



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

January 18, 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. DIRECTOR REQUEST FOR REMOTE ATTENDANCE

Director Burgess made a motion to approve request by Director Capps to attend this meeting remotely pursuant to AB 2449. Director Camou seconded the motion. The motion passed by the following voice vote:

Ayes: Barker, Burgess, Camou, Yaffee

3. ROLL CALL

Secretary Gelos called the role.

Directors present: Bill Barker, Dan Burgess, Michael Camou, Devin Capps and Masen Yaffee.

Staff present: General Manager, Scott Duffield, District Engineer, Doug Groshart, and District Counsel, Daniel Chueng.

4. PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

Director Capps announced that the February 15, 2024 meeting would be his last meeting as a Director as he will be moving out of the area on February 29, 2024. President Burgess accepted Director Capps' announcement and directed staff to place approval of the process to filling of the vacancy on the February agenda.

5. CONSENT ITEMS

- a. **Meeting Minutes:** Receive/approve minutes of regular meeting of December 21, 2023.
- b. **Warrant Register:** Receive/approve December 2023 warrants.
- c. **Treasurer's Report:** Receive/file December 2023 Report.
- d. **Treasurer's Report:** Receive/file 2nd Quarter 2023 Report.
- e. **Fiscal Report:** Receive/file December 2023 status report.
- f. **Office Report:** Receive/file December 2023 report.
- g. **District Engineer Report:** Receive/file January 2024 report.
- h. **Operations Manager Report:** Receive/file January 2024 report.

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 roll call vote:

Ayes: Barker, Burgess, Camou, Capps, Yaffee

6. BUSINESS ITEMS

a. **Accept the Independent Auditor's Report and Financial Statements for the Year Ended June 30, 2023, prepared and to be presented by Moss, Levy & Hartzheim LLP.**

This item was moved to be presented after Item B.

There were no public comments.

Manager Duffield and District Auditor, Adam Guise provided a brief summary of the item and answered any questions the Board had.

Director Barker made a motion accepting the Independent Auditor's Report and Financial Statements for the year ended June 30, 2023. Director Camou seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Camou, Capps, Yaffee

b. **Submittal for approval Resolution 24-01 approving the Water Resource Recovery Facility Upgrade Project, adopting the Initial Study – Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program, and file a Notice of Determination in accordance with CEQA.**

There were no public comments.

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

Director Yaffee made a motion to approve Resolution 24-01 approving the Water Resource Recovery Facility Upgrade Project, adopting the Initial Study – Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program, and file a Notice of Determination in accordance with CEQA. Director Barker seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Camou, Capps, Yaffee

c. **Discussion on budget and financial considerations for the Water Resource Recovery Facility Upgrade project.**

Public comment: Sam Poppen spoke.

Dylan Wade of WSC had a power point presentation for the Board and answered any questions they had.

d. **Discussion and direction regarding disinfection byproducts.**

There were no public comments.

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

7. GENERAL MANAGER REPORT

There were no public comments.

Report was received and filed.

8. FUTURE AGENDA ITEMS

There were no public comments.

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

- Process to fill Director vacancy.
- Director Capps recognition Resolution.

9. ADJOURN TO CLOSED SESSION

On a motion by Director Yaffee and seconded by Director Camou, the meeting adjourned to closed session at 7:01 pm.

10. RECONVENE TO OPEN SESSION

The Board reconvened to open session at 7:14 pm.

Director Capps made a motion to direct Manager Duffield to work with JAM and current counsel to draft an agreement to hire The JAM Law Group as District General Counsel. Director Burgess seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Camou, Capps, Yaffee

11. ADJOURNMENT

On a motion by Director Yaffee and seconded by Director Camou the meeting adjourned at 7:20 pm to the next scheduled meeting on Thursday, February 15, 2024.

APPROVED:

ATTEST:

Dan Burgess, President
Board of Directors

Kristen Gelos, Secretary
Board of Directors

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
1/4/2024	CALPERS HEALTH BENEFITS CALPERS HEALTH BENEFITS EMPLOYEE PAID HEALTH BENEFIT EMPLOYEE PAID HEALTH BENEFIT EMPLOYEE PAID HEALTH BENEFIT	18,650.26 905.74 905.74 905.74	\$ 21,367.48
1/8/2024	SAN MIGUEL GARBAGE DELINQUENT SOLID WASTE FEES	2,920.00	\$ 2,920.00
1/9/2024	SAN MIGUEL GARBAGE DELINQUENT SOLID WASTE FEES	255.50	\$ 255.50
1/12/2024	R. ARNOLD NET PAYROLL	2,682.09	\$ 2,682.09
1/12/2024	M. HUMPHREY NET PAYROLL	2,688.10	\$ 2,688.10
1/12/2024	B. VOGEL NET PAYROLL	2,559.70	\$ 2,559.70
1/12/2024	T. SHOGREN NET PAYROLL	2,242.17	\$ 2,242.17
1/12/2024	J. MARTY NET PAYROLL	1,910.43	\$ 1,910.43
1/12/2024	K. GELOS NET PAYROLL	2,755.41	\$ 2,755.41
1/12/2024	D. BURGESS NET PAYROLL	92.35	\$ 92.35
1/12/2024	B. BARKER NET PAYROLL	92.35	\$ 92.35
1/12/2024	S. DUFFIELD NET PAYROLL	4,442.56	\$ 4,442.56
1/12/2024	D. CAPPS NET PAYROLL	92.35	\$ 92.35

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
1/12/2024	M. WILCOX NET PAYROLL	2,375.90	\$ 2,375.90
1/12/2024	D. GROSHART NET PAYROLL	4,317.58	\$ 4,317.58
1/12/2024	M. CAMOU NET PAYROLL	92.35	\$ 92.35
1/12/2024	M. YAFFEE NET PAYROLL	92.35	\$ 92.35
1/12/2024	INTERNAL REVENUE SERVICE FEDERAL WITHHOLDING TAXES FICA WITHHOLDING MEDICARE	2,963.44 62.00 1,091.42	\$ 4,116.86
1/12/2024	EMPLOYMENT DEVELOPMENT DEPARTM ETT SDI SUI STATE WITHHOLDING	36.67 408.48 549.94 1,174.90	\$ 2,169.99
1/12/2024	CALPERS RETIREMENT SYSTEM CALPERS UNIFORM ALLOWANCE PERS-IRC 457 CONTRIBUTIONS PERS RETIREMENT PERS RETIREMENT TIER 2 PERS RETIREMENT PEPRA SURVIVOR BENEFIT	10.47 2,443.08 1,628.91 1,886.11 2,841.58 8.37	\$ 8,818.52
1/15/2024	J.B. DEWAR. INC. FUEL & OIL	1,056.32	\$ 1,056.32
1/17/2024	GREAT WESTERN ALARM ALARM/ANSWERING SERVICE	315.32	\$ 315.32
1/17/2024	MCCLATCHY COMPANY LLC ADVERTISING	407.34	\$ 407.34
1/17/2024	PG&E ELECTRICITY	8,908.67	\$ 8,908.67

