



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

February 16, 2023

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

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

2. ROLL CALL

Secretary Gelos called the role.

Directors present: Bill Barker, Dan Burgess, Michael Camou, Devin Capps.
Director Yaffee arrived during Public Comment.

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

3. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

CJ Rudolph spoke.

4. CONSENT ITEMS

- a. **Meeting Minutes:** Receive/approve minutes of regular meeting of January 19, 2023.
- b. **Warrant Register:** Receive/approve January 2023 warrants.
- c. **Treasurer's Report:** Receive/file January 2023 Report.
- d. **Fiscal Report:** Receive/file January 2023 status report.
- e. **Office Report:** Receive/file January 2023 report.
- f. **Manager Report:** Receive/file February 2023 report.
- g. **District Engineer Report:** Receive/file February 2023 report.
- h. **Operations Manager Report:** Receive/file February 2023 report.

CJ Rudolph spoke.

Director Capps pulled items F, G, and H.

Director Capps left the room.

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

Ayes: Barker, Burgess, Camou, Capps, Yaffee

Absent: Capps

Manager Duffield provided a brief summary of the Manager and Engineer reports and answered any questions the board had. Operations Manager Wilcox provided a brief summary of the Operations Report.

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

Ayes: Barker, Burgess, Camou, Capps, Yaffee

5. BUSINESS ITEMS

- a. **Consider approval of the Report on Water and Sewer Rate Study prepared by Tuckfield & Associates dated February 16, 2023, and direct staff to proceed with the public notification and hearing process for adoption of new water and sewer rates.**

There were no public comments.

Clayton Tuckfield of Tuckfield & Associates provided a power point presentation and answered any questions the board had.

Director Yaffee made a motion to approve the final report on water and sewer rate study and proceed with the public notification and hearing process for adoption of new water and sewer rates. Director Burgess seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Camou, Capps, Yaffee

- b. **Consider approval of the purchase, installation, and integration of audio and video equipment for Board of Directors meetings.**

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 the purchase, installation, and integration of audio and video equipment. Director Burgess seconded the motion. The motion passed by the following voice vote:

Ayes: Barker, Burgess, Camou, Capps, Yaffee

- c. **Receive a presentation from a local vendor of Packaged Membrane Bioreactor Wastewater Treatment Plant technology and provide direction to staff.**

CJ Rudolph spoke.

Manager Duffield introduced Troy Ellison with Cloacina who presented a power point presentation and answered any questions the board had.

6. ORAL INFORMATION REPORTS

There were no public or Director comments.

7. FUTURE AGENDA ITEMS

The determination by the majority of the Board was to add the following items to future agenda: Content and format of the Manager Report, presentation from District Counsel regarding Director/Staff communications, WRRF design options.

8. ADJOURNMENT

On a motion by Director Burgess and seconded by Director Yaffee, the meeting adjourned at 6:25 pm to the next scheduled special meeting on Thursday, March 16, 2023.

APPROVED:

Bill Barker, President
Board of Directors

ATTEST:

Kristen Gelos, Secretary
Board of Directors

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
2/3/2023	CALPERS HEALTH BENEFITS EMPLOYEE PAID HEALTH BENEFIT	746.78	
	EMPLOYEE PAID HEALTH BENEFIT	746.78	\$ 1,493.56
2/3/2023	CALPERS HEALTH BENEFITS CALPERS HEALTH BENEFITS	16,744.79	\$ 16,744.79
2/5/2023	PITNEY BOWES GLOBAL FINANCIAL POSTAGE METER LEASE	161.79	\$ 161.79
2/6/2023	PG&E ELECTRICITY	8,627.13	\$ 8,627.13
2/10/2023	R. ARNOLD NET PAYROLL	2,828.65	\$ 2,828.65
2/10/2023	M. HUMPHREY NET PAYROLL	2,322.09	\$ 2,322.09
2/10/2023	B. VOGEL NET PAYROLL	2,284.70	\$ 2,284.70
2/10/2023	T. SHOGREN NET PAYROLL	2,035.66	\$ 2,035.66
2/10/2023	H. HALL NET PAYROLL	1,635.69	\$ 1,635.69
2/10/2023	K. GELOS NET PAYROLL	2,567.56	\$ 2,567.56
2/10/2023	D. BURGESS NET PAYROLL	92.35	\$ 92.35
2/10/2023	B. BARKER NET PAYROLL	92.35	\$ 92.35
2/10/2023	S. DUFFIELD NET PAYROLL	3,210.82	\$ 3,210.82
2/10/2023	D. CAPPS NET PAYROLL	184.70	\$ 184.70

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
2/10/2023	M. WILCOX NET PAYROLL	2,122.98	\$ 2,122.98
2/10/2023	D. GROSHART NET PAYROLL	4,309.72	\$ 4,309.72
2/10/2023	M. CAMOU NET PAYROLL	184.70	\$ 184.70
2/10/2023	M. YAFFEE NET PAYROLL	184.70	\$ 184.70
2/10/2023	INTERNAL REVENUE SERVICE FEDERAL WITHHOLDING TAXES FICA WITHHOLDING MEDICARE	2,751.92 99.20 1,024.82	\$ 3,875.94
2/10/2023	EMPLOYMENT DEVELOPMENT DEPARTM ETT SDI SUI STATE WITHHOLDING	4.81 310.85 72.14 1,163.96	\$ 1,551.76
2/10/2023	CALPERS RETIREMENT SYSTEM CALPERS UNIFORM ALLOWANCE PERS-IRC 457 CONTRIBUTIONS PERS RETIREMENT PERS RETIREMENT TIER 2 PERS RETIREMENT PEPRA PERS SERVICE CREDIT PURCHASE SURVIVOR BENEFIT	9.64 2,383.50 1,404.51 1,646.78 2,426.61 981.47 8.37	\$ 8,860.88
2/11/2023	J.B. DEWAR. INC. FUEL & OIL	3,178.63	\$ 3,178.63
2/15/2023	RAMSUM, PAULA US REFUND	1.31	\$ 1.31
2/15/2023	ADAMSKI, MOROSKI, MADDEN, CUMB LEGAL & ATTORNEY	1,432.00	\$ 1,432.00
2/15/2023	MOSS, LEVY & HARTZHEIM LLP AUDIT FY 2021/22	5,785.00	\$ 5,785.00

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
2/15/2023	USA BLUEBOOK SUPPLIES SUPPLIES CHEMICALS	291.59 134.22 215.87	\$ 641.68
2/15/2023	KRITZ EXCAVATING & TRUCKING, I MAINTENANCE FIXED EQUIPMENT	1,741.75	\$ 1,741.75
2/15/2023	FARM SUPPLY COMPANY MAINTENANCE FIXED EQUIPMENT	33.49	\$ 33.49
2/15/2023	FGL ENVIRONMENTAL LAB TESTING LAB TESTING LAB TESTING	1,026.00 419.00 46.00	\$ 1,491.00
2/15/2023	AIRFLOW FILTER SERVICE, INC. MAINTENANCE FIXED EQUIPMENT	17.35	\$ 17.35
2/15/2023	ANTHONY'S TIRE STORE VEHICLES VEHICLES	1,121.38 110.00	\$ 1,231.38
2/15/2023	FLUID RESOURCE MANAGEMENT PROFESSIONAL SERVICES	900.00	\$ 900.00
2/15/2023	ABALONE COAST ANALYTICAL, INC. LAB TESTING	2,823.00	\$ 2,823.00
2/15/2023	ALPHA ELECTRICAL SERVICE MAINTENANCE FIXED EQUIPMENT	554.00	\$ 554.00
2/15/2023	U.S. BANK CORPORATE PAYMENT SY STRUCTURES & GROUNDS	199.95	\$ 199.95
2/15/2023	TUCKFIELD & ASSOCIATES PROFESSIONAL SERVICES	2,349.59	\$ 2,349.59
2/15/2023	DATA PROSE LLC PROFESSIONAL SERVICES JANUARY BILLING	289.60 1,304.30	\$ 1,593.90

