

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS' REGULAR MEETING**  
*Minutes of May 21, 2020*

***This meeting was held virtually pursuant to the virtual meeting protocols as outlined in the President's Declaration of April 6, 2020.***

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

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

**2. ROLL CALL**

Secretary Gelos called the roll. All Directors were present.

Staff present: General Manager Scott Duffield, Office Supervisor/Board Secretary Kristen Gelos and District legal counsel Jeff Minnery and Jennifer Blackburn.

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

No comments

**4. PUBLIC HEARING**

**a. Submittal for approval Resolution 20-08 Confirming Water and Sewer Standby Charges for Property within the District for Fiscal Year 2020/21.**

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

Director Cousineau made a motion to approve Resolution 20-08 Confirming Water and Sewer Standby Charges for Fiscal Year 2020/21. Director Barker seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

**5. CONSENT ITEMS**

**a. Meeting Minutes:** Receive/approve minutes of regular meeting of April 16 2020.

**b. Warrant Register:** Receive/approve April 2020 warrants.

**c. Treasurer's Report:** Receive/file April 2020 report.

**d. Fiscal Report:** Receive/file April 2020 status report.

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

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

## **6. DISCUSSION ITEMS**

### **a. Request to approve a professional services agreement for auditing services with Moss, Levy & Hartzheim LLP.**

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

Director Barker made a motion to approve the agreement for auditing services with Moss, Levy & Hartzheim LLP. Director Rowley seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

### **b. Request to approve renewal of a conditional will serve letter for Vesting Tentative Tract Map 2879.**

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

Director Barker made a motion to approve renewal of a conditional will serve letter for Vesting Tentative Tract Map 2879. Director Capps seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

### **c. Request to approve renewal of a conditional will serve letter for Vesting Tentative Tract Map 3110.**

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

Director Barker made a motion to approve renewal of a conditional will serve letter for Vesting Tentative Tract Map 2879. Director Cousineau seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Capps, Cousineau, Rowley

### **d. Request to receive and file Photovoltaic System Project updates.**

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

The report was received and filed.

## **7. MANAGER'S REPORT**

The report was received and filed.

## **8. STAFF REPORTS**

The reports were received and filed.

## **9. COMMITTEE AND DIRECTOR REPORTS**

The Directors asked that we forward the water distribution system maps to them.

The Operations & Engineering Committee chairperson, Director Barker, requested that an informational item about granular activated carbon use in our water system be presented to the full Board of Directors instead of to just the Operations & Engineering Committee.

## **10. ADJOURNMENT**

On a motion by Director Barker and seconded by Director Capps, the meeting adjourned at 5:16 pm to the next scheduled regular meeting on Thursday, June 18, 2020.

### **APPROVED:**

---

**Dan Burgess, President**  
**Board of Directors**

### **ATTEST:**

---

**Kristen Gelos, Secretary**  
**Board of Directors**

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
MAY 2020  
WARRANT REGISTER**

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>ITEM AMOUNT</b>	<b>WARRANT AMOUNT</b>
5/1/2020	CALPERS 457 DEFFERED COMP PROG PERS 457- DEFFERED COMP.	1,028.00	\$ 1,028.00
5/1/2020	CALPERS RETIREMENT SYSTEM PERS RETIREMENT PERS RETIREMENT TIER 2 PERS RETIREMENT PEPRA SURVIVOR BENEFIT	2,227.39 962.32 282.94 5.58	\$ 3,478.23
5/3/2020	CALPERS HEALTH BENEFITS CALPERS HEALTH BENEFITS EMPLOYEE PAID HEALTH BENEFIT EMPLOYEE PAID HEALTH BENEFIT	9,796.40 819.88 819.88	\$ 11,436.16
5/6/2020	J.B. DEWAR. INC. FUEL & OIL	104.78	\$ 104.78
5/6/2020	GREAT WESTERN ALARM ALARM / ANSWERING SERVICE	274.55	\$ 274.55
5/6/2020	ADAMSKI, MOROSKI, MADDEN, CUMB LEGAL & ATTORNEY	5,309.00	\$ 5,309.00
5/6/2020	RYAN BRINK CELL/INTERNET ALLOWANCE	80.00	\$ 80.00
5/6/2020	CHARTER COMMUNICATIONS INTERNET	84.99	\$ 84.99
5/6/2020	USA BLUEBOOK CHEMICALS FIXED EQUIP. / LAB TESTING MAINTENANCE FIXED EQUIPMENT	385.13 1,045.81 352.57	\$ 1,783.51
5/6/2020	BRENNTAG PACIFIC, INC CHEMICALS CHEMICALS	1,636.09 9,462.05	\$ 11,098.14
5/6/2020	FGL ENVIRONMENTAL LAB TESTING	108.00	\$ 108.00

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
MAY 2020  
WARRANT REGISTER**

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>ITEM AMOUNT</b>	<b>WARRANT AMOUNT</b>
5/6/2020	ROY ARNOLD		
	MEDICAL REIMBURSEMENT	240.00	
	UNIFORM ALLOWANCE	175.60	
	CELL/INTERNET ALLOWANCE	80.00	\$ 495.60
5/6/2020	FLUID RESOURCE MANAGEMENT		
	PROFESSIONAL SERVICES	2,050.00	
	PROFESSIONAL SERVICES	425.00	
	PROFESSIONAL SERVICES	500.00	
	PROFESSIONAL SERVICES	500.00	\$ 3,475.00
5/6/2020	KRISTEN GELOS		
	CELL/INTERNET ALLOWANCE	40.00	\$ 40.00
5/6/2020	JAMES A. PRITCHETT		
	UNIFORM ALLOWANCE	36.79	
	MEDICAL REIMBURSEMENT	540.00	
	CELL/INTERNET ALLOWANCE	80.00	\$ 656.79
5/6/2020	PITNEY BOWES INC.		
	POSTAGE METER RENTAL	118.58	\$ 118.58
5/6/2020	SHORE-TEK INC		
	SMALL TOOLS & EQUIPMENT	2,171.81	
	SMALL TOOLS & EQUIPMENT	25.00	\$ 2,196.81
5/6/2020	MICHAEL K. NUNLEY & ASSOCIATES		
	CONSULTING & ENGINEERING	2,594.11	\$ 2,594.11
5/6/2020	SCOTT DUFFIELD		
	CELL/INTERNET ALLOWANCE	40.00	\$ 40.00
5/6/2020	MARK HUMPHREY		
	UNIFORM ALLOWANCE	104.47	
	CELL/INTERNET ALLOWANCE	80.00	\$ 184.47
5/6/2020	SPECIAL DISTRICT RISK MANAGEME		
	PROPERTY/LIAB.INS.ADD. INSURED	47.50	\$ 47.50
5/6/2020	CLEATH-HARRIS GEOLOGISTS, INC.		
	VERTICAL INTAKE PROJECT	1,914.52	\$ 1,914.52
5/6/2020	MJ WELDING		
	VEHICLES	255.00	\$ 255.00

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
MAY 2020  
WARRANT REGISTER**

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>ITEM AMOUNT</b>	<b>WARRANT AMOUNT</b>
5/6/2020	BAUTISTA'S CLEANING SERVICE STRUCTURES & GROUNDS	180.00	\$ 180.00
5/6/2020	SPRAGUE'S LAWN SERVICES STRUCTURES & GROUNDS	450.00	\$ 450.00
5/6/2020	LIGHTGABLER LEGAL & ATTORNEY	2,404.00	\$ 2,404.00
5/8/2020	R. BRINK NET PAYROLL	2,241.99	\$ 2,241.99
5/8/2020	R. ARNOLD NET PAYROLL	2,367.18	\$ 2,367.18
5/8/2020	J. PRITCHETT NET PAYROLL	2,250.24	\$ 2,250.24
5/8/2020	M. HUMPHREY NET PAYROLL	1,873.33	\$ 1,873.33
5/8/2020	K. GELOS NET PAYROLL	2,323.75	\$ 2,323.75
5/8/2020	D. BURGESS NET PAYROLL	92.35	\$ 92.35
5/8/2020	B. BARKER NET PAYROLL	92.35	\$ 92.35
5/8/2020	M. ROWLEY NET PAYROLL	92.35	\$ 92.35
5/8/2020	R. COUSINEAU NET PAYROLL	92.35	\$ 92.35
5/8/2020	S. DUFFIELD NET PAYROLL	3,442.02	3,442.02
5/11/2020	WALLACE GROUP LS 1-5 CONDITION ASSESSMENT	273.00	
	CONSULTING & ENGINEERING	440.90	
	CONSULTING & ENGINEERING	97.50	
	PVS PROJECT	2,098.77	\$ 2,910.17

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
MAY 2020  
WARRANT REGISTER**

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>ITEM AMOUNT</b>	<b>WARRANT AMOUNT</b>
5/11/2020	READY REFRESH BY NESTLE LAB TESTING	15.94	\$ 15.94
5/11/2020	PG&E ELECTRICITY	16,217.56	\$ 16,217.56
5/11/2020	BRENNTAG PACIFIC, INC CHEMICALS CHEMICALS	1,864.79 750.00	\$ 2,614.79
5/11/2020	COUNTY OF SAN LUIS OBISPO PROFESSIONAL SERVICES PROFESSIONAL SERVICES	216.00 210.60	\$ 426.60
5/11/2020	FLUID RESOURCE MANAGEMENT PROFESSIONAL SERVICES	575.00	\$ 575.00
5/11/2020	NAPA AUTO PARTS SMALL TOOLS & EQUIPMENT	42.63	\$ 42.63
5/11/2020	ABALONE COAST ANALYTICAL, INC. LAB TESTING	2,729.00	\$ 2,729.00
5/11/2020	U.S. BANK TELEPHONE COMPUTER/SOFTWARE OFFICE SUPPLIES MAINTENANCE FIXED EQUIPMENT TELEPHONE POSTAGE POSTAGE	208.90 94.79 21.52 1,239.85 207.88 46.86 26.35	\$ 1,846.15
5/11/2020	CORE & MAIN LP MAINTENANCE FIXED EQUIPMENT	2,743.28	\$ 2,743.28
5/11/2020	RHYTHM DESIGN UNIFORMS	80.60	\$ 80.60
5/11/2020	BURT INDUSTRIAL SUPPLY VEHICLES/SUPPLIES/FIXED EQUIP.	630.24	\$ 630.24
5/11/2020	DATA PROSE LLC APRIL BILLING / LATE NOTICES	1,278.35	\$ 1,278.35

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
MAY 2020  
WARRANT REGISTER**

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>ITEM AMOUNT</b>	<b>WARRANT AMOUNT</b>
5/11/2020	RIVAL TECHNOLOGY INC. PROFESSIONAL SERVICES COMPUTERS / SOFTWARE	250.00 144.74	\$ 394.74
5/11/2020	MARK HUMPHREY MEDICAL REIMBURSEMENT	1,050.00	\$ 1,050.00
5/11/2020	KENWOOD ENERGY PVS PROJECT	3,558.75	\$ 3,558.75
5/11/2020	CLEATH-HARRIS GEOLOGISTS, INC. VERTICAL INTAKE PROJECT	3,247.20	\$ 3,247.20
5/11/2020	COUNTY OF SAN LUIS OBISPO - EM CONSULTING & ENGINEERING	1,000.00	\$ 1,000.00
5/11/2020	GILLESPIE, JAMES US REFUND	80.00	\$ 80.00
5/11/2020	DAULTON, RONNETTE US REFUND	64.17	\$ 64.17
5/12/2020	INTERNAL REVENUE SERVICE FEDERAL WITHHOLDING TAXES FICA WITHIHOLDING MEDICARE	1,627.12 49.60 607.06	\$ 2,283.78
5/12/2020	EMPLOYMENT DEVELOPMENT DEPARTM SDI STATE WITHHOLDING	205.33 579.59	\$ 784.92
5/12/2020	SAN MIGUEL GARBAGE DELINQUENT SOLID WASTE FEES	1,224.00	\$ 1,224.00
5/15/2020	CALPERS 457 DEFFERED COMP PROG PERS 457- DEFFERED COMP.	1,028.00	\$ 1,028.00
5/15/2020	CALPERS RETIREMENT SYSTEM EMPLOYER'S CONTRIBUTION PERS RETIREMENT PERS RETIREMENT TIER 2 PERS RETIREMENT PEPRA SURVIVOR BENEFIT	14.58 2,282.73 962.32 282.94 5.58	\$ 3,548.15



**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
MAY 2020  
WARRANT REGISTER**

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>ITEM AMOUNT</b>	<b>WARRANT AMOUNT</b>
5/20/2020	AT&T TELEPHONE / INTERNET	166.22	\$ 166.22
5/8/2020	R. BRINK NET PAYROLL	2,333.62	2,333.62
5/8/2020	R. ARNOLD NET PAYROLL	2,486.30	2,486.30
5/8/2020	J. PRITCHETT NET PAYROLL	2,620.37	2,620.37
5/8/2020	M. HUMPHREY NET PAYROLL	1,785.71	1,785.71
5/8/2020	K. GELOS NET PAYROLL	2,323.75	2,323.75
5/8/2020	S. DUFFIELD NET PAYROLL	3,608.89	3,608.89
5/22/2020	J.B. DEWAR. INC. FUEL & OIL	930.95	\$ 930.95
5/24/2020	CALPERS RETIREMENT SYSTEM PERS RETIREMENT U/L PERS RETIREMENT U/L PERS RETIREMENT U/L	5,797.93 168.52 36.14	\$ 6,002.59
5/26/2020	INTERNAL REVENUE SERVICE FEDERAL WITHHOLDING TAXES MEDICARE	1,740.78 620.06	\$ 2,360.84
5/26/2020	EMPLOYMENT DEVELOPMENT DEPARTM SDI STATE WITHHOLDING	213.81 633.13	\$ 846.94
5/26/2020	STAPLES CREDIT PLAN OFFICE SUPPLIES	32.69	\$ 32.69
5/26/2020	FERGUSON ENTERPRISES INC MAINTENANCE FIXED EQUIPMENT	176.28	\$ 176.28

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
MAY 2020  
WARRANT REGISTER**

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>ITEM AMOUNT</b>	<b>WARRANT AMOUNT</b>
5/26/2020	ADAMSKI, MOROSKI, MADDEN, CUMB LEGAL & ATTORNEY	4,442.00	\$ 4,442.00
5/26/2020	RYAN BRINK CELL/INTERNET ALLOWANCE	80.00	\$ 80.00
5/26/2020	THE TRIBUNE ADVERTISING	72.60	\$ 72.60
5/26/2020	USA BLUEBOOK MAINTENANCE FIXED EQUIPMENT	339.25	\$ 339.25
5/26/2020	KRITZ EXCAVATING & TRUCKING, I MAINTENANCE FIXED EQUIPMENT	794.71	\$ 794.71
5/26/2020	BRENNTAG PACIFIC, INC CHEMICALS	1,973.06	\$ 1,973.06
5/26/2020	QUINN COMPANY EQUIPMENT RENT-LEASE	619.53	\$ 619.53
5/26/2020	C&N TRACTORS STRUCTURES & GROUNDS	66.48	\$ 66.48
5/26/2020	ROY ARNOLD UNIFORM ALLOWANCE CELL/INTERNET ALLOWANCE	115.83 80.00	\$ 195.83
5/26/2020	NAPA AUTO PARTS VEHICLES	34.29	\$ 34.29
5/26/2020	KRISTEN GELOS CELL/INTERNET ALLOWANCE	40.00	\$ 40.00
5/26/2020	JAMES A. PRITCHETT CELL/INTERNET ALLOWANCE	80.00	\$ 80.00
5/26/2020	DAVE FOLTZ AUTOMOTIVE VEHICLES	219.54	\$ 219.54
5/26/2020	BURT INDUSTRIAL SUPPLY VEHICLES/FIXED EQUIP./SUPPLIES	933.65	\$ 933.65

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
MAY 2020  
WARRANT REGISTER**

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>ITEM AMOUNT</b>	<b>WARRANT AMOUNT</b>
5/26/2020	MEDPOST URGENT CARE - PASO ROBLES PROFESSIONAL SERVICES	120.00	\$ 120.00
5/26/2020	WINE COUNTRY BALANCE LAB TESTING	405.00	\$ 405.00
5/26/2020	SCOTT DUFFIELD CELL/INTERNET ALLOWANCE	40.00	\$ 40.00
5/26/2020	WESTERN EXTERMINATOR COMPANY STRUCTURES & GROUNDS	86.00	\$ 86.00
5/26/2020	RIVAL TECHNOLOGY INC. COMP./SOFTWARE & PROF. SERVICE	169.74	\$ 169.74
5/26/2020	MARK HUMPHREY CELL/INTERNET ALLOWANCE	80.00	\$ 80.00
5/26/2020	MACLEOD WATTS, INC PROFESSIONAL SERVICES	4,800.00	\$ 4,800.00
5/26/2020	TRAILER BARN INC. VEHICLES	27.34	\$ 27.34
5/26/2020	STATE WATER RESOURCES CONTROL LICENSES & PERMITS	60.00	\$ 60.00
5/28/2020	CHARTER COMMUNICATIONS INTERNET	84.99	\$ 84.99
5/29/2020	CALPERS 457 DEFFERED COMP PROG PERS 457- DEFFERED COMP.	1,028.00	\$ 1,028.00
5/29/2020	CALPERS RETIREMENT SYSTEM PERS RETIREMENT	2,255.07	
	PERS RETIREMENT TIER 2	962.32	
	PERS RETIREMENT PEPRA	282.94	
	SURVIVOR BENEFIT	5.58	\$ 3,505.91
<b>GRAND TOTAL FOR ALL WARRANTS</b>			<b>\$161,052.74</b>

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
TREASURER'S REPORT  
MAY 2020**

**SUMMARY REPORT OF ALL ACCOUNTS**

Beginning Balance:	\$ 5,034,832.46
Ending Balance:	\$ 5,120,651.18
Variance:	\$ 85,818.72
Interest Earnings for the Month Reported:	\$ 7.54
Interest Earnings Fiscal Year-to-Date:	\$ 79,224.52

**ANALYSIS OF REVENUES**

Total operating income for water and sewer was:	\$ 140,286.53
Non-operating income was:	\$ 74,316.75
Franchise fees paid to the District by San Miguel Garbage was:	\$ 6,833.82
Interest earnings for the P.P.B. checking account was:	\$ 7.54
Interest earnings for the P.P.B. DWR Loan Services account was:	\$ -
Interest earnings for the P.P.B. DWR Reserve account was:	\$ -
Interest earnings for the P.P.B. SRF Loan Services account was:	\$ -
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:	\$ 164,589.12
--	---------------

**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  
MAY 2020**

**BEGINNING BALANCE ALL ACCOUNTS** **\$ 5,034,832.46**

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

**PACIFIC PREMIER BANK - CHECKING**

<b>BEGINNING BALANCE 04/30/2020</b>	\$147,141.03	
DEPOSIT REVENUE & MISCELLANEOUS INCOME	\$250,400.30	
INTEREST EARNED	\$7.54	
TOTAL CHECKS, FEES AND EFT'S	(\$164,589.12)	
TRANSFER TO LAIF ACCOUNT	(\$150,000.00)	
<b>ENDING BALANCE 05/31/2020</b>		<b>\$82,959.75</b>

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

**LOAN SERVICES ACCOUNT**

<b>BEGINNING BALANCE 04/30/2020</b>	\$114.28	
QUARTERLY DEPOSIT	\$0.00	
INTEREST EARNED	\$0.00	
SEMI-ANNUAL PAYMENT	\$0.00	
<b>ENDING BALANCE 05/31/2020</b>		<b>\$114.28</b>

**PACIFIC PREMIER BANK DWR RESERVE ACCOUNT**

<b>BEGINNING BALANCE 04/30/2020</b>	\$113,160.37	
INTEREST EARNED	\$0.00	
<b>ENDING BALANCE 05/31/2020</b>		<b>\$113,160.37</b>

**PACIFIC PREMIER BANK SDWSRF LOAN SERVICES ACCOUNT**

<b>BEGINNING BALANCE 04/30/2020</b>	\$44,198.28	
QUARTERLY DEPOSIT	\$0.00	
INTEREST EARNED	\$0.00	
SEMI-ANNUAL PAYMENT	\$0.00	
<b>ENDING BALANCE 05/31/2020</b>		<b>\$44,198.28</b>

**PACIFIC PREMIER BANK SDWSRF RESERVE ACCOUNT**

<b>BEGINNING BALANCE 04/30/2020</b>	\$0.00	
QUARTERLY DEPOSIT	\$0.00	
INTEREST EARNED	\$0.00	
<b>ENDING BALANCE 05/31/2020</b>		<b>\$0.00</b>

**LOCAL AGENCY INVESTMENT FUND (LAIF)**

<b>BEGINNING BALANCE 04/30/2020</b>	\$4,730,218.50	
INTEREST EARNED	\$0.00	
TRANSFER FROM PACIFIC PREMIER CHECKING	\$150,000.00	
TRANSFER TO PACIFIC PREMIER CHECKING	\$0.00	
<b>ENDING BALANCE 05/31/2020</b>		<b>\$4,880,218.50</b>

**ENDING BALANCE ALL ACCOUNTS** **\$5,120,651.18**

**DIFFERENCE FROM LAST MONTH** **Increase \$85,818.72**

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

<b>OPERATING INCOME</b>	<b>Budget FY 19/20</b>	<b>Actual May</b>	<b>Actual Year to Date</b>	<b>Percentage Year to Date</b>	<b>Variance Explanation</b>
Water Fees	1,048,675	83,434	942,192	90%	
Sewer Fees	628,817	54,929	580,129	92%	
Hook-Up Fees	6,000	0	1,200	20%	Fluctuates based on activity
Turn on Fees	3,500	50	2,900	83%	
Late Fees	18,000	1,842	16,467	91%	
Plan Check & Inspection	10,000	0	993	10%	
Miscellaneous Income	2,000	32	12,521	626%	SDRMA claim, SLOCOPWD refund
<b>TOTAL OPERATING INCOME</b>	<b>\$1,716,992</b>	<b>\$140,287</b>	<b>\$1,556,402</b>	<b>91%</b>	

**FRANCHISE INCOME**

Solid Waste Franchise Fees	70,932	6,834	65,082	92%	
<b>TOTAL FRANCHISE REVENUE</b>	<b>\$70,932</b>	<b>\$6,834</b>	<b>\$65,082</b>	<b>92%</b>	

**NON-OPERATING INCOME**

Standby Charges	242,466	34,526	232,449	96%	
Property Tax	364,361	39,784	363,835	100%	
Interest	50,000	8	79,225	158%	Fluctuates based on activity
Connection Fees	141,160	0	28,340	20%	Fluctuates based on activity
<b>TOTAL NON-OPERATING INCOME</b>	<b>\$797,987</b>	<b>\$74,317</b>	<b>\$703,849</b>	<b>88%</b>	

**RESERVE REVENUE**

Capital Reserves	63,189	3,042	448,132	709%	
Operating Reserves	143,942	3,993	91,248	63%	
<b>TOTAL RESERVE REVENUE</b>	<b>\$207,131</b>	<b>\$7,035</b>	<b>\$539,380</b>	<b>260%</b>	

<b>TOTAL ALL INCOME</b>	<b>\$2,793,042</b>	<b>\$228,472</b>	<b>\$2,864,713</b>	<b>103%</b>	
-------------------------	--------------------	------------------	--------------------	-------------	--

**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 May</b>	<b>Actual Year to Date</b>	<b>Percentage Year to Date</b>	<b>Variance Explanation</b>
Salaries	644,289	39,360	645,458	100%	
Health Insurance	96,753	6,896	87,639	91%	
Health Insurance - Retiree	48,561	3,950	43,439	89%	
PERS	115,465	12,104	127,353	110%	
Standby	12,900	919	11,508	89%	
Overtime	15,050	1,385	13,563	90%	Fluctuates based on need & staffing
Workers Comp. Ins.	25,072	0	21,681	86%	Paid Annually
Directors' Fees	7,000	400	5,900	84%	
Medicare/FICA	9,863	638	10,294	104%	
Car Allowance	3,000	250	2,750	92%	
SUI/ETT	1,500	0	599	40%	
Uniforms	4,500	196	2,419	54%	
<b>TOTAL SALARIES &amp; BENEFITS</b>	<b>\$983,953</b>	<b>\$66,100</b>	<b>\$972,602</b>	<b>99%</b>	

**UTILITIES**

Electricity	240,202	16,218	196,878	82%	
Propane	973	0	711	73%	
Water Purchase	23,114	0	23,114	100%	Paid Semiannually
Telephone/Internet	11,663	1,001	10,116	87%	
<b>TOTAL UTILITIES EXPENSE</b>	<b>\$275,952</b>	<b>\$17,219</b>	<b>\$230,819</b>	<b>84%</b>	

**MAINTENANCE & SUPPLIES**

Chemicals	76,000	4,588	57,349	75%	
Computer/Software	7,000	384	6,958	99%	Logmein increase
Equip. Rental/Lease	1,000	620	835	83%	
Fixed Equip.	103,000	6,084	90,005	87%	
Fuel & Oil	12,000	1,036	10,642	89%	
Lab Testing	30,000	3,150	37,148	124%	Compliance needs
Office Supplies	3,000	54	1,367	46%	
Parks & Recreation	500	0	0	0%	
Struct./Grnds.	14,000	332	8,773	63%	
Small Tools/Equip.	3,500	43	3,901	111%	
Supplies	6,000	314	6,195	103%	Increased operational need
Meters/Equip.	5,000	0	0	0%	Fluctuates based on activity
Vehicles	8,500	741	5,824	69%	
<b>TOTAL MAINT. &amp; SUPPLY EXPENSE</b>	<b>\$269,500</b>	<b>\$17,345</b>	<b>\$228,996</b>	<b>85%</b>	

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

<b>GENERAL &amp; ADMINISTRATION</b>	<b>Budget FY 19/20</b>	<b>Actual May</b>	<b>Actual Year to Date</b>	<b>Percentage Year to Date</b>	<b>Variance Explanation</b>
Ads./Advertising	1,500	73	455	30%	Fluctuates based on activity
Alarm/Answering Service	3,275	0	3,908	119%	Upgrade cost
Audit	10,000	0	6,057	61%	
Bank Charges/Fees	3,000	418	3,963	132%	Fluctuates based on activity
Consulting/Engineering	20,000	1,538	7,692	38%	
Dues/Subscription	9,400	0	8,647	92%	
Elections	1,000	0	0	0%	
Insurance	20,488	0	30,353	148%	Paid Annually
LAFCO	8,000	0	7,904	99%	Paid Annually
Legal/Attorney	22,000	4,442	26,957	123%	
Licenses/Permits	28,200	60	30,718	109%	
Plan Check & Inspection	10,000	0	993	10%	
Postage/Billing	20,000	1,352	14,440	72%	
Professional Service	38,400	6,197	32,353	84%	
Tax Collection	5,300	0	5,218	98%	
Staff Training & Travel	7,000	0	4,073	58%	
Board Training & Travel	10,000	0	145	1%	
<b>TOTAL G &amp; A</b>	<b>\$217,563</b>	<b>\$14,079</b>	<b>\$183,875</b>	<b>85%</b>	

**CAPITAL PROJECTS & EQUIPMENT**

Projects	243,918	9,178	510,423	209%	
Equipment	135,000	0	117,830	87%	
<b>TOTAL CAPITAL EXPENSE</b>	<b>\$378,918</b>	<b>9,178</b>	<b>628,253</b>	<b>166%</b>	

**DEBT**

State Loan Payment	103,629	0	103,628	100%	paid semiannually
State Loan Payment Phase II	58,740	0	29,369	50%	paid semiannually
<b>TOTAL DEBT</b>	<b>\$162,369</b>	<b>\$0</b>	<b>\$132,998</b>		

FUNDED DEPRECIATION	\$288,000	\$24,000	\$264,000	92%	
UNFUNDED DEPRECIATION	\$0	\$0	\$0	0%	

<b>TOTAL EXPENSE</b>	<b>\$2,576,255</b>	<b>\$147,921</b>	<b>\$2,641,542</b>	<b>103%</b>	
CONNECTION FEES TRANSFER	\$141,160	\$0	\$28,340	20%	
SOLID WASTE FEES TRANSFER	\$30,321	\$4,123	\$29,827	98%	
<b>FUND TOTAL</b>	<b>\$45,306</b>	<b>\$76,428</b>	<b>\$165,004</b>		



## HERITAGE RANCH COMMUNITY SERVICES DISTRICT

### MEMORANDUM

**TO:** Board of Directors

**FROM:** Scott Duffield, General Manager

**DATE:** June 18, 2020

**SUBJECT:** Request to receive and file a report on granular activated carbon.

#### **Recommendation**

Request to receive and file a report on granular activated carbon.

#### **Background**

On January 2, 2020, the District officially received a citation from the Division of Drinking Water for our treated water exceeding the haloacetic acids maximum contaminant level.

The Operations & Engineering Committee convened to start discussion on how to address the issue at the following meetings:

- January 9, 2020
- February 12, 2020
- March 4, 2020

Your Board has also been updated on the issue at the following meetings:

- January 16, 2020
- February 20, 2020
- March 19, 2020
- April 16, 2020
- May 21, 2020

At the May 21<sup>st</sup> meeting your Board requested that granular activated carbon be discussed with the full Board rather than with the Operations & Engineering Committee.

