

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: June 20, 2024

SUBJECT: Hearing to consider protests to proposed solid waste rate adjustments and, if a majority protest is not received, recommendation is to approve Resolution 24-05 adopting solid waste rate adjustments.

Recommendation

It is recommended that the Board of Directors:

- 1) Hold a hearing to consider protests to proposed solid waste rate adjustments, and upon conclusion of the hearing, determine whether there is a majority protest.
- 2) If a majority protest is not received, approve new solid waste rates by adoption of Resolution 24-05.

Background

The District is the solid waste authority at Heritage Ranch and has a Franchise Agreement (Agreement) with San Miguel Garbage Company (SMGC) to provide solid waste services within the District.

At the April 18, 2024 meeting, your Board reviewed and approved a solid waste services rate adjustment of 3.5% based on the consumer price index, and the notice to property owners, and scheduled this public hearing for adoption of the adjusted solid waste rates.

Discussion

Pursuant to the Agreement, the rates charged by SMGC may be adjusted from time to time and use the guidelines and approach outlined in the “City of San Luis Obispo's Rate Setting Process and Methodology Manual for Integrated Solid Waste Management Rates” (Rate Setting Manual).

CPI Adjustment

In this case SMGC is requesting a rate adjustment based on the Consumer Price Index (CPI). The Agreement states,

“Commencing on January 1, 2019, and on the same date thereafter for the remaining term of this Agreement (the “Concluding Adjustment Date”), the rates set forth in this Agreement, as adjusted hereunder, shall be automatically adjusted by a percentage equal to the annual percent change in the Consumer Price Index (“CPI”) for All Urban Consumers - for the Los Angeles – Riverside – Orange County metropolitan area (1982-84 = 100) as published by the Bureau of Labor Statistics for the 12-month period ending December 31.”

The actual change in CPI for 2023 and SMGC’s rate adjustment request is 3.5%. SMGC’s rate adjustment request included submittal of the financial and operating information which was reviewed and analyzed by the District. The rates that San Miguel Garbage Company is requesting are justifiable and supportable and have followed the guidelines of the rate setting process and the Agreement.

Fiscal Considerations

The proposed solid waste rates are consistent with the Agreement and will allow SMGC to continue to operate.

Results

The rate setting objective is to determine integrated solid waste service rates that are fair to residents, and which provide adequate revenue to the hauler.

Attachments: Resolution 24-05

File: G.03 SMGC Rates

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 24-05**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HERITAGE RANCH
COMMUNITY SERVICES DISTRICT ADOPTING SOLID WASTE RATE
ADJUSTMENTS**

WHEREAS the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (codified as California Public Resources Code Section 40000 et seq.), has declared that it is within the public interest to authorize and require local agencies to make adequate provisions for solid waste handling within their jurisdictions; and

WHEREAS, on November 5, 1996, the voters of the Heritage Ranch Community Services District (District) approved Ballot Measure D authorizing the District to provide collection and disposal of garbage and refuse services pursuant to Government Code Section 61100 (c); and

WHEREAS, on February 1, 2017, the District entered into an exclusive franchise agreement with San Miguel Garbage Company to continue to provide District residents with the collection and disposal of solid waste; and

WHEREAS, San Miguel Garbage Company has performed with exceptional service and commitment throughout the term of their franchise agreements including providing consistent and customer-oriented services to the residents of Heritage Ranch; and

WHEREAS, The District Board met in open session to discuss and receive public comment on proposed new solid waste rates on April 18, 2024 and June 20, 2024; and

WHEREAS, The San Miguel Garbage Company mailed a notice to all Heritage Ranch solid waste customers and property owners on May 1, 2024 noticing them of a public hearing on June 20, 2024 to approve new solid waste rates and advising them of their right to protest the rates in writing pursuant to Article XIII D Section 6 of the State Constitution; and

WHEREAS, the District Board of Directors desires to adopt this Resolution to approve new solid waste rates as detailed in Exhibit A.

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

1. The Board of Directors finds that it has complied with all procedural and substantive requirements including but not limited to Article XIID of the California Constitution and the Proposition 218 Omnibus Implementation Act.

2. Based on the facts and analysis presented by District staff, the staff report, and public testimony received, the Board of Directors finds the fees, rules, and regulations that are the subject of this Resolution are fair and reasonably relate to the services provided.
3. The Board of Directors of the District finds that the rates, fees, or charges adopted by this Resolution are exempt from the California Environmental Quality Act.
4. The Board of Directors adopts the solid waste rates adjustments and amends the Fee Schedule with the solid waste rates provided in Exhibit “A”, effective July 1, 2024.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Heritage Ranch Community Services District on the 20th day of June 2024, by the following roll call vote.

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED: _____

**Dan Burgess, President
Board of Directors**

ATTEST: _____

**Kristen Gelos, Secretary
Board of Directors**

Exhibit A

San Miguel Garbage Co, Inc.
6625 Benton Rd.
Paso Robles, CA 93446

Heritage Ranch Community Service District
2024 Waste Collection Price List
Effective Date: July 1, 2024

		<u>Current</u> Total Charges to Customer	<u>Proposed</u> Solid Waste Rate	<u>IWMA</u> Fee 4.4%		<u>Proposed</u> Total Charges to Customer
RESIDENTIAL CAN SERVICE						
35 GAL	monthly	\$34.60	\$34.30	\$1.51	=	\$35.81
64 GAL	monthly	\$45.05	\$44.66	\$1.97	=	\$46.63
96 GAL	monthly	\$52.10	\$51.65	\$2.27	=	\$53.92

*All can rates based on standard garbage cans 35 gallon or smaller with 50-pound weight limit.
Cans must be readily accessible.*

CAN SERVICE MISCELLANEOUS

Stickers	per sticker	\$5.96	\$5.91	\$0.26	=	\$6.17
Re-Delivery Cans	per occurrence	\$37.38	\$37.05	\$1.63	=	\$38.68
Go Back Residential	per occurrence	\$7.95	\$7.88	\$0.35	=	\$8.23
						plus add additional mileage fee per mile
Walk-In Fee Service - Truck does not leave road & worker must walk in yard	per occurrence	\$3.47	\$3.44	\$0.15	=	\$3.59
2nd Recycle or Greenwaste Cart per Month	monthly	\$7.73	\$7.66	\$0.34	=	\$8.00

*Carts are the property of the garbage company & must be returned when service is stopped or cancelled.
If cart is not returned the company may impose the appropriate fee to the customer for each cart not returned.*

Missing Cart - 35 GAL	per cart	\$58.78	\$58.27	\$2.56	=	\$60.83
Missing Cart - 64 GAL	per cart	\$77.31	\$76.64	\$3.37	=	\$80.01
Missing Cart - 96 GAL	per cart	\$105.15	\$104.25	\$4.59	=	\$108.84

COMMERCIAL CONTAINER SERVICE *For solid waste, recycle or greenwaste material (each charged separately)*

1 YARD	1X WK	monthly	\$151.72	\$150.41	\$6.62	=	\$157.03
	2X WK	monthly	\$235.16	\$233.13	\$10.26	=	\$243.39
	3X WK	monthly	\$329.23	\$326.38	\$14.36	=	\$340.74
1.5 YARD	1X WK	monthly	\$169.59	\$168.13	\$7.40	=	\$175.53
	2X WK	monthly	\$262.86	\$260.59	\$11.47	=	\$272.06
	3X WK	monthly	\$368.01	\$364.83	\$16.05	=	\$380.88
2 YARD	1X WK	monthly	\$216.69	\$214.82	\$9.45	=	\$224.27
	2X WK	monthly	\$335.88	\$332.98	\$14.65	=	\$347.63
	3X WK	monthly	\$470.23	\$466.17	\$20.51	=	\$486.68
3 YARD	1X WK	monthly	\$249.27	\$247.12	\$10.87	=	\$257.99
	2X WK	monthly	\$386.36	\$383.03	\$16.85	=	\$399.88
	3X WK	monthly	\$540.91	\$536.24	\$23.59	=	\$559.83
4 YARD	1X WK	monthly	\$330.06	\$327.22	\$14.40	=	\$341.62
	2X WK	monthly	\$511.60	\$507.18	\$22.32	=	\$529.50
	3X WK	monthly	\$716.24	\$710.06	\$31.24	=	\$741.30
6 YARD	1X WK	monthly	\$498.06	\$493.77	\$21.73	=	\$515.50
	2X WK	monthly	\$772.00	\$765.34	\$33.67	=	\$799.01
	3X WK	monthly	\$1,080.79	\$1,071.48	\$47.14	=	\$1,118.62

*Every other week rate is the same as 1X WK rate.
Additional days per week are as follows: 4X WK multiply 3X WK rate by 1.3 5X WK multiply 4X WK rate by 1.25*

COMMERCIAL EXTRA PICKUP + PER MILE TRIP CHARGE * *For solid waste, recycle or greenwaste (each charged separately)*

1 YARD	per occurrence	\$42.98	\$42.61	\$1.87	=	\$44.48
1.5 YARD	per occurrence	\$47.96	\$47.54	\$2.09	=	\$49.63
2 YARD	per occurrence	\$53.25	\$52.79	\$2.32	=	\$55.11
3 YARD	per occurrence	\$69.79	\$69.19	\$3.04	=	\$72.23
4 YARD	per occurrence	\$105.32	\$104.41	\$4.59	=	\$109.00
6 YARD	per occurrence	\$139.97	\$138.76	\$6.11	=	\$144.87

Exhibit A

San Miguel Garbage Co, Inc.
6625 Benton Rd.
Paso Robles, CA 93446

Heritage Ranch Community Service District
2023 Waste Collection Price List
Effective Date: July 1, 2024

		<u>Current</u>	<u>Proposed</u>	<u>IWMA</u>	<u>Proposed</u>
		Total Charges to	Solid Waste	Fee	Total Charges to
		<u>Customer</u>	<u>Rate</u>	4.4%	<u>Customer</u>
COMMERCIAL SERVICE MISCELLANEOUS					
* Trip Charge per Mile	per occurrence	\$8.82	\$8.75	\$0.38 =	\$9.13
Delivery Fee & Re-Delivery Containers	per occurrence	\$47.87	\$47.45	\$2.09 =	\$49.54
Extra trash less than 1 yard	per occurrence	\$37.52	\$37.20	\$1.64 =	\$38.84
Extra trash per yard	per occurrence	\$42.98	\$42.61	\$1.87 =	\$44.48
Manual Labor per yard	per occurrence	\$33.59	\$33.31	\$1.47 =	\$34.78
Go Back Commercial	per occurrence	\$15.27	\$15.14	\$0.67 =	\$15.81
					plus add additional mileage fee per mile
Lock Bar Set Up	per occurrence	\$77.18	\$76.51	\$3.37 =	\$79.88
Lock Bar Set Up Plus Key & Lock	per occurrence	\$93.21	\$92.40	\$4.07 =	\$96.47
Unlocking Fee	per occurrence	\$4.13	\$4.09	\$0.18 =	\$4.27
Container Exchange Fee	per occurrence	\$178.06	\$176.52	\$7.77 =	\$184.29

DRIVE IN-YARD CHARGES

Charged to customers that require the waste collection truck to enter the customers property

In-Yard 100'	monthly	\$18.08	\$17.93	\$0.79 =	\$18.72
In-Yard 1/4 Mile	monthly	\$25.37	\$25.15	\$1.11 =	\$26.26
In-Yard 1 Mile	monthly	\$28.02	\$27.78	\$1.22 =	\$29.00
In-Yard Over 1 Mile	monthly	multiply "In-Yard 1 Mile" rate X total miles			

ADDITIONAL CHARGES

Can Pressure Wash Fee	per occurrence	\$37.38	\$37.05	\$1.63 =	\$38.68
Water Heater	each 2024 N/C White Goods	\$30.92	\$30.66	\$4.35 =	\$32.01
Fridge	each 2024 N/C White Goods	\$41.74	\$41.39	\$1.82 =	\$43.21
Washer/Dryer	each 2024 N/C White Goods	\$30.92	\$30.66	\$1.35 =	\$32.01
Toilet	each	\$13.89	\$13.77	\$0.61 =	\$14.38
Mattress or boxspring TWN	each	\$27.46	\$27.22	\$1.20 =	\$28.42
Mattress or boxspring Q-K	each	\$47.63	\$47.22	\$2.08 =	\$49.30
Couches	each	\$34.00	\$33.71	\$1.48 =	\$35.19
Truck Tires	each	\$27.46	\$27.22	\$1.20 =	\$28.42
Car Tire only	each	\$5.42	\$5.37	\$0.24 =	\$5.61
Car Tire with Rim	each	\$8.12	\$8.05	\$0.35 =	\$8.40
T.V.	CAN NOT TAKE				

All other items not listed call office for rate.

NSF FEES

1ST	\$20.00
2ND	\$30.00
3RD	\$35.00
4TH	\$40.00

RENT-A-BIN (all areas)

2 YARD - 1 PU 1 WEEK	60x43x38	\$153.32	\$152.00	\$6.69 =	\$158.69
3 YARD - 1 PU 1 WEEK	72x43x52	\$206.13	\$204.35	\$8.99 =	\$213.34
DAILY RENTAL after 1 wk	per day	\$4.33	\$4.30	\$0.19 =	\$4.49

For one month rental please call office for rates

ROLL-OFF RENTALS

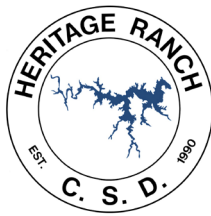
20 YARD ROLL-OFF (includes 2 tons trash)	per dump	\$590.27	\$585.18	\$25.75 =	\$610.93
40 YARD ROLL-OFF (includes 3 tons trash)	per dump	\$670.01	\$664.23	\$29.23 =	\$693.46

Roll-Off Service is for 7 days. Rental after 7 days is \$5.00/day for 20yd and \$7.00/day for 40 yd.

Weight in excess of allowed weight will be charged current landfill per ton rate up to 10 tons.

Any load that exceeds 10 tons will be charged an additional \$50.00 per ton, in addition to the current landfill rate, after the first 10 tons.

Contracts must be completely filled out and signed, and deposits received, before delivery of all containers and roll-offs.



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

May 16, 2024

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

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

2. ROLL CALL

Manager Duffield called the roll.

Directors present: Bill Barker, Dan Burgess, Tom Swanson and Masen Yaffee.

Directors absent: Michael Camou

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

3. PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

Heritage Ranch resident, Sam Poppen spoke.

4. PUBLIC HEARINGS

a. Submittal for approval Resolution 24-04 Confirming Water and Sewer Standby Charges for Property within the District for Fiscal Year 2024/25.

There were no public comments.

Director Yaffee made a motion to approve Resolution 24-04. Director Barker seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Swanson, Yaffee

Absent: Camou

5. CONSENT ITEMS

a. Meeting Minutes: Receive/approve minutes of special meeting of April 18, 2024.

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

c. Treasurer's Report: Receive/file April 2024 Report.

d. Fiscal Report: Receive/file April 2024 status report.

e. Office Report: Receive/file April 2024 report.

f. District Engineer Report: Receive/file May 2024 report.

g. Operations Manager Report: Receive/file May 2024 report.

h. Updates regarding disinfection byproducts.

There were no public comments.

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

Ayes: Barker, Burgess, Swanson, Yaffee

Absent: Camou

6. BUSINESS ITEMS

a. Receive and file the first draft of the FY 2024/25 Budget and provide direction to staff.

There were no public comments.

The report was received and filed.

b. Consider alternatives for proceeding with the Water Resource Recovery Facility project and provide direction to staff.

Heritage Ranch resident, Reg Cousineau spoke.

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

Director Yaffee made a motion to terminate the agreement for professional services with Water Systems Consulting and hire Hydro Science to complete the design as per their proposal. Director Burgess seconded the motion. The motion passed by the following voice vote:

Ayes: Barker, Burgess, Swanson, Yaffee

Absent: Camou

c. Consider virtual public participation options for regular meetings of the Board, and all other meetings of the District's legislative bodies that are subject to the Brown Act.

Heritage Ranch resident, Catie Cousineau spoke.

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

There was no motion made; the consensus of the Board was that meetings will continue to be recorded and posted on the website for future viewing.

7. GENERAL MANAGER REPORT

There were no public comments.

Report was received and filed.

8. COMMITTEE REPORTS

There were no public comments.

9. FUTURE AGENDA ITEMS

There were no public comments.

The Board determined to add the following to a future agenda: none

10. ADJOURN TO CLOSED SESSION

CONFERENCE WITH LABOR NEGOTIATORS

The board adjourned to closed session at 5:27 pm.

11. RECONVENE TO OPEN SESSION

The board reconvened to open session at 5:48 pm. District Counsel reported that there was no reportable action from Closed Session.

12. ADJOURNMENT

On a motion by Director Barker and seconded by Director Yaffee the meeting adjourned at 5:49 pm to the next scheduled meeting on Thursday, June 20, 2024.

APPROVED:

ATTEST:

**Dan Burgess, President
Board of Directors**

**Kristen Gelos, Secretary
Board of Directors**

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
5/3/2024	R. ARNOLD NET PAYROLL	2,815.17	\$ 2,815.17
5/3/2024	M. HUMPHREY NET PAYROLL	2,561.54	\$ 2,561.54
5/3/2024	B. VOGEL NET PAYROLL	2,428.96	\$ 2,428.96
5/3/2024	T. SHOGREN NET PAYROLL	2,148.04	\$ 2,148.04
5/3/2024	J. MARTY NET PAYROLL	1,792.49	\$ 1,792.49
5/3/2024	K. GELOS NET PAYROLL	2,767.34	\$ 2,767.34
5/3/2024	D. BURGESS NET PAYROLL	92.35	\$ 92.35
5/3/2024	B. BARKER NET PAYROLL	554.10	\$ 554.10
5/3/2024	S. DUFFIELD NET PAYROLL	4,483.97	\$ 4,483.97
5/3/2024	M. WILCOX NET PAYROLL	3,210.05	\$ 3,210.05
5/3/2024	D. GROSHART NET PAYROLL	4,332.22	\$ 4,332.22
5/3/2024	M. CAMOU NET PAYROLL	92.35	\$ 92.35
5/3/2024	M. YAFFEE NET PAYROLL	554.10	\$ 554.10
5/3/2024	T. SWANSON NET PAYROLL	92.35	\$ 92.35

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
5/3/2024	CALPERS HEALTH BENEFITS CALPERS HEALTH BENEFITS	19,032.14	\$ 19,032.14
5/3/2024	INTERNAL REVENUE SERVICE FEDERAL WITHHOLDING TAXES FICA WITHIHOLDING MEDICARE	2,986.16 186.00 1,108.00	\$ 4,280.16
5/3/2024	EMPLOYMENT DEVELOPMENT DEPARTM SDI STATE WITHHOLDING	403.77 1,168.46	\$ 1,572.23
5/3/2024	CALPERS RETIREMENT SYSTEM CALPERS UNIFORM ALLOWANCE PERS-IRC 457 CONTRIBUTIONS PERS RETIREMENT PERS RETIREMENT TIER 2 PERS RETIREMENT PEPRA SURVIVOR BENEFIT	10.47 1,443.08 1,628.92 1,886.11 2,841.57 8.37	\$ 7,818.52
5/5/2024	PITNEY BOWES GLOBAL FINANCIAL POSTAGE METER LEASE	161.79	\$ 161.79
5/6/2024	SAN MIGUEL GARBAGE DELINQUENT SOLID WASTE FEES	2,370.50	\$ 2,370.50
5/14/2024	PITNEY BOWES POSTAGE	117.51	\$ 117.51
5/14/2024	MCCLATCHY COMPANY LLC ADVERTISING	55.66	\$ 55.66
5/14/2024	BLAKES INC SUPPLIES	62.56	\$ 62.56
5/14/2024	PG&E ELECTRICITY	4,569.87	\$ 4,569.87
5/14/2024	KUBE ENGINEERING GAC PROJECT	17,485.75	\$ 17,485.75
5/14/2024	BRENNTAG PACIFIC, INC CHEMICALS	1,239.75	\$ 1,239.75

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
5/14/2024	USA BLUEBOOK CHEMICALS / MAINT. FIXED EQUIP SUPPLIES	790.62 47.08	\$ 837.70
5/14/2024	COUNTY OF SAN LUIS OBISPO PROFESSIONAL SERVICES	584.30	\$ 584.30
5/14/2024	RENTAL DEPOT EQUIPMENT RENT/LEASE	1,436.40	\$ 1,436.40
5/14/2024	ABALONE COAST ANALYTICAL, INC. LAB TESTING	3,267.00	\$ 3,267.00
5/14/2024	DATA PROSE LLC PROFESSIONAL SERVICES APRIL BILLING	289.60 1,414.32	\$ 1,703.92
5/14/2024	RIVAL TECHNOLOGY INC. PROFESSIONAL SERVICES COMPUTER/SOFTWARE	909.36 130.00	\$ 1,039.36
5/14/2024	MIKE WILCOX UNIFORM ALLOWANCE LICENSES & PERMITS	162.91 100.00	\$ 262.91
5/14/2024	SPEEDY COASTAL MESSENGER, INC. LAB TESTING	510.00	\$ 510.00
5/14/2024	SPICE INTEGRATION MAINTENANCE FIXED EQUIPMENT	612.77	\$ 612.77
5/14/2024	JERED MARTY LICENSES & PERMITS	70.00	\$ 70.00
5/14/2024	LOOMIS TANK & TROUGH MAINTENANCE FIXED EQUIPMENT	4,821.23	\$ 4,821.23
5/14/2024	AIRGAS USA, LLC SMALL TOOLS & EQUIPMENT	1,328.53	\$ 1,328.53
5/14/2024	HYDROSCIENCE ENGINEERS INC WRRF PROJECT	11,285.00	\$ 11,285.00

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
5/14/2024	THE JAM LAW GROUP LEGAL & ATTORNEY LEGAL & ATTORNEY	3,431.40 1,238.40	\$ 4,669.80
5/17/2024	R. ARNOLD NET PAYROLL	2,894.31	\$ 2,894.31
5/17/2024	M. HUMPHREY NET PAYROLL	2,303.23	\$ 2,303.23
5/17/2024	B. VOGEL NET PAYROLL	2,428.96	\$ 2,428.96
5/17/2024	T. SHOGREN NET PAYROLL	2,314.34	\$ 2,314.34
5/17/2024	J. MARTY NET PAYROLL	1,966.74	\$ 1,966.74
5/17/2024	K. GELOS NET PAYROLL	2,767.33	\$ 2,767.33
5/17/2024	S. DUFFIELD NET PAYROLL	4,320.49	\$ 4,320.49
5/17/2024	M. WILCOX NET PAYROLL	3,210.05	\$ 3,210.05
5/17/2024	D. GROSHART NET PAYROLL	4,332.22	\$ 4,332.22
5/17/2024	INTERNAL REVENUE SERVICE FEDERAL WITHHOLDING TAXES MEDICARE	2,905.29 1,060.78	\$ 3,966.07
5/17/2024	EMPLOYMENT DEVELOPMENT DEPARTM SDI STATE WITHHOLDING	402.38 1,127.84	\$ 1,530.22

