

## HERITAGE RANCH COMMUNITY SERVICES DISTRICT

### MEMORANDUM

**TO:** Board of Directors

**FROM:** Scott Duffield, General Manager

**DATE:** October 25, 2024

**SUBJECT:** Request to approve a professional services agreement with Rincon Consultants, Inc. to provide revised CEQA and NEPA documentation for the WRRF project in a not to exceed amount of \$35,000; and approve a WRRF financial plan scenario to inform the sewer rate study.

#### **Recommendation**

Staff's recommendation is to:

1. Approve the attached professional services agreement with Rincon Consultants, Inc. to provide revised CEQA and NEPA documentation for the WRRF project in a not to exceed amount of \$35,000 and authorize a corresponding budget adjustment from reserves; and
2. Approve Scenario 2 from the attached financial plan scenarios that will inform the sewer rate study.

#### **Background**

Since March 2021, your Board has been pursuing the Water Resource Recovery Facility Project (Project) and has formally made numerous decisions. On January 18, 2024, your Board adopted the environmental document for the project in accordance with the California Environmental Quality Act (CEQA).

At the September 19, 2024 meeting, your Board directed staff to use the 50%-design submittal engineer's opinion of probable costs to inform the sewer rate study.

#### **Discussion**

##### **Revised CEQA and NEPA documentation.**

The environmental documentation was performed by WSC's sub-consultant Rincon. The new engineer of record is Hydro Science, thus there is no formal agreement between Rincon and the District.

In addition, the Hydro Science design includes work outside of the previously adopted environmental study area which was based on the WSC design. Therefore, USDA and CEQA require an addendum to the environmental study. Staff has received a proposal from Rincon and drafted an agreement (Attachment A) to perform the addendum work. The Final Addendum will need to be adopted by your Board

#### Financial plan scenario.

As reported to your Board at the October 17, 2024, meeting, the WRRF Ad-hoc Committee met with the Finance Team and reviewed several financial plan scenarios (Attachment B). The Finance Team and the WRRF Committee recommend Scenario 2.

Scenario 2 will be used to inform the sewer rate study being performed by Tuckfield & Associates. It is anticipated that the sewer rate study could still be presented to your Board for approval at the regular meeting of November 21, 2024, or the regular meeting of December 19, 2024, if necessary.

#### **Fiscal Considerations**

The current Project Budget does not include costs for the addendum to the environmental documents so a corresponding budget adjustment will be transferred from reserves.

#### **Results**

Approval of the recommended actions are necessary and prudent to further the District's mission to deliver a Water Resource Recovery Facility that achieves reliable regulatory compliance and sustainably meets the long-term needs of the community and environment.

Attachments: Attachment A - Rincon Professional Services Agreement  
Attachment B - Financial Plan Scenarios

File: Projects\_WRRF

## Attachment A

### HERITAGE RANCH COMMUNITY SERVICES DISTRICT AGREEMENT FOR PROFESSIONAL SERVICES

**THIS AGREEMENT** for professional services (hereinafter referred to as “Agreement”) is made by and between the Heritage Ranch Community Services District, a Community Services District duly existing and operating pursuant to the provisions of Government Code Section 61000 et seq. (hereinafter referred to as “HRCSD” or “District”) and Rincon Consultants, Inc. (hereinafter referred to as “Consultant”), with reference to the following Recitals:

#### RECITALS

A. HRCSD desires to retain Consultant to provide services related to the Water Reclamation Facility Upgrade project as identified in the attached proposal dated October 21, 2024 (“Proposal”).

B. HRCSD desires to engage Consultant to provide services by reason of qualifications and experience in performing such services, and Consultant has offered to provide the required services through the Proposal on the terms and in the manner set forth herein.

**NOW, THEREFORE**, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

**1. DESIGNATED REPRESENTATIVES.** Scott Duffield, General Manager, at telephone number (805) 227-6230 is the representative of HRCSD and will administer this Agreement for and on behalf of HRCSD. Annaliese Torres, at telephone number (805) 547-0900, is the authorized representative for Consultant. Changes in designated representatives shall be made only after prior written notice to the other party.

**2. NOTICES.** Any notice or consent required or permitted to be given under this Agreement shall be given to the respective parties in writing, by first-class mail, postage prepaid, or otherwise delivered as follows:

**HRCSD:** Heritage Ranch Community Services District  
4870 Heritage Road  
Paso Robles, CA 93446  
Attn: Scott Duffield, General Manager  
Facsimile: (805) 227-6231  
Email: [scott@heritageranchcsd.ca.gov](mailto:scott@heritageranchcsd.ca.gov)

**CONSULTANT:** Rincon Consultants, Inc.  
1530 Monterey Street, Suite D  
San Luis Obispo, CA 93401  
Attn: Annaliese Torres  
Email: [atorres@rinconconsultants.com](mailto:atorres@rinconconsultants.com)

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or at such other address or to such other person that the parties may from time to time designate. Notices and consents under this section, which are sent by mail, shall be deemed to be received five (5) days following their deposit in the U.S. mail.

### **3. TASKS.**

A. Tasks of this Agreement are outlined in the attached Proposal:

1. The Scope of Services that shall be performed by Consultant are outlined in the attached Proposal as "Tasks".

2. The compensation schedules for services including reimbursable expenses are detailed in the attached Proposal.

3. This Agreement has a total Not-to-Exceed amount of \$34,518.30 for all Tasks as outlined in the attached Proposal.

B. The terms and conditions of this Agreement are incorporated into individual Tasks.

**4. SCOPE OF SERVICES.** Consultant agrees to provide the services and submit deliverables to HRCSD in accordance with the Proposal and this Agreement, subject to the direction of HRCSD as provided from time to time. Consultant represents and warrants that the Not-to-Exceed amount represented above will be sufficient to provide the services and submit the deliverables identified in the Proposal.

**5. TERM.** Consultant shall commence performance within five (5) days of HRCSD's Execution of Tasks and unless otherwise directed in writing by HRCSD or unless earlier terminated as provided in this Agreement, shall complete performance and make deliverable as provided in this Agreement and Proposal. Consultant and HRCSD may mutually agree to postpone the start of work on any individual Task without impacting the other Tasks.

### **6. COMPENSATION OF CONSULTANT.**

A. Consultant will be paid for the services provided to HRCSD in accordance with the schedule set forth in the Proposal and subject to the Not-to-Exceed amount.

B. Consultant shall submit invoices no more often than monthly for services performed and reimbursable expenses incurred. Each invoice shall identify the person providing the service, the services performed, a report on the services performed that at a minimum summarizes the meetings and conferences attended by Consultant on behalf of the District, and the corresponding Task.

C. HRCSD shall review each invoice submitted by Consultant to determine whether it accurately reflects the services performed and reimbursable expenses incurred

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in compliance with the provisions of this Agreement and the Task(s). In the event no charges or expenses are disputed, the invoice shall be approved and paid within thirty (30) days of receipt of the invoice. In the event HRCSD disputes any charge or expense, it shall return the original invoice to Consultant for correction and resubmission, however, the undisputed amount shall be paid as indicated above.