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
1/17/2024	USA BLUEBOOK MAINTENANCE FIXED EQUIPMENT	11,124.46	
	MAINTENANCE FIXED EQUIPMENT	1,540.97	
	MAINTENANCE FIXED EQUIPMENT	206.40	\$ 12,871.83
1/17/2024	KRITZ EXCAVATING & TRUCKING, I SUPPLIES	431.45	\$ 431.45
1/17/2024	BRENNTAG PACIFIC, INC CHEMICALS	3,129.64	\$ 3,129.64
1/17/2024	TYLER TECHNOLOGIES PROFESSIONAL SERVICES	16.30	\$ 16.30
1/17/2024	FGL ENVIRONMENTAL LAB TESTING	178.00	
	LAB TESTING	207.00	\$ 385.00
1/17/2024	SWRCB LICENSES & PERMITS	15,716.29	\$ 15,716.29
1/17/2024	CAL COAST IRRIGATION, INC. GAC PROJECT	99.09	
	GAC PROJECT	182.33	\$ 281.42
1/17/2024	STAR DRUG TESTING, INC PROFESSIONAL SERVICES	50.00	\$ 50.00
1/17/2024	ROY ARNOLD CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
1/17/2024	RENTAL DEPOT EQUIPMENT RENT/LEASE	1,436.40	\$ 1,436.40
1/17/2024	FLUID RESOURCE MANAGEMENT PROFESSIONAL SERVICES	730.00	\$ 730.00
1/17/2024	ABALONE COAST ANALYTICAL, INC. LAB TESTING	2,920.00	\$ 2,920.00
1/17/2024	KRISTEN GELOS CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
1/17/2024	CORE & MAIN LP METERS & EQUIPMENT	428.06	\$ 428.06
1/17/2024	DATA PROSE LLC DECEMBER BILLING	1,393.69	\$ 1,393.69
1/17/2024	SCOTT DUFFIELD CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
1/17/2024	RIVAL TECHNOLOGY INC. PROFESSIONAL SERVICES COMPUTER/SOFTWARE	909.36 130.00	\$ 1,039.36
1/17/2024	MARK HUMPHREY CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
1/17/2024	MID-STATE REPAIR SERVICE VEHICLES VEHICLES VEHICLES	864.57 1,591.40 833.51	\$ 3,289.48
1/17/2024	BRIAN VOGEL CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
1/17/2024	MIKE WILCOX UNIFORM ALLOWANCE CELL PHONE/INTERNET ALLOWANCE	287.09 80.00	\$ 367.09
1/17/2024	TROY SHOGREN CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
1/17/2024	DOUGLAS GROSHART CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
1/17/2024	JORANDA MARKETING, INC. / JAN- STRUCTURES & GROUNDS	274.60	\$ 274.60
1/17/2024	INDEPENDENT ELECTRIC SUPPLY IN MAINTENANCE FIXED EQUIPMENT MAINTENANCE FIXED EQUIPMENT	51.01 67.90	\$ 118.91
1/17/2024	SPEEDY COASTAL MESSENGER, INC. LAB TESTING	440.00	\$ 440.00

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
1/17/2024	HERC RENTALS INC. EQUIPMENT RENT/LEASE	3,314.97	\$ 3,314.97
1/17/2024	SPICE INTEGRATION MAINT. FIXED EQUIP/GAC PROJECT	6,125.00	\$ 6,125.00
1/17/2024	AMAZON MAINTENANCE FIXED EQUIPMENT OFFICE SUPPLIES	98.10 38.16	\$ 136.26
1/17/2024	HANK'S WELDING SERVICE, INC. VEHICLES	200.00	\$ 200.00
1/17/2024	EVOQUA WATER TECHNOLOGIES LLC GAC PROJECT	1,501.50	\$ 1,501.50
1/17/2024	JERED MARTY CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
1/17/2024	PG&E ELECTRICITY	7,843.11	\$ 7,843.11
1/22/2024	STAPLES CREDIT PLAN OFFICE SUPPLIES	89.56	\$ 89.56
1/22/2024	CHARTER COMMUNICATIONS INTERNET	89.99	\$ 89.99
1/22/2024	PASO ROBLES SAFE & LOCK VEHICLES	101.36	\$ 101.36
1/22/2024	EVENTBRITE TRAINING & TRAVEL	350.00	\$ 350.00
1/22/2024	PERRY'S PARCEL PLAN CHECK	15.00	\$ 15.00
1/22/2024	CSDA TRAINING & TRAVEL	100.00	\$ 100.00
1/22/2024	AUTOMATION DIRECT MAINTENANCE FIXED EQUIPMENT	393.61	\$ 393.61

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
1/22/2024	RING CENTRAL TELEPHONE	300.57	\$ 300.57
1/22/2024	HARBOR FREIGHT SMALL TOOLS & EQUIPMENT	65.22	\$ 65.22
1/22/2024	WALMART OFFICE SUPPLIES	191.27	\$ 191.27
1/22/2024	STARLINK INTERNET	250.00	\$ 250.00
1/24/2024	CALPERS RETIREMENT SYSTEM CALPERS UNFUNDED LIABILITY	8,760.67	\$ 8,760.67
1/26/2024	R. ARNOLD NET PAYROLL	2,975.57	\$ 2,975.57
1/26/2024	M. HUMPHREY NET PAYROLL	2,282.45	\$ 2,282.45
1/26/2024	B. VOGEL NET PAYROLL	2,650.43	\$ 2,650.43
1/26/2024	T. SHOGREN NET PAYROLL	2,265.56	\$ 2,265.56
1/26/2024	J. MARTY NET PAYROLL	1,786.38	\$ 1,786.38
1/26/2024	K. GELOS NET PAYROLL	2,755.41	\$ 2,755.41
1/26/2024	S. DUFFIELD NET PAYROLL	4,279.51	\$ 4,279.51
1/26/2024	S. DUFFIELD SICK LEAVE PAYOUT	1,638.91	\$ 1,638.91
1/26/2024	M. WILCOX NET PAYROLL	2,375.90	\$ 2,375.90

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
1/26/2024	D. GROSHART NET PAYROLL	4,317.58	\$ 4,317.58
1/26/2024	M. CAMOU NET PAYROLL	92.35	\$ 92.35
1/26/2024	M. YAFFEE NET PAYROLL	92.35	\$ 92.35
1/26/2024	INTERNAL REVENUE SERVICE FEDERAL WITHHOLDING TAXES MEDICARE	2,955.66 1,116.48	\$ 4,072.14
1/26/2024	EMPLOYMENT DEVELOPMENT DEPARTM ETT SDI SUI STATE WITHHOLDING	22.42 423.51 336.24 1,159.00	\$ 1,941.17
1/26/2024	CALPERS RETIREMENT SYSTEM PERS-IRC 457 CONTRIBUTIONS PERS RETIREMENT PERS RETIREMENT TIER 2 PERS RETIREMENT PEPRA SURVIVOR BENEFIT	2,443.08 1,628.91 1,886.11 2,841.58 8.37	\$ 8,808.05
1/30/2024	GREAT WESTERN ALARM ALARM/ANSWERING SERVICE	311.32	\$ 311.32
1/30/2024	SPECIAL DISTRICT RISK MANAGEME PROP./LIABILITY INS. FY 23-24	1,662.03	\$ 1,662.03
1/30/2024	AT&T TELEPHONE	83.91	\$ 83.91
1/30/2024	SLO COUNTY AIR POLLUTION CONTR LICENSES & PERMITS	2,459.85	\$ 2,459.85
1/30/2024	BRENNTAG PACIFIC, INC CHEMICALS	3,866.80	\$ 3,866.80
1/30/2024	PASO ROBLES SAFE & LOCK STRUCTURES & GROUNDS	19.96	\$ 19.96

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
1/30/2024	KRITZ EXCAVATING & TRUCKING, I MAINTENANCE FIXED EQUIPMENT	1,657.10	
	MAINTENANCE FIXED EQUIPMENT	1,357.73	\$ 3,014.83
1/30/2024	FARM SUPPLY COMPANY STRUCTURES & GROUNDS	722.80	\$ 722.80
1/30/2024	QUINN COMPANY EQUIPMENT RENT/LEASE	712.55	\$ 712.55
1/30/2024	SAN MIGUEL ROLL OFF COMPANY, I MAINTENANCE FIXED EQUIPMENT	1,548.49	\$ 1,548.49
1/30/2024	ANTHONY'S TIRE STORE VEHICLES	304.41	\$ 304.41
1/30/2024	FLUID RESOURCE MANAGEMENT PROFESSIONAL SERVICES	840.00	\$ 840.00
1/30/2024	NAPA AUTO PARTS SUPPLIES	97.81	
	MAINTENANCE FIXED EQUIPMENT	818.66	\$ 916.47
1/30/2024	WATER SYSTEMS CONSULTING, INC. WRRF PROJECT	59,607.50	\$ 59,607.50
1/30/2024	WESTERN EXTERMINATOR STRUCTURES & GROUNDS	110.90	\$ 110.90
1/30/2024	JORANDA MARKETING, INC. / JAN- STRUCTURES & GROUNDS	274.60	\$ 274.60
1/30/2024	BURT PROCESS EQUIPMENT SUPPLIES	216.83	\$ 216.83
TOTAL ALL WARRANTS			\$271,566.31

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

SUMMARY REPORT OF ALL ACCOUNTS

Beginning Balance:	\$ 4,256,921
Ending Balance:	\$ 4,456,565
Variance:	\$ 199,643
Interest Earnings for the Month Reported:	\$ 40,799
Interest Earnings Fiscal Year-to-Date:	\$ 115,945

ANALYSIS OF REVENUES

Total operating income for water and sewer was:	\$ 186,409
Non-operating income was:	\$ 270,165
Franchise fees paid to the District by San Miguel Garbage was:	\$ 7,767
Interest earnings for the LAIF account was:	\$ 39,725
Interest earnings for the Five Star Bank checking account was:	\$ 13
Interest earnings for the Five Star Bank DWR Loan Services account was:	\$ 90
Interest earnings for the Five Star Bank DWR Reserve account was:	\$ 392
Interest earnings for the Mechanics Bank money market account was:	\$ -