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
5/17/2024	CALPERS RETIREMENT SYSTEM PERS-IRC 457 CONTRIBUTIONS PERS RETIREMENT PERS RETIREMENT TIER 2 PERS RETIREMENT PEPRA SURVIVOR BENEFIT	1,443.08 1,628.91 1,886.11 2,841.58 8.37	\$ 7,808.05
5/20/2024	CHARTER COMMUNICATIONS INTERNET	89.99	\$ 89.99
5/20/2024	HOME DEPOT CREDIT SERVICES SM TOOLS/FIXED EQUIP/GAC PRJCT	152.27	\$ 152.27
5/20/2024	MULTIQUIP SM TOOLS & EQUIP.	237.27	\$ 237.27
5/20/2024	ROCK N' ROBLES WRRF PROJECT	87.22	\$ 87.22
5/20/2024	CSDA-SLO COUNTY CHAPTER TRAINING & TRAVEL	80.00	\$ 80.00
5/20/2024	RING CENTRAL TELEPHONE	299.83	\$ 299.83
5/20/2024	STARLINK INTERNET	250.00	\$ 250.00
5/24/2024	CALPERS RETIREMENT SYSTEM CALPERS UNFUNDED LIABILITY	8,760.67	\$ 8,760.67
5/25/2024	J.B. DEWAR. INC. FUEL & OIL	1,337.97	\$ 1,337.97
5/30/2024	GREAT WESTERN ALARM ALARM / ANSWERING SERVICE	319.32	\$ 319.32
5/30/2024	FERGUSON ENTERPRISES INC MAINTENANCE FIXED EQUIPMENT	374.92	\$ 374.92
5/30/2024	CLEATH-HARRIS GEOLOGISTS, INC. VERTICAL INTAKE #2	3,737.20	\$ 3,737.20

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
5/30/2024	AT&T TELEPHONE	83.37	\$ 83.37
5/30/2024	USA BLUEBOOK MAINTENANCE FIXED EQUIPMENT	242.63	\$ 242.63
5/30/2024	TYLER TECHNOLOGIES COMPUTER / SOFTWARE	17,754.81	\$ 17,754.81
5/30/2024	ROY ARNOLD CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
5/30/2024	BRENTAG PACIFIC, INC CHEMICALS CHEMICALS	4,149.06 3,886.95	\$ 8,036.01
5/30/2024	FLUID RESOURCE MANAGEMENT PROFESSIONAL SERVICES	820.00	\$ 820.00
5/30/2024	KRISTEN GELOS CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
5/30/2024	CORE & MAIN LP MAINTENANCE FIXED EQUIPMENT SMALL TOOLS & EQUIPMENT METERS & EQUIPMENT	209.80 311.03 10.21	\$ 531.04
5/30/2024	BURT INDUSTRIAL SUPPLY SUPPLIES	95.83	\$ 95.83
5/30/2024	SCOTT DUFFIELD TRAINING & TRAVEL CELL PHONE/INTERNET ALLOWANCE	111.00 80.00	\$ 191.00
5/30/2024	MARK HUMPHREY CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
5/30/2024	MID-STATE REPAIR SERVICE MAINTENANCE FIXED EQUIPMENT	386.21	\$ 386.21
5/30/2024	BRIAN VOGEL CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
5/30/2024	MIKE WILCOX MEDICAL REIMBURSEMENT CELL PHONE/INTERNET ALLOWANCE	882.65 80.00	\$ 962.65
5/30/2024	TROY SHOGRN CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
5/30/2024	DOUGLAS GROSHART CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
5/30/2024	JORANDA MARKETING, INC. / JAN- STRUCTURES & GROUNDS	274.60	\$ 274.60
5/30/2024	INDEPENDENT ELECTRIC SUPPLY IN MAINTENANCE FIXED EQUIPMENT	1,005.11	\$ 1,005.11
5/30/2024	HERC RENTALS INC. PROFESSIONAL SERVICES	189.23	\$ 189.23
5/30/2024	AMAZON SMALL TOOLS & EQUIPMENT SMALL TOOLS & EQUIPMENT MAINTENANCE FIXED EQUIPMENT MAINTENANCE FIXED EQUIPMENT	105.66 75.56 73.42 52.86	\$ 307.50
5/30/2024	JERED MARTY UNIFORM ALLOWANCE CELL PHONE/INTERNET ALLOWANCE	72.75 80.00	\$ 152.75
5/31/2024	INTERNAL REVENUE SERVICE FEDERAL WITHHOLDING TAXES MEDICARE	3,040.90 1,082.76	\$ 4,123.66
5/31/2024	R. ARNOLD NET PAYROLL	2,949.26	\$ 2,949.26
5/31/2024	M. HUMPHREY NET PAYROLL	2,420.77	\$ 2,420.77
5/31/2024	B. VOGEL NET PAYROLL	2,974.35	\$ 2,974.35

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
5/31/2024	T. SHOGREN NET PAYROLL	2,380.80	\$ 2,380.80
5/31/2024	J. MARTY NET PAYROLL	1,715.77	\$ 1,715.77
5/31/2024	K. GELOS NET PAYROLL	2,767.33	\$ 2,767.33
5/31/2024	S. DUFFIELD NET PAYROLL	4,320.49	\$ 4,320.49
5/31/2024	M. WILCOX NET PAYROLL	3,210.05	\$ 3,210.05
5/31/2024	D. GROSHART NET PAYROLL	4,332.22	\$ 4,332.22
5/31/2024	EMPLOYMENT DEVELOPMENT DEPARTM SDI	410.71	
	STATE WITHHOLDING	1,197.54	\$ 1,608.25
5/31/2024	CALPERS RETIREMENT SYSTEM		
	PERS-IRC 457 CONTRIBUTIONS	1,443.08	
	PERS RETIREMENT	1,628.91	
	PERS RETIREMENT TIER 2	1,886.11	
	PERS RETIREMENT PEPRA	2,841.58	
	SURVIVOR BENEFIT	8.37	\$ 7,808.05
TOTAL ALL WARRANTS			\$ 246,812.80

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

SUMMARY REPORT OF ALL ACCOUNTS

Beginning Balance:	\$ 4,314,759
Ending Balance:	\$ 4,490,009
Variance:	\$ 175,250
Interest Earnings for the Month Reported:	\$ 1,259
Interest Earnings Fiscal Year-to-Date:	\$ 162,751

ANALYSIS OF REVENUES

Total operating income for water and sewer was:	\$ 222,364
Non-operating income was:	\$ 191,501
Franchise fees paid to the District by San Miguel Garbage was:	\$ 8,082
Interest earnings for the LAIF account was:	\$ -
Interest earnings for the Five Star Bank checking account was:	\$ 18
Interest earnings for the Five Star Bank DWR Loan Services account was:	\$ 99
Interest earnings for the Five Star Bank DWR Reserve account was:	\$ 434
Interest earnings for the Mechanics Bank money market account was:	\$ 0

ANALYSIS OF EXPENSES

Five Star Bank checking account total warrants, fees, and Electronic Fund Transfers was:	\$ 421,573
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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 2024**

BEGINNING BALANCE ALL ACCOUNTS **\$4,314,758.84**

OPERATING CASH IN DRAWER **\$ 300.00**

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

BEGINNING BALANCE 4/30/2024	1,347.77	
QUARTERLY DEPOSIT	25,907.00	
INTEREST EARNED	98.88	
SEMI-ANNUAL PAYMENT	-	
ENDING BALANCE 5/31/2024		\$ 27,353.65

FIVE STAR BANK DWR RESERVE ACCOUNT

BEGINNING BALANCE 4/30/2024	119,541.11	
INTEREST EARNED	433.70	
ENDING BALANCE 5/31/2024		\$ 119,974.81

FIVE STAR BANK SDWSRF LOAN SERVICES ACCOUNT

BEGINNING BALANCE 4/30/2024	15,707.45	
QUARTERLY DEPOSIT	14,685.00	
INTEREST EARNED	110.26	
SEMI-ANNUAL PAYMENT	-	
ENDING BALANCE 5/31/2024		\$ 30,502.71

FIVE STAR BANK SDWSRF RESERVE ACCOUNT

BEGINNING BALANCE 4/30/2024	61,861.17	
INTEREST EARNED	224.44	
ENDING BALANCE 5/31/2024		\$ 62,085.61

MECHANICS BANK MONEY MARKET ACCOUNT

BEGINNING BALANCE 4/30/2024	6,693.11	
DEPOSIT REVENUE - CASH	2,511.17	
INTEREST EARNED	0.12	
ENDING BALANCE 5/31/2024		\$ 9,204.40

FIVE STAR BANK - MONEY MARKET

BEGINNING BALANCE 4/30/2024	21,633.39	
INTEREST EARNED	373.73	
REVENUE TRANSFER <i>From Five Star Checking</i>	140,000.00	
ENDING BALANCE 5/31/2024		\$ 162,007.12

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

FIVE STAR BANK - CHECKING

BEGINNING BALANCE 4/30/2024	156,414.07	
DEPOSIT REVENUE & MISCELLANEOUS INCOME	421,573.47	
INTEREST EARNED	17.66	
TOTAL CHECKS, FEES AND EFT'S	(290,685.23)	
REVENUE TRANSFER <i>To Five Star Money Market</i>	(140,000.00)	
ENDING BALANCE 5/31/2024		\$ 147,319.97

LOCAL AGENCY INVESTMENT FUND (LAIF)

BEGINNING BALANCE 4/30/2024	3,931,260.77	
INTEREST EARNED	-	
ENDING BALANCE 5/31/2024		\$3,931,260.77

ENDING BALANCE ALL ACCOUNTS		\$4,490,009.04
DIFFERENCE FROM LAST MONTH	Increase	\$ 175,250.20

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2023/24 Budget**

OPERATING REVENUE	Budget FY 23/24	Actual May	Actual Year to Date	Percentage Year to Date	Variance Explanation
Water Fees	1,364,806	124,591	1,338,134	98%	
Sewer Fees	1,018,537	92,748	902,105	89%	
Hook-Up Fees	2,400	0	1,200	50%	
Turn on Fees	3,500	75	1,900	54%	
Late Fees	18,830	2,781	30,447	162%	Fluctuates based on activity
Plan Check & Inspection	1,600	0	0	0%	
Miscellaneous Income	500	2,169	5,734	1147%	
TOTAL OPERATING	\$2,410,173	\$222,364	\$2,279,520	95%	

FRANCHISE REVENUE					
Solid Waste Franchise Fees	88,698	8,082	89,418	101%	
TOTAL FRANCHISE	\$88,698	\$8,082	\$89,418	101%	

TOTAL OPERATING \$2,498,871 \$230,446 \$2,368,938 95%

NON-OPERATING REVENUE					
Standby Charges	242,200	67,557	238,930	99%	
Property Tax	454,384	122,686	465,842	103%	
Interest	30,000	1,259	162,751	543%	Fluctuates based on activity
Connection Fees	70,580	0	28,232	40%	
TOTAL NON-OPERATING	\$797,164	\$191,501	\$895,754	112%	

RESERVE REVENUE					
Capital Reserves	539,887	5,176	223,336	41%	
Operating Reserves	1,767,061	27,545	485,141	27%	
TOTAL RESERVE	\$2,306,948	\$32,721	\$708,476	31%	

TOTAL NON-OPERATING \$3,104,112 \$224,223 \$1,604,231 52%

TOTAL ALL INCOME	\$5,602,983	\$454,668	\$3,973,169	71%	
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**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2023/24 Budget**

OPERATING EXPENSES

SALARIES AND BENEFITS	Budget FY 23/24	Actual May	Actual Year to Date	Percentage Year to Date	Variance Explanation
Salaries	993,973	108,265	848,613	85%	
Health Insurance	183,739	15,909	155,905	85%	
Health Insurance - Retirees	51,408	4,006	45,562	89%	
Pers Retirement	176,138	19,685	182,356	104%	
OPEB Funding/Transfer	10,181	0	0	0%	
Standby	13,200	1,463	11,441	87%	
Overtime	7,930	645	6,272	79%	
Workers Comp. Ins.	24,000	0	23,025	96%	
Directors' Fees	36,000	1,500	7,200	20%	
Medicare/FICA	14,616	1,719	13,143	90%	
Car Allowance	3,000	250	2,750	92%	
SUI/ETT	1,000	0	448	45%	
Uniforms	5,000	236	4,178	84%	
TOTAL SALARIES & BENEFITS	\$1,520,185	\$153,677	\$1,300,893	86%	

UTILITIES

Electricity	129,263	4,570	154,507	120%	
Propane	1,525	0	531	35%	
Water Purchase	28,600	0	30,148	105%	Paid Semiannually
Telephone/Internet	12,801	1,443	14,911	116%	
TOTAL UTILITIES	\$172,189	\$6,013	\$200,098	116%	

MAINTENANCE & SUPPLIES

Chemicals	82,160	9,983	76,342	93%	
Computer/Software	35,256	17,885	43,478	123%	
Equip. Rental/Lease	2,600	1,436	21,264	818%	
Fixed Equip.	194,480	7,873	157,147	81%	
Fuel & Oil	15,600	1,338	15,029	96%	
Lab Testing	61,360	3,777	45,777	75%	
Office Supplies	1,560	136	1,167	75%	
Parks & Recreation	1,000	0	0	0%	
Struct./Grnds.	15,537	275	11,819	76%	
Small Tools/Equip.	3,120	2,073	7,773	249%	
Supplies	4,680	205	12,402	265%	
Meters/Equip.	12,480	10	13,899	111%	
Vehicles	6,240	0	20,234	324%	
TOTAL MAINT. & SUP.	\$436,073	\$44,992	\$426,333	98%	

HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2023/24 Budget

GENERAL & ADMINISTRATION	Budget FY 23/24	Actual May	Actual Year to Date	Percentage Year to Date	Variance Explanation
Ads./Advertising	1,500	56	1,854	124%	Fluctuates based on activity
Alarm/Answering Service	4,160	319	3,971	95%	
Audit	10,000	0	9,225	92%	
Bank Charges/Fees	1,000	0	0	0%	
Consulting/Engineering	10,000	0	23	0%	
Dues/Subscription	10,400	0	11,360	109%	
Elections	0	0	0	0%	
Insurance	44,000	0	46,459	106%	Paid Annually
LAFCO	7,700	0	7,281	95%	Paid Annually
Legal/Attorney	25,000	4,670	26,211	105%	
Licenses/Permits	30,160	170	31,925	106%	
Plan Check & Inspection	1,600	0	15	1%	
Postage/Billing	15,600	1,694	15,262	98%	
Professional Service	92,872	2,792	43,540	47%	
Tax Collection	7,300	6,542	6,542	90%	
Staff Training & Travel	12,480	191	8,537	68%	
Board Training & Travel	1,000	0	2,001	200%	
TOTAL G & A	\$274,772	\$16,434	\$214,207	78%	

CAPITAL PROJECTS & EQUIPMENT

Structures/Improvements	2,271,948	32,721	708,476	31%	
Equipment	35,000	0	0	0%	
TOTAL CAPITAL EXPENSE	\$2,306,948	32,721	708,476	31%	

DEBT

State Loan Payment	103,629	0	103,628	100%	paid semiannually
State Loan Payment Phase II	58,740	0	29,369	50%	paid semiannually
Western Alliance Lease-PVS	153,314	0	153,313	100%	paid semiannually
TOTAL DEBT	\$315,683	\$0	\$286,311		

FUNDED DEPRECIATION	\$288,000	\$24,000	\$264,000	92%	
UNFUNDED DEPRECIATION	\$0	\$0	\$0	0%	

TOTAL EXPENSE	\$5,313,850	\$277,838	\$3,400,318	64%	
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CAPACITY CHARGES TRANSFER \$70,580 \$0 \$28,232 40%

SOLID WASTE FEES TRANSFER \$26,109 \$53 \$24,145 92%

FUND TOTAL	\$192,444	\$176,777	\$520,474		
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**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
OFFICE REPORT**

MAY 2024

Utility Billing

- On June 1st, 1,939 bills were processed for a total dollar amount of \$230,913 for water and sewer user fees for the month of May.
- 239 penalties were posted for bills that were due by May 25th.
- 62 Intent To Disconnect letters were mailed to customers that were more than 60 days delinquent.
- 43 48-hour notices were issued and 4 meters were locked for non-payment.

Customer Service Orders

- Staff completed a total of 31 service orders for the month of May. The breakdown by job code is as follows:

OCCUPANT CHANGE	13	SWAP METER	2
LOCKED	4	UNLOCK	9
CALL OUT	1	SEWER PROBLEM	1
TURN-OFF	1		

Administration

- Nothing to report.

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

District Engineer Report For the Month of June 2024

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

Operations Support

- Working with Operations Staff re:
 - GAC project operation, troubleshooting for pilot study, data analysis
 - PRV project for order and scope of work
 - Working with Video Inspection Specialists regarding possible assistance with sewer system jetting, video inspection and I&I investigation.
 - Lift station #2 pump vibration issues – Working with operations, Gorman Rupp and other vendors re: vibration issues and options for pump repair or replacement.

Capital Improvement Projects

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

- DBP/Compliance: See separate agenda item and report regarding this issue.
- SCADA water system: Ongoing discussions with operations re: additional instrumentation/automation that can be added in the future to assist with operations.
- SCADA Telemetry: Working with SPICE regarding installation of the telemetry project.
- SCADA wastewater collection system: Working with SPICE regarding proposal to move the existing lift stations off of their current and unsupported DAQFactory program and on to Ignition, which we are using in the water treatment plant and will be using in the new WRRF facility.
- PRV Project – PRVs have been received. Coordinating final equipment order and mobilization with Raminha.
- Lift Station 1-5 rehabilitation design phase: Still working on project scoping to determine the most cost-effective solution. LS #3 is the top priority, followed by #2 and then #1. All SCADA will be updated at all 5 lift stations as well. Coordinating with WRRF project to determine if any pump modifications will be required as a part of the project.

- Vertical Intake #2 – Reviewing draft technical specs from Cleath Harris Geologists.

- Wastewater collection system model and infiltration / inflow: Discussed our system needs with Video Inspection Specialists. They provided many services related to sewer collection systems, I&I studies, system improvements, etc.

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

- WRRF Project – Continuing to work with the General Manager, the ad hoc committee, and the Board to determine a path forward on the project. Corresponded with Hydroscience regarding flow data and other requested information.

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

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

DATE: June 20, 2024

SUBJECT: Discussion and direction regarding disinfection byproducts.

Background

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

Discussion

Sample data

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

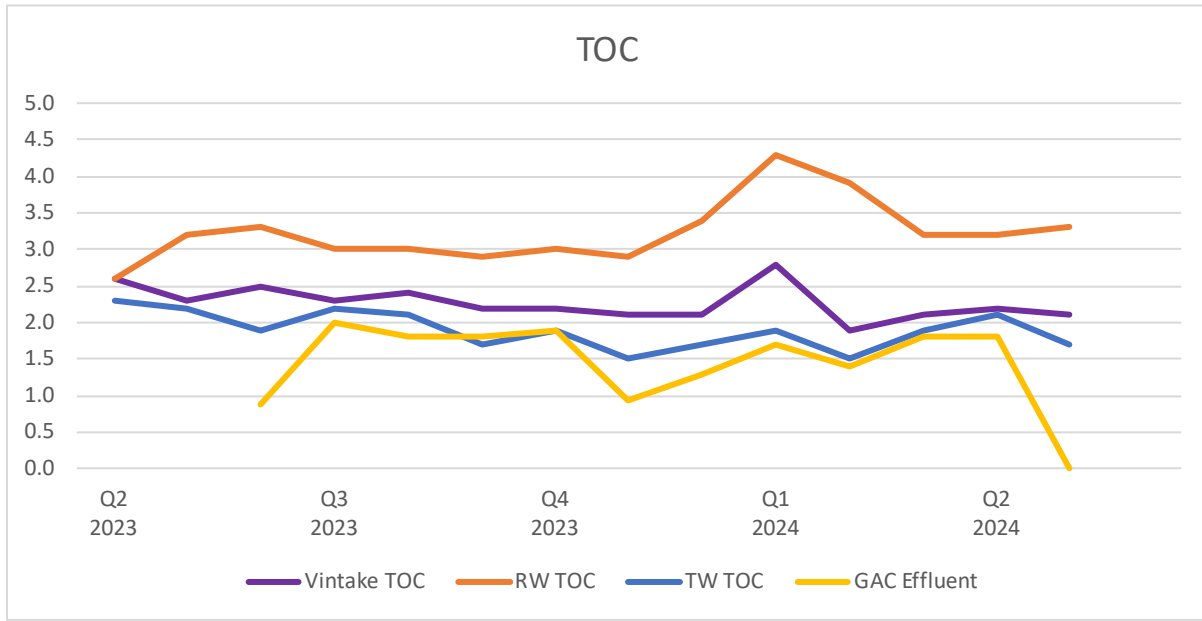
The reportable data required by the Division of Drinking Water (DDW) is the Locational Running Annual Average (LRAA) by calendar quarter. The maximum contaminate level (MCL) for HAA5 is 60 ppb.

The most recent LRAA for HAA5 is 62 ppb at the Black Horse Lane location and 51 ppb at the Wood Duck Lane location. The Wood Duck Lane LRAA is now under the MCL. We continue to send quarterly notices to customers until such a time we are under the maximum contaminant level at both locations and as required by the DDW.

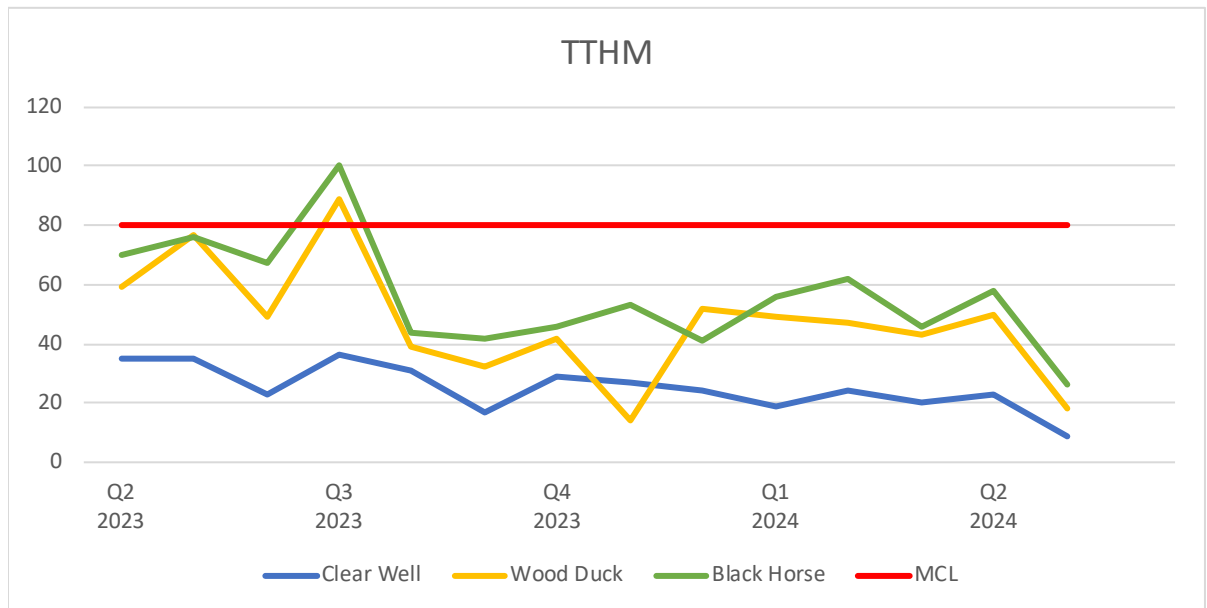
Additionally, HAA5 results for the last ten consecutive months at both locations have been within the MCL as can also be seen in the following table and graph.

Note: The current GAC Adsorbers were installed on April 26, 2024. The GAC Effluent TOC sample was taken on May 20, 2024. The online TOC analyzer showed 0.201 mg/L on May 20, 2024. Since the lab reporting limit is 0.50 mg/L, this sample shows as ND (Non Detect).