D. HRCSD shall not pay Consultant more than the Not-to-Exceed amount referenced in individual Tasks without the prior written authorization of the HRCSD. In order for HRCSD to increase the Not-to-Exceed amount, Consultant must identify and document how circumstances beyond its reasonable control have increased the time and/or costs of performing the services beyond the amounts identified in the Tasks. The HRCSD, in its sole discretion, may deny in part or in whole the request to increase the Not-to-Exceed amount, modify the Scope of Services, or approve the increase in the Not-to-Exceed amount.

E. Payment to Consultant shall be full compensation for all personnel, materials, supplies, and equipment used in carrying out the services.

F. Payment of an invoice by HRCSD shall not constitute acceptance of defective services, and HRCSD's failure to discover or object to any unsatisfactory services or billing prior to payment will not constitute a waiver of HRCSD's right to:

1. Require Consultant to correct such work or billings; or
2. Seek any other legal remedy.

G. HRCSD may withhold, or on account of subsequently discovered evidence nullify, the whole or a part of any payment to such extent as may be necessary to protect HRCSD from loss, including costs and attorneys' fees, on account of (1) defective or deficient work product not remedied; (2) subsequently discovered errors in invoices previously paid; (3) claims filed or reasonable evidence indicating probable filing of a claim or claims; (4) failure of Consultant to make payments properly to its employees or sub-consultants; or (5) Consultant's failure to adhere to the schedules or to achieve sufficient progress with the services such that Consultant is unlikely to achieve timely completion.

### **7. STATUS OF CONSULTANT.**

A. Consultant is and shall at all times remain a wholly independent contractor and not an officer, employee or agent of HRCSD. Consultant shall have no authority to bind HRCSD in any manner, nor to incur any obligation, debt or liability of any kind on behalf of or against HRCSD, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by HRCSD.

B. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither HRCSD, nor any elected or appointed boards, officers, officials, employees or agents of

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HRCSD, shall have control over the conduct of Consultant or any of Consultant's officers, employees or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that Consultant or any of Consultant's officers, employees, subcontractors, or agents are in any manner officials, officers, employees or agents of HRCSD.

C. Neither Consultant, nor any of Consultant's officers, employees, subcontractors, or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to HRCSD's employees. Consultant expressly waives any claim Consultant may have to any such rights.

### **8. PERFORMANCE STANDARDS.**

A. Compliance with laws. Consultant shall (and shall cause its agents and subcontractors), at its sole cost and expense, comply with all State and Federal ordinances, regulations, and statutes now in force or which may hereafter be in force with regard to the services referenced in individual Tasks, and this Agreement. The judgment of any court of competent jurisdiction, or the admission of Consultant in any action or proceeding against Consultant, whether HRCSD be a party thereto or not, that Consultant has violated any such ordinance or statute, shall be conclusive of that fact as between Consultant and HRCSD. Except as provided above any corrections to Consultant's services which become necessary as a result of the Consultant's failure to comply with these requirements shall be made at Consultant's expense.

B. Standard of Performance. Consultant represents that it has the skills, expertise, and licenses necessary to perform the services required under this Agreement and subsequently executed Tasks. Consultant shall perform all such services in the manner and according to the standards observed by professionals experienced in providing services identified in individual Tasks. All documents and services of whatsoever nature that Consultant delivers to HRCSD pursuant to this Agreement and individual Tasks shall conform to the standards of quality normally observed by professionals experienced in providing services identified in individual Tasks. Consultant shall promptly correct or revise any errors or omissions at HRCSD's request without additional compensation. Licenses required to perform such services shall be obtained and maintained by Consultant without additional compensation throughout the term of this Agreement.

**9. FAMILIARITY WITH SERVICES TO BE PERFORMED.** By entering into this Agreement, Consultant represents that Consultant, (a) has thoroughly investigated and considered the Scope of Services referenced in Tasks to be performed; (b) has carefully considered how the services should be performed; (c) fully understands the difficulties and restrictions attending performance of the services under this Agreement; and (d) that the Not-to-Exceed amount is adequate for the services to be performed by Consultant.

**10. TAXES.** Consultant shall pay all taxes, assessments and premiums under the federal Social Security Act, any applicable unemployment insurance contributions,

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Workers Compensation insurance premiums, sales taxes, use taxes, personal property taxes, or other taxes or assessments now or hereafter in effect and payable by reason of or in connection with the services to be performed by Consultant.

**11. CONFLICT OF INTEREST.** Consultant covenants that neither it, nor any officer or principal of its firm, or subcontractors retained by Consultant has, or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of HRCSD for Task Order work or which would in any way hinder Consultant's performance of services under this Agreement or Tasks. Consultant further covenants that in the performance of the services, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the prior express written consent of the HRCSD Manager. Consultant agrees to at all times avoid conflicts of interest, or the appearance of any conflicts of interest, with the interests of the HRCSD in the performance of the services pursuant to individual Tasks.

**12. RESPONSIBILITIES OF HRCSD.** HRCSD shall provide all information reasonably necessary by Consultant in performing the services provided herein.

**13. OWNERSHIP OF DOCUMENTS.** All reports, documents, drawings, photographs, videotape, specifications, data, and other instruments of professional service, in paper and electronic form, whether in draft or final, prepared by Consultant during the performance of this Agreement (the "Documents") shall be and become the property of HRCSD. Consultant shall deliver the Documents to the HRCSD promptly upon completion of the services or termination of this Agreement, for any reason, whichever shall occur first.

**14. RECORDS, AUDIT AND REVIEW.** Consultant and Consultant's subcontractors shall keep such business records pursuant to this Agreement as would be kept by a reasonably prudent practitioner of Consultant's profession and shall maintain such records for at least four (4) years following the termination of this Agreement. All accounting records shall be kept in accordance with generally accepted accounting practices. HRCSD shall have the right to audit and review all such documents and records at any time during Consultant's regular business hours or upon reasonable notice.

### **15. INDEMNIFICATION**

A. To the fullest extent permitted by law, Consultant shall defend, (with legal counsel reasonably acceptable to the HRCSD) indemnify and hold harmless HRCSD and its officers, agents, departments, officials, representatives and employees (collectively "Indemnitees") from and against any and all claims, loss, cost, damage, injury (including, without limitation, injury to or death of an employee of Consultant or its subconsultants), expense and liability of every kind, nature and description (including, without limitation, fines, penalties, incidental and consequential damages, court costs, attorney's fees, litigation expenses and fees of expert consultants or expert witnesses incurred in connection therewith, and costs of investigation), to the extent that they arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Consultant,

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any subconsultant, anyone directly or indirectly employed by them, or anyone that they control (collectively "Liabilities") in performing services pursuant to Tasks. Such obligations to defend, hold harmless and indemnify any Indemnitee shall not apply to the extent that such Liabilities are caused by the sole negligence, or willful misconduct of such Indemnitee.

