

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



**BOARD PACKET**

**Wednesday, January 9, 2013  
Regular Meeting 6:00 pm**

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

**AGENDA**  
**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**BOARD OF DIRECTORS REGULAR MEETING**  
**Wednesday, January 9, 2013**  
**6:00 pm**

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

Note; All comments concerning any item on the agenda are to be directed to the Board Chairperson

**1. NO CLOSED SESSION**

**2. REGULAR SESSION: 6:00**

A. Roll Call

B. Pledge of Allegiance

**3. 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, or pending before the Board. Presentations are limited to three (3) minutes or otherwise at the discretion of the chair.

A. **Sheriff's Report** – Report for End of Year 2012

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

**4. STAFF REPORTS**

A. **General Manager's Report**

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

2. **Grants, Loans and Partnership Opportunities** – Update on USDA Loan.

3. **Small Scale Recycled Water Project** – Verbal update on Status of project.

**B. Superintendent's Report**

1. **Wastewater Treatment Plant** – Summary of operations and maintenance for December.
2. **Water Distribution Systems** – Distribution performance for the Month of December.
3. **District Streets Maintenance** – Summary of street maintenance for December.

**C. District Financial Summary** – Update on Monthly Financial Status for close of business December 31, 2012.

**D. District Counsel's Report** – Oral Report on current issues.

**5. ITEMS OF BUSINESS**

- A. **Approval of last month's minutes** - December 12, 2012.
- B. **Approval of Disbursements Journal** – January 9, 2013.

**6. DISCUSSION/ACTION ITEMS**

- A. **Vote on LAFCO Representative.**
- B. **Review/Approval of Draft 2011-2012 District Audit.**
- C. **Discussion of Cost Benefit Analysis Consultant for WRAC Grant - \$7,000.**
- D. **Discussion of Water Buffalo to distribute reclaimed water to San Simeon District Customers.**

**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**

**10. ADJOURNMENT**

**GENERAL MANAGER'S REPORT**  
**Charles Grace**  
**Staff Activities for December**



## **General Manager's Report**

**January 9, 2013**

### **1. Staff Activity – Report on Staff activities for the month of December, 2012.**

Along with billing and collections, Staff Worked with Phoenix Engineering on the USDA Bid Package. Staff is creating an inventory of all reports that have been created for the District and starting to reorganize the contents of the archive storage shed.

### **2. Grants, Loans and Partnership Opportunities – Update on USDA Loan.**

#### **USDA Loan/Well Rehab Project Update**

Currently Staff is coordinating with contractors interested in bidding on the Well Rehab Project. To date, 12 contractors have purchased the plans. The next step is the Pre-Bid Meeting on January 11<sup>th</sup>.

#### **WRAC/County Grant for Purple Pipe**

The Grant process has begun for the District's \$1.8 million Purple Pipe Project. Staff will have to provide support to the County's hired consultant GEI Consultants INC., with the State application. Besides the State application, a Cost Benefit Analysis of the District's project will need to be provided. The County is encouraging all of the selected County projects to have a uniform report since all projects are being submitted as a single package to the State. GEI has successfully submitted grants for the County for over 15 years. They have won the County \$17.7 million total in Grant money.

The County is funding GEI's guidance on the State application only. Each individual project is responsible for providing support to GEI or can pay GEI to complete the individual project portion of the Grant application. As for the Cost Benefit Analysis, each individual project is responsible for providing a Cost Benefit Analysis of their project. GEI has been asked by the County to do all the Cost Benefit Analysis for all the projects so that the State application is uniform. The County will pay GEI upfront and the projects can reimburse the County. It is estimated that each project's Cost Benefit Analysis will cost from \$7,000 to \$10,000, or less. It is undeterminable at this time the exact cost of what San Simeon's Cost Benefit Analysis will be.

Staff will assist GEI with the Cost Benefit Analysis so as to keep costs as close to \$7,000 as possible.

Under Discussion Action Item C of this board packet, Staff request that the Board allow Staff to enter into a reimbursement agreement with SLO Flood Control and Water Conservation District in an amount not to exceed \$10,000 for the services of GEI's construction of the Cost Benefit Analysis.

The selected projects have a meeting with GEI on January 23<sup>rd</sup>. At that time GEI will let each project know what is expected of them in order to start working on the State application. The State application for the whole package is due by March 29<sup>th</sup>, 2013.

**3. Small Scale Recycled Water Project** – Verbal update on Status of project.

**SUPERTINTENDENT'S REPORT**  
**Jerry Copeland**  
**Facilities Update for December**

# **SAN SIMEON COMMUNITY SERVICES DISTRICT**

## **Superintendent's Report**

### **Activities of December 2012**

#### **Wastewater Treatment Plant**

- The wastewater treatment plant performed well this month. Staff continued with the manufacturer's recommended preventive maintenance on the facility equipment.
- Staff performed all sampling, testing and reporting at the wastewater treatment plant as required by the RWQCB.
- One load of sludge was hauled away.

#### **Water Distribution System**

- All routine sampling and testing was performed.
- Monthly meter reading was performed.

#### **District and Equipment Maintenance**

- Staff continues with the scheduled preventive maintenance for all the equipment at the facilities. These activities are being recorded.
- Graffiti removal was performed on the benches and sidewalk on and around the Pico Avenue beach access.
- Pot holes were filled on Vista del Mar, Otter Way and Avonne Avenue.



**San Simeon Community Services District - Monthly Data Report - December 2012**

Date	Day	Wastewater Influent Daily flow	Wastewater Effluent Daily Flow	CALCULATED Well 1 Total Pumped	CALCULATED Well 2 Total Pumped	CALCULATED Total Daily Water Produced	Water Level Well 1	Water Level Well 2	Rainfall in Inches	INPUT State Sewer Daily Flow
12/01/12	Sat	80,370	86,500	23,637	0	23,637	12.1	12.2	0.50	6,307
12/02/12	Sun	77,200	90,150	47,049	0	47,049			0.50	7,592
12/03/12	Mon	53,372	63,670	0	56,698	56,698	9.6	9.7	0.60	6,906
12/04/12	Tue	48,890	55,100	29,247	0	29,247	10.5	10.6	0.00	5,223
12/05/12	Wed	51,466	60,960	37,325	0	37,325			0.00	5,681
12/06/12	Thu	48,207	53,700	0	58,344	58,344	11.1	11.2	0.00	6,317
12/07/12	Fri	57,673	66,660	18,775	0	18,775	11.3	11.4	0.00	5,453
12/08/12	Sat	57,166	58,780	51,911	0	51,911			0.00	7,456
12/09/12	Sun	57,875	54,440	0	63,879	63,879	11.4	11.5	0.00	7,243
12/10/12	Mon	49,687	54,990	62,682	0	62,682	11.4	11.5	0.00	6,915
12/11/12	Tue	48,673	58,960	0	0	0	11.6	11.7	0.00	5,241
12/12/12	Wed	51,780	58,140	0	61,261	61,261	11.4	11.5	0.00	4,933
12/13/12	Thu	50,602	54,030	62,383	0	62,383	11.1	11.2	0.30	5,864
12/14/12	Fri	50,030	51,800	0	9,126	9,126	11.5	11.6	0.00	5,926
12/15/12	Sat	56,193	51,160	0	55,427	55,427			0.00	5,455
12/16/12	Sun	60,321	55,560	66,796	0	66,796	11.5	11.6	0.00	8,467
12/17/12	Mon	63,406	74,040	0	46,301	46,301	11.3	11.3	0.20	7,755
12/18/12	Tue	62,768	57,790	0	11,669	11,669			0.30	6,437
12/19/12	Wed	72,899	56,160	65,600	0	65,600	10.8	10.9	0.00	4,542
12/20/12	Thu	65,644	63,670	0	62,907	62,907	11.0	11.1	0.00	9,787
12/21/12	Fri	84,334	69,850	61,261	0	61,261	11.2	11.3	0.00	7,748
12/22/12	Sat	112,929	119,190	0	58,793	58,793	11.0	11.1	1.10	10,607
12/23/12	Sun	137,563	138,230	65,899	0	65,899	10.0	10.1	0.30	15,632
12/24/12	Mon	106,863	125,380	0	58,120	58,120	8.4	8.5	0.90	19,056
12/25/12	Tue	103,898	94,300	18,176	0	18,176	9.7	9.8	0.00	17,248
12/26/12	Wed	119,006	118,100	56,474	1,047	57,521			0.80	10,299
12/27/12	Thu	124,905	114,570	9,574	75,997	85,571			0.00	19,957
12/28/12	Fri	143,705	128,370	79,662	33,735	113,397			0.00	20,424
12/29/12	Sat	144,885	136,660	34,632	50,939	85,571			0.40	34,288
12/30/12	Sun	123,507	124,670	55,876	65,749	121,625			0.10	31,447
12/31/12	Mon	116,323	113,890	11,295	13,389	24,684	11.1	11.2	0.00	26,997
<b>TOTALS</b>		<b>2,482,140</b>	<b>2,509,470</b>	<b>858,255</b>	<b>783,380</b>	<b>1,641,636</b>			<b>6.00</b>	<b>343,203</b>
Average		80,069	80,951	27,686	25,270	52,956	10.9	11.0	0.19	11,071
Minimum		48,207	51,160	0	0	0	8.4	8.5	0.00	4,542
Maximum		144,885	138,230	79,662	75,997	121,625	12.1	12.2	1.10	34,288



