

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors
FROM: Scott Duffield, Manager
Kristen Gelos, Office Supervisor
DATE: July 19, 2018
SUBJECT: Collection of Delinquent Solid Waste Accounts

Recommendation

- Open the Public Hearing to provide an opportunity for filing objections and presentation of testimony or other evidence concerning this report.
- At the close of the Public Hearing, adopt Resolution 18-07 authorizing the San Luis Obispo County Auditor to levy liens against the properties for the amount due to San Miguel Garbage Company pursuant to District Ordinance Code Section 8.330.

Policy Implications

District Ordinance Code Section 8.200 specifies that all developed properties located within the District with a water meter shall be subject to mandatory solid waste service. The collection service may be either curbside or by commercial bin service. This requirement is predicated on an identical requirement adopted by the Heritage Ranch Owner's Association, dated March 25, 1999.

Fiscal Implications

This action will enforce the mandatory solid waste provision of District Ordinance Code 8.200 and collect monies owed to San Miguel Garbage Company for services provided.

Background

The District adopted the mandatory solid waste policy into its Code of Ordinances on July 29, 1999. This action was the result after a series of public joint workshops in late 1998 and into 1999 with the District and Heritage Ranch Owner's Association (HROA) addressing the issue of unauthorized use of bins and illegal dumping. In 1999, based on consensus of the two Boards, HROA elected to invoke an existing requirement for mandatory trash service. The District agreed to enforce the mandatory provisions through direct billing for curbside service. On March 25, 1999, HROA formally adopted a resolution that effectively "activated" their requirement for mandatory service.

This policy was confirmed by both the District and HROA at a joint meeting on June 21, 2007. On December 20, 2007, the District adopted Resolution 07-12 amending District Ordinance Code Chapter 8 (Solid Waste Department) incorporating the provisions of Government Code Section 61115(b) for the collection of delinquent solid waste charges on the tax rolls.

The mandatory solid waste ordinance is not a new policy for the District. However, the enforcement action for this policy changed with the adoption of the Solid Waste Franchise Agreement and amendments to Chapter 8 of the District Ordinance Code effective January 1, 2008. Historically, the District enforced the mandatory ordinance through direct billing of solid waste charges to customers along with water and sewer charges. If a customer did not pay any portion of their solid waste/water/sewer bill, the District would terminate the water service. This enforcement action is no longer available because the current franchise agreement requires San Miguel Garbage to bill for solid waste services.

Discussion

District Ordinance 8.330 specifies the collection procedures for overdue solid waste accounts. This Ordinance incorporates the procedures of Government Code Section 61115(b) for the collection of delinquent solid waste charges on the tax rolls. This Code section allows the Board of Directors to authorize the San Luis Obispo County Auditor to levy the amount due to San Miguel Garbage Company for delinquent solid waste services as an assessment against the property and placed on the property owners' property tax bill for collection.

The following required procedures were used to notify delinquent customers of their account status:

1. On April 14, 2018, San Miguel Garbage Company sent certified letters to each delinquent account customer giving a 45-day notice to pay pursuant to District Code 8.330. This letter stated that non-payment may result in the District placing an assessment on the owners' property and collection of the amount owed with general taxes.
2. On June 1, 2018, San Miguel Garbage provided the District with a listing of delinquent accounts.
3. On June 14, 2018, the District sent a Notice of Public Hearing to each delinquent property owner (attached).
4. On June 21, 2018 and July 5, 2018, the Notice of Public Hearing was published in *The Tribune*.
5. Property owners that have paid since June 14, 2018, will be removed from the delinquent listing (**Exhibit A**) at the Public Meeting.

The attached Resolution 18-07 authorizes the San Luis Obispo County Auditor to levy the amounts due on delinquent solid waste accounts as special assessments against the properties.

Attachments: Resolution 18-07

Exhibit A - Delinquent Solid Waste Customer Account List

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 18-07**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HERITAGE RANCH
COMMUNITY SERVICES DISTRICT CONFIRMING REPORT OF DISTRICT GENERAL
MANAGER FOR DELINQUENT SOLID WASTE CHARGES AND AUTHORIZING THE SAN
LUIS OBISPO COUNTY AUDITOR TO ASSESS AMOUNTS DUE AS LIENS AGAINST THE
PROPERTIES**

WHEREAS, the Heritage Ranch Community Services District (“District”) makes the following finding of fact:

1. The District is duly authorized to provide its residents with solid waste services.
2. All developed properties located within the District with a water meter are subject to mandatory solid waste service pursuant to District Ordinance Code 8.200.
3. On December 20, 2007, the District adopted Resolution 07-12 amending District Ordinance Code Chapter 8 incorporating the provisions of Government Code Section §61110 et seq. for the collection of delinquent solid waste charges on the tax rolls.
4. District Ordinance Code Section 8.330 provides that all solid waste accounts that are more than 120 days past due during the year are subject to collection procedures as identified in Government Code Section §61115(b).
5. The Franchisee, who provides solid waste collection services, has provided notice to delinquent service accounts pursuant to District Code 8.330.
6. The District General Manager has prepared and filed a report (“Report”) that describes each affected parcel of real property and the amounts of charges and delinquencies for each affected parcel for the year. Said Report is attached hereto as Exhibit “A” and incorporated herein by this reference.
7. The District General Manager, pursuant to Section §6066 of the Government Code, has published Notice of the filing of the Report and has caused notice in writing to be mailed to the owner of each affected parcel as shown on the last equalized Assessment Roll available on the date the Report was prepared, as the address shown on the Assessment Roll or as known to the General Manager.
8. On July 19, 2018, a Public Hearing was held before the District Board at which time all interested persons were given the opportunity to object or protest the Report or any portions thereof.

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

1. Each of the above findings are true and correct and incorporated herein by this reference.
2. The Report (Exhibit "A") as submitted and revised, by the Board, is hereby confirmed and adopted.
3. The charges as described in the Report, as revised, shall constitute a lien on the parcel of real property for which said charges are delinquent and unpaid.
4. On or before July 31, 2018, the District General Manager is authorized to file with the County Auditor a copy of this Resolution and Report showing the unpaid charges as required by Section §61115(b) of the Government Code.
5. Pursuant to Government Code §61115(b), the County Auditor shall enter the amount of charges and penalties against each of the affected parcels or real property as they appear on the current Assessment Roll. The County Tax Collector shall include the amount of the charges on the property tax bills for each affected parcel of real property and collect the charges in the same manner as property taxes.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Heritage Ranch Community Services District on the 19th day of July 2018, by the following roll call vote.

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED: _____

**Martin Rowley, President
Board of Directors**

ATTEST: _____

**Kristen Gelos, Secretary
Board of Directors**

2017/2018 Delinquent Solid Waste Fees - Exhibit A

NAME	APN #	LIEN AMOUNT
ADDISON, TYLER	012-183-040	\$ 133.00
ARENSDORF, MICHELLE	012-182-002	\$ 214.50
AYALA, MICHAEL	012-323-003	\$ 247.00
BEDWELL, JEREMIAH & STEPHANIE KNOOP	012-323-020	\$ 199.50
CONDIT, ZACHARY	012-275-052	\$ 143.50
DAHL, LINDA	012-325-044	\$ 59.50
DECKER, TYLER	012-187-010	\$ 120.50
DUQUE, FRANKLIN	012-345-033	\$ 199.50
GERMAIN, TONYA	012-183-021	\$ 199.50
GODOY, DIANA	012-272-011	\$ 196.00
HORN, RYAN	012-324-001	\$ 117.00
HYSELL, MIMI	012-322-033	\$ 149.50
JACOB, TREVOR	012-331-002	\$ 272.50
JEZEK, JOHN	012-326-025	\$ 110.00
KERR, DAVID	012-284-045	\$ 211.50
KNOPKE, JOHN	012-324-002	\$ 289.50
LAVONNE BAKER, KELLY	012-185-001	\$ 180.00
MARRIOTT, CANDICE	012-187-056	\$ 172.00
NAY, KEVIN	012-282-014	\$ 287.50
ORMONDE, LEE & KRISTIN	012-187-013	\$ 154.50
OWENS, TOM	012-195-017	\$ 193.50
PACHECO, CARL	012-374-023	\$ 189.00
ROSS, JON	012-374-021	\$ 199.50
RYAN, TOM	012-322-026	\$ 157.00
SANDOVAL, DEBBIE	012-373-001	\$ 122.00
SARACENI, JOSEPH & MISTY	012-362-011	\$ 84.50
SHUPP, DEAN	012-274-012	\$ 206.00
TINAJEVO, EBERADO	012-275-006	\$ 130.00
TRAVIS, DEE	012-275-017	\$ 117.00
VELASQUEZ, RICHARD	012-324-015	\$ 199.50
SMITH/RITCHIE, WARRN/TRICIA	012-353-020	\$ 181.50
YARGER, AMBERLY	012-188-015	\$ 117.00
		\$5,553.00

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: July 19, 2018

SUBJECT: Submittal for approval a resolution adopting adjusted water and sewer system capacity charges effective October 1, 2018.

Recommendation

It is recommended that the Board of Directors:

- 1) Hold a public hearing to consider adjusted water and sewer system capacity charges; and
- 2) Upon conclusion of the hearing, approve new water and sewer system capacity charges effective October 1, 2018, by adoption of Resolution 18-08.

Background

At the June 21, 2018, Board of Directors meeting, your Board received and approved the Capacity Charge Study by Tuckfield & Associates dated June 11, 2018, (Study) from the District's consultant, Tuckfield & Associates, and directed staff to proceed with the public notification and hearing process for adoption of adjusted water and sewer system capacity charges at today's meeting. The Study analyzes and provides the District's financial and capital improvement plans for the water and sewer systems, as well as detailing the method used for determining appropriate charges.

The District levies water and sewer system capacity charges on new or expanded connections to the District's water and sewer systems. These charges are one-time charges levied as a condition of expansion or development and are designed to recover the proportional cost for infrastructure and assets benefiting new development.

Capacity charges are governed by California Government Code Section 66000 et. seq.

Discussion

Attached for your Board's approval is a resolution adopting adjusted water and sewer system capacity charges effective October 1, 2018. The adjusted capacity charges are

as presented in the Study and approved by your Board at the June 21st meeting. The Study recommends an increase in both water and sewer capacity charges.

The District's capacity charges were last updated in 2013. The District's combined water and sewer capacity charges are currently one of the lowest of thirteen regional agencies identified in a recent survey. The only lower capacity charges are in Grover Beach. If the proposed capacity charges are adopted, they would still be the fifth lowest of those identified in the survey.

The capacity charge survey is attached.

Fiscal Implications

Without an adjustment to capacity charges, expansion and improvements to our systems would be funded inproportionantly by user fees. Capacity charges are due upon a will serve commitment from the District to the owner of an undeveloped parcel (i.e. at the time the parcel receives a water meter and/or a sewer lateral connection). All customers that have already paid capacity charges in full are not affected by the recommended charges.