ANALYSIS OF EXPENSES

Five Star Bank checking account total warrants, fees, and Electronic Fund Transfers was:	\$ (150,000)
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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
JANUARY 2024**

BEGINNING BALANCE ALL ACCOUNTS **\$ 4,256,921.29**

OPERATING CASH IN DRAWER **\$ 300.00**

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

BEGINNING BALANCE 11/30/2023	26,993.09	
QUARTERLY DEPOSIT	-	
INTEREST EARNED	89.71	
SEMI-ANNUAL PAYMENT	-	
ENDING BALANCE 12/31/2023		\$ 27,082.80

FIVE STAR BANK DWR RESERVE ACCOUNT

BEGINNING BALANCE 11/30/2023	117,945.98	
INTEREST EARNED	391.98	
ENDING BALANCE 12/31/2023		\$ 118,337.96

FIVE STAR BANK SDWSRF LOAN SERVICES ACCOUNT

BEGINNING BALANCE 11/30/2023	861.49	
QUARTERLY DEPOSIT	-	
INTEREST EARNED	2.86	
SEMI-ANNUAL PAYMENT	-	
ENDING BALANCE 12/31/2023		\$ 864.35

FIVE STAR BANK SDWSRF RESERVE ACCOUNT

BEGINNING BALANCE 11/30/2023	61,035.71	
INTEREST EARNED	202.85	
ENDING BALANCE 12/31/2023		\$ 61,238.56

MECHANICS BANK MONEY MARKET ACCOUNT

BEGINNING BALANCE 11/30/2023	8,061.50	
DEPOSIT REVENUE - CASH	2,364.15	
INTEREST EARNED	-	
ENDING BALANCE 12/31/2023		\$ 10,425.65

FIVE STAR BANK - MONEY MARKET

BEGINNING BALANCE 11/30/2023	50,975.03	
INTEREST EARNED	374.04	
REVENUE TRANSFER <i>from Five Star Checking</i>	150,000.00	
ENDING BALANCE 12/31/2023		\$ 201,349.07

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

FIVE STAR BANK - CHECKING

BEGINNING BALANCE 11/30/2023	41,702.01	
DEPOSIT REVENUE & MISCELLANEOUS INCOME	481,751.16	
INTEREST EARNED	13.01	
TOTAL CHECKS, FEES AND EFT'S	(325,271.12)	
REVENUE TRANSFER <i>to Five Star Money Market</i>	(150,000.00)	
ENDING BALANCE 12/31/2023		\$ 48,195.06

LOCAL AGENCY INVESTMENT FUND (LAIF)

BEGINNING BALANCE 11/30/2023	3,949,046.48	
INTEREST EARNED	39,724.64	
ENDING BALANCE 12/31/2023		\$ 3,988,771.12

ENDING BALANCE ALL ACCOUNTS		\$ 4,456,564.57
DIFFERENCE FROM LAST MONTH	Increase	\$ 199,643.28

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

OPERATING REVENUE	Budget FY 23/24	Actual January	Actual Year to Date	Percentage Year to Date	Variance Explanation
Water Fees	1,364,806	102,820	879,140	64%	
Sewer Fees	1,018,537	76,116	532,058	52%	
Hook-Up Fees	2,400	0	0	0%	
Turn on Fees	3,500	50	1,475	42%	
Late Fees	18,830	4,918	20,793	110%	
Plan Check & Inspection	1,600	0	0	0%	
Miscellaneous Income	500	2,505	4,246	849%	
TOTAL OPERATING	\$2,410,173	\$186,409	\$1,437,712	60%	

FRANCHISE REVENUE					
Solid Waste Franchise Fees	88,698	7,767	56,662	64%	
TOTAL FRANCHISE	\$88,698	\$7,767	\$56,662	64%	

TOTAL OPERATING \$2,498,871 \$194,177 \$1,494,374 60%

NON-OPERATING REVENUE					
Standby Charges	242,200	81,694	140,538	58%	
Property Tax	454,384	147,672	278,074	61%	
Interest	30,000	40,799	115,945	386%	Fluctuates based on activity
Connection Fees	70,580	0	0	0%	
TOTAL NON-OPERATING	\$797,164	\$270,165	\$534,557	67%	

RESERVE REVENUE					
Capital Reserves	539,887	20,863	133,162	25%	
Operating Reserves	1,767,061	41,278	283,171	16%	
TOTAL RESERVE	\$2,306,948	\$62,140	\$416,334	18%	

TOTAL NON-OPERATING \$3,104,112 \$332,306 \$950,890 31%

TOTAL ALL INCOME	\$5,602,983	\$526,482	\$2,445,264	44%	
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**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2023/24 Budget**

OPERATING EXPENSES

SALARIES AND BENEFITS	Budget FY 23/24	Actual January	Actual Year to Date	Percentage Year to Date	Variance Explanation
Salaries	993,973	74,224	524,310	53%	
Health Insurance	183,739	14,121	93,212	51%	
Health Insurance - Retirees	51,408	4,530	28,491	55%	
Pers Retirement	176,138	16,047	114,531	65%	
OPEB Funding/Transfer	10,181	0	0	0%	
Standby	13,200	1,166	6,983	53%	
Overtime	7,930	493	4,052	51%	
Workers Comp. Ins.	24,000	0	23,025	96%	
Directors' Fees	36,000	500	3,600	10%	
Medicare/FICA	14,616	1,135	8,054	55%	
Car Allowance	3,000	250	1,750	58%	
SUI/ETT	1,000	448	448	45%	
Uniforms	5,000	287	3,551	71%	
TOTAL SALARIES & BENEFITS	\$1,520,185	\$113,200	\$812,007	53%	

UTILITIES

Electricity	129,263	16,752	89,182	69%	
Propane	1,525	0	231	15%	
Water Purchase	28,600	0	30,148	105%	Paid Semiannually
Telephone/Internet	12,801	1,444	9,133	71%	
TOTAL UTILITIES	\$172,189	\$18,196	\$128,694	75%	

MAINTENANCE & SUPPLIES

Chemicals	82,160	6,996	51,443	63%	
Computer/Software	35,256	130	7,537	21%	
Equip. Rental/Lease	2,600	5,464	14,082	542%	
Fixed Equip.	194,480	24,239	128,088	66%	
Fuel & Oil	15,600	1,056	9,971	64%	
Lab Testing	61,360	3,745	27,499	45%	
Office Supplies	1,560	319	648	42%	
Parks & Recreation	1,000	0	0	0%	
Struct./Grnds.	15,537	1,403	7,895	51%	
Small Tools/Equip.	3,120	65	4,353	140%	
Supplies	4,680	746	8,496	182%	
Meters/Equip.	12,480	428	13,008	104%	Fluctuates based on activity
Vehicles	6,240	3,895	10,212	164%	
TOTAL MAINT. & SUP.	\$436,073	\$48,488	\$283,232	65%	

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

GENERAL & ADMINISTRATION	Budget FY 23/24	Actual January	Actual Year to Date	Percentage Year to Date	Variance Explanation
Ads./Advertising	1,500	407	1,798	120%	Fluctuates based on activity
Alarm/Answering Service	4,160	627	2,657	64%	
Audit	10,000	0	0	0%	
Bank Charges/Fees	1,000	0	0	0%	
Consulting/Engineering	10,000	0	23	0%	
Dues/Subscription	10,400	0	9,387	90%	
Elections	0	0	0	0%	
Insurance	44,000	1,662	46,459	106%	Paid Annually
LAFCO	7,700	0	7,281	95%	Paid Annually
Legal/Attorney	25,000	0	15,423	62%	
Licenses/Permits	30,160	18,176	30,898	102%	
Plan Check & Inspection	1,600	15	15	1%	
Postage/Billing	15,600	1,394	8,956	57%	
Professional Service	92,872	2,546	19,183	21%	
Tax Collection	7,300	0	0	0%	
Staff Training & Travel	12,480	450	5,558	45%	
Board Training & Travel	1,000	0	1,930	193%	
TOTAL G & A	\$274,772	\$25,277	\$149,567	54%	

CAPITAL PROJECTS & EQUIPMENT

Structures/Improvements	2,271,948	62,140	416,334	18%	
Equipment	35,000	0	0	0%	
TOTAL CAPITAL EXPENSE	\$2,306,948	62,140	416,334	18%	

DEBT

State Loan Payment	103,629	0	51,814	50%	paid semiannually
State Loan Payment Phase II	58,740	0	29,369	50%	paid semiannually
Western Alliance Lease-PVS	153,314	0	76,580	50%	paid semiannually
TOTAL DEBT	\$315,683	\$0	\$157,764		

FUNDED DEPRECIATION	\$288,000	\$24,000	\$168,000	58%	
UNFUNDED DEPRECIATION	\$0	\$0	\$0	0%	

TOTAL EXPENSE	\$5,313,850	\$291,300	\$2,115,598	40%	
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CAPACITY CHARGES TRANSFER \$70,580 \$0 \$0 0%

SOLID WASTE FEES TRANSFER \$26,109 \$4,083 \$17,396 67%

FUND TOTAL	\$192,444	\$231,099	\$312,270		
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**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
OFFICE REPORT**

JANUARY 2024

Utility Billing

- On February 1st, 1,938 bills were processed for a total dollar amount of \$201,983 for water and sewer user fees for the month of January.
- 276 penalties were posted for bills that were due by January 25th.
- 80 Intent To Disconnect letters were mailed to customers that were more than 60 days delinquent.
- 37 48-hour notices were issued and 2 meters were locked for non-payment.