**DATA SUMMARY SHEET**

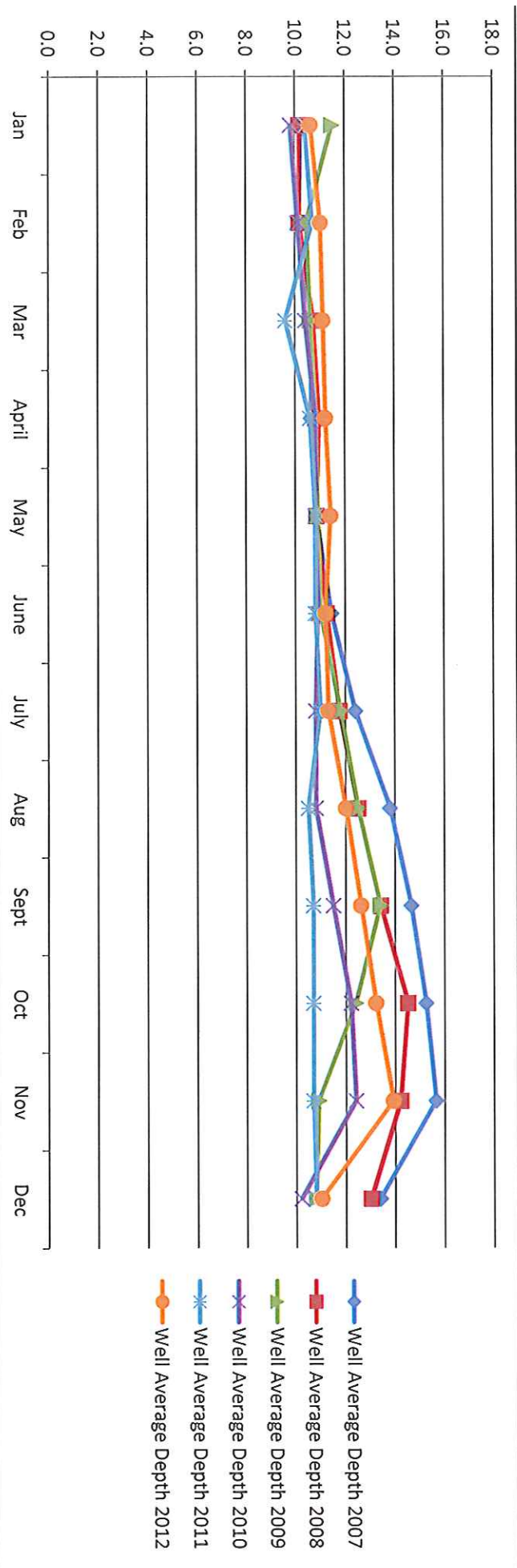
2012	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Total for 2012
Wastewater Final Effluent (Month Cycle)	2,282,400	2,013,230	2,330,785	2,716,990	2,525,450	2,715,470	3,502,920	3,227,160	2,616,130	2,535,700	2,175,190	2,509,470	31,150,905
Wastewater Influent	2,374,670	2,135,421	2,402,116	2,799,195	2,575,428	2,749,696	3,298,298	3,082,906	2,634,002	2,413,542	1,983,791	2,482,140	30,930,205
Adjusted Wastewater Influent (- State Flow) *	2,100,280	1,917,729	2,145,425	2,464,553	2,265,629	2,380,258	2,801,758	2,634,075	2,297,669	2,137,808	1,757,882	2,138,937	27,042,003
Water Produced (month cycle)	1,981,790	1,852,198	1,796,370	2,288,880	2,390,907	2,672,903	3,132,146	3,061,993	2,542,115	2,308,627	1,773,882	1,641,636	27,443,447
Sewer Influent/Water Produced Ratio	1.15	1.15	1.34	1.19	1.07	1.03	1.05	1.01	1.04	1.05	1.12	1.51	N/A
Adjusted Sewer/Water Ratio	1.06	1.04	1.19	1.08	0.95	0.89	0.90	0.86	0.90	0.93	0.99	1.30	N/A
Total Well Production	1,981,790	1,852,197	1,796,370	2,288,880	2,390,907	2,672,903	3,132,146	3,061,993	2,542,115	2,308,627	1,773,882	1,641,636	27,443,447
Well 1 Water Pumped	1,811,620	753,161	1,202,260	920,938	1,572,371	1,793,255	2,823,774	2,469,672	1,302,044	1,243,101	908,970	858,255	17,659,421
Well 2 Water Pumped	170,170	1,099,036	594,110	1,367,942	818,536	879,648	308,372	592,321	1,240,072	1,065,526	864,912	783,380	9,784,026
Water Well 1 Avg Depth to Water	10.6	10.9	11.0	11.1	11.3	11.2	11.2	11.9	12.5	13.1	13.8	10.9	N/A
Water Well 2 Avg Depth to Water	10.7	11.0	11.1	11.2	11.4	11.2	11.3	12.0	12.6	13.2	13.9	11.0	N/A
Average Depth of Both Wells	10.7	11.0	11.1	11.2	11.4	11.2	11.3	12.0	12.6	13.2	13.9	11.0	N/A
Change in Average Well Depth from 2011	-0.2	-0.3	-1.5	-0.6	-0.6	-0.4	-0.3	-1.5	-1.9	-2.5	-3.2	-0.2	N/A
State Wastewater Treated	274,390	217,692	256,691	333,642	309,799	369,438	496,540	448,831	336,333	275,734	225,909	343,203	3,888,202
State % of Total WW Flow	12%	10%	11%	12%	12%	13%	15%	15%	13%	11%	12%	14%	N/A
Biosolids Removal (Gallons)	6,000	0	6,000	6,000	6,000	6,000	6,000	6,000	6,000	0	6,000	6,000	60,000
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	None
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

