

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: June 15, 2023

SUBJECT: Hearing to consider protests to proposed solid waste rate adjustments and, if a majority protest is not received, recommendation is to approve Resolution 23-04 adopting solid waste rate adjustments.

Recommendation

It is recommended that the Board of Directors:

- 1) Hold a hearing to consider protests to proposed solid waste rate adjustments, and upon conclusion of the hearing, determine whether there is a majority protest.
- 2) If a majority protest is not received, approve new solid waste rates by adoption of Resolution 23-04.

Background

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

At the April 20, 2023 meeting, your Board reviewed and approved a solid waste services rate adjustment of 7.4% based on the consumer price index, and the notice to property owners, and scheduled this public hearing for adoption of the adjusted solid waste rates.

Discussion

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

CPI Adjustment

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

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

The actual change in CPI for 2022 and SMGC’s rate adjustment request is 7.4%. SMGC’s rate adjustment request included submittal of the financial and operating information which was reviewed and analyzed by the District. The rates that San Miguel Garbage Company is requesting are justifiable and supportable and have followed the guidelines of the rate setting process and the Agreement.

Fiscal Considerations

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

Results

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

Attachments: Resolution 23-04

File: G.03 SMGC Rates

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 23-04**

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

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

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

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

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

WHEREAS, The District Board met in open session to discuss and receive public comment on proposed new solid waste rates on April 20, 2023 and June 15, 2023; and

WHEREAS, The San Miguel Garbage Company mailed a notice to all Heritage Ranch solid waste customers and property owners on May 1, 2023 noticing them of a public hearing on June 15, 2023 to approve new solid waste rates and advising them of their right to protest the rates in writing pursuant to Article XIII D Section 6 of the State Constitution; and

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

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

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

2. Based on the facts and analysis presented by District staff, the staff report, and public testimony received, the Board of Directors finds the fees, rules, and regulations that are the subject of this Resolution are fair and reasonably relate to the services provided.
3. The Board of Directors of the District finds that the rates, fees, or charges adopted by this Resolution are exempt from the California Environmental Quality Act.
4. The Board of Directors adopts the solid waste rates adjustments and amends the Fee Schedule with the solid waste rates provided in Exhibit "A", effective July 1, 2023.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Heritage Ranch Community Services District on the 15th day of June 2023, by the following roll call vote.

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED: _____
Bill Barker , President
Board of Directors

ATTEST: _____
Kristen Gelos, Secretary
Board of Directors

Exhibit A

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

Heritage Ranch Community Service District
2023 Waste Collection Price List
Effective Date: July1, 2023

		<u>Current</u>	<u>Proposed</u>	<u>IWMA</u>		<u>Proposed</u>
		Total Charges to	Solid Waste	Fee	5.4%	Total Charges to
		<u>Customer</u>	<u>Rate</u>			<u>Customer</u>
RESIDENTIAL CAN SERVICE						
35 GAL	monthly	\$32.53	\$33.14	\$1.79	=	\$34.93
64 GAL	monthly	\$42.35	\$43.15	\$2.33	=	\$45.48
96 GAL	monthly	\$48.97	\$49.90	\$2.69	=	\$52.59

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

CAN SERVICE MISCELLANEOUS

Stickers	per sticker	\$5.61	\$5.71	\$0.31	=	\$6.02
Re-Delivery Cans	per occurrence	\$35.13	\$35.80	\$1.93	=	\$37.73
Go Back Residential	per occurrence	\$7.47	\$7.61	\$0.41	=	\$8.03
						plus add additional mileage fee per mile
Walk-In Fee Service - Truck does not leave road & worker must walk in yard	per occurrence	\$3.25	\$3.32	\$0.18	=	\$3.50
2nd Recycle or Greenwaste Cart per Month	monthly	\$7.27	\$7.40	\$0.40	=	\$7.80

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

Missing Cart - 35 GAL	per cart	\$55.25	\$56.30	\$3.04	=	\$59.34
Missing Cart - 64 GAL	per cart	\$72.68	\$74.05	\$4.00	=	\$78.05
Missing Cart - 96 GAL	per cart	\$98.84	\$100.72	\$5.44	=	\$106.16

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

1 YARD	1X WK	monthly	\$142.62	\$145.32	\$7.85	=	\$153.17
	2X WK	monthly	\$192.53	\$225.25	\$12.16	=	\$237.41
1.5 YARD	3X WK	monthly	\$269.55	\$315.35	\$17.03	=	\$332.38
	1X WK	monthly	\$159.41	\$162.44	\$8.77	=	\$171.21
	2X WK	monthly	\$215.20	\$251.79	\$13.60	=	\$265.38
2 YARD	3X WK	monthly	\$301.29	\$352.50	\$19.04	=	\$371.54
	1X WK	monthly	\$203.70	\$207.56	\$11.21	=	\$218.77
	2X WK	monthly	\$275.01	\$321.72	\$17.37	=	\$339.09
3 YARD	3X WK	monthly	\$385.01	\$450.41	\$24.32	=	\$474.73
	1X WK	monthly	\$234.31	\$238.76	\$12.89	=	\$251.65
	2X WK	monthly	\$358.48	\$370.08	\$19.98	=	\$390.06
4 YARD	3X WK	monthly	\$501.87	\$518.11	\$27.98	=	\$546.09
	1X WK	monthly	\$310.26	\$316.15	\$17.07	=	\$333.23
	2X WK	monthly	\$474.68	\$490.04	\$26.46	=	\$516.50
6 YARD	3X WK	monthly	\$664.55	\$686.05	\$37.05	=	\$723.10
	1X WK	monthly	\$468.19	\$477.07	\$25.76	=	\$502.83
	2X WK	monthly	\$622.63	\$739.46	\$39.93	=	\$779.39
	3X WK	monthly	\$871.69	\$1,035.24	\$55.90	=	\$1,091.15

Every other week rate is the same as 1X WK rate.

Additional days per week are as follows: 4X WK multiply 3X WK rate by 1.3 5X WK multiply 4X WK rate by 1.25

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

1 YARD	per occurrence	\$40.40	\$41.17	\$2.22	=	\$43.39
1.5 YARD	per occurrence	\$45.08	\$45.93	\$2.48	=	\$48.42
2 YARD	per occurrence	\$50.05	\$51.00	\$2.75	=	\$53.76
3 YARD	per occurrence	\$65.60	\$66.85	\$3.61	=	\$70.46
4 YARD	per occurrence	\$99.00	\$100.88	\$5.45	=	\$106.33
6 YARD	per occurrence	\$131.57	\$134.07	\$7.24	=	\$141.31

Exhibit A

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

Heritage Ranch Community Service District
2023 Waste Collection Price List
Effective Date: July1, 2023

		<u>Current</u>	<u>Proposed</u>	<u>IWMA</u>		<u>Proposed</u>
		Total Charges to	Solid Waste	Fee	=	Total Charges to
		<u>Customer</u>	<u>Rate</u>	<u>5.4%</u>		<u>Customer</u>
COMMERCIAL SERVICE MISCELLANEOUS						
* Trip Charge per Mile	per occurrence	\$8.30	\$8.45	\$0.46	=	\$8.91
Delivery Fee & Re-Delivery Containers	per occurrence	\$45.00	\$45.85	\$2.48	=	\$48.32
Extra trash less than 1 yard	per occurrence	\$35.27	\$35.94	\$1.94	=	\$37.88
Extra trash per yard	per occurrence	\$40.40	\$41.17	\$2.22	=	\$43.39
Manual Labor per yard	per occurrence	\$31.58	\$32.18	\$1.74	=	\$33.91
Go Back Commercial	per occurrence	\$14.36	\$14.63	\$0.79	=	\$15.42
						plus add additional mileage fee per mile
Lock Bar Set Up	per occurrence	\$72.55	\$73.92	\$3.99	=	\$77.92
Lock Bar Set Up Plus Key & Lock	per occurrence	\$87.62	\$89.28	\$4.82	=	\$94.10
Unlocking Fee	per occurrence	\$3.87	\$3.95	\$0.21	=	\$4.17
Container Exchange Fee	per occurrence	\$167.37	\$170.55	\$9.21	=	\$179.76

DRIVE IN-YARD CHARGES

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

In-Yard 100'	monthly	\$17.00	\$17.32	\$0.94	=	\$18.26
In-Yard 1/4 Mile	monthly	\$23.85	\$24.30	\$1.31	=	\$25.62
In-Yard 1 Mile	monthly	\$26.34	\$26.84	\$1.45	=	\$28.29
In-Yard Over 1 Mile	monthly		multiply "In-Yard 1 Mile" rate X total miles			

ADDITIONAL CHARGES

Can Pressure Wash Fee	per occurrence	\$35.13	\$35.80	\$1.93	=	\$37.73
Water Heater	each 2023 N/C White Goods	\$29.07	\$29.62	\$1.60	=	\$31.22
Fridge	each 2023 N/C White Goods	\$39.24	\$39.99	\$2.16	=	\$42.14
Washer/Dryer	each 2023 N/C White Goods	\$29.07	\$29.62	\$1.60	=	\$31.22
Toilet	each	\$13.05	\$13.30	\$0.72	=	\$14.01
Mattress or boxspring TWN	each	\$25.81	\$26.30	\$1.42	=	\$27.72
Mattress or boxspring Q-K	each	\$44.78	\$45.62	\$2.46	=	\$48.09
Couches	each	\$31.97	\$32.57	\$1.76	=	\$34.33
Truck Tires	each	\$25.81	\$26.30	\$1.42	=	\$27.72
Car Tire only	each	\$5.09	\$5.19	\$0.28	=	\$5.47
Car Tire with Rim	each	\$7.63	\$7.78	\$0.42	=	\$8.20
T.V.	CAN NOT TAKE					

All other items not listed call office for rate.

NSF FEES

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

RENT-A-BIN (all areas)

2 YARD - 1 PU 1 WEEK	60x43x38	\$144.13	\$146.86	\$7.93	=	\$154.79
3 YARD - 1 PU 1 WEEK	72x43x52	\$193.76	\$197.44	\$10.66	=	\$208.11
DAILY RENTAL after 1 wk	per day	\$4.07	\$4.15	\$0.22	=	\$4.37

For one month rental please call office for rates

ROLL-OFF RENTALS

20 YARD ROLL-OFF (includes 2 tons trash)	per dump	\$554.85	\$565.39	\$30.53	=	\$595.92
40 YARD ROLL-OFF (includes 3 tons trash)	per dump	\$629.82	\$641.77	\$34.66	=	\$676.42

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

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

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

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



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

May 18, 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. ROLL CALL

Manager Duffield called the roll.

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

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

3. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

There were no public comments.

4. PUBLIC HEARINGS

a. Submittal for approval Resolution 23-03 Confirming Water and Sewer Standby Charges for Property within the District for Fiscal Year 2023/24.

There were no public comments.

Manager Duffield presented the item answered any questions the board had.

Director Capps made a motion to approve Resolution 23-03. Director Burgess seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Camou, Capps, Yaffee

5. CONSENT ITEMS

a. Meeting Minutes: Receive/approve minutes of regular meeting of April 20, 2023.

b. Warrant Register: Receive/approve April 2023 warrants.

c. Treasurer's Report: Receive/file April 2023 Report.

d. Fiscal Report: Receive/file April 2023 status report.

e. Office Report: Receive/file April 2023 report.

f. Manager Report: Receive/file May 2023 report.

g. District Engineer Report: Receive/file May 2023 report.

h. Operations Manager Report: Receive/file May 2023 report.

There were no public comments.

Director Capps pulled item F.

