

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

*September 21, 2023*

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

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

**2. DIRECTOR REQUEST FOR REMOTE ATTENDANCE**

Director Barker made a motion to approve Directors Burgess and Capps to attend this meeting remotely. Director Yaffee seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Camou, Capps, Yaffee

**3. ROLL CALL**

Manager Duffield called the roll.

Directors present: Bill Barker, Michael Camou, Masen Yaffee. Dan Burgess and Devin Capps attended meeting remotely pursuant to AB 2449.

Staff present: General Manager, Scott Duffield, District Engineer, Doug Groshart, Operations Manager, Mike Wilcox and District Counsel, Josh George.

**4. PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA**

There were no public comments.

**5. CONSENT ITEMS**

**a. Meeting Minutes:** Receive/approve minutes of regular meeting of July 20 and special meeting of August 22, 2023.

**b. Warrant Register:** Receive/approve July and August 2023 warrants.

**c. Treasurer's Report:** Receive/file July and August 2023 Report.

**d. Fiscal Report:** Receive/file July and August 2023 status report.

**e. Office Report:** Receive/file July and August 2023 report.

**f. District Engineer Report:** Receive/file September 2023 report.

There were no public comments.

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

Ayes: Barker, Burgess, Camou, Capps, Yaffee

## 6. BUSINESS ITEMS

- a. **Submittal for approval Resolution 23-08 fixing the employer contribution at an equal amount for employees and annuitants under the Public Employees' Medical and Hospital Care Act.**

There were no public comments.

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

Director Burgess made a motion to approve Resolution 23-08. Director Camou seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Camou, Capps, Yaffee

- b. **Receive a letter of interest from Assurance Development / Vertical Bridge on behalf of T-Mobile and consider approval of the letter of interest to start the process to pursue placement of a cell tower on District property.**

Public comments: Sam Poppen spoke.

Director Yaffee made a motion for staff, in coordination with District Counsel, to approve the letter of interest to start the process to pursue placement of a cell tower on District property. Director Camou seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Camou, Capps, Yaffee

- c. **Receive updates regarding disinfection byproducts and provide direction to staff.**

There were no public comments.

Report was received and filed.

- d. **Request to receive the draft procurement document for the packaged-Membrane Bioreactor equipment for the Water Resource Recovery Facility Upgrade project and direct staff to finalize the document and advertise for bids once USDA's review is complete.**

There were no public comments.

Director Barker made a motion to finalize the document and advertise for bids once USDA's review is complete. Director Camou seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Camou, Capps, Yaffee

## 7. GENERAL MANAGER REPORT

There were no public comments.

Report was received and filed.

**8. FUTURE AGENDA ITEMS**

There were no public comments. There were no future agenda items added. President Barker called for a motion to adjourn due to the meeting no longer being productive.

**9. ADJOURNMENT**

On a motion by Director Yaffee and seconded by Director Camou the meeting adjourned at 5:35 pm to the next scheduled meeting on Thursday, October 19, 2023.

**APPROVED:**

**ATTEST:**

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**Bill Barker, President  
Board of Directors**

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**Kristen Gelos, Secretary  
Board of Directors**

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
WARRANT REGISTER  
SEPTEMBER 2023**

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>ITEM AMOUNT</b>	<b>WARRANT AMOUNT</b>
9/3/2023	CALPERS HEALTH BENEFITS CALPERS HEALTH BENEFITS	15,419.76	\$ 15,419.76
9/6/2023	CALPERS HEALTH BENEFITS EMPLOYEE PAID HEALTH BENEFIT EMPLOYEE PAID HEALTH BENEFIT	668.33 668.33	\$ 1,336.66
9/7/2023	PG&E ELECTRICITY	16,633.53	\$ 16,633.53
9/8/2023	R. ARNOLD NET PAYROLL	2,935.74	\$ 2,935.74
9/8/2023	M. HUMPHREY NET PAYROLL	2,335.55	\$ 2,335.55
9/8/2023	B. VOGEL NET PAYROLL	2,361.12	\$ 2,361.12
9/8/2023	T. SHOGREN NET PAYROLL	2,396.87	\$ 2,396.87
9/8/2023	K. GELOS NET PAYROLL	2,772.81	\$ 2,772.81
9/8/2023	D. BURGESS NET PAYROLL	92.35	\$ 92.35
9/8/2023	B. BARKER NET PAYROLL	92.35	\$ 92.35
9/8/2023	S. DUFFIELD NET PAYROLL	3,451.94	\$ 3,451.94
9/8/2023	D. CAPPS NET PAYROLL	92.35	\$ 92.35
9/8/2023	M. WILCOX NET PAYROLL	2,392.11	\$ 2,392.11
9/8/2023	D. GROSHART NET PAYROLL	4,500.06	\$ 4,500.06

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
WARRANT REGISTER  
SEPTEMBER 2023**

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>ITEM AMOUNT</b>	<b>WARRANT AMOUNT</b>
9/8/2023	M. CAMOU NET PAYROLL	92.35	\$ 92.35
9/8/2023	M. YAFFEE NET PAYROLL	92.35	\$ 92.35
9/8/2023	INTERNAL REVENUE SERVICE FEDERAL WITHHOLDING TAXES FICA WITHHOLDING MEDICARE	2,686.81 62.00 1,009.84	\$ 3,758.65
9/8/2023	EMPLOYMENT DEVELOPMENT DEPARTMENT SDI STATE WITHHOLDING	308.90 1,115.96	\$ 1,424.86
9/8/2023	CALPERS RETIREMENT SYSTEM CALPERS UNIFORM ALLOWANCE PERS-IRC 457 CONTRIBUTIONS PERS RETIREMENT PERS RETIREMENT TIER 2 PERS RETIREMENT PEPRA PERS SERVICE CREDIT PURCHASE SURVIVOR BENEFIT	10.47 2,383.50 1,628.91 1,886.11 2,457.93 981.47 7.44	\$ 9,355.83
9/18/2023	BROOKS CONSTRUCTION HYDRANT METER RENTAL	56.86	\$ 56.86
9/18/2023	GREAT WESTERN ALARM ALARM/ANSWERING SERVICE	348.32	\$ 348.32
9/18/2023	FERGUSON ENTERPRISES INC STRUCTURES & GROUNDS	9.98	\$ 9.98
9/18/2023	ADAMSKI, MOROSKI, MADDEN, CUMB LEGAL & ATTORNEY	1,500.00	\$ 1,500.00
9/18/2023	AT&T		
9/18/2023	TELEPHONE	79.72	\$ 79.72
9/18/2023	BRENNTAG PACIFIC, INC CHEMICALS CHEMICALS CHEMICALS	4,144.06 4,229.50 2,303.99	\$ 10,677.55

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
WARRANT REGISTER  
SEPTEMBER 2023**

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>ITEM AMOUNT</b>	<b>WARRANT AMOUNT</b>
9/18/2023	USA BLUEBOOK		
	SMALL TOOLS & EQUIPMENT	290.21	
	MAINTENANCE FIXED EQUIPMENT	900.50	
	SUPPLIES	500.56	
	MAINTENANCE FIXED EQUIPMENT	177.92	
	MAINTENANCE FIXED EQUIPMENT	353.22	
	SUPPLIES	103.98	
	MAINTENANCE FIXED EQUIPMENT	761.42	\$ 3,087.81
9/18/2023	KRITZ EXCAVATING & TRUCKING, I		
	MAINTENANCE FIXED EQUIPMENT	907.39	\$ 907.39
9/18/2023	FGL ENVIRONMENTAL		
	LAB TESTING	591.00	\$ 591.00
9/18/2023	COUNTY OF SAN LUIS OBISPO		
	PROFESSIONAL SVCS - X-CONNECT	473.40	\$ 473.40
9/18/2023	ROY ARNOLD		
	CELL PHONE/INTERNET ALLOWANCE	80.00	
	MEDICAL REIMBURSEMENT	95.00	
	MEDICAL REIMBURSEMENT	356.00	\$ 531.00
9/18/2023	COUNTY OF SAN LUIS OBISPO		
	WATER PURCHASE	14,300.00	
	WATER PURCHASE	1,548.09	\$ 15,848.09
9/18/2023	RENTAL DEPOT		
	EQUIPMENT RENT/LEASE	1,436.40	\$ 1,436.40
9/18/2023	FLUID RESOURCE MANAGEMENT		
	PROFESSIONAL SERVICES	700.00	\$ 700.00
9/18/2023	ABALONE COAST ANALYTICAL, INC.		
	LAB TESTING	3,576.00	\$ 3,576.00
9/18/2023	ALPHA ELECTRICAL SERVICE		
	MAINTENANCE FIXED EQUIPMENT	2,175.38	\$ 2,175.38
9/18/2023	CORE & MAIN LP		
	MAINTENANCE FIXED EQUIPMENT	5,837.92	
	MAINTENANCE FIXED EQUIPMENT	1,472.74	
	METERS & EQUIPMENT	320.36	\$ 7,631.02

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
WARRANT REGISTER  
SEPTEMBER 2023**

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>ITEM AMOUNT</b>	<b>WARRANT AMOUNT</b>
9/18/2023	KRISTEN GELOS CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
9/18/2023	CLA-VAL MAINTENANCE FIXED EQUIPMENT	2,039.03	
	MAINTENANCE FIXED EQUIPMENT	1,245.37	
	MAINTENANCE FIXED EQUIPMENT	705.27	
	MAINTENANCE FIXED EQUIPMENT	3,887.42	
	MAINTENANCE FIXED EQUIPMENT	795.37	
	MAINTENANCE FIXED EQUIPMENT	705.27	
	MAINTENANCE FIXED EQUIPMENT	4,012.27	
	MAINTENANCE FIXED EQUIPMENT	354.35	
	MAINTENANCE FIXED EQUIPMENT	2,103.52	
	MAINTENANCE FIXED EQUIPMENT	3,484.16	\$ 19,332.03
9/18/2023	WATER SYSTEMS CONSULTING, INC. WRRF PROJECT	70,350.00	\$ 70,350.00
9/18/2023	BURT INDUSTRIAL SUPPLY GAC PROJECT	4.77	
	MAINTENANCE FIXED EQUIPMENT	65.91	\$ 70.68
9/18/2023	DATA PROSE LLC AUGUST BILLING SCOTT DUFFIELD	1,424.76	\$ 1,424.76
9/18/2023	CELL PHONE/INTERNET ALLOWANCE TRAINING & TRAVEL	80.00 913.18	\$ 993.18
9/18/2023	RIVAL TECHNOLOGY INC. COMPUTER/SOFTWARE & PRO. SVCS COMPUTER/SOFTWARE	3,789.36 130.00	\$ 3,919.36
9/18/2023	MARK HUMPHREY CELL PHONE/INTERNET ALLOWANCE MEDICAL REIMBURSEMENT	80.00 651.07	\$ 731.07
9/18/2023	MID-STATE REPAIR SERVICE VEHICLES VEHICLES	622.08 439.16	\$ 1,061.24
9/18/2023	BRIAN VOGEL CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
WARRANT REGISTER  
SEPTEMBER 2023**