B. Neither termination of this Agreement or completion of the services referenced in individual Tasks under this Agreement shall release Consultant from its obligations referenced in subsection A, above, as to any claims, so long as the event upon which such claims is predicated shall have occurred prior to the effective date of any such termination or completion and arose out of or was in any way connected with performance or operations under this Agreement by Consultant, its employees, agents or consultants, or the employee, agent or consultant of any one of them.

C. Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth in this section from each and every subconsultant or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement and individual Tasks. If Consultant fails to obtain such indemnity obligations from others as required, Consultant shall be fully responsible for all obligations under this Section. HRCSD's failure to monitor compliance with this requirement imposes no additional obligations on HRCSD and will in no way act as a waiver of any rights hereunder. The obligation to indemnify and defend HRCSD as set forth herein is binding on the successors, assigns or heirs of Consultant and shall survive the termination of this Agreement or this section.

D. Submission of insurance certificates or submission of other proof of compliance with the insurance requirements in the Agreement does not relieve Consultant from liability referenced in this Section 15. The obligations of this Section 15 shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

### **16. INSURANCE.**

A. Consultant and its subconsultants shall procure and maintain insurance with companies authorized to do business in the State of California and assigned an A.M. Best's rating of no less than A-(IX), the following insurance coverage on an "occurrence basis", written on the ISO form shown below (or its equivalent) at the limits of liability specified for each:

General Liability Insurance	(ISO Form CG001 11/85)
including coverage for premises, products and completed operations, independent Consultants/vendors, personal injury and contractual obligations with combined single limits of coverage of at least	\$ 1 Million per occurrence. \$ 2 Million in the aggregate
Workers' Compensation Insurance*	Statutory



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Employer's Liability Insurance	\$ 1 Million policy limit
Professional Liability Insurance or	\$ 1 Million per claim
Errors and Omissions Insurance	\$ 1 Million in the aggregate
* Required if/when the Consultant has employees	

B. To the extent Consultant or its employees and agents use personal automobiles in any way performing services contemplated by this Agreement, Consultant represents and warrants that evidence of personal auto liability coverage for each person shall be maintained at commercially reasonable levels.

C. The General and Commercial Automobile liability policies shall be endorsed to include the following:

(1) HRCSD, its officers, directors, employees and agents shall be named as Additional Insureds using an endorsement appropriate for design professionals; and

(2) The coverage afforded HRCSD shall be primary and non-contributing with any other insurance maintained by HRCSD.

(3) If not covered separately under a business automobile liability policy, the general liability policy shall also be endorsed to include non-owned and hired automobile liability.

D. Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant and "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend. The policy retroactive date shall be on or before the effective date of this Agreement.

E. Prior to commencing work under this Agreement, Consultant shall provide HRCSD with Certificates of Insurance evidencing compliance with the foregoing requirements, accompanied by copies of the required endorsements. Certificates of Insurance for commercial general liability, automobile liability, employer's liability, and professional liability insurance shall specify that the Consultant shall give HRCSD thirty (30) days advance written notice by the insurer prior to cancellation of the policy except ten (10) days for nonpayment of premium. Consultant shall give HRCSD fifteen (15) days advance written notice prior to cancellation of the workers' compensation policy except seven (7) days for nonpayment of premium.

F. All insurance coverage required hereunder shall be kept in full force and effect for the term of this Agreement. Professional liability insurance shall be maintained for an additional, uninterrupted period of three (3) years after termination of this Agreement, provided such insurance is commercially available at rates reasonably comparable to those currently in effect. Certificates of Insurance evidencing renewal of the required coverage shall be provided within ten (10) days of the expiration of any policy

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at any time during the period such policy is required to be maintained by Consultant hereunder. Any failure to comply with this requirement shall constitute a material breach of this Agreement.

G. All insurance coverage and limits provided by Consultant and available or applicable to this Agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the HRCSD or its operations limits the application of such insurance coverage.

H. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to HRCSD and approved of in writing.

I. No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any contractor or subcontractor.

J. Consultant agrees to provide immediate notice to HRCSD of any claim or loss against Consultant arising out of the work performed under this Agreement. HRCSD assumes no obligation or liability by such notice but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve HRCSD.

### **17. PERSONNEL.**

A. The Consultant represents that it has, or will secure at its own expense, all personnel, sub-consultants and/or subcontractors required in performing the services under this Agreement. All of the services required hereunder will be performed by the Consultant or under Consultant's supervision, and all personnel engaged in the work shall be qualified to perform such services.

B. Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's employees, associates and subconsultants assigned to perform the services required under this Agreement.

### **18. TERMINATION.**

A. If Consultant at any time refuses or neglects to perform the services in a timely fashion or in accordance with the schedule referenced in Tasks, or is adjudicated a bankrupt, or commits any act of insolvency, or makes an assignment for the benefit of creditors without HRCSD's written consent, or fails to make prompt payment to persons furnishing labor, equipment, or materials, or fails in any respect to properly and diligently prosecute the services, or otherwise fails to perform fully any and all of the Agreements herein contained, Consultant shall be in default.

B. If Consultant fails to cure the default within seven (7) days after written notice thereof, HRCSD may, at its sole option, take possession of any documents, files (including CAD and other electronic files), or other materials prepared or used by

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Consultant in connection with the services and, (a) provide any such services, labor, or materials as may be necessary to overcome the default and deduct the cost thereof from any money then due or thereafter to become due to Consultant under this Agreement; or (b) terminate Consultant's right to proceed with the services.

C. In the event HRCSD elects to terminate this Agreement, HRCSD shall have the right to immediate possession of all Documents and other work in progress prepared by or on behalf of Consultant, whether located at the District Office, at Consultant's place of business, or at the offices of a subcontractor, and may employ any other person or persons to provide the services and provide the materials therefore. In case of such default termination, Consultant shall not be entitled to receive any further payment under this Agreement until the services are completely finished. At that time, if the unpaid balance of the amount to be paid under this Agreement exceeds the expenses incurred by HRCSD in obtaining services, such excess shall be paid by HRCSD to Consultant, but, if such expense shall exceed such unpaid balance, then Consultant shall promptly pay to HRCSD the amount by which the expenses exceeds the unpaid balance. The expense referred to in the last sentence shall include expenses incurred by HRCSD in obtaining the services from others, for attorneys' fees, and for any damages sustained by HRCSD by reason of Consultant's default or defective services.

D. In addition to the foregoing right to terminate for default, HRCSD reserves the absolute right to terminate the services authorized by this Agreement without cause ("Terminate for Convenience"), upon 72-hours' written notice to Consultant. In the event of termination without cause, Consultant shall be entitled to payment in an amount not to exceed the Not-to-Exceed amount referenced in Tasks, which shall be calculated as follows: (1) Payment for any services then satisfactorily completed and accepted by HRCSD, plus (2) reimbursable costs actually incurred by Consultant; plus (3) reasonable termination costs incurred by Consultant solely on account of the termination for convenience. There shall be deducted from such sums as provided in this section the amount of any payment made to Consultant prior to the date of termination of the services. Consultant shall not be entitled to any claim or lien against HRCSD or the proposed project for any additional compensation or damages in the event of such termination and payment. In addition, the HRCSD's right to hold funds pursuant to Section 6 G shall be applicable in the event of a termination for convenience.