2011	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Total for 2011
Wastewater Influent	2,751,319	2,612,956	3,533,336	2,489,112	2,448,333	2,789,621	3,220,512	3,224,824	2,760,550	2,635,506	2,383,662	2,337,981	33,187,712
Adjusted Wastewater Influent (- State Flow) *	2,391,644	2,225,772	3,067,170	2,182,733	2,136,474	2,444,591	2,748,834	2,768,508	2,441,709	2,365,703	2,154,301	2,089,096	29,016,535
Water Produced (month cycle)	1,767,449	1,521,806	1,554,527	2,091,782	2,300,004	2,542,228	3,134,419	3,130,978	2,710,594	2,335,032	1,796,995	1,465,182	26,350,996
Sewer Influent/Water Produced Ratio	1.56	1.60	2.27	1.19	1.07	1.10	1.03	1.03	1.02	1.13	1.30	1.60	N/A
Adjusted Sewer/Water Ratio	1.35	1.70	1.97	1.14	0.93	0.96	0.88	0.88	0.90	1.01	1.20	1.43	N/A
Average Depth of Both Wells	10.5	10.7	9.6	10.6	10.8	10.8	11.0	10.5	10.7	10.7	10.7	10.8	N/A
Change in Average Well Depth from 2010	-0.7	-0.6	+0.8	+0.2	0.0	+0.1	-0.3	+0.3	+0.8	+1.5	+1.7	-0.6	N/A
State Wastewater Treated	359,675	284,781	466,166	306,379	311,859	345,030	471,678	456,316	318,841	269,803	228,361	248,885	4,067,774
State % of Total WW Flow	13%	13%	13%	12%	13%	12%	15%	14%	12%	10%	10%	11%	N/A
Biosolids Removal (Gallons)	6,000	6,000	6,000	6,000	6,000	6,000	0	12,000	6,000	6,000	6,000	0	66,000
WW Permit Limitation Exceeded	1	None	None	None	None	None	None	None	None	None	None	None	1
Constituent Exceeded	Coliform	0	0	0	0	0	0	0	0	0	0	0	N/A
Sample Limit	2400	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	3000	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 2007	10.3	10.2	10.7	10.7	10.9	11.5	12.4	13.8	14.7	15.3	15.7	13.4
Well Average Depth 2008	10.2	10.2	10.7	11.0	10.9	11.3	11.8	12.5	13.4	14.5	14.2	13.0
Well Average Depth 2009	11.5	10.5	10.6	10.8	10.9	11.0	11.8	12.5	13.4	12.4	10.9	10.8
Well Average Depth 2010	9.8	10.1	10.4	10.8	10.8	10.9	10.8	10.8	10.8	11.5	12.4	10.2
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



**DISTRICT FINANCIALS**  
**Renee Lundy**

**December 31, 2012**

**\* Financial Summary**

**\* Balance Sheet**

**\* Water Sales & Production**

**SAN SIMEON COMMUNITY SERVICES DISTRICT**

**FINANCIAL SUMMARY**

**BILLING**

**December 31, 2012**

<b>November Billing Revenue</b>	<b>\$ 45,337.21</b>
<b>December Billing Revenue</b>	<b>\$ 33,388.70</b>
Past Due (31 to 60 days)	\$ 126.25
Past Due (60 days)	\$ 415.98

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**RABOBANK SUMMARY**  
**Ending Balances December 31, 2012**

**Money Marketing Account**

<b>Closing Balance</b>	<b>\$ 409,423.84</b>
Reserve Fund	(\$250,000.00)
Hook up Deposits	(\$ 43,470.00)
<b>Available Funds</b>	<b>\$ 115,953.84</b>

<b>General Checking Account</b>	<b>\$ 191,282.32</b>
<b>Well Rehab Project/USDA Checking Account</b>	<b>\$ 100.00</b>

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**LAIF Closing Balance December 31, 2012** **\$ 516.20**

**Accounts Payable (As of November 30, 2012)** **\$ 14,029.46**

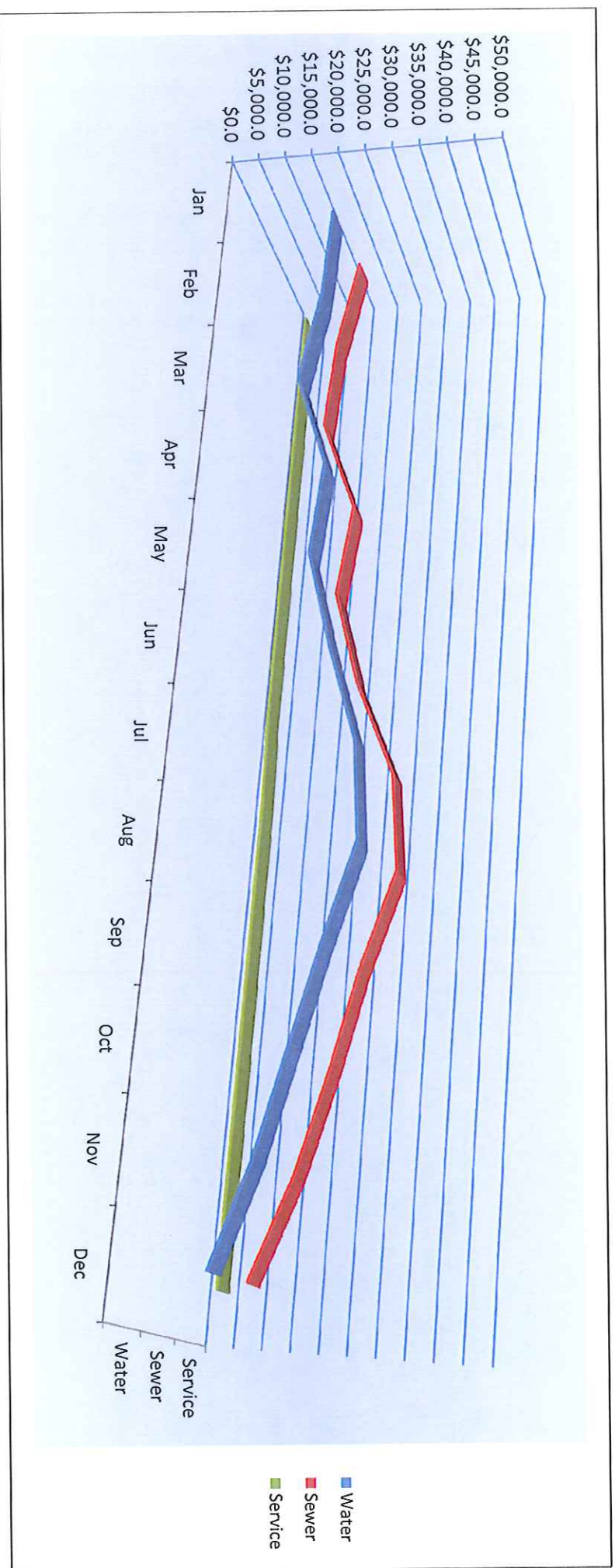
**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**Balance Sheet**  
As of December 31, 2012

