

# HERITAGE RANCH COMMUNITY SERVICES DISTRICT

## MEMORANDUM

**TO:** Board of Directors

**FROM:** Scott Duffield, General Manager

**DATE:** October 17, 2019

**SUBJECT:** Request to receive and file a letter from the Heritage Ranch Owners Association Board of Directors regarding the use of District property for their proposed new administrative office building, and provide direction to staff.

### **Recommendation**

It is recommended that the Board of Directors receive and file a letter from the Heritage Ranch Owners Association Board of Directors (HROA) regarding the use of District property for their proposed new administrative office building (Attachment A), and provide direction to staff.

### **Background**

The concept of having the HROA office near the District office and other community facilities is not new. The Manager understands the most recent request prior to this one was heard by your Board on April 16, 2015.

Below is an excerpt from that staff report listing several facts:

*“The District has a history of providing property for a public purpose to agencies including the following:*

- *Senior Center: The District provided a ground lease to the Heritage Village Senior Association on October 1, 1996, with a fifty-year term. The Senior Association built and owns the building and funds all cost of operations.*
- *Cal Fire Station 13. The District deeded .7 acres of land to San Luis Obispo County in 2001 to build and operate a fire station.*
- *SLO County Integrated Waste Management Authority (IWMA): A Memorandum of Understanding between IWMA and HRCSD was approved in 2002 for the placement and operation of the Household Hazardous Waste site with a 20 year term. IWMA funds the removal of waste, HRCSD operates the site.*

- *When the HRCSD was formed in 1990 a double wide trailer was leased and used as our first office until a permanent office could be built. When planning for a new office began the HRCSD Board offered the HROA Board the concept of partnering in construction. The concept at the time was for a "U" shaped building with HROA occupying one leg, HRCSD in the other, with shared facilities (meeting room, restrooms, kitchen, and storage). The idea was for "one-stop shopping" for the community. The HRCSD Board embraced the idea but HROA did not. The HRCSD built its current office in 1992. HROA remained at their office located by the marina."*

At the April 16, 2015, your Board voted 3-0 "to re-visit this item after the HROA Planning Committee brings forward a Master Plan."

The staff report and meeting minutes from the April 16, 2015 meeting are included as Attachment B.

### **Discussion**

The Manager does not know if a Master Plan as described above was developed by the HROA, or if one exists. A vicinity map of the District property and proposed HROA office potential location is provided as Attachment C.

Some challenges that were identified in 2015 remain today. In summary those challenges are:

- Available Land. The District would need to determine if land is available. The Manager believes that the suggested potential location on District land could be conducive to the proposed HROA office building; however, that should be vetted out in conjunction with development of a lease agreement and other factors.
- Land Use and Permitting. The HROA would need to investigate what is allowed on the property by the County Planning & Building Department, such as zoning requirements, permit requirements, required improvements to the District's existing buildings and/or property, etc.
- Lease Agreement. A lease agreement would need to be developed to be approved by your Board, and the HROA Board.
- Cost. Any and all costs associated with the proposed HROA office would be the responsibility of the HROA. The District can only use our enterprise funds for the intended purposes, in our case that's water and sewer services.

Some potential opportunities were also identified in 2015:

- Community Services Planning. Locating community services in a centralized area may facilitate the business activities of the residents and service providers. If the proposed HROA office were to be located on the District office property, it would

be next to or near the District office and operation yard, the Household Hazardous Waste collection facility, the Don Everingham Center, and the CalFIRE station.

- Emergency Planning. The centralized location should provide for increased services and response to major incidents.

Nothing regarding the proposed HROA office has been approved by the District to date. Further, today's request is not for approval of anything either. It is an item to receive and file, and provide direction to staff.

### **Fiscal Considerations**

There is minimal cost associated with the Manager continuing discussions with HROA. If a lease agreement is pursued, then there will be costs for District Counsel and District Engineer at a minimum, which could be managed with a reimbursement agreement.

### **Results**

Discussion and direction from your Board will provide for the continued efficient operation of the District.

Attachments: Attachment A – Letter from HROA Board of Directors  
Attachment B – April 16, 2015 meeting staff report and minutes  
Attachment C – Vicinity Map

File: HROA

Attachment A - 10/17/19 BOD



PHONE: (805) 238 9641  
FAX: (805) 238 3430  
GATE HOUSE: (805) 227 6560

3945 HERITAGE ROAD  
LAKE NACIMIENTO  
PASO ROBLES CA 93446

October 8, 2019

Heritage Ranch Community Services District  
Board of Directors  
4870 Heritage Road  
Paso Robles, California 93446

Dear Heritage Ranch CSD Board members,

Please let this letter serve as a formal request from the Heritage Ranch Owners Association (HROA) Board of Directors to the Heritage Ranch Community Services District (HRCSD) Board of Directors to consider a possible long-term lease of the empty fenced lot/land located on Heritage Road immediately in-between the HRCSD Maintenance Yard area and the Cal Fire Station (APN 012-181-085). Please be advised that HROA's sole intention for this proposed empty lot of land is to build a new 3,500sf main office and parking lot area for use by all HROA employees, as well as the full membership of the HROA community. This proposed new main office building would replace the current HROA main office building located close to the HROA Marina area, in the campground parking lot. Please see the preliminary new HROA main office site plan attached, as prepared for HROA by KMN Architect.

This requested, proposed new HROA main office site immediately next to the Cal Fire station is just one of the options that HROA is considering at this time for a new office site. HROA is considering this particular site due to the convenience and centrality of the location within the community as a whole, as well as creating a campus environment for all services for the community.

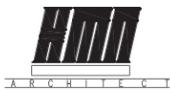
If you have any questions or require additional information at this time, please feel free to contact HROA at 805-238-9641, or via email at [directors@hroa.us](mailto:directors@hroa.us). Thank you in advance for your consideration.

Sincerely,

The Board of Directors  
Heritage Ranch Owners Association

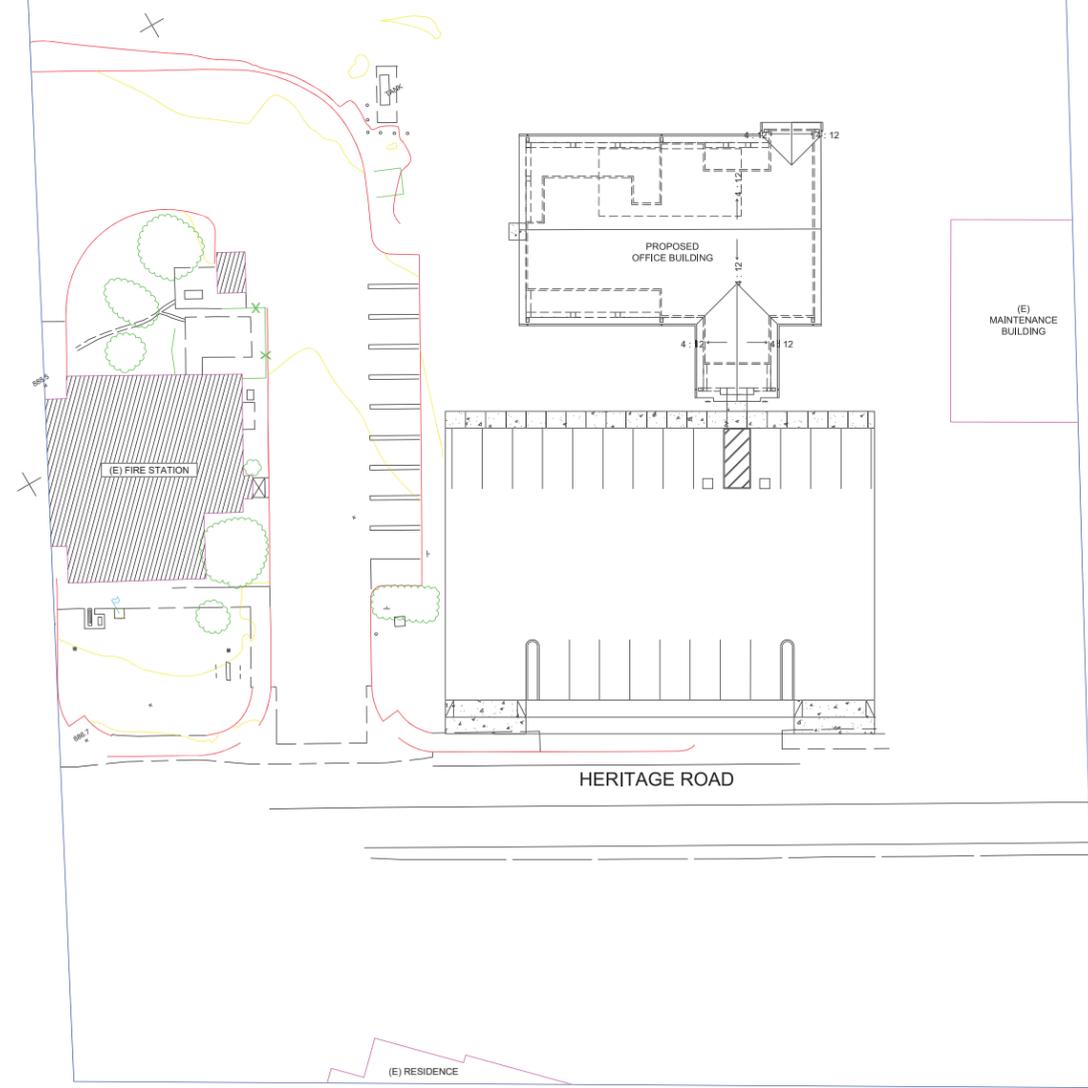
Attachment: HROA Proposed New Office Preliminary Site Plan (APN 012-181-085)