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
2/15/2023	BURT INDUSTRIAL SUPPLY SUPPLIES	178.11	
	MAINTENANCE FIXED EQUIPMENT	168.53	
	MAINTENANCE FIXED EQUIPMENT	136.98	
	MAINTENANCE FIXED EQUIPMENT	370.51	
	MAINTENANCE FIXED EQUIPMENT	85.24	\$ 939.37
2/15/2023	RIVAL TECHNOLOGY INC. PROFESSIONAL SERVICES	816.66	
	COMPUTER/SOFTWARE	130.00	
	COMPUTER/SOFTWARE	111.52	\$ 1,058.18
2/15/2023	SPRAGUE'S LAWN SERVICES STRUCTURES & GROUNDS	150.00	\$ 150.00
2/15/2023	TROY SHOGREN MEDICAL REIMBURSEMENT	280.42	\$ 280.42
2/15/2023	CUSTOM WORKS WTP FILTER RENOVATION PROJECT	4,760.00	\$ 4,760.00
2/15/2023	INDEPENDENT ELECTRIC SUPPLY IN MAINTENANCE FIXED EQUIPMENT	7.47	\$ 7.47
2/15/2023	SPIICE INTEGRATION SCADA/FIXED EQUIP/PRO SVCS	5,509.39	\$ 5,509.39
2/15/2023	EVOQUA WATER TECHNOLOGIES LLC GAC SYSTEM PROJECT	16,907.20	\$ 16,907.20
2/15/2023	CARDMEMBER SERVICES-FIVE STAR FIVE STAR CC PURCHASES	4,827.84	\$ 4,827.84
2/21/2023	CALPERS RETIREMENT SYSTEM CALPERS UNFUNDED LIABILITY	8,996.83	\$ 8,996.83
2/21/2023	PG&E ELECTRICITY	5,528.28	\$ 5,528.28
2/23/2023	FIRSTNET INTERNET	40.24	\$ 40.24

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
2/24/2023	R. ARNOLD NET PAYROLL	2,564.34	\$ 2,564.34
2/24/2023	M. HUMPHREY NET PAYROLL	2,172.55	\$ 2,172.55
2/24/2023	B. VOGEL NET PAYROLL	2,647.98	\$ 2,647.98
2/24/2023	T. SHOGREN NET PAYROLL	2,179.94	\$ 2,179.94
2/24/2023	H. HALL NET PAYROLL	1,685.49	\$ 1,685.49
2/24/2023	K. GELOS NET PAYROLL	2,567.56	\$ 2,567.56
2/24/2023	S. DUFFIELD NET PAYROLL	3,047.26	\$ 3,047.26
2/24/2023	M. WILCOX NET PAYROLL	2,122.98	\$ 2,122.98
2/24/2023	D. GROSHART NET PAYROLL	4,309.72	\$ 4,309.72
2/24/2023	INTERNAL REVENUE SERVICE FEDERAL WITHHOLDING TAXES MEDICARE	2,713.40 998.70	\$ 3,712.10
2/24/2023	EMPLOYMENT DEVELOPMENT DEPARTM ETT SDI SUI STATE WITHHOLDING	0.47 309.93 7.07 1,123.91	\$ 1,441.38

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

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
2/24/2023	CALPERS RETIREMENT SYSTEM		
	PERS-IRC 457 CONTRIBUTIONS	2,383.50	
	PERS RETIREMENT	1,404.52	
	PERS RETIREMENT TIER 2	1,646.78	
	PERS RETIREMENT PEPRA	2,426.61	
	PERS SERVICE CREDIT PURCHASE	981.47	
	SURVIVOR BENEFIT	8.37	\$ 8,851.25
2/25/2023	J.B. DEWAR. INC.		
	FUEL & OIL	472.99	\$ 472.99
GRAND TOTAL ALL WARRANTS			\$ 176,127.31

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

SUMMARY REPORT OF ALL ACCOUNTS

Beginning Balance:	\$ 4,790,244.32
Ending Balance:	\$ 4,783,241.37
Variance:	\$ (7,002.95)
Interest Earnings for the Month Reported:	\$ 660.98
Interest Earnings Fiscal Year-to-Date:	\$ 50,050.50

ANALYSIS OF REVENUES

Total operating income for water and sewer was:	\$ 146,717.69
Non-operating income was:	\$ 25,748.61
Franchise fees paid to the District by San Miguel Garbage was:	\$ 7,716.33
Interest earnings for the LAIF account was:	\$ -
Interest earnings for the Five Star Bank checking account was:	\$ 5.32
Interest earnings for the Five Star Bank DWR Loan Services account was:	\$ 93.78
Interest earnings for the Five Star Bank DWR Reserve account was:	\$ 209.44
Interest earnings for the Mechanics Bank money market account was:	\$ 0.06

ANALYSIS OF EXPENSES

Five Star Bank checking account total warrants, fees, and Electronic Fund Transfers was:	\$ (203,710.74)
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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
FEBRUARY 2023**

BEGINNING BALANCE ALL ACCOUNTS **\$4,790,244.32**

OPERATING CASH IN DRAWER **\$ 300.00**

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

BEGINNING BALANCE 1/31/2022	26,257.70	
QUARTERLY DEPOSIT	25,907.00	
INTEREST EARNED	93.78	
SEMI-ANNUAL PAYMENT	-	
ENDING BALANCE 2/28/2022		\$ 52,258.48

FIVE STAR BANK DWR RESERVE ACCOUNT

BEGINNING BALANCE 1/31/2022	114,614.17	
INTEREST EARNED	209.44	
ENDING BALANCE 2/28/2022		\$ 114,823.61

FIVE STAR BANK SDWSRF LOAN SERVICES ACCOUNT

BEGINNING BALANCE 1/31/2022	394.63	
QUARTERLY DEPOSIT	14,685.00	
INTEREST EARNED	26.68	
SEMI-ANNUAL PAYMENT		
ENDING BALANCE 2/28/2022		\$ 15,106.31

FIVE STAR BANK SDWSRF RESERVE ACCOUNT

BEGINNING BALANCE 1/31/2022	59,311.53	
INTEREST EARNED	108.39	
REVENUE TRANSFER		
ENDING BALANCE 2/28/2022		\$ 59,419.92

MECHANICS BANK MONEY MARKET ACCOUNT

BEGINNING BALANCE 1/31/2022	6,282.65	
DEPOSIT REVENUE - CASH	1,167.51	
INTEREST EARNED	0.06	
REVENUE TRANSFER <i>To Five Star Checking</i>	(3,161.15)	
ENDING BALANCE 2/28/2022		\$ 4,289.07

FIVE STAR BANK - MONEY MARKET

BEGINNING BALANCE 1/31/2022	158,183.91	
INTEREST EARNED	217.31	
REVENUE TRANSFER <i>To DWR Loan Services</i>	(25,907.00)	
REVENUE TRANSFER <i>To SRF Loan Services</i>	(14,685.00)	
ENDING BALANCE 2/28/2022		\$ 117,809.22