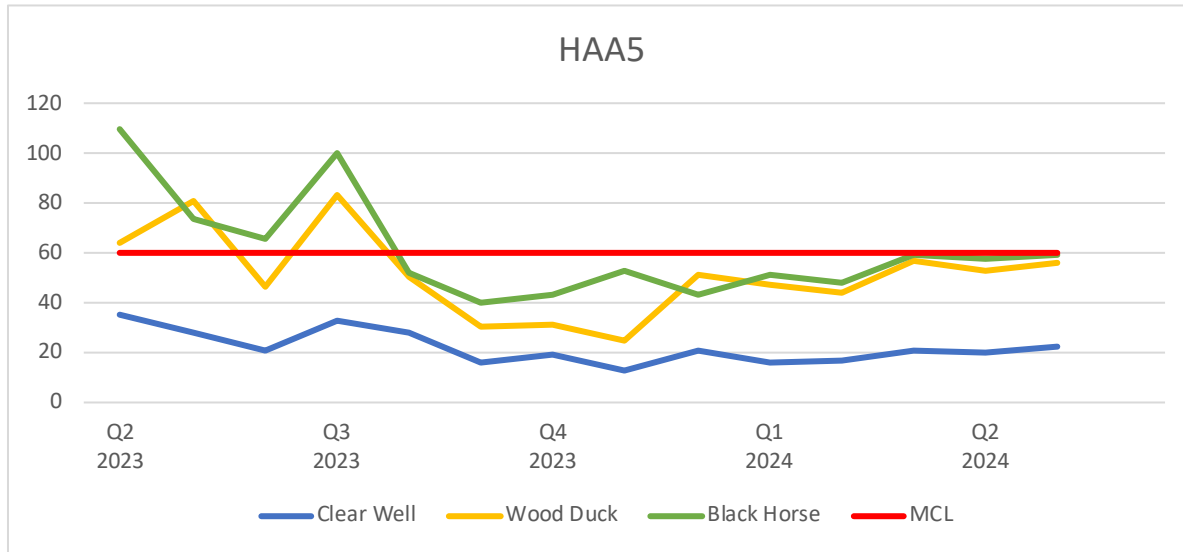
TOC	Q2 2023			Q3 2023			Q4 2023			Q1 2024			Q2 2024	
Vintake TOC	2.6	2.3	2.5	2.3	2.4	2.2	2.2	2.1	2.1	2.8	1.9	2.1	2.2	2.1
RW TOC	2.6	3.2	3.3	3.0	3.0	2.9	3.0	2.9	3.4	4.3	3.9	3.2	3.2	3.3
TW TOC	2.3	2.2	1.9	2.2	2.1	1.7	1.9	1.5	1.7	1.9	1.5	1.9	2.1	1.7
GAC Effluent			0.9	2.0	1.8	1.8	1.9	0.9	1.3	1.7	1.4	1.8	1.8	ND



TTHM	Q2 2023			Q3 2023			Q4 2023			Q1 2024			Q2 2024	
Clear Well	35	35	23	36	31	17	29	27	24	19	24	20	23	9
Wood Duck	59	77	49	89	39	32	42	14	52	49	47	43	50	18
Black Horse	70	76	67	100	44	42	46	53	41	56	62	46	58	26
MCL	80	80	80	80	80	80	80	80	80	80	80	80	80	80



HAA5	Q2 2023			Q3 2023			Q4 2023			Q1 2024			Q2 2024	
Clear Well	35	28	21	33	28	16	19	13	21	16	17	21	20	22
Wood Duck	64	81	46	83	50	30	31	25	51	47	44	57	53	56
Black Horse	110	74	66	100	52	40	43	53	43	51	48	59	58	59
MCL	60	60	60	60	60	60	60	60	60	60	60	60	60	60



Operations and project updates

The Operations staff has made no major operational changes to the water treatment process since last month’s report. The new TOC analyzer continues to monitor TOC at the outlet of filters 3 and 4 as well as the outlet of the GAC adsorbers. Staff took multiple samples for TOC in coordination with the TOC analyzer’s support staff for the purposes of calibrating the analyzer to a higher level of accuracy.

The GAC adsorbers have been online on April 26, 2024. The previous GAC was coconut-based and was in service for 165 days in total. As of June 13, the new GAC is still showing 60% removal after 48 days in service. The previous GAC had already dropped to 33% removal after 48 days. We will provide an additional update at the meeting.

Additional improvements in the planning phases include but are not limited to chemical injection refinement and safety entailing continuing upgrades to all chemical injection stations and fully integrating them into the PLC programming. This will enhance the Operator’s ability to adjust chemical feed rates and obtain immediate feedback from those adjustments.

Also, per last month’s report, staff continues to research if MIEX (Magnetic Ion Exchange) will be a feasible option for the removal of TOC/DOC and the lowering of DBPs. IXOM (the manufacturer of MIEX) completed their initial analysis and the technology was effective in lowering TOC/DOC by 50%. IXOM also completed their analysis to determine the expected effect on DBPs based on the MIEX treated water. The results were promising, and we are working with them to begin a small scale (2-3 gpm) pilot study in the future.

Lastly, Cleath-Harris Geologists (CHG) has completed and submitted draft technical specifications for Phase 1 of the second vertical intake project. Staff is reviewing these specifications and working on the full bid package. The current schedule is to have the installation of the new vertical intake completed in our low demand period but prior to the rainy season (between Labor Day and Thanksgiving). Once Phase 1 is completed, CHG will provide Staff with design criteria for the new pump and associated piping, valving, etc. (based on flow testing done after installation of the casing). Staff will use this information to design the new pump, wellhead, piping and valving for connecting the new intake to the existing Pump Station 1. A second vertical intake will increase our capacity for drawing water from the vertical intakes that is typically considerably lower in TOC than the water from the gallery wells. This allows us to lessen the organics in our raw water, leading to lower DBPs.

Fiscal Implications

The 5-year Capital Improvement Plan approved by your Board includes spending a total of \$1,000,000 for a DBP project(s) through Fiscal Year End 2027. The current year budget includes \$325,000 for a DBP project(s), as well as \$50,000 for the design phase of Vertical Intake No. 2.

File: OPERATIONS_DBP

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Finance & Audit Committee (Burgess, Yaffee)
Scott Duffield, General Manager

DATE: June 20, 2024

SUBJECT: Request to adopt a Preliminary FY 2024/25 Budget, and schedule a public hearing for July 18, 2024 for adoption of a Final FY 2024/25 Budget.

Recommendation

It is recommended that the Board of Directors:

1. Adopt the Preliminary FY 2024/25 Budget; and
2. Schedule a public hearing for July 18, 2024 to consider adoption of a Final FY 2024/25 Budget.

Background

This is the second budget meeting of this year with your Board. The budget year is July 1 through June 30. A preliminary budget should be adopted by your Board at the June or July meeting. A final budget must be adopted by your Board before September 1, 2024.

Discussion

Attached is the Preliminary FY 2024/25 Budget. Each fund has its own budget. The consolidated budget provides a summary of the water, sewer, general, and solid waste funds. The first draft budgets include the following information:

- Previous fiscal year
- Budgeted current fiscal year
- Actual current fiscal year through 11 months
- Annualized current fiscal year
- Preliminary Budget Fiscal Year 2024/25

Current Fiscal Year Budget

The current water fund appears to be performing above the budgeted amount. The annualized column shows a surplus of \$362,811. (water fund cell E109, page 3)

The current sewer fund appears to be performing above the budgeted amount. The annualized column shows a surplus of \$206,096. (sewer fund cell E109, page 5)

Preliminary Fiscal Year 2024/25 Budget

The following talking points are referenced to the Consolidated Budget. (page 9 - 11)

Revenue Categories

1. Operating Revenue. The preliminary budgets for the water and sewer funds use the analysis from the 2023 Rate Study. **Total operating revenue less solid waste franchise fees is budgeted to increase by \$420,747 or 17.5%. (Consolidated Budget cell F15)**
2. Solid Waste Franchise Fee Revenue. All solid waste fees include a “franchise fee” that provides the local agency funds to administer and support solid waste programs in the community. Franchise fees are collected by the garbage company as part of their customer fees and forwarded to the local agency monthly. Our franchise fee is 10%. **Total solid waste franchise fee revenue is budgeted to increase by \$3,104 or 3.5%. (Consolidated Budget cell F20)**
3. Non-Operating Revenue. This item includes standby charges, interest earned, property tax, and connection fees. The County Auditor-Controller provided us with an early estimate for property tax receipts and charges for next year which is reflected in the preliminary budget. For budgeting purposes, it is assumed that five new homes will connect to the systems. **Total non-operating revenue is budgeted to increase by \$28,897 or 3.6%. (Consolidated Budget cell F31)**
4. Total Revenue. This item is the sum of item 1, 2, and 3 plus the reserve revenue. This fiscal year the proposed budget includes reserves allocated to capital projects and equipment of \$2,403,007. All surplus revenue goes back to reserves. **Total revenue is budgeted to increase by \$548,807 or 9.8%. (Consolidated Budget cell F44).**

Total revenue less reserve revenue is budgeted to increase by \$452,748 or 13.7%. (Consolidated Budget cell F44 minus F38)

Expense Categories

1. Personnel Budget. This item includes salaries, employee pensions and health insurance, retiree health insurance, other post-employment benefits, workers compensation insurance, payroll taxes, Director fees, anticipated staff overtime and

standby time, and uniforms. For budgeting purposes, the following assumptions are made: 4% cost of living increase in base salary for all staff; 8% increase in medical insurance costs with 90% of lowest cost premium paid by District; current staff of eight full-time employees, and two vacant Treatment Operator positions, and five directors. **Total personnel budget expense is budgeted to increase by \$153,682 or 10.0%. (Consolidated Budget cell F77)**

2. Utilities. The water contract with the County is a fixed fee for total allocated water of 1,100 acre-feet-per-year. Electricity and other utility costs utilize the 2023 Rate Study which assumes to be the current budget expense plus 4%. **Total utilities expense is budgeted to increase by \$5,744 or 3.3%. (Consolidated Budget cell F86)**
3. Maintenance and Supplies. This category is dominated by chemical costs, fixed equipment maintenance, and lab testing. Maintenance of fixed equipment is always a major responsibility and includes a few expensive tasks such as patch paving, hydro jetting, and electric motor and electrical services. The preliminary budgets use the analysis from the 2023 Rate Study. **Total maintenance and supplies expense is budgeted to increase by \$16,403 or 3.8%. (Consolidated Budget cell F104)**
4. General and Administrative. The preliminary budgets use the analysis from the 2023 Rate Study or estimates from the agencies that fall within these categories. This category includes costs for election costs this year. **Total general and administrative expenses are budgeted to increase by \$17,568 or 6.4%. (Consolidated Budget cell F134)**
5. Projects and Equipment. The District Engineer and Operations Manager in coordination with the General Manager, and consultants as needed, are the staff that manage capital projects and equipment. Some projects take many years to plan and construct. Others are less complex but still take months of working with staff, contractors, and vendors to plan and implement. Your Board approved an updated 5-year Capital Improvement Program (CIP) in August 2022.

The projects listed in the CIP are included in the proposed budget as are any equipment requests. For budgeting purposes, the list of projects in the CIP are budgeted in full but may not be completed in the fiscal year. Any unexpended budget for projects and equipment will roll forward to next year. Similarly, projects shown with an * below are budgeted or in progress from a previous year. **Total Capital Projects & Equipment is budgeted at \$2,403,007, an increase of \$96,059 or 4.2%. (Consolidated Budget cell F141)**

A summary of projects and equipment budgeted year is:

- \$776,000 for Water Resource Recovery Facility upgrade - design phase*
- \$200,000 for Lift Station 1-5 Rehabilitation – design/construction phase*

- \$168,415 for Water System SCADA Upgrade*
 - \$69,754 for GAC System - pilot study*
 - \$163,070 for Pressure Reducing Valves at Waterview and Equestrian*
 - \$220,768 for Raw Water Vertical Intake No. 2 – design/construction phase*
 - \$400,000 for a DBP Project
 - \$200,000 for Wastewater Collection System SCADA upgrade*
 - \$75,000 for Wastewater Collection System Model & I/I Investigation*
 - \$15,000 for pump station covers – design phase
 - \$50,000 for electric gate at corporation yard
 - \$65,000 for equipment / vehicle purchase / replacement
6. Debt. The water treatment plant debt and the PVS project debt are contractual and cannot be reduced. The PVS debt is not the exact amount every year but very near. **Total debt expense is budgeted to be the essentially the same as this year. (Consolidated Budget cell F149)**
7. Depreciation. This is a non-cash expense. The ability to fund the depreciation is a result of the current water/sewer fees and continued allocation of property taxes. It is important to fund as much depreciation as possible and reserve a portion of your income annually for future replacement and upgrades of facilities. Our actual 2022/23 audited depreciation expense was \$469,050. **Total depreciation expense is budgeted to remain the same as this year’s budget of \$288,000. (Consolidated Budget cell F151)**
8. Transfer to Reserves. This line item, in the water and sewer funds, transfers capacity charges to capital reserves. Capacity charges can only be used for capital projects and are used in subsequent years. This line item reserves this money for use in future years. A total of \$28,232 is budgeted to be transferred to capital reserves. The \$24,450 anticipated surplus from the solid waste fund budget would also be transferred to solid waste reserves. **Total transfer to reserves is budgeted at \$52,682, a decrease of \$44,007 or -45.5%. (Consolidated Budget cell F160)**

Preliminary FY 2024/25 Budget Summary

The Budget is a planning document and these numbers will change over the course of the fiscal year.

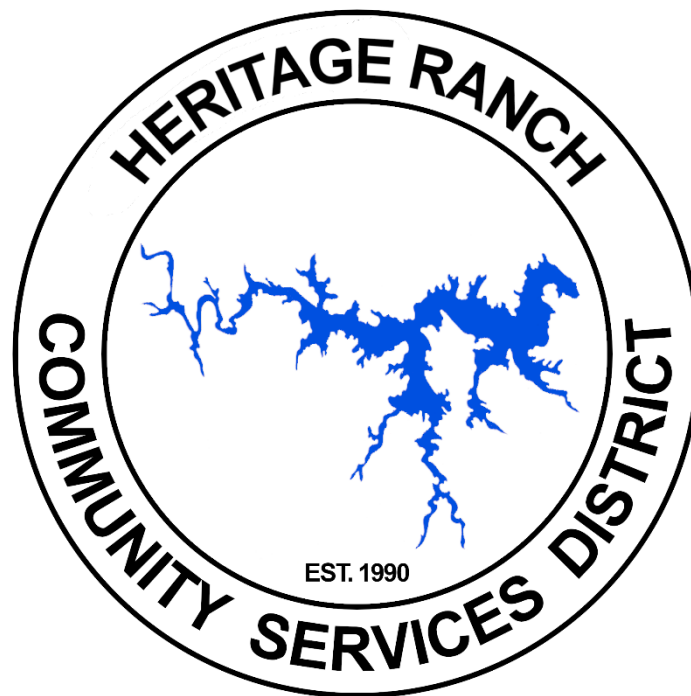
- The Preliminary FY 24/25 Budget has a \$135,123 surplus in the water fund and a \$361,462 surplus in the sewer fund. Any surplus is transferred to reserves.
- Total operating revenue (rates, fees, etc.) is budgeted at a \$423,851 or 17% increase. **(Consolidated Budget cell F23)**
- Total non-operating revenue (property taxes, standby and capacity charges, etc.) is budgeted at a \$28,897 or 3.6% increase. **(Consolidated Budget cell F31)**
- Total expense less capital in the Preliminary FY 24/25 Budget represents an increase of \$192,939 or 6.4% compared to this year's budget. **(Consolidated Budget cell F155-F141)**
- Total capital budget in the Preliminary FY 24/25 Budget represents an increase of \$96,059 or 4.2% compared to this year's budget. **(Consolidated Budget cell F141)**

There may be changes in revenue and expenses as we receive updated information and estimates before the Final Budget is presented to your Board.

Attachment: Preliminary FY 2024/25 Budget

File: FY 2024/25 Budget

HERITAGE RANCH
COMMUNITY SERVICES DISTRICT



FISCAL YEAR 2024-2025
PRELIMINARY BUDGET
June 20, 2024

HERITAGE RANCH COMMUNITY SERVICES DISTRICT
Draft 2024/25 Capital & Equipment Budget

PROJECTS	Total Budget	Funding Source						
		Capital Reserves		Operating Budget			Operating Reserves	
		Water	Sewer	Water	Sewer	General	Water	Sewer
WRF Upgrade Project (design, env, admin)	\$776,000		\$271,600					\$504,400
Lift Station 1-5 Rehab (const)	\$200,000							\$200,000
Water System SCADA Upgrade	\$168,415	\$53,893					\$114,522	
GAC System (Pilot Study)	\$69,754						\$69,754	
Pressure Reducing Valves (Waterview, Equestrian)	\$163,070						\$163,070	
Raw Water Vertical Intake No. 2 (design and const)	\$220,768	\$70,646					\$150,122	
DBP Project	\$400,000						\$400,000	
Wastewater Collection System SCADA Upgrade	\$200,000		\$68,000					\$132,000
Wastewater Collection System Model & I / I	\$75,000		\$25,500					\$49,500
Pump Station Covers (design)	\$15,000	\$4,800					\$10,200	
Electric Gate at Corp Yard	\$50,000	\$9,600	\$6,800				\$20,400	\$13,200
subtotal Projects	\$2,338,006	\$138,939	\$371,900	\$0	\$0	\$0	\$928,068	\$899,100
EQUIPMENT								
Vehicle replacement (small pickup)	\$35,000						\$21,000	\$14,000
Air Compressor	\$30,000						\$18,000	\$12,000
subtotal Equipment	\$65,000	\$0	\$0	\$0	\$0	\$0	\$39,000	\$26,000
TOTAL CAPITAL	\$2,403,006	\$138,939	\$371,900	\$0	\$0	\$0	\$967,068	\$925,100

	A	B	C	D	E	F
1	HERITAGE RANCH COMMUNITY SERVICES DISTRICT - WATER FUND					
2	2022/23 un-audited, 2023/24 Summary & 2024/25 Preliminary					
3						
4		Un-audited	Budget	Actual 11 month	Annualized	Preliminary
5	OPERATING REVENUE	22/23	23/24	7/1/23 - 3/31/24	F.Y.E. 6/30/24	24/25
6	Water Fees	1,238,169	1,364,806	1,338,134	1,459,782	1,563,732
7	Late Fees	15,618	11,130	17,843	19,465	11,160
8	Hook-Up Fees	1,500	2,000	1,000	1,091	2,000
9	Turn on Fees	1,125	2,000	1,140	1,244	2,000
10	Plan Check & Inspection	0	800	0	0	800
11	Miscellaneous Income	4,857	0	2,491	2,718	0
12	TOTAL OPERATING REVENUE	\$1,261,269	\$1,380,736	\$1,360,608	\$1,484,300	\$1,579,692
13						
14						
15	NON-OPERATING REVENUE					
16	Standby Charges	199,958	203,000	198,312	216,340	203,000
17	Property Tax	250,249	249,911	256,213	279,505	261,596
18	Interest	63,624	22,800	125,980	137,433	60,800
19	Connection Fees	19,022	31,745	12,681	13,834	12,698
20	TOTAL NON-OPERATING REVENUE	\$532,853	\$507,456	\$593,186	\$647,112	\$538,094
21						
22						
23	RESERVE REVENUE					
24	Capital Reserves	0	76,713	8,175	8,918	138,939
25	General Reserves	338,327	685,023	85,555	93,333	967,068
26	TOTAL RESERVE REVENUE	\$338,327	\$761,736	\$93,730	\$102,251	\$1,106,007
27						
28	TOTAL REVENUE	\$2,132,449	\$2,649,928	\$2,047,524	\$2,233,663	\$3,223,793
29						
30						
31	OPERATING EXPENSES					
32						
33	SALARIES AND BENEFITS					
34	Salaries	226,200	329,221	208,932	227,926	346,739
35	Overtime	5,356	4,758	3,763	4,105	4,310
36	Standby	7,862	7,900	6,865	7,489	20,628
37	Health Insurance	52,639	70,473	57,685	62,929	93,812
38	Pers Retirement	58,307	57,738	54,686	59,657	59,600
39	Workers Comp. Ins.	11,168	12,720	12,203	13,313	14,920
40	Medicare/FICA	3,462	4,661	3,178	3,467	5,028
41	Uniforms	2,187	3,000	2,507	2,735	4,860
42	TOTAL SALARIES & BENEFITS	\$367,181	\$490,471	\$349,818	\$381,619	\$549,897
43						
44						
45	UTILITIES					
46	Electricity	47,281	94,228	54,729	59,705	97,997
47	Water Purchase	23,114	28,600	30,148	28,600	28,600
48	Telephone/Internet	4,388	4,417	4,921	5,368	4,594
49	TOTAL UTILITIES	\$74,783	\$127,245	\$89,798	\$93,673	\$131,191
50						
51						

	A	B	C	D	E	F
52	HERITAGE RANCH COMMUNITY SERVICES DISTRICT - WATER FUND					
53	2022/23 un-audited, 2023/24 Summary & 2024/25 Preliminary					
54						
55		Un-audited	Budget	Actual 11 month	Annualized	Preliminary
56	MAINTENANCE & SUPPLIES	22/23	23/24	7/1/23 - 3/31/24	F.Y.E. 6/30/24	24/25
57	Chemicals	59,882	64,480	49,099	53,563	67,059
58	Computer/Software	1,960	8,684	5,481	5,979	9,031
59	Equip. Rental/Lease	14,401	2,080	21,264	23,197	2,163
60	Fixed Equip.	158,337	131,560	129,448	141,216	136,822
61	Fuel & Oil	11,290	9,360	9,017	9,837	9,734
62	Lab Testing	17,388	35,776	22,118	24,129	37,207
63	Struct./Grnds.	4,511	3,884	2,955	3,223	4,040
64	Small Tools/Equip.	5,037	1,872	4,664	5,088	1,947
65	Supplies	11,550	3,120	10,314	11,252	3,245
66	Meters/Equip.	11,819	12,480	13,899	15,163	12,979
67	Vehicles	5,944	3,744	12,140	13,244	3,894
68	TOTAL MAINT. & SUP.	\$302,118	\$277,040	\$280,400	\$305,891	\$288,122
69						
70	GENERAL & ADMINISTRATION					
71	Allocation of General Fund	446,539	405,781	424,277	462,848	439,893
72	Alarm/Answering Service	855	1,040	993	1,083	1,082
73	Bank Charges/Fees	0	0	0	0	0
74	Consulting/Engineering	96	5,000	14	15	5,000
75	Dues/Subscription	3,988	6,448	6,690	7,298	6,706
76	Insurance (Property/Liability)	-137	18,480	19,513	21,287	18,790
77	Legal/Attorney	0	0	0	0	0
78	Licenses/Permits	18,350	16,744	20,151	21,983	17,414
79	Plan Check & Inspection	0	800	15	16	800
80	Professional Service	44,887	54,080	4,115	4,489	56,243
81	Training & Travel	5,100	3,120	2,420	2,640	3,245
82	TOTAL G & A	\$519,680	\$511,493	\$478,187	\$521,659	\$549,171
83						
84						
85	CAPITAL PROJECTS & EQUIPMENT					
86	Project	264,424	740,736	93,730	102,251	1,067,007
87	Equipment	73,903	21,000	0	0	39,000
88	TOTAL CAPITAL	\$338,327	\$761,736	\$93,730	\$102,251	\$1,106,007
89						
90	DEBT					
91	State Loan Payment-DWR	103,628	103,629	103,628	103,629	103,628
92	State Loan Payment Phase II-SRF	58,739	58,740	29,369	58,740	58,740
93	Western Alliance Lease-PVS	114,051	114,556	114,556	114,556	114,215
94	TOTAL DEBT	\$276,418	\$276,925	\$247,553	\$276,925	\$276,583
95						
96						
97	FUNDED DEPRECIATION	175,000	175,000	160,417	175,000	175,000
98	UNFUNDED DEPRECIATION	0	0	0	0	0
99						
100	TOTAL EXPENSE	\$2,053,507	\$2,619,910	\$1,699,903	\$1,857,018	\$3,075,972
101						
102	TRANSFER TO RESERVES	\$19,022	\$31,745	\$12,681	\$13,834	\$12,698
103						
104	FUND TOTAL	\$59,919	(\$1,726)	\$334,940	\$362,811	\$135,123

