



**Heritage Ranch Community Services District**  
4870 Heritage Road, Paso Robles, California 93446  
(805) 227-6230 • (805) 227-6231

**BOARD MEETING AGENDA**

Thursday, January 17, 2019

DISTRICT OFFICE, HERITAGE RANCH, CA

**Board Members:**

Bill Barker, President  
Dan Burgess, Vice President  
Devin Capps, Director  
Reg Cousineau, Director  
Martin Rowley, Director

1. 4:00 PM OPEN SESSION / CALL TO ORDER / FLAG SALUTE
2. ROLL CALL
3. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

It is the policy of the Board to refer concerns from members of the Public to the District Manager for investigation and resolution, if appropriate. Presentations are limited to three minutes. In compliance with the Brown Act the Board may not take action on any matter that is not on the agenda. The public will be offered an opportunity to comment on agenda items when the items are presented.

4. DISCUSSION ITEMS

- a. Request to receive and file an update on the status of Nacimiento Reservoir and implementation of the Emergency Water Shortage Regulations and Staged Water Use Reduction Plan.

***(Action required: 1) receive staff report; 2) open public comment; 3) close public comment; 4) discussion, receive and file)***

- b. Request to consider approval of the 1) Lift Station 1-5 Condition Assessment, 2) Lift Station 1 Electrical Controls Repair, and 3) authorize a corresponding budget adjustment of \$20,000 from reserves.

***(Action required: 1) receive staff report; 2) open public comment; 3) close public comment; 4) discussion, motion, and roll call vote)***

## 5. CONSENT ITEMS

The following items are considered routine and may be approved by one motion if no member of the Board wishes an item be removed. If discussion is desired, an item may be removed from the Consent Agenda by a Board member and will be considered separately. If an item is removed for discussion a Motion must be made for approval.

- a. Meeting Minutes: Receive/approve minutes of regular meeting of December 20, 2018.
- b. Warrant Register: Receive/approve December 2018 warrants.
- c. Treasurer's Report: Receive/file December 2018 report.
- d. Fiscal Report: Receive/file December 2018 status report.
- e. Manager's Report: Receive/file December 2018 report.
- f. Staff Reports: Receive/file December 2018 reports.

## 6. DIRECTORS/MANAGER COMMENTS

This item is the opportunity for Board Members or Staff to make brief announcements or reports, ask questions related to District business and for Directors to request Staff to report back on a particular matter or place an item on the agenda.

## 7. ADJOURNMENT

***(Action required: by motion and voice vote, adjourn meeting)***

The next regular Board of Directors meeting is scheduled for Thursday, February 21, 2019.

### Notes:

- All comments concerning any item on the agenda are to be directed to the Board President.
- Any document pertaining to an open session item on this agenda which is distributed to the Board of Directors is available for public review at the time the subject writing or document is distributed or at least 72 hours before the meeting date whichever occurs first at the District Office, 4870 Heritage Road, Paso Robles, CA.
- Copies of the staff reports or written materials relating to each open session item on this agenda are available for public inspection and reproduction at District cost.
- In compliance with the Americans with Disabilities Act (ADA), the Heritage Ranch Community Services District is committed to including the disabled in all of its services, programs and activities. If you need special assistance to participate in this meeting, please contact the Board Secretary at 227-6230 at least 72 hours prior to the meeting to enable the District to make reasonable arrangements to insure accessibility to the meeting.

## HERITAGE RANCH COMMUNITY SERVICES DISTRICT

### MEMORANDUM

**TO:** Board of Directors

**FROM:** Scott Duffield, General Manager

**DATE:** January 17, 2019

**SUBJECT:** Request to receive and file an update on the status of Nacimiento Reservoir and implementation of the Emergency Water Shortage Regulations and Staged Water Use Reduction Plan.

#### **Recommendation**

It is recommended that the Board of Directors receive and file an update on the status of Nacimiento Reservoir and implementation of the Emergency Water Shortage Regulations and Staged Water Use Reduction Plan.

#### **Background**

District Code of Ordinances, Section 5.940 provides that the General Manager shall monitor the Nacimiento Reservoir water elevation and demand for water and shall report in writing to the Board, the Reservoir water level as determined to exist or as predicted to occur during the balance of the water year, based on the reservoir water level elevation at the end of the winter rain season, March 31<sup>st</sup>. A summary of the past water year is below:

- Stage I – July 1, 2018 (EL 730')
- Stage II – September 1, 2018 (EL 720')

#### **Discussion**

As reported by Monterey County Water Resources Agency (MCWRA) as of January 10<sup>th</sup>, the reservoir was at approximately 715.0 feet in elevation, 16% of capacity, or 59,050-acre feet of storage. MCWRA water releases from the low-level outlet were at 60 cfs.

#### **District Code of Ordinances Section 5.900**

Section 5.900 of Chapter 5 of the District Code is known and cited as the Heritage Ranch Community Services District Emergency Water Shortage Regulations and Staged Water Use Reduction Plan (Code). The purpose and intent of this Code is to provide water shortage response procedures to minimize the effect of any existing or threatened water

shortage conditions to customers. Conservation goals are based on historical average and staged conservation measures are triggered by reservoir elevation.

Water shortage conservation stages are summarized below:

Stage I	Elevation 730' – 720'	No mandatory conservation
Stage II	Elevation 720' – 700'	15% mandatory conservation
Stage III	Elevation 700' – 680'	30% mandatory conservation
Stage IV	Elevation 680' – 670'	50% mandatory conservation

The Manager understands that MCWRA does not publish an updated release schedule until after the winter rain season. Staff continues to monitor elevations and the good news is the rain occurring over the last several weeks. It appears we will not get to Stage III as the reservoir elevation has risen and should continue to rise as the rain comes. However, as of the printing of this report the reservoir is still within Stage II conditions. The Board may want to consider remaining in a conservation stage until such time reservoir elevations stabilize for a foreseeable period.