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>ITEM AMOUNT</b>	<b>WARRANT AMOUNT</b>
9/18/2023	ANTHRACITE FILTER MEDIA CO. MAINTENANCE FIXED EQUIPMENT	1,760.39	\$ 1,760.39
9/18/2023	MIKE WILCOX CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
9/18/2023	TROY SHOGREN CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
9/18/2023	DOUGLAS GROSHART CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
9/18/2023	SPEEDY COASTAL MESSENGER, INC. LAB TESTING	515.00	\$ 515.00
9/18/2023	SPICE INTEGRATION FIXED EQUIP/PRO.SVC/SCADA/GAC	4,813.61	\$ 4,813.61
9/18/2023	EVOQUA WATER TECHNOLOGIES LLC GAC PROJECT	1,501.50	
	GAC PROJECT	1,501.50	
	GAC PROJECT	1,501.50	
	GAC PROJECT	1,501.50	\$ 6,006.00
9/18/2023	FRESNO PIPE & SUPPLY, INC GAC PROJECT	3,024.45	
	GAC PROJECT	348.43	\$ 3,372.88
9/18/2023	PROCESS ENGINEERS, INC. GAC PROJECT	5,652.67	\$ 5,652.67
9/22/2023	STOCKMAN'S ENERGY, INC. MAINTENANCE FIXED EQUIPMENT	10,965.17	\$ 10,965.17
9/22/2023	PG&E ELECTRICITY	4,213.49	\$ 4,213.49
9/22/2023	R. ARNOLD NET PAYROLL	2,935.68	\$ 2,935.68
9/22/2023	M. HUMPHREY NET PAYROLL	2,405.21	\$ 2,405.21



**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
WARRANT REGISTER  
SEPTEMBER 2023**

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>ITEM AMOUNT</b>	<b>WARRANT AMOUNT</b>
9/22/2023	B. VOGEL NET PAYROLL	2,896.24	\$ 2,896.24
9/22/2023	T. SHOGREN NET PAYROLL	2,192.93	\$ 2,192.93
9/22/2023	K. GELOS NET PAYROLL	2,772.82	\$ 2,772.82
9/22/2023	S. DUFFIELD NET PAYROLL	3,288.39	\$ 3,288.39
9/22/2023	M. WILCOX NET PAYROLL	2,392.11	\$ 2,392.11
9/22/2023	D. GROSHART NET PAYROLL	4,500.06	\$ 4,500.06
9/22/2023	INTERNAL REVENUE SERVICE FEDERAL WITHHOLDING TAXES MEDICARE	2,742.96 1,005.06	\$ 3,748.02
9/22/2023	EMPLOYMENT DEVELOPMENT DEPARTMENT SDI STATE WITHHOLDING	311.91 1,137.77	\$ 1,449.68
9/22/2023	CALPERS RETIREMENT SYSTEM PERS-IRC 457 CONTRIBUTIONS PERS RETIREMENT PERS RETIREMENT TIER 2 PERS RETIREMENT PEPRA PERS SERVICE CREDIT PURCHASE SURVIVOR BENEFIT	2,383.50 1,628.92 1,886.11 2,481.75 981.47 7.44	\$ 9,369.19
9/22/2023	STAPLES CREDIT PLAN OFFICE SUPPLIES	41.38	\$ 41.38
9/22/2023	THE UPS STORE POSTAGE	39.86	\$ 39.86
9/22/2023	CHARTER COMMUNICATIONS INTERNET	89.99	\$ 89.99

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
WARRANT REGISTER  
SEPTEMBER 2023**

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>ITEM AMOUNT</b>	<b>WARRANT AMOUNT</b>
9/22/2023	THE PARK WHOLESALE UNIFORMS FY 23/24	305.41	\$ 305.41
9/22/2023	ANYTHING GOES LAB TESTING	90.56	\$ 90.56
9/22/2023	PORTOLA HOTEL TRAINING & TRAVEL	317.46	\$ 317.46
9/22/2023	LOWE'S STRUCTURES & GROUNDS STRUCTURS & GROUNDS STRUCTURS & GROUNDS SM TOOLS/SUPPLIES/STRCT.GRNDS SMALL TOOLS & EQUIPMENT SUPPLIES STRUCTURES & GROUNDS	403.21 262.29 86.60 507.45 357.79 95.55 70.56	\$ 1,783.45
9/22/2023	TRACTOR SUPPLY CO. SMALL TOOLS & EQUIPMENT	19.55	\$ 19.55
9/22/2023	OCCUPATIONAL APPAREL UNIFORMS FY 23/24	514.12	\$ 514.12
9/22/2023	RING CENTRAL TELEPHONE	298.33	\$ 298.33
9/22/2023	AMAZON OFFICE SUPPLIES SUPPLIES SUPPLIES SUPPLIES CHEMICALS	41.32 20.80 102.91 91.15 304.58	\$ 560.76
9/22/2023	HARBOR FREIGHT SMALL TOOLS & EQUIPMENT	48.47	\$ 48.47
9/22/2023	SIGN HERE PROFESSIONAL SERVICES	482.62	\$ 482.62
9/22/2023	STARLINK INTERNET INTERNET	250.00 250.00	\$ 500.00

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
WARRANT REGISTER  
SEPTEMBER 2023**

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>ITEM AMOUNT</b>	<b>WARRANT AMOUNT</b>
9/23/2023	CALPERS RETIREMENT SYSTEM CALPERS UNFUNDED LIABILITY	8,760.67	\$ 8,760.67
9/25/2023	J.B. DEWAR. INC. FUEL & OIL	1,579.20	\$ 1,579.20
<b>TOTAL ALL WARRANTS</b>			<b>\$310,130.85</b>

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
TREASURER'S REPORT  
SEPTEMBER 2023**

**SUMMARY REPORT OF ALL ACCOUNTS**

Beginning Balance:	\$	4,449,973
Ending Balance:	\$	4,234,229
Variance:	\$	(215,744)
Interest Earnings for the Month Reported:	\$	648
Interest Earnings Fiscal Year-to-Date:	\$	35,626

**ANALYSIS OF REVENUES**

Total operating income for water and sewer was:	\$	226,027
Non-operating income was:	\$	1,616
Franchise fees paid to the District by San Miguel Garbage was:	\$	8,896
Interest earnings for the LAIF account was:	\$	-
Interest earnings for the Five Star Bank checking account was:	\$	7
Interest earnings for the Five Star Bank DWR Loan Services account was:	\$	99
Interest earnings for the Five Star Bank DWR Reserve account was:	\$	327
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:	\$	(390,235)
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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  
SEPTEMBER 2023**

<b>BEGINNING BALANCE ALL ACCOUNTS</b>		<b>\$4,449,973.11</b>
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<b>OPERATING CASH IN DRAWER</b>		<b>\$ 300.00</b>
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<b>FIVE STAR BANK DWR LOAN REPAYMENT (1994-2029):</b>		
<b>BEGINNING BALANCE 8/31/2023</b>	52,631.52	
QUARTERLY DEPOSIT	-	
INTEREST EARNED	99.06	
SEMI-ANNUAL PAYMENT	(51,814.22)	
<b>ENDING BALANCE 9/30/2023</b>		<b>\$ 916.36</b>
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<b>FIVE STAR BANK DWR RESERVE ACCOUNT</b>		
<b>BEGINNING BALANCE 8/31/2023</b>	116,539.33	
INTEREST EARNED	327.32	
<b>ENDING BALANCE 9/30/2023</b>		<b>\$ 116,866.65</b>
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<b>FIVE STAR BANK SDWSRF LOAN SERVICES ACCOUNT</b>		
<b>BEGINNING BALANCE 8/31/2023</b>	15,309.79	
QUARTERLY DEPOSIT	-	
INTEREST EARNED	43.00	
SEMI-ANNUAL PAYMENT	-	
<b>ENDING BALANCE 9/30/2023</b>		<b>\$ 15,352.79</b>
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<b>FIVE STAR BANK SDWSRF RESERVE ACCOUNT</b>		
<b>BEGINNING BALANCE 8/31/2023</b>	60,307.79	
INTEREST EARNED	169.38	
REVENUE TRANSFER	-	
<b>ENDING BALANCE 9/30/2023</b>		<b>\$ 60,477.17</b>
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<b>MECHANICS BANK MONEY MARKET ACCOUNT</b>		
<b>BEGINNING BALANCE 8/31/2023</b>	8,469.25	
DEPOSIT REVENUE - CASH	930.00	
INTEREST EARNED	0.13	
<b>ENDING BALANCE 9/30/2023</b>		<b>\$ 9,399.38</b>
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<b>FIVE STAR BANK - MONEY MARKET</b>		
<b>BEGINNING BALANCE 8/31/2023</b>	874.90	
INTEREST EARNED	2.46	
<b>ENDING BALANCE 9/30/2023</b>		<b>\$ 877.36</b>
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**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
STATUS REPORT FOR ALL ACCOUNTS  
SEPTEMBER 2023**

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<b>FIVE STAR BANK - CHECKING</b>		
<b>BEGINNING BALANCE 8/31/2023</b>	33,883.46	
DEPOSIT REVENUE & MISCELLANEOUS INCOME	224,726.73	
INTEREST EARNED	6.87	
TOTAL CHECKS, FEES AND EFT'S	(390,235.15)	
REVENUE TRANSFER <i>From LAIF</i>	150,000.00	
<b>ENDING BALANCE 9/30/2023</b>		<b>\$ 18,381.91</b>

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<b>LOCAL AGENCY INVESTMENT FUND (LAIF)</b>		
<b>BEGINNING BALANCE 8/31/2023</b>	4,161,657.07	
INTEREST EARNED	-	
REVENUE TRANSFER <i>To Five Star Checking</i>	(150,000.00)	
<b>ENDING BALANCE 9/30/2023</b>		<b>\$4,011,657.07</b>

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<b>ENDING BALANCE ALL ACCOUNTS</b>		<b>\$4,234,228.69</b>
<b>DIFFERENCE FROM LAST MONTH</b>	<b>Decrease</b>	<b>\$ (215,744.42)</b>

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
QUARTERLY TREASURER'S  
REPORT FOR THE PERIOD OF  
APRIL 1, 2023 – JUNE 30, 2023**

**SUMMARY REPORT OF ALL ACCOUNTS**

Beginning Balance	\$	4,437,454.25
Ending Balance	\$	4,234,228.69
Variance	\$	(203,225.56)
Interest Earnings	\$	35,626.03

**STATEMENT OF COMPLIANCE**

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

**ACCOUNT PROFILE INFORMATION**

1. Operating cash in cash drawer: Maintained to make change for cash transactions.
2. Five Star Bank DWR Loan Repayments: Quarterly deposits are made into the account. Semi-annual payments are made from the account by the bank, which functions as our fiscal agent, to DWR for repayment of a \$2 million loan to partially finance our water treatment plant and water pumping facilities. The interest earnings rate at the end of the quarter was 3.46%. Statements are received on a monthly basis.
3. Five Star Bank DWR Reserve: The purpose of the Reserve Account was to build up over ten years an amount equal to debt service for one year, a DWR requirement. The interest earnings rate at the end of the quarter was 3.46%. Statements are received on a monthly basis.
4. Five Star Bank SDWSRF (Safe Drinking Water State Revolving Fund) Loan Repayments: Quarterly deposits are made into the account. Semi-annual payments are made from the account by the bank, which functions as our fiscal agent, to SDWSRF for repayment of a \$714,000 loan to finance upgrades at the water treatment plant. The fund will provide for a twenty (20) year repayment period at a 1.7875 percent interest rate. The interest earnings rate at the end of the quarter was 3.47%. Statements are received on a monthly basis.
5. Five Star Bank SDWSRF Reserve: The purpose of the Reserve Account was to build up over ten years an amount equal to debt service for one year, a SDWSRF requirement. The interest earnings rate at the end of the quarter was 3.47%. Statements are received on a monthly basis.

