



**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS' REGULAR MEETING**
Minutes of December 16, 2021

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

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

2. ROLL CALL

Secretary Gelos called the roll. All Directors were present.

Staff present: General Manager Scott Duffield, Office Supervisor/Board Secretary Kristen Gelos, Operations Manager Mike Wilcox, District Engineer Doug Groshart and District Counsel Jeff Minnery.

3. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

There were no public comments.

4. CONSENT ITEMS

- a. **Meeting Minutes:** Receive/approve minutes of regular meeting of November 18, 2021.
- b. **Warrant Register:** Receive/approve November 2021 warrants.
- c. **Treasurer's Report:** Receive/file November 2021 reports.
- d. **Fiscal Report:** Receive/file November 2021 status reports.
- e. **Office Report:** Receive/file November 2021 reports.
- f. **Board of Directors Calendar:** Receive/file 2022 Calendar.
- g. **Conflict Waiver:** Receive/approve a conflict waiver from Jeff Minnery, District Counsel regarding SLO County Integrated Waste Management Authority.

There were no public comments.

Director Burgess made a motion to approve all consent items as presented. Director Rowley seconded the motion. The motion passed by the following voice vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

5. PUBLIC HEARINGS

- a. **Hearing to adopt Ordinance No. 21-1 amending Chapter 8 Solid Waste Department.**

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

There were no public comments.

Director Cousineau made a motion to adopt Ordinance No. 21-1 amending Chapter 8 Solid Waste Department. Director Barker seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

6. DISCUSSION ITEMS

a. Request to accept and direct staff to file the Independent Auditor's Report and Financial Statements for the Year Ended June 30, 2021, prepared by Moss, Levy & Hartzheim LLP.

Adam Guise of Moss, Levy & Hartzheim provided a summary and answered any questions the board had.

There were no public comments.

Director Barker made a motion to accept and file the Independent Auditor's Report and Financial Statements for the Year Ended June 30, 2021. Director Cousineau seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

b. Request to receive and file the Photovoltaic System Project final report.

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

There were no public comments.

The report was received and filed.

7. MANAGER REPORT

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

There were no public comments.

The December 2021 report was received and filed.

8. DISTRICT ENGINEER REPORT

District Engineer Groshart provided a brief summary of the report and answered any questions the board had. Dylan Wade from WSC provided an update on the Water Resource Recovery Facility upgrade project and answered any questions the Board had.

There were no public comments.

The December 2021 report was received and filed.

9. OPERATIONS MANAGER REPORT

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

There were no public comments.

The December 2021 report was received and filed.

10. COMMITTEE AND DIRECTOR REPORTS

There were no reports.

The Directors along with two members of the HROA Skate Park Focus Group commented on their interest in discussing future Skate Park ideas with the Board. President Capps appointed an Ad Hoc Committee consisting of Directors Capps and Rowley to engage with the HROA Skate Park Focus Group.

11. ELECTION OF BOARD OFFICERS

Director Burgess nominated Director Cousineau for Board President and Director Rowley for Vice President. Both Directors accepted their nomination. Director Barker seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

12. ADJOURNMENT

On a motion by Director Barker and seconded by Director Burgess the meeting adjourned at 5:40 pm to the next scheduled regular meeting on Thursday, January 20, 2022.

APPROVED:

**Devin Capps, President
Board of Directors**

ATTEST:

**Kristen Gelos, Secretary
Board of Directors**

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
DECEMBER 2021
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
12/1/2021	GREAT WESTERN ALARM		
12/1/2021	ALARM/ANSWERING SERVICE	287.01	
12/1/2021	PROFESSIONAL SERVICES	139.38	\$ 426.39
12/3/2021	R. ARNOLD NET PAYROLL	2,633.69	\$ 2,633.69
12/3/2021	J. PRITCHETT NET PAYROLL	2,623.83	\$ 2,623.83
12/3/2021	M. HUMPHREY NET PAYROLL	1,977.52	\$ 1,977.52
12/3/2021	B. VOGEL NET PAYROLL	2,184.43	\$ 2,184.43
12/3/2021	T. SHOGREN NET PAYROLL	1,943.27	\$ 1,943.27
12/3/2021	K. GELOS NET PAYROLL	2,453.29	\$ 2,453.29
12/3/2021	D. BURGESS NET PAYROLL	277.05	\$ 277.05
12/3/2021	B. BARKER NET PAYROLL	277.05	\$ 277.05
12/3/2021	M. ROWLEY NET PAYROLL	184.70	\$ 184.70
12/3/2021	R. COUSINEAU NET PAYROLL	277.05	\$ 277.05
12/3/2021	S. DUFFIELD NET PAYROLL	3,918.02	\$ 3,918.02
12/3/2021	D. CAPPS NET PAYROLL	277.05	\$ 277.05