**SITE PLAN CALLOUTS**



• ARCHITECTURE •  
• GRAPHICS •  
• DESIGN •  
**KEN M. NAGAHARA**  
Principal  
Ph. (805) 610-7006  
610 10th Street, Suite A  
Paso Robles, Ca. 93446  
email:  
kmmarchitect@aol.com

PLAN PREPARED FOR:  
**HERITAGE RANCH OWNER ASSOCIATION**  
\_\_\_\_\_ HERITAGE ROAD



**SITE PLAN**  
SCALE: 1" = 20'-0"

REVISION LOG

REV.	DESCRIPTION	DATE

These drawings are the exclusive property of KMN Architect and shall be used solely for the purpose of this project on this site. Any use other than the project upon which it is intended for without the written consent of KMN Architect and Ken M. Nagahara is prohibited.

PROJECT NO.  
FILE NAME: BASEPLANDWG  
DRAWN BY: KMN  
DATE  
SHEET TITLE:

**SITE PLAN**

SHEET NUMBER:  
**A-1**

D:\Documents\KMN\Architect\Drawings\Heritage\SitePlan.dwg, 11/20/08 11:02:07 AM

*HERITAGE RANCH COMMUNITY SERVICES DISTRICT*

**MEMORANDUM**

**TO:** Board of Directors  
**FROM:** John D'Ornellas, General Manager  
**DATE:** April 16, 2015  
**SUBJECT:** Use of HRCSD Property for HROA Office

**Recommendation**

- Review request from the HROA Planning Committee for use of HRCSD land for a new HROA office.
- Consider conceptual approval of the concept of leasing land to HROA for an office space on HRCSD property in the vicinity of the current HRCSD office and Cal Fire Station 13.

**Policy Impact**

None exist on this specific matter.

**Fiscal Impact**

Continuing discussion with HROA will have minimal cost. If a lease agreement is pursued legal cost by the District will be incurred.

**Background**

The District has a history of providing property for a public purpose to agencies including the following:

- Senior Center: The District provided a ground lease to the Heritage Village Senior Association on October 1, 1996, with a fifty year term. The Senior Association built and owns the building and funds all cost of operations.
- Cal Fire Station 13. The District deeded .7 acres of land to San Luis Obispo County in 2001 to build and operate a fire station.
- SLO County Integrated Waste Management Authority (IWMA): A Memorandum of Understanding between IWMA and HRCSD was approved in 2002 for the placement and operation of the Household Hazardous Waste site with a 20 year term. IWMA funds the removal of waste, HRCSD operates the site.
- When the HRCSD was formed in 1990 a double wide trailer was leased and used as our first office until a permanent office could be built. When planning for a new office began the HRCSD Board offered the HROA Board the concept of partnering in construction. The concept at the time was for a "U" shaped building

## Attachment B - 10/17/19 BOD

with HROA occupying one leg, HRCSD in the other, with shared facilities (meeting room, restrooms, kitchen, and storage). The idea was for "one-stop shopping" for the community. The HRCSD Board embraced the idea but HROA did not. The HRCSD built its current office in 1992. HROA remained at their office located by the marina.

### Discussion

The HROA Planning Committee's request for use of HRCSD land to locate a new HROA office makes sense on a long range planning standpoint. Every week, residents come to the HRCSD office to take care of HROA business (pay dues, AEC items) or simply ask questions or request services that are the mission of the HROA not the HRCSD. Both office regularly exchange customer payments that are made to the wrong office (i.e. water/sewer payments at the HROA office or dues paid at the HRCSD office).

Locating Heritage Ranch services (HRCSD, HROA, Cal Fire, and Senior Center) close to each other is good planning. All these buildings/organizations will be working together during a major incident at HR and thus having everyone in close proximity just makes sense. However, there are a number of challenges to actually proceed past the concept stage and actually place an HROA office at the parcel that currently includes the HRCSD office/maintenance shop, sewer treatment plant, Cal Fire station 13, and Senior Center:

1. Cost. All cost for a new office would be the responsibility of the HROA. All HRCSD capital improvement money is dedicated to the water and sewer funds.
2. Zoning. Our current parcel is zoned "Public Facilities" that is a pretty broad zoning definition. County Planning and Building will determine if an office for a homeowner's association fits into this zoning.
3. Available Land. The HRCSD must determine that it has available land and that it will not need the land for any future use (sewer treatment expansion, solar, etc.) before providing land to the HROA.
4. Agreement. The HRCSD must either lease land or deed land to the HROA for their office. There are advantages and disadvantages to both of these property options.

The Manager met with two HROA Planning Committee members, Bernadette Foti and Phil Swanson to discuss the concept of locating an HROA office on HRCSD land. We discussed the history of this idea and the planning items detailed above. Several locations were looked at. The land that once occupied the gas station was thought to be the highest and best use of this vacant section of the HRCSD property.

The request today is not to approve any lease or specify any land area but rather to request your Board's approval to continue the discussion on the matter. A lot must be done in the planning process and most of this work will be done by the HROA.

Attachment: HROA Planning Committee Letter

## Attachment B - 10/17/19 BOD

To: CSD/BOD; John D'Ornellas, GM

From: HROA Planning Committee

Date: March 24, 2015

RE: Consideration for a long-term lease from CSD

The Heritage Ranch Community Service District has a tradition of assisting the community of Heritage Ranch. It has been a strong supporter of the Emergency Service Committee, the Seniors, and the dock project.

Heritage Ranch Seniors have enjoyed the great benefit of a long-term lease for their Senior Center, which serves as a meeting place and a social center. It is ideally located next to the CSD and Cal Fire, Station 33.

The HROA Office, an outdated, remotely located, mobile home, is in dire need of expansion to meet the needs of current residents, as well as, room for new growth. The community has yet to meet its full build out potential, but there are plans in the works. The current office cannot possibly meet the needs of an additional 800 homeowners to the Heritage Ranch Community.

The Planning Committee petitions the CSD Board of Directors to consider exploring the possibility of a long-term lease for office space for the Heritage Ranch Owner's Association. A long-term lease could allow the Association to establish a new state-of-the-art office space that could accommodate the staff, as well as, the growing membership of the community.

The location would also assist the community when doing business with the above-referenced agencies. Members could do all their business with any of the offices at a centralized location in just one stop.

An office in the area of the CSD would centralize the agencies that operate within the Village of Heritage Ranch. This centralization would not only benefit the community, but would also support the infrastructure during a major incident. Station 33 is the Incident Command Center during a major occurrence; the CSD is the Support Command Center for such an event. If the HOA office was located in proximity to these two important sites, communications and recovery would be greatly enhanced.

If the Board approves the exploration of establishing an office location within CSD property, the Planning Committee will petition the HROA/BOD to consider the project for the benefit of the staff and the members. It is expected that in the future joint Board meetings will be necessary to discuss the possibilities and the issues.



**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS' REGULAR MEETING  
*Minutes of April 16, 2015***

**Directors present:** Bill Barker, Dan Burgess, Tony Foti, Martin Rowley  
**Directors absent:** Reginald Cousineau  
John D'Ornellas, Manager  
**Staff present:** Kristen Gelos, Office Supervisor/Board Secretary  
Jason Molinari, Operations Manager

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**1. CALL TO ORDER / PLEDGE OF ALLEGIANCE / ROLL CALL**

President Tony Foti called the meeting to order at 4:00 p.m. and led The Pledge of Allegiance. We proceeded to Public Comment and skipped Roll Call due to Director Bill Barkers, scheduled later arrival.

**2. PUBLIC COMMENT**

No comments from the public.

