.61
10/4/2024	J. GULARTE NET PAYROLL	1,676.04	\$ 1,676.04
10/4/2024	C. PEREZ SALDANA NET PAYROLL	2,128.53	\$ 2,128.53
10/4/2024	K. GELOS NET PAYROLL	3,080.98	\$ 3,080.98
10/4/2024	D. BURGESS NET PAYROLL	92.35	\$ 92.35
10/4/2024	B. BARKER NET PAYROLL	92.35	\$ 92.35
10/4/2024	S. DUFFIELD NET PAYROLL	4,861.35	\$ 4,861.35
10/4/2024	B. VOGEL NET PAYROLL	3,015.08	\$ 3,015.08
10/4/2024	D. GROSHART NET PAYROLL	4,495.66	\$ 4,495.66

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
WARRANT REGISTER
OCTOBER 2024**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
10/4/2024	M. YAFFEE NET PAYROLL	92.35	\$ 92.35
10/4/2024	INTERNAL REVENUE SERVICE FEDERAL WITHHOLDING TAXES FICA WITHIHOLDING MEDICARE	3,097.57 37.20 1,159.14	\$ 4,293.91
10/4/2024	EMPLOYMENT DEVELOPMENT DEPARTM ETT SDI SUI STATE WITHHOLDING	6.93 436.36 104.09 1,286.02	\$ 1,833.40
10/4/2024	CALPERS RETIREMENT SYSTEM CALPERS UNIFORM ALLOWANCE PERS-IRC 457 CONTRIBUTIONS PERS RETIREMENT PERS RETIREMENT TIER 2 PERS RETIREMENT PEPRA SURVIVOR BENEFIT	10.51 1,493.08 1,763.13 2,056.56 2,990.68 9.30	\$ 8,323.26
10/5/2024	J.B. DEWAR. INC. FUEL & OIL	430.59	\$ 430.59
10/7/2024	PG&E ELECTRICITY	11,036.21	\$ 11,036.21
10/17/2024	GREAT WESTERN ALARM ALARM / ANSWERING SERVICE	339.32	\$ 339.32
10/17/2024	MOSS, LEVY & HARTZHEIM LLP AUDIT FY 2023/24	4,685.00	\$ 4,685.00
10/17/2024	USA BLUEBOOK MAINTENANCE FIXED EQUIPMENT MAINTENANCE FIXED EQUIPMENT MAINTENANCE FIXED EQUIPMENT	314.05 99.80 425.15	\$ 839.00
10/17/2024	KRISTEN GELOS CELL PHONE/INTERNET ALLOWANCE MEDICAL REIMBURSEMENT	80.00 137.75	\$ 217.75

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
WARRANT REGISTER
OCTOBER 2024**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
10/17/2024	BRENNTAG PACIFIC, INC CHEMICALS	4,542.19	\$ 4,542.19
10/17/2024	TYLER TECHNOLOGIES PROFESSIONAL SERVICES	13.50	\$ 13.50
10/17/2024	FGL ENVIRONMENTAL LAB TESTING	181.00	\$ 181.00
10/17/2024	ROY ARNOLD CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
10/17/2024	COUNTY OF SAN LUIS OBISPO WATER PURCHASE	14,300.00	\$ 14,300.00
10/17/2024	FLUID RESOURCE MANAGEMENT PROFESSIONAL SERVICES	1,190.00	\$ 1,190.00
10/17/2024	NAPA AUTO PARTS CHEMICALS VEHICLES VEHICLES MAINTENANCE FIXED EQUIPMENT	43.49 93.16 34.30 420.66	\$ 591.61
10/17/2024	ABALONE COAST ANALYTICAL, INC. LAB TESTING	3,386.00	\$ 3,386.00
10/17/2024	CORE & MAIN LP MAINTENANCE FIXED EQUIPMENT MAINTENANCE FIXED EQUIPMENT SUPPLIES	2,143.78 504.08 239.92	\$ 2,887.78
10/17/2024	ALL TECH SERIVCES, INC. EQUIPMENT RENT/LEASE MAINTENANCE FIXED EQUIPMENT	1,354.20 26,357.55	\$ 27,711.75
10/17/2024	BURT INDUSTRIAL SUPPLY MAINTENANCE FIXED EQUIPMENT	355.57	\$ 355.57
10/17/2024	BRIAN VOGEL CELL PHONE/INTERNET ALLOWANCE MEDICAL REIMBURSEMENT	80.00 107.00	\$ 187.00

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
WARRANT REGISTER
OCTOBER 2024**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
10/17/2024	CS-AMSCO MAINTENANCE FIXED EQUIPMENT	651.17	\$ 651.17
10/17/2024	SCOTT DUFFIELD CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
10/17/2024	RIVAL TECHNOLOGY INC. PROFESSIONAL SERVICES	1,201.44	\$ 1,201.44
10/17/2024	MID-STATE REPAIR SERVICE MAINTENANCE FIXED EQUIPMENT MAINTENANCE FIXED EQUIPMENT MAINTENANCE FIXED EQUIPMENT MAINTENANCE FIXED EQUIPMENT MAINTENANCE FIXED EQUIPMENT	546.40 546.40 546.40 539.23 507.05	\$ 2,685.48
10/17/2024	TROY SHOGREN CELL PHONE/INTERNET ALLOWANCE UNIFORM ALLOWANCE	80.00 216.56	\$ 296.56
10/17/2024	DOUGLAS GROSHART CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
10/17/2024	A.M. PECHE & ASSOCIATES LLC PROFESSIONAL SERVICES	450.00	\$ 450.00
10/17/2024	JORANDA MARKETING, INC. / JAN- STRUCTURES & GROUNDS	304.60	\$ 304.60
10/17/2024	SPEEDY COASTAL MESSENGER, INC. LAB TESTING	420.00	\$ 420.00
10/17/2024	HYDROPRO SOLUTIONS METERS & EQUIPMENT	611.25	\$ 611.25
10/17/2024	JERED MARTY CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
10/17/2024	THE JAM LAW GROUP LEGAL & ATTORNEY	2,257.50	\$ 2,257.50
10/17/2024	CARLOS PEREZ SALDANA UNIFORM ALLOWANCE	330.59	\$ 330.59

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
WARRANT REGISTER
OCTOBER 2024**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
10/17/2024	JASON GULARTE UNIFORM ALLOWANCE	265.26	\$ 265.26
10/17/2024	HYDROSCIENCE ENGINEERS INC WRRF PROJECT	80,939.00	\$ 80,939.00
10/18/2024	R. ARNOLD NET PAYROLL	3,126.98	\$ 3,126.98
10/18/2024	T. SHOGREN NET PAYROLL	2,939.66	\$ 2,939.66
10/18/2024	J. MARTY NET PAYROLL	2,164.31	\$ 2,164.31
10/18/2024	A. GRAY NET PAYROLL	1,781.91	\$ 1,781.91
10/18/2024	J. GULARTE NET PAYROLL	1,676.04	\$ 1,676.04
10/18/2024	C. PEREZ SALDANA NET PAYROLL	2,128.53	\$ 2,128.53
10/18/2024	K. GELOS NET PAYROLL	3,080.98	\$ 3,080.98
10/18/2024	S. DUFFIELD NET PAYROLL	4,698.30	\$ 4,698.30
10/18/2024	B. VOGEL NET PAYROLL	3,015.08	\$ 3,015.08
10/18/2024	D. GROSHART NET PAYROLL	4,495.66	\$ 4,495.66
10/18/2024	INTERNAL REVENUE SERVICE FEDERAL WITHHOLDING TAXES MEDICARE	3,091.62 1,155.86	\$ 4,247.48

