

**MINUTES**  
**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**BOARD OF DIRECTORS REGULAR MEETING**  
**Wednesday, February 11, 2015**  
**6:00 pm**

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

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

**A. Roll Call:**

Chairperson McAdams - Present  
Vice-Chair Fields - Present  
Director Williams - Present  
Director Patel - Absent  
Director Price - Present

General Manager, Charles Grace  
District Counsel, Heather Whitham  
Sheriff Representative, Commander Nix

**B. Pledge of Allegiance**

**2. PUBLIC COMMENT: None**

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

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

There were 58 calls for service in San Simeon for the month of January. Such calls were 10 calls to Assist other agencies, 1 Disturbance, 5 Check the welfare, 6 Suspicious circumstances, 8 Incomplete 911 calls, 1 Alarm Call, and 27 Self-initiated field Activity.

Commander Nix mentioned that the AM-Gen Tour was not going to come through San Simeon this year. It will be going through Avila Beach instead.

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

**4. STAFF REPORTS**

**A. General Manager's Report**

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

During the month of January Staff read meters and distributed water billing and responded to multiple customer service calls. Weed abatement was performed around the District office. The

District newsletter as well as the temporary termination of Stage 1, 2 and 3 water alerts was distributed to all residents and hotels. End of year archiving of District financials was performed.

Staff coordinated and finalized for Board review the 2013-2014 Audit with Travis Hole from Moss & Levy. State billing for the final quarter of 2015 was performed.

Staff is continuing the paperwork necessary for a Grant from the USDA for the RO Unit. This Grant is part of the Drought funds made available by the Federal Government to Disadvantaged Communities in need of funds to improve water resources. There is no word yet as to how much money the District would receive from the USDA. Staff requested the maximum amount of \$500,000.

Staff has submitted a Grant application to the California Regional Water Quality Control Board Water Division for funds towards the RO Unit. Requested amount was \$200,000.

**2. Update – Well head treatment system project.**

Phoenix Engineering completed the specification for the well head treatment RO (reverse osmosis) unit. Currently Phoenix Engineering is bringing the design from 50% to 90% completion for District review. Shortly thereafter, two bid packages will be assembled, one for the RO unit and the second to solicit bids for the entire installation. Prior to going out to bid Staff worked with regulators using the 95% design to pursue regulatory permits. Staff will be meeting with Jeff Olivera to start permitting process and will meet with USDA to discuss questions they have about the project.

**3. Update – Well 2 sanitary seal project.**

Staff requested bids from 12 different well drillers. Staff had expected to receive one or two informal bids to install the sanitary seal on Well 2 but only received 1. Staff and Phoenix Engineering will coordinate with the bid award contractor to install the sanitary seal. Project will start approximately in April.

**4. Update - Letter of Violation from the Coastal Commission regarding Wastewater Treatment Plant Rip Rap.**

Staff received a letter of violation from the Coastal Commission on January 29, 2015. The letter provides a history of San Simeon CSD and Coastal Commission coordination efforts up to present. As stated in the letter, “to resolve the matter and avoid formal enforcement proceedings”, the District must submit a complete “after-the-fact” Coastal Development Permit application that includes information outlined in the February 26, 2014 email, August 8, 2005 and July 7, 2006 letters from the Coastal Commission. Staff will be responding to the Coastal

Commission by February 27, 2015 as directed by the Coastal Commission, and developing a plan to amicably resolve the issues.

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

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

- All sampling, testing and reporting at the wastewater treatment plant and the recycled water facility was performed as required by the RWQCB, including the monthly WWTP report, the monthly Recycled Water report, the annual WWTP report, the annual Biosolids report, the annual Ocean Outfall report and the Effluent pH Evaluation report.
- There was a problem with the Amiad Filter's effluent turbidity being outside permit limitations. Amiad Tech support was contacted and guided us through disassemble and inspection. There were no obvious defects and upon reassemble there was no longer a problem.
- On the SSWRF, we replaced the lamp on the influent turbidity meter and calibrated the influent and the effluent turbidity meters.
- No sludge was hauled away this month.

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

- All routine sampling and testing was performed. The monthly report was submitted to the State Water Resources Control Board (SWRCB), Division of Drinking Water (DDW).
- Monthly water meter reading was performed.
- Two water meters in the district were replaced.
- Chloride levels were monitored five days per week at sample stations in the system.
- Pico Creek flow is monitored periodically throughout the month.

The Board asked what the current Chloride levels were in the Wells. Mr. Copeland responded that the levels had decreased throughout the whole distribution system. Levels were ranging between 500 to 600. Staff has also stopped using Well 3.

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

- Staff continues with all of the scheduled preventive maintenance for all the equipment at the facilities. We are recording all of these activities.
- Weed abatement was performed around the well site.
- Debris accumulation at the Pico Ave cul-de-sac and stairs to the beach was picked up and the area was swept.

