



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

Minutes of May 18, 2017

1. 3:30 PM OPEN SESSION / CALL TO ORDER / PUBLIC COMMENT

No public comment.

2. ADJOURN TO CLOSED SESSION AT 3:32

3. RECONVENE TO OPEN SESSION:

There was no reportable action from closed session.

4. 4:01 FLAG SALUTE / ROLL CALL

President Cousineau called the meeting to order at 4:01 pm and led the flag salute. Manager D'Ornellas called the roll. All Directors were present.

Staff present: General Manager John D'Ornellas, and Operations Manager Jason Molinari. District Legal Counsel Jeff Minnery was present.

5. PUBLIC COMMENT

Art Tognazini asked if HRCSD had written a letter to MCWRA or taken any action about the amount of water MCWRA is releasing from Nacimiento.

6. CAMP ROBERTS – ARMY NATIONAL GUARD

No report given.

7. PUBLIC HEARING – 2017/18 STANDBY CHARGES

D'Ornellas presented the 2017/18 proposed standby charges. He indicated the charges have not changed for many years and 60% of the water charges are used to retire debt. D'Ornellas indicated an audit of the charges was done this year and several new parcels were added to the list. Board members had no question. President Cousineau opened the public hearing at 4:15. There were no public comments and President Cousineau closed the hearing at 4:16.

Director Barker made a motion to adopt Resolution 17-05 Confirming Standby Charges for 2017/18. Director Burgess seconded the motion. A roll call vote was made and passed with all directors voting yes on the 2017/18 Standby charges:

Ayes: Barker, Burgess, Rowley, Cousineau.

Noes: None

8. DISCUSSION ITEMS

A. Appointment of General Manager and approval of Employment Agreement: District Legal Counsel Jeff Minnery presented a summary of the recruitment process and the Board's decision to hire Scott Duffield. He provided detail of the employment agreement terms including salary of \$120K. Board members had no questions. President Cousineau asked for public comment. There were no comments on the employment agreement. Scott Duffield thanked the Board for their support and looked forward to the challenges at Heritage Ranch CSD. Director Barker made a motion to appoint Scott Duffield to the position of General Manager and approved the employment agreement. Director Rowley seconded the motion. A roll call vote was made with all directors voting yes:

Ayes: Barker, Burgess, Rowley, Cousineau.
Noes: None

District Legal Counsel Minnery departed the meeting after this vote

B. Senior Center Awning: Manager D’Ornellas advised the Board of the HR Senior’s request to refurbish and remodel the awning on the backlot of the Senior Center building. Heritage Ranch Seniors representative, Dale Fieber, provided background on the project to refurbish the awning/roof at the Senior Center that covers their backlot patio and screened area. The project includes new metal roofing material and a remodel of the area that will be covered by the new awning. D’Ornellas explained that the Senior Building is a 50 lease with the HRCSD as the landlord. The proposed project would be entirely funded by the seniors.

There was discussion by the Board about the project. President Cousineau asked for public comment. There were no comments. Director Barker made a motion to approve the project pending the Senior’s receipt of written approval from the HROA AEC of the project. Director Rowley seconded the motion. The motion passed by a voice vote:

Ayes: Barker, Burgess, Cousineau, Rowley
Noes: None

C. Water Allocation Update Draft Study: Manager D’Ornellas gave a brief summary of the Water Allocation Study and the requested data update by the Board at the April 20 meeting. His said District Engineer, Steve Tanaka, updated they Study with another three fiscal years of residential water consumption data going back to 2007. D’Ornellas said during these years of data when there was no mandated water conservation and the reservoir ranged from about 50% to almost 100% full. A memo incorporating these data is attached and the final Water Allocation Update Study will be update with the new data.