### **Fiscal Implications**

There are no direct fiscal considerations associated with this item. However, fiscal impacts due to conservation measures implemented under each conservation stage would be reductions in water fund revenue.

### **Results**

This is a receive and file item only; however, the Board may provide direction to staff.

## HERITAGE RANCH COMMUNITY SERVICES DISTRICT

### MEMORANDUM

**TO:** Board of Directors

**FROM:** Scott Duffield, General Manager  
Jason Molinari, Operations Manager

**DATE:** January 17, 2019

**SUBJECT:** Request to consider approval of the 1) Lift Station 1-5 Condition Assessment, 2) Lift Station 1 Electrical Controls Repair, and 3) authorize a corresponding budget adjustment of \$20,000 from reserves.

#### **Recommendation**

It is recommended that the Board of Directors:

1. Approve the 1) Lift Station 1-5 Condition Assessment for a not to exceed amount of \$10,000; and
2. Approve the 1) Lift Station 1 Electrical Controls Repair for a not to exceed amount of \$10,000; and
3. Authorize a corresponding budget adjustment of \$20,000 from reserves.

#### **Background**

Your Board approved a Five Year Capital Improvement Program (CIP) in March of 2017.

At the October 2018 meeting, your Board directed staff to adjust the CIP plan as needed.

#### **Discussion**

Understanding that the Board approved the updated user fees with the two year delay in capital projects, staff has concentrated on other matters such as permitting and regulatory compliance. Your Board received an update on the CIP at your October 2018 meeting and understands that it may become necessary to implement projects prior to the dates shown in the CIP, or develop new projects based on need. Completing a condition assessment on Lift Stations 1 thru 5, and replacing the failing electrical controls at Lift Station 1, are two projects that need to be implemented.

## **Lift Station 1-5 Condition Assessment**

The purpose of the condition assessment is to evaluate the wet well condition of Lift Stations 1 thru 5. Lift Stations 1 thru 5 were constructed in the early 1970's and the wet wells were not coated at that time. Wet wells are constructed of stacked, interlocking, concrete rings which provide a containment area for raw sewage until the sewage is pumped to the treatment plant. Coating the wet well provides a barrier between the aggressive atmosphere found inside the wet well and the concrete rings.

The project is needed because with no coating in place, all five sewer wet wells are showing signs of degradation. Staff has noted exposed aggregate and a rough surface on all five wet wells. With no coating, the wet wells will continue to degrade effecting the structural integrity of the well. The level of degradation is unknown. The condition assessment will provide an overall evaluation and measurement of degradation. The overall condition of the wet wells will establish the need for coating and the coating preparation, process, and material used. Recommendations for repairs, options for coating, and prioritizing which wells need to be coated first will be included in an assessment report.

Staff requested informal proposals from four companies all of which perform confined space condition assessments. Table 1 lists each company contacted and the response the District received.

Table 1

<b>Company</b>	<b>Response</b>
Bay Area Coating Consultants	Unable to independently enter confined space
Concrete Science	Initial response, unresponsive to future inquiries
CSI Services	Proposal: \$3,425
V&A Engineering	Proposal: \$43,000

CSI Services and V&A Engineering responded with the ability to complete the condition assessments while meeting the District's confined space requirements. As shown in Table 1, V&A Engineering estimated \$43,000 to complete the assessment while CSI Service's proposal was \$3,425. Staff has requested clarification from CSI Services mostly on their inspection process and what would be provided in their report to insure it is sufficient to meet the District's needs.

CSI Service's proposed cost could increase depending on their response to our questions. However, we anticipate it will not be significant and will be under the not to exceed amount of \$10,000. The condition assessment will be implemented once staff accepts a proposal which is sufficient to meet the needs of the District.

## **Lift Station 1 Electrical Controls Repair**

Lift Station 1 is located off Commanche Way and collects sewage from over 500 homes. The current electrical control system dates back to 1972 when the lift station was constructed. The antiquated control system uses an air pump to measure sewage level within the wet well. Once the air pressure increases to the set-point, a pneumatic switch is triggered which turns a pump on. Recently, Lift Station 1 alarmed with a high well level because one of the pneumatic switches was not sending the signal to the pump to turn on. Staff was able to adjust set-points to compensate but the pneumatic switches are showing signs of failure.

The project is needed because a control failure could result in a sewer spill and possible fines from the State Water Resources Control Board. Replacement of the controls also needs to be planned for and scheduled before they fail. If the current controls were to fail, a staff person would have to be on-site manually turning the pump off and on until repairs could be completed. The current controls have proven reliable over their forty-five plus years of operation but there are no replacement parts available.

The scope of work is still being discussed but staff is confident the project cost will not exceed \$10,000. Staff will implement replacement of the Lift Station 1 controls by approving a proposal from a licensed electrical contractor. Staff will also work with the contractor to perform inspection and start-up of the new controls.

## **Fiscal Implications**

The approved CIP and staff propose to fund these projects from cash reserves. If approved by your Board, \$20,000 will be transferred from reserves to the FY 2018/19 capital budget.

## **Results**

Approval of the recommended action will initiate implementation of the condition assessment and Lift Station 1 electrical control repairs providing for continued safe and reliable sewer service to our customers.



**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS' REGULAR MEETING**  
*Minutes of December 20, 2018*

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

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

**2. OATH OF OFFICE ELECTED/APPOINTED BOARD MEMBERS**

Manager Duffield swore in the newly appointed Board members; Directors Barker, Capps, Cousineau, and Rowley.