Customer Service Orders

- Staff completed a total of 24 service orders for the month of January. The breakdown by job code is as follows:

OCCUPANT CHANGE	3	LOCK METER	2
UNLOCK	5	SWAP METER	10
SEWER PROBLEM	1	MISC.	1
CALL OUT	1	LEAK	1

Administration

- Nothing to report.

San Miguel Garbage Franchise Fees Received

- The total Franchise Fees received for the Month of December was \$ 9,066.92. The breakdown is as follows:

Residential Garbage Collection - \$ 6,712.63
Commercial Garbage Collection - \$ 1,141.95
Roll-Off Collection - \$ 1,212.34

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

District Engineer Report For the Month of February 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
 - DBP-related sampling for MIEX modeling
 - PRV project for order and scope of work
 - TOC Analyzer procurement for real time analysis of TOC/DOC for use in process adjustments and data collection for GAC study

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 survey: Awaiting response from HROA re: using their facilities for mounting of telemetry equipment to facilitate complete connection across HRCSD system.
- SCADA wastewater collection system: As we begin the lift station refurbishment project, wastewater SCADA will be an important portion of the project. Continuing work with operations and SPICE to determine the best path forward and what to include in SCADA project vs. refurbishment project.
- PRV Project – Materials are on order and we have held the initial project meeting with Raminha. Awaiting material delivery in March for project kickoff.
- 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.
- Vertical Intake #2 – Awaiting proposal from Cleath-Harris Geologists for the initial design for Phase 1 (well siting, permitting and drilling). They will be proposing on

the same scope they performed for the original vertical intake project. Once complete, the second phase will be to design the wellhead, pump, piping and connection to the existing system. The new vertical intake will increase our capacity for drawing water that typically has a lower TOC than the water from the gallery wells. This will help in keeping organics (and DBPs) lower. FY 2023/2024 has the design portion of this project in the budget. Construction will be in 2024/2025.

- Wastewater collection system model and infiltration / inflow: Still in contact with vendors to determine the best way to move forward. We have discussed GIS, smoke testing and video inspection with vendors. The next step is determining the scope/phasing of the assessment and obtaining pricing from vendors for the work. This is a lower priority than the LS refurbishment and DBP projects, so it has not been as actively pursued lately.
- WRRF Project – Continuing to work with the General Manager and WSC to move the design forward.

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

Operations Report For the Month of February 2024

Operations

- The Manager plans to attend the SDRMA “Spring Education Day” in March to attend the General Safety Specialist Certification Program. This certification will allow the district to move into a more favorable insurance category.

Operators

- The district currently has three operators waiting to test for various operator certifications advancements.

Water treatment

- Remote relays were installed adjacent to the PLC cabinet to accommodate the load created when operating the larger (6”-12”) filter valves. This has proven successful at preventing any further fuses from burning out in the PLC.
- The single wall Chlorine storage tank at the WTP has a leak due to UV degradation and age. Staff are waiting on a PO to purchase a replacement tank and hope to split the cost over two fiscal years.
- A RealTech Inc. TOC monitoring system has been ordered to better facilitate the DBP reduction/monitoring project.
- The SDS binder was recently upgraded followed by staff training on how to access and use the information inside.

Water distribution

- Meter register replacements are continuing. Meter replacements for the larger services will be addressed during the next budget cycle following a cost analysis of the current meters and system to assess accuracy. The current meters are over 10 years old and well beyond the manufacturer’s suggested useful life. The accuracy of these meters and reading system could be off by several percentage points.
- Staff are continuing the task of service line inventory as mandated by the CA Water Boards per the Lead and Copper regulations.

Wastewater collection

- Renewed APCD for the operation of generators have been issued for 2024 year.

Wastewater treatment

- Staff are researching the upgrade of a standalone DO probe system to confirm that it will integrate into future equipment operations.

Facilities

- Staff have released a PO for the replacement of the gutter along the rear of the office building.

Vehicles and equipment

- One of the two 2007 Ford F150 recently had a thorough safety check up and systems maintenance performed at PR Ford. These repairs consumed a considerable portion of the current vehicle maintenance budget.

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: February 15, 2024

SUBJECT: Request to approve an agreement with The JAM Law Group to provide general legal counsel services.

Recommendation

It is recommended that the Board of Directors approve an agreement with The JAM Law Group to provide general legal counsel services.

Background

The firm of Adamski Moroski Madden Cumberland & Green LLP has been District General Counsel since 2002.

Discussion

At the December meeting your Board initiated advertising a Request for Proposals for these services. At the January meeting your Board voted to hire The JAM Law Group and directed staff to prepare this agreement.

Fiscal Considerations

There are no direct costs associated with this item other than paying for the cost of the services.

Results

By approving the agreement for legal services, the Board continues to provide for municipal services in a fiscally responsible manner and in accordance with applicable law.

Attachment: Agreement for Legal Services with The JAM Law Group

File: Agreements_District Counsel

AGREEMENT FOR LEGAL SERVICES

This Agreement for Legal Services (“Agreement”) is effective February 15, 2024 (“Effective Date”) between the Heritage Ranch Community Services District (“District”) and The JAM Law Group (“Firm”) to perform the legal services described below. The District and Firm are hereinafter referred to as the “Parties.” To the extent that California Business & Professions Code section 6148 applies to this engagement, this Agreement is intended to fulfill the requirements of that section.

1. RECITALS.

1.1. The scope of the requested representation by the Firm is to advise and represent the District in connection with any legal matters that the District may refer to the Firm from time to time ("Matter(s)"), including acting as District general legal counsel, representing the District in litigation or conflicts, any matters related thereto, and any other matters of District business which may be referred to the Firm from time to time.

1.2. The scope of the representation may be expanded from the work described above only if agreed upon in writing by both the District and the Firm. The Firm cannot guarantee a particular result or outcome in the Matter for which the Firm has been retained. The Firm’s responsibility in representing the District is to provide effective legal services consistent with our ethical and professional responsibilities and based upon all available information.

1.3. The District recognizes and agrees that one or more lawyers and/or paralegals at the Firm may work on the Matter. The District understands that it is hiring the law firm and not any individual lawyers. However, Jeffrey A. Minnery (“Attorney”) will be the attorney primarily responsible for this Matter so long as he is at the Firm and/or the Firm is an active on-going enterprise. Jeffrey A. Minnery is the intended attorney for representation of the District pursuant to the terms and conditions of this Agreement. Accordingly, the District hereby agrees and approves the Firm’s assignment of this Agreement to Jeffrey A. Minnery, individually, or to another firm where Jeffrey A. Minnery is employed or otherwise engaged. The execution of any such assignment or successor related documents may be done administratively by the District General Manager.

1.4. This Agreement is effective as of the Effective Date, regardless of when the Agreement is signed by the Parties.

2. ATTORNEYS' FEES IN INDIVIDUAL ACTION; STATEMENTS IN "BLOCK BILLING" FORMAT.

2.1. The District agrees to pay attorneys' fees on the following basis. It is understood that no specific fee is set by law, and that this fee has been specifically agreed to between the Parties. It is understood and agreed that the Firm will submit its monthly invoices and costs advanced to Heritage Ranch Community Services District, attention General Manager. It is

expressly understood and agreed that the District is responsible for the attorneys' fees and cost obligations incurred by the Firm in representing the interests of the District.

