



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

July 18, 2024

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

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

2. ROLL CALL

Secretary Gelos called the roll.

Directors present: Dan Burgess, Michael Camou, and Masen Yaffee.

Directors absent: Bill Barker and Tom Swanson

Staff present: General Manager, Scott Duffield, District Engineer, Doug Groshart, and District Counsel Jeff Minnery.

3. PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

There were no public comments.

4. PUBLIC HEARINGS

a. Submittal for approval Resolution 24-08 providing for collection of delinquent solid waste charges and penalties to be collected on the tax roll in the same manner as property taxes.

There were no public comments.

Secretary Gelos reported changes to Exhibit A.

Director Camou made a motion to approve Resolution 24-08 with revision to Exhibit A. Director Yaffee seconded the motion. The motion passed by the following roll call vote:

Ayes: Burgess, Camou, Yaffee

Absent: Barker, Swanson

b. Submittal for approval Resolution 24-09 providing for collection of delinquent water and sewer charges and penalties to be collected on the tax roll in the same manner as property taxes.

There were no public comments.

Secretary Gelos reported changes to Exhibit A.

Director Burgess made a motion to approve Resolution 24-09 with revision to Exhibit A. Director Yaffee seconded the motion. The motion passed by the following roll call vote:

Ayes: Burgess, Camou, Yaffee

Absent: Barker, Swanson

c. Submittal for approval Resolution 24-10 adopting a Fiscal Year 2024/25 Final Budget and Salary Schedule.

There were no public comments.

Director Yaffee made a motion to approve Resolution 24-10. Director Burgess seconded the motion. The motion passed by the following roll call vote:

Ayes: Burgess, Camou, Yaffee

Absent: Barker, Swanson

5. CONSENT ITEMS

- a. **Meeting Minutes:** Receive/approve minutes of special meeting of June 20, 2024.
- b. **Warrant Register:** Receive/approve June 2024 warrants.
- c. **Treasurer's Report:** Receive/file June 2024 report.
- d. **Treasurer's Report:** Receive/file FY 2023/24 4th Quarter report.
- e. **Treasurer's Report:** Receive/file FY 2023/24 Annual report.
- f. **Fiscal Report:** Receive/file June 2024 status report.
- g. **Office Report:** Receive/file June 2024 report.
- h. **District Engineer Report:** Receive/file July 2024 report.
- i. **Updates regarding disinfections byproducts.**

There were no public comments.

Director Yaffee pulled item H. District Engineer Report. Director Burgess made a motion to approve items A-G and I as presented. Director Yaffee seconded the motion. The motion passed unanimously.

Director Yaffee made a motion to approve H. as presented. Director Camou seconded the motion. The motion passed unanimously.

6. BUSINESS ITEMS

- a. **Request to consider approval of renewal of conditional will serve letters for Vesting Tentative Tract Map 2879 and Vesting Tentative Tract Map 3110.**

There were no public comments.

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

Director Burgess made a motion to approve renewal of conditional will serve letters. Director Camou seconded the motion. The motion passed by the following roll call vote:

Ayes: Burgess, Camou, Yaffee

Absent: Barker, Swanson

7. GENERAL MANAGER REPORT

There were no public comments.
Report was received and filed.
Director Barker arrived at 4:40pm.

8. COMMITTEE REPORTS

There were no public comments.
There were no committee reports.

9. FUTURE AGENDA ITEMS

There were no public comments.
The Board determined to add the following to a future agenda:

- Grant Funding Consultants – WRRF Project

10. ADJOURNMENT

On a motion by Director Camou and seconded by Director Yaffee the meeting adjourned at 5:00 pm to the next scheduled meeting on Thursday, August 15, 2024.

APPROVED:

ATTEST:

Dan Burgess, President
Board of Directors

Kristen Gelos, Secretary
Board of Directors

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
WARRANT REGISTER
JULY 2024**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
7/3/2024	CALPERS HEALTH BENEFITS EMPLOYEE PAID HEALTH BENEFIT EMPLOYEE PAID HEALTH BENEFIT	905.74 905.74	\$ 1,811.48
7/3/2024	CALPERS HEALTH BENEFITS CALPERS HEALTH BENEFITS	19,032.14	\$ 19,032.14
7/8/2024	PG&E ELECTRICITY	5,174.08	\$ 5,174.08
7/12/2024	R. ARNOLD NET PAYROLL	3,739.44	\$ 3,739.44
7/12/2024	T. SHOGREN NET PAYROLL	2,386.57	\$ 2,386.57
7/12/2024	J. MARTY NET PAYROLL	2,754.32	\$ 2,754.32
7/12/2024	K. GELOS NET PAYROLL	3,080.98	\$ 3,080.98
7/12/2024	D. BURGESS NET PAYROLL	92.35	\$ 92.35
7/12/2024	B. BARKER NET PAYROLL	277.05	\$ 277.05
7/12/2024	S. DUFFIELD NET PAYROLL	4,861.35	\$ 4,861.35
7/12/2024	B. VOGEL NET PAYROLL	3,015.08	\$ 3,015.08
7/12/2024	D. GROSHART NET PAYROLL	4,495.66	\$ 4,495.66
7/12/2024	M. CAMOU NET PAYROLL	92.35	\$ 92.35
7/12/2024	M. YAFFEE NET PAYROLL	277.05	\$ 277.05

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
WARRANT REGISTER
JULY 2024**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
7/12/2024	T. SWANSON NET PAYROLL	92.35	\$ 92.35
7/12/2024	INTERNAL REVENUE SERVICE FEDERAL WITHHOLDING TAXES FEDERAL WITHHOLDING TAXES FEDERAL WITHHOLDING TAXES FICA WITHHOLDING MEDICARE MEDICARE MEDICARE	3,671.71 2,878.32 127.67 111.60 494.44 995.52 18.10	\$ 8,297.36
7/12/2024	EMPLOYMENT DEVELOPMENT DEPARTM SDI SDI SDI STATE WITHHOLDING STATE WITHHOLDING STATE WITHHOLDING	187.54 367.71 6.86 1,300.90 1,195.13 59.36	\$ 3,117.50
7/12/2024	CALPERS RETIREMENT SYSTEM CALPERS UNIFORM ALLOWANCE PERS-IRC 457 CONTRIBUTIONS PERS RETIREMENT PERS RETIREMENT TIER 2 PERS RETIREMENT TIER 2 PERS RETIREMENT PEPRA PERS RETIREMENT PEPRA SURVIVOR BENEFIT SURVIVOR BENEFIT	10.51 1,443.08 1,763.13 1,911.27 117.81 561.89 1,935.64 1.86 6.51	\$ 7,751.70
7/12/2024	J.B. DEWAR. INC. FUEL & OIL	635.24	\$ 635.24
7/16/2024	GREAT WESTERN ALARM ALARM/ANSWERING SERVICE	332.32	\$ 332.32
7/16/2024	SPECIAL DISTRICT RISK MANAGEME P/L INSURANCE FY 2024-25	43,426.91	\$ 43,426.91
7/16/2024	RELIABLE OFFICE MACHINE REPAIR PROFESSIONAL SERVICES	120.00	\$ 120.00

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
WARRANT REGISTER
JULY 2024**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
7/16/2024	BLAKES INC SUPPLIES MAINTENANCE FIXED EQUIPMENT	118.48 39.44	\$ 157.92
7/16/2024	TYLER TECHNOLOGIES PROFESSIONAL SERVICES	16.40	\$ 16.40
7/16/2024	FGL ENVIRONMENTAL LAB TESTING	181.00	\$ 181.00
7/16/2024	COUNTY OF SAN LUIS OBISPO PROFESSIONAL SERVICES	603.00	\$ 603.00
7/16/2024	ROY ARNOLD CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
7/16/2024	RENTAL DEPOT EQUIPMENT RENT/LEASE EQUIPMENT RENT/LEASE EQUIPMENT RENT/LEASE	180.26 180.26 180.26	\$ 540.78
7/16/2024	FLUID RESOURCE MANAGEMENT PROFESSIONAL SERVICES	500.00	\$ 500.00
7/16/2024	NAPA AUTO PARTS VEHICLES	157.01	\$ 157.01
7/16/2024	ABALONE COAST ANALYTICAL, INC. LAB TESTING	3,216.00	\$ 3,216.00
7/16/2024	KRISTEN GELOS CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
7/16/2024	BURT INDUSTRIAL SUPPLY SUPPLIES	401.71	\$ 401.71
7/16/2024	SCOTT DUFFIELD TRAINING & TRAVEL CELL PHONE/INTERNET ALLOWANCE	1,132.65 80.00	\$ 1,212.65
7/16/2024	WESTERN EXTERMINATOR STRUCTURES & GROUNDS	125.00	\$ 125.00