Results

Approval of Resolution 18-08 adopting adjusted capacity charges will result in maintaining fiscally responsible management of the District by providing funding for improvements and expansion to the water and sewer systems attributal to new development.

Attachments: Resolution 18-08
Capacity Charge Survey

File: Capacity Charges

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 18-08**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HERITAGE RANCH
COMMUNITY SERVICES DISTRICT AMENDING THE FEE SCHEDULE TO
PROVIDE FOR REVISED WATER AND SEWER SYSTEM CAPACITY CHARGES**

WHEREAS, California Government Code Section 61115(a) authorizes the Heritage Ranch Community Services District (District) to establish rates or other charges for services and facilities that the District provides; and

WHEREAS, California Government Code Section 66013 governs and defines capacity charges; and

WHEREAS, the current water and sewer system capacity charges have not been adjusted for many years, and the District now wishes to increase the capacity charges in accordance with the Capacity Charge Study prepared by Tuckfield & Associates dated June 22, 2018; and

WHEREAS, the Capacity Charge Study establishes that the proposed capacity charges will not exceed the estimated reasonable cost of providing the service for which the charge is imposed; and

WHEREAS, the water and sewer system capacity charges will be levied to recover costs for existing and future water and sewer system facilities and assets that provide proportional benefit to the person or property being charged; and

WHEREAS, pursuant to Government Code Sections 66016 and 66018, the Board of Directors of the Heritage Ranch Community Services District held a public hearing on July 19, 2018, as part of a regularly scheduled meeting, during which the District gave members of the public the opportunity to make oral or written presentations on the proposed increase to the water and sewer system capacity charges; and

WHEREAS, the District published notice of the time and place of the July 19, 2018, public hearing, including a general explanation of the matter to be considered, at least ten days before the hearing as required by Government Code Sections 6062a and 66018; and

WHEREAS, in accordance with the requirements of Government Code Section 66016, at least ten days before the public hearing, the District made data publicly available that indicates the estimated cost required to provide the services for which the charges are to be levied and the revenue sources anticipated to provide such services.

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

1. The Board of Directors finds that it has complied with all procedural and code requirements; and

2. The Board finds that the proposed capacity charges will not exceed the estimated reasonable cost of providing the service for which the charge is imposed.
3. The Board of Directors adopts the adjusted water and sewer system capacity charges as provided in Exhibit "A", effective October 1, 2018; and
4. The Board of Directors amends Chapter 3 Section 3.900 (A)(5) and (B)(3) of the Fee Schedule for Heritage Ranch Community Services District replacing it with the water and sewer capacity charges provided in Exhibit "A", effective October 1, 2018; and

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Heritage Ranch Community Services District on the 19th day of July 2018, by the following roll call vote.

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED: _____

**Martin Rowley, President
Board of Directors**

ATTEST: _____

**Kristen Gelos, Secretary
Board of Directors**

Exhibit A
Resolution 18-08

3.900 – Fee Schedule for Heritage Ranch Community Services District

A. Water	Current Capacity Charge	October 1, 2018 Capacity Charge
(5) Water system capacity charge based on meter size	Per Meter	Per Meter
¾"	\$3,360	\$6,698
1"	\$6,720	\$11,185
1 ½"	\$13,440	\$22,304
2"	\$21,504	\$35,700
3"	\$43,008	\$71,467
4"	Based on calculation by District Engineer	\$111,655
6"	Based on calculation by District Engineer	\$267,920
8"	Based on calculation by District Engineer	\$446,555

B. Sewer	Current Capacity Charge	October 1, 2018 Capacity Charge
(3) Sewer system capacity charge based on use category	Charge per Dwelling Unit	Charge per Dwelling Unit
Single family	\$4,359	\$8,212
Multiple dwelling	\$4,359	\$8,212
Mobile home	\$4,359	\$8,212
RV space	\$2,180	\$6,570
Commercial	Based on calculation by District engineer	Based on calculation by District engineer
Other	Based on calculation by District engineer	Based on calculation by District engineer

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: July 19, 2018

SUBJECT: Submittal of a resolution for approval adopting a Fiscal Year 2018/19 Final Budget and Salary Schedule.

Recommendation

It is recommended that the Board of Directors:

1. Hold a public hearing to consider adopting a final budget for Fiscal Year 2018/19; and
2. At the close of the public hearing approve Resolution 18-09 adopting a Fiscal Year 2018/19 Final Budget and Salary Schedule.

Background

On June 21, 2018, your Board adopted the Fiscal Year 2018/19 Preliminary Budget. The meeting allowed the opportunity for the public to provide input prior to the adoption of the Preliminary Budget. Following the meeting a notice was published in the Tribune indicating the Preliminary Budget had been adopted and setting the date of July 19, 2018, for a public hearing and adoption of a Final Budget. The Preliminary Budget has been available at the front counter of the District office for public review. The District has not received any written public comments.

California Code of Regulations Title 2, Section 570.5, and Section 571 subsection (b) require salary schedules and special compensation to be publicly available and duly approved and adopted by the Board.

Discussion

Budget

The attached water, sewer, general fund, and solid waste fund budgets are presented for your adoption. Increases or decreases in line item categories from the adopted FY 2018/19 Preliminary Budget are detailed on the Final Budget. The water and sewer fund

budgets are not balanced. The water fund has a \$9,219 surplus and the sewer fund has a \$20,637 deficit. This is due in part to the conservative assumption for operating revenue in anticipation of another drought year when mandatory water conservation measures will most likely be implemented. Capacity charges of both the water and sewer funds are transferred to their respective reserves.

Several minor adjustments were made to the Final Budget as a result of expense and revenue updates from the Preliminary Budget. The net impact of these adjustments is no change in total revenue, and a decrease of \$16,005 in total expenses from the Preliminary Budget. The final consolidated budget has a deficit of \$4,295.

Salary Schedule

All agencies that are members of CalPERS are required to ensure that pay schedules and special compensation (e.g., out-of-class pay, certification pay) are publicly available as prescribed by the California Code of Regulations, Title 2, §570.5, and §571 subsection (b). "Publicly available" is defined as posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website.

Your Board approves a budget, a Memorandum of Understanding with all represented employees, and an employment agreement with the unrepresented employee (General Manager). All of these items are publicly available and contain salary schedules and special compensation items pursuant to the code sections noted above. Thus, approval of the FY 2018/19 Salary Schedule with the budget is recommended.

The rates listed in the FY 2018/19 Salary Schedule are reflected in the FY 2018/19 Final Budget.

Results

Approval of Resolution 18-09 adopting a Fiscal Year 2018/19 Final Budget and Salary Schedule will result in maintaining fiscally responsible management of the District.

Attachments: Resolution 18-09
Fiscal Year 2018/19 Final Budget
Fiscal Year 2018/19 Salary Schedule

File: Budget FY18/19

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 18-09**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HERITAGE RANCH
COMMUNITY SERVICES DISTRICT ADOPTING A FISCAL YEAR 2018/19 FINAL
BUDGET AND SALARY SCHEDULE**

WHEREAS, the District is required, pursuant to Government Code Section 61110, to adopt a preliminary budget that conforms to Generally Accepted Accounting Principles before July 1 of each year; and

WHEREAS, The District's budget outlines anticipated revenue and expense for each of its operating funds; and

WHEREAS, the District adopted a preliminary budget on June 21, 2018, and published said budget for public review and comment, and set the date of July 19, 2018, for adoption of a Final Budget.

WHEREAS, the District is required to ensure that pay schedules and special compensation (e.g., out-of-class pay, certification pay) are publicly available as prescribed by the California Code of Regulations, Title 2, §570.5, and §571 subsection (b); and

WHEREAS, your Board approves a budget, a Memorandum of Understanding with all represented employees, and an employment agreement with the unrepresented employee (General Manager); and

WHEREAS, the rates listed in the FY 2018/19 Salary Schedule are reflected in the FY 2018/19 Final Budget.

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

1. The District Final Budget for Fiscal Year 2018/19, a copy of which is attached and made a part hereof, is hereby adopted.
2. The budget be administered as established by current policies and practices.
3. The District Salary Schedule for Fiscal Year 2018/19, a copy of which is attached and made a part hereof, is hereby adopted.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Heritage Ranch Community Services District on the 19th day of July 2018, by the following roll call vote.

AYES:
NOES:
ABSTAIN:
ABSENT:

APPROVED: _____
Martin Rowley, President
Board of Directors

ATTEST: _____
Kristen Gelos, Secretary
Board of Directors

HERITAGE RANCH COMMUNITY SERVICES DISTRICT - WATER FUND

	Un-Audited FYE 2018	Preliminary 18/19	Changes from Preliminary	Notes	FINAL BUDGET 2018/19
OPERATING INCOME					
Water Fees	896,043	901,000	0		901,000
Late Fees	10,063	10,000	0		10,000
Hook-Up Fees	8,086	5,000	0		5,000
Turn on Fees	2,346	2,000	0		2,000
Plan Check & Inspection	0	5,000	0		5,000
Miscellaneous Income	0	0	0		\$0
TOTAL OPERATING INCOME	\$916,538	\$923,000	\$0		\$923,000
NON-OPERATING INCOME					
Standby Charges	201,690	203,546	0		203,546
Property Tax	183,376	187,550	0		187,550
Interest	23,573	20,520	0		20,520
Connection Fees	41,170	31,110	0		31,110
TOTAL NON-OPERATING INCOME	\$449,809	\$442,726	\$0		\$442,726
RESERVE REVENUE					
Capital Reserves	36,763	15,000	0		15,000
General Reserves	0	0	0		0
TOTAL RESERVE REVENUE	\$36,763	\$15,000	\$0		\$15,000
TOTAL REVENUE	\$1,403,110	\$1,380,726	\$0		\$1,380,726
OPERATING EXPENSES					
SALARIES AND BENEFITS					
				PERS/MOU	
Salaries	234,511	245,811	0		245,811
Overtime	4,358	7,000	0		7,000
Standby	7,403	7,500	0		7,500
Health Insurance	49,626	54,290	-6,226		48,064
Pers Retirement	39,140	54,838	0		54,838
Workers Comp. Ins.	9,563	12,053	0		12,053
Medicare/FICA	3,558	3,564	0		3,564
Uniforms	1,771	2,220	60		2,280
TOTAL SALARIES & BENEFITS	\$349,930	\$387,276	-\$6,166		\$381,110
UTILITIES					
Electricity	159,282	161,200	0		161,200
Water Purchase	23,114	23,114	0		23,114
Telephone/Internet	3,616	3,750	160		3,910
TOTAL UTILITIES	\$186,012	\$188,064	\$160		\$188,224