Director Burgess made a motion to approve items A, B, C, D, E, G and H as presented. Director Camou seconded the motion. The motion passed by the following voice vote:

Ayes: Barker, Burgess, Camou, Capps, Yaffee

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

Director Burgess made a motion to approve item F as presented. Director Yaffee seconded the motion. The motion passed by the following voice vote:

Ayes: Barker, Burgess, Camou, Capps, Yaffee

6. BUSINESS ITEMS

a. Receive and file the first draft of the FY 2023/24 Budget and provide direction to staff.

There were no public comments.

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

The report was received and filed.

b. Request to approve a professional services agreement with Specialized Utility Services Program, Inc. to perform a median household income survey for a not to exceed amount of \$30,000.

There were no public comments.

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

Director Yaffee made a motion to approve a professional service agreement with Specialized Utility Services Program, Inc. Director Camou seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Camou, Capps, Yaffee

c. Request to approve the purchase of a light duty fleet replacement truck for regular operations for a not to exceed cost of \$50,000 and approve a budget adjustment from reserves.

There were no public comments.

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

The Board directed staff to come back with more information for the need and purpose of a new vehicle.

No motion was made.

d. Receive and file a report on the Water Resource Recovery Project and provide any direction to staff.

There were no public comments.

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

7. ORAL INFORMATION REPORTS

There were no public or Director comments.

8. FUTURE AGENDA ITEMS

Public comment: CJ Rudolph and Catie Garcia spoke.

The determination by the majority of the Board was to add the following items to future agenda: DBP Discussion item.

9. ADJOURNMENT

On a motion by Director Yaffee and seconded by Director Burgess the meeting adjourned at 5:44 pm to the next scheduled special meeting on Thursday, June 15, 2023.

APPROVED:

ATTEST:

**Bill Barker, President
Board of Directors**

**Kristen Gelos, Secretary
Board of Directors**

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
5/3/2023	CALPERS HEALTH BENEFITS EMPLOYEE PAID HEALTH BENEFIT	746.78	
	EMPLOYEE PAID HEALTH BENEFIT	746.78	
	EMPLOYEE PAID HEALTH BENEFIT	32.12	\$ 1,525.68
5/3/2023	CALPERS HEALTH BENEFITS CALPERS HEALTH BENEFITS	16,408.45	\$ 16,408.45
5/5/2023	PITNEY BOWES GLOBAL FINANCIAL POSTAGE METER LEASE	161.79	\$ 161.79
5/5/2023	R. ARNOLD NET PAYROLL	2,830.37	\$ 2,830.37
5/5/2023	M. HUMPHREY NET PAYROLL	2,442.01	\$ 2,442.01
5/5/2023	B. VOGEL NET PAYROLL	2,606.78	\$ 2,606.78
5/5/2023	T. SHOGREN NET PAYROLL	2,177.03	\$ 2,177.03
5/5/2023	K. GELOS NET PAYROLL	2,584.43	\$ 2,584.43
5/5/2023	D. BURGESS NET PAYROLL	92.35	\$ 92.35
5/5/2023	B. BARKER NET PAYROLL	92.35	\$ 92.35
5/5/2023	S. DUFFIELD NET PAYROLL	3,272.48	\$ 3,272.48
5/5/2023	D. CAPPS NET PAYROLL	92.35	\$ 92.35
5/5/2023	M. WILCOX NET PAYROLL	2,136.84	\$ 2,136.84
5/5/2023	D. GROSHART NET PAYROLL	4,368.13	\$ 4,368.13

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
5/5/2023	M. CAMOU NET PAYROLL	92.35	\$ 92.35
5/5/2023	M. YAFFEE NET PAYROLL	92.35	\$ 92.35
5/5/2023	INTERNAL REVENUE SERVICE FEDERAL WITHHOLDING TAXES FICA WITHIHOLDING MEDICARE	2,539.52 62.00 974.62	\$ 3,576.14
5/5/2023	EMPLOYMENT DEVELOPMENT DEPARTM SDI STATE WITHHOLDING	297.96 1,052.55	\$ 1,350.51
5/5/2023	CALPERS RETIREMENT SYSTEM PERS UNIFORM ALLOWANCE PERS-IRC 457 CONTRIBUTIONS PERS RETIREMENT PERS RETIREMENT TIER 2 PERS RETIREMENT PEPRA PERS SERVICE CREDIT PURCHASE SURVIVOR BENEFIT	9.64 2,383.50 1,404.51 1,646.78 2,130.72 981.47 7.44	\$ 8,564.06
5/8/2023	GREAT WESTERN ALARM ALARM/ANSWERING SERVICE	336.32	\$ 336.32
5/8/2023	ADAMSKI, MOROSKI, MADDEN, CUMB LEGAL & ATTORNEY	5,000.00	\$ 5,000.00
5/8/2023	AT&T TELEPHONE	82.02	\$ 82.02
5/8/2023	MCCLATCHY COMPANY LLC ADVERTISING	148.54	\$ 148.54
5/8/2023	BLAKES INC SUPPLIES	117.42	\$ 117.42
5/8/2023	PG&E ELECTRICITY	7,278.53	\$ 7,278.53

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
5/8/2023	USA BLUEBOOK SUPPLIES CHEMICALS	42.84 1,735.57	\$ 1,778.41
5/8/2023	BRENNTAG PACIFIC, INC CHEMICALS	4,433.81	\$ 4,433.81
5/8/2023	COUNTY OF SAN LUIS OBISPO PROFESSIONAL SVCS - X CONNECT	236.00	\$ 236.00
5/8/2023	ROY ARNOLD CELL PHONE/INTERNET ALLOWANCE MEDICAL REIMBURSEMENT	80.00 200.00	\$ 280.00
5/8/2023	COUNTY OF SAN LUIS OBISPO CLER ELECTION	6,151.12	\$ 6,151.12
5/8/2023	RENTAL DEPOT EQUIPMENT RENT/LEASE	1,268.00	\$ 1,268.00
5/8/2023	KRISTEN GELOS CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
5/8/2023	PITNEY BOWES POSTAGE	200.00	\$ 200.00
5/8/2023	TUCKFIELD & ASSOCIATES PROFESSIONAL SERVICES	792.27	\$ 792.27
5/8/2023	RAMINHA CONSTRUCTION, INC. MAINTENANCE FIXED EQUIPMENT	2,233.81	\$ 2,233.81
5/8/2023	WATER SYSTEMS CONSULTING, INC. WRRF PROJECT	4,271.25	\$ 4,271.25
5/8/2023	BURT INDUSTRIAL SUPPLY SMALL TOOLS & EQUIPMENT MAINTENANCE FIXED EQUIPMENT GAC SYSTEM PROJECT SMALL TOOLS & EQUIPMENT	(65.13) 229.30 289.09 3,720.27	\$ 4,173.53
5/8/2023	SCOTT DUFFIELD CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
5/8/2023	DATA PROSE LLC PROFESSIONAL SERVICES APRIL BILLING	289.60 1,336.51	\$ 1,626.11
5/8/2023	WESTERN EXTERMINATOR STRUCTURES & GROUNDS STRUCTURES & GROUNDS	102.15 110.90	\$ 213.05
5/8/2023	RIVAL TECHNOLOGY INC. PROFESSIONAL SERVICES COMPUTER/SOFTWARE	909.36 130.00	\$ 1,039.36
5/8/2023	MARK HUMPHREY CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
5/8/2023	BRIAN VOGEL CELL PHONE/INTERNET ALLOWANCE UNIFORM ALLOWANCE	80.00 144.91	\$ 224.91
5/8/2023	MIKE WILCOX CELL PHONE/INTERNET ALLOWANCE UNIFORM ALLOWANCE TRAINING & TRAVEL	80.00 305.25 203.75	\$ 589.00
5/8/2023	TROY SHOGREN CELL PHONE/INTERNET ALLOWANCE TRAINING & TRAVEL	80.00 270.00	\$ 350.00
5/8/2023	HAMON OVERHEAD DOOR COMPANY, I STRUCTURES & GROUNDS	655.69	\$ 655.69
5/8/2023	DOUGLAS GROSHART CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
5/8/2023	JORANDA MARKETING, INC. / JAN- STRUCTURES & GROUNDS	266.60	\$ 266.60
5/8/2023	SPEEDY COASTAL MESSENGER, INC. LAB TESTING	445.00	\$ 445.00
5/8/2023	HARTLEY HALL CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
5/8/2023	SPICE INTEGRATION FIXED EQUIP./PRO. SVCS	5,875.00	\$ 5,875.00
5/8/2023	CIVIC PLUS LLC DUES & SUBS	1,260.00	\$ 1,260.00
5/8/2023	EVOQUA WATER TECHNOLOGIES LLC GAC PROJECT	1,501.50	\$ 1,501.50
5/8/2023	FRESNO PIPE & SUPPLY, INC GAC PROJECT GAC PROJECT	5,915.72 1,370.76	\$ 7,286.48
5/8/2023	MGE UNDERGROUND MAINTENANCE FIXED EQUIPMENT	1,409.31	\$ 1,409.31
5/9/2023	SAN MIGUEL GARBAGE DELINQUENT SOLID WASTE FEES	3,274.00	\$ 3,274.00
5/19/2023	R. ARNOLD NET PAYROLL	2,585.85	\$ 2,585.85
5/19/2023	M. HUMPHREY NET PAYROLL	2,333.71	\$ 2,333.71
5/19/2023	B. VOGEL NET PAYROLL	2,565.04	\$ 2,565.04
5/19/2023	T. SHOGREN NET PAYROLL	2,175.45	\$ 2,175.45
5/19/2023	K. GELOS NET PAYROLL	2,584.43	\$ 2,584.43
5/19/2023	S. DUFFIELD NET PAYROLL	3,106.42	\$ 3,106.42
5/19/2023	M. WILCOX NET PAYROLL	2,136.84	\$ 2,136.84
5/19/2023	D. GROSHART NET PAYROLL	4,368.13	\$ 4,368.13

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
5/19/2023	INTERNAL REVENUE SERVICE FEDERAL WITHHOLDING TAXES MEDICARE	2,402.63 937.08	\$ 3,339.71
5/19/2023	EMPLOYMENT DEVELOPMENT DEPARTM SDI STATE WITHHOLDING	290.82 975.83	\$ 1,266.65
5/19/2023	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 1,404.52 1,646.78 2,130.72 981.47 7.44	\$ 8,554.43
5/21/2023	J.B. DEWAR. INC. FUEL & OIL	1,476.23	\$ 1,476.23
5/22/2023	PG&E ELECTRICTY	3,256.20	\$ 3,256.20
5/23/2023	4INKJETS OFFICE SUPPLIES	418.23	\$ 418.23
5/23/2023	WALMART REIMBURSED BY CSDA SLO CHAPTER	28.86	\$ 28.86
5/23/2023	MR.PICKLES REIMBURSED BY CSDA SLO CHAPTER	448.15	\$ 448.15
5/23/2023	FILL N SAVE PROPANE	28.36	\$ 28.36
5/23/2023	EVERLINE RSRT TRAINING & TRAV	297.53	\$ 297.53
5/23/2023	RING CENTRAL TELEPHONE TELEPHONE	15.28 220.32	\$ 235.60