#### **Discussion**

Staff, the District Engineer, and the District's consultant MKN & Associates have been researching and developing several options that may address the haloacetic acids issue. These options include but are not limited to enhanced coagulation treatment process, distribution system adjustments, distribution system improvements, a vertical intake

facility, and granular activated carbon (GAC). This item today focuses on providing information about GAC as requested by your Board at the May 21<sup>st</sup> meeting.

In February, staff met with JBI Water & Wastewater Equipment (JBI) representative, Simon Morris. In March JBI provided the following information on GAC options:

*“Sizing basis:*

*185 M/gal per year of drinking water treated*

*Typically 720 gpm instantaneous flow, for 12 hours per day*

*4x Pacer II are 240 gpm each, so three in service and one redundant*

*1. GAC adsorption system in new tanks:*

- Install downstream of Pacer II units, upstream of final chlorination.*
- Two 10’ vessels in lead lag configuration*
- Equipment cost approx. \$350,000*
- Installed cost approx. \$700,000 assuming no additional pumping, epic pipe runs or odd ground conditions.*
- Head loss through units approx. 15 psig, see attached curve. Please review your possible pumping needs.*
- Lead time currently about 35 weeks (although they do have tanks on hand from a cancelled order that could be there in a few weeks, that’s just a fluke situation at the moment though)*
- GA drawings with footprint to follow*
- Carbon change out approx. 1/year pending review of water quality info*
- Carbon replacement approx. \$20,000 per exchange using Calgon’s reactivated carbon program*

*2. Add GAC to Pacer II units – we will need some additional information for this please:*

- Dimensional information*
- Plant hydraulics (we would look at raising media depth to create additional volume if hydraulics allow)*
- TSS in/out of the filters. (Do you have a sample point after the integrated adsorptive clarifier and before the filter?) We need to gauge how much work the filter is doing.*
- This is potentially the quickest and lowest cost solution but managing carbon life/breakthrough and media change outs becomes tougher. Plus we need to consider the filtration performance.*

*3. Brief overview of the carbon life analysis that we can do:*

- Modelling based on water quality – this is free of charge if you can supply the water quality info.*
- Lab work – send 50 gallons to Pittsburgh, PA for accelerated testing. Runs about \$12,000 plus freight. Most of this cost is in the analytical work that needs to be done as well as the lab technician’s time. With that test we can provide a good estimate on the carbon usage rates that we would be willing to put on paper.*

- *On-site testing – I think Calgon can provide a filter column but I don't have a cost on that and I don't believe it can be accelerated so I think you'd be testing for a year or so to prove how it works."*

Staff communicated with JBI a couple of times since March, and in May JBI provided the following additional information, and a filter column test cost proposal which is attached to this staff report:

*"Filter Column Testing Cost Proposal. It had been held up and MKN had not been pushing but obviously Calgon must still have been working on it in the background and no sooner did our call finish than it showed up so that is good news! Price is better than I expected as well but bear in mind there is very little oversight included from Calgon because it's been worked up as if an engineer is running the show. If you did want to do the pilot work directly with Calgon I think we'd be back around \$10,500-\$11,000 to provide more technical and engineering support with developing the testing protocol and preparing the results and report – stuff that MKN would be taking on so far as this proposal is concerned. Plus this is a 6 month study, so if you went out to 12 months it would add a little cost as well.*

*You will need to add testing to your projected pilot study costs. The test frequency is shown on page 3 of the pilot proposal. 5 parameters, biweekly testing. What I am double checking is the number of samples each time. I think it should be 6:*

*Pre-chlor In  
Pre-chlor column 1 out  
Pre-chlor column 2 out  
No chlor in  
No chlor col 1 out  
No chlor col 2 out*

*Once I get that clarified I will let you know but if you want to go ahead and get a price per test rate from your lab then once we confirm the total number of samples each time then we can just multiply that by the test duration and analysis cost per sample and determine your lab costs.*

*We discussed rentals and why your 1 year rental price was the same as the capital cost for buying a system outright."*

The District also discussed the potential for GAC with another vendor, Evoqua Water Technologies (Evoqua), also over the February through March timeframe. In March, staff met with Evoqua onsite. Evoqua provided a budgetary proposal to rent a GAC system. That budgetary proposal is attached.

After meeting with Evoqua, they also provided a proposal for a smaller system with the intention that it would act as a pilot study only, a similar concept but different from the filter column test proposal provided by JBI. The effort, time, and costs for both proposed pilot test methods appear to be similar. That proposal is also attached.

Additionally, in April staff reached out to the City of Paso Robles after learning from Evoqua that the City has an Evoqua GAC system. Staff received information from the City that does not directly transfer to the District, but it could help understand the process; again, not easy, quick, nor cheap. In June, Staff and the Operations & Engineering Committee members visited the City's Water Treatment Plant and met with staff and toured their GAC system.

Please note that GAC itself nor any of these options or information provided to the District have been reviewed or vetted with our District Engineer nor MKN at this time. GAC may not even totally address the haloacetic acids issue. Before any large capital project or expenses are made for a GAC system, the Manager recommends that the District Engineer, MKN, and/or other consultant(s) vet out all options that may address the haloacetic acids issue, including but not limited to distribution system and other treatment system options. The Division of Drinking Water will need to be consulted, informed, and ultimately approve of anything the District is considering implementing to address the haloacetic acids issue.

It should also be noted that all this effort related to GAC is only one of several things we are working on to address the haloacetic acids issue, and that the haloacetic acids issue itself is only one of many challenging operational and administrative things we are working on and do to run and manage the District.

### **Fiscal Implications**

As can be seen GAC systems are not cheap, for permanent installation nor for rental use. The Board should consider all options before making large capital expenses for any project.

Other fiscal implications are District Engineer and/or consultant labor costs and Manager and Staff time. Each fiscal year budget includes some level of Engineering & Consulting expense. The draft FY 2020/21 operating budget includes a total of \$85,000 for Engineering & Consulting. Additional funding could be provided from reserves if/when that becomes necessary and if your Board chooses.

### **Results**

This is a receive and file item.

Attachments: Calgon Carbon Column Test Proposal dated May 28, 2020  
Evoqua Budgetary Proposal dated March 16, 2020 – Full System Rental  
Evoqua Proposal dated March 18, 2020 – Pilot Study Rental

File: Projects\_DBP 2020



**CALGON CARBON CORPORATION**

**GAC PILOT COLUMNS & TECHNICAL SUPPORT – MKN Associates**

Contact: Stefanos Word, EIT	Email: sword@mknassociates.us
Project: City of Heritage Ranch	Date: May 28, 2020
Location: Heritage Ranch, CA	Title: GAC Pilot Columns & Support Proposal

Proposal Price: \$8,667.00
Scope:  Please see attached proposal outline.

**TERMS AND CONDITIONS:**

1. Payment Terms: Net 30 days or major credit cards accepted.
2. Pricing provided is exclusive of any applicable Sales Tax.
3. Pricing does not include laboratory costs to be incurred by work outlined in this proposal.
4. The quoted price is valid for 30 days from the date of this proposal.

If you have questions or would like to proceed ordering the proposed work and equipment, please contact:

Tim Brekke  
Technical Sales Representative  
Tim.Brekke@kuraray.com  
m.310.740.7782

## Proposed Pilot Test Plan for the City of Heritage Ranch

### DBP Mitigation Pilot

#### 1. Test Background

- a. The Community of Heritage Ranch seeks to evaluate the performance of granular activated carbon (GAC) to mitigate Total Trihalomethane (TTHM) and the Five regulated Haloacetic Acids (HAA5) in order to comply with the respective 80 ppb and 60 ppb Locational Running Annual Average (LRAA) Maximum Contaminant Levels (MCL).
- b. The pilot system design is based on a conceptual treatment layout for GAC with the current treatment capacity (1 MGD).
- c. MKN Associates (MKN) has asked Calgon Carbon Corporation (Calgon) to provide a pilot test plan and proposal, presented herein.
- d. Calgon will provide pilot equipment (Figure 1 & Appendix A) for pilot-scale evaluation of GAC at Heritage Ranch WTP.
- e. The Community, with assistance from MKN, will monitor and maintain the pilot equipment.
- f. The pilot test is anticipated to last six to nine months.

#### 2. Test Objectives

- a. Compare the performance of GAC with and without pre-chlorination for the City's coagulated water.
- b. Operate GAC pilot system at a steady flow rate and maintain a daily record of volume of water processed.
- c. Collect and analyze effluent samples for multiple water quality parameters (see below).
- d. Compare effluent concentrations during the test period by plotting effluent concentrations versus bed volumes treated to identify which treatment approach presents the most favorable performance in those terms.

#### 3. Test Configuration

##### a. GAC Pilot Design

##### i. Full-Scale Design

1. Design Flow: 720 gpm (1.0 MGD)
2. Flow per System: 720 gpm
3. Number of Systems: 1
4. Contact Time per System: 13.6 min.
5. Contact Time per Vessel: 6.8 min. (1/2 of system)
6. Vessel Type:
  - a. Diameter: 10 ft
  - b. Underdrain: 30° cone-bottom
  - c. Fill volume: 660 ft<sup>3</sup>

- d. Bed Depth: 8.3 ft
- e. Hydraulic Loading Rate: 9.2 gpm/ft<sup>2</sup>

- ii. Corresponding Pilot-Scale Design (per column)
  - 1. No. Columns in Series: 2
  - 2. Contact Time per Column: 2.6 min.
  - 3. Bed Depth: 3.2 ft
  - 4. Column Inside Diameter: 4.0 inches
  - 5. Column X-Section Area: 0.087 ft<sup>2</sup>
  - 6. Bed Volume: 0.28 ft<sup>3</sup> (2.1 gal)
  - 7. Flow: 0.8 gpm
  - 8. Empty Bed Contact Time Total: 5.2 min (77% of full-scale vessel)
  - 9. Feed Pressure: 20 psi minimum; 40 psi recommended.

b. Pilot Test Media Types

- i. All four columns will be filled with Filtrasorb 400 (F400)
- ii. Two columns will operate with prechlorination, while the other two will operate without.

4. Data Collection

- a. Pilot columns to be monitored on a daily basis recording:
  - i. Instantaneous flow;
  - ii. Total flow; &
  - iii. Influent/Effluent Pressure.
- b. Influent and Effluent Analyses (biweekly) will involve measuring:
  - i. TOC;
  - ii. DOC;
  - iii. UV254;
  - iv. TTHM Formation Potential
  - v. HAA5 Formation Potential

5. Schedule

- a. Installation – Summer/Fall 2020.
- b. MKN and City staff are responsible for placing the pilot system in a secure indoor location. If no indoor location is available, provide an enclosed structure to house the equipment.
- c. Calgon will provide a technician for all required installation.
- d. Test start – upon installation
- e. Test completion – Spring 2021 (anticipated)

6. Data Review and Test Conclusion

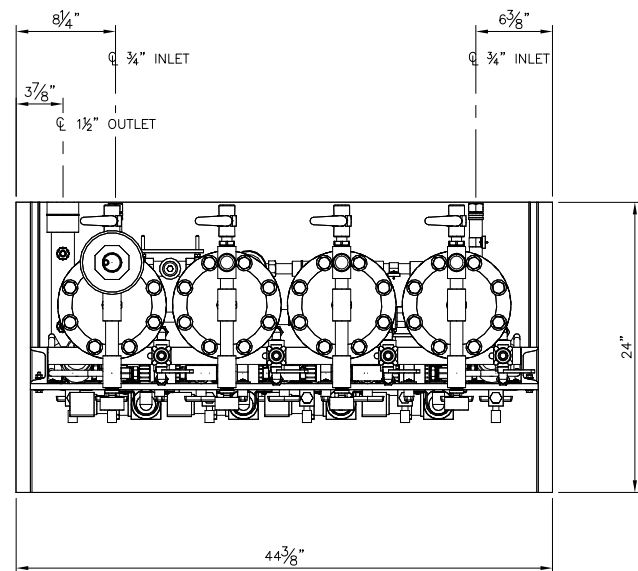
- a. Calgon will be available for 1 or 2 calls per month (2 hours total) to review the data with MKN as requested.
- b. MKN will prepare a report summarizing the results and any significant conclusions arising from the test.
- c. Calgon will provide the results of characterization of the GACs by standard ASTM and AWWA test methods.
- d. If the test conclusions are novel, Calgon would be interested in presenting them at an American Water Works Association conference, or similar; Calgon would welcome any collaboration from the City or MKN.



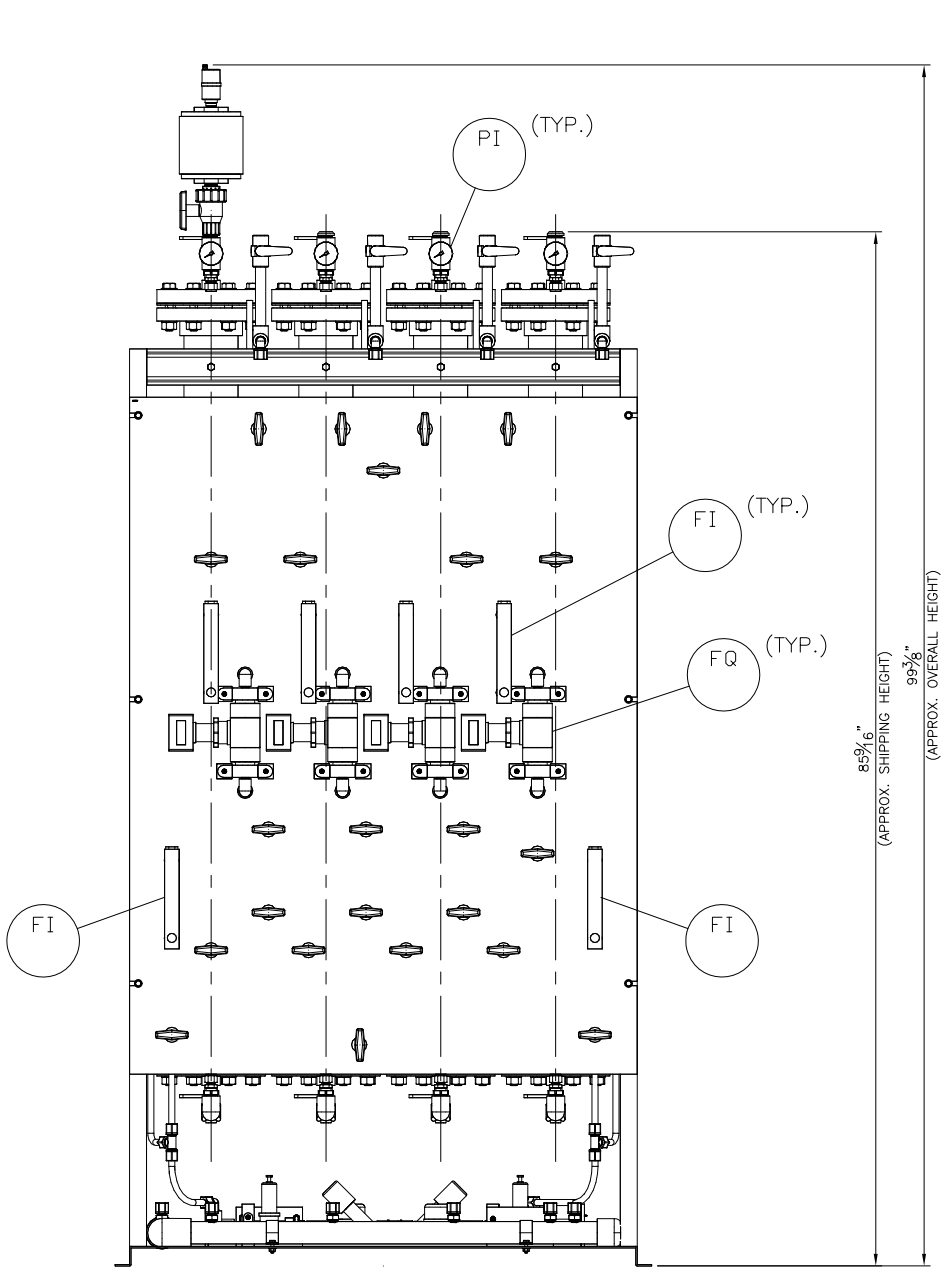


**Figures 1 & 2:** Photos of front and rear of pilot unit showing 4 columns, flow meters, and interconnecting piping.

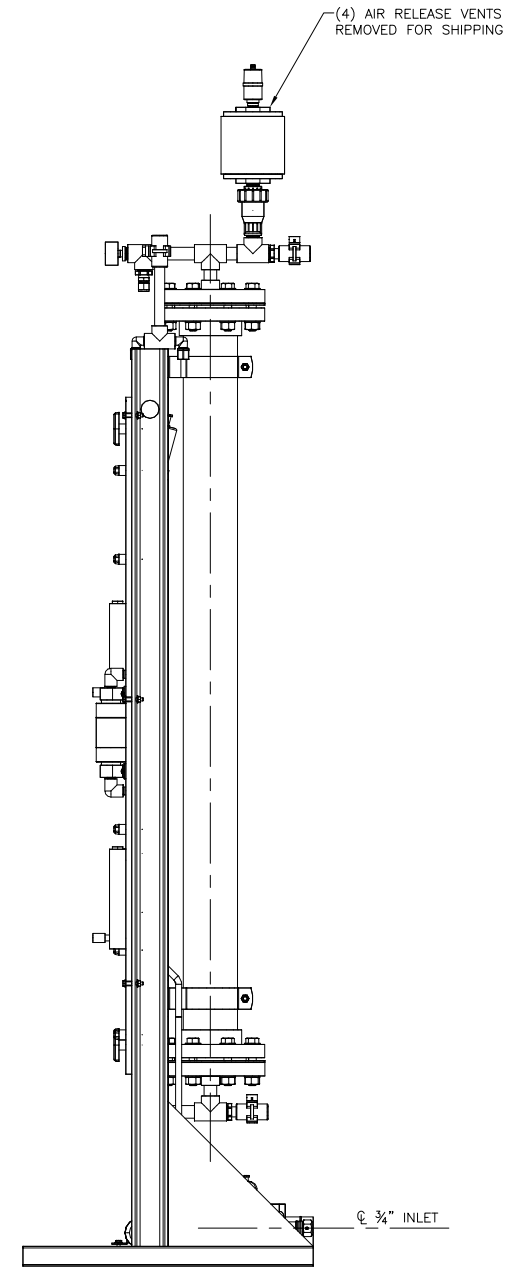
**Appendix A:** Drawing of pilot unit



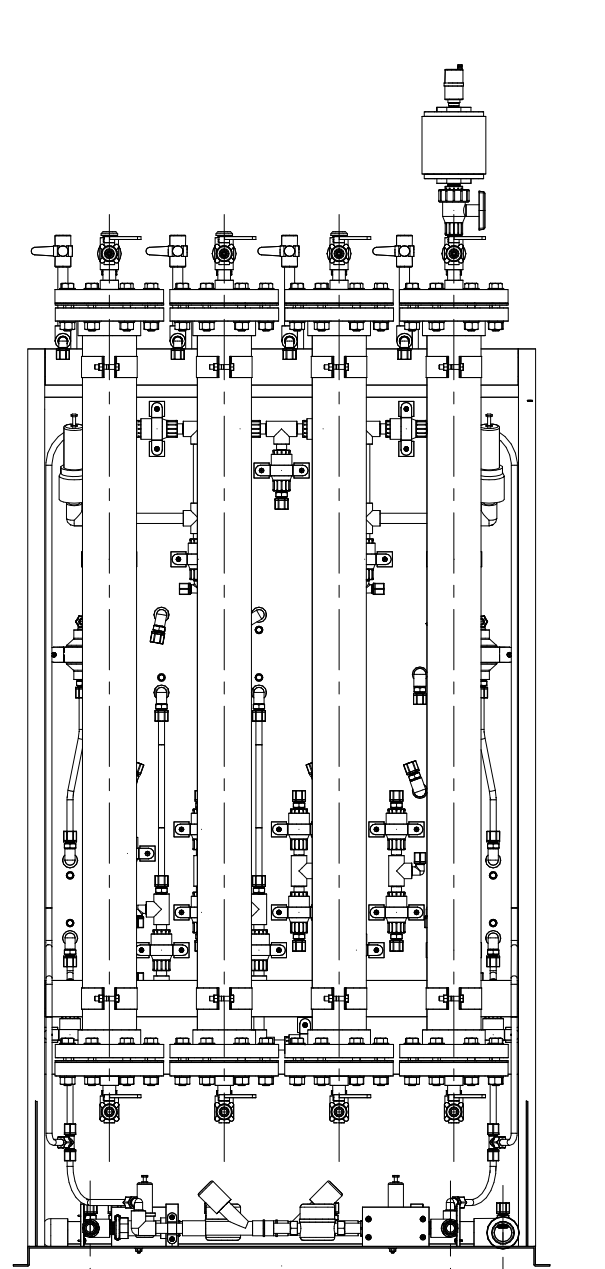
**PLAN**



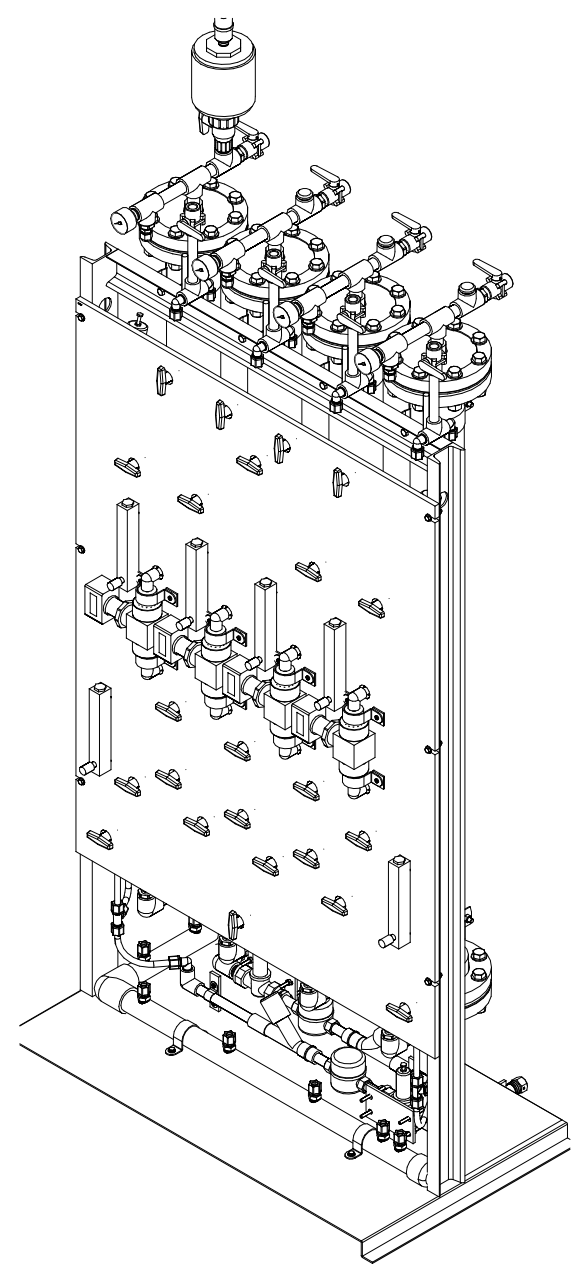
**FRONT ELEVATION**



**SIDE ELEVATION**



**BACK ELEVATION**



**ISOMETRIC VIEW**

**NOTES:**  
1. WEIGHT: 375 LBS, (APPROX.)

C			
B			
O	ISSUED FOR FABRICATION	RES	9/24/15
REV	DESCRIPTION	APP	DATE
REVISIONS			

TOLERANCES (unless otherwise specified)			
ANGULAR	±0°30'	DECIMAL (2 PLACES)	±.010
FRACTIONAL	±1/16"	DECIMAL (3 PLACES)	±.005
DECIMAL (1 PLACE)	±.015	DECIMAL (4 PLACES)	±.0005



CLIENT: STANDARD

TITLE: 4 COLUMN PILOT DUAL INLET GENERAL ARRANGEMENT

THIS DRAWING AND DESIGN IS THE PROPERTY OF CALGON CARBON CORPORATION AND IS NOT TO BE REPRODUCED IN WHOLE OR IN PART NOR EMPLOYED FOR ANY PURPOSE OTHER THAN SPECIFICALLY PERMITTED IN WRITING BY CALGON CARBON CORPORATION. THIS DRAWING LOANED SUBJECT TO RETURN ON DEMAND.

DRAFTER	BKM	DATE	9/23/15
DESIGNER			
CHECKER	RES	DATE	9/23/15
APPROVAL			
PROJECT No.	STANDARD		

DWG. Size	D	SHEET No.	1 OF 1	SCALE	NONE
DWG. No.	90150317			REV.	0

Heritage Ranch Community Services District  
4870 Heritage Rd  
Paso Robles, CA 93446  
ATTN: Scott Duffield

Subject: Evoqua Water Technologies LLC Budgetary Proposal # 466600-09302014

Dear Scott,

Thank you for taking time out of your schedule to meet with me regarding your upcoming TOC treatment system. I have put together the below budgetary figures based on my conversation with Jason Molinari. Below you will find the application summary and the information on our HP1220 carbon systems.

#### **Application Overview**

Municipal Drinking Water  
750 GPM

Treating for TOC – carcinogenic by products are forming with the addition of chlorine.

#### **HP1220 SYSTEM RENTAL MOBILIZATION**

Pricing includes:

- System includes two durable, carbon steel adsorbers with vinyl ester liners and an interconnecting piping manifold.
  - Dimensions of approximately 28'10" L x 16'4" W x 13'2" H.
  - Rated for maximum of 1100 gpm series/2200 gpm parallel and 125 psig.
  - Inlet and outlet connections 8in 150lb flange. Shipping weight of 35,000 lbs.
  - Each adsorber holds 700 cubic feet of carbon.
- Freight to deliver system to customer site.
- 62,000 lbs of carbon UC1240LD loaded into adsorbers onsite via slurry trailer.
- Mobilization and 24 hours onsite for Evoqua technician to supervise installation.
- *Customer is responsible for providing pipefitters for installation.*
- *Customer is responsible for crane for offloading upon delivery and installation.*
- *Customer is responsible for providing clean water for initial backwash and collection of backwash water.*
- *Customer is responsible for providing air and clean water for slurry loading, and initial backwash.*
- *Customer is responsible for providing a Suitable Location for HP1220 Carbon System.*

NOTE: The carbon system proposed must be placed on a firm and level surface capable of supporting the weight of the system, including carbon and water. Typically a concrete area, blacktop area covered with steel plates, or compacted road gravel area covered with steel plates is sufficient. See attached data on system leg configuration and operating weight. Failure to adequately support the system could result in system instability and failure.

#### **HP1220 SYSTEM RENTAL DEMOB TURNKEY**

Pricing includes:

- Freight to deliver slurry trailers to customer site.
- Mobilization and time onsite for driver to remove carbon from system.
- Removal of spent carbon via transfer into slurry trailer.
- Freight to deliver spent carbon to Evoqua reactivation facility.
- Reactivation of spent carbon.
- Mobilization and 10 hours onsite for Evoqua technician to supervise demobilization.
- Freight to return system to Evoqua.
- *Customer is responsible for providing pipefitters for demobilization of system.*
- *Customer is responsible for crane for demobilization and loading of system.*
- *Customer is responsible for providing air, water, and a dewatering area near the system.*

**SERVICE - SLURRY 40,000 LB TURNKEY**

Pricing includes:

- 40,000 lb of UC1240LD
- Freight to deliver fresh carbon to customer site via slurry trailer.
- Standard service time onsite: 40,000lb-6hr
- Removal of spent carbon and reloading with the fresh carbon.
- Freight to deliver spent carbon to Evoqua's reactivation facility.
- Reactivation of spent carbon.
- *Customer is responsible for providing air, water, and a dewatering area near the system.*

**CUSTOMER RESPONSIBILITY:**

- Customer is responsible for providing offloading/loading equipment (i.e. forklift) for delivery, pick-up, and onsite service.
- Delivered pricing includes standard freight. Unless otherwise noted, Hot Shot freight is prepaid and added to invoice.
- Pricing is based on standard weekday service hours of 8 am - 5 pm. Weekend and after-hours callouts have a 4-hour minimum charge and time and a half rates.
- Demurrage hours due to customer operations, requests, or carbon condition are \$165/hr/tech.
- Pricing is contingent upon free flowing spent carbon that can be removed with Evoqua' vacuum or slurry equipment. If additional equipment is needed, it is charged to the customer at cost plus 15%. If additional time is needed, it is charged at demurrage rates.
- Returns of unused materials are charged a restocking fee plus freight and rental fees incurred. Restocking fee is 25% if made within 30 days; 50% within 31-60 days; and 100% after 60 days.
- Onsite service pricing is contingent upon (1) service truck access within 25' of adsorber; (2) work being performed in level "C" or "D" PPE; (3) minimum manway opening of 4"; and (4) minimum overhead clearance of 4'.
- Evoqua rental equipment is to be serviced by Evoqua.

**SPENT CARBON PROFILE AND REACTIVATION**

All spent carbon returning for reactivation require a valid, approved spent carbon profile prior to scheduling the shipment. Prior to the initial spent carbon pickup, the spent carbon must be analyzed and an application submitted for approval. Once the profile is approved, the spent carbon can be scheduled for pickup. A new profile takes approximately 3 weeks to complete and has a one-time profile fee of:

RCRA Non-Hazardous or Sludge Exempt Spent Carbon	\$450
RCRA Hazardous Spent Carbon	\$750

**FUEL & ENERGY SURCHARGE**

Evoqua has established a Fuel & Energy Surcharge to serve as a fair and equitable means to capture the recent volatile changes of fuel and energy costs in our pricing to our customers. The surcharge is adjusted quarterly and is charged as a percentage of the invoice total for carbon service, reactivated carbons, and spent carbon reactivation services. The current F&E Surcharge is 5.69% and has been included in the pricing.