HERITAGE RANCH COMMUNITY SERVICES DISTRICT - WATER FUND

MAINTENANCE & SUPPLIES	Un-Audited FYE 2018	Preliminary 18/19	Changes from Preliminary	Notes	FINAL BUDGET 2018/19
Chemicals	36,183	50,000	0		50,000
Computer/Software	4,816	3,000	0		3,000
Equip. Rental/Lease	0	500	0		500
Fixed Equip.	41,035	45,000	0		45,000
Fuel & Oil	7,239	7,000	0		7,000
Lab Testing	8,089	8,500	0		8,500
Struct./Grnds.	1,570	1,500	375		1,875
Small Tools/Equip.	2,776	1,500	0		1,500
Supplies	3,979	3,000	0		3,000
Meters/Equip.	8,835	5,000	0		5,000
Vehicles	4,901	4,500	0		4,500
TOTAL MAINT. & SUP.	\$119,421	\$129,500	\$375		\$129,875
GENERAL & ADMINISTRATION					
Allocation of General Fund	258,731	239,059	0		239,059
Alarm/Answering Service	926	800	0		800
Bank Charges/Fees	0	0	0		0
Consulting/Engineering	11,897	10,000	0		10,000
Dues/Subscription	2,789	3,500	0		3,500
Insurance	9,823	9,460	0		9,460
Legal/Attorney	1,780	5,000	0		5,000
Licenses/Permits	12,188	13,000	0		13,000
Plan Check & Inspection	1,255	5,000	0		5,000
Professional Service	2,499	2,000	0		2,000
Training & Travel	70	1,000	0		1,000
TOTAL G & A	\$301,957	\$288,819	-\$0		\$288,819
CAPITAL PROJECTS & EQUIPMENT					
Structures/Improvements	36,763	15,000	0		15,000
Equipment	0	0	0		0
TOTAL CAPITAL	\$36,763	\$15,000	\$0		\$15,000
DEBT					
State Loan Payment-DWR	103,628	103,629	0		103,629
State Loan Payment Phase II-SRF	58,739	58,740	0		58,740
TOTAL DEBT	\$162,367	\$162,369	\$0		\$162,369
FUNDED DEPRECIATION	175,000	175,000	0		175,000
UNFUNDED DEPRECIATION	0	0	0		0
TOTAL EXPENSE	\$1,331,451	\$1,346,028	-\$5,631		\$1,340,397
TRANSFER TO RESERVES	\$41,170	\$31,110	0		\$31,110
FUND TOTAL	\$30,489	\$3,588	\$5,631		\$9,219

HERITAGE RANCH COMMUNITY SERVICES DISTRICT - SEWER FUND

OPERATING INCOME	Un-Audited FYE 2018	Preliminary 18/19	Changes from Preliminary	Notes	FINAL BUDGET 2018/19
Sewer Fees	547,005	594,950	0		594,950
Late Fees	6,280	6,500	0		6,500
Hook-Up Fees	1,553	1,000	0		1,000
Turn on Fees	1,544	1,500	0		1,500
Plan Check & Inspection	0	5,000	0		5,000
Miscellaneous Income	0	0	0		0
TOTAL OPERATING INCOME	\$556,382	608,950	0		608,950
NON-OPERATING INCOME					
Standby Charges	41,310	39,375	0		39,375
Property Tax	100,023	102,300	0		102,300
Interest	7,343	6,480	0		6,480
Connection Fees	55,230	39,140	0		39,140
TOTAL NON-OPERATING INCOME	\$203,907	\$187,295	\$0		\$187,295
RESERVE REVENUE					
Capital Reserves	25,033	8,000	0		8,000
General Reserves	0	0	0		0
TOTAL RESERVE	\$25,033	\$8,000	\$0		\$8,000
TOTAL REVENUE	\$785,322	\$804,245	\$0		\$804,245
OPERATING EXPENSES					
SALARIES AND BENEFITS					
				PERS/MOU	
Salaries	156,341	163,874	0		163,874
Overtime	2,906	4,500	0		4,500
Standby	4,935	5,000	0		5,000
Health Insurance	33,531	36,194	-4,151		32,043
Pers Retirement	25,947	36,559	0		36,559
Workers Comp. Ins.	6,315	8,035	0		8,035
Medicare/FICA	2,372	2,376	0		2,376
Uniforms	1,153	1,480	40		1,520
TOTAL SALARIES & BENEFITS	\$233,499	\$258,018	-\$4,111		\$253,907
UTILITIES					
Electricity	76,973	77,000	0		77,000
Telephone/Internet	2,520	2,600	110		2,710
TOTAL UTILITIES	\$79,494	\$79,600	\$110		\$79,710

HERITAGE RANCH COMMUNITY SERVICES DISTRICT - SEWER FUND

MAINTENANCE & SUPPLIES	Un-Audited FYE 2018	Preliminary 18/19	Changes from Preliminary	Notes	FINAL BUDGET 2018/19
Chemicals	17,723	18,000	0		18,000
Computer/Software	1,594	1,000	0		1,000
Equip. Rental/Lease	0	500	0		500
Fixed Equip.	51,049	40,000	0		40,000
Fuel & Oil	4,837	5,000	0		5,000
Lab Testing	14,693	16,000	0		16,000
Struct./Grnds.	3,140	1,500	750		2,250
Small Tools/Equip.	1,850	2,000	0		2,000
Supplies	2,094	2,500	0		2,500
Vehicles	3,269	4,000	0		4,000
TOTAL MAINT. & SUP.	\$100,249	\$90,500	\$750		\$91,250
GENERAL & ADMINISTRATION					
Allocation of General Fund	199,024	183,892	0		183,892
Alarm/Answering Service	841	775	0		775
Bank Charges/Fees	0	0	0		0
Consulting/Engineering	9,716	30,000	0		30,000
Dues/Subscription	1,712	2,000	0		2,000
Insurance	7,484	7,208	0		7,208
Legal/Attorney	1,477	2,000	0		2,000
Licenses/Permits	13,528	13,000	0		13,000
Plan Check & Inspection	483	5,000	0		5,000
Professional Service	6,615	10,000	0		10,000
Training & Travel	143	1,000	0		1,000
TOTAL G & A	\$241,022	\$254,875	\$0		\$254,875
CAPITAL PROJECTS & EQUIPMENT					
Structures/Improvements	25,033	0	0		0
Equipment	0	8,000	0		8,000
TOTAL CAPITAL	\$25,033	\$8,000	\$0		\$8,000
FUNDED DEPRECIATION	98,000	98,000	0		98,000
UNFUNDED DEPRECIATION	0	0	0		0
TOTAL EXPENSE	\$777,296	\$788,993	-\$3,251		\$785,742
TRANSFER TO RESERVES	\$55,230	\$39,140	0		\$39,140
FUND TOTAL	(\$47,204)	(\$23,888)	\$3,251		(\$20,637)

HERITAGE RANCH COMMUNITY SERVICES DISTRICT - SOLID WASTE FUND

OPERATING INCOME	Un-Audited FYE 2018	Preliminary 18/19	Changes from Preliminary	Notes	FINAL BUDGET 2018/19
TOTAL FRANCHISE FEES	\$58,329	\$66,000	\$0		\$66,000
EXPENSE					
Allocation of General Fund	39,805	36,778	0		36,778
TOTAL EXPENSES	\$39,805	\$36,778	\$0		\$36,778
TRANSFER TO RESERVES	\$18,524	\$29,222	\$0		\$29,222
FUND TOTAL	\$0	\$0	\$0		\$0

HERITAGE RANCH COMMUNITY SERVICES DISTRICT - GENERAL FUND

	Un-Audited FYE 2018	Preliminary 18/19	Changes from Preliminary	Notes	FINAL BUDGET 2018/19
OPERATING INCOME					
Transfer from other Funds	0	0	\$0		0
Miscellaneous Income	2,126	2,000	0		2,000
TOTAL OPERATING	\$2,126	\$2,000	\$0		\$2,000
NON-OPERATING INCOME					
Property Tax	50,011	51,150	0		51,150
Interest	0	0	0		0
TOTAL NON-OPERATING	\$50,011	\$51,150	\$0		\$51,150
RESERVE REVENUE					
Capital Reserves	0	0	0		0
General Reserves	0	50,000	0		50,000
TOTAL RESERVE	\$0	\$50,000	\$0		\$50,000
TOTAL REVENUE	\$52,137	\$103,150	\$0		\$103,150
OPERATING EXPENSES					
SALARIES AND BENEFITS					
				GM/PERS	
Salaries	240,918	243,167	1,845		245,012
Overtime	0	0	0		0
Health Insurance	54,434	45,698	-5,189		40,509
Health Insurance - Retirees	83,747	62,817	-4,584		58,233
Pers Retirement	38,541	32,235	164		32,399
Workers Comp. Ins.	2,165	2,558	29		2,587
Directors' Fees	6,450	7,000	0		7,000
Medicare/FICA	4,081	4,047	27		4,074
Car Allowance	3,000	3,000	0		3,000
SUI/ETT	1,171	1,500	0		1,500
TOTAL SALARIES & BENEFITS	\$434,506	\$402,022	-\$7,708		\$394,314
UTILITIES					
Electricity	4,625	4,600	0		4,600
Propane	896	900	0		900
Telephone/Internet	4,821	5,000	210		5,210
TOTAL UTILITIES	\$10,342	\$10,500	\$210		\$10,710

HERITAGE RANCH COMMUNITY SERVICES DISTRICT - GENERAL FUND

MAINTENANCE & SUPPLIES	Un-Audited FYE 2018	Preliminary 18/19	Changes from Preliminary	Notes	FINAL BUDGET 2018/19
Computer/Software	12,224	3,000	0		3,000
Equip. Rental/Lease	0	0	0		0
Fixed Equip.	3,027	0	0		0
Office Supplies	2,859	3,000	0		3,000
Parks & Recreation	794	500	0		500
Struct./Grnds.	1,659	2,000	375		2,375
Supplies	81	500	0		500
TOTAL MAINT. & SUP.	\$20,644	\$9,000	\$375		\$9,375
GENERAL & ADMINISTRATION					
Ads./Advertising	1,674	1,500	0		1,500
Alarm/Answering Service	1,855	1,700	0		1,700
Audit	6,000	6,000	0		6,000
Bank Charges/Fees	2,161	2,000	0		2,000
Consulting/Engineering	798	0	0		0
Dues/Subscription	4,090	6,500	0		6,500
Elections	0	1,000	0		1,000
Insurance	6,081	5,857	0		5,857
LAFCO	7,628	8,000	0		8,000
Legal/Attorney	6,184	10,000	0		10,000
Licenses/Permits	0	0	0		0
Postage	19,782	20,000	0		20,000
Professional Service	4,228	4,000	0		4,000
Tax Collection	4,923	5,300	0		5,300
Staff Training & Travel	3,218	3,000	0		3,000
Board Training & Travel	582	1,500	0		1,500
TOTAL G & A	\$69,204	\$76,357	\$0		\$76,357
CAPITAL PROJECTS & EQUIPMENT					
Structures/Improvements/Transfers	0	50,000	0		50,000
Equipment	0	0	0		0
TOTAL CAPITAL	\$0	\$50,000	\$0		\$50,000
FUNDED DEPRECIATION	15,000	15,000	0		15,000
UNFUNDED DEPRECIATION	0	0	0		0
TOTAL EXPENSE	\$549,697	\$562,879	(\$7,123)		\$555,756
TRANSFERRED TO OTHER FUNDS	(\$497,559)	(\$459,729)	\$7,123		(\$452,606)
FUND TOTAL	\$0	\$0	\$0		\$0

HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET

OPERATING INCOME	Un-Audited FYE 2018	Preliminary 18/19	Changes from Preliminary	Notes	FINAL BUDGET 2018/19
Water Fees	896,043	901,000	0		901,000
Sewer Fees	547,005	594,950	0		594,950
Hook-Up Fees	9,639	6,000	0		6,000
Turn on Fees	3,890	3,500	0		3,500
Late Fees	16,343	16,500	0		16,500
Plan Check & Inspection	0	10,000	0		10,000
Miscellaneous Income	2,126	2,000	0		2,000
TOTAL OPERATING	\$1,475,046	\$1,533,950	\$0		\$1,533,950
FRANCHISE INCOME	\$58,329				
TOTAL FRANCHISE	\$58,329	\$66,000	0		\$66,000
TOTAL OPERATING	\$1,533,374	\$1,599,950	0		\$1,599,950
NON-OPERATING INCOME					
Standby Charges	243,000	242,921	0		242,921
Property Tax	333,411	341,000	0		341,000
Interest	30,916	27,000	0		27,000
Connection Fees	96,400	70,250	0		70,250
TOTAL NON-OPERATING	\$703,727	\$681,171	\$0		\$681,171
RESERVE REVENUE					
Capital Reserves	61,797	23,000	0		23,000
General Reserves	0	50,000	0		50,000
TOTAL RESERVE	\$61,797	\$73,000	\$0		\$73,000
TOTAL NON-OPERATING	\$765,524	\$754,171	0		\$754,171
TOTAL ALL INCOME	\$2,298,898	\$2,354,121	\$0		\$2,354,121

HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET

OPERATING EXPENSES

SALARIES AND BENEFITS	Un-Audited FYE 2018	Preliminary 18/19	Changes from Preliminary	Notes	FINAL BUDGET 2018/19
Salaries	631,769	652,852	1,845	GM	654,697
Health Insurance	137,591	136,182	-15,566	PERS	120,616
Health Insurance - Retiree	83,747	62,817	-4,584		58,233
Pers Retirement	103,627	123,632	164		123,796
Standby	12,338	12,500	0		12,500
Overtime	7,264	11,500	0		11,500
Workers Comp. Ins.	18,043	22,646	29		22,675
Directors' Fees	6,450	7,000	0		7,000
Medicare/FICA	10,010	9,987	27		10,014
Car Allowance	3,000	3,000	0		3,000
SUI/ETT	1,171	1,500	0		1,500
Uniforms	2,924	3,700	100	MOU	3,800
TOTAL SALARIES & BENEFITS	\$1,017,934	\$1,047,316	-\$17,985		\$1,029,331
UTILITIES					
Electricity	240,880	242,800	0		242,800
Propane	896	900	0		900
Water Purchase	23,114	23,114	0		23,114
Telephone/Internet	10,957	11,350	480	MOU	11,830
TOTAL UTILITIES	\$275,848	\$278,164	\$480		\$278,644
MAINTENANCE & SUPPLIES					
Chemicals	53,906	68,000	0		68,000
Computer/Software	18,634	7,000	0		7,000
Equip. Rental/Lease	0	1,000	0		1,000
Fixed Equip.	95,111	85,000	0		85,000
Fuel & Oil	12,076	12,000	0		12,000
Lab Testing	22,782	24,500	0		24,500
Office Supplies	2,859	3,000	0		3,000
Parks & Recreation	794	500	0		500
Struct./Grnds.	6,368	5,000	1,500	pests/landscap	6,500
Small Tools/Equip.	4,626	3,500	0		3,500
Supplies	6,154	6,000	0		6,000
Meters/Equip.	8,835	5,000	0		5,000
Vehicles	8,169	8,500	0		8,500
TOTAL MAINT. & SUP.	\$240,314	\$229,000	\$1,500		\$230,500

HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET

GENERAL & ADMINISTRATION	Un-Audited FYE 2018	Preliminary 18/19	Changes from Preliminary	Notes	FINAL BUDGET 2018/19
Ads./Advertising	1,674	1,500	0		1,500
Alarm/Answering Service	3,622	3,275	0		3,275
Audit	6,000	6,000	0		6,000
Bank Charges/Fees	2,161	2,000	0		2,000
Consulting/Engineering	22,411	40,000	0		40,000
Dues/Subscription	8,591	12,000	0		12,000
Elections	0	1,000	0		1,000
Insurance	23,388	22,525	0		22,525
LAFCO	7,628	8,000	0		8,000
Legal/Attorney	9,441	17,000	0		17,000
Licenses/Permits	25,716	26,000	0		26,000
Plan Check & Inspection	1,738	10,000	0		10,000
Postage/Billing	19,782	20,000	0		20,000
Professional Service	13,342	16,000	0		16,000
Tax Collection	4,923	5,300	0		5,300
Staff Training & Travel	3,431	5,000	0		5,000
Board Training & Travel	582	1,500	0		1,500
TOTAL G & A	\$154,429	\$197,100	\$0		\$197,100
CAPITAL PROJECTS & EQUIPMENT					
Structures/Improvements	61,797	65,000	0		65,000
Equipment	0	8,000	0		8,000
TOTAL CAPITAL	\$61,797	\$73,000	\$0		\$73,000
DEBT					
State Loan Payment - DWR	103,628	103,629	0		103,629
State Loan Payment Phase II - SRF	58,739	58,740	0		58,740
TOTAL DEBT	\$162,367	\$162,369	\$0		\$162,369
FUNDED DEPRECIATION	\$288,000	\$288,000	0		\$288,000
UNFUNDED DEPRECIATION	\$0	\$0	\$0		\$0
TOTAL EXPENSE	\$2,200,689	\$2,274,949	-\$16,005		\$2,258,944
CONNECTION FEES TRANSFER	\$96,400	\$70,250	0		\$70,250
SOLID WASTE FEES TRANSFER	\$18,524	\$29,222	0		\$29,222
FUND TOTAL	(\$16,715)	(\$20,300)	\$16,005		(\$4,295)

HRCSD Salaries Ranges FY 2018/19

07/01/2018 Budget

Position	Range	Hourly Pay Range per Step					Longevity		
		A	B	C	D	E	10 years	15 years	20 years
Assistant General Manager	54	\$45.35	\$47.62	\$50.00	\$52.50	\$55.12	\$56.50	\$57.88	\$59.26
Operations Manager	50	\$41.11	\$43.16	\$45.32	\$47.59	\$49.96	\$51.21	\$52.46	\$53.71
Treatment Operator 3	38	\$30.68	\$32.22	\$33.83	\$35.52	\$37.29	\$38.23	\$39.16	\$40.09
Office Supervisor	37	\$29.94	\$31.43	\$33.01	\$34.66	\$36.39	\$37.30	\$38.21	\$39.12
Treatment Op. 2 / WW I - T3	35	\$28.51	\$29.93	\$31.43	\$33.00	\$34.65	\$35.52	\$36.39	\$37.25
Treatment Op. 2 / WW I - lab	35	\$28.51	\$29.93	\$31.43	\$33.00	\$34.65	\$35.52	\$36.39	\$37.25
Treatment Operator 2 / WW I	34	\$27.83	\$29.22	\$30.68	\$32.21	\$33.82	\$34.67	\$35.51	\$36.36
Treatment Op. 2	32	\$26.51	\$27.84	\$29.23	\$30.69	\$32.22	\$33.03	\$33.83	\$34.64
Treatment Op. 1 / WW I	30	\$25.25	\$26.51	\$27.83	\$29.22	\$30.69	\$31.45	\$32.22	\$32.99
Treatment Op. 1	28	\$24.04	\$25.24	\$26.51	\$27.83	\$29.22	\$29.95	\$30.68	\$31.41
Office Assistant II	28	\$24.04	\$25.24	\$26.51	\$27.83	\$29.22	\$29.95	\$30.68	\$31.41
Office Assistant I	22	\$20.77	\$21.81	\$22.90	\$24.04	\$25.24	\$25.87	\$26.50	\$27.14
Operator In Training	22	\$20.77	\$21.81	\$22.90	\$24.04	\$25.24	\$25.87	\$26.50	\$27.14
Maintenance Worker	14	\$17.09	\$17.94	\$18.84	\$19.78	\$20.77	\$21.29	\$21.81	\$22.32
Customer Service Representative III	13	\$16.67	\$17.50	\$18.38	\$19.29	\$20.26	\$20.77	\$21.27	\$21.78
Customer Service Representative II	9	\$15.12	\$15.87	\$16.67	\$17.50	\$18.37	\$18.83	\$19.29	\$19.75
Customer Service Representative I	5	\$13.71	\$14.39	\$15.11	\$15.87	\$16.66	\$17.08	\$17.50	\$17.91

General Manager Contract Annual Salary \$127,305

Budgeted 2018/19

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Scott Duffield, General Manager

DATE: July 19, 2018

SUBJECT: Submittal for approval a resolution declaring drought conditions and implementing the Emergency Water Shortage Regulations and Staged Water Use Reduction Plan.

Recommendation

It is recommended that the Board of Directors:

1. Hold a Public Hearing; and
2. At the close of the Public Hearing consider declaring drought conditions and implementing the Emergency Water Shortage Regulations and Staged Water Use Reduction Plan by adopting Resolution 18-10.

Background

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

At the April 19, 2018 meeting, your Board received a report on the reservoir as described above. The Board direction to staff was to prepare an item for the June 21st meeting for consideration of implementing the District's staged water use reduction plan.

At the June 21st meeting, your Board directed staff to prepare to implement Stage I of the District's staged water use reduction plan, and scheduled a public hearing for today to consider implementation of subsequent Stages.

Discussion

As of July, 6th the reservoir was at approximately 739 feet in elevation, 31% of capacity, or 118,000 acre feet of storage.

MCWRA Release Schedule 2018

On March 29, 2018, the MCWRA approved a release schedule for the 2018 Water Year. According to MCWRA, the schedule is consistent with the Salinas Valley Water Project National Marine Fisheries Service Biological Opinion and water rights held by MCWRA. The schedule provides releases to recharge the groundwater basin (conservation releases) and to operate the Salinas River Diversion Facility for a period between April and August. This schedule changes constantly.

The most current available MCWRA Reservoir Release Schedule for 2018 is attached. The current prediction for September 30, 2018, is that there will be approximately 52,818 acre feet of water remaining (14%, 711.5' elevation).

District Code of Ordinances Section 5.900

Section 5.900 of Chapter 5 of the District Code is known and cited as the Heritage Ranch Community Services District Emergency Water Shortage Regulations and Staged Water Use Reduction Plan (Code). The purpose and intent of this Code is to provide water shortage response procedures to minimize the effect of any existing or threatened water shortage conditions to customers. Conservation goals are based on historical average and staged conservation measures are triggered by reservoir elevation.