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
5/23/2023	LOWE'S SUPPLIES	36.93	\$ 36.93
5/23/2023	AMAZON SMALL TOOLS & EQUIPMENT CHEMICALS	27.34 304.58	\$ 331.92
5/24/2023	STAPLES CREDIT PLAN OFFICE SUPPLIES OFFICE SUPPLIES	53.40 137.25	\$ 190.65
5/24/2023	FERGUSON ENTERPRISES INC MAINTENANCE FIXED EQUIPMENT	1,072.44	\$ 1,072.44
5/24/2023	AT&T TELEPHONE	79.04	\$ 79.04
5/24/2023	KRITZ EXCAVATING & TRUCKING, I MAINTENANCE FIXED EQUIPMENT MAINTENANCE FIXED EQUIPMENT MAINTENANCE FIXED EQUIPMENT	(684.32) 688.12 1,129.22	\$ 1,133.02
5/24/2023	BRENNTAG PACIFIC, INC CHEMICALS	1,244.75	\$ 1,244.75
5/24/2023	ROY ARNOLD CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
5/24/2023	COUNTY OF SAN LUIS OBISPO WATER PURCHASE	11,557.00	\$ 11,557.00
5/24/2023	ANTHONY'S TIRE STORE VEHICLES	243.01	\$ 243.01
5/24/2023	FLUID RESOURCE MANAGEMENT PROFESSIONAL SERVICES	630.00	\$ 630.00
5/24/2023	KRISTEN GELOS CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
5/24/2023	CORE & MAIN LP MAINTENANCE FIXED EQUIPMENT	367.29	\$ 367.29

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
5/24/2023	WATER SYSTEMS CONSULTING, INC. WRRF PROJECT	5,165.00	\$ 5,165.00
5/24/2023	BURT INDUSTRIAL SUPPLY SUPPLIES SMALL TOOLS & EQUIPMENT	313.89 106.37	\$ 420.26
5/24/2023	SCOTT DUFFIELD CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
5/24/2023	WESTERN EXTERMINATOR STRUCTURES & GROUNDS STRUCTURES & GROUNDS	102.15 110.90	\$ 213.05
5/24/2023	MARK HUMPHREY CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
5/24/2023	MID-STATE REPAIR SERVICE VEHICLES	860.00	\$ 860.00
5/24/2023	BRIAN VOGEL CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
5/24/2023	MIKE WILCOX CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
5/24/2023	TROY SHOGREN CELL PHONE/INTERNET ALLOWANCE UNIFORM ALLOWANCE	80.00 180.91	\$ 260.91
5/24/2023	FIRSTNET INTERNET	40.24	\$ 40.24
5/24/2023	TOSTE CONSTRUCTION, INC. MAINTENANCE FIXED EQUIPMENT	10,217.50	\$ 10,217.50
5/24/2023	DOUGLAS GROSHART CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
5/24/2023	HERC RENTALS INC. EQUIPMENT RENT/LEASE	268.44	\$ 268.44
5/24/2023	SPICE INTEGRATION SCADA PROJECT	11,375.00	\$ 11,375.00

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
5/24/2023	COASTAL TREE EXPERS, INC STRUCTURES & GROUNDS	3,000.00	\$ 3,000.00
5/24/2023	EVOQUA WATER TECHNOLOGIES LLC GAC PROJECT	1,501.50	\$ 1,501.50
TOTAL ALL WARRANTS		211,637.26	211,637.26

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

SUMMARY REPORT OF ALL ACCOUNTS

Beginning Balance:	\$ 4,555,172.34
Ending Balance:	\$ 4,691,033.09
Variance:	\$ 135,860.75
Interest Earnings for the Month Reported:	\$ 583.08
Interest Earnings Fiscal Year-to-Date:	\$ 81,271.19

ANALYSIS OF REVENUES

Total operating income for water and sewer was:	\$ 158,902.77
Non-operating income was:	\$ 175,299.20
Franchise fees paid to the District by San Miguel Garbage was:	\$ 7,115.69
Interest earnings for the LAIF account was:	\$ -
Interest earnings for the Five Star Bank checking account was:	\$ 15.23
Interest earnings for the Five Star Bank DWR Loan Services account was:	\$ 48.05
Interest earnings for the Five Star Bank DWR Reserve account was:	\$ 280.24
Interest earnings for the Mechanics Bank money market account was:	\$ 0.08

ANALYSIS OF EXPENSES

Five Star Bank checking account total warrants, fees, and Electronic Fund Transfers was:	\$ (254,347.90)
--	-----------------

STATEMENT OF COMPLIANCE

This report was prepared in accordance with the Heritage Ranch Community Services District Statement of Investment Policy. All investment activity was within policy limits. There are sufficient funds to meet the next 30 days obligations. Attached is a status report of all accounts and related bank statements.

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
STATUS REPORT FOR ALL ACCOUNTS
MAY 2023**

BEGINNING BALANCE ALL ACCOUNTS	\$4,555,172.34
<hr style="border-top: 3px double #000;"/>	
OPERATING CASH IN DRAWER	\$ 300.00
<hr style="border-top: 1px dashed #000;"/>	
FIVE STAR BANK DWR LOAN REPAYMENT (1994-2029):	
BEGINNING BALANCE 4/30/2023	500.94
QUARTERLY DEPOSIT	25,907.00
INTEREST EARNED	48.05
SEMI-ANNUAL PAYMENT	
ENDING BALANCE 5/31/2023	\$ 26,455.99
<hr style="border-top: 1px dashed #000;"/>	
FIVE STAR BANK DWR RESERVE ACCOUNT	
BEGINNING BALANCE 4/30/2023	115,342.10
INTEREST EARNED	280.24
ENDING BALANCE 5/31/2023	\$ 115,622.34
<hr style="border-top: 1px dashed #000;"/>	
FIVE STAR BANK SDWSRF LOAN SERVICES ACCOUNT	
BEGINNING BALANCE 4/30/2023	15,174.52
QUARTERLY DEPOSIT	14,685.00
INTEREST EARNED	63.42
SEMI-ANNUAL PAYMENT	-
ENDING BALANCE 5/31/2023	\$ 29,922.94
<hr style="border-top: 1px dashed #000;"/>	
FIVE STAR BANK SDWSRF RESERVE ACCOUNT	
BEGINNING BALANCE 4/30/2023	59,688.23
INTEREST EARNED	145.02
REVENUE TRANSFER	-
ENDING BALANCE 5/31/2023	\$ 59,833.25
<hr style="border-top: 1px dashed #000;"/>	
MECHANICS BANK MONEY MARKET ACCOUNT	
BEGINNING BALANCE 4/30/2023	7,116.53
DEPOSIT REVENUE - CASH	1,279.46
INTEREST EARNED	0.08
REVENUE TRANSFER <i>To Five Star Checking</i>	(3,500.00)
ENDING BALANCE 5/31/2023	\$ 4,896.07
<hr style="border-top: 1px dashed #000;"/>	
FIVE STAR BANK - MONEY MARKET	
BEGINNING BALANCE 4/30/2023	7,954.34
INTEREST EARNED	31.12
REVENUE TRANSFER <i>From Five Star Checking</i>	150,000.00
ENDING BALANCE 5/31/2023	\$ 157,985.46
<hr style="border-top: 1px dashed #000;"/>	

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
STATUS REPORT FOR ALL ACCOUNTS
MAY 2023**

FIVE STAR BANK - CHECKING		
BEGINNING BALANCE 4/30/2023	20,932.15	
DEPOSIT REVENUE & MISCELLANEOUS INCOME	351,254.03	
INTEREST EARNED	15.23	
TOTAL CHECKS, FEES AND EFT'S	(254,347.90)	
REVENUE TRANSFER <i>From LAIF</i>	100,000.00	
REVENUE TRANSFER <i>To Five Star Money Market</i>	(150,000.00)	
ENDING BALANCE 5/31/2023		\$ 67,853.51

LOCAL AGENCY INVESTMENT FUND (LAIF)		
BEGINNING BALANCE 4/30/2023	4,328,163.53	
INTEREST EARNED	-	
REVENUE TRANSFER <i>To Five Star Checking</i>	(100,000.00)	
ENDING BALANCE 5/31/2023		\$4,228,163.53

ENDING BALANCE ALL ACCOUNTS		\$4,691,033.09
DIFFERENCE FROM LAST MONTH	Increase	\$ 135,860.75

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2022/23 Budget**

OPERATING REVENUE	Budget FY 22/23	Actual May	Actual Year to Date	Percentage Year to Date	Variance Explanation
Water Fees	1,107,981	92,809	1,132,659	102%	
Sewer Fees	704,110	62,938	692,703	98%	
Hook-Up Fees	3,000	0	1,200	40%	
Turn on Fees	3,500	150	1,725	49%	
Late Fees	18,500	1,509	23,485	127%	
Plan Check & Inspection	10,000	0	0	0%	
Miscellaneous Income	500	1,497	15,271	3054%	Ins. Claim - WTP Erosion
TOTAL OPERATING	\$1,847,591	\$158,903	\$1,867,042	101%	

FRANCHISE REVENUE					
Solid Waste Franchise Fees	82,587	7,116	76,970	93%	
TOTAL FRANCHISE	\$82,587	\$7,116	\$76,970	93%	

TOTAL OPERATING \$1,930,178 \$166,018 \$1,944,013 101%

NON-OPERATING REVENUE					
Standby Charges	242,144	63,514	236,760	98%	
Property Tax	423,381	111,203	444,122	105%	
Interest	15,000	583	81,271	542%	Fluctuates based on activity
Connection Fees	70,580	0	28,232	40%	
TOTAL NON-OPERATING	\$751,105	\$175,299	\$790,384	105%	

RESERVE REVENUE					
Capital Reserves	503,512	3,303	126,950	25%	
Operating Reserves	1,848,143	28,087	548,843	30%	
TOTAL RESERVE	\$2,351,655	\$31,390	\$675,793	29%	

TOTAL NON-OPERATING \$3,102,760 \$206,689 \$1,466,177 47%

TOTAL ALL INCOME	\$5,032,938	\$372,707	\$3,410,190	68%	
-------------------------	--------------------	------------------	--------------------	------------	--

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2022/23 Budget**

OPERATING EXPENSES

SALARIES AND BENEFITS	Budget FY 22/23	Actual May	Actual Year to Date	Percentage Year to Date	Variance Explanation
Salaries	913,750	63,589	813,957	89%	
Health Insurance	159,110	12,614	128,648	81%	
Health Insurance - Retirees	47,600	3,994	43,791	92%	
Pers Retirement	149,871	5,908	165,063	110%	
OPEB Funding/Transfer	28,306	0	0	0%	
Standby	13,200	912	11,697	89%	
Overtime	10,812	671	6,922	64%	
Workers Comp. Ins.	23,525	0	21,072	90%	Paid Annually
Directors' Fees	9,000	500	6,200	69%	
Medicare/FICA	13,182	987	12,578	95%	
Car Allowance	3,000	250	2,750	92%	
SUI/ETT	1,000	0	448	45%	
Uniforms	5,000	631	3,429	69%	
TOTAL SALARIES & BENEFITS	\$1,377,356	\$90,056	\$1,216,554	88%	

UTILITIES

Electricity	124,292	10,535	114,566	92%	
Propane	1,466	28	1,137	78%	
Water Purchase	23,114	11,557	23,114	100%	Paid Semiannually
Telephone/Internet	11,594	1,797	11,797	102%	
TOTAL UTILITIES	\$160,466	\$23,917	\$150,614	94%	

MAINTENANCE & SUPPLIES

Chemicals	79,000	7,719	81,135	103%	
Computer/Software	33,900	130	15,378	45%	
Equip. Rental/Lease	2,500	1,536	15,246	610%	
Fixed Equip.	187,000	19,175	181,628	97%	
Fuel & Oil	15,000	1,476	17,371	116%	
Lab Testing	59,000	445	41,982	71%	
Office Supplies	1,500	609	1,415	94%	
Parks & Recreation	0	0	0	0%	
Struct./Grnds.	14,940	4,348	17,747	119%	
Small Tools/Equip.	3,000	3,789	7,866	262%	
Supplies	4,500	511	11,389	253%	
Meters/Equip.	12,000	0	11,819	98%	
Vehicles	6,000	1,103	9,145	152%	
TOTAL MAINT. & SUP.	\$418,340	\$40,842	\$412,120	99%	

