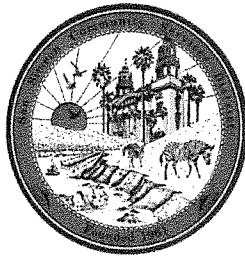


**NOTICE AND CALL OF A SPECIAL MEETING:
San Simeon Community Services**

I, Dan Williams, Chairperson of the San Simeon Community Services District Board of Directors, hereby call a Special Meeting of the Board of Directors, pursuant to California Government Code Section 54956. The Special Meeting will be held: May 19th, 2016 at 2:30 p.m. at the Cavalier COVE Room, 250 San Simeon Avenue, San Simeon, CA 93452. The purpose of the Special Meeting is to discuss or transact the following business:



**San Simeon Community Services District
May 19, 2016
Cavalier Cove Room
250 San Simeon Avenue
San Simeon, CA 93452**

2:30 PM

1. ESTABLISH QUORUM AND CALL TO ORDER

2. PUBLIC COMMENTS

(As a special meeting, members of the public may speak before consideration of the items that appear on this agenda, however, there is no opportunity afforded under the Brown Act to speak on non-agendized items.)

3. CLOSE PUBLIC COMMENTS

4. Discussion Action Item:

- a. Consideration of approval of Resolution 16-383 - Acknowledgment and acceptance of the United States Department of Agriculture (USDA) Grant Agreement for the wellhead treatment project and authorization for Chairperson Dan Williams and General Manager Charles Grace to sign the Grant Agreement.
- b. Consideration of approval of payment schedule #5 to John Madonna Construction in the amount of \$106,954.33 for the wellhead treatment project.

5. Adjournment



**San Simeon Community Services District
SPECIAL MEETING**

**May 19, 2016
Cavalier Cove Room
250 San Simeon Avenue
San Simeon, CA 93452**

2:30 PM

1. CALL TO ORDER @ 2:35 PM

Roll Call:

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

General Manager, Charles Grace
District Counsel, Heather Whitham

2. PUBLIC COMMENTS : None

3. CLOSE PUBLIC COMMENTS

4. Discussion Action Item:

A. Consideration of approval of Resolution 16-383 - Acknowledgment and acceptance of the United States Department of Agriculture (USDA) Grant Agreement for the wellhead treatment project and authorization for Chairperson Dan Williams and General Manager Charles Grace to sign the Grant Agreement.

A motion was made to waive the full reading of the Resolution.

Motion by: Vice-Chair Fields

2nd By: Chairperson Williams

All in: 5 / 0

A motion was made to approve Resolution 16-383 as presented.

Motion by: Chairperson Williams

2nd By: Director Patel

All in: 5 / 0

B. Consideration of approval of payment schedule #5 to John Madonna Construction in the amount of \$106,954.33 for the wellhead treatment project.

A motion was made to approve payment to John Madonna Construction for \$106,954.33.

Motion by: Director Russell

2nd By: Director Price

All in: 5 / 0

C. Adjournment@ 2:40 PM

TO: San Simeon Community Services District
 C/O Phonix Civil Engineering, Inc
 Jon Turner, PE jturner@phoenixcivil.com



JOHN MADONNA CONSTRUCTION CO., INC.

P.O. Box 5310, San Luis Obispo 93403
 P | (805) 543-7751 F | (805) 543-7754
 License #358030