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
DECEMBER 2021
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
12/3/2021	M. WILCOX NET PAYROLL	1,988.48	\$ 1,988.48
12/3/2021	D. GROSHART NET PAYROLL	3,755.59	\$ 3,755.59
12/3/2021	CALPERS HEALTH BENEFITS		
12/3/2021	CALPERS HEALTH BENEFITS	11,759.29	
12/3/2021	EMPLOYEE PAID HEALTH BENEFIT	705.70	
12/3/2021	EMPLOYEE PAID HEALTH BENEFIT	705.70	\$ 13,170.69
12/3/2021	CALPERS 457 DEFFERED COMP PROGRAM		
12/3/2021	PERS 457- DEFFERED COMP.	2,220.00	\$ 2,220.00
12/3/2021	INTERNAL REVENUE SERVICE		
12/3/2021	FEDERAL WITHHOLDING TAXES	2,857.33	
12/3/2021	FICA WITHIHOLDING	173.60	
12/3/2021	MEDICARE	1,010.84	\$ 4,041.77
12/3/2021	EMPLOYMENT DEVELOPMENT DEPARTMENT		
12/3/2021	ETT	5.27	
12/3/2021	SDI	320.96	
12/3/2021	SUI	115.88	
12/3/2021	STATE WITHHOLDING	1,026.94	\$ 1,469.05
12/3/2021	CALPERS RETIREMENT SYSTEM		
12/3/2021	EMPLOYER UNIFORM CONTRIBUTION	14.69	
12/3/2021	PERS RETIREMENT	1,865.84	
12/3/2021	PERS RETIREMENT TIER 2	1,538.26	
12/3/2021	PERS RETIREMENT PEPRA	1,991.31	
12/3/2021	SURVIVOR BENEFIT	8.37	\$ 5,418.47
12/9/2021	SAN MIGUEL GARBAGE		
12/9/2021	DELINQUENT SOLID WASTE FEES	508.00	\$ 508.00
12/10/2021	J.B. DEWAR. INC.		
12/10/2021	FUEL & OIL	1,202.53	\$ 1,202.53
12/13/2021	FERGUSON ENTERPRISES INC		
12/13/2021	MAINTENANCE FIXED EQUIPMENT	37.00	\$ 37.00

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
DECEMBER 2021
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
12/13/2021	WALLACE GROUP		
12/13/2021	CONSULTING & ENGINEERING	246.25	
12/13/2021	PLAN CHECK - SNUG HARBOR	288.02	
12/13/2021	PVS PROJECT	569.25	
12/13/2021	VERTICAL INTAKE PROJECT	4,401.45	\$ 5,504.97
12/13/2021	ADAMSKI, MOROSKI, MADDEN, CUMBERLAND, GREEN		
12/13/2021	LEGAL & ATTORNEY	1,332.50	\$ 1,332.50
12/13/2021	MOSS, LEVY & HARTZHEIM LLP		
12/13/2021	AUDIT FY 2020/21	3,500.00	\$ 3,500.00
12/13/2021	BRENNTAG PACIFIC, INC		
12/13/2021	CHEMICALS	3,186.39	\$ 3,186.39
12/13/2021	ROY ARNOLD		
12/13/2021	CELL & INTERNET ALLOWANCE	80.00	\$ 80.00
12/13/2021	DELTA LIQUID ENERGY		
12/13/2021	PROPANE - SERVICE AGREEMENT	110.00	\$ 110.00
12/13/2021	COUNTY OF SAN LUIS OBISPO		
12/13/2021	WATER PURCHASE	11,557.00	\$ 11,557.00
12/13/2021	SAN MIGUEL ROLL OFF COMPANY		
12/13/2021	MAINTENANCE FIXED EQUIPMENT	628.42	\$ 628.42
12/13/2021	NAPA AUTO PARTS		
12/13/2021	VEHICLES	(105.49)	
12/13/2021	VEHICLES	104.71	
12/13/2021	SUPPLIES	23.33	\$ 22.55
12/13/2021	ABALONE COAST ANALYTICAL, INC.		
12/13/2021	LAB TESTING	1,978.00	\$ 1,978.00
12/13/2021	KRISTEN GELOS		
12/13/2021	CELL & INTERNET ALLOWANCE	40.00	\$ 40.00
12/13/2021	JAMES A. PRITCHETT		
12/13/2021	UNIFORM ALLOWANCE	170.68	
12/13/2021	CELL & INTERNET ALLOWANCE	80.00	\$ 250.68