E. If this Agreement is terminated by HRCSD for default and it is later determined that the default termination was wrongful, such termination automatically shall be converted to and treated as a Termination for Convenience under Section D, above, and Consultant shall be entitled to receive only the amounts payable hereunder in the event of a Termination for Convenience.

F. Should HRCSD fail to pay Consultant undisputed payments set forth in Section 6 above, Consultant may, at Consultant's option, suspend its services if such failure is not remedied by HRCSD within thirty (30) days of written notice to HRCSD of such late payment.

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**19. BREACH OF LAW.** In the event the Consultant or any of its officers, directors, shareholders, employees, agents, subsidiaries or affiliates is convicted (i) of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of a contract or subcontract; (ii) under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a public consultant or Consultant; (iii) under state or federal antitrust statutes arising out of the submission of bids or proposals; or (iv) of violation of Paragraphs 11, 23, 24, 25 of this Agreement; or for any other cause the HRCSD determines to be so serious and compelling as to affect Consultant's responsibility as a public consultant or Consultant, including but not limited to, debarment by another governmental agency, then the HRCSD reserves the unilateral right to terminate this Agreement, seek indemnification and/or to impose such other sanctions (which may include financial sanctions, temporary suspensions or any other condition deemed appropriate short of termination) as it deems proper.

## **20. DISPUTE RESOLUTION.**

A. The parties agree in good faith to attempt to resolve amicably, without litigation, any dispute arising out of or relating to this agreement. In the event that any dispute cannot be resolved through direct discussions, the parties agree to endeavor to settle the dispute by mediation. Either party may make a written demand for mediation, which demand shall specify the facts of the dispute. The matter shall be submitted to a mediator who shall hear the matter and provide an informal nonbinding opinion and advice in order to help resolve the dispute. The mediator's fee shall be shared equally by the parties. If the dispute is not resolved through mediation, the matter may be submitted to the judicial system, in which event all litigation and collection expenses, witness fees, court costs and attorneys' fees shall be paid to the prevailing party.

B. No claim, potential claim, dispute or controversy, except non-payment by HRCSD of undisputed amounts, shall interfere with the progress and performance of the services referenced in Tasks, or any changes thereto, and Consultant shall proceed as directed by the HRCSD in all instances with its services, including any disputed services, or any changes thereto and any failure of Consultant to proceed shall be deemed a material breach of this Agreement entitling HRCSD to all remedies available under Section 19 or other provision of the Agreement and/or applicable law. Except as provided elsewhere in this Agreement, HRCSD shall continue to make payments in accordance with the Agreement.

**21. HRCSD NOT OBLIGATED TO THIRD PARTIES.** HRCSD shall not be obligated or liable for payment hereunder to any party other than the Consultant.

**22. NON-DISCRIMINATION.** Consultant shall not discriminate in any way against any person on the basis of race, color, religious creed, national origin, ancestry, sex, age, physical handicap, medical condition or marital status in connection with, or related to, the performance of this Agreement.

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**23. UNAUTHORIZED ALIENS.** Consultant hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, et. seq., as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Consultant so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement and should the any liability or sanctions be imposed against HRCSD for such use of unauthorized aliens, Consultant hereby agrees to and shall reimburse HRCSD for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by HRCSD. Consultant shall comply with all the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, et seq., as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein.

**24. CONFIDENTIAL INFORMATION; RELEASE OF INFORMATION.**

A. All information gained, or work product produced by Consultant in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Consultant. Consultant shall not release or disclose any such information or work product to persons or entities other than HRCSD without prior written authorization from the District Manager, except as may be required by law.

B. Consultant, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the District Manager or unless requested by the District Legal Counsel of HRCSD, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives HRCSD notice of such court order or subpoena.

C. If Consultant, or any officer, employee, agent or subcontractor of Consultant, provides any information or work product in violation of this Agreement, then HRCSD shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorney's fees, caused by or incurred as a result of Consultant's conduct.

D. Consultant shall promptly notify HRCSD should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed there-under. HRCSD retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with HRCSD and to provide HRCSD with the opportunity to review any response to discovery requests provided by Consultant. However, this right to review any such response does not imply or mean the right by HRCSD to control, direct, or rewrite said response.

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**25. ASSIGNMENT.** The expertise and experience of Consultant are material considerations for this Agreement. HRCSD has an interest in the qualifications of and capability of the persons and entities who will fulfill the duties and obligations imposed upon Consultant under this Agreement. In recognition of that interest, Consultant shall not assign or transfer this Agreement or any portion of this Agreement or the performance of any of Consultant's duties or obligations under this Agreement without the prior written consent of the District Board of Directors. Any attempted assignment shall be ineffective, null and void, and shall constitute a material breach of this Agreement entitling HRCSD to any and all remedies at law or in equity, including summary termination of this Agreement. HRCSD acknowledges, however, that Consultant, in the performance of its duties pursuant to this Agreement, may utilize subcontractors.

**26. NOT USED**

**27. SECTION HEADINGS.** The headings of the several sections, and any table of contents appended hereto, shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof.

**28. SEVERABILITY.** If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

**29. REMEDIES NOT EXCLUSIVE.** Except for disputes related solely to the payment for services performed by Consultant, no remedy herein conferred upon or reserved to the Parties is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

**30. NONEXCLUSIVE AGREEMENT.** Consultant understands that this is not an exclusive Agreement and that HRCSD shall have the right to negotiate with and enter into contracts with others providing the same or similar services as those provided by Consultant as the HRCSD desires.

**31. NOT USED**

**32. NON-LIABILITY OF DISTRICT OFFICERS AND EMPLOYEES.** No officer or employee of HRCSD will be personally liable to Consultant, in the event of any default or breach by the HRCSD or for any amount that may become due to Consultant.

**33. INTERPRETATION OF THIS AGREEMENT.** The parties acknowledge that each party and its attorney had the opportunity to review, negotiate and revise this Agreement and that the normal rule of construction to the effect that any ambiguities are to be

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resolved against the drafting party shall not be employed in the interpretation of this Agreement or any document executed and delivered by any party in connection with the obligations contemplated by this Agreement.

**34. TIME IS OF THE ESSENCE.** Time is of the essence in this Agreement and each covenant and term is a condition herein.

**35. NO WAIVER OF DEFAULT.** No delay or omission of HRCSD to exercise any right or power arising upon the occurrence of any event of default shall impair any such right or power or shall be construed to be a waiver of any such default of an acquiescence therein; and every power and remedy given by this Agreement to HRCSD shall be exercised from time to time and as often as may be deemed expedient in the sole discretion of HRCSD.

**36. ENTIRE AGREEMENT AND AGREEMENT.** In conjunction with the matters considered herein, this Agreement contains the entire understanding and Agreement of the parties and there have been no promises, representations, Agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature hereafter binding except as set forth herein. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the parties to this Agreement and by no other means. Each party waives their future right to claim, contest or assert that this Agreement was modified, canceled, superseded, or changed by any oral Agreements, course of conduct, waiver or estoppel.

