

Board of Directors San Simeon Community Services District



SPECIAL BOARD MEETING PACKET May 26, 2022 Meeting Start Time 10:00 am

Virtual Board Meeting via Zoom Webinar

Prepared by:



GRACE
ENVIRONMENTAL SERVICES

AGENDA
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS SPECIAL BOARD MEETING
Thursday, May 26, 2022
10:00 am

Pursuant to San Simeon CSD Resolution 22-447 and in compliance with AB 361 this meeting shall occur as a virtual teleconference using the Zoom app.

Internet Meeting Location – Via ZOOM

Join Zoom for Special Meeting Board Session:

<https://us02web.zoom.us/j/87307810050>

Or One tap mobile:

US: +16699009128, 87307810050#

Or Telephone:

Dial (for higher quality, dial a number based on your current location):

US: +1 669 900 9128

The following commands can be entered via DTMF tones using your **phone's** dial pad while in a **Zoom meeting**: *6 - Toggle mute/unmute. *9 - **Raise hand**.

Webinar ID: 873 0781 0050

NOTE: On the day of the meeting, the virtual meeting room will be open 30 minutes prior to the meeting start time. If you wish to submit public comment in the written format you can email Cortney Murguia at admin@sansimeoncsd.org. Members of the public can also contact the District office at (805) 927-4778 or (805) 400-7399 with any questions or concerns related to this agenda or accessing the meeting.

1. OPEN SESSION: 10:00 AM -
A. Roll Call

2. CONSENT AGENDA ITEMS:

Public Comment – This public comment period provides an opportunity for members of the public to address the Board on matters discussed during Agenda Item #2 Consent Agenda Items. If a member of the public wishes to speak at this time, Public Comment is limited to three (3) minutes.

A. ADOPTION OF RESOLUTION 22-448 TO CONTINUE VIRTUAL MEETINGS PURSUANT TO THE PROVISIONS OF AB 361.

B. APPROVAL OF A TRANSFER OF FUNDS FROM THE MONEY MARKET ACCOUNT TO THE LOCAL AGENCY INVESTMENT FUND (LAIF) ACCOUNT IN THE AMOUNT OF \$900,000.00.

3. BUSINESS ACTION ITEMS:

Public Comment – Public comment will be allowed for each individual business item. Members of the public wishing to speak on business items may do so when recognized by the Presiding Officer. If a member of the public wishes to speak at this time, Public Comment is limited to three (3) minutes per person for each business item.

A. DISCUSSION AND REVIEW OF THE FISCAL YEAR BUDGET 2022/2023.

B. AUTHORIZATION FOR STAFF TO RETAIN A CONSULTANT, DANIEL HEIMEL (CONFLUENCE ENGINEERING), TO PROVIDE SERVICES RELATED TO THE WATER MORATORIUM, ISSUES THEREAFTER AND UTILITY RELATED ISSUES.

C. DIRECTION REGARDING A REQUEST FOR PROPOSAL RELATED TO SERVICES FOR OPERATIONS, MAINTENANCE AND GENERAL MANAGER SERVICES.

4. CLOSED SESSION:

This public comment period provides an opportunity for members of the public to address the Board on Closed Session Agenda Items. Public Comment is limited to three (3) minutes.

The Board will adjourn to Closed Session to address the following items:

A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section §54956.9 – Ron Hurlbert

MEMBERS OF THE PUBLIC: Please Join Us for the Remainder of the Meeting –

Part Two is Here:

<https://us02web.zoom.us/j/89334961643?pwd=NWx2V3lKaUdTTmI2RmVVaGpBYk5hQT09>

Meeting ID: 893 3496 1643

Passcode: 972125

******RECONVENE TO OPEN SESSION******

Report on Closed Session

5. ADJOURNMENT –

All staff reports or other written documentation, including any supplemental material distributed to a majority of the Board within 24 hours of a special meeting, relating to each item of business on the agenda are available for public inspection during regular business hours in the District office, 111 Pico Avenue, San Simeon. If requested, this agenda shall be made available in appropriate alternative formats to persons with a disability, as required by the Americans with Disabilities Act. To make a request for a disability-related modification or

accommodation, contact the District Administrator at 805-927-4778 as soon as possible and at least 48 hours prior to the meeting date. This agenda was prepared and posted pursuant to Government Code Section 54954.2.

Consent Agenda Items:

ITEM 2.A. ADOPTION OF RESOLUTION 22-448 TO CONTINUE VIRTUAL MEETINGS PURSUANT TO THE PROVISIONS OF AB 361.



CONSENT AGENDA ITEM STAFF REPORT

ITEM 2.A. ADOPTION OF RESOLUTION 22-448 TO CONTINUE VIRTUAL MEETINGS PURSUANT TO THE PROVISIONS OF AB 361.