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
DECEMBER 2021
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
12/13/2021	U.S. BANK		
12/13/2021	COMPUTER/SOFTWARE	135.91	
12/13/2021	TELEPHONE	199.07	
12/13/2021	TELEPHONE	199.07	
12/13/2021	MAINTENANCE FIXED EQUIPMENT	32.49	
12/13/2021	SMALL TOOLS & EQUIPMENT	416.41	
12/13/2021	VEHICLES	319.60	
12/13/2021	VEHICLES	26.17	
12/13/2021	MAINTENANCE FIXED EQUIPMENT	1,517.16	
12/13/2021	MAINTENANCE FIXED EQUIPMENT	459.90	
12/13/2021	MAINTENANCE FIXED EQUIPMENT	177.90	
12/13/2021	VECHILES	137.04	
12/13/2021	MAINTENANCE FIXED EQUIPMENT	559.70	\$ 4,180.42
12/13/2021	BURT INDUSTRIAL SUPPLY		
12/13/2021	SMALL TOOLS & EQUIPMENT	(417.93)	
12/13/2021	SMALL TOOLS & EQUIPMENT	(349.64)	
12/13/2021	WTP FILTERS RENOVATION PROJECT	(40.37)	
12/13/2021	WTP FILTERS RENOVATION PROJECT	40.37	
12/13/2021	WTP FILTERS RENOVATION PROJECT	167.09	
12/13/2021	WTP FILTERS RENOVATION PROJECT	135.13	
12/13/2021	WTP FILTERS RENOVATION PROJECT	524.73	
12/13/2021	WTP FILTERS RENOVATION PROJECT	202.53	\$ 261.91
12/13/2021	DATA PROSE LLC		
12/13/2021	NOVEMBER BILLING	1,211.67	\$ 1,211.67
12/13/2021	SCOTT DUFFIELD		
12/13/2021	CELL & INTERNET ALLOWANCE	40.00	\$ 40.00
12/13/2021	RIVAL TECHNOLOGY INC.		
12/13/2021	PROFESSIONAL SERVICES	747.28	
12/13/2021	COMPUTER/SOFTWARE	130.00	
12/13/2021	COMPUTER/SOFTWARE	19.53	\$ 896.81
12/13/2021	MARK HUMPHREY		
12/13/2021	CELL & INTERNET ALLOWANCE	80.00	\$ 80.00
12/13/2021	TABORDA SOLUTIONS		
12/13/2021	COMPUTER/SOFTWARE	15.56	\$ 15.56

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
DECEMBER 2021
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
12/13/2021	ALL WAYS CLEAN		
12/13/2021	STRUCTURES & GROUNDS	425.00	\$ 425.00
12/13/2021	BRIAN VOGEL		
12/13/2021	CELL & INTERNET ALLOWANCE	80.00	\$ 80.00
12/13/2021	MIKE WILCOX		
12/13/2021	CELL & INTERNET ALLOWANCE	80.00	\$ 80.00
12/13/2021	TROY SHOGREN		
12/13/2021	UNIFORM ALLOWANCE	195.74	\$ 195.74
12/13/2021	CRAFCO, INC.		
12/13/2021	EQUIPMENT REPLACEMENT	5,828.54	\$ 5,828.54
12/13/2021	DOUGLAS GROSHART		
12/13/2021	CELL & INTERNET ALLOWANCE	40.00	\$ 40.00
12/17/2021	R. ARNOLD NET PAYROLL	2,277.82	\$ 2,277.82
12/17/2021	J. PRITCHETT NET PAYROLL	2,591.38	\$ 2,591.38
12/17/2021	M. HUMPHREY NET PAYROLL	2,078.84	\$ 2,078.84
12/17/2021	B. VOGEL NET PAYROLL	2,094.62	\$ 2,094.62
12/17/2021	T. SHOGREN NET PAYROLL	1,943.27	\$ 1,943.27
12/17/2021	K. GELOS NET PAYROLL	2,453.28	\$ 2,453.28
12/17/2021	S. DUFFIELD NET PAYROLL	3,751.76	\$ 3,751.76
12/17/2021	M. WILCOX NET PAYROLL	1,988.48	\$ 1,988.48

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
DECEMBER 2021
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
12/17/2021	D. GROSHART NET PAYROLL	4,123.20	\$ 4,123.20
12/17/2021	CALPERS 457 DEFFERED COMP PROGRAM		
12/17/2021	PERS 457- DEFFERED COMP.	2,220.00	\$ 2,220.00
12/17/2021	INTERNAL REVENUE SERVICE		
12/17/2021	FEDERAL WITHHOLDING TAXES	2,393.57	
12/17/2021	MEDICARE	949.14	\$ 3,342.71
12/17/2021	EMPLOYMENT DEVELOPMENT DEPARTMENT		
12/17/2021	ETT	1.73	
12/17/2021	SDI	315.22	
12/17/2021	SUI	38.12	
12/17/2021	STATE WITHHOLDING	960.39	\$ 1,315.46
12/17/2021	CALPERS RETIREMENT SYSTEM		
12/17/2021	PERS RETIREMENT	1,850.97	
12/17/2021	PERS RETIREMENT TIER 2	1,538.26	
12/17/2021	PERS RETIREMENT PEPRA	1,991.31	
12/17/2021	SURVIVOR BENEFIT	8.37	\$ 5,388.91
12/24/2021	CALPERS RETIREMENT SYSTEM		
12/24/2021	PERS RETIREMENT U/L	51.75	
12/24/2021	PERS RETIREMENT U/L	82.75	\$ 134.50
12/24/2021	CALPERS RETIREMENT SYSTEM		
12/24/2021	PERS RETIREMENT U/L	7,832.92	\$ 7,832.92
12/28/2021	CHARTER COMMUNICATIONS		
12/28/2021	INTERNET	89.99	\$ 89.99
12/31/2021	R. ARNOLD NET PAYROLL	2,301.97	\$ 2,301.97
12/31/2021	J. PRITCHETT NET PAYROLL	2,524.24	\$ 2,524.24
12/31/2021	M. HUMPHREY NET PAYROLL	2,026.22	\$ 2,026.22

