

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

Minutes of June 17, 2021

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

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

2. ROLL CALL

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

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

3. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

No comments

4. CONSENT ITEMS

- a. **Meeting Minutes:** Receive/approve minutes of regular meeting of May 20, 2021.
- b. **Warrant Register:** Receive/approve May 2021 warrants.
- c. **Treasurer's Report:** Receive/file May 2021 report.
- d. **Fiscal Report:** Receive/file April May status report.

Secretary Gelos provided a verbal amendment to the Total Warrants on the Warrant Register.

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

Ayes: Barker, Burgess, Capps, Cousineau

Absent: Rowley

5. DISCUSSION ITEMS

- a. **Request to award a contract in the amount of \$137,655 for construction of the Raw Water Vertical Intake No. 1 Phase 2 to Kirk Construction and authorize the General Manager to execute a construction agreement and issue a notice to proceed.**

District Engineer Steve Tanaka provided a brief summary of the item and answered any questions the Board had.

Director Barker made a motion to award a contract in the amount of \$137,655 for construction of the Raw Water Vertical Intake No. 1 – Phase 2 to Kirk Construction and authorized the General Manager to execute a construction

agreement and issue a notice to proceed. Director Burgess seconded the motion. The motion passed by the following roll call vote:

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

b. Request to adopt the Preliminary FY 2021/22 Budget, and schedule a public hearing for July 15, 2021, to consider adoption of a Final FY 2021/22 Budget.

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

Director Barker made a motion to adopt the Preliminary FY 2021/22 Budget and schedule a public hearing for July 15, 2021. Director Cousineau seconded the motion. The motion passed by the following roll call vote:

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

c. Request to receive and file a report on the status of Nacimiento Reservoir for 2021, and set a Public Hearing for the July 15, 2021 meeting to consider a declaration of drought and implementing the Emergency Water Shortage Regulations and Staged Water use Reduction Plan.

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

Director Burgess made a motion to set a Public Hearing for the July 15, 2021 meeting to consider a declaration of drought and implementing the Emergency Water Shortage Regulations and Staged Water Use Reduction Plan. Director Cousineau seconded the motion. The motion passed by the following roll call vote:

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

d. Request to discontinue Zoom, teleconference, or any other electronic means options for regular meetings of the Board, and all other meetings of the District's legislative bodies that are subject to the Brown Act.

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

The Directors would like staff to look into the cost of a video/audio system for future meetings allowing the public to attend virtually or record live meetings for play back at a later time.

Director Cousineau made a motion to discontinue virtual public meeting protocols as a result of the Coronavirus Pandemic. Director Burgess seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Capps, Cousineau

Absent: Rowley

6. MANAGER'S REPORT

Manager Duffield provided a verbal report and answered any questions the board had.

The report was received and filed.

7. STAFF REPORTS

Interim Operations Manager Wilcox provided a verbal report and answered any questions the board had.

The reports were received and filed.

8. COMMITTEE AND DIRECTOR REPORTS

Director Capps would like to begin discussion in regards to Director compensation. Manager Duffield and Legal Counsel, Jeff Minnery will look into this and bring it back to the Board at a later time.

9. ADJOURN TO CLOSED SESSION

a. Pursuant to Government Code §54957(b)(1): Annual evaluation of performance of a public employee: General Manager

On a motion by Director Burgess and seconded by Director Barker, the meeting adjourned to closed session at 5:23 pm.

10. RECONVENE TO OPEN SESSION

a. Request to consider compensation for the General Manager.

At 5:50 pm the Board reconvened to open session.

Director Barker made a motion to adjust the General Manager's base salary to \$168,000 per year effective June 26, 2021. Director Burgess seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Capps, Cousineau

Absent: Rowley

11. ADJOURNMENT

On a motion by Director Burgess and seconded by Director Cousineau the meeting adjourned at 5:53 pm to the next scheduled regular meeting on Thursday, July 15, 2021.

APPROVED:

**Devin Capps, President
Board of Directors**

ATTEST:

**Kristen Gelos, Secretary
Board of Directors**

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
6/1/2021	GREAT WESTERN ALARM ALARM / ANSWERING SERVICE	279.65	\$ 279.65
6/1/2021	FERGUSON ENTERPRISES INC METERS & EQUIPMENT	149.35	\$ 149.35
6/1/2021	ADAMSKI, MOROSKI, MADDEN, CUMB LEGAL & ATTORNEY	4,172.50	\$ 4,172.50
6/1/2021	RELIABLE OFFICE MACHINE REPAIR PROFESSIONAL SERVICES	120.00	\$ 120.00
6/1/2021	KRITZ EXCAVATING & TRUCKING, I SUPPLIES	751.78	\$ 751.78
6/1/2021	BRENNTAG PACIFIC, INC CHEMICALS CHEMICALS	3,562.14 2,734.70	\$ 6,296.84
6/1/2021	COASTAL TREE EXPERTS FIXED EQU	4,400.00	\$ 4,400.00
6/1/2021	YOURMEMBERSHIP.COM ADVERTISING	299.00	\$ 299.00
6/1/2021	COUNTY OF SAN LUIS OBISPO PROFESSIONAL SVS. X-CONNECTION	397.30	\$ 397.30
6/1/2021	ROY ARNOLD UNIFORM ALLOWANCE CELL / INTERNET ALLOWANCE	289.32 80.00	\$ 369.32
6/1/2021	FLUID RESOURCE MANAGEMENT PROFESSIONAL SERVICES	325.00	\$ 325.00
6/1/2021	ALPHA ELECTRICAL SERVICE MAINTENANCE FIXED EQUIPMENT	554.00	\$ 554.00
6/1/2021	KRISTEN GELOS CELL / INTERNET ALLOWANCE	40.00	\$ 40.00

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
6/1/2021	JAMES A. PRITCHETT CELL / INTERNET ALLOWANCE	80.00	\$ 80.00
6/1/2021	NAPA AUTO PARTS VEHICLES	(282.73)	
	VEHICLES	(65.79)	
	VEHICLES	(7.07)	
	VEHICLES	188.34	
	VEHICLES/FUEL & OIL	185.96	
	VEHICLES	171.68	\$ 190.39
6/1/2021	BURT INDUSTRIAL SUPPLY SUPPLIES	56.73	\$ 56.73
6/1/2021	SCOTT DUFFIELD CELL / INTERNET ALLOWANCE	40.00	\$ 40.00
6/1/2021	WESTERN EXTERMINATOR COMPANY STRUCTURES & GROUNDS	250.00	\$ 250.00
6/1/2021	MARK HUMPHREY CELL / INTERNET ALLOWANCE	80.00	\$ 80.00
6/1/2021	MID-STATE REPAIR SERVICE VEHICLES	331.82	\$ 331.82
6/1/2021	BRIAN VOGEL CELL / INTERNET ALLOWANCE	80.00	\$ 80.00
6/1/2021	LARRY WALKER ASSOCIATES CONSULTING & ENGINEERING	729.00	\$ 729.00
6/1/2021	SAN MIGUEL GARBAGE DELINQUENT SOLID WASTE FEES	187.00	\$ 187.00
6/2/2021	READY REFRESH BY NESTLE LAB TESTING	36.92	\$ 36.92
6/4/2021	CALPERS 457 DEFFERED COMP PROG PERS 457- DEFFERED COMP.	2,220.00	\$ 2,220.00

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
6/4/2021	CALPERS HEALTH BENEFITS CALPERS HEALTH BENEFITS EMPLOYEE PAID HEALTH BENEFIT EMPLOYEE PAID HEALTH BENEFIT	9,761.37 604.45 604.45	\$ 10,970.27
6/4/2021	R. ARNOLD NET PAYROLL	2,278.67	\$ 2,278.67
6/4/2021	J. PRITCHETT NET PAYROLL	2,517.09	\$ 2,517.09
6/4/2021	M. HUMPHREY NET PAYROLL	1,818.64	\$ 1,818.64
6/4/2021	B. VOGEL NET PAYROLL	1,919.19	\$ 1,919.19
6/4/2021	K. GELOS NET PAYROLL	2,385.10	\$ 2,385.10
6/4/2021	D. BURGESS NET PAYROLL	92.35	\$ 92.35
6/4/2021	B. BARKER NET PAYROLL	184.70	\$ 184.70
6/4/2021	M. ROWLEY NET PAYROLL	92.35	\$ 92.35
6/4/2021	R. COUSINEAU NET PAYROLL	184.70	\$ 184.70
6/4/2021	S. DUFFIELD NET PAYROLL	3,650.55	\$ 3,650.55
6/4/2021	D. CAPPS NET PAYROLL	92.35	\$ 92.35
6/4/2021	M. WILCOX NET PAYROLL	2,143.32	\$ 2,143.32

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
6/4/2021	INTERNAL REVENUE SERVICE		
	FEDERAL WITHHOLDING TAXES	1,787.10	
	FICA WITHIHOLDING	86.80	
	MEDICARE	717.40	\$ 2,591.30
6/4/2021	EMPLOYMENT DEVELOPMENT DEPARTM		
	SDI	288.44	
	STATE WITHHOLDING	629.14	\$ 917.58
6/4/2021	CALPERS RETIREMENT SYSTEM		
	PERS UNIFORM ALLOWANCE	10.18	
	PERS RETIREMENT	1,826.63	
	PERS RETIREMENT TIER 2	1,075.89	
	PERS RETIREMENT PEPRA	629.91	
	SURVIVOR BENEFIT	5.58	\$ 3,548.19
6/7/2021	PG&E		
	ELECTRICITY	15,590.24	\$ 15,590.24
6/14/2021	WALLACE GROUP		
	CONSULTING & ENGINEERING	97.50	
	PVS PROJECT	292.50	
	VERITCAL INTAKE PROJECT	9,009.25	
	WRF UPGRADE PROJECT	1,717.01	\$ 11,116.26
6/14/2021	MCCLATCHY COMPANY LLC		
	ADVERTISING	328.02	\$ 328.02
6/14/2021	USA BLUEBOOK		
	SUPPLIES / CHEMICALS	551.53	\$ 551.53
6/14/2021	BRENNTAG PACIFIC, INC		
	CHEMICALS	1,851.01	
	CHEMICALS	2,684.70	\$ 4,535.71
6/14/2021	SIGMA-ALDRICH		
	LAB TESTING	1,097.86	\$ 1,097.86
6/14/2021	WESTERN JANITOR SUPPLY		
	SUPPLIES	275.10	\$ 275.10

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
6/14/2021	U.S. BANK CORPORATE PAYMENT SY		
	OFFICE SUPPLIES	37.94	
	STRUCTURES & GROUNDS	512.32	
	CHEMICALS	733.86	
	MAINTENANCE FIXED EQUIPMENT	72.19	
	VEHICLES	418.48	
	VEHICLES	73.95	\$ 1,848.74
6/14/2021	JAMES A. PRITCHETT		
	UNIFORM ALLOWANCE	104.24	\$ 104.24
6/14/2021	DATA PROSE LLC		
	PROFESSIONAL SVCS/POSTAGE	599.88	
	MAY BILLING	1,140.80	\$ 1,740.68
6/14/2021	RIVAL TECHNOLOGY INC.		
	PROFESSIONAL SERVICES	662.70	
	COMPUTER / SOFTWARE	130.00	\$ 792.70
6/14/2021	KENWOOD ENERGY		
	PVS PROJECT	536.25	\$ 536.25
6/14/2021	STREAMLINE		
	COMPUTER/SOFTWARE	200.00	\$ 200.00
6/14/2021	SPRAGUE'S LAWN SERVICES		
	STRUCTURES & GROUNDS	125.00	\$ 125.00
6/14/2021	ALL WAYS CLEAN		
	STRUCTURES & GROUNDS	400.00	\$ 400.00
6/14/2021	ICARDO, DON & KORI		
	FINAL BILL REFUND	46.20	\$ 46.20
6/16/2021	CALPERS FISCAL SERVICES DIVISI		
	OTHER POST EMPLOYMENT BENEFITS	28,685.00	\$ 28,685.00
6/17/2021	PITNEY BOWES		
	POSTAGE	200.00	\$ 200.00