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
WARRANT REGISTER
JULY 2024**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
7/16/2024	RIVAL TECHNOLOGY INC. PROFESISONAL SERVICES COMPUTER / SOFTWARE	909.36 130.00	\$ 1,039.36
7/16/2024	STREAMLINE COMPUTER / SOFTWARE	2,988.00	\$ 2,988.00
7/16/2024	MID-STATE REPAIR SERVICE MAINTENANCE FIXED EQUIPMENT VEHICLES	1,074.34 464.10	\$ 1,538.44
7/16/2024	BRIAN VOGEL CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
7/16/2024	TROY SHOGREN CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
7/16/2024	DOUGLAS GROSHART MEDICAL REIMBURSEMENT CELL PHONE/INTERNET ALLOWANCE	1,100.00 80.00	\$ 1,180.00
7/16/2024	JORANDA MARKETING, INC. / JAN- STRUCTURES & GROUNDS	274.60	\$ 274.60
7/16/2024	SPEEDY COASTAL MESSENGER, INC. LAB TESTING	440.00	\$ 440.00
7/16/2024	AMAZON CHEMICALS MAINTENANCE FIXED EQUIPMENT	284.20 625.53	\$ 909.73
7/16/2024	JERED MARTY CELL PHONE/INTERNET ALLOWANCE	80.00	\$ 80.00
7/16/2024	HYDROSCIENCE ENGINEERS INC WRRF PROJECT WRRF PROJECT	770.00 38,375.00	\$ 39,145.00
7/16/2024	THE JAM LAW GROUP LEGAL & ATTORNEY	2,747.70	\$ 2,747.70
7/18/2024	SAN MIGUEL GARBAGE DELINQUENT SOLID WASTE FEES	1,281.16	\$ 1,281.16

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
WARRANT REGISTER
JULY 2024**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
7/17/2024	CALPERS RETIREMENT SYSTEM SURVIVOR EMPLOYER PREM.FY23/24	296.40	
	SURVIVOR EMPLOYER PREM.FY23/24	124.80	
	SURVIVOR EMPLOYER PREM.FY23/24	124.80	\$ 546.00
7/22/2024	PG&E ELECTRICITY	5,022.51	\$ 5,022.51
7/22/2024	CHARTER COMMUNICATIONS INTERNET	99.99	\$ 99.99
7/22/2024	VISTAPRINT OFFICE SUPPLIES	37.51	\$ 37.51
7/22/2024	VIBORG MAINT. FIXED EQUIPMENT	333.55	\$ 333.55
7/22/2024	OAK HILL MARKET SUPPLIES	29.66	\$ 29.66
7/22/2024	JW MARRIOT TRAINING & TRAVEL	806.55	\$ 806.55
7/22/2024	RING CENTRAL TELEPHONE	299.83	\$ 299.83
7/22/2024	STARLINK INTERNET	250.00	\$ 250.00
7/26/2024	R. ARNOLD NET PAYROLL	2,962.53	\$ 2,962.53
7/26/2024	T. SHOGREN NET PAYROLL	2,408.61	\$ 2,408.61
7/26/2024	J. MARTY NET PAYROLL	2,033.82	\$ 2,033.82
7/26/2024	K. GELOS NET PAYROLL	3,080.98	\$ 3,080.98
7/26/2024	S. DUFFIELD NET PAYROLL	4,698.30	\$ 4,698.30

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
WARRANT REGISTER
JULY 2024**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
7/26/2024	B. VOGEL NET PAYROLL	3,015.08	\$ 3,015.08
7/26/2024	D. GROSHART NET PAYROLL	4,495.66	\$ 4,495.66
7/26/2024	INTERNAL REVENUE SERVICE FEDERAL WITHHOLDING TAXES MEDICARE	2,670.22 923.38	\$ 3,593.60
7/26/2024	EMPLOYMENT DEVELOPMENT DEPARTM SDI STATE WITHHOLDING	350.24 1,074.07	\$ 1,424.31
7/26/2024	CALPERS RETIREMENT SYSTEM PERS-IRC 457 CONTRIBUTIONS PERS RETIREMENT PERS RETIREMENT TIER 2 PERS RETIREMENT PEPPRA SURVIVOR BENEFIT	1,443.08 1,763.14 2,029.08 1,935.64 6.51	\$ 7,177.45
7/26/2024	J.B. DEWAR. INC. FUEL & OIL	521.85	\$ 521.85
7/30/2024	CALPERS RETIREMENT SYSTEM CALPERS UNFUNDED LIABILITY CALPERS UNFUNDED LIABILITY CALPERS UNFUNDED LIABILITY	10,325.42 2,226.00 1,334.00	\$ 13,885.42
TOTAL ALL WARRANTS			\$ 230,641.95

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
TREASURER'S REPORT
JULY 2024**

SUMMARY REPORT OF ALL ACCOUNTS

Beginning Balance:	\$4,475,873
Ending Balance:	\$4,553,675
Variance:	\$ 77,801
Interest Earnings for the Month Reported:	\$ 1,397
Interest Earnings Fiscal Year-to-Date:	\$ 164,148

ANALYSIS OF REVENUES

Total operating income for water and sewer was:	\$ 235,386
Non-operating income was:	\$ 7,083
Franchise fees paid to the District by San Miguel Garbage was:	\$ 9,193
Interest earnings for the LAIF account was:	\$ 44,355
Interest earnings for the California CLASS account was:	\$ 11,069
Interest earnings for the Five Star Bank checking account was:	\$ 25
Interest earnings for the Five Star Bank DWR Loan Services account was:	\$ 104
Interest earnings for the Five Star Bank DWR Reserve account was:	\$ 456
Interest earnings for the Mechanics Bank money market account was:	\$ 0

ANALYSIS OF EXPENSES

Five Star Bank checking account total warrants, fees, and Electronic Fund Transfers was:	\$ 257,224
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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
JULY 2024**

BEGINNING BALANCE ALL ACCOUNTS		\$4,475,873.41
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OPERATING CASH IN DRAWER		\$ 300.00
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FIVE STAR BANK DWR LOAN REPAYMENT (1994-2029):		
BEGINNING BALANCE 6/30/2024	27,450.99	
QUARTERLY DEPOSIT	-	
INTEREST EARNED	103.86	
SEMI-ANNUAL PAYMENT	-	
ENDING BALANCE 7/31/2024		\$ 27,554.85
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FIVE STAR BANK DWR RESERVE ACCOUNT		
BEGINNING BALANCE 6/30/2024	120,401.74	
INTEREST EARNED	455.53	
ENDING BALANCE 7/31/2024		\$ 120,857.27
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FIVE STAR BANK SDWSRF LOAN SERVICES ACCOUNT		
BEGINNING BALANCE 6/30/2024	1,193.14	
QUARTERLY DEPOSIT	-	
INTEREST EARNED	4.51	
SEMI-ANNUAL PAYMENT	-	
ENDING BALANCE 7/31/2024		\$ 1,197.65
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FIVE STAR BANK SDWSRF RESERVE ACCOUNT		
BEGINNING BALANCE 6/30/2024	62,306.54	
INTEREST EARNED	235.73	
ENDING BALANCE 7/31/2024		\$ 62,542.27
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MECHANICS BANK MONEY MARKET ACCOUNT		
BEGINNING BALANCE 6/30/2024	9,569.42	
DEPOSIT REVENUE - CASH	3,730.89	
INTEREST EARNED	0.12	
ENDING BALANCE 7/31/2024		\$ 13,300.43
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FIVE STAR BANK - MONEY MARKET		
BEGINNING BALANCE 6/30/2024	162,583.61	
INTEREST EARNED	615.12	
ENDING BALANCE 7/31/2024		\$ 163,198.73
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**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
STATUS REPORT FOR ALL ACCOUNTS
JULY 2024**

FIVE STAR BANK - CHECKING		
BEGINNING BALANCE 6/30/2024	160,807.20	
DEPOSIT REVENUE & MISCELLANEOUS INCOME	257,224.25	
INTEREST EARNED	25.35	
TOTAL CHECKS, FEES AND EFT'S	(240,017.40)	
ENDING BALANCE 7/31/2024		\$ 178,039.40

LOCAL AGENCY INVESTMENT FUND (LAIF)		
BEGINNING BALANCE 6/30/2024	3,931,260.77	
INTEREST EARNED	44,354.68	
REVENUE TRANSFER <i>To California CLASS</i>	(3,731,000.00)	
ENDING BALANCE 7/31/2024		\$ 244,615.45

CALIFORNIA CLASS		
BEGINNING BALANCE 6/30/2024	-	
DEPOSIT REVENUE & MISCELLANEOUS INCOME	-	
INTEREST EARNED	11,068.54	
REVENUE TRANSFER <i>From LAIF</i>	3,731,000.00	
ENDING BALANCE 7/31/2024		\$3,742,068.54

ENDING BALANCE ALL ACCOUNTS		\$4,553,674.59
DIFFERENCE FROM LAST MONTH	Increase	\$ 77,801.18

HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2024/25 Budget

OPERATING REVENUE	Budget FY 24/25	Actual July	Actual Year to Date	Percentage Year to Date	Variance Explanation
Water Fees	1,563,732	145,138	145,138	9%	
Sewer Fees	1,240,328	92,535	92,535	7%	
Hook-Up Fees	2,400	0	0	0%	
Turn on Fees	3,500	125	125	4%	
Late Fees	18,860	2,305	2,305	12%	Fluctuates based on activity
Plan Check & Inspection	1,600	0	0	0%	
Miscellaneous Income	500	0	0	0%	
TOTAL OPERATING	\$2,830,920	\$240,102	\$240,102	8%	

FRANCHISE REVENUE					
Solid Waste Franchise Fees	91,802	8,119	8,119	9%	
TOTAL FRANCHISE	\$91,802	\$8,119	\$8,119	9%	