There was discussion by the Board about the water consumption update. President Cousineau asked for public comment. There were no comments. Director Burgess made a motion to approve the Final Study as updated by the new data. Director Barker seconded the motion. The motion passed by a voice vote:

Ayes: Barker, Burgess, Cousineau, Rowley
Noes: None

D. 2017/18 Budget 2nd Draft. . Manager D’Ornellas provided the Board with a brief summary of the second draft of the 2017/18 budget. D’Ornellas stated the 2nd draft of next year’s budget is not balanced. He said the water fund has a deficit of \$33,403 and the sewer fund has a small deficit of \$4,034. He said the solid waste fund has a surplus of \$7,563. D’Ornellas stated many expenses are still under review and this second draft will change as the budget cycles continues. The Board discussed impacts the full lake will have on water consumption this summer and proposed increases to water and sewer rates on January 1. President Cousineau asked for public comment on the budget. There were no comments. Director Barker made a motion receive and file this second draft of the budget and schedule June 20 for action on the Preliminary 2017/18 Budget. Director Burgess seconded the motion. The motion passed by a voice vote:

Ayes: Barker, Burgess, Cousineau, Rowley
Noes: None

President Cousineau announced that Director Tony Foti emailed him a resignation notice on May 9, effective immediately. Cousineau said this resignation creates a vacancy on the HRCSD Board that must be filled within 60 days of notice. Cousineau reported the Board must take a two-step action to appoint someone to this vacant seat or the County Board of

Supervisors may appointed someone. He said since this item came to our attention after the May 18, 2017 agenda was published and we must act now to remain within legal timeframe he is asking to add this item on the agenda for action tonight. Cousineau indicated the action he needs tonight is not to fill the vacancy but to initiate the process so it can get done by the 60 day deadline. Manager D'Ornellas said that placement of this item on the agenda requires a two third majority vote of the Board:

Director Burgess made a motion to add this item to the agenda for action. Director Barker seconded the motion. The motion passed by a voice vote:

Ayes: Barker, Burgess, Cousineau, Rowley

Noes: None

- E. Notice of Vacancy and appointment.** D'Ornellas reported that District Ordinance 2.030 specifies that vacancies on the Board shall be filled by appointment pursuant to the Government Code Section 1780 by the remaining directors on the Board. He said that Director Foti's resignation creates a vacant a seat on the board until the next general election in November 2018. D'Ornellas said that Section 1780 requires at least three notices be posted within the HRCSD jurisdiction announcing the vacancy and seeking candidates to fill the open seat. D'Ornellas said the District has done several appointments in its history and has traditionally requested letters of interest be submitted to the Board for consideration at an open session meeting. Sam Poppin, public member, yelled that he nominates Art Tognazini to the open seat. Cousineau responded that written letters of interest must be submitted by candidates for the open seat and all will be considered at the June 15, 2017, regular meeting.

Directors Barker said that he and Foti were members of the Finance Committee and have been working on the Rate Study. He asked that a director be added to this committee tonight to continue with work on the Rate Study. Cousineau volunteered to take Foti's place on the Finance Committee.

Director Barker made a motion to fill the vacancy on then Board per Government Code Section 1780 with final action at the June 20 meeting and that Reg Cousineau be added to the Finance Committee. Director Burgess seconded the motion. The motion passed by a voice vote:

Ayes: Barker, Burgess, Cousineau, Rowley

Noes: None

9. CONSENT ITEMS

- A. Regular Meeting Minutes:** Receive/approve minutes of April 20 and April 27, 2017.
- B. Warrant Register:** Receive/approve April 2017 warrants.
- C. Treasurer's Report:** Receive/file April 2017 report.
- D. 3rd Quarter Treasurer's Report:** Receive/file report for 3rd quarter 2016/17.
- E. Manager's Report:** Receive/file April 2017 report.
- F. Staff Reports:** Receive/ April 2017 reports.
- G. Regular Meeting Minutes:** Receive/approve minutes of April 20 and April 27, 2017.

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

Ayes: Barker, Burgess, Cousineau, Rowley

Absent: None

Manager D'Ornellas provided a summary of the Manager's Report and answered any questions the Board had. The Board directed D'Ornellas to research options to have him continue to assist the HRCSD on a temporary basis as an hourly consultants once he departs on June30. Operations Manager gave a brief summary of the Operations Report.

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

Ayes: Barker, Burgess, Cousineau, Rowley

Absent: Foti

10. DIRECTORS/MANAGER COMMENTS

Directors' Cousineau and Rowley gave a brief presentation on the recent CSDA training they attended in San Luis Obispo

11. ADJOURNMENT

On a motion by Director Burgess and seconded by Director Barker, the meeting adjourned at 5:10 pm to the next scheduled meeting on Thursday, June 20, 2017 at 4:00 pm.

APPROVED:

Reginald Cousineau, Board President

ATTEST:

John D'Ornellas, General Manager