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
6/18/2021	R. ARNOLD NET PAYROLL	2,703.89	\$ 2,703.89
6/18/2021	J. PRITCHETT NET PAYROLL	2,330.74	\$ 2,330.74
6/18/2021	M. HUMPHREY NET PAYROLL	1,789.94	\$ 1,789.94
6/18/2021	B. VOGEL NET PAYROLL	1,978.59	\$ 1,978.59
6/18/2021	K. GELOS NET PAYROLL	2,385.10	\$ 2,385.10
6/18/2021	S. DUFFIELD NET PAYROLL	3,484.17	\$ 3,484.17
6/18/2021	M. WILCOX NET PAYROLL	1,863.61	\$ 1,863.61
6/18/2021	CALPERS 457 DEFFERED COMP PROG PERS 457- DEFFERED COMP.	2,220.00	\$ 2,220.00
6/18/2021	INTERNAL REVENUE SERVICE FEDERAL WITHHOLDING TAXES MEDICARE	1,730.28 690.44	\$ 2,420.72
6/18/2021	EMPLOYMENT DEVELOPMENT DEPARTM SDI STATE WITHHOLDING	285.70 639.16	\$ 924.86
6/18/2021	CALPERS RETIREMENT SYSTEM PERS RETIREMENT PERS RETIREMENT TIER 2 PERS RETIREMENT PEPRA SURVIVOR BENEFIT	1,826.63 1,075.89 629.91 5.58	\$ 3,538.01
6/21/2021	AT&T TELEPHONE / INTERNET	181.12	\$ 181.12

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
6/21/2021	PG&E ELECTRICITY	3,730.78	\$ 3,730.78
6/22/2021	SAN MIGUEL GARBAGE DELINQUENT SOLID WASTE FEES	187.00	\$ 187.00
6/22/2021	ADAMSKI, MOROSKI, MADDEN, CUMB LEGAL & ATTORNEY	650.00	\$ 650.00
6/22/2021	CHARTER COMMUNICATIONS INTERNET	89.99	\$ 89.99
6/22/2021	HOME DEPOT CREDIT SERVICES SUPPLIES SUPPLIES	213.98 100.46	\$ 314.44
6/22/2021	USA BLUEBOOK LAB TESTING	263.65	\$ 263.65
6/22/2021	BRENNTAG PACIFIC, INC CHEMICALS	3,199.14	\$ 3,199.14
6/22/2021	TYLER TECHNOLOGIES COMPUTER/SOFTWARE COMPUTER/SOFTWARE	14,541.81 281.25	\$ 14,823.06
6/22/2021	C&N TRACTORS VEHICLES FUEL & OIL	673.53 14.07	\$ 687.60
6/22/2021	COUNTY OF SAN LUIS OBISPO PROFESSIONAL SVCS X-CONNECT	174.80	\$ 174.80
6/22/2021	ROY ARNOLD CELL & INTERNET ALLOWANCE	80.00	\$ 80.00
6/22/2021	FLUID RESOURCE MANAGEMENT PROFESSIONAL SERVICES MAINTENANCE FIXED EQUIPMENT MAINTENANCE FIXED EQUIPMENT MAINTENANCE FIXED EQUIPMENT	357.50 1,099.00 967.06 4,530.00	\$ 6,953.56

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
6/22/2021	NAPA AUTO PARTS VEHICLES	17.72	\$ 17.72
6/22/2021	KRISTEN GELOS CELL & INTERNET ALLOWANCE	40.00	\$ 40.00
6/22/2021	JAMES A. PRITCHETT MEDICAL REIMBURSEMENT	60.00	
	CELL & INTERNET ALLOWANCE	80.00	\$ 140.00
6/22/2021	R&B COMPANY A CORE & MAIN COMP SUPPLIES	13.08	
	METERS & EQUIPMENT	285.45	
	SUPPLIES	22.02	\$ 320.55
6/22/2021	SHORE-TEK INC SM TOOLS & EQUIPMENT	25.00	\$ 25.00
6/22/2021	SCOTT DUFFIELD CELL & INTERNET ALLOWANCE	40.00	\$ 40.00
6/22/2021	WESTERN EXTERMINATOR COMPANY STRUCTURES & GROUNDS	86.00	
	STRUCTURES & GROUNDS	90.00	\$ 176.00
6/22/2021	MARK HUMPHREY CELL & INTERNET ALLOWANCE	80.00	\$ 80.00
6/22/2021	MID-STATE REPAIR SERVICE VEHICLES	583.18	\$ 583.18
6/22/2021	BRIAN VOGEL CELL & INTERNET ALLOWANCE	80.00	\$ 80.00
6/22/2021	JAMES R. GREEN PROFESSIONAL SERVICES	2,000.00	\$ 2,000.00
6/22/2021	COUNTY OF SAN LUIS OBISPO - HU LEGAL & ATTORNEY	414.88	\$ 414.88

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
6/23/2021	CALPERS RETIREMENT SYSTEM		
	PERS RETIREMENT U/L	6,642.76	
	PERS RETIREMENT U/L	250.10	\$ 6,892.86
6/24/2021	PITNEY BOWES		
	OFFICE SUPPLIES	69.27	\$ 69.27
GRAND TOTAL FOR ALL WARRANTS			\$ 193,850.71

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

SUMMARY REPORT OF ALL ACCOUNTS

Beginning Balance:	\$ 5,044,378.13
Ending Balance:	\$ 4,999,608.79
Variance:	\$ (44,769.34)
Interest Earnings for the Month Reported:	\$ 62.14
Interest Earnings Fiscal Year-to-Date:	\$ 39,017.34

ANALYSIS OF REVENUES

Total operating income for water and sewer was:	\$ 164,231.79
Non-operating income was:	\$ 5,277.50
Franchise fees paid to the District by San Miguel Garbage was:	\$ 6,929.71
Interest earnings for the P.P.B. checking account was:	\$ 1.61
Interest earnings for the P.P.B. DWR Loan Services account was:	\$ 0.05
Interest earnings for the P.P.B. DWR Reserve account was:	\$ 42.41
Interest earnings for the P.P.B. SRF Loan Services account was:	\$ 18.07
Interest earnings for the Western Alliance account was:	\$ -
Interest earnings for the LAIF account was:	\$ -

ANALYSIS OF EXPENSES

Pacific Premier Bank checking account total warrants, fees, and Electronic Fund Transfers was:	\$209,272.95
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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 2021**

BEGINNING BALANCE ALL ACCOUNTS **\$ 5,044,378.13**

OPERATING CASH IN DRAWER **\$300.00**

PACIFIC PREMIER BANK - CHECKING

BEGINNING BALANCE 5/31/2021	\$227,646.03	
DEPOSIT REVENUE & MISCELLANEOUS INCOME	\$179,125.75	
INTEREST EARNED	1.61	
TOTAL CHECKS, FEES AND EFT'S	(\$209,272.95)	
TRANSFER TO LAIF ACCOUNT	\$0.00	
TRANSFER FROM LAIF ACCOUNT	\$0.00	
ENDING BALANCE 6/30/2021		\$197,500.44

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

LOAN SERVICES ACCOUNT

BEGINNING BALANCE 5/31/2021	\$136.40	
QUARTERLY DEPOSIT	\$0.00	
INTEREST EARNED	\$0.05	
SEMI-ANNUAL PAYMENT	\$0.00	
ENDING BALANCE 6/30/2021		\$136.45

PACIFIC PREMIER BANK DWR RESERVE ACCOUNT

BEGINNING BALANCE 5/31/2021	\$113,391.21	
INTEREST EARNED	\$42.41	
ENDING BALANCE 6/30/2021		\$113,433.62

PACIFIC PREMIER BANK SDWSRF LOAN SERVICES ACCOUNT

BEGINNING BALANCE 5/31/2021	\$44,283.08	
QUARTERLY DEPOSIT	\$14,685.00	
INTEREST EARNED	\$18.07	
SEMI-ANNUAL PAYMENT	(\$29,369.28)	
ENDING BALANCE 6/30/2021		\$29,616.87

WESTERN ALLIANCE

PVS PROJECT CAPITALIZED INTEREST FUND

BEGINNING BALANCE 5/31/2021	\$18.34	
INTEREST EARNED	\$0.00	
INTEREST PAYMENT	\$0.00	
ENDING BALANCE 6/30/2021		\$18.34

LOCAL AGENCY INVESTMENT FUND (LAIF)

BEGINNING BALANCE 5/31/2021	\$4,658,903.07	
INTEREST EARNED	\$0.00	
TRANSFER FROM PACIFIC PREMIER CHECKING	\$0.00	
TRANSFER TO PACIFIC PREMIER CHECKING	\$0.00	
ENDING BALANCE 6/30/2021		\$4,658,903.07

ENDING BALANCE ALL ACCOUNTS		\$4,999,608.79
DIFFERENCE FROM LAST MONTH	Decrease	(\$44,769.34)

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
QUARTERLY TREASURER'S
REPORT FOR THE PERIOD OF
JANUARY 1, 2021 – MARCH 31, 2021**

SUMMARY REPORT OF ALL ACCOUNTS

Beginning Balance	\$	4,859,121
Ending Balance	\$	4,999,609
Variance	\$	140,488
Interest Earnings	\$	5,093.41

STATEMENT OF COMPLIANCE

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

ACCOUNT PROFILE INFORMATION

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

8. LAIF: Local Agency Investment Fund, a variable interest-bearing investment fund administered by the California State Treasurer. The majority of our funds are retained in this account. The last reported interest rate was 0.44%. Statements are received on a quarterly basis.

INTEREST EARNINGS: TRENDS & PROJECTIONS

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

SUMMARY OF INTEREST EARNINGS

** Account Profile by Reference Number*

	Beginning Balance	Total Debits	Total Credits	Interest Earnings	Ending Balance
1	300.00	-	-	-	300.00
2	94,593.06	-668,947.57	771,850.39	4.56	197,500.44
3	136.40	0.00	0.00	0.05	136.45
4	113,391.21	0.00	0.00	42.41	113,433.62
5	44,283.08	-29,369.28	14,685.00	18.07	29,616.87
6	0.00	0.00	0.00	0.00	0.00
7	27,841.94	-27,824.10	0.00	0.50	18.34
8	4,578,875.25	-50,000.00	125,000.00	5,027.82	4,658,903.07
TOTALS	\$4,859,420.94	(\$776,140.95)	\$911,535.39	\$5,093.41	\$4,999,908.79

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

MANAGEMENT BY CONTRACTED PARTIES

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

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

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

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
ANNUAL TREASURER'S REPORT
FOR THE FISCAL YEAR ENDING
JUNE 30, 2021**

INTRODUCTION

This report covers all investments and fund activities of the District for the period of July 1, 2020 to June 30, 2021. This report is prepared in accordance with the District's Statement of Investment Policy, adopted by Resolution No. 96-1.

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

Treasurer's Reports are submitted on a monthly, quarterly, and annual basis to the Board of Directors. A detailed description of contents for each type of report is contained in Section I of said Statement of Investment Policy, a copy of which is attached as part of this report. The Policy now in force was adopted in accordance with changes in state law, effective 1996.

REVIEW

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

Table 1			
PERIOD	BEGINNING BALANCE	ENDING BALANCE	VARIANCE
JUL 20	\$5,170,064.98	\$5,174,482.79	\$4,417.81
AUG 20	\$5,174,482.79	\$5,188,511.81	\$14,029.02
SEPT 20	\$5,188,511.81	\$5,132,138.10	(\$56,373.71)
OCT 20	\$5,132,138.10	\$5,081,058.45	(\$51,079.65)
NOV 20	\$5,081,058.45	\$5,010,100.92	(\$70,957.53)
DEC 21	\$5,010,100.92	\$4,943,690.43	(\$66,410.49)
JAN 21	\$4,943,690.43	\$4,845,519.66	(\$98,170.77)
FEB 21	\$4,845,519.66	\$4,828,941.07	(\$16,578.59)
MAR 21	\$4,828,941.07	\$4,859,120.94	\$30,179.87
APR 21	\$4,859,120.94	\$4,862,107.01	\$2,986.07
MAY 21	\$4,862,107.01	\$5,044,378.13	\$182,271.12
JUN 21	\$5,044,378.13	\$4,999,608.79	(\$44,769.34)

The District maintained a total of eight locations/accounts for its cash during the reporting year. Of these seven, only one is considered an investment; the Local Agency Investment Fund (LAIF). A complete profile of all of the aforementioned accounts follows:

1. Operating cash in cash drawer: Maintained to make change for cash transactions.
2. Pacific Premier Bank Checking: Variable interest-bearing checking account currently at 0.01%, at Pacific Premier branch in Paso Robles used for most of our transactions such as payroll, accounts receivable and accounts payable. Statements are received on a monthly basis.
3. Pacific Premier Bank DWR loan repayments: The Loan Services Account interest earnings rate is 0.15%. Quarterly deposits are made into each account. Semi-annual payments are made from the Loan Services account by the bank, which functions as our fiscal agent, to DWR for repayment of a \$2 million loan to partially finance our water treatment plant and water pumping facilities.
4. Pacific Premier Bank DWR reserve: The Reserve Account interest earnings rate is 0.15%. The purpose of the Reserve Account was to build up over ten years an amount equal to debt service for one year, a DWR requirement. Statements are received on a quarterly basis.
5. Pacific Premier Bank SDWSRF (Safe Drinking Water State Revolving Fund) loan repayments: The Loan Services Account interest earnings rate is 0.15%. Quarterly deposits will be made into the Loan Services. Semi-annual payments will be made from the Loan Services account by the bank, which functions as our fiscal agent, to SDWSRF for repayment of a \$714,000 loan to finance upgrades at the water treatment plant. The fund will provide for a twenty (20) year repayment period at a 1.7875 percent interest rate. Statements are received on a quarterly basis.
6. Pacific Premier Bank SDWSRF (Safe Drinking Water State Revolving Fund) reserve: Quarterly deposits will be made into the Reserve Account. The purpose of the Reserve Account is to build up over ten years an amount equal to two semiannual payments, which is based upon the estimated loan principal and interest rate.
7. Western Alliance Bank Photovoltaic System Project Capitalized Interest Fund: The account interest earnings rate is 0.05%. The purpose of the Account was to hold \$51,320.01 representing capitalized interest to be used for the payment of the interest component of the Lease payments on October 1, 2020 and April 1, 2021, as per the Lease Agreement. Statements are received on a monthly basis.
8. LAIF: Local Agency Investment Fund, a variable interest-bearing investment fund administered by the California State Treasurer. The majority of our funds are retained in this account. The last reported interest rate was 0.44%. Statements are received on a quarterly basis.