## **C. District Financial Summary**

**December 2014 Billing Revenue**

**\$ 42,504.47**

|                                |                     |
|--------------------------------|---------------------|
| <b>January Billing Revenue</b> | <b>\$ 60,453.64</b> |
| Past Due (31 to 60 days)       | \$ 107.85           |
| Past Due (60 days)             | \$ 259.16           |

**RABOBANK SUMMARY: Ending Balances January 31, 2015**

**Summary of Transactions:**

|                                                           |               |
|-----------------------------------------------------------|---------------|
| Money Marketing Account Closing Balance December 31, 2014 | \$ 706,950.26 |
| Transfer from General Checking January 20, 2015           | \$ 50,000.00  |
| Interest January                                          | \$ 141.96     |

|                                                                 |                       |
|-----------------------------------------------------------------|-----------------------|
| <b>Money Marketing Account Closing Balance January 31, 2015</b> | <b>\$ 757,092.22</b>  |
| Reserve Fund                                                    | (\$ 250,000.00)       |
| Hook up Deposits                                                | <u>(\$ 45,750.00)</u> |
| <b>Available Funds</b>                                          | <b>\$ 461,342.22</b>  |

|                                                 |                     |
|-------------------------------------------------|---------------------|
| <b>General Checking Account</b>                 | <b>\$ 44,314.21</b> |
| <b>Well Rehab Project/USDA Checking Account</b> | <b>\$ 100.05</b>    |

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|                                              |                  |
|----------------------------------------------|------------------|
| <b>LAIF Closing Balance January 31, 2015</b> | <b>\$ 519.18</b> |
|----------------------------------------------|------------------|

**D. District Counsel's Report**

- Counsel assisted Staff with the February Agenda.
- Reviewed the Well Seal/Well 2 Specifications and form agreement prepared by Phoenix Engineering
- Prepared a response to a request from the Auditors Moss & Levy regarding litigation and potential claims.
- Reviewed the letter of violation received from the California Coastal Commission and discussed strategy with Staff.
- Regarding the Ultura litigation; Ultura LLC was served and have not heard a response. Litigation Counsel filed a request for entry of default and will be filing a request for judgment.

**5. ITEMS OF BUSINESS**

**A. Approval of last January 14, 2015 minutes**

A motion was made to approve the January 14, 2015 minutes as presented.

**Motion by:** Vice-Chair Fields

**2<sup>nd</sup> By:** Director Price

**All in favor:** 4 in favor

**1 Absent:** Director Patel

**B. Approval of February 11, 2015 Disbursements Journal**

A motion was made to approve the February 11, 2015 Disbursements Journal as presented.

**Motion by:** Director Price

**2<sup>nd</sup> By:** Director Williams

**All in favor:** 4 in favor

**1 Absent:** Director Patel

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

### **A. Consideration of Board Approval of 2013-2014 Fiscal Audit.**

Staff attached the Draft 2013-2014 District Audit to the January Board packet for Board review and comment. Adam Guise, from Moss, Levy & Hartzheim was present at the January meeting to address any questions Staff or the Board may have prior to finalizing the Audit. Comments were noted and given to the Auditors for review/response. The USDA also had comments relevant to the Audit and asked for clarification.

Staff has worked with the Auditors regarding all comments. Attached is the updated final version of the 2013-2014 Audit. Staff recommends approval of the attached 2013-2014 final Audit from Moss, Levy & Hartzheim.

### **Motion made to approve Audit with change on page 4; change Vice Chair to Director Fields.**

**Motion by:** Director Williams

**2<sup>nd</sup> By:** Chairperson McAdams

**All in favor:** 4 in favor

**1 Absent:** Director Patel

### **B. Item added to the Agenda.**

General Manager Grace indicated that the District's emergency generator had stopped working. He further indicated that this came to the attention of the District after the posting of the Agenda and that there was an urgent need to get direction from the Board regarding repairs to the emergency generator.

### **A Motion was made to add an Agenda item to consider an emergency repair of the emergency generator to the agenda.**

**Motion by:** Chairperson McAdams

**2<sup>nd</sup> By:** Director Williams

**All in favor:** 4 in favor

**1 Absent:** Director Patel

### **C. A motion was made to approve the estimate form Powerhouse to repair the emergency generator.**

**Motion by:** Chairperson McAdams

**2<sup>nd</sup> By:** Director Williams

**All in favor:** 3 in favor

**1 apposed:** Director Price

**1 Absent:** Director Patel

Director Price wanted to know what a new generator would cost. A price of \$35,000 to \$45,000 was found by Mike Hanchett on the internet during the Board Meeting.

Staff was directed by Chairperson McAdams to continue with the repair.

**7. Board Committee Reports – None**

**8. Board Reports – None**

**9. Future agenda items - None**

**10. ADJOURNMENT @6:54 PM**