If you have questions, please do not hesitate to contact me. We look forward to working with you now, and on future applications.

Sincerely,

Bailey Nelson  
Sales Engineer

**Rental Quote:**

<u>Item</u>	<u>Description</u>	<u>Item Number</u>	<u>Qty</u>	<u>UOM</u>	<u>Unit Price</u>	<u>Extended Price</u>
1	<b>Dual HP1220SYS-ACRS Rental Installs:</b> includes 2 HP1220 rental systems delivered, 2 x 31,000 lb loads carbon delivered & installed via slurry trailer, installation supervisor for up to 40 hours onsite.	W3TSP4283	1	EA	\$112,600.00	~ \$112,600.00
2	<b>Dual HP1220SYS Rental Demob – EST.</b> includes demob supervisor for up to 24 hours onsite, spent carbon removal, transportation, & reactivation, equipment returned to Evoqua ➤ Demob not charged until end of rental ➤ Firm pricing giving at time of rental return	W3TSP4283	1	EA	\$46,136.00	\$46,136.00
3	<b>Dual HP1220SYS Monthly Systems Rental</b> *assumes 2 systems for 12 months	W3TSP3014	12	MO	<u>\$16,000.00</u>	~ \$192,000.00
4	<b>SLURRY CHANGEOUT 31,000 LB</b> Includes fresh carbon delivered via slurry trailer, Spent carbon removal via slurry trailer, refill with fresh carbon, spent carbon reactivation	W3TSP4283	1	EA	<u>\$59,520.00</u>	\$59,520.00

**Shipping Information:**

- Freight is F.O.B. Destination, freight prepaid.

**Terms:**

- Evoqua Water Technologies (Evoqua) is pleased to submit this budgetary proposal. Please be advised that this budgetary proposal is a non-binding commitment, being utilized for review and informational purposes and does not constitute an offer for acceptance.

**Evoqua Water Technologies  
Terms and Conditions**

1. **Applicable Terms.** These terms, together with any quotation, purchase order or acknowledgement issued or signed by Seller (the "Seller's Documentation"), comprise the complete and exclusive statement of the agreement between the parties (the "Agreement") and supersede any terms contained in Customer's documents, unless separately signed by Seller. Whether the terms set forth herein are included in an offer, acceptance or acknowledgment by Seller, such offer, acceptance or acknowledgment is conditioned on Customer's assent to these terms. Seller rejects all additional or different terms in any of Customer's forms or documents. The Agreement governs the scope of work set forth in Seller's Documentation. For the purposes of this Agreement, goods shall include equipment, leased equipment and media goods (collectively, the "Goods").
2. **Payment.** Customer shall pay Seller the full fee as set forth in Seller's Documentation. Seller's price does not include, and Seller shall not be responsible for, any taxes, permits, tariffs, duties or fees (or any incremental increases to such taxes, permits, tariffs, duties or fees enacted by governmental agencies) unless specifically agreed in Seller's Documentation or otherwise by Seller in writing. If Seller is required to pay any such charges, Customer shall immediately reimburse Seller. All payments are due within 30 days after receipt of invoice. Customer shall be charged the lower of 1 ½% interest per month or the maximum legal rate on all amounts not received by the due date and shall pay all of Seller's reasonable costs (including attorneys' fees) of collecting amounts due but unpaid. All orders are subject to credit approval.
3. **Scope of Services.** Seller shall provide the Goods and services specifically described in Seller's Documentation during normal business hours, unless otherwise specified in Seller's Documentation. Performance by Seller that is requested or required by the Customer outside of these hours will be charged at Seller's then current schedule of rates and will be in addition to the charges outlined in Seller's Documentation. Where the Customer requests additional Goods or services which are outside of the scope of work itemized in Seller's Documentation, Seller may provide those Goods and services at standard time and material rates and conditions then in effect.
4. **Ownership of Materials.** All devices, designs (including drawings, plans and specifications), estimates, prices, notes, electronic data and other documents or information prepared or disclosed by Seller in connection with the provision of Goods and services hereunder, and all related intellectual property rights, shall remain Seller's property. Seller grants Customer a non-exclusive, non-transferable license to use any such material solely for Customer's use of the Goods at the location originally installed. Customer shall keep confidential and not disclose any such material to third parties without Seller's prior written consent.
5. **Changes.** Seller shall not implement any changes in the scope described in Seller's Documentation unless Customer and Seller agree in writing to the details of the change and any resulting price, schedule or other contractual modifications. This includes any changes necessitated by a change in applicable law.
6. **Warranty.** Seller warrants to Customer that (i) the Goods, except as otherwise set forth in this Section, shall materially conform to the description in Seller's Documentation as of acceptance testing of the Goods and shall be free from defects in material and workmanship and (ii) the services shall be performed in a good and workmanlike manner. The foregoing warranty shall not apply to any Goods that are specified or otherwise demanded by Customer and are not manufactured or selected by Seller, as to which (i) Seller hereby assigns to Customer, to the extent assignable, any warranties made to Seller and (ii) Seller shall have no other liability to Customer under warranty, tort or any other legal theory. If Customer gives Seller prompt written notice of breach of this warranty within 18 months from delivery or 1 year from acceptance of Goods or 90 days from performance of services, as the case may be, whichever occurs first (the "Warranty Period") and otherwise within thirty days of discovering such breach, Seller shall, at its sole option and as Customer's sole remedy: (i) repair or replace the subject parts or refund the price paid therefore in the event of a warranty claim for Goods and/or (ii) reperform the services in the event of a warranty claim for services. If Seller determines that any warranty claim is not, in fact, covered by this warranty, Customer shall pay Seller its then customary charges for any additionally required Goods or service. Seller's warranty is conditioned on Customer (a) operating and maintaining the Goods in accordance with Seller's instructions, (b) not making any unauthorized repairs or alterations and (c) not being in default of any payment obligation to Seller. Seller's warranty does not cover (a) media goods (such as, but not limited to, granular activated carbon media) once such media goods are installed and testing proves material conformance to Seller's Documentation; (b) damage caused by chemical action or abrasive material or misuse which has damaged the equipment serviced and (c) improper installation (unless installed by Seller). **THE WARRANTIES AND REMEDIES SET FORTH IN THIS SECTION ARE SELLER'S SOLE AND EXCLUSIVE WARRANTIES AND BUYER'S SOLE AND EXCLUSIVE REMEDIES, AND SELLER MAKES NO OTHER WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR PURPOSE.**
7. **Indemnity.** Seller shall indemnify, defend and hold Customer harmless from any claim, cause of action or liability incurred by Customer as a result of third party claims for (i) personal injury, (ii) death or (iii) damage to tangible property, to the extent any of the foregoing are caused by Seller's negligence. Seller shall have the sole authority to direct the defense of and settle any indemnified claim. Seller's indemnification is conditioned on Customer (a) promptly, within the Warranty Period, notifying Seller of any claim, and (b) providing reasonable cooperation in the defense of any claim.
8. **Force Majeure.** Under no circumstances shall either Seller or Customer have any liability for any breach (except for payment obligations) caused by extreme weather or other act of God, strike or other labor shortage or disturbance, fire, accident, war or civil disturbance, delay of carriers, failure of normal sources of supply, change in law or other act of government or any other cause beyond such party's reasonable control.
9. **Cancellation.** Either party may terminate the scope of work specified in Seller's Documentation by providing reasonable notice sufficient to avoid costs incurred by the other party. If Customer cancels or suspends any such scope of work for any reason other than Seller's breach, Customer shall pay Seller for work performed prior to cancellation or suspension and any other direct costs incurred by Seller as a result of such cancellation or suspension.
10. **LIMITATION OF LIABILITY.** NOTWITHSTANDING ANYTHING ELSE TO THE CONTRARY AND EVEN IF ANY REMEDIES PROVIDED UNDER THE AGREEMENT FAIL OF THEIR ESSENTIAL PURPOSE, SELLER SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL, LIQUIDATED, PUNITIVE OR OTHER INDIRECT DAMAGES, AND SELLER'S TOTAL LIABILITY ARISING AT ANY TIME FROM THE SALE OR USE OF THE GOODS AND/OR SERVICES SHALL NOT EXCEED THE PRICE PAID TO SELLER THEREFOR. THESE LIMITATIONS APPLY WHETHER THE LIABILITY IS BASED ON CONTRACT, TORT, STRICT LIABILITY OR ANY OTHER THEORY.
11. **Leased Equipment.** Any leased or rented equipment ("Leased Equipment") provided by Seller shall at all times be the property of Seller with the exception of certain miscellaneous installation materials purchased by the Customer, and no right or property interest is transferred to the Customer, except the right to use any such Leased Equipment as provided herein. Customer agrees that it shall not pledge, lend, or create a security interest in, part with possession of, or relocate the Leased Equipment. Customer shall be responsible to maintain the Leased Equipment in good and efficient working order. Upon the expiration or termination of this Agreement, Customer shall promptly make any Leased Equipment available to Seller for removal. Customer hereby agrees that it shall grant Seller access to the Leased Equipment location and shall permit Seller to take possession of and remove the Leased Equipment without resort to legal process and hereby releases Seller from any claim or right of action for trespass or damages caused by reason of such entry and removal.
12. **Miscellaneous.**
  - a. No part of the Agreement may be changed or cancelled except by a written document signed by Seller and Customer.
  - b. No course of dealing or performance, usage of trade or failure to enforce any term shall be used to modify the Agreement.
  - c. If any of these terms is unenforceable, such term shall be limited only to the extent necessary to make it enforceable, and all other terms shall remain in full force and effect.
  - d. Customer may not assign or permit any other transfer of the Agreement without Seller's prior written consent.

- e. The Agreement shall be governed by the laws of the State of Delaware without regard to its conflict of law's provisions.

Purchaser acknowledges that Seller is required to comply with applicable export laws and regulations relating to the sale, exportation, transfer, assignment, disposal and usage of the goods and/or services provided under the Contract, including any export license requirements. Purchaser agrees that such goods and/or services shall not at any time directly or indirectly be used, exported, sold, transferred, assigned or otherwise disposed of in a manner which will result in non-compliance with such applicable export laws and regulations. It shall be a condition of the continuing performance by Seller of its obligations hereunder that compliance with such export laws and regulations be maintained at all times. PURCHASER AGREES TO INDEMNIFY AND HOLD SELLER HARMLESS FROM ANY AND ALL COSTS, LIABILITIES, PENALTIES, SANCTIONS AND FINES RELATED TO NON-COMPLIANCE WITH APPLICABLE EXPORT LAWS AND REGULATIONS.

Seller's price does not include, and Seller shall not be responsible for, any taxes, permits, tariffs, duties or fees (or any incremental increases to such taxes, permits, tariffs, duties or fees enacted by governmental agencies) unless specifically agreed herein or otherwise by Seller in writing.





March 18, 2020

Heritage Ranch Community Services District  
4870 Heritage Road  
Paso Robles, Ca 93446

Attn: Scott Duffield

Re: Proposal for 2 x PV2000 Carbon Adsorption Rental System with UltraCarb® 1240LD

Dear Scott,

Evoqua Water Technologies, LLC (Evoqua) is pleased to provide you with this proposal for one PV2000 carbon adsorption vessel prefilled with UltraCarb® 1240LD virgin coal carbon. Based upon your requirements, we have selected the appropriate equipment for your needs, as detailed in the attached proposal.

Note the following related to this project:

- Contaminants of concern are primarily TOCs.
- Equipment configuration to be one -PV2000 vessel. Designed to achieve 15 minutes of empty bed contact time at 30 gpm.
- Vessel will be delivered pre-filled with 1,760 lbs of UltraCarb® 1240LD coal-based granular activated carbon media.
- PV2000 vessels are configured with 3-inch male camlocks fittings on inlet & outlet unless otherwise directed.
- Vessel return and removal from rental is contingent upon a valid Evoqua spent carbon profile.
- Rental fees terminate when Evoqua demobilizes the equipment. Prorated rental fees are prohibited unless otherwise agreed to in advance of equipment mobilization.

Should you have any questions regarding this proposal, please do not hesitate to contact. Evoqua looks forward to working with you to meet your project goals, and we thank you for your continued interest in our products and services.

Sincerely,

Bailey Nelson  
Account Manager  
Evoqua Water Technologies LLC  
ProAct Environmental Solutions  
Cell Phone: 562-228-8796  
Email: [Bailey.Nelson@evoqua.com](mailto:Bailey.Nelson@evoqua.com)

cc: [Courtney.Nguyen@evoqua.com](mailto:Courtney.Nguyen@evoqua.com)

**Proposal: Carbon Rental Equipment**

**MAJOR COMPONENTS**

**Mobilization Fee:**

- (1) PV® 2000 carbon adsorption vessel.
- Initial fill of 1,7600 lbs. of UltraCarb® 1240LD carbon.
- Freight to site from the Evoqua service branch located in La Mirada, CA.  
Note: system ships to site with initial load of GAC preinstalled in each vessel.
- Forklift Rental: \$1000 (if client cannot provide).

**Demobilization Fee:**

- On-site labor for media removal and equipment transportation.
- Return freight from jobsite to Evoqua service branch. Note: vessels can ship back to branch filled with spent media provided the spent media profiles as non-haz.
- Minor maintenance and repair of adsorbers. Note: major repairs to the adsorbers due to improper handling or use of the systems on-site will be the customer's responsibility.
- Reactivation of the spent carbon at one of Evoqua's reactivation facilities (pending completion of spent carbon profiling process).
- Forklift Rental: \$1000 (if client cannot provide).

<b>Service Cost:</b>	
<b>System Mobilization / Initial Fill</b> Delivery of (1) PV® 2000 vessels and initial fill of UC1240LD. Freight to site and off-loading as described. *Forklift optional at an additional \$1000/day.	<b>\$4,980</b>
<b>Monthly Lease Rate</b> Lease rate per month for (1) PV® 2000 vessel. First month's rental fee is not included in the system mobilization fee. Minimum 3 month rental.	<b>\$470</b>
<b>System Demobilization</b> Spent media removal and equipment removal from the job site. Non-Hazardous spent carbon disposal via reactivation at our Red Bluff, CA facility. Pricing will increase for Hazardous spent media. *Forklift optional at an additional \$1000/day.	<b>\$3,745</b>
<b>Non-Haz Profiling Fee</b> <i>One-time charge to complete profiling and approval for non-haz spent carbon return at Evoqua reactivation facilities</i>	<b>\$450</b>

**Notes on Pricing Above:**

- Includes (1) OSHA Trained field service technician on-site for (1) hour(s). Any additional demurrage due to the customer or additional site time beyond this time will be billed at \$350/hr.
- Mobilization pricing does not include installation or installation supervision.
- Fee is contingent upon work being performed in level “C” or “D” PPE.
- Overhead clearance above the adsorber is a minimum of 4 feet.
- Spent carbon/media must be free-flowing and free of foreign contaminants or debris.

**Terms & Conditions**

- Pricing is exclusive of any local, state, or federal taxes or fees.
- Please refer to the above date and proposal number on all purchase orders.
- Evoqua’s price does not include, and Evoqua shall not be responsible for, any taxes, permits, tariffs, duties or fees (or any incremental increases to such taxes, permits, tariffs, duties or fees enacted by governmental agencies) unless specifically agreed herein or otherwise by Evoqua in writing. Should Evoqua be required at any time to pay any such Import Duties (either to the government or to Evoqua’s vendors) in connection with activated carbon delivered to the customer, customer shall reimburse the full amount of such Import Duties to Evoqua promptly upon customer’s receipt of Evoqua’s invoice for such Import Duties.
- Pricing is valid for thirty (30) days from the date of this proposal.
- Payment terms are net 30 days with approved credit.
- This proposal is conditioned upon the terms and conditions contained herein, such terms and conditions to take precedence in the event of conflict with any other terms or documents incorporated into the contract arising out of this proposal unless otherwise agreed in writing by Evoqua.
- *This proposal and all information contained herein, including without limitation, any design concepts or drawings accompanying this document, are the property of Evoqua Water Technologies LLC and/or its affiliates, and is provided for use solely by the named recipient for evaluating the purchase of the equipment and/or services described herein and may not be disclosed, reproduced, loaned or used in any other manner without the express written consent of Evoqua.*

Attachments:

Evoqua Water Technologies LLC, Terms and Conditions

**EVOQUA WATER TECHNOLOGIES LLC**  
**Standard Terms of Sale**

1. **Applicable Terms.** These terms govern the purchase and sale of equipment, products, related services, leased products, and media goods if any (collectively herein "Work"), referred to in Seller's proposal ("Seller's Documentation"). Whether these terms are included in an offer or an acceptance by Seller, such offer or acceptance is expressly conditioned on Buyer's assent to these terms. Seller rejects all additional or different terms in any of Buyer's forms or documents.
2. **Payment.** Buyer shall pay Seller the full purchase price as set forth in Seller's Documentation. Unless Seller's Documentation specifically provides otherwise, freight, storage, insurance and all taxes, levies, duties, tariffs, permits or license fees or other governmental charges relating to the Work or any incremental increases thereto shall be paid by Buyer. If Seller is required to pay any such charges, Buyer shall immediately reimburse Seller. If Buyer claims a tax or other exemption or direct payment permit, it shall provide Seller with a valid exemption certificate or permit and indemnify, defend and hold Seller harmless from any taxes, costs and penalties arising out of same. All payments are due within 30 days after receipt of invoice. Buyer shall be charged the lower of 1 ½% interest per month or the maximum legal rate on all amounts not received by the due date and shall pay all of Seller's reasonable costs (including attorneys' fees) of collecting amounts due but unpaid. All orders are subject to credit approval by Seller. Back charges without Seller's prior written approval shall not be accepted.
3. **Delivery.** Delivery of the Work shall be in material compliance with the schedule in Seller's Documentation. Unless Seller's Documentation provides otherwise, delivery terms are ExWorks Seller's factory (Incoterms 2010). Title to all Work shall pass upon receipt of payment for the Work under the respective invoice. Unless otherwise agreed to in writing by Seller, shipping dates are approximate only and Seller shall not be liable for any loss or expense (consequential or otherwise) incurred by Buyer or Buyer's customer if Seller fails to meet the specified delivery schedule.
4. **Ownership of Materials and Licenses.** All devices, designs (including drawings, plans and specifications), estimates, prices, notes, electronic data, software and other documents or information prepared or disclosed by Seller, and all related intellectual property rights, shall remain Seller's property. Seller grants Buyer a non-exclusive, non-transferable license to use any such material solely for Buyer's use of the Work. Buyer shall not disclose any such material to third parties without Seller's prior written consent. Buyer grants Seller a non-exclusive, non-transferable license to use Buyer's name and logo for marketing purposes, including but not limited to, press releases, marketing and promotional materials, and web site content.
5. **Changes.** Neither party shall implement any changes in the scope of Work described in Seller's Documentation without a mutually agreed upon change order. Any change to the scope of the Work, delivery schedule for the Work, any Force Majeure Event, any law, rule, regulation, order, code, standard or requirement which requires any change hereunder shall entitle Seller to an equitable adjustment in the price and time of performance.
6. **Force Majeure Event.** Neither Buyer nor Seller shall have any liability for any breach or delay (except for breach of payment obligations) caused by a Force Majeure Event. If a Force Majeure Event exceeds six (6) months in duration, the Seller shall have the right to terminate the Agreement without liability, upon fifteen (15) days written notice to Buyer, and shall be entitled to payment for work performed prior to the date of termination. "Force Majeure Event" shall mean events or circumstances that are beyond the affected party's control and could not reasonably have been easily avoided or overcome by the affected party and are not substantially attributable to the other party. Force Majeure Event may include, but is not limited to, the following circumstances or events: war, act of foreign enemies, terrorism, riot, strike, or lockout by persons other than by Seller or its sub-suppliers, natural catastrophes or (with respect to on-site work), unusual weather conditions.
7. **Warranty.** Subject to the following sentence, Seller warrants to Buyer that the (i) Work shall materially conform to the description in Seller's Documentation and shall be free from defects in material and workmanship and (ii) the Services shall be performed in a timely and workmanlike manner. Determination of suitability of treated water for any use by Buyer shall be the sole and exclusive responsibility of Buyer. The foregoing warranty shall not apply to any Work that is specified or otherwise demanded by Buyer and is not manufactured or selected by Seller, as to which (i) Seller hereby assigns to Buyer, to the extent assignable, any warranties made to Seller and (ii) Seller shall have no other liability to Buyer under warranty, tort or any other legal theory. The Seller warrants the Work, or any components thereof, through the earlier of (i) eighteen (18) months from delivery of the Work or (ii) twelve (12) months from initial operation of the Work or ninety (90) days from the performance of services (the "Warranty Period"). If Buyer gives Seller prompt written notice of breach of this warranty within the Warranty Period, Seller shall, at its sole option and as Buyer's sole and exclusive remedy, repair or replace the subject parts, re-perform the Service or refund the purchase price. Unless otherwise agreed to in writing by Seller, (i) Buyer shall be responsible for any labor required to gain access to the Work so that Seller can assess the available remedies and (ii) Buyer shall be responsible for all costs of installation of repaired or replaced Work. If Seller determines that any claimed breach is not, in fact, covered by this warranty, Buyer shall pay Seller its then customary charges for any repair or replacement made by Seller. Seller's warranty is conditioned on Buyer's (a) operating and maintaining the Work in accordance with Seller's instructions, (b) not making any unauthorized repairs or alterations, and (c) not being in default of any payment obligation to Seller. Seller's warranty does not cover (i) damage caused by chemical action or abrasive material, misuse or improper installation (unless installed by Seller) and (ii) media goods (such as, but not

limited to, resin, membranes, or granular activated carbon media) once media goods are installed. THE WARRANTIES SET FORTH IN THIS SECTION 7 ARE THE SELLER'S SOLE AND EXCLUSIVE WARRANTIES AND ARE SUBJECT TO THE LIMITATION OF LIABILITY PROVISION BELOW. SELLER MAKES NO OTHER WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR PURPOSE.

8. **Indemnity.** Seller shall indemnify, defend and hold Buyer harmless from any claim, cause of action or liability incurred by Buyer as a result of third party claims for personal injury, death or damage to tangible property, to the extent caused by Seller's negligence. Seller shall have the sole authority to direct the defense of and settle any indemnified claim. Seller's indemnification is conditioned on Buyer (a) promptly, within the Warranty Period, notifying Seller of any claim, and (b) providing reasonable cooperation in the defense of any claim.

9. **Assignment.** Neither party may assign this Agreement, in whole or in part, nor any rights or obligations hereunder without the prior written consent of the other party; provided, however, the Seller may assign its rights and obligations under these terms to its affiliates or in connection with the sale or transfer of the Seller's business and Seller may grant a security interest in the Agreement and/or assign proceeds of the agreement without Buyer's consent.

10. **Termination.** Either party may terminate this agreement, upon issuance of a written notice of breach and a thirty (30) day cure period, for a material breach (including but not limited to, filing of bankruptcy, or failure to fulfill the material obligations of this agreement). If Buyer suspends an order without a change order for ninety (90) or more days, Seller may thereafter terminate this Agreement without liability, upon fifteen (15) days written notice to Buyer, and shall be entitled to payment for work performed, whether delivered or undelivered, prior to the date of termination.

11. **Dispute Resolution.** Seller and Buyer shall negotiate in good faith to resolve any dispute relating hereto. If, despite good faith efforts, the parties are unable to resolve a dispute or claim arising out of or relating to this Agreement or its breach, termination, enforcement, interpretation or validity, the parties will first seek to agree on a forum for mediation to be held in a mutually agreeable site. If the parties are unable to resolve the dispute through mediation, then *any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration in Pittsburgh, Pennsylvania before three arbitrators who are lawyers experienced in the discipline that is the subject of the dispute and shall be jointly selected by Seller and Buyer. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures. The Arbitrators shall issue a reasoned decision of a majority of the arbitrators, which shall be the decision of the panel.* Judgment may be entered upon the arbitrators' decision in any court of competent jurisdiction. The substantially prevailing party as determined by the arbitrators shall be reimbursed by the other party for all costs, expenses and charges, including without limitation reasonable attorneys' fees, incurred by the prevailing party in connection with the arbitration. For any order shipped outside of the United States, any dispute shall be referred to and finally determined by the International Center for Dispute Resolution in accordance with the provisions of its International Arbitration Rules, enforceable under the New York Convention (Convention on the Recognition and Enforcement of Foreign Arbitral Awards) and the governing language shall be English.

12. **Export Compliance.** Buyer acknowledges that Seller is required to comply with applicable export laws and regulations relating to the sale, exportation, transfer, assignment, disposal and usage of the Work provided under this Agreement, including any export license requirements. Buyer agrees that such Work shall not at any time directly or indirectly be used, exported, sold, transferred, assigned or otherwise disposed of in a manner which will result in non-compliance with such applicable export laws and regulations. It shall be a condition of the continuing performance by Seller of its obligations hereunder that compliance with such export laws and regulations be maintained at all times. BUYER AGREES TO INDEMNIFY AND HOLD SELLER HARMLESS FROM ANY AND ALL COSTS, LIABILITIES, PENALTIES, SANCTIONS AND FINES RELATED TO NON-COMPLIANCE WITH APPLICABLE EXPORT LAWS AND REGULATIONS.

13. **LIMITATION OF LIABILITY.** NOTWITHSTANDING ANYTHING ELSE TO THE CONTRARY, SELLER SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE OR OTHER INDIRECT DAMAGES, AND SELLER'S TOTAL LIABILITY ARISING AT ANY TIME FROM THE SALE OR USE OF THE WORK, INCLUDING WITHOUT LIMITATION ANY LIABILITY FOR ALL WARRANTY CLAIMS OR FOR ANY BREACH OR FAILURE TO PERFORM ANY OBLIGATION UNDER THE CONTRACT, SHALL NOT EXCEED THE PURCHASE PRICE PAID FOR THE WORK. THESE LIMITATIONS APPLY WHETHER THE LIABILITY IS BASED ON CONTRACT, TORT, STRICT LIABILITY OR ANY OTHER THEORY.

14. **Rental Equipment / Services.** Any leased or rented equipment ("Leased Equipment") provided by Seller shall at all times be the property of Seller with the exception of certain miscellaneous installation materials purchased by the Buyer, and no right or property interest is transferred to the Buyer, except the right to use any such Leased Equipment as provided herein. Buyer agrees that it shall not pledge, lend, or create a security interest in, part with possession of, or relocate the Leased Equipment. Buyer shall be responsible to maintain the Leased Equipment in good and efficient working order. At the end of the initial term specified in the order, the terms shall automatically renew for the identical period unless canceled in writing by Buyer or Seller not sooner than three (3) months nor later than one (1) month from termination of the initial order or any renewal terms. Upon any renewal, Seller shall have the right to issue notice of increased pricing which shall be effective for any renewed terms unless Buyer objects in writing within fifteen (15) days of issuance of said notice. If Buyer timely cancels service in writing prior to the end of the initial or any renewal term this shall not relieve Buyer of its obligations under the order for the monthly rental service charge which shall continue to

be due and owing. Upon the expiration or termination of this Agreement, Buyer shall promptly make any Leased Equipment available to Seller for removal. Buyer hereby agrees that it shall grant Seller access to the Leased Equipment location and shall permit Seller to take possession of and remove the Leased Equipment without resort to legal process and hereby releases Seller from any claim or right of action for trespass or damages caused by reason of such entry and removal.

15. **Miscellaneous.** These terms, together with any Contract Documents issued or signed by the Seller, comprise the complete and exclusive statement of the agreement between the parties (the “Agreement”) and supersede any terms contained in Buyer’s documents, unless separately signed by Seller. No part of the Agreement may be changed or cancelled except by a written document signed by Seller and Buyer. No course of dealing or performance, usage of trade or failure to enforce any term shall be used to modify the Agreement. To the extent the Agreement is considered a subcontract under Buyer’s prime contract with an agency of the United States government, in case of Federal Acquisition Regulations (FARs) flow down terms, Seller will be in compliance with Section 44.403 of the FAR relating to commercial items and those additional clauses as specifically listed in 52.244-6, Subcontracts for Commercial Items (OCT 2014). If any of these terms is unenforceable, such term shall be limited only to the extent necessary to make it enforceable, and all other terms shall remain in full force and effect. The Agreement shall be governed by the laws of the Commonwealth of Pennsylvania without regard to its conflict of laws provisions. Both Buyer and Seller reject the applicability of the United Nations Convention on Contracts for the international sales of goods to the relationship between the parties and to all transactions arising from said relationship.

IN WITNESS WHEREOF, the terms and conditions of this proposal are hereby accepted by both Buyer and Seller, who have caused this Agreement to be executed by the signatures of their duly authorized representatives below:

**EVOQUA WATER TECHNOLOGIES LLC (SELLER)**

NAME: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

**BUYER**

NAME: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

## HERITAGE RANCH COMMUNITY SERVICES DISTRICT

### MEMORANDUM

**TO:** Board of Directors

**FROM:** Personnel Committee (Burgess, Rowley, Duffield)

**DATE:** June 18, 2020

**SUBJECT:** Request to approve amendment of the Memorandum of Understanding Between Heritage Ranch Community Services Employees Association and Heritage Ranch Community Services District.

