

**Board of Directors  
San Simeon Community Services District**



**BOARD PACKET**

**Wednesday, December 09, 2015  
Regular Meeting 6:00 pm**

**Cavalier Banquet Room  
250 San Simeon Avenue  
San Simeon, CA**

Prepared by:



**GRACE**  
ENVIRONMENTAL SERVICES

**AGENDA**  
**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**BOARD OF DIRECTORS REGULAR MEETING**  
**Wednesday, December 09, 2015**  
**6:00 pm**

**CAVALIER BANQUET ROOM**  
**250 San Simeon Avenue**  
**San Simeon, CA 93452**

**1. REGULAR SESSION: 6:00 PM**

**A. Roll Call**

**B. Pledge of Allegiance**

**2. PUBLIC COMMENT:**

Any member of the public may address and ask questions of the Board relating to any matter within the Board's jurisdiction, provided the matter is not on the Board's agenda. Presentations are limited to three (3) minutes or less with additional time at the discretion of the Chair. Your comments should be directed to the Board as a whole and not directed to individual Board members. The Brown Act restricts the Board from taking formal action on matters not published on the agenda.

**A. Sheriff's Report** – Report for November.

**B. Public comment on Sheriff's Report**

**3. BOARD PRESENTATIONS AND ANNOUNCEMENTS:**

**4. STAFF REPORTS**

**A. General Manager's Report**

**1. Staff Activity** – Report on Staff activities for the month of November.

**2. Update** – Wellhead treatment system project.

**3. Update** – Integrated Regional Water Management (IRWM)/Water Resources Advisory Council (WRAC) Grant for Wellhead Treatment systems project.

**4. Update** – Notice of Violation from Coastal Commission regarding Wastewater Treatment Plant Rip Rap installation.

**B. Superintendent's Report**

**1. Wastewater Treatment / Collection Systems** – Summary of operations and maintenance for November.

**2. Water / Distribution Systems** – Distribution performance for the Month of November.

**3. District Maintenance** – Summary of District maintenance for November.

**C. District Financial Summary** – Update on Monthly Financial Status for close of business November 30, 2015.

**D. District Counsel's Report** – Summary of November activities

## **5. ITEMS OF BUSINESS**

**A. Approval of last month's minutes** – November 11, 2015.

**B. Approval of General Checking Disbursements Journal**– December 09, 2015.

**C. Approval of USDA Grants Funds Disbursements Journal** – December 09, 2015.

## **6. DISCUSSION/ACTION ITEMS**

**A. Board discussion/review of Draft Audit 2014-2015 presented by Travis Hole from Moss, Levy & Hartzheim, LLP.**

**B. Consideration of approval of additional funds to Phoenix Civil Engineering for Wellhead Treatment Project Design and Construction, increasing the original contracted amount of \$24,011.25 to \$31,734.**

**C. Consideration of approval of additional funds to IRJ Engineering for Wellhead Treatment Project Electrical Design, increasing the original contracted amount of \$8,500 to \$13,850.**

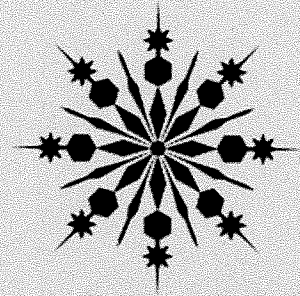
**7. Board Committee Reports** – Oral Report from Committee Members.

**8. Board Reports** – Oral Report from Board Members on current issues.

**9. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS**- Requests from Board members to receive feedback, direct staff to prepare information, and/or request a formal agenda report be prepared and the item placed on a future agenda.

## **10. ADJOURNMENT**

All staff reports or other written documentation, including any supplemental material distributed to a majority of the Board within 72 hours of a regular meeting, relating to each item of business on the agenda are available for public inspection during regular business hours in the District office, 111 Pico Avenue, San Simeon. If requested, this agenda shall be made available in appropriate alternative formats to persons with a disability, as required by the Americans with Disabilities Act. To make a request for a disability-related modification or accommodation, contact the District Administrator at 805-927-4778 as soon as possible and at least 48 hours prior to the meeting date. This agenda was prepared and posted pursuant to Government Code Section 54954.2.



## **4A. GENERAL MANAGER'S REPORT**

### **Charles Grace**

- 1. Staff Activity** – Report on Staff activities for the month of November.
- 2. Update** – Wellhead treatment system project.
- 3. Update** - Integrated Regional Water Management (IRWM) & Water Resources Advisory Council (WRAC) Grant for Wellhead Treatment Systems Project.
- 4. Update** – Notice of Violation from Coastal Commission regarding Wastewater Treatment Plant Rip Rap installation.

## **4A. GENERAL MANAGER'S REPORT**

### **December 9, 2015**

**1. Staff Activity** – Report on Staff activities for the month of November.

During the month of November, Staff performed meter reading, prepared the District Newsletter and distributed water billing. Staff responded to several residential calls regarding falling trees and street gutter clearing during the rain event. District staff and Phoenix Engineering have been working with Madonna Construction on the Wellhead Treatment Project.

**2. Wellhead Treatment system project update.**

Madonna Construction broke ground November 9 to find several obstacles in the way of the project foundation and pad. As a result the project will sit 5 feet east of the original location in turn causing the relocation of the brine storage tank and storage shed. In addition, PG&E dictated a overhead electric utility drop versus the underground electric utility connection as previously discussed and designed.

**3. Integrated Regional Water Management (IRWM)/Water Resources Advisory Council (WRAC) Grant for Wellhead Treatment systems project update.**

Staff attended the December IRWM meeting regarding the grant that the District has received. At this time, the Department of Water Resource Agency (DWR) had not updated the County on the Grant. The amount the District is to receive will be determined later on this month. As described during last month's meeting, only 75% of the amount requested was awarded to San Luis Obispo County, therefore no grant recipient will receive the full amount requested.

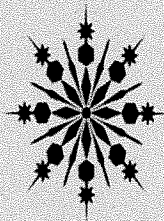
As per the agreement between the District and Carollo Associates regarding the grant writing costs, there is a possibility that the State will absorb the costs. The County is currently looking into that matter. At this time, Carollo has not submitted their final costs for their portion of the County grant writing.

**4. Notice of Violation from California Coastal Commission (CCC) regarding Wastewater Treatment Plant Rip Rap installation update.**

The CCC requested submittal of the "After the Fact" Coastal Development Permit (CDP) with existing studies. The CCC also requested information on the public access projects (San Simeon Avenue Pathway and Pico Avenue Stairs) to be included in the submittal. The CDP has been assembled and will be submitted during the week of December 13.

**4B. SUPERTINTENDENT'S REPORT**  
**Jerry Copeland**  
**Facilities Update for November**

- 1. Wastewater Treatment Plant Update**
- 2. Water Distribution System Update**
- 3. District & Equipment Maintenance Update**



## **4B SUPERITNEDANT'S REPORT**

### **Activities of November 2015**

#### **1. Wastewater Treatment Plant**

- All sampling, testing and reporting at the wastewater treatment plant and the recycled water facility was performed as required by the RWQCB.
- The Return Activated Sludge and Waste Activated Sludge piping at the WWTP was resurfaced and the same epoxy and polyurethane that is used on the pipe bridge was applied.
- One load of sludge was hauled away this month.

#### **2. Water Distribution System**

- All routine sampling and testing was performed. The monthly report was submitted to the State Water Resources Control Board (SWRCB), Division of Drinking Water (DDW).
- Monthly water meter reading was performed.
- Well #3 was put into production on November 27<sup>th</sup> to blend down the rising chloride content in the aquifer. High tides and high surf contributed to the sudden rise of chloride in the last week of the month.
- Chloride levels are monitored throughout the system.

#### **3. District and Equipment Maintenance**

- Staff continues with all of the scheduled preventive maintenance for all the equipment at the facilities. We are recording all of these activities.

San Simeon Community Services District

Superintendent's Report

November 2015

MONTHLY DATA REPORT

Date	Day	Wastewater Influent Daily flow	Wastewater Effluent Daily Flow	CALCULATED Well 1 Total Pumped	CALCULATED Well 2 Total Pumped	CALCULATED Well 3 Total Pumped	CALCULATED Total Daily Water Produced	Chloride Wells		Recycled Water Distributed	Water Level Well 1	Water Level Well 2	Rainfall in Inches	INP UT State Sewer Daily Flow
								1	2					
11/01/15	Sun	70,499	71,540	0	57,446	0	57,446	599	420				0.00	2,882
11/02/15	Mon	75,570	69,520	0	55,651	0	55,651	599	450		13.4	13.3	0.40	4,969
11/03/15	Tue	66,707	73,390	0	58,942	0	58,942		450	2110	13.3	13.3	0.00	5,306
11/04/15	Wed	72,320	71,130	30,593	62,757	0	93,350		483	1500	13.4	13.3	0.00	5,344
11/05/15	Thu	70,222	63,890	35,380	51,163	0	86,544		483		13.6	13.6	0.00	5,329
11/06/15	Fri	79,175	71,090	56,698	0	0	56,698		505		13.6	13.6	0.00	5,294
11/07/15	Sat	92,347	84,620	51,163	64,253	0	115,416		547		13.6	13.6	0.00	4,633
11/08/15	Sun	79,390	82,930	25,432	51,986	0	77,418		547				0.12	5,253
11/09/15	Mon	82,046	84,540	55,876	0	0	55,876		593		13.8	13.8	0.08	5,513
11/10/15	Tue	64,323	64,230	56,923	1,197	0	58,120		645		13.8	13.8	0.04	4,950
11/11/15	Wed	79,977	70,140	51,687	65,600	0	117,286		593		13.8	13.8	0.00	4,411
11/12/15	Thu	75,278	72,560	59,167	449	0	59,616		593				0.00	5,393
11/13/15	Fri	77,142	65,510	31,640	24,609	0	56,250		593		14.0	13.9	0.00	4,821
11/14/15	Sat	88,207	75,850	54,231	65,226	0	119,456		645		13.9	13.9	0.00	4,443
11/15/15	Sun	64,357	73,340	0	56,324	0	56,324		645				0.24	4,825
11/16/15	Mon	71,345	74,690	43,309	49,742	0	93,051		645		14.0	14.0	0.00	5,015
11/17/15	Tue	75,007	55,700	58,643	10,098	0	68,741		645	550	14.1	14.1	0.00	4,640
11/18/15	Wed	68,010	58,200	51,612	0	0	51,612				14.1	14.1	0.00	4,570
11/19/15	Thu	67,397	59,640	0	54,230	0	54,230		676		14.1	14.0	0.00	5,206
11/20/15	Fri	63,973	53,130	0	70,312	0	70,312		676		14.0	14.0	0.00	4,239
11/21/15	Sat	87,661	83,530	0	96,268	0	96,268				14.0	14.0	0.00	5,708
11/22/15	Sun	73,436	90,390	0	55,352	0	55,352				14.4	14.4	0.00	6,997
11/23/15	Mon	77,498	92,010	748	80,111	0	80,859		645		14.2	14.2	0.00	7,258
11/24/15	Tue	79,595	85,460	0	85,721	0	85,721		593	275	14.2	14.2	0.20	8,920
11/25/15	Wed	76,139	80,950	0	70,088	0	70,088		617		13.9	13.9	0.00	5,727
11/26/15	Thu	85,052	77,550	0	80,410	18,100	98,510		676		12.8	12.8	0.00	5,628
11/27/15	Fri	95,080	104,430	0	88,937	26,400	115,337		806		12.4	12.4	0.00	4,707
11/28/15	Sat	90,545	105,470	0	71,359	27,800	99,159		878				0.00	5,089
11/29/15	Sun	86,240	85,410	0	83,178	25,800	108,978		878		12.6	12.6	0.00	6,586
11/30/15	Mon	72,894	82,740	0	3,216	26,100	29,316		956		12.8	12.7	0.00	10,852
TOTALS		2,307,432	2,283,580	663,103	1,514,625	124,200	2,301,928			4,435			1.08	164,508
Average		76,914	76,119	22,103	50,488	4,140	76,731		602	562	13.7	13.7	0.04	5,484
Minimum		63,973	53,130	0	0	0	29,316		483	322	12.4	12.4	0.00	2,882
Maximum		95,080	105,470	59,167	96,268	27,800	119,456		676	956	14.4	14.4	0.40	10,852