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

FIVE STAR BANK - CHECKING		
BEGINNING BALANCE 1/31/2022	46,303.65	
DEPOSIT REVENUE & MISCELLANEOUS INCOME	194,879.30	
INTEREST EARNED	5.32	
TOTAL CHECKS, FEES AND EFT'S	(203,710.74)	
REVENUE TRANSFER <i>From Mechanics Money Market</i>	3,161.15	
ENDING BALANCE 2/28/2022		\$ 40,638.68

LOCAL AGENCY INVESTMENT FUND (LAIF)		
BEGINNING BALANCE 1/31/2022	4,378,596.08	
INTEREST EARNED	-	
ENDING BALANCE 2/28/2022		\$4,378,596.08

ENDING BALANCE ALL ACCOUNTS		\$4,783,241.37
DIFFERENCE FROM LAST MONTH	Decrease	\$ (7,002.95)

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

OPERATING REVENUE	Budget FY 22/23	Actual February	Actual Year to Date	Percentage Year to Date	Variance Explanation
Water Fees	1,107,981	81,521	873,913	79%	
Sewer Fees	704,110	62,889	503,651	72%	
Hook-Up Fees	3,000	0	1,200	40%	
Turn on Fees	3,500	75	1,175	34%	
Late Fees	18,500	2,233	18,221	98%	
Plan Check & Inspection	10,000	0	0	0%	
Miscellaneous Income	500	0	4,774	955%	Delq. W/S Fees
TOTAL OPERATING	\$1,847,591	\$146,718	\$1,402,933	76%	

FRANCHISE REVENUE					
Solid Waste Franchise Fees	82,587	7,716	55,116	67%	
TOTAL FRANCHISE	\$82,587	\$7,716	\$55,116	67%	

TOTAL OPERATING \$1,930,178 \$154,434 \$1,458,049 76%

NON-OPERATING REVENUE					
Standby Charges	242,144	8,173	148,974	62%	
Property Tax	423,381	16,915	286,537	68%	
Interest	15,000	661	50,051	334%	Fluctuates based on activity
Connection Fees	70,580	0	28,232	40%	
TOTAL NON-OPERATING	\$751,105	\$25,749	\$513,793	68%	

RESERVE REVENUE					
Capital Reserves	503,512	0	111,543	22%	
Operating Reserves	1,848,143	22,337	398,318	22%	
TOTAL RESERVE	\$2,351,655	\$22,337	\$509,861	22%	

TOTAL NON-OPERATING \$3,102,760 \$48,086 \$1,023,655 33%

TOTAL ALL INCOME	\$5,032,938	\$202,520	\$2,481,704	49%	
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**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2022/23 Budget**

OPERATING EXPENSES

SALARIES AND BENEFITS	Budget FY 22/23	Actual February	Actual Year to Date	Percentage Year to Date	Variance Explanation
Salaries	913,750	67,571	609,911	67%	
Health Insurance	159,110	12,727	91,049	57%	
Health Insurance - Retirees	47,600	4,298	31,809	67%	
Pers Retirement	149,871	15,215	128,569	86%	
OPEB Funding/Transfer	28,306	0	0	0%	
Standby	13,200	998	8,754	66%	
Overtime	10,812	239	4,246	39%	
Workers Comp. Ins.	23,525	0	21,072	90%	Paid Annually
Directors' Fees	9,000	800	4,700	52%	
Medicare/FICA	13,182	1,061	9,412	71%	
Car Allowance	3,000	250	2,000	67%	
SUI/ETT	1,000	4	448	45%	
Uniforms	5,000	0	2,380	48%	
TOTAL SALARIES & BENEFITS	\$1,377,356	\$103,163	\$914,349	66%	

UTILITIES

Electricity	124,292	14,155	78,837	63%	
Propane	1,466	41	725	49%	
Water Purchase	23,114	0	11,557	50%	Paid Semiannually
Telephone/Internet	11,594	258	7,784	67%	
TOTAL UTILITIES	\$160,466	\$14,454	\$98,903	62%	

MAINTENANCE & SUPPLIES

Chemicals	79,000	827	64,810	82%	
Computer/Software	33,900	242	7,699	23%	
Equip. Rental/Lease	2,500	185	9,860	394%	
Fixed Equip.	187,000	9,745	101,652	54%	
Fuel & Oil	15,000	3,652	13,155	88%	
Lab Testing	59,000	4,314	32,190	55%	
Office Supplies	1,500	0	533	36%	
Parks & Recreation	0	0	0	0%	
Struct./Grnds.	14,940	365	9,840	66%	
Small Tools/Equip.	3,000	775	3,128	104%	
Supplies	4,500	687	8,755	195%	
Meters/Equip.	12,000	0	949	8%	
Vehicles	6,000	1,231	5,308	88%	
TOTAL MAINT. & SUP.	\$418,340	\$22,023	\$257,879	62%	

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

GENERAL & ADMINISTRATION	Budget FY 22/23	Actual February	Actual Year to Date	Percentage Year to Date	Variance Explanation
Ads./Advertising	1,500	0	328	22%	
Alarm/Answering Service	4,000	0	2,082	52%	
Audit	10,000	5,785	8,785	88%	
Bank Charges/Fees	1,000	214	250	25%	
Consulting/Engineering	10,000	0	160	2%	
Dues/Subscription	10,000	0	9,343	93%	
Elections	5,000	0	0	0%	
Insurance	39,330	0	-67	0%	
LAFCO	6,930	0	7,254	105%	Paid Annually
Legal/Attorney	25,000	1,432	9,191	37%	
Licenses/Permits	29,000	0	12,016	41%	
Plan Check & Inspection	10,000	0	0	0%	
Postage/Billing	15,000	1,466	10,093	67%	
Professional Service	89,300	5,356	63,063	71%	
Tax Collection	6,200	0	0	0%	
Staff Training & Travel	12,000	0	6,880	57%	
Board Training & Travel	1,000	20	257	26%	
TOTAL G & A	\$275,260	\$14,273	\$129,634	47%	

CAPITAL PROJECTS & EQUIPMENT

Structures/Improvements	1,947,991	22,337	448,276	23%	
Equipment	155,000	0	61,586	40%	
TOTAL CAPITAL EXPENSE	\$2,102,991	22,337	509,862	24%	

DEBT

State Loan Payment	103,629	0	51,814	50%	
State Loan Payment Phase II	58,740	0	29,369	50%	
Western Alliance Lease-PVS	152,638	0	76,227	50%	
TOTAL DEBT	\$315,007	\$0	\$157,410		

FUNDED DEPRECIATION	\$288,000	\$24,000	\$192,000	67%	
UNFUNDED DEPRECIATION	\$0	\$0	\$0	0%	

TOTAL EXPENSE	\$4,937,421	\$200,250	\$2,260,037	46%	
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CAPACITY CHARGES TRANSFER \$70,580 \$0 \$28,232 40%

SOLID WASTE FEES TRANSFER \$24,937 \$2,376 \$12,067 48%

FUND TOTAL	\$1	(\$106)	\$181,367		
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HERITAGE RANCH COMMUNITY SERVICES DISTRICT

Office Report For the Month of February 2023

Utility Billing

- On March 1st, 1,939 bills were processed for a total dollar amount of \$145,283 for water and sewer user fees for the month of February.
- We processed 263 penalties for bills that were due by February 25th.
- We mailed out 36 Intent To Disconnect letters to customers that were more than 60 days delinquent.
- We posted 26 48-hour notices and locked off 5 meters for non-payment.

