



**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS' REGULAR MEETING**
Minutes of November 19, 2020

This meeting was held virtually pursuant to the virtual meeting protocols as outlined in the President's Declaration of April 6, 2020.

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

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

2. ROLL CALL

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

Staff present: General Manager Scott Duffield, Office Supervisor/Board Secretary Kristen Gelos, and District legal counsel Jeff Minnery and Jennifer Blackburn.

3. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

No comments

4. CONSENT ITEMS

- a. **Meeting Minutes:** Receive/approve minutes of regular meeting of October 15 2020.
- b. **Warrant Register:** Receive/approve October 2020 warrants.
- c. **Treasurer's Report:** Receive/file October 2020 report.
- d. **Fiscal Report:** Receive/file October 2020 status report.

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

Ayes: Barker, Capps, Cousineau, Rowley
Absent: Burgess

5. DISCUSSION ITEMS

- a. **Request to receive and file a report on the status of Nacimiento Reservoir and provide direction to staff.**

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

The board would like to start customer education on conservation by posting information on our website.

The report was received and filed.

b. Request to receive and file Photovoltaic System Project updates.

Manager Duffield provided a power point presentation with updates and answered any questions the board had.

The report was received and filed.

6. MANAGER'S REPORT

Manager Duffield provided a brief summary of the item.

The report was received and filed.

7. STAFF REPORTS

The reports were received and filed.

8. COMMITTEE AND DIRECTOR REPORTS

No comments

9. ADJOURNMENT

On a motion by Director Barker and seconded by Director Rowley, the meeting adjourned at 5:08 pm to the next scheduled regular meeting on Thursday, December 19, 2020.

APPROVED:

**Devin Capps, Vice President
Board of Directors**

ATTEST:

**Kristen Gelos, Secretary
Board of Directors**

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
NOVEMBER 2020
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
11/3/2020	CALPERS HEALTH BENEFITS		
11/3/2020	CALPERS HEALTH BENEFITS	9,792.93	
11/3/2020	EMPLOYEE PAID HEALTH BENEFITS	819.88	
11/3/2020	EMPLOYEE PAID HEALTH BENEFITS	819.88	\$ 11,432.69
11/6/2020	R. BRINK NET PAYROLL	2,251.38	\$ 2,251.38
11/6/2020	R. ARNOLD NET PAYROLL	2,494.63	\$ 2,494.63
11/6/2020	J. PRITCHETT NET PAYROLL	2,258.46	\$ 2,258.46
11/6/2020	M. HUMPHREY NET PAYROLL	1,855.38	\$ 1,855.38
11/6/2020	B. VOGEL NET PAYROLL	1,571.33	\$ 1,571.33
11/6/2020	K. GELOS NET PAYROLL	2,390.73	\$ 2,390.73
11/6/2020	S.DUFFIELD NET PAYROLL	3,741.14	\$ 3,741.14
11/10/2020	INTERNAL REVENUE SERVICE		
11/10/2020	FEDERAL WITHHOLDING TAXES	1,733.08	
11/10/2020	FICA WITHI HOLDING	216.46	
11/10/2020	MEDICARE	665.62	\$ 2,615.16
11/10/2020	EMPLOYMENT DEVELOPMENT DEPARTMENT		
11/10/2020	ETT	0.89	
11/10/2020	SDI	167.98	
11/10/2020	SUI	21.37	
11/10/2020	STATE WITHHOLDING	655.87	\$ 846.11
11/12/2020	PG&E		
11/12/2020	ELECTRICITY	26,018.81	\$ 26,018.81
11/12/2020	BRENNTAG PACIFIC, INC		
11/12/2020	CHEMICALS	2,465.03	\$ 2,465.03

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
NOVEMBER 2020
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
11/12/2020	CSDA		
11/12/2020	DUES & SUBSCRIPTIONS	7,253.00	\$ 7,253.00
11/12/2020	ANTHONY'S TIRE STORE		
11/12/2020	VEHICLES	99.00	
11/12/2020	VEHICLES	195.00	\$ 294.00
11/12/2020	NAPA AUTO PARTS		
11/12/2020	VEHICLES	184.77	\$ 184.77
11/12/2020	FASTENAL COMPANY		
11/12/2020	MAINTENANCE FIXED EQUIPMENT	10.84	\$ 10.84
11/12/2020	U.S. BANK		
11/12/2020	MAINTENANCE FIXED EQUIPMENT	27.13	
11/12/2020	CHEMICALS	208.49	
11/12/2020	TELEPHONE	199.99	
11/12/2020	POSTAGE	94.90	
11/12/2020	OFFICE SUPPLIES	187.15	
11/12/2020	TELEPHONE	200.31	\$ 917.97
11/12/2020	R&B COMPANY A CORE & MAIN COMPANY		
11/12/2020	METERS & EQUIPMENT	366.03	\$ 366.03
11/12/2020	DATA PROSE LLC		
11/12/2020	OCTOBER / NOVEMBER BILLING	2,268.88	\$ 2,268.88
11/12/2020	RIVAL TECHNOLOGY INC.		
11/12/2020	COMPUTER/SOFTWARE	130.00	
11/12/2020	PROFESSIONAL SERVICES	630.70	
11/12/2020	COMPUTER/SOFTWARE	130.00	\$ 890.70
11/12/2020	MARK HUMPHREY		
11/12/2020	MEDICAL REIMBURSEMENT	600.00	
11/12/2020	UNIFORM ALLOWANCE	387.87	\$ 987.87
11/12/2020	KENWOOD ENERGY		
11/12/2020	PVS PROJECT	975.00	\$ 975.00
11/12/2020	BRIAN VOGEL		
11/12/2020	TRAINING & TRAVEL	1,327.17	\$ 1,327.17