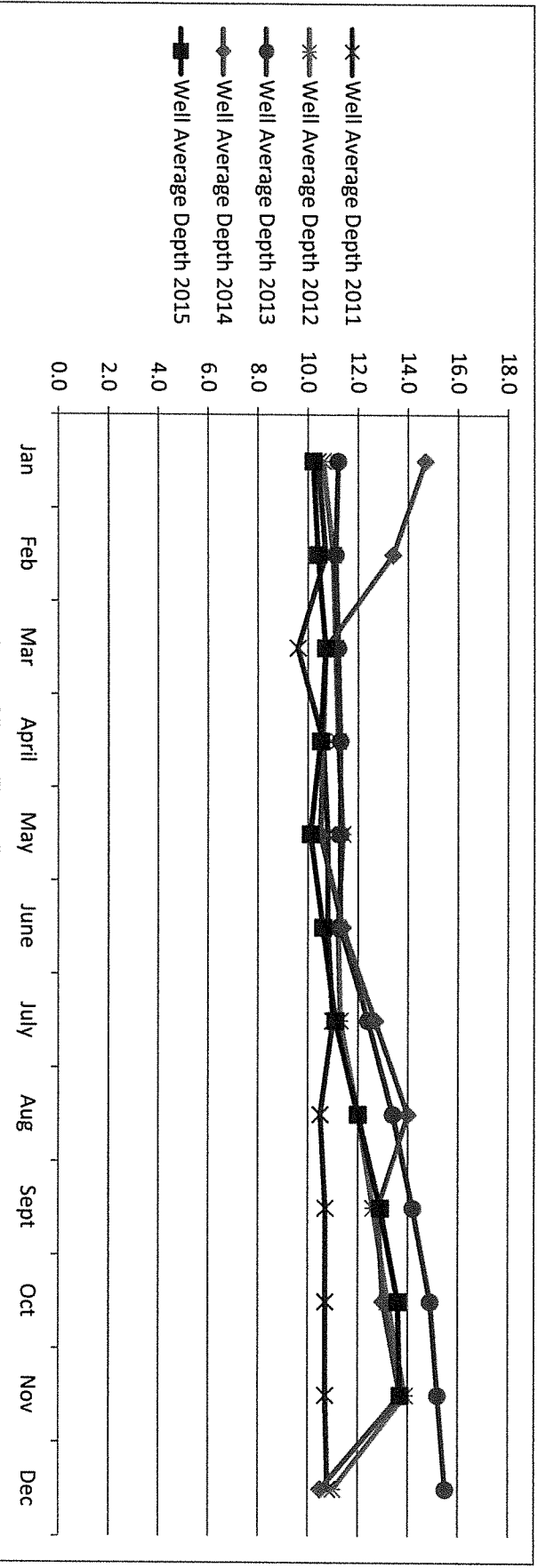
DATA SUMMARY SHEET

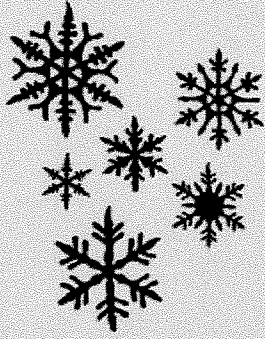
2015	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Total for 2015
Wastewater Influent	2,278,607	2,137,631	2,579,655	2,698,683	2,877,973	2,736,511	3,127,790	2,938,940	2,595,828	2,571,859	2,307,432		28,850,909
Wastewater Final Effluent (Month Cycle)	2,078,820	2,179,270	2,419,750	2,596,880	2,551,790	2,563,570	3,045,720	2,846,890	2,488,090	2,464,150	2,283,580		27,518,510
Adjusted Wastewater Influent (- State Flow) *	2,129,329	2,015,656	2,386,629	2,457,477	2,602,675	2,564,762	2,918,658	2,786,097	2,401,062	2,455,246	2,142,924		26,860,515
Water Produced (month cycle)	1,881,724	2,054,121	2,163,830	2,273,769	2,551,727	2,550,830	2,820,558	2,737,380	2,495,573	2,597,276	2,301,928		26,428,715
Sewer Influent/Water Produced Ratio	1.21	1.04	1.19	1.19	1.25	1.07	1.10	1.07	1.04	0.99	1.00		N/A
Adjusted Sewer/Water Produced Ratio	1.13	0.98	1.10	1.08	1.13	1.01	1.04	1.02	0.96	1.06	0.93		N/A
Well 1 Water Pumped	446,937	991,526	1,495,126	1,192,985	1,292,469.2	1,525,022	1,519,113	1,391,205	1,311,140	1,186,248	663,103		13,014,874
Well 2 Water Pumped	772,287	1,030,395	1,048,165	1,169,722	1,259,258	1,028,807	1,301,445	1,346,175	1,184,433	1,411,027	1,514,625		13,063,339
Well 3 Water Pumped	662,500	32,200	0	0	0	0	0	0	0	9100*	124,200		818,900
Total Well Production	1,881,724	2,054,121	2,163,830	2,273,769	2,551,727	2,550,830	2,820,558	2,737,380	2,495,573	2,597,276	2,301,928		26,428,715
Water Well 1 Avg Depth to Water	10.2	10.4	10.7	10.5	10.1	10.6	11.1	12.0	12.9	13.6	13.7		N/A
Water Well 2 Avg Depth to Water	10.2	10.3	10.6	10.5	10.1	10.5	11.0	11.9	12.9	13.5	13.7		N/A
Average Depth to Water of Both Wells	10.2	10.4	10.7	10.5	10.1	10.6	11.1	12.0	12.9	13.6	13.7		N/A
Change in Average Depth to Water from 2014	-4.5	-2.9	0.0	-0.1	-0.4	-0.8	-1.6	-2.0	+0.1	+0.6	0.0		N/A
Average Chloride mgl at the Wells	844	576	342	268	234	188	169	194	224	346	582		N/A
State Wastewater Treated	149,278	121,975	193,026	241,206	275,298	171,749	209,132	152,843	194,766	116,613	164,508		1,990,394
State % of Total WW Flow	7%	6%	8%	9%	10%	6%	7%	5%	8%	4%	7%		N/A
Recycled Water Sold (Gallons)	10,710	3,070	9,775	12,945	30,040	65,100	52,250	55,355	53,445	45,015	4,435		342,140
Biosolids Removal (Gallons)	0	6,000	6,000	6,000	6,000	12,000	6,000	6,000	6,000	6,000	6,000		66,000
WW Permit Limitation Exceeded	0	0	0	0	0	0	0	1	0	0	0		N/A
RW Permit Limitation Exceeded	0	0	0	0	0	0	0	0	0	0	0		N/A
Constituent Exceeded	None	None	None	None	None	None	None	Suspended Solids	None	None	None		N/A
Sample Limit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	30	N/A	N/A	N/A		N/A
Sample Result	N/A	N/A	N/A	N/A	N/A	N/A	N/A	36	N/A	N/A	N/A		N/A

2014	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Total for 2014
Wastewater Influent	2,038,514	2,129,638	2,312,484	2,560,476	2,551,268	2,827,071	3,032,345	2,978,001	2,438,979	2,319,178	2,327,707	2,981,479	30,497,140
Wastewater Final Effluent (Month Cycle)	2,086,860	2,250,320	2,347,710	2,548,090	2,475,100	2,547,800	3,024,620	2,859,870	2,344,990	2,259,290	1,919,400	2,667,890	29,331,940
Adjusted Wastewater Influent (- State Flow) *	1,776,470	1,863,820	1,938,110	2,204,983	2,198,940	2,428,604	2,790,878	2,840,506	2,303,254	2,192,612	2,213,479	2,757,165	27,508,821
Water Produced (month cycle)	1,892,141	1,737,158	1,745,682	1,941,958	2,196,613	2,314,014	2,731,098	2,729,715	2,192,595	2,182,907	1,721,518	1,728,672	25,114,070
Sewer Influent/Water Produced Ratio	1.10	1.23	1.32	1.32	1.16	1.22	1.11	1.09	1.11	1.06	1.35	1.77	N/A
Adjusted Sewer/Water Ratio	0.94	1.10	1.10	1.14	1.00	1.04	1.02	1.04	1.05	1.01	1.29	1.60	N/A
Average Depth of Both Wells	14.7	13.3	10.7	10.6	10.5	11.4	12.7	14.0	12.8	13.0	13.7	10.5	N/A
Average Chloride mgl at the Wells									1036	1964	2776	1965	N/A
Change in Average Well Depth from 2013	+3.4	+2.2	-0.5	-0.7	-0.8	-0.1	+0.3	+0.6	-1.4	-1.9	-1.5	-5.0	N/A
State Wastewater Treated	262,044	265,818	311,282	355,493	352,328	398,467	241,467	137,495	135,725	126,566	114,228	224,314	2,925,227
State % of Total WW Flow	13%	13%	16%	14%	14%	14%	8%	5%	6%	6%	5%	8%	N/A
Recycled Water Sold (Gallons)	0	0	0	125	5785	10420	29555	44145	36080	38705	9080	0	173,895
Biosolids Removal (Gallons)	0	0	12,000	12,000	6,000	6,000	12,000	6,000	6,000	6,000	0	6,000	72,000
WW Permit Limitation Exceeded	0	0	0	0	0	0	0	0	0	0	0	0	0
Constituent Exceeded	None	None	None	None	None	None	None	None	None	None	None	None	N/A
Sample Limit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sample Result	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

The formula for calculation of "State % of total WW Flow" compares the State Wastewater Treated to the Wastewater Influent Flow.

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Well Average Depth 2011	10.4	10.7	9.6	10.6	10.8	10.8	11.0	10.5	10.7	10.7	10.7	10.8
Well Average Depth 2012	10.6	11.0	11.1	11.2	11.4	11.2	11.3	12.0	12.6	13.2	13.9	11.0
Well Average Depth 2013	11.2	11.1	11.2	11.3	11.3	11.3	12.4	13.4	14.2	14.9	15.2	15.5
Well Average Depth 2014	14.7	13.4	10.7	10.6	10.5	11.4	12.7	14.0	12.8	13.0	13.7	10.5
Well Average Depth 2015	10.2	10.4	10.7	10.5	10.1	10.6	11.1	12.0	12.9	13.6	13.7	





**4C. DISTRICT FINANCIALS**  
**Renee Samaniego**  
**November 30, 2015**

- **Financial Summary**
- **Balance Sheet**
- **Water Sales & Production**

**SAN SIMEON COMMUNITY SERVICES DISTRICT**



**4C. FINANCIAL SUMMARY**

**BILLING**

**November 30, 2015**

<b>October Billing Revenue</b>	<b>\$ 71,895.93</b>
<b>September Billing Revenue</b>	<b>\$ 58,666.02</b>
Past Due (31 to 60 days)	\$ 228.78
Past Due (60 days)	\$ 0.00

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**ENDING BANK BALANCES**

**November 30, 2015**

**RABOBANK SUMMARY:**

<b>General Checking Account</b>	<b>\$ 4,223.12</b>
<b>Well Rehab Project/USDA Checking Account</b>	<b>\$ 101.05</b>

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**HERITAGE OAKS BANK:**

**Summary of Transactions:**

	<b>\$ 808,221.88</b>
<b>Interest for November</b>	<b>\$ 166.09</b>
<b>Money Marketing Account Closing Balance November 30, 2015</b>	<b>\$ 808,387.97</b>
Reserve Fund	(\$ 250,000.00)
Hook up Deposits	(\$ 45,750.00)
<b>Available Funds</b>	<b>\$ 512,637.97</b>