Water shortage conservation stages are summarized below and are also shown on the attached graphic:

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

Prediction to reach Stage I trigger is early August.

Prediction to reach Stage II is September.

The current MCWRA release schedule does not indicate reaching Stage III this calendar year. However, given the history of reservoir operations this will probably change as well. Staff will continue to monitor elevations and return to your Board for consideration of implementing Stage III as necessary.

Fiscal Implications

The fiscal impacts due to mandatory conservation measures implemented under each conservation stage would be reductions in the water and sewer funds revenue, and staff labor costs expended implementing the program.

Results

The attached resolution includes all the prohibitions associated with Stage I as established by the Code of Ordinances. The Board may consider approving the resolution to include all the prohibitions, some of the prohibitions, and/or other prohibitions.

Attachments: Resolution 18-10

MCWRA Reservoir Release Schedule_June 28, 2018

Reservoir elevations and staged water use reduction plan graphic

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 18-10**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HERITAGE RANCH
COMMUNITY SERVICES DISTRICT DECLARING DROUGHT CONDITIONS AND
IMPLEMENTING EMERGENCY WATER SHORTAGE REGULATIONS AND
STAGED WATER USE REDUCTION PLAN**

WHEREAS, the District adopted Resolution 09-07 on July 16, 2009, establishing Code of Ordinance Section 5.900, Emergency Water Shortage Regulation and Staged Water Use Reduction Plan; and

WHEREAS, Monterey County Water Resources Agency is projected to release water to the Nacimiento River at a flow of between 150 to 400 cubic feet per second (cfs) for the remainder of their 2018 water year (through September); and

WHEREAS, Monterey County Water Resources Agency is projected to release water to the Nacimiento River at a flow of 60 cubic feet per second (cfs) from October 2018, to the end of the calendar year; and

WHEREAS, these water releases will result in Nacimiento Reservoir reaching elevations that trigger implementation of Code of Ordinance Section 5.900, Emergency Water Shortage Regulation and Staged Water Use Reduction Plan; and

WHEREAS, the District intends to implement Code of Ordinance Section 5.900, Emergency Water Shortage Regulation and Staged Water Use Reduction Plan; and

WHEREAS, this Resolution is adopted to conserve a public water supply for the protection of the health, welfare, and safety of the residents of the Heritage Ranch Community Services District.

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

- 1) The Board of Directors finds that it has complied with all procedural and code requirements.
- 2) Stage II Water Conservation Measures pursuant to Code of Ordinances Section 5.900 shall apply to all customers and property served by the District within the District's Water Service Area boundaries, and shall be effective September 1, 2018.

In addition to the water conservation measures established in Stage I, upon a determination by the Board of Directors, that the Stage II condition exists, then one or more of the following prohibitions shall be considered and adopted by the Board of Directors, with the goal of achieving a minimum of fifteen percent (15%) reduction in water consumption:

- a) In addition to the regular metered water service charges under Section 3.900 of the District Code, every customer shall pay for each billing period an excess charge (fee surcharge) for water delivered in excess of the allotments established below:
- i. Group 1 – Tracts 446, 447, 452, 475, 424, 466, 474, 1094, 720, and 1990. 212 gpd/meter or 9 units of water monthly.
 - ii. Group 2 – Tracts 721 and 693. 339 gpd/meter or 14 units of water monthly.
 - iii. Group 3 – Tract 1910. 467 gpd/meter or 19 units of water monthly.
 - iv. Group 4 – Tract 1063. 892 gpd/meter or 36 units of water monthly.
 - v. Group 5 – Tract 71-217. 1,537 gpd/meter or 63 units of water monthly.
- b) Non-residential uses shall receive a water allocation using a percent reduction methodology based on the average of the previous two years of water use. Stage II will be a 15% reduction from the average use over the past two years.
- c) A fee surcharge of fifty percent (50%) per unit will be levied on all residential and non-residential water accounts that use in excess of the maximum water allotment referenced in subparagraphs (a) and (b), above.
- d) Any leak forgiveness policy that may be in effect is eliminated.
- e) All outside irrigation may only occur between the hours of 8:00 pm and 7:00 am.
- f) Potable water use for washing vehicles, boats, trailer or other types of mobile equipment and sidewalks and driveways shall be highly discouraged.
- g) District may offer incentives/rebates for the replacement of high water using appliances and plumbing fixtures.
- h) The District may notify customers via mail and signs throughout the District to alert customers of the potential drought conditions.
- i) The District may increase their efforts to inform and educate the public on water conservation methods.
- j) In addition to those measures stated above, the Board of Directors, by resolution and/or ordinance, may adopt additional water conservation measures on an urgency basis.
- k) The General Manager shall provide notice to all District customers regarding the Board of Directors declaration of water awareness condition and activation of Stage II Water Conservation Program. Such notice shall be mailed within fourteen (14) days of the Board's action. However, failure to mail the notice within this fourteen (14) day time shall not invalidate the Board's action.

- 3) Water conservation standards below shall apply to all customers and property served by the District within the District's Water Service Area boundaries, and are in effect always:
- a) The General Manager is directed to provide concentrated public education of the water use prohibitions outlined below for equity and consistency:
 - i) Outside irrigation is advised to no more than six days per week in all Tracts.
 - ii) Irrigating outdoors during and within 48 hours following measurable rainfall is prohibited.
 - iii) Irrigation with potable water outside of newly constructed homes and buildings that is inconsistent with regulations or other requirements established by the California Building Standards Commission and the Department of Housing and Community Development is prohibited.
 - iv) Washing vehicles, boats, trailers or other types of mobile equipment is highly discouraged and may only be done when the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use.
 - v) Potable water use that results in excessive water flow or runoff onto an adjoining driveway, street, gutter, ditch or green belt is prohibited.
 - vi) The use of potable water in a fountain or other decorative water feature may only occur where the water is part of a recirculating system.
 - vii) Excessive use, loss or escape of water through breaks, leaks or other malfunctions in the customers' plumbing or distribution system for any period of time after such escape of water should have reasonably been discovered and corrected and in no event more than ten days after written notification by the District, is prohibited.
 - viii) The District will pursue a vigorous public information program about water supply conditions and the need to reduce water consumption by such means deemed appropriate by the General Manager.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Heritage Ranch Community Services District on the 19th day of July 2018, by the following roll call vote.

AYES:
NOES:
ABSTAIN:
ABSENT:

APPROVED: _____
Martin Rowley, President
Board of Directors

ATTEST: _____
Kristen Gelos, Secretary
Board of Directors

MONTEREY COUNTY WATER RESOURCES AGENCY

PRELIMINARY - Estimated Elevation/Storage/NWP Diversions; after June 1st

6/28/2018

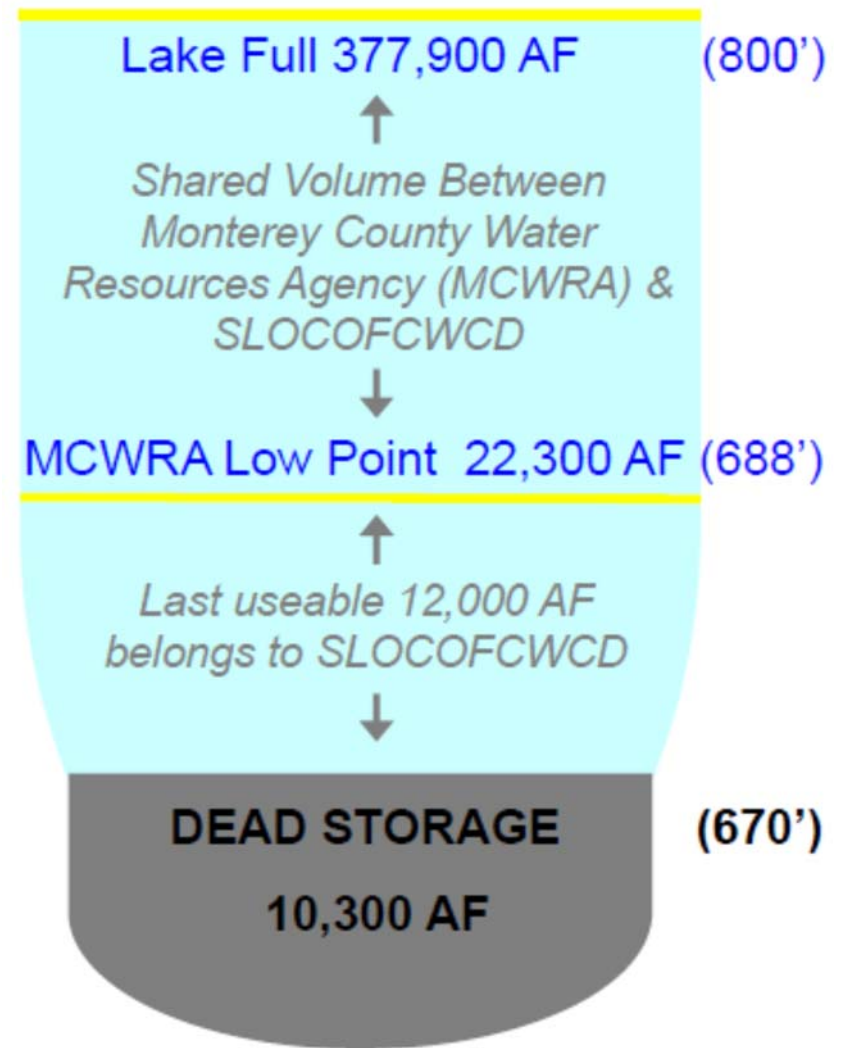
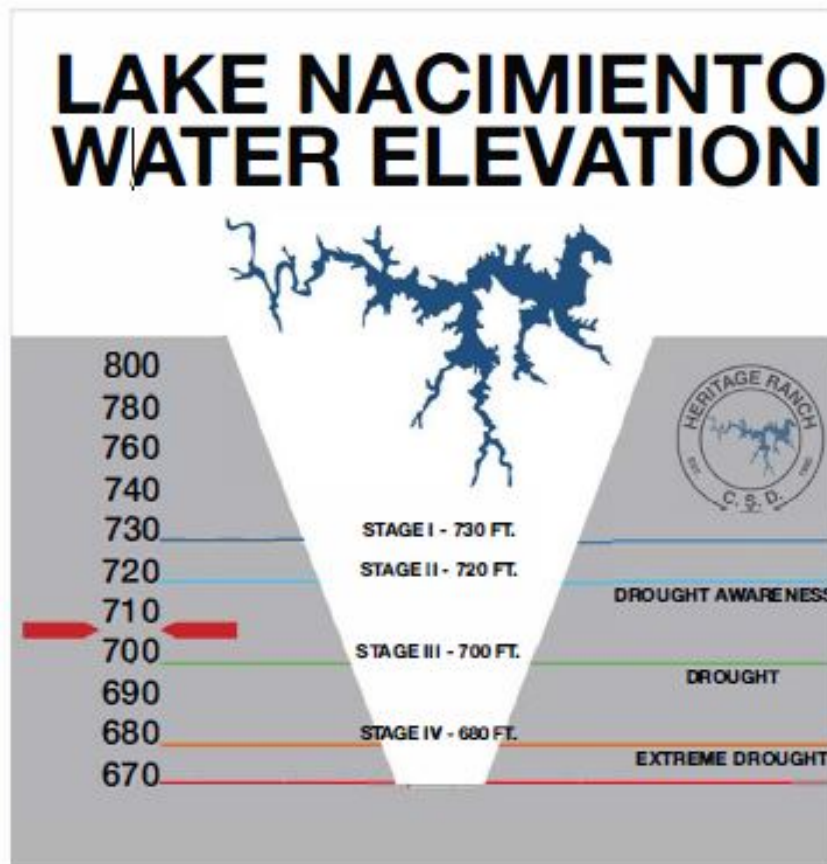
RESERVOIR RELEASE SCHEDULE FOR 2018								
	Nacimiento					San Antonio		
	Combined Releases (cfs)*	Reservoir Releases (cfs)*	NWP Diversions (ac-ft)	Storage (ac-ft)	Elev. (ft)	Reservoir Releases (cfs)*	Storage (ac-ft)	Elev. (ft)
1/1/2018				156,988	751.8		104,585	720.3
	70	60	275			10		
2/1/2018				155,435	751.3		104,708	720.4
	70	60	345			10		
3/1/2018				151,985	750.3		104,095	720.1
	233	162	504			70		
4/1/2018				209,250	765.7		113,645	723.9
	534	487	539			47		
5/1/2018				181,975	758.7		113,773	724.0
	584	439	646			145		
6/1/2018				151,813	750.3		104,585	720.3
	613	420	2,199			193		
7/1/2018				122,025	740.9		91,950	714.9
	769	345	2,235			423		
8/1/2018				96,639	731.8		64,575	700.5
	792	392	1,985			400		
9/1/2018				68,961	720.0		39,055	682.4
	459	222	1,899			237		
10/1/2018				52,818	711.5		24,429	667.6
	70	60	1,674			10		
11/1/2018				46,786	707.9		23,510	666.4
	70	60	1,024			10		
12/1/2018				41,875	704.7		22,756	665.5
	70	60	450			10		
1/1/2019				37,551	701.6		22,043	664.6