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

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

ACCOUNTS	INTEREST EARNINGS	INTEREST RATE
1. Cash Drawer	\$0.00	0.00%
2. Pacific Premier Checking	\$27.90	0.01%
3. Pacific Premier DWR Loan Services	\$22.54	0.15%
4. Pacific Premier DWR Reserve	\$202.89	0.15%
5. Pacific Premier SRF Loan Services	\$74.25	0.15%
6. Pacific Premier SRF Reserve	\$0.00	0.00%
7. Western Alliance	\$13.91	0.05%
8. LAIF	\$38,684.57	1.47% - 0.44%

CONCLUSION

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

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

OPERATING INCOME	Budget FY 20/21	Actual June	Actual Year to Date	Percentage Year to Date	Variance Explanation
Water Fees	1,021,511	102,683	1,187,863	116%	
Sewer Fees	658,012	59,025	679,048	103%	
Hook-Up Fees	3,000	0	3,700	123%	Fluctuates based on activity
Turn on Fees	3,500	525	4,000	114%	
Late Fees	17,000	1,966	21,199	125%	
Plan Check & Inspection	10,000	0	0	0%	
Miscellaneous Income	2,000	33	374	19%	
TOTAL OPERATING INCOME	\$1,715,023	\$164,232	\$1,896,184	111%	

FRANCHISE INCOME					
Solid Waste Franchise Fees	66,984	6,930	81,535	122%	
TOTAL FRANCHISE REVENUE	\$66,984	\$6,930	\$81,535	122%	

NON-OPERATING INCOME					
Standby Charges	242,144	2,286	235,926	97%	
Property Tax	383,074	2,929	394,237	103%	
Interest	80,000	62	39,017	49%	Fluctuates based on activity
Connection Fees	70,580	0	81,765	116%	Fluctuates based on activity
TOTAL NON-OPERATING INCOME	\$775,798	\$5,278	\$750,945	97%	

RESERVE REVENUE					
Capital Reserves	654,941	3,948	307,821	47%	
Operating Reserves	1,508,148	7,607	591,425	39%	
TOTAL RESERVE REVENUE	\$2,163,089	\$11,555	\$899,246	42%	

TOTAL ALL INCOME	\$4,720,894	\$187,994	\$3,627,909	77%	
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**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2020/21 Budget**

OPERATING EXPENSES

SALARIES AND BENEFITS	Budget FY 20/21	Actual June	Actual Year to Date	Percentage Year to Date	Variance Explanation
Salaries	715,567	45,882	583,869	82%	
Health Insurance	103,862	6,188	83,377	80%	
Health Insurance - Retiree	48,451	3,634	45,307	94%	
PERS	126,097	11,084	143,679	114%	
Standby	14,000	934	12,700	91%	
Overtime	16,000	781	15,192	95%	Fluctuates based on need & staffing
Workers Comp. Ins.	19,194	0	20,642	108%	Paid Annually
Directors' Fees	12,000	700	6,350	53%	
Medicare/FICA	10,550	747	9,918	94%	
Car Allowance	3,000	250	3,000	100%	
SUI/ETT	1,500	0	504	34%	
Uniforms	5,000	394	2,596	52%	
TOTAL SALARIES & BENEFITS	\$1,075,221	\$70,592	\$927,134	86%	

UTILITIES

Electricity	249,810	38,469	263,521	105%	
Propane	1,012	0	982	97%	
Water Purchase	23,114	0	23,114	100%	Paid Semiannually
Telephone/Internet	12,129	1,071	10,422	86%	
TOTAL UTILITIES EXPENSE	\$286,065	\$39,540	\$298,039	104%	

MAINTENANCE & SUPPLIES

Chemicals	76,000	17,334	81,154	107%	
Computer/Software	29,450	20,010	28,040	95%	
Equip. Rental/Lease	2,500	0	148	6%	
Fixed Equip.	142,000	34,303	107,446	76%	
Fuel & Oil	12,000	717	9,027	75%	
Lab Testing	41,000	5,294	37,210	91%	
Office Supplies	2,000	136	1,549	77%	
Parks & Recreation	0	0	0	0%	
Struct./Grnds.	14,140	1,817	14,166	100%	
Small Tools/Equip.	3,000	25	2,677	89%	
Supplies	5,000	2,551	5,245	105%	
Meters/Equip.	5,000	435	6,473	129%	Fluctuates based on activity
Vehicles	6,500	3,142	14,270	220%	
TOTAL MAINT. & SUPPLY EXPENSE	\$338,590	\$85,764	\$307,405	91%	

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

GENERAL & ADMINISTRATION	Budget FY 20/21	Actual June	Actual Year to Date	Percentage Year to Date	Variance Explanation
Ads./Advertising	1,500	627	2,173	145%	Fluctuates based on activity
Alarm/Answering Service	4,000	280	3,355	84%	
Audit	8,200	0	10,195	124%	
Bank Charges/Fees	4,000	556	7,208	180%	Fluctuates based on activity
Consulting/Engineering	85,000	827	19,260	23%	
Dues/Subscription	8,750	0	8,872	101%	
Elections	1,000	0	608	61%	
Insurance	41,370	0	41,368	100%	Paid Annually
LAFCO	6,600	0	5,870	89%	Paid Annually
Legal/Attorney	25,000	5,237	15,729	63%	
Licenses/Permits	32,100	0	21,962	68%	
Plan Check & Inspection	10,000	0	0	0%	
Postage/Billing	20,000	2,659	15,524	78%	
Professional Service	36,900	4,548	43,459	118%	
Tax Collection	5,300	0	5,838	110%	
Staff Training & Travel	8,000	0	1,907	24%	
Board Training & Travel	1,000	54	54	5%	
TOTAL G & A	\$298,720	\$14,788	\$203,383	68%	

CAPITAL PROJECTS & EQUIPMENT

Projects	2,078,089	40,240	927,931	45%	
Equipment	85,000	0	0	0%	
TOTAL CAPITAL EXPENSE	\$2,163,089	40,240	927,931	43%	

DEBT

State Loan Payment	103,629	0	103,628	100%	paid semiannually
State Loan Payment Phase II	58,740	29,369	58,739	100%	paid semiannually
TOTAL DEBT	\$162,369	\$29,369	\$162,367		

FUNDED DEPRECIATION	\$288,000	\$24,000	\$285,500	99%	
UNFUNDED DEPRECIATION	\$0	\$0	\$0	0%	

TOTAL EXPENSE	\$4,612,054	\$304,293	\$3,111,758	67%	
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CONNECTION FEES TRANSFER \$70,580 \$0 \$81,765 116%

SOLID WASTE FEES TRANSFER \$30,924 -\$587 \$40,342 130%

FUND TOTAL	\$7,336	(\$115,713)	\$394,044		
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**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
JUNE 2021 OFFICE REPORT**

Water & Sewer

On July 1st, we processed 1,927 bills for a total dollar amount of \$171,262 for water and sewer user fees for the month of June. The number of Automatic Drafts processed was 588 for a total dollar amount of \$47,240.43.

San Miguel Garbage Franchise Fees

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

Month of May

Garbage Collection (10%) - \$ 6,412.77

Roll-Off Collection (10%) - \$ 516.94

Total Franchise Fees Collected - \$ 6,929.71

Service Orders Completed

Staff completed a total of 29 service orders for the month of June. Below is a breakdown by job code.

LEAK	6	USA	4
SERVICE CHANGE	2	CALL OUT	1
OCCUPANT CHANGE	14	MISC.	1
SEWER PROBLEM	1		

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

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

DATE: July 15, 2021

SUBJECT: Submittal for approval Resolution 21-04 providing for collection of delinquent solid waste charges and penalties to be collected on the tax roll in the same manner as property taxes.

Recommendation

It is recommended that the Board of Directors:

1. Open the Public Hearing to provide an opportunity for filing objections and presentation of testimony or other evidence concerning this report; and
2. At the close of the Public Hearing, approve Resolution 21-04 providing for collection of delinquent solid waste charges and penalties to be collected on the tax roll in the same manner as property taxes.

Background

District Code of Ordinances Section 8.200 specifies that,

“All developed properties located within the District with a water meter shall be subject to mandatory solid waste service. The collection service may be either curbside or by commercial bin service. This requirement is predicated on an identical requirement adopted by the Heritage Ranch Owner’s Association, dated March 25, 1999.”

Discussion

District Code of Ordinances Section 8.330 specifies the collection procedures for overdue solid waste accounts. This section incorporates the procedures of Government Code Section 61115(b) that provides for the collection of charges and any penalties for services provided to be collected on the tax roll in the same manner as property taxes. Thus, the Board of Directors may authorize the San Luis Obispo County auditor to collect delinquent

solid waste service charges and penalties by placing them on the property owners' property tax bill for collection.

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

- On April 15, 2021, San Miguel Garbage Company sent certified letters to each delinquent account customer giving a 45-day notice to pay pursuant to District Code 8.330. This letter stated that non-payment may result in the District collecting the amount owed with general taxes.
- On June 1, 2021, San Miguel Garbage provided the District with a listing of delinquent accounts.
- On June 17, 2021, the District sent a Notice of Public Hearing to each delinquent property owner.
- On June 17, 2021 and July 1, 2021, the Notice of Public Hearing was published in *The Tribune*.
- Property owners that have paid since June 30, 2021, will be removed from the delinquent listing (Exhibit A) at the Public Meeting.

Fiscal Considerations

This action will enforce the mandatory solid waste provision of District Code of Ordinances Section 8.200 and collect monies owed to San Miguel Garbage Company for services provided.

Results

The attached Resolution 21-04 authorizes the San Luis Obispo County Auditor to levy the amounts due on delinquent solid waste accounts to be collected with property taxes.

Attachments: Resolution 21-04

Exhibit A – 2020/2021 Delinquent Solid Waste Charges and Penalties

File: Solid Waste_SMGC

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 21-04**

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

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

1. The District is duly authorized to provide its residents with solid waste services.
2. All developed properties located within the District with a water meter are subject to mandatory solid waste service pursuant to District Ordinance Code 8.200.
3. On December 20, 2007, the District adopted Resolution 07-12 amending District Ordinance Code Chapter 8 incorporating the provisions of Government Code Section §61110 et seq. for the collection of delinquent solid waste charges and penalties.
4. District Ordinance Code Section 8.330 provides that all solid waste accounts that are more than 120 days past due during the year are subject to collection procedures as identified in Government Code Section §61115(b).
5. The Franchisee, who provides solid waste collection services, has provided notice to delinquent service accounts pursuant to District Code 8.330.
6. The District General Manager has prepared and filed a report (“Report”) that describes each affected parcel of real property and the amounts of charges and delinquencies for each affected parcel for the year. Said Report is attached hereto as Exhibit “A” and incorporated herein by this reference.
7. The District General Manager, pursuant to Section §6066 of the Government Code, has published notice of the filing of the Report and has caused notice in writing to be mailed to the owner of each affected parcel as shown on the last equalized assessment roll available on the date the Report was prepared, as the address shown on the assessment roll, or as known to the General Manager.
8. On July 15, 2021, a public hearing was held before the District Board at which time all interested persons were given the opportunity to object or protest the Report or any portions thereof.