<b>General Checking Account</b>	<b>\$ 95,051.38</b>
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<b>LAIF Closing Balance November 30, 2015</b>	<b>\$ 520.30</b>
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**SAN SIMEON COMMUNITY SERVICES DISTRICT**

**Balance Sheet**

As of November 30, 2015

Nov 30, 15

**ASSETS**

**Current Assets**

**Checking/Savings**

1010 · Petty cash	150.00
1015 · Heritage Oaks- General Checking	95,058.27
1017 · Heritage Oaks-Money Market	808,221.88
1020 · General checking	542.77
1022 · USDA checking	100.05
1040 · Cash in county treasury	(3,053.68)
1050 · LAIF - non-restricted cash	520.30

**Total Checking/Savings** 901,539.59

**Other Current Assets**

1200 · Accounts receivable	57,925.68
1220 · A/R - Hearst Castle	7,200.02
1300 · Prepaid expenses	4,110.47

**Total Other Current Assets** 69,236.17

**Total Current Assets** 970,775.76

**Fixed Assets**

**1400 · Fixed assets**

1420 · Building and structures	395,874.73
1500 · Equipment	316,747.53
1540 · Major water projects	145,068.22
1560 · Pipe bridge	5,243.44
1580 · Sewer plant	1,488,555.08
1600 · Water system	550,390.00
1620 · WWTP expansion	299,565.92
1630 · Tertiary Project	261,723.62
1640 · Wellhead project	448,754.58

**Total 1400 · Fixed assets** 3,911,923.12

1650 · Walkway access projects 14,799.00

1660 · RO Unit 43,892.97

1690 · Accumulated depreciation (2,083,188.96)

**Total Fixed Assets** 1,887,426.13

**Other Assets**

1710 · Customer deposits 50.00

**Total Other Assets** 50.00

**TOTAL ASSETS** 2,858,251.89

**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

**Other Current Liabilities**

2100 · Payroll liabilities	306.00
2500 · Customer security deposits	9,758.13
2510 · Connect hookup wait list	45,750.00
2520 · USDA Loan	458,620.00

**Total Other Current Liabilities** 514,434.13

**Total Current Liabilities** 514,434.13

**Total Liabilities** 514,434.13

**SAN SIMEON COMMUNITY SERVICES DISTRICT**

**Balance Sheet**

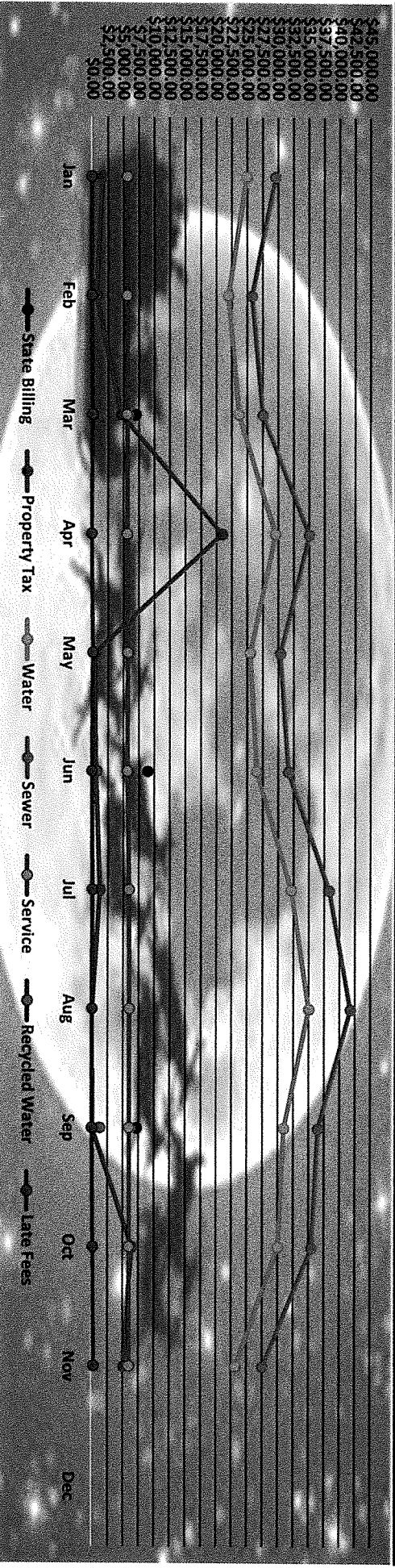
As of November 30, 2015

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	Nov 30, 15
Equity	
3200 · Fund balance	2,279,186.49
3900 · Suspense	8,231.76
Net Income	56,399.51
Total Equity	2,343,817.76
TOTAL LIABILITIES & EQUITY	<u>2,858,251.89</u>

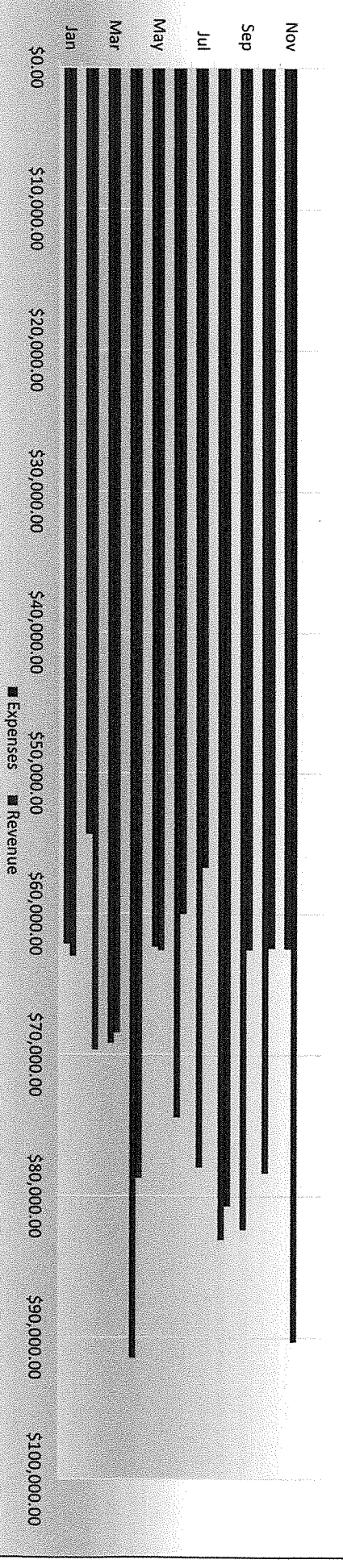
2015 DISTRICT REVENUE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
State Billing			\$7,042.78			\$8,943.33			\$7,200.02				\$23,186.13
Property Tax	\$1,698.01	\$680.91	\$4,730.41	\$20,998.8	\$444.16	\$624.12	\$1,299.10	\$78.29	\$89.78	\$6,473.88	\$5,162.73		\$42,280.14
Water	\$24,980.7	\$22,031.4	\$23,713.3	\$29,614.9	\$25,535.8	\$26,568.3	\$32,179.3	\$35,048.6	\$31,023.2	\$30,062.5	\$23,260.9		\$304,018.89
Sewer	\$29,619.7	\$25,800.7	\$27,563.4	\$35,077.2	\$30,393.1	\$31,702.7	\$38,340.3	\$41,800.7	\$36,517.9	\$35,482.6	\$27,568.6		\$359,866.84
Service	\$5,775.1	\$5,747.7	\$5,747.7	\$5,747.70	\$5,802.4	\$5,747.7	\$6,052.8	\$6,081.9	\$6,111.0	\$6,111.0	\$6,111.0		\$65,036.01
Recycled Water			\$174.3			\$798.0			\$1,359.8				\$2,332.04
Late Fees	\$78.2	\$106.6	\$194.3	\$19.45	\$192.3	\$47.2	\$118.8	\$71.2	\$72.3	\$239.8	\$366.6		\$1,526.81
<b>Total</b>	<b>\$62,151.65</b>	<b>\$54,367.29</b>	<b>\$69,166.14</b>	<b>\$91,457.99</b>	<b>\$62,367.76</b>	<b>\$74,431.29</b>	<b>\$77,990.37</b>	<b>\$83,080.74</b>	<b>\$82,373.96</b>	<b>\$78,369.81</b>	<b>\$62,489.86</b>		<b>\$798,246.86</b>
Water Sold Cu Ft	255324	224325	240675	300989	260697	306222	311247	338869	297896	288860	223460		3048564
Water Sold Acre ft	5.86	5.15	5.53	6.91	5.98	7.03	7.15	7.78	6.84	6.63	5.13		69.99



REVENUE VS EXPENSES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Revenue	\$62,151.65	\$54,367.29	\$69,166.14	\$91,457.99	\$62,367.76	\$74,434.29	\$77,990.37	\$83,080.74	\$82,373.96	\$78,369.81	\$62,489.86		\$798,249.86
Expenses	\$62,999.58	\$69,646.10	\$68,440.42	\$78,744.51	\$62,608.05	\$60,034.80	\$56,735.48	\$80,703.14	\$62,573.67	\$62,460.00	\$90,307.21		\$755,252.96
Balance	-\$847.93	-\$15,278.81	\$725.72	\$12,713.48	-\$240.29	\$14,399.49	\$21,254.89	\$2,377.60	\$19,800.29	\$15,909.81	-\$27,817.35		\$42,996.90



## Historical Water Production and Sales

2015

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year End Total
Water	\$24,980.7	\$22,031.4	\$23,713.3	\$29,614.9	\$25,535.8	\$26,568.3	\$32,179.3	\$35,048.6	\$31,023.2	\$30,062.5	\$23,260.9		\$304,018.89
Sewer	\$29,619.7	\$25,800.7	\$27,563.4	\$35,077.2	\$30,393.1	\$31,702.7	\$38,340.3	\$41,800.7	\$36,517.9	\$35,482.6	\$27,566.6		\$359,866.84
Service	\$5,775.1	\$5,747.7	\$5,747.7	\$5,747.70	\$5,802.4	\$5,747.7	\$6,052.8	\$6,081.9	\$6,111.0	\$6,111.0	\$6,111.0		\$65,036.01
<b>Total</b>	<b>\$60,375.5</b>	<b>\$53,579.8</b>	<b>\$57,024.4</b>	<b>\$70,439.8</b>	<b>\$61,731.3</b>	<b>\$64,018.7</b>	<b>\$76,572.4</b>	<b>\$82,931.3</b>	<b>\$73,652.1</b>	<b>\$71,656.1</b>	<b>\$56,940.5</b>		<b>\$728,921.74</b>
Water Sold Cu Ft	255324	224325	240675	300989	260697	306222	311247	338869	297896	288860	223460		3,048,564
Water Sold Acre ft	5.86	5.15	5.53	6.91	5.98	7.03	7.15	7.78	6.84	6.63	5.13		69.99

2014

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year End Total
Water	\$21,971.3	\$19,076.2	\$16,337.8	\$22,890.1	\$21,881.1	\$25,417.3	\$34,524.9	\$30,347.3	\$26,979.2	\$24,551.7	\$23,063.4	\$16,542.2	\$283,582.31
Sewer	\$25,116.2	\$22,334.7	\$19,215.2	\$27,214.3	\$26,016.0	\$30,425.9	\$41,554.7	\$36,609.6	\$32,364.6	\$29,124.2	\$27,266.3	\$19,555.3	\$336,796.91
Service	\$5,366.4	\$5,366.4	\$5,366.4	\$5,366.4	\$5,392.2	\$5,392.2	\$5,773.5	\$5,747.7	\$5,747.7	\$5,747.7	\$5,775.1	\$5,747.7	\$66,789.37
<b>Total</b>	<b>\$52,453.9</b>	<b>\$46,777.3</b>	<b>\$40,919.4</b>	<b>\$55,470.7</b>	<b>\$53,289.3</b>	<b>\$61,235.3</b>	<b>\$81,853.1</b>	<b>\$72,704.6</b>	<b>\$65,091.5</b>	<b>\$59,423.6</b>	<b>\$56,104.8</b>	<b>\$41,845.2</b>	<b>\$687,168.6</b>
Water Sold Cu Ft	223200	206900	177200	248063	236917	275338	352622	309962	275523	250905	235552	169443	2,961,625
Water Sold Acre ft	5.12	4.75	4.07	5.69	5.44	6.32	8.10	7.12	6.33	5.76	5.41	3.89	67.99