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
NOVEMBER 2020
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
11/12/2020	WALLACE GROUP		
11/12/2020	CONSULTING & ENGINEERING	243.75	
11/12/2020	PVS PROJECT	633.75	
11/12/2020	VERTICAL INTAKE PROJECT	6,444.50	\$ 7,322.00
11/12/2020	R&B COMPANY A CORE & MAIN COMPANY		
11/12/2020	MAINTENANCE FIXED EQUIPMENT	773.06	\$ 773.06
11/12/2020	STATE WATER RESOURCES CONTROL		
11/12/2020	LICENSES & PERMITS	80.00	
11/12/2020	LICENSES & PERMITS	60.00	\$ 140.00
11/12/2020	CALIFORNIA RURAL WATER ASSOCIATION		
11/12/2020	DUES & SUBSCRIPTIONS	816.00	\$ 816.00
11/13/2020	CALPERS 457 DEFFERED COMP PROG		
11/13/2020	PERS 457- DEFFERED COMP.	1,028.00	\$ 1,028.00
11/13/2020	CALPERS RETIREMENT SYSTEM		
11/13/2020	PERS RETIREMENT	2,433.72	
11/13/2020	PERS RETIREMENT TIER 2	1,075.89	
11/13/2020	PERS RETIREMENT PEPRA	322.66	
11/13/2020	SURVIVOR BENEFIT	5.58	\$ 3,837.85
11/13/2020	J.B. DEWAR. INC.		
11/13/2020	FUEL & OIL	788.69	\$ 788.69
11/19/2020	AT&T		
11/19/2020	TELEPHONE & INTERNET	177.88	\$ 177.88
11/20/2020	R. BRINK		
	NET PAYROLL	2,158.95	\$ 2,158.95
11/20/2020	R. ARNOLD		
	NET PAYROLL	2,285.13	\$ 2,285.13
11/20/2020	J. PRITCHETT		
	NET PAYROLL	2,616.50	\$ 2,616.50
11/20/2020	M. HUMPHREY		
	NET PAYROLL	2,018.97	\$ 2,018.97

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
NOVEMBER 2020
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
11/20/2020	B. VOGEL NET PAYROLL	1,575.33	\$ 1,575.33
11/20/2020	K. GELOS NET PAYROLL	2,390.73	\$ 2,390.73
11/20/2020	M.ROWLEY NET PAYROLL	92.35	\$ 92.35
11/20/2020	R.COUSINEAU NET PAYROLL	92.35	\$ 92.35
11/20/2020	S.DUFFIELD NET PAYROLL	3,906.94	\$ 3,906.94
11/20/2020	D.CAPPS NET PAYROLL	92.35	\$ 92.35
11/23/2020	CALPERS RETIREMENT SYSTEM		
11/23/2020	PERS RETIREMENT U/L	6,642.76	
11/23/2020	PERS RETIREMENT U/L	250.10	\$ 6,892.86
11/24/2020	INTERNAL REVENUE SERVICE		
11/24/2020	FEDERAL WITHHOLDING TAXES	1,848.32	
11/24/2020	FICA WITHIHOLDING	62.00	
11/24/2020	MEDICARE	698.08	\$ 2,608.40
11/24/2020	EMPLOYMENT DEVELOPMENT DEPARTMENT		
11/24/2020	SDI	171.67	
11/24/2020	STATE WITHHOLDING	688.58	\$ 860.25
11/25/2020	SAN MIGUEL GARBAGE		
11/25/2020	DELINQUENT SOLID WASTE FEES	51.00	\$ 51.00
11/25/2020	STOCKMAN'S ENERGY, INC.		
11/25/2020	PVS PROJECT	121,194.64	\$ 121,194.64
11/25/2020	STAPLES CREDIT PLAN		
11/25/2020	OFFICE SUPPLIES	34.94	
11/25/2020	OFFICE SUPPLIES	17.26	
11/25/2020	OFFICE SUPPLIES	87.92	\$ 140.12