**3. APPROVAL OF MEETING MINUTES OF MARCH 19, 2015**

On a motion by Director Dan Burgess, seconded by Director Martin Rowley, the Board of Directors voted 3-0 to approve the Minutes of the March 19, 2015 meeting as presented. Motion carried as follows:

AYES: Director(s) Burgess, Foti, Rowley

NOES: None

ABSENT: Director(s) Barker, Cousineau

**4. APPROVAL OF WARRANT REGISTER FOR MARCH 2015**

On a motion by Director Martin Rowley, seconded by Director Dan Burgess, the Board of Directors voted 3-0 to approve the Warrant Register for March 2015. Motion carried as follows:

AYES: Director(s) Burgess, Foti, Rowley

NOES: None

ABSENT: Director(s) Barker, Cousineau

Director Barker arrived at 4:05 p.m. due to Highway 101 traffic.

**5. CAMP ROBERTS – ARMY NATIONAL GUARD**

Lieutenant Colonel, Gregory Arenas did not attend the meeting. Manager John D'Ornellas reported that other individuals would be here for the presentation in his absence. Colonel Arenas did state that May would be relatively quiet, but are gearing up again with some training coming up in June, July and August, including artillery and aircraft operations.

**6. PUBLIC HEARING**

**Adopt Initial Study / MND for Emergency Water Pipeline Project:** Manager John D'Ornellas introduced the item and gave a brief description of the Mitigated Negative Declaration in accordance with State CEQA Guidelines for the emergency water intertie project.

Manager John D'Ornellas explained the preparation of an IS/MND reflects the District's opinion that any significant adverse environmental impacts associated with the proposed project would be reduced to a less than significant level with the adoption of identified mitigation measures; therefore, the project does not require the preparation of an Environmental Impact Report (EIR). Significant but mitigable effects on the environment are anticipated in the following areas; biological resources, cultural resources, geology and soils, hazards and hazardous combination of resource surveys and monitoring, implementation of Best Management Practices, and construction planning to insure no environmental impacts due to the project approval.

President Tony Foti opened the item for the Public Hearing and discussion by the Board there were no comments by the public.

On a motion by Director Martin Rowley, seconded by Director Bill Barker, the Board of Directors voted 4-0 to approve Resolution 15-02 Adopting the Final Initial Study and Mitigated Negative Declaration for the Emergency Water Intertie Project. Motion carried as follows:

AYES: Director(s) Barker, Burgess, Foti, Rowley

NOES: None

ABSENT: Director(s) Cousineau

President Tony Foti stated that the Roll Call vote above would suffice as our regular meeting Roll Call, as Director Bill Barker arrived at 4:05 pm.

**7. DISCUSSION ITEMS**

President Tony Foti stated he would be recusing himself from the first item up for discussion due to the conflict of him being a Director on both the HROA and HRCSD Boards. The meeting was turned over to Vice President Dan Burgess.

**A. HROA Office:** Manager John D'Ornellas gave a brief summary of the item. He stated the District has a history of providing property for a public purpose to agencies including the Senior Center, Cal Fire Station, SLO County Integrated Waste Management Authority (IWMA). When the HRCSD was formed in 1990 a double wide trailer was leased and used as our first office until a permanent office could be built. When planning for a new office began the HRCSD Board offered the HROA Board the concept of partnering in construction. The concept at the time was for a "U" shaped building with HROA occupying on leg, HRCSD in the other, with shared facilities (meeting room, restrooms, kitchen, and storage). The idea was for "one-stop shopping" for the community. The HRCSD Board embraced the idea but HROA did not. The HRCSD built its current office in 1992. HROA remained at their office located by the marina.

Mrs. Bernadette Foti and Mr. Phill Swanson introduced the concept of locating an HROA office on HRCSD land. The land that once occupied the gas station was thought to be the highest and best use of this vacant section of the HRCSD property. It is their idea that it would stand as a "civic center" for the Village of Heritage Ranch. The request today is not to approve any lease or specify any land area but rather to request the Board's approval to continue the discussion on the matter. Mrs. Foti stated, a lot must be done in the planning process and most of this work will be done by the HROA.

The floor was opened to questions and comments from the Board as well as the public. On a motion by Director Bill Barker, seconded by Director Dan Burgess, the Board of Directors

voted 4-0 to re-visit this item after the HROA Planning Committee brings forward a Master Plan. Motion carried as follows:

AYES: Director(s) Barker, Burgess, Rowley

NOES: None

ABSENT: Director(s) Cousineau, Foti

- B. Communication Repairs to Sewer Lift Stations:** Operations Manager Jason Molinari gave a brief description of our current SCADA (Supervisory Control and Data Acquisition system). This system is used to monitor seven individual lift stations and one water booster station. SCADA is used to monitor many different key parameters and alarms. If one of these alarms is tripped, the on call operator receives a call indicating what has failed at that particular station. This allow the operator to be notified of the problem and respond to fix it.

FRM has submitted a proposal to increase the height of the antennas used to transmit the radio signals. Each station has an antenna mounted on a pole. This will increase signal strength and help the signal to reach the computer. FRM will also re-configure the way the radio signals are sent to the computer. The proposed work should eliminate communication failures resulting in a reliable SCADA system.

On a motion by Director Bill Barker, seconded by Director Dan Burgess, the Board of Directors voted 4-0 to approve the quote received from Fluid Resource Management (FRM) in the amount of \$4,891.41 and move forward with repairs. Motion carried as follows:

AYES: Director(s) Barker, Burgess, Foti, Rowley

NOES: None

ABSENT: Director(s) Cousineau

- C. Budget 2015/16:** Manager John D'Ornellas gave an overview of the 1<sup>st</sup> Draft Budget for the Fiscal year 2015/16.

The item was discussed and questions from the Board were answered. The report was received and filed.

- D. Water Retrofit Program:** Manager John D'Ornellas gave a brief description of the current retrofit programs offered through the CSD. The District budgeted funds during the two recent drought periods for water efficiency retrofits. With the first starting in 2008 when the reservoir was at a very low level and we began to prepare water conservation measures. During this first retrofit time period approximately \$30,000 was rebated to customers for the three programs of low flow toilets, water efficient washing machines and grass removal.

Manager D'Ornellas explained that these programs have been successful, however the rebate program has been funded through use of Water Fund capital reserves. With the District facing reduced water fee revenue and depleting reserves for capital project funding, this discretionary water program should be considered for suspension.

The item was discussed and questions from the Board were answered.

On a motion by Director Bill Barker, seconded by Director Dan Burgess, the Board of Directors voted 4-0 to cease accepting applications and re-visit the possibility of re-budgeting funds in the July 1<sup>st</sup> Budget. Motion carried as follows:

AYES: Director(s) Barker, Burgess, Foti, Rowley

NOES: None

ABSENT: Director(s) Cousineau

**8. CONSENT ITEMS**

**A. Treasurer's Report:** Receive/file March 2015 report.

**B. Manager's Report:** Receive/file March 2015 report.

**C. Staff Reports:** Receive/file March 2015 reports.

President Tony Foti asked the Board if there were any questions or comments regarding the consent items. There were no questions or comments.

On a motion by Director Dan Burgess, seconded by Director Martin Rowley, the Board of Directors voted 4-0 to approve the consent items as presented. Motion carried as follows:

AYES: Director(s) Barker, Burgess, Foti, Rowley

NOES: None

ABSENT: Director(s) Cousineau

**9. DIRECTORS/MANAGER COMMENTS**

None.

**10. ADJOURNMENT**

On a motion by Director Bill Barker, seconded by President Tony Foti, the Board of Directors voted 4-0 to adjourn the meeting. Motion carried as follows:

AYES: Director(s) Barker, Burgess, Foti, Rowley

NOES: None

ABSENT: Director(s) Cousineau

The meeting adjourned at 5:55 p.m.

**Attest:**

  
*Kristen Gelos, Secretary to the Board*

**Approved:**

  
*Tony Foti, President Board of Directors*



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© County of San Luis Obispo Planning and Building Department



The County of San Luis Obispo does not assume liability for any damages caused by errors or omissions in the data and makes no warranty of any kind, express or implied, that these data are accurate and reliable.

Map for Reference Purposes Only

### Legend

-  SLO County Parcels
-  SLO County Boundary



**HERITAGE RANCH COMMUNITY SERVICES DISTRICT**

**MEMORANDUM**

**TO:** Board of Directors  
**FROM:** Scott Duffield, General Manager  
**DATE:** October 17, 2019  
**SUBJECT:** Request to receive an update on the Photovoltaic System Project, and provide direction to staff.

**Recommendation**

It is recommended that the Board of Directors receive an update on the Photovoltaic System Project, and provide direction to staff.

**Background**

Your Board has approved development of a photovoltaic system (PVS) project. At the September meeting your Board approved contract documents for the Photovoltaic System Project and directed staff to advertise for proposals.

**Discussion**

The contract documents were advertised for proposals on September 20, 2019. The documents were posted on our website and were also emailed to interested contractors and the SLO County Builders Exchange. As of October 7<sup>th</sup>, there were five contractors on the plan holders list (attached).