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
 QUARTERLY TREASURER'S  
 REPORT FOR THE PERIOD OF  
 APRIL 1, 2023 – JUNE 30, 2023**

6. Mechanics Bank Money Market: This account handles all cash transactions as Five Star Bank does not have a local branch. Any amount above the minimum required by the bank will be transferred to Five Star bank checking account. The interest earnings rate at the end of the quarter was 0.02%. Statements are received on a monthly basis.
  
7. Five Star Bank Money Market: The interest earnings rate at the end of the quarter was 3.47%. Statements are received on a monthly basis. The purpose of this account is to facilitate cashflows and maximize interest within our Five Star Bank accounts.
  
8. Five Star Bank Checking: Variable interest-bearing checking account currently at 0.10%, at Five Star branch in Roseville used for most of our transactions such as payroll, accounts receivable and accounts payable. Statements are received on a monthly basis.
  
9. LAIF: Local Agency Investment Fund, a variable interest-bearing investment fund administered by the California State Treasurer. The majority of our funds are retained in this account. LAIF Account interest earnings rate at the end of the quarter was 3.47%. Statements are received on a quarterly basis.

**INTEREST EARNINGS: TRENDS & PROJECTIONS**

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

**SUMMARY OF INTEREST EARNINGS**

Account Profile by Reference Number

	<b>Beginning Balance</b>	<b>Total Credits</b>	<b>Total Debits</b>	<b>Interest Earnings</b>	<b>Ending Balance</b>
<b>1</b>	<b>300.00</b>	-	-	-	<b>300.00</b>
<b>2</b>	<b>26,520.71</b>	25,907.00	(51,814.22)	302.87	<b>916.36</b>
<b>3</b>	<b>115,905.16</b>	-	-	961.49	<b>116,866.65</b>
<b>4</b>	<b>588.30</b>	14,685.00	-	79.49	<b>15,352.79</b>
<b>5</b>	<b>59,979.61</b>	-	-	497.56	<b>60,477.17</b>
<b>6</b>	<b>5,961.06</b>	3,437.97	-	0.35	<b>9,399.38</b>
<b>7</b>	<b>78,201.43</b>	7,000.00	(84,592.00)	267.93	<b>877.36</b>
<b>8</b>	<b>(77,865.55)</b>	989,900.27	(893,675.61)	22.80	<b>18,381.91</b>
<b>9</b>	<b>4,228,163.53</b>	9,163.14	(259,163.14)	33,493.54	<b>4,011,657.07</b>
<b>TOTALS</b>	<b>\$ 4,437,454.25</b>	<b>\$ 1,050,093.38</b>	<b>\$ (1,289,244.97)</b>	<b>\$ 35,626.03</b>	<b>\$ 4,234,228.69</b>



**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
QUARTERLY TREASURER'S  
REPORT FOR THE PERIOD OF  
APRIL 1, 2023 – JUNE 30, 2023**

**MANAGEMENT BY CONTRACTED PARTIES**

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

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

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

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

<b>OPERATING REVENUE</b>	<b>Budget FY 23/24</b>	<b>Actual September</b>	<b>Actual Year to Date</b>	<b>Percentage Year to Date</b>	<b>Variance Explanation</b>
Water Fees	1,364,806	146,664	410,085	30%	
Sewer Fees	1,018,537	76,111	227,940	22%	
Hook-Up Fees	2,400	0	0	0%	
Turn on Fees	3,500	325	925	26%	
Late Fees	18,830	2,927	8,154	43%	
Plan Check & Inspection	1,600	0	0	0%	
Miscellaneous Income	500	0	917	183%	
<b>TOTAL OPERATING</b>	<b>\$2,410,173</b>	<b>\$226,027</b>	<b>\$648,020</b>	<b>27%</b>	

<b>FRANCHISE REVENUE</b>					
Solid Waste Franchise Fees	88,698	8,896	25,958	29%	
<b>TOTAL FRANCHISE</b>	<b>\$88,698</b>	<b>\$8,896</b>	<b>\$25,958</b>	<b>29%</b>	

**TOTAL OPERATING** \$2,498,871    \$234,923    \$673,978    27%

<b>NON-OPERATING REVENUE</b>					
Standby Charges	242,200	0	7,329	3%	
Property Tax	454,384	968	9,894	2%	
Interest	30,000	648	35,626	119%	
Connection Fees	70,580	0	0	0%	
<b>TOTAL NON-OPERATING</b>	<b>\$797,164</b>	<b>\$1,616</b>	<b>\$52,848</b>	<b>7%</b>	

<b>RESERVE REVENUE</b>					
Capital Reserves	539,887	24,763	46,252	9%	
Operating Reserves	1,767,061	64,187	105,693	6%	
<b>TOTAL RESERVE</b>	<b>\$2,306,948</b>	<b>\$88,950</b>	<b>\$151,946</b>	<b>7%</b>	

**TOTAL NON-OPERATING** \$3,104,112    \$90,566    \$204,794    7%

<b>TOTAL ALL INCOME</b>	<b>\$5,602,983</b>	<b>\$325,489</b>	<b>\$878,772</b>	<b>16%</b>	
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**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET  
2023/24 Budget**

**OPERATING EXPENSES**

<b>SALARIES AND BENEFITS</b>	<b>Budget FY 23/24</b>	<b>Actual September</b>	<b>Actual Year to Date</b>	<b>Percentage Year to Date</b>	<b>Variance Explanation</b>
Salaries	993,973	67,167	200,117	20%	
Health Insurance	183,739	12,528	37,804	21%	
Health Insurance - Retirees	51,408	3,994	11,981	23%	
Pers Retirement	176,138	15,677	46,896	27%	
OPEB Funding/Transfer	10,181	0	0	0%	
Standby	13,200	910	2,750	21%	
Overtime	7,930	652	1,796	23%	
Workers Comp. Ins.	24,000	-218	23,025	96%	
Directors' Fees	36,000	500	1,300	4%	
Medicare/FICA	14,616	1,038	3,078	21%	
Car Allowance	3,000	250	750	25%	
SUI/ETT	1,000	0	0	0%	
Uniforms	5,000	820	1,042	21%	
<b>TOTAL SALARIES &amp; BENEFITS</b>	<b>\$1,520,185</b>	<b>\$103,319</b>	<b>\$330,539</b>	<b>22%</b>	

**UTILITIES**

Electricity	129,263	20,607	33,803	26%	
Propane	1,525	0	0	0%	
Water Purchase	28,600	15,848	15,848	55%	
Telephone/Internet	12,801	1,608	3,438	27%	
<b>TOTAL UTILITIES</b>	<b>\$172,189</b>	<b>\$38,063</b>	<b>\$53,089</b>	<b>31%</b>	

**MAINTENANCE & SUPPLIES**

Chemicals	82,160	10,982	27,578	34%	
Computer/Software	35,256	3,010	6,508	18%	
Equip. Rental/Lease	2,600	1,436	4,309	166%	
Fixed Equip.	194,480	45,522	59,774	31%	
Fuel & Oil	15,600	1,579	4,615	30%	
Lab Testing	61,360	4,773	8,945	15%	
Office Supplies	1,560	83	83	5%	
Parks & Recreation	1,000	0	0	0%	
Struct./Grnds.	15,537	1,009	5,225	34%	
Small Tools/Equip.	3,120	965	2,011	64%	
Supplies	4,680	997	1,331	28%	
Meters/Equip.	12,480	320	320	3%	
Vehicles	6,240	1,061	1,466	23%	
<b>TOTAL MAINT. &amp; SUP.</b>	<b>\$436,073</b>	<b>\$71,738</b>	<b>\$122,167</b>	<b>28%</b>	

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

<b>GENERAL &amp; ADMINISTRATION</b>	<b>Budget FY 23/24</b>	<b>Actual September</b>	<b>Actual Year to Date</b>	<b>Percentage Year to Date</b>	<b>Variance Explanation</b>
Ads./Advertising	1,500	0	958	64%	
Alarm/Answering Service	4,160	348	1,026	25%	
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	300	3%	
Elections	0	0	0	0%	
Insurance	44,000	0	44,797	102%	Paid Annually
LAFCO	7,700	0	7,281	95%	Paid Annually
Legal/Attorney	25,000	1,500	5,450	22%	
Licenses/Permits	30,160	0	70	0%	
Plan Check & Inspection	1,600	0	0	0%	
Postage/Billing	15,600	1,465	3,160	20%	
Professional Service	92,872	3,003	9,184	10%	
Tax Collection	7,300	0	0	0%	
Staff Training & Travel	12,480	1,231	2,701	22%	
Board Training & Travel	1,000	0	0	0%	
<b>TOTAL G &amp; A</b>	<b>\$274,772</b>	<b>\$7,546</b>	<b>\$74,951</b>	<b>27%</b>	

**CAPITAL PROJECTS & EQUIPMENT**

Structures/Improvements	2,271,948	88,950	151,946	7%	
Equipment	35,000	0	0	0%	
<b>TOTAL CAPITAL EXPENSE</b>	<b>\$2,306,948</b>	<b>88,950</b>	<b>151,946</b>	<b>7%</b>	

**DEBT**

State Loan Payment	103,629	51,814	51,814	50%	
State Loan Payment Phase II	58,740	0	0	0%	
Western Alliance Lease-PVS	153,314	76,580	76,580	50%	
<b>TOTAL DEBT</b>	<b>\$315,683</b>	<b>\$128,395</b>	<b>\$128,395</b>		

FUNDED DEPRECIATION	\$288,000	\$24,000	\$72,000	25%	
UNFUNDED DEPRECIATION	\$0	\$0	\$0	0%	

<b>TOTAL EXPENSE</b>	<b>\$5,313,850</b>	<b>\$462,011</b>	<b>\$933,087</b>	<b>18%</b>	
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CAPACITY CHARGES TRANSFER      \$70,580                      \$0                      \$0                      0%

SOLID WASTE FEES TRANSFER      \$26,109                      \$3,288                      \$7,537                      29%

<b>FUND TOTAL</b>	<b>\$192,444</b>	<b>(\$139,810)</b>	<b>(\$61,851)</b>		
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**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
OFFICE REPORT**

**SEPTEMBER 2023**

Utility Billing

- On October 1<sup>st</sup>, 1,938 bills were processed for a total dollar amount of \$201,268 for water and sewer user fees for the month of September.
- We processed 298 penalties for bills that were due by September 25<sup>th</sup>.
- We mailed out 35 Intent To Disconnect letters to customers that were more than 60 days delinquent.
- We issued 23 48-hour notices and locked off 1 meter for non-payment.

Customer Service Orders

- Staff completed a total of 13 service orders for the month of September. The breakdown by job code is as follows:

LOCK METER	1	OCCUPANT CHANGE	8
MISC.	3	UNLOCK	1

Administration

- Nothing to report.