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
WARRANT REGISTER
OCTOBER 2024**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
10/18/2024	EMPLOYMENT DEVELOPMENT DEPARTM ETT SDI SUI STATE WITHHOLDING	6.93 438.42 104.09 1,291.84	\$ 1,841.28
10/18/2024	CALPERS RETIREMENT SYSTEM PERS-IRC 457 CONTRIBUTIONS PERS-IRC 457 CONTRIBUTIONS PERS RETIREMENT PERS RETIREMENT TIER 2 PERS RETIREMENT PEPRA SURVIVOR BENEFIT	370.00 1,173.08 1,763.14 2,056.56 3,046.67 9.30	\$ 8,418.75
10/21/2024	PG&E ELECTRICITY	4,890.25	\$ 4,890.25
10/24/2024	CALPERS RETIREMENT SYSTEM CALPERS UNFUNDED LIABILITY	10,325.42	\$ 10,325.42
10/25/2024	STAPLES CREDIT PLAN OFFICE SUPPLIES OFFICE SUPPLIES	171.02 104.21	\$ 275.23
10/25/2024	CHARTER COMMUNICATIONS INTERNET	101.24	\$ 101.24
10/25/2024	ROCKAUTO.COM VEHICLES	130.15	\$ 130.15
10/25/2024	FUEL TRAINING & TRAVEL	34.34	\$ 34.34
10/25/2024	RENAISSANCE TRAINING & TRAVEL	782.62	\$ 782.62
10/25/2024	FUEL TRAINING & TRAVEL	39.34	\$ 39.34
10/25/2024	CSDA TRAINING & TRAVEL TRAINING & TRAVEL	660.00 175.00	\$ 835.00

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
WARRANT REGISTER
OCTOBER 2024**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
10/25/2024	ENTERPRISE TRAINING & TRAVEL	204.12	\$ 204.12
10/25/2024	SPEEDWAY TRAINING & TRAVEL	30.89	\$ 30.89
10/25/2024	LOWE'S SUPPLIES	185.84	\$ 185.84
10/25/2024	OCCUPATIONAL APPAREL UNIFORMS FY 24/25 UNIFORMS FY 24/25	423.72 59.93	\$ 483.65
10/25/2024	RING CENTRAL TELEPHONE	297.07	\$ 297.07
10/25/2024	AMAZON OFFICE SUPPLIES	35.70	\$ 35.70
10/25/2024	STARLINK INTERNET	250.00	\$ 250.00
10/25/2024	THE PARK WHOLESAL UNIFORMS FY 24/25 UNIFORMS FY 24/25	224.51 43.66	\$ 268.17
10/25/2024	J.B. DEWAR. INC. FUEL & OIL	1,799.33	\$ 1,799.33
10/30/2024	C. PEREZ SALDANA NET PAYROLL - FINAL CHECK	651.94	\$ 651.94
10/31/2024	GREAT WESTERN ALARM ALARM / ANSWERING SERVICE	318.32	\$ 318.32
10/31/2024	AT&T TELEPHONE	86.50	\$ 86.50
10/31/2024	HOME DEPOT CREDIT SERVICES SUPPLIES	95.33	\$ 95.33
10/31/2024	USA BLUEBOOK MAINTENANCE FIXED EQUIPMENT	810.71	\$ 810.71

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
WARRANT REGISTER
OCTOBER 2024**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
10/31/2024	BRENNTAG PACIFIC, INC CHEMICALS	1,918.15	\$ 1,918.15
10/31/2024	COUNTY OF SAN LUIS OBISPO PROFESSIONAL SERVICES PROFESSIONAL SERVICES	436.70 476.00	\$ 912.70
10/31/2024	ROY ARNOLD MEDICAL REIMBURSEMENT	60.00	\$ 60.00
10/31/2024	CSDA DUES & SUBSCRIPTIONS	8,637.00	\$ 8,637.00
10/31/2024	FLUID RESOURCE MANAGEMENT PROFESSIONAL SERVICES	950.00	\$ 950.00
10/31/2024	CORE & MAIN LP MAINTENANCE FIXED EQUIPMENT	449.07	\$ 449.07
10/31/2024	ALL TECH SERIVCES, INC. MAINTENANCE FIXED EQUIPMENT	242.01	\$ 242.01
10/31/2024	WESTERN EXTERMINATOR STRUCTURES & GROUNDS	125.00	\$ 125.00
10/31/2024	MID-STATE REPAIR SERVICE MAINTENANCE FIXED EQUIPMENT MAINTENANCE FIXED EQUIPMENT MAINTENANCE FIXED EQUIPMENT MAINTENANCE FIXED EQUIPMENT MAINTENANCE FIXED EQUIPMENT MAINTENANCE FIXED EQUIPMENT MAINTENANCE FIXED EQUIPMENT MAINTENANCE FIXED EQUIPMENT	819.35 472.60 472.60 969.24 687.79 509.39 545.17 419.26	\$ 4,895.40
10/31/2024	SPICE INTEGRATION WASTEWATER SCADA UPGRADE	27,000.00	\$ 27,000.00
10/31/2024	HYDROPRO SOLUTIONS METERS & EQUIPMENT	3,919.24	\$ 3,919.24
10/31/2024	JERED MARTY UNIFORM ALLOWANCE	222.93	\$ 222.93

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
WARRANT REGISTER
OCTOBER 2024**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
10/31/2024	EVOQUA WATER TECHNOLOGIES LLC		
	GAC SYSTEM PROJECT	1,501.50	
	GAC SYSTEM PROJECT	1,501.50	\$ 3,003.00
TOTAL ALL WARRANTS			\$ 344,654.13

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
TREASURER'S REPORT
OCTOBER 2024**

SUMMARY REPORT OF ALL ACCOUNTS

Beginning Balance:	\$ 4,528,546
Ending Balance:	\$ 4,474,020
Variance:	\$ (54,526)
Interest Earnings for the Month Reported:	\$ 1,397
Interest Earnings Fiscal Year-to-Date:	\$ 164,148

ANALYSIS OF REVENUES

Total operating income for water and sewer was:	\$ 235,386
Non-operating income was:	\$ 7,083
Franchise fees paid to the District by San Miguel Garbage was:	\$ 9,193
Interest earnings for the LAIF account was:	\$ 7,643
Interest earnings for the California CLASS account was:	\$ 16,001
Interest earnings for the Five Star Bank checking account was:	\$ 16
Interest earnings for the Five Star Bank DWR Loan Services account was:	\$ 7
Interest earnings for the Five Star Bank DWR Reserve account was:	\$ 474
Interest earnings for the Mechanics Bank money market account was:	\$ 0

ANALYSIS OF EXPENSES

Five Star Bank checking account total warrants, fees, and Electronic Fund Transfers was:	\$ 172,541
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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
OCTOBER 2024**