The current schedule for the proposal phase of the project is shown below.

Advertise for Proposals	September 20, 2019	✓
Pre-proposal Meeting & Site Visit	September 30, 2019	✓
Proposer Questions Due	October 7, 2019	✓
District Responses to Questions Due	October 14, 2019	✓
Proposals Due	October 22, 2019	
Proposer Interviews	November 5-9, 2019	
Contract Award	November 21, 2019	

If the contract is awarded, District will give a Notice of Award within 60 days after the day the contract is awarded by the Board. Within 15 days thereafter, successful proposer shall execute and deliver the required number of counterparts of the Agreement. Within ten days thereafter, District shall deliver one fully executed counterpart of the Agreement.

## Proposal Phase Summary:

- The pre-proposal meeting and site visit was attended by three interested contractors
- One additional contractor that could not attend the initial site visit was provided a separate site visit
- The District received approximately two dozen questions by the October 7<sup>th</sup> deadline
- The District issued Addendum No. 1 on October 3<sup>rd</sup> (attached)
- Additional verbal updates will be given for things occurring after publication of this written report

## **Fiscal Considerations**

The FY 2018/19 Budget included \$27,800 for development of a PVS project and any remaining budget has been rolled over into the current fiscal year. An additional \$60,000 is included in the FY 2019/20 Budget. As of September 30<sup>th</sup>, there is approximately \$71,000 in total remaining.

The Board will need to decide on how to fund the project construction at a future meeting, which could be with cash reserves, financing, or both. Although the estimated cost for the project is \$1.5M we will know more accurately once proposals are received and reviewed. If the Board decides to fund the project with a private placement loan, that process will start around the time the Board approves a construction contract. The private placement loan process is like the project itself and includes the placement agent issuing a Request for Proposals to numerous banks and usually takes about 45-60 days to complete.

If the Board decides to move forward with construction and partially fund the project with cash reserves while a private placement loan is pending, your Board has already adopted a reimbursement resolution and could payback those reserves with the private placement loan.

## **Next Steps**

- Special Meeting week of November 5<sup>th</sup> (tentative) for contractor interviews
- Decide upon / secure funding
- Obtain Right-of-Way agreement for Water Treatment Plant site

Attachments: Plan Holders List  
Addendum No. 1

File: Projects\_PVS

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
PHOTOVOLTAIC (PV) PROJECT  
PLAN HOLDERS LIST**

Contact: Steven Tanaka, PE  
Wallace Group

**PROPOSAL SUBMITTAL DATE AND LOCATION: 3:00 PM, TUESDAY OCTOBER 22, 2019**

612 Clarion Court, San Luis Obispo, CA 93401

CHARGE: \$\_\_0 (electronic PDF of Project Manual only)

No.	CONTACT NAME COMPANY NAME ADDRESS EMAIL	EMAIL/PHONE	ITEM SENT	DATE SENT DELIVERY METHOD	PAYMENT RECEIVED	ADDENDUM 1	ADDENDUM 2
1	<b>Steven Tanaka</b> <b>Wallace Group</b> 612 Clarion Court San Luis Obispo, CA 93401	stevent@wallacegroup.us 805-544-4011	PDF Only	9/20/19	NA		
2	<b>Scott Duffield</b> <b>Heritage Ranch CSDCSD</b> 4870 Heritage Road Paso Robles, CA 93446	Scott@heritageranchcsd.ca.gov 805 227-6230	PDF Only	9/20/19	NA		
3	<b>Tim Holmes</b> <b>Kenwood Energy</b> P.O. Box 692 Kenwood, CA 95452	Tim@kenwoodenergy.com 707-695-2158	PDF Only	9/20/19	NA		
4	<b>SLO County Builders Exchange</b> 153 Cross Street #130 San Luis Obispo, CA 93401	planroom@slocbe.com 805-543-7330	PDF Only	9/17/19	NA		
5	<b>Tu Anh Tran, Sunworks, Inc.</b> 1030 Winding Creek Road, Suite 100   Roseville, CA 95678 M: 702.521.7814	<a href="mailto:ttran@sunworksusa.com">ttran@sunworksusa.com</a>	PDF only	9/24/19	NA		
6	<b>Rhea Pagador</b> <b>Constructconnect</b> 30 Technology Parkway S., Suite 100	Rhea.pagador@constructconnect.com	PDF only	9/26/19	NA		
7	<b>Mike Shaheen</b> <b>Calsun Electric &amp; Solar Systems, Inc.</b> 574 Spring Street Paso Robles, CA 93446	mike@calsunelectric.com	PDF only	9/27/19	NA	10/4/19	

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
PHOTOVOLTAIC (PV) PROJECT**

Contact: Steven Tanaka, PE  
Wallace Group

**PLAN HOLDERS LIST**

**PROPOSAL SUBMITTAL DATE AND LOCATION: 3:00 PM, TUESDAY OCTOBER 22, 2019**

612 Clarion Court, San Luis Obispo, CA 93401

CHARGE: \$\_\_0 (electronic PDF of Project Manual only)

No.	CONTACT NAME COMPANY NAME ADDRESS EMAIL	EMAIL/PHONE	ITEM SENT	DATE SENT DELIVERY METHOD	PAYMENT RECEIVED	ADDENDUM 1	ADDENDUM 2
8	<b>Ty Simpson Calcom Energy</b>	559-554-5657 tsimpson@calcomenergy.com	PDF Only	9/27/19	NA	10/4/19	
9	<b>Kirk Story/Derek Seaman Stockmans Energy Inc</b>	805-540-0301 kirk@stockmans.com derek@stockmans.com	PDF Only	9/29/19	NA		
10	<b>Preston McGill REC Solar</b>	559-248-6703 pmcgill@recsolar.com	PDF Only	10/1/19	NA	10/7/19	
11							
12							
13							
14							

**ADDENDUM NO. 1  
FOR  
HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
PHOTOVOLTAIC PROJECT**

DATE: October 3, 2019

FROM: Wallace Group  
612 Clarion Court  
San Luis Obispo, CA 93401  
Tel: (805) 544-4011

TO: Prospective DB Proposers

This addendum forms a part of the RFP and Contract Documents and modifies the original Contract Documents dated September 20, 2019, as noted herein. Each proposer shall acknowledge receipt of this Addendum by completing the acknowledgment at the end of this Addendum, and by confirming receipt of this addendum on the space provided on the Proposal Cost Sheets. Failure to do so may subject Proposer to disqualification.

The following changes or clarifications have been made to the Bid Documents:

**CHANGES TO PRIOR ADDENDA:**

- NA.

**CHANGES TO PROCUREMENT REQUIREMENTS:**

- RFP, Article 4.03.B. The District has determined that the County of San Luis Obispo Building Department will require a Permit for the Work included as part of this PV Project. DB Contractor shall be responsible for securing such permit.
- RFP, Article 4.02A.2. The District has made available the following listed documents, and such documents are now available on the District's web site, [www.heritageranchcsd.ca.gov](http://www.heritageranchcsd.ca.gov). Proposers must email [stevent@wallacegroup.us](mailto:stevent@wallacegroup.us) to acknowledge when these documents have been successfully downloaded and received.
  - a. HRCSD Wastewater Treatment Plant Plans dated 1977.
  - b. Jim McWilliams Water Treatment Plant Plans dated 1992
  - c. Soils Engineering Report, Heritage Ranch Water Treatment Plant, dated January 31, 1992.

**CHANGES TO CONTRACTING REQUIREMENTS:**

- None.

**CHANGES TO SPECIFICATIONS:**

- Technical Specification Section 6.2.F.4. The module tilt angle of 10 degrees is appropriate for all Sites.
- Technical Specification Section 6.5.
  - a. Item 6.5A, modify as follows: "6 foot chain link with 1 inch mesh."
- Technical Specification Exhibit 1
  - a. Pump Station 6. Assume that the installation on Pump Station 6 is on the roof and that the entire S-W roof is available.

- b. Lift Stations. Proposals shall assume that the District will be able to relocate the antenna to the north side of the array.
- c. Water Treatment Plant Site. All trees on the berm to the north of the water tanks (south of the identified installation area) are to be removed, as well as the medium large oak that is in the middle of the identified installation area.

CHANGES TO DRAWINGS:

- NA

Please acknowledge receipt of this Addendum No. 1 by signing where indicated below. **Please email a PDF copy of the signed and dated addendum to Steven Tanaka, Wallace Group, at [stevent@wallacegroup.us](mailto:stevent@wallacegroup.us).**

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Date

END OF ADDENDUM



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

*Minutes of September 19, 2019*

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

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

**2. ROLL CALL**

Secretary Gelos called the roll. Director Rowley was absent. All other Directors were present.