TOTAL OPERATING \$2,922,722 \$248,221 \$248,221 8%

NON-OPERATING REVENUE					
Standby Charges	242,200	0	0	0%	
Property Tax	475,629	0	0	0%	
Interest	80,000	56,864	56,864	71%	Fluctuates based on activity
Connection Fees	28,232	0	0	0%	
TOTAL NON-OPERATING	\$826,061	\$56,864	\$56,864	7%	

RESERVE REVENUE					
Capital Reserves	503,165	13,701	13,701	3%	
Operating Reserves	1,847,553	25,444	25,444	1%	
TOTAL RESERVE	\$2,350,718	\$39,145	\$39,145	2%	

TOTAL NON-OPERATING \$3,176,779 \$96,009 \$96,009 3%

TOTAL ALL REVENUE	\$6,099,501	\$344,230	\$344,230	6%	
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**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2024/25 Budget**

OPERATING EXPENSES

SALARIES AND BENEFITS	Budget FY 24/25	Actual July	Actual Year to Date	Percentage Year to Date	Variance Explanation
Salaries	1,045,010	63,182	63,182	6%	
Health Insurance	229,690	16,126	16,126	7%	
Health Insurance - Retirees	55,521	4,006	4,006	7%	
Pers Retirement	185,667	20,935	20,935	11%	
OPEB Funding/Transfer	35,000	0	0	0%	
Standby	34,380	2,096	2,096	6%	
Overtime	7,184	364	364	5%	
Workers Comp. Ins.	28,151	0	0	0%	
Directors' Fees	36,000	900	900	3%	
Medicare/FICA	15,675	1,272	1,272	8%	
Car Allowance	3,000	250	250	8%	
SUI/ETT	1,000	0	0	0%	
Uniforms	8,100	0	0	0%	
TOTAL SALARIES & BENEFITS	\$1,684,378	\$109,131	\$109,131	6%	

UTILITIES

Electricity	134,433	10,197	10,197	8%	
Propane	1,586	0	0	0%	
Water Purchase	28,600	0	0	0%	Paid Semiannually
Telephone/Internet	13,313	1,210	1,210	9%	
TOTAL UTILITIES	\$177,932	\$11,406	\$11,406	6%	

MAINTENANCE & SUPPLIES

Chemicals	85,446	284	284	0%	
Computer/Software	36,666	3,118	3,118	9%	
Equip. Rental/Lease	2,704	541	541	20%	
Fixed Equip.	202,259	2,073	2,073	1%	
Fuel & Oil	16,224	1,157	1,157	7%	
Lab Testing	63,814	3,837	3,837	6%	
Office Supplies	1,622	38	38	2%	
Parks & Recreation	0	0	0	0%	
Struct./Grnds.	16,159	400	400	2%	
Small Tools/Equip.	3,245	0	0	0%	
Supplies	4,867	550	550	11%	
Meters/Equip.	12,979	0	0	0%	
Vehicles	6,490	621	621	10%	
TOTAL MAINT. & SUP.	\$452,475	\$12,618	\$12,618	3%	

HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2024/25 Budget

GENERAL & ADMINISTRATION	Budget FY 24/25	Actual July	Actual Year to Date	Percentage Year to Date	Variance Explanation
Ads./Advertising	1,560	0	0	0%	Fluctuates based on activity
Alarm/Answering Service	4,327	332	332	8%	
Audit	10,400	0	0	0%	
Bank Charges/Fees	0	0	0	#DIV/0!	
Consulting/Engineering	10,000	0	0	0%	
Dues/Subscription	10,816	0	0	0%	
Elections	10,000	0	0	0%	
Insurance	44,738	43,427	43,427	97%	Paid Annually
LAFCO	8,162	0	0	0%	Paid Annually
Legal/Attorney	26,000	2,748	2,748	11%	
Licenses/Permits	31,367	0	0	0%	
Plan Check & Inspection	1,600	0	0	0%	
Postage/Billing	16,224	0	0	0%	
Professional Service	96,587	2,149	2,149	2%	
Tax Collection	6,542	0	0	0%	
Staff Training & Travel	12,980	1,939	1,939	15%	
Board Training & Travel	1,040	0	0	0%	
TOTAL G & A	\$292,343	\$50,595	\$50,595	17%	

CAPITAL PROJECTS & EQUIPMENT

Structures/Improvements	2,285,718	39,145	39,145	2%	
Equipment	65,000	0	0	0%	
TOTAL CAPITAL EXPENSE	\$2,350,718	39,145	39,145	2%	

DEBT

State Loan Payment	103,628	0	0	0%	paid semiannually
State Loan Payment Phase II	58,740	0	0	0%	paid semiannually
Western Alliance Lease-PVS	152,857	0	0	0%	paid semiannually
TOTAL DEBT	\$315,225	\$0	\$0		

FUNDED DEPRECIATION	\$288,000	\$24,000	\$24,000	8%	
UNFUNDED DEPRECIATION	\$0	\$0	\$0	0%	

TOTAL EXPENSE	\$5,561,071	\$246,895	\$246,895	4%	
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CAPACITY CHARGES TRANSFER \$28,232 \$0 \$0 0%

SOLID WASTE FEES TRANSFER \$23,285 \$1,001 \$1,001 4%

FUND TOTAL	\$486,913	\$96,334	\$96,334		
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HERITAGE RANCH COMMUNITY SERVICES DISTRICT OFFICE REPORT

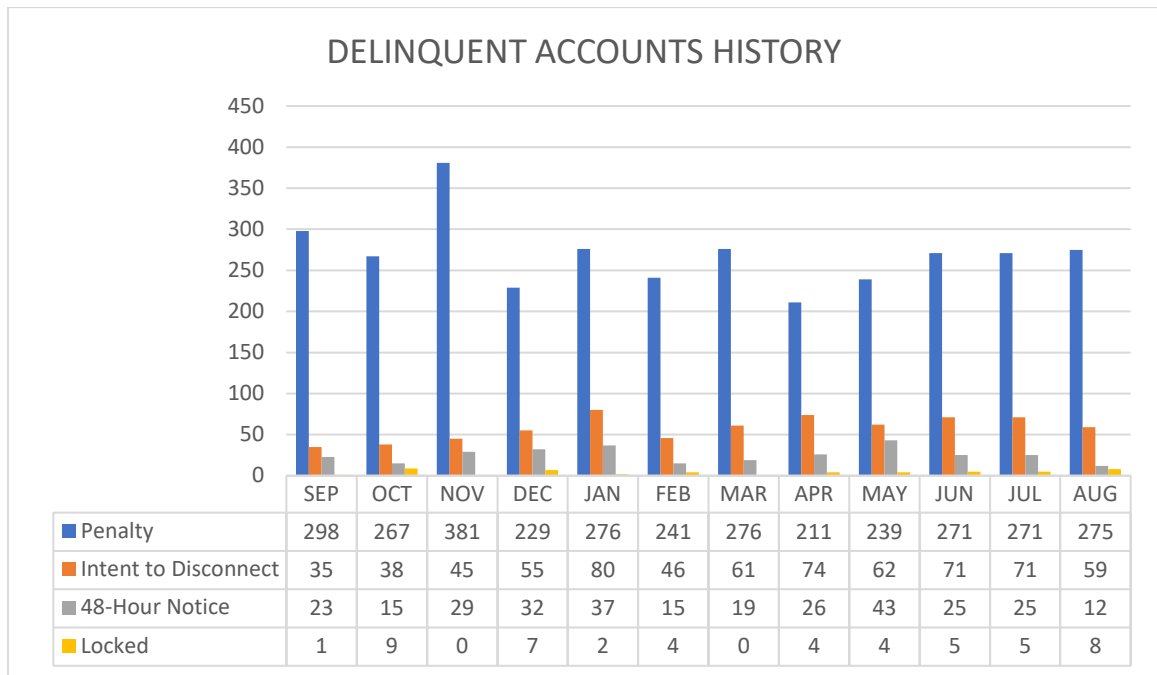
JULY 2024

Utility Billing

- On August 1st, 1,939 bills were processed for a total dollar amount of \$275,806 for water and sewer user fees for the month of July.

The table below reflects the following data over a twelve-month period:

- Number of late penalties posted for bills that were due by July 25th
- Intent To Disconnect letters mailed to customers that were more than 60 days delinquent
- 48-hour notices issued
- Number of meters locked off for non-payment



Customer Service Orders

- Staff completed a total of 20 service orders for the month of July. The breakdown by job code is as follows:

OCCUPANT CHANGE	6	LEAK	1
LOCKED	8	UNLOCK	4
SWAP/PULL METER	1		

Administration

- Nothing to report.

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

District Engineer Report For the Month of August 2024

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

Operations Support

- Working with Operations Staff re:
 - GAC project operation, troubleshooting for pilot study, data analysis
 - PRV project for order and scope of work
 - Working with Video Inspection Specialists regarding annual sewer system jetting (1/3 of system and hot spots), lift station cleaning, video inspection of hot spots, manhole inspection at select manholes for I&I (work began 7/11/24, should be complete by 8/16/24).