**3. ROLL CALL**

Manager Duffield called the roll. All Directors were present.

Staff present: General Manager Scott Duffield, Operations Manager/AGM Jason Molinari.

**4. ELECTION OF BOARD OFFICERS**

Director Burgess made a motion to nominate Director Barker for President. Director Rowley seconded the motion. The motion passed by a voice vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

Director Barker made a motion to nominate Director Burgess for President. Director Capps seconded the motion. The motion passed by a voice vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

**5. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA**

Heritage Ranch Resident Sheriff Deputy Brandon Florentino provided us with a monthly report on his calls for service which pertain to the community.

**6. DISCUSSION ITEMS**

**a. Request to accept and direct staff to file the Independent Auditor's Report and Financial Statements for the Year Ended June 30, 2018, prepared by Crosby Company:**

Manager Duffield provided a summary of the item and introduced Bob Crosby, District Auditor. Mr. Crosby provided a summary of the Audit and answered any questions the Board had.

Director Burgess made a motion to accept the Auditor's Report and Financial Statements for the Year Ended June 30, 2018. Director Rowley seconded the motion. The motion passed by a unanimous voice vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

**b. Request to consider appointments to the District's Committees for the term 2018 - 2020:** Manager Duffield provided a brief background of the item and answered any questions the Board had.



Director Burgess made a motion to approve the following committee appointments for the 2012-20 term:

Finance & Audit – Directors Barker and Burgess  
Personnel – Directors Burgess and Rowley  
Operations and Engineering – Directors Capps and Barker  
Safety – Directors Cousineau and Capps  
Public Relations – Directors Rowley and Cousineau  
SGMA (Ad-hoc) – Directors Cousineau and Rowley

Director Rowley seconded the motion. The motion passed by a unanimous voice vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

- c. Request to 1) designate a Director as a voting delegate for the Local Agency Formation Commission (LAFCO) election to attend the January 25, 2019, Special District Annual Meeting, 2) vote on the alternative quorum procedure, and 3) consider nominating a Director as a candidate for the open Commissioner special districts member seat:** Manager Duffield presented the item and provided a brief summary.

Director Capps made a motion to designate Director Barker as the Districts' voting delegate to attend the January 25, 2019 Special District Annual meeting. Director Burgess seconded the motion. The motion passed by a unanimous voice vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

Director Rowley made a motion to approve the alternative quorum procedure. Director Burgess seconded the motion. The motion passed by a unanimous voice vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

Director Cousineau nominated Director Burgess as a candidate for the open Commissioner Special Districts member seat. Director Capps seconded the motion. The motion passed by a unanimous voice vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

## 7. CONSENT ITEMS

- a. Regular Meeting Minutes:** Receive/approve minutes of regular meeting of November 15, 2018.
- b. Warrant Register:** Receive/approve November 2018 warrants.
- c. Treasurer's Report:** Receive/file November 2018 report.
- d. Fiscal Report:** Receive/file November 2018 status report.
- e. Manager's Report:** Receive/file November 2018 report.
- f. Staff Reports:** Receive/file November 2018 reports.

Director Rowley pulled items E and F (Manager and Staff Reports). Director Burgess made a motion to approve items A – D as presented. Director Cousineau seconded the motion. The motion passed by a unanimous voice vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

Manager Duffield provided a brief summary of item E (Manager's Report) and answered any questions the Board had. Operations Manager Molinari provided a brief summary of item F (Operation's Report) and answered any questions the Board had.

Director Cousineau made a motion to approve items E and F as presented. Director Rowley seconded the motion. The motion passed by a unanimous voice vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

**8. DIRECTORS/MANAGER COMMENTS**

Manager Duffield reminded the Board the District office would be closed for the week of Christmas.

**9. ADJOURNMENT**

On a motion by Director Barker and seconded by Director Burgess, the meeting adjourned at 5:26 pm to the next scheduled meeting on Thursday, January 17, 2019 at 4:00 pm.

**APPROVED:**

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**Martin Rowley, Board President**

**ATTEST:**

\_\_\_\_\_  
**Kristen Gelos, Board Secretary**

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
DECEMBER 2018 WARRANT REGISTER**