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

**3. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA**

Sheriff Deputy provided the Board and public with a monthly report on calls for service which pertain to the community.

**4. DISCUSSION ITEMS**

**a. Hearing to consider a request from Annette Kovacevich for a variance from the application of the District Code of Ordinance regarding minimum bills:**

Director Rowley arrived at 4:02 during this item.

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

Director Cousineau made a motion to approve staff recommendation, denying the request. Director Rowley seconded the motion. The motion passed by the following voice vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

**b. Request to approve the purchase of a John Deere 310L backhoe loader from Coastline Equipment for a cost not to exceed \$107,000:**

Operations Supervisor Molinari provided a brief summary of the item and answered any questions the Board had.

Director Burgess made a motion to approve the purchase from Coastline Equipment. Director Cousineau seconded the motion. The motion passed by the following voice vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

**c. Request to approve draft contract documents for the Photovoltaic System Project, and direct staff to advertise for proposals:**

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

Director Barker made a motion to approve the draft contract documents and direct staff to advertise for proposals. Director Capps seconded the motion. The motion passed by the following voice vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

## 5. CONSENT ITEMS

- a. **Regular Meeting Minutes:** Receive/approve minutes of regular meeting of August 15, 2019.
- b. **Warrant Register:** Receive/approve August 2019 warrants.
- c. **Treasurer's Report:** Receive/file August 2019 report.
- d. **Fiscal Report:** Receive/file August 2019 status report.
- e. **Manager's Report:** Receive/file August 2019 report.
- f. **Staff Reports:** Receive/file August 2019 reports.

Director Rowley pulled item E & F (Manager and Staff Reports). Director Cousineau made a motion to approve items A – D as presented. Director Rowley seconded the motion. The motion passed by the following voice vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

Manager Duffield provided a summary of item E (Manager's Report) and answered any questions the Board had. Operations Supervisor provided a summary of item F (Staff Report) and answered any questions the Board had.

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

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

## 6. DIRECTORS/MANAGER COMMENTS

Director Barker wanted to discuss the Districts emergency plan should we face a power outage for multiple days.

## 7. ADJOURNMENT

On a motion by Director Cousineau and seconded by Director Capps the meeting adjourned at 5:15 pm to the next scheduled meeting on Thursday, October 17, 2019 at 4:00 pm.

**APPROVED:**

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**Bill Barker Jr., President  
Board of Directors**

**ATTEST:**

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**Kristen Gelos, Secretary  
Board of Directors**

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
SEPTEMBER 2019  
WARRANT REGISTER**

**PACIFIC PREMIER BANK WARRANTS**

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
9/3/2019	INTERNAL REVENUE SERVICE	FEDERAL WITHHOLDING TAXES	\$ 3,173.54
9/3/2019	INTERNAL REVENUE SERVICE	FICA WITHHOLDING	\$ 37.20
9/3/2019	INTERNAL REVENUE SERVICE	MEDICARE	\$ 862.50
9/3/2019	EDD	SDI	\$ 294.40
9/3/2019	EDD	STATE WITHHOLDING	\$ 1,225.34
9/3/2019	CALPERS HEALTH BENEFITS	CALPERS HEALTH BENEFITS	\$ 10,333.97
9/3/2019	CALPERS HEALTH BENEFITS	EMPLOYEE PAID HEALTH BENEFIT	\$ 795.92
9/3/2019	CALPERS HEALTH BENEFITS	EMPLOYEE PAID HEALTH BENEFIT	\$ 795.92
9/3/2019	CALPERS HEALTH BENEFITS	EMPLOYEE PAID HEALTH BENEFIT	\$ 795.92
9/4/2019	STAPLES CREDIT PLAN	OFFICE SUPPLIES	\$ 140.54
9/4/2019	GREAT WESTERN ALARM	ALARM / ANSWERING SERVICE	\$ 294.15
9/4/2019	HOME DEPOT CREDIT SERVICES	STRUCT.GRNDS/SUPPLIES/SM TOOLS	\$ 369.39
9/4/2019	USA BLUEBOOK	MAINT. FIXED EQUIP/SUPPLIES	\$ 1,889.71
9/4/2019	KRITZ EXCAVATING & TRUCKING	SUPPLIES	\$ 225.23
9/4/2019	BRENNTAG PACIFIC, INC	CHEMICALS	\$ 2,525.50
9/4/2019	BRENNTAG PACIFIC, INC	CHEMICALS	\$ 2,434.98
9/4/2019	BRENNTAG PACIFIC, INC	CHEMICALS	\$ 317.87
9/4/2019	FGL ENVIRONMENTAL	LAB TESTING	\$ 476.00
9/4/2019	FGL ENVIRONMENTAL	LAB TESTING	\$ 451.00
9/4/2019	FGL ENVIRONMENTAL	LAB TESTING	\$ 130.00
9/4/2019	FGL ENVIRONMENTAL	LAB TESTING	\$ 494.00
9/4/2019	FGL ENVIRONMENTAL	LAB TESTING	\$ 108.00
9/4/2019	CAL COAST IRRIGATION, INC.	SUPPLIES	\$ 424.30
9/4/2019	JASON MOLINARI	MEDICAL REIMBURSEMENTS	\$ 1,080.66
9/4/2019	C&N TRACTORS	SMALL TOOLS & EQUIP	\$ 16.92
9/4/2019	FLUID RESOURCE MANAGEMENT	PROFESSIONAL SERVICES	\$ 350.00
9/4/2019	FLUID RESOURCE MANAGEMENT	MAINTENANCE FIXED EQUIPMENT	\$ 14,060.00
9/4/2019	NAPA AUTO PARTS	MAINTENANCE FIXED EQUIPMENT	\$ 68.48
9/4/2019	NAPA AUTO PARTS	MAINTENANCE FIXED EQUIPMENT	\$ 111.42
9/4/2019	NAPA AUTO PARTS	VEHICLES / SUPPLIES	\$ 93.56
9/4/2019	TELSTAR INSTRUMENTS INC.	WTP ACTUATOR/PROFESS. SVCS	\$ 3,900.00
9/4/2019	TELSTAR INSTRUMENTS INC.	WTP ACTUATOR REPLACEMENT	\$ 2,025.00
9/4/2019	TELSTAR INSTRUMENTS INC.	WTP ACTUATOR REPLACEMENT	\$ 1,950.00
9/4/2019	CALIFORNIA ENVIRONMENTAL CONTR	MAINTENANCE FIXED EQUIPMENT	\$ 410.53
9/4/2019	CORE & MAIN LP	MAINTENANCE FIXED EQUIPMENT	\$ 735.20
9/4/2019	CORE & MAIN LP	SMALL TOOLS & EQUIPMENT	\$ 63.55
9/4/2019	SHORE-TEK INC	SMALL TOOLS & EQUIPMENT	\$ 143.52
9/4/2019	STREAMLINE	COMPUTER / SOFTWARE	\$ 200.00
9/4/2019	WILLIAM RIDINO CONST	HYD REFND	\$ 9.00
9/4/2019	CENTRAL COAST CNC	FIXED EQUIP	\$ 300.00
9/4/2019	MACLEOD WATTS, INC	PROFESSIONAL SERVICES	\$ 1,900.00
9/6/2019	CALPERS 457 DEFFERED COMP PROG	PERS 457- DEFFERED COMP.	\$ 1,225.00

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
SEPTEMBER 2019  
WARRANT REGISTER**