Summary

At a Special Meeting on September 30, 2021, the Board approved District Resolution 21-433 to continue virtual meetings of the Board of Directors and District committees pursuant to AB 361. AB 361 requires periodic review of the determination for a legislative body to continue to meet via teleconference, and if a state of emergency remains active, then no later than 30 days after meeting via teleconference, the body must make a subsequent finding that it “has reconsidered the circumstances of the state of emergency” and determined that in-person meetings continue to pose a risk to public health. During the May 10, 2022 meeting, the Board approved Resolution 22-447 which extended the “state of emergency” for an additional 30 days. Resolution 22-448 extends the “state of emergency” for an additional 30 days to allow continued virtual meetings.

Possible Options:

- 1) The Board may direct the meetings be held in person.
- 2) The Board may direct that the meetings remain being held via teleconference.

Enc: Resolution 22-448

RESOLUTION NO. 22-448

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT PROCLAIMING A LOCAL EMERGENCY PERSISTS, RE-RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY THE GOVERNOR ISSUED ON MARCH 4, 2020, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODIES OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT FOR THE PERIOD OF JUNE 10, 2022, TO AUGUST 10, 2022, PURSUANT TO BROWN ACT PROVISIONS

Recitals

WHEREAS, the San Simeon Community Services District ("District") is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of the District's legislative bodies are open and public, as required by the Ralph M. Brown Act (Gov. Code, §§ 54950 – 54963), so that any member of the public may attend, participate, and watch the District's legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provision for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District's boundaries, caused by natural, technological or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, the Board of Directors previously adopted a Resolution, Number 21-433 on September 30, 2021, finding that the requisite conditions exist for the legislative bodies of the District to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, as a condition of extending the use of the provisions found in section 54953(e), the Board of Directors must reconsider the circumstances of the state of emergency that exists in the District, and the Board of Directors has done so; and

WHEREAS, emergency conditions persist in the District, specifically, the State of Emergency declared by Governor Newsom on March 4, 2020, due to COVID-19, and strong recommendations by the California Department of Public Health that all persons, regardless of vaccination status, continue to undertake social distancing measures including wearing masks while in indoor public settings; and

WHEREAS, the Board of Directors does hereby find that the rise in SARS-CoV-2 Delta and Omicron variants have caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District, and desires to affirm a local emergency exists and re-ratify the proclamation of state of emergency by the Governor of the State of California; and

WHEREAS, as a consequence of the local emergency persisting, the Board of Directors does hereby find that the legislative bodies of the District shall continue to conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall continue to comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, the Board of Directors will ensure that the public has access to meetings and the opportunity to participate in meetings in the interest of transparency and as required by AB 361.

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

1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.
2. Affirmation that Local Emergency Persists. The Board of Directors hereby considers the conditions of the state of emergency in the District and proclaims that a local emergency persists throughout the District, and COVID-19 has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District.
3. Re-ratification of Governor's Proclamation of a State of Emergency. The Board hereby ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020.
4. Remote Teleconference Meetings. The General Manager and Staff of the District are hereby authorized and directed to take all actions necessary to carry out the

intent and purpose of this Resolution including, continuing to conduct open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

- 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) August 10, 2022, or such time the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of the District may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

ADOPTED by the Board of Directors of the San Simeon Community Services District on May 26, 2022, by the following roll call votes:

AYES:
NOES:
ABSENT:
ABSTAINED:

President, Board of Directors of the
San Simeon Community Services District

ATTEST:

Charles Grace, General Manager of the
San Simeon Community Services District

APPROVED AS TO FORM:

Jeffrey A. Minnery, District Counsel

Consent Agenda Items:

ITEM 2.B. APPROVAL OF A TRANSFER OF FUNDS FROM THE MONEY MARKET ACCOUNT TO THE LOCAL AGENCY INVESTMENT FUND (LAIF) ACCOUNT IN THE AMOUNT OF \$900,000.00.



CONSENT AGENDA ITEM STAFF REPORT

ITEM 2.B. APPROVAL OF A TRANSFER OF FUNDS FROM THE MONEY MARKET ACCOUNT TO THE LOCAL AGENCY INVESTMENT FUND (LAIF) ACCOUNT IN THE AMOUNT OF \$900,000.00.

Summary:

The District currently has two (2) bank accounts with Pacific Premiere Bank. A general checking account and a money market account. During budget preparation it was determined that the deposit insurance coverage amount for the money market account is \$250,000.00. This amount is well below the total amount of funds currently in the money market account with Pacific Premiere Bank.