**37. SUCCESSORS AND ASSIGNS.** All representations, covenants and warranties set forth in this Agreement, by or on behalf of, or for the benefit of any or all of the parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.

**38 CALIFORNIA LAW.** This Agreement shall be governed by the laws of the State of California. Any litigation regarding this Agreement or its contents shall be filed in the County of San Luis Obispo, if in state court, or in the federal court nearest to San Luis Obispo County, if in federal court.

**39. EXECUTION OF COUNTERPARTS.** This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

**40. PRECEDENCE.** In the event of a conflict between the Tasks and this Agreement, the provisions of this Agreement shall control.

**41. RECITALS.** Recitals A through B are incorporated herein by reference as though set forth at length.

Attachment A

**42. AUTHORITY TO EXECUTE.** All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles, and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity (ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Furthermore, by entering into this Agreement, Consultant hereby warrants that it shall not have breached the terms or conditions of any other contract or Agreement to which Consultant is obligated, which breach would have a material effect hereon.

**IN WITNESS WHEREOF**, the parties have executed this Agreement to be effective on the date executed by the HRCSD.

CONSULTANT

By: \_\_\_\_\_  
Annaliese Torres, Project Manager

Date: \_\_\_\_\_

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

By: \_\_\_\_\_  
Scott Duffield, General Manager

Date: \_\_\_\_\_



# Attachment A



**Rincon Consultants, Inc.**  
1530 Monterey Street, Suite D  
San Luis Obispo, California 93401  
805-547-0900

October 21, 2024  
Rincon Project No. 24-16883

Scott B. Duffield, General Manager  
Heritage Ranch Community Services District  
4870 Heritage Road  
Paso Robles, California 93446  
Via email: [scott@heritageranchcsd.ca.gov](mailto:scott@heritageranchcsd.ca.gov)

**Subject: Proposal to Provide Revised CEQA and NEPA Documentation for the Heritage Ranch Water Resource Recovery Facility Project, San Luis Obispo County, CA**

Dear Mr. Duffield:

Rincon Consultants, Inc. (Rincon) is submitting this proposal to provide updated California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) documentation for the Heritage Ranch Community Services District's (District) Heritage Ranch Water Resource Recovery Facility Project (herein referred to as "project") located in unincorporated San Luis Obispo County, California. Rincon completed a Biological Resources Assessment, Cultural Resources Assessment, Paleontological Resources Assessment, and Federal Clean Air Act Conformity Applicability Analysis for the project between September and November 2023, and the District Board of Directors adopted the Final Initial Study-Mitigated Negative Declaration (IS-MND) for the project in January 2024. Pursuant to direction provided by Al Correale, Programs Specialist for San Luis Obispo, Santa Barbara, Ventura Counties of the United States Department of Agriculture (USDA) Rural Development department on September 30, 2022, Rincon also prepared a USDA "Exhibit B" Environmental Report to support the project's NEPA documentation, which was submitted in November 2023. Since that time, the project design has been modified such that additional areas within the existing Water Reclamation Facility boundary would be impacted by the proposed project (herein referred to as "proposed project modifications"). In addition, on October 10, 2024, Mr. Correale indicated USDA now requires preparation of a full Environmental Report (rather than the streamlined "Exhibit B") to satisfy the project's NEPA documentation requirements.

The following proposal describes our proposed approach, a schedule for completion of the scope of work, and our cost proposal for the assignment.

## Scope of Work

### Task 1 Updated Technical Studies

#### Task 1.1 Updated Biological Resources Assessment

Rincon will update the Biological Resources Assessment, dated November 2023, to reflect the expanded project site boundary. For cost efficiency, photos of existing conditions within the expanded project site boundaries will be taken during the supplemental cultural resources pedestrian survey conducted under Task 1.2 and will be reviewed by a Rincon biologist to determine the presence of and potential to occur for regulated biological resources. Updates to the Biological Resources Assessment will include the following:



# Attachment A

Heritage Ranch Community Services District  
**Proposal to Provide Revised CEQA and NEPA Documentation for the  
Heritage Ranch Water Resource Recovery Facility Project**

- Revisions to the Project Description
- Revisions to figures illustrating revised Action Area/Study Area (Figures 2, 3, and 6)
- Updates to Section 3 (Existing Environment), Section 4 (Sensitive Biological Resources), and Section 5 (Impact Analysis and Mitigation Measures), as needed
- Updates to Appendix C (Special Status Species Evaluation Tables), as needed
- Updates to Appendix D (Floral and Faunal Compendium)
- Updates to Appendix E (Site Photographs)

## **Task 1.2 Updated Cultural Resources Assessment**

Rincon will update the Cultural Resources Assessment, dated September 2023, to reflect the expanded project site boundary. A supplemental pedestrian survey will be completed to document existing conditions within the expanded project site boundaries. Updates to the Cultural Resources Assessment will include the following:

- Revising the Project Description
- Revisions to figures illustrating revised Project Area of Potential Effects (Figures 2 and 3)
- Revisions to Executive Summary
- Revisions to Sections 4 (Methods) and Section 5 (Findings)

No updates to the cultural resources records search, Sacred Lands File search, or Section 106 outreach letters are anticipated to be necessary because the project site boundary originally used to conduct these tasks encompassed the expanded project site boundary.

## **Task 1.3 Updated Paleontological Resources Assessment**

Rincon will update the Paleontological Resources Assessment, dated November 2023, to reflect the expanded project site boundary. These updates will consist of the following:

- Revising the Project Description
- Revisions to figures illustrating revised project location (Figures 2 and 4)

No updates to the impacts analysis or mitigation measures are anticipated to be necessary because the expanded project site boundary overlies the same geologic unit as the original project site boundary.

## **Task 1.4 Updated Federal Clean Air Act Conformity Applicability Analysis**

Rincon will update the Federal Clean Air Act Conformity Applicability Analysis, dated November 2023, to reflect the expanded project site boundary. These updates will consist of the following:

- Revising the description of the Proposed Action
- Updating the estimated construction schedule

No revisions to the air quality modeling will be completed because no changes to the construction and operational parameters of the project are included in the proposed project modifications.



## Attachment A

Heritage Ranch Community Services District  
**Proposal to Provide Revised CEQA and NEPA Documentation for the  
Heritage Ranch Water Resource Recovery Facility Project**

### Task 2 IS-MND Addendum

Rincon will prepare an Addendum to the Final IS-MND adopted in January 2024 that evaluates the environmental impacts of project development within the expanded site boundary. An IS-MND Addendum is the appropriate document when minor technical changes or additions to a proposed project are necessary or none of the conditions described in CEQA Guidelines Section 15162 calling for the preparation of a Subsequent IS-MND have occurred. Based on the description of the proposed project modifications and the anticipated lack of new significant impacts compared to what is identified in the Final IS-MND, an Addendum to the IS-MND appears to be the appropriate document under CEQA for the proposed project.

The Addendum will compare the impacts of the proposed project modifications to those evaluated in the Final IS-MND. It is presumed the analysis will find the proposed project modifications would not have new significant environmental effects and would not increase the severity of previously identified significant environmental effects outlined in the IS-MND. If this turns out not to be the case, we will notify the District immediately to discuss an appropriate course of action.