Date: 4/25/2016
 Job # 003/2015-02/476
 Billing # 5

Location: San Simeon
 Invoice # 476-5-15

Potable Water Wellhead Treatment Project

INVOICE FOR WORK PERFORMED

ITEM	QTY	UNIT	UNIT PRICE	CONTRACT PRICE	BILLING THIS PERIOD		PREVIOUSLY BILLED		TOTAL BILLING TO DATE	
					Completed Work	AMOUNT	QUANTITY	AMOUNT	QUANTITY	AMOUNT
1 Mobilization/Demob	1	LS	\$ 14,000.00	\$ 14,000.00	0	\$ -	0.75	\$ 10,500.00	0.75	\$ 10,500.00
2 Site Work	1	LS	\$ 30,795.00	\$ 30,795.00		\$ -	1	\$ 30,795.00	1	\$ 30,795.00
3 Inlet/Outlet Piping	1	LS	\$ 65,000.00	\$ 65,000.00	0.05	\$ 3,250.00	0.9	\$ 58,500.00	0.95	\$ 61,750.00
4 16,500 Gallon Polyethylene Tank	1	EA	\$ 75,000.00	\$ 75,000.00	0.05	\$ 3,750.00	0.9	\$ 67,500.00	0.95	\$ 71,250.00
5 2,000 Gallon Polyethylene Tank	1	EA	\$ 18,000.00	\$ 18,000.00	0.05	\$ 900.00	0.9	\$ 16,200.00	0.95	\$ 17,100.00
6 Reverse Osmosis Treatment Unity Installation	1	EA	\$ 19,000.00	\$ 19,000.00	0.2	\$ 3,800.00	0.75	\$ 14,250.00	0.95	\$ 18,050.00
7 Building Enclosure	1	EA	\$ 132,000.00	\$ 132,000.00	0.08	\$ 10,560.00	0.67	\$ 88,440.00	0.75	\$ 99,000.00
8 Electrical System Installation	1	LS	\$ 79,000.00	\$ 79,000.00	0.82	\$ 64,780.00	0.13	\$ 10,270.00	0.95	\$ 75,050.00
9 SCADA Upgrades	1	LS	\$ 21,000.00	\$ 21,000.00	0.75	\$ 15,750.00		\$ -	0.75	\$ 15,750.00
				\$ -		\$ -		\$ -	0	\$ -
Subtotal Base Contract				\$ 453,795.00		\$ 102,790.00		\$ 296,455.00		\$ 399,245.00
CCO #1 - Delete/Mod/Add Various per CCO Detail	1	LS	\$ 5,893.89	\$ 5,893.89		\$ -	1	\$ 5,893.89	1	\$ 5,893.89
CCO #2 - Mod/Add Various per CCO Detail	1	LS	\$ 22,699.77	\$ 22,699.77		\$ -	1	\$ 22,699.77	1	\$ 22,699.77
CCO #3 - Off-load RO System/Add Doors/Add'l Electrical	1	LS	\$ 17,806.38	\$ 17,806.38	0.55	\$ 9,793.51	0.4	\$ 7,122.55	0.95	\$ 16,916.06
				\$ -		\$ -		\$ -	0	\$ -
Subtotal Contract Change Orders				\$ 46,400.04		\$ 9,793.51		\$ 35,716.21		\$ 45,509.72
Contract Total				\$ 500,195.04		\$ 112,583.51		\$ 332,171.21		\$ 444,754.72

TOTAL	\$ 444,754.72
LESS 5% RETENTION	\$ 22,237.74
SUB-TOTAL	\$ 422,516.98
LESS PREVIOUS BILLING	\$ 315,562.65
TOTAL DUE THIS BILLING	\$ 106,954.33

5/3/16
 (Date)

Recommended by:

(Engineer)

Approved by:

(Owner)

(Date)

RESOLUTION NO. 16-383

A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SAN SIMEON COMMUNITY SERVICES DISTRICT
ACKNOWLEDGING AND ACCEPTING THE UNITED STATES
DEPARTMENT OF AGRICULTURE GRANT AGREEMENT

WHEREAS, the San Simeon Community Services District ("District") is a community services district duly formed under Government Code Section 61000 et seq. to provide community services within the District's service area, including water, sewer and services; and

WHEREAS, pursuant to Government Code Section 61060(h), the District is authorized to enter into and perform all contracts; and

WHEREAS, the United States Department of Agriculture ("USDA") provides water assistance grants to assist communities in preserving safe, reliable drinking water; and

WHEREAS, in order to address increased chlorine levels in the District water supply that have resulted from drought conditions and gradual sea water introduction at the District well fields, the District has undertaken a potable water wellhead treatment project ("Project"); and

WHEREAS, the USDA has agreed to grant the District a sum not to exceed \$500,000; and

WHEREAS, the District desires to accept the grant and execute a Grant Agreement with the USDA.