Customer Service Orders

- Staff completed a total of 55 service orders for the month of February. The breakdown by job code is as follows:

OCCUPANT CHANGE	10	UNLOCK	6
USA	10	LOCK	5
TURN OFF	2	MISC	2
LEAK	2	SWAP/PULL METER	15
DIRTY WATER	1	HOME INSPECTION	1
CALL OUT	1		

Administration

- Nothing to report.

San Miguel Garbage Franchise Fees Received

- The total Franchise Fees received for the Month of January was \$ 7,716.33
The breakdown is as follows:

Residential Garbage Collection - \$ 6,518.10
Commercial Garbage Collection - \$ 954.46
Roll-Off Collection - \$ 243.77

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

Manager Report For the Month of March 2023

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

Administration

- Staff received the audio and video equipment for the Board Room which was installed and is anticipated to be operational for this meeting today.
- Staff met with SLO County regarding transfer of the remaining Nacimiento Water entitlement for Heritage Ranch of 211 acre-feet-per-year to the District. SLO County provided a draft amendment to one of our current contracts for supply of Nacimiento Water to enable the transfer this remaining water. Staff is targeting the April 20th Board meeting to present that amendment to your Board for approval. The County stated they will then target a Board of Supervisors meeting in the month of May for their approval. Once the amendment is fully executed, the District will have contracts with the County for the full 1100 acre-feet-per-year allocated to Heritage Ranch, and will need to manage the additional 211 acre-feet as New Development occurs.
- The Manager received notification that Congressman Panetta's office is soliciting requests for the Community Project Funding program. This is a potential funding source for public agencies, including special districts, for certain types of projects. The Manager has previously submitted requests through this program for the WRRF Design Phase for Fiscal Year 2022, and 2023. The WRRF Design Phase is still a good fit for this program and the Manager submitted a similar request again for Fiscal Year 2024. Projects will need demonstrations of ample community support, which we received from County Supervisors Peschong and Gibson, and previously from the Heritage Village Seniors, and HROA. There is no commitment at this point, and if chosen, then your Board will have opportunities to approve or not approve moving forward. Any award of funds needs to be spent during the 2024 Fiscal Year.

Water Resource Recovery Project

- The Manager continues periodic communication with the finance team, including our municipal advisor, placement agent, and the programs specialist from USDA. The design work for the project is on hold pending Board direction. See also separate agenda item.

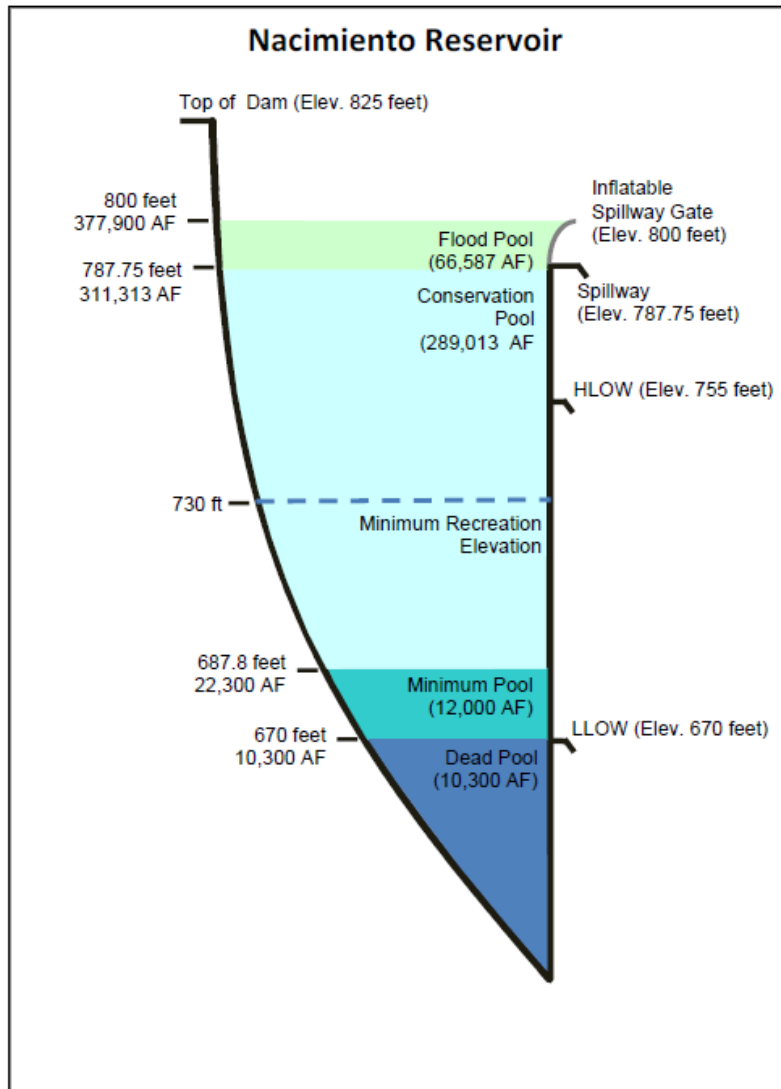
Solid Waste

- San Miguel Garbage Company notified the Manager that we will need a rate increase due to the Consumer Price Index (CPI) increases. The applicable CPI

for 2022 was 7.4%. SMGC is preparing a formal request and we are targeting the April Board meeting to introduce the new rates, with a public hearing adopting the new rates in June.

Reservoir Status

- As reported by Monterey County Water Resources Agency (MCWRA), as of March 9, 2023 the reservoir was at approximately 788.55 feet in elevation, 83% of capacity, or 315,460-acre feet of storage. MCWRA water releases were shown as 5,330 cfs for the day; however, they increased flow to about 6,000 cfs on March 8 by releasing additional flow over the spillway.
- We received notice on March 9 that MCWRA will be increasing releases to 8,000 – 10,000 cfs, probably for at least a week or more as they continue high releases to maintain the Flood Pool. The Flood Pool and other elevations are depicted below.



HERITAGE RANCH COMMUNITY SERVICES DISTRICT

District Engineer Report For the Month of March 2023

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

Operations Support

- Worked with Staff re: planning for PRV replacement project, determining extent of outages, expected pressures during rerouting, etc.

Capital Improvement Projects

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

- DBP/Compliance:
 - GAC – Piping manifold and GAC vessels have been received onsite. The pump delivery has been delayed. Expected during the week of 3/20. Once we receive the pump, we will finalize the electrical installation and complete the overall piping setup.
 - Alternative treatment options – Continuing to research and discuss potential treatment options with other water plants and vendors.
- SCADA water system: SPICE has continued working on the new SCADA system. New servers were purchased through Dell. Staff coordinated with Dell and SPICE to determine the best available products with respect to functionality and redundancy while keeping within project budget.
- WTP Filter Media Replacement: Operations is working on this. They have not needed assistance from Engineering on the latest filters, but we are here to help as needed.
- 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.
- Lift Station 1-5 rehabilitation design phase: Lift Stations 2 and 3 included in 5-year CIP. The design of these projects will begin as soon as the SCADA and DBP projects are sufficiently underway, likely in early Q2 2023.
- Wastewater collection system model and infiltration / inflow: Scheduling of an I/I-related smoke test was originally to take place in Q1 2023. Typically, wet weather (wet ground, etc.) does not yield as good of results with smoke testing as drier

weather does. Scheduling will take place in Q2 of 2023 given the wet weather we have had thus far.

- WRRF Project - Per your Board's request, Engineering Staff has reviewed the original MKN report that detailed four options for treatment. We consulted with various sources (engineers, manufacturers and other agencies undergoing wastewater treatment plant upgrades) and have provided a complete report under a separate agenda item.