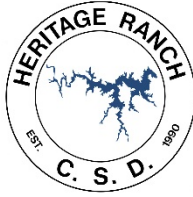
* Mean daily flow for the month in cubic feet per second.

NOTES:

1. Nacimiento Reservoir storage capacity 377,900 acre feet.
2. San Antonio Reservoir storage capacity 335,000 acre feet.
3. Reservoir Operations Committee may make release considerations for fish spawn and holiday periods to benefit recreation.
4. Shaded areas represent periods when elevations are influenced by inflow/runoff; releases may include flood control releases.
5. Preliminary Schedule assumes no inflow to reservoirs after June 1st.
6. "NWP Diversions" are San Luis Obispo County - Nacimiento Water Project conveyance facilities diversions. Max. allowable diversions for water year (Oct. 1 - Sept. 30) are 15,750 ac-ft.
7. NACIMIENTO "NWP Diversions" do not include lakeside water use which is estimated at approximately 1,750 acre feet per year.
8. NACIMIENTO "NWP Orders" after 9/1/17 are estimated and will be replaced with actual orders once they are received.

Nacimiento Reservoir Water Elevations and Heritage Ranch CSD Staged Water Use Reduction Plan





**HERITAGE RANCH COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS' REGULAR MEETING**
Minutes of June 21, 2018

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

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

Secretary Gelos called the roll. Directors Burgess and Capps were absent, all other Directors were present.

Staff present: General Manager Scott Duffield, Office Supervisor/Board Secretary Kristen Gelos, Operations Manager/AGM Jason Molinari and District Engineer Steve Tanaka.

2. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

No comments

3. PUBLIC HEARINGS

a. Submittal for approval a resolution formally initiating a basin boundary modification request for the Paso Robles Area Subbasin No. 3-004.06, to the Department of Water Resources pursuant to 23 California Code of Regulations Section 344.2: President Rowley opened the Public Hearing. Manager Duffield provided a brief summary of the item and answered any questions the Board had.

President Rowley asked if there were any public comments, there were none. President Rowley closed the Public Hearing.

Director Barker made a motion to approve resolution 18-05 Initiating a basin boundary modification request to the California Department of Water Resources. Director Cousineau seconded the motion. The motion passed by a unanimous roll-call vote:

Ayes: Directors Barker, Cousineau, Rowley

Absent: Burgess, Capps

4. DISCUSSION ITEMS

a. Request to review a draft Capacity Charge Study report and consider scheduling a public hearing for July 19, 2018, to consider adopting adjusted water and sewer system capacity charges: Manager Duffield provided a brief summary of the item and introduced Mr. Clayton Tuckfield of Tuckfield & Associates. Mr. Tuckfield gave a power point presentation to the Board and answered any questions they had.

Director Barker made a motion to approve the Capacity Charge Study upon the removal of the description Mobile Home from RV Space as well as schedule a public hearing for July 19, 2018. Director Cousineau seconded the motion. The motion passed by a unanimous voice vote.

Ayes: Directors Barker, Cousineau, Rowley

Absent: Burgess, Capps

b. Request to adopt a Preliminary FY 2018/19 Budget, and schedule a public hearing for July 19, 2018, to consider adoption of a Final FY 2018/19 Budget: Manager Duffield provided a brief summary of the item and answered any questions the Board had.

Director Cousineau made a motion to adopt the preliminary FY 2018/19 budget and schedule a public hearing for July 19, 2018 to consider adoption of the final FY 2018/19 budget. Director Barker seconded the motion. The motion passed by a unanimous voice vote.

Ayes: Directors Barker, Cousineau, Rowley
Absent: Burgess, Capps

- c. **Submittal for approval a Memorandum of Understanding between Heritage Ranch Community Services Employees Association and Heritage Ranch Community Services District:** Director Cousineau stated that the term of the new Memorandum of Understanding was now two years.

Director Cousineau made a motion to approve a Memorandum of Understanding Between Heritage Ranch Community Services Employees Association and Heritage Ranch Community Services District. Director Barker seconded the motion. The motion passed by a unanimous voice vote.

Ayes: Directors Barker, Cousineau, Rowley
Absent: Burgess, Capps

- d. **Request to receive and file a report on the status of Nacimiento Reservoir for 2018, and consider implementing Code of Ordinances Section 5.900 – Emergency Water Storage Regulations and Staged Water Use Reduction Plan:** Director Barker directed staff to prepare implementation of Stage I when the elevation trigger is met. Barker made a suggestion to include Stage II and III in one Resolution, approving implementation when future elevation triggers are met. This Resolution will be adopted at a public hearing in July.

- e. **Submittal for approval a resolution requesting consolidation of the District's biennial election with the November 6, 2018, Consolidated General Election:** Director Barker made a motion to approve Resolution 18-06 Requesting consolidation of the Districts' Biennial Election. Director Cousineau seconded the motion. The motion passed by a unanimous roll-call vote.

Ayes: Directors Barker, Cousineau, Rowley
Absent: Burgess, Capps

5. CONSENT ITEMS

- a. **Regular Meeting Minutes:** Receive/approve minutes of regular meeting of May 17, 2018.
- b. **Warrant Register:** Receive/approve May 2018 warrants.
- c. **Treasurer's Report:** Receive/file May 2018 report.
- d. **Fiscal Report:** Receive/file status report May 2018.
- e. **Manager's Report:** Receive/file May 2018 report.
- f. **Staff Reports:** Receive/file May 2018 reports.

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

Ayes: Directors Barker, Cousineau, Rowley
Absent: Burgess, Capps

Operations Manager Molinari provided a brief summary of item F (Staff Report) and answered any questions the Board had.

Director Barker made a motion to approve item F as presented. Director Cousineau seconded the motion. The motion passed by a unanimous voice vote:

Ayes: Directors Barker, Cousineau, Rowley
Absent: Burgess, Capps

6. DIRECTORS/MANAGER COMMENTS

No comments

7. RECESS TO CLOSED SESSION

The Board met in Closed Session at 5:33 pm pursuant to Government Code Section 54957.6 to discuss the annual Public Employee Personnel Evaluation of the General Manager.

8. RECONVENE TO OPEN SESSION

The Board reconvened to Open Session at 6:50 pm. The Board of Directors approved a 3.5% increase to the base salary of the General Manager.

9. ADJOURNMENT

On a motion by Director Barker and seconded by Director Cousineau, the meeting adjourned at 6:51 pm to the next scheduled meeting on Thursday, July 19, 2018 at 4:00 pm.

APPROVED:

Martin Rowley, Board President

ATTEST:

Kristen Gelos, Board Secretary

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

PACIFIC PREMIER BANK WARRANTS

DATE	NAME OF PAYEE	DESCRIPTION	AMOUNT
6/1/2018	CALPERS 457 DEFFERED COMP PROGRAM	PERS 457- DEFFERED COMP.	\$ 895.00
6/1/2018	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT	\$ 3,278.22
6/1/2018	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT TIER 2	\$ 729.34
6/1/2018	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT PEPRA	\$ 184.28
6/1/2018	CALPERS RETIREMENT SYSTEM	SURVIVOR BENEFIT	\$ 7.44
6/3/2018	CALPERS HEALTH BENEFITS	CALPERS HEALTH BENEFITS	\$ 15,011.90
6/3/2018	CALPERS HEALTH BENEFITS	EMPLOYEE HEALTH BENEFIT	\$ 500.92
6/3/2018	CALPERS HEALTH BENEFITS	EMPLOYEE HEALTH BENEFIT	\$ 500.92
6/5/2018	CALPERS FISCAL SERVICES DIVISION	OTHER POST EMPLOYMENT BENEFITS	\$ 25,000.00
6/6/2018	STAPLES CREDIT PLAN	OFFICE SUPPLIES	\$ 66.53
6/6/2018	GREAT WESTERN ALARM	ALARM / ANSWERING SERVICE	\$ 284.80
6/6/2018	USA BLUEBOOK	LAB TESTING	\$ 603.89
6/6/2018	USA BLUEBOOK	LAB TESTING	\$ 637.92
6/6/2018	TYLER TECHNOLOGIES	COMPUTER/SOFTWARE	\$ 12,801.40
6/6/2018	FGL ENVIRONMENTAL	LAB TESTING	\$ 546.00
6/6/2018	FGL ENVIRONMENTAL	LAB TESTING	\$ 81.00
6/6/2018	FGL ENVIRONMENTAL	LAB TESTING	\$ 104.00
6/6/2018	FGL ENVIRONMENTAL	LAB TESTING	\$ 384.00
6/6/2018	CORE & MAIN LP	METERS & EQUIPMENT	\$ 123.34
6/6/2018	DATA PROSE LLC	APRIL BILLING	\$ 1,085.94
6/6/2018	SCOTT DUFFIELD	MEDICAL REIMBURSEMENTS	\$ 130.00
6/6/2018	CAPPS CONST.	HYDRANT CREDIT	\$ 9.36
6/8/2018	R. BRINK	NET PAYROLL	\$ 2,359.34
6/8/2018	H. SPEER	NET PAYROLL	\$ 1,960.24
6/8/2018	J. MOLINARI	NET PAYROLL	\$ 2,758.19
6/8/2018	R. ARNOLD	NET PAYROLL	\$ 1,981.87
6/8/2018	J. PRITCHETT	NET PAYROLL	\$ 2,401.13
6/8/2018	K. GELOS	NET PAYROLL	\$ 2,159.45
6/8/2018	S. DUFFIELD	NET PAYROLL	\$ 3,351.88
6/8/2018	S. BRENNEMAN	NET PAYROLL	\$ 1,231.91
6/11/2018	CITY OF PASO ROBLES	PASO ROBLES BASIN GSP	\$ 1,090.28
6/12/2018	INTERNAL REVENUE SERVICE	FEDERAL WITHHOLDING TAXES	\$ 2,400.99
6/12/2018	INTERNAL REVENUE SERVICE	MEDICARE	\$ 735.32
6/12/2018	EDD	SDI	\$ 253.56
6/12/2018	EDD	STATE WITHHOLDING	\$ 875.13
6/15/2018	CALPERS 457 DEFFERED COMP PROGRAM	PERS 457- DEFFERED COMP.	\$ 895.00
6/15/2018	CALPERS RETIREMENT SYSTEM	EMPLOYER'S CONTRIBUTION	\$ 22.64
6/15/2018	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT	\$ 3,278.22
6/15/2018	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT TIER 2	\$ 729.34
6/15/2018	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT PEPRA	\$ 147.42
6/15/2018	CALPERS RETIREMENT SYSTEM	SURVIVOR BENEFIT	\$ 7.44
6/18/2018	WALLACE GROUP	CONSULTING & ENGINEERINGS	\$ 1,544.39
6/18/2018	WALLACE GROUP	CONSULTING & ENGINEERINGS	\$ 1,482.50