San Miguel Garbage Franchise Fees Received

- The total Franchise Fees received for the Month of September was \$ 7,769.55. The breakdown is as follows:

Residential Garbage Collection - \$ 6,020.80  
Commercial Garbage Collection - \$ 1,028.00  
Roll-Off Collection - \$ 720.75

# HERITAGE RANCH COMMUNITY SERVICES DISTRICT

## District Engineer Report For the Month of October 2023

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
  - Wastewater collection system overview for I&I Study, lift station refurbishment
  - PRV project for order and scope of work

### 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: As of 9/14/23, the new SCADA system is completely installed and running.
- SCADA Telemetry survey: As of 10/12/23, the survey to determine which sites (lift stations, booster stations, tanks, treatment plants and the office) currently have ability to communicate with each other is complete. The survey revealed that there are several areas that will need additional equipment in order to connect District facilities signal-wise. Site recon showed that the HROA has several facilities that may be useful for providing a mounting location for new equipment. We have contacted the HROA's manager, and they are willing to discuss it further. Staff is working with SPICE to complete a report detailing which sites would be useful and what equipment would need to be installed. If approved by HROA, we can completely connect all facilities.
- SCADA wastewater collection system: Issues with the current wastewater SCADA system may require us to perform some interim modifications for it to function properly before we procure, program and install the new system. The first step is completing the telemetry connection which will allow us to better communicate between facilities.
- PRV Project – We have completed the informal bid package for the maintenance project on the Lower Waterview PRV station. We have requested pricing and availability from twelve local underground utility contractors and should have pricing by the meeting. We have also received pricing for the purchasing of the

isolation valves and PRVs. They are in stock and will be purchased once a contractor is selected. Schedule of construction to be determined based on contractor availability and contractor-provided material lead time, but per preliminary discussions, we should be able to get contractors onsite within a few weeks of notice to proceed.

- Lift Station 1-5 rehabilitation design phase: This project's initial design/scoping will begin in October. PRV, GAC and SCADA projects have taken priority but will be sufficiently underway to allow for this project to begin in October.
- Wastewater collection system model and infiltration / inflow: Working 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.
- 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 September 2023

#### Water treatment

- Staff are working with SPICE to continue improving SCADA functionality.

#### Water distribution

- Staff have repaired five service leaks this past month.
- Additional meter register replacements have begun. This year's budget will allow for the replacement of 55 broken registers.

#### Wastewater collection

- The collection of data from lift stations and lack of alarms due to SCADA failure continues to be an urgent problem. SPICE is working with staff to develop a solution to the telemetry project that will best set us up for the next phase of fully integrating all satellite facilities for communication.

#### Wastewater treatment

- DO fluctuations due to local PLC malfunction continues to be challenging but workable with continued oversight from Operators.

#### Facilities

- Staff will be working with a local contractor to remediate the erosion issues near one of the solar arrays at the WTP.

#### Vehicles and equipment

- Deferred maintenance continues the remaining fleet with general drivability and safety being the focus.



## HERITAGE RANCH COMMUNITY SERVICES DISTRICT

### MEMORANDUM

**TO:** Board of Directors

**FROM:** Scott Duffield, General Manager

**DATE:** October 19, 2023

**SUBJECT:** Request to approve a proposal from Tuckfield & Associates to perform a sewer rate study and to provide associated financial support in an initial amount of \$18,800.

#### **Recommendation**

It is recommended that the Board of Directors approve a proposal from Tuckfield & Associates to perform a sewer rate study and to provide associated financial support in an initial amount of \$18,800.

#### **Background**

Since March 2021, your Board has been pursuing the Water Resource Recovery Facility Project (Project).

Your Board most recently adopted updated water and sewer rates on April 20, 2023.

Your Board decided not to include the cost of the Project in those rates.

Your Board approved the Bid Documents for the Project equipment procurement on September 21, 2023, and directed staff to advertise for bids once USDA's review is completed.

#### **Discussion**

The current sewer rates need to be updated to include the Project.

Staff recommends the Board initiate an updated sewer rate study that includes the cost of the Project. The Manager requested and received a proposal from Tuckfield & Associates to perform the sewer rate study. Clayton Tuckfield performed the most recent water and sewer rate study adopted by your Board on April 20, 2023.

The rate study and approval process takes about 6-7 months at a minimum. The Project cannot progress to 90% Design Documents until the equipment vendor is awarded. The equipment vendor cannot be awarded if there are no funds to pay for it.

## **Fiscal Implications**

The current budget has sufficient funds available to perform the study.

The District needs to fund the Project and does not currently have any funds to purchase the Project equipment nor construct the Project in whole. In addition, funding providers, including Federal and/or State agencies, require a financial analysis and will need to ensure that the Project can be paid for prior to any funding approval, i.e. rates are or are going to be in place at the time of funding.

## **Results**

Approval of the recommended action will result in initiation of updating the District's sewer rates to pay for the Project.

Attachment: Proposal for Water and Wastewater Rate Study dated October 5, 2023

File: Rates, Fees, Charges

Proposal To:  
**Heritage Ranch Community  
Services District**

6500 Palma Avenue  
Atascadero, CA 93422  
(805) 470-3140

**Proposal For**  
**Wastewater Rate Study**

Submitted By:

**Tuckfield & Associates**

Contact: Mr. Clayton Tuckfield  
2549 Eastbluff Dr, #450B  
Newport Beach, CA 92660  
(949) 760-9454

[www.tuckfieldassociates.com](http://www.tuckfieldassociates.com)

FINANCIAL CONSULTING  
**TUCKFIELD &  
ASSOCIATES**  
MANAGEMENT CONSULTING

**October 2023**



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# Tuckfield & Associates

2549 Eastbluff Drive, Suite 450B, Newport Beach, CA 92660  
Phone (949) 760-9454 Fax (949) 760-2725  
Email [ctuckfield@tuckfieldassociates.com](mailto:ctuckfield@tuckfieldassociates.com)

October 5, 2023

Mr. Scott Duffield  
General Manager  
Heritage Ranch Community Services District  
4870 Heritage Road  
Paso Robles, CA 93446

Dear Mr. Duffield:

I am pleased to submit this proposal to provide consulting services for a Wastewater Rate Study (Study) for the Heritage Ranch Community Services District (District). Over the last 35 years, I have conducted numerous wastewater rate studies in California as well as previous experience conducting rate studies nationally. This depth of experience will benefit the District throughout the performance of this study and lead to rate structures and rates that are specifically suited to the District.

Our Study for the District will determine the appropriate wastewater rates that are equitable and defensible; meet the requirements of Proposition 218; and funds annual operating expense, capital spending, and debt service.

The scope of work provided herein proposes to address the District's request for a Wastewater Rate Study. The study will address the following objectives.

- Revenue sufficiency to fund operating and capital needs
- Appropriate levels of operating, capital, and emergency reserves
- Cost of service following appropriate standards, regulations, and guidelines
- Rates that are consistent with industry practice
- Rates that are easy to understand and administrate

Tuckfield & Associates consulting is a local firm with extensive experience in California, specializing in rate studies and capacity charge studies. Mr. Tuckfield is the President and Principal Consultant for Tuckfield & Associates, and routinely conducts rate and capacity charge studies as the sole consultant, having completed such studies in this manner for many clients, including those whose populations have exceeded 100,000. Recent clients have included the City of Buena Park, City of Loma Linda, and City of Pismo Beach. Additional experience is provided in the Representative Engagement section of this proposal.

I will be professionally responsible for conducting the study and will provide hands-on work effort. This will allow me to develop an intimate knowledge of the District's wastewater system which will be beneficial when attending meetings and presenting results and findings. All rates and fees will be developed in accordance with the Water Environment Federation (WEF) for wastewater utilities as well as California State law.

I have the qualifications, experience, and capabilities to provide the services desired by the District. I have conducted successful studies for large agencies in California with a focus on smaller cities and special districts.

I look forward to working with the District on this project. Should the District need any additional information, please contact me at 949-760-9454, [ctuckfield@tuckfieldassociates.com](mailto:ctuckfield@tuckfieldassociates.com), or at the address below.

Very Truly Yours,

TUCKFIELD & ASSOCIATES

A handwritten signature in black ink, appearing to read "G. Clayton Tuckfield". The signature is written in a cursive, flowing style.

G. Clayton Tuckfield  
Principal Consultant  
2549 Eastbluff Dr, #450B  
Newport Beach, CA 92660

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**Appendix A..... Resume**

# Proposal for Wastewater Rate Study

## Heritage Ranch Community Services District

### Project Approach

The rates and charges for the District will be designed recognizing the Water Environment Federation (WEF) methodology from their Manual of Practice No. 27. This methodology represents industry practice for the development of cost-of-service rates and charges, based upon the demands placed on the facilities by various users. The basic method includes identifying or creating distinct types of user classifications, allocating annual utility costs to cost-causative components, distributing costs to customer groups based on customer class use characteristics, and design of a rate structure and charges that will recover allocated costs from each customer group.

This study builds upon the previous 2022 rate study where the District’s is upgrading/replacing the wastewater treatment plant. The District anticipates that it will need about \$10 million in debt proceeds to fund this project through a United States Department of Agriculture (USDA) loan. The Study will identify the District’s debt obligation and include it into the wastewater rate study’s analyses so that adequate debt service coverage will be provided and that future wastewater rates will be sufficient to meet all obligations. Tuckfield & Associates will work with the District’s Financial Advisor to achieve the desired results. The method proposed for this study are briefly described below.

### Wastewater Rate Structure and Rates

The approach to wastewater rate design follows the WEF Manual of Practice No. 27 for wastewater systems. Annual costs of the wastewater system are summarized into functional cost categories based on the District’s accounting structure. Such functional cost categories may consist of collection, pumping, treatment, and disposal.

These costs are then allocated to wastewater cost components based on the design of wastewater facilities.

Cost components commonly include Volume (wastewater flow), Bio-chemical Oxygen Demand (BOD), Suspended Solids (SS), and Customer costs. If some facilities are identified and designed based on capacity, a Capacity cost component may be included.

Allocated costs by cost component are distributed to customer classifications based on how each group uses the wastewater system. The use, or units of service, consist of flow (mgd), BOD (lbs), SS (lbs), and Customer (bills).

Wastewater rates are established to recover the costs distributed to each customer classification. For the residential classification, costs may be recovered through a few well-known structures. These include (1) fixed charges applicable to all residential customers, (2) an Equivalent Dwelling Unit (EDU) methodology consisting of fixed charges designed for SFR, MFR, Condo, MHP, etc. and (3) fixed charges that recover Customer and possibly Capacity costs, and variable charges that recover flow, BOD, and SS costs. However, this requires consistent availability of water consumption information for which to bill the customer from the water purveyor.

A variant of the residential variable charge is to cap the water consumption at a certain use level which assumes that any consumption over that is being used for outdoor purposes, though this would require a bill tabulation from information of the water purveyor’s billing system.

Commercial wastewater rates could have a fixed charge and a variable charge as most of the water use of this class returns to the sewer. This assumes that the water purveyor allows consistent use of their water billing information for which to bill the customer.



# Firm Qualifications

*Tuckfield & Associates was founded in 1999 to provide quality consulting services to publicly-owned utilities to sustain their systems on sound rate-making principles.*

The firm was founded by Mr. Clayton Tuckfield PE MBA who has over 35 years of experience conducting rate studies and capacity charge studies. Now in its 23<sup>rd</sup> year, the firm has provided innovative and time-tested strategies founded on industry practice for implementing rates and charges. Tuckfield & Associates is a local firm located in Newport Beach and the performance of this project will be completed at this site.