**PACIFIC PREMIER BANK WARRANTS**

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
12/3/2018	CALPERS HEALTH BENEFITS	CALPERS HEALTH BENEFITS	\$ 15,093.81
12/3/2018	CALPERS HEALTH BENEFITS	EMPLOYEE PAID HEALTH BENEFIT	\$ 490.04
12/3/2018	CALPERS HEALTH BENEFITS	EMPLOYEE PAID HEALTH BENEFIT	\$ 490.04
12/4/2018	STAPLES CREDIT PLAN	OFFICE SUPPLIES	\$ 353.89
12/4/2018	GREAT WESTERN ALARM	ALARM & ANSWERING SERVICE	\$ 301.25
12/4/2018	ADAMSKI, MOROSKI, MADDEN, CUMB	LEGAL & ATTORNEY	\$ 456.00
12/4/2018	USA BLUEBOOK	LAB TESTING	\$ 472.33
12/4/2018	KRITZ EXCAVATING & TRUCKING, I	SUPPLIES	\$ 649.31
12/4/2018	BRENNTAG PACIFIC, INC	CHEMICALS	\$ 273.95
12/4/2018	FGL ENVIRONMENTAL	LAB TESTING	\$ 969.00
12/4/2018	FGL ENVIRONMENTAL	LAB TESTING	\$ 65.00
12/4/2018	JASON MOLINARI	MEDICAL REIMBURSEMENTS	\$ 368.50
12/4/2018	DELTA LIQUID ENERGY	PROPANE	\$ 190.73
12/4/2018	CSDA	DUES & SUBS	\$ 6,740.00
12/4/2018	NAPA AUTO PARTS	VEHICLES	\$ 39.37
12/4/2018	KRISTEN GELOS	TRAINING & TRAVEL	\$ 128.62
12/4/2018	CS-AMSCO	MAINTENANCE FIXED EQUIPMENT	\$ 5,391.41
12/4/2018	SCOTT DUFFIELD	MEDICAL REIMBURSEMENT	\$ 85.00
12/4/2018	GSI WATER SOLUTIONS, INC.	BASIN BOUNDARY MOD. REQUEST	\$ 3,100.00
12/4/2018	SWRCB	LICENSES & PERMITS	\$ 3,872.00
12/4/2018	SWRCB	LICENSES & PERMITS	\$ 550.00
12/4/2018	COUNTY OF SAN LUIS OBISPO	WATER PURCHASE	\$ 11,557.00
12/4/2018	BAUTISTA'S CLEANING SERVICE	STRUCTURES & GROUNDS	\$ 180.00
12/7/2018	R. BRINK	NET PAYROLL	\$ 2,274.60
12/7/2018	J. MOLINARI	NET PAYROLL	\$ 3,263.04
12/7/2018	R. ARNOLD	NET PAYROLL	\$ 2,072.57
12/7/2018	J. PRITCHETT	NET PAYROLL	\$ 2,761.48
12/7/2018	M. HUMPHREY	NET PAYROLL	\$ 1,511.41
12/7/2018	K. GELOS	NET PAYROLL	\$ 2,254.56
12/7/2018	S. DUFFIELD	NET PAYROLL	\$ 3,183.13
12/7/2018	S. BRENNEMAN	NET PAYROLL	\$ 1,479.23
12/7/2018	PG&E	ELECTRICITY	\$ 18,099.15
12/8/2018	SAN MIGUEL GARBAGE	DELINQUENT SOLID WASTE FEES	\$ 1,753.00
12/11/2018	INTERNAL REVENUE SERVICE	FEDERAL WITHHOLDING TAXES	\$ 2,473.63
12/11/2018	INTERNAL REVENUE SERVICE	MEDICARE	\$ 763.54
12/11/2018	EDD	ETT	\$ 1.92
12/11/2018	EDD	SDI	\$ 263.29
12/11/2018	EDD	SUI	\$ 73.08
12/11/2018	EDD	STATE WITHHOLDING	\$ 915.10
12/11/2018	SAN MIGUEL GARBAGE	DELINQUENT SOLID WASTE FEES	\$ 575.50
12/13/2018	SAN MIGUEL GARBAGE	DELINQUENT SOLID WASTE FEES	\$ 1,107.50
12/14/2018	CALPERS 457 DEFFERED COMP PROG	PERS 457- DEFFERED COMP.	\$ 1,187.00
12/14/2018	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT	\$ 2,920.43

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
DECEMBER 2018 WARRANT REGISTER**

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
12/14/2018	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT TIER 2	\$ 778.07
12/14/2018	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT PEPRA	\$ 444.29
12/14/2018	CALPERS RETIREMENT SYSTEM	SURVIVOR BENEFIT	\$ 7.44
12/14/2018	WALLACE GROUP	CONSULTING & ENGINEERING	\$ 355.00
12/14/2018	RYAN BRINK	MEDICAL REIMBURSEMENT	\$ 167.50
12/14/2018	RYAN BRINK	UNIFORM ALLOWANCE	\$ 57.37
12/14/2018	RYAN BRINK	CELL PHONE/INTERNET ALLOWANCE	\$ 80.00
12/14/2018	CRYSTAL SPRINGS WATER	LAB TESTING	\$ 17.33
12/14/2018	FGL ENVIRONMENTAL	LAB TESTING	\$ 1,464.00
12/14/2018	JASON MOLINARI	CELL PHONE/INTERNET ALLOWANCE	\$ 80.00
12/14/2018	WESTERN JANITOR SUPPLY	OFFICE SUPPLIES/CHEMICALS	\$ 213.81
12/14/2018	WESTERN JANITOR SUPPLY	SMALL TOOLS & EQUIPMENT	\$ 11.31
12/14/2018	COUNTY OF SAN LUIS OBISPO	PROFESSIONAL SVCS X-CONNECTION	\$ 792.00
12/14/2018	ROY ARNOLD	CELL PHONE/INTERNET ALLOWANCE	\$ 80.00
12/14/2018	ANTHONY'S TIRE STORE	VEHICLES	\$ 90.00
12/14/2018	FLUID RESOURCE MANAGEMENT	PROFESSIONAL SERVICES	\$ 460.00
12/14/2018	NAPA AUTO PARTS	VEHICLES/FUEL&OIL/SM TOOLS&EQ.	\$ 92.69
12/14/2018	ABALONE COAST ANALYTICAL, INC.	LAB TESTING	\$ 834.00
12/14/2018	KRISTEN GELOS	CELL PHONE/INTERNET ALLOWANCE	\$ 40.00
12/14/2018	U.S. BANK	CHEMICALS	\$ 211.17
12/14/2018	U.S. BANK	OFFICE SUPPLIES	\$ 19.98
12/14/2018	U.S. BANK	VEHICLES	\$ 79.75
12/14/2018	JAMES A. PRITCHETT	CELL PHONE/INTERNET ALLOWANCE	\$ 80.00
12/14/2018	LOWE'S	STRCT/GRND/VEHIC./SUPPLIES	\$ 108.50
12/14/2018	DATA PROSE LLC	NOV. BILLING / LATE NOTICES	\$ 1,237.72
12/14/2018	TOUGH AUTOMATION	PROF. SVCS/FIXED EQUIP.	\$ 1,135.04
12/14/2018	SCOTT DUFFIELD	CELL PHONE/INTERNET ALLOWANCE	\$ 40.00
12/14/2018	WESTERN EXTERMINATOR	STRUCTURES & GROUNDS	\$ 86.00
12/14/2018	CITY OF PASO ROBLES	PASO ROBLES BASIN GSP	\$ 671.28
12/21/2018	R. BRINK	SICK LEAVE CONVERSION PAY OUT	\$ 1,069.18
12/21/2018	R. BRINK	NET PAYROLL	\$ 1,965.24
12/21/2018	J. MOLINARI	SICK LEAVE CONVERSION PAY OUT	\$ 1,461.64
12/21/2018	J. MOLINARI	NET PAYROLL	\$ 3,150.37
12/21/2018	R. ARNOLD	SICK LEAVE CONVERSION PAY OUT	\$ 709.88
12/21/2018	R. ARNOLD	NET PAYROLL	\$ 2,111.05
12/21/2018	J. PRITCHETT	NET PAYROLL	\$ 2,160.09
12/21/2018	M. HUMPHREY	NET PAYROLL	\$ 1,531.50
12/21/2018	K. GELOS	NET PAYROLL	\$ 2,269.61
12/21/2018	S. DUFFIELD	NET PAYROLL	\$ 3,210.05
12/21/2018	S. BRENNEMAN	NET PAYROLL	\$ 1,534.69
12/21/2018	J.B. DEWAR. INC.	FUEL & OIL	\$ 1,557.23
12/21/2018	AT&T	TELEPHONE / INTERNET	\$ 154.66
12/23/2018	CHARTER COMMUNICATIONS	INTERNET	\$ 79.99
12/24/2018	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT U/L	\$ 4,750.86