	A	B	C	D	E	F
1	HERITAGE RANCH COMMUNITY SERVICES DISTRICT - SEWER FUND					
2	2022/23 un-audited, 2023/24 Summary & 2024/25 Preliminary					
3						
4		Un-audited	Budget	Actual 11 month	Annualized	Preliminary
5	OPERATING REVENUE	22/23	23/24	7/1/23 - 3/31/24	F.Y.E. 6/30/24	24/25
6	Sewer Fees	756,097	1,018,537	902,105	984,115	1,240,328
7	Late Fees	9,801	7,700	12,604	13,749	7,700
8	Hook-Up Fees	300	400	200	218	400
9	Turn on Fees	750	1,500	760	829	1,500
10	Plan Check & Inspection	0	800	0	0	800
11	Miscellaneous Income	3,234	0	1,542	1,682	0
12	TOTAL OPERATING REVENUE	\$770,182	\$1,028,937	\$917,210	\$1,000,593	1,250,728
13						
14						
15	NON-OPERATING REVENUE					
16	Standby Charges	40,955	39,200	40,618	44,311	39,200
17	Property Tax	136,499	136,315	139,753	152,457	142,689
18	Interest	18,397	7,200	36,771	40,114	19,200
19	Connection Fees	23,326	38,835	15,551	16,964	15,534
20	TOTAL NON-OPERATING REVENUE	\$219,178	\$221,550	\$232,692	\$253,846	\$216,623
21						
22			\$1,250,487		\$1,254,439	
23	RESERVE REVENUE					
24	Capital Reserves	133,838	463,174	215,161	234,721	371,900
25	General Reserves	297,825	1,082,038	399,585	435,911	925,100
26	TOTAL RESERVE	\$431,663	\$1,545,212	\$614,746	\$670,632	\$1,297,000
27						
28	TOTAL REVENUE	\$1,421,024	\$2,795,699	\$1,764,649	\$1,925,071	\$2,764,351
29						
30	OPERATING EXPENSES					
31						
32	SALARIES AND BENEFITS					
33	Salaries	150,800	219,481	139,288	151,950	231,160
34	Overtime	3,570	3,172	2,509	2,737	2,874
35	Standby	5,241	5,300	4,577	4,993	13,752
36	Health Insurance	35,567	46,982	38,976	42,519	62,541
37	Pers Retirement	38,507	38,492	36,136	39,421	39,733
38	Workers Comp. Ins.	7,375	8,400	8,059	8,791	9,853
39	Medicare/FICA	2,308	3,107	2,119	2,311	3,352
40	Uniforms	1,242	2,000	1,671	1,823	3,240
41	TOTAL SALARIES & BENEFITS	\$244,610	\$326,934	\$233,333	\$254,545	\$366,504
42						
43						
44	UTILITIES					
45	Electricity	73,825	34,817	96,060	104,792	36,210
46	Telephone/Internet	3,059	3,079	3,430	3,742	3,202
47	TOTAL UTILITIES	\$76,884	\$37,896	\$99,490	\$108,534	\$39,412
48						
49						

	A	B	C	D	E	F
50	HERITAGE RANCH COMMUNITY SERVICES DISTRICT - SEWER FUND					
51	2022/23 un-audited, 2023/24 Summary & 2024/25 Preliminary					
52						
53		Un-audited	Budget	Actual 11 month	Annualized	Preliminary
54	MAINTENANCE & SUPPLIES	22/23	23/24	7/1/23 - 3/31/24	F.Y.E. 6/30/24	24/25
55	Chemicals	26,906	17,680	27,243	29,719	18,387
56	Computer/Software	406	8,476	3,922	4,278	8,815
57	Equip. Rental/Lease	2,282	520	0	0	541
58	Fixed Equip.	25,585	62,920	27,699	30,217	65,437
59	Fuel & Oil	7,527	6,240	6,011	6,558	6,490
60	Lab Testing	26,189	25,584	23,659	25,810	26,607
61	Struct./Grnds.	9,022	7,769	5,910	6,447	8,080
62	Small Tools/Equip.	3,358	1,248	3,109	3,392	1,298
63	Supplies	2,841	1,560	2,088	2,278	1,622
64	Vehicles	3,963	2,496	8,094	8,829	2,596
65	TOTAL MAINT. & SUP.	\$108,077	\$134,493	\$107,735	\$117,529	\$139,873
66						
67						
68	GENERAL & ADMINISTRATION					
69	Allocation of General Fund	343,492	312,139	326,367	356,037	338,379
70	Alarm/Answering Service	855	1,040	993	1,083	1,082
71	Bank Charges/Fees	0	0	0	0	0
72	Consulting/Engineering	64	5,000	9	10	5,000
73	Dues/Subscription	1,806	3,952	3,831	4,180	4,110
74	Insurance (Property/Liability)	-104	14,080	14,867	16,219	14,316
75	Legal/Attorney	0	0	0	0	0
76	Licenses/Permits	10,871	13,416	11,774	12,845	13,953
77	Plan Check & Inspection	0	800	0	0	800
78	Professional Service	25,676	26,000	20,503	22,367	27,040
79	Training & Travel	897	3,120	1,324	1,444	3,245
80	TOTAL G & A	\$383,557	\$379,547	\$379,668	\$414,184	\$407,924
81						
82						
83						
84	CAPITAL PROJECTS & EQUIPMENT					
85	Project	382,395	1,531,212	614,746	670,632	1,271,000
86	Equipment	49,269	14,000	0	0	26,000
87	TOTAL CAPITAL	\$431,664	\$1,545,212	\$614,746	\$670,632	\$1,297,000
88						
89	DEBT					
90	Western Alliance Lease-PVS	38,587	38,758	38,758	38,587	38,642
91	TOTAL DEBT	\$38,587	\$38,758	\$38,758	\$38,587	\$38,642
92						
93						
94	FUNDED DEPRECIATION	98,000	98,000	89,833	98,000	98,000
95	UNFUNDED DEPRECIATION	0	0	0	0	0
96						
97	TOTAL EXPENSE	\$1,381,379	\$2,560,840	\$1,563,563	\$1,702,011	\$2,387,355
98						
99	TRANSFER TO RESERVES	\$23,326	\$38,835	\$15,551	\$16,964	\$15,534
100						
101						
102	FUND TOTAL	\$16,319	\$196,025	\$185,535	\$206,096	\$361,462

	A	B	C	D	E	F
1	HERITAGE RANCH COMMUNITY SERVICES DISTRICT - SOLID WASTE FUND					
2	2022/23 un-audited, 2023/24 Summary & 2024/25 Preliminary					
3						
4		Un-audited	Budget	Actual 11 month	Annualized	Preliminary
5	OPERATING REVENUE	22/23	23/24	7/1/23 - 3/31/24	F.Y.E. 6/30/24	24/25
6	TOTAL FRANCHISE FEES	\$84,883	\$88,698	\$89,418	\$97,547	\$91,802
7						
8						
9						
10						
11	EXPENSE					
12	Allocation of General Fund	68,698	62,589	65,273	71,207	67,676
13	TOTAL EXPENSES	\$68,698	\$62,589	\$65,273	\$71,207	\$67,676
14						
15	TRANSFER TO RESERVES	\$16,185	\$26,109	\$24,145	\$26,340	\$24,127
16						
17	FUND TOTAL	\$0	\$0	\$0	\$0	\$0

	A	B	C	D	E	F
1	HERITAGE RANCH COMMUNITY SERVICES DISTRICT - GENERAL FUND					
2	2022/23 un-audited, 2023/24 Summary & 2024/25 Preliminary					
3						
4		Un-audited	Budget	Actual 11 month	Annualized	Preliminary
5	OPERATING REVENUE	22/23	23/24	7/1/23 - 3/31/24	F.Y.E. 6/30/24	24/25
6	Transfer from other Funds	0	0	0	0	0
7	Miscellaneous Income	8,069	500	1,702	1,856	500
8	TOTAL OPERATING	\$8,069	\$500	\$1,702	\$1,856	\$500
9						
10						
11						
12	NON-OPERATING REVENUE					
13	Property Tax	68,250	68,158	69,876	76,229	71,344
14	Interest	0	0	0	0	0
15	TOTAL NON-OPERATING	\$68,250	\$68,158	\$69,876	\$76,229	\$71,344
16						
17						
18						
19	RESERVE REVENUE					
20	Capital Reserves	0	0	0	0	0
21	General Reserves	0	0	0	0	0
22	TOTAL RESERVE	\$0	\$0	\$0	\$0	\$0
23						
24	TOTAL REVENUE	\$76,318	\$68,658	\$71,578	\$78,085	\$71,844
25						
26						
27						
28	OPERATING EXPENSES					
29						
30	SALARIES AND BENEFITS					
31	Salaries	532,521	445,271	500,394	545,884	458,370
32	Overtime	0	0	0	0	0
33	Health Insurance	54,062	66,284	59,244	64,630	73,337
34	Health Insurance - Retirees	47,785	51,408	45,562	49,704	55,521
35	Pers Retirement	95,099	79,908	91,534	99,856	84,690
36	OPEB Funding/Transfer	28,306	10,181	0	0	35,000
37	Workers Comp. Ins.	2,529	2,880	2,763	3,014	3,378
38	Directors' Fees	6,900	36,000	7,200	7,855	36,000
39	Medicare/FICA	8,293	6,848	7,846	8,560	7,168
40	Car Allowance	3,000	3,000	2,750	3,000	3,000
41	SUI/ETT	448	1,000	448	489	1,000
42	TOTAL SALARIES & BENEFITS	\$778,943	\$702,780	\$717,742	\$782,991	\$757,464
43						
44						
45						
46	UTILITIES					
47	Electricity	2,664	218	3,719	4,057	226
48	Propane	1,247	1,525	531	579	1,586
49	Telephone/Internet	5,850	5,305	6,561	7,157	5,517
50	TOTAL UTILITIES	\$9,761	\$7,048	\$10,810	\$11,793	\$7,330
51						
52						

	A	B	C	D	E	F
53	HERITAGE RANCH COMMUNITY SERVICES DISTRICT - GENERAL FUND					
54	2022/23 un-audited, 2023/24 Summary & 2024/25 Preliminary					
55						
56		Un-audited	Budget	Actual 11 month	Annualized	Preliminary
57	MAINTENANCE & SUPPLIES	22/23	23/24	7/1/23 - 3/31/24	F.Y.E. 6/30/24	24/25
58	Computer/Software	30,077	18,096	34,076	37,174	18,820
59	Equip. Rental/Lease	0	0	0	0	0
60	Fixed Equip.	313	0	0	0	0
61	Office Supplies	1,415	1,560	1,167	1,273	1,622
62	Parks & Recreation	0	1,000	0	0	0
63	Struct./Grnds.	4,511	3,884	2,955	3,223	4,039
64	Supplies	0	0	0	0	0
65	TOTAL MAINT. & SUP.	\$36,315	\$24,540	\$38,198	\$41,670	\$24,482
66						
67						
68	GENERAL & ADMINISTRATION					
69	Ads./Advertising	561	1,500	1,854	2,022	1,560
70	Alarm/Answering Service	1,710	2,080	1,985	2,166	2,163
71	Audit	8,785	10,000	9,225	10,064	10,400
72	Bank Charges/Fees	250	1,000	0	0	0
73	Consulting/Engineering	0	0	0	0	0
74	Dues/Subscription	5,425	0	839	915	0
75	Elections	6,151	0	0	0	10,000
76	Insurance (Property/Liability)	-85	11,440	12,079	13,178	11,632
77	LAFCO	7,254	7,700	7,281	7,943	8,162
78	Legal/Attorney	19,441	25,000	26,211	28,594	26,000
79	Licenses/Permits	0	0	0	0	0
80	Postage	16,315	15,600	15,262	16,650	16,224
81	Professional Service	21,014	12,792	18,922	20,642	13,304
82	Tax Collection	6,272	7,300	6,542	7,137	6,542
83	Staff Training & Travel	1,656	6,240	4,794	5,230	6,490
84	Board Training & Travel	279	1,000	2,001	2,183	1,040
85	TOTAL G & A	\$95,029	\$101,652	\$106,996	\$116,723	\$113,516
86						
87						
88						
89	CAPITAL PROJECTS & EQUIPMENT					
90	Project	0	0	0	0	0
91	Equipment	0	0	0	0	0
92	TOTAL CAPITAL	\$0	\$0	\$0	\$0	\$0
93						
94						
95	FUNDED DEPRECIATION	15,000	15,000	13,750	15,000	15,000
96	UNFUNDED DEPRECIATION	0		0	0	0
97						
98	TOTAL EXPENSE	\$935,048	\$851,020	\$887,495	\$968,177	\$917,792
99						
100	TRANSFERRED TO OTHER FUNDS	(\$858,730)	(\$782,362)	(\$815,918)	(\$890,092)	(\$845,947)
101						
102	FUND TOTAL	\$0	\$0	\$0	\$0	\$0

	A	B	C	D	E	F
1	HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET					
2	2022/23 un-audited, 2023/24 Summary & 2024/25 Preliminary					
3						
4						
5	OPERATING REVENUE	Un-audited 22/23	Budget 23/24	Actual 11 month 7/1/23 - 3/31/24	Annualized F.Y.E. 6/30/24	Preliminary 24/25
6	Water Fees	1,238,169	1,364,806	1,338,134	1,459,782	1,563,732
7	Sewer Fees	756,097	1,018,537	902,105	984,115	1,240,328
8	Hook-Up Fees	1,800	2,400	1,200	1,309	2,400
9	Turn on Fees	1,875	3,500	1,900	2,073	3,500
10	Late Fees	25,419	18,830	30,447	33,215	18,860
11	Plan Check & Inspection	0	1,600	0	0	1,600
12	Miscellaneous Income	16,160	500	5,734	6,256	500
13	OPERATING	\$2,039,520	\$2,410,173	\$2,279,520	\$2,486,749	\$2,830,920
14						
15						
16						
17	FRANCHISE REVENUE					
18	FRANCHISE	84,883	88,698	89,418	97,547	\$91,802
19						
20						
21	TOTAL OPERATING	\$2,124,403	\$2,498,871	\$2,368,938	\$2,584,296	\$2,922,722
22						
23						
24	NON-OPERATING REVENUE					
25	Standby Charges	240,913	242,200	238,930	260,650	242,200
26	Property Tax	454,998	454,384	465,842	508,191	475,629
27	Interest	82,022	30,000	162,751	177,547	80,000
28	Connection Fees	42,348	70,580	28,232	30,799	28,232
29	TOTAL NON-OPERATING	\$820,281	\$797,164	\$895,754	\$977,187	\$826,061
30						
31						
32						
33	RESERVE REVENUE					
34	Capital Reserves	133,838	539,887	223,336	243,639	510,839
35	General Reserves	636,152	1,767,061	485,141	529,244	1,892,168
36	TOTAL RESERVE	\$769,990	\$2,306,948	\$708,476	\$772,883	\$2,403,007
37						
38						
39	TOTAL NON-OPERATING	\$1,590,271	\$3,104,112	\$1,604,231	\$1,750,070	\$3,229,068
40						
41						
42	TOTAL ALL REVENUE	\$3,714,674	\$5,602,983	\$3,973,169	\$4,334,366	\$6,151,790
43						
44						

	A	B	C	D	E	F
45	HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET					
46	2022/23 un-audited, 2023/24 Summary & 2024/25 Preliminary					
47						
48	OPERATING EXPENSES					
49						
50		Un-audited	Budget	Actual 11 month	Annualized	Preliminary
51	SALARIES AND BENEFITS	22/23	23/24	7/1/23 - 3/31/24	F.Y.E. 6/30/24	24/25
52	Salaries	909,521	993,973	848,613	925,760	1,036,269
53	Health Insurance	142,268	183,739	155,905	170,078	229,690
54	Health Insurance - Retiree	47,785	51,408	45,562	49,704	55,521
55	Pers Retirement	191,914	176,138	182,356	198,934	184,023
56	OPEB Funding/Transfer	28,306	10,181	0	0	35,000
57	Standby	13,104	13,200	11,441	12,481	34,380
58	Overtime	8,926	7,930	6,272	6,842	7,184
59	Workers Comp. Ins.	21,072	24,000	23,025	25,118	28,151
60	Directors' Fees	6,900	36,000	7,200	7,855	36,000
61	Medicare/FICA	14,063	14,616	13,143	14,337	15,548
62	Car Allowance	3,000	3,000	2,750	3,000	3,000
63	SUI/ETT	448	1,000	448	489	1,000
64	Uniforms	3,429	5,000	4,178	4,558	8,100
65	TOTAL SALARIES & BENEFITS	\$1,390,734	\$1,520,185	\$1,300,893	\$1,419,156	\$1,673,866
66						
67						
68						
69	UTILITIES					
70	Electricity	123,770	129,263	154,507	168,554	134,433
71	Propane	1,247	1,525	531	579	1,586
72	Water Purchase	23,114	28,600	30,148	28,600	28,600
73	Telephone/Internet	13,297	12,801	14,911	16,267	13,313
74	TOTAL UTILITIES	\$161,428	\$172,189	\$200,098	\$213,999	\$177,932
75						
76						
77						
78	MAINTENANCE & SUPPLIES					
79	Chemicals	86,788	82,160	76,342	83,282	85,446
80	Computer/Software	32,442	35,256	43,478	47,431	36,666
81	Equip. Rental/Lease	16,683	2,600	21,264	23,197	2,704
82	Fixed Equip.	184,235	194,480	157,147	171,433	202,259
83	Fuel & Oil	18,817	15,600	15,029	16,395	16,224
84	Lab Testing	43,577	61,360	45,777	49,939	63,814
85	Office Supplies	1,415	1,560	1,167	1,273	1,622
86	Parks & Recreation	0	1,000	0	0	0
87	Struct./Grnds.	18,044	15,537	11,819	12,894	16,159
88	Small Tools/Equip.	8,394	3,120	7,773	8,479	3,245
89	Supplies	14,391	4,680	12,402	13,530	4,867
90	Meters/Equip.	11,819	12,480	13,899	15,163	12,979
91	Vehicles	9,907	6,240	20,234	22,073	6,490
92	TOTAL MAINT. & SUP.	\$446,511	\$436,073	\$426,333	\$465,090	\$452,476
93						
94						

	A	B	C	D	E	F
95	HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET					
96	2022/23 un-audited, 2023/24 Summary & 2024/25 Preliminary					
97						
98		Un-audited	Budget	Actual 11 month	Annualized	Preliminary
99	GENERAL & ADMINISTRATION	22/23	23/24	7/1/23 - 3/31/24	F.Y.E. 6/30/24	24/25
100	Ads./Advertising	561	1,500	1,854	2,022	1,560
101	Alarm/Answering Service	3,421	4,160	3,971	4,332	4,326
102	Audit	8,785	10,000	9,225	10,064	10,400
103	Bank Charges/Fees	250	1,000	0	0	0
104	Consulting/Engineering	160	10,000	23	25	10,000
105	Dues/Subscription	11,219	10,400	11,360	12,393	10,816
106	Elections	6,151	0	0	0	10,000
107	Insurance (Property/Liability)	-326	44,000	46,459	50,683	44,737
108	LAFCO	7,254	7,700	7,281	7,943	8,162
109	Legal/Attorney	19,441	25,000	26,211	28,594	26,000
110	Licenses/Permits	29,221	30,160	31,925	34,828	31,366
111	Plan Check & Inspection	0	1,600	15	16	1,600
112	Postage/Billing	16,315	15,600	15,262	16,650	16,224
113	Professional Service	91,578	92,872	43,540	47,498	96,587
114	Tax Collection	6,272	7,300	6,542	7,137	6,542
115	Staff Training & Travel	7,652	12,480	8,537	9,314	12,979
116	Board Training & Travel	279	1,000	2,001	2,183	1,040
117	TOTAL G & A	\$208,234	\$274,772	\$214,207	\$233,681	\$292,340
118						
119						
120						
121	CAPITAL PROJECTS & EQUIPMENT					
122	Structures/Improvements	646,819	2,271,948	708,476	772,883	2,338,007
123	Equipment	123,172	35,000	0	0	65,000
124	TOTAL CAPITAL	\$769,991	\$2,306,948	\$708,476	\$772,883	\$2,403,007
125						
126						
127						
128	DEBT					
129	State Loan Payment - DWR	103,628	103,629	103,628	103,629	103,628
130	State Loan Payment Phase II - SRF	58,739	58,740	29,369	58,740	58,740
131	Western Alliance Lease-PVS	152,638	153,313	153,313	153,143	152,858
132	TOTAL DEBT	\$315,005	\$315,682	\$286,311	\$315,512	\$315,226
133						
134	FUNDED DEPRECIATION	\$288,000	\$288,000	\$264,000	\$288,000	\$288,000
135	UNFUNDED DEPRECIATION	\$0	\$0	\$0	\$0	\$0
136						
137						
138	TOTAL EXPENSE	\$3,579,903	\$5,313,849	\$3,400,318	\$3,708,321	\$5,602,847
139						
140	CAPACTIY CHARGES TRANSFER	\$42,348	\$70,580	\$28,232	\$30,799	\$28,232
141						
142	SOLID WASTE FEES TRANSFER	\$16,185	\$26,109	\$24,145	\$26,340	\$24,127
143			\$96,689			\$52,359
144						
145	FUND TOTAL	\$76,238	\$192,445	\$520,474	\$568,906	\$496,585

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: June 20, 2024

SUBJECT: Submittal for approval Resolution 24-06 requesting consolidation of the District's biennial election with the November 5, 2024 Consolidated General Election, and Resolution 24-07 adopting regulations for candidates for elective office pertaining to, and costs of, candidate statements.

Recommendation

It is recommended that the Board of Directors:

1. Approve Resolution 24-06 requesting the District's General Election be consolidated with other elections to be held on the same day in the same territory; and
2. Approve Resolution 24-07 adopting regulations for candidates for elective office pertaining to, and costs of, candidate statements.

Background

November 5, 2024 is the date of the General Election. In California, it is the County of San Luis Obispo that administers the election process. The process includes the election of Directors to our Board, as well as any issues that would be subject to voter approval. To be eligible for a Directors' seat, a candidate must be a registered voter and be a resident of the District.

Discussion

The Heritage Ranch Community Services District will have two open seats for the November 5, 2024 election. The term for these seats is four years. Presently occupying these seats are Directors Burgess and Swanson. The adoption of these requisite resolutions will be on record with the County of San Luis Obispo as it relates to the District.

The County has published the Special District's Calendar of Events for the November 5, 2024, General Election. The Official Nomination Period for incumbent candidates to file Declarations of Candidacy forms and other related nomination documents with the County Clerk is July 15 - August 9, 2024.

If an insufficient number of candidates, or if no candidates file, the District will not have an election. In this case, a person who filed a Declaration of Candidacy will be appointed in lieu of the election by the County of San Luis Obispo Board of Supervisors. The term of office will commence on December 6, 2024. Each elected officer shall take the official Oath of Office and complete Form 700, Statement of Economics Interest, which will be filed with the Office of the County Clerk Recorder.