The Addendum will include an Introduction section, which will contain a brief description of the Final IS-MND as well as the originally proposed project and explain the relationship of the Addendum to this previous analysis in addition to a description of the required contents and applicability of preparing an Addendum. Rincon will draft a Project Description based on information provided by the District regarding the proposed project modifications and submit it for review and input by the District. Rincon will then draft a brief (10 pages or less) impacts analysis describing the difference in impacts between those identified in the Final IS-MND and those anticipated for the proposed project as modified. This analysis will focus on biological, cultural, and paleontological resources; emergency access; and noise since these are the issue areas for which the Final IS-MND includes mitigation measures. The Addendum will also incorporate the results of the updated technical studies prepared under Task 1. No new or updated quantitative modeling will be completed for energy, greenhouse gas emissions, or noise. The analysis will also discuss the applicability of the mitigation measures identified in the Final IS-MND to the proposed project as modified.

Following review of the Draft Addendum by the District, Rincon will prepare a Final Addendum, updated Mitigation Monitoring and Reporting Program (MMRP), and a Notice of Determination (NOD). Upon adoption of the Final Addendum and approval of the proposed project by the District, Rincon will file the NOD with the San Luis Obispo County Clerk and State Clearinghouse.

Rincon does not anticipate follow-up Assembly Bill 52 tribal consultation will be necessary because the project site boundary used in the AB 52 consultation efforts initially conducted by the District in 2022 encompassed the expanded project site boundary and no specific tribal cultural resources were identified at that time.

### Task 3 USDA Environmental Report

Rincon will utilize the updated technical studies prepared under Task 1, the Final IS-MND, the IS-MND Addendum prepared under Task 2, and the USDA Exhibit B Environmental Report previously prepared in November 2023 to prepare an expanded version of the USDA Environmental Report for Categorical Exclusion, as requested by Mr. Correale. The Environmental Report will include the following sections: Project Description and Location, Land Ownership and Land Use, Historic Preservation, Threatened and Endangered Species/Biological Resources, Wetlands, Floodplains, Coastal Areas, Important Farmland, Environmental Risk Management, Water Quality, Other Resources (Air Quality, Key Water Resource Areas, Coral Reef Ecosystems), and References. Rincon will also update the various maps



# Attachment A

Heritage Ranch Community Services District  
**Proposal to Provide Revised CEQA and NEPA Documentation for the  
Heritage Ranch Water Resource Recovery Facility Project**

required by USDA (i.e., geologic maps, formally classified lands map, National Wetlands Inventory map, Federal Emergency Management Agency FIRM map, Important Farmland Map, and ozone attainment map) to reflect the expanded project boundary and to remove the replacement effluent pipeline and spray field components, which are no longer part of the currently proposed project.

## Task 4 Project Management

Under Task 4, Rincon will provide overall project management and coordination. It is anticipated that up to three coordination calls (estimated at 30 minutes each) with the District will occur to ensure regular communication and status updates.

## Assumptions

A number of assumptions have been utilized in characterizing this scope of work and associated cost estimate. These assumptions are listed below. Should any of these assumptions need to be adjusted during execution of the project, the scope and cost may need to be expanded.

- The project is subject to CEQA with the District as the lead agency and NEPA with USDA as the federal lead agency.
- The expanded project site boundary only affects the proposed project activities at the District's wastewater treatment plant. No changes have been made to proposed project activities related to the spray field or the replacement effluent pipeline.
- No access issues will be encountered during the field survey.
- Rincon is not responsible for delays due to weather, site conditions (e.g., prohibited access, flooding, fire, safety) or other conditions out of Rincon's control.
- A separate biological resources reconnaissance survey will not be conducted.
- No special status or sensitive biological resources or cultural resources will be identified within the expanded project site boundary during the field survey. Should such resources be identified, additional work associated with their documentation and evaluation may be conducted under a cost amendment.
- No archaeological testing or evaluation will be conducted, and no archaeological artifacts, samples, or specimens will be collected.
- The updated Biological Resources Assessment will utilize the results of the 2023 literature and database review to evaluate potential impacts within the expanded project site boundary.
- The construction and operational parameters of the project remain generally similar to those described in the Final IS-MND.
- No new or substantially more severe significant impacts will be identified for the proposed project modifications as compared to those disclosed in the Final IS-MND.
- The Addendum will not be circulated for public review.
- The San Luis Obispo County Clerk filing fee for the NOD will not exceed \$50. Payment of a California Department of Fish and Wildlife filing fee for the NOD will not be required because the District previously paid this fee when the NOD for the Final IS-MND was filed.
- All deliverables will be provided electronically in PDF and/or Word format. This scope of work assumes we will respond to one round of comments from the District on each deliverable. We will also respond to one round of comments from USDA on the Environmental Report. We assume comments will be provided as a consolidated set in editable electronic format (i.e., as tracked



# Attachment A

## Heritage Ranch Community Services District Proposal to Provide Revised CEQA and NEPA Documentation for the Heritage Ranch Water Resource Recovery Facility Project

changes in MS Word). Following review, each deliverable will be finalized and submitted in electronic (PDF) format.

- Attendance at public hearings, such as Board of Directors meetings, for the project is not included in this scope of work. If desired, Rincon can attend public hearings for additional scope and cost.

### Cost

As shown in Table 1, our estimated cost to complete the above scope of work is **\$34,518.30**.

**Table 1 Cost Summary**

Task	Estimated Cost
<b>Task 1 Updated Technical Studies</b>	
Task 1.1 Updated Biological Resources Assessment	\$4,967.00
Task 1.2 Updated Cultural Resources Assessment	\$4,592.00
Task 1.3 Updated Paleontological Resources Assessment	\$1,513.50
Task 1.4 Updated Federal Clean Air Act Conformity Applicability Analysis	\$1,299.00
<b>Task 2 IS-MND Addendum</b>	\$9,856.80
<b>Task 3 USDA Environmental Report</b>	\$8,589.00
<b>Task 4 Project Management</b>	\$3,701.00
<b>Total</b>	<b>\$34,518.30</b>

**Professional Services** – This cost estimate is based on Rincon's standard fee schedule and labor classifications. The above is provided as an estimate of Rincon's effort per task. Rincon may reallocate budget between staff and tasks, as long as the total contract price is not exceeded.

**Annual Escalation** – Rates subject to annual escalation consistent with Rincon's standard fee schedule.

**Schedule** - This cost estimate assumes a six-month timeframe for implementation of this scope of work, to occur between November 2024 and December 2025.

Thank you for your consideration and for this opportunity to support your project. If you have any questions regarding this proposal, please contact Annaliese Torres at 657-999-8337 or [atorres@rinconconsultants.com](mailto:atorres@rinconconsultants.com).