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
NOVEMBER 2020
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
11/25/2020	ADAMSKI, MOROSKI, MADDEN, CUMB		
11/25/2020	LEGAL & ATTORNEY	825.00	\$ 825.00
11/25/2020	RYAN BRINK		
11/25/2020	CELL & INTERNET ALLOWANCE	80.00	\$ 80.00
11/25/2020	READY REFRESH BY NESTLE		
11/25/2020	LAB TESTING	18.94	\$ 18.94
11/25/2020	USA BLUEBOOK		
11/25/2020	LAB TESTING / FIXED EQUIPMENT	547.78	\$ 547.78
11/25/2020	BRENNTAG PACIFIC, INC		
11/25/2020	CHEMICALS	2,245.49	\$ 2,245.49
11/25/2020	COUNTY OF SAN LUIS OBISPO		
11/25/2020	PROFESSIONAL SERVICES	317.10	\$ 317.10
11/25/2020	ROY ARNOLD		
11/25/2020	CELL & INTERNET ALLOWANCE	80.00	\$ 80.00
11/25/2020	ABALONE COAST ANALYTICAL, INC.		
11/25/2020	LAB TESTING	2,997.00	\$ 2,997.00
11/25/2020	TELSTAR INSTRUMENTS INC.		
11/25/2020	PROFESSIONAL SERVICES	6,337.00	\$ 6,337.00
11/25/2020	KRISTEN GELOS		
11/25/2020	CELL & INTERNET ALLOWANCE	40.00	\$ 40.00
11/25/2020	JAMES A. PRITCHETT		
11/25/2020	CELL & INTERNET ALLOWANCE	80.00	\$ 80.00
11/25/2020	R&B COMPANY A CORE & MAIN COMP		
11/25/2020	MAINTENANCE FIXED EQUIPMENT	591.70	
11/25/2020	MAINTENANCE FIXED EQUIPMENT	219.53	\$ 811.23
11/25/2020	MICHAEL K. NUNLEY & ASSOCIATES		
11/25/2020	PROJECT X	4,738.52	\$ 4,738.52
11/25/2020	SCOTT DUFFIELD		
11/25/2020	CELL & INTERNET ALLOWANCE	40.00	
11/25/2020	LICENSES & PERMITS	70.00	\$ 110.00

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
NOVEMBER 2020
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
11/25/2020	WESTERN EXTERMINATOR COMPANY		
11/25/2020	STRUCTURES & GROUNDS	86.00	\$ 86.00
11/25/2020	MARK HUMPHREY		
11/25/2020	CELL & INTERNET ALLOWANCE	80.00	\$ 80.00
11/25/2020	SPRAGUE'S LAWN SERVICES		
11/25/2020	STRUCTURES & GROUNDS	75.00	\$ 75.00
11/25/2020	ALL WAYS CLEAN		
11/25/2020	STRUCTURES & GROUNDS	400.00	\$ 400.00
11/27/2020	CALPERS 457 DEFFERED COMP PROG		
11/27/2020	PERS 457- DEFFERED COMP.	1,028.00	\$ 1,028.00
11/27/2020	CALPERS RETIREMENT SYSTEM		
11/27/2020	EMPLOYER'S CONTRIBUTION	15.27	
11/27/2020	PERS RETIREMENT	2,433.72	
11/27/2020	PERS RETIREMENT TIER 2	1,075.89	
11/27/2020	PERS RETIREMENT PEPRA	586.04	
11/27/2020	SURVIVOR BENEFIT	6.51	\$ 4,117.43
11/28/2020	CHARTER COMMUNICATIONS		
11/28/2020	INTERNET	84.99	\$ 84.99
GRAND TOTAL FOR ALL WARRANTS			\$264,376.91

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
TREASURER'S REPORT
NOVEMBER 2020**

SUMMARY REPORT OF ALL ACCOUNTS

Beginning Balance:	\$ 5,081,058.45
Ending Balance:	\$ 5,010,100.92
Variance:	\$ (70,957.53)
Interest Earnings for the Month Reported:	\$ 2.84
Interest Earnings Fiscal Year-to-Date:	\$ 26,279.31

ANALYSIS OF REVENUES

Total operating income for water and sewer was:	\$ 161,324.56
Non-operating income was:	\$ 39,149.56
Franchise fees paid to the District by San Miguel Garbage was:	\$ 7,563.90
Interest earnings for the P.P.B. checking account was:	\$ 1.70
Interest earnings for the P.P.B. DWR Loan Services account was:	\$ -
Interest earnings for the P.P.B. DWR Reserve account was:	\$ -
Interest earnings for the P.P.B. SRF Loan Services account was:	\$ -
Interest earnings for the Western Alliance account was:	\$ 1.14
Interest earnings for the LAIF account was:	\$ -

ANALYSIS OF EXPENSES

Pacific Premier Bank checking account total warrants, fees, and Electronic Fund Transfers was:	\$ 265,566.83
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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
NOVEMBER 2020**