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
DECEMBER 2021
WARRANT REGISTER**

DATE	NAME OF PAYEE	ITEM AMOUNT	WARRANT AMOUNT
12/31/2021	B. VOGEL NET PAYROLL	2,298.40	\$ 2,298.40
12/31/2021	T. SHOGREN NET PAYROLL	1,968.73	\$ 1,968.73
12/31/2021	K. GELOS NET PAYROLL	2,442.46	\$ 2,442.46
12/31/2021	S. DUFFIELD NET PAYROLL	3,791.69	\$ 3,791.69
12/31/2021	M. WILCOX NET PAYROLL	1,979.93	\$ 1,979.93
12/31/2021	D. GROSHART NET PAYROLL	4,114.19	\$ 4,114.19
12/31/2021	CALPERS 457 DEFFERED COMP PROGRAM		
12/31/2021	PERS 457- DEFFERED COMP.	2,220.00	\$ 2,220.00
12/31/2021	INTERNAL REVENUE SERVICE		
12/31/2021	FEDERAL WITHHOLDING TAXES	2,411.66	
12/31/2021	MEDICARE	955.42	\$ 3,367.08
12/31/2021	EMPLOYMENT DEVELOPMENT DEPARTMENT		
12/31/2021	SDI	317.83	
12/31/2021	STATE WITHHOLDING	971.97	\$ 1,289.80
12/31/2021	CALPERS RETIREMENT SYSTEM		
12/31/2021	PERS RETIREMENT	1,850.97	
12/31/2021	PERS RETIREMENT TIER 2	1,538.26	
12/31/2021	PERS RETIREMENT PEPRA	1,991.31	
12/31/2021	SURVIVOR BENEFIT	8.37	\$ 5,388.91
12/31/2021	MCCLATCHY COMPANY LLC		
12/31/2021	ADVERTISING	149.10	\$ 149.10
GRAND TOTAL FOR ALL WARRANTS			\$174,280.94

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
TREASURER'S REPORT
DECEMBER 2021**

SUMMARY REPORT OF ALL ACCOUNTS

Beginning Balance:	\$ 4,766,061.34
Ending Balance:	\$ 4,998,010.84
Variance:	\$ 231,949.50
Interest Earnings for the Month Reported:	\$ 2,838.29
Interest Earnings Fiscal Year-to-Date:	\$ 6,652.47

ANALYSIS OF REVENUES

Total operating income for water and sewer was:	\$179,321
Non-operating income was:	\$65,587
Franchise fees paid to the District by San Miguel Garbage was:	\$ 6,868.88
Interest earnings for the P.P.B. checking account was:	\$ 1.23
Interest earnings for the P.P.B. DWR Loan Services account was:	\$ 1.35
Interest earnings for the P.P.B. DWR Reserve account was:	\$ 8.58
Interest earnings for the P.P.B. SRF Loan Services account was:	\$ 3.65
Interest earnings for the Western Alliance account was:	\$ -
Interest earnings for the LAIF account was:	\$ -

ANALYSIS OF EXPENSES

Pacific Premier Bank checking account total warrants, fees, and Electronic Fund Transfers was:	\$215,709.62
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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
DECEMBER 2021**

BEGINNING BALANCE ALL ACCOUNTS **\$ 4,766,061.34**

OPERATING CASH IN DRAWER **\$300.00**

PACIFIC PREMIER BANK - CHECKING

BEGINNING BALANCE 11/30/2021	\$92,620.75	
DEPOSIT REVENUE & MISCELLANEOUS INCOME	\$407,052.31	
INTEREST EARNED	\$1.23	
TOTAL CHECKS, FEES AND EFT'S	-\$215,709.62	
TRANSFER TO LAIF ACCOUNT	\$0.00	
TRANSFER FROM LAIF ACCOUNT	\$50,000.00	
ENDING BALANCE 12/31/2021		\$333,964.67

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

LOAN SERVICES ACCOUNT

BEGINNING BALANCE 11/30/2021	\$144.34	
QUARTERLY DEPOSIT	\$25,907.00	
INTEREST EARNED	\$1.35	
SEMI-ANNUAL PAYMENT	\$0.00	
ENDING BALANCE 12/31/2021		\$26,052.69