Sincerely,  
**Rincon Consultants, Inc.**

Annaliese Torres  
Senior Environmental Planner/Project Manager

Jennifer Haddow, PhD  
Vice President

### Attachments

Attachment 1 Rincon 2024 Standard Fee Schedule



**Standard Fee Schedule for Environmental Sciences and Planning Services**

Professional, Technical and Support Personnel*	Hourly Rate			
	January 1 – December 31, 2024	January 1 – December 31, 2025	January 1 – December 31, 2026	January 1 – December 31, 2027
Senior Principal	\$319	\$330	\$342	\$366
Principal	\$307	\$318	\$329	\$353
Director	\$307	\$318	\$329	\$353
Senior Supervisor II	\$292	\$302	\$313	\$335
Supervisor I	\$272	\$282	\$292	\$313
Senior Professional II	\$255	\$264	\$273	\$293
Senior Professional I	\$238	\$246	\$255	\$273
Professional IV	\$211	\$218	\$226	\$242
Professional III	\$196	\$203	\$210	\$225
Professional II	\$174	\$180	\$186	\$200
Professional I	\$155	\$160	\$166	\$178
Associate III	\$130	\$135	\$140	\$150
Associate II	\$117	\$121	\$125	\$134
Associate I	\$109	\$113	\$117	\$125
Field Technician	\$94	\$97	\$100	\$108
Data Solutions Architect	\$196	\$203	\$210	\$225
Senior GIS Specialist	\$187	\$194	\$201	\$215
GIS/CADD Specialist II	\$167	\$173	\$179	\$191
GIS/CADD Specialist I	\$150	\$155	\$160	\$172
Technical Editor	\$147	\$152	\$157	\$168
Project Accountant	\$125	\$129	\$134	\$144
Billing Specialist	\$107	\$111	\$115	\$123
Publishing Specialist	\$120	\$124	\$128	\$137
Clerical	\$107	\$111	\$115	\$123

\* Professional classifications include environmental scientists, urban planners, biologists, geologists, marine scientists, GHG verifiers, sustainability experts, cultural resources experts, and other professionals. Expert witness services consisting of depositions or in-court testimony are charged at the hourly rate of \$400.

**Reimbursable Expenses**

Direct Cost	Rates
Photocopies – B/W	\$0.25 (single-sided), \$0.45 (double-sided)
Photocopies – Color	\$1.55 (single-sided), \$3.10 (double-sided)
Photocopies – 11” by 17”	\$0.55 (B/W), \$3.40 (color)
Oversized Maps	\$8.50/square foot
Digital Production	\$15/CD, \$20/flash drive
Light-Duty and Passenger Vehicles*	\$90/day
4WD and Off-Road Vehicles*	\$150/day

\*Current IRS mileage rate for mileage over 50 and for all miles incurred in employee-owned vehicles.

**Other Direct Costs.** Other direct costs associated with the execution of a project, that are not included in the hourly rates above, are billed at cost plus 16%. These may include, but are not limited to, laboratory and drilling services, subcontractor services, authorized travel expenses, permit charges and filing fees, mailings and postage, performance bonds, sample handling and shipment, rental equipment, and vehicles other than covered by the above charges.

**Annual Escalation.** Standard rates subject to 3.5% annual escalation, on January 1.

**Payment Terms.** All fees will be billed to Client monthly and shall be due and payable upon receipt or as indicated in the contract provisions for the assignment. Invoices are delinquent if not paid within 10 days from receipt or per the contractually required payment terms.



Equipment	Rate
<b>Environmental Site Assessment</b>	
Soil Vapor Extraction Monitoring Equipment	\$160
Four Gas Monitor	\$137
Flame Ionization Detector	\$110
Photo Ionization Detector	\$82
Hand Auger Sampler	\$62
Water Level Indicator, DC Purge Pump	\$46
CAPDash	\$7,500
<b>Natural Resources Field Equipment</b>	
UAS Drone	\$300
Spotting or Fiberoptic Scope	\$170
Petterson Bat Ultrasound Detector/Recording Equipment	\$170
Sound Level Metering Field Package (Anemometer, Tripod and Digital Camera)	\$113
GPS (Sub-meter Accuracy)	\$67
Infrared Sensor Digital Camera or Computer Field Equipment	\$57
Scent Station	\$23
Laser Rangefinder/Altitude	\$11
Pit-fall Traps, Spotlights, Anemometer, GPS Units, Sterilized Sample Jar	\$9
Mammal Trap, Large/Small	\$1.55/\$0.55
<b>Water and Marine Resources Equipment</b>	
Boat (20 ft. Boston Whaler or Similar)	\$800
Multi Parameter Sonde (Temp, Cond, Turbidity, DO, pH) with GPS	\$170
Water Quality Equipment (DO, pH, Turbidity, Refractometer, Temperature)	\$62
Refractometer (Salinity) or Turbidity Meter	\$38
Large Block Nets	\$114
Minnow Trap	\$98
Net, Hand/Large Seine	\$57
<b>Field Equipment Packages</b>	
Standard Field Package (Digital Camera, GPS, Thermometer, Binoculars, Tablet, Safety Equipment, and Botanic Collecting Equipment)	\$114
Remote Field Package (Digital Camera, GPS, Thermometer, Binoculars, Tablet and Mifi, Delorme Satellite Beacon, 24-Hour Safety Phone)	\$144
Amphibian/Vernal Pool Field Package (Digital Camera, GPS, Thermometer, Decon Chlorine, Waders, Float Tube, Hand Net, Field Microscope)	\$170
Fisheries Equipment Package (Waders, Wetsuits, Dip Nets, Seine Nets, Bubblers, Buckets)	\$57
Underwater and Marine Sampling Gear (U/W Photo/Video Camera, Scuba Equipment (Tanks, BCD, Regulators, Wetsuits, etc.)	\$57/diver
Marine Field Package (PFDs – Personal Flotation Devices, 100-foot Reel Tapes with Stainless Carabiners, Pelican Floats, Underwater Slates, Thermometer, Refractometer, Anemometer, Various Field Guides)	\$100
<b>Insurance, Hazard and Fees</b>	
Historic Research Fees	\$55
L&H Dive Insurance	\$57/diver
Level C Health and Safety	\$70/person

**HERITAGE RANCH CSD**  
**Wastewater Interim Financing**  
**Scenario 1: No Capitalized Interest, No Reimbursement**  
**October 10, 2024**

<b>FINANCING SUMMARY</b>	<b>Interim Loan 1</b>	<b>Interim Loan 2</b>	<b>USDA Takeout Loan 40 Year Term (3)</b>
Anticipated Closing Date	6/1/2025	6/1/2026	6/1/2028
Financing Amount	\$11,000,000	\$8,324,000	\$19,434,000
Project Fund	\$10,815,000	\$8,168,930	\$19,324,000
Capitalized Interest	\$0	\$0	n/a
Cost of Issuance	\$185,000	\$155,070	\$110,000
True Interest Cost (1)	4.50%	4.50%	3.625%
Final Maturity	6/1/2028	6/1/2028	6/1/2068
<b>DEBT SERVICE</b>			
FY 25-26 Interest Payment	\$495,000		
<b>Total</b>	<b>\$495,000</b>		
FY 26-27 Interest Payment	\$495,000	\$374,580	
<b>Total</b>		<b>\$869,580</b>	
FY 27-28 Interest Payment	\$495,000	\$374,580	
<b>Total</b>		<b>\$869,580</b>	
USDA Loan Avg. DS (FY 28-29 and Thereafter)			<b>\$924,056</b>
Total Debt Service (2)	\$1,485,000	\$749,160	\$36,962,235
<b>Total Financing Cost</b>			<b>\$39,196,395</b>

(1) Includes approximately 50 bps of market rate buffer, subject to change.