	Dec 31, 12
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1010 · Petty cash	150.00
1020 · General checking	191,282.32
1022 · USDA checking	100.00
1040 · Cash in county treasury	557.67
1050 · LAIF - non-restricted cash	516.20
1060 · Money Market Account 9548643039	409,423.84
<b>Total Checking/Savings</b>	602,030.03
<b>Other Current Assets</b>	
1200 · Accounts receivable	29,439.07
1300 · Prepaid expenses	3,096.88
<b>Total Other Current Assets</b>	32,535.95
<b>Total Current Assets</b>	634,565.98
<b>Fixed Assets</b>	
1400 · Fixed assets	
1420 · Building and structures	395,874.73
1500 · Equipment	316,747.53
1540 · Major water projects	151,842.22
1580 · Sewer plant	1,488,555.08
1600 · Water system	550,390.00
1620 · WWTP expansion	299,565.92
1630 · Tertiary Project	244,791.09
1640 · Wellhead project	7,742.55
<b>Total 1400 · Fixed assets</b>	3,455,509.12
1690 · Accumulated depreciation	(1,824,705.47)
<b>Total Fixed Assets</b>	1,630,803.65
<b>TOTAL ASSETS</b>	2,265,369.63
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2000 · Accounts payable	14,029.46
<b>Total Accounts Payable</b>	14,029.46
<b>Other Current Liabilities</b>	
2100 · Payroll liabilities	199.50
2500 · Customer security deposits	10,408.13
2510 · Connect hookup wait list	43,470.00
<b>Total Other Current Liabilities</b>	54,077.63
<b>Total Current Liabilities</b>	68,107.09
<b>Total Liabilities</b>	68,107.09
<b>Equity</b>	
3200 · Fund balance	2,176,228.39
Net Income	21,034.15
<b>Total Equity</b>	2,197,262.54
<b>TOTAL LIABILITIES &amp; EQUITY</b>	2,265,369.63



**2012 WATER SALES AND PRODUCTION**

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
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	285397	264824	329516	361479	380540	324880	279621	232827	165658	3300634
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





## Historical Production and Sales

2012													
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
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	285397	264824	329516	361479	380540	324880	279621	232827	165658	3300634
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

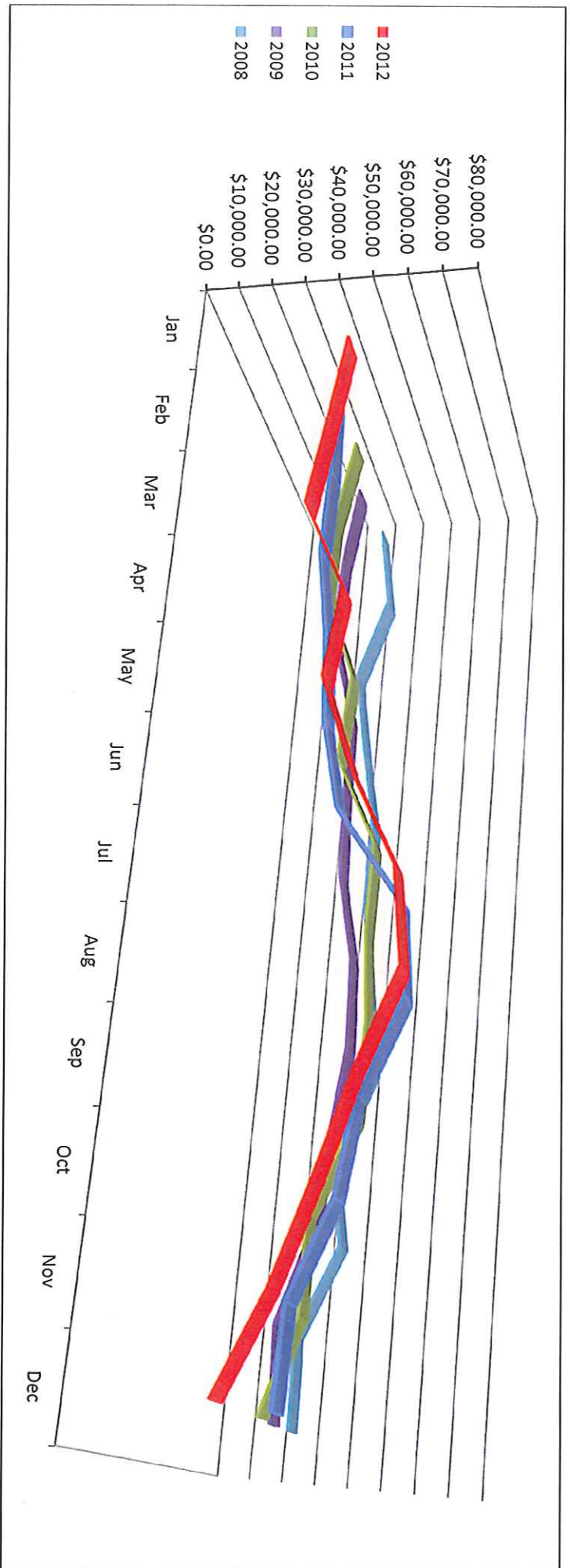
2011													
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year End Total
Water	\$14,079.9	\$14,436.8	\$14,580.3	\$15,978.4	\$17,181.9	\$20,045.1	\$29,080.9	\$30,541.4	\$24,905.3	\$23,664.7	\$18,603.5	\$18,224.2	\$241,322.4
Sewer	\$14,010.9	\$14,599.5	\$13,759.0	\$16,248.7	\$17,077.0	\$20,232.7	\$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 for the Month</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>\$538,550.8</b>
Water Sold Cu Ft	216577	220129	214084	243460	269171	304596	394069	413435	337511	319681	252605	247832	3433150
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

2010													
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year End Total
Water	\$14,655.9	\$12,301.9	\$12,308.1	\$17,354.2	\$16,361.6	\$23,235.2	\$23,422.1	\$24,495.2	\$24,323.5	\$18,281.7	\$17,712.1	\$13,309.5	\$217,760.9
Sewer	\$14,474.7	\$12,023.6	\$11,960.2	\$17,100.5	\$15,949.3	\$22,296.5	\$21,589.4	\$22,706.9	\$22,330.6	\$16,837.1	\$17,839.7	\$13,259.2	\$208,367.6
Service	\$3,498.7	\$3,498.7	\$3,481.9	\$3,498.7	\$3,498.7	\$3,481.9	\$3,835.7	\$3,820.5	\$3,802.2	\$3,802.2	\$3,802.2	\$3,857.1	\$43,878.5
<b>Total for the Month</b>	<b>\$32,629.3</b>	<b>\$27,824.2</b>	<b>\$27,750.2</b>	<b>\$37,953.3</b>	<b>\$35,809.5</b>	<b>\$49,013.6</b>	<b>\$48,847.2</b>	<b>\$51,022.6</b>	<b>\$50,456.4</b>	<b>\$38,921.0</b>	<b>\$39,354.1</b>	<b>\$30,425.7</b>	<b>\$470,007.0</b>
Water Sold Cu Ft	245098	206476	206159	292035	272744	384783	370034	403035	381961	302816	275704	203414	3544259
Water Sold in acre	5.63	4.74	4.73	6.70	6.26	8.83	8.49	9.25	8.77	6.95	6.33	4.67	81.37

2009													
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year End Total
Water	\$12,916.2	\$11,164.3	\$10,891.2	\$14,675.1	\$15,113.9	\$15,566.2	\$18,173.0	\$18,627.8	\$16,595.1	\$15,204.0	\$11,089.7	\$11,820.6	\$171,836.0
Sewer	\$12,090.7	\$10,358.4	\$10,180.4	\$13,537.1	\$13,664.3	\$14,237.7	\$17,131.8	\$17,715.1	\$16,373.1	\$15,130.5	\$10,808.6	\$11,430.7	\$162,658.4
Service	\$3,027.0	\$3,012.3	\$3,012.3	\$3,056.4	\$3,041.7	\$3,041.7	\$3,208.9	\$3,210.2	\$3,495.9	\$3,465.2	\$3,481.9	\$3,515.4	\$38,569.0
<b>Total for the Month</b>	<b>\$28,033.9</b>	<b>\$24,535.0</b>	<b>\$24,083.8</b>	<b>\$31,268.5</b>	<b>\$31,819.9</b>	<b>\$32,844.6</b>	<b>\$38,513.8</b>	<b>\$39,553.2</b>	<b>\$36,464.1</b>	<b>\$33,799.7</b>	<b>\$25,380.2</b>	<b>\$26,766.7</b>	<b>\$373,063.3</b>
Water Sold Cu Ft	246690	223112	207332	288896	289767	293166	338115	340942	280448	254487	185365	200865	3149185
Water Sold in acre	5.66	5.12	4.76	6.63	6.65	6.73	7.76	7.83	6.44	5.84	4.26	4.61	72.30