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
9/6/2019	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT	\$ 3,123.28
9/6/2019	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT TIER 2	\$ 962.32
9/6/2019	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT PEPRA	\$ 485.67
9/6/2019	CALPERS RETIREMENT SYSTEM	SURVIVOR BENEFIT	\$ 7.44
9/9/2019	PG&E	ELECTRICITY	\$ 26,536.69
9/12/2019	CALPERS RETIREMENT SYSTEM	PROFESSIONAL SVCS-GASB68	\$ 1,050.00
9/13/2019	R. BRINK	NET PAYROLL	\$ 2,356.60
9/13/2019	J. MOLINARI	NET PAYROLL	\$ 2,884.28
9/13/2019	R. ARNOLD	NET PAYROLL	\$ 2,251.37
9/13/2019	J. PRITCHETT	NET PAYROLL	\$ 2,281.89
9/13/2019	M. HUMPHREY	NET PAYROLL	\$ 1,878.27
9/13/2019	K. GELOS	NET PAYROLL	\$ 2,318.32
9/13/2019	S. DUFFIELD	NET PAYROLL	\$ 3,519.14
9/13/2019	S. BRENNEMAN	NET PAYROLL	\$ 1,555.45
9/16/2019	J.B. DEWAR. INC.	FUEL & OIL	\$ 1,161.63
9/16/2019	RYAN BRINK	MEDICAL REIMBURSEMENT	\$ 244.04
9/16/2019	RYAN BRINK	UNIFORM ALLOWANCE REIMB.	\$ 67.57
9/16/2019	AT&T	TELEPHONE & INTERNET	\$ 159.64
9/16/2019	BLAKES INC	STRUCTURES & GROUNDS	\$ 1.39
9/16/2019	READY REFRESH BY NESTLE	LAB TESTING	\$ 25.01
9/16/2019	HACH COMPANY	LAB TESTING	\$ 3,475.66
9/16/2019	HACH COMPANY	LAB TESTING	\$ 1,354.57
9/16/2019	HOME DEPOT CREDIT SERVICES	STRUCTURES & GROUNDS	\$ 217.18
9/16/2019	HOME DEPOT CREDIT SERVICES	STRUCT. & GRNDS / SM TOOLS	\$ 128.62
9/16/2019	USA BLUEBOOK	LAB TESTING	\$ 116.00
9/16/2019	USA BLUEBOOK	LAB TESTING	\$ 2,567.54
9/16/2019	KRITZ EXCAVATING & TRUCKING	MAINTENANCE FIXED EQUIPMENT	\$ 660.84
9/16/2019	PASO ROBLES SAFE & LOCK	MAINTENANCE FIXED EQUIPMENT	\$ 30.87
9/16/2019	CAL COAST IRRIGATION, INC.	SUPPLIES	\$ 71.99
9/16/2019	WESTERN JANITOR SUPPLY	SUPPLIES	\$ 540.73
9/16/2019	ANTHONY'S TIRE STORE	MAINTENANCE FIXED EQUIPMENT	\$ 339.15
9/16/2019	APPLIED TELECOM TECHNOLOGY	PROFESSIONAL SERVICES	\$ 96.00
9/16/2019	NAPA AUTO PARTS	SMALL TOOLS & EQUIPMENT	\$ 258.59
9/16/2019	ABALONE COAST ANALYTICAL, INC.	LAB TESTING	\$ 952.00
9/16/2019	U.S. BANK	UNIFORMS	\$ 91.11
9/16/2019	U.S. BANK	VEHICLES	\$ 225.00
9/16/2019	U.S. BANK	UNIFORMS	\$ 91.11
9/16/2019	U.S. BANK	SUPPLIES / MAINT. FIXED EQUIP.	\$ 44.91
9/16/2019	U.S. BANK	TRAINING & TRAVEL	\$ 449.00
9/16/2019	U.S. BANK	TRAINING & TRAVEL	\$ 449.00
9/16/2019	U.S. BANK	COMPUTERS/SOFTWARE	\$ 146.25
9/16/2019	U.S. BANK	AUDIT	\$ 56.80
9/16/2019	CORE & MAIN LP	MAINTENANCE FIXED EQUIPMENT	\$ 339.21

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
SEPTEMBER 2019  
WARRANT REGISTER**

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
9/16/2019	RHYTHM DESIGN	UNIFORMS	\$ 65.00
9/16/2019	LOWE'S	SM TOOLS & EQUIP. / SUPPLIES	\$ 61.60
9/16/2019	LOWE'S	MAINTENANCE FIXED EQUIPMENT	\$ 12.61
9/16/2019	DAVE FOLTZ AUTOMOTIVE	VEHICLES	\$ 170.56
9/16/2019	DAVE FOLTZ AUTOMOTIVE	VEHICLES	\$ 404.99
9/16/2019	BURT INDUSTRIAL SUPPLY	SUPPLIES	\$ 213.08
9/16/2019	DATA PROSE LLC	AUGUST BILLING / LATE NOTICES	\$ 1,262.10
9/16/2019	WESTERN EXTERMINATOR	STRUCTURES & GROUNDS	\$ 86.00
9/16/2019	RIVAL TECHNOLOGY INC.	COMPUTER / SOFTWARE	\$ 144.74
9/16/2019	KENWOOD ENERGY	PVS PROJECT	\$ 1,023.75
9/16/2019	SDRMA	W/C INS. FY 2018-19 RECONCILED	\$ 1,381.91
9/16/2019	SDRMA	PROPERTY DEDUCTIBLE:COLITTI	\$ 500.00
9/17/2019	INTERNAL REVENUE SERVICE	FEDERAL WITHHOLDING TAXES	\$ 2,729.83
9/17/2019	INTERNAL REVENUE SERVICE	MEDICARE	\$ 795.52
9/17/2019	EDD	SDI	\$ 274.30
9/17/2019	EDD	STATE WITHHOLDING	\$ 1,027.54
9/20/2019	CALPERS 457 DEFFERED COMP PROG	PERS 457- DEFFERED COMP.	\$ 1,225.00
9/20/2019	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT TIER 2	\$ 478.63
9/20/2019	CALPERS RETIREMENT SYSTEM	EMPLOYER'S CONTRIBUTION	\$ 19.44
9/20/2019	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT	\$ 3,123.27
9/20/2019	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT TIER 2	\$ 962.32
9/20/2019	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT PEPRA	\$ 485.67
9/20/2019	CALPERS RETIREMENT SYSTEM	SURVIVOR BENEFIT	\$ 7.44
9/23/2019	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT U/L	\$ 5,797.93
9/23/2019	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT U/L	\$ 168.52
9/23/2019	CALPERS RETIREMENT SYSTEM	PERS RETIREMENT U/L	\$ 36.14
9/25/2019	CALPERS HEALTH BENEFITS	CALPERS HEALTH BENEFITS	\$ 10,904.78
9/25/2019	CALPERS HEALTH BENEFITS	EMPLOYEE PAID HEALTH BENEFIT	\$ 795.92
9/25/2019	CALPERS HEALTH BENEFITS	EMPLOYEE PAID HEALTH BENEFIT	\$ 795.92
9/26/2019	J.B. DEWAR. INC.	FUEL & OIL	\$ 266.60
9/27/2019	R. BRINK	NET PAYROLL	\$ 2,302.24
9/27/2019	J. MOLINARI	NET PAYROLL	\$ 2,884.28
9/27/2019	R. ARNOLD	NET PAYROLL	\$ 2,107.42
9/27/2019	J. PRITCHETT	NET PAYROLL	\$ 1,949.53
9/27/2019	M. HUMPHREY	NET PAYROLL	\$ 1,819.30
9/27/2019	K. GELOS	NET PAYROLL	\$ 2,318.32
9/27/2019	D. BURGESS	NET PAYROLL	\$ 92.35
9/27/2019	B. BARKER	NET PAYROLL	\$ 138.52
9/27/2019	M. ROWLEY	NET PAYROLL	\$ 92.35
9/27/2019	R. COUSINEAU	NET PAYROLL	\$ 92.35
9/27/2019	S. DUFFIELD	NET PAYROLL	\$ 3,684.21
9/27/2019	D. CAPPS	NET PAYROLL	\$ 138.52
9/27/2019	S. BRENNEMAN	NET PAYROLL	\$ 1,555.45

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
SEPTEMBER 2019  
WARRANT REGISTER**

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
9/28/2019	CHARTER COMMUNICATIONS	INTERNET	\$ 79.99
9/30/2019	AT&T	TELEPHONE & INTERNET	\$ 245.14
9/30/2019	ROBERTS, RICK & FAY	FINAL ACCOUNT CREDIT - REFUND	\$ 22.20
<b>GRAND TOTAL FOR ALL WARRANTS</b>			<b>\$ 177,553.63</b>

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
TREASURER'S REPORT  
SEPTEMBER 2019**

**SUMMARY REPORT OF ALL ACCOUNTS**

Beginning Balance:	\$ 3,620,028.79
Ending Balance:	\$ 3,568,854.05
Variance:	\$ (51,174.74)
Interest Earnings for the Month Reported:	\$ 95.33
Interest Earnings Fiscal Year-to-Date:	\$ 68,659.96

**ANALYSIS OF REVENUES**

Total operating income for water and sewer was:	\$ 141,442.82
Non-operating income was:	\$ 21,981.21
Franchise fees paid to the District by San Miguel Garbage was:	\$ 6,567.29
Interest earnings for the P.P.B. checking account was:	\$ 3.41
Interest earnings for the P.P.B. DWR Loan Services account was:	\$ 12.12
Interest earnings for the P.P.B. DWR Reserve account was:	\$ 71.19
Interest earnings for the P.P.B. SRF Loan Services account was:	\$ 11.92
Interest earnings for the P.P.B. SRF Reserve 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:	\$ 219,477.96
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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  
SEPTEMBER 2019**

**BEGINNING BALANCE ALL ACCOUNTS** **\$ 3,620,028.79**

**OPERATING CASH IN DRAWER** **\$300.00**

**PACIFIC PREMIER BANK - CHECKING**

<b>BEGINNING BALANCE 08/31/2019</b>	\$129,578.68	
DEPOSIT REVENUE & MISCELLANEOUS INCOME	\$179,426.80	
INTEREST EARNED	\$3.41	
TOTAL CHECKS, FEES AND EFT'S	(\$219,477.96)	
TRANSFER TO LAIF ACCOUNT	\$0.00	
<b>ENDING BALANCE 09/30/2019</b>		<b>\$89,530.93</b>