Capital Improvement Projects

Projects / equipment replacement budgeted for this fiscal year and their status:
(Note: projects are listed in the order shown on the Capital and Equipment Budget spreadsheet)

- WRF Upgrade Project: – Continuing to work with the General Manager, the ad hoc committee, and the Board to determine a path forward on the project.
- Lift Station 1-5 rehabilitation design phase: LS 2 and 3 are the top priority. The current project scope is to replace corroded components and coat the wetwells. Recent controls and other mechanical related issues have arisen that may be combined with this scope to limit costs associated with bypassing. Coordinating with WRRF project to determine if any pump modifications will be required as a part of the project.
- Water System SCADA Upgrade / Telemetry: Water System SCADA portion is complete. Telemetry project is designed and in the process of being installed. Installation is 20% complete with an estimated completion by the end of October.
- GAC System (Pilot Study): Pilot Study is nearing completion. Weighing cost/benefit of GAC (based on findings of pilot study) vs. other options or a combination of several options. See DBP report for additional information.
- Pressure Reducing Valves (Waterview/Equestrian): PRVs have been received. Raminha has been authorized to begin work. Schedule update to be provided at the meeting.

- Raw Water Vertical Intake No. 2: Bid package will be completed by 8/16/24. The package will be brought to the Board for approval at the September meeting.
- DBP Project: See separate agenda item and report regarding DBPs.
- Wastewater Collection System SCADA Upgrade: SPICE has begun work on the wastewater collection system (Lift Station) SCADA upgrade. Installation will take place in conjunction with the Telemetry installation. Installation is 15-20% complete with an estimated completion by the end of October.
- Wastewater collection system model & I/I: Video Inspection Specialists began work on 7/11/24. Scope includes annual jetting of 1/3 of the sewer system and all hot spots as well as cleaning of all lift stations. Additionally, we have added the video inspection of the hot spots as well as manhole inspection of select manholes showing signs of infiltration.
- Pump Station Covers (design): Work has not begun on this project.
- Electric Gate at Corp Yard: Work has not begun on this project.

Project Name	FY24/25 Budget	Design Status	Estimated Design Completion	Construction Status	Estimated Construction Completion
WRF Upgrade Project	\$755,035	Ongoing	1/31/2025	Not Started	Before 9/2027
Lift Station 1-5 Rehab	\$200,000	Ongoing	10/31/2024	Not Started	TBD
Water System SCADA Upgrade (Telemetry)	\$168,415	Complete	Complete	Ongoing	9/30/2024
GAC System (Pilot Study)	\$39,480	Complete	Complete	N/A	N/A
Pressure Reducing Valves (Waterview, Equestrian)	\$163,070	Complete	Complete	Scheduled to begin 8/24	Update at meeting
Raw Water Vertical Intake No. 2	\$219,718	Ongoing	8/16/2024 (Well casing) TBD (Wellhead)	Not Started	1/31/2025 (Well casing) TBD (Wellhead)
DBP Project	\$400,000	Not Started	TBD	Not Started	TBD
Wastewater Collection System SCADA Upgrade	\$200,000	Complete	Complete	Ongoing	10/31/2024
Wastewater Collection System Model & I/I	\$75,000	N/A	N/A	TBD	TBD
Pump Station Covers (design)	\$15,000	Not Started	TBD	Not Started	TBD
Electric Gate at Corp Yard	\$50,000	Not Started	TBD	Not Started	TBD

Additional Tasks

- Development: Responding to requests for existing water and sewer system documents as they come up. Discussing existing system and future developments with potential developers as they make contact.

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

Operations Report For the Month of August 2024

In addition to normal operations duties, below are other tasks / updates for several areas of work:

Water treatment

- Produced 17.8 million gallons of treated water.
- Performed weekly calibrations on Turbidimeters.
- Replaced 2 Clarifier air valves that cracked due to usage these are only 2 years old and failing at a troubling rate. Staff is exploring other valve options that would have a longer life span.
- Replaced Polymer feed pump that was leaking and unrepairable.
- Activated Carbon Media is starting to decline TOC Reduction is down to 30%
- Collected Monthly DBP sample.

Water distribution

- Repaired 2 Service line leaks on Windmill and Bluebird both were located between Water main and Customer meter.
- Performed all water quality labs
- Collected all state required Bac T samples

Wastewater collection

- Lift Station #3 Air bubbler line failed. This controls the pumps turning on and off, this is also how we see the level in the lift station. Staff installed a new line, and it is functioning correctly.
- VIS is currently in the process of Jetting sewer lines and Camera inspections. Staff are helping them with the process.
- Repaired force main leak on main wastewater transmission line.
- Replaced Bad Scada battery at Lift Station 3

Wastewater treatment

- Treated 5.7 million gallons of wastewater
- Collected all State required Bac T samples along with BOD samples.

Vehicles and equipment

- Oil change was done on service truck.
- Replaced pressure regulator on Vac trailer spray wand

Staff

- Jered Marty passed his Distribution 1 test and is now going to be a certified Distribution Operator to go along with his Treatment 2 Certification.

* * *

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

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

DATE: August 15, 2024

SUBJECT: Discussion and direction regarding disinfection byproducts.

Background

The District water system was exceeding the maximum contaminant level for haloacetic acids, a disinfection byproduct. Your Board has been updated regularly on this issue.

Discussion

Sample data

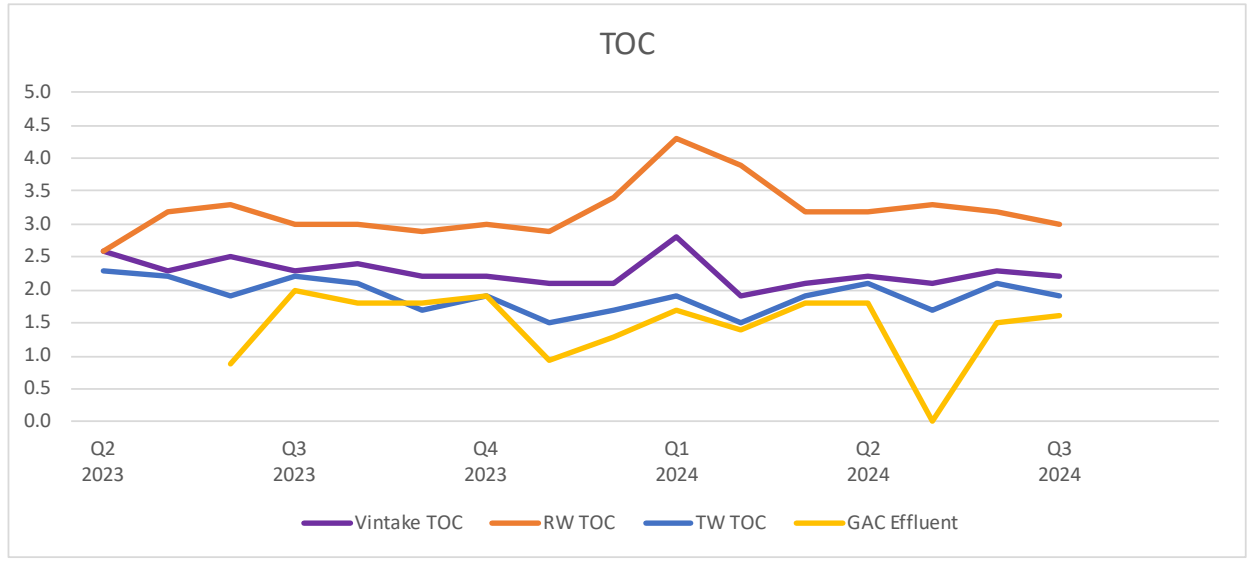
The sample data for haloacetic acids (HAA5) over the last several quarters is shown below. This data is for individual samples. The maximum contaminant level for HAA5 is 60 parts per billion (ppb). In the table below, "Vintake TOC" is the TOC level of the water from the vertical intake; "RW TOC" is the TOC reading for Raw Water; "TW TOC" is the TOC reading for Treated Water; and "GAC Effluent" shows the TOC reading after the GAC vessels and before chlorination.

The reportable data required by the Division of Drinking Water (DDW) is the Locational Running Annual Average (LRAA) by calendar quarter. The maximum contaminate level (MCL) for HAA5 is 60 ppb.