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2022/23 Budget**

GENERAL & ADMINISTRATION	Budget FY 22/23	Actual May	Actual Year to Date	Percentage Year to Date	Variance Explanation
Ads./Advertising	1,500	149	477	32%	
Alarm/Answering Service	4,000	336	3,082	77%	
Audit	10,000	0	8,785	88%	
Bank Charges/Fees	1,000	0	250	25%	
Consulting/Engineering	10,000	0	160	2%	
Dues/Subscription	10,000	1,260	11,219	112%	
Elections	5,000	6,151	6,151	0%	
Insurance	39,330	-258	-326	-1%	
LAFCO	6,930	0	7,254	105%	Paid Annually
Legal/Attorney	25,000	5,000	16,666	67%	
Licenses/Permits	29,000	0	29,161	101%	
Plan Check & Inspection	10,000	0	0	0%	
Postage/Billing	15,000	1,698	14,948	100%	
Professional Service	89,300	6,220	88,689	99%	
Tax Collection	6,200	6,272	6,272	101%	
Staff Training & Travel	12,000	771	7,651	64%	
Board Training & Travel	1,000	0	279	28%	
TOTAL G & A	\$275,260	\$27,599	\$200,717	73%	

CAPITAL PROJECTS & EQUIPMENT

Structures/Improvements	1,947,991	31,390	614,208	32%
Equipment	155,000	0	61,586	40%
TOTAL CAPITAL EXPENSE	\$2,102,991	31,390	675,794	32%

DEBT

State Loan Payment	103,629	0	103,628	100%
State Loan Payment Phase II	58,740	0	29,369	50%
Western Alliance Lease-PVS	152,638	0	152,638	100%
TOTAL DEBT	\$315,007	\$0	\$285,636	

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

TOTAL EXPENSE	\$4,937,421	\$237,804	\$3,205,436	65%
----------------------	--------------------	------------------	--------------------	------------

CAPACITY CHARGES TRANSFER \$70,580 \$0 \$28,232 40%

SOLID WASTE FEES TRANSFER \$24,937 \$1,945 \$19,018 76%

FUND TOTAL	\$1	\$132,959	\$157,505	
-------------------	------------	------------------	------------------	--

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
OFFICE REPORT**

MAY 2023

Utility Billing

- On June 1st, 1,939 bills were processed for a total dollar amount of \$167,558 for water and sewer user fees for the month of May.
- We processed 194 penalties for bills that were due by May 25th.
- We mailed out 28 Intent To Disconnect letters to customers that were more than 60 days delinquent.
- We issued 21 48-hour notices and locked off 2 meters for non-payment.

Customer Service Orders

- Staff completed a total of 58 service orders for the month of May. The breakdown by job code is as follows:

OCCUPANT CHANGE	8	SWAP/PULL METER	40
LOCK METER	2	UNLOCK	8

Administration

- Nothing to report.

San Miguel Garbage Franchise Fees Received

- The total Franchise Fees received for the Month of April was \$ 7,115.69. The breakdown is as follows:

Residential Garbage Collection - \$ 5,560.41
Commercial Garbage Collection - \$ 1,167.87
Roll-Off Collection - \$ 387.41

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

District Engineer Report For the Month of June 2023

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

Operations Support

- Worked with Operations Staff re: GAC project installation and sampling/testing protocol for pilot study.

Capital Improvement Projects

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

- DBP/Compliance: GAC – Operations worked with a welding contractor to fabricate piping modifications to facilitate flowing from Filters 3 and 4 into a common header. From there, the GAC pump will send 180 gpm through the GAC vessels and to PS 2. The remaining flow from the filters will go back into the Filter 4 discharge pipe to PS 2. The modified piping will allow for continuous flow to the GAC vessels (during operation of the plant) even with filter 3 or 4 being in backwash or rinse mode.

The piping modifications were installed on 6/2/23 and Operations/Engineering attempted to run water through the GAC vessels. Unfortunately, the flow from Filters 3 and 4 was only sending approximately 20 gpm to the GAC pump, with the remaining flow going to Filter 4 discharge piping. The 3" piping to the GAC pump had more resistance to flow (due to friction) so the water was taking the path of least resistance through the 6" piping to Filter 4 discharge. This was a concern in design, but the thought was it would still function adequately. Engineering recommended having a butterfly valve installed in the 6" piping to Filter 4 discharge in order to provide additional resistance and encourage flow through the 3" piping to the GAC pump. The piping revisions were made on 6/9. Due to ongoing flushing operations, the GAC startup was scheduled to begin 6/12. Engineering to provide additional update at meeting.

- SCADA water system: SPICE has continued working on the new SCADA system. They are close to being complete. Phase 1 is approximately 90-95% complete. Estimated completion in the next two weeks.
- PRV Project – Working with vendors on pricing for the replacement of the valves and piping associated with the PRVs on Equestrian and Water View. Weighing costs between rebuilding the PRVs and replacing with new. It is a substantially higher cost for all new, with limited benefit as the rebuilt PRVs will have all new

internals. The cost savings can be directed to other projects within the water system, such as installing additional valves to aid in leak repair, limiting outages, etc.

- SCADA collection system: Planning to work with SPICE Integration on this project upon completion or (if efficient) in conjunction with the SCADA Water System project and the telemetry survey/upgrade. Telemetry survey equipment has been procured and received. Survey should take place in May/June 2023.
- Lift Station 1-5 rehabilitation design phase: Engineer is currently scheduled to begin the scoping of these projects near the end of August, 2023.
- Wastewater collection system model and infiltration / inflow: Working with operators, vendors and other municipalities to discuss best use of funding in assessing main sources of I/I. Options include smoke testing and video inspection. By reducing I/I, we will take some of the load off of the WRRF during wet weather, which will allow for more consistent flows and loads throughout the year.
- WRRF Project – Continuing to work with the General Manager and WSC to move the design forward, determine flows and loads while optimizing the value of the project.

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

Operations Report For the Month of June 2023

Water treatment

- The Operations Manager managed the engineered piping rework project for the filtered water to GAC this past week.
- Staff are waiting for guidelines from the vendor for the GAC system on the proper start up procedures.
- The satellite internet for the WTP SCADA has been installed and is working very well.

Water distribution

- The annual flushing of the distribution system is complete.
- The second round of sampling for forever chemicals has been pulled and sent to an EPA laboratory. Detailed information about the proposed monitoring rule was released by the CA Special Districts Association on 3/28/2023 [PFAS Drinking Water Proposed Rule Making and More Announced by US EPA \(csda.net\)](https://www.csda.net/News/2023/03/28/PFAS-Drinking-Water-Proposed-Rule-Making-and-More-Announced-by-US-EPA)
- Three more significant leaks have been repaired since the last meeting and parts for these repairs have been restocked.

Wastewater collection

- There appears to have been undermining of the road base near manholes along Heritage Loop Road and Timberline Road. Suspect areas like this need to be videoed with a high-quality camera to confirm the integrity of the pipeline and the absence of infiltration.
- The SCADA computer for wastewater has ceased to function and a temporary solution for alarm monitoring or work around has been put into place. WWT and the telemetry project will take priority on our contractor's calendar following programming for GAC project.
- Lift Stations #1, #2, & #3 are experiencing high voltage spikes from PG&E or dirty voltage, triggering the automatic startup of the site generators. Unfortunately we do not have functioning SCADA system alarms, so staff is diligently monitoring and regularly reporting the issue to PG&E.

Wastewater treatment

- Business as usual, nothing new to report.

Facilities

- Weed management and parts organization continue to be priorities.

Vehicles and equipment

- Nothing to report currently.

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: June 15, 2023

SUBJECT: Receive a presentation on flows, loads, sizing, and growth projection methodology value engineering for the Water Resource Recovery Facility Upgrade project and provide direction to staff.

Recommendation

It is requested that the Board of Directors receive a presentation on flows, loads, sizing, and growth projection methodology value engineering for the Water Resource Recovery Facility Upgrade project and provide direction to staff.

Background

In May of 2022, your Board directed staff to apply a connections-based growth projection methodology to set flow and load design criteria for the 2,900 residential units identified in the County of San Luis Obispo's Land Use Ordinance Title 22 Section 22.104.030 Heritage Ranch Village Standards. This approach will result in an average daily flow for design purposes of approximately 300,000 gpd.

In April of 2023, your Board directed staff to continue with the design of a packaged-MBR with WSC, using current flows and loads with a reasonable allowance for increases, and continue to "value engineer" with staff and the Board.

Discussion

WSC has completed the re-evaluation of facility flows and loads and will present their work for Board discussion and direction.

Results

At the end of discussion, it is requested that your Board provide direction to staff by determining the preferred methodology for finalizing the flow and load projections.

File: Projects_WRRF

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

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

DATE: June 15, 2023

SUBJECT: Request to adopt a Preliminary FY 2023/24 Budget, and schedule a public hearing for July 20, 2023 for adoption of a Final FY 2023/24 Budget.

Recommendation

It is recommended that the Board of Directors:

1. Adopt the Preliminary FY 2023/24 Budget; and
2. Schedule a public hearing for July 20, 2023 to consider adoption of a Final FY 2023/24 Budget.

Background

This is the second budget meeting of this year with your Board. The budget year is July 1 through June 30. A preliminary budget should be adopted by your Board at the June or July meeting. A final budget must be adopted by your Board before September 1, 2023.

Discussion

Attached is the Preliminary FY 2023/24 Budget. Each fund has its own budget. The consolidated budget provides a summary of the water, sewer, general, and solid waste funds. The preliminary budgets include the following information:

- Previous fiscal year
- Budgeted current fiscal year
- Actual current fiscal year through 11 months
- Annualized current fiscal year
- Preliminary Budget Fiscal Year 2023/24

Current Fiscal Year Budget

The current water fund appears to be performing above the budgeted amount. The annualized column shows a surplus of \$67,224. (water fund cell E109, page 3)

The current sewer fund also appears to be performing above the budgeted amount. The annualized column shows a surplus of \$35,210. (sewer fund cell E109, page 5)

The actual year end will be different as the budget is just a plan and it is not possible to predict if all line-item budgets will be utilized more or less than budgeted.