Resolution 24-07 is a new requirement from the County Elections Official. The information in this resolution was previously included with the notice to the County Elections Official completed by staff.

Attachments: Resolution 24-06 Requesting consolidation of Biennial Election
Resolution 24-07 Regulations for Candidates Statements

File: BOD General Election 2024

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 24-06

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HERITAGE RANCH
COMMUNITY SERVICES DISTRICT REQUESTING CONSOLIDATION OF THEIR
BIENNIAL ELECTION WITH THE NOVEMBER 5, 2024 CONSOLIDATED
GENERAL ELECTION**

WHEREAS, an election shall be conducted on November 5, 2024 for this District pursuant to the Uniform District Election Law commencing with Elections Code §10500; and

WHEREAS, pursuant to Elections Code §10555, said election may be consolidated with any other election pursuant to Part 3 (commencing with Section 10400); and

WHEREAS, the Board of Directors requests the San Luis Obispo County Board of Supervisors consolidate this District's General District Election with any other election which may be held on the same day;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Heritage Ranch Community Services District as follows: The Board of Supervisors of San Luis Obispo County is hereby requested to consolidate the General District Election of this district to be held on November 5, 2024, with all other elections held on the same date. This request is made pursuant to Elections Code §10555 and 10400, et seq. The Board of Directors agrees to reimburse, upon presentation of a bill, the County of San Luis Obispo in full for services performed relating to this election.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Heritage Ranch Community Services District on the 20th day of June 2024, by the following roll call vote.

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

ATTEST:

Dan Burgess, President
Board of Directors

Kristen Gelos, Secretary
Board of Directors

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 24-07**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HERITAGE RANCH
COMMUNITY SERVICES DISTRICT ADOPTING REGULATIONS FOR
CANDIDATES FOR ELECTIVE OFFICE PERTAINING TO, AND COSTS OF,
CANDIDATE STATEMENTS SUBMITTED TO THE VOTERS AT THE NOVEMBER 5,
2024, PRESIDENTIAL GENERAL ELECTION**

WHEREAS, an election shall be conducted on November 5, 2024 for this District pursuant to the Uniform District Election Law commencing with Elections Code §10500; and

WHEREAS, Section 13307 of the Elections Code of the State of California requires this board to adopt certain policies in regard to statements of candidates who run for office as members of the governing board of the district.

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

1. That the cost of printing, handling, and mailing candidates' statements of qualifications shall be charged to the candidate.
2. That the candidates' statement of qualifications shall not exceed 200 words.
3. The statement shall be filed with the County of San Luis Obispo Registrar of Voters at the time the candidate's nomination papers are filed.
4. The statement may be withdrawn, but not changed, during the period for filing nomination papers and until 5:00pm of the next working day after the close of the nomination paper.
5. That the candidates are not permitted to submit additional materials to be sent to the voter with the County Voter Information Guide.
6. That the County of San Luis Obispo Registrar of Voters be directed to give a copy of these regulations to each candidate, or their representative, at the time that nomination documents are received.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Heritage Ranch Community Services District on the 20th day of June 2024, by the following roll call vote.

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED: _____

Dan Burgess, President
Board of Directors

ATTEST: _____

Kristen Gelos, Secretary
Board of Directors

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Personnel Committee (Barker, Yaffee)
Scott Duffield, General Manager

DATE: June 20, 2024

SUBJECT: Request to approve amendment to the Memorandum of Understanding Between Heritage Ranch Community Services Employees Association and Heritage Ranch Community Services District for FYE 2025 – FYE 2026, and the Administrative Manager job description.

Recommendation

It is recommended that the Board of Directors:

- 1) Approve amendment to the Memorandum of Understanding Between Heritage Ranch Community Services Employees Association and Heritage Ranch Community Services District for FYE 2025 – FYE 2026; and
- 2) Approve the Administrative Manager job description.

Background

Heritage Ranch Community Services Employees Association (Association) is similar to an employee union. The Memorandum of Understanding (MOU) is the employment agreement and is policy for terms and conditions of employment.

Discussion

Your Board met in Closed Session at the regular May Board meeting and came to a consensus in response to items presented by the Association for negotiation. The Manager informed the Association of the Board consensus and has received confirmation from the Association that there is a tentative agreement on all issues.

Fiscal Implications

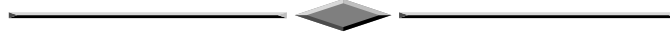
The draft MOU reflects the final negotiated items for the term of the agreement. The final negotiated items are:

- 4% cost of living increase for the first year and 5% cost of living increase for the second year of the term of the agreement.
- Increase Standby hourly pay rate from \$2 per hour to; Weekdays – 1 hour at overtime rate (1.5x), and Weekend days and Holidays – 3 hours at overtime rate (1.5x).
- Increase hourly pay rate on Holidays from overtime rate of 1.5x to 2.0x.

- Increase uniform allowance from \$450/year to \$675/year.
- Reclassify the Office Supervisor non-exempt position to a new Administrative Manager exempt position.
- Term of the agreement of 2 years.

These negotiated changes are reflected in the Preliminary FY 2024/25 Budget.

Attachment: MOU FYE 2025 – 2026
Administrative Manager job description



Memorandum of Understanding

Between

**Heritage Ranch Community Services
Employees Association**

And

Heritage Ranch Community Services District

July 1, 2024 to June 30, 2026

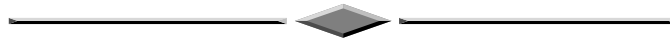


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1.0 PARTIES TO AGREEMENT

This Memorandum of Understanding (Agreement) is made and entered into this July 1, 2024, by and between the HERITAGE RANCH COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS, hereinafter referred to as "District" and the HERITAGE RANCH COMMUNITY SERVICES EMPLOYEES ASSOCIATION, hereinafter referred to as the "Association." The Association includes all regular employees of the District.

This Agreement incorporates those provisions of the Personnel Policy Guide and Employee Handbook ("Handbook") currently in effect to the extent not inconsistent herewith. The District reserves the right to add benefits and other items to the Handbook so long as they improve or increase benefits, protections, and clarifications which do not detract from or decrease the statements of this Agreement. As deemed necessary by the Board of Directors, the Handbook may be revised by insertions of dated revision pages. Revisions to the Handbook which affect the terms or conditions of this Agreement will be accomplished by the District and Association approving an addendum to the Agreement.

2.0 EMPLOYEE RIGHTS

Employees of the District shall have the right to form, join and participate in the activities of employee organizations of their own choosing for the purpose of representation on all matters of employer-employee relations including but not limited to, wages, hours and other terms and conditions of employment. Employees of the District also shall have the right to refuse to join or participate in the activities of employee organizations and shall have the right to represent themselves individually in their employment relations with the District. No employee shall be interfered with, intimidated, restrained, coerced or discriminated against because of the exercise of these rights.

3.0 EXEMPT EMPLOYEES

Exempt employees will not be represented by the Association in any matter covered by this Agreement. Only the Board of Directors has the right to determine what positions are exempt and the following are declared to be exempt: General Manager, Assistant General Manager, Operations Manager, District Engineer, Administrative Manager, seasonal employees, temporary employees, and contract employees.

4.0 ASSOCIATION RIGHTS

- A. Notification to the Association: Except in cases of emergencies, the District shall notify the Association prior to making substantial changes that cover matters within the scope of representation.
- B. The District and the Association agree that no more than two (2) bargaining unit representatives shall be allowed to meet with the District management on District time during normal working hours for the purposes of meeting and conferring the negotiation or re-negotiations of this agreement without loss of compensation or benefits.

5.0 MANAGEMENT'S AUTHORITY

The Association recognizes and agrees that the District has and will retain the right to manage the District and to direct the working forces, make assignments, determine work locations, and determine any employee's ability, skill and competency, and to hire, promote and for just cause discharge any employee, in accordance with applicable law. The exercise of such rights does not preclude employees or their Association representatives, as defined in Section 4.0 of this Agreement, from conferring or raising objections about the practical consequences that decisions on these matters may have on wages, hours and other terms and conditions of employment as elsewhere provided in this Agreement. The Association will ensure that the Association and its members will cooperate with the District to provide, as deemed necessary by the District, for the operation of the District under methods which will further to the fullest extent possible, the safety of the employees, District customers and contractors, District Directors, guests or users. The Association shall extend this same cooperation to ensure the economy of operation, quality of output, cleanliness of the District; and protection of persons, equipment, and property. It is furthermore agreed that it is the duty of the District and the employees to cooperate for the advancement of said conditions.

6.0 NON-DISCRIMINATION

The District and the Association agree that the provisions of this agreement shall apply equally to all employees without discrimination because of race, creed, age, sex, national origin, marital status, and disability, and sexual preference, political or religious affiliations. However, the Association agrees that it shall not support or campaign on District property for or against any of the above, except as provided by law and the terms of this Agreement.

7.0 COST OF LIVING ADJUSTMENT

The District agrees to increase the salary ranges of all represented and eligible positions by 4% effective the first full payroll following July 1, 2024, and then by 5% effective the first full payroll following July 1, 2025, for the term of this agreement which is starting July 1, 2024, and ending June 30, 2026.

8.0 PENSION AND HEALTH BENEFITS

The District's benefit program includes group health benefits, including medical, and a reimbursable dental, vision, life/disability insurance, and medical co-pay cost for eligible employees. Coverage is also available for eligible dependents of eligible employees. Regular full-time employees and regular part-time employees regularly scheduled to work twenty (20) or more hours per week (excluding overtime) on a continuing basis are eligible for these health benefits.

The District also contributes to a pension plan for all regular full-time employees and part-time employees regularly scheduled to work twenty (20) or more hours per week (excluding overtime) on a continuing basis.

While this Agreement does not restate all of the features of the benefit programs, it provides brief summaries of some of the key provisions. It is important to remember that

additional terms and conditions apply, and may impact eligibility and level of benefits. As a result, if there is any real or apparent conflict between this Agreement and the information set forth in official benefit plan documents, the provisions in the official plan documents control. Employees are encouraged to review the official plan documents for complete information.

8.1 Pension Contributions

The District participates in the California Public Employee Retirement System (CalPERS). The District's CalPERS plan agreement is the 2.5% @ 55 formula for existing employees hired prior to August 20, 2011. Employees hired after August 20, 2011 that meet the definition of an existing member of the CalPERS system will participate in the 2% @ 55 formula. Employees hired August 20, 2011, that do not meet the definition of a CalPERS existing member will participate in the 2% @ 62 formula. The District does not participate in the Federal Retirement System (Social Security) for regular full-time employees and part-time employees regularly scheduled to work twenty (20) or more hours per week. Social Security payments are made for all part-time (less than 20 hours worked per week), temporary, or seasonal employees.

The District agrees to contribute employer's amount as annually calculated by the Pension Plan Administrator (CalPERS) of the reportable earnings of each regular member of the Association employed by the District for each of the pension formulas as of the date of this agreement. CalPERS determines reportable earnings and non-reportable earnings. Non-reportable earnings include but are not limited to overtime and stand-by pay.

- A. Retirement Plan: The District contributes the required percentage of Employer Cost (Employer Contribution + Employer Unfunded Accrued Liability) to gross wages (excluding overtime and any other excludible compensation) to CalPERS on behalf of each eligible employee. The District does not contribute on behalf of the employees any Member Contributions. The following are the CalPERS pensions plans available at the District:
1. First Level - for active employees hired prior to August 20, 2011, shall be enrolled in the CalPERS 2.5% @ 55 formula plan.
 2. Second Level - for employees that are hired by the District after August 20, 2011, and meet the definition of a current CalPERS employee shall be enrolled in the CalPERS 2% @ 55 formula plan.
 3. Third Level – for employees hired on or after January 1, 2013, and meet the definition of a new member CalPERS employees are subject to the Public Employees' Pension Reform Act (PEPRA). The PEPRA new member formula is 2% @ 62.
- B. 1959 Survivor Benefit Allowance: This benefit provides for a monthly allowance to eligible survivors of CalPERS members who were covered for this benefit program and die before retirement. The cost to each employee is \$2.00 per month. The District contributes the remaining monthly premium cost on behalf of each employee.

- C. Deferred Compensation Plan: The District offers an IRS 457 Deferred Compensation Plan to its employees who are CalPERS members. This plan is provided as an optional CalPERS benefit. The District does not contribute to this plan.

8.2 Health Plan Contributions

- A. Medical Insurance: Regular full-time employees and regular part-time employees who are regularly scheduled to work twenty (20) hours or more per week, and their dependents may participate in the group health as administered by the CalPERS Retirement System Health Benefit Services Division under the CalPERS Employee's Medical and Hospital Care Act with its requirements, restrictions, and conditions.

During the term of this Agreement the District shall contribute the following percentage of the premiums for employee and dependent coverage for the lowest cost plan (base plan) available in San Luis Obispo County offered through the CalPERS system:

1. 90% effective July 1, 2024.

In the event an employee elects a higher cost plan, the employee shall pay the increased cost for the plan. The District shall annually establish that medical offices located in San Luis Obispo County are accepting the lowest cost plan as published by CalPERS, and in the event that sufficient medical professionals are not participating in the plan, the second lowest cost plan will be used as the base plan.

Regular part-time employees regularly scheduled to work twenty (20) or more hours per week (excluding overtime) shall receive prorated health plan contributions based on the number of regular hours worked in the District service and all hours spent in a paid leave status from regular duties with the same premium contribution as full-time employees but reduced based on hours worked per week. The amount of the contribution shall be prorated based on a forty (40) hour work week and then further reduced by the effective premium contribution as stated above. The District contribution for the coverage for all part-time employees and their dependents as allowed under the plan is the prorated amount based on the lowest cost CalPERS Health Plan available within San Luis Obispo County. For example, when a regular part-time employee is hired for and actually works 30 hours per week, effective July 1, 2024, the District shall contribute ninety percent (90%) of seventy-five percent (75%) of the lowest cost health plan. Any cost over and above this limit would be paid by the employee.

Eligible full-time employees whose health insurance needs are adequately provided through another source, e.g., a spouse's plan or one which carries over from a previous employment, may elect not to participate in the District's plan. Those employees who have provided evidence of medical insurance coverage acceptable to the District shall receive, in lieu of medical benefits, payment of \$200/month for one party coverage, \$400/month for two party coverage and \$600/month for 3+ party coverage in addition to their regular pay. Regular part-time employees regularly

scheduled to work twenty (20) hours or more per week may receive a prorated in lieu payment if their health insurance needs are adequately provided through another source.

The District shall provide a health care cost reimbursement plan with the same eligibility as the health plan. This plan shall be a District self-funded reimbursement plan. The plan will provide reimbursement for employees' cost of dental expenses, vision expenses, and deductible/cost share expenses related to medical insurance plans, life insurance, or disability insurance. Upon receipt of written verified payment (original receipts) by the employee to a licensed dentist, a licensed optician or optometrist, a licensed pharmacy, or a licensed medical professional, for payment of a deductible/cost share for their medical plan, or payment of a deductible/cost share for life insurance, or disability insurance, the District shall reimburse the full time employee the cost of dental services, vision services including lenses and frames, and prescriptions after deducting co-payments and credits by others, and deductible/cost share for medical plans or life/disability insurance plans. The amount of reimbursement for each full time employee per year shall not exceed \$700 with no dependents, \$900 with one dependent and \$1,100 with two or more dependents. Funds or reimbursement credits shall not be interchanged between employees or paid to the employee upon termination for any reason. Any employee who does not use their reimbursement funds shall be allowed to convert at the end of each contract year 100% of the unused reimbursement credit to the following year. The maximum reimbursement credit that may be accumulated per employee is \$5,000. Funds or reimbursement credits shall not be paid to the employee upon termination for any reason. Regular part-time employees that are regularly scheduled to work twenty (20) or more hours per week shall receive prorated reimbursement based on the number of regular hours worked in the District service and all hours spent in a paid leave status from regular duties.

8.3 Workers' Compensation Insurance

All District employees will be insured against injuries received while on the job as required by State law.

9.0 THE SALARY STEP PLAN

The salary step plan shall provide a salary range for each employee job classification. Such salary ranges will be divided into five (5) salary level steps which shall be interpreted and applied as follows:

- A. "A" Step: The "A" or first step salary level will be the minimum rate and normally shall be the starting or hiring rate and shall include the six (6) months probationary period. In special cases when it is merited by experience, education, training or other qualification, the Manager may approve the hiring of a candidate for employment at a higher level.

- B. "B" Step: The "B" or second step salary level may be granted to an employee after satisfactory completion of twelve (12) calendar months of continuous service at the "A" Step in one or more classifications. The adjustment shall be made only if granted by the District on a basis of a satisfactory performance evaluation.
- C. "C" Step: The "C" or third step salary level may be granted to an employee who has proven to be fully satisfactory in a given (i.e., the same) classification for twelve (12) calendar months of continuous service from the granting of the previous salary step increase only if granted by the District on the basis of a satisfactory performance evaluation. The third step is an incentive advancement and is the rate at which fully-qualified, experienced and ordinarily conscientious employees may be expected to be paid.
- D. "D" Step: The "D" or fourth step salary level may be granted to an employee who has proven to be fully satisfactory in a given (i.e., the same) classification for twelve (12) calendar months of continuous service from the granting of the previous salary step increase only if granted by the District on the basis of a satisfactory performance evaluation. The fourth step is reserved to reward employees whose work is above average for their class.
- E. "E" Step: The "E" or fifth step salary level may be granted to an employee who has proven to be fully satisfactory in a given (i.e., the same) classification for twelve (12) calendar months of continuous service from the granting of the previous salary step increase and may be granted by the District on the basis of an above average performance evaluation. The fifth step is reserved for job performance which exceeds established standards in accordance with the job description. It may be presented to an employee who has demonstrated a sense of public service, contribution to advancement of the District's objectives and goals. Additionally, to be awarded this step, employees must have a good record of reporting to work regularly (limited sick days off) and being on time.

9.1 Advancement Base Date

The basis for the advancement date for all step advancements shall be the employee's date of hire or appointment, except as follows:

- A. If the employee receives a promotion to a position resulting in the employee receiving compensation at a higher range, a new advancement date shall be based on the date of the promotion having become effective. This does not apply to employees advancing through the Operator I and II classifications (i.e. there is no change in advancement date).
- B. If the employee terminates employment or is terminated from the District and is re-employed or is reappointed at a later date, that employee shall be given a new initial anniversary date which shall be the last date of employment or reappointment.

9.2 Step Increase on Promotion

- A. **New Introductory Employees:** All newly appointed introductory employees shall be paid at the first step of the salary range for the position to which the introductory employee is appointed except as provided elsewhere herein.
- B. **Advanced Step Hiring:** If the General Manager finds that qualified applicants have greater experience or competencies than required at the first step of the salary range, the General Manager can extend an offer higher than the first step.
- C. **Increase in compensation other than Cost of Living Adjustments (Step-Merit Increase):** After one year in a salary step (on the employee's Anniversary Date), employees may qualify for a step merit increase to the next step, provided the employee has performed satisfactorily, and provided management has determined that a step merit increase is appropriate. All decisions about step merit increases are subject to management's sole discretion; employees are not automatically entitled to or eligible for a step merit increase. A report verifying satisfactory performance of each employee recommended for advancement shall be submitted to and approved by the General Manager prior to final action on such recommendation.
- D. **Promotion:** Employees promoted to a position with a higher salary range shall be placed on the step of the range allocated to the new classification which would grant such employee an increase in pay no greater than two and one-half percent (2.5%). The increase may exceed two and one-half percent (2.5%) at the discretion of the General Manager, but shall not exceed the top step of the range allocated to the new classification. Employees who are promoted retain the same Anniversary Date for purposes of years of service and benefit accruals, but have a new Promotion Date for purposes of performance reviews and merit step increases.
- E. **Lateral Transfer:** When an employee transfers to a different position or classification with similar responsibilities as his/her existing position (and has not been demoted), the affected employee shall be placed at a salary range within the new classification that is most consistent with the employee's existing salary range not to exceed Step 5 unless employee is eligible for longevity pay.
- F. **Supplemental Wages (for withholding purposes):** The Internal Revenue Service defines supplemental wages to include bonuses, commissions, overtime pay, payments for accumulated sick leave, severance pay, awards, prizes, back pay, retroactive pay increases and payments for nondeductible moving expenses. If supplemental wages are given to the employee at the same time as the employee's regular wages are paid, the District is required to treat the sum of the payments as regular wages and withhold income taxes based on the regular payroll period using the withholding schedules. If the supplemental wage is not given to the employee at the same time as the employees regular wages are paid, the district will withhold a flat 25% for federal income tax and 6.6% for state income tax without allowing for any withholding allowances claimed by the employee.

9.3 Special Merit Advancement

The Board of Directors may, upon the recommendation of the Manager, authorize advancement of an employee to any of the last four steps, (Steps "B" through "E"), earlier than the employee normally would be eligible by virtue of length of service. Such action is reserved for very exceptional cases, and shall be approved only after being carefully analyzed. A special merit advancement need not affect or change the date of a subsequent regular merit increase.

10.0 LONGEVITY PAY

Regular full-time employees, excluding exempt employees, and part-time employees regardless of number of weekly hours worked, who have worked for the District are eligible to receive longevity pay subject to the following conditions:

- A. Employee must have obtained the "E" or fifth step salary level to be eligible for any longevity pay and proven to be fully satisfactory in the classification with job performance which exceeds established standards in accordance with the job classification.
- B. Occupying the fifth step is not required if the employee has been promoted within the last 24 months prior to eligibility of longevity pay to a higher classification that resulted in the decrease to a lower step pursuant to Section 9.2.
- C. A Leave of Absence time, as allowed for under this agreement, shall not be counted for during the review of longevity pay as described in this section.
- D. Longevity pay shall be pursuant to the eligibility requirements above and the following schedule:
 - 1. Longevity differential for 10 years of service is two and one-half percent (2.5%).
 - 2. Longevity differential for 15 years of service is five percent (5%).
 - 3. Longevity differential for 20 years of service is seven and one-half percent (7.5%).

11.0 TYPES OF EMPLOYMENT

The Heritage Ranch Community Service District has four (4) categories of employment which are regular, temporary, seasonal, and contract.

11.1 Regular

Regular employees are those employees who are hired on a full-time basis to work forty (40) hours per week, or on a part-time basis to work for less than forty (40) hours. All regular employees, upon initial hiring or upon promotion, must serve a probationary period. Regular employees are subject to all applicable terms and conditions of this Agreement and the Personnel Manual and Policy Guide.

11.2 Probationary Period

- A. The newly appointed and existing regular employee's probationary period is basically an on-the-job test with pay, "an extension of the examination process." It is a period during which the employee has an opportunity to prove himself/herself in the actual work situation. It is also a training period, and supervisors shall work conscientiously with the new or promoted employee to improve his/her work and to help him/her learn the job. It is also a period when the Manager and supervisors have the opportunity to observe and appraise the conduct, performance, attitude, adaptability and job knowledge of the employee, and to determine whether he/she is fully qualified for regular status. The probationary period will be six (6) months from the initial date of employment. A probationary employee whose work is deemed unsatisfactory can be terminated at any time during the six-month (6-month) probationary period without right of appeal.
- B. The length of the probationary period of a promoted employee shall normally be ninety (90) days unless otherwise specified by the District. Any employee not continued beyond the probationary period following a promotion appointment shall be reinstated to the position from which he/she was promoted if this occurs within ninety (90) days from the promotional appointment date. Then the employee shall be reinstated to the position from which he/she was promoted, provided that a vacancy exists at the same or lower level in the classification series to which he/she would revert. If this does not occur, the District will attempt to find another suitable position at or below the level of range and step the employee held before the promotional appointment, but the District does not guarantee this will occur, except by virtue of a reclassification, within the District service. The probationary period may be extended by mutual consent as a result of an employee's poor performance evaluation. If no vacancy exists, the promoted employee shall be placed on pre-employment hire list for the period of one (1) year. Advancement to a higher grade of Treatment Operator Positions I and II are exempt from this advancement probationary section.
- C. The District shall provide a newly appointed probationary employee a review of his/her performance at approximately the end of each month of the probationary period. At any time during the introductory period, the introductory employee or the District may terminate the employment relationship without cause, without compliance with the procedures set forth in Section 22, without recourse to the grievance procedure set forth in Section 23, and without prior notice. Notification of termination of the introductory employee shall be made in writing by the Manager to the employee.