Development Review

- Snug Harbor: Received the revised plans from the development team. Reviewed the plans and provided comments back to the team on 2/14/23. Working with team and GM to finalize conditions of preliminary will serve.

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

Operations Report For the Month of March 2023

Water treatment

- The Safe Drinking Water Act (SDWA) requires that once every five years EPA issue a list of unregulated contaminants to be monitored by public water systems (PWSs).

The fifth Unregulated Contaminant Monitoring Rule (UCMR 5) was published on December 27, 2021. UCMR 5 requires sample collection for 30 chemical contaminants between 2023 and 2025 using analytical methods developed by EPA and consensus organizations. This action provides EPA and other interested parties with scientifically valid data on the national occurrence of these contaminants in drinking water. Consistent with EPA's PFAS Strategic Roadmap, UCMR 5 will provide new data that is critically needed to improve EPA's understanding of the frequency that 29 PFAS (and lithium) are found in the nation's drinking water systems and at what levels. This data will ensure science-based decision-making and help prioritize protection of disadvantaged communities.

The EPA is paying for this sampling and providing staff with sampling instructions and bottles. The first sampling was performed by staff this month.

- Filter #4 has been emptied and clean and is ready for sand blasting.
- The wiring is being examined and repaired as necessary.
- Operations has installed the necessary components needed for the GAC trial to begin and waiting only on the delivery of the pump to finalize the hoses and connections.
- MCWRA has been releasing water from both the top and bottom of the dam causing wide fluctuations in water quality, but the treatment process has been able to consistently reduce NTU from 35-45 to .03.

Water distribution

- Staff made emergency repairs to a pipe saddle on Tumbleweed and we are waiting for the soil to dry and firm up before repairing the road.

Wastewater collection

- Staff is working with a local contractor to obtain pricing for the annual jetting of hot spots and cleaning of lift station wet wells.

Wastewater treatment

- A trash pump was rented to facilitate water transfer during the recent storms, and as of this report all is going well.
- Still having trouble with the sand filters out at the 220's due to excessive wet weather and lack of ability to till the sand.

Facilities

- Grinding was performed on the sidewalks around HRCSD and the Senior Center to eliminate trip hazards.

Vehicles and equipment

- No major expenses were incurred this month due to vehicle age or break downs this month.

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager
Kristen Gelos, Office Supervisor
Doug Groshart, District Engineer

DATE: March 16, 2023

SUBJECT: Submittal for approval Resolution 23-01 Initiating Proceedings and Establishing of Water and Sewer Standby Charges for Property within the District for Fiscal Year 2023/24.

Recommendation

It is recommended that the Board of Directors:

1. Approve Resolution 23-01 Initiating Proceedings and Establishing of Water and Sewer Standby Charges for Property within the District for Fiscal Year 2023/24; and
2. Schedule a public hearing for May 18, 2023 at 4:00 PM to confirm the Standby Charges.

Background

Standby Charges are a parcel-based source of revenue commonly available to public agencies for use in defraying the cost of having certain benefits available to parcels.

California Government Code Section §54984, et.al. is known as the Uniform Standby Charge Procedures Act and provides the authority to impose these charges and states,

“Any local agency which is authorized by law to provide water, sewer, or water and sewer service, and which is providing either or both of those services within its jurisdiction, may fix...a water or sewer standby charge, or both, on land within the jurisdiction of the local agency to which water, sewer, or water and sewer services are made available for any purpose by the agency, whether the water or sewer services are actually used or not.”

Discussion

It has been the practice of Heritage Ranch Community Services District since 1991 to collect Standby Charges to offset certain costs that sustain water and/or sewer services including debt service on the Water Treatment Plant, and maintenance and operations.

Debt Service

In 1994, the construction of the Water Treatment Plant (WTP) and Phase I reconstruction of Pump Stations 1 & 4 were completed. One-half the cost of the WTP and all of the cost for the reconstruction was funded through a \$2,179,398, 35-year term loan from the State. In 2015, Phase II Water Treatment Plant improvements which included the Plate Settler construction was completed. This cost is being funded through a \$984,090, 20-year term loan also from the State. The total annual debt service for both loans is \$162,367.

Maintenance & Operations

Maintenance of fixed equipment includes the water and sewer treatment plants, pumps and lift stations. Operations includes but is not limited to the purchase of raw water, the supplies, tools, and equipment necessary to operate and maintain facilities, and permits required from State and County agencies.

Fiscal Considerations

The total number of parcels subject to the water standby charge is 2,071. The total number of parcels subject to the sewer standby charge is 1,866. The total standby revenue for Fiscal Year 2023/24 is anticipated to be \$242,144. Table 1 and 2 illustrate how the charges are allocated and how they are used.

Table 1 Charge by Parcel

Standby Charge	No. of Parcels	\$ per Parcel	Total
Water	2071	\$98	\$202,958
Sewer	1866	\$21	\$39,186
Total			\$242,144

Table 2 Use by Charge

Item	Water	Sewer	Total
Debt Service	\$162,367	-	\$162,367
Maintenance/Ops	\$40,591	\$39,186	\$79,777
Total	\$202,958	\$39,186	\$242,144

Results

Resolution 23-01 will serve to initiate and establish the Standby Charges for Fiscal Year 2023/24. The Standby Charges will be confirmed at a public hearing on May 18, 2023. If adopted, the Standby Charges will be collected through the County of San Luis Obispo property tax roll as a means of effective, efficient collection.

Attachments: Resolution 23-01 Initiating Proceedings and Establishing of Water and Sewer Standby Charges for Property within the District for Fiscal Year 2023/24
Engineering Report for Standby Charges

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 23-01**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HERITAGE RANCH
COMMUNITY SERVICES DISTRICT INITIATING PROCEEDINGS AND
ESTABLISHING OF WATER AND SEWER STANDBY CHARGES FOR PROPERTY
WITHIN THE DISTRICT FOR FISCAL YEAR 2023/24**

WHEREAS, the District is authorized to provide water and sewer services, and is authorized to fix, levy, or collect any standby or availability charge or assessments in connection with providing those services; and

WHEREAS, the report of a qualified engineer is on file with the District and the standby charge proposed is based upon that report. The engineer's report includes all of the following: (1) a description of the charge, (2) a compilation of the amount of the charge proposed for each parcel subject to the charge, (3) a statement of the methodology and rationale followed in determining the degree of benefit conferred by the service for which the charge is made, and (4) other factors listed in Government Code Section §54984.3.

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

1. The foregoing recitals are true and correct and are incorporated by this reference.
2. The parcels subject to the proposed standby charges are within Tracts 424, 446, 447, 452, 466, 474, 475, 693, 720, 721, 1063, 1094, 1910, 1990, and Parcel Map 71-217. All such parcels are contained within a list of Assessor Parcel Numbers on file with the District and made a part herein.
3. The amount of the proposed charge is \$119 per parcel with available water and sewer service, and \$98 per parcel with available water service only.
4. The Board of directors will hold a public hearing regarding imposition of a standby charge on each parcel and in the amount set forth within this resolution. The hearing will be held on May 18, 2023 at 4:00 PM or as soon thereafter as the matter may be heard, at the District Office, located at 4870 Heritage Road, in Heritage Ranch, California. At that time and place, the District will hear and consider all objections or protests, if any, to the proposed standby charges.