PACIFIC PREMIER BANK DWR RESERVE ACCOUNT

BEGINNING BALANCE 11/30/2021	\$113,467.56	
INTEREST EARNED	\$8.58	
ENDING BALANCE 12/31/2021		\$113,476.14

PACIFIC PREMIER BANK SDWSRF LOAN SERVICES ACCOUNT

BEGINNING BALANCE 11/30/2021	\$44,310.91	
QUARTERLY DEPOSIT	\$14,685.00	
INTEREST EARNED	\$3.65	
SEMI-ANNUAL PAYMENT	\$0.00	
ENDING BALANCE 12/31/2021		\$58,999.56

WESTERN ALLIANCE

PVS PROJECT CAPITALIZED INTEREST FUND

BEGINNING BALANCE 11/30/2021	\$18.34	
INTEREST EARNED	\$0.00	
INTEREST PAYMENT	\$0.00	
ENDING BALANCE 12/31/2021		\$18.34

LOCAL AGENCY INVESTMENT FUND (LAIF)

BEGINNING BALANCE 11/30/2021	\$4,515,499.44	
INTEREST EARNED	\$0.00	
TRANSFER FROM PACIFIC PREMIER CHECKING	\$0.00	
TRANSFER TO PACIFIC PREMIER CHECKING	(\$50,000.00)	
ENDING BALANCE 12/31/2021		\$4,465,499.44

ENDING BALANCE ALL ACCOUNTS **\$4,998,010.84**

DIFFERENCE FROM LAST MONTH **Increase \$231,949.50**

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
QUARTERLY TREASURER'S
REPORT FOR THE PERIOD OF
OCTOBER 1, 2021 – DECEMBER 31, 2021**

SUMMARY REPORT OF ALL ACCOUNTS

Beginning Balance	\$	4,856,022
Ending Balance	\$	4,998,011
Variance	\$	141,989
Interest Earnings	\$	2,854.42

STATEMENT OF COMPLIANCE

This report was prepared in accordance with the HRCSD Statement of Investment Policy. All investment activity was within policy limits. There are sufficient funds to meet the next 180 days' obligations. Attached is a status report of all accounts and related bank statements. For more information contact the District Office.

ACCOUNT PROFILE INFORMATION

1. Operating cash in cash drawer: Maintained to make change for cash transactions.
2. Pacific Premier Bank Checking: Variable interest-bearing checking account currently at 0.01%, at Pacific Premier branch in Paso Robles used for most of our transactions such as payroll, accounts receivable and accounts payable. Statements are received on a monthly basis.
3. Pacific Premier Bank DWR loan repayments: The Loan Services Account interest earnings rate is 0.03%. Quarterly deposits are made into each account. Semi-annual payments are made from the Loan Services account by the bank, which functions as our fiscal agent, to DWR for repayment of a \$2 million loan to partially finance our water treatment plant and water pumping facilities.
4. Pacific Premier Bank DWR reserve: The Reserve Account interest earnings rate is 0.03%. The purpose of the Reserve Account was to build up over ten years an amount equal to debt service for one year, a DWR requirement. Statements are received on a quarterly basis.
5. Pacific Premier Bank SDWSRF (Safe Drinking Water State Revolving Fund) loan repayments: The Loan Services Account interest earnings rate is 0.03%. Quarterly deposits will be made into the Loan Services. Semi-annual payments will be made from the Loan Services account by the bank, which functions as our fiscal agent, to SDWSRF for repayment of a \$714,000 loan to finance upgrades at the water treatment plant. The fund will provide for a twenty (20) year repayment period at a 1.7875 percent interest rate. Statements are received on a quarterly basis.
6. Pacific Premier Bank SDWSRF (Safe Drinking Water State Revolving Fund) reserve: Quarterly deposits will be made into the Reserve Account. The purpose of the Reserve Account is to build up over ten years an amount equal to two semiannual payments, which is based upon the estimated loan principal and interest rate.
7. Western Alliance Bank Photovoltaic System Project Capitalized Interest Fund: The account interest earnings rate is 0.00%. The purpose of the Account was to hold \$51,320.01 representing capitalized interest to be used for the payment of the interest component of the Lease payments on October 1, 2020 and April 1, 2021, as per the Lease Agreement. Statements are received on a monthly basis.

8. LAIF: Local Agency Investment Fund, a variable interest-bearing investment fund administered by the California State Treasurer. The majority of our funds are retained in this account. The last reported interest rate was 0.24%. Statements are received on a quarterly basis.

INTEREST EARNINGS: TRENDS & PROJECTIONS

The number of accounts in this report totals seven. The interest earnings for those accounts are summarized below. The accounts are referenced by number which corresponds with the Account Profile Information.