Prior to the firm's founding, Mr. Tuckfield served Black & Veatch Corporation for nearly 15 years in their Management Consulting Division. Mr. Tuckfield has worked with numerous cities and special districts in California and has authored papers and articles for AWWA (American Water Works Association) and California Special Districts Association (CSDA) and has conducted a webinar for CSDA regarding financing projects with USDA funding.

## Advantages

Tuckfield & Associates offers several unique advantages that will satisfy the District's expectations for the successful implementation of proposed rate structures and rates. These include the following:



**Experience.** Having performed numerous rate and capacity charge studies concentrated in California, with additional studies conducted nationally, the firm is able to provide a depth of experience to draw upon for this study, using knowledge of methods and alternative rate structures that will be of benefit to the District. The District can be assured that quality services will be provided through our extensive experience and from our client references themselves.



**California Regulatory Requirements.** Tuckfield & Associates has experience with the California regulatory environment which will be beneficial to the District for the best outcome. Recent State legislation includes SB 606 and AB 1668, Proposition 218, AB3030, the state's 20x2020 plan and these have been addressed in previous studies.



**Communication.** A critical aspect of this study is the need to communicate results to the public. Communicating the reasons for the rate increases and the impact to customers is imperative to acceptance by the public and a successful rate implementation.



**Personalized Service.** Mr. Tuckfield works in a collaborative manner with its clients, providing consulting services in a professional and transparent manner with easy explanation of study results. **Our collaborative service creates professional relationships that have spanned more than a decade for some clients.**

# Project Personnel

## Clayton Tuckfield, PE MBA– Project Consultant

Mr. Tuckfield will serve as the project consultant for the study and will be the primary contact with the District. He will be responsible for project administration, daily performance of the project, providing all deliverables, attending and/or presenting at all meetings, and will produce key elements of the study.

Mr. Tuckfield routinely conducts rate and capacity charge studies as the sole consultant and has completed such studies in this manner for many clients, even for those whose populations have exceeded 100,000. Mr. Tuckfield is an expert in utility financial planning, cost of service, rate structures, and utility management and is a professional dedicated to maintaining high financial and engineering standards.



### Clayton Tuckfield, Principal

#### Summary

- 35 years of experience
- Over 100 rate studies
- Public Agency Specialization
- Tested Strategies
- Project Management

#### Project Responsibilities

- Project Consultant
- Financial Plan, Cost of Service, and Rate Design
- Public Meeting Presentations

Mr. Tuckfield has over 35 years of experience and has professionally performed over 100 utility cost of service and rate studies and many other financial feasibility studies. He has performed studies for numerous communities in California ranging from the cities of Long Beach, Buena Park, Ventura, Santa Barbara, Fullerton, Loma Linda, Arroyo Grande, Grover Beach, Pismo Beach, Oakdale, and Firebaugh to special districts including Santa Ynez CSD, Nipomo CSD, Mission Hills CSD, Keyes CSD, Hilmar CWD, Delhi CSD, Seeley CWD, and many others.

Mr. Tuckfield has an engineering degree and a master’s degree in business administration. He has prepared presentations and technical papers for trade organizations that include the American Water Works Association’s annual meeting, American Society of Civil Engineers, Arizona Finance Officers Association, and has authored a section of a webinar for the California Special Districts Association (CSDA) as well as a professional submission for CSDA’s bi-monthly magazine. A resume for Mr. Tuckfield is provided in **Appendix A** of this proposal.

Visit [www.tuckfieldassociates.com](http://www.tuckfieldassociates.com) to learn more about Tuckfield & Associates.

# Experience

Mr. Tuckfield has been providing rate consulting services for over 35 years with about 15 years working with an international consulting firm and about 20 years with Tuckfield & Associates. Listed below are representative engagements and references for studies delivered by Tuckfield & Associates. These recent and successful municipal utility financial plans and rate studies are a sample of the work provided to California communities. The studies have been prepared in conformance with Proposition 218 and all studies use the cost of service and allocation methods described in the AWWA Manual M1 for water utilities and WEF Manual of Practice No. 27 for wastewater utilities.

## City of Buena Park, California

### Water and Wastewater Rate Study

**Reference: Doug Brodowski, Operations Manager, 714-562-3705, dbrodowski@buenapark.com**

Tuckfield & Associates completed a water financial plan and rate study for the City of Buena Park in 2016 and was engaged again in 2022 to perform a Water and Wastewater Rate Study. The 2022 scope of work included (1) preparing long-range financial plans that includes assessment of current revenues to meet the current and future obligations of the water and wastewater funds, establishing operating and capital reserve policies, and incorporating financing of the proposed capital improvement program (CIP) and (2) design of an appropriate water and wastewater rate structures that comply with Proposition 218.

Three financial plan alternatives were prepared and discussed with City Staff that funded the same CIP but with various combinations of cash, bond financing, and annual revenue increases. The financial analyses showed the no changes in the water rates were necessary but that the wastewater rates structure needed to be changed. The wastewater cost of service and rate portion of the study included preparing three alternative rate structures. The rate structures are currently under evaluation by the City.

## City of Loma Linda, California

### Water and Wastewater Rate Studies

**Reference: Jarb Thaipejr, City Manager, 909-799-2800, jthaipejr@lomalinda.com**

Tuckfield & Associates completed a water and wastewater rate study for the City of Loma Linda in 2014, 2018, and again in 2023. The studies included developing financial plans for the water and wastewater utilities including review of the pass-through expense from the City's wastewater treatment provider.

Several rate scenarios were discussed with city staff that evaluated the impact of budget constraints and the delay of capital improvements to future years. In both the water and sewer funds, the fund balances were below city policy target levels. Rate increases for both utilities included rebuilding fund balances, cure annual deficits, meet O&M escalation, pay for future debt service, and fund annual repair and replacement expenditures. Water and wastewater rates were adopted by the City Council.

## City of Pismo Beach, California

### Water and Wastewater Rate Study

**Reference: Ms. Nadia Feeser, Admin Services Director, 805-773-7010, nfeeser@pismo beach.org**

Tuckfield & Associates is currently completing a comprehensive water and wastewater rate study for the City of Pismo Beach in 2023. Mr. Tuckfield also completed rate studies for the City in 2007, 2013, and in 2019. The current study

addresses the development of the Central Coast Blue (CCB) project. The CCB is a water sustainability project that will create a new, high quality, and reliable water supply for the cities of Pismo Beach, Grover Beach, and Arroyo Grande. The current study included the CCB costs into both the water and wastewater funds and determined appropriate levels of operating and capital reserves to accommodate the \$100 million project. The accounted for all financial aspects of the water and wastewater rates, including each water supply source, utility debt and assessment debt, and various sub-funds of the utilities. The study included financial planning, cost of service, and rate structures for both water and wastewater. The study is currently on-going.

## **Santa Ynez Community Services District, Santa Ynez, California**

### **Wastewater Rate Study**

**Reference: Loch Dreizler, General Manager, 805-688-3008, Loch@sycsd.com**

Tuckfield & Associates completed a wastewater rate study for the Santa Ynez CSD in March of 2016 and in 2021. The studies developed financial plans and rates for several CIP alternatives requested by the District while also developing new rate categories for customers not listed in the existing rate classifications. A review of the District's reserves and their consistency with District policy was performed and integrated into the financial plans. Rates are based on Equivalent Residential Units (ERU's) and were projected recognizing the District's plan for growth. The District engaged Tuckfield & Associates again in January 2020 to perform a capacity charge analysis for a new dedicated sewer line.

## **Avila Beach Community Services District, California**

### **Water and Wastewater Rate Study**

**Reference: Mr. Brad Hagemann, District Manager, 805-595-9416, avilacsd@gmail.com**

Tuckfield & Associates completed a water and wastewater rate study for Avila Beach CSD in 2020. The study reviewed the District's financial status, accounting cost structure, and available billing information. Rates were developed to provide for maintenance of appropriate reserve levels based on District policy, meet O&M escalation, pay for future debt service for a wastewater plant expansion, and fund annual repair and replacement expenditures. A two-tier water rate structure was designed that applied to all water customers. Water and wastewater rate structures were discussed with staff and District Board of Directors at several meetings which included explanations of tier break points and possible rate scenarios. Water and wastewater rates were adopted by the Board of Directors.

## **Delhi County Water District, California**

### **Water and Wastewater Rate Study and Capacity Charges Study**

**Reference: Mr. Leandro Maldonado, District Manager, 209-632-8777, lmaldonado@delhicwd.org**

Tuckfield & Associates was engaged by Delhi CWD to conduct a Water and Wastewater Rate Study in 2019 and in 2022. Delhi was experiencing revenue loss since its last rate study and was preparing a 10-year CIP that needed to be addressed. During the course of the study, Tuckfield & Associates found that Delhi had neglected to bill the school district for the past 10 years. Through discussions with the Board of Directors, interim General Manager and the Finance Director, Delhi was able to recover four years of past billings as well as beginning to bill the customer going forward which reduced the need for a larger rate increase than would otherwise occur. Delhi chose to keep its existing rate structure however several financial planning options were presented that included several revenue increase and facility financing strategies.

## **Hilmar County Water District, California**

### **Water and Wastewater Rate Study**

**Reference: Mr. Curtis Joritsma, District Manager, 209-632-3522, [curtis@hilmarcwd.org](mailto:curtis@hilmarcwd.org)**

Tuckfield & Associates completed a water and wastewater rate study for Hilmar CWD in 2018. The District developed a 10-year water and wastewater capital improvement program (CIP) that identified numerous projects to upgrade the District's infrastructure. Several financial plan scenarios were developed to fund the CIP which resulted in cash financing the CIP, however with one proposed loan. The District is predominantly residential and water rates were designed that included fixed charges by meter size with a three-tier variable rate for residential customers. All classes recognized customer class peaking costs in the variable rate. Wastewater rates were designed as fixed charges. All rates were adopted by the District Board.

**Heritage Ranch Community Services District, California****Water and Wastewater Rate Study****Reference: Mr. Scott Duffield, General Manager, 805-470-3140, [scott@heritageranchcsd.com](mailto:scott@heritageranchcsd.com)**

The District engaged Tuckfield & Associates in July 2021 to perform a water and wastewater Study. The study included financing options for both interim loans and a USDA take-out loan for a wastewater treatment plant expansion that will be constructed over several years. Several Board workshops were held to provide information for decision making by the Board. Water and wastewater rates were adopted in April 2023.

Tuckfield & Associates also completed a Water and Wastewater Rate Study for the District in 2017. The study's scope of work included preparing several financial plan scenarios to demonstrate the impact of the CIP on cash flow by showing revenues necessary to meet O&M, O&M with replacement, and O&M with replacement and debt financing of the CIP. The financial plan alternatives provide for maintaining cash balances at policy target levels while meeting O&M escalation, future debt service, and annual repair and replacement expenditures.

**Nipomo Community Services District, California****Water and Wastewater Rate Study****Reference: Mario Iglesias, General Manager, 805-929-1133, [miglesias@ncsd.ca.gov](mailto:miglesias@ncsd.ca.gov)**

Tuckfield & Associates performed a Wastewater Rate Study for the District in 2015 and again in 2021. The studies included preparing a long-range financial plan that included reserve targets, debt coverage ratios, and funding of CIP. Wastewater rates were developed following cost of service principles from the WEF manual of practice. The Study developed a unique rate structure for mixed use development in addition to rates for residential and commercial customers.