### Historical Sales Graph



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2012	\$42,023.50	\$38,355.70	\$34,247.20	\$47,307.20	\$44,088.10	\$54,034.90	\$67,867.90	\$71,386.80	\$61,614.70	\$53,726.50	\$45,123.60	\$33,344.70	\$593,120.70
2011	\$31,911	\$32,875	\$32,141	\$36,029	\$38,079	\$44,080	\$64,047	\$66,948	\$56,323	\$52,876	\$42,403	\$41,561	\$541,283
2010	\$32,629	\$27,824	\$27,750	\$37,953	\$35,809	\$49,013	\$48,847	\$51,022	\$50,456	\$38,921	\$39,354	\$30,425	\$472,013
2009	\$28,033	\$24,535	\$24,083	\$31,268	\$31,819	\$32,844	\$38,513	\$39,553	\$36,464	\$33,799	\$25,380	\$26,766	\$373,057
2008	\$30,045	\$34,083	\$25,818	\$30,237	\$35,358	\$34,901	\$38,025	\$41,762	\$31,425	\$35,985	\$24,627	\$25,216	\$539,272

## **ITEMS OF BUSINESS**

**\* Minutes – December 12, 2012**

**\* Disbursements Journal – January 9, 2013**

**MINUTES**  
**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**BOARD OF DIRECTORS REGULAR MEETING**  
**Wednesday, December 12, 2012**  
**6:00 pm**

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

**1. NO CLOSED SESSION**

**2. REGULAR SESSION: @6:02 PM**

**A. Roll Call:**

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

**Also Present:**

Charles Grace – General Manager  
Robert Schultz – District Counsel

**B. Pledge of Allegiance**

**3. PUBLIC COMMENT: None**

**A. Sheriff's Report – No Report**

**B. Oath of Directors – Swearing in of Directors McAdams, Fields, Price, Williams.**

**4. STAFF REPORTS**

**A. General Manager's Report**

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

Along with billing and collections, Staff Worked with Phoenix Engineering on the USDA Bid Package. APT Staff attended WRAC, IRWM and SLOCOG meetings for possible grant funding. Staff coordinated sidewalk repair on Otter Way and Avonne Avenue and completed major graffiti cleanup at the end of Pico.

## **2. Grants, Loans and Partnership Opportunities –**

### **a. USDA Loan:**

Phoenix Engineering prepared the construction bid package and coordinated with Staff to start the Bid process. The County returned the District's check for permit fees and said that no permitting was necessary because the District is the lead authority performing the work on District property.

### **b. SLOCOG, Welcome Sign Monument:**

The final permit and plans were submitted to the County Board of Supervisors and was approved. Construction will begin in August of 2013.

### **c. SLOCOG, Byways Beach Access:**

Currently SLOCOG is seeking extra funding to help the District fund the San Simeon Avenue beach access project. Projects cost to make the access ADA compliant brought total cost to \$134K. Staff will keep the District informed.

### **d. WRAC Grant**

Staff submitted for a 1.8 million dollar grant to purple pipe the entire District. Our project was chosen out of 19 projects in the County to be part of a County wide grant submittal "package". Funds are from a PROP 84 State Program. Staff will still have to submit additional reports to complete the State guidelines. WRAC intends to complete guidelines by a deadline of March 2013. Awarding is scheduled for August 2013. Attached are the other county projects that were chosen for the County's submittal package to the State.

## **3. Small Scale Recycled Water Project –**

Staff prepared Ordinance 113 and performed preliminary research on the purchase cost of a water trailer and training for Staff.

## **4. County Sand Bag Supplies**

The County has supplied the North Coast with sand for sand bags in Cambria. The sand is located at Shamell Park, Lampton Park and at the Rodeo Grounds. Residents must supply their own sand bags. Sand bags can be purchased at local hardware stores.



## B. Superintendent's Report - Activities of November 2012

### Wastewater Treatment Plant

- The wastewater treatment plant performed well this month. Staff continued with the manufacturer's recommended preventive maintenance on the facility equipment.
- Staff performed all sampling, testing and reporting at the wastewater treatment plant as required by the RWQCB.
- Quarterly maintenance was performed on the stand-by generators at the WWTP and the well site.
- The County Air Pollution Control District performed the annual inspection of the facilities and permit application process.

### Water Distribution System

- All routine sampling and testing was performed.
- Monthly meter reading was performed.

### District and Equipment Maintenance

- Staff continues with scheduled preventive maintenance for all equipment at the facilities. These activities are being recorded.
- One load of sludge went out.

## C. District Financial Summary – Update on Monthly Financial Status for close of business November 30, 2012.

	<b>BILLING</b>	
<b>October Billing Revenue</b>		<b>\$ 54,071.72</b>
<b>November Billing Revenue</b>		<b>\$ 45,337.21</b>
Past Due (31 to 60 days)		\$ 51.34
Past Due (60 days)		\$ 364.64

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**RABOBANK SUMMARY**  
**Ending Balances November 30, 2012**

**Money Marketing Account**

<b>Closing Balance</b>	<b>\$ 409,306.09</b>
Reserve Fund	(\$250,000.00)
Hook up Deposits	(\$ 43,470.00)
<b>Available Funds</b>	<b>\$ 115,836.09</b>

**General Checking Account** **\$ 170,693.83**

**Well Rehab Project/USDA Checking Account** **\$ 100.00**

**LAIF Closing Balance November 30, 2012** **\$ 516.20**

**Accounts Payable (As of November 30, 2012)** **\$ 9,484.71**

**D. District Counsel's Report – Oral Report on current issues.**

Besides general monthly duties, counsel assisted Staff with Ordinance 113.

**5. ITEMS OF BUSINESS**

**A. Approval of last month's minutes - November 14, 2012.**

Motion to approve minutes as is.

Motion by: Director Price

2<sup>nd</sup> by: Director Fields

All in: 5 /0

**B. Approval of Disbursements Journal – December 12, 2012.**

Motion to approve disbursements as is.

Motion by: Director Price

2<sup>nd</sup> by: Vice-Chair McAdams

All in: 5 /0



**6. DISCUSSION/ACTION ITEMS**

**A. Ordinance 113 establishing rate for reclaimed Water –**

Ordinance 113 was attached to the Board Packet for Board review. Ordinance 113 establishes a rate for the sale of reclaimed water. The reclaimed water rate is proposed to be set at 60% of the potable water rate. Therefore, the reclaimed water rate will track with the existing water rate structure and plan. The basis for the rate is prepared by using surrounding community rate comparisons and by evaluating reclaimed water system projected annual operating cost demonstrated on the attached supporting documents.

**Motion to approve Ordinance 113 as is.**

Motion by: Director Fields  
2<sup>nd</sup> by: Director Williams  
All in: 5 /0

Chairperson Ricci Y

Vice-Chairperson McAdams Y

Director Fields Y

Director Price Y

Director Williams Y

**B. Approval for purchase of Water Buffalo to distribute reclaimed water to San Simeon District Customers –**

In effort to promote and facilitate the use of reclaimed water a method of reclaimed water distribution is necessary. At this time the most feasible method of distribution is a water tank trailer. The trailer will be used to deliver loads of water to customers with tanks and to irrigate, on a limited basis, landscapes within San Simeon. Attached are a few examples of water trailers with the cost associated with purchasing. Staff is requesting a not to exceed amount of \$12,000 to purchase a new or used water trailer.