11.3 EXEMPT EMPLOYEES

Exempt employees will not be represented by the Association in any matter covered by this Agreement. Only the Board of Directors has the right to determine what positions are exempt and the following are declared to be exempt: General Manager, Assistant General Manager, Operations Manager, District Engineer, Administrative Manager,

seasonal employees, temporary employees, and contract employees. Exempt employees shall enter into an Employment Agreement.

11.4 Temporary / Seasonal

Temporary or seasonal employees are those employees who are appointed for a job of limited duration not to exceed one hundred eighty (180) working days. It is understood that use of this type of employment is for short-term needs of the District. Such employees are not eligible for any District funded benefits and the employee or the District can terminate the employment relationship at any time, with or without cause or advanced notice.

11.5 Contract / Casual Workers

Contract or casual workers are those employees who are appointed for a limited duration and for completion of a specific task or project. Contract or casual worker employees are employed under a mutually agreed upon employment contract, and are completely ineligible for the District-funded benefits. The Manager is authorized to retain the services of agency personnel, as needed, if short-term needs arise, such as the maternity leave of an employee may create, or an unexpected work load for brief periods of time. The use of contract or casual employees shall be reported to the Board of Directors at the Board meeting following their being contracted.

12.0 TREATMENT OPERATOR POSITION CLASSIFICATIONS

The District has four (4) classifications of water and/or wastewater treatment operators. Funding for the classifications (positions) are established by the Board of Directors and are subject to annual review through the budget process. The classification structure allows employees to progress up the treatment operator classification chart as they receive higher levels of State certification. For complete job duties of each treatment operator refer to the job descriptions. The treatment operator classification and minimum requirements are as follows:

- A. Treatment Operator I: Possession of a Grade 1 Water Treatment Operator Certificate (T1) issued by the California State Water Resources Control Board (SWRCB) Drinking Water Department and the possession of a Grade 1 Water Distribution Operator Certificate (D1) issued by the California SWRCB Drinking Water Department within one (1) year of employment. Possession of a Grade I Wastewater Treatment Plant Operator Certificate issued by the California State Water Resources Control Board is desirable and qualifies for a treatment operator certificate incentive as outlined in Section 12.1.
- B. Treatment Operator T2: Possession of a Grade 2 Water Treatment Operator Certificate (T2) issued by the California State Water Resources Control Board (SWRCB) Drinking Water Department, and possession of a Grade 1 Water Distribution Operator Certificate (D1) issued by the California SWRCB Drinking Water Department. Possession of a Grade I Wastewater Treatment Plant Operator Certificate issued by the California State Water Resources Control Board is desirable and qualifies for a treatment operator certificate incentive as outlined in Section 12.1.

- C. Treatment Operator T3: Possession of a Grade 2 Water Treatment Operator Certificate (T2) issued by the California State Water Resources Control Board (SWRCB) Drinking Water Department; and the ability to obtain a Grade 3 Water Treatment Operator Certificate (T3) within one (1) year of employment. Possession of a Grade 2 Water Distribution Operator Certificate (D2) issued by the California SWRCB Drinking Water Department. Possession of, or ability to obtain, a Grade I Wastewater Treatment Plant Operator Certificate issued by the California SWCRB within two (2) years of employment. Possession of a Grade I Laboratory Analyst Certificate issued by the California Water Environment Association or American Water Works Association is desirable. There are a limited number of positions available in this classification.
- D. Operations Manager: Possession of a Grade 2 Water Treatment Operator Certificate (T2) issued by the California State Water Resources Control Board (SWRCB) Drinking Water Department; and the ability to obtain a Grade 3 Water Treatment Operator Certificate (T3) within one (1) year of employment. Possession of a Grade II Water Distribution Operator Certificate (D2) issued by the California SWRCB Drinking Water Department. Possession of, or ability to obtain, a Grade I Wastewater Treatment Plant Operator Certificate issued by the California SWRCB within two (2) years of employment. There is only one (1) position available in this classification.

12.1 Certification/License/Pay Adjustments

When not within the relevant job classification (job description), and of benefit to the District, as determined by the General Manager, the following certifications will be subject to pay adjustments to the following classification, with no employee receiving more than two adjustments, or 7.5%:

- A. Treatment Operator I classification (Range 28) shall be eligible for a 5% increase to Range 30 for possession of a Grade I Wastewater Treatment Plant Operator Certificate issued by the SWRCB.
- B. Treatment Operator II classification (Range 32) shall be eligible for a 2.5% increase to Range 33 for possession of a Grade 3 Water Treatment Operator Certificate (T3) issued by the SWRCB.
- C. Treatment Operator II classification (Range 32) shall be eligible for a 5% increase to Range 34 for possession of a Grade I Wastewater Treatment Plant Operator Certificate issued by the SWRCB.
- D. Treatment Operator II classification (Range 32) shall be eligible for a 7.5% increase to Range 35 for possession of a Grade I Wastewater Treatment Plant Operator Certificate and a Grade 3 Water Treatment Operator Certificate (T3) issued by the SWRCB.

12.2 Treatment Certification Higher than Required by Plant Classification – Bonus

When an Employee obtains Water Treatment Operator Certificate issued by the California State Water Resources Control Board (SWRCB) Drinking Water Department or a

Wastewater Treatment Plant Operator Certificate issued by the California SWRCB that is of a higher grade than required for plant operations the employee is eligible for a one-time pay bonus pursuant to the following requirements and schedule:

- A. Any Treatment Operator shall be eligible for a \$500 bonus for possession of a Grade 4 (T4) Water Treatment Plant Operator Certificate issued by the SWRCB-Drinking Water Department.
- B. Any Treatment Operator shall be eligible for a \$500 bonus for possession of a Grade II Wastewater Treatment Plant Operator Certificate issued by the SWRCB.
- C. Treatment Operators I or II shall be eligible for a \$500 bonus for possession of a Grade 3 (T3) Water Treatment Plant Operator Certificate issued by the SWRCB-Drinking Water Department.
- D. If the District incorporates higher treatment certificates grades for any of its water or wastewater treatment plants operations classification in the future due to a higher plant grade designates by the SWRCB, the bonus program of this section shall no longer be applicable.
- E. There is no pay bonus for any Water Distribution Operator Certificates.
- F. The total pay bonus that can be received by any single employee is \$1,000.

13.0 OUT-OF-CLASS ASSIGNMENT

As used herein, "Out-Of-Class Assignment" means the authorized full-time performance of all significant duties of an authorized vacant District position by a current District employee. When a current employee, in accordance with the policy set forth below, performs an out-of-class assignment in a position with a higher pay range, he/she shall be compensated at the greater of a five percent (5%) increase in his/her salary, or compensated under the closest step to a five percent (5%) increase of the position to which he/she has been temporarily assigned during the period of out-of-class assignment.

The Manager may authorize in writing the out-of-class assignment of a current District employee when, because of termination or unavailability of a District employee, an authorized District position becomes vacant and is expected to remain vacant for more than fifteen (15) working days, except for vacancies resulting from vacation in which case there will be no adjustment.

14.0 HOURS OF WORK AND OVERTIME COMPENSATION

- A. Paydays. The salaries and wages of all District employees shall be paid bi-weekly every other Friday. The two-week pay period begins on Saturday at 12:01 a.m. and ends two weeks thereafter on Friday at midnight. In the event a payday falls on one of the holidays listed, the immediately previous working day shall become the payday. Upon request, District employees can be paid via direct deposit into a personal bank account.
- B. Workweek: The work-week shall consist of seven (7) consecutive days from 12:01 a.m. Saturday through midnight Friday.

- C. **Workday Hours:** The regular hours of work each day shall be consecutive except for interruptions for meal periods. The regular working day for the operations department is generally 7:00 a.m. until 3:30 p.m. Employees shall be at their assigned work location, ready to start work at 7:00 a.m. Employees who are required to wear uniforms shall be in uniform at their designated jobsite at 7:00 a.m. Employees are required to record their work time (including start of shift, meal breaks, and end of shift). Hours worked can be rounded to the nearest 1/10th of an hour.
- D. **Meal Periods and Rest Breaks:** Employees are provided with a half-hour (30 minutes) break for lunch, a mid-morning break of fifteen (15), minutes and a mid-afternoon break of fifteen (15) minutes. Break time must be used on a daily basis. Time allocated to breaks may not be accumulated or used to come in late, leave early, or add to a meal period. All fifteen (15) minute breaks must be taken on the job site or other assigned work location, as that time is compensable.
- E. **Alternate Schedules:** The General Manager, or his/her designee, may authorize flexible work schedules with different starting and ending times, provided it does not interfere with the regular workload of the District. The General Manager, or designee, can also require employees to vary their workday hours when needed for operational or other business purposes.
- F. **Clean-up:** In addition to the 30-minute break for lunch, five (5) minutes of paid time will be allowed at the commencement of the meal period for employees to clean up (such as washing hands). At the end of the workday, ten minutes of paid time is allowed to operations staff to clean up and change out of required uniform (this will begin no sooner than 3:20 p.m. based on a regular work day schedule concluding at 3:30 p.m.).
- G. **Tardiness:** If an employee cannot report for work at the scheduled start time, then that employee is required to notify his/her immediate supervisor before his or her scheduled start time. Tardiness shall be cause for disciplinary action.

14.1 Overtime

- A. **Overtime Discouraged:** The District discourages overtime whenever possible.
- B. **Overtime Approval Required:** Employees should not work overtime without first obtaining approval from his or her supervisor or the General Manager.
- C. **Overtime Calculation:** All time which an employee spends in a pay status shall be considered in establishing the employee's normal regularly scheduled forty-hour (40-hour) work week. Any overtime worked by a regular part-time employee shall not be included or considered in calculating prorated benefits under this Agreement. Rather, such pro rata calculations shall be based on the number of hours regularly scheduled to be worked by the employee as compared with a full-time schedule. When overtime is necessary and authorized by the General Manager or designated supervisor, it shall be paid as follows:
 1. Time worked in excess of forty (40) hours in a work-week.

2. Time worked in excess of eight (8) hours in a work day (or regular scheduled shift).
 3. Time worked on a designated holiday.
 4. Overtime compensation will not be paid to Exempt Employees.
 5. Compensation for overtime is paid at a rate of one and one-half times the employee's regular hourly rate.
 6. Work after twelve (12) hours in any one work day (or regular scheduled shift) shall be compensated at twice the employee's regular rate of pay
- D. Compensatory Time Off: In place of overtime pay, an employee may request compensatory time off (CTO), which may be approved if the District so deems that CTO will not have any adverse effect on operations, scheduling, or expectations of the public and others served by the District. Any request for time off as a substitute for overtime compensation must be made in writing in advance and will only be allowed if the employee has less than 60 hours of accrued CTO, and the employee is regularly scheduled to work no less than 40 hours per week. In this case, CTO will accrue at the rate of one and one half (1-1/2) times the hours worked if compensatory time off is allowed. The maximum allowed employee accrual of CTO is sixty (60) hours.

Compensation as provided herein, shall not be granted to any employee for services for which the employee has been otherwise compensated. For purposes of this section, compensation for paid time off shall be considered as compensation for services rendered.

The employee shall be permitted to schedule the use of CTO, at the discretion of the District as stated above, provided the employee requests the time off at least two work days in advance. If the requested time off is not granted, the immediate supervisor and the employee shall meet to select an alternative date. If no alternative date is available, the employee shall be paid in cash in lieu of receiving time off. Compensated overtime shall be paid to the nearest five (5) minutes worked.

14.2 Standby Policy

The District requires standby work for some employment classifications and provides standby pay in accordance with the following policy:

- A. Schedule: A written schedule shall be maintained by the Operations Manager whereby all operations staff qualified for and designated for standby duty shall be assigned, on a rotational basis, to be on standby and subject to call out on weekends, holidays, and other times not considered regular hours of work for District employees.
- B. Notification. An employee on standby duty will be required to wear a cell phone or pager and remain in the local area where service is active. The standby employee may pursue any personal activity which leaves him/her available to promptly respond to paged calls for response to operational problems or emergencies. The standby employee shall refrain from activities which might impair his/her assigned

duties upon call. Notification of the need for emergency repair/maintenance work may also be given verbally, in person or telephonically, by the General Manager or Operations Manager, or by the employee's immediate supervisor.

- C. Reporting Requirement: When an employee is on standby, he/she shall be free to utilize his/her time as desired for personal pursuits, but must be fit for duty, ready, willing, and able to arrive at District facilities within forty-five (45) minutes from the time of the initial call-back notification. This means that those on standby should refrain from using alcohol. If called to duty, the employee on standby shall utilize a District vehicle and be dressed in District provided uniform and use all necessary personal protective equipment when performing scheduled rounds and when responding to call outs.
- D. Standby Period: The normal standby period begins at 3:30 p.m. on any given day and ends the following day at 7:00 a.m. The schedule will be determined by the Operations Manager as described above and may include daily, consecutive days, or groups of consecutive days.
- E. Standby Compensation: Standby pay shall be paid as follows:
 - 1. Weekdays: Standby weekday duty employees will be paid the equivalent of one (1) hour at their base overtime (OT) rate of pay of each weekday they are on standby. If an employee on standby receives a call, the employee shall be paid as provided in the call-out section below.
 - 2. Weekends and Holidays: On certain Saturdays, Sundays, and Holidays, the employee on standby is required to perform scheduled rounds, other essential duties, and various secondary duties as assigned and determined by the Operations Manager. The employee performing these tasks shall begin work no later than 9:00 a.m. and perform a minimum of three (3) hours of work. The employee shall complete scheduled rounds first, followed by other essential duties, and then any secondary duties. The employee will be paid at the overtime rate for these three (3) hours. The employee shall conclude work at 12:00 p.m., unless the employee is specifically authorized by his or her supervisor to perform more than three (3) hours of work. The employee will be compensated at the overtime rate for all hours worked. In addition, Standby weekend and Holiday duty employees will be paid the equivalent of three (3) hours at their base overtime (OT) rate of pay for each weekend day and Holiday they are on standby. If an employee on standby receives a call, the employee shall be paid as provided in the call-out section below.
 - 3. Substituting Standby Coverage: Any employee agreeing to fill a day for the standby duty person shall receive compensation at the rates described above and the employee originally scheduled for standby duty for that day shall be reduced to \$0.00 for each day they are not on standby. The employee originally scheduled for standby shall notify their supervisor of the substitution and shall notify the answering service.

4. **Illness:** An employee who is scheduled to be on standby and who does not work the regular work day due to illness is not eligible to be on standby. The employee who is scheduled to be on standby shall contact his/her immediate supervisor who will then arrange for a replacement. In instances of illness, the assigned employee will be removed from the standby schedule and will not receive any standby pay.

14.3 Call Out Pay

An employee earns call out pay when an employee is ordered to return to work after the employee has completed the employee's usual work shift and left the work site. The District adheres to the following requirements for call out pay:

- A. **Timing and Rate for Call Out Pay:** Call out pay begins when the employee is initially called out and ends when the employee leaves the Maintenance Shop (or job site if the employee is not required to return to the Maintenance Shop) to return home. Call out pay is paid at the rate of one and one-half times an employee's regular pay.
- B. **Before Regular Shift:** An employee called in early to start his/her day or shift without prior reasonable notice shall also be eligible for call out pay for the time actually worked until 7:00 a.m., at which point the employee is expected to begin his/her regularly scheduled work day. An employee is not eligible for two hours of call out pay if the employee is called to work less than two hours before the commencement of his or her regular workday.
- C. **Working Late Does Not Qualify for Call Out Pay:** If an employee stays late to complete assigned work, that is not considered a call out. The employee will be paid at the appropriate hourly rate for any such work. In that instance, hours are paid at the overtime rate only if the work otherwise qualifies as overtime (i.e., in excess of 40 hours for the workweek).
- D. **Minimum Pay for Call Out Duty:** Subject to the limitations above, the District shall pay the employee a minimum of two (2) hours of overtime pay for a call out. An employee will not receive additional call out pay for any subsequent call outs received during the initial two hour period. Additional call outs during any two-hour minimum call out period will be considered time already paid. If actual work exceeds two (2) hours, then employees will be compensated for the time actually worked in excess of two hours. Any subsequent call out, after completion of the previous call out and after the employee has left the Maintenance Shop (or job site if the employee is not required to return to the Maintenance Shop), shall begin a new two-hour period.
- E. **Obligation to Advise of Fitness for Duty:** If an employee is called back to work (whether on standby or otherwise), the employee is obligated to promptly disclose to his or her immediate supervisor if he or she is not fit to return to duty for any reason.

15.0 CELL PHONE AND INTERNET REIMBURSEMENT

Operations employees are required to carry a cell phone, and if on standby duty, remain in the local area where service is active. The standby employee may pursue any personal activity which leaves him/her available to promptly respond to calls for response to operational problems or emergencies. The standby employee shall refrain from activities which might impair his/her assigned duties upon call. Operations employees required to carry a cell phone shall be reimbursed on a monthly basis \$80.00 for the use of their personal cell phone and internet for response to operational problems or emergencies, and to monitor/operate facilities remotely. The monthly cell phone and internet reimbursement shall be paid the first full payroll following the end of each month.

Other employees whose position includes the need for a cell phone may receive a cell phone allowance to reimburse for business-related costs incurred when using their personally-owned cell phones. Other employees that include the need for a cell phone for business-related use and that shall be reimbursed on a monthly basis \$80.00 are the positions of: Administrative Manager; Assistant General Manager; Operations Manager; District Engineer.

16.0 TRAVEL ALLOWANCES

Regular employees required by the District to attend educational programs, training sessions and/or meeting functions as representatives of the District shall be compensated as provided in the Personnel Policy Manual.

Part-time employees required to attend educational programs, training sessions and/or meeting functions as representatives of the District shall be compensated the cost of training, per diem travel expenses and pro-rated salary (i.e. part-time employees will receive normally worked part-time salary for time spent in training).

17.0 HOLIDAYS

This policy shall apply to all regular and introductory employees.

A. Days Designated as Holidays: The following days shall be recognized and observed as paid holidays:

- New Year's Day; (January 1)
- Martin Luther King, Jr's Day; (as observed by the State)
- President's Day (third Monday in February);
- Memorial Day; (last Monday in May)
- Independence Day; (July 4)
- Labor Day; (1st Monday in September)
- Veteran's Day;
- Thanksgiving Day; (4th Thursday in November)
- The Friday in November immediately following the day designated as Thanksgiving Day;
- Christmas Eve Day; (December 24)
- Christmas Day; (December 25)

- All regular District employees have one floating holiday per calendar year. If not taken during the calendar year earned, the floating holiday will be forfeited.

The District may close the office to the public between Christmas and New Year’s Day. During that time, employees can either take vacation or report to work on normal workdays, keeping doors closed to the public.

- B. Requirements: All regular work shall be suspended and employees shall receive one (1) day’s pay for each of the holidays listed above. An employee on a leave without pay will not receive holiday pay. In order to receive holiday pay, you must work the regularly scheduled work day prior to and after the holiday unless vacation has been pre-approved. If an employee is on approved vacation when a holiday occurs, the employee will receive holiday pay in lieu of vacation for the scheduled holiday. If an employee is on sick leave when a holiday occurs, the employee is not eligible for holiday pay and must use sick leave instead. If an employee has exhausted available sick leave, then the employee’s absence will be unpaid.
- C. Holidays on Weekends: Whenever a holiday falls on Saturday, the preceding Friday shall be observed as the holiday. Whenever a holiday falls on Sunday, the following Monday shall be observed as the holiday.
- D. Work on Holidays: Except for exempt employees, an employee that is required to work on a District Holiday shall be compensated or earn CTO at the rate of two times the employee’s regular rate of pay for actual time worked.
- E. Rate of Eligibility: Employees are eligible for holiday pay based on the following formulas:

Hours Worked Per Week	Proportion of Vacation, Sick, and Holiday Benefits
21-23	57.5%
24-26	65.0%
27-29	72.5%
30-32	80.0%
33-35	87.5%
36-38	95.0%
39-40	100.0%

18.0 VACATION

This policy shall apply to regular and introductory employees in all classifications.

- A. Rate of Accrual: Paid vacations shall be accrued according to the following full-time equivalent schedule on an annual basis. Years of service begins when an employee becomes a regular employee. Time is not accrued for any seasonal or temporary positions. Years of service must be continuous as follows:

1. Employees with less than five years of service earn one (1) working day per month of paid employment (equivalent to 12 working days per year);
2. Employees with five to ten years of service earn one and one and one-quarter (1.25) working days per month of paid employment (equivalent to 15 working days per year);
3. Employees with more than ten years of service earn one and two-thirds (1.67) working days per month of paid employment (equivalent to 20 working days per year).

All regular employees shall accrue vacation leave on the basis of the number of regular hours worked in the District service and all hours spent in a paid leave status from regular duties, excluding any time worked as overtime or special time. Such accrual shall take place on a pay period basis. Employees are eligible for vacation based on the following formulas:

Hours Worked Per Week	Proportion of Vacation, Sick, and Holiday Benefits
21-23	57.5%
24-26	65.0%
27-29	72.5%
30-32	80.0%
33-35	87.5%
36-38	95.0%
39-40	100.0%

- B. Limitations on Accumulated Vacation Time: An employee shall be able to accrue no more than forty (40) days or three-hundred twenty (320) hours of vacation leave. Once the maximum vacation accrual is reached, vacation time will no longer be accumulated.
- C. Cash-Out During Employment: Vacations are provided by the District to employees as a period of time away from work with pay for the purpose of rest, relaxation, and recreation. This respite is a benefit and is intended as an aid in maintaining the long-term and consistent productivity and contentment of the employee. As such, pay in lieu of vacation time away from work is highly discouraged. If the District would be adversely impacted by the employee taking vacation leave in excess of the (320) hours maximum, the District may elect to provide payment to the employee at their current hourly wage. Once the vacation accrual is below the maximum, vacation accrual will again start to accumulate.
- D. Termination: At termination of employment for any reason, the District shall compensate the regular employee for his/her accumulated vacation time at his/her straight time rate of pay at the time of termination.
- E. Paid Leave of Absence: Employees granted a leave of absence with pay or other approved leave with pay shall accrue vacation leave as otherwise regularly provided by this Agreement

- F. Unpaid Status: Vacation leave shall not be accrued by any employee absent from duty after separation from District service, or during a District authorized leave of absence without pay or any other absence from duty not authorized by the District or an absence from work as a result of any disciplinary action. An employee is not permitted to borrow on future accrual of vacation benefits.
- G. Holidays: If a holiday falls on a workday during an employee's vacation period, that day shall be considered as a paid holiday and not vacation time.
- H. Requesting Vacation: Employees must submit vacation requests of four (4) hours or more to their supervisor in a timely manner. In the event of the need for unscheduled vacation time off of less than four (4) hours, the employee has the option to use vacation time or sick time regardless of the nature. This option of unscheduled time off is only available if the paid time off is less than four (4) hours. Supervisors will consider requests in light of all relevant criteria, including operational concerns, seniority, scheduling issues, leave balances, timing of the request, and fairness.
- I. Introductory Employees: Introductory employees accrue vacation time during their introductory period, but are not eligible to take any accrued vacation until successful completion of the introductory period.