NOW, THEREFORE, BE IT RESOLVED by the San Simeon Community Services District Board of Directors as follows:

1. The above recitals are true, correct and incorporated herein.
2. The USDA Grant Agreement is hereby acknowledged and accepted.
3. The District assures that it will comply with all of the terms and conditions of the Grant Agreement.
4. The Chair of the Board, Daniel Williams, and General Manager Charles Grace is authorized to execute the Grant Agreement.


Passed and adopted this 19th day of May 2016. UPON MOTION of Director Williams
seconded by Director Ray, and on the following roll call vote to wit:

AYES: 5

NOES: 0

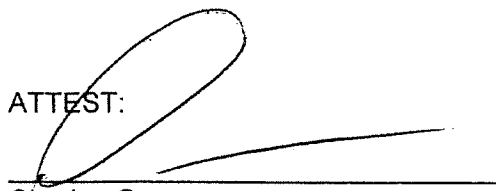
ABSENT: 0

ABSTAIN: 0



Dan Williams, Chairperson
Board of Directors

ATTEST:



Charles Grace
Secretary/General Manager

ECWAG Grant Agreement

United States Department of Agriculture

Rural Utilities Service

THIS AGREEMENT dated May 11, 2016, between

San Simeon Community Services District
a public corporation organized and operating under

California Government Code Sec 61,000 Et Sec
(Authorizing Statute)

herein called "Grantee," and the United States of America acting through the Rural Utilities Service, Department of Agriculture, herein called "Grantor," WITNESSETH:

WHEREAS

Grantee has determined to undertake a project of acquisition, construction, enlargement, or capital improvement of a (water) (waste) system to serve the area under its jurisdiction at an estimated cost of \$ 989,600.00 and has duly authorized the undertaking of such project.

Grantee is able to finance not more than \$ 489,600.00 of the development costs through revenues, charges, taxes or assessments, or funds otherwise available to Grantee resulting in a reasonable user charge.

Said sum of \$ 489,600.00 has been committed to and by Grantee for such project development costs.

Grantor has agreed to grant the Grantee a sum not to exceed \$ 500,000.00 or 50.50 percent of said project development costs, whichever is the lesser, subject to the terms and conditions established by the Grantor. Provided, however, that the proportionate share of any grant funds actually advanced and not needed for grant purposes shall be returned immediately to the Grantor. Grant funds not expended within two years of obligation will be canceled. The Grantor may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the Conditions of the grant.

As a condition of this grant agreement, the Grantee assures and certifies that it is in compliance with and will comply in the course of the agreement with all applicable laws, regulations, Executive orders and other generally applicable requirements, including those set out in 7 CFR 3015.205(b), which hereby are incorporated into this agreement by reference, and such other statutory provisions as are specifically set forth herein.

NOW, THEREFORE, In consideration of said grant by Grantor to Grantee, to be made pursuant to Section 306(a) of The Consolidated Farm and Rural Development Act for the purpose only of defraying a part not to exceed 51 percent of the project development costs, as defined by applicable Rural Utilities Service instructions.

Grantee Agrees That Grantee Will:

A. Cause said project to be constructed within the total sums available to it, including said grant, in accordance with the project plans and specifications and any modifications thereof prepared by Grantee and approved by Grantor.

B. Permit periodic inspection of the construction by a representative of Grantor during construction.

C. Manage, operate and maintain the system, including this project if less than the whole of said system, continuously in an efficient and economical manner.