#### **Recommendation**

It is recommended that the Board of Directors approve the attached Memorandum of Understanding Between Heritage Ranch Community Services Employees Association and Heritage Ranch Community Services District.

#### **Background**

Heritage Ranch Community Services Employees Association is similar to an employee union. The Memorandum of Understanding (MOU) is the employment agreement and is policy for terms and conditions of employment.

#### **Discussion**

The Manager under direction from the Personnel Committee has met with the Heritage Ranch Community Services Employees Association (Association) to meet and confer on amendment to the terms and conditions of employment including but not limited to salaries and benefits.

The Personnel Committee and the Association reached tentative agreement on all issues.

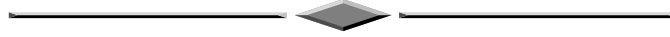
#### **Fiscal Implications**

The draft MOU reflects negotiated changes for the term of the agreement. The only proposed changes are:

- a 3% cost of living increase each year of the term of the agreement
- a term of the agreement of 2-years

These negotiated changes are reflected in the Preliminary FY 2020/21 Budget.

Attachment: MOU FY 2020/21 – 2021/22



**Memorandum of Understanding**

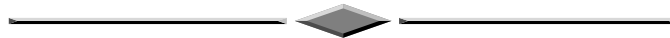
**Between**

**Heritage Ranch Community Services  
Employees Association**

**And**

**Heritage Ranch Community Services District**

**July 1, 2020 to June 30, 2022**





# Table of Contents

<b>1.0</b>	<b>PARTIES TO AGREEMENT</b>	<b>1</b>
<b>2.0</b>	<b>EMPLOYEE RIGHTS</b>	<b>1</b>
<b>3.0</b>	<b>EXEMPT EMPLOYEES</b>	<b>1</b>
<b>4.0</b>	<b>ASSOCIATION RIGHTS</b>	<b>1</b>
<b>5.0</b>	<b>MANAGEMENT'S AUTHORITY</b>	<b>2</b>
<b>6.0</b>	<b>NON-DISCRIMINATION</b>	<b>2</b>
<b>7.0</b>	<b>COST OF LIVING ADJUSTMENT</b>	<b>2</b>
<b>8.0</b>	<b>PENSION AND HEALTH BENEFITS</b>	<b>2</b>
8.1	Pension Contributions	3
8.2	Health Plan Contributions	4
8.3	Workers Compensation Insurance	6
<b>9.0</b>	<b>THE SALARY STEP PLAN</b>	<b>5</b>
9.1	Advancement Base Date	6
9.2	Step Increase on Promotion	7
9.3	Special Merit Advancement	8
<b>10.0</b>	<b>LONGEVITY PAY</b>	<b>8</b>
<b>11.0</b>	<b>TYPES OF EMPLOYMENT</b>	<b>8</b>
11.1	Regular	8
11.2	Probationary Period	9
11.3	Temporary / Seasonal	9
11.4	Contract / Casual Workers	10
<b>12.0</b>	<b>TREATMENT OPERATOR POSITION CLASSIFICATIONS</b>	<b>10</b>
12.1	Certification/License/Pay Adjustments	11

12.2 Treatment Certification Higher than Required by Plant Classification – Bonus	11
<b>13.0 OUT-OF-CLASS ASSIGNMENT</b>	<b>12</b>
<b>14.0 HOURS OF WORK AND OVERTIME COMPENSATION</b>	<b>12</b>
14.1 Overtime	13
14.2 Standby Policy	14
14.3 Call Out Pay	15
<b>15.0 CELL PHONE AND INTERNET REIMBURSEMENT</b>	<b>16</b>
<b>16.0 TRAVEL ALLOWANCES</b>	<b>17</b>
<b>17.0 HOLIDAYS</b>	<b>17</b>
<b>18.0 VACATION</b>	<b>18</b>
<b>19.0 SICK LEAVE</b>	<b>20</b>
<b>20.0 BEREAVEMENT LEAVE</b>	<b>22</b>
<b>21.0 EDUCATIONAL INCENTIVE PLAN</b>	<b>22</b>
<b>22.0 UNIFORMS AND PROTECTIVE CLOTHING</b>	<b>23</b>
<b>23.0 SEPARATION FROM DISTRICT EMPLOYMENT</b>	<b>24</b>
<b>24.0 GRIEVANCE PROCEDURE</b>	<b>24</b>
<b>25.0 DISCIPLINARY PROCESS</b>	<b>26</b>
25.1 Standard of Conduct	26
25.2 Grounds for Discipline	27
25.3 Progressive Discipline Procedures	29
25.4 Disciplinary Procedures for Major Discipline	31
<b>26.0 IMMEDIATE DISCIPLINARY ACTION</b>	<b>34</b>
<b>27.0 PERSONNEL FILES</b>	<b>35</b>

<b>28.0 MISCELLANEOUS</b>	<b>35</b>
28.1 Amendments	35
28.2 Severability	35
<b>29.0 MINIMUM WORK WEEK</b>	<b>35</b>
<b>30.0 TERM OF AGREEMENT</b>	<b>35</b>
<b>31.0 NO STRIKE CLAUSE</b>	<b>35</b>
<b>32.0 AUTHORIZED AGENTS</b>	<b>36</b>
<b>33.0 SAVINGS CLAUSE</b>	<b>36</b>

## **1.0 PARTIES TO AGREEMENT**

This Memorandum of Understanding (Agreement) is made and entered into this July 1, 2020, by and between the HERITAGE RANCH COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS, hereinafter referred to as "District" and the HERITAGE RANCH COMMUNITY SERVICES EMPLOYEES ASSOCIATION, hereinafter referred to as the "Association." The Association includes all regular employees of the District.

This Agreement incorporates those provisions of the Personnel Policy Guide and Employee Handbook ("Handbook") currently in effect to the extent not inconsistent herewith. The District reserves the right to add benefits and other items to the Handbook so long as they improve or increase benefits, protections, and clarifications which do not detract from or decrease the statements of this Agreement. As deemed necessary by the Board of Directors, the Handbook may be revised by insertions of dated revision pages. Revisions to the Handbook which affect the terms or conditions of this Agreement will be accomplished by the District and Association approving an addendum to the Agreement.

## **2.0 EMPLOYEE RIGHTS**

Employees of the District shall have the right to form, join and participate in the activities of employee organizations of their own choosing for the purpose of representation on all matters of employer-employee relations including but not limited to, wages, hours and other terms and conditions of employment. Employees of the District also shall have the right to refuse to join or participate in the activities of employee organizations and shall have the right to represent themselves individually in their employment relations with the District. No employee shall be interfered with, intimidated, restrained, coerced or discriminated against because of the exercise of these rights.

## **3.0 EXEMPT EMPLOYEES**

Exempt employees will not be represented by the Association in any matter covered by this Agreement. Only the Board of Directors has the right to determine what positions are exempt and the following are declared to be exempt: General Manager, Assistant General Manager, Operations Manager, seasonal employees, temporary employees, and contract employees.

## **4.0 ASSOCIATION RIGHTS**

- A. Notification to the Association: Except in cases of emergencies, the District shall notify the Association prior to making substantial changes that cover matters within the scope of representation.
- B. The District and the Association agree that no more than two (2) bargaining unit representatives shall be allowed to meet with the District management on District time during normal working hours for the purposes of meeting and conferring the negotiation or re-negotiations of this agreement without loss of compensation or benefits.

## **5.0 MANAGEMENT'S AUTHORITY**

The Association recognizes and agrees that the District has and will retain the right to manage the District and to direct the working forces, make assignments, determine work locations, and determine any employee's ability, skill and competency, and to hire, promote and for just cause discharge any employee, in accordance with applicable law. The exercise of such rights does not preclude employees or their Association representatives, as defined in Section 4.0 of this Agreement, from conferring or raising objections about the practical consequences that decisions on these matters may have on wages, hours and other terms and conditions of employment as elsewhere provided in this Agreement. The Association will ensure that the Association and its members will cooperate with the District to provide, as deemed necessary by the District, for the operation of the District under methods which will further to the fullest extent possible, the safety of the employees, District customers and contractors, District Directors, guests or users. The Association shall extend this same cooperation to ensure the economy of operation, quality of output, cleanliness of the District; and protection of persons, equipment, and property. It is furthermore agreed that it is the duty of the District and the employees to cooperate for the advancement of said conditions.

## **6.0 NON-DISCRIMINATION**

The District and the Association agree that the provisions of this agreement shall apply equally to all employees without discrimination because of race, creed, age, sex, national origin, marital status, and disability, and sexual preference, political or religious affiliations. However, the Association agrees that it shall not support or campaign on District property for or against any of the above, except as provided by law and the terms of this Agreement.

## **7.0 COST OF LIVING ADJUSTMENT**

The District agrees to increase the salary ranges of all represented and eligible positions by 3% effective the first full payroll following July 1 of each year of this agreement beginning July 1, 2020, and ending July 1, 2021.

## **8.0 PENSION AND HEALTH BENEFITS**

The District's benefit program includes group health benefits, including medical, and a reimbursable dental, vision, life/disability insurance, and medical co-pay cost for eligible employees. Coverage is also available for eligible dependents of eligible employees. Regular full-time employees and regular part-time employees regularly scheduled to work twenty (20) or more hours per week (excluding overtime) on a continuing basis are eligible for these health benefits.

The District also contributes to a pension plan for all regular full-time employees and part-time employees regularly scheduled to work twenty (20) or more hours per week (excluding overtime) on a continuing basis.

While this Agreement does not restate all of the features of the benefit programs, it provides brief summaries of some of the key provisions. It is important to remember that additional terms and conditions apply, and may impact eligibility and level of benefits. As

a result, if there is any real or apparent conflict between this Agreement and the information set forth in official benefit plan documents, the provisions in the official plan documents control. Employees are encouraged to review the official plan documents for complete information.

## 8.1 Pension Contributions

The District participates in the California Public Employee Retirement System (CalPERS). The District's CalPERS plan agreement is the 2.5% @ 55 formula for existing employees hired prior to August 20, 2011. Employees hired after August 20, 2011 that meet the definition of an existing member of the CalPERS system will participate in the 2% @ 55 formula. Employees hired August 20, 2011, that do not meet the definition of a CalPERS existing member will participate in the 2% @ 62 formula. The District does not participate in the Federal Retirement System (Social Security) for regular full-time employees and part-time employees regularly scheduled to work twenty (20) or more hours per week. Social Security payments are made for all part-time (less than 20 hours worked per week), temporary, or seasonal employees.

The District agrees to contribute employer's amount as annually calculated by the Pension Plan Administrator (CalPERS) of the reportable earnings of each regular member of the Association employed by the District for each of the pension formulas as of the date of this agreement. CalPERS determines reportable earnings and non-reportable earnings. Non-reportable earnings include but are not limited to overtime and stand-by pay.

- A. Retirement Plan: The District contributes the required percentage of Employer Cost (Employer Contribution + Employer Unfunded Accrued Liability) to gross wages (excluding overtime and any other excludible compensation) to CalPERS on behalf of each eligible employee. The District does not contribute on behalf of the employees any Member Contributions. The following are the CalPERS pensions plans available at the District:
1. First Level - for active employees hired prior to August 20, 2011, shall be enrolled in the CalPERS 2.5% @ 55 formula plan.
  2. Second Level - for employees that are hired by the District after August 20, 2011, and meet the definition of a current CalPERS employee shall be enrolled in the CalPERS 2% @ 55 formula plan.
  3. Third Level – for employees hired on or after January 1, 2013, and meet the definition of a new member CalPERS employees are subject to the Public Employees' Pension Reform Act (PEPRA). The PEPRA new member formula is 2% @ 62.
- B. 1959 Survivor Benefit Allowance: This benefit provides for a monthly allowance to eligible survivors of CalPERS members who were covered for this benefit program and die before retirement. The cost to each employee is \$2.00 per month. The District contributes the remaining monthly premium cost on behalf of each employee.

- C. Deferred Compensation Plan: The District offers an IRS 457 Deferred Compensation Plan to its employees who are CalPERS members. This plan is provided as an optional CalPERS benefit. The District does not contribute to this plan.

## 8.2 Health Plan Contributions

- A. Medical Insurance: Regular full-time employees and regular part-time employees who are regularly scheduled to work twenty (20) hours or more per week, and their dependents may participate in the group health as administered by the CalPERS Retirement System Health Benefit Services Division under the CalPERS Employee's Medical and Hospital Care Act with its requirements, restrictions, and conditions.

During the term of this Agreement the District shall contribute the following percentage of the premiums for employee and dependent coverage for the lowest cost plan (base plan) available in San Luis Obispo County offered through the CalPERS system:

1. 90% effective July 1, 2020.

In the event an employee elects a higher cost plan, the employee shall pay the increased cost for the plan. The District shall annually establish that medical offices located in San Luis Obispo County are accepting the lowest cost plan as published by CalPERS, and in the event that sufficient medical professionals are not participating in the plan, the second lowest cost plan will be used as the base plan.

Regular part-time employees regularly scheduled to work twenty (20) or more hours per week (excluding overtime) shall receive prorated health plan contributions based on the number of regular hours worked in the District service and all hours spent in a paid leave status from regular duties with the same premium contribution as full-time employees but reduced based on hours worked per week. The amount of the contribution shall be prorated based on a forty (40) hour work week and then further reduced by the effective premium contribution as stated above. The District contribution for the coverage for all part-time employees and their dependents as allowed under the plan is the prorated amount based on the lowest cost CalPERS Health Plan available within San Luis Obispo County. For example, when a regular part-time employee is hired for and actually works 30 hours per week, effective July 1, 2020, the District shall contribute ninety percent (90%) of seventy-five percent (75%) of the lowest cost health plan. Any cost over and above this limit would be paid by the employee.

Eligible full-time employees whose health insurance needs are adequately provided through another source, e.g., a spouse's plan or one which carries over from a previous employment, may elect not to participate in the District's plan. Those employees who have provided evidence of medical insurance coverage acceptable to the District shall receive, in lieu of medical benefits, payment of \$200/month for one party coverage, \$400/month for two party coverage and \$600/month for 3+ party coverage in addition to their regular pay. Regular part-time employees regularly

scheduled to work twenty (20) hours or more per week may receive a prorated in lieu payment if their health insurance needs are adequately provided through another source.

The District shall provide a health care cost reimbursement plan with the same eligibility as the health plan. This plan shall be a District self-funded reimbursement plan. The plan will provide reimbursement for employees' cost of dental expenses, vision expenses, and deductible/cost share expenses related to medical insurance plans, life insurance, or disability insurance. Upon receipt of written verified payment (original receipts) by the employee to a licensed dentist, a licensed optician or optometrist, a licensed pharmacy, or a licensed medical professional, for payment of a deductible/cost share for their medical plan, or payment of a deductible/cost share for life insurance, or disability insurance, the District shall reimburse the full time employee the cost of dental services, vision services including lenses and frames, and prescriptions after deducting co-payments and credits by others, and deductible/cost share for medical plans or life/disability insurance plans. The amount of reimbursement for each full time employee per year shall not exceed \$600 with no dependents, \$800 with one dependent and \$1,000 with two or more dependents. Funds or reimbursement credits shall not be interchanged between employees or paid to the employee upon termination for any reason. Any employee who does not use their reimbursement funds shall be allowed to convert at the end of each contract year 100% of the unused reimbursement credit to the following year. The maximum reimbursement credit that may be accumulated per employee is \$5,000. Funds or reimbursement credits shall not be paid to the employee upon termination for any reason. Regular part-time employees that are regularly scheduled to work twenty (20) or more hours per week shall receive prorated reimbursement based on the number of regular hours worked in the District service and all hours spent in a paid leave status from regular duties.

### 8.3 Workers' Compensation Insurance

All District employees will be insured against injuries received while on the job as required by State law.

## 9.0 THE SALARY STEP PLAN

The salary step plan shall provide a salary range for each employee job classification. Such salary ranges will be divided into five (5) salary level steps which shall be interpreted and applied as follows:

- A. "A" Step: The "A" or first step salary level will be the minimum rate and normally shall be the starting or hiring rate and shall include the six (6) months probationary period. In special cases when it is merited by experience, education, training or other qualification, the Manager may approve the hiring of a candidate for employment at a higher level.



- B. "B" Step: The "B" or second step salary level may be granted to an employee after satisfactory completion of twelve (12) calendar months of continuous service at the "A" Step in one or more classifications. The adjustment shall be made only if granted by the District on a basis of a satisfactory performance evaluation.
- C. "C" Step: The "C" or third step salary level may be granted to an employee who has proven to be fully satisfactory in a given (i.e., the same) classification for twelve (12) calendar months of continuous service from the granting of the previous salary step increase only if granted by the District on the basis of a satisfactory performance evaluation. The third step is an incentive advancement and is the rate at which fully-qualified, experienced and ordinarily conscientious employees may be expected to be paid.
- D. "D" Step: The "D" or fourth step salary level may be granted to an employee who has proven to be fully satisfactory in a given (i.e., the same) classification for twelve (12) calendar months of continuous service from the granting of the previous salary step increase only if granted by the District on the basis of a satisfactory performance evaluation. The fourth step is reserved to reward employees whose work is above average for their class.
- E. "E" Step: The "E" or fifth step salary level may be granted to an employee who has proven to be fully satisfactory in a given (i.e., the same) classification for twelve (12) calendar months of continuous service from the granting of the previous salary step increase and may be granted by the District on the basis of an above average performance evaluation. The fifth step is reserved for job performance which exceeds established standards in accordance with the job description. It may be presented to an employee who has demonstrated a sense of public service, contribution to advancement of the District's objectives and goals. Additionally, to be awarded this step, employees must have a good record of reporting to work regularly (limited sick days off) and being on time.

#### 9.1 Advancement Base Date

The basis for the advancement date for all step advancements shall be the employee's date of hire or appointment, except as follows:

- A. If the employee receives a promotion to a position resulting in the employee receiving compensation at a higher range, a new advancement date shall be based on the date of the promotion having become effective. This does not apply to employees advancing through the Operator I and II classifications (i.e. there is no change in advancement date).
- B. If the employee terminates employment or is terminated from the District and is re-employed or is reappointed at a later date, that employee shall be given a new initial anniversary date which shall be the last date of employment or reappointment.

## 9.2 Step Increase on Promotion

- A. **New Introductory Employees:** All newly appointed introductory employees shall be paid at the first step of the salary range for the position to which the introductory employee is appointed except as provided elsewhere herein.
- B. **Advanced Step Hiring:** If the General Manager finds that qualified applicants have greater experience or competencies than required at the first step of the salary range, the General Manager can extend an offer higher than the first step.
- C. **Increase in compensation other than Cost of Living Adjustments (Step-Merit Increase):** After one year in a salary step (on the employee's Anniversary Date), employees may qualify for a step merit increase to the next step, provided the employee has performed satisfactorily, and provided management has determined that a step merit increase is appropriate. All decisions about step merit increases are subject to management's sole discretion; employees are not automatically entitled to or eligible for a step merit increase. A report verifying satisfactory performance of each employee recommended for advancement shall be submitted to and approved by the General Manager prior to final action on such recommendation.
- D. **Promotion:** Employees promoted to a position with a higher salary range shall be placed on the step of the range allocated to the new classification which would grant such employee an increase in pay no greater than two and one-half percent (2.5%). The increase may exceed two and one-half percent (2.5%) at the discretion of the General Manager, but shall not exceed the top step of the range allocated to the new classification. Employees who are promoted retain the same Anniversary Date for purposes of years of service and benefit accruals, but have a new Promotion Date for purposes of performance reviews and merit step increases.
- E. **Lateral Transfer:** When an employee transfers to a different position or classification with similar responsibilities as his/her existing position (and has not been demoted), the affected employee shall be placed at a salary range within the new classification that is most consistent with the employee's existing salary range not to exceed Step 5 unless employee is eligible for longevity pay.
- F. **Supplemental Wages (for withholding purposes):** The Internal Revenue Service defines supplemental wages to include bonuses, commissions, overtime pay, payments for accumulated sick leave, severance pay, awards, prizes, back pay, retroactive pay increases and payments for nondeductible moving expenses. If supplemental wages are given to the employee at the same time as the employee's regular wages are paid, the District is required to treat the sum of the payments as regular wages and withhold income taxes based on the regular payroll period using the withholding schedules. If the supplemental wage is not given to the employee at the same time as the employees regular wages are paid, the district will withhold a flat 25% for federal income tax and 6.6% for state income tax without allowing for any withholding allowances claimed by the employee.

### 9.3 Special Merit Advancement

The Board of Directors may, upon the recommendation of the Manager, authorize advancement of an employee to any of the last four steps, (Steps "B" through "E"), earlier than the employee normally would be eligible by virtue of length of service. Such action is reserved for very exceptional cases, and shall be approved only after being carefully analyzed. A special merit advancement need not affect or change the date of a subsequent regular merit increase.

## 10.0 LONGEVITY PAY

Regular full-time employees (does not include part-time hourly, regardless of number of weekly hours worked) who have worked for the District are eligible to receive longevity pay subject to the following conditions:

- A. Employee must have obtained the "E" or fifth step salary level to be eligible for any longevity pay and proven to be fully satisfactory in the classification with job performance which exceeds established standards in accordance with the job classification.
- B. Occupying the fifth step is not required if the employee has been promoted within the last 24 months prior to eligibility of longevity pay to a higher classification that resulted in the decrease to a lower step pursuant to Section 9.2.
- C. A Leave of Absence time, as allowed for under this agreement, shall not be counted for during the review of longevity pay as described in this section.
- D. Longevity pay shall be pursuant to the eligibility requirements above and the following schedule:
  - 1. Longevity differential for 10 years of service is two and one-half percent (2.5%).
  - 2. Longevity differential for 15 years of service is five percent (5%).
  - 3. Longevity differential for 20 years of service is seven and one-half percent (7.5%).

## 11.0 TYPES OF EMPLOYMENT

The Heritage Ranch Community Service District has four (4) categories of employment which are regular, temporary, seasonal, and contract.

### 11.1 Regular

Regular employees are those employees who are hired on a full-time basis to work forty (40) hours per week, or on a part-time basis to work for less than forty (40) hours. All regular employees, upon initial hiring or upon promotion, must serve a probationary period. Regular employees are subject to all applicable terms and conditions of this Agreement and the Personnel Manual and Policy Guide.

## 11.2 Probationary Period

- A. The newly appointed and existing regular employee's probationary period is basically an on-the-job test with pay, "an extension of the examination process." It is a period during which the employee has an opportunity to prove himself/herself in the actual work situation. It is also a training period, and supervisors shall work conscientiously with the new or promoted employee to improve his/her work and to help him/her learn the job. It is also a period when the Manager and supervisors have the opportunity to observe and appraise the conduct, performance, attitude, adaptability and job knowledge of the employee, and to determine whether he/she is fully qualified for regular status. The probationary period will be six (6) months from the initial date of employment. A probationary employee whose work is deemed unsatisfactory can be terminated at any time during the six-month (6-month) probationary period without right of appeal.
- B. The length of the probationary period of a promoted employee shall normally be ninety (90) days unless otherwise specified by the District. Any employee not continued beyond the probationary period following a promotion appointment shall be reinstated to the position from which he/she was promoted if this occurs within ninety (90) days from the promotional appointment date. Then the employee shall be reinstated to the position from which he/she was promoted, provided that a vacancy exists at the same or lower level in the classification series to which he/she would revert. If this does not occur, the District will attempt to find another suitable position at or below the level of range and step the employee held before the promotional appointment, but the District does not guarantee this will occur, except by virtue of a reclassification, within the District service. The probationary period may be extended by mutual consent as a result of an employee's poor performance evaluation. If no vacancy exists, the promoted employee shall be placed on pre-employment hire list for the period of one (1) year. Advancement to a higher grade of Treatment Operator Positions I and II are exempt from this advancement probationary section.
- C. The District shall provide a newly appointed probationary employee a review of his/her performance at approximately the end of each month of the probationary period. At any time during the introductory period, the introductory employee or the District may terminate the employment relationship without cause, without compliance with the procedures set forth in Section 22, without recourse to the grievance procedure set forth in Section 23, and without prior notice. Notification of termination of the introductory employee shall be made in writing by the Manager to the employee.

## 11.3 Temporary / Seasonal

Temporary or seasonal employees are those employees who are appointed for a job of limited duration not to exceed one hundred eighty (180) working days. It is understood that use of this type of employment is for short-term needs of the District. Such employees are not eligible for any District funded benefits and the employee or the District can terminate the employment relationship at any time, with or without cause or advanced notice.

#### 11.4 Contract / Casual Workers

Contract or casual workers are those employees who are appointed for a limited duration and for completion of a specific task or project. Contract or casual worker employees are employed under a mutually agreed upon employment contract, and are completely ineligible for the District-funded benefits. The Manager is authorized to retain the services of agency personnel, as needed, if short-term needs arise, such as the maternity leave of an employee may create, or an unexpected work load for brief periods of time. The use of contract or casual employees shall be reported to the Board of Directors at the Board meeting following their being contracted.

#### 12.0 TREATMENT OPERATOR POSITION CLASSIFICATIONS

The District has four (4) classifications of water and/or wastewater treatment operators. Funding for the classifications (positions) are established by the Board of Directors and are subject to annual review through the budget process. The classification structure allows employees to progress up the treatment operator classification chart as they receive higher levels of State certification. For complete job duties of each treatment operator refer to the job descriptions. The treatment operator classification and minimum requirements are as follows:

- A. Treatment Operator I: Possession of a Grade 1 Water Treatment Operator Certificate (T1) issued by the California State Water Resources Control Board (SWRCB) Drinking Water Department and the possession of a Grade 1 Water Distribution Operator Certificate (D1) issued by the California SWRCB Drinking Water Department within one (1) year of employment. Possession of a Grade I Wastewater Treatment Plant Operator Certificate issued by the California State Water Resources Control Board is desirable and qualifies for a treatment operator certificate incentive as outlined in Section 12.1.
- B. Treatment Operator T2: Possession of a Grade 2 Water Treatment Operator Certificate (T2) issued by the California State Water Resources Control Board (SWRCB) Drinking Water Department, and possession of a Grade 1 Water Distribution Operator Certificate (D1) issued by the California SWRCB Drinking Water Department. Possession of a Grade I Wastewater Treatment Plant Operator Certificate issued by the California State Water Resources Control Board is desirable and qualifies for a treatment operator certificate incentive as outlined in Section 12.1.
- C. Treatment Operator T3: Possession of a Grade 2 Water Treatment Operator Certificate (T2) issued by the California State Water Resources Control Board (SWRCB) Drinking Water Department; and the ability to obtain a Grade 3 Water Treatment Operator Certificate (T3) within one (1) year of employment. Possession of a Grade 2 Water Distribution Operator Certificate (D2) issued by the California SWRCB Drinking Water Department. Possession of, or ability to obtain, a Grade I Wastewater Treatment Plant Operator Certificate issued by the California SWCRB within two (2) years of employment. Possession of a Grade I Laboratory Analyst Certificate issued by the California Water Environment

Association or American Water Works Association is desirable. There is only one (1) position available in this classification.

- D. Operations Manager: Possession of a Grade 2 Water Treatment Operator Certificate (T2) issued by the California State Water Resources Control Board (SWRCB) Drinking Water Department; and the ability to obtain a Grade 3 Water Treatment Operator Certificate (T3) within one (1) year of employment. Possession of a Grade II Water Distribution Operator Certificate (D2) issued by the California SWRCB Drinking Water Department. Possession of, or ability to obtain, a Grade I Wastewater Treatment Plant Operator Certificate issued by the California SWRCB within two (2) years of employment. There is only one (1) position available in this classification.

#### 12.1 Certification/License/Pay Adjustments

When not within the relevant job classification (job description), and of benefit to the District, as determined by the General Manager, the following certifications will be subject to pay adjustments to the following classification, with no employee receiving more than two adjustments, or 7.5%:

- A. Treatment Operator I classification (Range 28) shall be eligible for a 5% increase to Range 30 for possession of a Grade I Wastewater Treatment Plant Operator Certificate issued by the SWRCB.
- B. Treatment Operator II classification (Range 32) shall be eligible for a 5% increase to Range 34 for possession of a Grade I Wastewater Treatment Plant Operator Certificate issued by the SWRCB.
- C. Any position shall be eligible for a 2.5% range increase for designation and performance as the District's Laboratory Technician after obtaining a certificate or completion of training attesting to the Lab Technician's experience and knowledge of the District's wastewater lab duties and after recommendation by the Operations Manager and approved by the Manager. The acceptable certificate and/or training shall be mutually agreed to by the Operations Manager and the Manager. Only one (1) treatment operator may be designated as the Laboratory Technician at any time.

#### 12.2 Treatment Certification Higher than Required by Plant Classification – Bonus

When an Employee obtains Water Treatment Operator Certificate issued by the California State Water Resources Control Board (SWRCB) Drinking Water Department or a Wastewater Treatment Plant Operator Certificate issued by the California SWRCB that is of a higher grade than required for plant operations the employee is eligible for a one-time pay bonus pursuant to the following requirements and schedule:

- A. Any Treatment Operator shall be eligible for a \$500 bonus for possession of a Grade 4 (T4) Water Treatment Plant Operator Certificate issued by the SWRCB-Drinking Water Department.
- B. Any Treatment Operator shall be eligible for a \$500 bonus for possession of a Grade II Wastewater Treatment Plant Operator Certificate issued by the SWRCB.