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

1. Each of the above findings are true and correct and incorporated herein by this reference.
2. The Report (Exhibit “A”) as submitted and as may be revised by the Board is hereby confirmed and adopted.
3. The charges and penalties as described in the Report have been determined by the Board to be delinquent and unpaid.
4. On or before August 10, 2021, the District General Manager is authorized to file with the county auditor a copy of this Resolution and Report showing the unpaid charges and penalties as required by Section §61115(b) of the Government Code.
5. Pursuant to Government Code §61115(b), the county auditor shall enter the amount of charges and penalties against each of the affected parcels of real property as they appear on the current assessment roll. The county tax collector shall include the amount of the charges and penalties on the tax bills for each affected parcel of real property and collect the charges and penalties in the same manner as property taxes.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Heritage Ranch Community Services District on the 15th day of July 2021, by the following roll call vote.

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED: _____

**Devin Capps, President
Board of Directors**

ATTEST: _____

**Kristen Gelos
Board Secretary**

**2020/2021 Delinquent Solid Waste Charges and Penalties
Exhibit A**

	APN #	AMOUNT TO BE COLLECTED ON TAX ROLL
1	012-183-019	\$214.00
2	012-183-021	\$351.00
3	012-183-038	\$476.00
4	012-187-010	\$131.00
5	012-187-013	\$351.00
6	012-195-013	\$512.00
7	012-272-005	\$417.00
8	012-272-064	\$446.00
9	012-273-046	\$216.00
10	012-274-012	\$383.00
11	012-274-041	\$352.00
12	012-274-043	\$403.00
13	012-275-037	\$204.00
14	012-275-047	\$306.00
15	012-276-007	\$351.00
16	012-276-032	\$351.00
17	012-284-056	\$492.00
18	012-323-003	\$414.00
19	012-324-052	\$308.00
20	012-325-040	\$286.00
21	012-325-049	\$506.00
22	012-345-007	\$296.00
23	012-345-033	\$234.00
24	012-352-016	\$446.00
25	012-373-001	\$284.00
26	012-374-021	\$351.00
27	124-236-486	\$506.00

\$9,587.00

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

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

DATE: July 15, 2021

SUBJECT: Submittal for approval Resolution 21-05 providing for collection of delinquent water and sewer charges and penalties to be collected on the tax roll in the same manner as property taxes.

Recommendation

It is recommended that the Board of Directors:

1. Open the Public Hearing to provide an opportunity for filing objections and presentation of testimony or other evidence concerning this report; and
2. At the close of the Public Hearing, approve Resolution 21-05 providing for collection of delinquent water and sewer charges and penalties to be collected on the tax roll in the same manner as property taxes.

Background

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

Discussion

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

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

- On May 3, 2021, the District sent letters to each delinquent account customer giving a 45-day notice to pay pursuant to the Government Code. This letter stated that non-payment may result in the District collecting the amount owed with general taxes.
- On June 16, 2021, the District sent a Notice of Public Hearing to each delinquent property owner.
- On June 17, 2021 and July 1, 2021, the Notice of Public Hearing was published in *The Tribune*.
- Property owners that have paid since June 30, 2021, will be removed from the delinquent listing (Exhibit A) at the Public Meeting.

Fiscal Considerations

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

Results

The attached Resolution 21-05 authorizes the San Luis Obispo County Auditor to levy the amounts due on delinquent water and sewer accounts to be collected with property taxes.

Attachments: Resolution 21-05

Exhibit A – 2020/2021 Delinquent Water and Sewer Charges and Penalties

File: HR Delinquent Water-Sewer

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 21-05**

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

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

1. The District is duly authorized to provide its residents with water and sewer services.
2. District Ordinance Code Sections 3.820 and 3.830 provide that water and sewer accounts that are past due during the year are subject to collection procedures as identified in Government Code Section §61115(b).
3. The District General Manager has prepared and filed a report (“Report”) that describes each affected parcel of real property and the amounts of charges and delinquencies for each affected parcel for the year. Said Report is attached hereto as Exhibit “A” and incorporated herein by this reference.
4. The District General Manager, pursuant to Section §6066 of the Government Code, has published notice of the filing of the Report and has caused notice in writing to be mailed to the owner of each affected parcel as shown on the last equalized assessment roll available on the date the Report was prepared, as the address shown on the assessment roll, or as known to the General Manager.
5. On July 15, 2021, a public hearing was held before the District Board at which time all interested persons were given the opportunity to object or protest the Report or any portions thereof.

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

1. Each of the above findings are true and correct and incorporated herein by this reference.
2. The Report (Exhibit “A”) as submitted and as may be revised by the Board is hereby confirmed and adopted.
3. The charges and penalties as described in the Report have been determined by the Board to be delinquent and unpaid.

4. On or before August 10, 2021, the District General Manager is authorized to file with the county auditor a copy of this Resolution and Report showing the unpaid charges and penalties as required by Section §61115(b) of the Government Code.
5. Pursuant to Government Code §61115(b), the county auditor shall enter the amount of charges and penalties against each of the affected parcels of real property as they appear on the current assessment roll. The county tax collector shall include the amount of the charges and penalties on the tax bills for each affected parcel of real property and collect the charges and penalties in the same manner as property taxes.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Heritage Ranch Community Services District on the 15th day of July 2021, by the following roll call vote.

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED: _____
Devin Capps, President
Board of Directors

ATTEST: _____
Kristen Gelos
Board Secretary

**2020/2021 Delinquent Water and Sewer Charges and Penalties
Exhibit A**

	APN#	AMOUNT TO BE COLLECTED ON TAX ROLL
1	012-183-019	\$252.00
2	012-183-021	\$487.00
3	012-183-038	\$1,396.00
4	012-184-014	\$512.00
5	012-185-001	\$48.00
6	012-187-013	\$576.00
7	012-272-011	\$769.00
8	012-272-015	\$86.00
9	012-273-018	\$607.00
10	012-274-012	\$1,041.00
11	012-274-029	\$396.00
12	012-274-041	\$438.00
13	012-274-043	\$940.00
14	012-275-037	\$526.00
15	012-276-007	\$1,161.00
16	012-276-032	\$1,154.00
17	012-284-045	\$143.00
18	012-284-056	\$753.00
19	012-284-066	\$290.00
20	012-301-030	\$1,156.00
21	012-311-014	\$803.00
22	012-322-029	\$391.00
23	012-322-033	\$337.00
24	012-323-017	\$202.00
25	012-324-052	\$705.00
26	012-325-049	\$1,201.00
27	012-331-014	\$761.00
28	012-342-041	\$282.00
29	012-344-033	\$72.00
30	012-362-011	\$510.00
31	012-374-021	\$336.00

\$18,331.00

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: July 15, 2021

SUBJECT: Submittal for approval Resolution 21-06 adopting a Fiscal Year 2021/22 Final Budget and Salary Schedule.

Recommendation

It is recommended that the Board of Directors:

1. Hold a public hearing to consider adopting a final budget for Fiscal Year 2021/22; and
2. At the close of the public hearing approve Resolution 21-06 adopting a Fiscal Year 2021/22 Final Budget and Salary Schedule.

Background

On June 17, 2021, your Board adopted the Fiscal Year 2021/22 Preliminary Budget. The meeting allowed the opportunity for the public to provide input prior to the adoption of the Preliminary Budget. Following the meeting a notice was published in the Tribune indicating the Preliminary Budget had been adopted and setting the date of July 15, 2021 for a public hearing and adoption of a Final Budget. The Preliminary Budget has been available for public review. The District has not received any written public comments.

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

Discussion

Budget

The attached water, sewer, solid waste, and general fund budgets are presented for your adoption. Increases or decreases in line item categories from the adopted FY 2021/22 Preliminary Budget are indicated on the Final Budget. The water fund has a \$1,392 surplus and the sewer fund has a \$231 surplus.

The final consolidated budget has a surplus of \$1,623.

Salary Schedule

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

Your Board approves a budget, a Memorandum of Understanding with the Heritage Ranch Community Services Employees Association, and an employment agreement with the General Manager. All these items are publicly available and contain salary schedules and special compensation items pursuant to the code sections noted above. Thus, approval of the FY 2021/22 Salary Schedule with the budget is recommended.

The rates listed in the FY 2021/22 Salary Schedule are reflected in the FY 2021/22 Final Budget.

Results

Approval of Resolution 21-06 adopting a Fiscal Year 2021/22 Final Budget and Salary Schedule will result in maintaining fiscally responsible management of the District.

Attachments: Resolution 21-06
Fiscal Year 2021/22 Final Budget
Fiscal Year 2021/22 Salary Schedule

File: Budget_FY21/22

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 21-06**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HERITAGE RANCH
COMMUNITY SERVICES DISTRICT ADOPTING A FISCAL YEAR 2021/22 FINAL
BUDGET AND SALARY SCHEDULE**

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

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

WHEREAS, the District adopted a preliminary budget on June 17, 2021, and published said budget for public review and comment, and set the date of July 15, 2021, for adoption of a Final Budget.

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

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

WHEREAS, the rates listed in the FY 2021/22 Salary Schedule are reflected in the FY 2021/22 Final Budget.

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

1. The District Final Budget for Fiscal Year 2021/22, a copy of which is attached and made a part hereof, is hereby adopted.
2. The budget be administered as established by current policies and practices.
3. The District Salary Schedule for Fiscal Year 2021/22, a copy of which is attached and made a part hereof, is hereby adopted.

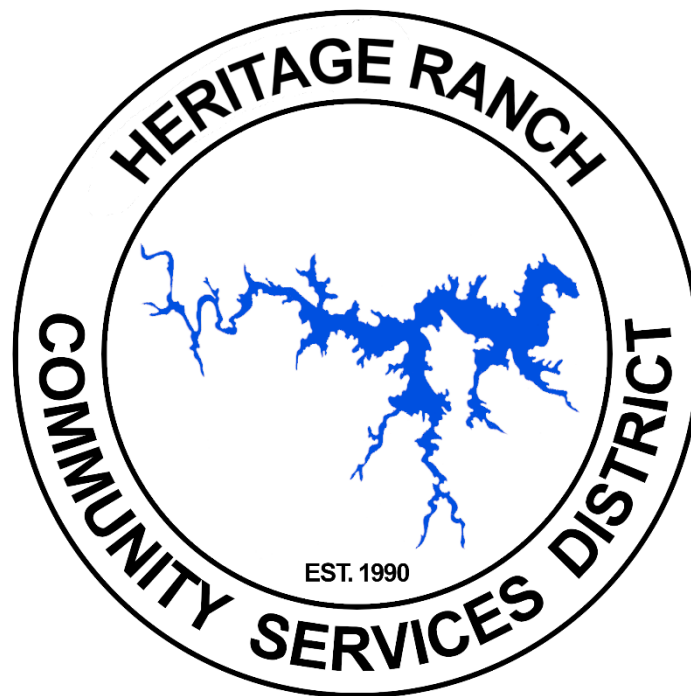
PASSED, APPROVED AND ADOPTED by the Board of Directors of the Heritage Ranch Community Services District on the 15th day of July 2021, by the following roll call vote.