BEGINNING BALANCE ALL ACCOUNTS **\$4,528,545.76**

OPERATING CASH IN DRAWER **\$ 300.00**

FIVE STAR BANK DWR LOAN REPAYMENT (1994-2029):

BEGINNING BALANCE 9/30/2024	1,772.81	
QUARTERLY DEPOSIT	-	
INTEREST EARNED	6.90	
SEMI-ANNUAL PAYMENT	-	
ENDING BALANCE 10/31/2024		\$ 1,779.71

FIVE STAR BANK DWR RESERVE ACCOUNT

BEGINNING BALANCE 9/30/2024	121,777.34	
INTEREST EARNED	474.12	
ENDING BALANCE 10/31/2024		\$ 122,251.46

FIVE STAR BANK SDWSRF LOAN SERVICES ACCOUNT

BEGINNING BALANCE 9/30/2024	15,939.72	
QUARTERLY DEPOSIT	-	
INTEREST EARNED	62.05	
SEMI-ANNUAL PAYMENT	-	
ENDING BALANCE 10/31/2024		\$ 16,001.77

FIVE STAR BANK SDWSRF RESERVE ACCOUNT

BEGINNING BALANCE 9/30/2024	63,018.40	
INTEREST EARNED	245.34	
ENDING BALANCE 10/31/2024		\$ 63,263.74

MECHANICS BANK MONEY MARKET ACCOUNT

BEGINNING BALANCE 9/30/2024	9,455.00	
DEPOSIT REVENUE - CASH	1,409.51	
INTEREST EARNED	0.16	
ENDING BALANCE 10/31/2024		\$ 10,864.67

FIVE STAR BANK - MONEY MARKET

BEGINNING BALANCE 9/30/2024	123,716.61	
INTEREST EARNED	481.66	
ENDING BALANCE 10/31/2024		\$ 124,198.27

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
STATUS REPORT FOR ALL ACCOUNTS
OCTOBER 2024**

FIVE STAR BANK - CHECKING

BEGINNING BALANCE 9/30/2024	172,541.45	
DEPOSIT REVENUE & MISCELLANEOUS INCOME	265,811.38	
INTEREST EARNED	15.79	
TOTAL CHECKS, FEES AND EFT'S	(346,677.42)	
ENDING BALANCE 10/31/2024		\$ 91,691.20

LOCAL AGENCY INVESTMENT FUND (LAIF)

BEGINNING BALANCE 9/30/2024	244,615.45	
INTEREST EARNED	7,643.13	
ENDING BALANCE 10/31/2024		\$ 252,258.58

CALIFORNIA CLASS

BEGINNING BALANCE 9/30/2024	3,775,408.98	
INTEREST EARNED	16,001.30	
ENDING BALANCE 10/31/2024		\$3,791,410.28

ENDING BALANCE ALL ACCOUNTS		\$4,474,019.68
DIFFERENCE FROM LAST MONTH	Decrease	\$ (54,526.08)

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2024/25 Budget**

OPERATING REVENUE	Budget FY 24/25	Actual October	Actual Year to Date	Percentage Year to Date	Variance Explanation
Water Fees	1,563,732	159,141	654,325	42%	
Sewer Fees	1,240,328	92,622	370,551	30%	
Hook-Up Fees	2,400	0	0	0%	
Turn on Fees	3,500	125	600	17%	
Late Fees	18,860	3,039	11,885	63%	Fluctuates based on activity
Plan Check & Inspection	1,600	0	0	0%	
Miscellaneous Income	500	0	0	0%	
TOTAL OPERATING	\$2,830,920	\$254,927	\$1,037,362	37%	

FRANCHISE REVENUE					
Solid Waste Franchise Fees	91,802	7,554	33,222	36%	
TOTAL FRANCHISE	\$91,802	\$7,554	\$33,222	36%	

TOTAL OPERATING \$2,922,722 \$262,481 \$1,070,583 37%

NON-OPERATING REVENUE					
Standby Charges	242,200	0	0	0%	
Property Tax	475,629	3,574	17,167	4%	
Interest	80,000	24,930	117,865	147%	Fluctuates based on activity
Connection Fees	28,232	0	0	0%	
TOTAL NON-OPERATING	\$826,061	\$28,504	\$135,031	16%	

RESERVE REVENUE					
Capital Reserves	503,165	37,509	105,167	21%	
Operating Reserves	1,847,553	73,433	208,686	11%	
TOTAL RESERVE	\$2,350,718	\$110,942	\$313,853	13%	

TOTAL NON-OPERATING \$3,176,779 \$139,446 \$448,884 14%

TOTAL ALL REVENUE	\$6,099,501	\$401,927	\$1,519,467	25%	
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**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2024/25 Budget**

OPERATING EXPENSES

SALARIES AND BENEFITS	Budget FY 24/25	Actual October	Actual Year to Date	Percentage Year to Date	Variance Explanation
Salaries	1,045,010	77,690	266,868	26%	
Health Insurance	229,690	13,503	57,319	25%	
Health Insurance - Retirees	55,521	4,006	16,024	29%	
Pers Retirement	185,667	18,217	73,387	40%	
OPEB Funding/Transfer	35,000	0	0	0%	
Standby	34,380	2,224	7,949	23%	
Overtime	7,184	0	1,385	19%	
Workers Comp. Ins.	28,151	0	2,003	7%	
Directors' Fees	36,000	300	2,100	6%	
Medicare/FICA	15,675	1,176	4,418	28%	
Car Allowance	3,000	250	1,000	33%	
SUI/ETT	1,000	6	6	1%	
Uniforms	8,100	1,787	3,621	45%	
TOTAL SALARIES & BENEFITS	\$1,684,378	\$119,160	\$436,080	26%	

UTILITIES

Electricity	134,433	15,209	56,907	42%	
Propane	1,586	0	0	0%	
Water Purchase	28,600	14,300	14,300	50%	Paid Semiannually
Telephone/Internet	13,313	1,295	5,181	39%	
TOTAL UTILITIES	\$177,932	\$30,804	\$76,388	43%	

MAINTENANCE & SUPPLIES

Chemicals	85,446	6,504	26,632	31%	
Computer/Software	36,666	0	6,192	17%	
Equip. Rental/Lease	2,704	1,354	1,895	70%	
Fixed Equip.	202,259	40,354	50,219	25%	
Fuel & Oil	16,224	2,230	5,135	32%	
Lab Testing	63,814	3,987	18,358	29%	
Office Supplies	1,622	311	506	31%	
Parks & Recreation	0	0	0	0%	
Struct./Grnds.	16,159	430	1,947	12%	
Small Tools/Equip.	3,245	0	58	2%	
Supplies	4,867	521	1,636	34%	
Meters/Equip.	12,979	4,530	8,492	65%	
Vehicles	6,490	258	1,305	20%	
TOTAL MAINT. & SUP.	\$452,475	\$60,479	\$122,374	27%	

HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2024/25 Budget

GENERAL & ADMINISTRATION	Budget FY 24/25	Actual October	Actual Year to Date	Percentage Year to Date	Variance Explanation
Ads./Advertising	1,560	0	421	27%	Fluctuates based on activity
Alarm/Answering Service	4,327	658	1,671	39%	
Audit	10,400	4,685	9,685	93%	
Bank Charges/Fees	0	0	0	0%	
Consulting/Engineering	10,000	0	0	0%	
Dues/Subscription	10,816	8,637	8,937	83%	
Elections	10,000	0	0	0%	
Insurance	44,738	0	43,427	97%	Paid Annually
LAFCO	8,162	0	8,361	102%	Paid Annually
Legal/Attorney	26,000	2,258	10,939	42%	
Licenses/Permits	31,367	0	592	2%	
Plan Check & Inspection	1,600	0	0	0%	
Postage/Billing	16,224	0	4,582	28%	
Professional Service	96,587	4,718	19,070	20%	
Tax Collection	6,542	0	0	0%	
Staff Training & Travel	12,980	1,926	5,582	43%	
Board Training & Travel	1,040	0	0	0%	
TOTAL G & A	\$292,343	\$22,881	\$113,268	39%	

CAPITAL PROJECTS & EQUIPMENT

Structures/Improvements	2,285,718	110,942	313,853	14%	
Equipment	65,000	0	0	0%	
TOTAL CAPITAL EXPENSE	\$2,350,718	110,942	313,853	13%	

DEBT

State Loan Payment	103,628	0	51,814	50%	paid semiannually
State Loan Payment Phase II	58,740	0	0	0%	paid semiannually
Western Alliance Lease-PVS	152,857	0	76,869	50%	paid semiannually
TOTAL DEBT	\$315,225	\$0	\$128,683		

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

TOTAL EXPENSE	\$5,561,071	\$368,266	\$1,286,645	23%	
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CAPACITY CHARGES TRANSFER \$28,232 \$0 \$0 0%

SOLID WASTE FEES TRANSFER \$23,285 \$1,097 \$6,817 29%

FUND TOTAL	\$486,913	\$32,563	\$226,005		
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HERITAGE RANCH COMMUNITY SERVICES DISTRICT OFFICE REPORT

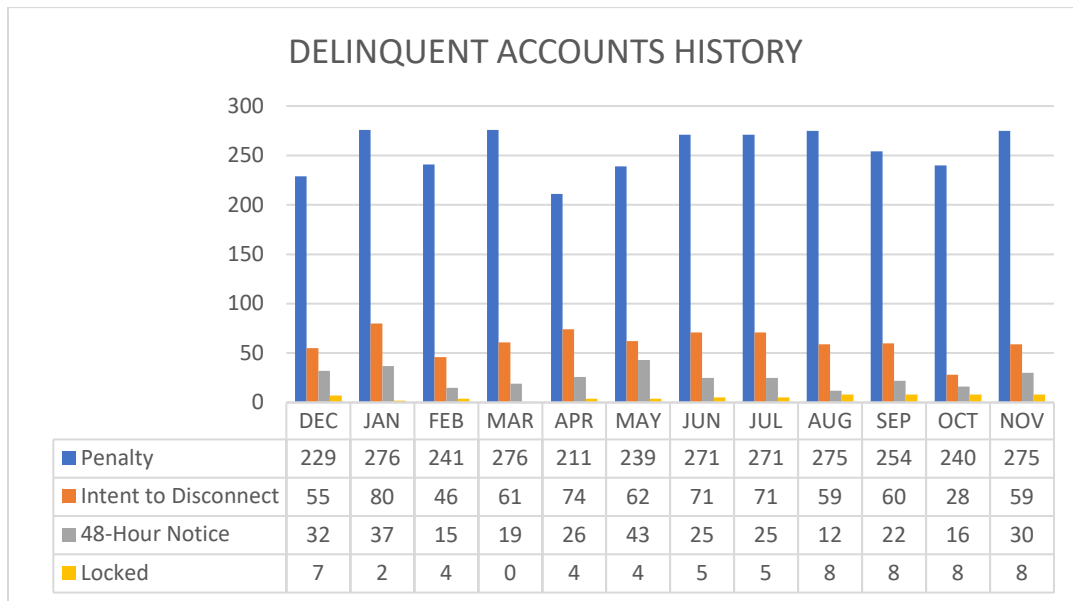
OCTOBER 2024

Utility Billing

- On November 1st, 1,939 bills were processed for a total dollar amount of \$237,165 for water and sewer user fees for the month of October.

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

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



Customer Service Orders

- Staff completed the following service orders for the month:

Occupant Change	6	Unlock Meter	3
Locked Meter	8	Dirty Water	
Swap / Pull Meter	17	Leak	2

Administration

- Nothing significant to report.

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

District Engineer Report For the Month of November 2024

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

Operations Support

- Working with Operations Staff re:
 - GAC project operation, ordering/coordinating for new GAC vessels (arrived 11/14)
 - Investigating UV disinfection for possible DBP reduction
 - Review previous water age study re: possible adjustments to PRVs to facilitate better flow through the water distribution system.

Capital Improvement Projects

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

- WRF Upgrade Project: – Continuing to work with the General Manager and the design engineer.
- Lift Station 1-5 rehabilitation design phase: LS 2 and 3 are the top priority. The current project scope is to replace corroded components and coat the wetwells. Recent controls and other mechanical related issues have arisen that may be combined with this scope to limit costs associated with bypassing. Coordinating with WRRF project to determine if any pump modifications will be required as a part of the project.
- Water System SCADA Upgrade / Telemetry: Water System SCADA portion is complete. Telemetry project is designed and in the process of being installed. Installation is 80% complete with an estimated completion by the end of January. SPICE has had some staffing issues which have delayed progress on the installation but things are moving along now.
- GAC System (Pilot Study): New GAC vessels arrived 11/14/2024. With the installation of the new vessels, the pilot study is complete. We will have a report of findings on the pilot study at the December meeting. The report will provide a cost estimate for a future, permanent GAC installation for treating 25, 50, 75 and 100% of flows, including upfront capital costs as well as GAC replacement cost estimates and rental fees. We will also look at costs and feasibility for permanent vessels with replacement of the GAC only. This would eliminate the monthly rental fees but would have additional upfront costs for purchasing vessels as well as additional costs for GAC removal and replacement.

- Pressure Reducing Valves (Waterview/Equestrian): PRVs have been received. Raminha has been authorized to begin work. They have been inundated with other work and unable to perform our project. We are hoping to have them onsite by the end of the calendar year.
- Raw Water Vertical Intake No. 2: The project bid opening was held on 10/22/24. Two bids were received: All American Drilling (\$79,793.48) and Aqua Engineering (\$83,999.92). The Engineer's Estimate was \$80,520. We reviewed both bids and found them to be complete. We verified both companies were responsible with respect to licensure, experience, references, insurance, etc. All American Drilling was deemed the lowest responsible and responsive bidder. The Notice of Award was issued on 10/24/24. The signed agreements and all required bonding, insurance and other documentation were received from All American Drilling on 11/4/24. As of 11/14/24, the contractor is in the process of obtaining the well permit. The Notice To Proceed was issued on 11/14/24.

Staff has also begun the preliminary design for Phase 2, with the intent of having the design nearly complete when Phase 1's results are known. We will take the information from the well test and use it to finalize the design. This approach will allow for progression from Phase 1 to Phase 2 to take place quickly.