Preliminary Fiscal Year 2023/24 Budget

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

Revenue Categories

1. Operating Revenue. The preliminary budgets for the water and sewer funds use the analysis from the 2023 Rate Study. **Total operating revenue less solid waste franchise fees is budgeted to increase by \$562,582 or 30.5%. (Consolidated Budget cell F15)**
2. Solid Waste Franchise Fee Revenue. All solid waste fees include a “franchise fee” that provides the local agency funds to administer and support solid waste programs in the community. Franchise fees are collected by the garbage company as part of their customer fees and forwarded to the local agency monthly. Our franchise fee is 10%. **Total solid waste franchise fee revenue is budgeted to increase by \$6,111 or 7.4%. (Consolidated Budget cell F20)**
3. Non-Operating Revenue. This item includes standby charges, interest earned, property tax, and connection fees. The County Auditor-Controller provided us an early estimate for property tax receipts and charges for next year which is reflected in the preliminary budget. For budgeting purposes, it is assumed that five new homes will connect to the systems. **Total non-operating revenue is budgeted to increase by \$46,059 or 6.1%. (Consolidated Budget cell F31)**
4. Reserve Revenue. This item is the reserve revenue allocated to capital projects, equipment purchase, and revenue needed to fill shortfalls in the operating revenue. This fiscal year the proposed budget includes reserves allocated only to capital projects. Any unused reserve revenue remains in reserves. The water fund allocates \$809,717 and the sewer fund allocates \$1,588,256. **Total reserve revenue is budgeted to increase by \$46,318 or 2.0%. (Consolidated Budget cell F38).**
5. Total revenue less reserve revenue. **Total revenue less reserve revenue is budgeted to increase by \$614,752 or 22.9%. (Consolidated Budget cell F44 minus F38)**

Expense Categories

1. Personnel Budget. This item includes salaries, employee pensions and health insurance, retiree health insurance, other post-employment benefits, workers compensation insurance, payroll taxes, Director fees, anticipated staff overtime and standby time, and uniforms. For budgeting purposes, the following assumptions are made: 5% cost of living increase in base salary for all staff; 8% increase in medical insurance costs with 90% of lowest cost premium paid by District; current staff of nine full-time employees, and one vacant Treatment Operator I position (for 9 months). **Total personnel budget expense is budgeted to increase by \$135,921 or 9.9%. (Consolidated Budget cell F77)**
2. Utilities. The water contract with the County is a fixed fee for total allocated water which is assumed to be increase due to obtaining full allocation of 1,100 acre-feet. Electricity and other utility costs utilize the 2023 Rate Study which assumes to be the current budget expense plus 4%. **Total utilities expense is budgeted to increase by \$11,722 or 7.3%. (Consolidated Budget cell F86)**
3. Maintenance and Supplies. This category is dominated by chemical costs, fixed equipment maintenance, and lab testing. Maintenance of fixed equipment is always a major responsibility and includes a few expensive tasks such as patch paving, hydro jetting, and electric motor and electrical services. The preliminary budgets use the analysis from the 2023 Rate Study. **Total maintenance and supplies expense is budgeted to increase by \$17,733 or 4.2%. (Consolidated Budget cell F104)**
4. General and Administrative. The preliminary budgets use the analysis from the 2023 Rate Study or estimates from the agencies that fall within these categories. This category is budgeted to be about the same as this year because there are no elections planned. **Total general and administrative expenses are budgeted to decrease by \$488 or -0.2%. (Consolidated Budget cell F134)**
5. Projects and Equipment. The District Engineer and Operations Manager in coordination with the General Manager, and consultants as needed, are the staff that manage capital projects and equipment. Some projects take many years to plan and construct. Others are less complex but still take months of working with staff, contractors, and vendors to plan and implement. Your Board approved an updated 5-year Capital Improvement Program (CIP) in August 2022.

The projects listed in the CIP are included in the proposed budget. Your Board also approved equipment replacement which some we have not yet taken possession of. For budgeting purposes, the list of projects in the CIP are budgeted in full but may not be completed in the fiscal year. Any unexpended budget for projects, as well as equipment not yet received, will roll forward to next year. Similarly, projects shown with a * below are in progress from a previous year. **Total Capital Projects & Equipment is budgeted at \$2,397,973, an increase of \$294,982 or 14.0%. (Consolidated Budget cell F141)**

A summary of projects and equipment budgeted year is:

- \$193,300 for Water System SCADA Upgrade*
 - \$10,3669 for GAC System - pilot study*
 - \$175,000 for Pressure Reducing Valves at Waterview and Equestrian*
 - \$325,000 for a DBP Project
 - \$50,000 for Raw Water Vertical Intake No. 2 – design phase
 - \$1,075,891 for Water Resource Recovery Facility upgrade - design phase*
 - \$200,000 for Lift Station 1-5 Rehabilitation - construction phase*
 - \$200,000 for Wastewater Collection System SCADA upgrade
 - \$75,000 for Wastewater Collection System Model & I/I Investigation
 - \$93,414 for equipment / vehicle replacement*
6. Debt. The water treatment plant debt and the PVS project debt are contractual and cannot be reduced. The PVS debt is not the exact amount every year but very near. **Total debt expense is budgeted to be the essentially the same as this year. (Consolidated Budget cell F149)**
7. Depreciation. This is a non-cash expense. The ability to fund the depreciation is a result of the current water/sewer fees and continued allocation of property taxes. It is important to fund as much depreciation as possible and reserve a portion of your income annually for future replacement and upgrades of facilities. Our actual 2021/22 audited depreciation expense was \$435,268. **Total depreciation expense is budgeted to remain the same as this year's budget of \$288,000. (Consolidated Budget cell F151)**
8. Transfer to Reserves. This line item, in the water and sewer funds, transfers capacity charges to capital reserves. Capacity charges can only be used for capital projects and are used in subsequent years. This line item reserves this money for use in future years. A total of \$70,580 is budgeted to be transferred to reserves. The \$26,270 anticipated surplus from the solid waste fund budget would also be transferred to reserves. **Total transfer to reserves is budgeted at \$96,850 which is a slight increase of \$1,334 or 1.4%. (Consolidated Budget cell F160)**

Preliminary FY 2023/24 Budget Summary

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

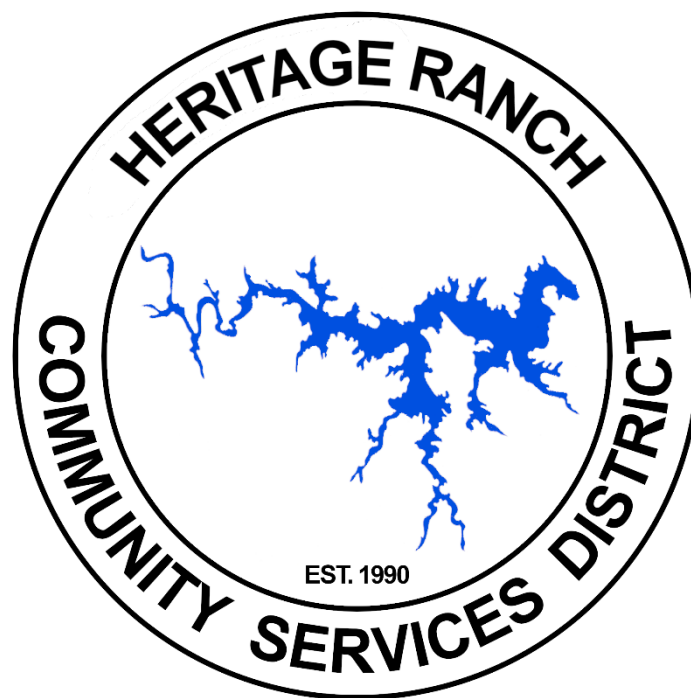
- The Preliminary FY 23/24 Budget has a \$404 surplus in the water fund and a \$197,445 surplus in the sewer fund. Any surplus is transferred or returned to reserves.
- Total operating revenue (rates, fees, etc.) is budgeted at a \$568,693 or 29.5% increase. **(Consolidated Budget cell F23)**
- Total non-operating revenue (property taxes, standby and capacity charges, etc.) is budgeted at a \$46,059 or 6.1% increase. **(Consolidated Budget cell F31)**
- Total revenue in the Preliminary FY 23/24 Budget represents an increase of \$661,070 or 13.0% compared to this year's budget. **(Consolidated Budget cell F44)**
- Total capital budget in this Preliminary FY 23/24 Budget represents an increase of \$294,982 or 14.0% compared to this year's budget. **(Consolidated Budget cell F141)**
- Total expense less capital in this Preliminary FY 23/24 Budget represents an increase of \$166,906 or 5.9% compared to this year's budget. **(Consolidated Budget cell F155-F141)**

There may be changes in revenue and expenses as we receive updated information and estimates before the Final Budget is presented to your Board. There are very few major expense items that can be reduced and maintain operations, and very little flexibility to reduce expenses such as insurances, utilities, supplies, and permits to name a few.

Attachment: Preliminary FY 2023/24 Budget

File: FY 2023/24 Budget

HERITAGE RANCH
COMMUNITY SERVICES DISTRICT



FISCAL YEAR 2023-2024
PRELIMINARY BUDGET
June 15, 2023

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
Preliminary 2023/24 Capital & Equipment Budget**

PROJECTS	Total Budget	Funding Source						
		Capital Reserves		Operating Budget			Operating Reserves	
		Water	Sewer	Water	Sewer	General	Water	Sewer
WRF Upgrade Project (design, env, admin)	\$1,075,891		\$376,562					\$699,329
Lift Station 1-5 Rehab (const)	\$200,000							\$200,000
Water System SCADA Upgrade	\$193,300	\$61,856					\$131,444	
GAC System (Pilot Study)	\$10,369						\$10,369	
Pressure Reducing Valves (Waterview, Equestrian)	\$175,000						\$175,000	
Raw Water Vertical Intake No. 2 (design phase)	\$50,000	\$16,000					\$34,000	
DBP Project	\$325,000						\$325,000	
Wastewater Collection System SCADA Upgrade	\$200,000		\$68,000					\$132,000
Wastewater Collection System Model & I / I	\$75,000		\$25,500					\$49,500
subtotal Projects	\$2,304,559	\$77,856	\$470,062	\$0	\$0	\$0	\$675,813	\$1,080,829
EQUIPMENT								
Equipment / Vehicle replacement (service truck)	\$58,414						\$35,048	\$23,366
Vehicle replacement (fleet pickup)	\$35,000						\$21,000	\$14,000
subtotal Equipment	\$93,414	\$0	\$0	\$0	\$0	\$0	\$56,048	\$37,366
TOTAL CAPITAL	\$2,397,973	\$77,856	\$470,062	\$0	\$0	\$0	\$731,861	\$1,118,195

	A	B	C	D	E	F
1	HERITAGE RANCH COMMUNITY SERVICES DISTRICT - WATER FUND					
2	2021/22 un-audited, 2022/23 Summary & 2023/24 Preliminary					
3						
4						
5						
6		Un-audited	Budget	Actual 11month	Annualized	Preliminary
7	OPERATING REVENUE	21/22	22/23	7/1/22 - 5/31/23	F.Y.E. 6/30/23	23/24
8	Water Fees	1,241,485	1,107,981	1,132,659	1,235,627	1,364,806
9	Late Fees	15,829	11,100	14,427	15,739	11,130
10	Hook-Up Fees	3,200	2,500	1,000	1,091	2,000
11	Turn on Fees	2,310	2,000	1,035	1,129	2,000
12	Plan Check & Inspection	776	5,000	0	0	800
13	Miscellaneous Income	12,933	0	4,324	4,717	0
14	TOTAL OPERATING REVENUE	\$1,276,533	\$1,128,581	\$1,153,444	\$1,258,303	\$1,380,736
15						
16						
17	NON-OPERATING REVENUE					
18	Standby Charges	195,919	202,958	196,510	202,958	203,000
19	Property Tax	224,509	232,860	244,267	232,860	249,911
20	Interest	10,148	11,400	62,875	68,591	22,800
21	Connection Fees	43,246	31,745	12,681	13,834	31,745
22	TOTAL NON-OPERATING REVENUE	\$473,821	\$478,963	\$516,334	\$518,243	\$507,456
23						
24						
25	RESERVE REVENUE					
26	Capital Reserves	62,195	0	0	0	77,856
27	General Reserves	318,537	710,080	288,443	314,665	731,861
28	TOTAL RESERVE REVENUE	\$380,732	\$710,080	\$288,443	\$314,665	\$809,717
29						
30	TOTAL REVENUE	\$2,131,086	\$2,317,624	\$1,958,221	\$2,091,212	\$2,697,909
31						
32						
33	OPERATING EXPENSES					
34						
35	SALARIES AND BENEFITS					
36	Salaries	200,815	300,242	204,205	222,769	329,221
37	Overtime	6,186	6,487	4,153	4,531	4,758
38	Standby	7,717	7,900	7,018	7,656	7,900
39	Health Insurance	43,678	61,044	47,600	51,927	68,343
40	Pers Retirement	53,251	48,222	49,983	54,527	57,738
41	Workers Comp. Ins.	8,578	12,468	11,168	12,183	12,720
42	Medicare/FICA	3,106	4,235	3,118	3,401	4,661
43	Uniforms	2,542	3,000	2,187	2,386	3,000
44	TOTAL SALARIES & BENEFITS	\$325,873	\$443,598	\$329,432	\$359,380	\$488,341
45						
46						
47	UTILITIES					
48	Electricity	79,854	90,604	45,156	49,261	94,228
49	Water Purchase	23,114	23,114	23,114	23,114	28,600
50	Telephone/Internet	3,754	3,826	3,893	4,247	4,417
51	TOTAL UTILITIES	\$106,722	\$117,544	\$72,163	\$76,622	\$127,245
52						
53						
54						
55						