2013

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year End Total
Water	\$18,102.6	\$20,631.4	\$17,394.1	\$23,008.4	\$23,384.4	\$29,603.5	\$36,628.9	\$36,833.3	\$28,053.5	\$24,908.9	\$20,549.4	\$17,417.0	\$296,515.50
Sewer	\$20,172.8	\$21,705.5	\$18,903.2	\$25,168.5	\$24,914.3	\$32,350.8	\$40,084.9	\$43,613.3	\$33,179.7	\$29,636.1	\$23,946.3	\$20,191.1	\$333,866.47
Service	\$4,792.3	\$4,769.3	\$4,769.3	\$4,792.3	\$4,815.4	\$4,792.3	\$5,436.9	\$5,366.4	\$5,366.4	\$5,366.4	\$5,366.4	\$5,366.4	\$60,999.78
<b>Total</b>	<b>\$43,067.8</b>	<b>\$47,106.2</b>	<b>\$41,066.6</b>	<b>\$52,969.2</b>	<b>\$53,114.0</b>	<b>\$66,746.6</b>	<b>\$82,150.7</b>	<b>\$85,813.0</b>	<b>\$66,599.6</b>	<b>\$59,911.4</b>	<b>\$49,862.2</b>	<b>\$42,974.5</b>	<b>\$691,381.8</b>
Water Sold Cu Ft	220059	216680	209256	285145	279529	354134	373741	396714	303256	269689	222002	188500	3,318,705
Water Sold Acre ft	5.05	4.97	4.80	6.55	6.42	8.13	8.58	9.11	6.96	6.19	5.10	4.33	76.19

2012

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year End Total
Water	\$18,368.8	\$17,712.9	\$14,752.5	\$20,943.1	\$19,569.8	\$24,471.6	\$30,164.0	\$31,860.6	\$27,236.4	\$23,180.2	\$19,172.8	\$13,606.3	\$261,038.80
Sewer	\$19,403.2	\$16,370.8	\$15,243.1	\$22,112.6	\$20,266.8	\$25,270.9	\$32,911.6	\$34,733.9	\$29,563.0	\$25,730.9	\$21,158.5	\$14,923.0	\$277,688.41
Service	\$4,251.5	\$4,272.0	\$4,251.5	\$4,251.5	\$4,251.5	\$4,292.4	\$4,792.3	\$4,792.3	\$4,815.4	\$4,815.4	\$4,792.3	\$4,815.4	\$54,393.48
<b>Total</b>	<b>\$42,023.5</b>	<b>\$38,355.7</b>	<b>\$34,247.2</b>	<b>\$47,307.2</b>	<b>\$44,088.1</b>	<b>\$54,034.9</b>	<b>\$67,867.9</b>	<b>\$71,386.8</b>	<b>\$61,614.7</b>	<b>\$53,726.5</b>	<b>\$45,123.6</b>	<b>\$33,344.7</b>	<b>\$593,120.7</b>
Water Sold Cu Ft	248582	225987	201323	283397	264824	329516	361479	380540	324880	279621	232827	166658	3,300,634
Water Sold Acre ft	5.71	5.19	4.62	6.55	6.08	7.56	8.30	8.74	7.46	6.42	5.34	3.80	75.77

2011

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year End Total
Water	\$14,079.9	\$14,436.8	\$14,580.3	\$15,978.4	\$17,181.9	\$20,045.1	\$29,080.9	\$30,541.4	\$24,905.3	\$23,664.7	\$18,603.5	\$18,224.2	\$241,322.4
Sewer	\$14,010.9	\$14,599.5	\$13,759.0	\$16,248.7	\$17,077.0	\$20,232.7	\$30,694.0	\$32,170.1	\$26,341.4	\$24,926.1	\$19,583.4	\$19,169.6	\$248,812.4
Service	\$3,820.5	\$3,838.8	\$3,802.2	\$3,802.2	\$3,820.5	\$3,802.2	\$4,272.0	\$4,231.1	\$4,251.5	\$4,251.5	\$4,251.5	\$4,272.0	\$48,416.1
<b>Total</b>	<b>\$31,911.3</b>	<b>\$32,875.1</b>	<b>\$32,141.5</b>	<b>\$36,029.3</b>	<b>\$38,079.4</b>	<b>\$44,080.0</b>	<b>\$64,046.8</b>	<b>\$66,942.6</b>	<b>\$55,498.2</b>	<b>\$52,842.4</b>	<b>\$42,438.4</b>	<b>\$41,665.8</b>	<b>\$558,550.8</b>
Water Sold Cu Ft	216577	220129	214084	243460	269171	304596	394069	413435	337511	319881	252605	247832	3,433,150
Water Sold in acre	4.97	5.05	4.91	5.59	6.18	6.99	9.05	9.49	7.75	7.34	5.80	5.69	78.81



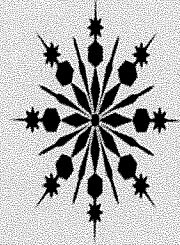
**SAN SIMEON COMMUNITY SERVICES DISTRICT  
DISTRICT REVENUE YEAR END TOTALS**

	<b>2015</b>												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YET
Water	\$24,980.7	\$22,031.4	\$23,713.3	\$29,614.9	\$25,535.8	\$26,568.3	\$32,179.3	\$35,048.6	\$31,023.2	\$30,062.5	\$23,260.9	\$16,542.2	\$283,582.3
Sewer	\$29,619.7	\$25,800.7	\$27,563.4	\$35,077.2	\$30,393.1	\$31,702.7	\$38,340.3	\$41,800.7	\$36,517.9	\$35,482.6	\$27,568.6	\$19,555.3	\$336,796.9
Service	\$5,775.1	\$5,747.7	\$5,747.7	\$5,747.70	\$5,802.4	\$5,747.7	\$6,052.8	\$6,081.9	\$6,111.0	\$6,111.0	\$6,111.0	\$5,747.7	\$66,036.0
Late Fees	\$78.2	\$106.6	\$194.3	\$19.45	\$192.3	\$47.2	\$118.8	\$71.2	\$72.3	\$239.8	\$386.6	\$168.2	\$2,605.8
Recycled Water			\$174.3			\$798.0			\$1,359.8				\$2,332.0
State Billing			\$7,042.78			\$8,943.33			\$7,200.02				\$23,186.1
Property Tax	\$1,698.01	\$680.91	\$4,730.41	\$20,998.8	\$444.16	\$624.12	\$1,299.10	\$78.29	\$89.78	\$6,473.88	\$5,162.73		\$42,280.1
<b>Total</b>	<b>\$62,151.65</b>	<b>\$54,367.29</b>	<b>\$69,166.14</b>	<b>\$91,457.99</b>	<b>\$62,387.76</b>	<b>\$74,431.29</b>	<b>\$77,990.37</b>	<b>\$83,080.74</b>	<b>\$82,373.96</b>	<b>\$78,369.81</b>	<b>\$62,489.86</b>		<b>\$798,246.9</b>

	<b>2014</b>												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YET
Water	\$21,971.3	\$19,076.2	\$16,337.8	\$22,890.1	\$21,881.1	\$25,417.3	\$34,524.9	\$30,347.3	\$26,979.2	\$24,551.7	\$23,063.4	\$16,542.2	\$283,582.3
Sewer	\$25,116.2	\$22,334.7	\$19,215.2	\$27,214.3	\$26,016.0	\$30,425.9	\$41,554.7	\$36,609.6	\$32,364.6	\$29,124.2	\$27,266.3	\$19,555.3	\$336,796.9
Service	\$5,366.4	\$5,366.4	\$5,366.4	\$5,366.4	\$5,392.2	\$5,392.2	\$5,773.5	\$5,747.7	\$5,747.7	\$5,747.7	\$5,775.1	\$5,747.7	\$66,789.4
Late Fees	\$155.8	\$100.4	\$93.9	\$413.6	\$896.4	\$139.2	\$124.0	\$44.8	\$94.8	\$153.1	\$221.7	\$168.2	\$2,605.8
State Billing			\$23,125.64			\$24,891.66			\$9,972.00				\$64,469.8
Prop Tax	\$1,327.66	\$1,155.60	\$2,632.24	\$21,054.41	\$912.02	\$195.04	\$1,749.86		\$170.96	\$4,304.07	\$6,305.04	\$30,755.69	\$70,562.6
<b>Total</b>	<b>\$53,937.3</b>	<b>\$48,033.3</b>	<b>\$66,771.3</b>	<b>\$76,938.8</b>	<b>\$55,097.7</b>	<b>\$86,461.2</b>	<b>\$83,726.9</b>	<b>\$72,749.4</b>	<b>\$75,329.2</b>	<b>\$63,880.8</b>	<b>\$62,631.5</b>		<b>\$824,806.7</b>

	<b>2013</b>												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YET
Water	\$18,102.6	\$20,631.4	\$17,394.1	\$23,008.4	\$23,384.4	\$29,603.5	\$36,628.9	\$36,833.3	\$28,053.5	\$24,908.9	\$20,549.4	\$17,417.0	\$296,515.5
Sewer	\$20,172.8	\$21,705.5	\$18,903.2	\$25,168.5	\$24,914.3	\$32,350.8	\$40,084.9	\$43,613.3	\$33,179.7	\$29,636.1	\$23,946.3	\$20,191.1	\$333,866.5
Service	\$4,792.3	\$4,769.3	\$4,769.3	\$4,792.3	\$4,815.4	\$4,792.3	\$5,436.9	\$5,366.4	\$5,366.4	\$5,366.4	\$5,366.4	\$5,366.4	\$60,999.8
Late Fees	\$80.3	\$163.5	\$95.6	\$58.8	\$51.7	\$88.3	\$59.8	\$110.4	\$120.6	\$71.4	\$177.4	\$101.1	\$1,118.7
State Billing			\$15,874.60			\$21,090.32			\$27,981.20				\$86,476.6
Prop Tax	\$757.44	\$1,473.36	\$3,935.20	\$18,534.56	\$1,963.98	\$141.38	\$8,069.77	\$51.86	\$1,503.31	\$3,859.65	\$5,718.15	\$25,445.32	\$71,454.0
<b>Total</b>	<b>\$43,905.44</b>	<b>\$48,742.98</b>	<b>\$60,971.99</b>	<b>\$71,562.56</b>	<b>\$55,129.68</b>	<b>\$88,066.63</b>	<b>\$90,280.29</b>	<b>\$85,975.29</b>	<b>\$96,204.70</b>	<b>\$63,842.39</b>	<b>\$55,697.70</b>		<b>\$850,431.0</b>