SUMMARY OF INTEREST EARNINGS

** Account Profile by Reference Number*

	Beginning Balance	Total Debits	Total Credits	Interest Earnings	Ending Balance
1	300.00	-	-	-	300.00
2	54,359.78	-743,406.07	1,023,007.49	3.47	333,964.67
3	51,958.56	-51,814.22	25,907.00	1.35	26,052.69
4	113,467.56	0.00	0.00	8.58	113,476.14
5	44,310.91	0.00	14,685.00	3.65	58,999.56
6	0.00	0.00	0.00	0.00	0.00
7	18.34	0.00	0.00	0.00	18.34
8	4,592,662.07	-130,000.00	0.00	2,837.37	4,465,499.44
TOTALS	\$4,857,077.22	(\$925,220.29)	\$1,063,599.49	\$2,854.42	\$4,998,310.84

Interest earnings in accounts 2, 3, 4, 5 & 6 above are always low because of account balance policies. Account 7 (LAIF) is the one account with more productive interest earnings because it typically holds over 90% of HRCSD cash reserves. Interest rates continue to fluctuate and remain low.

MANAGEMENT BY CONTRACTED PARTIES

For the reporting period, only the Local Agency Investment Fund (LAIF) is held under the Management By Contracted Parties.

LAIF is a treasury of pooled money made up of deposits from many of the over 5,000 local agencies within California. More than \$25 billion is vested in a variety of ways with a cumulative net yield of a conservative nature. State law requires, and the LAIF Pooled Money Investment Board requires that pooled money first be invested in such a manner to realize the maximum return consistent with safe and prudent management after which yield is considered. In other words, because these are public moneys invested and managed by others, the investments are low risk, low yield.

HRCSD typically has most of its cash (over 90%) deposited in LAIF. This is common strategy with many local agencies in the state, especially those with cash reserves of less than \$5 million. Complete reports of all investment activity, etc. are received from the LAIF Board on a monthly basis, along with an annual report, which are available for inspection at the District office. In addition, an analysis is provided in our *Status Report of All Accounts* for our share of LAIF deposits on a monthly basis.

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2021/22 Budget**

OPERATING REVENUE	Budget FY 21/22	Actual December	Actual Year to Date	Percentage Year to Date	Variance Explanation
Water Fees	1,107,981	103,083	666,873	60%	
Sewer Fees	704,110	58,921	353,455	50%	
Hook-Up Fees	3,000	0	1,900	63%	
Turn on Fees	3,500	150	1,675	48%	
Late Fees	18,500	0	10,717	58%	
Plan Check & Inspection	10,000	288	1,293	13%	
Miscellaneous Income	500	14,117	14,150	2830%	Delinquent W/S Received
TOTAL OPERATING	\$1,847,591	\$176,559	\$1,050,063	57%	

FRANCHISE REVENUE					
Solid Waste Franchise Fees	77,220	6,560	39,006	51%	
TOTAL FRANCHISE	\$77,220	\$6,560	\$39,006	51%	

TOTAL OPERATING \$1,924,811 \$183,119 \$1,089,069 57%

NON-OPERATING REVENUE					
Standby Charges	242,144	87,136	131,663	54%	
Property Tax	404,308	145,598	233,791	58%	
Interest	50,000	15	6,669	13%	
Connection Fees	70,580	0	40,211	57%	
TOTAL NON-OPERATING	\$767,032	\$232,749	\$412,334	54%	

RESERVE REVENUE					
Capital Reserves	656,000	1,691	45,154	7%	
Operating Reserves	1,833,986	10,137	195,561	11%	
TOTAL RESERVE	\$2,489,986	\$11,829	\$240,715	10%	

TOTAL NON-OPERATING \$3,257,018 \$244,577 \$653,049 20%

TOTAL ALL INCOME	\$5,181,829	\$427,696	\$1,742,118	34%	
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**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2021/22 Budget**

OPERATING EXPENSES

SALARIES AND BENEFITS	Budget FY 21/22	Actual December	Actual Year to Date	Percentage Year to Date	Variance Explanation
Salaries	810,774	96,320	373,810	46%	
Health Insurance	149,611	8,125	46,528	31%	
Health Insurance - Retirees	44,584	3,602	21,642	49%	
PERS	146,225	17,259	84,545	58%	
Standby	13,100	1,448	6,804	52%	
Overtime	15,600	1,115	6,894	44%	
Workers Comp. Ins.	18,355	0	16,185	88%	Paid Annually
Directors' Fees	9,000	1,400	4,200	47%	
Medicare/FICA	11,953	1,545	5,960	50%	
Car Allowance	3,000	250	1,500	50%	
SUI/ETT	1,500	161	161	11%	
Uniforms	5,000	366	2,884	58%	
TOTAL SALARIES & BENEFITS	\$1,228,702	\$131,590	\$571,113	46%	

UTILITIES

Electricity	121,527	0	88,994	73%	
Propane	1,025	110	113	11%	
Water Purchase	23,114	11,557	23,114	100%	Paid Semiannually
Telephone/Internet	10,800	1,008	5,922	55%	
TOTAL UTILITIES	\$156,466	\$12,675	\$118,143	76%	