2.2. Billing statements will be prepared and mailed by the Firm to the District on a monthly basis. The Firm's billing cycle is the calendar month. Payment of the billing statement is due upon receipt by the District, and a billed amount will be deemed past due if not paid within thirty (30) days of the date of the billing statement on which it first appears. Upon completion of this representation, the Firm will send the District a final statement for all remaining fees and costs, if any.

2.3. The attorneys' fees component of the Firm's billing statements will appear in "block billing" format. In other words, while the work performed by Firm attorneys on any given day will be stated in some detail, the time spent in performing those tasks will be aggregated and will appear as a single time entry for each attorney on that day. The minimum billing block is 0.1 hour for each task.

2.4. The legal services to be rendered by the Firm on behalf of the District will be charged at an hourly rate. All attorneys and paralegals have an assigned hourly rate and separately record their time spent on each client matter. Because the time spent by professionals in performing services on behalf of the District is the most significant element in determining the amount of our fees, the Firm cannot predict in advance what the total amount of fees will be for this engagement. The rate for all attorneys in the Firm will be \$ 215.00 per hour. The firm does not intend to charge for clerical staff in the ordinary course of business. However, the Firm will utilize paralegals if certain projects can be performed by firm paralegals in a manner that ensures the highest level of representation with a decreased cost to the District. The rate for all paralegals in the Firm will be \$ 115.00 per hour.

2.5. These rates are subject to change, typically on an annual basis. It is understood that fees charged in this Matter will include these periodic increases and will be reflected on billing statements.

2.6. If a billing statement is not paid when due as described in paragraph 2.2 above, from the date when such statement is 30 days past due, interest will be charged on the principal balance (fees, costs, and disbursements) shown on the statement. Interest will be calculated by multiplying the unpaid balance by the periodic rate of 0.833 percent per month (ten percent [10%] annual percentage rate). The unpaid balance will bear interest until paid.

3. COSTS AND EXPENSES.

3.1. The District shall be responsible for all costs and expenses incurred while working on a Matter for the District. These costs may include, without limitation, filing and other court-imposed fees, photocopying charges, telephone charges, on-line research charges, deposition costs, and travel expenses, including lodging, food and the like. With advance authorization from the District acting through the General Manager or the Board, the Firm may employ outside legal counsel, investigators and other experts or consultants, whose fees and expenses shall be charged to the District as costs.

3.2. The Firm may, in its discretion, advance some costs and expenses, with

reimbursements to be made by the District upon periodic billing, upon termination of the Matter, or upon our discharge or withdrawal as attorneys, whichever occurs first. The reimbursement of any costs advanced is in addition to any billed attorneys' fees.

3.3. The Firm will require the deposit of the Firm's reasonably estimated costs and fees in any mediation, arbitration or trial ten (10) days prior to any such proceeding.

4. RETAINER DEPOSIT.

The Firm will not require an advance retainer prior to the commencement of work in this Matter. The Firm may require a retainer if the anticipated scope of our work changes prior to any mediation, arbitration, or trial of the Matter. To the extent a retainer is requested, it will be deposited into the Firm's client trust account and retained there. The Firm's monthly invoices for fees and costs will be paid from the retainer amount until it is exhausted. If any portion of the retainer deposit is left at the conclusion of the Firm's engagement, it will be returned to the District.

5. REPRESENTATIONS.

It is acknowledged that the Firm has made no representation whatsoever regarding the successful resolution of the Matter.

6. COOPERATION AND RESOLUTION.

The District agrees to cooperate fully with us in all aspects of the Matter. Examples of the assistance that the District is required to provide may include: providing information and access to records, being available for consultation and deposition sessions upon reasonable notice, actively participating in the decision-making process with regard to potential resolutions or strategy, and paying this Firm's invoices as they come due.

7. DISCHARGE, WITHDRAWAL OR COMPLETION OF REPRESENTATION.

7.1. The District may discharge the Firm at any time. The Firm may withdraw for good cause. Among facts constituting good cause is the breach of this Agreement by the District are: failure to cooperate with us or to follow our advice on a material matter, failure to pay this Firm's invoices when due, or any fact or circumstance that would permit us to withdraw under California attorney ethics rules.

7.2. Unless specifically agreed by all parties, the Firm will provide no further services and advance no further costs after receipt of notice that the District has discharged the Firm as the District's attorneys.

7.3. Should the Firm withdraw or be discharged, it shall be paid for all costs advanced and any outstanding balance of attorneys' fees. The District will remain responsible for any costs incurred on the District's behalf and remaining unpaid at the time of our discharge or withdrawal.

7.4. The District and the Firm each agree to sign any documents reasonably necessary to complete the Firm's discharge or withdrawal as the District's attorneys.

7.5. Upon completion of the legal tasks and representation covered by this engagement letter, the Firm will provide no further services unless agreed to in writing by both parties.

8. ARBITRATION.

8.1. Any dispute between the District and the Firm concerning attorneys' fees or other costs for professional services rendered by the Firm pursuant to this Agreement will be, at the District's election, submitted to arbitration. If the District elects to arbitrate such dispute, the arbitration shall be conducted pursuant to California Business & Professions Code sections 6200 et seq.

8.2. In the event of any arbitration, action, or proceeding arising out of this Agreement, the prevailing party shall be entitled to recover all costs and other expenses, including reasonable attorneys' fees, incurred by it in connection with or in preparation for such arbitration, action or proceeding.

9. OTHER PROVISIONS.

9.1. **Waiver.** Waiver by either Party of any term or condition in this Agreement or any breach shall not constitute a waiver of any other term or condition or breach of this Agreement.

9.2. **Right to Seek Independent Legal Advice.** Before entering into this Agreement, the Firm has advised the District of the District's right to seek the advice of an independent attorney concerning the terms and conditions of this Agreement. The District may seek such independent advice as it desires concerning any questions on this Matter.

9.3. **Insurance Coverage.** The Firm will maintain errors and omissions insurance applicable to the legal services to be provided.

9.4. **Notices.** Any notice or communication permitted or required by this Agreement shall be in writing and may be made by personal delivery to the Firm or to the Board President; or, if delivered by mail, shall become effective two (2) days after mailing by certified mail, return receipt requested, postage prepaid addressed as follows:

9.4.1. If to the District, to: Board President, Heritage Ranch Community Services District, at the then-current business address for the District.

9.4.2. If to the Firm, at the address listed on the last billing statement received by the District from the Firm.

9.5. **Entire Agreement.** This Agreement contains all of the terms agreed upon by all Parties with respect to the subject matter of this Agreement and supersedes all prior agreements, arrangements, and communications between the parties concerning such subject matter, whether oral or written. This Agreement may only be amended by a written instrument signed and dated by all Parties and approved by resolution of the Board.

9.6. Drafting. This Agreement shall be interpreted as if it had been drafted by both parties concurrently and equally and shall not be interpreted against either Party by virtue of that Party having primarily drafted the Agreement.

THE JAM LAW GROUP ("FIRM")

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

By: _____

Jeff Minnerly

Its: _____

President

Date: _____

1 / 30 / 2024

By: _____

Board President

Date: _____

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: February 15, 2024

SUBJECT: Request to approve filling the vacancy on the Board by appointment and direct staff to post a notice of vacancy pursuant to the appointment process.

Recommendation

It is recommended that the Board of Directors

1. Approve filling the vacancy on the Board by appointment; and
2. Direct staff to post a notice of vacancy pursuant to the appointment process; and
3. Place consideration of an appointment on the March 21, 2024 agenda.

Background

At the January 18, 2024 meeting, Director Capps provided notice of relocating out of the area on February 29, 2024, which creates a vacancy on the Board for his term ending December 2024.

The District Municipal Code, and the California Government Code Section 61042, specifies that a vacancy in the office of Director shall be filled pursuant to Section 1780. Section 1780 provides details of the process and states that the vacancy may be filled by appointment of the remaining Directors, or by calling for a special election.

Further, an appointment must be made within sixty days of the effective date of the vacancy, or when the Board was notified of the vacancy, whichever is later. The person appointed shall hold office through the next general election cycle. If the vacancy is not filled by appointment within sixty days, the County Board of Supervisors may fill the vacancy or call for a special election. Government Code Section 1780 is attached.

Discussion

The District has made several appointments to vacant seats on the Board over its history. It has been the practice of the District to declare vacancies on their Board and to direct staff to post notices of vacancies pursuant to the legal requirements listed above. A proposed notice for this vacancy is attached.

Government Code Section 1780 states the vacancy notice must be placed in three or more places in the District for at least fifteen days before an appointment is made. The person appointed must be a registered voter residing within the boundaries of the District.