D. Make the services of said system available within its capacity to all persons in Grantee's service area without discrimination as to race, color, religion, sex, national origin, age, marital status, or physical or mental handicap (possess capacity to enter into legal contract for services) at reasonable charges, including assessments, taxes, or fees in accordance with a schedule of such charges, whether for one or more classes of service, adopted by resolution dated May 19, 2016, as may be modified from time to time by Grantee. The initial rate schedule must be approved by Grantor. Thereafter, Grantee may make such modifications to the rate system as long as the rate schedule remains reasonable and nondiscriminatory.

E. Adjust its operating costs and service charges from time to time to provide for adequate operation and maintenance, emergency repair reserves, obsolescence reserves, debt service and debt service reserves.

F. Expand its system from time to time to meet reasonably anticipated growth or service requirements in the area within its jurisdiction.

G. Provide Grantor with such periodic reports as it may require and permit periodic inspection of its operations by a representative of the Grantor.

H. To execute any agreements required by Grantor which Grantee is legally authorized to execute. If any such agreement has been executed by Grantee as a result of a loan being made to Grantee by Grantor contemporaneously with the making of this grant, another agreement of the same type need not be executed in connection with this grant.

I. Upon any default under its representations or agreements set forth in this instrument, Grantee, at the option and demand of Grantor, will repay to Grantor forthwith the original principal amount of the grant stated herein above with the interest at the rate of 5 percentum per annum from the date of the default. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Grant Agreement may be enforced by Grantor, at its option and without regard to prior waivers by it previous defaults of Grantee, by judicial proceedings to require specific performance of the terms of this Grant Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Grant Agreement and the laws and regulations under which this grant is made.

J. Return immediately to Grantor, as required by the regulations of Grantor, any grant funds actually advanced and not needed by Grantee for approved purposes. The Applicant will ensure grant activities are implemented in a timely, efficient, and economical manner. Grant funds not expended within two years of obligation will be canceled

K. Use the real property including land, land improvements, structures, and appurtenances thereto, for authorized purposes of the grant as long as needed.

1. Title to real property shall vest in the recipient subject to the condition that the Grantee shall use the real property for the authorized purpose of the original grant as long as needed.

2. The Grantee shall obtain approval by the Grantor agency for the use of the real property in other projects when the Grantee determines that the property is no longer needed for the original grant purposes. Use in other projects shall be limited to those under other Federal grant programs or programs that have purposes consistent with those authorized for support by the Grantor.

3. When the real property is no longer needed as provided in 1 and 2 above, the Grantee shall request disposition instructions from the Grantor agency or its successor Federal agency. The Grantor agency shall observe the following rules in the disposition instructions:

(a) The Grantee may be permitted to retain title after it compensates the Federal Government in an amount computed by applying the Federal percentage of participation in the cost of the original project to the fair market value of the property.

(b) The Grantee may be directed to sell the property under guidelines provided by the Grantor agency. When the Grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.

[Revision 1, 04/17/1998]

(c) The Grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the Grantee shall be entitled to compensation computed by applying the Grantee's percentage of participation in the cost of the program or project to the current fair market value of the property.

This Grant Agreement covers the following described real property (use continuation sheets as necessary).

(NOT APPLICABLE)

L. Abide by the following conditions pertaining to equipment which is furnished by the Grantor or acquired wholly or in part with grant funds. Equipment means tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above.

[Revision 1, 04/17/1998]

1. Use of equipment.

(a) The Grantee shall use the equipment in the project for which it was acquired as long as needed. When no longer needed for the original project, the Grantee shall use the equipment in connection with its other Federally sponsored activities, if any, in the following order of priority:

(1) Activities sponsored by the Grantor.

(2) Activities sponsored by other Federal agencies.