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
DECEMBER 2018 WARRANT REGISTER**

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
12/24/2018	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT U/L	\$ 85.79
12/25/2018	INTERNAL REVENUE SERVICE	FEDERAL WITHHOLDING TAXES	\$ 2,632.16
12/25/2018	INTERNAL REVENUE SERVICE	MEDICARE	\$ 848.38
12/25/2018	EDD	ETT	\$ 0.25
12/25/2018	EDD	SDI	\$ 292.55
12/25/2018	EDD	SUI	\$ 9.53
12/25/2018	EDD	STATE WITHHOLDING	\$ 927.62
12/25/2018	SAN MIGUEL GARBAGE	DELINQUENT SOLID WASTE FEES	\$ 273.50
12/28/2018	CALPERS 457 DEFFERED COMP PROG	PERS 457- DEFFERED COMP.	\$ 1,187.00
12/28/2018	CALPERS RETIREMENT SYSTEM	EMPLOYER'S CONTRIBUTION	\$ 18.60
12/28/2018	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT	\$ 2,920.43
12/28/2018	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT TIER 2	\$ 778.07
12/28/2018	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT PEPR	\$ 453.83
12/28/2018	CALPERS RETIREMENT SYSTEM	SURVIVOR BENEFIT	\$ 7.44
12/28/2018	AT&T	TELEPHONE / INTERNET	\$ 236.02
<b>GRAND TOTAL FOR ALL WARRANTS</b>			<b>\$ 148,871.87</b>

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
TREASURER'S REPORT  
DECEMBER 2018**

**SUMMARY REPORT OF ALL ACCOUNTS**

Beginning Balance:	\$ 3,329,615.10
Ending Balance:	\$ 3,507,791.39
Variance:	\$ 178,176.29
Interest Earnings for the Month Reported:	\$ 101.35
Interest Earnings Fiscal Year-to-Date:	\$ 30,311.99

**ANALYSIS OF REVENUES**

Total operating income for water and sewer was:	\$ 123,333.11
Non-operating income was:	\$ 224,706.38
Franchise fees paid to the District by San Miguel Garbage was:	\$ 5,587.29
Interest earnings for the P.P.B. checking account was:	\$ 10.09
Interest earnings for the P.P.B. DWR Loan Services account was:	\$ 4.48
Interest earnings for the P.P.B. DWR Reserve account was:	\$ 71.06
Interest earnings for the P.P.B. SRF Loan Services account was:	\$ 15.72
Interest earnings for the P.P.B. SRF Reserve account was:	\$ -
Interest earnings for the LAIF account was:	\$ -

**ANALYSIS OF EXPENSES**

Pacific Premier Bank checking account total warrants, fees, and Electronic Fund Transfers was:	\$ 190,311.64
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**STATEMENT OF COMPLIANCE**

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

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
STATUS REPORT FOR ALL ACCOUNTS  
DEEMBER 2018**

**BEGINNING BALANCE ALL ACCOUNTS** **\$ 3,329,615.10**

**OPERATING CASH IN DRAWER** **\$300.00**

**PACIFIC PREMIER BANK - CHECKING**

<b>BEGINNING BALANCE 11/30/2018</b>	\$145,465.22	
DEPOSIT REVENUE & MISCELLANEOUS INCOME	\$357,163.86	
INTEREST EARNED	\$10.09	
TOTAL CHECKS, FEES AND EFT'S	(\$190,311.64)	
TRANSFER TO LAIF ACCOUNT	\$0.00	
<b>ENDING BALANCE 12/31/2018</b>		<b>\$312,327.53</b>