BEGINNING BALANCE ALL ACCOUNTS **\$ 5,081,058.45**

OPERATING CASH IN DRAWER **\$300.00**

PACIFIC PREMIER BANK - CHECKING

BEGINNING BALANCE 10/31/2020	\$85,992.59	
DEPOSIT REVENUE & MISCELLANEOUS INCOME	\$318,102.37	
INTEREST EARNED	\$1.70	
TOTAL CHECKS, FEES AND EFT'S	(\$265,566.83)	
TRANSFER TO LAIF ACCOUNT	\$0.00	
ENDING BALANCE 11/30/2020		\$138,529.83

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

BEGINNING BALANCE 10/31/2020	\$133.32	
QUARTERLY DEPOSIT	\$0.00	
INTEREST EARNED	\$0.00	
SEMI-ANNUAL PAYMENT	\$0.00	
ENDING BALANCE 11/30/2020		\$133.32

PACIFIC PREMIER BANK DWR RESERVE ACCOUNT

BEGINNING BALANCE 10/31/2020	\$113,301.91	
INTEREST EARNED	\$0.00	
ENDING BALANCE 11/30/2020		\$113,301.91

PACIFIC PREMIER BANK SDWSRF LOAN SERVICES ACCOUNT

BEGINNING BALANCE 10/31/2020	\$58,931.96	
QUARTERLY DEPOSIT	\$0.00	
INTEREST EARNED	\$0.00	
SEMI-ANNUAL PAYMENT	\$0.00	
ENDING BALANCE 11/30/2020		\$58,931.96

WESTERN ALLIANCE

PVS PROJECT CAPITALIZED INTEREST FUND

BEGINNING BALANCE 10/31/2020	\$51,332.09	
INTEREST EARNED	\$1.14	
INTEREST PAYMENT	(\$23,495.91)	
ENDING BALANCE 11/30/2020		\$27,837.32

LOCAL AGENCY INVESTMENT FUND (LAIF)

BEGINNING BALANCE 10/31/2020	\$4,771,366.58	
INTEREST EARNED	\$0.00	
TRANSFER FROM PACIFIC PREMIER CHECKING	\$0.00	
TRANSFER TO PACIFIC PREMIER CHECKING	(\$100,000.00)	
ENDING BALANCE 11/30/2020		\$4,671,366.58

ENDING BALANCE ALL ACCOUNTS		\$5,010,100.92
DIFFERENCE FROM LAST MONTH	Decrease	(\$70,957.53)

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2020/21 Budget**

OPERATING INCOME	Budget FY 20/21	Actual November	Actual Year to Date	Percentage Year to Date	Variance Explanation
Water Fees	1,021,511	106,144	552,558	54%	
Sewer Fees	658,012	54,799	274,794	42%	
Hook-Up Fees	3,000	0	1,300	43%	Fluctuates based on activity
Turn on Fees	3,500	350	1,925	55%	
Late Fees	17,000	0	7,676	45%	
Plan Check & Inspection	10,000	0	0	0%	
Miscellaneous Income	2,000	32	207	10%	
TOTAL OPERATING INCOME	\$1,715,023	\$161,325	\$838,460	49%	

FRANCHISE INCOME					
Solid Waste Franchise Fees	66,984	7,564	35,077	52%	
TOTAL FRANCHISE REVENUE	\$66,984	\$7,564	\$35,077	52%	

NON-OPERATING INCOME					
Standby Charges	242,144	15,313	33,234	14%	
Property Tax	383,074	23,834	64,795	17%	
Interest	80,000	3	26,279	33%	Fluctuates based on activity
Connection Fees	70,580	0	25,301	36%	Fluctuates based on activity
TOTAL NON-OPERATING INCOME	\$775,798	\$39,150	\$149,610	19%	

RESERVE REVENUE					
Capital Reserves	654,941	45,913	109,958	17%	
Operating Reserves	1,508,148	88,073	211,264	14%	
TOTAL RESERVE REVENUE	\$2,163,089	\$133,986	\$321,222	15%	

TOTAL ALL INCOME	\$4,720,894	\$342,024	\$1,344,368	28%	
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**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2020/21 Budget**

OPERATING EXPENSES

SALARIES AND BENEFITS	Budget FY 20/21	Actual November	Actual Year to Date	Percentage Year to Date	Variance Explanation
Salaries	715,567	44,255	233,903	33%	
Health Insurance	103,862	6,444	31,687	31%	
Health Insurance - Retiree	48,451	3,949	19,746	41%	
PERS	126,097	11,639	59,846	47%	
Standby	14,000	1,036	5,426	39%	
Overtime	16,000	1,004	6,490	41%	Fluctuates based on need & staffing
Workers Comp. Ins.	19,194	0	20,642	108%	Paid Annually
Directors' Fees	12,000	400	2,500	21%	
Medicare/FICA	10,550	813	4,304	41%	
Car Allowance	3,000	250	1,250	42%	
SUI/ETT	1,500	0	0	0%	
Uniforms	5,000	388	1,241	25%	
TOTAL SALARIES & BENEFITS	\$1,075,221	\$70,179	\$387,034	36%	