The County Clerk-Election's Office will confirm residency and voter registration. The Board must fill the vacancy by April 15, 2024.

Any person desiring to be appointed to the vacancy must submit a letter to the Board requesting such. Appointment of a candidate for the vacant seat is at the discretion of the Board and is done in open session.

The attached notice will be published on Friday, February 16, 2024, with a deadline for letters of interest of Friday, March 14, 2024, at 12:00 p.m. This allows the required period of time for interested people to respond to the notice of vacancy. All letters of interest received by the deadline will be forwarded to the Board for consideration at the March 21, 2024, regular meeting starting at 4:00 p.m.

Fiscal Considerations

There are no direct costs other than staff time for the appointment process. If the Board chooses to hold a special election through the County Elections office, then there would be additional costs.

Results

By approving the appointment process, the Board continues to provide municipal services in a fiscally responsible manner and in accordance with applicable law.

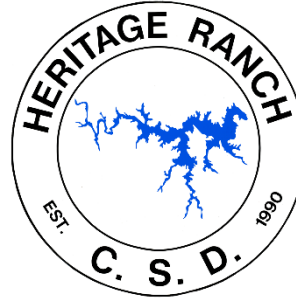
Attachment: Proposed Vacancy Notice
Government Code Section 1780

File: Board of Directors

Heritage Ranch Community Services District
4870 Heritage Road, Paso Robles, CA 93446

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

Contact.us@heritageranchcsd.ca.gov



NOTICE OF VACANCY ON THE BOARD OF DIRECTORS

For the Heritage Ranch Community Services District

And the Intent to Appoint

To all interested and qualified persons:

A vacancy now exists on the Board of Directors for the Heritage Ranch Community Services District. This vacancy is a result of Director Devin Capps relocating out of the area. The appointed person will hold office through the next general election cycle in November (through November 2024).

It is the intent of the remaining four Directors to appoint a person to this vacancy at the regular meeting on March 21, 2024, at 4:00 p.m. to be held at the District office at the address above.

Any person interested in being appointed to the Board of Directors should submit a letter of interest to the Board no later than 12:00 p.m. on March 14, 2024. All letters of interest from candidates should be submitted to the District office for delivery to the Board members. Qualified candidates must reside within the service boundaries of the District and be a registered voter.

It is suggested that letters of interest include your reasons for wanting to serve, any experience and qualifications that relate to the position of Director, and any other information that you feel might be of benefit to the selection and appointment by the Board of Directors.

If you have any questions, please contact Scott Duffield, District Manager.

Posted February 16, 2024


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GOVERNMENT CODE - GOV

TITLE 1. GENERAL [100 - 7931.000] (Title 1 enacted by Stats. 1943, Ch. 134.)

DIVISION 4. PUBLIC OFFICERS AND EMPLOYEES [1000 - 3599.84] (Division 4 enacted by Stats. 1943, Ch. 134.)

CHAPTER 4. Resignations and Vacancies [1750 - 1782] (Chapter 4 enacted by Stats. 1943, Ch. 134.)

ARTICLE 2. Vacancies [1770 - 1782]

(Article 2 added by Stats. 1943, Ch. 134.)

1780. (a) Notwithstanding any other provision of law, a vacancy in any elective office on the governing board of a special district, other than those specified in Section 1781, shall be filled pursuant to this section.

(b) The district shall notify the county elections official of the vacancy no later than 15 days after either the date on which the district board is notified of the vacancy or the effective date of the vacancy, whichever is later.

(c) The remaining members of the district board may fill the vacancy either by appointment pursuant to subdivision (d) or by calling an election pursuant to subdivision (e).

(d) (1) The remaining members of the district board shall make the appointment pursuant to this subdivision within 60 days after either the date on which the district board is notified of the vacancy or the effective date of the vacancy, whichever is later. The district shall post a notice of the vacancy in three or more conspicuous places in the district at least 15 days before the district board makes the appointment. The district shall notify the county elections official of the appointment no later than 15 days after the appointment.

(2) If the vacancy occurs in the first half of a term of office and at least 130 days prior to the next general district election, the person appointed to fill the vacancy shall hold office until the next general district election that is scheduled 130 or more days after the date the district board is notified of the vacancy, and thereafter until the person who is elected at that election to fill the vacancy has been qualified. The person elected to fill the vacancy shall hold office for the unexpired balance of the term of office.

(3) If the vacancy occurs in the first half of a term of office, but less than 130 days prior to the next general district election, or if the vacancy occurs in the second half of a term of office, the person appointed to fill the vacancy shall fill the balance of the unexpired term of office.

(e) (1) In lieu of making an appointment the remaining members of the board may within 60 days of the date the district board is notified of the vacancy or the effective date of the vacancy, whichever is later, call an election to fill the vacancy.

(2) The election called pursuant to this subdivision shall be held on the next established election date provided in Chapter 1 (commencing with Section 1000) of Division 1 of the Elections Code that is 130 or more days after the date the district board calls the election.

(f) (1) If the vacancy is not filled by the district board by appointment, or if the district board has not called for an election within 60 days of the date the district board is notified of the vacancy or the effective date of the vacancy, whichever is later, then the city council of the city in which the district is wholly located, or if the district is not wholly located within a city, the board of supervisors of the county representing the larger portion of the district area in which the election to fill the vacancy will be held, may appoint a person to fill the vacancy within 90 days of the date the district board is notified of the vacancy or the effective date of the vacancy, whichever is later, or the city council or board of supervisors may order the district to call an election to fill the vacancy.

(2) The election called pursuant to this subdivision shall be held on the next established election date provided in Chapter 1 (commencing with Section 1000) of Division 1 of the Elections Code that is 130 or more days after the date the city council or board of supervisors calls the election.

(g) (1) If within 90 days of the date the district board is notified of the vacancy or the effective date of the vacancy, whichever is later, the remaining members of the district board or the appropriate board of supervisors or city council have not filled the vacancy and no election has been called for, then the district board shall call an election to fill the vacancy.

(2) The election called pursuant to this subdivision shall be held on the next established election date provided in Chapter 1 (commencing with Section 1000) of Division 1 of the Elections Code that is 130 or more days after the date the district board calls the election.

(h) (1) Notwithstanding any other provision of this section, if the number of remaining members of the district board falls below a quorum, then at the request of the district secretary or a remaining member of the district board, the appropriate board of supervisors or the city council shall promptly appoint a person to fill the vacancy, or may call an election to fill the vacancy.

(2) The board of supervisors or the city council shall only fill enough vacancies by appointment or by election to provide the district board with a quorum.

(3) If the vacancy occurs in the first half of a term of office and at least 130 days prior to the next general district election, the person appointed to fill the vacancy shall hold the office until the next general district election that is scheduled 130 or more days after the date the district board is notified of the vacancy, and thereafter until the person who is elected at that election to fill the vacancy has been qualified. The person elected to fill the vacancy shall hold office for the unexpired balance of the term of office.

(4) If the vacancy occurs in the first half of a term of office, but less than 130 days prior to the next general district election, or if the vacancy occurs in the second half of a term of office, the person appointed to fill the vacancy shall fill the balance of the unexpired term of office.

(5) The election called pursuant to this subdivision shall be held on the next established election date provided in Chapter 1 (commencing with Section 1000) of Division 1 of the Elections Code that is held 130 or more days after the date the city council or board of supervisors calls the election.

(Amended by Stats. 2007, Ch. 343, Sec. 4. Effective January 1, 2008.)

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

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

DATE: February 15, 2024

SUBJECT: Request to approve the purchase of a network server in an amount not to exceed \$15,500 and authorize a corresponding budget adjustment from reserves.

Recommendation

It is recommended that the Board of Directors approve the purchase of a network server in an amount not to exceed \$15,500 and authorize a corresponding budget adjustment from reserves.

Discussion

The current network server was purchased in 2016 and has reached the end of its service life. Staff are seeing effects such as daily error reports from Microsoft as well as files getting “stuck” open on the server. The hardware warranty has expired. The Windows 2012 operating system has also reached its end of life and is no longer supported by Microsoft.

The District’s information technology consultant has provided a more detailed purpose and need statement, and a cost estimate for a replacement server and software. The cost estimate includes government discount pricing. The purpose and need statement and the cost estimate are attached.

Fiscal Considerations

The current Budget does not include replacement of the server; therefore, if approved by your Board, \$15,500 will be transferred from reserves to the FY 2023/24 budget.

Results

Approval of the recommended actions will provide the vital and necessary network capabilities for the District to continue to operate.