- DBP Project: See separate agenda item and report regarding DBPs.
- Wastewater Collection System SCADA Upgrade: SPICE has begun work on the wastewater collection system (Lift Station) SCADA upgrade. Installation will take place in conjunction with the Telemetry installation. The project is approximately 70% complete with an estimated completion by the end of January.
- Wastewater collection system model & I/I: Staff is reviewing the findings of the sewer system inspections by Video Inspection Specialists to determine what, if any, system repairs can be made to decrease I/I.
- Pump Station Covers (design): Work has not begun on this project.
- Electric Gate at Corp Yard: Work has not begun on this project.

Additional Tasks

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

Project Name	Original CIP Budget	FY 24/25 Budget	Design Status	Estimated Design Completion	Construction Status	Estimated Construction Completion
WRF Upgrade Project		\$755,035	Ongoing	1/31/2025	Not Started	Before 9/2027
Lift Station 1-5 Rehab		\$200,000	Ongoing	10/31/2024	Not Started	TBD
Water System SCADA Upgrade (Telemetry)	\$300,000	\$168,415	Complete	Complete	Ongoing	1/31/2025
GAC System (Pilot Study)		\$39,480	Complete	Complete	N/A	N/A
Pressure Reducing Valves (Waterview, Equestrian)	\$175,000	\$163,070	Complete	Complete	Authorized to begin 8/24	Update at meeting
Raw Water Vertical Intake No. 2	\$225,000	\$219,718	Ongoing	Complete (Well casing) 1/31/25 (Wellhead)	Awarded (Well casing) TBD (Wellhead)	1/31/2025 (Well casing) TBD (Wellhead)
DBP Project		\$400,000	Not Started	TBD		TBD
Wastewater Collection System SCADA Upgrade	\$200,000	\$200,000	Complete	Complete	Ongoing	10/31/2024
Wastewater Collection System Model & I/I		\$75,000	N/A	N/A	TBD	TBD
Pump Station Covers (design)		\$15,000	Not Started	TBD	Not Started	TBD
Electric Gate at Corp Yard		\$50,000	Not Started	TBD	Not Started	TBD

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

Operations Report For the Month of November 2024

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

Water treatment

- Produced 13.1 million gallons of treated water.
- Drained down and power washed filters at the water treatment plant.
- Ordered new media for the Gac system. Current media is removing 15-20% of total organics.
- Began repair of 2500-gallon Aluminum sulfate tank at Water treatment plant. Insulation was decaying.
- Performed weekly calibrations on Turbidimeters.
- Collected Monthly DBP sample.

Water distribution

- Repaired service line leaks on Brook Lane, (2) on Bluebird and one on windmill, all were located between water main and Customers meter.
- Warf head on Comanche In. would not shut off we stopped the leak and took it out of service ordered parts to fix valve.
- Continued to vac out all valve cans located in the system 90% complete.
- Pressure washed and vacuumed out Prv vault on heritage rd.
- Flushed multiple fire hydrants throughout the ranch to improve water quality and increase the chlorine residual.
- Performed all water quality labs.
- Collected all state required Bac T samples.

Wastewater collection

- Replaced pump 2 at lift station 6 (seal fail).
- Replaced pump 2 at lift station 5 (windings were bad).
- Replaced transducer at lift station 10.
- Performed monthly lift station checks.

Wastewater treatment

- Treated 3.16 million gallons of wastewater.
- Collected all state required Bac T samples along with BOD samples.
- Received material for pond liner repair. Will plan and install liner patches asap.

Vehicles and equipment

- Replaced master cylinder on one of the ford rangers.

* * *

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

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

DATE: November 21, 2024

SUBJECT: Discussion and direction regarding disinfection byproducts.

Background

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

Discussion

Sample data

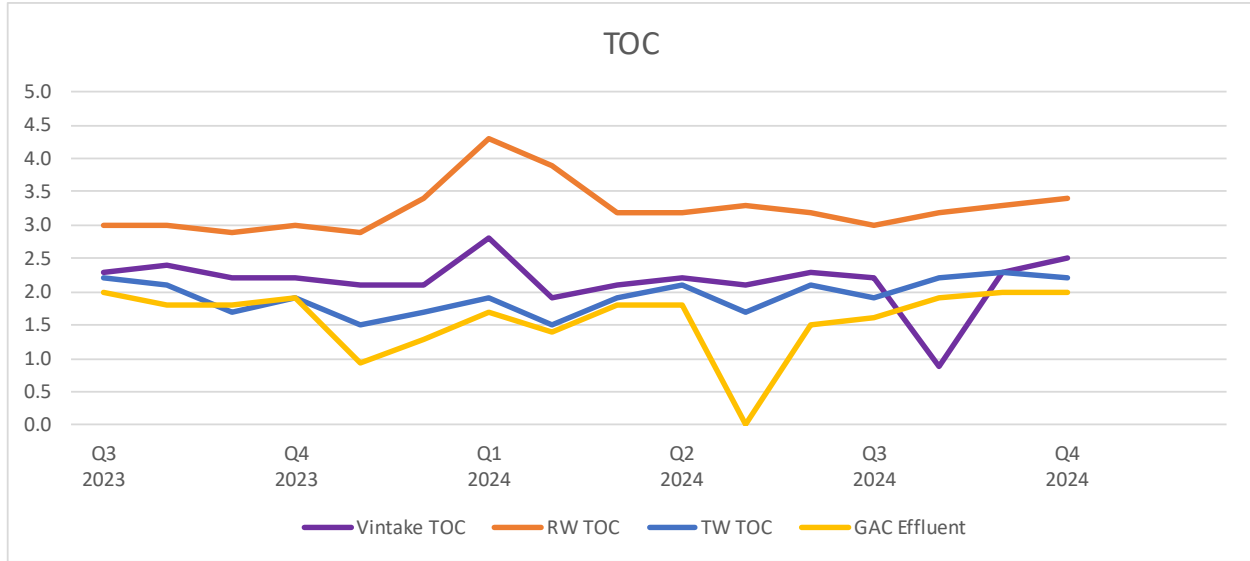
The sample data for haloacetic acids (HAA5) over the last several quarters is shown below. This data is for individual samples. The maximum contaminant level for HAA5 is 60 parts per billion (ppb). In the table below, "Vintake TOC" is the TOC level of the water from the vertical intake; "RW TOC" is the TOC reading for Raw Water; "TW TOC" is the TOC reading for Treated Water; and "GAC Effluent" shows the TOC reading after the GAC vessels and before chlorination.