The District Secretary is hereby directed to cause notice of the time and place of the public hearing on the standby charges to be published before the hearing in the manner required by law.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Heritage Ranch Community Services District on the 16th day of March 2023, by the following roll call vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

APPROVED:

Bill Barker, President
Board of Directors

ATTEST:

Kristen Gelos
Board Secretary

MEMORANDUM

Heritage Ranch Community Services District Engineering Report - Standby Charges

Date: March 16, 2023

To: Scott Duffield, PE, General Manager

From: Doug Groshart, PE, District Engineer

Subject: Engineering Report for Standby Charges Pursuant to the Uniform Standby Charge Procedures Act, Section 54984 et. seq. of the California Government Code

In accordance with the requirements of the California Government Code Section 54984, and more particularly Section 54984.3, Sections a-1 to a-4, the District must adopt a resolution to initiate proceedings to fix standby charges for water and sewer facilities at Heritage Ranch Community Services District. The proposed standby charges must be based on an engineering report prepared by a qualified engineer, containing the items and information contained in Section 54984.3, Sections a-1 through 1-4. Furthermore, this Engineering Report and determination of standby charges must be filed with the District on or before August 10th of each calendar year, or prior to the start of each Fiscal Year.

This Engineering Report addresses California Government Code Section 54984, as follows:

54984.3.(a)(1). A description of the charge and the method by which it will be imposed.

Each parcel within the District eligible to receive water and sewer services has an outstanding commitment by the District to provide such services. In order to maintain the commitment to provide water and sewer services to all eligible parcels within the District, the water and sewer systems must be periodically repaired, maintained and replaced to ensure that the water and sewer facilities provide continued and future services to these parcels, and are kept in good working order. There are also District overhead and administrative charges associated with these activities that must be covered by these standby charges. These costs are determined from and allocated by the budgeting practices of the District. The fiscal year budget reflects the amounts to be assessed. Standby charges will be assessed to all eligible existing parcels which receive or may receive in the future, water and sewer services from the District.

Debt Service. In 1994, the construction of the Water Treatment Plant (WTP) and Phase I reconstruction of Pump Stations 1 & 4 were completed. One-half the cost of the WTP and all of the cost for the reconstruction of pump stations was funded through a \$2,179,398, 35-year term loan from the State. In 2015, Phase II Water Treatment Plant improvements which included the Plate Settler construction were

completed. This cost is being funded through a \$984,090, 20-year term loan (also from the State.) The total annual debt service for both loans is \$162,367.

Maintenance & Operations. Maintenance of fixed equipment includes the water and sewer treatment plants, pumps and lift stations. Operations includes but is not limited to the purchase of raw water, the supplies, tools, and equipment necessary to operate and maintain facilities, and permits required from State and County agencies.

The proposed standby charges will be assessed equally amongst the parcels for which standby charges will be assessed. Standby charges will be imposed and assessed on the County Tax Roll.

54984.3.(a)(2). A compilation of the amount of the charge proposed for each parcel subject to the charge.

There are currently 2,071 existing parcels within the District subject to these standby charges. Of this total, 1,866 parcels would be charged for water and sewer service, and the remaining 205 parcels would be charged for standby water service only. A summary of the standby charges for both water and sewer systems are included in Table 1.

Table 1. Summary of Standby Charges by Parcel

For the water system, \$162,367 will be used for the retirement of debt service for the District's Safe Drinking Water loan for construction of the District's Water Treatment Plant and pumping facility improvements, as well as the District's State Water Resources Control Board loan for construction of the Plate Settler at the Water Treatment Plant. The remaining \$40,591 will be used for water system maintenance and operation.

Standby Charge	No. of Parcels	Assessment per Parcel, \$	Total
Water	2,071	\$ 98	\$ 202,958
Sewer	1,866	\$ 21	\$ 39,186
TOTAL	---	---	\$ 242,144

For the wastewater system, \$39,186 will be used for wastewater system maintenance and operation. Table 2 summarizes the standby charges and their corresponding allocation to water and sewer systems.

Table 2. Summary of Use by Standby Charge

Item	Water	Sewer	Total
Debt Service	\$ 162,367	\$ -	\$ 162,367
Maintenance & Operations	\$ 40,591	\$ 39,186	\$ 79,777
TOTAL	\$ 202,958	\$ 39,186	\$ 242,144

54984.3.(a)(3). A statement of the methodology and rationale followed in determining the degree of benefit conferred by the service for which the charge is made.

Each parcel within the District eligible to receive water and sewer services has an outstanding commitment by the District to provide that service. In preparation for such water and sewer services and for the commitment to standby to provide those services, the water and sewer systems must be periodically repaired, maintained and replaced to ensure that the facilities are in good working order and capable of providing future services to these parcels. In order to prepare for and to have the necessary forces and means to provide the services at all times, and to keep the systems in good working order, the District incurs certain costs. These costs are determined from, and allocated by, the budgeting practices of the District. The budget reflects the amounts to be assessed. The parcels for which these standby charges are assessed will directly benefit by the District ensuring that such water and sewer services are adequate and available.

The improvements to the water treatment plant benefit all 2,071 parcels whether currently provided water service, or such service is provided in the future for any parcel currently not served water (not yet developed). As such, the annual debt service is shared equally amongst all parcels which benefit equally from these water treatment plant improvements.

The water and sewer system maintenance and operations costs are annual costs to operate the entire water and sewer systems that benefit all 2,071 parcels receiving water services, and all 1,866 parcels receiving sewer services, equally.

Therefore, it is recommended that the District initiate and confirm the Water and Sewer Standby Charges for FY 2023/24 in the amount of \$98 for water and \$21 for sewer for each and every parcel in the District eligible for these services. These charges should be confirmed prior to July 1, 2023 (beginning of the Fiscal Year) by a Public Hearing and Resolution.

54984.3.(4)(b) A description of the lands upon which the charge is to be imposed. Assessor parcel numbers shall constitute sufficient description for this purpose.

A listing of the 2,071 properties, corresponding assessor parcel numbers, and associated charges will be filed concurrently with the County Auditor's office. This listing is also on file at the District office.

54984.3.(4)(c) The amount of the charge for each of the lands so described.

Please refer to Table 1 of this Engineering Report. For parcels to receive water and sewer services, the charge is \$119/parcel. For those parcels to receive only water service, the charge is \$98/parcel.

54984.3.(4)(d) The date, time, and place upon which the governing body will hold a public protest hearing regarding the imposition of the charge, and notice that the governing body will hear and consider all objections or protests, if any, to the proposed charges.

The Board will hold a public hearing on May 18, 2023, at 4:00 pm at the District Office, located at 4870 Heritage Road, in Heritage Ranch, California. At that time and place, the District will hear and consider all objections or protests, if any, to the proposed standby or availability charges or assessments.

DHG:

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager
Doug Groshart, District Engineer

DATE: March 16, 2023

SUBJECT: Receive report revisiting the original “Wastewater Treatment Plant Improvements Preliminary Engineering Memorandum, Rev. 1” by MKN, dated April 16, 2021, and provide direction to Staff for proceeding with the Water Resource Recovery Facility project

Recommendation

It is recommended that the Board of Directors

1. Receive this report revisiting the original “Wastewater Treatment Plant Improvements Preliminary Engineering Memorandum, Rev. 1” by MKN, dated April 16, 2021; and
2. Provide direction to Staff for proceeding with the Water Resource Recovery Facility (WRRF) project.

Background

At the February meeting, due to concerns about rising estimated project costs for the WRRF project, your Board directed Staff to revisit the initial preliminary engineering analysis by MKN from April 16, 2021 and return to the Board with recommendations for moving forward with the project.