	<b>2012</b>												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YET
Water	\$18,368.8	\$17,712.9	\$14,752.5	\$20,943.1	\$19,569.8	\$24,471.6	\$30,164.0	\$31,860.6	\$27,236.4	\$23,180.2	\$19,172.8	\$13,606.3	\$261,038.8
Sewer	\$19,403.2	\$16,370.8	\$15,243.1	\$22,112.6	\$20,266.8	\$25,270.9	\$32,911.6	\$34,733.9	\$29,563.0	\$25,730.9	\$21,158.5	\$14,923.0	\$277,688.4
Service	\$4,251.5	\$4,272.0	\$4,251.5	\$4,251.5	\$4,251.5	\$4,292.4	\$4,792.3	\$4,792.3	\$4,815.4	\$4,815.4	\$4,792.3	\$4,815.4	\$64,393.5
Late Fees	\$509.5	\$66.6	\$177.6	\$204.2	\$268.6	\$195.6	\$106.6	\$170.8	\$131.8	\$94.7	\$1,113.9	\$99.0	\$3,138.8
State Billing			\$12,350.99			\$14,482.23			\$21,846.13				\$67,133.34
Prop Tax	\$619.54	\$1,594.90	\$5,291.08	\$18,294.18	\$765.20	\$349.85	\$528.42	\$1,346.94	\$1,576.52	\$3,775.02	\$6,279.23	\$25,525.47	\$65,946.35
<b>Total</b>	<b>\$43,152.57</b>	<b>\$40,017.17</b>	<b>\$52,066.87</b>	<b>\$65,805.54</b>	<b>\$45,121.80</b>	<b>\$69,062.60</b>	<b>\$68,502.96</b>	<b>\$72,904.50</b>	<b>\$85,169.16</b>	<b>\$57,596.18</b>	<b>\$52,516.73</b>		<b>\$729,339.21</b>



## **5. ITEMS OF BUSINESS**

- A. Approval of last month's minutes – November 11, 2015.**
  
- B. Approval of Disbursements Journal(s) – December 9, 2015.**

**\*\* General Checking Account**  
**\* General Checking Account**

**\*\* USDA Grant Account**  
**\* USDA Grant Account**

**MINUTES**  
**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**BOARD OF DIRECTORS REGULAR MEETING**  
**Wednesday, December 09, 2015**  
**6:00 pm**

**CAVALIER BANQUET ROOM**  
**250 San Simeon Avenue**  
**San Simeon, CA 93452**

**1. REGULAR SESSION: @ 6:03 PM**

**A. Roll Call:**

Chairperson McAdams -present  
Vice-Chair Fields - present  
Director Williams - present  
Director Patel – present  
Director Price - present

General Manager, Charles Grace  
District Counsel, Heather Whitham  
Commander Taylor  
Travis Hole from Moss, Levy & Hartzheim

**B. Pledge of Allegiance**

**2. PUBLIC COMMENT:** None

**A. Sheriff's Report for November.**

There were 56 calls for service during the month of November. Such calls were 27 traffic stops by deputies, 1 pedestrian contact, 2 incomplete 911 calls, and 5 arrests. The arrests were; 1 woman refusing to leave the San Simeon Bar and Grill during closing, 1 stolen vehicle, 2 possession of methamphetamines, and 1 drunk in public.

**B. Is there any Public comment on Sheriff's Report:** None

**3. BOARD PRESENTATIONS AND ANNOUNCEMENTS:** None

**4. STAFF REPORTS**

**A. General Manager's Report**

**1. Staff Activity – Report on Staff activities for the month of November.**

During the month of November, Staff performed meter reading, prepared the District Newsletter and distributed water billing. Staff responded to several residential calls regarding falling trees and street gutter clearing during the rain event. District staff and Phoenix Engineering have been working with Madonna Construction on the Wellhead Treatment Project.

## **2. Wellhead Treatment system project update.**

Madonna Construction broke ground November 9 to find several obstacles in the way of the project foundation and pad. As a result, the project will sit 5 feet east of the original location in turn causing the relocation of the brine storage tank and storage shed. In addition, PG&E dictated an overhead electric utility drop versus the underground electric utility connection as previously discussed and designed.

## **3. Integrated Regional Water Management (IRWM)/Water Resources Advisory Council (WRAC) Grant for Wellhead Treatment systems project update.**

Staff attended the December IRWM meeting regarding the grant that the District has received. At this time, the Department of Water Resource Agency (DWR) had not updated the County on the Grant. The amount the District is to receive will be determined later on this month. As described during last month's meeting, only 75% of the amount requested was awarded to San Luis Obispo County, therefore no grant recipient will receive the full amount requested.

As per the agreement between the District and Carollo Associates regarding the grant writing costs, there is a possibility that the State will absorb the costs. The County is currently looking into that matter. At this time, Carollo has not submitted their final costs for their portion of the County grant writing.

## **4. Notice of Violation from California Coastal Commission (CCC) regarding Wastewater Treatment Plant Rip Rap installation update.**

The CCC requested submittal of the "After the Fact" Coastal Development Permit (CDP) with existing studies. The CCC also requested information on the public access projects (San Simeon Avenue Pathway and Pico Avenue Stairs) to be included in the submittal. The CDP has been assembled and will be submitted during the week of December 13.

## **B. Superintendent's Report**

### **1. Wastewater Treatment Plant**

- All sampling, testing and reporting at the wastewater treatment plant and the recycled water facility was performed as required by the RWQCB.
- The Return Activated Sludge and Waste Activated Sludge piping at the WWTP was resurfaced and the same epoxy and polyurethane that is used on the pipe bridge was applied.
- One load of sludge was hauled away this month.

### **2. Water Distribution System**

- All routine sampling and testing was performed. The monthly report was submitted to the State Water Resources Control Board (SWRCB), Division of Drinking Water (DDW).
- Monthly water meter reading was performed.
- Well #3 was put into production on November 27<sup>th</sup> to blend down the rising chloride content in the aquifer. High tides and high surf contributed to the sudden rise of chloride in the last week of the month.
- Chloride levels are monitored throughout the system.

### 3. District and Equipment Maintenance

- Staff continues with all of the scheduled preventive maintenance for all the equipment at the facilities. We are recording all of these activities.

### C. Update on Monthly Financial Status for close of business November 30, 2015.

<b>October Billing Revenue</b>	<b>\$ 71,895.93</b>
<b>November Billing Revenue</b>	<b>\$ 58,666.02</b>
Past Due (31 to 60 days)	\$ 228.78
Past Due (60 days)	\$ 0.00

#### ENDING BANK BALANCES: November 30, 2015

#### RABOBANK SUMMARY:

**General Checking Account** **\$ 4,223.12**

**Well Rehab Project/USDA Checking Account** **\$ 101.05**

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#### HERITAGE OAKS BANK:

#### Summary of Transactions:

**Interest for November** **\$ 808,221.88**  
**Money Marketing Account Closing Balance November 30, 2015** **\$ 166.09**  
**\$ 808,387.97**

Reserve Fund (\$ 250,000.00)  
Hook up Deposits (\$ 45,750.00)  
**Available Funds \$ 512,637.97**

**General Checking Account** **\$ 95,051.38**

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**LAIF Closing Balance November 30, 2015** **\$ 520.30**

### D. District Counsel's Report – Summary of November activities

- District Counsel provided the District with the Ultura Litigation Memo.
- Discussions and review of Grace Environmental contract have begun.
- Staff was assisted with preparation of this month's agenda.

## 5. ITEMS OF BUSINESS

### A. Approval of last month's minutes – November 11, 2015.

A motion was made to approve the November regular meeting minutes as presented.

Motion by: Vice-Chair Fields

Second By: Director Williams

All in favor: 5 / 0

### B. Approval of General Checking Disbursements Journal– December 09, 2015.

A motion was made to approve the disbursements journal from the District's general checking account.

Motion by: Director Price

Second By: Chairperson McAdams

All in favor: 5 / 0

Note; change Nossaman check memo to: CCC Rip Rap NOV.

### C. Approval of USDA Grants Funds Disbursements Journal – December 09, 2015.

A motion was made to approve the disbursements journal from the USDA Grant checking account.

Motion by: Director Williams

Second By: Director Patel

All in favor: 4 Approved, 1 Opposed; Director Fields

## 6. DISCUSSION/ACTION ITEMS

### A. Board discussion/review of Draft Audit 2014-2015 presented by Travis Hole from Moss, Levy & Hartzheim, LLP.

The 2014-2015 Draft Audit was distributed for review during the month of November. There are still a few items that the General Manager and Travis Hole are working on to improve the document. At this time, the Auditor Travis Hole, and Staff would like to hear any comments, questions or corrections the Board or the Public may have prior to potentially finalizing the Audit during the January Board Meeting.

There was no public comment or questions. Director Williams asked about the difference in interest payments made in 2014 to 2015. Difference was that only one payment was made towards the USDA loan in 2014, whereas there were two payments in 2015.

The final draft will be brought back to the Board for approval at the January 2016 meeting.

**B. Consideration of approval of additional funds to Phoenix Civil Engineering for Wellhead Treatment Project Design and Construction, increasing the original contracted amount of \$24,011.25 to \$31,734.**

In consideration of the impact of the reverse osmosis unit (RO) official submittal drawings, the increase in SCADA equipment needs, the building being made a definitive part of the project, and PG&E changing from an underground service to an overhead service, additional engineering and construction observation are necessary. Staff recommends approval of the attached Phoenix Engineering Additional Services Proposal.

A motion was made to approve the additional funds to Phoenix Civil Engineering for Wellhead Treatment Project Design and Construction, increasing the original contracted amount of \$24,011.25 to \$31,734.

Motion by: Chairperson McAdams

Second By: Vice-Chair Fields

All in favor: 5 / 0

**C. Consideration of approval of additional funds to IRJ Engineering for Wellhead Treatment Project Electrical Design, increasing the original contracted amount of \$8,500 to \$13,850.**

Given the impact of the RO official submittal drawings and the change by PG&E from underground electric utility service to an overhead electrical utility service, IRJ Engineering is requesting a revision in their scope of work to include the tasks identified on the attached added services proposal. Staff recommends approval of the attached IRJ added services proposal.

A motion was made to approve the additional funds to IRJ Engineering for Wellhead Treatment Project Electrical Design, increasing the original contracted amount of \$8,500 to \$13,850.

Motion by: Director Price

Second By: Chairperson McAdams

All in favor: 5 / 0

**7. Oral Reports from Committee Members. None**

**8. Oral Reports from Board Members on current issues. None**

**9. Requests from Board members to receive feedback, direct staff to prepare information, and/or request a formal agenda report be prepared and the item placed on a future agenda.**

Vice-Chair Fields requested the Staff contact PG&E regarding a street light outage on Castillo Drive, pole #10.

**10. ADJOURNMENT @6:52 PM**

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**Disbursements Journal**  
**Heritage Oaks Bank General Checking**  
**December 9, 2015**

Type	Date	Num	Name	Memo	Amount	Balance
				<b>End of month Balance</b>		<b>\$95,058.27</b>
Bill Pmt	12/01/2015	1017	Board of Equalization	WR STF 094-006560, Water Rights Fee	\$158.19	\$94,900.08
Bill Pmt	12/01/2015	1018	California Special Districts Assoc	2016 Membership dues, ID 255	\$2,344.00	\$92,556.08
Bill Pmt	12/01/2015	1019	Carmel & Nacassha, LLP	November legal	\$1,800.00	\$90,756.08
Bill Pmt	12/01/2015	1020	County of San Luis Obispo	Hazmat Disclosure, # AR0007835	\$317.00	\$90,439.08
Bill Pmt	12/01/2015	1021	Dorothy Gardner	Acct. 99, Deposit Return	\$50.00	\$90,389.08
Bill Pmt	12/01/2015	1022	Grace Environmental	Dec. Operations and Management	\$47,762.00	\$42,627.08
Bill Pmt	12/01/2015	1023	L.R.J. Engineers Inc.	RO Electrical Design	\$1,012.50	\$41,614.58
Bill Pmt	12/01/2015	1024	Marine Diving Solutions, LLC	Reservoir Tank cleaning	\$1495	\$31,619.58
				Outfall Line inspection	\$8,500	
Check	12/01/2015	1025	MICHAEL O'NEILL	Monthly maintenance fee	\$320.00	\$31,299.58
Check	12/01/2015	1026	Moss, Levy & Hartzheim, LLP	Audit November billing, # 4929	\$2,000.00	\$29,299.58
Check	12/01/2015	1027	Nossaman LLP	Ultura Litigation	\$1,975.00	\$27,324.58
Check	12/01/2015	1028	Phoenix Civil Engineering, Inc	RO System Construction Phase Services	\$6,717.00	\$20,607.58
Check	12/01/2015	1029	Robert Stilts, CPA	November Bookkeeping	\$1,200.00	\$19,407.58
Check	12/01/2015	1030	Sarah Lopez	Acct. 315, Deposit Return	\$50.00	\$19,357.58
Check	12/01/2015	1031	State Water Res Control Board	Index # 256478, Collection System Permit	\$2,088.00	\$17,269.58
Check	12/01/2015	1032	Grace Environmental	Reimbursement for Pipe Bridge	\$7,566.27	\$9,703.31
Check	12/01/2015	1033	Phoenix Civil Engineering, Inc	Reservoir Project Preliminary Design	\$831.50	\$8,871.81
Check	12/01/2015	1034	State Water Res Control Board	Index # 254191, WWTP Permit	\$3,659.00	\$5,212.81
Paycheck	12/01/2015	1035	ALAN FIELDS	Monthly Board Service	\$92.35	\$5,120.46
Paycheck	12/01/2015	1036	DAN WILLIAMS	Monthly Board Service	\$92.35	\$5,028.11
Paycheck	12/01/2015	1037	KAUSHIK S PATEL	Monthly Board Service	\$92.35	\$4,935.76
Paycheck	12/01/2015	1038	LEROY E PRICE	Monthly Board Service	\$92.35	\$4,843.41
Paycheck	12/01/2015	1039	RALPH N MCADAMS	Monthly Board Service	\$92.35	\$4,751.06
				<b>Balance</b>	<b>\$90,307.21</b>	<b>\$4,751.06</b>