Mr. Tuckfield completed water rate studies for the District in 2011, 2014, and in 2017 that addressed the District's needs to acquire supplemental water from the City of Santa Maria. Because of recent legal actions to adjudicate the greater Santa Maria groundwater basin, the District entered into an MOU to contract for 3,000 ac-ft of supplemental water from Santa Maria. In the 2010 study, Mr. Tuckfield assisted the District with evaluating several financial planning scenarios and rates regarding the financing and implementation of the supplemental water project. Rates were ultimately established to cover O&M and capital, without the project, to allow the District to meet its on-going obligations while the District pursued establishing an assessment district to finance the project. All rates from the 2010, 2014, and 2017 studies were adopted by the Board of Directors.

In 2013, Tuckfield & Associates assisted the District for a bond offering by providing a statement of revenue, expense and debt coverage information for its Official Statement, used to secure partial financing for the supplemental water project. The financing was incorporated into the 2014 rate study which developed a supplemental water rate structure that passed at the Prop 218 public hearing.

# Scope of Work

Based on our understanding of the District’s needs, the following tasks describe our proposed scope of work to complete the Wastewater Rate Study. While the tasks listed below are consecutive, elements of certain tasks may be conducted concurrently with other tasks.

## Task 1 – Initial Meeting/Data Collection

The focus of this initial meeting with District Staff will be to define goals and objectives for the study and explore the issues generated by District Staff. The meeting serves as an important first step in assuring that all key members develop a clear understanding of the study elements and data required. Prior to the meeting, a request will be submitted to the District for information to be gathered by District Staff.

**Meeting: One (1) virtual meeting**

## Task 2 – Long Range Financial Planning

The objective of this task is to develop a ten-year financial plan for the wastewater enterprise that projects the revenue and revenue requirements for the study period. This task requires an assessment of the sufficiency of revenues based on the existing rates and fee schedules, the District’s ability to meet projected revenue requirements, and the determination of the level of any revenue adjustments required with any additional financing requirements.

## Task 3 – Cost of Service Analyses

The cost of service phase of the study will focus on allocation of costs (revenue requirements) to customer classifications based on cost causative methodologies. The cost allocations will be developed using standards and methodologies from the WEF and best management practices. The cost of service analysis part of the study provides the defensibility for the selected rate structures and rates, providing compliance with Proposition 218.

### Task 3.1: Analyze Customer Usage Patterns and Recommend Customer Classifications

Historical billing summaries will be reviewed and analyzed by customer classification to determine water consumption, estimate wastewater discharge volumes, and establish user characteristics. Estimates may be made

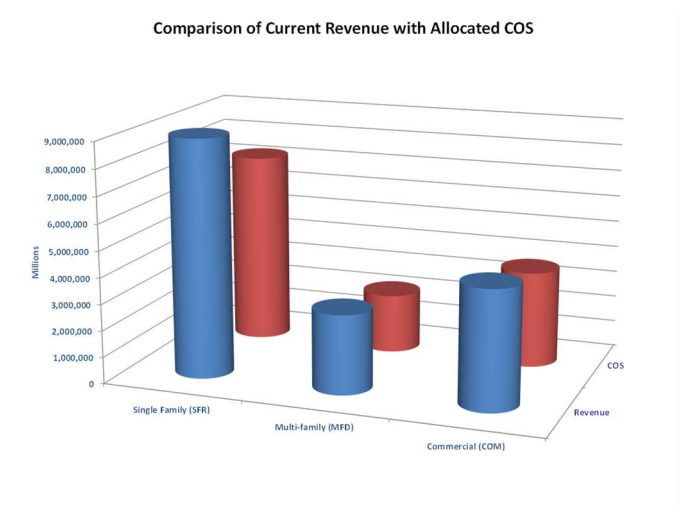
assuming census persons per household and local water purveyor billing information.

### Task 3.2: Allocate Costs to Functional Cost Components

The annual revenue requirements will be allocated to functional cost components following standards in the WEF manual of practice. Allocations of operation and maintenance expenses will be allocated separately from capital requirements of the system.

### Task 3.3: Distribute Functional Costs to Customer Classifications

Costs that have been allocated to functional cost components are distributed to the various customer classifications based on their responsibility for the service provided. Responsibility is established from the units of service (such as HCF, HCF/day, and number of customers) applicable to each functional cost component. Unit costs are developed which are then applied back to the units of



*The equity of the current rate structure and rates is assessed through a comparison of current revenue with the allocated Cost of Service.*



service by customer class, which determines each customer classification’s cost responsibility.

### Task 4 – Rate Structure Analysis and Rate Design

The rate structures that are selected for each utility should be responsive to the needs and philosophy of both the utility and its customers. The selected rate structures are a blend of what may be several competing objectives to accomplish the overall goals desired by the utility and general public. Through discussion with District staff, our evaluations of the existing rate structures and design of new rate structures will meet the expectations of the utility and public.

The current rate schedules will be evaluated to validate their applicability for District’s cost structure and customer base. Alternative rate structures will be analyzed to meet the goals and objectives of the District while enhancing the fairness and equitability among the users. It is intended that the recommended rate structure will result in revenue stability, will be easy to administer and understand, and comply with industry practices such as the WEF and federal, state, and local regulations for rate setting in California.

will be determined and a series of tables and figures will be created that show projected rate impacts on different types of customers at various levels of usage.

Rate schedules will be gathered from other local communities for the purpose of calculating typical bills at various levels of wastewater volume. The number of communities chosen for analysis will be agreed upon with the District. Example bills will be developed using the proposed rate structure and compared with typical bills of the other communities at the same volumes.

### Task 5 – Staff Workshop

The preliminary results of the Study’s findings and recommendations will be presented to District Staff in a PowerPoint presentation format. The presentation is for review, discussion, and comment of the assumptions, financial plan, the selected rate structure, and bill impacts.

- Meeting:** One (1) virtual Staff Workshop meeting
- Deliverables:** Presentation materials

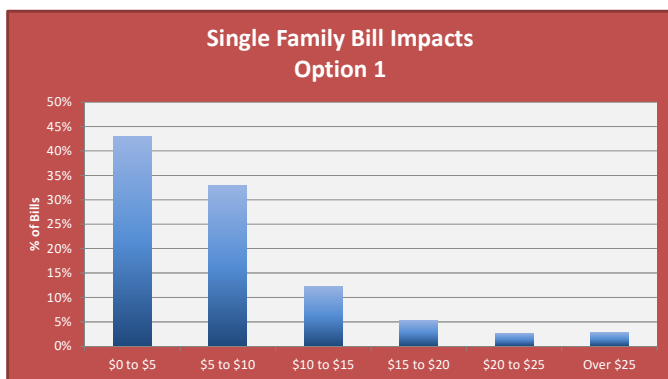
### Task 6 – Draft Report

A Draft Report will be prepared for review by District staff that includes forward looking financial plans, cost allocations, and proposed rates. The Draft Report will include an executive summary highlighting the key issues, assumptions, and findings and recommendations. Sections will be included that discuss the financial plans, cost allocation methodologies, design of the proposed rate structures and rates, and rate comparisons.

Comments received will be incorporated into a Draft Final Report for submission to the District. The Draft Final Report will discuss the financial plan, the alternatives reviewed, the cost of service analyses, the rate structures analyzed, the selected rate structure, and bill impacts.

### Task 7 – Final Report

Comments received from the District Staff workshop will be incorporated into a Final Report for submission to the District. The Final Report will be submitted for adoption at a regular District Board meeting. At this meeting, it is expected that the District Board will adopt the rate study and rates and direct District Staff to prepare the Proposition 218 Notices.



*The impacts to customer bills can be identified for each rate structure alternative prior to implementation.*

The impact to customer bills is an important aspect of any rate change. The financial impacts to customers that results between the existing and alternative rate structure

**Meeting:** One (1) on-site District Board meeting  
**Deliverables:** Presentation materials

Proposition 218 Public Hearing for the adoption of the new rates. To comply with Proposition 218, the notices must be sent to all property owners/customers at least 45 days prior to the Public Hearing.

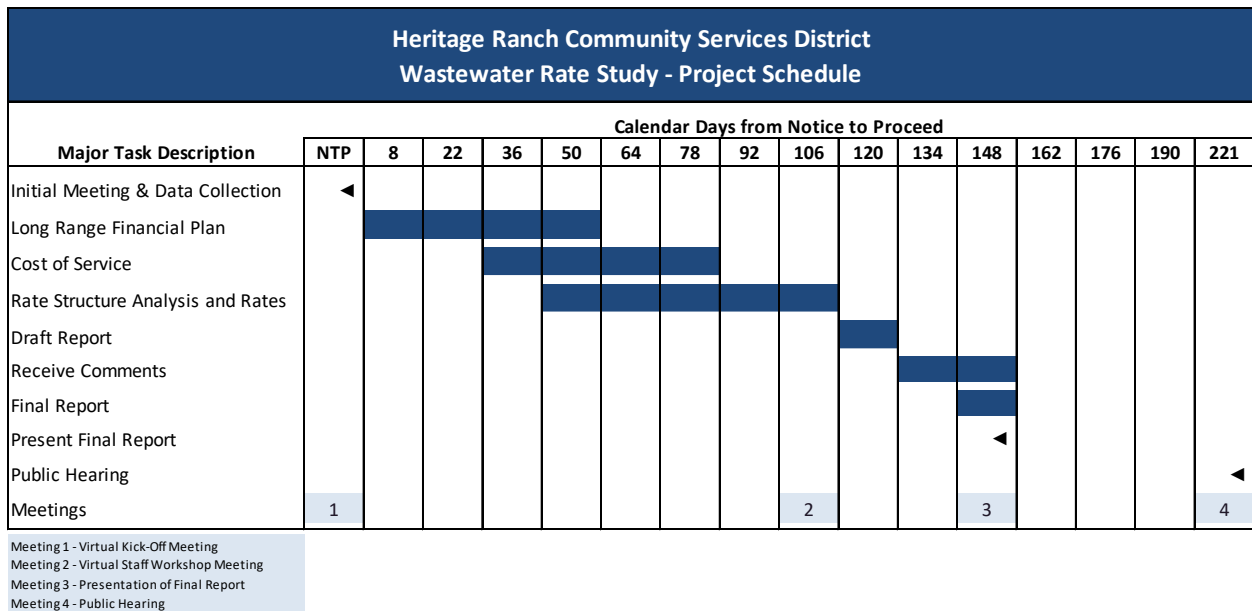
### Task 8 – Proposition 218 Public Hearing

Tuckfield & Associates will assist in drafting the Proposition 218 notice and attend and present the Final Report at the

**Meeting:** One (1) on-site District Board meeting  
**Deliverables:** Presentation materials

## Schedule

Tuckfield & Associates has a strong track record of meeting client schedules. Our experience in performing rate studies enables us to meet the District’s goals in a timely and efficient manner. A suggested time-line schedule is presented below in a graphical format showing key milestone and target dates.



The schedule is approximate based on timely receipt of information and acceptance of the study by the District and public. The study schedule begins with Notice to Proceed (NTP) shown in the graphic and is the same date of the initial meeting and data collection. The timeline can be adjusted to meet the District’s specific needs.