Discussion

Summary of MKN Report:

The 2018 revision of the District’s Waste Discharge Requirements (WDR) and National Pollution Discharge Elimination System (NPDES) permit resulted in the District being out of compliance with the permit’s effluent limits for copper, unionized ammonia, and nitrate. In order to comply with the permit requirements for unionized ammonia and nitrate, the District’s WWTP will need to effectively treat the nitrogen compounds via processes called nitrification and denitrification.

In their April, 2021 report, MKN analyzed four different improvement alternatives to address the water treatment requirements. The four alternatives addressed were:

1. Modifications to Existing Pond System – Diffused Aeration and Bioreactor
2. In-Pond Extended Aeration System
3. Activated Sludge Packaged Wastewater Treatment Plant
4. Packaged Wastewater Treatment Plant with Membrane Bioreactor

All four of these options were analyzed using the same evaluation criteria. This criteria considered:

1. Impacts to existing treatment process
2. Space requirement (footprint)
3. Anticipated effluent water quality
4. Impacts to effluent copper concentrations
5. Sludge handling
6. Potential to improve treatment plant redundancy
7. Capital Cost opinion
8. Operation/maintenance cost opinion

MKN provided in-depth analysis for each alternative, addressing each item of the criteria above. A brief summary of their findings and recommendations:

Alternative 1 - Diffused Aeration and Bioreactor

Benefits:

1. Reuses existing wastewater treatment ponds
2. Low operational requirements
3. Increased redundancy over existing system
4. Lowest estimated capital cost of all four options

Drawbacks:

1. Existing liners would need to be replaced, taking them out of service and requiring temporary treatment equipment to be in place. This increases costs and may result in a negative impact to water quality during construction
2. Lowest estimated effluent water quality
3. Access to diffusers requires entry into the pond, resulting in less operational control and high operating and maintenance costs (2nd highest of the four alternatives)

Alternative 2 – In-Pond Extended Aeration System

Benefits:

1. Increase water quality over option 1
2. Low to moderate operational requirements
3. Second lowest estimated capital cost of all four options
4. Lowest estimated operating and maintenance costs

Drawbacks:

1. Requires installation of a new pond, resulting in increased construction costs and a relatively large footprint

2. As with Alternative 1, access to diffusers requires entry into the pond, resulting in less operational control.

Alternative 3 – Activated Sludge Packaged Wastewater Treatment Plant

Benefits:

1. Reduced design and installation costs over other conventional activated sludge treatment plants
2. Increased redundancy (due to multiple diffusers and redundant pump and blower system)
3. Moderate operation and maintenance costs

Drawbacks:

1. Moderate operational requirements
2. Increased sludge requirements
3. High capital cost

Alternative 4 – Packaged Wastewater Treatment Plant with Membrane Bioreactor

Benefits:

1. Reduced design and installation costs over other membrane bioreactor treatment plants
2. Small footprint
3. Highest water quality out of all the alternatives
4. Increased redundancy
5. Flexibility for future recycled water use
6. High operational control

Drawbacks:

1. High operational requirements
2. Increased sludge requirements
3. High capital cost
4. High ongoing operating and maintenance costs
5. Highest energy requirement

The MKN report then summarized the qualitative and cost-based comparisons of the alternatives in table format (Page 7-2). They also provided scoring (1-4) for each of the alternatives based on: Footprint, Water Quality, Operational Requirements, Operational Control and Cost (20 Year NPV) (Page 7-3). They also weighted each of these criteria as follows: Footprint (10%), Water Quality (50%), Operational Requirements (20%), Operational Control (30%) and Cost (40%).

After applying the scoring and weighting to each of the four alternatives, MKN summarized their ranked findings (with total score):

1. Alternative 4 – Packaged MBR, 420 points
2. Alternative 2 – In-Pond Extended Aeration, 410 points
3. Alternative 3 – Packaged WWTP, Activated Sludge, 360 points
4. Alternative 1 – Modifications to Existing Ponds, 330 points

Based on this scoring, MKN recommended the Packaged MBR alternative. The contract District Engineer at the time (Wallace Group) agreed with their recommendations. Staff brought these recommendations to the Board and the Board directed Staff to proceed with the Packaged MBR project.

Summary of Staff review of report:

At the February meeting, due to concerns about rising estimated project costs for the WRRF project, your Board directed Staff to revisit the MKN report and return with recommendations.

In order to review and make recommendations, Staff reviewed the entire report and solicited information, opinions, advice, etc. from various vendors, consultants and staff from other public agencies who are currently in the process or have previously gone through similar projects. Our review and discussions yielded valuable information that will hopefully help to direct the Board to move forward with confidence in the process.

Using the same criteria as the original report, Staff finds the following:

Footprint – This item was given a weighting of 10, the lowest of all five criteria (for reference, one-fifth the weighting of Water Quality.) Given the District’s abundance of available land for the project, footprint could very well have not even been a consideration. In place of footprint, consideration for bypass requirements and/or length of construction could have been applied as a criteria. If that were a criteria, the Packaged MBR would have been ranked the highest in this area as well, only adding to its strength as the highest recommendation.

Water Quality – This item was given a weighting of 50, the highest of all five criteria. It could have been given even more weight, as it is the reason for the project being required. The capital cost of a project of this size (regardless of the alternative chosen) is such that it cannot be repeated in the near future. With compliance requirements becoming only more stringent, to risk falling out of compliance would be a great risk. Another project ten to twenty years in the future would put a great burden on the District’s finances, so a project that ensures the utmost in water quality is recommended. The cost savings associated with Alternative 2 in relation to Alternative 4 are small compared to the future risk of non-compliance.

Operational Requirements – This item was weighted at 20 (fourth most important of five) and it seems to be appropriately weighted. Part of the higher operational requirements is the requirement for higher operator certification. Alternative 1 requires a Class 2 Operator, but the three other alternatives require a Class 3 Operator. There are additional costs associated with higher class certified operators. However, the costs associated with the difference in operational requirements are also considered under the Cost criteria, so this could be considered as being counted twice.

Operational Control – As Operational Requirements are directly tied to the Cost criteria, Operational Control is tied to the Water Quality Criteria. With more operational control,

there is more opportunity for improved water quality. The more operational control, the lower the risk for non-compliance.

Cost – In addition to the cost-related issues associated with the Operational Requirements criteria (and the double counting associated with it), there are other concerns about the weighting of this item. All other criteria are somewhat qualitative so assigning rankings is understandable. However, since cost is quantitative, it can be more directly applied (for example, considering each cost as a percentage of the highest cost alternative). In the MKN analysis, Alternative 4 is given a “1” for cost, which has a weighting of 40, yielding 40 points. By comparison, Alternative 2 is given a “3” for cost, yielding 120 points, or a factor of 3 over Alternative 4. However, looking at the total 20-year NPV for those two alternatives (\$16.033MM vs. \$9.438MM) Alternative 2 is 59% of Alternative 4. In other words, while the ranking provided a factor of 3 for Alt 2 over Alt 4, a factor of 1.7 (1/.59) would be a more accurate representation of the cost-benefit. Applying this metric to the cost criteria would result in a larger spread between the scores of Alternatives 2 and 4.

After applying this revised scoring and weighting to each of the four alternatives, the revised rankings (with MKN score in parentheses):

1. Alternative 4 – Packaged MBR, 403.55 points (420)
2. Alternative 2 – In-Pond Extended Aeration, 327.42 points (410)
3. Alternative 3 – Packaged WWTP, Activated Sludge, 310 points (360)
4. Alternative 1 – Modifications to Existing Ponds, 210 points (330)

While the revised weighting for the scoring did not change the order of the recommended alternatives, it shows the clear separation between the top two options. Alternative 2, while lower in cost than Alternative 4, is not nearly as desirable due to its lower water quality and the risk of non-compliance.