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

**LOAN SERVICES ACCOUNT**

<b>BEGINNING BALANCE 08/31/2019</b>	\$25,991.59	
QUARTERLY DEPOSIT	\$25,907.00	
INTEREST EARNED	\$12.12	
SEMI-ANNUAL PAYMENT	(\$51,814.22)	
<b>ENDING BALANCE 09/30/2019</b>		<b>\$96.49</b>

**PACIFIC PREMIER BANK DWR RESERVE ACCOUNT**

<b>BEGINNING BALANCE 08/31/2019</b>	\$112,947.62	
INTEREST EARNED	\$71.19	
<b>ENDING BALANCE 09/30/2019</b>		<b>\$113,018.81</b>

**PACIFIC PREMIER BANK SDWSRF LOAN SERVICES ACCOUNT**

<b>BEGINNING BALANCE 08/31/2019</b>	\$14,767.97	
QUARTERLY DEPOSIT	\$14,685.00	
INTEREST EARNED	\$11.92	
SEMI-ANNUAL PAYMENT	\$0.00	
<b>ENDING BALANCE 09/30/2019</b>		<b>\$29,464.89</b>

**PACIFIC PREMIER BANK SDWSRF RESERVE ACCOUNT**

<b>BEGINNING BALANCE 08/31/2019</b>	\$0.00	
QUARTERLY DEPOSIT	\$0.00	
INTEREST EARNED	\$0.00	
<b>ENDING BALANCE 09/30/2019</b>		<b>\$0.00</b>

**LOCAL AGENCY INVESTMENT FUND (LAIF)**

<b>BEGINNING BALANCE 08/31/2019</b>	\$3,336,742.93	
INTEREST EARNED	\$0.00	
TRANSFER FROM PACIFIC PREMIER CHECKING	\$0.00	
TRANSFER TO PACIFIC PREMIER CHECKING	\$0.00	
<b>ENDING BALANCE 09/30/2019</b>		<b>\$3,336,742.93</b>

<b>ENDING BALANCE ALL ACCOUNTS</b>		<b>\$3,568,854.05</b>
<b>DIFFERENCE FROM LAST MONTH</b>	<b>Decrease</b>	<b>(\$51,174.74)</b>

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
QUARTERLY TREASURER'S  
REPORT FOR THE PERIOD OF  
JULY 1, 2019 – SEPTEMBER 30, 2019**

**SUMMARY REPORT OF ALL ACCOUNTS**

Beginning Balance	\$	3,618,405
Ending Balance	\$	3,568,759
Variance	\$	-49,646
Interest Earnings	\$	21,690.90

**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 0.05%, 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 0.25%. 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 0.25%. 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 0.25%. 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. 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 2.57%. 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*

	<b>Beginning Balance</b>	<b>Total Debits</b>	<b>Total Credits</b>	<b>Interest Earnings</b>	<b>Ending Balance</b>
<b>1</b>	300.00	-	-	-	300.00
<b>2</b>	115,443.77	-601,680.64	575,753.98	13.82	89,530.93
<b>3</b>	84.59	-51,814.22	51,814.00	12.12	96.49
<b>4</b>	112,947.62	0.00	0.00	71.19	113,018.81
<b>5</b>	14,767.97	0.00	14,685.00	11.92	29,464.89
<b>6</b>	0.00	0.00	0.00	0.00	0.00
<b>7</b>	3,375,161.08	-60,000.00	0.00	21,581.85	3,336,742.93
<b>TOTALS</b>	<b>\$3,618,705.03</b>	<b>(\$713,494.86)</b>	<b>\$642,252.98</b>	<b>\$21,690.90</b>	<b>\$3,569,154.05</b>

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  
2019/20 Budget**

<b>OPERATING INCOME</b>	<b>Budget FY 19/20</b>	<b>Actual September</b>	<b>Actual Year to Date</b>	<b>Percentage Year to Date</b>	<b>Variance Explanation</b>
Water Fees	1,048,675	105,696	300,582	29%	
Sewer Fees	628,817	51,606	154,247	25%	
Hook-Up Fees	6,000	0	600	10%	Fluctuates based on activity
Turn on Fees	3,500	350	950	27%	
Late Fees	18,000	1,437	4,389	24%	
Plan Check & Inspection	10,000	0	993	10%	
Miscellaneous Income	2,000	0	693	35%	
<b>TOTAL OPERATING INCOME</b>	<b>\$1,716,992</b>	<b>\$159,089</b>	<b>\$462,454</b>	<b>27%</b>	

<b>FRANCHISE INCOME</b>					
Solid Waste Franchise Fees	70,932	6,498	18,602	26%	
<b>TOTAL FRANCHISE REVENUE</b>	<b>\$70,932</b>	<b>\$6,498</b>	<b>\$18,602</b>	<b>26%</b>	

<b>NON-OPERATING INCOME</b>					
Standby Charges	242,466	0	0	0%	
Property Tax	364,361	13,203	17,120	5%	
Interest	50,000	3	21,596	43%	Fluctuates based on activity
Connection Fees	141,160	0	14,116	10%	Fluctuates based on activity
<b>TOTAL NON-OPERATING INCOME</b>	<b>\$797,987</b>	<b>\$13,206</b>	<b>\$52,832</b>	<b>7%</b>	

<b>RESERVE REVENUE</b>					
Capital Reserves	63,307	352	3,488	6%	
Operating Reserves	151,584	7,572	16,341	11%	
<b>TOTAL RESERVE REVENUE</b>	<b>\$214,891</b>	<b>\$7,924</b>	<b>\$19,829</b>	<b>9%</b>	

<b>TOTAL ALL INCOME</b>	<b>\$2,800,802</b>	<b>\$186,717</b>	<b>\$553,717</b>	<b>20%</b>	
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**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET  
2019/20 Budget**

**OPERATING EXPENSES**

<b>SALARIES AND BENEFITS</b>	<b>Budget FY 19/20</b>	<b>Actual September</b>	<b>Actual Year to Date</b>	<b>Percentage Year to Date</b>	<b>Variance Explanation</b>
Salaries	644,289	50,756	176,651	27%	
Health Insurance	96,753	15,221	32,324	33%	
Health Insurance - Retiree	48,561	7,897	16,016	33%	
PERS	115,465	11,585	33,629	29%	
Standby	12,900	898	3,124	24%	
Overtime	15,050	1,798	3,599	24%	Fluctuates based on need & staffing
Workers Comp. Ins.	25,072	1,382	21,681	86%	Paid Annually
Directors' Fees	7,000	600	1,850	26%	
Medicare/FICA	9,863	848	2,405	24%	
Car Allowance	3,000	250	750	25%	
SUI/ETT	1,500	0	0	0%	
Uniforms	4,500	315	785	17%	
<b>TOTAL SALARIES &amp; BENEFITS</b>	<b>\$983,953</b>	<b>\$91,548</b>	<b>\$292,815</b>	<b>30%</b>	

**UTILITIES**

Electricity	240,202	26,537	51,257	21%	
Propane	973	0	0	0%	
Water Purchase	23,114	0	11,557	50%	Paid Semiannually
Telephone/Internet	11,663	485	2,255	19%	
<b>TOTAL UTILITIES EXPENSE</b>	<b>\$275,952</b>	<b>\$27,021</b>	<b>\$65,069</b>	<b>24%</b>	

**MAINTENANCE & SUPPLIES**

Chemicals	76,000	5,278	10,357	14%	
Computer/Software	7,000	491	990	14%	
Equip. Rental/Lease	1,000	0	0	0%	
Fixed Equip.	103,000	18,738	21,752	21%	
Fuel & Oil	12,000	1,428	2,716	23%	
Lab Testing	30,000	10,150	13,797	46%	
Office Supplies	3,000	141	203	7%	
Parks & Recreation	500	0	0	0%	
Struct./Grnds.	14,000	619	3,150	22%	
Small Tools/Equip.	3,500	651	823	24%	
Supplies	6,000	1,696	2,094	35%	
Meters/Equip.	5,000	0	0	0%	Fluctuates based on activity
Vehicles	8,500	879	2,080	24%	
<b>TOTAL MAINT. &amp; SUPPLY EXPENSE</b>	<b>\$269,500</b>	<b>\$40,070</b>	<b>\$57,964</b>	<b>22%</b>	