(b) During the time that equipment is held for use on the property for which it was acquired, the Grantee shall make it available for use on other projects if such other use will not interfere with the work on the project for which the equipment was originally acquired. First preference for such other use shall be given to Grantor sponsored projects. Second preference will be given to other Federally sponsored projects.

2. Disposition of equipment. When the Grantee no longer needs the equipment as provided in paragraph (a) above, the equipment may be used for other activities in accordance with the following standards:

(a) Equipment with a current per unit fair market value of less than \$5,000. The Grantee may use the equipment for other activities without reimbursement to the Federal Government or sell the equipment and retain the proceeds.

(b) Equipment with a current per unit fair market value of \$5,000 or more. The Grantee may retain the equipment for other uses provided that compensation is made to the original Grantor agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value or proceeds from sale of the equipment. If the Grantee has no need for the equipment and the equipment has further use value, the Grantee shall request disposition instructions from the original Grantor agency.

The Grantor agency shall determine whether the equipment can be used to meet the agency's requirements. If no requirement exists within that agency, the availability of the equipment shall be reported, in accordance with the guidelines of the Federal Property Management Regulations (FPMR), to the General Services Administration by the Grantor agency to determine whether a requirement for the equipment exists in other Federal agencies. The Grantor agency shall issue instructions to the Grantee no later than 120 days after the Grantee requests and the following procedures shall govern:

(1) If so instructed or if disposition instructions are not issued within 120 calendar days after the Grantee's request, the Grantee shall sell the equipment and reimburse the Grantor agency an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the Grantee shall be permitted to deduct and retain from the Federal share ten percent of the proceeds for Grantee's selling and handling expenses.

(2) If the Grantee is instructed to ship the equipment elsewhere the Grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the Grantee participation in the cost of the original grant project or program to the current fair market value of the equipment, plus any reasonable shipping or interim storage costs incurred.

(3) If the Grantee is instructed to otherwise dispose of the equipment, the Grantee shall be reimbursed by the Grantor agency for such costs incurred in its disposition.

3. The Grantee's property management standards for equipment shall also include:

(a) Records which accurately provide for: a description of the equipment; manufacturer's serial number or other identification number; acquisition date and cost; source of the equipment; percentage (at the end of budget year) of Federal participation in the cost of the project for which the equipment was acquired; location, use and condition of the equipment and the date the information was reported; and ultimate disposition data including sales price or the method used to determine current fair market value if the Grantee reimburses the Grantor for its share.

(b) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years to verify the existence, current utilization, and continued need for the equipment.

(c) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented.

(d) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

(e) Proper sales procedures shall be established for unneeded equipment which would provide for competition to the extent practicable and result in the highest possible return.

This Grant Agreement covers the following described equipment(use continuation sheets as necessary).

construction of project known as "Potable Wellhead Treatment Project", Specification # 2015-02, including contracts, Amendments and Change Orders, with John Madonna Construction Co Inc and Wigen Water Technologies

M. Provide Financial Management Systems which will include:

1. Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.
2. Records which identify adequately the source and application of funds for grant-supported activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.
3. Effective control over and accountability for all funds, property and other assets. Grantees shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.
4. Accounting records supported by source documentation.

N. Retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least three years after grant closing except that the records shall be retained beyond the three-year period if audit findings have not been resolved. Microfilm or photo copies or similar methods may be substituted in lieu of original records. The Grantor and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Grantee's government which are pertinent to the specific grant program for the purpose of making audits, examinations, excerpts and transcripts.

O. Provide information as requested by the Grantor to determine the need for and complete any necessary Environmental Impact Statements.

P. Provide an audit report prepared in accordance with Grantor regulations to allow the Grantor to determine that funds have been used in compliance with the proposal, any applicable laws and regulations and this Agreement.

Q. Agree to account for and to return to Grantor interest earned on grant funds pending their disbursement for program purposes when the Grantee is a unit of local government. States and agencies or instrumentality's of states shall not be held accountable for interest earned on grant funds pending their disbursement.