(2) Interest only for Interim Loans and principal and interest on USDA Loan.

(3) Assumes USDA will not reimburse for any interest cost.



**HERITAGE RANCH CSD**  
**Wastewater Interim Financing**  
**Scenario 2: No Capitalized Interest, With Reimbursement**  
**October 10, 2024**

<b>FINANCING SUMMARY</b>	<b>Interim Loan 1</b>	<b>Interim Loan 2</b>	<b>USDA Takeout Loan 40 Year Term (3)</b>
Anticipated Closing Date	6/1/2025	6/1/2026	6/1/2028
Financing Amount	\$12,935,000	\$8,324,000	\$21,369,000
Project Fund	\$12,749,481	\$8,168,930	\$21,259,000
Capitalized Interest	\$0	\$0	n/a
Cost of Issuance	\$185,519	\$155,070	\$110,000
True Interest Cost (1)	4.50%	4.50%	3.625%
Final Maturity	6/1/2028	6/1/2028	6/1/2068
<b>DEBT SERVICE</b>			
FY 25-26 Interest Payment	\$582,075		
<b>Total</b>	<b>\$582,075</b>		
FY 26-27 Interest Payment	\$582,075	\$374,580	
<b>Total</b>		<b>\$956,655</b>	
FY 27-28 Interest Payment	\$582,075	\$374,580	
<b>Total</b>		<b>\$956,655</b>	
USDA Loan Avg. DS (FY 28-29 and Thereafter)			<b>\$1,016,052</b>
Total Debt Service (2)	\$1,746,225	\$749,160	\$40,642,092
<b>Total Financing Cost</b>			<b>\$43,137,477</b>

(1) Includes approximately 50 bps of market rate buffer, subject to change.

(2) Interest only for Interim Loans and principal and interest on USDA Loan.

(3) Assumes USDA will not reimburse for any interest cost.

**HERITAGE RANCH CSD**  
**Wastewater Interim Financing**  
**Scenario 3: Includes Capitalized Interest, No Reimbursement**  
**October 10, 2024**

<b>FINANCING SUMMARY</b>	<b>Interim Loan 1</b>	<b>Interim Loan 2</b>	<b>USDA Takeout Loan 40 Year Term (4)</b>
Anticipated Closing Date	6/1/2025	6/1/2026	6/1/2028
Financing Amount	\$11,797,000	\$8,717,000	\$20,624,000
Project Fund	\$10,815,000	\$8,168,930	\$20,514,000
Capitalized Interest	\$796,298	\$392,265	n/a
Cost of Issuance	\$185,703	\$155,805	\$110,000
True Interest Cost (1)	4.50%	4.50%	3.625%
Final Maturity	6/1/2028	6/1/2028	6/1/2068
<b>DEBT SERVICE (2)</b>			
FY 25-26 Interest Payment	\$0		
<b>Total</b>	<b>\$0</b>		
FY 26-27 Interest Payment	\$265,433	\$0	
<b>Total</b>		<b>\$265,433</b>	
FY 27-28 Interest Payment	\$530,865	\$392,265	
<b>Total</b>		<b>\$923,130</b>	
USDA Loan Avg. DS (FY 28-29 and Thereafter)			<b>\$980,609</b>
Total Debt Service (3)	\$796,298	\$392,265	\$39,224,364
<b>Total Financing Cost</b>			<b>\$40,412,927</b>

(1) Includes approximately 50 bps of market rate buffer, subject to change.

(2) Interest payments are net of capitalized interest.

(3) Interest only for Interim Loans and principal and interest on USDA Loan.

**HERITAGE RANCH CSD**  
**Wastewater Interim Financing**  
**Scenario 4: Includes Capitalized Interest, With Reimbursement**  
**October 10, 2024**

<b>FINANCING SUMMARY</b>	<b>Interim Loan 1</b>	<b>Interim Loan 2</b>	<b>USDA Takeout Loan 40 Year Term (4)</b>
Anticipated Closing Date	6/1/2025	6/1/2026	6/1/2028
Financing Amount	\$13,871,000	\$8,717,000	\$22,698,000
Project Fund	\$12,749,481	\$8,168,930	\$22,588,000
Capitalized Interest	\$936,293	\$392,265	n/a
Cost of Issuance	\$185,227	\$155,805	\$110,000
True Interest Cost (1)	4.50%	4.50%	3.625%
Final Maturity	6/1/2028	6/1/2028	6/1/2068
<b>DEBT SERVICE (2)</b>			
FY 25-26 Interest Payment	\$0		
<b>Total</b>	<b>\$0</b>		
FY 26-27 Interest Payment	\$312,098	\$0	
<b>Total</b>	<b>\$312,098</b>		
FY 27-28 Interest Payment	\$624,195	\$392,265	
<b>Total</b>	<b>\$1,016,460</b>		
USDA Loan Avg. DS (FY 28-29 and Thereafter)			<b>\$1,079,217</b>
Total Debt Service (3)	\$936,293	\$392,265	\$43,168,683
<b>Total Financing Cost</b>			<b>\$44,497,241</b>

(1) Includes approximately 50 bps of market rate buffer, subject to change.

(2) Interest payments are net of capitalized interest.

(3) Interest only for Interim Loans and principal and interest on USDA Loan.

(4) Assumes USDA will not reimburse for non-capitalized interest cost.

## Attachment B

HERITAGE RANCH CSD  
Summary of Scenarios - Debt Service Requirements

Year	Without Capitalized Interest <sup>[1]</sup>		With Capitalized Interest <sup>[2]</sup>	
	Without Reimbursement <sup>[3]</sup>	With Reimbursement <sup>[4]</sup>	Without Reimbursement <sup>[3]</sup>	With Reimbursement <sup>[4]</sup>
2024-25	-	-	-	-
2025-26	495,000	582,075	-	-
2026-27	869,580	956,655	265,422	312,098
2027-28	869,580	956,655	923,130	1,016,460
2028-29	924,056	1,016,052	980,609	1,079,217
2029-30	924,056	1,016,052	980,609	1,079,217
2030-31	924,056	1,016,052	980,609	1,079,217
2031-32	924,056	1,016,052	980,609	1,079,217
2032-33	924,056	1,016,052	980,609	1,079,217
2033-34	924,056	1,016,052	980,609	1,079,217

[1] Assumes District will pay for interest incurred on outstanding balances of interim loans.

[2] Assumes interest is capitalized, with no payments made by the District during construction, and interest is paid through the USDA take-out loan.

[3] Assumes District will not receive any reimbursement of its own cash spent on the WRRF project.

[4] Assumes District will be reimbursed for all initial design, value engineering, and detailed design costs.