- C. Treatment Operators I or II shall be eligible for a \$500 bonus for possession of a Grade 3 (T3) Water Treatment Plant Operator Certificate issued by the SWRCB-Drinking Water Department.
- D. If the District incorporates higher treatment certificates grades for any of its water or wastewater treatment plants operations classification in the future due to a higher plant grade designates by the SWRCB, the bonus program of this section shall no longer be applicable.
- E. There is no pay bonus for any Water Distribution Operator Certificates.
- F. The total pay bonus that can be received by any single employee is \$1,000.

### **13.0 OUT-OF-CLASS ASSIGNMENT**

As used herein, "Out-Of-Class Assignment" means the authorized full-time performance of all significant duties of an authorized vacant District position by a current District employee. When a current employee, in accordance with the policy set forth below, performs an out-of-class assignment in a position with a higher pay range, he/she shall be compensated at the greater of a five percent (5%) increase in his/her salary, or compensated under the closest step to a five percent (5%) increase of the position to which he/she has been temporarily assigned during the period of out-of-class assignment.

The Manager may authorize in writing the out-of-class assignment of a current District employee when, because of termination or unavailability of a District employee, an authorized District position becomes vacant and is expected to remain vacant for more than fifteen (15) working days, except for vacancies resulting from vacation in which case there will be no adjustment.

### **14.0 HOURS OF WORK AND OVERTIME COMPENSATION**

- A. Paydays. The salaries and wages of all District employees shall be paid bi-weekly every other Friday. The two-week pay period begins on Saturday at 12:01 a.m. and ends two weeks thereafter on Friday at midnight. In the event a payday falls on one of the holidays listed, the immediately previous working day shall become the payday. Upon request, District employees can be paid via direct deposit into a personal bank account.
- B. Workweek: The work-week shall consist of seven (7) consecutive days from 12:01 a.m. Saturday through midnight Friday.
- C. Workday Hours: The regular hours of work each day shall be consecutive except for interruptions for meal periods. The regular working day for the operations department is generally 7:00 a.m. until 3:30 p.m. Employees shall be at their assigned work location, ready to start work at 7:00 a.m. Employees who are required to wear uniforms shall be in uniform at their designated jobsite at 7:00 a.m. Employees are required to record their work time (including start of shift, meal breaks, and end of shift). Hours worked can be rounded to the nearest 1/10th of an hour.
- D. Meal Periods and Rest Breaks: Employees are provided with a half-hour (30 minutes) break for lunch, a mid-morning break of fifteen (15), minutes and a mid-

afternoon break of fifteen (15) minutes. Break time must be used on a daily basis. Time allocated to breaks may not be accumulated or used to come in late, leave early, or add to a meal period. All fifteen (15) minute breaks must be taken on the job site or other assigned work location, as that time is compensable.

- E. Alternate Schedules: The General Manager, or his/her designee, may authorize flexible work schedules with different starting and ending times, provided it does not interfere with the regular workload of the District. The General Manager, or designee, can also require employees to vary their workday hours when needed for operational or other business purposes.
- F. Clean-up: In addition to the 30-minute break for lunch, five (5) minutes of paid time will be allowed at the commencement of the meal period for employees to clean up (such as washing hands). At the end of the workday, ten minutes of paid time is allowed to operations staff to clean up and change out of required uniform (this will begin no sooner than 3:20 p.m. based on a regular work day schedule concluding at 3:30 p.m.).
- G. Tardiness: If an employee cannot report for work at the scheduled start time, then that employee is required to notify his/her immediate supervisor before his or her scheduled start time. Tardiness shall be cause for disciplinary action.

#### 14.1 Overtime

- A. Overtime Discouraged: The District discourages overtime whenever possible.
- B. Overtime Approval Required: Employees should not work overtime without first obtaining approval from his or her supervisor or the General Manager.
- C. Overtime Calculation: All time which an employee spends in a pay status shall be considered in establishing the employee's normal regularly scheduled forty-hour (40-hour) work week. Any overtime worked by a regular part-time employee shall not be included or considered in calculating prorated benefits under this Agreement. Rather, such pro rata calculations shall be based on the number of hours regularly scheduled to be worked by the employee as compared with a full-time schedule. When overtime is necessary and authorized by the General Manager or designated supervisor, it shall be paid as follows:
  1. Time worked in excess of forty (40) hours in a work-week.
  2. Time worked in excess of eight (8) hours in a work day (or regular scheduled shift).
  3. Time worked on a designated holiday.
  4. Overtime compensation will not be paid to Exempt Employees.
  5. Compensation for overtime is paid at a rate of one and one-half times the employee's regular hourly rate.
  6. Work after twelve (12) hours in any one work day (or regular scheduled shift) shall be compensated at twice the employee's regular rate of pay



- D. **Compensatory Time Off:** In place of overtime pay, an employee may request compensatory time off (CTO), which may be approved if the District so deems that CTO will not have any adverse effect on operations, scheduling, or expectations of the public and others served by the District. Any request for time off as a substitute for overtime compensation must be made in writing in advance and will only be allowed if the employee has less than 60 hours of accrued CTO, and the employee is regularly scheduled to work no less than 40 hours per week. In this case, CTO will accrue at the rate of one and one half (1-1/2) times the hours worked if compensatory time off is allowed. The maximum allowed employee accrual of CTO is sixty (60) hours.

Compensation as provided herein, shall not be granted to any employee for services for which the employee has been otherwise compensated. For purposes of this section, compensation for paid time off shall be considered as compensation for services rendered.

The employee shall be permitted to schedule the use of CTO, at the discretion of the District as stated above, provided the employee requests the time off at least two work days in advance. If the requested time off is not granted, the immediate supervisor and the employee shall meet to select an alternative date. If no alternative date is available, the employee shall be paid in cash in lieu of receiving time off. Compensated overtime shall be paid to the nearest five (5) minutes worked.

#### 14.2 Standby Policy

The District requires standby work for some employment classifications and provides standby pay in accordance with the following policy:

- A. **Schedule:** A written schedule shall be maintained by the Operations Manager whereby all operations staff qualified for and designated for standby duty shall be assigned, on a rotational basis, to be on standby and subject to call out on weekends, holidays, and other times not considered regular hours of work for District employees.
- B. **Notification.** An employee on standby duty will be required to wear a cell phone or pager and remain in the local area where service is active. The standby employee may pursue any personal activity which leaves him/her available to promptly respond to paged calls for response to operational problems or emergencies. The standby employee shall refrain from activities which might impair his/her assigned duties upon call. Notification of the need for emergency repair/maintenance work may also be given verbally, in person or telephonically, by the General Manager or Operations Manager, or by the employee's immediate supervisor.
- C. **Reporting Requirement:** When an employee is on standby, he/she shall be free to utilize his/her time as desired for personal pursuits, but must be fit for duty, ready, willing, and able to arrive at District facilities within thirty (30) minutes from the time of the initial call-back notification. This means that those on standby should refrain from using alcohol. If called to duty, the employee on standby shall utilize a District vehicle and be dressed in District provided uniform and use all necessary personal

protective equipment when performing scheduled rounds and when responding to call outs.

- D. Standby Period: The normal standby period begins at 3:30 p.m. on any given day and ends the following day at 7:00 a.m. The schedule will be determined by the Operations Manager as described above and may include daily, consecutive days, or groups of consecutive days.
- E. Standby Compensation: Standby pay shall be paid as follows:
  - 1. An employee shall receive standby pay when assigned standby duties as outlined above. Compensation for standby shall be \$2.00 per hour for the standby time. If an employee on standby receives a call, the employee shall be paid as provided in the call-out section below.
  - 2. On certain Saturdays, Sundays, and holidays, the employee on standby is required to perform scheduled rounds, other essential duties, and various secondary duties as assigned and determined by the Operations Manager. The employee performing these tasks shall begin work no later than 9:00 a.m. and perform a minimum of four (4) hours of work. The employee shall complete scheduled rounds first, followed by other essential duties, and then any secondary duties. The employee will be paid at the overtime rate for these four (4) hours. The employee shall conclude work at 1:00 p.m., unless the employee is specifically authorized by his or her supervisor to perform more than four (4) hours of work. The employee will be compensated at the overtime rate for all hours worked.
  - 3. Substituting Standby Coverage: Any employee agreeing to fill a shift for the standby duty person shall receive compensation at the rate of \$2.00 per hour for each hour they remain on standby (Monday through Friday, excluding holidays). The assigned standby employee's compensation shall be reduced by \$2.00 per hour for each hour they are not on standby. The employee originally scheduled for standby shall notify their supervisor of the substitution and shall notify the answering service.
  - 4. Illness: An employee who is scheduled to be on standby and who does not work the regular work day due to illness is not eligible to be on standby. The employee who is scheduled to be on standby shall contact his/her immediate supervisor who will then arrange for a replacement. In instances of illness, the assigned employee will be removed from the standby schedule and will not receive any standby pay.

### 14.3 Call Out Pay

An employee earns call out pay when an employee is ordered to return to work after the employee has completed the employee's usual work shift and left the work site. The District adheres to the following requirements for call out pay:

- A. Timing and Rate for Call Out Pay: Call out pay begins when the employee is initially called out and ends when the employee leaves the Maintenance Shop (or job site if the employee is not required to return to the Maintenance Shop) to return

home. Call out pay is paid at the rate of one and one-half times an employee's regular pay.

- B. **Before Regular Shift:** An employee called in early to start his/her day or shift without prior reasonable notice shall also be eligible for call out pay for the time actually worked until 7:00 a.m., at which point the employee is expected to begin his/her regularly scheduled work day. An employee is not eligible for two hours of call out pay if the employee is called to work less than two hours before the commencement of his or her regular workday.
- C. **Working Late Does Not Qualify for Call Out Pay:** If an employee stays late to complete assigned work, that is not considered a call out. The employee will be paid at the appropriate hourly rate for any such work. In that instance, hours are paid at the overtime rate only if the work otherwise qualifies as overtime (i.e., in excess of 40 hours for the workweek).
- D. **Minimum Pay for Call Out Duty:** Subject to the limitations above, the District shall pay the employee a minimum of two (2) hours of overtime pay for a call out. An employee will not receive additional call out pay for any subsequent call outs received during the initial two hour period. Additional call outs during any two-hour minimum call out period will be considered time already paid. If actual work exceeds two (2) hours, then employees will be compensated for the time actually worked in excess of two hours. Any subsequent call out, after completion of the previous call out and after the employee has left the Maintenance Shop (or job site if the employee is not required to return to the Maintenance Shop), shall begin a new two-hour period.
- E. **Obligation to Advise of Fitness for Duty:** If an employee is called back to work (whether on standby or otherwise), the employee is obligated to promptly disclose to his or her immediately supervisor if he or she is not fit to return to duty for any reason.

## **15.0 CELL PHONE AND INTERNET REIMBURSEMENT**

An operations employee on standby duty will be required to wear a cell phone or pager and remain in the local area where service is active. The standby employee may pursue any personal activity which leaves him/her available to promptly respond to calls for response to operational problems or emergencies. The standby employee shall refrain from activities which might impair his/her assigned duties upon call. The standby employee shall be reimbursed on a monthly basis \$80.00 for the use of their personal cell phone and internet for response to operational problems or emergencies, and to monitor/operate the water treatment plant remotely. To receive the monthly cell phone and internet reimbursement the employee must actually have at least seven (7) days of standby for the month as documented in the payroll records. The monthly cell phone and internet reimbursement shall be paid the first full payroll following the month that the employee maintains a standby status.

Other employees whose position includes the need for a cell phone may receive a cell phone allowance to reimburse for business-related costs incurred when using their personally-owned cell phones. Other employees that include the need for a cell phone for

business-related use and that shall be reimbursed on a monthly basis \$40.00 are: the position of Office Supervisor.

## **16.0 TRAVEL ALLOWANCES**

Regular employees required by the District to attend educational programs, training sessions and/or meeting functions as representatives of the District shall be compensated as provided in the Personnel Policy Manual.

Part-time employees required to attend educational programs, training sessions and/or meeting functions as representatives of the District shall be compensated the cost of training, per diem travel expenses and pro-rated salary (i.e. part-time employees will receive normally worked part-time salary for time spent in training).

## **17.0 HOLIDAYS**

This policy shall apply to all regular and introductory employees.

A. Days Designated as Holidays: The following days shall be recognized and observed as paid holidays:

- New Year's Day; (January 1)
- Martin Luther King, Jr's Day; (as observed by the State)
- President's Day (third Monday in February);
- Memorial Day; (last Monday in May)
- Independence Day; (July 4)
- Labor Day; (1<sup>st</sup> Monday in September)
- Veteran's Day;
- Thanksgiving Day; (4<sup>th</sup> Thursday in November)
- The Friday in November immediately following the day designated as Thanksgiving Day;
- Christmas Eve Day; (December 24)
- Christmas Day; (December 25)
- All regular District employees have one floating holiday per calendar year. If not taken during the calendar year earned, the floating holiday will be forfeited.

The District may close the office to the public between Christmas and New Year's Day. During that time, employees can either take vacation or report to work on normal workdays, keeping doors closed to the public.

B. Requirements: All regular work shall be suspended and employees shall receive one (1) day's pay for each of the holidays listed above. An employee on a leave without pay will not receive holiday pay. In order to receive holiday pay, you must work the regularly scheduled work day prior to and after the holiday unless vacation has been pre-approved. If an employee is on approved vacation when a holiday occurs, the employee will receive holiday pay in lieu of vacation for the scheduled holiday. If an employee is on sick leave when a holiday occurs, the employee is not eligible for holiday pay and must use sick leave instead. If an

employee has exhausted available sick leave, then the employee's absence will be unpaid.

- C. **Holidays on Weekends:** Whenever a holiday falls on Saturday, the preceding Friday shall be observed as the holiday. Whenever a holiday falls on Sunday, the following Monday shall be observed as the holiday.
- D. **Work on Holidays:** The District may, at its discretion, require an employee who is not already scheduled to work, to work on a scheduled holiday and be compensated at the rate of two and one-half times the employee's regular rate of pay or CTO (i.e. regular pay plus 1 ½ times holiday pay). All other employees required to work on a District holiday shall be compensated at their regular rate of pay for actual time worked, unless otherwise required by this Agreement.
- E. **Rate of Eligibility:** Employees are eligible for holiday pay based on the following formulas:

Hours Worked Per Week	Proportion of Vacation, Sick, and Holiday Benefits
21-23	57.5%
24-26	65.0%
27-29	72.5%
30-32	80.0%
33-35	87.5%
36-38	95.0%
39-40	100.0%

## 18.0 VACATION

This policy shall apply to regular and introductory employees in all classifications.

- A. **Rate of Accrual:** Paid vacations shall be accrued according to the following full-time equivalent schedule on an annual basis. Years of service begins when an employee becomes a regular employee. Time is not accrued for any seasonal or temporary positions. Years of service must be continuous as follows:
  1. Employees with less than five years of service earn one (1) working day per month of paid employment (equivalent to 12 working days per year);
  2. Employees with five to ten years of service earn one and one and one-quarter (1.25) working days per month of paid employment (equivalent to 15 working days per year);
  3. Employees with more than ten years of service earn one and two-thirds (1.67) working days per month of paid employment (equivalent to 20 working days per year).

All regular employees shall accrue vacation leave on the basis of the number of regular hours worked in the District service and all hours spent in a paid leave status from regular duties, excluding any time worked as overtime or special time. Such

accrual shall take place on a pay period basis. Employees are eligible for vacation based on the following formulas:

Hours Worked Per Week	Proportion of Vacation, Sick, and Holiday Benefits
21-23	57.5%
24-26	65.0%
27-29	72.5%
30-32	80.0%
33-35	87.5%
36-38	95.0%
39-40	100.0%

- B. **Limitations on Accumulated Vacation Time:** An employee shall be able to accrue no more than forty (40) days or three-hundred twenty (320) hours of vacation leave. Once the maximum vacation accrual is reached, vacation time will no longer be accumulated.
- C. **Cash-Out During Employment:** Vacations are provided by the District to employees as a period of time away from work with pay for the purpose of rest, relaxation, and recreation. This respite is a benefit and is intended as an aid in maintaining the long-term and consistent productivity and contentment of the employee. As such, pay in lieu of vacation time away from work is highly discouraged. If the District would be adversely impacted by the employee taking vacation leave in excess of the (320) hours maximum, the District may elect to provide payment to the employee at their current hourly wage. Once the vacation accrual is below the maximum, vacation accrual will again start to accumulate.
- D. **Termination:** At termination of employment for any reason, the District shall compensate the regular employee for his/her accumulated vacation time at his/her straight time rate of pay at the time of termination.
- E. **Paid Leave of Absence:** Employees granted a leave of absence with pay or other approved leave with pay shall accrue vacation leave as otherwise regularly provided by this Agreement
- F. **Unpaid Status:** Vacation leave shall not be accrued by any employee absent from duty after separation from District service, or during a District authorized leave of absence without pay or any other absence from duty not authorized by the District or an absence from work as a result of any disciplinary action. An employee is not permitted to borrow on future accrual of vacation benefits.
- G. **Holidays:** If a holiday falls on a workday during an employee's vacation period, that day shall be considered as a paid holiday and not vacation time.
- H. **Requesting Vacation:** Employees must submit vacation requests of four (4) hours or more to their supervisor in a timely manner. In the event of the need for unscheduled vacation time off of less than four (4) hours, the employee has the option to use vacation time or sick time regardless of the nature. This option of

unscheduled time off is only available if the paid time off is less than four (4) hours. Supervisors will consider requests in light of all relevant criteria, including operational concerns, seniority, scheduling issues, leave balances, timing of the request, and fairness.

- I. Introductory Employees: Introductory employees accrue vacation time during their introductory period, but are not eligible to take any accrued vacation until successful completion of the introductory period.

## **19.0 SICK LEAVE**

This policy shall apply to regular and introductory employees in all classifications. Sick leave is defined as absence from work due to illness, non-industrial injury, or quarantine due to exposure to a contagious disease.

- A. Usage: Sick leave may be used for dental and doctor appointments, including the actual time spent at the appointment and a reasonable amount of time to travel to and from the appointment. The employee must report to work prior to the appointment and report back to work after the appointment, if reasonable. Employees are expected to schedule appointments so as to minimize the time away from and disruption to work. Sick leave use of less than four (4) hours may be granted for any reason if the employee has a need for unscheduled time off and cannot use CTO or vacation time.
- B. Kin Care: In any calendar year, an employee may use accrued sick leave, up to the amount earned during one year of employment, to attend to the illness of an immediate family member as defined in paragraph H below. After this maximum allotment is used, employees can take accrued vacation to attend to the illness of an immediate family member in accordance with the District's rules for scheduling and taking vacation time.
- C. Rate of Accrual: Employees shall earn sick leave at the rate of one (1) working day per month. There is no maximum of sick that may be earned. Employees who work overtime do not accrue any additional sick leave credit. Hours spent in a pay status shall include all regular hours worked in the District service and all hours spent in a paid leave status from regular duties, and shall exclude any hours worked as overtime or special time. Sick leave shall not be accrued by any employee absent from duty after separation from District service, or during a District authorized leave of absence without pay, or any other absence from duty not authorized by the District, or an absence from work as a result of any disciplinary action.
- D. No Borrowing or Advance Accrual: An employee is not permitted to borrow on future accrual of sick benefits.
- E. Unpaid Leave: Sick leave does not accrue during any unpaid leave of absence.
- F. Notification Requirement: In order to receive compensation while on sick leave, the employee shall notify his/her supervisor prior to the time for beginning the regular work day that illness will prevent them from coming to work.
- G. Abuse of Sick Leave: If an employee is absent due to illness, if the District reasonably suspects abuse of sick leave, if there is a pattern of sick leave usage,

or if an employee's sick leave balances are consistently maintained at a low level, a doctor's note may be required. Failure to provide a doctor's note upon request may be grounds for disciplinary action and/or denial of sick leave benefits.

- H. Family Members. Accrued sick leave may be used for care of a member of an employee's immediate family defined as spouse, child, brother, sister, parents, parents in-law, step-parents, step brothers and sisters, grandparents and/or other family member, or for bereavement leave for the death of a member of the employee's immediate family. Additionally, sick leave may be used for an employee's family illness or injury and medical or dental appointments.
- I. Compensation upon Separation: Employees must work a minimum of five (5) continuous years of service for the District to be eligible for any accrued sick leave compensation upon separation. This compensation is available only to employees that are separating employment for other than cause. Upon separation without cause or by retirement or any other voluntary reason, or a layoff, an employee has two options for reimbursement for accrued sick leave:
  - 1. The employee may elect to be paid at a rate of fifty percent (50%) of the employee's total maximum accrued sick leave, not to exceed sixty-five (65) days [520 hours]. Such reimbursement shall be at the employee's salary rate at the time of separation, and shall reduce the employee's total amount of accrued sick leave to zero (0).
  - 2. If retiring, the employee may elect to transfer their entire sick leave balance, one hundred percent (100%), to their CalPERS retirement account under the provisions of the sick leave credit contract provisions if applicable for the CalPERS formula Level the employee is classified in.
- J. Sick Leave Incentive: Employees who have accrued a minimum balance of an amount equal to one hundred sixty (160) hours of sick leave shall be allowed to convert at the end of each calendar year 50% of the unused sick leave balance of the ninety six (96) hours earned for that year. The employee may elect to being paid straight time or transferring this percentage to vacation leave. This sick leave incentive will be paid with the first full pay period in January of each calendar year and can be made for up to a maximum of forty-eight (48) hours. The employee must maintain a minimum balance of 160 accrued hours of sick leave after the cash out or transfer.
- K. Not Guaranteed Benefit: Sick leave is a benefit provided to employees for sporadic time off work in the event of true illness or need for medical care. Employees are not guaranteed the ability to take all sick leave that may accrue. If an employee is unable to perform the essential functions of his or her position, then the District may take steps to remove the employee from his or her position even if sick leave remains available.
- L. Rate of Eligibility: Employees are eligible for sick leave based on the following formulas:



Hours Worked Per Week	Proportion of Vacation, Sick, and Holiday Benefits
21-23	57.5%
24-26	65.0%
27-29	72.5%
30-32	80.0%
33-35	87.5%
36-38	95.0%
39-40	100.0%

## 20.0 BEREAVEMENT LEAVE

A regular employee shall be eligible for a temporary leave of absence without loss of salary upon the death of any member of the immediate family. Such leave is available for each incident but shall be limited to 3 days (24 hours), where the death or service are within the State of California and up to five days (40 hours) where the death or service is outside the State. Bereavement Leave is limited to 40 hours annually and shall be exhausted when a total of 40 hours have been used in any calendar year. If bereavement leave has been exhausted, a covered employee may elect to use other paid leave including sick leave, if necessary, for this purpose. "Immediate family member" is defined below. The employee shall include their familial relationship to the deceased on their leave request form.

### Definition of immediate family for bereavement leave

"Member(s) of Immediate Family" as used for Bereavement Leave only shall mean mother, father, husband, wife, son, daughter, brother, sister, grandmother, grandfather, grandson, granddaughter, guardian with whom employee has lived. The definition includes "In-Law" relationships in each case and "Step" relationships in the case of parents and children.

## 21.0 EDUCATIONAL INCENTIVE PLAN

The District shall pay the costs associated with management approved education and training which will enhance productivity of District employees in their current job with the District. The District shall also pay costs associated with management approved education and training which will enhance the preparation of District employees for a District position in their probable career path. To be eligible for this plan, an employee shall first submit an education plan for review and consideration by the District prior to enrollment into any education incentive program. An employee must have completed three years of full-time employment with the District and have achieved above average job performance for the last three consecutive years to be eligible for this section. The education plan submittal shall outline the classes, institute and duration. It will also estimate the total cost of the education and what portion will be requested for reimbursement.

## **22.0 UNIFORMS AND PROTECTIVE CLOTHING**

- A. This section and the annual reimbursement allowance and uniform program shall be administered by the Manager and/or designee. The Office Supervisor shall be deemed the designee unless notice is otherwise provided.
- B. The District shall reimburse each operation/maintenance employee for purchase of pants/shorts, jackets, and safety shoes/work boots every fiscal year not to exceed \$450 per employee. This reimbursement allowance will be available the first full payroll following July 1 of each year of this Agreement beginning July 1, 2020.
- C. Employees shall order and purchase their own pants/shorts, jackets, and safety shoes/work boots. Upon receipt of written verified payment (original receipts) by the employee for the appropriate uniform attire, the District shall reimburse the employee the cost of said uniform up to the reimbursement allowance amount for the fiscal year. Funds or reimbursement credits shall not be interchanged between employees or paid to the employee upon termination for any reason.
- D. In addition, the District shall purchase up to five (5) uniform shirts and two (2) hats for each operations/maintenance employee every fiscal year. This purchase shall not count towards the employee's annual reimbursement allowance. Any uniform shirts or hats needed in addition to the annual District purchase shall be the responsibility of the employee to pay for.
- E. Employees shall not order uniform shirts and/or hats but shall request that the District order uniform shirts and hats using a form approved by the District. This shall also apply to the uniform and hats needed in addition to the annual District purchase.
- F. Uniform reimbursement allowance shall not accrue from year to year and shall be forfeited at the end of any eligibility year in which it is not used.
- G. The design and type of employee uniforms and hats shall be approved by the Manager.
- H. If an employee leaves District service for any reason, any annual uniform reimbursement allowance paid shall be deducted from their last paycheck on a pro-rated basis of the months remaining in the fiscal year. For example, if six months of the year has been completed and \$450 has been reimbursed, \$225 will be deducted from the employee's last payroll ( $\$450/12 * 6 = \$225$ )
- I. Employees shall be required by the District to always be in the appropriate uniform while on duty. Employees shall be responsible for their proper use and care of all items issued at District's expense. Loss or improper care of issued items may result in employees being charged by the District for lost or damaged items with appropriate salary deductions for reimbursement to the District. Excessive or unusual loss or occurrences of loss may result in disciplinary action.
- J. The District shall provide employee protective and safety clothing required by the job task. Such equipment shall include, but not be limited to, safety glasses, helmets, hard hats, gloves, rubber boots, and all related safety items. The District shall retain the right to determine the minimum specifications of the safety equipment, procurement procedures and limitations and exclusions.

## **23.0 SEPARATION FROM DISTRICT EMPLOYMENT**

- A. Resignation: An employee can resign District employment at any time. To allow for proper transition of duties, the District requests, but does not require, that employees provide the District with at least two (2) weeks advance notice of resignation. On or before the effective date of the employee's resignation, employee shall immediately relinquish to his or her supervisor all District property, including but not limited to keys, phone, computer, credit cards, and any other property in the employee's possession. Resignations may only be withdrawn with the expressed written approval of the General Manager. At the General Manager's discretion, the resigning employee may be required to immediately return all District property in their possession and/or be placed on paid administrative leave for the duration of his or her employment through the resignation date.
- B. Layoffs: Whenever, in the judgment of the District Board, it becomes necessary, due to the lack of work, absence of need for a position, material change in duties, curtailment of public services, lack of funds, or other economic considerations, the General Manager may layoff an employee. The General Manager shall prepare a layoff list, giving consideration to all applicable factors, including business necessity, job performance, competence and skill-set of individual employees, and longevity of service with the District (where practical). Longevity will not dictate layoff choice where other relevant factors apply.
1. Employees to be laid off shall be notified as soon as practicable and given at least fourteen (14) calendar days prior notice. A layoff is not subject to grievance or appeal.
  2. Employees laid off or demoted in good standing under this policy shall be eligible for re-employment with the District. The names of all persons laid off or demoted in accordance with this policy shall be entered upon a re-employment list. If, within three (3) months of the effective date of layoff, the position held by the employee immediately prior to layoff or demotion becomes vacant, or if another position within the same class and for which the employee is qualified becomes vacant ("alternate position"), then the employee shall be offered the vacant position. Persons who decline re-employment shall be removed from the list. At the discretion of the General Manager, the re-employment list can be extended beyond the initial three (3) months.
- C. Involuntary Termination: The District can terminate employment of employees who have not completed the introductory period for any reason, or no reason, in accordance with the introductory period policy. Employees who have attained regular status can be terminated for good cause in accordance with the disciplinary policy.

## **24.0 GRIEVANCE PROCEDURE**

- A. Definition:

A grievance is a written request or complaint initiated by an employee, arising out of a specific application of a policy or rule, the solution of which will involve the interpretation or application of existing rules, regulations, policies, or procedures administered by the employee's supervisor concerning wages, hours, or other terms and conditions of employment. An employee may request in writing to take vacation or non-paid leave to respond to a grievance, not to exceed one working day, with the Manager's approval.

These matters cannot be the subject of a grievance:

1. Matters reviewable under some other District administrative procedure;
2. Requests or complaints the solutions of which would require the exercise of authority, such as the adoption or amendment of a resolution, rule, regulation or policy established by the Board of Directors;
3. Requests or complaints involving the termination of an introductory or temporary employee, or the termination, suspension or demotion of a regular employee, or any other disciplinary matter;
4. Requests or complaints involving the denial or granting of merit increases, performance evaluations, suspension or denial of education assistance, verbal and/or written reprimands.

B. Grievance Procedure Steps:

1. Level I, Preliminary Informal Resolution: Any employee who believes he/she has a grievance shall present the matter orally to his/her immediate supervisor within five (5) working days after the employee knows, or reasonably should know, of the circumstances which form the basis for the alleged grievance. The immediate supervisor shall hold discussions and attempt to resolve the matter within three (3) working days after the presentation of such grievance. It is the intent of this informal meeting that at least one personal conference be held between the employee and the immediate supervisor. The supervisor shall advise the employee orally as to the outcome of the grievance.
2. Level II, General Manager: If the grievance has not been resolved to the employee's satisfaction at Level I, the grievant must present his/her grievance in writing on a form provided by the District to the General Manager within ten (10) working days after the occurrence of the act or omission giving rise to the grievance.