**Motion was made to NOT purchase Water Buffalo at this time.**

Motion by: Director Williams  
2<sup>nd</sup> by: Director Price  
All in: 5/0

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

**Water Committee Report:**

- The Water committee met on December 12<sup>th</sup> to discuss Ordinance 113, Well Rehab Project and the purchase of Water Buffalo.
- The Committee fully supports Ordinance 113.

- The Committee has a question for Staff to look into the Well Casing of the Well Rehab Project.
- The Committee let the Directors know that they did not support the purchase of the Water Buffalo.

**8. Board Reports – None**

**9. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS**

None

**10. ADJOURNMENT@6:51 PM**

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**Disbursements Journal**  
**January 1 - 4, 2013**

General checking				Type	Date	Num	Name	Memo	Amount	Balance
								<b>Balance forward</b>		<b>191,282.32</b>
	Paycheck	01/01/2013	6773	ALAN FIELDS	Board service	-92.35	191,189.97			
	Paycheck	01/01/2013	6774	DAN WILLIAMS	Board service	-92.35	191,097.62			
	Paycheck	01/01/2013	6775	DOLORES RICCI	Board service	-92.35	191,005.27			
	Paycheck	01/01/2013	6776	LEROY E PRICE	Board service	-92.35	190,912.92			
	Paycheck	01/01/2013	6777	RALPH N MCADAMS	Board service	-92.35	190,820.57			
	Bill Pmt	01/03/2013	6778	Margaret Beetham	Acct 67 9132 Balboa	-50.00	190,770.57			
	Bill Pmt	01/03/2013	6779	Salvador Augilar	Acct 306 9377 Jasper	-50.00	190,720.57			
	Bill Pmt	01/04/2013	6780	Robert Hahn	Acct 108, 533 Casa Del Mar	-50.00	190,670.57			
	Bill Pmt	01/04/2013	6781	CALPERS	insurance	-199.46	190,471.11			
	Bill Pmt	01/04/2013	6782	APTwater, Inc	Operations management	-38,360.45	152,110.66			
	Bill Pmt	01/04/2013	6783	County of San Luis Obispo	CommunityWater/ Ground Water	-944.00	151,166.66			
	Bill Pmt	01/04/2013	6784	DANIELLS, PHILLIPS, VAUGHAN & BOCK	Annual report assistance	-575.00	150,591.66			
	Bill Pmt	01/04/2013	6785	Department of Public Health	Recycled water review	-340.20	150,251.46			
	Bill Pmt	01/04/2013	6786	Glenn Burdette	Services	-1,200.00	149,051.46			
	Bill Pmt	01/04/2013	6787	Hearst Corporation	Emergency well standby fee	-10,000.00	139,051.46			
	Bill Pmt	01/04/2013	6788	Michael O'Neill	Monthly maintenance fee	-275.00	138,776.46			
	Bill Pmt	01/04/2013	6789	Phoenix Civil Engineering, Inc	Wellhead Project Engineering services	-145.00	138,631.46			
	Bill Pmt	01/04/2013	6790	ROBERT W SCHULTZ ESQ.	Services	-1,725.00	136,906.46			
	Bill Pmt	01/04/2013	6791	Air Pollution Control District	Permit renewal (Plant and Water)	-1,832.00	135,074.46			
	Bill Pmt	01/04/2013	6792	The Tribune	Ord 113 Notification	-138.80	134,935.66			
	Bill Pmt	01/04/2013	6793	US Treasury	Tax deposit	-199.50	134,736.16			
									<b>-56,546.16</b>	<b>134,736.16</b>
									<b>-56,546.16</b>	<b>134,736.16</b>
									<b>-56,546.16</b>	<b>134,736.16</b>

## **DISCUSSION & ACTION ITEMS**



## **Discussion Action Items**

**January 9, 2013**

### **A. Vote on LAFCO Representative.**

The LAFCO Special District Member's position term is expiring. Currently Muril Clift of Cambria, is this LAFCO District's representative. Dan Burgess of Heritage Ranch and Mr.Clift are running for position. San Simeon received a letter from Muril Clift which is attached.

The District needs to vote for one nominee. The District's Vote must be submitted by January 31<sup>st</sup>. Ballots will now be distributed to the Board members for a vote. Please sign and date the bottom of your ballot after you have chosen a nominee.

### **B. Review/Approval of Draft 2011-2012 District Audit.**

Attached is the Final Draft 2011-2012 District Audit performed by Danniells, Phillips, Vaughan and Brock for Board review. Provided there are no substantial changes, Staff is requesting approval of the annual audit.

### **C. Discussion of Cost Benefit Analysis Consultant for WRAC Grant - \$7,000.**

The County has hired GEI Consultants INC. to write all of the Cost Benefit Analysis for the County Grant Package, so that the State application submittal is a uniform packaged grant. Each individual project is responsible for providing a Cost Benefit Analysis of their project. The County will pay GEI upfront and the projects can reimburse the County. It is estimated that each project's Cost Benefit Analysis will cost from \$7,000 to \$10,000, or less. It is undetermined at this time the exact cost of what San Simeon's Cost Benefit Analysis will cost.

Staff can also assist GEI with the Cost Benefit Analysis so as to keep costs as close to \$7,000 as possible. Staff would like for the Board to allow Staff to enter into a reimbursement agreement with SLO Flood Control and Water Conservation District in an amount not to exceed \$10,000 for the services of GEI's assembly of the Cost Benefit Analysis.

### **D. Discussion of Water Buffalo to distribute reclaimed water to San Simeon District Customers.**

This item was requested to be placed on the agenda for further discussion.

**From:** Muril Clift <mnclift@charter.net>  
**To:** rlundy@sansimeoncsd.com  
**Sent:** Friday, December 21, 2012 2:13 PM  
**Subject:** LAFCO ELECTION

Administrator Lundy,

It has been an honor to represent the Special Districts as a Commissioner on the Local Agency Formation Commission since 2009.

I believe that Special Districts are truly that – SPECIAL. They are special because they provide the most direct form of government meeting the needs of their constituents. My votes on LAFCO will always reflect that belief. I ask that you reelect me to serve your interests.

Current commitments to Special Districts:

- Director – Cambria Community Services District, since 2008.
- Director – Special District Risk Management Authority, since 2009.
- Director – Special District Leadership Foundation, since 2011
- Member – California Special District Association Legislative Committee.

Prior Positions:

- Director – Santa Maria Public Airport District
- Trustee – Kern County High School District

Again, I ask that you support me as your representative on the LAFCO .

Thank you,  
Muril Clift

**SAN SIMEON COMMUNITY SERVICES DISTRICT**

**FINANCIAL REPORT**

**June 30, 2012**

**DRAFT**

**For Review**

**1.4.13**

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DRAFT

For Review

1.4.13



**SAN SIMEON COMMUNITY SERVICES DISTRICT**

**ORGANIZATION DATA**

**JUNE 30, 2012**

**BOARD OF DIRECTORS**

Dolores Ricci, Chairperson

Ralph McAdams, Vice Chairperson

Leroy Price, Director

Alan Fields, Director

**DRAFT**

**For Review**

**1.4.13**

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
**San Simeon Community Services District**  
San Simeon, California

We have audited the accompanying balance sheet of **San Simeon Community Services District**, as of June 30, 2012 and 2011, and the related statements of revenues, expenses and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of **San Simeon Community Services District**, as of June 30, 2012 and 2011, and the respective changes in financial position and the cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 7, the District's management has elected to omit the management's discussion and analysis which is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America.