Results

Based on the above information, Staff agrees with the recommendations of the MKN report (and the concurrence by the previous District Engineer) that the District pursue the Packaged MBR project. As the design progresses, staff will work with our consultant to continue to "value engineer" and work to refine the Engineer's Estimate prior to final Project approval by your Board.

File: WRRF

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager
Doug Groshart, District Engineer

DATE: March 16, 2023

SUBJECT: Request to approve implementing the Equestrian Road and Waterview Drive pressure reducing valves project at an estimated cost of \$175,000 and authorize a corresponding budget adjustment from reserves.

Recommendation

It is recommended that the Board of Directors

1. Approve the Equestrian Road and Waterview Drive pressure reducing valves project at an estimated cost of \$175,000; and
2. Authorize a corresponding budget adjustment from reserves.

Background

This Project is included in the current 5-Year Capital Improvement Program (CIP), approved by your Board on August 18, 2022. This project was not included in the current 2022/2023 budget as the need for replacement was not apparent at the time of creation of the budget. The system has experienced leaks in the areas of the PRVs recently. In order to properly repair these leaks, it is recommended that the PRVs and associated isolation valves be replaced at this time.

Discussion

From the current CIP:

The isolation valves located in the Equestrian Road pressure reducing valve vault do not shut off completely. Due to this, one of the pressure reducing valves was not able to be re-built by Cla-Val. The project would consist of replacing all four isolation valves and the two Cla-Vals. Before this happens, Staff needs to determine if the existing main line valve for Equestrian at G-14 is functional. If it is not, a new valve needs to be inserted by hot tapping the line. The estimated cost for the installation of a new isolation valve, if necessary, is \$25,000. Staff will work with a local contractor to install the equipment.

The isolation valves located in the lower Water View PRV vault do not shut off completely. Any maintenance or repair requires approximately ten customers' water service to be shut off while repairs/maintenance is performed. The project consists of replacing the shut off valves and installing two new Cla-Vals. Staff will work with local contractor(s) to install the equipment.

This project is a combination of projects previously on the 2017 CIP.

Estimated Cost: \$175,000

Estimated Schedule:

- *Design/Bid Process - 3 months*
- *Construction - 2 to 3 months (critical path item likely PRV lead time)*

This request, if approved, will allow Staff to begin the design, contracting, procurement and installation of this project before the end of the current fiscal year, but the project will carry over into FY 2023/24. The current plan is to utilize District Operations Staff for installation of some or possibly most of the system components included in this project. The initial step in both areas will be to install the required isolation valves in both areas. The installation of these valves will allow for a decrease, if not elimination, of lengthy service outages to customers during the installation of the PRVs themselves.

Fiscal Considerations

The current Budget does not include this Project; however, it is included in the 2022 5-Year Capital Improvement Program (CIP). If approved by your Board, \$175,000 will be transferred from reserves to the FY 2022/23 capital budget. Any remaining budget from this item will be carried over from the FY 2022/23 budget to the FY 2023/24 for completion of the project.

Results

New isolation valves and PRVs will aid in the repair of existing recurrent leaks, allow for the more efficient operation of the water system in the subject areas while ensuring that the provided water pressure is within the required range.

File: PRV Project

From: [CJ Rudolph](#)
To: [Scott Duffield](#)
Subject: Follow up
Date: Monday, March 6, 2023 3:08:42 PM

Scott,

Per your request I am sending a follow up email and request regarding what we spoke about on Friday. You asked I put in writing to you what I wanted you to take to The Board for discussion. Please also distribute this to the Board for review so they can also read why I am making these requests.

Item 1

When we spoke you asked I tell you why I want the water and sewer lines maintained at the old store and gas station site. As this is the only commercial area inside the gates at Heritage Ranch, I foresee the time when it will be used again for the community. I believe I told you when we spoke, Skyler and I are working to repair the culvert and restore Village road. Skyler and I also talked about that area eventually becoming something that will again be used for the community. Village Road like all the other roads in the community has and have always had utilities.

When Heritage ranch was originally built out this area, like all the others had those improvements made and connected to HRCSD systems. It was recently said that now that it is privately owned it should not be part of your system. I would disagree as all of the land was always privately owned and developed and as each area was built out it was then used. As this and other areas may not be built out, they all still have sewer and water available to them. I want them to stay as part of the system and not be abandoned. The developers installed these systems and as the current owner I believe I should be entitled to the improvements the previous owners paid expenses to have on site.

You mentioned in our call that you "don't want to maintain them for no reason now that there is nothing there". I contend there will be things put back there and I would hope those improvements will still be in tact and available.

The water is currently shut off to the upper portion with a valve that is in the ground just after the last building location on Village road. We have water to each slab and would like those to remain. I am also now using one of those meter locations. As I am using that water now and the line going beyond is shut off, there is no need in my opinion to change anything until we determine what development may be in store at this location.

I appreciate you talking to the Board and asking them to leave my utilities in tact.

Item 2

Road access on Parkway Circle

I request you ask the Board to allow me to access my property behind the sewer treatment plant. The reasons are as follows:

Parkway circle was apart of the original development of Heritage Ranch and put in by the developers. That road has always accessed the rear of the property as there was no other way to gain access due to steep terrain. The road was also put in to access a future dump site that was never used and determined to be unsuitable as a dump site. Per the original agreement if it was not used as a dump it was to be given back to the developers. The road does have an easement to the dumpsite as the developers granted that easement for its use.

My position is the road has been used to access my property since inception. At that time it did not even have a locked gate. My easement is no less than prescriptive and quite possibly one could argue that had the land been given back for the dump as stated in the agreement, the road would be 100% mine to use. That being said, I bought my property and it had multiple locks. I was taken into the property and shown the property by the agent. It had a lock at the front gate on Heritage Ranch property that we used to access the property. It also had locks at the gates inside. You had my lock removed without consulting me or Heritage Ranch at the gate by G-14 and that land that is

owned by Heritage Ranch. HRCSD does not own or have the right to control that location. I also have locks at the back gates as do your crew which still remain. This is how we have always accessed the property.

Also to note, your guys go inside my property and travel inside to check water quality. That road going in is not for the sewer plant it is specifically for a dump site that was never built and for access to my property. It travels all the way to the north and there is another gate that connects at Camp Roberts. Your guys have been known to go the entire length without permission to take water samples. It shouldn't be this hard to work out what we all need to do our work.

I need access to my property to take care of my cattle and maintain my property. We follow the ranchers code and always leave gates as we find them. Meaning, if it is open we leave it open and if it is closed we leave it closed. We do not go through any locked gate and leave it open but rather lock it behind us wether coming or going. My staff and I are responsible and in fact leave things as good or better than we find them. I hope we can begin to build on our relationship together so we can move forward in a co-operative and helpful fashion and be good neighbors. We clearly all are working to make this a better community and we should all try to help each other in that effort.

I was happy to hear about the water agreement you have in possession and look forward to finding out more about it's completion. I would request a copy of that if and when permissible so I can see what is proposed. After its completion, we can then discuss how we access the water when needed and the process required to obtain it.

I would also request that the Board consider my approval for the Boat and RV Storage and if we move a portion of my existing water from the commercial area, they consider giving it back and retroactively assigning the necessary water for the Boat and RV location once the contract with the County has been finalized.

Appreciate you taking the time to reach out.

Best,

CJ

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