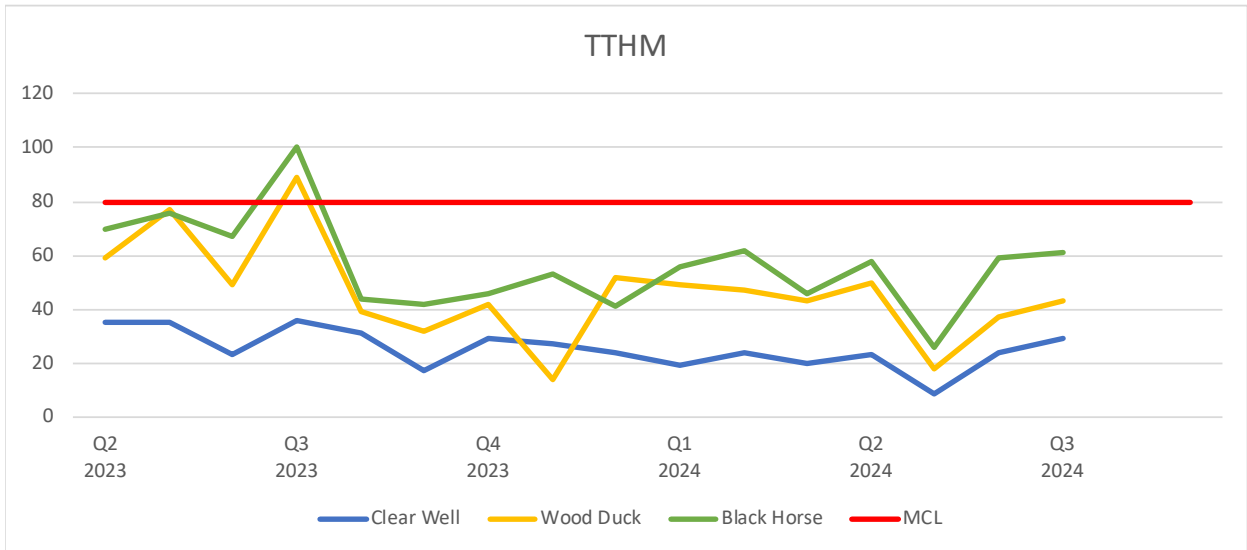
The most recent LRAA for HAA5 is 55 ppb at the Black Horse Lane location and 47 ppb at the Wood Duck Lane location; both are now under the MCL.

Results for individual months at both locations can also be seen in the following table and graph. The results for Black Horse increased above the MCL to 69 for the first month of the quarter. Staff will adjust and track changes. This increase does not immediately or significantly affect the LRAA results from one month of the quarter; however, it is important and prudent to maintain the results below the MCL because the quarterly averages will add up quickly.

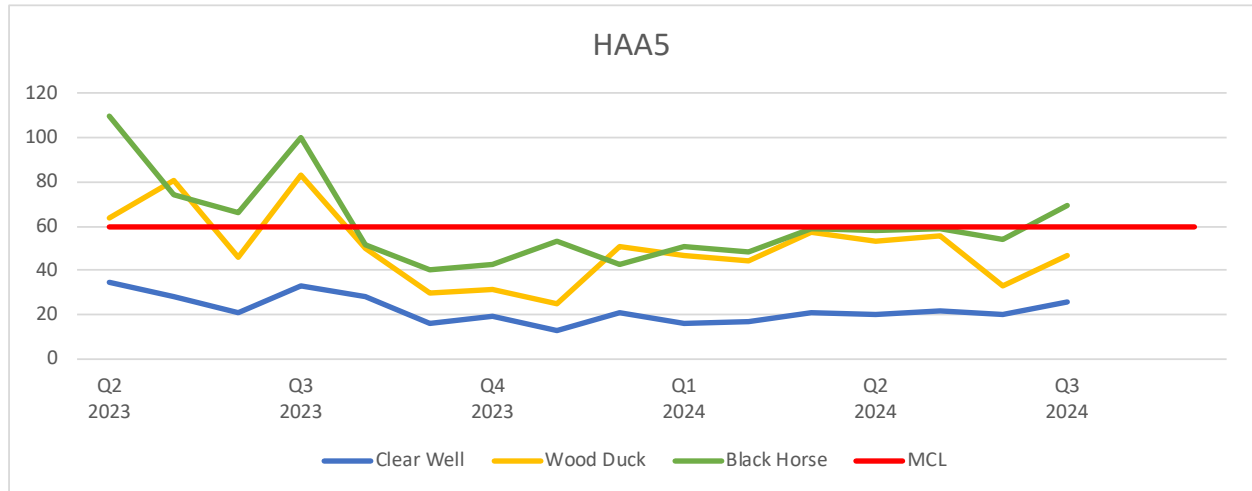
TOC	Q2 2023			Q3 2023			Q4 2023			Q1 2024			Q2 2024			Q3 2024		
Vintake TOC	2.6	2.3	2.5	2.3	2.4	2.2	2.2	2.1	2.1	2.8	1.9	2.1	2.2	2.1	2.3	2.2		
RW TOC	2.6	3.2	3.3	3.0	3.0	2.9	3.0	2.9	3.4	4.3	3.9	3.2	3.2	3.3	3.2	3.0		
TW TOC	2.3	2.2	1.9	2.2	2.1	1.7	1.9	1.5	1.7	1.9	1.5	1.9	2.1	1.7	2.1	1.9		
GAC Effluent			0.9	2.0	1.8	1.8	1.9	0.9	1.3	1.7	1.4	1.8	1.8	ND	1.5	1.6		



TTHM	Q2 2023			Q3 2023			Q4 2023			Q1 2024			Q2 2024			Q3 2024		
Clear Well	35	35	23	36	31	17	29	27	24	19	24	20	23	9	24	29		
Wood Duck	59	77	49	89	39	32	42	14	52	49	47	43	50	18	37	43		
Black Horse	70	76	67	100	44	42	46	53	41	56	62	46	58	26	59	61		
MCL	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80



HAA5	Q2 2023			Q3 2023			Q4 2023			Q1 2024			Q2 2024			Q3 2024		
Clear Well	35	28	21	33	28	16	19	13	21	16	17	21	20	22	20	26		
Wood Duck	64	81	46	83	50	30	31	25	51	47	44	57	53	56	33	47		
Black Horse	110	74	66	100	52	40	43	53	43	51	48	59	58	59	54	69		
MCL	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60



Operations and project updates

The Operations staff has made no major operational changes to the water treatment process since last month's report. The new TOC analyzer continues to monitor TOC at the outlet of filters 3 and 4 as well as the outlet of the GAC adsorbers.

The GAC adsorbers have been online on April 26, 2024. The previous GAC was coconut-based and was in service for 165 days in total. As of August 8, 2024, the new GAC is still showing 27% removal after 104 days in service. The previous GAC had already dropped to 20% removal after 104 days. We will provide an additional update at the meeting.

We are currently looking into improvements at treatment plant chemical injection stations. This will enhance the Operator's ability to adjust chemical feed rates and obtain immediate feedback from those adjustments via SCADA.

Lastly, we are wrapping up the bid package for Vertical Intake 2, Phase 1. We plan to bring the draft package to the Board for approval at the September 2024 meeting. The current schedule is to have the installation of the new vertical intake completed in our low demand period but prior to the rainy season (between Labor Day and Thanksgiving). Once Phase 1 is completed, CHG will provide Staff with design criteria for the new pump and associated piping, valving, etc. (based on flow testing done after installation of the casing). Staff will use this information to design the new pump, wellhead, piping and valving for connecting the new intake to the existing Pump Station 1. A second vertical intake will increase our capacity for drawing water from the vertical intakes that is typically considerably lower in TOC than the water from the gallery wells. This allows us to lessen the organics in our raw water, leading to lower DBPs.

Fiscal Implications

The 5-year Capital Improvement Plan approved by your Board includes spending a total of \$1,000,000 for a DBP project(s) through Fiscal Year End 2027. The current year budget includes \$400,000 for a DBP project(s), as well as \$219,718 for the design and construction of Vertical Intake No. 2.

File: OPERATIONS_DBP

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: August 15, 2024

SUBJECT: Submittal for approval Resolution 24-11 amending the District's Conflict of Interest Code.

Recommendation

It is recommended that the Board of Directors approve Resolution 24-11 amending the District's Conflict of Interest Code.

Background

To ensure conflict of interest codes remain current and accurate, each local agency is required to review its code at least every even-numbered year. The County Board of Supervisors is the official Code Reviewing Body for local agencies. Attached is the request from the County to submit to them the District's Biennial Notice regarding its Conflict of Interest Code by September 3, 2024.

Discussion

When determining whether to amend, an agency should review its current conflict of interest code and consider the following:

- Have there been any substantial changes to the agency's organizational structure since the current code was adopted?
- Have any positions been eliminated or renamed since the current code was adopted?
- Have any new positions been added since the current code was adopted?
- Have there been any substantial changes in duties or responsibilities for any positions since the current code was adopted?

In this instance, the new position of Administrative Manager is being added, which requires this amendment.

Fiscal Considerations

There are no direct costs associated with this item other than staff time associated with it.

Results

Approval of the recommended action will provide for the required review and approval of the amendment by the County Board of Supervisors.

Attachments: Resolution 24-11
2024 Local Agency Biennial Notice

File: Conflict of Interest

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 24-11**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HERITAGE RANCH COMMUNITY
SERVICES DISTRICT AMENDING ITS CONFLICT OF INTEREST CODE**

WHEREAS, the Board of Directors of the Heritage Ranch Community Services District adopted by Resolution 90-32 dated July 3, 1990, the Fair Political Practices Commission (FPPC) model Conflict of Interest Code, Section 18730, and any and all amendments duly adopted by the FPPC, as its Conflict of Interest Code; and

WHEREAS, the Board of Directors of the Heritage Ranch Community Services District amended its Conflict of Interest Code several times, the most recent being by adoption of Resolution 16-09; and

WHEREAS, an Agency’s Conflict of Interest Code must be reviewed and amended from time to time when there are updates needed.

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

1. The Conflict of Interest Code be updated as shown in “Exhibit A” attached hereto; and
2. Since the Board of Supervisors of the County of San Luis Obispo is the code reviewing body that the updated Conflict of Interest Code be submitted to the Board of Supervisors for approval.
3. The General Manager be authorized to make any necessary non-substantial revisions if requested by the County of San Luis Obispo.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of the Heritage Ranch Community Services District on the 15th day of August 2024, by the following roll call vote.