The statement shall include the following:

- a. A concise statement of the grievance including specific reference to any law, policy, rule, regulation and/or instruction deemed to be violated, misapplied or misinterpreted;
- b. The circumstances involved;
- c. The decision rendered by the immediate supervisor at Level I;
- d. The specific remedy sought.

The General Manager shall attempt to communicate his/her decision within five (5) working days after receiving the grievance. Decisions will be in writing setting forth the decision and the reasons therefore and will be transmitted promptly to all parties in interest. Either party may request a personal conference with the other.

3. Level III, Board of Directors: If, after receipt of the written decision of the Manager, the grievance is still unresolved, the employee may appeal the decision to the Board of Directors in Closed/Open Session as mutually agreed. The Board of Directors shall schedule a meeting concerning the matter and it shall take place at the next regularly scheduled Board meeting or otherwise within ten (10) working days of receipt of the appeal. After hearing and reviewing the Board of Directors shall render a decision on the appeal within five (5) working days. The Board of Directors may hear the appeal or by Resolution, Board Order, or Ordinance, refer all grievances submitted to them to such other person or body as they deem necessary for hearing. The Board of Directors shall further determine whether or not the decision reached by such other person or body shall be final and binding or advisory in nature. The Board of Directors' decision shall be final and binding in all cases.
4. Basic Rules: If an employee does not present the grievance, or does not appeal the decision rendered regarding the grievance within the time limits specified above, the grievance shall be considered resolved.

By agreement in writing, the parties may extend any and all time limitations of the grievance procedure. In addition, if the General Manager needs additional time within which to meaningfully respond to a grievance, the General Manager will so notify the employee. A copy of all formal grievance decisions shall be placed in the employee's permanent personnel file.

## **25.0 DISCIPLINARY PROCESS**

The purpose of this section is to establish the types of actions for which an employee can be disciplined and the disciplinary measures that may be used.

### **25.1 Standard of Conduct**

The District expects employees to observe a standard of conduct which will maintain an orderly, positive and productive workplace. Such a standard of conduct will benefit and protect both the District and all employees.

The discipline procedures in this section represent guidelines which the District believes are generally appropriate to govern employee conduct. They are not, however, absolute rules. The District retains discretion to determine what constitutes proper disciplinary action and procedure in each individual situation.

Behavior that violates this standard of conduct will subject employees to discipline up to and including suspension without pay or termination.

The disciplinary action used to maintain the standards of conduct will be determined in light of the facts and circumstances of each individual case. Each incident will be considered in light of a variety of factors, including:

- A. The seriousness of the incident and the circumstances.
- B. The employee's past conduct and length of service.
- C. The nature of any previous incidents.
- D. The general practice as it relates to the incident.

## 25.2 Grounds for Discipline

Although not exhaustive, the following list represents kinds of behavior that should be considered improper and unacceptable in the workplace, and may subject the employee to the disciplinary process. Employees are noticed that conduct not specifically listed below but which adversely affects or is otherwise detrimental to the interests of the District, other employees, or the public, may also result in disciplinary action. Discipline may be taken against an employee for "good cause." Good cause exists where any fact or set of facts, based upon relevant circumstances, may be reasonably relied upon in the exercise of discretion as a basis for disciplinary action. The following are set forth as examples only and shall not be construed as an exclusive list:

- A. Fraud in securing employment.
- B. Abuse of sick leave or other violation of sick leave policy.
- C. Violation of any lawful or reasonable regulation or order made and given by an employee's supervisor; insubordination.
- D. Use of, or possession of, intoxicating liquors or substances or other substances, such as medications, whether prescribed or not prescribed, which may have a negative effect on the employee's ability to think clearly and work safely while on duty.
- E. Reporting to work under the influence of intoxicating liquors or other substances.
- F. Theft or embezzlement from the District or from other District employee(s), or customers.
- G. Misuse of District property.
- H. Misuse of District credit cards and/or violation of purchasing policies.
- I. Negligence in the performance of duties.
- J. Incompetence or inefficiency.
- K. Inexcusable neglect of duty.
- L. Inattention to or dereliction of duties.
- M. Excessive number of absences or tardiness in reporting for duty and/or unauthorized or excessive absence from assigned duties.

- N.** Use, possession, being under the influence of, sale/purchase or offer to sell/purchase illegal drugs and narcotics or alcohol during working hours or after working hours on District property.
- O.** Falsification of District records.
- P.** Dishonesty.
- Q.** Fighting or other abusive conduct toward employees or the public during working hours.
- R.** Improper or unauthorized operation of District vehicles or equipment.
- S.** Deliberate destruction or damage to District property, public property or the property of another employee.
- T.** Possessing unauthorized firearms on District property or during hours when the employee is employed by the District.
- U.** Private or personal use of District equipment, vehicles, tools or materials without prior approval of the General Manager.
- V.** Violation of safety rules or unsatisfactory driving record.
- W.** Conviction for a felony or misdemeanor.
- X.** Refusal to take and subscribe any oath or affirmation which is required by law in connection with his/her employment.
- Y.** Harassment.
- Z.** Violation of District ordinance(s), rules or regulations or County, State, or Federal laws.
- AA.** Failure or refusal to report to work in neat, clean clothing or uniform.
- BB.** Negligent or unsafe conduct or operation of equipment or vehicles at, or in the course and scope, of employment.
- CC.** Use of offensive, harassing, obscene or abusive language or conduct with the public, employees and Directors, lessees and contractors and/or other visitors and persons on business with the District.
- DD.** Loss of employment-required licenses or certificates.
- EE.** Sexual harassment.
- FF.** Intentional or negligent act or omission or failure to observe, safety rules and regulations which adversely affects or threatens to adversely affect, the safety of the employee or others or facilities or equipment.
- GG.** Unauthorized use of District employees, time, materials or equipment for personal activities.
- HH.** Leaving work area, job assignment or departing during working hours without proper authorization.
- II.** Willful destruction or defacement of District property, or private property while employee is on duty.

- JJ.** Misuse or unauthorized use or alteration without Management approval, of the District's computer system(s), including any programs and/or equipment and/or data.
- KK.** Accepting favors or gratuities in return for services required to be performed as a part of the employee's official duties or responsibilities.
- LL.** Use of an employee's official position for personal gain or advantage.

All employees shall strictly observe the District's prohibition against bringing onto, possessing, or storing intoxicating liquors, illicit drugs, or other such substances in or about District buildings, work sites, vehicles, vessels, equipment or other facilities, except as otherwise provided by law. Violation of this sub-section may result in immediate disciplinary action, including termination.

There shall not be any cigarette, pipe or cigar or similar substance smoking in the District's office buildings, maintenance yard, maintenance yard buildings, water treatment plant, sewer treatment plant, vehicles, other equipment or in any work area where smoking could result in hazardous conditions, except in certain designated areas.

The procedure set forth in this Procedure shall be exclusive, and the failure of an employee to utilize the provisions herein shall constitute a waiver of any claim to relief.

These Procedures apply only to Regular Employees. Regular Employees do not include Introductory Employees, the General Manager, or any employee hired on a temporary, special, provisional, seasonal, emergency basis, or any independent contractor. An employee not covered by this disciplinary policy may be disciplined without reference to these provisions and removed from his or her position at will and without cause.

### 25.3 Progressive Disciplinary Procedures

In order to provide a fair method of disciplining employees, the following progressive disciplinary procedures shall be taken when disciplinary action is necessary, except in the case of immediate disciplinary action, as stated in the section of this Agreement entitled IMMEDIATE DISCIPLINARY ACTION. Progressive discipline must be timely and should follow, as closely as possible, the incident requiring the disciplinary action.

- A. Level of Discipline: The District has the discretion to determine the appropriate level of discipline in the circumstances involved. The District is not obligated to follow any particular level or order of discipline. The severity of any action taken should be proportionate to and commensurate with the cause and should also take into account prior disciplinary history, if any. In appropriate circumstances, the District may suspend or terminate an employee without first providing lower levels of discipline.
  - 1. Types of Discipline – Minor: No right to appeal is available to challenge minor discipline.
    - a. Corrective Counseling: Corrective counseling is a verbal warning accompanied by written documentation. Corrective counseling may be provided to an employee whose conduct or performance must be



improved. The counseling should detail the areas for improvement, the degree of improvement required, and notice that failure to improve will result in more serious disciplinary action. The supervisor shall document the verbal warning (corrective counseling) and place a dated copy in the employee's personnel file with a copy to the employee. The employee must acknowledge receipt of the counseling by signing the documentation at the time of presentation; this signature signifies only receipt of the document, not necessarily agreement with the contents. The employee may, within five (5) calendar days, respond in writing, which shall be included in his/her file.

- b. **Written Reprimand:** A formal written notice to an employee which summarizes previous related disciplinary action, if any, which details conduct subject to discipline and which advises that continued conduct at such levels may result in suspension, pay reduction, demotion or dismissal. The employee must acknowledge receipt of the reprimand by signing the letter at the time of presentation; this signature signifies only receipt of the document, not necessarily agreement to the contents. The employee may, within five (5) calendar days, respond in writing to the contents of the letter of reprimand to be included in his/her file.
- c. **Appeal from Minor Discipline:** Corrective counseling and written reprimands are not subject to appeal. These forms of minor discipline are considered final when provided to the employee. The employee's only form of challenge to these types of discipline is to submit a written response, as provided above.

2. **Types of Discipline – Major:**

- a. **Suspension:** The temporary removal of an employee from the service of the District without pay. A suspension of this type does not include suspension pending an investigation into alleged misconduct.
- b. **Pay Reduction:** The reduction in pay of one or more pay steps where performance falls short of normal established standards or where performance is clearly inadequate in one or more of the critical job duties for the position.
- c. **Demotion:** The removal of an employee from a position to one of lower grade or classification.
- d. **Dismissal:** The removal of an employee from the service of the District.

#### 25.4 Disciplinary Procedures for Major Discipline

The following procedures apply when major discipline is imposed. These procedures do not apply when minor discipline is imposed.

- A. **Notice of Intent-to-Discipline for Suspension, Pay Reduction, Demotion or Dismissal:** Where the proposed discipline is major, as defined, a Notice of Intent-to-Discipline, signed by a Supervisor, supporting the discipline shall be served on

the employee. Service of the Notice of Intent-to-Discipline shall be made at least five (5) days before a hearing pursuant to Section B.3. is held regarding the charges. The Notice shall include:

1. The proposed discipline.
2. The effective date of the discipline.
3. The reasons for the discipline.
4. All documents which support the discipline. Copies of the documents upon which the discipline is based shall be attached to the Notice of Intent.

An employee may, where circumstances warrant, be placed on administrative leave pending the hearing held pursuant to Section B.3.

B. Service: Notice of Intent-to-Discipline shall be served on the affected employee by:

1. Personal service; or
2. If personal service is not feasible, by first class certified mail, return receipt requested, to the last known mailing address of the employee.

Service is deemed complete when any one of the preceding steps is taken.

3. Informal Hearing Procedure (Skelly hearing): The employee shall be given an opportunity at an informal hearing to show why the proposed major discipline should not be imposed prior to its imposition.
  - a. The hearing will be conducted by a Reviewing Officer who shall be the General Manager or a responsible person designated by the General Manager (either another District managerial employee or an individual from an outside organization). The Reviewing Officer can be the managerial employee who issued the Notice of Intent or an alternate individual designated by the General Manager. The employee, at his or her choice, can bring a representative to the hearing.
  - b. At the hearing, the employee shall be given an opportunity, either orally, in writing, or both, to explain why the proposed discipline should be revised or cancelled. The hearing is not an evidentiary hearing. It shall be tape recorded or stenographically recorded.
  - c. If an alternate Skelly officer conducts the Skelly hearing, then that individual, within five (5) days of the hearing, shall provide a recommendation to the individual who issued the Notice of Intent as to whether to uphold, lessen, or withdraw the proposed action.
  - d. Within five (5) days after the hearing or receiving a recommendation from an alternate Skelly officer, the managerial employee who issued the Notice of Intent shall issue an order upholding, lessening, or withdrawing the proposed discipline. The final notice will contain a final statement of charges, explain the basis for the decision, and indicate

whether the employee has a right of appeal. The five-day period may be extended by the General Manager, who shall notify the employee.

- e. The decision will be served on the employee as provided in Section B 3. The decision shall also inform the employee of his/her right of appeal as provided in Section C, below.

C. Appeal from Major Discipline: If an employee desires to appeal the decision issued pursuant to Section B 3, above, then the following procedures shall apply.

1. Appeal Right: An employee who has received a major form of discipline (dismissal, suspension, pay reduction, or demotion) may appeal to a Hearing Officer. The appeal must be in writing and filed with the General Manager within ten (10) working days after service on the employee of the final notice of discipline.
2. Selection of a Hearing Officer: The Hearing Officer shall be a retired judge or attorney with at least ten (10) years' experience in employment law. The parties may mutually and informally agree upon their desired Hearing Officer. If informal selection is not possible, then the Hearing Officer shall be selected as follows: the District shall obtain a list of five (5) potential hearing officers from the State Mediation and Conciliation Service. Each party may strike all names on the list it deems unacceptable. If only one name remains on the list, that individual shall be designated as the Hearing Officer. If more than one common name remains on the list, the parties shall strike names alternately until only one remains (with the District striking a name first). If no name remains on the list, the conciliation service shall furnish an additional list or lists until a Hearing Officer is selected.
3. Hearing: An evidentiary hearing shall be held on the appeal. The hearing shall be conducted within sixty (60) days of the selection of the hearing officer, unless the General Manager, the Hearing Officer and the appellant agree in writing that the date of the hearing be extended for a specified time. The General Manager or designee shall provide as much advance notice as practicable, but at least fourteen (14) days written notice, of the date, time, and place of hearing to the appellant.
4. Conduct of the Hearing: The hearing shall be conducted in the manner most conducive to determination of the truth, and the Hearing Officer shall not be bound by technical rules of evidence. The following procedures shall be follows:
  - a. The proceedings shall be tape recorded or stenographically reported. The decisions of the Hearing Officer shall not be invalidated by any informality in the proceedings.
  - b. The hearing officer shall determine the relevancy, weight, and credibility of testimony and evidence. The hearing officer shall base his/her findings on the preponderance of the evidence.

- c. Each side shall be permitted an opening statement and closing argument. The District shall first present witnesses and evidence to sustain the discipline and the appellant will then present his/her witnesses and evidence in defense.
  - d. Each side will be allowed to examine and cross-examine witnesses.
  - e. The hearing officer, upon a request by either party, may subpoena witnesses and/or require production of other records or material evidence.
  - f. The hearing officer may, prior to or during a hearing, grant a continuance for any reason he/she believes may be important to reaching a fair and proper decision.
5. Cost: The District shall bear the cost of the hearing officer and the court reporter or stenographic recording; each side shall bear its own cost of representation.
6. Attendance at the hearing: The appellant shall personally attend the hearing, unless physically unable to do so and excused in advance by the Hearing Officer. Unexcused failure of an appellant to appear at a hearing shall be deemed a withdrawal of the appeal.
7. Resolution by the Hearing Officer: Within thirty (30) days after completion of a hearing, unless waived by the parties, the hearing officer shall prepare a written decision and forward it to the General Manager. The written decision shall set forth the hearing officer's findings of fact and shall state reasons why the discipline is recommended to be sustained, reduced, or cancelled. If the hearing officer recommends that the discipline be reduced or cancelled, the hearing officer shall make recommendations concerning payment of back pay, if applicable, during pendency of the appeal.
8. Advisory to the General Manager: The decision of the Hearing Office shall be forwarded to and is considered advisory by the District's General Manager. The General Manager shall review the recommendation of the Hearing Officer and may then accept, reject, or modify the proposed decision (which includes the authority to impose a lesser or different form of discipline). The General Manager's decision shall be in writing and shall be issued within thirty (30) days of receiving the Hearing Officer's decision. The General Manager's decision shall be final.
9. Appeal from the General Manager's final decision: If the appellant is dissatisfied with the General Manager's decision and wishes to seek judicial review, the limitations period provided in Code of Civil Procedure Section 1094.6, shall apply. The General Manager's written decision shall include notice to the appellant that the time within which judicial review must be initiated is governed by Code of Civil Procedure § 1094.6. A copy of the General Manager's decision shall be forwarded to the Hearing Officer, the manager who

issued the discipline, and the appellant. The decision shall be included in the appellant's personnel file.

10. Administrative Leave: Whenever the General Manager determines that it is in the best interest of the District not to have an employee at the workplace – either prior to or during the disciplinary process – an employee may be placed on administrative leave, with pay, subject to such reasonable conditions as may be determined by the General Manager given the circumstances of the situation.

## **26.0 IMMEDIATE DISCIPLINARY ACTION**

The following special situations shall apply in conjunction with the Section Disciplinary Process:

- A. Failure to come to work: An employee who fails to appear for work without reasonable explanation and justification for a continuous period of three (3) working days shall be subject to termination effective on the first working day of said continuous period. Such termination shall be deemed voluntary.
- B. Intoxicating liquors, drugs or substances: An employee whose alcohol test indicates an alcohol concentration level between .02 and .04 grams of alcohol per 210 liters of breath shall be removed from his/her position for at least 24 hours. An employee whose alcohol test indicates an alcohol concentration level greater than .04 grams of alcohol per 210 liters of breath, or who has a positive drug test result shall be removed from his or her position for a period to be determined by the District Manager. Employees who are removed from their position under this policy shall be placed on unpaid leave. The District, in its discretion, may discipline, up to and including termination, an employee who fails, one or more times, a drug or alcohol test.

The District recognizes that the abuse of alcohol or drugs is a progressive illness which can be arrested if treated in a sensitive and timely manner, therefore any disciplinary actions shall consider the appropriateness of and commitment to treatment programs pursued by the employee, the employee's work record, and the problems created by the employee's absence for treatment. If a treatment program is pursued, the employee shall be allowed to use sick leave, compensatory time off, and annual leave, in that order, while seeking professional counseling and/or treatment. A letter from the provider of the professional counseling and/or treatment must be received by the Manager prior to the employee returning to work and must state the nature of the treatment or counseling, the extent or degree to which the employee has recovered, the fact that the employee is recovered sufficiently to return to work, any limitations to be imposed on the employee while at work, and any further treatment or counseling required, including timing and extent. The employee may be allowed to return to work providing that the professional counselor or treatment provider's requirements or stipulations can be met by the District without any adverse effect on District operations, objectives, and/or safety.

Failure of an employee who has committed himself/herself to follow a treatment program, to rigidly adhere to that program, will result in disciplinary actions up to and

including termination. Subsequent violation of this policy after completion of a treatment program will result in further disciplinary action.

- C. Impact on Health, Safety and Welfare: Any discipline which, in the judgment of the Manager, must be imposed immediately to protect the health, safety or welfare of the community or other District employees, may be summarily imposed without affecting the pre-disciplinary procedures of this Agreement. Such procedure shall be completed, however, within five (5) working days of the imposition of discipline.

## **27.0 PERSONNEL FILES**

Employees shall have the right to examine those materials in their personnel files which may affect the status of their employment. Employees shall be given copies of those records, upon verbal or written request, however, the request shall be kept to a reasonable amount. An employee shall have the right to have his/her own written comments attached to any such item placed in his/her file.

## **28.0 MISCELLANEOUS**

### **28.1 Amendments**

These rules and regulations may be amended at any time by the Board; provided, however, that amendments shall not be made until after consultation in good faith with a representative of any employee organization or organizations purporting to represent employees of the District.

### **28.2 Severability**

If any section, paragraph, or provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, such determination shall not affect the validity and enforceability of the remaining sections, paragraphs, and provisions.

## **29.0 MINIMUM WORK WEEK**

Nothing in this Agreement shall be construed to be a guarantee of a minimum work week for any employee.

## **30.0 TERM OF AGREEMENT**

This Agreement shall become effective on, July 1, 2020 and shall remain in effect through June 30, 2022. This agreement may be opened at any time the state budget has a significant and unbudgeted impact to the District's budget.

## **31.0 NO STRIKE CLAUSE**

- A. During the terms of this Agreement, There will be no concerted strike, sympathy strike, work stoppage, slow down, obstructive picketing, informational picketing, or concerted refusal or failure to fully and faithfully perform job functions and responsibilities, or other concerted interference with the operations of the District by

any employee. The Association shall ensure compliance by its members and itself with this no strike clause.

- B. Any employee concertedly violating this article may be subject to disciplinary action up to and including discharge, and/or may be considered to have automatically resigned from the District's employment.

**32.0 AUTHORIZED AGENTS**

For the purpose of administering the terms and provisions of this Agreement:

- A. Management's principal authorized agent shall be:  
General Manager  
Heritage Ranch Community Services District  
4870 Heritage Road  
Paso Robles, California 93446  
Telephone: (805) 227-6230      FAX: (805) 227-6231

- B. The Association's principal authorized agent shall be:  
Designated Employee Representative  
Heritage Ranch Community Services Employees Association

**33.0 SAVINGS CLAUSE**

If any provision of this Agreement should be held invalid by operation of law or by any court of competent jurisdiction, or if compliance with or enforcement of any provision should be restrained by any tribunal, the remainder of this Agreement shall not be affected thereby, and the parties shall enter into a meet and confer session for the sole purpose of arriving at a mutually satisfactory replacement for such provision within a thirty (30) day work period. If no agreement has been reached, the parties agree to invoke the provision of impasse.

FOR THE DISTRICT:

FOR THE ASSOCIATION:

\_\_\_\_\_  
Dan Burgess, President  
Board of Directors

\_\_\_\_\_  
James Pritchett  
Employee Representative

DATED: \_\_\_\_\_

DATED: \_\_\_\_\_

\_\_\_\_\_  
Scott Duffield  
General Manager

\_\_\_\_\_  
Kristen Gelos  
Employee Representative

DATED: \_\_\_\_\_

DATED: \_\_\_\_\_

## HERITAGE RANCH COMMUNITY SERVICES DISTRICT

### MEMORANDUM

**TO:** Board of Directors

**FROM:** Finance & Audit Committee (Barker, Burgess, Duffield)

**DATE:** June 18, 2020

**SUBJECT:** Request to adopt the Preliminary FY 2020/21 Budget, and schedule a public hearing for July 16, 2020, to consider adoption of a Final FY 2020/21 Budget.

#### **Recommendation**

It is recommended that the Board of Directors:

1. Adopt the Preliminary FY 2020/21 Budget; and
2. Schedule a public hearing for July 16, 2020 to consider adoption of a Final FY 2020/21 Budget.

#### **Background**

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<sup>st</sup> of each year. The budget shall outline anticipated revenue and expense for the year. The code also requires a public notice be published designating the date and time the Board intends to adopt a Final Budget. It is the District's practice to adopt a Preliminary Budget in June and consider adoption of the Final Budget at the regular Board meeting in July. A Final Budget must be adopted by your Board before September 1<sup>st</sup>.

#### **Discussion**

Attached is the Preliminary FY 2020/21 Budget. There may be minor revisions once final information is received by the end of June.

Each fund has its own budget. The consolidated budget provides a summary of the water, sewer, general, and solid waste funds. The preliminary budgets include the following information:

- Actual FY 2018/19 revenue and expense
- Budgeted FY 2019/20 revenue and expense
- Actual FY 2019/20 revenue and expense data for 11 months
- Annualized FY 2019/20 revenue and expense
- Preliminary draft FY 2020/21 revenue and expense



## Current Budget Summary

Revenue: The current water fund revenue less reserves appears to be performing slightly below (-1.7%) the budgeted amount. The sewer fund revenue less reserves also appears to be performing below (-4.5%) the budgeted amount.

Expense: The current water fund annualized expense less capital is projecting to be slightly below the budgeted amount (-3.0%). The sewer fund annualized expense less capital is projecting to be slightly above the budgeted amount (2.0%).

The current consolidated budget annualized is projecting to have a surplus of \$164,825.

## Preliminary Draft FY 2020/21 Budget Summary

The preliminary draft of next year's budget has a \$4,617 surplus in the water fund and a \$4,130 surplus in the sewer fund. **The consolidated budget has a \$8,747 surplus.**

Total revenue in this preliminary draft of next year's budget represents an increase of \$1,725,025 or 62% compared to this year's budget. This is mostly due to the use of reserve revenue for capital projects, with \$1,600,000 for the PVS Project alone. This is being paid back by the loan we just received. Debt service for that loan does not start until October 2021 and will be reflected in that year's budget.

Operating revenue (rates, fees, etc.) is budgeted at a (\$1,969) or -0.1% decrease, and non-operating revenue (property taxes, standby and capacity charges, etc.) at a (\$22,189) or -2.8% decrease.

Total expense (less capital) in this preliminary draft of next year's budget represents an increase of \$222,938 or 10.2% compared to this year's budget.

Total capital project budget in this preliminary draft of next year's budget represents an increase of 457% compared to this year's budget, again mostly due to the PVS Project.

A few of these estimates are preliminary at this point. There may be changes in revenue and expenses as we receive updated information and estimates. There are very few major expense items that can be reduced and still maintain operations. There is also very little flexibility to reduce expenses such as insurance, chemicals, supplies, equipment maintenance, lab testing, audit, and permits. We must always look for ways to reduce operating costs. Details of different categories are discussed below.

## Revenue Categories

1. Water and Sewer Operating Revenue. The preliminary budgets for the water and sewer funds use the analysis in the 2017 Rate Study (last year actual demand from the previous year were used). **Water and sewer operating revenue is budgeted to decrease by (\$5,917) or -0.3%.**

2. Solid Waste Franchise Fee Revenue. All solid waste fees include a “franchise fee” that provides the local agency funds to administer and support solid waste programs in the community. Franchise fees are collected by the garbage company as part of their customer fees and forwarded to the local agency on a monthly basis. Our franchise fee is 10%. **Total solid waste franchise fee revenue is budgeted to decrease by (\$3,948) or -5.6%.**
3. Non-Operating Revenue. The County Auditor-Controller provided us an early estimate for property tax receipts and charges for next year which is reflected in the preliminary budget. For budgeting purposes, it is assumed that five new homes will connect to the systems. **Total non-operating revenue is budgeted to decrease by (\$22,189) or -2.8%.**

### Expense Categories

1. Personnel Budget. For budgeting purposes, the following assumptions are made: 3% cost of living increase in base salary for all staff; no change in medical insurance costs with 90% of lowest cost premium paid by District; current staff of six full-time employees, plus (1) vacant Operations Manager position and (1) vacant Operator III position; Directors receive allowable maximum of \$200/month. **Total personnel budget expense is budgeted to increase by \$67,995 or 7%.**
2. Utilities. The water contract with the County is a fixed fee for total allocated water. Electricity and other utility costs are expected to increase and for this preliminary draft is assumed to be the current budget expense plus 4%. **Total utilities expense is budgeted to increase by \$10,114 or 3.7%.**
3. Maintenance and Supplies. This category is dominated by chemical costs and fixed equipment maintenance. Our chemical cost is tracking to be higher than budgeted this year as we looked for better chemical combinations to treat the water, stay in compliance, and work on the Time Schedule Order for the wastewater system. Some additional lab testing was also needed for these efforts and will continue. Maintenance of fixed equipment is always a major responsibility and includes a few expensive tasks such as patch paving, hydro jetting, and water tank maintenance. **Total maintenance and supplies expense is budgeted to increase by \$48,090 or 17.8%.**
4. General and Administrative. A significant increase in the line item for consulting/engineering is reflective of anticipated work to address the disinfection byproduct issue on the water side, as well as the time-schedule-order on the wastewater side. There is also a 31% increase in property/liability insurance, of which we were notified by our carrier SDRMA that this is what is happening across all agencies they service. **Total general and administrative expense is budgeted to increase by \$83,894 or 38.6%.**
5. Projects and Equipment. The General Manager, with technical engineering assistance from the District Engineer on some projects, is the staff that manage capital

projects. Some projects take many years to plan and construct. Others are less complex but still take months of working with engineers, contractors, and vendors to plan and implement. The projects and equipment budget is currently pursuant to the approved 5-Year Capital Improvement Program (CIP), plus additional projects or equipment replacement. The Capital Budget is budgeted at \$1,981,185.