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

DATE	NAME OF PAYEE	DESCRIPTION	AMOUNT
6/18/2018	RYAN BRINK	CELL PHONE/INTERNET ALLOWANCE	\$ 80.00
6/18/2018	THE TRIBUNE	ADVERTISING	\$ 108.90
6/18/2018	THE TRIBUNE	ADVERTISING	\$ 217.80
6/18/2018	CRYSTAL SPRINGS WATER	LAB TESTING	\$ 9.74
6/18/2018	PG&E	ELECTRICITY	\$ 17,967.10
6/18/2018	KRITZ EXCAVATING & TRUCKING	MAINTENANCE FIXED EQUIPMENT	\$ 1,080.24
6/18/2018	BRENNTAG PACIFIC INC	CHEMICALS	\$ 2,589.07
6/18/2018	BRENNTAG PACIFIC INC	CHEMICALS	\$ 3,610.23
6/18/2018	FGL ENVIRONMENTAL	LAB TESTING	\$ 100.00
6/18/2018	HEATHER SPEER	CELL PHONE/INTERNET ALLOWANCE	\$ 80.00
6/18/2018	JASON MOLINARI	MEDICAL REIMBURSEMENTS	\$ 230.00
6/18/2018	JASON MOLINARI	CELL PHONE/INTERNET ALLOWANCE	\$ 80.00
6/18/2018	ROY ARNOLD	CELL PHONE/INTERNET ALLOWANCE	\$ 80.00
6/18/2018	ROY ARNOLD	TRAINING & TRAVEL	\$ 19.68
6/18/2018	DELTA LIQUID ENERGY	PROPANE SERVICE AGREEMENT	\$ 50.00
6/18/2018	DELTA LIQUID ENERGY	PROPANE SERVICE AGREEMENT	\$ 50.00
6/18/2018	LAHR ELECTRIC MOTORS INC	MAINTENANCE FIXED EQUIPMENT	\$ 2,995.78
6/18/2018	FLUID RESOURCE MANAGEMENT	PROFESSIONAL SERVICES	\$ 285.00
6/18/2018	ABALONE COAST ANALYTICAL INC.	LAB TESTING	\$ 772.00
6/18/2018	U.S. BANK	COMPUTER SOFTWARE	\$ 56.40
6/18/2018	U.S. BANK	OFFICE SUPPLIES	\$ 96.79
6/18/2018	U.S. BANK	COMPUTER SOFTWARE	\$ 499.00
6/18/2018	U.S. BANK	TRAINING & TRAVEL	\$ 500.00
6/18/2018	U.S. BANK	TRAINING & TRAVEL	\$ 24.22
6/18/2018	U.S. BANK	SMALL TOOLS & EQUIPMENT	\$ 256.08
6/18/2018	U.S. BANK	VEHICLES	\$ 42.87
6/18/2018	JAMES A. PRITCHETT	CELL PHONE/INTERNET ALLOWANCE	\$ 80.00
6/18/2018	TUCKFIELD & ASSOCIATES	CAPACITY FEE STUDY	\$ 641.25
6/18/2018	CORE & MAIN LP	MAINTENANCE FIXED EQUIPMENT	\$ 244.53
6/18/2018	SHORE-TEK INC	SMALL TOOLS & EQUIPMENT	\$ 25.00
6/18/2018	BURT INDUSTRIAL SUPPLY	SMALL TOOLS & EQUIPMENT	\$ 317.86
6/18/2018	SCOTT DUFFIELD	CELL PHONE/INTERNET ALLOWANCE	\$ 40.00
6/18/2018	GSI WATER SOLUTIONS INC.	BASIN BOUNDARY MOD. REQUEST	\$ 1,666.25
6/18/2018	SWRCB	LICENSES & PERMITS	\$ 90.00
6/20/2018	AT&T	TELEPHON/INTERNET	\$ 153.81
6/21/2018	J.B. DEWAR. INC.	FUEL & OIL	\$ 948.49
6/22/2018	R. BRINK	NET PAYROLL	\$ 2,170.19
6/22/2018	H. SPEER	NET PAYROLL	\$ 1,936.72
6/22/2018	J. MOLINARI	NET PAYROLL	\$ 2,818.97
6/22/2018	R. ARNOLD	NET PAYROLL	\$ 2,034.98
6/22/2018	J. PRITCHETT	NET PAYROLL	\$ 1,951.42
6/22/2018	K. GELOS	NET PAYROLL	\$ 2,159.46
6/22/2018	B. BARKER	NET PAYROLL	\$ 92.35
6/22/2018	R. COUSINEAU	NET PAYROLL	\$ 92.35
6/22/2018	S. DUFFIELD	NET PAYROLL	\$ 3,518.75

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

DATE	NAME OF PAYEE	DESCRIPTION	AMOUNT
6/22/2018	S. BRENNEMAN	NET PAYROLL	\$ 1,456.76
6/23/2018	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT U/L	\$ 3,780.06
6/23/2018	CHARTER COMMUNICATIONS	INTERNET	\$ 79.99
6/26/2018	INTERNAL REVENUE SERVICE	FEDERAL WITHHOLDING TAXES	\$ 2,415.83
6/26/2018	INTERNAL REVENUE SERVICE	FICA WITHIHOLDING	\$ 24.80
6/26/2018	INTERNAL REVENUE SERVICE	MEDICARE	\$ 737.24
6/26/2018	EDD	SDI	\$ 252.21
6/26/2018	EDD	STATE WITHHOLDING	\$ 869.86
6/28/2018	AT&T	TELEPHONE & INTERNET	\$ 244.21
6/29/2018	CALPERS 457 DEFFERED COMP PROGRAM	PERS 457- DEFFERED COMP.	\$ 895.00
6/29/2018	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT	\$ 3,274.10
6/29/2018	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT TIER 2	\$ 729.34
6/29/2018	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT PEPRA	\$ 184.28
6/29/2018	CALPERS RETIREMENT SYSTEM	SURVIVOR BENEFIT	\$ 7.44
GRAND TOTAL FOR ALL WARRANTS			\$ 162,446.84

**Heritage Ranch Community Services District
Treasurer's Report
June 2018**

SUMMARY REPORT OF ALL ACCOUNTS

Beginning Balance:	\$	3,244,809.25
Ending Balance:	\$	3,199,067.42
Difference:	\$	(45,741.83)
Interest Earnings for the Month Reported:	\$	82.97
Interest Earnings Fiscal Year-to-Date:	\$	30,916.45

ANALYSIS OF REVENUES

Interest earnings for the month for the Heritage Oaks account was \$2.97
Pacific Premier Reserve Account Interest was \$70.23
Total operating income for water and sewer was \$129,653
Franchise fees paid to the District by San Miguel Garbage Company totaled \$5,589
Late Fees collected were \$1,604
Turn-On Fees collected totaled \$450

ACH fees and merchant fees for utility credit card payments totaled \$176

ANALYSIS OF EXPENSES

Pacific Premier Bank total warrants and Electronic Fund Transfers totaled \$178,358

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
June 2018

BEGINNING BALANCE ALL ACCOUNTS **\$ 3,244,809.25**

OPERATING CASH IN DRAWER **\$300.00**

PACIFIC PREMIER BANK - CHECKING

BEGINNING BALANCE 5/31/2018	\$105,613.16	
DEPOSIT REVENUE & MISCELLANEOUS INCOME	\$147,217.41	
TOTAL CHECKS, FEES AND EFT'S	(\$178,357.93)	
TRANSFER TO LAIF ACCOUNT	\$0.00	
INTEREST EARNED	\$2.97	
ENDING BALANCE 6/30/2018		\$74,475.61

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

LOAN SERVICES ACCOUNT

BEGINNING BALANCE 5/31/2018	\$55.36	
QUARTERLY DEPOSIT	\$0.00	
SEMI-ANNUAL PAYMENT	\$0.00	
INTEREST EARNED	\$0.03	
ENDING BALANCE 6/30/2018		\$55.39

PACIFIC PREMIER BANK DWR RESERVE ACCOUNT

BEGINNING BALANCE 5/31/2018	\$112,595.40	
INTEREST EARNED	\$70.20	
ENDING BALANCE 6/30/2018		\$112,665.60

LOCAL AGENCY INVESTMENT FUND (LAIF)

BEGINNING BALANCE 5/31/2018	\$3,011,839.20	
INTEREST EARNED	\$0.00	
TRANSFER FROM PACIFIC PREMIER CHECKING	\$0.00	
TRANSFER TO PACIFIC PREMIER CHECKING	\$0.00	
ENDING BALANCE 6/30/2018		\$3,011,839.20

PACIFIC PREMIER BANK SDWSRF LOAN SERVICES ACCOUNT

BEGINNING BALANCE 5/31/2018	\$14,706.13	
QUARTERLY DEPOSIT	\$14,685.00	
INTEREST EARNED	\$9.77	
SEMI-ANNUAL PAYMENT	(\$29,369.28)	
ENDING BALANCE 6/30/2018		\$31.62