UTILITIES

Electricity	249,810	26,019	113,339	45%	
Propane	1,012	0	0	0%	
Water Purchase	23,114	0	11,557	50%	Paid Semiannually
Telephone/Internet	12,129	1,063	4,122	34%	
TOTAL UTILITIES EXPENSE	\$286,065	\$27,082	\$129,018	45%	

MAINTENANCE & SUPPLIES

Chemicals	76,000	4,919	31,839	42%	
Computer/Software	29,450	260	3,498	12%	
Equip. Rental/Lease	2,500	0	148	6%	
Fixed Equip.	142,000	1,754	25,287	18%	
Fuel & Oil	12,000	789	3,369	28%	
Lab Testing	41,000	3,432	11,277	28%	
Office Supplies	2,000	327	537	27%	
Parks & Recreation	0	0	0	0%	
Struct./Grnds.	14,140	561	3,977	28%	
Small Tools/Equip.	3,000	0	1,070	36%	
Supplies	5,000	0	1,477	30%	
Meters/Equip.	5,000	366	1,454	29%	Fluctuates based on activity
Vehicles	6,500	479	3,943	61%	
TOTAL MAINT. & SUPPLY EXPENSE	\$338,590	\$12,887	\$87,877	26%	

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2020/21 Budget**

GENERAL & ADMINISTRATION	Budget FY 20/21	Actual November	Actual Year to Date	Percentage Year to Date	Variance Explanation
Ads./Advertising	1,500	0	948	63%	Fluctuates based on activity
Alarm/Answering Service	4,000	0	1,404	35%	
Audit	8,200	0	8,000	98%	
Bank Charges/Fees	4,000	685	2,115	53%	Fluctuates based on activity
Consulting/Engineering	85,000	244	9,381	11%	
Dues/Subscription	8,750	8,069	8,314	95%	
Elections	1,000	0	0	0%	
Insurance	41,370	495	41,863	101%	Paid Annually
LAFCO	6,600	0	5,870	89%	Paid Annually
Legal/Attorney	25,000	540	4,800	19%	
Licenses/Permits	32,100	0	110	0%	
Plan Check & Inspection	10,000	0	0	0%	
Postage/Billing	20,000	2,364	6,651	33%	
Professional Service	36,900	7,285	26,188	71%	
Tax Collection	5,300	0	0	0%	
Staff Training & Travel	8,000	1,327	1,517	19%	
Board Training & Travel	1,000	0	0	0%	
TOTAL G & A	\$298,720	\$21,008	\$117,161	39%	

CAPITAL PROJECTS & EQUIPMENT

Projects	2,078,089	133,986	321,222	15%	
Equipment	85,000	0	0	0%	
TOTAL CAPITAL EXPENSE	\$2,163,089	133,986	321,222	15%	

DEBT

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

FUNDED DEPRECIATION	\$288,000	\$24,000	\$120,000	42%	
UNFUNDED DEPRECIATION	\$0	\$0	\$0	0%	

TOTAL EXPENSE	\$4,612,054	\$289,142	\$1,214,126	26%	
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CONNECTION FEES TRANSFER \$70,580 \$0 \$25,301 36%

SOLID WASTE FEES TRANSFER \$30,924 \$4,559 \$17,746 57%

FUND TOTAL	\$7,336	\$48,323	\$87,195		
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HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: December 17, 2020

SUBJECT: Request to accept and direct staff to file the Independent Auditor's Report and Financial Statements for the Year Ended June 30, 2020, prepared by Moss, Levy & Hartzheim LLP.

Recommendation

It is recommended that the Board of Directors accept and direct staff to file the Independent Auditor's Report and Financial Statements for the Year Ended June 30, 2020, (audit) prepared by Moss, Levy & Hartzheim LLP.

Background

Government Code Section 61118 requires that the Board of Directors shall provide for regular audits of the district's accounts and records and shall provide for the annual financial reports to the State Controller.

Discussion

The annual audit is attached for your Board's review and comment. The audit was performed by Adam Guise, Certified Public Accountant, with information provided from staff. Mr. Guise will present the audit and answer any questions from your Board.

Fiscal Considerations

The cost for preparation of the audit is included in the FY 2020/21 Budget.

Results

By providing for the annual financial reports to be filed with the State Controller, the District continues to provide municipal services in a fiscally responsible manner and in accordance with applicable law.

File: Audit FY2019/20

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: December 17, 2020

SUBJECT: Request to receive and file Photovoltaic System Project updates.

Recommendation

It is recommended that the Board of Directors receive and file Photovoltaic System Project updates.

Background

Your Board approved the Photovoltaic System Project (Project) at the January 16, 2020 meeting and selected Stockman's Energy, Inc. as the most qualified proposer. The Notice to Proceed was issued March 3, 2020.

Project Updates

Project Scope

WWTP:

- Solar panel installation is complete
- Solar panel stringing is complete
- DC and AC trenching and conduit is complete
- Service upgrade work continues (trenching, conduit, transformer pad, switchgear pad, pothole for PG&E, etc.)

WTP:

- Racking installation continues
- Solar Panel installation continues
- Fence installation beginning
- DC trenching complete
- AC trenching beginning
- WTP SIS results were received 11/25. Signed IC agreement from the District was returned to PG&E.