A summary of projects and equipment budgeted for next year follows:

- \$160,000 for Vertical Intake - construction phase
  - \$32,500 for wastewater project "X" - design phase (pending review of TSO data collection phase)
  - \$75,000 for Lift Station 1-5 Rehabilitation - construction phase (partial)
  - \$1,600,000 for Photovoltaic System - construction phase
  - \$28,685 for prefunding of Other Post-Employment Benefits associated with the health benefits for annuitants as provided for by the District.
  - \$85,000 for equipment / vehicle replacement
6. Debt. The water treatment plant debts are contractual and cannot be reduced. **Total debt expense is budgeted to remain the same as this year's budget of \$162,369.**
7. Depreciation. This is a non-cash expense. The ability to fund the depreciation is a result of the current water/sewer fees and continued allocation of property taxes. It is important to fund as much depreciation as possible and reserve a portion of your income annually for future replacement and upgrades of facilities. Our actual 2018/19 audited depreciation expense is \$439,218. **Total depreciation expense is budgeted to remain the same as this year's budget of \$288,000.**
8. Transfer to Reserves. This line item, in the water and sewer funds, transfers capacity charges to capital reserves. Capacity charges can only be used for capital projects and are used in subsequent years. This line item reserves this money for use in future years. A total of \$70,580 is budgeted to be transferred to reserves. The \$29,517 anticipated surplus from the solid waste fund budget would also be transferred to reserves. **Total transfer to reserves is budgeted at \$100,097, which is a decrease of (\$71,384) or -41.6%.**

Attachment: Preliminary FY 2020/21 Budget

File: FY 2020/21 Budget

**2020-21 Connection and Hookup Estimated Revenue**

2020-21 Connection and Hookup Estimated Revenue						
Hookup - Water						
Tracts	Meter size	meter fee	Credit	Total Hookups	Revenue	Notes
1990	3/4"	\$500	\$0	5	\$2,500	
1094	3/4"	\$500	\$0		\$0	
721	3/4"	\$500	\$0		\$0	
452	3/4"	\$500	\$0		\$0	
720	3/4"	\$500	\$0		\$0	
447	3/4"	\$500	\$0		\$0	
1910	1"	\$700	\$0		\$0	
Comm.	1 1/2	\$900	\$0		\$0	
<b>Total Water Hookup</b>				<b>5</b>	<b>\$2,500</b>	
Hookup - Sewer						
Tracts	Type	Fee	Credit	Total Hookups	Revenue	Notes
1990	SFR	\$100	\$0	5	\$500	
1094	SFR	\$100	\$0		\$0	
721	SFR	\$100	\$0		\$0	
452	SFR	\$100	\$0		\$0	
720	SFR	\$100	\$0		\$0	
447	SFR	\$100	\$0		\$0	
Comm.					\$0	
<b>Total Sewer Hookup</b>				<b>5</b>	<b>\$500</b>	
Connection - Water						
Tracts	Meter size	meter fee	Credit	Total Connections	Revenue	Notes
1990	3/4"	\$6,698	\$349	5	\$31,745	
1094	3/4"	\$6,698	\$0		\$0	
721	3/4"	\$6,698	\$0		\$0	
452	3/4"	\$6,698	\$0		\$0	
720	3/4"	\$6,698	\$0		\$0	
447	3/4"	\$6,698	\$0		\$0	
1910	1"	\$11,185	\$0		\$0	
Comm.	1 1/2	\$22,304	\$0		\$0	
<b>Total Water Connections</b>				<b>5</b>	<b>\$31,745</b>	
Connection - Sewer						
Tracts	Type	Fee	Credit	Total Connections	Revenue	Notes
1990	SFR	\$8,212	\$445	5	\$38,835	
1094	SFR	\$8,212	\$0		\$0	
721	SFR	\$8,212	\$0		\$0	
452	SFR	\$8,212	\$0		\$0	
720	SFR	\$8,212	\$0		\$0	
447	SFR	\$8,212	\$0		\$0	
Comm.			\$0		\$0	
<b>Total Sewer Connections</b>				<b>5</b>	<b>\$38,835</b>	

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT**  
**Draft 2020/21 Capital & Equipment Budget**

PROJECTS	Total Budget	Funding Source							
		Capital Reserves		Operating Budget			Operating Reserves		
		Water	Sewer	Water	Sewer	General	Water	Sewer	
Vertical Well (construction)	\$160,000	\$54,400					\$105,600		
Project X (maybe sludge removal; headworks; TSO, design)	\$32,500		\$11,375					\$21,125	
Lift Station 1-5 Rehab (const)	\$75,000							\$75,000	
PVS (construction)	\$1,600,000	\$408,000	\$140,000				\$792,000	\$260,000	
OPEB Funding/Transfer	\$28,685					\$28,685			
subtotal Projects	\$1,896,185	\$462,400	\$151,375	\$0	\$0	\$28,685	\$897,600	\$356,125	
<b>EQUIPMENT</b>									
Equipment / Vehicle replacement	\$85,000						\$51,000	\$34,000	
	\$0						\$0	\$0	
subtotal Equipment	\$85,000	\$0	\$0	\$0	\$0	\$0	\$51,000	\$34,000	
TOTAL CAPITAL	\$1,981,185	\$462,400	\$151,375	\$0	\$0	\$28,685	\$948,600	\$390,125	

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - WATER FUND**  
**2018/19 Actual, 2019/20 Summary & 2020/21 Preliminary**

<b>OPERATING REVENUE</b>	<b>Actual 18/19</b>	<b>Budget 19/20</b>	<b>Actual 11 month 7/1/19 - 5/31/20</b>	<b>Annualized F.Y.E. 6/30/20</b>	<b>Preliminary 20/21</b>
Water Fees	937,180	1,048,675	942,192	1,027,846	1,021,511
Late Fees	10,061	11,000	10,016	10,927	10,200
Hook-Up Fees	3,700	5,000	1,000	1,091	2,500
Turn on Fees	2,180	2,000	1,740	1,898	2,000
Plan Check & Inspection	917	5,000	496	541	5,000
Miscellaneous Income	0	0	0	0	0
<b>TOTAL OPERATING REVENUE</b>	<b>\$954,037</b>	<b>\$1,071,675</b>	<b>\$955,445</b>	<b>\$1,042,303</b>	<b>\$1,041,211</b>
<b>NON-OPERATING REVENUE</b>					
Standby Charges	197,020	203,154	192,933	210,472	202,958
Property Tax	192,540	200,399	200,109	218,301	210,691
Interest	52,245	38,000	60,234	65,710	60,800
Connection Fees	33,278	63,490	12,790	13,952	31,745
<b>TOTAL NON-OPERATING REVENUE</b>	<b>\$475,084</b>	<b>\$505,043</b>	<b>\$466,066</b>	<b>\$508,435</b>	<b>\$506,194</b>
<b>RESERVE REVENUE</b>					
Capital Reserves	66,692	25,840	332,355	362,569	462,400
General Reserves	0	10,529	25,822	28,169	948,600
<b>TOTAL RESERVE REVENUE</b>	<b>\$66,692</b>	<b>\$36,369</b>	<b>\$358,177</b>	<b>\$390,738</b>	<b>\$1,411,000</b>
<b>TOTAL REVENUE</b>	<b>\$1,495,813</b>	<b>\$1,613,087</b>	<b>\$1,779,687</b>	<b>\$1,941,476</b>	<b>\$2,958,405</b>
<b>OPERATING EXPENSES</b>					
<b>SALARIES AND BENEFITS</b>					
Salaries	227,978	235,395	240,992	262,901	284,442
Overtime	9,020	8,450	8,138	8,878	9,000
Standby	7,400	7,750	6,905	7,533	8,400
Health Insurance	39,744	36,529	30,326	33,083	44,324
Pers Retirement	43,168	47,906	45,548	49,689	50,144
Workers Comp. Ins.	10,560	13,375	11,491	12,536	10,173
Medicare/FICA	3,532	3,413	3,704	4,041	4,124
Uniforms	1,462	2,250	1,451	1,583	3,000
<b>TOTAL SALARIES &amp; BENEFITS</b>	<b>\$342,862</b>	<b>\$355,068</b>	<b>\$348,556</b>	<b>\$380,243</b>	<b>\$413,607</b>
<b>UTILITIES</b>					
Electricity	150,988	157,028	126,601	138,110	163,309
Water Purchase	23,114	23,114	23,114	23,114	23,114
Telephone/Internet	3,416	3,552	3,357	3,662	3,694
<b>TOTAL UTILITIES</b>	<b>\$177,518</b>	<b>\$183,694</b>	<b>\$153,072</b>	<b>\$164,886</b>	<b>\$190,117</b>

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - WATER FUND**  
**2018/19 Actual, 2019/20 Summary & 2020/21 Preliminary**

<b>MAINTENANCE &amp; SUPPLIES</b>	<b>Actual 18/19</b>	<b>Budget 19/20</b>	<b>Actual 11 month 7/1/19 - 5/31/20</b>	<b>Annualized F.Y.E. 6/30/20</b>	<b>Preliminary 20/21</b>
Chemicals	51,394	55,000	40,713	44,414	55,000
Computer/Software	4,048	3,000	704	768	600
Equip. Rental/Lease	340	500	801	873	2,000
Fixed Equip.	43,418	66,000	43,950	47,945	96,000
Fuel & Oil	8,700	7,000	6,450	7,036	7,200
Lab Testing	12,636	12,600	13,565	14,798	18,600
Struct./Grnds.	3,547	3,500	2,193	2,393	3,535
Small Tools/Equip.	1,573	1,500	2,341	2,553	1,800
Supplies	3,180	3,000	4,109	4,483	3,000
Meters/Equip.	2,639	5,000	0	0	5,000
Vehicles	6,895	4,500	3,495	3,813	3,900
<b>TOTAL MAINT. &amp; SUP.</b>	<b>\$138,371</b>	<b>\$161,600</b>	<b>\$118,320</b>	<b>\$129,076</b>	<b>\$196,635</b>
<b>GENERAL &amp; ADMINISTRATION</b>					
Allocation of General Fund	244,884	263,968	229,161	249,993	243,535
Alarm/Answering Service	868	800	977	1,066	1,000
Bank Charges/Fees	0	0	0	0	0
Consulting/Engineering	5,556	10,000	4,898	5,344	60,000
Dues/Subscription	909	1,525	2,987	3,258	5,355
Insurance (Property/Liability)	10,823	8,605	12,748	13,907	16,425
Legal/Attorney	2,134	5,000	4,934	5,383	15,000
Licenses/Permits	11,464	13,000	13,150	14,346	13,900
Plan Check & Inspection	1,732	5,000	496	541	5,000
Professional Service	7,417	12,100	10,837	11,823	12,100
Training & Travel	194	1,000	768	838	1,000
<b>TOTAL G &amp; A</b>	<b>\$285,982</b>	<b>\$320,998</b>	<b>\$280,957</b>	<b>\$306,498</b>	<b>\$373,315</b>
<b>CAPITAL PROJECTS &amp; EQUIPMENT</b>					
Project	22,222	86,529	378,284	412,674	1,360,000
Equipment	44,471	81,000	70,698	77,125	51,000
<b>TOTAL CAPITAL</b>	<b>\$66,692</b>	<b>\$167,529</b>	<b>\$448,983</b>	<b>\$489,799</b>	<b>\$1,411,000</b>
<b>DEBT</b>					
State Loan Payment-DWR	103,628	103,629	103,628	103,629	103,629
State Loan Payment Phase II-SRF	58,739	58,740	29,369	58,740	58,740
<b>TOTAL DEBT</b>	<b>\$162,367</b>	<b>\$162,369</b>	<b>\$132,998</b>	<b>\$162,369</b>	<b>\$162,369</b>
FUNDED DEPRECIATION	175,000	175,000	160,417	175,000	175,000
UNFUNDED DEPRECIATION	0	0	0	0	0
<b>TOTAL EXPENSE</b>	<b>\$1,348,792</b>	<b>\$1,526,258</b>	<b>\$1,643,301</b>	<b>\$1,807,871</b>	<b>\$2,922,043</b>
TRANSFER TO RESERVES	\$33,278	\$63,490	\$12,790	\$13,952	\$31,745
<b>FUND TOTAL</b>	<b>\$113,744</b>	<b>\$23,339</b>	<b>\$123,596</b>	<b>\$119,652</b>	<b>\$4,617</b>

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - SEWER FUND**  
**2018/19 Actual, 2019/20 Summary & 2020/21 Preliminary**

<b>OPERATING REVENUE</b>	<b>Actual 18/19</b>	<b>Budget 19/20</b>	<b>Actual 11 month 7/1/19 - 5/31/20</b>	<b>Annualized F.Y.E. 6/30/20</b>	<b>Preliminary 20/21</b>
Sewer Fees	588,821	628,817	580,129	632,869	658,012
Late Fees	6,653	7,000	6,450	7,037	6,800
Hook-Up Fees	600	1,000	200	218	500
Turn on Fees	1,470	1,500	1,160	1,265	1,500
Plan Check & Inspection	917	5,000	496	541	5,000
Miscellaneous Income	0	0	0	0	0
<b>TOTAL OPERATING REVENUE</b>	<b>\$598,461</b>	<b>\$643,317</b>	<b>\$588,436</b>	<b>\$641,930</b>	<b>671,812</b>
<b>NON-OPERATING REVENUE</b>					
Standby Charges	40,354	39,312	39,516	43,109	39,186
Property Tax	105,022	109,308	109,151	119,073	114,922
Interest	16,415	12,000	18,991	20,717	19,200
Connection Fees	28,236	77,670	15,551	16,964	38,835
<b>TOTAL NON-OPERATING REVENUE</b>	<b>\$190,027</b>	<b>\$238,290</b>	<b>\$183,208</b>	<b>\$199,864</b>	<b>\$212,143</b>
		\$881,607		\$841,794	
<b>RESERVE REVENUE</b>					
Capital Reserves	29,400	29,400	115,777	126,302	151,375
General Reserves	0	133,600	65,426	71,374	390,125
<b>TOTAL RESERVE</b>	<b>\$29,400</b>	<b>\$163,000</b>	<b>\$181,203</b>	<b>\$197,676</b>	<b>\$541,500</b>
<b>TOTAL REVENUE</b>	<b>\$817,887</b>	<b>\$1,044,607</b>	<b>\$952,848</b>	<b>\$1,039,470</b>	<b>\$1,425,455</b>
<b>OPERATING EXPENSES</b>					
<b>SALARIES AND BENEFITS</b>					
Salaries	151,985	156,930	160,662	175,267	189,628
Overtime	6,013	5,600	5,425	5,918	6,000
Standby	4,933	5,150	4,603	5,022	5,600
Health Insurance	26,854	24,352	20,491	22,353	29,549
Pers Retirement	28,585	31,937	30,145	32,886	33,429
Workers Comp. Ins.	6,973	8,916	7,588	8,278	6,718
Medicare/FICA	2,355	2,275	2,469	2,694	2,750
Uniforms	975	2,250	967	1,055	2,000
<b>TOTAL SALARIES &amp; BENEFITS</b>	<b>\$228,673</b>	<b>\$237,410</b>	<b>\$232,351</b>	<b>\$253,474</b>	<b>\$275,674</b>
<b>UTILITIES</b>					
Electricity	75,192	78,199	66,889	72,969	81,327
Telephone/Internet	2,381	2,476	2,320	2,531	2,575
<b>TOTAL UTILITIES</b>	<b>\$77,572</b>	<b>\$80,675</b>	<b>\$69,209</b>	<b>\$75,501</b>	<b>\$83,902</b>



**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - SEWER FUND**  
**2018/19 Actual, 2019/20 Summary & 2020/21 Preliminary**

<b>MAINTENANCE &amp; SUPPLIES</b>	<b>Actual 18/19</b>	<b>Budget 19/20</b>	<b>Actual 11 month 7/1/19 - 5/31/20</b>	<b>Annualized F.Y.E. 6/30/20</b>	<b>Preliminary 20/21</b>
Chemicals	21,008	21,000	16,636	18,149	21,000
Computer/Software	4,073	1,000	776	847	400
Equip. Rental/Lease	0	500	34	38	500
Fixed Equip.	20,202	37,000	46,055	50,241	46,000
Fuel & Oil	5,800	5,000	4,192	4,573	4,800
Lab Testing	23,804	17,400	23,583	25,727	22,400
Struct./Grnds.	7,095	7,000	4,386	4,785	7,070
Small Tools/Equip.	1,049	2,000	1,560	1,702	1,200
Supplies	1,901	2,500	1,481	1,616	1,500
Vehicles	4,596	4,000	2,329	2,541	2,600
<b>TOTAL MAINT. &amp; SUP.</b>	<b>\$89,527</b>	<b>\$97,400</b>	<b>\$101,033</b>	<b>\$110,218</b>	<b>\$107,470</b>
<b>GENERAL &amp; ADMINISTRATION</b>					
Allocation of General Fund	188,373	203,053	176,277	192,303	187,334
Alarm/Answering Service	868	775	977	1,066	1,000
Bank Charges/Fees	0	0	0	0	0
Consulting/Engineering	4,252	10,000	2,297	2,506	25,000
Dues/Subscription	82	775	1,428	1,558	3,395
Insurance (Property/Liability)	8,246	6,556	9,713	10,596	12,514
Legal/Attorney	1,309	2,000	2,602	2,838	10,000
Licenses/Permits	7,821	15,200	17,567	19,164	18,200
Plan Check & Inspection	1,059	5,000	496	541	5,000
Professional Service	5,369	8,500	12,615	13,762	12,500
Training & Travel	783	1,000	218	238	1,000
<b>TOTAL G &amp; A</b>	<b>\$218,162</b>	<b>\$252,859</b>	<b>\$224,192</b>	<b>\$244,573</b>	<b>\$275,944</b>
<b>CAPITAL PROJECTS &amp; EQUIPMENT</b>					
Project	8,368	109,000	132,138	144,151	507,500
Equipment	21,031	54,000	47,132	51,417	34,000
<b>TOTAL CAPITAL</b>	<b>\$29,400</b>	<b>\$163,000</b>	<b>\$179,270</b>	<b>\$195,568</b>	<b>\$541,500</b>
FUNDED DEPRECIATION	98,000	98,000	89,833	98,000	98,000
UNFUNDED DEPRECIATION	0	0	0	0	0
<b>TOTAL EXPENSE</b>	<b>\$741,334</b>	<b>\$929,344</b>	<b>\$895,889</b>	<b>\$977,334</b>	<b>\$1,382,490</b>
TRANSFER TO RESERVES	\$28,236	\$77,670	\$15,551	\$16,964	\$38,835
<b>FUND TOTAL</b>	<b>\$48,317</b>	<b>\$37,593</b>	<b>\$41,408</b>	<b>\$45,172</b>	<b>\$4,130</b>

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - SOLID WASTE FUND**  
**2018/19 Actual, 2019/20 Summary & 2020/21 Preliminary**

<b>OPERATING REVENUE</b>	<b>Actual 18/19</b>	<b>Budget 19/20</b>	<b>Actual 11 month 7/1/19 - 5/31/20</b>	<b>Annualized F.Y.E. 6/30/20</b>	<b>Preliminary 20/21</b>
<b>TOTAL FRANCHISE FEES</b>	\$69,634	\$70,932	\$65,082	\$70,999	\$66,984
<b>EXPENSE</b>					
Allocation of General Fund	37,675	40,611	35,255	38,461	37,467
<b>TOTAL EXPENSES</b>	<b>\$37,675</b>	<b>\$40,611</b>	<b>\$35,255</b>	<b>\$38,461</b>	<b>\$37,467</b>
TRANSFER TO RESERVES	\$31,959	\$30,321	\$29,827	\$32,538	\$29,517
<b>FUND TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - GENERAL FUND**  
**2018/19 Actual, 2019/20 Summary & 2020/21 Preliminary**

<b>OPERATING REVENUE</b>	<b>Actual 18/19</b>	<b>Budget 19/20</b>	<b>Actual 11 month 7/1/19 - 5/31/20</b>	<b>Annualized F.Y.E. 6/30/20</b>	<b>Preliminary 20/21</b>
Transfer from other Funds	0	0	0	0	0
Miscellaneous Income	3,209	2,000	12,521	13,659	2,000
<b>TOTAL OPERATING</b>	<b>\$3,209</b>	<b>\$2,000</b>	<b>\$12,521</b>	<b>\$13,659</b>	<b>\$2,000</b>
<b>NON-OPERATING REVENUE</b>					
Property Tax	52,511	54,654	54,575	59,537	57,461
Interest	0	0	0	0	0
<b>TOTAL NON-OPERATING</b>	<b>\$52,511</b>	<b>\$54,654</b>	<b>\$54,575</b>	<b>\$59,537</b>	<b>\$57,461</b>
<b>RESERVE REVENUE</b>					
Capital Reserves	0	0	0	0	0
General Reserves	50,170	0	0	0	0
<b>TOTAL RESERVE</b>	<b>\$50,170</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL REVENUE</b>	<b>\$105,890</b>	<b>\$56,654</b>	<b>\$67,096</b>	<b>\$73,196</b>	<b>\$59,461</b>
<b>OPERATING EXPENSES</b>					
<b>SALARIES AND BENEFITS</b>					
Salaries	240,331	251,964	243,804	265,968	235,897
Overtime	14	1,000	0	0	1,000
Health Insurance	47,907	35,872	36,822	40,170	27,358
Health Insurance - Retirees	58,327	48,561	43,439	47,388	47,269
Pers Retirement	46,203	35,622	51,659	56,355	41,590
Workers Comp. Ins.	2,391	2,781	2,602	2,838	2,303
Directors' Fees	5,550	7,000	5,900	6,436	12,000
Medicare/FICA	3,874	4,175	4,120	4,495	3,595
Car Allowance	3,000	3,000	2,750	3,000	3,000
SUI/ETT	736	1,500	599	653	1,500
<b>TOTAL SALARIES &amp; BENEFITS</b>	<b>\$408,333</b>	<b>\$391,475</b>	<b>\$391,695</b>	<b>\$427,303</b>	<b>\$375,512</b>
<b>UTILITIES</b>					
Electricity	4,139	4,975	3,389	3,697	5,174
Propane	956	973	711	776	1,012
Telephone/Internet	4,554	5,635	4,438	4,842	5,860
<b>TOTAL UTILITIES</b>	<b>\$9,649</b>	<b>\$11,584</b>	<b>\$8,538</b>	<b>\$9,315</b>	<b>\$12,047</b>

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - GENERAL FUND**  
**2018/19 Actual, 2019/20 Summary & 2020/21 Preliminary**

<b>MAINTENANCE &amp; SUPPLIES</b>	<b>Actual 18/19</b>	<b>Budget 19/20</b>	<b>Actual 11 month 7/1/19 - 5/31/20</b>	<b>Annualized F.Y.E. 6/30/20</b>	<b>Preliminary 20/21</b>
Computer/Software	12,833	3,000	5,478	5,975	7,450
Equip. Rental/Lease	0	0	0	0	0
Fixed Equip.	0	0	0	0	0
Office Supplies	2,293	3,000	1,367	1,491	2,000
Parks & Recreation	314	500	0	0	0
Struct./Grnds.	3,547	3,500	2,193	2,393	3,535
Supplies	498	500	605	660	500
<b>TOTAL MAINT. &amp; SUP.</b>	<b>\$19,487</b>	<b>\$10,500</b>	<b>\$9,642</b>	<b>\$10,519</b>	<b>\$13,485</b>
<b>GENERAL &amp; ADMINISTRATION</b>					
Ads./Advertising	1,234	1,500	455	496	1,500
Alarm/Answering Service	1,737	1,700	1,954	2,131	2,000
Audit	6,000	10,000	6,057	6,607	8,200
Bank Charges/Fees	2,222	3,000	3,963	4,324	4,000
Consulting/Engineering	0	0	496	541	0
Dues/Subscription	7,072	7,100	4,232	4,617	0
Elections	549	1,000	0	0	1,000
Insurance (Property/Liability)	6,700	5,327	7,892	8,609	10,168
LAFCO	7,015	8,000	7,904	8,623	6,600
Legal/Attorney	9,096	15,000	19,422	21,187	0
Licenses/Permits	0	0	0	0	0
Postage	19,082	20,000	14,440	15,752	20,000
Professional Service	6,578	17,800	8,900	9,709	12,300
Tax Collection	5,286	5,300	5,218	5,693	5,300
Staff Training & Travel	1,371	5,000	3,086	3,367	6,000
Board Training & Travel	241	10,000	145	158	6,000
<b>TOTAL G &amp; A</b>	<b>\$74,183</b>	<b>\$110,727</b>	<b>\$84,164</b>	<b>\$91,815</b>	<b>\$83,068</b>
<b>CAPITAL PROJECTS &amp; EQUIPMENT</b>					
Project	50,170	25,000	0	0	28,685
Equipment	0	0	0	0	0
<b>TOTAL CAPITAL</b>	<b>\$50,170</b>	<b>\$25,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$28,685</b>
FUNDED DEPRECIATION	15,000	15,000	13,750	15,000	15,000
UNFUNDED DEPRECIATION	0		0	0	0
<b>TOTAL EXPENSE</b>	<b>\$576,821</b>	<b>\$564,286</b>	<b>\$507,790</b>	<b>\$553,953</b>	<b>\$527,797</b>
TRANSFERRED TO OTHER FUNDS	<b>(\$470,931)</b>	<b>(\$507,632)</b>	<b>(\$440,693)</b>	<b>(\$480,757)</b>	<b>(\$468,336)</b>
<b>FUND TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET**  
**2018/19 Actual, 2019/20 Summary & 2020/21 Preliminary**

<b>OPERATING REVENUE</b>	<b>Actual 18/19</b>	<b>Budget 19/20</b>	<b>Actual 11 month 7/1/19 - 5/31/20</b>	<b>Annualized F.Y.E. 6/30/20</b>	<b>Preliminary 20/21</b>
Water Fees	937,180	1,048,675	942,192	1,027,846	1,021,511
Sewer Fees	588,821	628,817	580,129	632,869	658,012
Hook-Up Fees	4,300	6,000	1,200	1,309	3,000
Turn on Fees	3,650	3,500	2,900	3,164	3,500
Late Fees	16,713	18,000	16,467	17,964	17,000
Plan Check & Inspection	1,833	10,000	993	1,083	10,000
Miscellaneous Income	3,209	2,000	12,521	13,659	2,000
<b>TOTAL OPERATING</b>	<b>\$1,555,707</b>	<b>\$1,716,992</b>	<b>\$1,556,402</b>	<b>\$1,697,893</b>	<b>\$1,715,023</b>
<b>FRANCHISE REVENUE</b>					
<b>TOTAL FRANCHISE</b>	<b>\$69,634</b>	<b>\$70,932</b>	<b>\$65,082</b>	<b>\$70,999</b>	<b>\$66,984</b>
<b>TOTAL OPERATING</b>	<b>\$1,625,340</b>	<b>\$1,787,924</b>	<b>\$1,621,484</b>	<b>\$1,768,892</b>	<b>\$1,782,007</b>
<b>NON-OPERATING REVENUE</b>					
Standby Charges	237,374	242,466	232,449	253,581	242,144
Property Tax	350,073	364,361	363,835	396,911	383,074
Interest	68,660	50,000	79,225	86,427	80,000
Connection Fees	61,514	141,160	28,340	30,917	70,580
<b>TOTAL NON-OPERATING</b>	<b>\$717,621</b>	<b>\$797,987</b>	<b>\$703,849</b>	<b>\$767,835</b>	<b>\$775,798</b>
<b>RESERVE REVENUE</b>					
Capital Reserves	96,092	55,240	448,132	488,871	613,775
General Reserves	50,170	144,129	91,248	99,543	1,338,725
<b>TOTAL RESERVE</b>	<b>\$146,262</b>	<b>\$199,369</b>	<b>\$539,380</b>	<b>\$588,414</b>	<b>\$1,952,500</b>
<b>TOTAL NON-OPERATING</b>	<b>\$863,884</b>	<b>\$997,356</b>	<b>\$1,243,229</b>	<b>\$1,356,250</b>	<b>\$2,728,298</b>
<b>TOTAL ALL REVENUE</b>	<b>\$2,489,224</b>	<b>\$2,785,280</b>	<b>\$2,864,713</b>	<b>\$3,125,142</b>	<b>\$4,510,305</b>

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET**  
**2018/19 Actual, 2019/20 Summary & 2020/21 Preliminary**

**OPERATING EXPENSES**

<b>SALARIES AND BENEFITS</b>	<b>Actual 18/19</b>	<b>Budget 19/20</b>	<b>Actual 11 month 7/1/19 - 5/31/20</b>	<b>Annualized F.Y.E. 6/30/20</b>	<b>Preliminary 20/21</b>
Salaries	620,293	644,289	645,458	704,136	709,967
Health Insurance	114,506	96,753	87,639	95,606	101,231
Health Insurance - Retiree	58,327	48,561	43,439	47,388	47,269
Pers Retirement	117,956	115,465	127,353	138,930	125,163
Standby	12,333	12,900	11,508	12,554	14,000
Overtime	15,048	15,050	13,563	14,796	16,000
Workers Comp. Ins.	19,924	25,072	21,681	23,652	19,194
Directors' Fees	5,550	7,000	5,900	6,436	12,000
Medicare/FICA	9,760	9,863	10,294	11,229	10,469
Car Allowance	3,000	3,000	2,750	3,000	3,000
SUI/ETT	736	1,500	599	653	1,500
Uniforms	2,436	4,500	2,419	2,639	5,000
<b>TOTAL SALARIES &amp; BENEFITS</b>	<b>\$979,868</b>	<b>\$983,953</b>	<b>\$972,602</b>	<b>\$1,061,020</b>	<b>\$1,064,793</b>
<b>UTILITIES</b>					
Electricity	230,319	240,202	196,878	214,776	249,810
Propane	956	973	711	776	1,012
Water Purchase	23,114	23,114	23,114	23,114	23,114
Telephone/Internet	10,350	11,663	10,116	11,035	12,129
<b>TOTAL UTILITIES</b>	<b>\$264,739</b>	<b>\$275,953</b>	<b>\$230,819</b>	<b>\$249,701</b>	<b>\$286,066</b>
<b>MAINTENANCE &amp; SUPPLIES</b>					
Chemicals	72,403	76,000	57,349	62,563	76,000
Computer/Software	20,954	7,000	6,958	7,590	8,450
Equip. Rental/Lease	340	1,000	835	911	2,500
Fixed Equip.	63,620	103,000	90,005	98,187	142,000
Fuel & Oil	14,500	12,000	10,642	11,609	12,000
Lab Testing	36,440	30,000	37,148	40,525	41,000
Office Supplies	2,293	3,000	1,367	1,491	2,000
Parks & Recreation	314	500	0	0	0
Struct./Grnds.	14,189	14,000	8,773	9,570	14,140
Small Tools/Equip.	2,623	3,500	3,901	4,256	3,000
Supplies	5,579	6,000	6,195	6,758	5,000
Meters/Equip.	2,639	5,000	0	0	5,000
Vehicles	11,491	8,500	5,824	6,353	6,500
<b>TOTAL MAINT. &amp; SUP.</b>	<b>\$247,385</b>	<b>\$269,500</b>	<b>\$228,996</b>	<b>\$249,814</b>	<b>\$317,590</b>

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET**  
**2018/19 Actual, 2019/20 Summary & 2020/21 Preliminary**

<b>GENERAL &amp; ADMINISTRATION</b>	<b>Actual 18/19</b>	<b>Budget 19/20</b>	<b>Actual 11 month 7/1/19 - 5/31/20</b>	<b>Annualized F.Y.E. 6/30/20</b>	<b>Preliminary 20/21</b>
Ads./Advertising	1,234	1,500	455	496	1,500
Alarm/Answering Service	3,473	3,275	3,908	4,263	4,000
Audit	6,000	10,000	6,057	6,607	8,200
Bank Charges/Fees	2,222	3,000	3,963	4,324	4,000
Consulting/Engineering	9,808	20,000	7,692	8,391	85,000
Dues/Subscription	8,063	9,400	8,647	9,433	8,750
Elections	549	1,000	0	0	1,000
Insurance (Property/Liability)	25,768	20,488	30,353	33,112	39,107
LAFCO	7,015	8,000	7,904	8,623	6,600
Legal/Attorney	12,539	22,000	26,957	29,408	25,000
Licenses/Permits	19,286	28,200	30,718	33,510	32,100
Plan Check & Inspection	2,791	10,000	993	1,083	10,000
Postage/Billing	19,082	20,000	14,440	15,752	20,000
Professional Service	19,364	38,400	32,353	35,294	36,900
Tax Collection	5,286	5,300	5,218	5,693	5,300
Staff Training & Travel	2,349	7,000	4,073	4,443	8,000
Board Training & Travel	241	10,000	145	158	6,000
<b>TOTAL G &amp; A</b>	<b>\$145,069</b>	<b>\$217,563</b>	<b>\$183,875</b>	<b>\$200,591</b>	<b>\$301,457</b>
<b>CAPITAL PROJECTS &amp; EQUIPMENT</b>					
Structures/Improvements	80,760	220,529	510,423	556,825	1,896,185
Equipment	65,502	135,000	117,830	128,542	85,000
<b>TOTAL CAPITAL</b>	<b>\$146,262</b>	<b>\$355,529</b>	<b>\$628,253</b>	<b>\$685,367</b>	<b>\$1,981,185</b>
<b>DEBT</b>					
State Loan Payment - DWR	103,628	103,629	103,628	103,629	103,629
State Loan Payment Phase II - SRF	58,739	58,740	29,369	58,740	58,740
<b>TOTAL DEBT</b>	<b>\$162,367</b>	<b>\$162,369</b>	<b>\$132,998</b>	<b>\$162,369</b>	<b>\$162,369</b>
FUNDED DEPRECIATION	\$288,000	\$288,000	\$264,000	\$288,000	\$288,000
UNFUNDED DEPRECIATION	\$0	\$0	\$0	\$0	\$0
<b>TOTAL EXPENSE</b>	<b>\$2,233,691</b>	<b>\$2,552,867</b>	<b>\$2,641,542</b>	<b>\$2,896,862</b>	<b>\$4,401,461</b>
CAPACTIY CHARGES TRANSFER	\$61,514	\$141,160	\$28,340	\$30,917	\$70,580
SOLID WASTE FEES TRANSFER	\$31,959	\$30,321 \$171,481	\$29,827	\$32,538	\$29,517 \$100,097
<b>FUND TOTAL</b>	<b>\$162,060</b>	<b>\$60,932</b>	<b>\$165,004</b>	<b>\$164,825</b>	<b>\$8,747</b>

## HERITAGE RANCH COMMUNITY SERVICES DISTRICT

### MEMORANDUM

**TO:** Board of Directors

**FROM:** Scott Duffield, General Manager

**DATE:** June 18, 2020

**SUBJECT:** Submittal for approval Resolution 20-09 requesting consolidation of the District's biennial election with the November 3, 2020, Consolidated General Election.