R. Not encumber, transfer or dispose of the property or any part thereof, furnished by the Grantor or acquired wholly or in part with Grantor funds without the written consent of the Grantor except as provided in item K above.

S. To include in all contracts for construction or repair a provision for compliance with the Copeland "Anti-Kick Back" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR, Part 3). The Grantee shall report all suspected or reported violations to the Grantor.

T. To include in all contracts in excess of \$100,000 a provision that the contractor agrees to comply with all the requirements of the Clean Air Act (42 U.S.C. §7414) and Section 308 of the Water Pollution Control Act (33 U.S.C. §1318) relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in Section 114 of the Clean Air Act and Section 308 of the Water Pollution Control Act and all regulations and guidelines issued thereunder after the award of the contract. In so doing the Contractor further agrees:

[Revision 1, 11/20/1997]

1. As a condition for the award of contract, to notify the Owner of the receipt of any communication from the Environmental Protection Agency (EPA) indicating that a facility to be utilized in the performance of the contract is under consideration to be listed on the EPA list of Violating Facilities. Prompt notification is required prior to contract award.

2. To certify that any facility to be utilized in the performance of any nonexempt contractor subcontract is not listed on the EPA list of Violating Facilities pursuant to 40 CFR Part 32 as of the date of contract award.

[Revision 1, 11/20/1997]

3. To include or cause to be included the above criteria and the requirements in every nonexempt subcontract and that the Contractor will take such action as the Government may direct as a means of enforcing such provisions.

As used in these paragraphs the term "facility" means any building, plan, installation, structure, mine, vessel or other floating craft, location, or site of operations, owned, leased, or supervised by a Grantee, cooperator, contractor, or subcontractor, to be utilized in the performance of a grant, agreement, contract, subgrant, or subcontract. Where a location or site of operation contains or includes more than one building, plant, installation, or structure, the entire location shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency, determines that independent facilities are co-located in one geographical area.

Grantor Agrees That It:

A. Will make available to Grantee for the purpose of this Agreement not to exceed \$ 500,000.00 which it will advance to Grantee to meet not to exceed 51 percent of the project development costs of the project in accordance with the actual needs of Grantee as determined by Grantor.

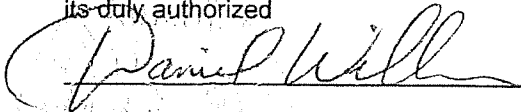
B. Will assist Grantee, within available appropriations, with such technical assistance as Grantor deems appropriate in planning the project and coordinating the plan with local official comprehensive plans for sewer and water and with any State or area plans for the area in which the project is located.

C. At its sole discretion and at any time may give any consent, deferment, subordination, release, satisfaction, or termination of any or all of Grantee's grant obligations, with or without valuable consideration, upon such terms and conditions as Grantor may determine to be (1) advisable to further the purpose of the grant or to protect Grantor's financial interest therein and (2) consistent with both the statutory purposes of the grant and the limitations of the statutory authority under which it is made.

Termination of This Agreement

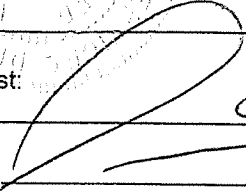
This Agreement may be terminated for cause in the event of default on the part of the Grantee as provided in paragraph 1 above or for convenience of the Grantor and Grantee prior to the date of completion of the grant purpose. Termination for convenience will occur when both the Grantee and Grantor agree that the continuation of the project will not produce beneficial results commensurate with the further expenditure of funds.

In witness whereof Grantee on the date first above written has caused these presence to be executed by its duly authorized

 DANIEL WILLIAMS

attested and its corporate seal affixed by its duly authorized

Attest:

 CHARLES GRACE

By

(Title) GENERAL MANAGER

By

(Title)

UNITED STATES OF AMERICA

RURAL UTILITIES SERVICE

By

(Title)