19.0 SICK LEAVE

This policy shall apply to regular and introductory employees in all classifications. Sick leave is defined as absence from work due to illness, non-industrial injury, or quarantine due to exposure to a contagious disease.

- A. Usage: Sick leave may be used for dental and doctor appointments, including the actual time spent at the appointment and a reasonable amount of time to travel to and from the appointment. The employee must report to work prior to the appointment and report back to work after the appointment, if reasonable. Employees are expected to schedule appointments so as to minimize the time away from and disruption to work. Sick leave use of less than four (4) hours may be granted for any reason if the employee has a need for unscheduled time off and cannot use CTO or vacation time.
- B. Kin Care: In any calendar year, an employee may use accrued sick leave, up to the amount earned during one year of employment, to attend to the illness of an immediate family member as defined in paragraph H below. After this maximum allotment is used, employees can take accrued vacation to attend to the illness of an immediate family member in accordance with the District's rules for scheduling and taking vacation time.
- C. Rate of Accrual: Employees shall earn sick leave at the rate of one (1) working day per month. There is no maximum of sick that may be earned. Employees who work overtime do not accrue any additional sick leave credit. Hours spent in a pay status shall include all regular hours worked in the District service and all hours spent in a paid leave status from regular duties, and shall exclude any hours worked as overtime or special time. Sick leave shall not be accrued by any employee absent from duty after separation from District service, or during a District authorized leave

of absence without pay, or any other absence from duty not authorized by the District, or an absence from work as a result of any disciplinary action.

- D. No Borrowing or Advance Accrual: An employee is not permitted to borrow on future accrual of sick benefits.
- E. Unpaid Leave: Sick leave does not accrue during any unpaid leave of absence.
- F. Notification Requirement: In order to receive compensation while on sick leave, the employee shall notify his/her supervisor prior to the time for beginning the regular work day that illness will prevent them from coming to work.
- G. Abuse of Sick Leave: If an employee is absent due to illness, if the District reasonably suspects abuse of sick leave, if there is a pattern of sick leave usage, or if an employee's sick leave balances are consistently maintained at a low level, a doctor's note may be required. Failure to provide a doctor's note upon request may be grounds for disciplinary action and/or denial of sick leave benefits.
- H. Family Members. Accrued sick leave may be used for care of a member of an employee's immediate family defined as spouse, child, brother, sister, parents, parents in-law, step-parents, step brothers and sisters, grandparents and/or other family member, or for bereavement leave for the death of a member of the employee's immediate family. Additionally, sick leave may be used for an employee's family illness or injury and medical or dental appointments.
- I. Compensation upon Separation: Employees must work a minimum of five (5) continuous years of service for the District to be eligible for any accrued sick leave compensation upon separation. This compensation is available only to employees that are separating employment for other than cause. Upon separation without cause or by retirement or any other voluntary reason, or a layoff, an employee has two options for reimbursement for accrued sick leave:
 - 1. The employee may elect to be paid at a rate of fifty percent (50%) of the employee's total maximum accrued sick leave, not to exceed sixty-five (65) days [520 hours]. Such reimbursement shall be at the employee's salary rate at the time of separation, and shall reduce the employee's total amount of accrued sick leave to zero (0).
 - 2. If retiring, the employee may elect to transfer their entire sick leave balance, one hundred percent (100%), to their CalPERS retirement account under the provisions of the sick leave credit contract provisions if applicable for the CalPERS formula Level the employee is classified in.
- J. Sick Leave Incentive: Employees who have accrued a minimum balance of an amount equal to one hundred sixty (160) hours of sick leave shall be allowed to convert at the end of each calendar year 50% of the unused sick leave balance of the ninety-six (96) hours earned for that year. The employee may elect to being paid straight time or transferring this percentage to vacation leave. This sick leave incentive will be paid with the first full pay period in January of each calendar year and can be made for up to a maximum of forty-eight (48) hours. The employee

must maintain a minimum balance of 160 accrued hours of sick leave after the cash out or transfer.

- K. Not Guaranteed Benefit: Sick leave is a benefit provided to employees for sporadic time off work in the event of true illness or need for medical care. Employees are not guaranteed the ability to take all sick leave that may accrue. If an employee is unable to perform the essential functions of his or her position, then the District may take steps to remove the employee from his or her position even if sick leave remains available.
- L. Rate of Eligibility: Employees are eligible for sick leave based on the following formulas:

Hours Worked Per Week	Proportion of Vacation, Sick, and Holiday Benefits
21-23	57.5%
24-26	65.0%
27-29	72.5%
30-32	80.0%
33-35	87.5%
36-38	95.0%
39-40	100.0%

20.0 BEREAVEMENT LEAVE

A regular employee shall be eligible for a temporary leave of absence without loss of salary upon the death of any member of the immediate family. Such leave is available for each incident but shall be limited to 3 days (24 hours), where the death or service are within the State of California and up to five days (40 hours) where the death or service is outside the State. Bereavement Leave is limited to 40 hours annually and shall be exhausted when a total of 40 hours have been used in any calendar year. If bereavement leave has been exhausted, a covered employee may elect to use other paid leave including sick leave, if necessary, for this purpose. "Immediate family member" is defined below. The employee shall include their familial relationship to the deceased on their leave request form.

Definition of immediate family for bereavement leave

"Member(s) of Immediate Family" as used for Bereavement Leave only shall mean mother, father, husband, wife, son, daughter, brother, sister, grandmother, grandfather, grandson, granddaughter, guardian with whom employee has lived. The definition includes "In-Law" relationships in each case and "Step" relationships in the case of parents and children.

21.0 EDUCATIONAL INCENTIVE PLAN

The District shall pay the costs associated with management approved education and training which will enhance productivity of District employees in their current job with the District. The District shall also pay costs associated with management approved education and training which will enhance the preparation of District employees for a District position in their probable career path. To be eligible for this plan, an employee shall first submit an education plan for review and consideration by the District prior to enrollment into any education incentive program. An employee must have completed three years of full-time employment with the District and have achieved above average job performance for the last three consecutive years to be eligible for this section. The education plan submittal shall outline the classes, institute and duration. It will also estimate the total cost of the education and what portion will be requested for reimbursement.

22.0 UNIFORMS AND PROTECTIVE CLOTHING

- A. This section and the annual reimbursement allowance and uniform program shall be administered by the Manager and/or designee. The Administrative Manager shall be deemed the designee unless notice is otherwise provided.
- B. The District shall reimburse each operation/maintenance employee for purchase of pants/shorts, jackets, and safety shoes/work boots every fiscal year not to exceed \$675 per employee. This reimbursement allowance will be available the first full payroll following July 1 of each year of this Agreement beginning July 1, 2024.
- C. Employees shall order and purchase their own pants/shorts, jackets, and safety shoes/work boots. Upon receipt of written verified payment (original receipts) by the employee for the appropriate uniform attire, the District shall reimburse the employee the cost of said uniform up to the reimbursement allowance amount for the fiscal year. Funds or reimbursement credits shall not be interchanged between employees or paid to the employee upon termination for any reason.
- D. In addition, the District shall purchase up to five (5) uniform shirts and two (2) hats for each operations/maintenance employee every fiscal year. This purchase shall not count towards the employee's annual reimbursement allowance. Any uniform shirts or hats needed in addition to the annual District purchase shall be the responsibility of the employee to pay for.
- E. Employees shall not order uniform shirts and/or hats but shall request that the District order uniform shirts and hats using a form approved by the District. This shall also apply to the uniform and hats needed in addition to the annual District purchase.
- F. Uniform reimbursement allowance shall not accrue from year to year and shall be forfeited at the end of any eligibility year in which it is not used.
- G. The design and type of employee uniforms and hats shall be approved by the Manager.
- H. If an employee leaves District service for any reason, any annual uniform reimbursement allowance paid shall be deducted from their last paycheck on a pro-

rated basis of the months remaining in the fiscal year. For example, if six months of the year has been completed and \$675 has been reimbursed, \$337.50 will be deducted from the employee's last payroll ($\$675/12 * 6 = \337.50).

- I. Employees shall be required by the District to always be in the appropriate uniform while on duty. Employees shall be responsible for their proper use and care of all items issued at District's expense. Loss or improper care of issued items may result in employees being charged by the District for lost or damaged items with appropriate salary deductions for reimbursement to the District. Excessive or unusual loss or occurrences of loss may result in disciplinary action.
- J. The District shall provide employee protective and safety clothing required by the job task. Such equipment shall include, but not be limited to, safety glasses, helmets, hard hats, gloves, rubber boots, and all related safety items. The District shall retain the right to determine the minimum specifications of the safety equipment, procurement procedures and limitations and exclusions.

23.0 SEPARATION FROM DISTRICT EMPLOYMENT

- A. Resignation: An employee can resign District employment at any time. To allow for proper transition of duties, the District requests, but does not require, that employees provide the District with at least two (2) weeks advance notice of resignation. On or before the effective date of the employee's resignation, employee shall immediately relinquish to his or her supervisor all District property, including but not limited to keys, phone, computer, credit cards, and any other property in the employee's possession. Resignations may only be withdrawn with the expressed written approval of the General Manager. At the General Manager's discretion, the resigning employee may be required to immediately return all District property in their possession and/or be placed on paid administrative leave for the duration of his or her employment through the resignation date.
- B. Layoffs: Whenever, in the judgment of the District Board, it becomes necessary, due to the lack of work, absence of need for a position, material change in duties, curtailment of public services, lack of funds, or other economic considerations, the General Manager may layoff an employee. The General Manager shall prepare a layoff list, giving consideration to all applicable factors, including business necessity, job performance, competence and skill-set of individual employees, and longevity of service with the District (where practical). Longevity will not dictate layoff choice where other relevant factors apply.
 - 1. Employees to be laid off shall be notified as soon as practicable and given at least fourteen (14) calendar days prior notice. A layoff is not subject to grievance or appeal.
 - 2. Employees laid off or demoted in good standing under this policy shall be eligible for re-employment with the District. The names of all persons laid off or demoted in accordance with this policy shall be entered upon a re-employment list. If, within three (3) months of the effective date of layoff, the position held by the employee immediately prior to layoff or demotion becomes

vacant, or if another position within the same class and for which the employee is qualified becomes vacant (“alternate position”), then the employee shall be offered the vacant position. Persons who decline re-employment shall be removed from the list. At the discretion of the General Manager, the re-employment list can be extended beyond the initial three (3) months.

- C. Involuntary Termination: The District can terminate employment of employees who have not completed the introductory period for any reason, or no reason, in accordance with the introductory period policy. Employees who have attained regular status can be terminated for good cause in accordance with the disciplinary policy.

24.0 GRIEVANCE PROCEDURE

A. Definition:

A grievance is a written request or complaint initiated by an employee, arising out of a specific application of a policy or rule, the solution of which will involve the interpretation or application of existing rules, regulations, policies, or procedures administered by the employee’s supervisor concerning wages, hours, or other terms and conditions of employment. An employee may request in writing to take vacation or non-paid leave to respond to a grievance, not to exceed one working day, with the Manager’s approval.

These matters cannot be the subject of a grievance:

1. Matters reviewable under some other District administrative procedure;
2. Requests or complaints the solutions of which would require the exercise of authority, such as the adoption or amendment of a resolution, rule, regulation or policy established by the Board of Directors;
3. Requests or complaints involving the termination of an introductory or temporary employee, or the termination, suspension or demotion of a regular employee, or any other disciplinary matter;
4. Requests or complaints involving the denial or granting of merit increases, performance evaluations, suspension or denial of education assistance, verbal and/or written reprimands.

B. Grievance Procedure Steps:

1. Level I, Preliminary Informal Resolution: Any employee who believes he/she has a grievance shall present the matter orally to his/her immediate supervisor within five (5) working days after the employee knows, or reasonably should know, of the circumstances which form the basis for the alleged grievance. The immediate supervisor shall hold discussions and attempt to resolve the matter within three (3) working days after the presentation of such grievance. It is the intent of this informal meeting that at least one personal conference be held between the employee and the immediate supervisor. The supervisor shall advise the employee orally as to the outcome of the grievance.

2. Level II, General Manager: If the grievance has not been resolved to the employee's satisfaction at Level I, the grievant must present his/her grievance in writing on a form provided by the District to the General Manager within ten (10) working days after the occurrence of the act or omission giving rise to the grievance.

The statement shall include the following:

- a. A concise statement of the grievance including specific reference to any law, policy, rule, regulation and/or instruction deemed to be violated, misapplied or misinterpreted;
- b. The circumstances involved;
- c. The decision rendered by the immediate supervisor at Level I;
- d. The specific remedy sought.

The General Manager shall attempt to communicate his/her decision within five (5) working days after receiving the grievance. Decisions will be in writing setting forth the decision and the reasons therefore and will be transmitted promptly to all parties in interest. Either party may request a personal conference with the other.

3. Level III, Board of Directors: If, after receipt of the written decision of the Manager, the grievance is still unresolved, the employee may appeal the decision to the Board of Directors in Closed/Open Session as mutually agreed. The Board of Directors shall schedule a meeting concerning the matter and it shall take place at the next regularly scheduled Board meeting or otherwise within ten (10) working days of receipt of the appeal. After hearing and reviewing the Board of Directors shall render a decision on the appeal within five (5) working days. The Board of Directors may hear the appeal or by Resolution, Board Order, or Ordinance, refer all grievances submitted to them to such other person or body as they deem necessary for hearing. The Board of Directors shall further determine whether or not the decision reached by such other person or body shall be final and binding or advisory in nature. The Board of Directors' decision shall be final and binding in all cases.
4. Basic Rules: If an employee does not present the grievance, or does not appeal the decision rendered regarding the grievance within the time limits specified above, the grievance shall be considered resolved.

By agreement in writing, the parties may extend any and all time limitations of the grievance procedure. In addition, if the General Manager needs additional time within which to meaningfully respond to a grievance, the General Manager will so notify the employee. A copy of all formal grievance decisions shall be placed in the employee's permanent personnel file.

25.0 DISCIPLINARY PROCESS

The purpose of this section is to establish the types of actions for which an employee can be disciplined and the disciplinary measures that may be used.

25.1 Standard of Conduct

The District expects employees to observe a standard of conduct which will maintain an orderly, positive and productive workplace. Such a standard of conduct will benefit and protect both the District and all employees.

The discipline procedures in this section represent guidelines which the District believes are generally appropriate to govern employee conduct. They are not, however, absolute rules. The District retains discretion to determine what constitutes proper disciplinary action and procedure in each individual situation.

Behavior that violates this standard of conduct will subject employees to discipline up to and including suspension without pay or termination.

The disciplinary action used to maintain the standards of conduct will be determined in light of the facts and circumstances of each individual case. Each incident will be considered in light of a variety of factors, including:

- A. The seriousness of the incident and the circumstances.
- B. The employee's past conduct and length of service.
- C. The nature of any previous incidents.
- D. The general practice as it relates to the incident.

25.2 Grounds for Discipline

Although not exhaustive, the following list represents kinds of behavior that should be considered improper and unacceptable in the workplace, and may subject the employee to the disciplinary process. Employees are noticed that conduct not specifically listed below but which adversely affects or is otherwise detrimental to the interests of the District, other employees, or the public, may also result in disciplinary action. Discipline may be taken against an employee for "good cause." Good cause exists where any fact or set of facts, based upon relevant circumstances, may be reasonably relied upon in the exercise of discretion as a basis for disciplinary action. The following are set forth as examples only and shall not be construed as an exclusive list:

- A. Fraud in securing employment.
- B. Abuse of sick leave or other violation of sick leave policy.
- C. Violation of any lawful or reasonable regulation or order made and given by an employee's supervisor; insubordination.
- D. Use of, or possession of, intoxicating liquors or substances or other substances, such as medications, whether prescribed or not prescribed, which may have a

- negative effect on the employee's ability to think clearly and work safely while on duty.
- E.** Reporting to work under the influence of intoxicating liquors or other substances.
 - F.** Theft or embezzlement from the District or from other District employee(s), or customers.
 - G.** Misuse of District property.
 - H.** Misuse of District credit cards and/or violation of purchasing policies.
 - I.** Negligence in the performance of duties.
 - J.** Incompetence or inefficiency.
 - K.** Inexcusable neglect of duty.
 - L.** Inattention to or dereliction of duties.
 - M.** Excessive number of absences or tardiness in reporting for duty and/or unauthorized or excessive absence from assigned duties.
 - N.** Use, possession, being under the influence of, sale/purchase or offer to sell/purchase illegal drugs and narcotics or alcohol during working hours or after working hours on District property.
 - O.** Falsification of District records.
 - P.** Dishonesty.
 - Q.** Fighting or other abusive conduct toward employees or the public during working hours.
 - R.** Improper or unauthorized operation of District vehicles or equipment.
 - S.** Deliberate destruction or damage to District property, public property or the property of another employee.
 - T.** Possessing unauthorized firearms on District property or during hours when the employee is employed by the District.
 - U.** Private or personal use of District equipment, vehicles, tools or materials without prior approval of the General Manager.
 - V.** Violation of safety rules or unsatisfactory driving record.
 - W.** Conviction for a felony or misdemeanor.
 - X.** Refusal to take and subscribe any oath or affirmation which is required by law in connection with his/her employment.
 - Y.** Harassment.
 - Z.** Violation of District ordinance(s), rules or regulations or County, State, or Federal laws.
 - AA.** Failure or refusal to report to work in neat, clean clothing or uniform.
 - BB.** Negligent or unsafe conduct or operation of equipment or vehicles at, or in the course and scope, of employment.

- CC.** Use of offensive, harassing, obscene or abusive language or conduct with the public, employees and Directors, lessees and contractors and/or other visitors and persons on business with the District.
- DD.** Loss of employment-required licenses or certificates.
- EE.** Sexual harassment.
- FF.** Intentional or negligent act or omission or failure to observe, safety rules and regulations which adversely affects or threatens to adversely affect, the safety of the employee or others or facilities or equipment.
- GG.** Unauthorized use of District employees, time, materials or equipment for personal activities.
- HH.** Leaving work area, job assignment or departing during working hours without proper authorization.
- II.** Willful destruction or defacement of District property, or private property while employee is on duty.
- JJ.** Misuse or unauthorized use or alteration without Management approval, of the District's computer system(s), including any programs and/or equipment and/or data.
- KK.** Accepting favors or gratuities in return for services required to be performed as a part of the employee's official duties or responsibilities.
- LL.** Use of an employee's official position for personal gain or advantage.

All employees shall strictly observe the District's prohibition against bringing onto, possessing, or storing intoxicating liquors, illicit drugs, or other such substances in or about District buildings, work sites, vehicles, vessels, equipment or other facilities, except as otherwise provided by law. Violation of this sub-section may result in immediate disciplinary action, including termination.

There shall not be any cigarette, pipe or cigar or similar substance smoking in the District's office buildings, maintenance yard, maintenance yard buildings, water treatment plant, sewer treatment plant, vehicles, other equipment or in any work area where smoking could result in hazardous conditions, except in certain designated areas.

The procedure set forth in this Procedure shall be exclusive, and the failure of an employee to utilize the provisions herein shall constitute a waiver of any claim to relief.

These Procedures apply only to Regular Employees. Regular Employees do not include Introductory Employees, those employees identified by this agreement as exempt employees, or any employee hired on a temporary, special, provisional, seasonal, emergency basis, or any independent contractor. An employee not covered by this disciplinary policy may be disciplined without reference to these provisions and removed from his or her position at will and without cause.

25.3 Progressive Disciplinary Procedures

In order to provide a fair method of disciplining employees, the following progressive disciplinary procedures shall be taken when disciplinary action is necessary, except in the case of immediate disciplinary action, as stated in the section of this Agreement entitled IMMEDIATE DISCIPLINARY ACTION. Progressive discipline must be timely and should follow, as closely as possible, the incident requiring the disciplinary action.

A. Level of Discipline: The District has the discretion to determine the appropriate level of discipline in the circumstances involved. The District is not obligated to follow any particular level or order of discipline. The severity of any action taken should be proportionate to and commensurate with the cause and should also take into account prior disciplinary history, if any. In appropriate circumstances, the District may suspend or terminate an employee without first providing lower levels of discipline.

1. Types of Discipline – Minor: No right to appeal is available to challenge minor discipline.

a. Corrective Counseling: Corrective counseling is a verbal warning accompanied by written documentation. Corrective counseling may be provided to an employee whose conduct or performance must be improved. The counseling should detail the areas for improvement, the degree of improvement required, and notice that failure to improve will result in more serious disciplinary action. The supervisor shall document the verbal warning (corrective counseling) and place a dated copy in the employee's personnel file with a copy to the employee. The employee must acknowledge receipt of the counseling by signing the documentation at the time of presentation; this signature signifies only receipt of the document, not necessarily agreement with the contents. The employee may, within five (5) calendar days, respond in writing, which shall be included in his/her file.

b. Written Reprimand: A formal written notice to an employee which summarizes previous related disciplinary action, if any, which details conduct subject to discipline and which advises that continued conduct at such levels may result in suspension, pay reduction, demotion or dismissal. The employee must acknowledge receipt of the reprimand by signing the letter at the time of presentation; this signature signifies only receipt of the document, not necessarily agreement to the contents. The employee may, within five (5) calendar days, respond in writing to the contents of the letter of reprimand to be included in his/her file.

c. Appeal from Minor Discipline: Corrective counseling and written reprimands are not subject to appeal. These forms of minor discipline are considered final when provided to the employee. The employee's only form of challenge to these types of discipline is to submit a written response, as provided above.

2. Types of Discipline – Major:

- a. Suspension: The temporary removal of an employee from the service of the District without pay. A suspension of this type does not include suspension pending an investigation into alleged misconduct.
- b. Pay Reduction: The reduction in pay of one or more pay steps where performance falls short of normal established standards or where performance is clearly inadequate in one or more of the critical job duties for the position.
- c. Demotion: The removal of an employee from a position to one of lower grade or classification.
- d. Dismissal: The removal of an employee from the service of the District.

25.4 Disciplinary Procedures for Major Discipline

The following procedures apply when major discipline is imposed. These procedures do not apply when minor discipline is imposed.

- A. Notice of Intent-to-Discipline for Suspension, Pay Reduction, Demotion or Dismissal: Where the proposed discipline is major, as defined, a Notice of Intent-to-Discipline, signed by a Supervisor, supporting the discipline shall be served on the employee. Service of the Notice of Intent-to-Discipline shall be made at least five (5) days before a hearing pursuant to Section B.3. is held regarding the charges. The Notice shall include:
 - 1. The proposed discipline.
 - 2. The effective date of the discipline.
 - 3. The reasons for the discipline.
 - 4. All documents which support the discipline. Copies of the documents upon which the discipline is based shall be attached to the Notice of Intent.

An employee may, where circumstances warrant, be placed on administrative leave pending the hearing held pursuant to Section B.3.

- B. Service: Notice of Intent-to-Discipline shall be served on the affected employee by:
 - 1. Personal service; or
 - 2. If personal service is not feasible, by first class certified mail, return receipt requested, to the last known mailing address of the employee.

Service is deemed complete when any one of the preceding steps is taken.

- 3. Informal Hearing Procedure (Skelly hearing): The employee shall be given an opportunity at an informal hearing to show why the proposed major discipline should not be imposed prior to its imposition.
 - a. The hearing will be conducted by a Reviewing Officer who shall be the General Manager or a responsible person designated by the General Manager (either another District managerial employee or an individual

from an outside organization). The Reviewing Officer can be the managerial employee who issued the Notice of Intent or an alternate individual designated by the General Manager. The employee, at his or her choice, can bring a representative to the hearing.