MAINTENANCE & SUPPLIES

Chemicals	87,000	3,186	33,584	39%	
Computer/Software	29,450	301	12,270	42%	
Equip. Rental/Lease	2,500	0	1,007	40%	
Fixed Equip.	172,000	3,413	59,974	35%	
Fuel & Oil	10,000	1,203	5,196	52%	
Lab Testing	38,400	1,978	20,171	53%	
Office Supplies	1,500	0	1,323	88%	
Parks & Recreation	0	0	0	0%	
Struct./Grnds.	8,140	425	4,134	51%	
Small Tools/Equip.	3,000	-351	2,039	68%	
Supplies	2,500	23	870	35%	
Meters/Equip.	12,000	0	262	2%	
Vehicles	6,000	482	6,847	114%	
TOTAL MAINT. & SUP.	\$372,490	\$10,660	\$147,675	40%	

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2021/22 Budget**

GENERAL & ADMINISTRATION	Budget FY 21/22	Actual December	Actual Year to Date	Percentage Year to Date	Variance Explanation
Ads./Advertising	1,500	149	1,053	70%	
Alarm/Answering Service	4,000	287	1,713	43%	
Audit	10,000	3,500	7,000	70%	
Bank Charges/Fees	8,000	548	3,567	45%	
Consulting/Engineering	20,000	246	6,961	35%	
Dues/Subscription	9,850	0	8,693	88%	
Elections	0	0	0	0%	
Insurance	36,590	0	36,935	101%	Paid Annually
LAFCO	6,600	0	6,269	95%	Paid Annually
Legal/Attorney	15,000	1,333	5,841	39%	
Licenses/Permits	32,100	0	1,466	5%	
Plan Check & Inspection	10,000	288	1,293	13%	
Postage/Billing	15,000	1,212	6,858	46%	
Professional Service	44,300	887	30,305	68%	
Tax Collection	6,000	0	0	0%	
Staff Training & Travel	8,000	0	410	5%	
Board Training & Travel	1,000	0	100	10%	
TOTAL G & A	\$227,940	\$8,449	\$118,463	52%	

CAPITAL PROJECTS & EQUIPMENT

Structures/Improvements	2,259,986	6,000	151,168	7%	
Equipment	230,000	5,829	89,316	39%	
TOTAL CAPITAL EXPENSE	\$2,489,986	11,829	240,484	10%	

DEBT

State Loan Payment	103,629	0	51,814	50%	paid semiannually
State Loan Payment Phase II	58,740	0	0	0%	paid semiannually
Western Alliance Lease-PVS	152,849	0	76,824	50%	paid semiannually
TOTAL DEBT	\$315,218	\$0	\$128,638		

FUNDED DEPRECIATION	\$288,000	\$24,000	\$142,750	50%	
UNFUNDED DEPRECIATION	\$0	\$0	\$0	0%	

TOTAL EXPENSE	\$5,078,802	\$199,203	\$1,467,267	29%	
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CAPACITY CHARGES TRANSFER \$70,580 \$0 \$40,211 57%

SOLID WASTE FEES TRANSFER \$30,783 \$1,745 \$12,953 42%

FUND TOTAL	\$1,664	\$226,748	\$221,687		
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**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
DECEMBER 2021 OFFICE REPORT**

Water & Sewer

On January 1st, we processed 1,932 bills for a total dollar amount of \$139,713 for water and sewer user fees for the month of December. The number of Automatic Drafts processed was 632 for a total dollar amount of \$48,575.

San Miguel Garbage Franchise Fees

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

Month of November

Garbage Collection (10%) - \$ 5,941.71

Roll-Off Collection (10%) - \$ 617.82

Total Franchise Fees Collected - \$ 6,559.53

Service Orders Completed

Staff completed a total of 14 service orders for the month of December. Below is a breakdown by job code.

OCCUPANT CHANGE	9	USA	3
MISC.	1	CALL OUT	1

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager
Dylan Wade, Water Systems Consulting

DATE: January 20, 2022

SUBJECT: Receive and file the Water Resource Recovery Facility Upgrade Project progress report.

Recommendation

It is recommended that the Board of Directors receive and file the Water Resource Recovery Facility Upgrade Project progress report.

Background

Your Board selected Water Systems Consulting (WSC) as our consultant for a design phase contract for the Water Resource Recovery Facility Upgrade Project (Project) at the Board Special Meeting of August 12, 2021. The contract was executed September 16, 2021.

Project Design Phase Updates

Project Scope

- Program Chartering. The program charter task has been completed with the exception of printing and framing a hard copy version of the Charter.
- Design Confirmation. WSC has reviewed existing data furnished by the District and developed a sampling plan. The District is in the process of verifying Lift Station flow values and collecting loading data through additional sampling.
- Preliminary Design. WSC is developing an as-built utility map for review by the District and use by their surveying subcontractor.
- Regulatory Strategy. We recently received an email from the RWQCB staff that they want to handle our NPDES and TSO permitting as follows:
 - The District will file the report of waste discharge as required in June 2022.