	A	B	C	D	E	F
56	HERITAGE RANCH COMMUNITY SERVICES DISTRICT - WATER FUND					
57	2021/22 un-audited, 2022/23 Summary & 2023/24 Preliminary					
58						
59						
60		Un-audited	Budget	Actual 11month	Annualized	Preliminary
61	MAINTENANCE & SUPPLIES	21/22	22/23	7/1/22 - 5/31/23	F.Y.E. 6/30/23	23/24
62	Chemicals	47,720	62,000	58,411	63,721	64,480
63	Computer/Software	1,729	8,350	1,960	2,138	8,684
64	Equip. Rental/Lease	936	2,000	12,964	14,143	2,080
65	Fixed Equip.	59,721	126,500	157,525	171,845	131,560
66	Fuel & Oil	9,862	9,000	10,423	11,370	9,360
67	Lab Testing	23,409	34,400	16,015	17,471	35,776
68	Struct./Grnds.	2,156	3,735	4,437	4,840	3,884
69	Small Tools/Equip.	3,875	1,800	4,719	5,148	1,872
70	Supplies	3,790	3,000	8,941	9,753	3,120
71	Meters/Equip.	450	12,000	11,819	12,893	12,480
72	Vehicles	5,810	3,600	5,487	5,986	3,744
73	TOTAL MAINT. & SUP.	\$159,457	\$266,385	\$292,701	\$319,310	\$277,040
74						
75	GENERAL & ADMINISTRATION					
76	Allocation of General Fund	352,641	374,728	376,693	410,938	405,781
77	Alarm/Answering Service	932	1,000	770	841	1,040
78	Bank Charges/Fees	0	0	0	0	0
79	Consulting/Engineering	4,878	5,000	96	105	5,000
80	Dues/Subscription	3,156	6,200	3,988	4,351	6,448
81	Insurance (Property/Liability)	15,138	16,519	-137	-149	18,480
82	Legal/Attorney	3,505	0	0	0	0
83	Licenses/Permits	15,183	16,100	18,290	19,953	16,744
84	Plan Check & Inspection	776	5,000	0	0	800
85	Professional Service	27,246	52,000	43,226	47,155	54,080
86	Training & Travel	42	3,000	5,100	5,564	3,120
87	TOTAL G & A	\$423,497	\$479,546	\$448,026	\$488,756	\$511,493
88						
89						
90	CAPITAL PROJECTS & EQUIPMENT					
91	Project	327,162	434,384	251,491	274,354	753,669
92	Equipment	57,190	93,000	36,952	40,311	56,048
93	TOTAL CAPITAL	\$384,352	\$527,384	\$288,443	\$314,665	\$809,717
94						
95	DEBT					
96	State Loan Payment-DWR	103,628	103,629	103,628	103,629	103,629
97	State Loan Payment Phase II-SRF	58,739	58,740	29,369	58,740	58,740
98	Western Alliance Lease-PVS	114,209	114,051	114,051	114,051	114,556
99	TOTAL DEBT	\$276,576	\$276,420	\$247,049	\$276,420	\$276,925
100						
101						
102	FUNDED DEPRECIATION	175,000	175,000	160,417	175,000	175,000
103	UNFUNDED DEPRECIATION	0	0	0	0	0
104						
105	TOTAL EXPENSE	\$1,851,476	\$2,285,879	\$1,838,231	\$2,010,154	\$2,665,760
106						
107	TRANSFER TO RESERVES	\$42,889	\$31,745	\$12,681	\$13,834	\$31,745
108						
109	FUND TOTAL	\$236,721	\$0	\$107,309	\$67,224	\$404

	A	B	C	D	E	F
1	HERITAGE RANCH COMMUNITY SERVICES DISTRICT - SEWER FUND					
2	2021/22 un-audited, 2022/23 Summary & 2023/24 Preliminary					
3						
4						
5						
6		Un-audited	Budget	Actual 11month	Annualized	Preliminary
7	OPERATING REVENUE	21/22	22/23	7/1/22 - 5/31/23	F.Y.E. 6/30/23	23/24
8	Sewer Fees	726,883	704,110	692,703	755,676	1,018,537
9	Late Fees	9,642	7,400	9,058	9,881	7,700
10	Hook-Up Fees	500	500	200	218	400
11	Turn on Fees	1,540	1,500	690	753	1,500
12	Plan Check & Inspection	517	5,000	0	0	800
13	Miscellaneous Income	8,622	0	2,879	3,140	0
14	TOTAL OPERATING REVENUE	\$747,705	\$718,510	\$705,529	\$769,668	1,028,937
15						
16						
17	NON-OPERATING REVENUE					
18	Standby Charges	40,128	39,186	40,249	39,186	39,200
19	Property Tax	122,460	127,014	133,237	127,014	136,315
20	Interest	3,097	3,600	18,396	20,068	7,200
21	Connection Fees	39,313	38,835	15,551	16,964	38,835
22	TOTAL NON-OPERATING REVENUE	\$204,997	\$208,635	\$207,432	\$203,233	\$221,550
23						
24			\$927,145		\$972,901	
25	RESERVE REVENUE					
26	Capital Reserves	47,177	503,512	126,950	138,491	470,062
27	General Reserves	143,972	1,138,063	260,400	284,072	1,118,195
28	TOTAL RESERVE	\$191,149	\$1,641,575	\$387,350	\$422,564	\$1,588,256
29						
30	TOTAL REVENUE	\$1,143,851	\$2,568,720	\$1,300,312	\$1,395,465	\$2,838,744
31						
32	OPERATING EXPENSES					
33						
34	SALARIES AND BENEFITS					
35	Salaries	133,876	200,162	136,137	148,513	219,481
36	Overtime	4,124	4,325	2,769	3,021	3,172
37	Standby	5,145	5,300	4,679	5,104	5,300
38	Health Insurance	29,512	40,696	32,162	35,086	45,562
39	Pers Retirement	35,182	32,148	33,018	36,019	38,492
40	Workers Comp. Ins.	5,665	8,234	7,375	8,046	8,400
41	Medicare/FICA	2,070	2,823	2,078	2,267	3,107
42	Uniforms	1,694	2,000	1,242	1,355	2,000
43	TOTAL SALARIES & BENEFITS	\$217,269	\$295,688	\$219,459	\$239,410	\$325,514
44						
45						
46	UTILITIES					
47	Electricity	31,448	33,478	66,755	72,824	34,817
48	Telephone/Internet	2,617	2,667	2,714	2,960	3,079
49	TOTAL UTILITIES	\$34,065	\$36,145	\$69,469	\$75,784	\$37,896
50						
51						
52						
53						
54						

	A	B	C	D	E	F
55	HERITAGE RANCH COMMUNITY SERVICES DISTRICT - SEWER FUND					
56	2021/22 un-audited, 2022/23 Summary & 2023/24 Preliminary					
57						
58						
59						
60		Un-audited	Budget	Actual 11month	Annualized	Preliminary
61	MAINTENANCE & SUPPLIES	21/22	22/23	7/1/22 - 5/31/23	F.Y.E. 6/30/23	23/24
62	Chemicals	18,747	17,000	22,724	24,790	17,680
63	Computer/Software	1,103	8,150	406	443	8,476
64	Equip. Rental/Lease	71	500	2,282	2,489	520
65	Fixed Equip.	51,981	60,500	23,790	25,953	62,920
66	Fuel & Oil	6,575	6,000	6,948	7,580	6,240
67	Lab Testing	31,729	24,600	25,967	28,327	25,584
68	Struct./Grnds.	4,312	7,470	8,874	9,680	7,769
69	Small Tools/Equip.	2,583	1,200	3,146	3,432	1,248
70	Supplies	1,858	1,500	2,448	2,671	1,560
71	Vehicles	3,873	2,400	3,658	3,991	2,496
72	TOTAL MAINT. & SUP.	\$122,832	\$129,320	\$100,243	\$109,356	\$134,493
73						
74						
75	GENERAL & ADMINISTRATION					
76	Allocation of General Fund	271,262	288,252	289,764	316,106	312,139
77	Alarm/Answering Service	932	1,000	770	841	1,040
78	Bank Charges/Fees	0	0	0	0	0
79	Consulting/Engineering	2,866	5,000	64	70	5,000
80	Dues/Subscription	1,733	3,800	1,806	1,970	3,952
81	Insurance (Property/Liability)	11,533	12,586	-104	-114	14,080
82	Legal/Attorney	2,336	0	0	0	0
83	Licenses/Permits	10,762	12,900	10,871	11,859	13,416
84	Plan Check & Inspection	517	5,000	0	0	800
85	Professional Service	5,858	25,000	25,556	27,879	26,000
86	Training & Travel	0	3,000	897	978	3,120
87	TOTAL G & A	\$307,801	\$356,538	\$329,623	\$359,589	\$379,547
88						
89						
90						
91	CAPITAL PROJECTS & EQUIPMENT					
92	Project	149,171	1,513,607	362,717	395,691	1,550,891
93	Equipment	38,127	62,000	24,634	26,874	37,366
94	TOTAL CAPITAL	\$187,298	\$1,575,607	\$387,351	\$422,565	\$1,588,256
95						
96	DEBT					
97	Western Alliance Lease-PVS	38,640	38,587	38,587	38,587	38,758
98	TOTAL DEBT	\$38,640	\$38,587	\$38,587	\$38,587	\$38,758
99						
100						
101	FUNDED DEPRECIATION	98,000	98,000	89,833	98,000	98,000
102	UNFUNDED DEPRECIATION	0	0	0	0	0
103						
104	TOTAL EXPENSE	\$1,005,905	\$2,529,885	\$1,234,565	\$1,343,290	\$2,602,463
105						
106	TRANSFER TO RESERVES	\$39,313	\$38,835	\$15,551	\$16,964	\$38,835
107						
108						
109	FUND TOTAL	\$98,633	\$1	\$50,196	\$35,210	\$197,445

	A	B	C	D	E	F
1	HERITAGE RANCH COMMUNITY SERVICES DISTRICT - SOLID WASTE FUND					
2	2021/22 un-audited, 2022/23 Summary & 2023/24 Preliminary					
3						
4						
5						
6		Un-audited	Budget	Actual 11month	Annualized	Preliminary
7	OPERATING REVENUE	21/22	22/23	7/1/22 - 5/31/23	F.Y.E. 6/30/23	23/24
8	TOTAL FRANCHISE FEES	\$79,860	\$82,587	\$76,970	\$83,968	\$88,698
9						
10						
11						
12						
13	EXPENSE					
14	Allocation of General Fund	54,252	57,650	57,953	63,955	62,428
15	TOTAL EXPENSES	\$54,252	\$57,650	\$57,953	\$63,955	\$62,428
16						
17	TRANSFER TO RESERVES	\$25,607	\$24,937	\$19,018	\$20,013	\$26,270
18						
19	FUND TOTAL	\$0	\$0	\$0	\$0	\$0
20						