Scope changes we are tracking include:

- Land survey work at WTP site – additive change to price, no change to time
- Revised fencing at WTP site – deductive change to price, no change to time
- Electrical upgrade work at WWTP site – additive change to price, no change to time
- Electrical upgrade work at WTP site – additive change to price, additive 211 Days to time

Change Order No. 1 was issued adding 211 Days for the above changes.

Project Budget

The Project is currently within budget.

Budget changes we are tracking include:

- Land survey work at WTP site – Additive \$ 3,220 to contract price
- Revised fencing at WTP site – Deductive \$ (83,855) to contract price
- Electrical upgrade work at WWTP site – Additive \$ 49,039 to contract price
- Electrical upgrade work at WTP site (portion) – Additive \$21,947 to contract price
- Electrical upgrade work at WTP site (remainder) – Additive \$TBD to contract price

Change Order No. 1 was issued in the amount of \$ (9,647.80) for the above changes.

PG&E direct costs to date include:

- Upgrades for WWTP – \$23,262.55
- Upgrades for WTP – \$TBD

Project Schedule

The schedules have been updated to include the additional work for the service upgrades at both sites. Contract Change Order No. 1 was issued for the scope and budget changes noted above with additional time given to accommodate the service upgrades and PG&E's timeline we are given. Therefore, Substantial Completion of the entire project is now May 13, 2021.

The critical path still goes through PG&E's portion of the work. The latest schedules from the contractor indicate commissioning of the WWTP system April 5, 2021, and the WTP system August 20, 2021.

File: Projects_PVS

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

Manager Report For the Month of December 2020

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

Administration

- The Manager attended bi-weekly virtual Special District Managers meetings.
- The Manager attended the IWMA Board November 19th Board meeting to keep a pulse on initiative they are working on that will affect the District.
- The Manager is tracking the COVID situation especially with anticipated new requirements of a new Cal/OSHA COVID-19 Safety Standard. A CSDA webinar was held this week which the manager intends to attend and report out.

Operations

- Prepared and submitted the Water Treatment Plant Monthly Report.
- Submitted the Wastewater Treatment Plant Self-Monitoring Reports.
- Prepared and submitted the Disinfection Byproduct Monthly Report.
- The annual testing of District backflow devices was completed.
- Additional updates regarding operations can be found in the Operations Report.

Solid Waste

- Nothing significant to report.

Reservoir Status

- As reported by Monterey County Water Resources Agency (MCWRA), as of December 10, 2020, the reservoir was at approximately 727.8 feet in elevation, 23% of capacity, or 86,760-acre feet of storage. MCWRA water releases were shown as 65 cfs.

Capital Improvement Program

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

- PVS: see separate agenda item.
- Vertical Intake: Construction of a vertical intake drilling, casing, and pump testing has been completed. Design of phase two (pump and piping) is in process. The initial water quality sample for the new vertical intake is essentially the same as from the gallery wells. The sample taken on November 11th was DOC = 2.6 mg/L and TOC = 3.9 mg/L. It does not appear that use of this intake to supplement the existing gallery wells will reduce organics, at least not significantly. The intake will also provide additional flow the District desires with initial anticipated capacity of about 100-gpm. Design of the pump and piping by the District Engineer is ongoing.
- Wastewater project x: The consultant is working on the project alternatives analysis.
- Lift Station 1-5 rehabilitation design phase: Development of contract documents underway by the District Engineer.
- Vehicle / Equipment replacement: Developing purpose and need statements and specifications list.
- The 2MG Tank mixing system has been installed and is operating normally.

Development

- Nothing significant to report.

Public Relations and Community

- Nothing significant to report.

Human Resources

- A recruitment for the Operations Manager position remains open.

Board Member & Staff Information and Learning Opportunities

- Nothing significant to report.

* * *

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
NOVEMBER 2020 OFFICE REPORT**

Water & Sewer

On December 1st, we processed 1,923 bills for a total dollar amount of \$141,528 for water and sewer user fees for the month of November. The number of Automatic Drafts processed was 567 for a total dollar amount of \$47,336.

San Miguel Garbage Franchise Fees

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

Month of October

Garbage Collection (10%) - \$ 6,043.12

Roll-Off Collection (10%) - \$1,520.78

Total Franchise Fees Collected - \$ 7,563.90

Service Orders Completed

Staff completed a total of 36 service orders for the month of November. Below is a breakdown by job code.

OCCUPANT CHANGE	14	HYDRANT METER	1
SWAP/PULL METER	10	CALL OUT	3
LEAK	6	USA	1
MISC-W/METER INFO	1		

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

Operations Report For the Month of October 2020

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

Water treatment

- Performed semiannual sampling of raw water and finished water, samples taken to FGL in San Luis Obispo.
- Replaced discharge piping for pump station 3 surge anticipator.
- Performed freeze wrapping of exposed infrastructure to prevent weather related damage.
- Had divers enter the raw water and clear well tank for cleaning, inspection and repair.
- Assisted with vertical intake structure drilling process and sampled the well water for total and dissolved organics.