DRAFT  
For Review

1.4.13

Our audit was conducted for the purpose of forming an opinion on the financial statements as of and for the years ended June 30, 2012 and 2011, as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplementary information as of and for the years ended June 30, 2012 and 2011, have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as of and for the years ended June 30, 2012 and 2011, are fairly stated in all material respects in relation to the financial statements as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated [DATE] on our consideration of the **San Simeon Community Services District's** internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Bakersfield, California  
[DATE]

DRAFT  
For Review  
1.4.13



**SAN SIMEON COMMUNITY SERVICES DISTRICT**

**BALANCE SHEETS**

June 30, 2012 and 2011

	2012	2011
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents (Note 2)	\$ 512,527	\$ 483,783
Accounts receivable	67,054	58,201
Prepaid expenses and other	6,194	-
<b>Total current assets</b>	<b>585,775</b>	<b>541,984</b>
Restricted Assets		
Certificates of deposit (Note 2)	54,010	161,716
Property and Equipment (Note 3)		
Sewer plant	1,488,555	1,488,555
Water plant	550,391	550,391
Building	395,874	395,874
Equipment	316,748	316,748
Construction in progress	676,070	451,408
	<b>3,427,638</b>	<b>3,202,976</b>
Less accumulated depreciation	1,790,000	1,711,476
Net property and equipment	1,637,638	1,491,500
<b>Total assets</b>	<b>\$ 2,277,423</b>	<b>\$ 2,195,200</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable	\$ 50,084	\$ 26,496
Customer deposits (Note 4)	53,878	53,678
Contingency (Note 8)	63,464	-
<b>Total liabilities</b>	<b>167,426</b>	<b>80,174</b>
Net Assets		
Invested in capital assets, net of related debt	1,637,638	1,491,500
Restricted (Note 2)	54,010	161,716
Unrestricted	418,349	461,810
<b>Total net assets</b>	<b>2,109,997</b>	<b>2,115,026</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,277,423</b>	<b>\$ 2,195,200</b>

See Notes to the Financial Statements.

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**SAN SIMEON COMMUNITY SERVICES DISTRICT**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES  
IN NET ASSETS**

**Years Ended June 30, 2012 and 2011**

	2012	2011
Operating revenue:		
Utility sales	\$ 534,420	\$ 438,758
Service charges	51,100	45,903
State of California - Dept of Parks and Recreation	56,519	58,861
	<u>642,039</u>	<u>543,522</u>
Operating expenses:		
Contract labor	493,395	342,905
Depreciation	78,524	79,355
Legal and professional	42,263	61,168
Repairs and maintenance	29,982	190,837
Utilities and telephone	21,061	15,928
Bookkeeping	14,700	14,400
Licenses and permits	9,021	5,904
Insurance	5,963	5,666
Directors' fees	5,800	5,900
Health insurance	4,869	5,954
Operating supplies	3,828	10,198
Website	3,025	3,300
Dues and subscriptions	1,264	1,015
Office expenses	548	6,018
Other expense	2	1,652
	<u>714,245</u>	<u>750,200</u>
<b>Operating (loss)</b>	<b>(72,206)</b>	<b>(206,678)</b>
Nonoperating revenues (expenses):		
Property taxes	68,380	70,490
Interest income	2,083	1,454
Tax administration fee	(1,587)	(1,782)
LAFCO Budget allocation	(1,699)	-
Miscellaneous income	-	1,022
	<u>(5,029)</u>	<u>(135,494)</u>
Net assets, beginning	2,115,026	2,250,520
Net assets, ending	<u>\$ 2,109,997</u>	<u>\$ 2,115,026</u>

See Notes to the Financial Statements.

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**SAN SIMEON COMMUNITY SERVICES DISTRICT**

**STATEMENTS OF CASH FLOWS**

**Years Ended June 30, 2012 and 2011**

	2011	2010
Cash Flows from Operating Activities		
Change in net assets	\$ (72,206)	\$ (206,678)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	78,524	79,355
Changes in working capital components:		
(Increase) decrease in:		
Accounts receivable	(8,853)	11,967
Prepaid expenses	(6,194)	6,168
Increase (decrease) in:		
Accounts payable	23,588	(24,143)
Customer deposits	200	-
Contingency	63,464	-
<b>Net cash provided by operating activities</b>	<b>78,523</b>	<b>(133,331)</b>
Cash Flows from Investing Activities		
Purchases of property and equipment	(224,662)	(14,234)
Interest income received	2,083	1,454
<b>Net cash (used in) investing activities</b>	<b>(222,579)</b>	<b>(12,780)</b>
Cash Flows from Financing Activities		
Proceeds from property taxes	68,380	70,490
Miscellaneous income	-	1,022
LAFCO Budget allocation	(1,587)	-
Tax administration fee	(1,699)	(1,782)
<b>Net cash provided by financing activities</b>	<b>65,094</b>	<b>69,730</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(78,962)</b>	<b>(76,381)</b>
Cash and cash equivalents:		
Beginning	645,499	721,880
Ending	<b>\$ 566,537</b>	<b>\$ 645,499</b>

See Notes to the Financial Statements.

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# SAN SIMEON COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

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### Note 1. Nature of District and Summary of Significant Accounting Policies

*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.

A summary of the District's significant accounting policies follows:

*Use of estimates:* The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

*Reporting entity:* The District has no oversight responsibility for any other governmental entity, nor is the District's operation a component unit of any other governmental entity. Therefore the reporting entity consists only of District operations.

The District operates as an enterprise fund. An enterprise fund accounts for operations that are financed and operated similar to private business enterprises, where the intent is that the costs of providing services to contracted landowners on a continuing basis be financed or recovered primarily through user charges.

*Basis of Accounting:* The accompanying financial statements have been prepared on the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recognized when incurred.

*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.

*Cash and cash equivalents:* Cash and cash equivalents consists 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 market 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.

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## SAN SIMEON COMMUNITY SERVICES DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS

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*Property and equipment:* Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 5 – 50 years. Maintenance and repairs which do not increase the useful life of the assets are charged to expense as incurred. Major renewals and betterments are capitalized. When items of property or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

*Property tax:* Property taxes attach as an enforceable lien on property as of March 1. Taxes are levied on March 1 and are due and payable in two installments on November 1 and February 1. Unsecured property taxes are payable in one installment on or before August 31. The County of San Luis Obispo bills and collects the taxes for the District. Property taxes are recognized as revenue when they are levied.

*Net assets:* Net assets are categorized as invested capital assets (net of related debt), restricted and unrestricted.

- *Invested In Capital Assets, Net of Related Debt* - This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Assets* - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Assets* - This category represents net assets of the District, not restricted for any project or other purpose.

*Subsequent Events:* Management has evaluated subsequent events through [DATE], the date on which the financial statements were available to be issued. See Note 8 for additional detail.

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## SAN SIMEON COMMUNITY SERVICES DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS

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#### Note 2. Cash and Cash Equivalents

Cash and cash equivalents consists of the following at June 30, 2012 and 2011:

	2012	2011
Petty cash	\$ 150	\$ 150
Demand deposits	102,152	74,504
County treasurer	1,347	2,147
Money Market		
Unreserved	104,485	102,791
Reserved	303,878	303,678
Local Agency Investment Fund (LAIF)	515	513
Unrestricted	512,527	483,783
Restricted cash	54,010	161,716
	<u>\$ 566,537</u>	<u>\$ 645,499</u>

#### Restricted Cash

Restricted assets consist of funds that are required by the Regional Water Quality Control Board (RWQCB) to be set aside by the District for construction of the Tertiary Treatment Facility in lieu of fines. This facility was completed in July 2012 and the remaining funds were reverted to the (RWQCB).

#### 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 does 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 market 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 District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The District maintains cash in the San Luis Obispo County Treasury which pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost which approximates fair value. Interest earned is deposited quarterly and any investment losses are proportionately shared by all entities in the pool.

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# SAN SIMEON COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

### Investments in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 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 financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to be 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.