Attachments: Server replacement purpose and need statement
Server replacement cost estimate

File: Administration_Computers and software

Heritage Ranch CSD Server Replacement

The current server at Heritage Ranch CSD was purchased June 8th 2016, this puts the age of this hardware 7+ years old. The average life span for a server is 5 – 7 years. The current server is out of hardware warranty. The operating system on this server is Windows 2012 R2 which Microsoft has announced EOL (End Of Life) in October 2023.

Currently, services that are running on this server Entra AD Connect (Syncs Office 365 with local users) are no longer functional due to Microsoft ending support for version 1.6.16.0; this is the newest version that is allowed to be installed on Windows Server 2012 R2. Not having this functionality poses security risks regarding account logins, audits, etc.

The EOL announcement for Windows Server 2012 R2 also brings numerous security risks, the current server will no longer receive security patches from Microsoft, feature updates, or any type of Bug fixes. Since this server houses HRCSD's primary business application (InCode), this can lead to downtime and risk of data loss.

Current backup agents on the server will soon end support for Windows Server 2012 R2 which will prevent any form of backup of the server and production data. This can cause serious loss of business.

Rival Technology recommends replacing the current server with new hardware and software to stay current and in support of all major software vendors.

Thank you,

Craig Walker

President

Rival Technology Inc.

661.368.1199



1508 18th Street, STE 222, Bakersfield, CA 93301
t. 661.368.1199

QUOTE

Number RVTQ1806
Date Dec 21, 2023
Terms Due On Order

Sold To	Ship To	Your Sales Rep
Heritage Ranch Community Services Kristen Gelos 4870 Heritage Road Paso Robles, CA 93446 United States	Heritage Ranch Community Services Kristen Gelos 4870 Heritage Road Paso Robles, CA 93446 United States	Craig Walker 661.368.1199 craig@rival-tech.com

Qty	Description	Unit MSRP	Unit Price	Total Price
Hardware				
1	PowerEdge T560 Trusted Platform Module 2.0 V3 2.5" Chassis with up to 16 Hard Drives (Two 8 SAS/SATA HDD BP) PERC12, 2 CPU 2 x Intel® Xeon® Silver 4410Y 2G, 12C/24T, 16GT/s, 30M Cache, Turbo, HT (150W) DDR5-4000 2 x 32GB RDIMM, 4800MT/s Dual Rank 5 x 600GB Hard Drive SAS ISE 12Gbps 10k 512n 2.5in Hot-Plug Dual, Hot Plug, Redundant Power Supply (1+1), 1100W, Mixed Mode Titanium BOSS-N1 controller card + with 1 M.2 480GB (RAID 0) iDRAC9, Enterprise 16G ProSupport and Next Business Day Onsite Service, 7 Years	\$25,750.06	\$9,785.02	\$9,785.02
Microsoft Licensing				
2	Windows Server 2022 Standard - 16 Core License Pack (Perpetual)	\$1,069.00	\$1,069.00	\$2,138.00
16	Windows Server 2022 Standard - 2 Core License Pack	\$134.00	\$134.00	\$2,144.00
10	Windows Server 2022 - 1 User CAL (Perpetual)	\$46.00	\$46.00	\$460.00

A full deposit on hardware and software is required for purchasing. Please make checks payable to: Rival Technology

All Prices are subject to change, Labor is based on a estimate on the work to be completed. Any additional work or changes will require a change order signed by Customer and Rival Technology Staff

Authorized Buyer's Signature: _____
Date: _____

MSRP	\$30,492.06
SubTotal	\$14,527.02
Tax	\$807.26
Shipping	\$0.00
Total	\$15,334.28

All returns must be approved and are subject to a minimum 10% restocking fee with original packaging. Late fee policy of \$10 minimum or 18% APR of invoice total, billed monthly. Shipping cost is estimated, subject to change. Pricing subject to change. Any changes in quantity, scope, or services will cause quantity or rate changes. If you choose to no longer be in contract, we request a 90 day written cancellation notice. In the event, past due invoices are unpaid you will be notified of termination. Rival will disable any unpaid services (IE: Anti-Virus, Office 365, Skype, Dropbox, Adobe, Backups, Monitoring, Patching, etc) per date specified date on termination notice. No passwords to the server, network, or services will be given until the account is paid in full.

Generally all hardware computer components proposed are covered by a limited MFG warranty, on a depot basis. Rival Technology specifically disclaims any and all warranties, express or implied. We shall not be liable for any loss of profits, business, goodwill, data, interruption of business, nor for incidental or consequential merchantability or fitness of purpose, damages related to this agreement. This contract will serve as a personal guaranty on all purchases of products and services, any breach of contract will cause services to be terminated. The undersigned further agrees that the contract will be paid within the set terms. In the event of legal action brought in connection with this guaranty, or legal fees are incurred as a result thereof, the undersigned and/or any other corporate officers are liable to the attorney fees and costs determined by the court.

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: February 15, 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

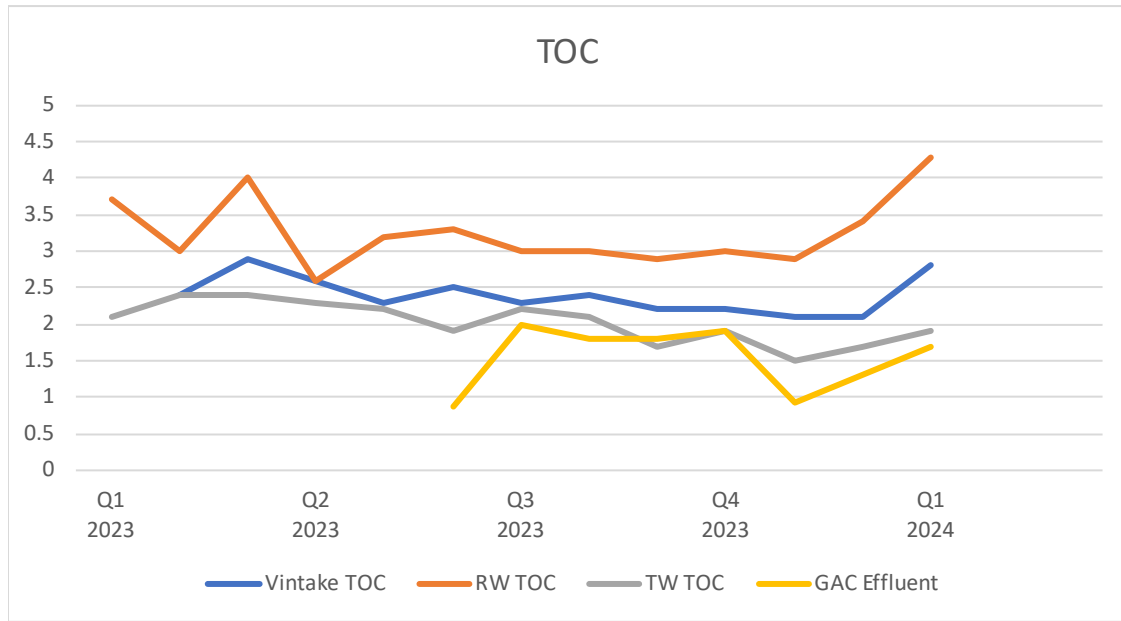
The sample data for haloacetic acids (HAA5) over the last several quarters is shown below. This data is for individual samples. The maximum contaminant level for HAA5 is 60 parts per billion (ppb). In the table below, "Vintake TOC" is the TOC level of the water from the vertical intake; "RW TOC" is the 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.