ENDING BALANCE ALL ACCOUNTS		\$3,199,067.42
DIFFERENCE FROM LAST MONTH	Decrease	(\$45,741.83)

HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2017/18 Budget

OPERATING INCOME	Fiscal Year 17/18	June 2018	Actual YTD Year to Date	Percentage Year to Date
Water Fees	850,000	79,449	896,043	105%
Sewer Fees	550,000	47,409	547,005	99%
Hook-Up Fees	3,700	600	9,639	261%
Turn on Fees	4,200	450	3,890	93%
Late Fees	16,500	1,604	16,343	99%
Plan Check & Inspection	10,000	0	0	0%
Miscellaneous Income	2,500	141	2,126	85%
TOTAL OPERATING INCOME	\$1,436,900	\$129,653	\$1,475,046	103%

FRANCHISE INCOME

Solid Waste Franchise Fees	46,000	5,589	58,329	127%
TOTAL FRANCHISE REVENUE	\$46,000	\$5,589	\$58,329	127%

NON-OPERATING INCOME

Standby Charges	243,550	2,168	243,000	100%
Property Tax	320,000	3,067	333,411	104%
Interest	15,000	83	30,916	206%
Connection Fees	23,165	6,925	96,400	416%
TOTAL NON-OPERATING INCOME	\$601,715	\$12,242	\$703,727	117%

RESERVE REVENUE

Capital Reserves	65,947	4,360	61,797	94%
General Reserves	0	0	0	0%
TOTAL RESERVE REVENUE	\$65,947	\$4,360	\$61,797	94%

TOTAL ALL INCOME	\$2,150,562	\$151,844	\$2,298,898	107%
-------------------------	--------------------	------------------	--------------------	-------------

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2017/18 Budget**

OPERATING EXPENSES

SALARIES AND BENEFITS	Fiscal Year 17/18	June 2018	Actual YTD Year to Date	Percentage Year to Date
Salaries	631,600	48,236	631,769	100%
Health Insurance	139,700	10,947	137,591	98%
Health Insurance - Retiree	63,000	30,125	83,747	133%
PERS	99,000	10,749	103,627	105%
Standby	12,500	927	12,338	99%
Overtime	11,500	611	7,264	63%
Workers Comp. Ins.	18,500	0	18,043	98%
Directors' Fees	6,500	200	6,450	99%
Medicare/FICA	9,700	749	10,010	103%
Car Allowance	4,200	250	3,000	71%
SUI/ETT	1,500	0	1,171	78%
Uniforms	3,700	0	2,924	79%
TOTAL SALARIES & BENEFITS	\$1,001,400	\$102,793	\$1,017,934	102%

UTILITIES

Electricity	219,300	40,702	240,880	110%
Propane	800	100	896	112%
Water Purchase	23,114	0	23,114	100%
Telephone/Internet	11,900	918	10,957	92%
TOTAL UTILITIES EXPENSE	\$255,114	\$41,720	\$275,848	108%

MAINTENANCE & SUPPLIES

Chemicals	75,000	6,199	53,906	72%
Computer/Software	14,000	14,551	18,634	133%
Equip. Rental/Lease	500	0	0	0%
Fixed Equip.	60,000	21,158	95,111	159%
Fuel & Oil	11,500	948	12,076	105%
Lab Testing	21,500	3,549	22,782	106%
Office Supplies	2,000	363	2,859	143%
Parks & Recreation	400	0	794	199%
Struct./Grnds.	3,500	0	6,368	182%
Small Tools/Equip.	3,500	599	4,626	132%
Supplies	5,000	0	6,154	123%
Meters/Equip.	4,500	123	8,835	196%
Vehicles	7,500	43	8,169	109%
TOTAL MAINT. & SUPPLY EXPENSE	\$208,900	\$47,534	\$240,314	115%

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET
2017/18 Budget**

GENERAL & ADMINISTRATION	Fiscal Year 17/18	June 2018	Actual YTD Year to Date	Percentage Year to Date
Ads./Advertising	1,500	327	1,674	112%
Alarm/Answering Service	3,100	569	3,622	117%
Audit	6,000	0	6,000	100%
Bank Charges/Fees	1,500	176	2,161	144%
Consulting/Engineering	30,000	3,027	22,411	75%
Dues/Subscription	12,000	0	8,591	72%
Elections	0	0	0	0%
Insurance	21,250	0	23,388	110%
LAFCO	8,500	0	7,628	90%
Legal/Attorney	16,000	0	9,441	59%
Licenses/Permits	20,000	90	25,716	129%
Plan Check & Inspection	10,000	0	1,738	0%
Postage/Billing	20,000	1,086	19,782	99%
Professional Service	6,500	1,785	13,342	205%
Tax Collection	5,100	0	4,923	97%
Staff Training & Travel	3,800	544	3,431	90%
Board Training & Travel	1,500	0	582	39%
TOTAL G & A	\$166,750	\$7,603	\$154,429	93%

CAPITAL PROJECTS & EQUIPMENT

Structures/Improvements	65,947	4,360	61,797	94%
Equipment	0	0	0	0%
TOTAL CAPITAL EXPENSE	\$65,947	4,360	61,797	94%

DEBT

State Loan Payment	103,500	0	103,628	100%
State Loan Payment Phase II	65,250	29,369	58,739	90%
TOTAL DEBT	\$168,750	\$29,369	\$162,367	

FUNDED DEPRECIATION	\$288,000	\$24,000	\$288,000	100%
UNFUNDED DEPRECIATION	\$0	\$0	\$0	0%

TOTAL EXPENSE	\$2,154,861	\$257,381	\$2,200,689	102%
CONNECTION FEES TRANSFER	\$23,165	\$6,925	\$96,400	416%
SOLID WASTE FEES TRANSFER	\$8,616	-\$262	\$18,524	
FUND TOTAL	(\$36,080)	(\$112,200)	(\$16,715)	

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

Manager Report For July 2018

SGMA Updates

Basin Boundary Modification Request

At the June 21, 2018 meeting, your Board adopted a resolution formally initiating submittal of a Basin Boundary Modification Request (BBMR). The BBMR was successfully uploaded to the Department of Water Resources (DWR) website portal, and was deemed to be “Completed” on June 27th.

Once the BBMR is deemed to be completed, there is a 30-day public comment period. Any public comment must be submitted by written notice to the DWR within the 30-day period, and a duplicate copy of any such comments must be provided to the requesting agency. The DWR will post all public comments on their website. The public comment period for our BBMR closes July 27, 2018, at 11:59:59 p.m. The DWR will also give the requesting agency a “reasonable opportunity” to respond to public comments, including the opportunity to modify the BBMR. To date there have been no public comments.

In addition to uploading the BBMR, I learned that on or about June 20th, the DWR extended the deadline to submit a BBMR through July 31, 2018. Previously, the deadline was June 30th. According to the DWR website, Final Basin Boundary Modifications will not be released until “Fall / Winter 2018”. I have reached out to the BBMR Program Manager at DWR to confirm their review process so we may have some indication of what to expect. Meantime, we will continue to partner with the other GSAs on development of a Groundwater Sustainability Plan (GSP).

GSP

The Manager attended regular GSAs staff team meetings regarding the development of the GSP. The intent of these meetings is to provide the GSP consultant team with information and feedback for GSP development, prepare for Cooperative Committee meetings, and follow up and actions from previous Cooperative Committee meetings.

The next Cooperative Committee meeting is scheduled for July 25, 2018, 4:00 – 6:00 p.m., at the City of Paso Robles, Counsel Chambers. The public is invited and encouraged to attend the Cooperative Committee meetings.

The schedule of meetings can be accessed via the websites below:

<http://www.heritageranchcsd.com/sgma.html>

<http://www.pasogcp.com>

* * *

Operations Report

June 2018

Water Treatment:

16.3 Million gallons of water was treated.

The Division of Drinking Water requires the District to collect six bacteriological samples from the water distribution system each month. The six samples are taken at dedicated sample stations and are representative of water being delivered to customers. The samples are analyzed for total coliform within 24 hours of being collected. Total coliform is used as a generic indicator for bacteria that are found in the soil, in water that has been influenced by surface water, and in human or animal waste. If a coliform test result shows a presence of total coliform, the sample is then analyzed for E. coli. If a sample comes back positive for total coliform or E. coli, the water supplier must take three, repeat samples within 24 hours.

On June 27, the District was notified that the sample taken on the previous day was positive for total coliform and negative for E. coli. Staff immediately took the required three, repeat samples. One sample was collected from the original sample site, as well as, upstream and downstream of the original sample site. All repeat samples came back absent for any bacteria. Many utilities deal with positive bacteriological results monthly and face violations and fines. Over the past twelve years, the District has collected over 800 samples with only three, positive sample results. All three positive samples were negative for E. coli. The three positive results required repeat samples which were absent for bacteria. Since the repeat samples were all absent, the District did not receive any fines or violations.

It is difficult to pin point the cause of coliform contamination. Coliforms are abundantly present in the environment and can contaminate a sample bottle by simply opening the cap and allowing air to enter the sample bottle. The sample bottle itself could not have been properly sterilized, the laboratory analyzing the sample could have introduced contamination or the sample could have been improperly collected. To minimize the chance of contamination, staff is being reminded of proper sampling techniques.

These techniques include:

- Checking the sample bottle for integrity and that the seal is in place
- Wearing nitrile gloves while taking the sample
- Observing weather conditions when taking sample-do not take if windy or raining
- Cleaning sample tap before collecting sample
- When collecting sample, keep sample bottle away from clothing and other objects

Wastewater Treatment:

3.2 Million gallons of wastewater was treated.

Staff is continually working on the Time Schedule Order (TSO). The TSO is an order from the State Water Resources Control Board (SWRCB) allowing the District five years to come into compliance for copper, nitrate and unionized ammonia. The District has struggled with these three limitations over the last six years. The TSO allows for a specific timeframe for the District to sample and make process adjustments to try and reduce copper and balance ammonia and nitrate levels. Limitations for copper, ammonia and nitrate were increased over the five-year term of the TSO to allow the District to make operational changes without fear of violating a limitation and being fined.

Staff is following an in depth sampling plan and analyzing results as they become available. Based on sample results, staff adjusts the treatment process and records changes. The first quarterly report to the SWRCB is due on August 1st. The report will be very comprehensive listing; sample results, process changes, analysis of sample results and actions implemented toward achieving compliance.

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

Water & Sewer

On June 1st, we processed 1,875 bills for a total dollar amount of \$125,174 for water and sewer user fees for the month of May. The number of Automatic Drafts processed was 425 for a total dollar amount of \$27,638. On June 26th we processed 250 Late Notices. On July 9th we processed seventy-eight 48 hour notices, locking 5 meters on July 11th.

San Miguel Garbage Franchise Fees

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

Month of May

Garbage Collection (10%) - \$ 5,415.05

Roll-Off Collection (10%) - \$ 173.59

Total Franchise Fees Collected - \$ 5,588.64