# Cost Proposal

Tuckfield & Associates provides studies with competitive pricing and billing rates. We propose to accomplish the tasks described in our scope of work section for a cost not-to-exceed estimate of \$18,800. The cost estimate is based on the standard hourly billing rates above and the number of hours estimated to complete each task. Direct expenses will be billed at cost and will include expenses related to travel, lodging, mileage, meals, long distance telephone, printing and binding, and other direct costs. Additional meetings can be provided as requested by the District at our standard hourly billing rates including direct expenses related to the meetings as shown below. A cost proposal is provided below.

## Heritage Ranch Community Services District Wastewater Rate Study - Detailed Cost Breakdown

Major Task Description	Number of Meetings		Hours	Total Budget	
	Tele-conferen	On-site Meeting	Clayton Tuckfield		
	Hourly Rate		\$175		
<b>Task 1: Initial Meeting &amp; Data Collection</b>		1	2	\$350	
<b>Task 2: Long Range Financial Plans</b>					
Task 2.1: Review Financial Info, Policy & Practice			2	\$350	
Task 2.2: Review and Summarize Billing Info			8	\$1,400	
Task 2.3: Develop Long Range Financial Plans	1		16	\$2,800	
<b>Task 3: Cost of Service Analyses</b>	1				
Task 3.1: Analyze Customer Usage Patterns & Classes			6	\$1,050	
Task 3.2: Allocate Costs to Cost Components			8	\$1,400	
Task 3.3: Distribute Costs to Customer Class			6	\$1,050	
<b>Task 4: Rate Analysis and Design</b>	1				
Task 4.1: Evaluate Rate Structures & Calc Rates			12	\$2,100	
Task 4.2: Determine Bill Impacts			6	\$1,050	
Task 4.3: Bill Comparison with Other Communities			4	\$700	
<b>Task 5: Staff Workshop</b>	1		3	\$525	
<b>Task 6: Draft Report Preparation</b>			12	\$2,100	
<b>Task 7: Final Report/Board Presentation</b>		1	8	\$1,400	
<b>Task 8: Proposition 218 Public Hearing</b>		1	6	\$1,050	
	<b>Total</b>	<b>4</b>	<b>3</b>	<b>99</b>	<b>\$17,325</b>
	<b>Other Direct Costs (ODCs): Travel, Mileage &amp; Printing:</b>			<b>\$1,475</b>	
	<b>Total Study Cost:</b>			<b>\$18,800</b>	

# Appendix A

## Resume

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A resume for Mr. Clayton Tuckfield is provided in Appendix A.

# Clayton Tuckfield, PE MBA

*Principal, Tuckfield & Associates Consulting*

## Education

M.B.A. – Finance,  
University of Kansas,  
Lawrence, KS, 1985

B.S. – Mechanical  
Engineering, Kansas State  
University, 1980

## Registration

Professional Engineer:  
Kansas

## Years of Experience

33

## Presentations

CSDA 2011 Nov/Dec  
Magazine

CSDA 2011 Rate Webinar

AWWA Annual Conference  
and Exposition  
Toronto, Canada

ASCE, Phoenix, AZ

AFOA, Phoenix, AZ

Mr. Tuckfield is the Principal of Tuckfield & Associates consulting. He has over 35 years of experience serving in various capacities on work performed for publicly owned water and wastewater utilities. Mr. Tuckfield has performed a variety of financial feasibility and economic analyses studies including utility cost of service and rate design studies, impact fee studies, development of pro forma statements of revenue and operating expense, cash flow analyses, preparation of engineer's reports for revenue bond official statements, valuations of facilities use plans, preparation of alternative financing plans for capital improvement programs, and development of training material for presentation to international interest groups.

Mr. Tuckfield has conducted or managed over 100 water and wastewater rate studies for various cities and special districts in California and nationwide. Clients have included the cities of Long Beach, Ventura, Buena Park, Fullerton, and Loma Linda and special districts including Nipomo CSD, Heritage Ranch CSD, Templeton CSD, Keyes CSD, Hilmar CWD, and for many other clients.

**Water and Wastewater Utility Rate Studies, City of San Buenaventura, Ventura, California.** Mr. Tuckfield has performed rate study updates almost on an annual basis for the City from 1990 through 2010. In the most recent study, Mr. Tuckfield worked with City Staff to extend the study period to 10 years, develop various cash flow scenarios for alternative CIP plans, expand water customer classifications to reflect actual operations, developed analyses regarding the City's outside rate differential, and presented draft results to City Staff. He has also prepared information for City Staff's use for conducting internal meetings on an as needed basis.

**Water and Wastewater Cost of Service and Rate Study, Long Beach, California.** Mr. Tuckfield was responsible for cost of service and rates for the water and wastewater utilities for the City. The project work included development of utility rates to promote water conservation and to allow easy implementation and acceptance. The work effort also included development of computer models to enable the Department to annually review utility rates. The project included working closely with a departmental task force to develop alternative rate structure for eventual implementation.

**Wastewater Rate Study, City of Santa Barbara, California.** Working as a sub consultant to a large regional consulting firm, Mr. Tuckfield performed a wastewater rate study for the City that involved developing a revenue plan, allocating costs, and designing several rate structures that included fixed and variable components. The revenue plan review noted a low cash reserve level because the City had included other assets into its beginning fund balance. The study identified necessary rate increases that were adopted by City Council. Justification of the current cost allocations was also performed.

# Clayton Tuckfield, PE MBA

*Principal, Tuckfield & Associates Consulting*

**Water Utility Rate Study, City of Fullerton, California.** Working with a City organized task force, this study included a detailed analysis of the City's Water Fund. Mr. Tuckfield developed pro forma revenue, revenue requirements, and cash flows including review of the water utility program costs for reasonableness, which resulted in a recommendation to reallocate some of the utility overheads. Costs were compared to other local cities including various operational ratios and franchise fees. The task force accepted the recommendations including cash flow, cost of service allocations and rate design. The proposed utility rates were adopted by the City Council.

## Representative Water and Wastewater Rate Studies

- City of Avondale, AZ
- City of Arroyo Grande, CA
- City of Battle Creek, MI
- City of Brawley, CA
- City of Buena Park, CA
- City of Charleston, SC
- City of Chesapeake, VA
- City of El Monte, CA
- City of Fayetteville, AR
- City of Firebaugh, CA
- City of Flagstaff, AZ
- City of Florence, AZ
- City of Fullerton, CA
- City of Georgetown, TX
- City of Grover Beach, CA
- City of Homestead, FL
- City of Imperial Beach, CA
- City of Imperial, CA
- City of Kalamazoo, MI
- City of Loma Linda, CA
- City of Long Beach, CA
- City of Modesto, CA
- City of Oakdale, CA
- City of Orange Cove, AZ
- City of Peoria, AZ
- City of Phoenix, AZ
- City of Pismo Beach, CA
- City of Santa Cruz, CA
- Santa Barbara, CA
- City of Sioux City, IA
- City of Sioux Falls, SD
- City of Westmorland, CA
- DuPage County, IL
- Hilmar County WD, CA
- Mission Springs WD, CA
- Nipomo CSD, CA
- San Miguel CSD, CA
- Templeton CSD, CA
- Town of Cave Creek, AZ

## Representative Municipal Bond Feasibility Studies

- City of Alexandria, LA
- City of Kansas City, MO
- City of Owensboro, KY
- City of Firebaugh, CA
- City of Salem, OR
- City of Tacoma, WA
- Eugene Water & Elec, OR
- City of Livingston, CA
- Litchfield Park, AZ
- Memphis Gas, Water, TN
- San Dieguito WD, CA
- City of Buena Park, CA

## Other Feasibility Studies

- City of Brownsville, TX - Electric Utility Rate Study
- City of Detroit, MI - Organizational Study
- City of Phoenix, AZ - Impact Fee Review
- County of Maui, HI - Pretreatment Program
- Imperial Irrigation District, CA - Financial Feasibility Study

# Clayton Tuckfield, PE MBA

*Principal, Tuckfield & Associates Consulting*

- Imperial Valley Task Force, CA - Financial Alternatives Study
- MWD of Southern California, CA - Review of New Demand Charges
- Saudi Consolidated Electric Co. - Electric Generation Dispatch Model
- Texas A&M University, TX - Power Supply Alternatives Study
- United Water Conservation District - Water Supply Pricing Model

## **Publications/Presentations**

"Value of Rate Study in Project Finance", CSDA November/December 2011 Magazine, Sacramento, California

"Role of Rate Study with USDA Financing", CSDA Webinar, September 22, 2011, Sacramento, California

"Committee Involvement Facilitates Rate Implementation", AWWA Annual Conference and Expo, Toronto, Canada 1996

"Arizona Utility Rates", ASCE Arizona Fall Conference, Phoenix, Arizona 1997

"Utility Rate Seminar", Arizona Finance Officers Association, Spring Meeting, Flagstaff, Arizona 1998



## HERITAGE RANCH COMMUNITY SERVICES DISTRICT

### MEMORANDUM

**TO:** Board of Directors

**FROM:** Scott Duffield, General Manager

**DATE:** October 19, 2023

**SUBJECT:** Discussion and direction regarding procedures for cancelation of Regular Board meetings.

#### **Background**

Your Board requested this subject item be placed on a future agenda for discussion.

#### **Discussion**

The District Code of Ordinances states:

##### **“2.120 - President**

The President shall:

- C. Shall perform in general all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.”

And further states,

##### **“2.200 - Board of Directors Regular Meetings**

Regular meetings of the Board of Directors will be held at the District Office at 4870 Heritage Road, Village of Heritage Ranch, San Luis Obispo County, on the third Thursday of each month at 4:00 p.m., unless canceled by the President of the Board. All regular and special meetings and cancellations of regular meetings shall be properly noticed to the public per existing state law or District policy as may be amended from time to time. (California Government Code Section 54954 et. seq.)”

#### **Fiscal Considerations**

The costs associated with this item are staff and District Counsel time to prepare and present this report.

File: Board of Directors

## HERITAGE RANCH COMMUNITY SERVICES DISTRICT

### MEMORANDUM

**TO:** Board of Directors

**FROM:** Scott Duffield, General Manager

**DATE:** October 19, 2023

**SUBJECT:** Discussion and direction regarding the employee grievance procedures outlined in the Memorandum of Understanding between Heritage Ranch Community Services Employees Association and Heritage Ranch Community Services District.

#### **Background**

Your Board requested this subject item be placed on a future agenda for discussion.

#### **Discussion**

##### **Board / Management Roles and Responsibilities**

The Board of Directors is ultimately responsible for all the District's functions. It retains authority and responsibility over all aspects of the District's operations and staff. However, unlike administrative staff who have certain defined responsibilities and authority at all times, so long as they hold their position, Board members only have authority to act while at Board meetings or Committee meetings or while performing a function specifically assigned by the Board.

The distinction in function between Board and staff discussed above is consistent with the general rule that Governing Boards make policy and staff operates the entity on a daily basis, guided by that policy. In fact, a Board or Board member would be unable to perform the staff function of daily operations without going beyond the extent of their authority and responsibility as set forth above.

This conclusion is based upon the fact that the Board acts only as an entity based on majority rule. Accordingly, it would be impossible for a Board to deal with operational issues unless it was in a continuous meeting. At the same time, the Board can determine the limits within which staff can operate before an issue must be brought before the Board for consideration.



Examples of various Board / Management responsibilities are presented below. This list is by no means intended to be comprehensive but rather a general example.

**Board Role**

**Management Role**

Considers and adopts a budget

Administers the budget and makes expenditures and purchases consistent with the adopted budget.