#### **Recommendation**

It is recommended that the Board of Directors approve Resolution 20-09 requesting the District's General Election be consolidated with other elections to be held on the same day in the same territory.

#### **Background**

November 3, 2020 is the date of the General Election. In California, it is the County of San Luis Obispo that administers the election process. The process includes the election of Directors to our Board, as well as any issues that would be subject to voter approval. To be eligible for a Directors' seat, a candidate must be a registered voter and be a resident of the services district.

#### **Discussion**

The Heritage Ranch Community Services District will have two open seats for the November 3, 2020 election. The term for these seats is four years. Presently occupying these seats are Directors Burgess and Capps. The adoption of this requisite resolution will be on record with the County of San Luis Obispo as it relates to the District. The County has published the Special District's Calendar of Events for the November 3, 2020, General Election. The Official Nomination Period for Candidates to file Declarations of Candidacy forms and other related nomination documents with the County Clerk is July 13 - August 7, 2020.

If an insufficient number of candidates, or if no candidates file, the District will not have an election. Any person who did file a Declaration of Candidacy will be appointed in lieu of the election by the County of San Luis Obispo Board of Supervisors. The term of office will commence at noon on the first Friday in December (which is December 4<sup>th</sup>) following the election. Each elected officer shall take the official Oath of Office and complete Form



700, Statement of Economics Interest, which will be filed with the Office of the County Clerk Recorder.

Attachments: Resolution 20-09 Requesting consolidation of Biennial Election

File: BOD General Election 2020

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT**

**RESOLUTION NO. 20-09**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HERITAGE RANCH  
COMMUNITY SERVICES DISTRICT REQUESTING CONSOLIDATION OF THEIR  
BIENNIAL ELECTION WITH THE NOVEMBER 3, 2020 CONSOLIDATED  
GENERAL ELECTION**

**WHEREAS**, an election shall be conducted on November 3, 2020 for this District pursuant to the Uniform District Election Law commencing with Elections Code §10500; and

**WHEREAS**, pursuant to Elections Code §10555, said election may be consolidated with any other election pursuant to Part 3 (commencing with Section 10400); and

**WHEREAS**, the Board of Directors requests the San Luis Obispo County Board of Supervisors consolidate this District's General District Election with any other election which may be held on the same day;

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Directors of the Heritage Ranch Community Services District as follows: The Board of Supervisors of San Luis Obispo County is hereby requested to consolidate the General District Election of this district to be held on November 3, 2020, with all other elections held on the same date. This request is made pursuant to Elections Code §10555 and 10400, et seq. The Board of Directors agrees to reimburse, upon presentation of a bill, the County of San Luis Obispo in full for services performed relating to this election.

**PASSED, APPROVED AND ADOPTED** by the Board of Directors of the Heritage Ranch Community Services District on the 18<sup>th</sup> day of June 2020, by the following roll call vote.

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

**APPROVED:**

**ATTEST:**

---

Dan Burgess, President  
Board of Directors

---

Kristen Gelos, Secretary  
Board of Directors

## HERITAGE RANCH COMMUNITY SERVICES DISTRICT

### MEMORANDUM

**TO:** Board of Directors

**FROM:** Scott Duffield, General Manager

**DATE:** June 18, 2020

**SUBJECT:** Request to receive and file Photovoltaic System Project updates.

#### **Recommendation**

It is recommended that the Board of Directors receive and file Photovoltaic System Project updates.

#### **Background**

Your Board approved the Photovoltaic System Project (Project) at the January 16, 2020 meeting and selected Stockman's Energy, Inc. as the most qualified proposer. The Notice to Proceed was issued March 3, 2020.

#### **Project Updates**

##### Project Scope

Site work has not commenced, and the contractor is generally working on design, submittals, permits, and procurement items. Project meetings occur weekly. A three-week timeline is used for discussion during these meetings. Listed below are the status of some of the specific work items:

Prior Week (June 1):

- PG&E Interconnection Estimating process continued for WWTP.
- PG&E Interconnection Supplemental Review continued for WTP.
- Stockman's presented final 100% Drawings to District for review.
- Derek of Stockman's and Franko of Fence Factory visited WTP Friday 6/5 to discuss and document fence specs.
- Thoma and District to review 100% drawings and provide feedback.

Current Week (June 8):

- PG&E Interconnection Estimating process continues for WWTP.
- PG&E Interconnection Supplemental Review continues for WTP.
- Stockman's received the updated fence estimate for WTP and presented it to the District for approval.
- Thoma and District to review 100% drawings and provide feedback.

Next Week (June 15):

- PG&E Interconnection Estimating process will continue for WWTP. Still on schedule to be completed 7/8.
- PG&E Interconnection Supplemental Review will be completed for WTP.
- PG&E Interconnection Estimating Process will begin for WTP.
- Schedule will be updated on Dropbox.
- Stockman's to submit Thoma and District approved 100% Plans to SLO County for permitting.

Work changes we are tracking include:

- Land survey work at the WTP site – additive change to price, no change to time
- Revised fencing at WTP site – deductive change to price, no change to time

### Project Schedule

**As of June 1, the percent complete (to Substantial Completion) by time = 40%.**

The project schedule dated 5/27/20 is attached. The schedule has crept about 30 Days. This is primarily due to the layout challenges at the WTP and effects of COVID-19. The contractor is still on schedule to meet the Substantial Completion date (October 13, 2020).

The task for construction of electrical upgrades by PG&E remains the critical path to reach Final Completion with a duration of 167 Days, which has significant float time built-in to it. The actual work by PG&E should not take the entire 167 Days. Therefore, if PG&E is able to start their work as early as possible, then Final Completion may be moved up.

Some tasks of interest for this month and their status are:

- PG&E Interconnection Process: Engineering Review WTP – complete
- PG&E Interconnection Process: Engineering Review WWTP – complete
- PG&E Interconnection Process: Supplemental Review WTP – on schedule
- PG&E Interconnection Process: Estimating Process WWTP – on schedule

### Project Budget

**As of June 1, the percent complete (to Final Completion) by cost = 36%**

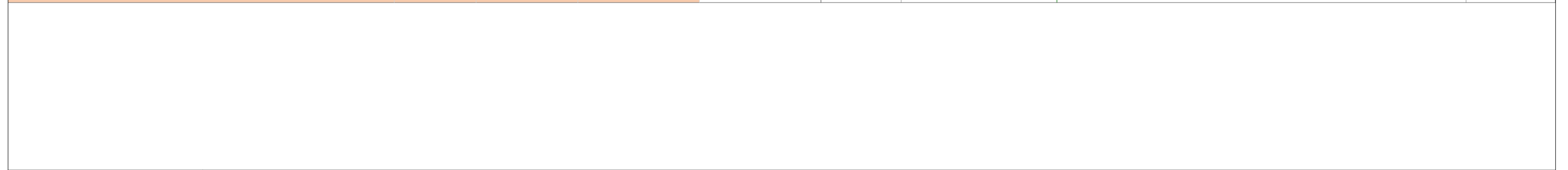
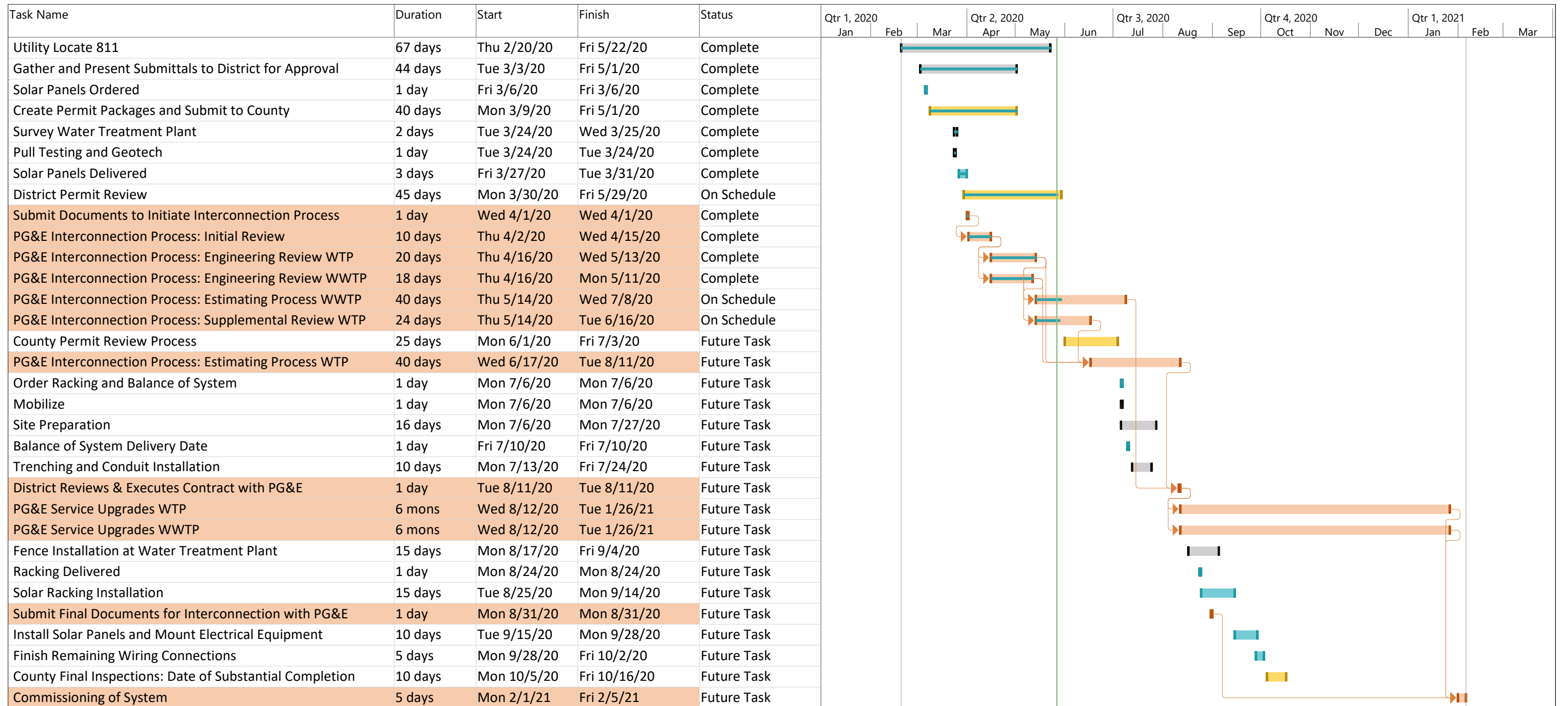
The Project is currently within budget.

PG&E direct costs (separate from construction agreement) include:

- Upgrades at WWTP – Total estimated cost from PG&E = \$66,617.41
- Upgrades at WTP – TBD

Attachments: Project Schedule dated 5/27/20

File: Projects\_PVS



Heritage Ranch CSD Solar Project 2020 Wed 5/27/20	Task		Project Summary		Manual Task		Start-only		Deadline	
	Split		Inactive Task		Duration-only		Finish-only		Progress	
	Milestone		Inactive Milestone		Manual Summary Rollup		External Tasks		Manual Progress	
	Summary		Inactive Summary		Manual Summary		External Milestone			

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT**

**MEMORANDUM**

**TO:** Board of Directors

**FROM:** Scott Duffield, General Manager

**DATE:** June 18, 2020

**SUBJECT:** Request to discuss protocols for regular meetings of the Board, and any and all other meetings of the District's legislative bodies that are subject to the Brown Act.

**Background**

In April your Board established virtual public meeting protocols as a result of the coronavirus pandemic. At the May meeting your Board requested discussion about the virtual meeting protocols.

**Discussion**

For discussion, attached is the Declaration establishing virtual meeting protocols.

**Fiscal Considerations**

There are no direct costs associated with this item at this time.

Attachments: District Declaration Establishing Virtual Public Meetings

File: COVID-19

**DECLARATION OF THE BOARD PRESIDENT  
OF THE HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
ALTERING THE MEETING LOCATION AND ESTABLISHING VIRTUAL PUBLIC  
MEETING PROTOCOLS AS A RESULT OF THE CORONAVIRUS PANDEMIC**

**WHEREAS**, the Heritage Ranch Community Services District (“District”) is an independent special district and the meetings of its legislative body are open and public in compliance with the legal requirements of the Ralph M. Brown Act (Government Code section 54950, et. seq.); and

**WHEREAS**, due to the Novel Coronavirus 2019 (“COVID-19”) pandemic, the District is in a state of emergency as established by the Governor on March 4, 2020 via proclamation, and by the San Luis Obispo County Director of Emergency Services and the Heritage Ranch Community Services District Board of Directors on March 13 and 19, 2020, respectively, via resolution; and

**WHEREAS**, on March 18, 2020, the San Luis Obispo County Emergency Services Director issued a mandatory shelter at home order which affects the District’s entire service area and requires alterations to the District’s normal business practices; and

**WHEREAS**, on March 19, 2020, the Governor issued Executive Order N-33-20 directing all individuals living in the State of California to stay home or at their place of residence, except as to maintain continuity of operations of specified critical infrastructure; and

**WHEREAS**, the Governor identified a list of Essential Critical Infrastructure Workers to help state, local, tribal and industry partners as they work to protect communities. This list includes critical government workers and identifies water and wastewater and other service providers as necessary to maintain safety and sanitation; and

**WHEREAS**, it is necessary to continue to conduct meetings of the various legislative bodies of the District in order to maintain the critical public health and safety services and operations provided; and

**WHEREAS**, Section 54954(a) of the Brown Act requires that the District specify its regular meeting time and place by ordinance, resolution or bylaws; and

**WHEREAS**, the District's regular meeting place has been established as the District's office in the community of Heritage Ranch, in Paso Robles, by Policy 2.200 of the Heritage Ranch Community Services District Code of Ordinances; and

**WHEREAS**, Government Code section 54954(e) allows the Board President to designate an alternate location for the meetings to take place if, due to an emergency, it is unsafe to meet in the designated location; and

**WHEREAS**, on March 17, 2020, the Governor issued Executive Order N-29-20 which authorized meetings of local legislative bodies to be held by teleconference or other electronic means as long as notice is provided to the public and the meeting is made accessible in specified ways to allow the public to observe and participate; and

**WHEREAS**, it is the Board President's intent to encourage the Board of Directors and its other legislative bodies to continue to hold meetings in order to receive information, provide direction, and make decisions on behalf of the District while still complying with social distancing requirements during the pendency of this pandemic.

**NOW, THEREFORE**, on behalf of the Heritage Ranch Community Services District, I, Dan Burgess, President of the Board of Directors, hereby find and declare the following:

SECTION 1. The above referenced recitals are true and correct and material to the adoption of this Declaration.

SECTION 2. The regular meetings of the Board, and any and all other meetings of the District's legislative bodies that are subject to the Brown Act, may be held via teleconference or other electronic means, in the manner set forth in the Virtual Public Meeting Protocols attached to this Declaration, which may be updated, from time to time, in the actual agenda notice for the meeting of the legislative body.

SECTION 3. All members of the public seeking to observe and/or to address the local legislative body may participate in the meeting telephonically or otherwise electronically in the manner set forth in the Virtual Public Meeting Protocols attached to this Declaration which may be updated, from time to time, in the actual agenda notice for the meeting of the legislative body.

SECTION 4. This Declaration shall take effect immediately and shall remain in effect only during the period in which state or local public health officials have imposed or recommended social distancing measures.

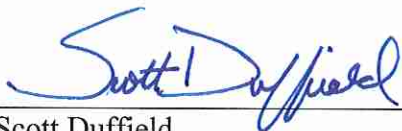
This Declaration is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the Heritage Ranch Community Services District, its departments, officers, employees, contractors, or any other person.

**IN WITNESS HEREOF**, I have hereunto set my hand this 6<sup>th</sup> day of April 2020.



Dan Burgess  
President, Board of Directors  
Heritage Ranch Community Services District

ATTEST:



Scott Duffield  
General Manager and Secretary to the Board



**Heritage Ranch Community Services District**  
**Virtual Meeting Protocols**  
**(Drafted April 1, 2020)**

The guidance below provides useful information for accessing HRCSD meetings remotely and establishing protocols for productive meetings.

**BOARD AND COMMITTEE MEMBERS:**

- Attendance. Board and Committee members should attend District meetings remotely from their homes, offices, or an alternative off-site location. Per the Governor's updated Executive Order N-29-20, there is no longer a requirement to post agendas at or identify the address of these locations.
- Agendas. Agenda packages will be made available on the District's website. They will also be sent by email to all Directors. Note that under the circumstances, District staff may not be able to send paper packets.
- Board/Committee Member Participation. Board/Committee members will be unmuted from the beginning of the meeting. Please announce your name before speaking so that those participating by telephone only will know who is speaking. The Board President will recognize individual Board members in order when it is their turn to speak. Please review the "Virtual Meeting Best Practices" guideline so that the meeting is conducted in an effective and efficient manner.

**PUBLIC PARTICIPATION:**

- Attendance. The District's office will remain closed to the public until further notice. Members of the public will be able to hear and/or see public meetings via phone, computer, or smart device. Information about how to observe the meeting is listed below and in more detail on the agenda for each meeting.
- Agendas. Agendas will be made available on the District's website and to any members of the public who have a standing request, as provided for in the Brown Act.
- Public Participation. Members of the public will be muted for the duration of the meeting. The Board President will announce the time for Public Comment. Members of the public will notify the meeting Host of their desire to provide public comment, depending on their form of participation, as described below. The meeting Host will unmute the public member's device so that comments may be heard, or comments will be read if they are provided in writing only. The public can observe and participate in a meeting as follows:

**HOW TO OBSERVE THE MEETING:**

- Telephone: Listen to the meeting live by calling Zoom at (669) 900-9128 or (253) 215-8782. Enter the Meeting ID number found on the meeting's agenda, followed by the

pound (#) key. Additional phone numbers can be found on Zoom's website at <https://zoom.us/j/abb4GNs5xM> if the line is busy.

- Computer: Watch the live streaming of the meeting online by navigating to the link found on the meeting's agenda from a computer with internet access that meets Zoom's system requirements (see <https://support.zoom.us/hc/en-us/articles/201362023-System-Requirements-for-PC-Mac-and-Linux>).
- Mobile: Log in through the Zoom mobile app on a smartphone and enter Meeting ID number found on the meeting's agenda.

## **HOW TO SUBMIT PUBLIC COMMENTS:**

- Before the Meeting: Please email your comments to [scott@heritageranchcsd.ca.gov](mailto:scott@heritageranchcsd.ca.gov), and write "Public Comment" in the subject line. In the body of the email, include the agenda item number and title, as well as your comments. If you would like your comment to be read aloud at the meeting (not to exceed three minutes at staff's cadence, approximately 500 words), prominently write "Read Aloud at Meeting" at the top of the email. All comments received before noon on the day the meeting will be held will be included as an agenda supplement on the District's website under the relevant meeting date and provided to the Directors prior to the meeting. Comments received after noon the day of the meeting will be added to the record after the meeting.
- Live Comments: During the meeting, the Board President, or designee, will announce the opportunity to make public comment. Members of the public may use the "raise hand" feature to be put in a speaking queue. Public comment will be limited to three (3) minutes. If a speaker continues speaking after being notified of the end of their public comment period, the meeting Host will mute the speaker and move on to the next person in the queue. Please raise your hand in the following ways:
  - Telephone: Press "\*9" to raise your hand and notify the meeting Host. You will be placed in the queue and unmuted, in order, so that you may provide public comment.
  - Computer and Mobile: Click the "raise hand" button to notify the Host. You will be placed in the queue and unmuted, in order, so that you may provide public comment.

## **FOR ALL PARTICIPANTS:**

- Get Connected: Please download the [Zoom application](#) for your device and familiarize yourself with how to utilize this tool. There is no cost for using the application.
- Ensure Quiet. Please mute all devices when not speaking during the meeting. Please make every effort to find a location with limited ambient noise. Please turn off the ringer on your phone and other notification sounds on your devices to reduce interruptions.
- We anticipate that this process of moving to remote meetings will likely include some challenges and hope that all will bear with us as we navigate this process.

## HERITAGE RANCH COMMUNITY SERVICES DISTRICT

### Manager Report For the Month of June 2020

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

#### Administration

- The Personnel Committee convened to discuss extension of the Memorandum of Understanding with the Employees Association.
- The Finance & Audit Committee convened to discuss draft FY 2020/21 Preliminary Budget.
- Meeting with our IT vendor regarding expanding services to cover security and maintenance needs.

#### Operations

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

#### Solid Waste

- A roll off bin to contain E-Waste was added to the Household Hazardous Waste facility.

#### Reservoir Status

- As reported by Monterey County Water Resources Agency (MCWRA), as of June 9, 2020, the reservoir was at approximately 758.8 feet in elevation, 48% of capacity, or 182,350-acre feet of storage. MCWRA water releases were shown as 57 cfs.
- MCWRA is still working on the lower level outlet which is why the flow has been fluctuating over the last couple of months. The Manager is monitoring and is in communication with MCWRA.

## Capital Improvement Program

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

- WTP Actuator Replacement: Complete.
- Vertical Intake: The design phase is in progress. Cleath-Harris Geologists has completed the field survey using HVSR passive seismic survey technology which essentially maps the bedrock. The final siting recommendation will be incorporated into the specifications for construction.
- Lift Station 5 connection to Lift Station 10: No activity
- Lift Station 1-5 rehabilitation design phase: Development of contract documents underway by the District Engineer.
- VOiP System: Complete.

## Development

- Nothing to report

## Public Relations and Community

- Nothing significant to report.

## Human Resources

- We currently have open recruitments for one Maintenance Worker Temporary / Seasonal position, and one Treatment Operator Regular / Full Time position.

## Board Member & Staff Information and Learning Opportunities

- The calendar of events for CSDA is published and online. There are many different training opportunities for Directors and Staff including on-demand webinars.

\* \* \*

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
MAY 2020 OFFICE REPORT**

**Water & Sewer**

On June 1<sup>st</sup>, we processed 1,918 bills for a total dollar amount of \$155,159 for water and sewer user fees for the month of May. The number of Automatic Drafts processed was 553 for a total dollar amount of \$38,839. On May 26<sup>th</sup> we processed 256 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 April

Garbage Collection (10%) - \$ 6,541.65

Roll-Off Collection (10%) - \$292.17

Total Franchise Fees Collected - \$ 6,833.82

**Service Orders Completed**

Staff completed a total of 25 service orders for the month of May. Below is a breakdown by job code.

SWAP/PULL METER	2	LEAK	2
SEWER INSPECTION	3	SEWER PROBLEM	1
OCCUPANT CHANGE	3	USA	12
MISC-W/METER INFORMATI	1	PRESSURE	1

# HERITAGE RANCH COMMUNITY SERVICES DISTRICT

## Operations Report For the Month of May 2020

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

### Water treatment

- Repaired airline to powder activated carbon unit
- Changed alum main dosing point back to plate settler influent
- Took semiannual water samples at multiple locations as per permit
- Replaced pump packing on pump 1 at pump station 1
- Filled reservoir tank for memorial weekend

### Water distribution

- Replaced meter registers on water meters with dead batteries
- Repaired service line leak on pinto lane
- Repaired water main break and replaced 1" saddle and poly line on pretty doe lane
- Repaired leak in 2" schedule 80 water line at backflow station outside of lift station 9
- Repaired 1" poly service line on bluebird lane
- Changed fire pump setpoints at pump station 6 making them operational again

### Wastewater collections

- Pulled pump 1 at lift station 5, cleaned impeller and backflushed line to solve cavitation issues
- Cleaned wet well bottom at lift station 5
- Replaced another damaged transducer at lift station 3
- Motor fail at lift station 8, pulled pump and removed debris from impeller

### Wastewater treatment

- Increased aeration due to seasonal odor issue with the onset of hot weather
- Increased effluent pump station hours to offset high influent rates

### Vehicles and equipment

- Took service truck to Foltz automotive to have steering column repaired
- Repaired hatch on Vermeer vac trailer

\* \* \*

# HERITAGE RANCH COMMUNITY SERVICES DISTRICT

## MEMORANDUM

**TO:** Board of Directors

**FROM:** Jeffrey A. Minnery, District Counsel

**DATE:** June 18, 2020

**SUBJECT:** Request to consider compensation and extension of the Employment Agreement for the General Manager.

### **Recommendation**

It is recommended that the Board discuss and consider compensation and extension of the Employment Agreement for the General Manager.

### **Background and Discussion**

On June 18, 2020 your Board met in closed session for the annual evaluation of the General Manager. Beginning January 1, 2017, and in response to reform following the City of Bell controversy, the Government Code was revised to require executive compensation be finally determined in a Regular Meeting in open session. Following Board discussion and public comment, it is recommended that your Board determine the General Manager's compensation and extension of the Employment Agreement.

### **Fiscal Considerations**

The FY 2020/21 Budget accommodates compensation for the General Manager.

### **Results**

The General Manager serves as the Chief Executive Officer of the District, accountable to the Board of Directors and responsible for enforcement of all District ordinances, policies, procedures, the conduct of all financial activities and the efficient and economical performance of the District's operations, and exercises general direction and supervision of all District staff.

\* \* \*