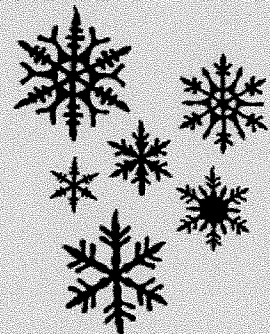


SAN SIMEON COMMUNITY SERVICES DISTRICT  
 Disbursements Journal  
 Heritage Oaks Bank USDA Grant Account  
 December 9, 2015

Type	Date	Num	Name	Memo	Amount	Balance
Bill Pmt	12/01/2015	8001	Wigen Water Technologies	1st partial payment of \$343,503.28	\$114,214.64	\$114,214.64
				Paid to date out of USDA Grant Funds	\$114,214.64	\$0.00

## **6. DISCUSSION & ACTION ITEMS**

- A. Board discussion/review of Draft Audit 2014-2015 presented by Travis Hole from Moss, Levy & Hartzheim, LLP.**
  
- B. Consideration of approval of additional funds to Phoenix Civil Engineering for Wellhead Treatment Project Design and Construction, increasing the original contracted amount of \$24,011.25 to \$31,734.**
  
- C. Consideration of approval of additional funds to IRJ Engineering for Wellhead Treatment Project Electrical Design, increasing the original contracted amount of \$8,500 to \$13,850.**



## **6. DISCUSSION/ACTION ITEMS**

**December 9, 2015**

**A. Board discussion/review of Draft Audit 2014-2015 presented by Travis Hole from Moss, Levy & Hartzheim, LLP.**

The 2014-2015 Draft Audit was distributed for review during the month of November. There are still a few items that the General Manager and Travis Hole are working on to improve the document. At this time, the Auditor Travis Hole, and Staff would like to hear any comments, questions or corrections the Board or the Public may have prior to potentially finalizing the Audit during the January Board Meeting.

**B. Consideration of approval of additional funds to Phoenix Civil Engineering for Wellhead Treatment Project Design and Construction, increasing the original contracted amount of \$24,011.25 to \$31,734.**

In consideration of the impact of reverse osmosis unit (RO) official submittal drawings, the increase in SCADA equipment needs, the building being made a definitive part of the project and PG&E changing from an underground service to a overhead service additional engineering and construction observation are necessary. Staff recommends approval of the attached Phoenix Engineering Additional Services Proposal.

**C. Consideration of approval of additional funds to IRJ Engineering for Wellhead Treatment Project Electrical Design, increasing the original contracted amount of \$8,500 to \$13,850.**

Given the impact of the RO official submittal drawings and the change by PG&E from underground electric utility service to an overhead electrical utility service IRJ Engineering is requesting a revision in their scope of work to include the tasks identified on the attached Added Services Proposal. Staff recommends approval of the attached IRJ Added Services Proposal.



Moss, Levy & Hartzheim LLP  
 Certified Public Accountants


November 23, 2015

To the Board of Directors  
 San Simeon Community Services District  
 111 Pico Avenue  
 San Simeon, CA 93452

Attached is a draft copy of your audit for your review. After reviewing and upon your approval, please sign and fax back this letter to our office as soon as possible. We will not finalize the audit until we receive your response, a signed and dated Management Representation Letter (to be prepared by you), a written response from your attorney to the legal representation letter or a letter from you stating that no legal counsel was retained.

Sincerely,

MOSS, LEVY & HARTZHEIM LLP

  
 Ron A. Levy, CPA

**RESPONSE:**

I have reviewed the draft copy of the audit for San Simeon Community Services District and give my approval.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

SAN SIMEON COMMUNITY SERVICES DISTRICT

FINANCIAL STATEMENTS

June 30, 2015

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SAN SIMEON COMMUNITY SERVICES DISTRICT  
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June 30, 2015

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INTRODUCTORY SECTION

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SAN SIMEON COMMUNITY SERVICES DISTRICT  
ORGANIZATION

June 30, 2015

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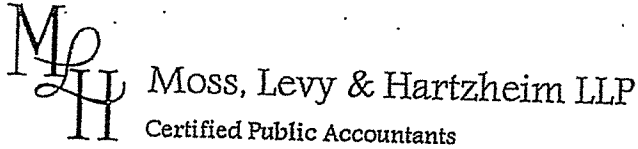
**Board of Directors**

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Ralph McAdams	Chairperson	2018
Alan Fields	Vice-Chairperson	2016
Daniel Williams	Director	2016
Leroy Price	Director	2016
Ken Patel	Director	2018



FINANCIAL SECTION

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
San Simeon Community Services District  
San Simeon, CA

### Report on the Financial Statements

We have audited the accompanying basic financial statements of San Simeon Community Services District (District) as of and for the fiscal year ended June 30, 2015, and the related notes to the basic financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the of the San Simeon Community Services District, as of June 30, 2015, and the respective changes in financial position and cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

#### *Required Supplementary Information*

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The introductory section and the schedules of revenues, expenses, and changes in net position by function on pages 14 and 15 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of revenues, expenses, and changes in net position by function is the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of revenues, expenses, and changes in net position by function are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated XXXXXX, on our consideration of the San Simeon Community Services District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

**Report on Summarized Comparative Information**

We have previously audited the District's basic financial statements as of and for the fiscal year ended June 30, 2014, and our report dated February 1, 2015, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Santa Maria, California  
XXXXXX

SAN SIMEON COMMUNITY SERVICES DISTRICT  
STATEMENT OF NET POSITION-PROPRIETARY FUND

June 30, 2015

with Comparative Totals for June 30, 2014

ASSETS	2015	2014
<b>Current Assets:</b>		
Petty cash	\$ 150	\$ 150
Cash and investments	860,691	785,526
Restricted cash and investments	100	20,266
Cash in escrow		72,264
Accounts receivable	70,355	85,822
Prepaid expenses	156	7,123
<b>Total current assets</b>	<b>931,452</b>	<b>971,151</b>
<b>Capital Assets:</b>		
<b>Non-depreciable:</b>		
Construction in progress	31,254	11,511
<b>Depreciable:</b>		
Sewer plant	2,056,619	2,030,781
Water plant	1,140,431	1,118,700
Building	395,874	395,874
Equipment	316,748	316,748
Less: Accumulated depreciation	(2,036,639)	(1,956,839)
<b>Net capital assets</b>	<b>1,904,287</b>	<b>1,916,775</b>
<b>Total assets</b>	<b>2,835,739</b>	<b>2,887,926</b>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable	337	17,350
Customer deposits	55,608	53,828
<b>Long-Term Liabilities</b>		
Current portion of long term payable	7,281	7,085
<b>Total current liabilities</b>	<b>63,226</b>	<b>78,263</b>
<b>Long-Term Liabilities</b>		
Loan payable	476,653	483,934
<b>Total long-term liabilities</b>	<b>476,653</b>	<b>483,934</b>
<b>Total Liabilities</b>	<b>539,879</b>	<b>562,197</b>
<b>NET POSITION</b>		
Net investment in capital assets	1,420,353	1,498,020
<b>Restricted for:</b>		
Capital projects	100	20,266
Debt service		2,069
Depreciation reserve		5,000
Unrestricted	875,407	800,374
<b>Total net position</b>	<b>\$ 2,295,860</b>	<b>\$ 2,325,729</b>

See accompanying notes to basic financial statements.

SAN SIMEON COMMUNITY SERVICES DISTRICT  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -PROPRIETARY FUND  
 For the Fiscal Year Ended June 30, 2015  
 With Comparative Totals for the Fiscal Year Ended June 30, 2014

	2015	2014
<b>Operating Revenues:</b>		
Utility sales	\$ 752,516	\$ 633,309
Service charges	13,016	64,519
State of CA-Dept of Parks and Recreation	23,495	97,529
<b>Total operating revenues</b>	<b>789,027</b>	<b>795,357</b>
<b>Operating Expenses:</b>		
Contract labor	620,709	503,866
Depreciation	79,800	86,859
Legal and professional	98,081	90,818
Repairs and maintenance	22,168	10,604
Utilities and telephone	14,400	2,409
Bookkeeping	13,865	16,434
Licenses and permits	6,967	20,877
Insurance	5,500	6,350
Directors' fees	8,262	5,800
Health insurance	3,570	9,763
Website	2,693	3,025
Dues and subscriptions	1,421	1,968
Office expenses	250	306
Election expense	20	349
Bank fees	13,605	1,364
Interest expense	100	56
Other expense		
<b>Total operating expenses</b>	<b>891,411</b>	<b>760,848</b>
<b>Net operating gain (loss)</b>	<b>(102,384)</b>	<b>34,509</b>
<b>Non-Operating Revenues (Expenses):</b>		
Property taxes	74,721	69,764
Interest income	1,687	1,633
Tax administration fee	(1,414)	(1,606)
LAFCO budget allocation	(2,479)	518
Miscellaneous income		
<b>Total non-operating revenues (expenses)</b>	<b>72,515</b>	<b>70,309</b>
<b>Changes in net position</b>	<b>(29,869)</b>	<b>104,818</b>
<b>Net position - beginning of fiscal year</b>	<b>2,325,729</b>	<b>2,220,911</b>
<b>Net position - end of fiscal year</b>	<b>\$ 2,295,860</b>	<b>\$ 2,325,729</b>

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**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND**

For the Fiscal Year Ended June 30, 2015

With Comparative Totals for the Fiscal Year Ended June 30, 2014

	<u>2015</u>	<u>2014</u>
<b>Cash Flows From Operating Activities:</b>		
Receipts from customers and users	\$ 806,274	\$ 794,876
Payments to suppliers	(807,895)	(670,662)
Payments to employees	(13,762)	(15,563)
Net cash provided (used) by operating activities	<u>(15,383)</u>	<u>108,651</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Purchase of capital assets	(67,312)	(408,198)
Proceeds from borrowing		500,000
Repayment of loan	(7,085)	(8,981)
Net cash provided (used) by capital and related financing activities	<u>(74,397)</u>	<u>82,821</u>
<b>Cash Flows from Noncapital Financing Activities:</b>		
Property taxes	74,721	69,764
Miscellaneous revenues		518
Tax administration fee	(1,414)	(1,606)
LAFCO budget allocation	(2,479)	
	<u>70,828</u>	<u>68,676</u>
<b>Cash Flows from Investing Activities:</b>		
Investment income	1,687	1,633
Net cash provided (used) by investing activities	<u>1,687</u>	<u>1,633</u>
Net increase (decrease) in cash and cash activities	(17,265)	261,781
Cash and cash equivalents, beginning of fiscal year	878,206	616,425
Cash and cash equivalents, end of fiscal year	<u>\$ 860,941</u>	<u>\$ 878,206</u>
<b>Reconciliation to Statement of Net Position</b>		
Petty cash	\$ 150	\$ 150
Cash and investments	860,691	785,526
Restricted cash and investments	100	20,266
Cash in escrow		72,264
	<u>\$ 860,941</u>	<u>\$ 878,206</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>		
Operating gain/(loss)	\$ (102,384)	\$ 34,509
Adjustments to reconcile operating income (loss) to net cash provided (used)		
by operating activities:		
Depreciation	79,800	86,859
<b>Change in Operating Assets and Liabilities:</b>		
(Increase) decrease in accounts receivable	15,467	(381)
(Increase) decrease in prepaid expenses	6,967	(616)
Increase (decrease) in accounts payable	(17,013)	13,380
Increase (decrease) in customer deposits	1,780	(100)
Increase (decrease) in contingency		(25,000)
Net cash provided (used) by operating activities	<u>\$ (15,383)</u>	<u>\$ 108,651</u>

See accompanying notes to basic financial statements.