**PACIFIC PREMIER BANK DWR LOAN REPAYMENT (1994-2029):**

**LOAN SERVICES ACCOUNT**

<b>BEGINNING BALANCE 11/30/2018</b>	\$67.99	
QUARTERLY DEPOSIT	\$25,907.00	
INTEREST EARNED	\$4.48	
SEMI-ANNUAL PAYMENT	\$0.00	
<b>ENDING BALANCE 12/31/2018</b>		<b>\$25,979.47</b>

**PACIFIC PREMIER BANK DWR RESERVE ACCOUNT**

<b>BEGINNING BALANCE 11/30/2018</b>	\$112,736.62	
INTEREST EARNED	\$71.06	
<b>ENDING BALANCE 12/31/2018</b>		<b>\$112,807.68</b>

**PACIFIC PREMIER BANK SDWSRF LOAN SERVICES ACCOUNT**

<b>BEGINNING BALANCE 11/30/2018</b>	\$29,404.05	
QUARTERLY DEPOSIT	\$14,685.00	
INTEREST EARNED	\$15.72	
SEMI-ANNUAL PAYMENT	(\$29,369.28)	
<b>ENDING BALANCE 12/31/2018</b>		<b>\$14,735.49</b>

**PACIFIC PREMIER BANK SDWSRF RESERVE ACCOUNT**

<b>BEGINNING BALANCE 11/30/2018</b>	\$0.00	
QUARTERLY DEPOSIT	\$0.00	
INTEREST EARNED	\$0.00	
<b>ENDING BALANCE 12/31/2018</b>		<b>\$0.00</b>

**LOCAL AGENCY INVESTMENT FUND (LAIF)**

<b>BEGINNING BALANCE 11/30/2018</b>	\$3,041,941.22	
INTEREST EARNED	\$0.00	
TRANSFER FROM PACIFIC PREMIER CHECKING	\$0.00	
TRANSFER TO PACIFIC PREMIER CHECKING	\$0.00	
<b>ENDING BALANCE 12/31/2018</b>		<b>\$3,041,941.22</b>

**ENDING BALANCE ALL ACCOUNTS** **\$3,507,791.39**

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
STATUS REPORT FOR ALL ACCOUNTS  
DEEMBER 2018**

**DIFFERENCE FROM LAST MONTH**

**Increase \$178,176.29**



**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET  
2018/19 Budget**

<b>OPERATING INCOME</b>	<b>Budget FY 18/19</b>	<b>Actual December</b>	<b>Actual Year to Date</b>	<b>Percentage Year to Date</b>	<b>Variance Explanation</b>
Water Fees	901,000	73,896	523,997	58%	
Sewer Fees	594,950	47,802	286,296	48%	
Hook-Up Fees	6,000	0	3,000	50%	Fluctuates based on activity
Turn on Fees	3,500	250	1,575	45%	
Late Fees	16,500	1,386	8,935	54%	
Plan Check & Inspection	10,000	0	7,500	75%	Check./Insp. Deposit TR3110
Miscellaneous Income	2,000	0	1,043	52%	
<b>TOTAL OPERATING INCOME</b>	<b>\$1,533,950</b>	<b>\$123,333</b>	<b>\$832,346</b>	<b>54%</b>	

<b>FRANCHISE INCOME</b>					
Solid Waste Franchise Fees	66,000	5,587	34,428	52%	
<b>TOTAL FRANCHISE REVENUE</b>	<b>\$66,000</b>	<b>\$5,587</b>	<b>\$34,428</b>	<b>52%</b>	

<b>NON-OPERATING INCOME</b>					
Standby Charges	242,921	91,081	131,447	54%	
Property Tax	341,000	133,524	198,148	58%	
Interest	27,000	101	30,312	112%	Fluctuates based on activity
Connection Fees	70,250	0	36,213	52%	Fluctuates based on activity
<b>TOTAL NON-OPERATING INCOME</b>	<b>\$681,171</b>	<b>\$224,706</b>	<b>\$396,119</b>	<b>58%</b>	

<b>RESERVE REVENUE</b>					
Capital Reserves	83,276	671	11,020	13%	
General Reserves	50,000	0	1,285	3%	
<b>TOTAL RESERVE REVENUE</b>	<b>\$133,276</b>	<b>\$671</b>	<b>\$12,305</b>	<b>9%</b>	

<b>TOTAL ALL INCOME</b>	<b>\$2,414,397</b>	<b>\$354,298</b>	<b>\$1,275,198</b>	<b>53%</b>	
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**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET  
2018/19 Budget**

**OPERATING EXPENSES**

<b>SALARIES AND BENEFITS</b>	<b>Budget FY 18/19</b>	<b>Actual December</b>	<b>Actual Year to Date</b>	<b>Percentage Year to Date</b>	<b>Variance Explanation</b>
Salaries	654,697	51,850	308,894	47%	
Health Insurance	120,616	11,149	63,509	53%	
Health Insurance - Retiree	58,233	5,119	30,721	53%	
PERS	123,796	9,525	58,680	47%	
Standby	12,500	988	5,953	48%	
Overtime	11,500	2,027	5,579	49%	
Workers Comp. Ins.	22,675	0	19,924	88%	Paid Annually
Directors' Fees	7,000	0	2,400	34%	
Medicare/FICA	10,014	806	4,899	49%	
Car Allowance	3,000	250	1,500	50%	
SUI/ETT	1,500	0	0	0%	
Uniforms	3,800	57	1,448	38%	
<b>TOTAL SALARIES &amp; BENEFITS</b>	<b>\$1,029,331</b>	<b>\$81,772</b>	<b>\$503,506</b>	<b>49%</b>	