Water distribution

- Replaced 2 broken angle stop valves on Hackney Lane.
- Replaced a leaking angle stop under a driveway on Eagle Point Lane.
- Repaired 6" water main break on Pinto Lane, backfilled compacted and temporary asphalt repair, bacteria sample sent to lab.
- Replaced a 1" service line on Bluebird Lane.
- Flushed multiple locations on a weekly basis to combat formation of disinfection byproducts.
- Located and exposed buried valve cans along Highway G-14.
- Replaced a 1" service line on Cascade Lane.
- Had divers enter 40k and 2 million-gallon tanks to perform cleaning, inspection and repairs.
- Installed tattle tale pressure gauges along Highway G-14 water main to monitor pressure fluctuations.
- Repair 1" poly service line on Mallard Lane.

Wastewater collections

- Replaced concrete collar around sewer manhole on Equestrian Lane next to driving range.
- Responded to PLC electronic failure at Lift Station 7 and reprogrammed.
- Reprogrammed Lift Station 9 PLC to match incoming flows to pumping cycles.

Wastewater treatment

- Sampled and passed a percent survival acute toxicity test from our effluent discharge.
- Performed and passed annual evaluation testing of laboratory procedures for the constituents listed on our lab permit.

Vehicles and equipment

- Replaced all windshield wipers on trucks for the winter season.
- Had one of the Ford Rangers smogged and electronically submitted to the Bureau of Automotive Repair.

* * *

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: December 17, 2020

SUBJECT: Request to elect a Board President and Vice President for 2021.

Recommendation

It is recommended that the Board of Directors:

1. Nominate and elect a Director to the position of Board President for 2021; and
2. Nominate and elect a Vice President for 2021.

Background

District Code of Ordinance states:

2.110 – Officer Election and Term of Officer

The President and Vice President of the Board shall be elected by the members of the Board for a one-year term pursuant to a rotation policy. The election shall be held at any time during the December meeting.

Discussion

The above Code reflects your Board's desire to have one-year terms for all Board Officers during their four-year term in office with a customary arrangement during the nomination period that provides for any serving Board member to be offered the president position based on seniority. Thus, the Board will normally rotate the presidency and vice presidency amongst the Directors. The rotation policy is not a written policy but has been only a customary practice.

Traditionally the next senior Board member has been offered the office of Vice President before their turn as President.

The District's current Board officers and projected 2021 officers pursuant to the rotation policy are shown in Attachment A.

Attachments: Attachment A – Board of Directors and Officers

File: BOD

**Heritage Ranch Community Services District
Board of Directors and Officers**

Officers	2013	2014	2015	2016	2017
President	Bill Barker	Bill Barker	Tony Foti	Dan Burgess	Reg Cousineau
VP	Ralph Allison	Tony Foti	Dan Burgess	Reg Cousineau	Martin Rowley
					Bill Barker
					Dan Burgess
					Devin Capps
Officers	2018	2019	2020	2021	2022
President	Martin Rowley	Bill Barker	Dan Burgess	Devin Capps	
VP	Bill Barker	Dan Burgess	Devin Capps	Reg Cousineau	
	Dan Burgess	Devin Capps	Reg Cousineau	Martin Rowley	
	Devin Capps	Reg Cousineau	Martin Rowley	Bill Barker	
	Reg Cousineau	Martin Rowley	Bill Barker	Dan Burgess	

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: December 17, 2020

SUBJECT: Request to consider appointments to the District's committees for the term 2020 – 2022.

Recommendation

It is recommended that the Board of Directors discuss and consider appointments to the District's committees for the term 2020 – 2022.

Background

The Board may appoint standing and/or ad-hoc committees. The District currently has five standing committees.

The purpose of the committees is to provide recommendations to the Board of Directors. Any such recommendations shall be advisory to the Board and shall not commit the District to any policy, act or expenditure unless expressly delegated by Board action. Nor may any committee direct staff to perform specific duties unless duly authorized by the Board. The committee chair is authorized to schedule committee meetings as deemed necessary and all such meetings shall be in compliance with Open Meeting Law of California (Brown Act).

Committees may include two Board members and members of the public. The Manager is the staff person assigned to all committees. The Board President appoints membership to committees at the first regular meeting in December in even number years. Committee membership is for two years.

Discussion

The District's current committee membership and one option for filling the Director positions for the next term is provided as Attachment A.

Fiscal Considerations

The current approved budget includes estimated costs to utilize the committees.

Results

Appointments to the District's committees will provide additional resources to review and analyze important issues and initiatives, and develop informed data driven recommendations to the Board.