SAN SIMEON COMMUNITY SERVICES DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2015

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**NOTE 1 – NATURE OF DISTRICT**

San Simeon Community Services District (the "District") is a political subdivision of the State of California and operates under a council form of government. The District administers the following community services as provided by its charter: water, sanitation, streets, lighting and general and administrative services.

The District is a Community Services District as defined under State Code Section: 61000. A Community Services District is a public agency (State Code Section: 12463.1) which is a State instrumentality (State Code Section: 23706). State instrumentalities are exempt from federal and state income taxes.

There are no component units included in this report which meet the criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39 and No. 61.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. Accounting Policies - The accounting policies of the District conform with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).
- B. Basis of Accounting - The District is organized as an Enterprise Fund and follows the accrual method of accounting, whereby revenues are recorded as earned, and expenses are recorded when incurred.
- C. Budget - Although a budget is adopted annually, it is used primarily as a guideline for the Board in regulating expenditures. There is no legal requirement to stay within the adopted budget in the payment or classification of expenditures.
- D. Cash and Cash Equivalents - Cash and cash equivalents consist of cash on hand and in banks and short-term, highly liquid investments with a maturity of three months or less, which include money market funds, cash management pools in County Treasury and the state Local Agency Investment Fund (LAIF). Cash held in the county and state pooled funds is carried at cost, which approximates fair value. Interest earned is deposited quarterly into the participant's fund. Any investment losses are proportionately shared by all funds in the pool. The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the County are either secured by federal depository insurance or are collateralized.
- E. Property, Plant and Equipment - Capital assets purchased by the District are recorded at cost. Contributed or donated capital assets are recorded at fair value when acquired.
- F. Depreciation - Capital assets purchased by the District are depreciated over their estimated useful lives (ranging from 5-50 years) under the straight-line method of depreciation.
- G. Receivables - The District did not experience any significant bad debt losses; accordingly, no provision has been made for doubtful accounts, and accounts receivable is shown at full value.
- H. Encumbrances - Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized by the District.
- I. Customer Deposits - Customer deposits are recorded as a liability of the District. The District requires an advance deposit of \$50 for new customers.
- J. Net Position - GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

SAN SIMEON COMMUNITY SERVICES DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- J. Net Position (Continued) - Net investment in capital assets consist of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position is the net position that has external constraints placed on them by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.
- K. Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the AICPA, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- L. Comparative Data/Total Only - Comparative total data for the prior fiscal year has been presented in certain accompanying financial statements in order to provide an understanding of the changes in the District's financial position, operations, and cash flows. Also, certain prior fiscal amounts have been reclassified to conform to the current fiscal year financial statements presentation.

NOTE 3 - CASH AND INVESTMENTS

Investments are carried at fair value. On June 30, 2015, the District had the following cash and temporary investments on hand:

Petty cash	\$	150
Cash in bank		860,273
Investments		518
Total cash and investments	\$	860,941

Restricted cash

Restricted cash consists of funds that are set aside for well refurbishment as well as appurtenant equipment and structure.

Investments Authorized by the District's Investment Policy

The table on the following page identifies the investment types that are authorized for the District by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.



SAN SIMEON COMMUNITY SERVICES DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2015

NOTE 3 – CASH AND INVESTMENTS (Continued)

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
Federal Agency Securities	N/A	None	None
Banker's Acceptances	180 days	40%	None
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase and Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	20%	None
Mutual Funds	N/A	20%	None
Money Market Mutual Funds	N/A	None	None
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Fund	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
State Registered Warrants, Notes or Bonds	N/A	None	None
Notes and Bonds for other Local California Agencies	5 years	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months Or Less</u>	<u>13-24 Months</u>	<u>25-60 Months</u>	<u>More than 60 Months</u>
LAIF	\$ 518	\$ 518	\$ -	\$ -	\$ -
Total	\$ 518	\$ 518	\$ -	\$ -	\$ -

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. Presented on the next page, is the minimum rating required by (where applicable) the California Government Code and the actual rating as of fiscal year end for each investment type.

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Fiscal Year End</u>		
				<u>AAA</u>	<u>Aa</u>	<u>Not Rated</u>
LAIF	\$ 518	N/A	\$ -	\$ -	\$ -	\$ 518
Total	\$ 518		\$ -	\$ -	\$ -	\$ 518

SAN SIMEON COMMUNITY SERVICES DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2015

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NOTE 3 – CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of total District's investments.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

None of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying basic financial statements at the amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

SAN SIMEON COMMUNITY SERVICES DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2015

NOTE 4 - SCHEDULE OF CAPITAL ASSETS

A schedule of changes in capital assets and depreciation for the fiscal years ended June 30, 2015, and June 30, 2014, are shown below:

	Balance July 1, 2014	Additions	Deletions	Transfers	Balance June 30, 2015
<b>Non-depreciable capital assets:</b>					
Construction in progress	\$ 11,511	\$ 19,743	\$ -	\$ -	\$ 31,254
Total non-depreciable capital assets	\$ 11,511	\$ 19,743	\$ -	\$ -	\$ 31,254
<b>Depreciable capital assets:</b>					
Sewer plant	\$ 2,030,781	\$ 25,838	\$ -	\$ -	\$ 2,056,619
Water plant	1,118,700	21,731			1,140,431
Building	395,874				395,874
Equipment	316,748				316,748
	3,862,103	47,569			3,909,672
Accumulated depreciation	1,956,839	79,800			2,036,639
Total depreciable capital assets	\$ 1,905,264	\$ (32,231)	\$ -	\$ -	\$ 1,873,033
Net capital assets	\$ 1,916,775	\$ (12,488)	\$ -	\$ -	\$ 1,904,287
<b>DRAFT</b>					
	Balance July 1, 2013	Additions	Deletions	Transfers	Balance June 30, 2014
<b>Non-depreciable capital assets:</b>					
Construction in progress	\$ 26,555	\$ 408,198	\$ -	\$ (423,242)	\$ 11,511
Total non-depreciable capital assets	\$ 26,555	\$ 408,198	\$ -	\$ (423,242)	\$ 11,511
<b>Depreciable capital assets:</b>					
Sewer plant	\$ 2,030,781	\$ -	\$ -	\$ -	\$ 2,030,781
Water plant	695,458			423,242	1,118,700
Building	395,874				395,874
Equipment	316,748				316,748
	3,438,861				3,862,103
Accumulated depreciation	1,869,980	86,859		423,242	1,956,839
Total depreciable capital assets	\$ 1,568,881	\$ (86,859)	\$ -	\$ 423,242	\$ 1,905,264
Net capital assets	\$ 1,595,436	\$ 321,339	\$ -	\$ -	\$ 1,916,775

Depreciation expense for the fiscal years ended June 30, 2015 and 2014 was \$79,800 and \$86,859, respectively. Additions to construction in progress for the year ended June 30, 2015 consisted mainly of expenses related to the RO unit.

NOTE 5 - CUSTOMER DEPOSITS

The liability for customer deposits consists of the following as of June 30, 2015 and 2014:

	2015	2014
Hook-Up deposits	\$ 45,750	\$ 43,520
Customer meter deposits	9,858	10,308
	\$ 55,608	\$ 53,828

SAN SIMEON COMMUNITY SERVICES DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2015

**NOTE 5 – CUSTOMER DEPOSITS (Continued)**

The hook-up deposits are from customers on a waiting list to connect into the system. Each deposit represents total hook-up fees owed by the customer based on the fee schedule in place at the time of the payment. Additional fees may be required from the customer, based on the current fee schedule, when the utility connection is completed.

Customer meter deposits consist of a \$50 refundable deposit required for each metered customer before any service can be provided by the District.

**NOTE 6 – LOANS PAYABLE**

On July 11, 2011, the District applied for a \$500,000 loan from the United States Department of Agriculture. The loan was approved, and the District began to draw on the loan during the 13/14 fiscal year. As of June 30, 2015, the remaining \$72,264 was drawn out, and the District is required to make semi-yearly payments of \$10,345. Future minimum payments are as follows:

Fiscal year Ended June 30,	Principal	Interest	Total
2016	\$ 7,281	\$ 13,409	\$ 20,690
2017	7,483	13,207	20,690
2018	7,690	13,000	20,690
2019	7,902	12,788	20,690
2020	8,121	12,569	20,690
2021-2025	44,108	59,342	103,450
2026-2030	50,564	52,886	103,450
2031-2035	57,959	45,491	103,450
2036-2040	66,441	37,009	103,450
2041-2045	76,164	27,286	103,450
2046-2050	87,308	16,142	103,450
2051-2053	62,913	9,314	72,227
Total	<u>\$ 483,934</u>	<u>\$ 312,443</u>	<u>\$ 796,377</u>

**NOTE 7 – LONG TERM DEBT – SCHEDULE OF CHANGES**

A schedule of changes in long-term debt for the fiscal year ended June 30, 2015, is shown below:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015	Due within one year
Loans payable	\$ 491,019	\$ -	\$ 7,085	\$ 483,934	\$ 7,281
Totals	<u>\$ 491,019</u>	<u>\$ -</u>	<u>\$ 7,085</u>	<u>\$ 483,934</u>	<u>\$ 7,281</u>

**NOTE 8 – JOINT POWERS AUTHORITY**

The District is a member of the Special District Risk Management Authority (S.D.R.M.A.), an intergovernmental risk sharing joint powers authority, created pursuant to California Government Code Sections 6500 et. Seq. In becoming a member of the S.D.R.M.A., the District elected to participate in the risk financing program(s) listed below for the program period July 1, 2014 through June 30, 2015.

SAN SIMEON COMMUNITY SERVICES DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2015

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**NOTE 8 – JOINT POWERS AUTHORITY (Continued)**

General and Auto Liability, Public Officials' and Employees' Errors, and Employment Practices Liability and Employee Benefits Liability: Special District Risk Management Authority, coverage number LCA SDRMA 201112. This covers \$2,500,000 per occurrence, subject to policy deductibles.

Employee Dishonesty Coverage: Special District Risk Management Authority, coverage number EDC SDRMA 201112. This policy includes a \$400,000 Public Employee Dishonesty Blanket Coverage.

Property Loss: Special District Risk Management Authority, coverage number PPC SDRMA 201112. This policy covers the replacement cost for property on file, \$1,000,000,000 per occurrence, subject to policy deductibles.

Boiler and Machinery: Special District Risk Management Authority, coverage number BMC SDRMA 201112. This covers \$100,000,000 per occurrence, subject to policy deductibles.