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET**  
**2019/20 Budget**

<b>GENERAL &amp; ADMINISTRATION</b>	<b>Budget FY 19/20</b>	<b>Actual September</b>	<b>Actual Year to Date</b>	<b>Percentage Year to Date</b>	<b>Variance Explanation</b>
Ads./Advertising	1,500	0	223	15%	Fluctuates based on activity
Alarm/Answering Service	3,275	294	574	18%	
Audit	10,000	57	57	1%	
Bank Charges/Fees	3,000	229	928	31%	
Consulting/Engineering	20,000	0	1,052	5%	
Dues/Subscription	9,400	0	150	2%	
Elections	1,000	0	0	0%	
Insurance	20,488	500	29,668	145%	Paid Annually
LAFCO	8,000	0	7,904	99%	Paid Annually
Legal/Attorney	22,000	0	4,590	21%	
Licenses/Permits	28,200	0	210	1%	
Plan Check & Inspection	10,000	0	993	10%	
Postage/Billing	20,000	1,262	2,794	14%	
Professional Service	38,400	4,371	7,387	19%	
Tax Collection	5,300	0	0	0%	
Staff Training & Travel	7,000	898	994	14%	
Board Training & Travel	10,000	0	0	0%	
<b>TOTAL G &amp; A</b>	<b>\$217,563</b>	<b>\$7,611</b>	<b>\$57,522</b>	<b>26%</b>	

<b>CAPITAL PROJECTS &amp; EQUIPMENT</b>					
Structures/Improvements	243,918	7,924	19,829	8%	
Equipment	135,000	0	0	0%	
<b>TOTAL CAPITAL EXPENSE</b>	<b>\$378,918</b>	<b>7,924</b>	<b>19,829</b>	<b>5%</b>	

<b>DEBT</b>					
State Loan Payment	103,629	51,814	51,814	50%	paid semiannually
State Loan Payment Phase II	58,740	0	0	0%	paid semiannually
<b>TOTAL DEBT</b>	<b>\$162,369</b>	<b>\$51,814</b>	<b>\$51,814</b>		

FUNDED DEPRECIATION	\$288,000	\$24,000	\$72,000	25%	
UNFUNDED DEPRECIATION	\$0	\$0	\$0	0%	

<b>TOTAL EXPENSE</b>	<b>\$2,576,255</b>	<b>\$249,989</b>	<b>\$617,013</b>	<b>24%</b>	
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CONNECTION FEES TRANSFER	\$141,160	\$0	\$14,116	10%
SOLID WASTE FEES TRANSFER	\$30,321	\$2,665	\$6,237	21%

<b>FUND TOTAL</b>	<b>\$53,065</b>	<b>(\$65,937)</b>	<b>(\$83,650)</b>	
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## HERITAGE RANCH COMMUNITY SERVICES DISTRICT

### Manager Report For the Month of October 2019

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

#### Administration

- Staff worked with our insurance company, SDRMA, to recover costs the District incurred from a water leak in the laboratory building. The faucet inside the lab blew a hose and leaked overnight. The leak filled drawers that contained several electronic testing meters that were destroyed. The refrigerator, baseboards, and other things were also ruined. In total the damages were \$9,970.56 and included the cost of cleanup. The District has received reimbursement from SDRMA for the damages less a \$1,000 deductible.

#### Operations

- The Manager met with and received quotes from arborists to address the large pine tree directly adjacent to the Administrative Building that appeared to be a potential danger. There was a similar tree across the field near the water lab building that broke about six feet up on the trunk. If that were to happen to this tree it would probably fall onto the building. Costs to address the tree are minimal and are included in the FY2019/20 Budget.
- Staff met with a property owner on Edgewood regarding water and sewer services and easements. There are six properties located at the top of Edgewood in the bulb of the cul-de-sac. Only two of the properties have street frontage while the other four are lots located behind the two with frontage and connected to the street by easements. The easements are for access and public utilities. The two with frontage have been built out while the others are now in some state of work. In a cul-de-sac the frontage already becomes scarce; in this case there are six properties that need access and utilities within the frontage of two. Staff is working with the property owners to make everything work for our part.
- Additional updates regarding operations can be found in the Operations Report.

#### Solid Waste

- San Miguel Garbage Company has submitted a rate review with recycling and green waste fee increases. These rate reviews and setting need to follow established rate setting processes and methodology, the Franchise Agreement with the District, and Proposition 218. The Manager will review the submittal and consult with District Counsel as necessary to target the November 21, 2019 Board meeting to present an item to your Board for approval and to set the public hearing for consideration of adoption of updated solid waste rates.

## Reservoir Status

- As reported by Monterey County Water Resources Agency (MCWRA), as of October 8, 2019, the reservoir was at approximately 758 feet in elevation, 47% of capacity, or 179,170-acre feet of storage. MCWRA water releases were shown as 60 cfs.

## Capital Improvement Program (current FY)

- WTP Actuator Replacement: This project is continued from the previous FY and is in progress.
- The PVS project is progressing and the project team and the finance team has had several calls. The Manager also met with the San Luis Obispo County Planning & Building Department regarding the need for building permits. They said that permits are required. The contract documents already state that the contractor is responsible to obtain and manage any and all required permits, but it was still a question that warranted confirming. A separate item for the PVS project is also included in this agenda.

## Development

- There has been no new activity for the two subdivisions for which your Board has issued conditional will serves; Tract 2879, and Tract 3110.
- There has been no new activity for the RV / boat storage facility (DRC2019-00099) for which your Board has issued a conditional will serve.

## Public Relations and Community

- The County of San Luis Obispo Office of the Clerk-Recorder performed an ADA survey of the District office in preparation of utilizing the Board room as a polling place for the two countywide Presidential Elections scheduled in 2020. The dates of these elections are Tuesday, March 3, 2020 and Tuesday, November 3, 2020.

## Human Resources

- Nothing significant to report.

## Board Member & Staff Information and Learning Opportunities

- The Manager and the Office Supervisor will be attending the CalPERS Educational Forum 2019, in Oakland on October 28-30. This is a version of an annual conference with everything we want to know and learn about CalPERS.

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**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
SEPTEMBER 2019 OFFICE REPORT**

**Water & Sewer**

On October 1<sup>st</sup>, we processed 1,916 bills for a total dollar amount of \$144,870 for water and sewer user fees for the month of September. The number of Automatic Drafts processed was 550 for a total dollar amount of \$43,008. On September 26<sup>th</sup> we processed 221 Late Notices.

**San Miguel Garbage Franchise Fees**

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

Month of August

Garbage Collection (10%) - \$ 6,214.01

Roll-Off Collection (10%) - \$ 284.30

Total Franchise Fees Collected - \$ 6,498.31

**District Transparency Certificate**

Staff is currently in the process of submitting the application for a Transparency Certificate of Excellence from the Special District Leadership Foundation (SDLF). The purpose of this certificate is to promote transparency in the operations and governance of special districts to the public / constituents and provide special districts with an opportunity to showcase their efforts in transparency.

The application process requires staff to not only comply with specific Government Codes, but also provide documentation proving it. For example, conducting annual audits, having current policies addressing specific areas (Conflict of Interest, Code of Ethics, Financial Reserves Policy, etc.). The process also allows staff to verify the District website is up to date with current information as well as mandatory posting of specific items. For example, names of staff along with contact information, financial statements, archive of minutes, etc.

**Service Orders Completed**

Staff completed a total of 56 service orders for the month of September. Below is a breakdown by job code.

LEAK	3	USA	8
UNLOCK	11	AMR DATA LOG	1
OCCUPANT CHANGE	17	PRESSURE	1
CAL	2	HYDRANT METER	2
MISC.	3	LOCK METER	8

# Operations Report

## September 2019

### Water Treatment:

- 15.1 Million gallons of water was treated
- Programming of the filter actuators is ongoing
- Repaired six water service line leaks
- Lower flow in the Nacimientto River has required frequent backwashing of the gallery well system to maintain yield
- Ordered replacement parts to repair the plate settler influent actuator
- Monitored and adjusted the potassium permanganate dose
- As directed by your Board, staff submitted a purchase order to replace the District's backhoe, delivery is tentatively scheduled for the middle of November
- Two of the operations staff attended a water distribution review class to receive continuing education units to renew their distribution licenses
- Repaired the level transmitter on the aluminum sulfate tank located at the water treatment plant

### Wastewater Treatment:

- 3.05 Million gallons of wastewater was treated
- The annual acute toxicity test resulted in a 100% survival rate. This test requires minnows to survive in an undiluted sample of the District's treated wastewater for a duration of four days
- Collected the 3<sup>rd</sup> quarter time schedule order samples
- Repaired the control system at the wastewater treatment plant. The control system maintains dissolved oxygen levels and pump run times. Repairs consisted of replacing the programmable logic controller and power supply
- Completed lift station monthly checks
- Replaced a submersible level transducer at Lift Station 3, the transducer continually monitors well level which triggers low and high-level alarms as needed