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

ATTEST:

**Dan Burgess, President
Board of Directors**

**Kristen Gelos, Secretary
Board of Directors**

**APPROVED AS TO FORM
AND LEGAL EFFECT:**

**Jeffrey A. Minnery
District Counsel**

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

List of Designated Positions Subject to the
Provisions of the District’s Conflict of Interest Code
(Amended August 15, 2024)

I. DESIGNATED POSITIONS

The persons occupying the positions listed below are hereby considered designated officers and employees and are deemed to make, or participate in the making of, decisions, which may have a material effect on a financial interest.

<u>Designated Position</u>	<u>Assigned Disclosure Categories</u>
District Legal Counsel	1,2,3
General Manager	1,2,3
Administrative Manager	1,2,3
District Engineer	1,2,3
Consultant	1,2,3

II. OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

Disclosure is required of the following positions and shall be provided as stated in Government Code section 87200 et seq.

<u>Designated Position</u>
Members of the Board of Directors
General Manager
Administrative Manager

III. DISCLOSURE CATEGORIES

Category 1: All persons in this disclosure category shall disclose all interests in real property located in the District or within two miles of the District’s boundaries. This disclosure is not applicable to the person’s principal residence or real property interests with a fair market value of less than \$2,000.

Category 2: All persons in this disclosure category shall disclose all investments in business entities and business positions in business entities that have an interest in real property in the District, or that have done business with the District during the year prior to the date of the person’s disclosure statement, or that are likely to do business with the District during the year subsequent to the date of the person’s disclosure statement. This disclosure category is not applicable to investments with a fair market value of less than \$2,000.

Category 3: All persons in this disclosure category shall disclose all sources of personal and business entity income from entities that provide services, materials, machinery equipment, or supplies of the type utilized by the District of that are located within the District, including gifts, loans and travel payments. This disclosure category is not applicable to income received from the District.

Consultants. “Consultant” means an individual who, pursuant to a contract with the Heritage Ranch Community Services District, either: (A) Makes a governmental decision whether to (1) approve a rate, rule, or regulation; (2) adopt or enforce a law; (3) issue, deny, suspend, or revoke any permit, license, application, certificate, approval, order, or similar authorization or entitlement; (4) authorize the District to enter into, modify, or renew a contract provided it is the type of contract that requires District approval; (5) grant District approval to a contract that requires District approval and to which the District is a party, or to the specifications for such a contract; (6) grant District approval to a plan, design, report, study, or similar item; or (7) adopt or grant District approval of policies, standards, or guidelines for the agency, or for any subdivision thereof; or (B) Serves in a staff capacity with the District and in that capacity participates in making a governmental decision as defined in California Code of Regulations, title 2, Section 18702.2 or performs the same or substantially all the same duties for the District that would otherwise be performed by an individual holding a position specified in the District’s conflict of interest code. (California Code of Regulations, title 2, section 18701(a)(2).)¹

¹ A consultant serves in a staff capacity only if he or she has an on-going relationship with the District. A consultant who works on one project or a limited range of projects for the District is not deemed a consultant subject to reporting requirements of this code unless the project or projects extend over a substantial period of time, generally more than one year.

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager
Jeffrey A. Minnery, District Counsel

DATE: August 15, 2024

SUBJECT: Submittal for approval Resolution 24-12 adopting a policy governing bid protests and other challenges to construction contracts.

Recommendation

It is recommended that the Board of Directors approve Resolution 24-12 adopting a policy governing bid protests and other challenges to construction contracts.

Background

The District does not have rules for governing bid protests or challenges to awards of construction contracts. With the District moving forward with the implementation of its capital project program, the General Manager and District Legal Counsel are proposing such rules in the event a protest/challenge is submitted in the future.

Discussion

When public bidding is required, bid protests should be anticipated. Not every District bid will draw a protest, but in the event one is filed, it is best to be prepared to minimize the liability to the District and impacts to staff time. At best, bid protests can require some extra staff and legal time. At worst, they can result in litigation, project delay, and even loss of project funding. The objective of the rules is to provide clear procedures and requirements to bidders so to manage bid protests and minimize their impact if they do arise.

The proposed rules authorize the General Manager to determine if any bid is responsive and whether any bidder is a responsible bidder as defined by the rules. The rules include clear definitions for the basis of a protest and the required form and information that needs to be submitted. Lastly, the rules lay out procedure which will be followed from the time a protest is submitted to the final determination made by the General Manager whose decision is final.

Fiscal Considerations

There are no direct costs associated with this item other than staff time associated with it.

Results

The policy will provide transparent direction to the General Manager and potential bid protestors on the rules and procedures for bid protests and other challenges to the award of construction contracts.

Attachments: Resolution 24-12

File: Policies and Codes

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 24-12**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HERITAGE RANCH
COMMUNITY SERVICES DISTRICT ADOPTING A POLICY GOVERNING BID
PROTESTS AND OTHER CHALLENGES TO CONSTRUCTION CONTRACTS**

WHEREAS, the Heritage Ranch Community Services District (“District”) seeks formal and informal bids for facility and infrastructure construction contracts throughout its jurisdiction from time to time; and

WHEREAS, it is desirable to establish a uniform procedure for processing bid protests and other challenges to the award of construction contracts; and

WHEREAS, the attached “Rules Governing Bid Protests and Other Challenges to Awards of Construction Contracts” will establish such a uniform procedure.

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

1. The attached “Rules Governing Bid Protests and Other Challenges to Awards of Construction Contracts” is hereby adopted and the General Manager is hereby delegated all of the powers, authority and duties needed to comply with the requirements and guidelines as set forth in the rules.
2. The District General Manager shall reference said rules in future bid documents for construction contracts and once adopted, the rules shall apply to all pending as well as future construction projects subject to bid.
3. The District General Manager shall have authority to make non-substantive revisions to the rules as needed to conform to specific projects, however, the rules shall remain in substantial conformance with the rules as adopted herein.
4. The District General Manager shall maintain a record of the processing of bid protests should they occur.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of the Heritage Ranch Community Services District on the 15th day of August 2024, by the following roll call vote.

AYES:
NOES:
ABSTAIN:
ABSENT:

(signatures on following page)

APPROVED:

**Dan Burgess, President
Board of Directors**

**APPROVED AS TO FORM
AND LEGAL EFFECT:**

**Jeffrey A. Minnery
District Counsel**

ATTEST:

**Kristen Gelos, Secretary
Board of Directors**

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

Rules Governing Bid Protests and Other Challenges to Awards of Construction Contracts

The requirements set forth in these “Rules Governing Bid Protests and Other Challenges to Awards of Construction Contracts” (“Rules”) are mandatory and are a Bidder’s sole and exclusive remedy in the event a Bidder desires to challenge, protest or contest the award of any Construction Contract. A Bidder’s failure to comply with these requirements shall constitute a waiver of any right to challenge, protest or contest the award of a Construction Contract in any subsequent proceeding, including but not limited to, the filing of a court action.

A Bidder may not rely upon another Bidder’s compliance with the requirements of these Rules. Any Bidder that does not independently comply with the requirements set forth herein shall be deemed to have waived any right to challenge, protest or contest the award of a Construction Contract.

Nothing in these Rules affects the right of the District to reject all bids at any time prior to the award of a Construction Contract.

1.1 Definitions

- 1.1.1 Bidder – The contractor submitting a bid in response to a District solicitation for bids on a Construction Contract.
- 1.1.2 Protestor – A Bidder who files a Protest in accordance with the provisions of these Rules.
- 1.1.3 Board – Board of Directors of the Los Osos Community Services District (hereinafter, also “District”)
- 1.1.4 Construction Contract - Any Construction Contract which is formally or informally advertised for bids in which the District will be a party.
- 1.1.5 Protest – Any challenge, objection, or protest to the award of a Construction Contract to any Bidder.
- 1.1.6 Response – Any response to a Protest that is filed by an Interested Party in accordance with the provisions of these Rules.
- 1.1.7 General Manager – The person designated by the Board to assume the powers, duties, and responsibilities conferred under these Rules.
- 1.1.8 Initial Determination – A written notice by the General Manager that notifies a Bidder of the reasons why the General Manager believes that a bid is nonresponsive, or that a Bidder is not a responsible Bidder.
- 1.1.9 Interested Parties – For the purpose of these Rules, Interested Parties are defined as:
 - 1.1.9.1 The District.
 - 1.1.9.2 Any Bidder that filed a Protest or whose bid is the subject of an Initial Determination.
 - 1.1.9.3 Any Bidder whose eligibility for having the Construction Contract awarded to it as a responsible Bidder with the lowest responsive bid

would be affected by the outcome of a Protest or Initial Determination.