	A	B	C	D	E	F
1	HERITAGE RANCH COMMUNITY SERVICES DISTRICT - GENERAL FUND					
2	2021/22 un-audited, 2022/23 Summary & 2023/24 Preliminary					
3						
4						
5						
6		Un-audited	Budget	Actual 11month	Annualized	Preliminary
7	OPERATING REVENUE	21/22	22/23	7/1/22 - 5/31/23	F.Y.E. 6/30/23	23/24
8	Transfer from other Funds	0	0	0	0	0
9	Miscellaneous Income	46,700	500	8,069	8,802	500
10	TOTAL OPERATING	\$46,700	\$500	\$8,069	\$8,802	\$500
11						
12						
13						
14	NON-OPERATING REVENUE					
15	Property Tax	61,230	63,507	66,618	63,507	68,158
16	Interest	0	0	0	0	0
17	TOTAL NON-OPERATING	\$61,230	\$63,507	\$66,618	\$63,507	\$68,158
18						
19						
20						
21	RESERVE REVENUE					
22	Capital Reserves	0	0	0	0	0
23	General Reserves	0	0	0	0	0
24	TOTAL RESERVE	\$0	\$0	\$0	\$0	\$0
25						
26	TOTAL REVENUE	\$107,930	\$64,007	\$74,687	\$72,309	\$68,658
27						
28						
29						
30	OPERATING EXPENSES					
31						
32	SALARIES AND BENEFITS					
33	Salaries	425,544	413,346	473,616	516,672	445,271
34	Overtime	0	0	0	0	0
35	Health Insurance	44,858	57,370	48,886	53,330	64,270
36	Health Insurance - Retirees	73,614	47,600	43,791	47,772	51,408
37	Pers Retirement	80,221	69,501	82,063	89,523	79,908
38	OPEB Funding/Transfer	0	28,306	0	0	10,181
39	Workers Comp. Ins.	1,942	2,823	2,529	2,758	2,880
40	Directors' Fees	7,200	9,000	6,200	6,764	36,000
41	Medicare/FICA	6,765	6,124	7,382	8,053	6,848
42	Car Allowance	3,000	3,000	2,750	3,000	3,000
43	SUI/ETT	637	1,000	448	489	1,000
44	TOTAL SALARIES & BENEFITS	\$643,782	\$638,070	\$667,664	\$728,360	\$700,766
45						
46						
47						
48	UTILITIES					
49	Electricity	195	209	2,654	2,896	218
50	Propane	1,402	1,466	1,137	1,240	1,525
51	Telephone/Internet	5,005	5,101	5,191	5,662	5,305
52	TOTAL UTILITIES	\$6,602	\$6,777	\$8,982	\$9,798	\$7,048
53						
54						

	A	B	C	D	E	F
55	HERITAGE RANCH COMMUNITY SERVICES DISTRICT - GENERAL FUND					
56	2021/22 un-audited, 2022/23 Summary & 2023/24 Preliminary					
57						
58						
59						
60		Un-audited	Budget	Actual 11month	Annualized	Preliminary
61	MAINTENANCE & SUPPLIES	21/22	22/23	7/1/22 - 5/31/23	F.Y.E. 6/30/23	23/24
62	Computer/Software	31,240	17,400	13,012	14,195	18,096
63	Equip. Rental/Lease	0	0	0	0	0
64	Fixed Equip.	662	0	313	341	0
65	Office Supplies	1,336	1,500	1,415	1,544	1,560
66	Parks & Recreation	0	0	0	0	1,000
67	Struct./Grnds.	2,156	3,735	4,437	4,840	3,884
68	Supplies	13	0	0	0	0
69	TOTAL MAINT. & SUP.	\$35,406	\$22,635	\$19,176	\$20,920	\$24,540
70						
71						
72	GENERAL & ADMINISTRATION					
73	Ads./Advertising	1,382	1,500	477	520	1,500
74	Alarm/Answering Service	1,864	2,000	1,541	1,681	2,080
75	Audit	8,485	10,000	8,785	9,584	10,000
76	Bank Charges/Fees	5,707	1,000	250	272	1,000
77	Consulting/Engineering	0	0	0	0	0
78	Dues/Subscription	6,625	0	5,425	5,918	0
79	Elections	0	5,000	6,151	6,710	0
80	Insurance (Property/Liability)	9,371	10,226	-85	-92	11,440
81	LAFCO	6,269	6,930	7,254	7,914	7,700
82	Legal/Attorney	9,138	25,000	16,666	18,181	25,000
83	Licenses/Permits	0	0	0	0	0
84	Postage	15,108	15,000	14,948	16,307	15,600
85	Professional Service	14,719	12,300	19,907	21,717	12,792
86	Tax Collection	6,158	6,200	6,272	6,842	7,300
87	Staff Training & Travel	368	6,000	1,654	1,805	6,240
88	Board Training & Travel	100	1,000	279	304	1,000
89	TOTAL G & A	\$85,294	\$102,156	\$89,525	\$97,663	\$101,652
90						
91						
92						
93	CAPITAL PROJECTS & EQUIPMENT					
94	Project	0	0	0	0	0
95	Equipment	0	0	0	0	0
96	TOTAL CAPITAL	\$0	\$0	\$0	\$0	\$0
97						
98						
99	FUNDED DEPRECIATION	15,000	15,000	13,750	15,000	15,000
100	UNFUNDED DEPRECIATION	0		0	0	0
101						
102	TOTAL EXPENSE	\$786,085	\$784,638	\$799,096	\$871,742	\$849,006
103						
104	TRANSFERRED TO OTHER FUNDS	(\$678,155)	(\$720,631)	(\$724,410)	(\$799,432)	(\$780,348)
105						
106	FUND TOTAL	\$0	\$0	\$0	\$0	\$0

	A	B	C	D	E	F
1	HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET					
2	2021/22 un-audited, 2022/23 Summary & 2023/24 Preliminary					
3						
4						
5						
6		Un-audited	Budget	Actual 11month	Annualized	Preliminary
7	OPERATING REVENUE	21/22	22/23	7/1/22 - 5/31/23	F.Y.E. 6/30/23	23/24
8	Water Fees	1,241,485	1,107,981	1,132,659	1,235,627	1,364,806
9	Sewer Fees	726,883	704,110	692,703	755,676	1,018,537
10	Hook-Up Fees	3,700	3,000	1,200	1,309	2,400
11	Turn on Fees	3,850	3,500	1,725	1,882	3,500
12	Late Fees	25,471	18,500	23,485	25,620	18,830
13	Plan Check & Inspection	1,293	10,000	0	0	1,600
14	Miscellaneous Income	68,255	500	15,271	16,659	500
15	OPERATING	\$2,070,938	\$1,847,591	\$1,867,042	\$2,036,774	\$2,410,173
16						
17						
18						
19	FRANCHISE REVENUE					
20	FRANCHISE	79,860	82,587	76,970	83,968	\$88,698
21						
22						
23	TOTAL OPERATING	\$2,150,798	\$1,930,178	\$1,944,013	\$2,120,741	\$2,498,871
24						
25						
26	NON-OPERATING REVENUE					
27	Standby Charges	236,047	242,144	236,760	242,144	242,200
28	Property Tax	408,199	423,381	444,122	423,381	454,384
29	Interest	13,244	15,000	81,271	88,659	30,000
30	Connection Fees	82,559	70,580	28,232	30,799	70,580
31	TOTAL NON-OPERATING	\$740,048	\$751,105	\$790,384	\$784,983	\$797,164
32						
33						
34						
35	RESERVE REVENUE					
36	Capital Reserves	109,372	503,512	126,950	138,491	547,918
37	General Reserves	462,509	1,848,143	548,843	598,737	1,850,056
38	TOTAL RESERVE	\$571,881	\$2,351,655	\$675,793	\$737,229	\$2,397,973
39						
40						
41	TOTAL NON-OPERATING	\$1,311,930	\$3,102,760	\$1,466,177	\$1,522,212	\$3,195,137
42						
43						
44	TOTAL ALL REVENUE	\$3,462,727	\$5,032,938	\$3,410,190	\$3,642,953	\$5,694,008
45						
46						
47						
48						
49						
50						
51						
52						
53						
54						

	A	B	C	D	E	F
55	HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET					
56	2021/22 un-audited, 2022/23 Summary & 2023/24 Preliminary					
57						
58						
59						
60	OPERATING EXPENSES					
61						
62		Un-audited	Budget	Actual 11month	Annualized	Preliminary
63	SALARIES AND BENEFITS	21/22	22/23	7/1/22 - 5/31/23	F.Y.E. 6/30/23	23/24
64	Salaries	760,235	913,750	813,957	887,954	993,973
65	Health Insurance	118,049	159,110	128,648	140,343	178,175
66	Health Insurance - Retiree	73,614	47,600	43,791	47,772	51,408
67	Pers Retirement	168,653	149,871	165,063	180,069	176,138
68	OPEB Funding/Transfer	0	28,306	0	0	10,181
69	Standby	12,862	13,200	11,697	12,760	13,200
70	Overtime	10,311	10,812	6,922	7,552	7,929
71	Workers Comp. Ins.	16,185	23,525	21,072	22,987	24,000
72	Directors' Fees	7,200	9,000	6,200	6,764	36,000
73	Medicare/FICA	11,941	13,182	12,578	13,721	14,616
74	Car Allowance	3,000	3,000	2,750	3,000	3,000
75	SUI/ETT	637	1,000	448	489	1,000
76	Uniforms	4,236	5,000	3,429	3,741	5,000
77	TOTAL SALARIES & BENEFITS	\$1,186,924	\$1,377,356	\$1,216,554	\$1,327,150	\$1,514,620
78						
79						
80						
81	UTILITIES					
82	Electricity	111,497	124,292	114,566	124,981	129,263
83	Propane	1,402	1,466	1,137	1,240	1,525
84	Water Purchase	23,114	23,114	23,114	23,114	28,600
85	Telephone/Internet	11,376	11,594	11,797	12,870	12,801
86	TOTAL UTILITIES	\$147,389	\$160,466	\$150,614	\$162,204	\$172,188
87						
88						
89						
90	MAINTENANCE & SUPPLIES					
91	Chemicals	66,467	79,000	81,135	88,511	82,160
92	Computer/Software	34,072	33,900	15,378	16,776	35,256
93	Equip. Rental/Lease	1,007	2,500	15,246	16,632	2,600
94	Fixed Equip.	112,364	187,000	181,628	198,139	194,480
95	Fuel & Oil	16,437	15,000	17,371	18,951	15,600
96	Lab Testing	55,138	59,000	41,982	45,798	61,360
97	Office Supplies	1,336	1,500	1,415	1,544	1,560
98	Parks & Recreation	0	0	0	0	1,000
99	Struct./Grnds.	8,625	14,940	17,747	19,360	15,537
100	Small Tools/Equip.	6,458	3,000	7,866	8,581	3,120
101	Supplies	5,660	4,500	11,389	12,424	4,680
102	Meters/Equip.	450	12,000	11,819	12,893	12,480
103	Vehicles	9,683	6,000	9,145	9,976	6,240
104	TOTAL MAINT. & SUP.	\$317,696	\$418,340	\$412,120	\$449,586	\$436,073
105						
106						
107						
108						
109						