Attachments: Attachment A – District Committee Membership

Attachment B – Standing Committees Statement of Purpose

Attachment A

**Heritage Ranch Community Services District
Committee Membership**

Committee	2016-18	2018-20	2020-22	2022-24	2024-26
Finance & Audit	Cousineau Barker	Barker Burgess	Cousineau Burgess		
Operations & Engineering	Barker Cousineau	Capps Barker	Barker Cousineau		
Personnel	Cousineau Burgess	Burgess Rowley	Burgess Barker		
Safety	Rowley Cousineau	Cousineau Capps	Rowley Capps		
Public Relations	Burgess Rowley	Rowley Cousineau	Capps Rowley		
SGMA (Ad-hoc)	Cousineau Barker	Cousineau Rowley	NA	NA	NA

Attachment B

Committees

The Board President may appoint standing and/or ad-hoc committees. Committee motions and recommendations shall be advisory to the Board and shall not commit the District to any policy, act or expenditure unless expressly delegated by Board action. Nor may any committee direct staff to perform specific duties unless duly authorized by the Board. The committee chair is authorized to schedule committee meetings as deemed necessary and all such meetings shall be in compliance with Open Meeting Law of California (Brown Act).

Committees may include two Board members and members of the public. The Manager is the staff person assigned to all Committees. The Board President appoints membership to committees at the first regular meeting in December in even number years. Committee membership last for two years.

Each standing committee has a Board approved Statement of Purpose as set forth below:

Finance & Audit Committee

Statement of Purpose - February 20, 1997

There are those who believe that budget reports are the most important documents produced by an organization. If they are not, they certainly come close. After all, money and the amount available is the fuel of our engine.

As a public agency, we are the stewards of public funds. We are charged with the responsibility to invest and spend wisely. We have the obligation to sustain an infrastructure that in turn sustains life itself, as well as monetary investment in property and improvements by our constituency.

The purpose of this committee is to seek and maintain a balance of revenues and expenditures which are both fair to our constituents and sustain the community owned infrastructure which serves them. This philosophy is accomplished through developments and use of budgets, financial reports and audits that enable adequate cash flows for both routine operations and special projects. This Committee reviews all rate increase issues.

Operations and Engineering Committee

Statement of Purpose - February 20, 1997

Engineering is the practical application of knowledge. In our case, this means such things as the mechanics of providing services and enhancement of same as technology allows or regulations dictate. For this reason, engineering relates to operations, and therefore are combined.

A major element of our operation is of course the facilities used to provide water and sewer services.

This includes not only the more direct components such as pumps and pipelines, but also the indirect or supporting components such as rolling stock, equipment, labs, shops, tools, and parts.

Attachment B

We also have the authority for removal of Solid Waste, a function handled by contract with the San Miguel Garbage Company. The District does not perform any hands-on activity with this operation.

Following the reorganization of CSA 19 to the District, we have facilitated a number of capital improvements and upgrades. As time progresses, we will have more such activity, especially if we add new services or face new regulatory requirements. The relationship of engineering and operations calls for integration of applied science to create and build along with efficient operation and proper maintenance.

The purpose of this committee is to ensure efficient operation of our facilities. By definition, this includes improvements or enhancements that improve that purpose or to maintain long term integrity of our facilities as determined by planning. This Committee receives consulting advice from the District Engineer.

Personnel Committee

Statement of Purpose - February 20, 1997

In order to carry out the mission of any organization, it is essential that staff be competent. To retain qualified personnel, it is incumbent on this committee to establish and sustain an environment in which District personnel can be productive.

The cornerstone of effective administration for our type of organization is the establishment and executive of written procedures. These take the form of many examples such as state law, District Ordinances and Resolution, Policies and Procedures and so on. This concept provides a clear picture to all with consistency and fair ideology.

The purpose of this committee is to endeavor to sustain a high degree of integrity of District operations through the practice of effective administration strategies including the element of competent personnel. This Committee reviews all wage and benefit issues related to employee compensation.

Safety Committee

Statement of Purpose - February 20, 1997

Safety is an attitude. It is also an important concept in terms of cost and production; cost relative to risk exposure and production relative to lost man hours and impact on work schedules. Safety is an issue that concerns both staff and the public. Our best defense is an awareness and an on-going campaign of prevention measures.

The purpose of this committee is to promote and establish safety awareness, to prevent accidents, and if accidents do occur, to investigate them with a resolve to prevent repetition. The methods to accomplish this purpose include education, training, and inspections. Resources include such things as video tapes, tailgate sessions, safety equipment, implementation of policy and procedures, practice drills, etc.

Attachment B

Public Relations Committee

Statement of Purpose - February 20, 1997

Communications are all important in any organization regardless of type or size. As a public agency, we want to communicate with our constituency those issues that may be of concern, and to the extent possible, encourage feedback so as to “complete the loop”. This act of communication is basically a flow of information which informs and gives a certain comfort level to our constituents on what their Community Services District is accomplishing.

The purpose of this committee is to develop and foster public relations with our constituency. This includes information about District activities, future plans, helpful hints, and customer service. This is accomplished through “user friendly” customer service policies and procedures, promotion beneficial to the public, positive relationships with other agencies, making information and documents available, distribution of newsletter, bulletins, etc.