The District also participated in the elective comprehensive/collision coverage on selected vehicles, subject to policy deductibles.

Personal Liability Coverage for Board Members: This policy covers \$500,000 per occurrence, coverage number LCA SDRMA 201112, annual segregate per each selected/appointed official, subject to policy deductibles.

Members are subject to dividends and/or assessments, in accordance with Second Amended Joint Powers Agreement and amendments thereto, on file with the District. No such dividends have been declared, nor have any assessments been levied.

**NOTE 9 – RELATED PARTY TRANSACTION**

The District had an agreement with Ultura Water, previously named APTwater, to oversee the daily operations of the District. San Simeon Community Services District paid \$28,753 during the 14/15 fiscal year to Ultura Water for these services. The District entered into a new contract with Grace Environmental Services in August of 2014 and paid \$525,382 for their services during the 14/15 fiscal year.

SUPPLEMENTARY INFORMATION  
DRAFT

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**SCHEDULE OF REVENUES AND EXPENSES BY FUNCTION**  
For the Fiscal Year Ended June 30, 2015

	<u>Sanitation Fund</u>	<u>Water Fund</u>	<u>General</u>	<u>Total</u>
<b>Operating Revenues:</b>				
Utility sales	\$ 379,155	\$ 311,700	\$ 61,661	\$ 752,516
Service charges		1,495	11,521	13,016
State of CA-Dept of Parks and Recreation	23,495			23,495
<b>Total operating revenues</b>	<u>402,650</u>	<u>313,195</u>	<u>73,182</u>	<u>789,027</u>
<b>Operating Expenses:</b>				
Contract labor	386,631	201,481	32,597	620,709
Depreciation	34,676	30,340	14,784	79,800
Legal and professional	33,167	49,185	15,729	98,081
Repairs and maintenance		22,168		22,168
Bookkeeping	5,000	4,820	4,580	14,400
Office expenses	79	75	1,267	1,421
Health insurance			8,262	8,262
Licenses and permits	9,496	4,287	82	13,865
Directors' fees	2,260	2,710	530	5,500
Insurance	4,180	2,090	697	6,967
Website			3,570	3,570
Election expense			250	250
Bank fees			20	20
Other expense			100	100
Interest expense			13,605	13,605
Dues and subscriptions	353	351	1,989	2,693
<b>Total operating expenses</b>	<u>475,842</u>	<u>317,507</u>	<u>98,062</u>	<u>891,411</u>
<b>Net operating gain (loss)</b>	<u>(73,192)</u>	<u>(4,312)</u>	<u>(24,880)</u>	<u>(102,384)</u>
<b>Non-Operating Revenues (Expenses):</b>				
Property taxes			74,721	74,721
Interest income			1,687	1,687
Tax administration fee			(1,414)	(1,414)
LAFCO budget allocatoin			(2,479)	(2,479)
<b>Total non-operating revenues (expenses)</b>			<u>72,515</u>	<u>72,515</u>
<b>Change in net position</b>	<u>\$ (73,192)</u>	<u>\$ (4,312)</u>	<u>\$ 47,635</u>	<u>\$ (29,869)</u>

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**SCHEDULE OF REVENUES AND EXPENSES BY FUNCTION**  
For the Fiscal Year Ended June 30, 2014

	Sanitation Fund	Water Fund	General	Total
<b>Operating Revenues:</b>				
Utility sales	\$ 341,180	\$ 292,129	\$ -	\$ 633,309
Service charges		53,716	10,803	64,519
State of CA-Dept of Parks and Recreation	97,529			97,529
<b>Total operating revenues</b>	<b>438,709</b>	<b>345,845</b>	<b>10,803</b>	<b>795,357</b>
<b>Operating Expenses:</b>				
Contract labor	307,832	171,653	24,381	503,866
Repairs and maintenance		10,604		10,604
Depreciation	41,693	26,926	18,240	86,859
Legal and professional	37,724	35,500	17,594	90,818
Utilities and telephone	2,409			2,409
Bookkeeping	6,769	5,194	4,471	16,434
Office expenses			306	306
Health insurance			9,763	9,763
Licenses and permits	16,116	4,761		20,877
Directors' fees	2,655	2,655	490	5,800
Insurance	3,810	751	1,789	6,350
Website			3,025	3,025
Bank fees			349	349
Other expense		5	51	56
Interest expense			1,364	1,364
Dues and subscriptions	303	302	1,363	1,968
<b>Total operating expenses</b>	<b>419,311</b>	<b>258,351</b>	<b>83,186</b>	<b>760,848</b>
<b>Net operating gain (loss)</b>	<b>19,398</b>	<b>87,494</b>	<b>(72,383)</b>	<b>34,509</b>
<b>Non-Operating Revenues (Expenses):</b>				
Property taxes			69,764	69,764
Interest income			1,633	1,633
Tax administration fee			(1,606)	(1,606)
Miscellaneous income			518	518
<b>Total non-operating revenues (expenses)</b>			<b>70,309</b>	<b>70,309</b>
<b>Change in net position</b>	<b>\$ 19,398</b>	<b>\$ 87,494</b>	<b>\$ (2,074)</b>	<b>\$ 104,818</b>





# Phoenix Civil Engineering, Inc.

4532 Telephone Road, Ste. 113 Ventura, Ca 93003 805.658.6800  
info@phoenixcivil.com www.phoenixcivil.com

Mr. Charles Grace  
San Simeon Community Services District  
111 Pico Ave.  
San Simeon, CA 93452

October 7, 2015  
Revised November 19, 2015

## **San Simeon Community Services District – Potable Water Wellhead Treatment Design Project- Proposal for Additional Construction Services**

Dear Mr. Grace-

I am pleased to provide you with this additional scope of work proposal for design services during construction for the Potable Water Wellhead Treatment Project. Our previous proposal for construction phase services did not account for the increased scope of the work that will take place once the reverse osmosis manufacturer (Wigen) provided official submittal drawings and additional equipment requiring coordination. There was an increase in the SCADA equipment needs, PG&E determined that they would not provide an underground service, but an overhead service which modified the equipment and the building was made a definitive part of the project. Additional work effort will be needed under Tasks 302 and 304 of the previous proposal. In addition, Task 304 shall be revised to include construction observation services once a week for a duration of five weeks. Based on my discussions with you, I have included the following in my proposal:

### **Phase 3 - Construction Services**

Task 302: Shop Drawing Review Coordination  
Task 304: Project Coordination Meetings and Construction Observation

I appreciate the opportunity to submit this updated proposal to assist you with this project. The revised fee for the project will be as follows:

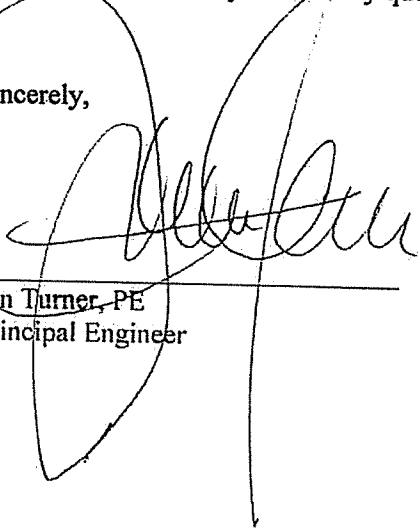
Original Task 302 Shop Drawing Review Coordination	\$1,740
Additional Task 302 Shop Drawing Review Coordination	\$1,740
Total Revised Task 302	\$3,480
Original Task 304 Project Coordination Meetings	\$3,820
Additional Task 304 Project Coordination Meetings and Construction Observation	\$5,980
Total Revised Task 304	\$9,800
Total Revised Project Cost	\$31,734

Mr. Charles Grace

October 7, 2015  
Revised November 19, 2015

Please let me know if you have any questions or would like to discuss my proposal.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read 'Jon Turner', is written over a horizontal line. The signature is highly cursive and loops around the line.

Jon Turner, PE  
Principal Engineer

ACCEPTED BY:

---

Charles Grace  
General Manager



# IRJ ENGINEERS INC.

MECHANICAL & ELECTRICAL ENGINEERS

2497 E. HARBOR BOULEVARD, SUITE 1 VENTURA, CALIFORNIA 93001-3933  
TELE (805) 642-2355 FAX (805) 658-0623

OFFICERS

JACK V. IVERS, P.E.

STEVEN ROMOFSKY, P.E.

JILL E. JOHNSON, P.E.

November 19, 2015

Mr. Charles Grace, General Manager  
San Simeon CSD  
111 Pico Avenue  
San Simeon, CA 93452

Re: San Simeon Community Services District  
Potable Water Well Head Treatment Project  
Added Service No. 3

Dear Mr. Grace:

Our present scope of work includes the electrical design for two power connections, one for the VFD control panel on the RO skid and one for the CIP skid control panel. Our scope does not include connections between each of these skids and between these skids and other equipment identified during the RO system submittal process. These connections are shown on the electrical diagrams provided with the most recent RO submittal. In addition, subsequent to the completion of the construction documents, modifications have been made to the layout of this equipment and the associated building structure under Change Order No. 1. We propose to render professional Electrical Consulting Engineering Services for this work as Added Service No. 3 under our Agreement with you dated April 9, 2015.

This proposal remains open for acceptance until December 19, 2015.

Added Service No. 3 will consist of performing the tasks below:

- I. We will design the conduit and conductors for the following items:
  - A. Control circuit from the RO main control panel (MCP) to the sodium hypochlorite pumps.
  - B. Power circuit from MCP to the CIP tank heater.
  - C. Power circuits from MCP to anti-scalant pumps #1 and #2.
  - D. Branch circuit power for the air compressor.
  - E. Branch circuit power to the control panel provided by PES.
- II. We will design conduit only for the following items:
  - A. Control conductors from the MCP to the acid pump.
  - B. Control conductors from the MCP to the caustic pump.
  - C. Control conductors from the CIP control panel (CIPCP) to the tank heater.
  - D. Ethernet connection between the MCP and the control panel provided by PES.
- III. We will include modifications to the electrical design information previously included in the construction documents as follows:
  - A. Revise the electrical connections to reflect the current locations of equipment and revised building features identified in Change Order No. 1.
  - B. Revise the electrical background to incorporate the new location of the concentrate tank.
  - C. Incorporate the modification from underground to overhead electrical service.
- IV. At this time we are including two site visits during the construction. These site visits will be as requested by you or Phoenix Civil Engineering, Inc.

Mr. Charles Grace  
November 19, 2015  
Page 2



We will require information provided by others to complete this scope of work including the physical location of the PES panel, controls and heaters for the CIP tank, air compressor and all acid, caustic, anti-scaling, and hypochlorite pumps. We will also require AutoCAD plans of the revised layouts.

We propose to perform our work for Added Service No. 3 on an hourly basis per the rate schedule in our Agreement with a not-to-exceed fee of \$5,300.00. This includes \$750.00 for each of the two site visits. Our revised overall not-to-exceed fee will be modified from \$8,550.00 to \$13,850.00. We will invoice you monthly. If the scope of work is modified from that stated herein, we reserve the right to renegotiate this proposal.

Services beyond this scope of work are Additional Services and will be charged on an hourly basis per the rate schedule in our Agreement. Invoices for Additional Services will include number of hours spent and employee classification. Any Additional Services will be agreed to in writing between the parties prior to the commencement of the additional work.

We would expect to start our services promptly after receipt of an executed copy of this letter. We expect to complete our revised drawings within three weeks after receiving the pump locations, CIP tank heater and controls information, and AutoCAD drawings showing the revised layout.

Thank you for the opportunity to submit this proposal.

Sincerely,

Jack V. Ivers, E12522  
President

Accepted this \_\_\_\_\_ day of  
\_\_\_\_\_, 2015  
San Simeon Community Services District

By: \_\_\_\_\_

Name: \_\_\_\_\_  
Printed or Typed

Title: \_\_\_\_\_  
Printed or Typed