**UTILITIES**

Electricity	242,800	18,099	112,275	46%	
Propane	900	191	191	21%	
Water Purchase	23,114	11,557	23,114	100%	Paid Semiannually
Telephone/Internet	11,830	871	5,068	43%	
<b>TOTAL UTILITIES EXPENSE</b>	<b>\$278,644</b>	<b>\$30,718</b>	<b>\$140,648</b>	<b>50%</b>	

**MAINTENANCE & SUPPLIES**

Chemicals	68,000	543	32,601	48%	
Computer/Software	7,000	0	3,164	45%	
Equip. Rental/Lease	1,000	0	70	7%	
Fixed Equip.	85,000	5,926	21,143	25%	
Fuel & Oil	12,000	1,578	5,599	47%	
Lab Testing	24,500	3,822	12,811	52%	
Office Supplies	3,000	530	860	29%	
Parks & Recreation	500	0	68	14%	
Struct./Grnds.	6,500	281	2,685	41%	
Small Tools/Equip.	3,500	17	886	25%	
Supplies	6,000	734	2,883	48%	
Meters/Equip.	5,000	0	2,639	53%	Fluctuates based on activity
Vehicles	8,500	284	2,370	28%	
<b>TOTAL MAINT. &amp; SUPPLY EXPENSE</b>	<b>\$230,500</b>	<b>\$13,715</b>	<b>\$87,779</b>	<b>38%</b>	

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET**  
**2018/19 Budget**

<b>GENERAL &amp; ADMINISTRATION</b>	<b>Budget FY 18/19</b>	<b>Actual December</b>	<b>Actual Year to Date</b>	<b>Percentage Year to Date</b>	<b>Variance Explanation</b>
Ads./Advertising	1,500	0	962	64%	Fluctuates based on activity
Alarm/Answering Service	3,275	301	1,445	44%	
Audit	6,000	0	6,000	100%	
Bank Charges/Fees	2,000	194	1,140	57%	
Consulting/Engineering	40,000	3,455	6,324	16%	
Dues/Subscription	12,000	6,740	7,630	64%	
Elections	1,000	0	0	0%	
Insurance	22,525	0	25,768	114%	Paid Annually
LAFCO	8,000	0	7,015	88%	Paid Annually
Legal/Attorney	17,000	456	3,024	18%	
Licenses/Permits	26,000	4,422	5,791	22%	
Plan Check & Inspection	10,000	0	958	10%	
Postage/Billing	20,000	1,238	8,946	45%	
Professional Service	16,000	1,852	7,637	48%	
Tax Collection	5,300	0	0	0%	
Staff Training & Travel	5,000	129	481	10%	
Board Training & Travel	1,500	0	25	2%	
<b>TOTAL G &amp; A</b>	<b>\$197,100</b>	<b>\$18,787</b>	<b>\$83,147</b>	<b>42%</b>	

<b>CAPITAL PROJECTS &amp; EQUIPMENT</b>					
Structures/Improvements	70,276	671	7,970	11%	
Equipment	63,000	0	4,385	7%	
<b>TOTAL CAPITAL EXPENSE</b>	<b>\$133,276</b>	<b>671</b>	<b>12,355</b>	<b>9%</b>	

<b>DEBT</b>					
State Loan Payment	103,629	0	51,814	50%	paid semiannually
State Loan Payment Phase II	58,740	29,369	29,369	50%	paid semiannually
<b>TOTAL DEBT</b>	<b>\$162,369</b>	<b>\$29,369</b>	<b>\$81,184</b>		

FUNDED DEPRECIATION	\$288,000	\$24,000	\$144,000	50%	
UNFUNDED DEPRECIATION	\$0	\$0	\$0	0%	

<b>TOTAL EXPENSE</b>	<b>\$2,319,220</b>	<b>\$199,032</b>	<b>\$1,052,618</b>	<b>45%</b>	
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CONNECTION FEES TRANSFER	\$70,250	\$0	\$36,213	52%
SOLID WASTE FEES TRANSFER	\$29,222	\$3,640	\$15,259	52%

<b>FUND TOTAL</b>	<b>(\$4,295)</b>	<b>\$151,626</b>	<b>\$171,108</b>	
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## HERITAGE RANCH COMMUNITY SERVICES DISTRICT

### Manager Report January 2019

#### **Basin Boundary Modification Request (BBMR)**

DWR's Draft Basin Boundary Modifications is to deny our request. In response, the Manager and our consultant met with the DWR team in person, submitted additional scientific data further supporting our request, and submitted public comments. The California Water Commission will be informed of the draft decisions at their meeting on January 16, 2019. Final Basin Boundary Modifications are anticipated to be released sometime in February.

#### **Groundwater Sustainability Plan (GSP)**

The GSP continues to progress, the DWR grant agreement has finally been executed, and staff is planning to start invoicing DWR for reimbursements. The next scheduled Paso Basin Cooperative Committee meeting is scheduled for January 23, 2019.

#### **Monterey County Water Resource Agency (MCWRA)**

As of the printing of this report, the Manager intends to attend a meeting scheduled for January 11, 2019, organized by MCWRA regarding the National Marine Fisheries Service (NMFS) proposal to make winter reservoir releases for improving steelhead migration conditions. A verbal report may be given.

#### **Integrated Waste Management Authority (IWMA)**

The Manager is aware that an amendment to our agreement with IWMA extending the term duration is forthcoming and will be presented to your Board at a future meeting.

***Reminder - The drop off time for HHW is only on Fridays from 12:00 – 2:00 p.m.***

#### **Office Tenant Improvement**

The Manager and staff contacted three contractors around the beginning of November 2018. All three initially responded that they were interested and would get back to us with a quote. Staff corresponded with two of them multiple times. None of them followed through. Staff redoubled efforts this month and contacted numerous (at least five) other contractors and finally have some that are responsive, willing, and available to do the work. This project was approved by your Board and is budgeted for \$25,000. The Manager anticipates issuing a purchase order as early as the week of January 14<sup>th</sup>.