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

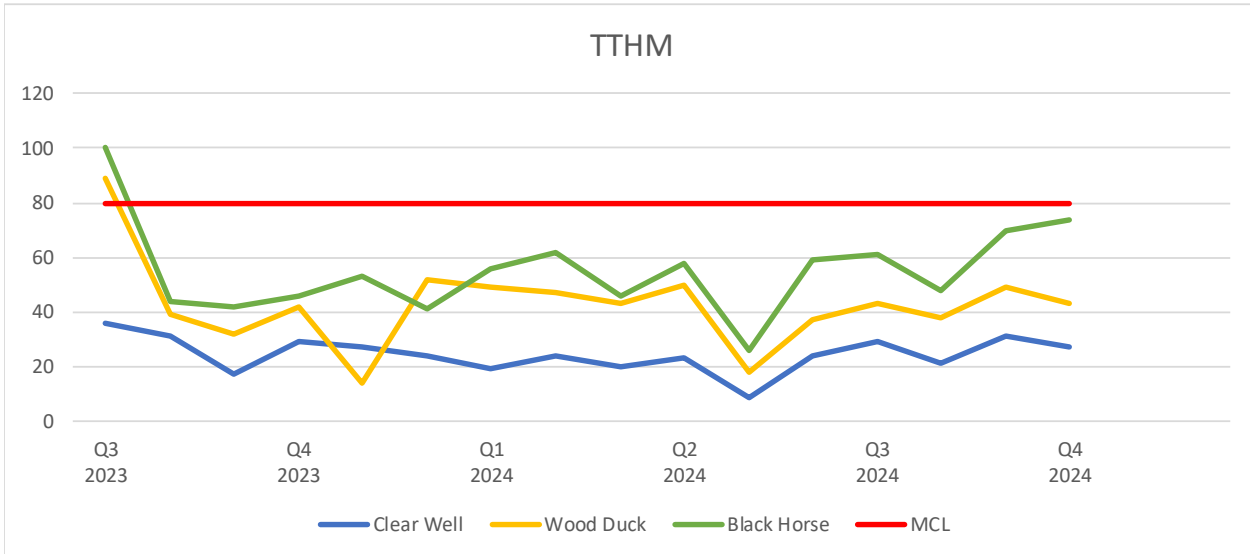
The most recent LRAA for HAA5 is 56 ppb at the Black Horse Lane location and 44 ppb at the Wood Duck Lane location; both under the MCL.

Results for individual months at both locations can be seen in the following tables and graphs. The result for Black Horse is elevated as it was last month.

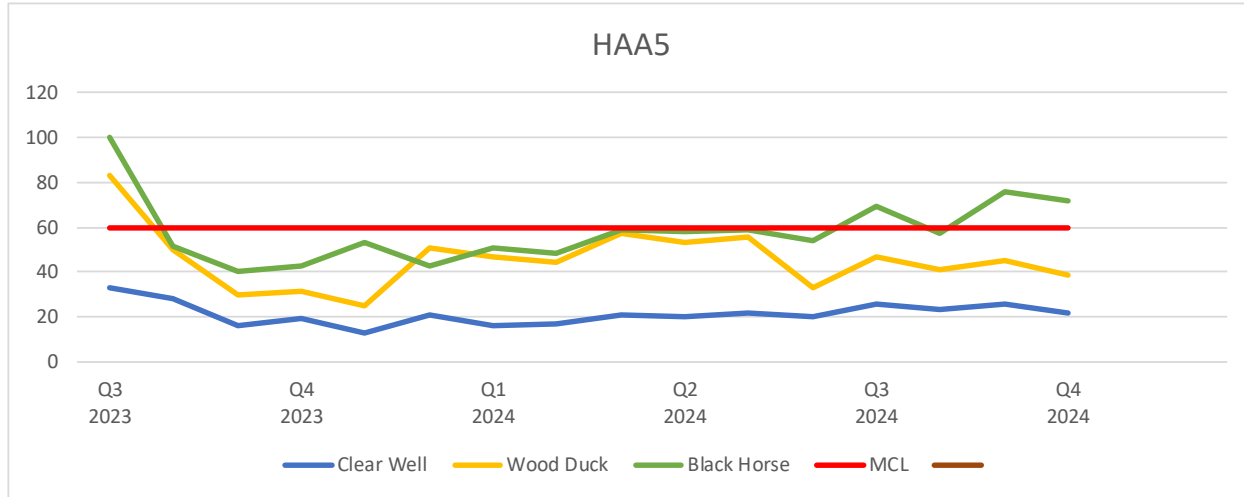
TOC	Q3 2023			Q4 2023			Q1 2024			Q2 2024			Q3 2024			Q4 2024		
Vintake TOC	2.3	2.4	2.2	2.2	2.1	2.1	2.8	1.9	2.1	2.2	2.1	2.3	2.2	0.9	2.3	2.5		
RW TOC	3.0	3.0	2.9	3.0	2.9	3.4	4.3	3.9	3.2	3.2	3.3	3.2	3.0	3.2	3.3	3.4		
TW TOC	2.2	2.1	1.7	1.9	1.5	1.7	1.9	1.5	1.9	2.1	1.7	2.1	1.9	2.2	2.3	2.2		
GAC Effluent	2.0	1.8	1.8	1.9	0.9	1.3	1.7	1.4	1.8	1.8	ND	1.5	1.6	1.9	2.0	2.0		



TTHM	Q3 2023			Q4 2023			Q1 2024			Q2 2024			Q3 2024			Q4 2024		
Clear Well	36	31	17	29	27	24	19	24	20	23	9	24	29	21	31	27		
Wood Duck	89	39	32	42	14	52	49	47	43	50	18	37	43	38	49	43		
Black Horse	100	44	42	46	53	41	56	62	46	58	26	59	61	48	70	74		
MCL	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80		



HAA5	Q3 2023			Q4 2023			Q1 2024			Q2 2024			Q3 2024			Q4 2024		
Clear Well	33	28	16	19	13	21	16	17	21	20	22	20	26	23	26	22		
Wood Duck	83	50	30	31	25	51	47	44	57	53	56	33	47	41	45	39		
Black Horse	100	52	40	43	53	43	51	48	59	58	59	54	69	57	76	72		
MCL	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60		



Operations and project updates

The Operations staff has made no major operational changes to the water treatment process since last month’s report. The new TOC analyzer continues to monitor TOC at the outlet of filters 3 and 4 as well as the outlet of the GAC adsorbers.

New GAC adsorbers arrived onsite on November 14, 2024. The previous GAC adsorbers had been online since April 26, 2024. At the 6-month mark (10/26/24), the vessels were still removing more than 20% of the TOC. The previous coconut-based GAC had dropped to 9% removal after 162 days, when it was replaced. We will provide an additional update at the meeting.

Per the District Engineer report for November, the Vertical Intake No. 2 – Phase 1 project has been awarded to All American Drilling. They were also the contractor for Phase 1 of Vertical Intake No. 1. The Notice To Proceed was issued on 11/14/24. The current schedule is to have the installation of the new vertical intake completed by the end of January, 2025. Once Phase 1 is completed, CHG will provide Staff with design criteria for the new pump and associated piping, valving, etc. (based on flow testing done after installation of the casing). Staff will use this information to design the new pump, wellhead, piping and valving for connecting the new intake to the existing Pump Station 1. Staff has already begun the preliminary design for Phase 2, with the intent to have the design nearly complete by the time Phase 1 is complete. We will then take the information found in Phase 1 and finalize the Phase 2 design. A second vertical intake will increase our capacity for drawing water from the vertical intakes that is typically considerably lower in TOC than the water from the gallery wells. This allows us to lessen the organics in our raw water, leading to lower DBPs.

Since the DBP levels leaving the treatment plant have been fairly consistent, and since the results at Wood Duck have been 50-70% lower than those at Blackhorse, Operations

and Engineering have been looking at ways to improve the overall flow through the system. By making slight adjustments to the set points for PRVs, we hope to improve the overall flow, reduce water age in some locations and lower DBPs.

Fiscal Implications

The 5-year Capital Improvement Plan approved by your Board includes spending a total of \$1,000,000 for a DBP project(s) through Fiscal Year End 2027. The current year budget includes \$400,000 for a DBP project(s), as well as \$219,718 for the design and construction of Vertical Intake No. 2.