AYES:
NOES:
ABSTAIN:
ABSENT:

APPROVED: _____
Devin Capps, President
Board of Directors

ATTEST: _____
Kristen Gelos, Secretary
Board of Directors

HERITAGE RANCH
COMMUNITY SERVICES DISTRICT



FISCAL YEAR 2021-2022
FINAL BUDGET
JULY 15, 2021

Heritage Ranch Community Services District
Fiscal Year 2021-2022 Final Budget
July 15, 2021

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**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
2021/22 Capital & Equipment Budget**

PROJECTS	Total Budget	Funding Source							
		Capital Reserves		Operating Budget			Operating Reserves		
		Water	Sewer	Water	Sewer	General	Water	Sewer	
Vertical Well (construction)	\$192,801	\$65,552						\$127,249	
WRF Upgrade Project (design, env, admin)	\$1,301,676		\$455,587						\$846,089
Lift Station 1-5 Rehab (const)	\$75,000								\$75,000
PVS (construction)	\$329,203	\$83,947	\$28,805					\$162,955	\$53,495
OPEB Funding/Transfer	\$28,306					\$28,306			
Water and Wastewater Rate Study	\$30,000							\$18,000	\$12,000
Rebuild Treated Water Pumps at PS 3 & 4	\$35,000	\$11,900						\$23,100	
Pump Station Covers	\$30,000	\$10,200						\$19,800	
subtotal Projects	\$2,021,986	\$171,599	\$484,392	\$0	\$0	\$28,306		\$351,104	\$986,585
EQUIPMENT									
Equipment / Vehicle replacement (service truck)	\$120,000							\$72,000	\$48,000
Equipment / Vehicle replacement (vac trailer)	\$100,000							\$60,000	\$40,000
subtotal Equipment	\$220,000	\$0	\$0	\$0	\$0	\$0		\$132,000	\$88,000
TOTAL CAPITAL	\$2,241,986	\$171,599	\$484,392	\$0	\$0	\$28,306		\$483,104	\$1,074,585

	A	B	C	D	E	F
1	HERITAGE RANCH COMMUNITY SERVICES DISTRICT - WATER FUND					
2	2020/21 Un-Audited, Preliminary 2021/22, & Final 2021/22					
3						
4						
5						
6		Un-Audited	Preliminary	Changes from		Final Budget
7	OPERATING REVENUE	20/21	21/22	Preliminary	Notes	21/22
8	Water Fees	1,187,863	1,107,981			1,107,981
9	Late Fees	13,264	11,100			11,100
10	Hook-Up Fees	3,200	2,500			2,500
11	Turn on Fees	2,400	2,000			2,000
12	Plan Check & Inspection	0	5,000			5,000
13	Miscellaneous Income	0	0			0
14	TOTAL OPERATING REVENUE	\$1,206,727	\$1,128,581	\$0		\$1,128,581
15						
16						
17	NON-OPERATING REVENUE					
18	Standby Charges	195,818	202,958			202,958
19	Property Tax	216,831	222,369			222,369
20	Interest	29,725	38,000			38,000
21	Connection Fees	42,889	31,745			31,745
22	TOTAL NON-OPERATING REVENUE	\$485,263	\$495,072	\$0		\$495,072
23						
24						
25	RESERVE REVENUE					
26	Capital Reserves	229,317	174,873	-3,314	updated FY end	171,559
27	General Reserves	445,144	468,460	14,644	updated FY end	483,104
28	TOTAL RESERVE REVENUE	\$674,461	\$643,333	\$11,330		\$654,663
29						
30	TOTAL REVENUE	\$2,366,451	\$2,266,986	\$11,330		\$2,278,316
31						
32						
33	OPERATING EXPENSES					
34						
35	SALARIES AND BENEFITS					
36	Salaries	193,985	279,396	0		279,396
37	Overtime	9,115	9,716	-416	updated	9,300
38	Standby	7,620	7,500	0		7,500
39	Health Insurance	30,849	56,544	4,568	updated info	61,112
40	Pers Retirement	49,408	50,082	0		50,082
41	Workers Comp. Ins.	10,940	9,728	0		9,728
42	Medicare/FICA	3,366	4,051	0		4,051
43	Uniforms	1,558	3,000	0		3,000
44	TOTAL SALARIES & BENEFITS	\$306,842	\$420,017	\$4,152		\$424,169
45						
46						
47	UTILITIES					
48	Electricity	177,381	59,875	11,487	updated calc	71,362
49	Water Purchase	23,114	23,114			23,114
50	Telephone/Internet	3,411	3,300	200	updated	3,500
51	TOTAL UTILITIES	\$203,906	\$86,289	\$11,687		\$97,976
52						
53						
54						
55						

	A	B	C	D	E	F
56	HERITAGE RANCH COMMUNITY SERVICES DISTRICT - WATER FUND					
57	2020/21 Un-Audited, Preliminary 2021/22, & Final 2021/22					
58						
59						
60		Un-Audited	Preliminary	Changes from		Final Budget
61	MAINTENANCE & SUPPLIES	20/21	21/22	Preliminary	Notes	21/22
62	Chemicals	60,019	62,000			62,000
63	Computer/Software	387	7,600			7,600
64	Equip. Rental/Lease	148	2,000			2,000
65	Fixed Equip.	58,324	94,000	25,000	updated	119,000
66	Fuel & Oil	5,359	6,000			6,000
67	Lab Testing	19,114	15,000			15,000
68	Struct./Grnds.	3,541	2,035			2,035
69	Small Tools/Equip.	1,606	1,800			1,800
70	Supplies	3,386	2,000			2,000
71	Meters/Equip.	6,473	12,000			12,000
72	Vehicles	8,562	3,600			3,600
73	TOTAL MAINT. & SUP.	\$166,920	\$208,035	\$25,000		\$233,035
74						
75	GENERAL & ADMINISTRATION					
76	Allocation of General Fund	267,750	304,200	-2,360	updated	301,840
77	Alarm/Answering Service	839	1,000			1,000
78	Bank Charges/Fees	0	0			0
79	Consulting/Engineering	10,658	10,000			10,000
80	Dues/Subscription	3,152	6,110			6,110
81	Insurance (Property/Liability)	17,375	15,368			15,368
82	Legal/Attorney	9,323	9,000			9,000
83	Licenses/Permits	12,184	13,900			13,900
84	Plan Check & Inspection	0	5,000			5,000
85	Professional Service	21,854	20,500			20,500
86	Training & Travel	1,681	1,000			1,000
87	TOTAL G & A	\$344,815	\$386,078	-2,360		\$383,718
88						
89						
90	CAPITAL PROJECTS & EQUIPMENT					
91	Project	635,169	532,333	-9,630	updated FY end	522,703
92	Equipment	0	111,000	21,000	updated cost	132,000
93	TOTAL CAPITAL	\$635,169	\$643,333	\$11,370		\$654,703
94						
95	DEBT					
96	State Loan Payment-DWR	103,628	103,629			103,629
97	State Loan Payment Phase II-SRF	58,739	58,740			58,740
98	Western Alliance Lease-PVS	0	114,209			114,209
99	TOTAL DEBT	\$162,367	\$276,578	\$0		\$276,578
100						
101						
102	FUNDED DEPRECIATION	174,999	175,000			175,000
103	UNFUNDED DEPRECIATION	0	0			0
104						
105	TOTAL EXPENSE	\$1,995,019	\$2,195,330	\$49,849		\$2,245,179
106						
107	TRANSFER TO RESERVES	\$42,889	\$31,745	\$0		\$31,745
108						
109	FUND TOTAL	\$328,544	\$39,912	(\$38,519)		\$1,392

	A	B	C	D	E	F
1	HERITAGE RANCH COMMUNITY SERVICES DISTRICT - SEWER FUND					
2	2020/21 Un-Audited, Preliminary 2021/22, & Final 2021/22					
3						
4						
5						
6		Un-Audited	Preliminary	Changes from		Final Budget
7	OPERATING REVENUE	20/21	21/22	Preliminary	Notes	21/22
8	Sewer Fees	679,048	704,110			704,110
9	Late Fees	7,935	7,400			7,400
10	Hook-Up Fees	500	500			500
11	Turn on Fees	1,600	1,500			1,500
12	Plan Check & Inspection	0	5,000			5,000
13	Miscellaneous Income	0	0			0
14	TOTAL OPERATING REVENUE	\$689,083	\$718,510	\$0		718,510
15						
16						
17	NON-OPERATING REVENUE					
18	Standby Charges	40,107	39,186			39,186
19	Property Tax	118,271	121,292			121,292
20	Interest	9,293	12,000			12,000
21	Connection Fees	38,877	38,835			38,835
22	TOTAL NON-OPERATING REVENUE	\$206,548	\$211,313	\$0		\$211,313
23						
24			\$929,823			
25	RESERVE REVENUE					
26	Capital Reserves	78,504	484,464	-72	updated FY end	484,392
27	General Reserves	146,281	1,060,719	13,866	updated FY end	1,074,585
28	TOTAL RESERVE	\$224,785	\$1,545,183	\$13,794		\$1,558,977
29						
30	TOTAL REVENUE	\$1,120,415	\$2,475,006	\$13,794		\$2,488,800
31						
32	OPERATING EXPENSES					
33						
34	SALARIES AND BENEFITS					
35	Salaries	129,323	186,264			186,264
36	Overtime	6,077	6,500	-200	updated	6,300
37	Standby	5,080	5,600			5,600
38	Health Insurance	20,844	37,696	3,045	updated info	40,741
39	Pers Retirement	32,662	33,388			33,388
40	Workers Comp. Ins.	7,225	6,424			6,424
41	Medicare/FICA	2,244	2,701			2,701
42	Uniforms	1,038	2,000			2,000
43	TOTAL SALARIES & BENEFITS	\$204,494	\$280,573	2,845		\$283,418
44						
45						
46	UTILITIES					
47	Electricity	82,077	29,901	15,994	updated calc	45,895
48	Telephone/Internet	2,378	2,300	200	updated	2,500
49	TOTAL UTILITIES	\$84,455	\$32,201	\$16,194		\$48,395
50						
51						
52						
53						
54						

	A	B	C	D	E	F
55	HERITAGE RANCH COMMUNITY SERVICES DISTRICT - SEWER FUND					
56	2020/21 Un-Audited, Preliminary 2021/22, & Final 2021/22					
57						
58						
59						
60		Un-Audited	Preliminary	Changes from		Final Budget
61	MAINTENANCE & SUPPLIES	20/21	21/22	Preliminary	Notes	21/22
62	Chemicals	21,135	25,000		0	25,000
63	Computer/Software	315	7,400			7,400
64	Equip. Rental/Lease	0	500			500
65	Fixed Equip.	49,123	48,000	5,000	updated	53,000
66	Fuel & Oil	3,668	4,000			4,000
67	Lab Testing	18,096	23,400			23,400
68	Struct./Grnds.	7,083	4,070			4,070
69	Small Tools/Equip.	1,071	1,200			1,200
70	Supplies	1,802	500			500
71	Vehicles	5,708	2,400			2,400
72	TOTAL MAINT. & SUP.	\$108,000	\$116,470	\$5,000		\$121,470
73						
74						
75	GENERAL & ADMINISTRATION					
76	Allocation of General Fund	205,962	234,000	-1,815	updated	232,185
77	Alarm/Answering Service	839	1,000			1,000
78	Bank Charges/Fees	0	0			0
79	Consulting/Engineering	8,603	10,000			10,000
80	Dues/Subscription	1,390	3,740			3,740
81	Insurance (Property/Liability)	13,238	11,709			11,709
82	Legal/Attorney	6,406	6,000			6,000
83	Licenses/Permits	9,778	18,200			18,200
84	Plan Check & Inspection	0	5,000			5,000
85	Professional Service	10,608	12,000			12,000
86	Training & Travel	189	1,000			1,000
87	TOTAL G & A	\$257,011	\$302,649	-\$1,815		\$300,834
88						
89						
90						
91	CAPITAL PROJECTS & EQUIPMENT					
92	Project	264,077	1,471,184	-207	updated FY end	1,470,977
93	Equipment	0	74,000	14,000	updated price	88,000
94	TOTAL CAPITAL	\$264,077	\$1,545,184	\$13,793		\$1,558,977
95						
96	DEBT					
97	Western Alliance Lease-PVS	0	38,640	0		38,640
98	TOTAL DEBT	\$0	\$38,640	\$0		\$38,640
99						
100						
101	FUNDED DEPRECIATION	98,001	98,000			98,000
102	UNFUNDED DEPRECIATION	0	0			0
103						
104	TOTAL EXPENSE	\$1,016,038	\$2,413,717	\$36,017		\$2,449,734
105						
106	TRANSFER TO RESERVES	\$38,877	\$38,835	\$0		\$38,835
107						
108						
109	FUND TOTAL	\$65,500	\$22,454	(\$22,223)		\$231

	A	B	C	D	E	F
1	HERITAGE RANCH COMMUNITY SERVICES DISTRICT - SOLID WASTE FUND					
2	2020/21 Un-Audited, Preliminary 2021/22, & Final 2021/22					
3						
4						
5						
6		Un-Audited	Preliminary	Changes from		Final Budget
7	OPERATING REVENUE	20/21	21/22	Preliminary	Notes	21/22
8	TOTAL FRANCHISE FEES	\$81,535	\$77,220			\$77,220
9						
10						
11						
12						
13	EXPENSE					
14	Allocation of General Fund	41,192	46,800	-363	updated	46,437
15	TOTAL EXPENSES	\$41,192	\$46,800	-\$363		\$46,437
16						
17	TRANSFER TO RESERVES	\$40,342	\$30,420	\$363		\$30,783
18						
19	FUND TOTAL	\$0	\$0	\$0		\$0
20						