- The RWQCB will administratively extend the existing NPDES permit until the new facility is ready to be permitted.
- The District will need to define milestones to demonstrate progress to the RWQCB on the new facility development.
- The TSO will be modified to reflect the intake credits and will be extended when it expires in October 2022 until October 2027.

Project Schedule

The Project Design Phase is currently on schedule. There are currently no known unexpected impacts.

Project Budget

The Project Design Phase is currently within budget. There are currently no known unexpected impacts or needed modifications.

Look Ahead

In the coming month we plan to begin discussions with the USDA regarding the project funding. We should be finalizing initial data collection and starting preliminary design tasks once the lab work is complete.

File: Projects_WRRF

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

Manager Report For the Month of January 2022

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

Administration

- The Manager attended the monthly CSDA SLO Chapter General Managers meeting.
- Staff is gathering data and options for moving certain accounts to a new bank as bank fees continue to increase. If Board action is necessary, an item will be presented at a future meeting.

Operations

- Submitted the Wastewater Treatment Plant Self-Monitoring Report.
- Prepared and submitted the Disinfection Byproduct Monthly Report.
- Additional updates regarding operations can be found in the Operations Report and the District Engineer Report.

Solid Waste

- The Manager attended an IWMA Hauler Fee Analysis Review meeting.
- The Manager attended the IWMA JPA Ad-Hoc Committee meeting.
- The Low Population Waiver Application for certain SB 1383 requirements that the District submitted to Cal-Recycle was approved.

Reservoir Status

- As reported by Monterey County Water Resources Agency (MCWRA), as of January 13, 2022, the reservoir was at approximately 736.95 feet in elevation, 29% of capacity, or 110,613-acre feet of storage. MCWRA water releases were shown as 65 cfs.

Public Relations and Community

- Nothing significant to report.

Human Resources

- The District is currently recruiting for one Treatment Operator I/II/III.

Board Member & Staff Information and Learning Opportunities

- The required Ethics and Harassment Trainings are due. Kristen has reached out to each Director and Staff with instructions on how to take the trainings.
- Conflict of Interest filings (Form 700) are due in April. Kristen will be reaching out regarding this as the deadline nears.

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HERITAGE RANCH COMMUNITY SERVICES DISTRICT

District Engineer Report For the Month of January 2022

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

Administration

- Engineering staff is currently reviewing the files from Wallace Group as time allows, working backward from the most recent projects.

Operations Support

- Working with Staff re: SCADA integration and coordinating with SCADA consultant.
- Working with Staff for flow monitoring and sampling program for WRF project.
- Additional updates regarding operations can be found in the Operations Report.

Capital Improvement Program and Projects

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

- Vertical Intake: Wallace Group, Operations and District Engineer reviewed and confirmed completion of punchlist items. Have received two proposals for integration of the new pump into the existing SCADA system. Working with contractors to refine scope and complete integration.
- Lift Station 1-5 rehabilitation design phase: District Engineer has begun reviewing the existing reports and documentation for this project.
- PVS: Received final record drawings from contractor.
- Water and Wastewater Rate Study: Not commenced.
- Rebuild Treated Water Pumps at PS 3 & 4: Not commenced.
- Pump Station Covers: Not commenced.

- Water Treatment Plant Filters Renovation: Staff is in the process of procuring materials to renovate one filter. The other three filters will be completed in phases and be based on lessons learned from experience with the first filter.
- Water Resource Reclamation Facility Upgrade: Staff and WSC are working on the initial design phase tasks. Engineering/Operations Staff arranged to borrow a composite sampler and external flow meters in order to accurately determine the flows and loads within the current system.

Development Review

- Engineer meeting with Ashley & Vance, engineers for the Snug Harbor development to discuss project status and schedule

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HERITAGE RANCH COMMUNITY SERVICES DISTRICT

Operations Report For the Month of January 2022

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

Water treatment

- Staff has installed, tested, and verified the new turbidity meters associated with the filter renovation project.
- The filter media for the project has been received and staff is preparing to stage the material at the WTP in preparation for this part of the renovation project.

Water distribution

- Staff has repaired three under street water leaks this past month; one on Hackney, one Blue Heron, and one on Tumbleweed. Final street repairs will be completed during the drier warmer months.

Wastewater collection

- The district experienced a sustained power outage on Christmas Eve that thoroughly tested our backup generators and procedures. We had a mostly successful outcome except for a failed fuel pump and transfer switch. Both items have since been repaired and tested.

Wastewater treatment

- Staffed has completed the fourth week of special sampling at lift stations #2, #3, & #10, and started the composite sampling component with a specialize sampler on loan from Abalone Coast Analytical, Inc.

Vehicles and equipment

- The vehicles are in good repair and operating.
- The old backhoe and Toyota truck have been posted for auction and should be sold by the end of the month.
- Staff is still waiting for the new vibrating plate compactor to be delivered.