1.2 General Manager's Independent Authority to Determine Bid Responsiveness and Bidder Responsibility.

- 1.2.1 Regardless of whether a Protest is submitted under these Rules, the General Manager is authorized to determine whether any bid is a responsive bid and whether any Bidder is a responsible Bidder. In the event the General Manager issues an Initial Determination, the General Manager shall provide the Interested Parties with written notice of the Initial Determination at least five (5) business days before the General Manager renders a final decision addressing the grounds stated in the Initial Determination. A final decision of the General Manager under this section 1.2 shall be the final decision of the District with no provision for reconsideration or appeal to the Board.
- 1.2.2 The General Manager need not issue an Initial Determination in order to make a final decision on whether a bid is a responsive bid or a Bidder is a responsible Bidder. A final decision can also be issued by the General Manager through the processing of a Protest pursuant to the procedures set forth in these Rules.
- 1.2.3 The General Manager reserves the right to amend or withdraw an Initial Determination at any time before the General Manager renders a final decision addressing the grounds stated in the Initial Determination. When an Initial Determination is withdrawn, it shall have the same effect as if the Initial Determination had never been made.

1.3 Basis for Protest

- 1.3.1 Grounds for Protest – The grounds for a Protest may include any grounds a Protestor may have for contesting or challenging the award of a Construction Contract to any Bidder, including but not limited to the following grounds:
 - 1.3.1.1 A Protestor objects to a Construction Contract being awarded to another Bidder on the grounds that the other Bidder's bid is nonresponsive.
 - 1.3.1.2 A Protestor objects to a Construction Contract being awarded to another Bidder on the grounds that the other Bidder is not a responsible Bidder.
 - 1.3.1.3 A Protestor objects to a Construction Contract being awarded to the Protestor on the grounds that the Protestor made a mistake in its bid that entitles the Protestor to be relieved of its bid under Public Contract Code section 5100 et seq.
 - 1.3.1.4 A Protestor objects to a General Manager's Initial Determination issued under section 1.2.1 above.
- 1.3.2 Required Form of Protest – All Protests shall be made in writing, containing the information listed below, and shall be filed with the General Manager. Protests shall contain the following information:

- 1.3.2.1 The name, address, telephone, facsimile numbers, and email address of the Protestor.
- 1.3.2.2 The signature of the Protestor or its representative.
- 1.3.2.3 The bid, solicitation, and/or contract number.
- 1.3.2.4 The Protest must contain a complete statement of all grounds for the Protest and must refer to the specific portion of the bid documents that are the basis of the Protest. The Protest must set forth all supporting facts and documentation. If Protestor believes there are some facts relevant to its Protest that Protestor cannot adequately present in writing, Protestor must describe such facts in its Protest under the heading "Facts Requiring Oral Presentation", and state therein the reasons why the Bid Protestor believes it cannot adequately present those facts through documentation.
- 1.3.2.5 All information establishing that the Protestor is a Bidder for the purpose of filing a Protest.
- 1.3.2.6 The form of relief requested.

1.4 Protest Requirements and Procedure

- 1.4.1 Standing to Protest - Protests shall be filed only by a Bidder.
- 1.4.2 Time for Filing a Protest
 - 1.4.2.1 Except as provided in sections 1.4.2.2 and 1.4.2.3 below, all Protests must be submitted in writing to the General Manager before 5 p.m. PST of the sixth (6) business day following the date upon which the bids on the Construction Contract were opened.
 - 1.4.2.2 When a Protestor objects to a Construction Contract being awarded to the Protestor on the grounds that the Protestor made a mistake in its bid that entitles the Protestor to be relieved of its bid under Public Contract Code section 5100 et seq, the Protest must be submitted in writing to the General Manager before 5 p.m. PST of the fifth (5) business day following the date upon which the bids on the Construction Contract were opened pursuant to Public Contract Code section 5103.
 - 1.4.2.3 When the Protestor objects to an Initial Determination made by the General Manager under section 1.2.1 above, the Protest must be submitted in writing to the General Manager before 5 p.m. PST of the fifth (5) business day following the date upon which the Initial Determination was first delivered to Protestor (either electronically or otherwise).
- 1.4.3 Written Responses of Interested Parties - If any Interested Party desires to respond to the Protest, the Response must be submitted in writing to the General Manager within five (5) business days of the date the Protest was first delivered to the Interested Party (either electronically or otherwise). If an Interested Party believes there are some facts relevant to its Response that the Interested Party cannot adequately present in writing, the Interested Party must describe such facts in its Response under the heading "Facts Requiring Oral Presentation", and state therein the reasons why the

Interested Party believes it cannot adequately present those facts through documentation.

- 1.4.4 Proof of Transmittal - All Protests, Responses, and replies shall include documentation evidencing that all Interested Parties were concurrently sent a complete copy of the respective Protest, Response, or reply in a manner that would provide all Interested Parties with a complete copy of the respective Protest, Response, or reply no later than one (1) business day after it was sent to the General Manager. The means of transmission chosen must also provide the sending party a means of verifying the date and time the copy was received by each Interested Party. Transmission by email may be an acceptable means of transmittal.
- 1.4.5 No Ex Parte or Unilateral Communications on the Merits of a Protest – No Bidder shall have any written communications regarding the merits of a Protest with the General Manager that are not concurrently sent to all of the other Interested Parties. No Bidder shall have any oral communications regarding the merits of a Protest with the General Manager other than during an oral presentation properly noticed by the General Manager under these Rules.
- 1.4.6 Suspension of Process for Proposed Rejection of all Bids – At any time during the processing of a Protest, the General Manager may elect to indefinitely suspend any further processing of the Protest by providing written notice to all Interested Parties that the General Manager intends to recommend to the Board that all bids be rejected. All time deadlines provided in these Rules shall be tolled during any such suspension period. If the Board decides to not reject all bids, or if the General Manager otherwise decides to lift the suspension, the requirements of these Rules shall be reactivated upon the General Manager providing all Interested Parties with written notice thereof.

1.5 Summary Dismissal of Protest

The General Manager may summarily dismiss a Protest, or specific Protest allegations, at any time that the General Manager determines that the Protest is untimely, frivolous, or without merit; is not submitted in the required form of Protest, as set forth above in section 1.3.2., "Required Form of Protest;" or is submitted by a non-Bidder. In such cases, a notice of summary dismissal will be furnished to the Interested Parties. Such a summary dismissal shall be the final decision of the District with no provision for reconsideration or appeal to the Board.

1.6 Decision by the General Manager Based on Written Submissions Only

In reaching a decision on the merits of a Protest, the General Manager may consider relevant documentation submitted by the Protestor and any other Interested Party. If the General Manager wishes to have additional information submitted that was not included in the Protest or in any documentation from other Interested Parties, the General Manager may make a request specifying the information sought and time for submittal. Submissions of additional information that have not been specifically requested by the General Manager may not be considered at the General Manager's sole discretion. If the General Manager does not provide an opportunity

for an oral presentation under section 1.7 below, the General Manager will issue a written decision without any oral presentation. The General Manager's decision shall be the final decision of the District with no provision for reconsideration or appeal to the Board.

1.7 Decision by the General Manager Following Oral Presentation

1.7.1 The General Manager may, at his or her discretion, elect to provide an opportunity for the Protestor and other Interested Parties to make an oral presentation to the General Manager regarding the Protest. In such event, oral presentations shall be conducted in accordance with the following procedure:

1.7.1.1 Notice of Oral Presentation – The General Manager will set a date, time, and place for an oral presentation. Written notice will be sent to Interested Parties not less than five (5) business days in advance of the oral presentation unless it is agreeable to all parties that an earlier date be established. Continuances may be granted by the General Manager for good cause.

1.7.1.2 Guidelines for Oral Presentation – Oral presentations are informal in nature and shall be made by the Protestor or its authorized representative. Technical rules of evidence shall not apply. The General Manager will determine how the oral presentations will be conducted and may set time limits for the presentation. The General Manager may question Interested Parties or provide an opportunity for Interested Parties to make an oral presentation. The General Manager may request additional documentation or information prior to, during, or after the oral presentation. Unless requested by the General Manager, additional documentation or information may not be accepted.

1.7.1.3 Record of Oral Presentation – Any Interested Party may request, and in the General Manager's sole discretion, the General Manager may allow recording of the presentation. If the General Manager allows the presentation to be recorded, the Interested Party requesting that the presentation be recorded must pay the cost of recording, including the costs to make and distribute copies of the recording to the General Manager and other Interested Parties. There shall be no cost to the District.

1.7.1.4 Decisions – The General Manager will issue a written decision within 30 calendar days of the oral presentation; however, the time for issuing the written decision may be extended by the General Manager. A copy of the decision will be furnished to the Interested Parties. The decision shall be the final decision of the District with no provision for reconsideration or appeal to the Board.

1.8 Effect on Contracts

The failure of a District employee to comply with the provisions stated in these Rules shall in no way affect the validity of any Construction Contract entered into by the

District.

1.9 General Manager Decisions on Protests Seeking Relief from a Bidder's Mistake under Public Contract Code Section 5103.

When a Protestor objects to a Construction Contract being awarded to the Bid Protestor on the grounds that the Protestor made a mistake in its bid that entitles the Protestor to be relieved of its bid under Public Contract Code section 5100 et seq, a final decision of the General Manager that relieves the Protestor of its bid on the grounds of mistake must be approved by the Board before it can become a final decision of the District. Any other final decision of the General Manager regarding a Protestor's request to be relieved of its bid on the grounds of mistake under Public Contract Code section 5100 et seq, shall be the final decision of the District with no provision for reconsideration or appeal to the Board.