	A	B	C	D	E	F
1	HERITAGE RANCH COMMUNITY SERVICES DISTRICT - GENERAL FUND					
2	2020/21 Un-Audited, Preliminary 2021/22, & Final 2021/22					
3						
4						
5						
6						
7	OPERATING REVENUE	Un-Audited 20/21	Preliminary 21/22	Changes from Preliminary	Notes	Final Budget 21/22
8	Transfer from other Funds	0	0			0
9	Miscellaneous Income	374	500			500
10	TOTAL OPERATING	\$374	\$500	\$0		\$500
11						
12						
13						
14	NON-OPERATING REVENUE					
15	Property Tax	59,134	60,646			60,646
16	Interest	0	0			0
17	TOTAL NON-OPERATING	\$59,134	\$60,646	\$0		\$60,646
18						
19						
20						
21	RESERVE REVENUE					
22	Capital Reserves	0	0			0
23	General Reserves	0	28,306			28,306
24	TOTAL RESERVE	\$0	\$28,306	\$0		\$28,306
25						
26	TOTAL REVENUE	\$59,508	\$89,452	\$0		\$89,452
27						
28						
29						
30	OPERATING EXPENSES					
31						
32	SALARIES AND BENEFITS					
33	Salaries	260,560	355,514	-10,400	updated	345,114
34	Overtime	0	0	0		0
35	Health Insurance	31,683	44,180	3,578	updated info	47,758
36	Health Insurance - Retirees	45,307	44,584	0		44,584
37	Pers Retirement	61,608	63,000	-245	updated	62,755
38	Workers Comp. Ins.	2,477	2,203	0		2,203
39	Directors' Fees	6,350	9,000	0		9,000
40	Medicare/FICA	4,307	5,155	46	updated	5,201
41	Car Allowance	3,000	3,000	0		3,000
42	SUI/ETT	504	1,500	0		1,500
43	TOTAL SALARIES & BENEFITS	\$415,797	\$528,136	-\$7,021		\$521,115
44						
45						
46						
47	UTILITIES					
48	Electricity	4,063	2,159	2,111	updated calc	4,270
49	Propane	982	1,053	-28	updated	1,025
50	Telephone/Internet	4,633	4,400	400	updated	4,800
51	TOTAL UTILITIES	\$9,678	\$7,612	\$2,483		\$10,095
52						
53						

	A	B	C	D	E	F
54	HERITAGE RANCH COMMUNITY SERVICES DISTRICT - GENERAL FUND					
55	2020/21 Un-Audited, Preliminary 2021/22, & Final 2021/22					
56						
57						
58						
59		Un-Audited	Preliminary	Changes from		Final Budget
60	MAINTENANCE & SUPPLIES	20/21	21/22	Preliminary	Notes	21/22
61	Computer/Software	27,337	14,450			14,450
62	Equip. Rental/Lease	0	0			0
63	Fixed Equip.	0	0			0
64	Office Supplies	1,549	1,500			1,500
65	Parks & Recreation	0	0			0
66	Struct./Grnds.	3,541	2,035			2,035
67	Supplies	57	0			0
68	TOTAL MAINT. & SUP.	\$32,485	\$17,985	\$0		\$17,985
69						
70						
71	GENERAL & ADMINISTRATION					
72	Ads./Advertising	2,173	1,500			1,500
73	Alarm/Answering Service	1,678	2,000			2,000
74	Audit	10,195	10,000			10,000
75	Bank Charges/Fees	7,208	8,000			8,000
76	Consulting/Engineering	0	0			0
77	Dues/Subscription	4,330	0			0
78	Elections	608	0			0
79	Insurance (Property/Liability)	10,756	9,513			9,513
80	LAFCO	5,870	6,600			6,600
81	Legal/Attorney	0	0			0
82	Licenses/Permits	0	0			0
83	Postage	15,524	15,000			15,000
84	Professional Service	10,997	11,800			11,800
85	Tax Collection	5,838	6,000			6,000
86	Staff Training & Travel	38	6,000			6,000
87	Board Training & Travel	54	1,000			1,000
88	TOTAL G & A	\$75,268	\$77,413	\$0		\$77,413
89						
90						
91						
92	CAPITAL PROJECTS & EQUIPMENT					
93	Project	28,685	28,306			28,306
94	Equipment	0	0			0
95	TOTAL CAPITAL	\$28,685	\$28,306	\$0		\$28,306
96						
97						
98	FUNDED DEPRECIATION	12,500	15,000			15,000
99	UNFUNDED DEPRECIATION	0				0
100						
101	TOTAL EXPENSE	\$574,413	\$674,452	(\$4,538)		\$669,914
102						
103	TRANSFERRED TO OTHER FUNDS	(\$514,905)	(\$585,000)	\$4,538		(\$580,462)
104						
105	FUND TOTAL	\$0	\$0	\$0		\$0

	A	B	C	D	E	F
1	HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET					
2	2020/21 Un-Audited, Preliminary 2021/22, & Final 2021/22					
3						
4						
5						
6						
7	OPERATING REVENUE	Un-Audited 20/21	Preliminary 21/22	Changes from Preliminary	Notes	Final Budget 21/22
8	Water Fees	1,187,863	1,107,981	0		1,107,981
9	Sewer Fees	679,048	704,110	0		704,110
10	Hook-Up Fees	3,700	3,000	0		3,000
11	Turn on Fees	4,000	3,500	0		3,500
12	Late Fees	21,199	18,500	0		18,500
13	Plan Check & Inspection	0	10,000	0		10,000
14	Miscellaneous Income	374	500	0		500
15	OPERATING	\$1,896,184	\$1,847,591	\$0		\$1,847,591
16						
17						
18						
19	FRANCHISE REVENUE					
20	FRANCHISE	81,535	77,220	0		\$77,220
21						
22						
23	TOTAL OPERATING	\$1,977,718	\$1,924,811	\$0		\$1,924,811
24						
25						
26	NON-OPERATING REVENUE					
27	Standby Charges	235,926	242,144	0		242,144
28	Property Tax	394,237	404,308	0		404,308
29	Interest	39,017	50,000	0		50,000
30	Connection Fees	81,765	70,580	0		70,580
31	TOTAL NON-OPERATING	\$750,945	\$767,032	\$0		\$767,032
32						
33						
34						
35	RESERVE REVENUE					
36	Capital Reserves	307,821	659,337	-3,386		655,951
37	General Reserves	591,425	1,557,485	28,510		1,585,995
38	TOTAL RESERVE	\$899,246	\$2,216,822	\$25,124		\$2,241,946
39						
40						
41	TOTAL NON-OPERATING	\$1,650,191	\$2,983,854	\$25,124		\$3,008,978
42						
43						
44	TOTAL ALL REVENUE	\$3,627,909	\$4,908,665	\$25,124		\$4,933,789
45						
46						
47						
48						
49						
50						
51						
52						
53						
54						

	A	B	C	D	E	F
55	HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET					
56	2020/21 Un-Audited, Preliminary 2021/22, & Final 2021/22					
57						
58						
59						
60	OPERATING EXPENSES					
61						
62		Un-Audited	Preliminary	Changes from		Final Budget
63	SALARIES AND BENEFITS	20/21	21/22	Preliminary	Notes	21/22
64	Salaries	583,869	821,174	-10,400		810,774
65	Health Insurance	83,377	138,420	11,191		149,611
66	Health Insurance - Retiree	45,307	44,584	0		44,584
67	Pers Retirement	143,679	146,470	-245		146,225
68	Standby	12,700	13,100	0		13,100
69	Overtime	15,192	16,216	-616		15,600
70	Workers Comp. Ins.	20,642	18,355	0		18,355
71	Directors' Fees	6,350	9,000	0		9,000
72	Medicare/FICA	9,918	11,907	46		11,953
73	Car Allowance	3,000	3,000	0		3,000
74	SUI/ETT	504	1,500	0		1,500
75	Uniforms	2,596	5,000	0		5,000
76	TOTAL SALARIES & BENEFITS	\$927,134	\$1,228,726	-\$24		\$1,228,702
77						
78						
79						
80	UTILITIES					
81	Electricity	263,521	91,935	29,592		121,527
82	Propane	982	1,053	-28		1,025
83	Water Purchase	23,114	23,114	0		23,114
84	Telephone/Internet	10,422	10,000	800		10,800
85	TOTAL UTILITIES	\$298,039	\$126,102	\$30,364		\$156,466
86						
87						
88						
89	MAINTENANCE & SUPPLIES					
90	Chemicals	81,154	87,000	0		87,000
91	Computer/Software	28,040	29,450	0		29,450
92	Equip. Rental/Lease	148	2,500	0		2,500
93	Fixed Equip.	107,446	142,000	30,000		172,000
94	Fuel & Oil	9,027	10,000	0		10,000
95	Lab Testing	37,210	38,400	0		38,400
96	Office Supplies	1,549	1,500	0		1,500
97	Parks & Recreation	0	0	0		0
98	Struct./Grnds.	14,166	8,140	0		8,140
99	Small Tools/Equip.	2,677	3,000	0		3,000
100	Supplies	5,245	2,500	0		2,500
101	Meters/Equip.	6,473	12,000	0		12,000
102	Vehicles	14,270	6,000	0		6,000
103	TOTAL MAINT. & SUP.	\$307,405	\$342,490	\$30,000		\$372,490
104						
105						
106						
107						
108						

	A	B	C	D	E	F
109	HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET					
110	2020/21 Un-Audited, Preliminary 2021/22, & Final 2021/22					
111						
112						
113						
114		Un-Audited	Preliminary	Changes from		Final Budget
115	GENERAL & ADMINISTRATION	20/21	21/22	Preliminary	Notes	21/22
116	Ads./Advertising	2,173	1,500	0		1,500
117	Alarm/Answering Service	3,355	4,000	0		4,000
118	Audit	10,195	10,000	0		10,000
119	Bank Charges/Fees	7,208	8,000	0		8,000
120	Consulting/Engineering	19,260	20,000	0		20,000
121	Dues/Subscription	8,872	9,850	0		9,850
122	Elections	608	0	0		0
123	Insurance (Property/Liability)	41,368	36,590	0		36,590
124	LAFCO	5,870	6,600	0		6,600
125	Legal/Attorney	15,729	15,000	0		15,000
126	Licenses/Permits	21,962	32,100	0		32,100
127	Plan Check & Inspection	0	10,000	0		10,000
128	Postage/Billing	15,524	15,000	0		15,000
129	Professional Service	43,459	44,300	0		44,300
130	Tax Collection	5,838	6,000	0		6,000
131	Staff Training & Travel	1,907	8,000	0		8,000
132	Board Training & Travel	54	1,000	0		1,000
133	TOTAL G & A	\$203,383	\$227,940	\$0		\$227,940
134						
135						
136						
137	CAPITAL PROJECTS & EQUIPMENT					
138	Structures/Improvements	927,931	2,031,823	-9,837		2,021,986
139	Equipment	0	185,000	35,000		220,000
140	TOTAL CAPITAL	\$927,931	\$2,216,823	\$25,163		\$2,241,986
141						
142						
143						
144	DEBT					
145	State Loan Payment - DWR	103,628	103,629	0		103,629
146	State Loan Payment Phase II - SRF	58,739	58,740	0		58,740
147	Western Alliance Lease-PVS	0	152,850	0		152,850
148	TOTAL DEBT	\$162,367	\$315,218	\$0		\$315,218
149						
150	FUNDED DEPRECIATION	\$285,500	\$288,000	\$0		\$288,000
151	UNFUNDED DEPRECIATION	\$0	\$0	\$0		\$0
152						
153						
154	TOTAL EXPENSE	\$3,111,758	\$4,745,299	\$85,503		\$4,830,802
155						
156	CAPACTIY CHARGES TRANSFER	\$81,765	\$70,580	\$0		\$70,580
157						
158	SOLID WASTE FEES TRANSFER	\$40,342	\$30,420	\$363		\$30,783
159			\$101,000			\$101,363
160						
161	FUND TOTAL	\$394,044	\$62,366	(\$60,742)		\$1,623

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: July 15, 2021

SUBJECT: Submittal for approval Resolution 21-07 declaring drought conditions and implementing the Emergency Water Shortage Regulations and Staged Water Use Reduction Plan.

Recommendation

It is recommended that the Board of Directors:

1. Hold a Public Hearing; and
2. At the close of the Public Hearing consider declaring drought conditions and implementing the Emergency Water Shortage Regulations and Staged Water Use Reduction Plan by adopting Resolution 21-07.