## **Board Member Information and Learning Opportunities**

There are a couple of required trainings coming up and staff may be contacting you regarding those.

CSDA also provides numerous trainings throughout the year. Upcoming opportunities:

- February 22<sup>nd</sup> - “Maximize Your Membership Series: Resources for Board Members/Trustees”. This is a short 30-minute webinar and there is no cost to participate.
- March 7<sup>th</sup> - “Board Member Best Practices”. This is a half day in person session being offered in Goleta. There is no cost to the District since we are a SDRMA member, and it includes lunch.
- March 14<sup>th</sup> - “Board Member Best Practices”. This is a half day in person session being offered in Bakersfield. There is no cost to the District since we are a SDRMA member, and it includes lunch.

If you would like to attend any of these, please sign up or let staff know and we will assist you.

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**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
DECEMBER 2018 OFFICE REPORT**

**Water & Sewer**

On January 1<sup>st</sup>, we processed 1,887 bills for a total dollar amount of \$104,906 for water and sewer user fees for the month of December. The number of Automatic Drafts processed was 502 for a total dollar amount of \$31,172. On December 26<sup>th</sup> we processed 265 Late Notices.

**San Miguel Garbage Franchise Fees**

Each month, the District receives franchise fees from the previous month. The breakdown is as follows:

Month of November

Garbage Collection (10%) - \$ 5,374.13

Roll-Off Collection (10%) - \$ 213.16

Total Franchise Fees Collected - \$ 5, 587.29

**Service Orders Completed**

Staff completed a total of 47 service orders for the month of November. Below is a breakdown by job code.

USA	14	AMR Data Log	1
Lock Meter	7	Occupant Change	9
Leak	1	Courtesy Turn-Off	2
Unlock Meter	5	Re-read	1
Call-Out	2	Sewer Inspection	2
Misc.	3		

## Operations Report December 2018

### **Water Treatment:**

7.8 Million gallons of water was treated.

The District's water distribution system is constructed of asbestos cement (AC) and polyvinyl chloride (PVC) water mains. AC water mains were installed when the distribution system was constructed in the early 1970's while PVC was used in newer construction. AC pipe is suited for applications where there is no shifting or movement in the ground. AC pipe does not flex and cracks under deflection. Staff recently repaired a broken, six-inch, AC water main on Old Wrangler Lane. The AC pipe had cracked which required water service to be shut off to approximately twenty-six homes for a five- hour period on December 14<sup>th</sup>.

The actual break in the AC pipe was not located until approximately 7 P.M. Due to the time and amount of work required, staff decided to install a temporary repair clamp and turn water service back on until a permanent repair could be completed. The permanent repair was scheduled and customers were notified that water service would be temporarily shut off to complete the repair. The final repair was completed on January 9<sup>th</sup> and consisted of removing the broken section of AC pipe and installing a short section of PVC pipe with two repair couplings. Staff was able to complete repairs and limit the water service shut down to a five-hour period. As required, staff collected water samples from the repaired section to be analyzed for bacteria.

### **Wastewater Treatment:**

2.98 Million gallons of wastewater was treated.

The District's wastewater system was designed and constructed in 1972 and is made up of two, aerated lagoons and three sand filters. Since 1972, there have been very minimal changes to the treatment system. Aeration levels and intake transfer levels between the ponds are the only operational changes available. Although the treatment system is simple, compliance with the District's mandated discharge order is challenging. Biochemical oxygen demand (BOD) is just one of the many limitations the District is required to sample for on a weekly basis. BOD measures the strength of organics present in the wastewater and is a measurement of overall treatment efficiency. Table 1 lists the current BOD limitations the District's discharge order.

Table1

Parameter	Units	Effluent Limitations		
		Monthly	Average Weekly	Maximum Daily
Biochemical Oxygen Demand 5-day @ 20°C (BOD <sub>5</sub> )	mg/L	30	45	90



The BOD sample collected on November 14<sup>th</sup> was 108.8 milligrams per liter (mg/L). The 108.8 mg/L result exceeded the maximum daily and average weekly limitations for BOD. Due to the 108.8 mg/L result, the monthly average for November did not meet the 30 mg/L limitation resulting in a third exceedance. Staff has attributed the exceedances to an overloaded sand filter. From Pond 2, wastewater is pumped to the 220-acre disposal site and sprayed over a sand filter. The sand filter acts as a final polishing step by removing a portion of solids.

Sand filters can become overloaded with natural biological growth increasing BOD levels. Since the sand filter is the last step before disposal, there was no indication of overloading prior to the BOD sample results. The November 14<sup>th</sup> BOD sample was taken directly from the discharge side of the sand filter. Once collected, the BOD test requires a five-day incubation period before results can be obtained. In simple terms, once the sample is collected, staff must wait five days before knowing if discharge limitations are met. Having to wait five-days before knowing the results does not allow for any process changes or corrective actions to try and meet limitations.

Unfortunately, violations for effluent limitations are common when dealing with strict surface water discharge limitations. The problem is compounded when the treatment process is antiquated and in need of upgrades. The District has a capital improvement program (CIP) in place to address many of the needed wastewater treatment system upgrades. The upgrades listed in the CIP are designed to meet the limitations set forth in the District's discharge order. Staff notified the Regional Board of the BOD exceedances in the November discharge report. It is at the discretion of the Regional Board when to enforce exceedances and impose fines. Staff has completed corrective actions to decrease loading placed on the sand filters to help avoid future BOD exceedances.