- b. At the hearing, the employee shall be given an opportunity, either orally, in writing, or both, to explain why the proposed discipline should be revised or cancelled. The hearing is not an evidentiary hearing. It shall be tape recorded or stenographically recorded.
- c. If an alternate Skelly officer conducts the Skelly hearing, then that individual, within five (5) days of the hearing, shall provide a recommendation to the individual who issued the Notice of Intent as to whether to uphold, lessen, or withdraw the proposed action.
- d. Within five (5) days after the hearing or receiving a recommendation from an alternate Skelly officer, the managerial employee who issued the Notice of Intent shall issue an order upholding, lessening, or withdrawing the proposed discipline. The final notice will contain a final statement of charges, explain the basis for the decision, and indicate whether the employee has a right of appeal. The five-day period may be extended by the General Manager, who shall notify the employee.
- e. The decision will be served on the employee as provided in this Section. The decision shall also inform the employee of his/her right of appeal as provided in Section C, below.

C. Appeal from Major Discipline: If an employee desires to appeal the decision issued pursuant to Section B 3, above, then the following procedures shall apply.

1. Appeal Right: An employee who has received a major form of discipline (dismissal, suspension, pay reduction, or demotion) may appeal to a Hearing Officer. The appeal must be in writing and filed with the General Manager within ten (10) working days after service on the employee of the final notice of discipline.
2. Selection of a Hearing Officer: The Hearing Officer shall be a retired judge or attorney with at least ten (10) years' experience in employment law. The parties may mutually and informally agree upon their desired Hearing Officer. If informal selection is not possible, then the Hearing Officer shall be selected as follows: the District shall obtain a list of five (5) potential hearing officers from the State Mediation and Conciliation Service. Each party may strike all names on the list it deems unacceptable. If only one name remains on the list, that individual shall be designated as the Hearing Officer. If more than one common name remains on the list, the parties shall strike names alternately until only one remains (with the District striking a name first). If no name remains on the list, the conciliation service shall furnish an additional list or lists until a Hearing Officer is selected.

3. Hearing: An evidentiary hearing shall be held on the appeal. The hearing shall be conducted within sixty (60) days of the selection of the hearing officer, unless the General Manager, the Hearing Officer and the appellant agree in writing that the date of the hearing be extended for a specified time. The General Manager or designee shall provide as much advance notice as practicable, but at least fourteen (14) days written notice, of the date, time, and place of hearing to the appellant.
4. Conduct of the Hearing: The hearing shall be conducted in the manner most conducive to determination of the truth, and the Hearing Officer shall not be bound by technical rules of evidence. The following procedures shall be follows:
 - a. The proceedings shall be tape recorded or stenographically reported. The decisions of the Hearing Officer shall not be invalidated by any informality in the proceedings.
 - b. The hearing officer shall determine the relevancy, weight, and credibility of testimony and evidence. The hearing officer shall base his/her findings on the preponderance of the evidence.
 - c. Each side shall be permitted an opening statement and closing argument. The District shall first present witnesses and evidence to sustain the discipline and the appellant will then present his/her witnesses and evidence in defense.
 - d. Each side will be allowed to examine and cross-examine witnesses.
 - e. The hearing officer, upon a request by either party, may subpoena witnesses and/or require production of other records or material evidence.
 - f. The hearing officer may, prior to or during a hearing, grant a continuance for any reason he/she believes may be important to reaching a fair and proper decision.
5. Cost: The District shall bear the cost of the hearing officer and the court reporter or stenographic recording; each side shall bear its own cost of representation.
6. Attendance at the hearing: The appellant shall personally attend the hearing, unless physically unable to do so and excused in advance by the Hearing Officer. Unexcused failure of an appellant to appear at a hearing shall be deemed a withdrawal of the appeal.
7. Resolution by the Hearing Officer: Within thirty (30) days after completion of a hearing, unless waived by the parties, the hearing officer shall prepare a written decision and forward it to the General Manager. The written decision shall set forth the hearing officer's findings of fact and shall state reasons why the discipline is recommended to be sustained, reduced, or cancelled. If the

hearing officer recommends that the discipline be reduced or cancelled, the hearing officer shall make recommendations concerning payment of back pay, if applicable, during pendency of the appeal.

8. **Advisory to the General Manager:** The decision of the Hearing Office shall be forwarded to and is considered advisory by the District's General Manager. The General Manager shall review the recommendation of the Hearing Officer and may then accept, reject, or modify the proposed decision (which includes the authority to impose a lesser or different form of discipline). The General Manager's decision shall be in writing and shall be issued within thirty (30) days of receiving the Hearing Officer's decision. The General Manager's decision shall be final.
9. **Appeal from the General Manager's final decision:** If the appellant is dissatisfied with the General Manager's decision and wishes to seek judicial review, the limitations period provided in Code of Civil Procedure Section 1094.6, shall apply. The General Manager's written decision shall include notice to the appellant that the time within which judicial review must be initiated is governed by Code of Civil Procedure § 1094.6. A copy of the General Manager's decision shall be forwarded to the Hearing Officer, the manager who issued the discipline, and the appellant. The decision shall be included in the appellant's personnel file.
10. **Administrative Leave:** Whenever the General Manager determines that it is in the best interest of the District not to have an employee at the workplace – either prior to or during the disciplinary process – an employee may be placed on administrative leave, with pay, subject to such reasonable conditions as may be determined by the General Manager given the circumstances of the situation.

26.0 IMMEDIATE DISCIPLINARY ACTION

The following special situations shall apply in conjunction with the Section Disciplinary Process:

- A. **Failure to come to work:** An employee who fails to appear for work without reasonable explanation and justification for a continuous period of three (3) working days shall be subject to termination effective on the first working day of said continuous period. Such termination shall be deemed voluntary.
- B. **Intoxicating liquors, drugs or substances:** An employee whose alcohol test indicates an alcohol concentration level between .02 and .04 grams of alcohol per 210 liters of breath shall be removed from his/her position for at least 24 hours. An employee whose alcohol test indicates an alcohol concentration level greater than .04 grams of alcohol per 210 liters of breath, or who has a positive drug test result shall be removed from his or her position for a period to be determined by the District Manager. Employees who are removed from their position under this policy shall be placed on unpaid leave. The

District, in its discretion, may discipline, up to and including termination, an employee who fails, one or more times, a drug or alcohol test.

The District recognizes that the abuse of alcohol or drugs is a progressive illness which can be arrested if treated in a sensitive and timely manner, therefore any disciplinary actions shall consider the appropriateness of and commitment to treatment programs pursued by the employee, the employee's work record, and the problems created by the employee's absence for treatment. If a treatment program is pursued, the employee shall be allowed to use sick leave, compensatory time off, and annual leave, in that order, while seeking professional counseling and/or treatment. A letter from the provider of the professional counseling and/or treatment must be received by the Manager prior to the employee returning to work and must state the nature of the treatment or counseling, the extent or degree to which the employee has recovered, the fact that the employee is recovered sufficiently to return to work, any limitations to be imposed on the employee while at work, and any further treatment or counseling required, including timing and extent. The employee may be allowed to return to work providing that the professional counselor or treatment provider's requirements or stipulations can be met by the District without any adverse effect on District operations, objectives, and/or safety.

Failure of an employee who has committed himself/herself to follow a treatment program, to rigidly adhere to that program, will result in disciplinary actions up to and including termination. Subsequent violation of this policy after completion of a treatment program will result in further disciplinary action.

- C. Impact on Health, Safety and Welfare: Any discipline which, in the judgment of the Manager, must be imposed immediately to protect the health, safety or welfare of the community or other District employees, may be summarily imposed without affecting the pre-disciplinary procedures of this Agreement. Such procedure shall be completed, however, within five (5) working days of the imposition of discipline.

27.0 PERSONNEL FILES

Employees shall have the right to examine those materials in their personnel files which may affect the status of their employment. Employees shall be given copies of those records, upon verbal or written request, however, the request shall be kept to a reasonable amount. An employee shall have the right to have his/her own written comments attached to any such item placed in his/her file.

28.0 MISCELLANEOUS

28.1 Amendments

These rules and regulations may be amended at any time by the Board; provided, however, that amendments shall not be made until after consultation in good faith with the Association representatives.

28.2 Severability

If any section, paragraph, or provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, such determination shall not affect the validity and enforceability of the remaining sections, paragraphs, and provisions.

29.0 MINIMUM WORK WEEK

Nothing in this Agreement shall be construed to be a guarantee of a minimum work week for any employee.

30.0 TERM OF AGREEMENT

This Agreement shall become effective on, July 1, 2024 and shall remain in effect through June 30, 2026. This agreement may be opened at any time the state budget has a significant and unbudgeted impact to the District's budget.

31.0 NO STRIKE CLAUSE

- A. During the terms of this Agreement, There will be no concerted strike, sympathy strike, work stoppage, slow down, obstructive picketing, informational picketing, or concerted refusal or failure to fully and faithfully perform job functions and responsibilities, or other concerted interference with the operations of the District by any employee. The Association shall ensure compliance by its members and itself with this no strike clause.
- B. Any employee concertedly violating this article may be subject to disciplinary action up to and including discharge, and/or may be considered to have automatically resigned from the District's employment.

32.0 AUTHORIZED AGENTS

For the purpose of administering the terms and provisions of this Agreement:

- A. Management's principal authorized agent shall be:
 - General Manager
 - Heritage Ranch Community Services District
 - 4870 Heritage Road
 - Paso Robles, California 93446
 - Telephone: (805) 227-6230 FAX: (805) 227-6231
- B. The Association's principal authorized agent shall be:
 - Designated Employee Representatives
 - Heritage Ranch Community Services Employees Association

33.0 SAVINGS CLAUSE

If any provision of this Agreement should be held invalid by operation of law or by any court of competent jurisdiction, or if compliance with or enforcement of any provision should be

restrained by any tribunal, the remainder of this Agreement shall not be affected thereby, and the parties shall enter into a meet and confer session for the sole purpose of arriving at a mutually satisfactory replacement for such provision within a thirty (30) day work period. If no agreement has been reached, the parties agree to invoke the provision of impasse.

FOR THE DISTRICT:

FOR THE ASSOCIATION:

Dan Burgess, President
Board of Directors

Troy Shogren
Employee Representative

DATED: _____

DATED: _____

Scott Duffield
General Manager

Kristen Gelos
Employee Representative

DATED: _____

DATED: _____



HERITAGE RANCH COMMUNITY SERVICES DISTRICT

ADMINISTRATIVE MANAGER

DEFINITION

Plans, directs, manages, supervises, and participates in the daily programs, operations and activities of a variety of accounting and administrative support functions of the District including accounts payable, accounts receivable, billing and customer services, payroll, financial reporting, Human Resources and other confidential and sensitive information, and general office management; serves as Board Secretary; provides complex and responsible support to the General Manager in areas of expertise; and performs other duties as assigned.

SUPERVISION RECEIVED AND EXERCISED

Receives general direction from the General Manager. Exercises direct and general supervision over accounting and office support staff.

CLASS CHARACTERISTICS

This is a management classification responsible for all accounting, finance, customer service, and administrative support activities and programs of the District. The incumbent organizes and oversees day-to-day financial processing, reporting, and record-keeping activities. Responsibilities include performing diverse, specialized, and complex work involving significant accountability and decision-making responsibility. Employees at this level are required to be fully trained in all procedures related to the assigned area(s) of responsibility, working with a high degree of independent judgment, tact, and initiative.

EXAMPLES OF TYPICAL JOB FUNCTIONS (Illustrative Only)

Management reserves the right to add, modify, change, or rescind the work assignments of different positions and to make reasonable accommodations so that qualified employees can perform the essential functions of the job.

- Manages, supervises, and participates in all activities related to the District's accounting and financial services functions, including accounts payable, accounts receivable, franchise fees, utility billing and customer services, payroll, and fixed assets.
- Plans, organizes, assigns, supervises, and reviews the work of accounting and office support staff; trains staff in work procedures; provides policy guidance and interpretation to staff; evaluates employee performance and works with employees to correct deficiencies; recommends and implements disciplinary procedures; assists in selection and promotion.
- Participates in the development and implementation of goals, objectives, policies, and priorities; recommends within District policy, appropriate service and staffing levels; recommends and administers policies and procedures.
- Develops and standardizes procedures and methods to improve and continuously monitor the efficiency and effectiveness of assigned programs, service delivery methods, and procedures; assesses

and monitors workload, administrative and support systems, and internal reporting relationships; identifies opportunities for improvement and makes recommendations to the General Manager.

- Participates in the development, administration, and oversight of the District budget; compiles and summarizes financial reports and data in the preparation of the annual operating and capital improvement program budgets; recommends adjustments as necessary.
- Prepares a variety of financial reports, statements, and schedules.
- Coordinates the District's annual audit; prepares audit schedules and reports for external auditors.
- Maintains the District's accounting and financial reporting practices; evaluates accounting procedures and financial controls; responds to and implements audit recommendations; ensures compliance with federal, state, and local government accounting and financial reporting standards and controls.
- Analyzes and reconciles expenditure and revenue accounts; prepares journal entries and reconciles general ledger and subsidiary accounts related to postings from payroll, accounts payable, accounts receivable, grants, and fixed assets.
- Processes special assessments and tax roll collection schedule and payments received from the County; writes and presents resolution establishing standby rates to the Board of Directors and submits to County upon approval.
- Oversees and participates in the verification, posting, and recording of financial transactions; identifies and corrects accounting errors; prepares journal entry adjustments; ensures accuracy and completeness of work.
- Processes, calculates, and maintains records of a variety of payroll actions; maintains employee records for voluntary and non-voluntary deductions; prepares payroll warrants and wire transfers; prepares reports and payments for various tax, financial, and insurance organizations; applies and ensures compliance with applicable tax laws and rulings with regard to the employee benefits program as well as earnings.
- Coordinates, implements, and provides administrative and programmatic support in areas such as human resources and benefits administration, information technology, and regulatory reporting.
- Acts as Secretary to the Board of Directors; distributes and posts Board agenda packets and ensures proper noticing of meetings; attends meetings and takes and transcribes minutes; follows-up on decisions and prepares resolutions and other materials.
- Oversees and participates in performing administrative support duties including updating the District website, maintenance of office equipment, scheduling and coordinating seminars, conferences, and training sessions for the General Manager, staff, and Board of Directors, and processing travel reimbursements.
- Provides complex staff assistance to the General Manager; develops and reviews staff reports and other correspondence related to assigned functions; presents reports to the Board of Directors.
- Monitors changes in regulations and technology that may affect assigned functions and operations; implements policy and procedural changes after approval.
- Receives, investigates, and responds to difficult and sensitive problems and complaints in a professional manner; identifies and reports findings and takes necessary corrective action.
- Performs other duties as assigned.

QUALIFICATIONS

Knowledge of:

- Principles and practices of employee supervision, including work planning, assignment, review and evaluation, and the training of staff in work procedures.

- General principles and practices of special district accounting and finance, including accounts payable, accounts receivable, budget, utility billing and customer services, payroll, fixed assets accounting, auditing, and reporting functions.
- Professional accounting and auditing standards such as generally accepted accounting principles (GAAP).
- Organization and function of public agencies, including the role of an elected Board and appointed commissions and committees.
- Business arithmetic and financial and statistical techniques.
- Applicable federal, state, and local laws, regulatory codes, ordinances, and procedures relevant to assigned areas of responsibility.
- Business letter writing and the standard format for reports and correspondence.
- Principles and practices of data collection and report preparation.
- Record keeping principles and procedures.
- Modern office management practices, methods, and equipment and computer applications related to work, including telephone and word processing and spreadsheet software.
- English usage, grammar, spelling, vocabulary, and punctuation.
- Techniques for providing a high level of customer service by effectively dealing with the public, vendors, contractors, and District staff.

Ability to:

- Recommend and implement goals, objectives, and practices for providing effective and efficient services.
- Plan, organize, assign, review, and evaluate the work of staff; train staff in work procedures.
- Interpret, apply, explain, and ensure compliance with federal, state, and local laws, rules, regulations, policies, and procedures.
- Evaluate and develop improvements in operations, procedures, policies, or methods.
- Prepare clear and concise reports, correspondence, policies, procedures, and other written materials.
- Research, analyze, interpret, summarize, and present accounting and financial information and data in an effective manner.
- Analyze financial data and draw sound conclusions.
- Review, post, balance, reconcile, and maintain accurate accounting and financial records; prepare accurate financial statements.
- Interpret, apply, explain, and ensure compliance with federal, state, and local laws, rules, regulations, policies, and procedures.
- Make accurate financial, mathematical, and statistical computations.
- Oversee the development and maintenance of a variety of filing and record-keeping systems.
- Organize and prioritize a variety of projects and multiple tasks in an effective and timely manner; organize own work, set priorities, and meet critical time deadlines.
- Operate modern office equipment including computer equipment and specialized software applications programs.
- Use English effectively to communicate in person, over the telephone, and in writing.
- Use tact, initiative, prudence, and independent judgment within general policy, procedural, and legal guidelines.
- Establish, maintain, and foster positive and effective working relationships with those contacted in the course of work.

Education and Experience:

Any combination of training and experience that would provide the required knowledge, skills, and abilities is qualifying. A typical way to obtain the required qualifications would be:

Equivalent to the completion of the twelfth (12th) grade and;

Five years of increasingly responsible work in public administration.

Or,

Have office management experience including three years of administrative and supervisory responsibility.

Or,

A combination of education equivalent to a Bachelor's degree from an accredited college or university with major course work in public administration, business administration, finance or a related field and experience.

Licenses and Certifications:

Valid California Driver's License at time of application.

PHYSICAL DEMANDS

Must possess mobility to work in a standard office setting and use standard office equipment, including a computer; vision to read printed materials and a computer screen; and hearing and speech to communicate in person, before groups, and over the telephone. This is primarily a sedentary office classification although standing and walking between work areas may be required. Finger dexterity is needed to access, enter, and retrieve data using a computer keyboard, typewriter keyboard, or calculator and to operate standard office equipment. Positions in this classification occasionally bend, stoop, kneel, reach, push, and pull drawers open and closed to retrieve and file information. Employees must possess the ability to lift, carry, push, and pull materials and objects up to 25 pounds.

ENVIRONMENTAL ELEMENTS

Employees work in an office environment with moderate noise levels, controlled temperature conditions, and no direct exposure to hazardous physical substances. The employee interfaces with staff, management, and the public in providing customer service, explaining District policies and procedures, and requesting and providing information.

EFFECTIVE: July 1, 2024

DEPARTMENT: Administration

FLSA: Exempt

SALARY RANGE: 50

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

General Manager Report For the Month of June 2024

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

Administration

- The General Manager attended the June meeting of the CSDA SLO Chapter Managers.
- The General Manager attended the CSDA Legislative Days in Sacramento.

WRRF Project

Hydro Science and the District had a meeting to formally kickoff their taking over the design work. A few items of note are below:

- 50 % Plans, specifications, cost estimate ~ 9/9/24
- 90 % Plans, specifications, cost estimate ~ 11/25/24
- The Manager met with the environmental consultant and confirmed the NEPA documentation.
- Updated the finance team on project status.
- Updated and exchanged several emails with USDA.

Solid Waste

- See separate agenda item.

Development

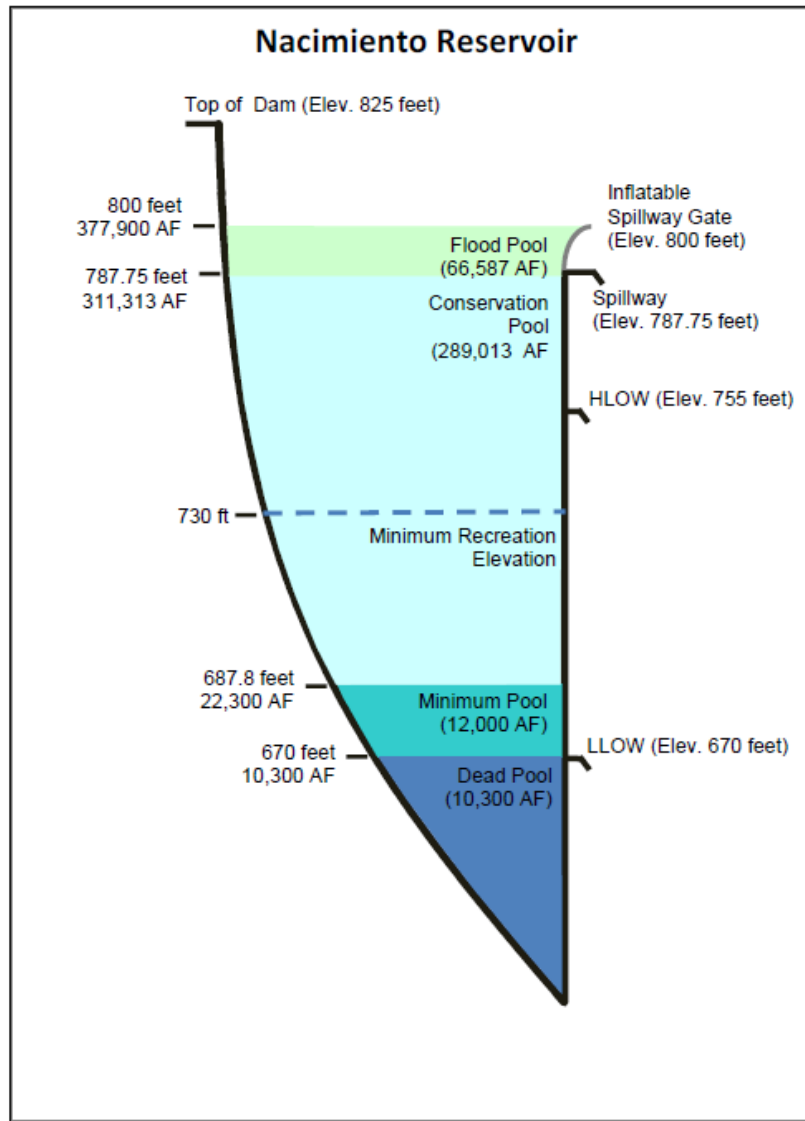
- HR Holdings has requested renewal of the conditional will serve letters for Tract 2879 and Tract 3110 that expire in July 2024. We are targeting the July 18th meeting to present an agenda item for Board consideration.

Reservoir Status

- As reported by Monterey County Water Resources Agency (MCWRA), as of June 10, 2024, the reservoir was at approximately 787.35 feet in elevation, 82% of

capacity, and 309,253-acre feet of storage. MCWRA water releases were shown as 361 cfs.

The MCWRA reservoir release schedule dated 5/22/24 estimates the reservoir elevation will be 759.7 feet, 49% of capacity, on January 1, 2025.



HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors
FROM: Jeffrey A. Minnery, District Counsel
DATE: June 20, 2024
SUBJECT: Request to consider compensation for the General Manager.

Recommendation

It is recommended that the Board discuss and consider compensation for the General Manager.

Background and Discussion

On June 20, 2024, your Board will meet in closed session for the annual evaluation of the General Manager. Beginning January 1, 2017, and in response to reform following the City of Bell controversy, the Government Code was revised to require executive compensation be finally determined in a Regular Meeting in open session. Following Board discussion and public comment, it is recommended that your Board determine the General Manager's compensation.

Fiscal Considerations

The FY 2024/25 Budget accommodates compensation for the General Manager.

Results

The General Manager serves as the Chief Executive Officer of the District, accountable to the Board of Directors and responsible for enforcement of all District ordinances, policies, procedures, the conduct of all financial activities and the efficient and economical performance of the District's operations, and exercises general direction and supervision of all District staff.

* * *