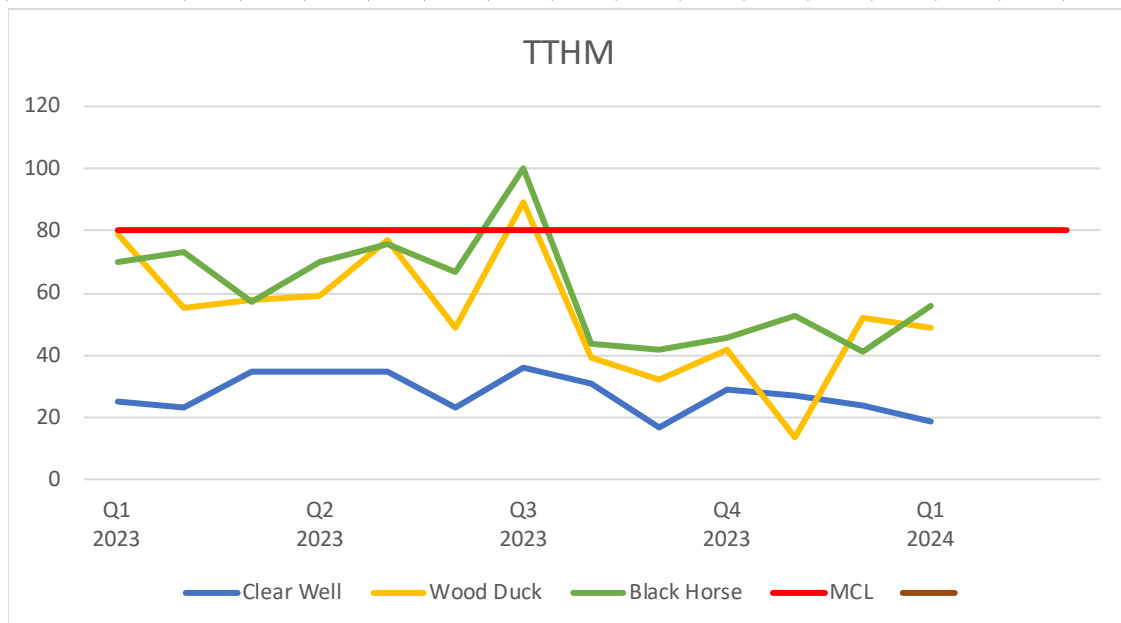
The most recent LRAA for HAA5 is 67 ppb at the Black Horse Lane location and 55 ppb at the Wood Duck Lane location. The Wood Duck Lane LRAA is now under the MCL. We continue to send quarterly notices to customers until such a time we are under the maximum contaminant level at both locations and as required by the DDW.

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

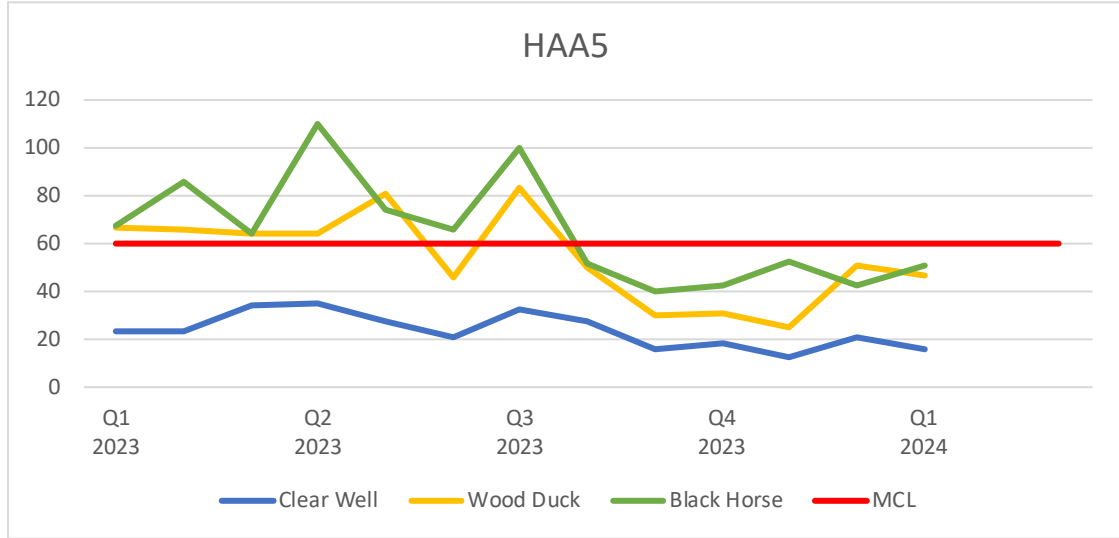
TOC	Q1 2023			Q2 2023			Q3 2023			Q4 2023			Q1 2024		
Vintake TOC		2.4	2.9	2.6	2.3	2.5	2.3	2.4	2.2	2.2	2.1	2.1	2.8		
RW TOC	3.7	3.0	4.0	2.6	3.2	3.3	3.0	3.0	2.9	3.0	2.9	3.4	4.3		
TW TOC	2.1	2.4	2.4	2.3	2.2	1.9	2.2	2.1	1.7	1.9	1.5	1.7	1.9		
GAC Effluent						0.9	2.0	1.8	1.8	1.9	0.9	1.3	1.7		



TTHM	Q1 2023			Q2 2023			Q3 2023			Q4 2023			Q1 2024		
Clear Well	25	23	35	35	35	23	36	31	17	29	27	24	19		
Wood Duck	79	55	58	59	77	49	89	39	32	42	14	52	49		
Black Horse	70	73	57	70	76	67	100	44	42	46	53	41	56		
MCL	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80



HAA5	Q1 2023			Q2 2023			Q3 2023			Q4 2023			Q1 2024		
Clear Well	24	24	34	35	28	21	33	28	16	19	13	21	16		
Wood Duck	67	66	64	64	81	46	83	50	30	31	25	51	47		
Black Horse	68	86	64	110	74	66	100	52	40	43	53	43	51		
MCL	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60



Operations and project updates

The Operations staff has made no operational changes to the water treatment process since last month’s report. The GAC adsorbers installed on November 9, 2023 are still in operation. 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.

For the ongoing GAC study, Operations Staff continues to take UVA/UVT readings weekly (at a minimum, with daily readings as availability allows) and TOC samples monthly (with DBP sampling). This information allows us to track the efficacy of the GAC and gather more data for determining the expected life cycle of the GAC. Future operational costs for the use of GAC will be determined largely by the life expectancy of the GAC. As of Thursday, 2/8/24, the new GAC vessels have been in operation for 91 days. Operations Staff and Engineer have been compiling and analyzing this data as it is received. Engineer has discussed data trends with Evoqua (GAC vendor) regularly. Update to follow at the Board meeting.

Per last month’s report, staff is working on procurement of a TOC/DOC analyzer from Real Tech. The analyzer will autosample at two different locations in the process, allowing staff to track the effects (if any) that system modifications have on the level of organics in the water. It will also allow us to track TOC/DOC throughout the day to better assess the current efficacy of the GAC. We have issued a purchase order and are awaiting an update from the manufacturer re: expected delivery.

Also per last month's report, staff is continuing 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 is analyzing the expected effect on DBPs based on the MIEX treated water. If the results are promising, the next step would be to begin a small scale (2-3 gpm) onsite pilot study to determine the actual efficacy in our system, compared to the lab analysis.

As mentioned in the District Engineer report, we are awaiting a proposal from Cleath-Harris Geologists for the second vertical intake. The proposal will be for performing the same scope as the original vertical intake and includes permitting, well siting, well design and bid/construction assistance. 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

General Manager Report For the Month of February 2024

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

Administration

- The CSDA SLO Chapter annual meeting was held in January in SLO.
- The General Manager is working on updating the District Investment Policy and will be engaging the Finance & Audit Committee for review of the draft. The update is mainly being driven by the desire to invest in a new pooled money option that has a higher interest rate than our current investment options. It is called California Cooperative Liquid Assets Securities System, or California CLASS for short.

California CLASS is a joint exercise of powers entity authorized under Section 6509.7, California Government Code. California CLASS is a pooled investment option that was created via a joint exercise of powers agreement by and among California public agencies. California CLASS offers public agencies a convenient method for investing in highly liquid, investment-grade securities carefully selected with the goal of optimizing yields while prioritizing safety and liquidity. The California CLASS Prime and Enhanced Cash funds help assist public agencies in strengthening and diversifying their cash management programs in accordance with the safety, liquidity, and yield hierarchy that provides the framework for the investment of public funds.

Additional information on California CLASS and the Investment Policy revision will be brought to your Board at a subsequent meeting.

Solid Waste

- The General Manager attended the January meeting of the IWMA Local Task Force.

Development

- There is nothing significant to report.

Reservoir Status

- As reported by Monterey County Water Resources Agency (MCWRA), as of February 6, 2024 the reservoir was at approximately 779.0 feet in elevation, 71% of capacity, or 268,150-acre feet of storage. MCWRA water releases were shown as 71 cfs.

In comparison, the inflow at the single location of measure, the Nacimiento River, was as high as 10,700 cfs on February 4th.

Earlier in the week, MCWRA increased releases to 300 cfs to support conditions favorable to upstream migration of Steelhead on the Salinas River in accordance with MCWRA's Interim Operations Plan and the Salinas Valley Water Project Flow Prescription for Steelhead Trout in the Salinas River. Current and forecasted rainfall and subsequent streamflow are predicted to provide steelhead passage opportunities over at least the next several days without the need for supplemental reservoir releases.