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager
Jeffrey A. Minnery, District Counsel

DATE: August 15, 2024

SUBJECT: Consideration of Recommendations to Approve a Resolution Electing to be Subject to the Uniform Public Construction Cost Accounting Act and Introduction of an Ordinance to Provide Informal Bidding Procedures Pursuant to Section 22000 et seq. of the Public Contract Code.

Recommendation

It is recommended that your Board, pursuant to Section 22000 et seq. of the Public Contract Code:

1. Approve a Resolution Electing to be Subject to the Uniform Public Construction Cost Accounting Act
2. Introduce an Ordinance to Provide Informal Bidding Procedures and set September 19, 2024, as the date for the Board to Consider Approval of the Ordinance

Background

District staff has been reviewing procurement options under the California Public Contracts Code to ensure procurement procedures and accounting systems are established in advance of actual construction activities.

The California Public Contract Code establishes statutory requirements for contracting of public projects, as defined in the Code. The following identifies some of the pertinent code sections:

Division 2; Part 1	Administrative Provisions
Division 2; Part 3	Contracting by Local Agencies
Division 2; Part 3; Chapter 1	Local Agency Public Construction Act
Division 2; Part 3; Chapter 1; Article 43	Community Services Districts
Division 2; Part 3; Chapter 2	Bidding on Public Contracts
Division 2; Part 3; Chapter 2; Article 2	California Uniform Construction Cost Accounting Commission
Division 2; Part 3; Chapter 2; Article 3	Public Projects: Alternative Procedure

For the purpose of considering whether to utilize the Alternative Procedure under the California Uniform Public Construction Cost Accounting Act, the primary comparison relates to bidding requirements under Article 43 for Community Services Districts. Other considerations include construction accounting standards and overhead cost allocations prescribed in the Cost Accounting Policies and Procedures Manual adopted by the California Uniform Construction Cost Accounting Commission and the State Controller.

The following table compares bidding requirements:

Public Contract Code	No Bidding Requirements	Informal Bidding Requirements	Formal Bidding Requirements
Community Services Districts: Division 2; Part 3; Chapter 1; Article 43	Projects under \$25,000	n/a	Projects over \$25,000
Alternative Procedure: Division 2; Part 3; Chapter 2; Article 3	Projects under \$60,000	Projects over \$25,000 but less than \$200,000	Projects over \$200,000

Discussion

The Alternative Procedure provides the District with more flexibility in procuring contractors for construction activities. Statutes for Community Services Districts are comparatively restrictive and the informal bidding options under the Alternative Procedure will promote cost-efficiencies for public projects over \$25,000 but less than \$200,000

Consideration of when to use alternative procedures:

Statutes for Community Services Districts provide relatively little guidance on bidding requirements but specifically require that any project over \$25,000 must be awarded to the low bidder. In contrast, the Alternative Procedure provides greater guidance. Utilizing the guidance provided for the Alternative Procedure in the State's Cost Accounting Policies and Procedures Manual helps to reduce the need for the District to develop its own procedures and reduces administrative costs.

The higher level of guidance provided by the Alternative Procedures and the State's Manual promotes consistency with industry standards. This helps to reduce uncertainties in contracting with private-industry construction companies and reduces the risk of litigation especially in the case that bids are contested by contractors.

The Manual provides guidance on allocation of direct, indirect and overhead costs, which promotes accountability of charges to projects. The Manual provides guidance on calculating labor charges including benefit and overhead charges and promotes accountability of labor costs.

The Manual provides guidance on how the District notifies contractors that a project is out to bid, or is “advertised” and promotes transparency in the bidding process.

The Alternative Procedure and Manual provide the District with the ability to delegate to the General Manager the authority to award contracts under \$200,000.

Fiscal Considerations

The Manual provides guidance on various rates charged to projects including labor rates, equipment rates, indirect and overhead charges and promotes accountability.

Conclusion

Utilizing the Alternative Procedure under the California Uniform Public Construction Cost Accounting Act provides greater guidance on determining project related costs, promotes cost efficiencies, accountability, and a well governed community.

Attachments:

1. A Resolution Electing to be Subject to the Uniform Public Construction Cost Accounting Act
2. An ordinance to Provide Informal Bidding Procedures

File: Policies and Codes

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 24-13**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HERITAGE RANCH
COMMUNITY SERVICES DISTRICT, COUNTY OF SAN LUIS OBISPO, STATE OF
CALIFORNIA IN THE MATTER OF UNIFORM PUBLIC CONSTRUCTION COST
ACCOUNTING PROCEDURES**

WHEREAS, prior to the passage of Assembly Bill No. 1666, Chapter 1054, Statutes of 1983, which added Chapter 2, commencing with Section 22000, to Part 3 of Division 2 of the Public Contract Code, existing law did not provide a uniform cost accounting standard for construction work performed or contracted by local public agencies; and

WHEREAS, Public Contract Code Section 22000 et seq., the Uniform Public Construction Cost Accounting Act (Act), establishes such a uniform cost accounting standard; and

WHEREAS, the Commission established under the Act has developed uniform public construction cost accounting procedures for implementation by local public agencies in the performance of or in the contracting for construction of public projects; and

WHEREAS, it is in the public interest for the District to adopt the Act.

NOW, THEREFORE, Be IT RESOLVED AND ORDERED by The Heritage Ranch Community Services District that:

- 1) The Board of Directors hereby elects under Public Contract Code Section 22030 to become subject to the Uniform Public Construction Cost Accounting Procedures set forth in the Act and to the Commission's policies and procedures manual and cost accounting review procedures, as they may each from time to time be amended.
- 2) The General Manager is directed to notify the State Controller forthwith of this election.
- 3) This Resolution shall take effect upon its adoption.

PASSED, APPROVED and ADOPTED by the Board of Directors of the Heritage Ranch Community Services District, State of California, the 15th day of August, 2024, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

(signatures on following page)

APPROVED:

**Dan Burgess, President
Board of Directors**

**APPROVED AS TO FORM
AND LEGAL EFFECT:**

**Jeffrey A. Minnery
District Counsel**

ATTEST:

**Kristen Gelos, Secretary
Board of Directors**

ORDINANCE NO. 24-01

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE HERITAGE RANCH COMMUNITY SERVICES DISTRICT TO PROVIDE INFORMAL BIDDING PROCEDURES UNDER THE UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT (Section 22000, et seq. of the Public Contract Code)

The Board of Directors of the Heritage Ranch Community Services District ordains as follows:

SECTION 1

Informal Bid Procedures.

Public projects, as defined by the Act and in accordance with the limits listed in Section 22032 of the Public Contract Code, may be let to contract by informal procedures as set forth in Section 22032, et seq., of the Public Contract Code.

Contractors List.

A list of contractors shall be developed and maintained in accordance with the provisions of Section 22034 of the Public Contract Code and criteria promulgated from time to time by the California Uniform Construction Cost Accounting Commission.

Notice Inviting Informal Bids.

Where a public project is to be performed which is subject to the provisions of this Ordinance, a notice inviting informal bids may be mailed to all contractors for the category of work to be bid, as shown on the list developed in accordance with Section 22034 of the Public Contract Code, and shall be mailed to all construction trade journals as specified by the California Uniform Construction Cost Accounting Commission in accordance with Section 22036 of the Public Contract Code.

Additional contractors and/or construction trade journals may be notified at the discretion of the General Manager, provided however:

- (1) If there is no list of qualified contractors maintained by the District for the particular category of work to be performed, the notice inviting bids shall be sent only to the construction trade journals specified by the Commission.
- (2) If the product or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such contractor or contractors.

Award of Contracts

The General Manager is authorized to award informal contracts pursuant to this Ordinance.

SECTION 2

This Ordinance shall take effect and be in force thirty (30) days from the date of its passage, and before the expiration of fifteen (15) days after its passage, it or a summary of it, shall be published once, with the names of the members of the Board of Directors voting for and against the same in a newspaper of general circulation published in the boundaries of the Heritage Ranch Community Services District.

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the Heritage Ranch Community Services District, State of California, this ____ day of _____, _____, by the following roll call vote:

APPROVED:

Dan Burgess, President
Board of Directors

**APPROVED AS TO FORM
AND LEGAL EFFECT:**

Jeffrey A. Minnery
District Counsel

ATTEST:

Kristen Gelos, Secretary
Board of Directors

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

General Manager Report For the Month of August 2024

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

Administration

- The General Manager attended the SLO Chapter CSDA General Managers August meeting.

WRRF Project

The Manager met with Congressman Panetta's Washington DC office staffer regarding the Community Project Funding grant opportunities.

Hydro Science and the District had a check-in meeting. A verbal update will be given; however, items of note are listed below:

- 50 % Plans, specifications, cost estimate ~ 9/9/24
- 90 % Plans, specifications, cost estimate ~ 11/25/24

Solid Waste

- Nothing significant to report.

Development

- Nothing significant to report.

Reservoir Status

- As reported by Monterey County Water Resources Agency (MCWRA), as of August 5, 2024, the reservoir was at approximately 777.9 feet in elevation, 70% of capacity, and 262,985-acre feet of storage. MCWRA water releases were shown as 405 cfs.

The MCWRA reservoir release schedule updated 7/23/24 estimates the reservoir elevation will be 759.8 feet, 49% of capacity, on January 1, 2025.