Adopts general policies and procedures in the substantive area of operations (rates, fees, charges, etc.)

Implements general policies by collecting charges and fees based upon criteria established by the Board of Directors

Adopts personnel rules related to hiring, compensation, termination and discipline

Implements hiring and discipline of employees, consistent with the Board adopted policies and monitors and evaluates subordinate staff.

**Employees Representation**

The District employees are not currently represented by a Union; however, they are organized into a similar bargaining unit called the Heritage Ranch Community Services Employees Association (HRCSEA).

The purpose HRCSEA is to meet and confer with the District on issues of wages, benefits, and conditions of employment. This process requires the District and/or the HRCSEA to propose changes to terms and conditions of employment for negotiations. Upon agreement the HRCSEA and the District execute a Memorandum of Understanding (MOU) that details terms and conditions of employment, including a grievance procedure.

A copy of the grievance procedure from the current MOU is attached.

**Fiscal Considerations**

The costs associated with this item are staff and District Counsel time to prepare and present this report.

Attachment: MOU Section 24.0 Grievance Procedure

File: Board of Directors

## 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.

## HERITAGE RANCH COMMUNITY SERVICES DISTRICT

### MEMORANDUM

**TO:** Board of Directors

**FROM:** Scott Duffield, General Manager

**DATE:** October 19, 2023

**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.

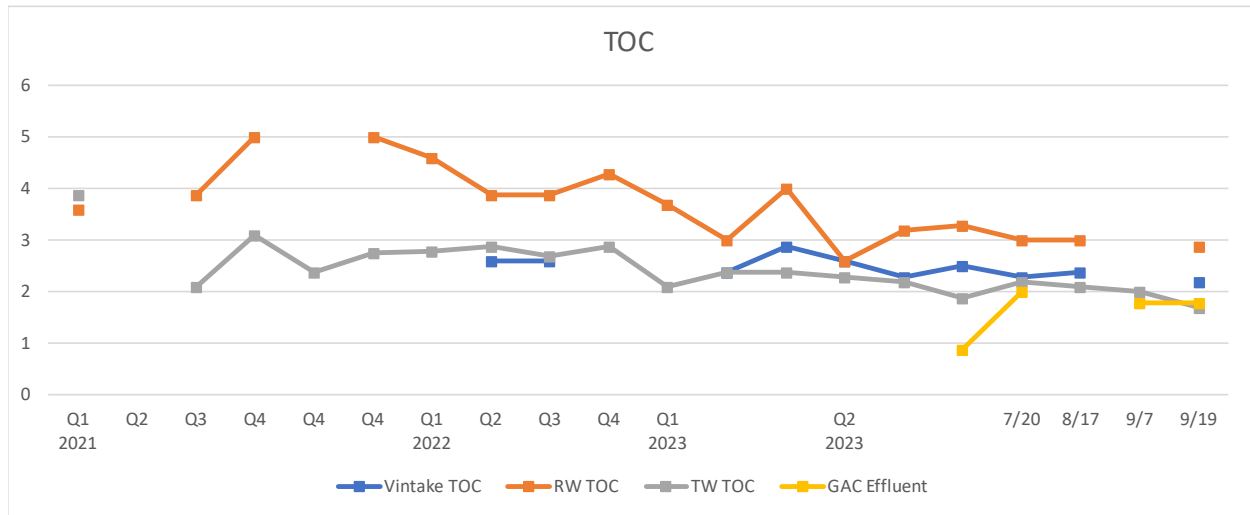
#### **Discussion**

##### **Sample data**

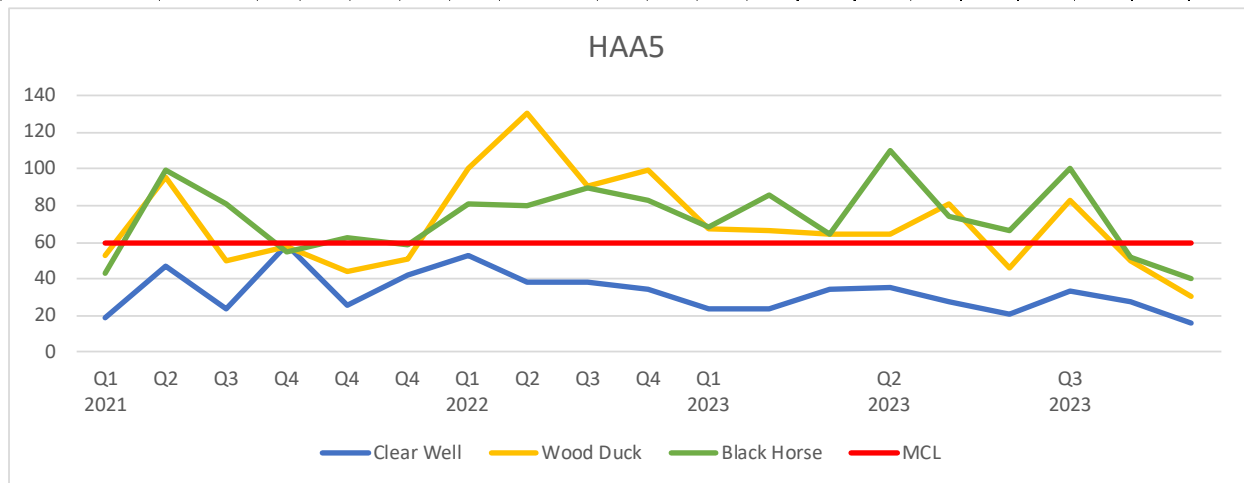
The sample data for haloacetic acids (HAA5) over the last several years is shown below. This data is for individual samples. The maximum contaminant level for HAA5 is 60 parts per billion (ppb). In the table below, "Vintake TOC" is the TOC level of the water from the vertical intake; "RW TOC" is the 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 is the Locational Running Annual Average (LRAA) by calendar quarter. The most recent LRAA for HAA5 is 76 ppb at the Black Horse Lane sample site and 71 ppb at the Wood Duck Lane sample site. We continue to send quarterly notices to customers until such time we are under the maximum contaminant level.

TOC	Q1 2021	Q2	Q3	Q4	Q4	Q4	Q1 2022	Q2	Q3	Q4	Q1 2023		Q2 2023			7/20	8/17	9/7	9/19	
Vintake TOC								2.6	2.6			2.4	2.9	2.6	2.3	2.5	2.3	2.4		2.2
RW TOC	3.6		3.9	5		5	4.6	3.9	3.9	4.3	3.7	3.0	4.0	2.6	3.2	3.3	3.0	3.0		2.9
TW TOC	3.9		2.1	3.1	2.4	2.8	2.8	2.9	2.7	2.9	2.1	2.4	2.4	2.3	2.2	1.9	2.2	2.1	2.0	1.7
GAC Effluent																0.9	2.0		1.8	1.8



HAA5	Q1 2021	Q2	Q3	Q4	Q4	Q4	Q1 2022	Q2	Q3	Q4	Q1 2023		Q2 2023			Q3 2023			
Clear Well	19	47	24	59	26	43	53	38	38	34	24	24	34	35	28	21	33	28	16
Wood Duck	53	95	50	58	44	51	100	130	91	100	67	66	64	64	81	46	83	50	30
Black Horse	43	99	81	55	62	59	81	80	90	83	68	86	64	110	74	66	100	52	40
MCL	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60



## Operations and project updates

The Operations staff continues working to optimize the effectiveness of the Water Treatment Plant (WTP) with SCADA programming changes not previously available to us. The vertical intake well continues to operate 100% of the time that the plant is producing water and remains the sole provider of raw water for the Raw Water Tank (RWT) between 17.5 and 21 feet. This modification to operations appears to be working, as sampling from September 19 shows the lowest TOC for treated water for the range of the table above (1.7 mg/L.) The percentage of reduction in TOC (from raw water to treated water) has ranged from 12% to 46% (with an average of 33%) in the time period of the table above. September's results yield a TOC reduction of 41%. It is hard to be certain without additional data, but the values are promising from the past two months' DBP results and we are trending in the right direction with two consecutive compliant samples. As we continue on and become more comfortable with the operation and programming of the new SCADA system, we will be making additional programming changes to assist in TOC (and DBP) reduction.

Another pilot study project initiated to combat the DBP issue is the use granular activated carbon (GAC) to provide additional TOC removal. Initial startup of the pilot study yielded promising results. As is the case with most pilot studies or other operational modifications, there were some issues to resolve with respect to the vessels draining when the pump was off (introducing air into the vessels), the pump air locking, and other operational challenges. Staff samples pre- and post- GAC water weekly for in-house analysis (UVA/UVT) and monthly for lab analysis (TOC) at the same time that other TOC and DBP samples are taken. In discussions with the GAC vendor (Evoqua) this is their recommended testing protocol. The initial impressive results (0.88 TOC post-GAC) decreased much earlier than expected to 1.8 post-GAC, but Evoqua believes that the media is fouled due to air in the system and potential organic growth in the media. However, at their recommendation, we have continued to use the GAC while it is still yielding results (albeit reduced) to allow us to make system modifications to limit the previous issues. For the past two weeks, the system has been operating smoothly and we are ready to replace the existing GAC with new, slightly finer (with more surface area) GAC. Given the preliminary successful results from the past two months with the GAC system operating at less than expected capacity, we are hopeful that we will show even more improvement with the new GAC. If this GAC shows reduced efficacy quickly again, we will know that we will need to move on to other options, GAC and others, but given the organics issue, we won't be certain until we try.

## **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 October 2023

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

#### Administration

- The General Manager met with PG&E representatives, Regional Vice President, Regional Senior Manager, and Division Operations Specialist, to discuss several topics such as reliability, infrastructure improvements, and wildfire prevention.
- The General Manager attended the September meeting of the MCWRA Reservoir Operations Committee.
- The General Manager attended the September meeting of the CSDA SLO Chapter Managers.
- The General Manager met with the HROA General Manager to discuss any topics of common interest, such as project items, maintenance items, and the cell tower interest.
- The General Manager attended the October meeting of the IWMA Local Task Force.
- The General Manager met with representatives of the California Alliance for Jobs's Building Better Communities Grants Program regarding the WRRF project. The Manager previously submitted an interest form to the State and the District was chosen to participate in this program. The State has entered into an agreement with a grant writing firm, The Renne Public Policy Group, to assist with the Building Better Communities program. Their team has reviewed the project descriptions and grant funding needs identified by each agency participating in the Building Better Communities Grants Program. This meeting was the intake call to discuss each agency's needs further.

The goal of the intake call is to assess each agency's level of readiness to apply for grant funding. Understanding respective projects and agencies may be further along than others, their team will work with each agency to address any readiness gaps, identify relevant grant funding opportunities, and prepare grant applications.

### Solid Waste

- The General Manager understands that SLO County has submitted a request to the SLO County Integrated Waste Management Authority (IWMA) to re-join IWMA. In 2022 the County left IWMA, which is formed under a Joint Powers Authority or JPA, which necessitated adjustments for the remaining members, such as voting rights, rates, and funding, etc. Additional updates will be reported as they become available.

### Development

- nothing to report

### Reservoir Status

- As reported by Monterey County Water Resources Agency (MCWRA), as of October 12, 2023 the reservoir was at approximately 769.7 feet in elevation, 60% of capacity, or 226,2120-acre feet of storage. MCWRA water releases were shown as 325 cfs.



# Nacimiento Reservoir