### Note 3. Property and Equipment

Property and equipment activity for the years ended June 30, 2012 and 2011 is as follows:

	Balances			Balances	
	June 30, 2011	Additions	Deletions	June 30, 2012	
Sewer plant	1,488,555	-	-	1,488,555	
Water plant	550,391	-	-	550,391	
Building	395,874	-	-	395,874	
Equipment	316,748	-	-	316,748	
Construction in progress	451,408	224,662	-	676,070	
	3,202,976	224,662	-	3,427,638	
Less accumulated depreciation	1,711,476	78,524	-	1,790,000	
	\$ 1,491,500	\$ 146,138	\$ -	\$ 1,637,638	

	Balances			Balances	
	June 30, 2010	Additions	Deletions	June 30, 2011	
Sewer plant	\$ 1,488,555	\$ -	\$ -	\$ 1,488,555	
Water plant	550,391	-	-	550,391	
Building	395,874	-	-	395,874	
Equipment	316,748	-	-	316,748	
Construction in progress	437,174	17,621	(3,387)	451,408	
	3,188,742	17,621	(3,387)	3,202,976	
Less accumulated depreciation	1,632,121	79,355	-	1,711,476	
	\$ 1,556,621	\$ (61,734)	\$ (3,387)	\$ 1,491,500	

Depreciation expense for the years ended June 30, 2012 and 2011 was \$78,524 and \$79,355, respectively. Additions to the construction in progress for the year ended June 30, 2012 consisted mainly of expenditures related to the construction of a small scale recycled water plant (Tertiary Treatment Facility).

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# SAN SIMEON COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

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### Note 4. Customer Deposits

The liability for customer deposits consists of the following at June 30, 2012 and 2011:

	2012	2011
Hook-up deposits	\$ 43,470	\$ 43,470
Customer meter deposits	10,408	10,208
	<u>\$ 53,878</u>	<u>\$ 53,678</u>

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 5. Reserved Net Assets

The District has set up reserves to set aside net asset balances for a specific future use. Reserves have been established by Board resolution for contingent liabilities and future capital projects in the amount of \$303,878 and \$303,678 for each of the years ended June 30, 2012 and 2011, respectively.

### Note 6. 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, 2011 through June 30, 2012.

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 Employees 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.

## **SAN SIMEON COMMUNITY SERVICES DISTRICT**

### **NOTES TO THE FINANCIAL STATEMENTS**

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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 comprehension/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 SRDMA 201112, annual aggregate per each elected/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 7. Generally Accepting Accounting Principles (GAAP) Departure**

The District complies with accounting principles generally accepted in the United States of America and all relevant United States Government Accounting Standards Board pronouncements. These technical pronouncements establish criteria for determining the District's activities and functions that are included in the financial statements of a governmental unit. The proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Management has elected not to include management discussion and analysis, which is not a required part of the basic financial statements but is supplementary information normally required by generally accepted accounting principles in the United States of America.

#### **Note 8. Contingent Liability**

The District was party to litigation with its former management company regarding termination of its services contract. The outcome of this lawsuit was determined in July 2012. The District is required to pay \$63,464 to its former management company which amounted to two months management fee payments. This amount has been accrued as of June 30, 2012.

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SUPPLEMENTARY INFORMATION

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**SAN SIMEON COMMUNITY SERVICES DISTRICT**

**SCHEDULE OF REVENUES AND EXPENSES BY FUNCTION  
Year Ended June 30, 2012**

	Sanitation Fund	Water Fund	General	Total
<b>Operating revenue:</b>				
Utility sales	\$ 271,586	\$ 260,791	\$ 2,043	\$ 534,420
Service charges	-	51,100	-	51,100
State of California - Dept of Parks and Recreation	56,519	-	-	56,519
	<u>328,105</u>	<u>311,891</u>	<u>2,043</u>	<u>642,039</u>
<b>Operating expenses:</b>				
Contract labor	295,944	172,750	24,701	493,395
Repairs and maintenance	10,000	17,152	2,830	29,982
Depreciation	37,865	24,234	16,425	78,524
Legal and professional	10,550	15,269	16,444	42,263
Utilities and telephone	14,042	652	6,367	21,061
Bookkeeping	5,700	4,485	4,515	14,700
Operating supplies	3,571	-	257	3,828
Office expenses	63	63	422	548
Health insurance	-	-	4,869	4,869
Licenses and permits	6,660	1,763	598	9,021
Directors' fees	2,610	2,610	580	5,800
Insurance	3,752	625	1,586	5,963
Website	-	-	3,025	3,025
Other expense	499	499	703	1,701
Dues and subscriptions	-	-	1,264	1,264
	<u>391,256</u>	<u>240,102</u>	<u>84,586</u>	<u>715,944</u>
<b>Operating income (loss)</b>	<b>(63,151)</b>	<b>71,789</b>	<b>(82,543)</b>	<b>(73,905)</b>
<b>Nonoperating revenues (expenses):</b>				
Property taxes	-	-	68,380	68,380
Interest income			2,083	2,083
Tax administration fee			(1,587)	(1,587)
Change in net assets	\$ (63,151)	\$ 71,789	\$ (13,667)	\$ (5,029)

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**SAN SIMEON COMMUNITY SERVICES DISTRICT**

**SCHEDULE OF REVENUES AND EXPENSES BY FUNCTION  
Year Ended June 30, 2011**

	Sanitation Fund	Water Fund	General	Total
<b>Operating revenue:</b>				
Utility sales	\$ 220,365	\$ 218,393	\$ -	\$ 438,758
Service charges	-	45,903	-	45,903
State of California - Dept of Parks and Recreation	58,861	-	-	58,861
	<u>279,226</u>	<u>264,296</u>	<u>-</u>	<u>543,522</u>
<b>Operating expenses:</b>				
Contract labor	205,743	120,017	17,145	342,905
Depreciation	38,090	24,600	16,665	79,355
Legal and professional	34,726	13,519	12,923	61,168
Repairs and maintenance	190,721	-	116	190,837
Utilities and telephone	8,261	2,972	4,695	15,928
Bookkeeping	5,394	4,320	4,686	14,400
Licenses and permits	5,789	115	-	5,904
Insurance	4,175	596	895	5,666
Directors' fees	2,655	2,655	590	5,900
Health insurance	-	-	5,954	5,954
Operating supplies	10,198	-	-	10,198
Website	-	-	3,300	3,300
Dues and subscriptions	-	-	1,015	1,015
Office expense	-	3,148	2,870	6,018
Other expense	790	271	591	1,652
	<u>506,542</u>	<u>172,213</u>	<u>71,445</u>	<u>750,200</u>
<b>Operating (loss)</b>	<b>(227,316)</b>	<b>92,083</b>	<b>(71,445)</b>	<b>(206,678)</b>
<b>Nonoperating revenues (expenses):</b>				
Property taxes	-	-	70,490	70,490
Interest income	-	-	1,454	1,454
Miscellaneous income	-	-	1,022	1,022
Tax administration fee	-	-	(1,782)	(1,782)
<b>Change in net assets</b>	<b>\$ (227,316)</b>	<b>\$ 92,083</b>	<b>\$ (261)</b>	<b>\$ (135,494)</b>

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
**San Simeon Community Services District**  
San Simeon, California

We have audited the financial statements of **San Simeon Community Services District** as of and for the year ended June 30, 2012, and have issued our report thereon dated [DATE]. 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.

**Internal Control over Financial Reporting**

Management of **San Simeon Community Services District** is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered **San Simeon Community Services District's** internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the **San Simeon Community Services District's** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the **San Simeon Community Services District's** internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



### Compliance and Other Matters

As part of obtaining reasonable assurance about whether **San Simeon Community Services District's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors, and others within the entity and is not intended to be and should not be used by anyone other than those specified parties.

Bakersfield, California  
[DATE]

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