Background

District Code of Ordinances, Section 5.940 provides that the General Manager shall monitor the Nacimiento Reservoir water elevation and demand for water and shall report in writing to the Board, the Reservoir water level as determined to exist or as predicted to occur during the balance of the calendar year, based on the reservoir water level elevation at the end of the winter rain season, March 31st.

At the April 15, 2021 meeting, your Board received a report on the reservoir as described above. The Board direction to staff was to prepare an item for the June 21st meeting for consideration of implementing the District's staged water use reduction plan.

At the June 17, 2021 meeting, your Board directed staff to prepare to implement Stage II of the District's staged water use reduction plan, and scheduled a public hearing for today to consider implementation of subsequent Stages.

Discussion

As of July 6, 2021 the reservoir was at approximately 723 feet in elevation, 20% of capacity, or 75,613 acre feet of storage.

MCWRA Release Schedule 2021

On March 25, 2021, the MCWRA Reservoir Operations Committee approved recommending to their Board a release schedule for the 2021 Water Year. According to MCWRA, the schedule is consistent with the Salinas Valley Water Project National Marine Fisheries Service Biological Opinion and water rights held by MCWRA. The schedule provides releases to recharge the groundwater basin (conservation releases) and to operate the Salinas River Diversion Facility for a period between April and August. This schedule changes constantly.

The most current available MCWRA Reservoir Release Schedule for 2021 is attached. The current prediction for September 30, 2021, is that there will be approximately 45,419-acre feet of water remaining (12%, 707.0' elevation).

District Code of Ordinances Section 5.900

Section 5.900 of Chapter 5 of the District Code is known and cited as the Heritage Ranch Community Services District Emergency Water Shortage Regulations and Staged Water Use Reduction Plan (Code). The purpose and intent of this Code is to provide water shortage response procedures to minimize the effect of any existing or threatened water shortage conditions to customers. Conservation goals are based on historical average and staged conservation measures are triggered by reservoir elevation.

Water shortage conservation stages are summarized below and are also shown on the attached graphic:

Stage I	Elevation 730' – 720'	No mandatory conservation
Stage II	Elevation 720' – 700'	15% mandatory conservation
Stage III	Elevation 700' – 680'	30% mandatory conservation
Stage IV	Elevation 680' – 670'	50% mandatory conservation

The reservoir is likely to be at Stage II by the time of this meeting.

The current MCWRA release schedule indicates reaching Stage III by December 1, 2021; however, the schedule does not predict inflows. Staff will continue to monitor elevations and return to your Board for consideration of implementing Stage III, as necessary.

Fiscal Implications

The fiscal impacts due to mandatory conservation measures implemented under each conservation stage would be reductions in the water fund revenue, and staff labor costs expended implementing the program.

Results

The attached resolution includes the prohibitions as directed by your Board at the June 17th meeting. The Board may consider approving the resolution to include other prohibitions as established by the Code of Ordinances.

Attachments: Resolution 21-07

MCWRA Reservoir Release Schedule_June 25, 2021

Reservoir elevations and staged water use reduction plan graphic

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 21-07**

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

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

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

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

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

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

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

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

- 1) The Board of Directors finds that it has complied with all procedural and code requirements.
- 2) Stage II Water Conservation Measures pursuant to Code of Ordinances Section 5.900 shall apply to all customers and property served by the District within the District's Water Service Area boundaries, and shall be effective July 16, 2021.

In addition to the water conservation measures established in Stage I, the following prohibitions are adopted by the Board of Directors, with the goal of achieving a minimum of fifteen percent (15%) reduction in water consumption:

- a) Outside irrigation is allowed only on Tuesdays, Thursdays and Saturdays in Zone 1 locations as follows: Tracts 0446, 0447, 0475, 0693, 1063, 1094, 1910.

- b) Outside irrigation is allowed only on Wednesdays, Fridays and Sundays in Zone 2 locations as follows: Tracts 0050, 0424, 0452, 0474, 0720, 0721, 0999, 1990.
 - c) Any leak forgiveness policy that may be in effect is eliminated.
 - d) All outside irrigation may only occur between the hours of 8:00 pm and 7:00 am.
 - e) District may offer incentives/rebates for the replacement of high-water using appliances and plumbing fixtures.
 - f) The District may notify customers via mail and signs throughout the District to alert customers of the potential drought conditions.
 - g) The District may increase their efforts to inform and educate the public on water conservation methods.
 - h) In addition to those measures stated above, the Board of Directors, by resolution and/or ordinance, may adopt additional water conservation measures on an urgency basis.
 - i) The General Manager shall provide notice to all District customers regarding the Board of Directors declaration of water awareness condition and activation of Stage II Water Conservation Program. Such notice shall be mailed within fourteen (14) days of the Board's action. However, failure to mail the notice within this fourteen (14) day time shall not invalidate the Board's action.
- 3) Water conservation standards below shall apply to all customers and property served by the District within the District's Water Service Area boundaries, and are in effect always:
- a) The General Manager is directed to provide concentrated public education of the water use prohibitions outlined below for equity and consistency:
 - i) Irrigating outdoors during and within 48 hours following measurable rainfall is prohibited.
 - ii) Irrigation with potable water outside of newly constructed homes and buildings that is inconsistent with regulations or other requirements established by the California Building Standards Commission and the Department of Housing and Community Development is prohibited.
 - iii) Washing vehicles, boats, trailers or other types of mobile equipment is highly discouraged and may only be done when the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use.
 - iv) Potable water use that results in excessive water flow or runoff onto an adjoining driveway, street, gutter, ditch or green belt is prohibited.

- v) The use of potable water in a fountain or other decorative water feature may only occur where the water is part of a recirculating system.
- vi) Excessive use, loss or escape of water through breaks, leaks or other malfunctions in the customers' plumbing or distribution system for any period of time after such escape of water should have reasonably been discovered and corrected and in no event more than ten days after written notification by the District, is prohibited.
- vii) The District will pursue a vigorous public information program about water supply conditions and the need to reduce water consumption by such means deemed appropriate by the General Manager.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Heritage Ranch Community Services District on the 15th day of July 2021, by the following roll call vote.

AYES:
NOES:
ABSTAIN:
ABSENT:

APPROVED: _____
Devin Capps, President
Board of Directors

ATTEST: _____
Kristen Gelos, Secretary
Board of Directors

RESERVOIR RELEASE SCHEDULE FOR 2021

Month	Combined Releases (cfs) ¹	Combined Releases (ac-ft)	NACIMIENTO							SAN ANTONIO						
			Evap. Losses (ac-ft)	Reservoir Releases (cfs) ¹	Reservoir Releases (ac-ft)	NWP Orders (ac-ft)	NWP Diversions (ac-ft)	Beginning of Month Storage		Evap. Losses (ac-ft)	Reservoir Releases (cfs) ¹	Reservoir Releases (ac-ft)	Beginning of Month Storage		Elev. (ft)	
								(ac-ft)	(%)				(ac-ft)	(%)		
Jan	74	4,552	351	64	3,937	488	0	83,840	22%	726.6	196	10	615	53,268	16%	693.2
Feb	70	4,044	566	60	3,469	806	0	154,055	41%	750.9	262	10	575	65,120	19%	700.8
Mar	70	4,304	598	60	3,689	1,105	2	154,745	41%	751.1	329	10	615	66,688	20%	701.8
Apr	536	31,889	1,041	355	21,134	1,092	328	152,675	40%	750.5	503	181	10,755	67,182	20%	702.1
May	521	32,028	1,321	378	23,251	1,512	815	130,838	35%	743.8	674	143	8,777	56,750	17%	695.5
Jun	597	35,552	1,605	401	23,869	2,143		106,075	28%	735.3	799	196	11,683	47,148	14%	688.9
Jul	465	28,612	1,397	273	16,810	2,211		79,139	21%	724.6	656	192	11,802	35,293	11%	679.0
Aug	70	4,304	1,045	60	3,689	2,210		58,664	16%	714.8	461	10	615	22,845	7%	665.6
Sep	70	4,165	778	60	3,570	2,100		51,809	14%	710.9	368	10	595	21,772	6%	664.2
Oct	70	4,304	510	60	3,689	1,268		45,419	12%	707.0	261	10	615	20,812	6%	662.9
Nov	70	4,165	239	60	3,570	767		39,995	11%	703.4	135	10	595	19,940	6%	661.8
Dec	70	4,304	137	60	3,689	460		35,342	9%	699.9	82	10	615	19,213	6%	660.8
Jan 2021								31,641	8%	697.0				18,539	6%	659.8
Totals		162,225	9,589		114,369	16,162	1,145				4,726		47,856			

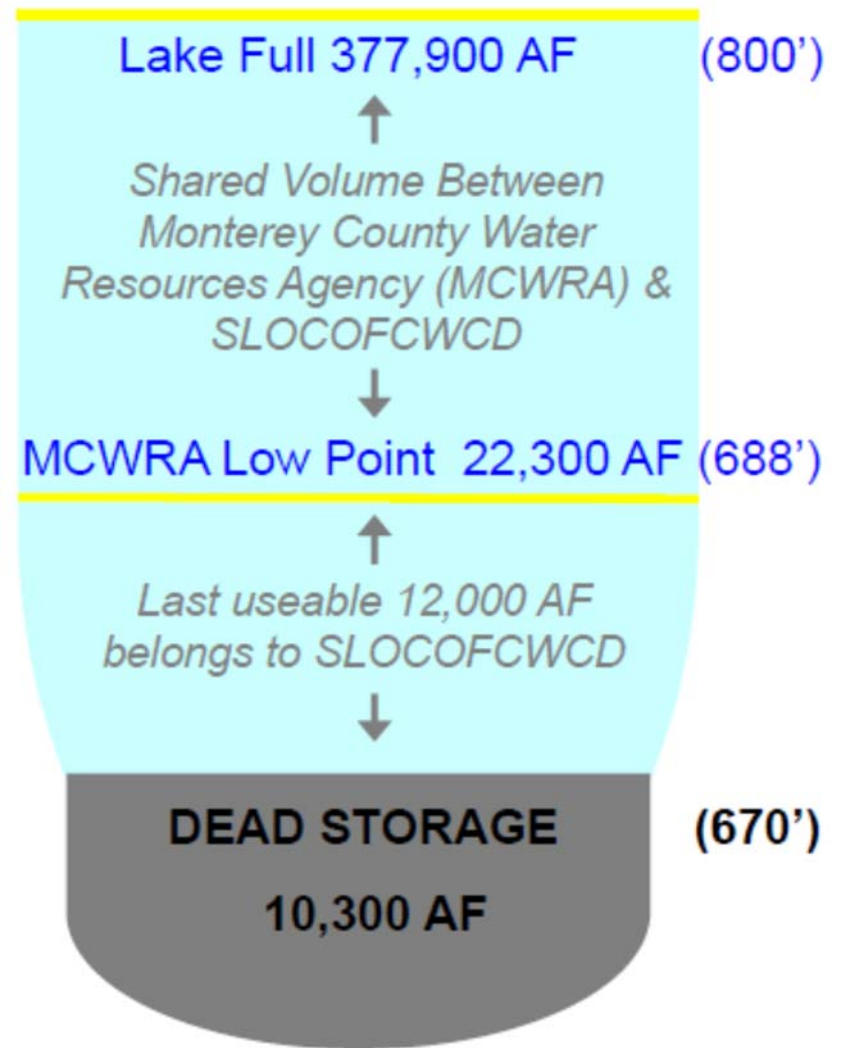
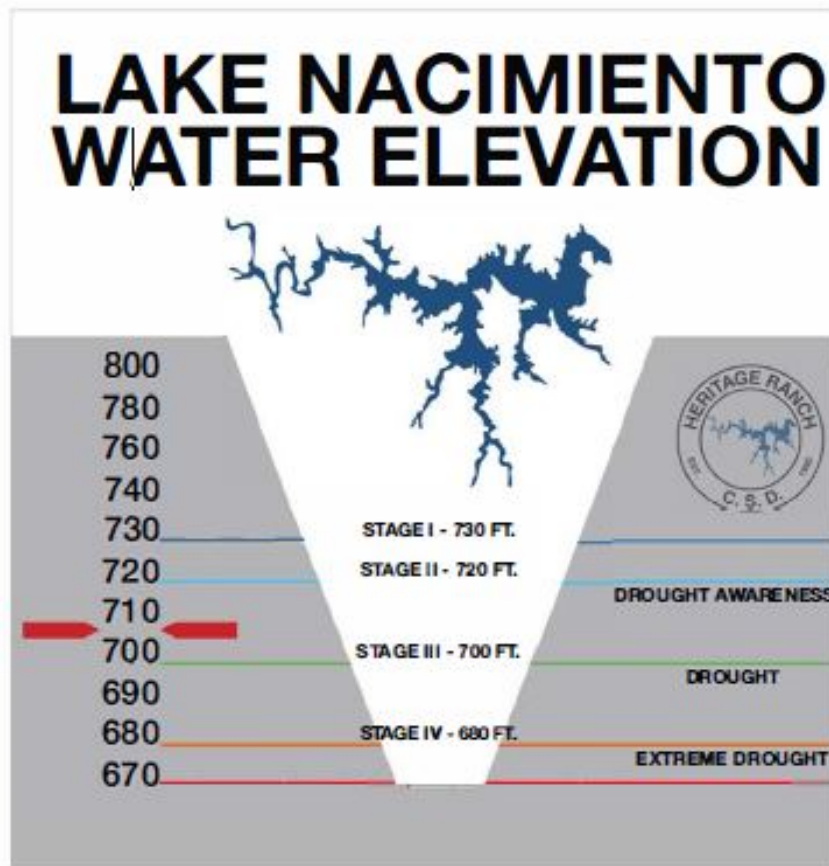
Revision Date: 6/25/21

Notes:

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



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



HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: July 15, 2021

SUBJECT: Request to receive a presentation on Director compensation and expenses and provide direction to staff.