File: OPERATIONS_DBP

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: November 21, 2024

SUBJECT: Submittal for approval Resolution 24-14 declaring its official intent to reimburse itself with the proceeds of a tax-exempt financing for certain WRRF project expenditures undertaken or to be undertaken by the District; and, Resolution 24-15 directing staff to proceed with planning for the issuance of certain obligations to finance the WRRF and appointing the financing team.

Recommendation

It is recommended that the Board of Directors take the following actions related to the Water Resource Recovery Facility (WRRF) project (Project):

1. Approve Resolution 24-14 declaring its official intent to reimburse itself with the proceeds of a tax-exempt financing for certain expenditures undertaken or to be undertaken by the District; identifying such expenditures; and providing certain other matters in connection therewith; and
2. Approve Resolution 24-15 directing staff to proceed with planning for the issuance of certain obligations to finance the Project and appointing the Financing Team in connection therewith.

Background

Your Board has approved development of the Project. Since early 2021, the following firms have assisted the District in exploring financing options: A. M. Peché & Associates LLC as Municipal Advisor, Kutak Rock LLP as Bond Counsel, and Oppenheimer & Co. Inc. as Placement Agent or Underwriter (collectively, the "Financing Team"). These firms have extensive experience in the industry and with the District as they were involved in the financing of the Photovoltaic System Project in 2020.

Discussion

Staff have been working on Project financing options, including numerous meetings with the Financing Team and USDA. Your Board has received two presentations from members of the Financing Team, most recently at the November 16, 2023 meeting. The Financing Team is necessary and appropriate when financing a project via either private placement or a public offering.

Albert M. Peché is our municipal advisor who previously assisted the District with the Photovoltaic System Project financing and will provide a presentation and information to your Board.

Reimbursement Resolution

Pursuant to 26 C.F.R. § 1.150-2, the District may choose to reimburse itself for certain Project expenditures with the proceeds of a tax-exempt financing. Approval of Resolution 24-14 is the required first step in this process but does not obligate the District to finance the Project or require the District to reimburse itself from the proceeds if it chooses not to.

Consultant Agreements

As mentioned above certain consultants are necessary and appropriate to assist the District with financing a project. Staff recommends appointing the Financing Team that will advise and assist the District with certain financial and legal tasks, including coordination with bond counsel, a placement agent / underwriter, and USDA. Approval of Resolution 24-15 will:

- Appoint the Financing Team to assist the District with financing the WRRF Project.
- Authorize the General Manager in consultation with District Counsel to execute and deliver an agreement with said firms as well as any other necessary agreements. Payment of fees and expenses with respect to such agreements shall be contingent upon the issuance of the obligations necessary to finance the Project.
- Authorize the officers and staff of the District to execute and deliver any and all documents, which in consultation with District Counsel and bond counsel, they may deem necessary or advisable in order to effectuate the purposes of the Resolution.

Other Agency Involvement

District Counsel has reviewed the resolutions for legal form and effect.

Fiscal Considerations

Costs associated with the agreements for the Consultants for their assistance with financing the Project are contingent upon the closing of the obligations and would be included in the debt service.

Attachments: Resolution 24-14
Resolution 24-15
Estimated Costs of Issuance

File: Projects_WRRF

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 24-14**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HERITAGE RANCH
COMMUNITY SERVICES DISTRICT DECLARING ITS OFFICIAL INTENT TO
REIMBURSE ITSELF WITH THE PROCEEDS OF A TAX-EXEMPT FINANCING FOR
CERTAIN EXPENDITURES UNDERTAKEN OR TO BE UNDERTAKEN BY THE
DISTRICT; IDENTIFYING SUCH EXPENDITURES; AND PROVIDING CERTAIN
OTHER MATTERS IN CONNECTION THEREWITH**

WHEREAS, the Heritage Ranch Community Services District (the “District”), in the State of California (the “State”), is a community services district duly organized and existing pursuant to the constitution and laws of the State; and

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

WHEREAS, the Board has determined that it is in the best interest of the District to make certain expenditures relating to certain water resource recovery facilities of benefit to the District consisting of the following: (a) modification and demolition of the existing District wastewater treatment plant elements, (b) construction of new water resource recovery facility elements with an average annual daily flow capacity of approximately 0.29 million gallons per day including equalization basin and site pumping stations, coarse/bar screens and grit removal, fine screens and activated sludge process with membrane bioreactor, chlorine disinfection and chemical storage area, solids handling, disposal system, supervisory control and data acquisition system, effluent pipeline, and replacement of the de-chlorination facilities, and (c) certain supporting facilities necessary to operate, maintain, secure, and preserve the site consisting of operator space, an electrical building, and a diesel backup generator, all to be located within the District (collectively, the “Project”); and

WHEREAS, the Board currently intends and reasonably expects to participate in a tax-exempt financing that will include an amount which is currently estimated not to exceed \$28,000,000 for the costs of the Project to reimburse the District for all or a portion of such expenditures paid or to be paid from legally available funds subsequent to a period commencing 60 days prior to the date hereof and ending prior to the later of 18 months of the date such expenditures are paid or the placing in service of the Project (but in no event more than three years after the date of the original expenditure of such moneys); and

WHEREAS, the Board hereby desires to declare its official intent, pursuant to 26 C.F.R. § 1.150-2, to reimburse the District for such expenditures with the proceeds of a tax-exempt financing.

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

Section 1. Declaration of Official Intent. The District shall, presently intends, and reasonably expects to finance a portion of the Project with legally available funds.

Section 2. Dates of Expenditures. All of the expenditures covered by this Resolution were or will be paid on and after the date which is 60 days prior to the effective date of this Resolution.

Section 3. Tax-Exempt Financing. The District presently intends and reasonably expects to participate in a tax-exempt financing within 18 months of the date of the expenditure of moneys on the Project or the date upon which the Project is placed in service, whichever is later (but in no event more than three years after the date of the original expenditure of such moneys), and to allocate from such financing an amount not to exceed amounts advanced for the Project from legally available funds to reimburse the District.

Section 4. Confirmation of Prior Acts. All prior acts and doings of the officials, agents and employees of the District which are in conformity with the purpose and intent of this Resolution, and in furtherance of the Project, shall be and the same hereby are in all respects ratified, approved and confirmed.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its passage.

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

**AYES:
NOES:
ABSTAIN:
ABSENT:**

APPROVED:

ATTEST:

**Dan Burgess, President
Board of Directors**

**Kristen Gelos, Secretary
Board of Directors**

**APPROVED AS TO FORM
AND LEGAL EFFECT:**

**Jeffrey A. Minnery
District Counsel**

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 24-15**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HERITAGE RANCH
COMMUNITY SERVICES DISTRICT DIRECTING STAFF TO PROCEED WITH
PLANNING FOR THE ISSUANCE OF CERTAIN OBLIGATIONS TO FINANCE
CERTAIN WASTEWATER SYSTEM IMPROVEMENTS AND APPOINTING A
FINANCING TEAM IN CONNECTION THEREWITH**

WHEREAS, the Heritage Ranch Community Services District (the “District”), in the State of California (the “State”), is a community services district duly organized and existing pursuant to the constitution and laws of the State; and

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

WHEREAS, the District is authorized to sell and purchase its property to finance and refinance public capital improvements, including certain improvements to its wastewater system of benefit to the District (the “Project”); and

WHEREAS, the District has expressed interest in the issuance of obligations, such as a lease agreement and/or installment sale agreement (the “Obligations”) to finance the Project on either a private placement or public offering basis; and

WHEREAS, the Board desires to direct staff to pursue the steps necessary to issue the Obligations, to appoint A. M. Peché & Associates LLC, as municipal advisor, Oppenheimer & Co. Inc., as placement agent or underwriter, and Kutak Rock LLP, as bond counsel, for the issuance of the Obligations.