	A	B	C	D	E	F
110	HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET					
111	2021/22 un-audited, 2022/23 Summary & 2023/24 Preliminary					
112						
113						
114						
115		Un-audited	Budget	Actual 11month	Annualized	Preliminary
116	GENERAL & ADMINISTRATION	21/22	22/23	7/1/22 - 5/31/23	F.Y.E. 6/30/23	23/24
117	Ads./Advertising	1,382	1,500	477	520	1,500
118	Alarm/Answering Service	3,728	4,000	3,082	3,362	4,160
119	Audit	8,485	10,000	8,785	9,584	10,000
120	Bank Charges/Fees	5,707	1,000	250	272	1,000
121	Consulting/Engineering	7,744	10,000	160	175	10,000
122	Dues/Subscription	11,515	10,000	11,219	12,239	10,400
123	Elections	0	5,000	6,151	6,710	0
124	Insurance (Property/Liability)	36,042	39,330	-326	-355	44,000
125	LAFCO	6,269	6,930	7,254	7,914	7,700
126	Legal/Attorney	14,979	25,000	16,666	18,181	25,000
127	Licenses/Permits	25,945	29,000	29,161	31,812	30,160
128	Plan Check & Inspection	1,293	10,000	0	0	1,600
129	Postage/Billing	15,108	15,000	14,948	16,307	15,600
130	Professional Service	47,822	89,300	88,689	96,751	92,872
131	Tax Collection	6,158	6,200	6,272	6,842	7,300
132	Staff Training & Travel	410	12,000	7,651	8,346	12,480
133	Board Training & Travel	100	1,000	279	304	1,000
134	TOTAL G & A	\$192,688	\$275,260	\$200,717	\$218,964	\$274,772
135						
136						
137						
138	CAPITAL PROJECTS & EQUIPMENT					
139	Structures/Improvements	476,333	1,947,991	614,208	670,045	2,304,559
140	Equipment	95,317	155,000	61,586	67,185	93,414
141	TOTAL CAPITAL	\$571,650	\$2,102,991	\$675,794	\$737,230	\$2,397,973
142						
143						
144						
145	DEBT					
146	State Loan Payment - DWR	103,628	103,629	103,628	103,629	103,629
147	State Loan Payment Phase II - SRF	58,739	58,740	29,369	58,740	58,740
148	Western Alliance Lease-PVS	152,850	152,638	152,638	152,638	153,313
149	TOTAL DEBT	\$315,217	\$315,007	\$285,636	\$315,007	\$315,682
150						
151	FUNDED DEPRECIATION	\$288,000	\$288,000	\$264,000	\$288,000	\$288,000
152	UNFUNDED DEPRECIATION	\$0	\$0	\$0	\$0	\$0
153						
154						
155	TOTAL EXPENSE	\$3,019,564	\$4,937,421	\$3,205,436	\$3,498,142	\$5,399,309
156						
157	CAPACTIY CHARGES TRANSFER	\$82,559	\$70,580	\$28,232	\$30,799	\$70,580
158						
159	SOLID WASTE FEES TRANSFER	\$25,607	\$24,937	\$19,018	\$20,013	\$26,270
160			\$95,517			\$96,850
161						
162	FUND TOTAL	\$334,997	\$1	\$157,505	\$94,000	\$197,849

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: June 15, 2023

SUBJECT: Receive updates regarding disinfection byproducts and provide direction to staff.

Background

The District water system is exceeding the disinfection byproducts maximum contaminant level. 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.

Disinfection Byproducts Rule

The Environmental Protection Agency adopted, and the California State Division of Drinking Water is implementing the Disinfection Byproducts Rule. This Federal Rule limits the levels of total trihalomethanes (TTHM) and haloacetic acids (HAA5) in drinking water. In 2002, the District began sampling our distribution system water for TTHM and HAA5.

The maximum contamination level (MCL) for TTHM is 80 parts per billion (ppb) and for HAA5 it is 60 ppb, based on a locational running annual average (LRAA).

For our system, the most recent LRAA for TTHM is 76 ppb at the Black Horse Lane sample site and 82 ppb at the Wood Duck Lane sample site.

For our system, the most recent LRAA for HAA5 is 82 ppb at the Black Horse Lane sample site and 97 ppb at the Wood Duck Lane sample site.

Discussion

Both TTHM and HAA5 are byproducts of drinking water disinfection and are controlled by State Primary Drinking Water Standards. TTHM and HAA5 are formed in drinking water when free chlorine comes in contact with organic compounds. All surface water has the presence of organic compounds. During a heavy rain event or low water levels, the amount of organics found in surface water can increase rapidly.

All water utilities that use surface water have become more concerned with the presence of organic compounds in their water and the implications of the Disinfection Byproducts Rule. Most water systems treat their water with a chemical disinfectant (e.g. Chlorine) to inactivate pathogens that cause diseases. The public health benefit of common disinfection practices is obvious, significant, and well recognized. While disinfectants are effective in controlling many harmful microorganisms, they react with organic matter in the water and form disinfection byproducts, some of which pose health risks over time when present above certain levels.

Total organic carbon (TOC) levels are an important factor in disinfection byproduct formation. TOC levels have increased in both our raw and finished water over time, and significantly since 2016 after the Chimney Fire. The increased organic matter left over from wildfire is transported via rainfall runoff through the watershed, and in this case deposited into Nacimiento Reservoir. The increase in TOC coincides with a corresponding increase in haloacetic acid levels. The table below shows the average and range of raw water TOC, treated water TOC, and LRAA haloacetic acids.

Time Period	Raw Water TOC ppm	Treated Water TOC ppm	Total Haloacetic Acids ppb
2010 - 2016	2.6 average (1.5 - 4.2)	2.2 average (1.3 - 3.6)	39.2 average (24.0 - 67.0)
2016 - 2023	3.6 average (2.3 - 5.0)	2.6 average (1.8 - 3.9)	59.1 average (31.3 - 105.0)

Staff continues to work with the State Water Resources Control Board, Division of Drinking Water (DDW), who is very supportive of our approach and appreciates that we are continuing to work on this challenging issue. A summary of District work specific to disinfection byproducts is:

- Constructed Phase I of raw water improvements which include a potassium permanganate, powder activated carbon, and raw water tank mixing system to reduce TOC.
- Constructed Phase II of raw water improvements which include the plate settler to reduce high turbidity events and PAC loading to the downstream filter units.
- Consulted with MKN who developed a chemical optimization pilot testing plan.
- Routinely clean the inside of the water storage tanks.
- Adjusted the arrangement of the raw water tank mixing system to improve circulation and minimize settling of powder activated carbon.
- Initiated a more robust waterline flushing program to increase circulation.

- Adjust pressure reducing valves in the water distribution system to further increase circulation.
- Installed a water mixing system at the 2-million-gallon water storage tank.
- Constructed Vertical Intake No. 1.
- Completed WTP filters renovation.
- Performed several chemical optimization trials in coordination with the State Water Resources Control Board, Division of Drinking Water.
- Currently working on the water system SCADA upgrade project.
- Currently working on the Granular Activated Carbon (GAC) pilot project.

Staff has also researched other more expensive possible solutions by other treatment methods such as UV, ballasted flocculation, ion exchange, and reverse osmosis.

As mentioned to your Board during previous meetings, the DDW has some reservations with the MKN proposal which included pH suppression, because of the additional complexity it would add to the treatment plant. In addition, with a package filter plant like ours, they are not sure how effective adding enhanced coagulation would be due to the short detention time through the treatment plant. DDW has stated that the MKN study seemed to be focused on pH adjustment and didn't discuss existing issues (like filter media, optimized pretreatment (PAC, KMnO₄, coagulation), distribution improvements, etc.). Their point of view is, before we make this little treatment plant even more complicated, the District should ensure that what we currently have is optimized.

The Division of Drinking Water will need to be consulted, informed, and ultimately approve any significant treatment changes the District is considering.

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 \$75,000 for the GAC pilot project. Next year's proposed 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

Manager Report For the Month of June 2023

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

Administration

- The Manager attended the May meeting of the Nacimiento Water Project Commission.
- The Manager met with the Director of the SLO County Groundwater Sustainability Department.

Solid Waste

- The Manager attended the June meeting of the IWMA Local Task Force and the June meeting of the IWMA Board of Directors.

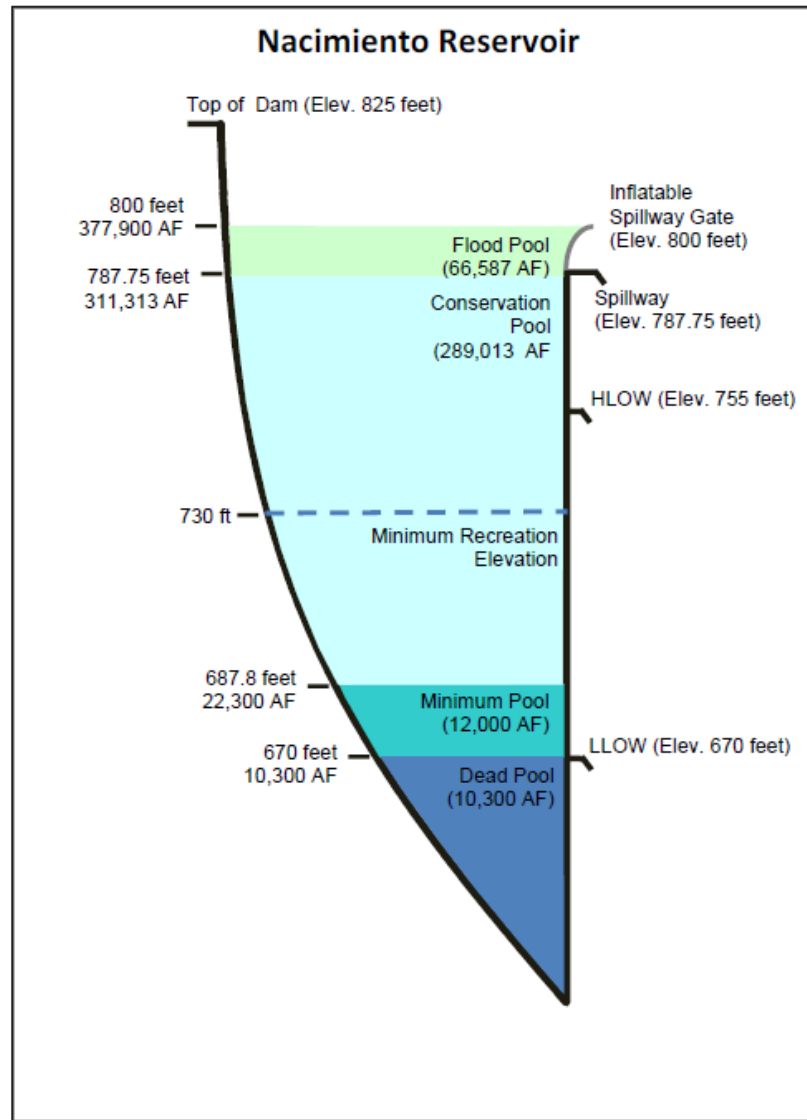
Development

- The applicant for Tract 2879 and Tract 3110 has again requested conditional will-serves. An item will be placed on a future Board meeting agenda for your Board to consider approval of conditional will-serve letters for these developments.

Reservoir Status

- The Manager attended the May meeting of the MCWRA Reservoir Operations Committee. A graphic of the Nacimiento Reservoir elevations is provided below.
- As reported by Monterey County Water Resources Agency (MCWRA), as of June 1, 2023 the reservoir was at approximately 796.1 feet in elevation, 94% of capacity, or 355,578-acre feet of storage. MCWRA water releases were shown as 254 cfs.

Nacimiento Reservoir



HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors
FROM: Joshua M. George, District Counsel
DATE: June 9, 2023
SUBJECT: Request to consider compensation for the General Manager.

Recommendation

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

Background and Discussion

On June 15, 2023, your Board will meet in closed session for the annual evaluation of the General Manager. Beginning January 1, 2017, and in response to reform following the City of Bell controversy, the Government Code was revised to require executive compensation be finally determined in a Regular Meeting in open session. Following Board discussion and public comment, it is recommended that your Board determine the General Manager's compensation.

Fiscal Considerations

The FY 2023/24 Budget accommodates compensation for the General Manager.

Results

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

* * *