Recommendation

It is recommended that the Board of Directors receive a presentation on Director compensation and expenses and provide direction to staff:

Background

District Code of Ordinance states:

“2.050 – Compensation and Expenses

Directors shall receive \$100.00 for the first District Board or Committee meeting attended by him or her per calendar month and \$50.00 for each of the next two Board or Committee meetings attended by him or her per calendar month upon taking office and until that time that his/her term ends. Maximum monthly stipend for attending District Board or Committee meetings shall be \$200.00. In addition to any salary received pursuant to this section, Directors shall be allowed any actual and necessary expense incurred in the performance of their duties per standard District reimbursement procedures.”

District Resolution 09-05 Amending and Adopting Board Compensation and Travel Reimbursement Policy provides further clarification.

Discussion

At the June 17, 2021 meeting your Board requested this item be placed on the July agenda for discussion.

Attachments: Resolution 09-05

File: BOD

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 09-05**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
HERITAGE RANCH COMMUNITY SERVICES DISTRICT
AMENDING AND ADOPTING BOARD COMPENSATION AND TRAVEL
REIMBURSEMENT POLICY AND DESIGNATING THE GENERAL MANAGER AS
AN AGENCY OFFICIAL OF THE BOARD**

WHEREAS, it is the policy of the District to encourage Board development and excellence of performance by reimbursing expenses incurred for tuition, travel, lodging and meals as a result of training, educational courses, participation with professional organizations, and attendance at local and state conferences associated with the interests of the District; and

WHEREAS, the District has adopted Ordinance 2.050 that sets Director compensation and allows for reimbursement of travel expenses; and

WHEREAS, pursuant to Government Code Section 53232 et al. local government agencies must set policy for compensation and travel expense reimbursement for elected officials; and

WHEREAS, on June 21, 2007, the Board of Directors adopted Resolution 07-07 approving a Board compensation and travel reimbursement policy and designating the General Manager as an agency official as required by Government Code Section 53232; and

WHEREAS, the Board now desires to amend Resolution 07-07 in regards to travel and training expense reimbursement policy and the manner in which Directors may be reimbursed for travel and training expenditures related to District business; and

NOW THEREFORE BE IT RESOLVED the Board of Directors of the Heritage Ranch Community Services District, County of San Luis Obispo, State of California having duly considered the same, do hereby declare and adopt the following:

1. The Board compensation policy as outlined in Ordinance 2.050 is restricted to only regular and special meetings of the Board and committee meetings advisory to the Board. Compensation for meetings is not authorized for any conference, educational workshops or any other meeting that a Director may attend.
2. Board members are eligible for reimbursement of all actual and necessary expenses necessary to attend conference, educational workshops or other meetings. The following activities shall qualify for reimbursement of actual and necessary expenses:
 - Communication with local, state, or federal government representatives regarding District business.
 - Attendance at a conference or organized educational activity designed to improve employees' or Directors' skill and information levels, including but not limited to training required by Government Code.

- Participation in local, state, or federal organizations whose activities affect the District's interests.
 - Attendance at official events of other public agencies.
 - Attendance at meetings of outside agencies, including but not limited to:
 - California Special Districts Association (CSDA)
 - Special District and Local Government Institute
 - Association of California Water Agencies (ACWA)
 - Special District Risk Management Association (SDRMA)
 - San Luis Obispo County Special Districts Association (SLO CSDA)
 - Other activities approved by the Board of Directors at a public meeting prior to incurring the expense.
3. Directors must ensure that travel/training budgeted funds are available prior to commitment by verifying availability with the Finance Manager, and ensure costs remain within budget.
 4. Reimbursement rates for meals will be pursuant to the U.S. General Services Administration (GSA) per diem rates for the locale of the destination(s) except for meals included in the registration fees for a conference, seminar, or training activity. Meals included in the seminar/conference registration package for which the traveler has no control over meal choices or costs will be paid for as part of the seminar/conference registration fees and the traveler may not claim reimbursement for them.
 5. Reimbursement for lodging will be for a modest single-room or for accommodations in the hotel hosting the conferences, seminars or meetings not to exceed the maximum group rate published by the conference or activity sponsor, when possible. If the group rate is not available at the time of reservation, reimbursement shall be at the government rate, not to exceed the GSA per diem rate.
 6. Reimbursement for travel shall be at the standard IRS approved reimbursement mileage rate for use of a private vehicle plus tolls and parking fees for the most direct highway route. Only the driver, regardless of passengers, is reimbursed. There is no reimbursement for air, rental vehicle, or rail travel beyond the standard IRS mileage reimbursement for use of a private vehicle. Directors are required to comply with insurance coverage provisions prior to using private vehicles on District business.
 7. Reimbursement for travel expenses for "junkets" (a tour or journey for pleasure at public expense) is not permitted.
 8. Directors must schedule all of their travel and training plans through District staff. The General Manager shall determine if the event meets the requirements for reimbursement. Any requested reimbursement from the training/travel general fund budget for events that do not meet the criteria as outlined in Section 2 above will be referred to the Board for approval.

9. Whenever Directors desire to be reimbursed for out-of pocket expenses for travel, meals and lodging and training appropriately related to District business, they shall submit their requests on a reimbursement form approved by the General Manager. Included on the reimbursement form will be an explanation of the District-related purpose for the expenditure(s), and receipts evidencing each expense shall be attached.
10. Directors must prepare a written report for distribution to the Board during the next regular meeting of the Board upon returning from seminars/workshop/conferences where expenses are reimbursed by the District. The report shall detail what was learned at the session(s) that will be of benefit to the District. Materials from the session(s) may be delivered to the District office to be included in the District library for the future use of other Directors and staff.
11. The General Manager shall be designated as an agency official for the District and shall comply with the requirements of Government Code Section 53234 et al for the purposes of Ethics Laws.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Heritage Ranch Community Services District on the 21st day of May 2009, by the following roll call vote.


AYES: Gourley, Brelend, Allison, Burgess, Clarke

NOES:

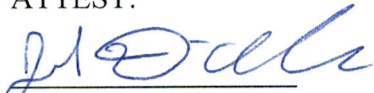
ABSTAIN:

ABSENT:

APPROVED:


Ralph Allison, President
Board of Directors

ATTEST:


John D'Ornellas, Secretary
Board of Directors

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

Manager Report For the Month of July 2021

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

Administration

- The Manager attended bi-weekly Special District Managers meetings.

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.
- Additional updates regarding operations can be found in the Operations Report.
- In June we transitioned all wastewater sample testing required for regulatory compliance to a private laboratory, Abalone Coast Analytical. Previously we have performed some regulatory compliance testing in-house. In-house testing for regulatory compliance reporting requires that we also maintain an accreditation from the California State Environmental Laboratory Accreditation Program (ELAP). The ELAP regulations are becoming more and more restrictive and costly which makes it difficult for small Districts like us to maintain accreditation. In addition, the District no longer has a person with certifications to be the Laboratory Director, another requirement from ELAP. Therefore, our in-house lab is no longer accredited with ELAP. The Manager performed an analysis prior to the transition and anticipates that it will be more cost effective to send all regulatory compliance reportable samples to a private lab. Staff can still perform in-house testing for operational needs but those cannot be used for reporting. The Manager also met with our vendor (FRM) that provides regulatory reporting services for us to review and finalize updated report formatting associated with this change.

Solid Waste

- The Manager attended the monthly IWMA Local Task Force meeting, as well as a special Local Task Force meeting.

- The Manager and District Counsel met with IWMA regarding a Franchise Agreement Amendment to incorporate SB 1383.
- As was briefly mentioned in previous reports, there are several things that are anticipated to be on the very near horizon associated with solid waste:
 - Amendment to the IWMA JPA and MOA of which we are a part of the MOA
 - Amendment to our Franchise Agreement for SB 1383 requirements
 - Amendment to our Code of Ordinances for SB 1383 requirements
 - Proposition 218 fee increase(s) for increased IWMA costs and/or increased solid waste operation costs

Your Board will likely need to consider approval of these. District Counsel is also the Counsel for IWMA and has been involved in these matters. The Manager will be relying on him to assist in educating and presenting them to your Board.

Reservoir Status

- The Manager attended the monthly MCWRA Reservoir Operations Committee meeting.
- See also separate agenda item.
- The water wheeling contract between the District and the SLO County Flood Control & Water Conservation District was extended on its annual rotation.

Capital Improvement Program and Projects

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

- Vertical Intake: At the June 17, 2021 meeting your Board awarded construction of Phase 2 to Kirk Construction.
- Water Reclamation Facility upgrade project:

The pre-proposal meeting for design services was held on June 3. There were nine firms that attended the mandatory meeting. Three firms requested and had a subsequent 1-hour individual meeting with the District to ask additional questions and to get to know the project better.

The current schedule is:

Item	Date
Proposal Due	7/20/21, 3 p.m. local time
District Review of Proposals	7/20/21 through 7/27/21

District Issue of Short-List (3 firms)	7/28/21
Interviews (if needed)	Week of 8/2/21
District Recommendation of Selected Firm / Staff Report	8/12/21
Consultant Notice of Contract Award / Begin Contract Negotiations	8/20/21

- Lift Station 1-5 rehabilitation design phase: Development of contract documents by the District Engineer is on hold.
- PVS: A verbal update will be given.
- Water and Wastewater Rate Study: A consultant contract was approved by your Board at the May 2021 meeting. The Notice to Proceed is on hold pending on-boarding of a design services consultant for the wastewater project.
- Rebuild Treated Water Pumps at PS 3 & 4: not yet commenced.
- Pump Station Covers: not yet commenced.
- Vehicle / Equipment replacement: Final quotes are ready, and staff anticipates requesting your Board approval at the August meeting.

Development

- Nothing significant to report.

Public Relations and Community

- Nothing significant to report.

Human Resources

- Currently recruiting for one Treatment Operator III and one Treatment Operator I, II, or III, and one District Engineer.

Board Member & Staff Information and Learning Opportunities

- Nothing significant to report.

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HERITAGE RANCH COMMUNITY SERVICES DISTRICT

Operations Report For the Month of July 2021

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

Water treatment

- We are experiencing software and control issues at the Water Treatment Plant, and we have reached out to three different vendors including Roberts Filter Company for resolutions and pricing.
- Staff has received a proposal from Roberts Filter for the media replacement on one filter and we are putting together a list of items (valves, filter screens, air wash laterals, etc.) that we should have on hand before undertaking this project. The first of four filters will likely have the media changed out this Summer. The remaining three filters will have the media changed out one at a time as water demand allows.

Water distribution

- Staff has been repairing water leaks at the rate of one to two per week since our last meeting and we are formulating a plan to follow up with hot asphalt repairs / permanent road repairs at these locations and dozens more that have accumulated over the years.

Wastewater collection

- Lift Stations #7, #8, and #9 have been identified as lacking replacement or back up pumps and progress is being made to create a full list of critical spare parts, including pumps, that need to be brought into inventory to create more resilience in district services.

Wastewater treatment

- Nothing significant to report.

Vehicles and equipment

- Nothing significant to report.

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