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

Section 1. Direction to Staff. The General Manager and all other employees of District are hereby authorized and directed to take such actions as are necessary or appropriate to provide for the issuance of the Obligations on either a private placement or public offering basis, and, at such time as determine appropriate, to present to this Board all resolutions and documents necessary in connection therewith. Nothing in this Resolution shall in any way commit the District to issue the Obligations, and the District is under no obligation to go forward with issuance of the Obligations unless satisfactory terms are presented to the District.

Section 2. Approval of Consultants. The Board hereby appoints the firms of A. M. Peché & Associates LLC, as municipal advisor, Oppenheimer & Co. Inc., as placement agent or underwriter, and Kutak Rock LLP, as bond counsel, in connection with the proposed issuance of the Obligations. The Board hereby authorizes the General Manager to execute and deliver an

agreement with said firms for their respective services. Payment of fees and expenses with respect to such agreements shall be contingent upon the issuance of the Obligations.

Section 3. Other Acts. The officers and staff of the District are hereby authorized and directed, jointly and severally, to do any and all things, to execute and deliver any and all documents, which in consultation with the District counsel and Kutak Rock LLP, bond counsel, they may deem necessary or advisable in order to effectuate the purposes of this Resolution, and any and all such actions previously taken by such Officers or staff members are hereby ratified and confirmed.

Section 4. Effective Date. This Resolution shall take effect upon adoption.

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

**AYES:
NOES:
ABSTAIN:
ABSENT:**

APPROVED:

ATTEST:

**Dan Burgess, President
Board of Directors**

**Kristen Gelos, Secretary
Board of Directors**

**APPROVED AS TO FORM
AND LEGAL EFFECT:**

**Jeffrey A. Minnery
District Counsel**

Heritage Ranch Community Services District
Wastewater Project
Estimated Cost of Issuance for Direct Placement(1)

	First	Second	
	Direct Placement	Direct Placement	USDA Loan
Estimated Par-Scenario #4	\$ 13,871,000	\$ 8,717,000	\$ 22,698,000
Bond Counsel(2)	40,000	30,000	\$ 50,000
Municipal Advisor(2)	40,000	30,000	45,000
Placement Agent(2)	40,000	30,000	-
Estimated Bank Counsel (2)(3)	15,000	15,000	
Estimated Expenses (2)(4)	10,000	10,000	10,000
	<u>\$ 145,000</u>	<u>\$ 115,000</u>	<u>\$ 105,000</u>
Percent of Par	1.05%	1.32%	0.46%

(1) The Financing Team will explore a Direct Placement and Public Sale, whichever is the best option for the District.

(2) Contingent upon closing.

(3) Bank Counsel fees vary between banks but are factored into the analyses and TIC.

(4) Includes CDIAC and expenses incurred by Financing Team since beginning work. Does not include Rate Consultant or District Counsel fees.

NOTE: If the 1st Interim Loan is done as a Direct Placement and the 2nd Interim Loan is done as a Public Offering, then the fees for the first Public Offering would be used for the 2nd financing. Likewise, if the 1st Interim Loan is done as Public Offering, and the 2nd Interim Loan is done as a Direct Placement, then the fees for the first Direct Placement would be used for the 2nd financing. This reflects the documentation that is necessary to prepare for the respective types of sales.

Heritage Ranch Community Services District
Wastewater Project
Estimated Cost of Issuance for Public Offering(1)

	First	Second	
	Public Offering	Public Offering	USDA Loan
Estimated Par-Scenario #4	\$ 13,871,000	\$ 8,717,000	\$ 22,698,000
Bond/Disclosure Counsel(2)	\$ 65,000	\$ 55,000	\$ 50,000
Municipal Advisor(2)	65,000	55,000	45,000
Estimated Rating Agency(3)	8,000	8,000	-
Estimated Printing(2)	5,000	5,000	
Estimated Expenses(2)(4)	25,000	25,000	10,000
Cost of Issuance	\$ 168,000	\$ 148,000	\$ 105,000
Percent of Par	1.21%	1.70%	0.46%
Underwriting(2)(5)	0.0090	0.0090	
	\$ 124,839	\$ 78,453	
	168,000	148,000	
COI and Underwriting	\$ 292,839	\$ 226,453	
Percent of Par	2.11%	2.60%	

(1) The Financing Team will explore a Direct Placement and Public Sale, whichever is the best option for the District.

(2) Contingent upon closing.

(3) This assumes a short term rating fee. Once the rating is given, it is no longer a contingent fee and must be paid.

(4) Includes Trustee fees and expenses incurred by Financing Team since beginning work. Does not include Rate Consultant or District Counsel fees.

(5) Underwriting fee is quoted between 0.60% and 0.90% and will be dependent upon rating and market conditions.

NOTE: If the 1st Interim Loan is done as a Direct Placement and the 2nd Interim Loan is done as a Public Offering,

then the fees for the first Public Offering would be used for the 2nd financing. Likewise, if the 1st Interim Loan is done as Public Offering,

and the 2nd Interim Loan is done as a Direct Placement, then the fees for the first Direct Placement would be used for the 2nd financing.

This reflects the documentation that is necessary to prepare for the respective types of sales.

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

General Manager Report For the Month of November 2024

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

Administration

- The General Manager attended the SLO Chapter CSDA October meeting.
- The General Manager participated in the Multi-jurisdictional Hazard Mitigation Planning Committee kickoff meeting. The County's Hazard Mitigation Plan, approved by FEMA in 2020, is required to be reviewed and revised every five years to reflect changes in development, progress in local mitigation efforts, and changes in priorities. The plan update will incorporate updated seismic, tsunami, sea level rise and flood mapping, enhanced mapping of local fire threats and natural hazard threats, and recent advances in climate adaptation strategies, as well as reviewed and revised identified hazards to help ensure that effective hazard mitigation strategies are in place and will be implemented.
- The General Manager attended the CSDA Board November meeting.

Solid Waste

- The General Manager and IWMA staff had our annual conference call with CalRecycle to review and discuss the SB 1383 program.
- At the request of IWMA the General Manager participated in their IWMA Solid Waste Management Fee RFP ranking committee.

Development

- Nothing significant to report.

Reservoir Status

- As reported by Monterey County Water Resources Agency (MCWRA), as of November 12, 2024, the reservoir was at approximately 764.7 feet in elevation, 54% of capacity, and 205,477-acre feet of storage. MCWRA water releases were shown as 60 cfs.

The MCWRA reservoir release schedule updated 11/4/24 estimates the reservoir elevation will be 762.6 feet, 52% of capacity, on January 1, 2025.