The District currently has an open and active account with Local Area Investment Fund (LAIF). LAIF is an investment alternative for California's local governments and special districts. The enabling legislation for LAIF is Section 16429.1 et seq. of the California Government Code. This program offers local agencies the opportunity to participate in a major portfolio, which invests hundreds of millions of dollars, using the investment expertise of the State Treasurer's Office professional investment staff at no additional cost to the taxpayer. Although LAIF is not federally insured, due to the portfolio's characteristics, credit risk is minimal such that the District's funds are better protected.

Recommendation:

- 1) The Board may choose to leave the funds in the Pacific Premiere Money Market Account.
- 2) The Board may choose to direct Staff to transfer \$900,000.00 into the District's existing LAIF account.

Enc: Handout from the State of California containing Q & A's related to LAIF

Frequently Asked Questions

LAIF Account

What entities are permitted to invest in LAIF?

Local governmental units, nonprofit corporations whose membership is confined to public agencies or public officials, and qualified quasi-governmental agencies can invest in LAIF. (Government Code Section 16429.1)

Does LAIF allow multiple accounts and subaccounts for each participating agency?

No. However, agencies are permitted to open separate bond proceeds accounts.

What documents are required to open a LAIF account?

A Certified Board Resolution (adopted by the entity's governing body) and a New LAIF Account form (available online at <http://www.treasurer.ca.gov/pmia-laif/forms/new.pdf>) are required to open a regular LAIF account. In addition to these documents, a Bond Application and Official Statement are required to open a LAIF bond proceed account. Please see "How to Participate" at <http://www.treasurer.ca.gov/pmia-laif/answer/howto.asp> and contact LAIF staff at 916-653-3001 for more information.

What are the LAIF procedures for depositing and withdrawing funds?

See "Procedures for LAIF Transactions" at www.treasurer.ca.gov/pmia-laif/answer/procedures.asp.

How do I obtain a copy of the wiring instructions for my LAIF transactions?

Contact LAIF staff at 916-653-3001 for the wiring instructions for your bank.

Are there minimum and/or maximum LAIF account balance restrictions?

Yes. Regular LAIF account balances are capped at \$75 million. There is no minimum account balance requirement. Bond proceeds accounts have no minimum or maximum balance restrictions.

How many transactions are permitted each month?

Each regular LAIF account is permitted 15 transactions per month.

Is there a minimum and/or maximum transaction amount for deposits and withdrawals?

Yes. For regular LAIF accounts, the minimum transaction amount is \$5,000 and the maximum transaction amount is \$75 million. Bond proceeds accounts have a one-time deposit with no cap and are set-up with a monthly drawdown schedule.

Does LAIF require advance notice for deposits and/or withdrawals?

No. However, for cash flow purposes, we request one day prior notice for deposits and withdrawals of \$10 million or more.

Is there a cutoff time for deposits and withdrawals?

Yes. LAIF transactions completed by 10:00 a.m. Monday – Friday will receive same day credit. Also, transactions may be requested 10 calendar days in advance of the effective date.

Can a LAIF account remain open with a zero balance?

Yes. Regular LAIF accounts will remain open with a zero balance unless a request is made to close the account. Bond proceed accounts will automatically be closed when the balance is zero.

Are confirmation numbers provided for each transaction?

Yes. Confirmation numbers are given at the time of the transaction and are also included in the monthly statements.

How do I request changes to my LAIF account?

Address, authorization and banking information change forms are available online at www.treasurer.ca.gov/pmia-laif/laif.asp under “Forms.” Change forms must be signed by two (2) persons authorized by the agency’s resolution and then returned to LAIF. A sample resolution is also available if the authorized signers change. Please contact LAIF staff at 916-653-3001 for further assistance.

How do I request a copy of a statement?

Monthly statements are available online for one year under “Reporting Documents” at www.treasurer.ca.gov/pmia-laif/laif.asp. For requests beyond one year, please contact LAIF staff at 916-653-3001 for assistance.

Are LAIF funds borrowable?

No. "Moneys placed with the Treasurer for deposit in the Local Agency Investment Fund by cities, counties, special districts, nonprofit corporations, or qualified quasi-governmental agencies shall not be subject to either of the following:

- a) Transfer or loan pursuant to Sections 16310, 16312, or 16313.
- b) Impoundment or seizure by any state official or state agency."
(Government Code Section 16429.3)

Will LAIF funds still be available if there is a State budget impasse?

Yes. The Court of Appeal issued a decision on the Jarvis Taxpayers Association v. Connell case on May 29, 2002 where the court held that the Controller may disburse funds during a budget impasse when the state and federal law properly authorizes or requires their payment, despite the absence of a budget act or emergency appropriation. "The right of a city, county, city and county, special district, nonprofit corporation, or quasi-governmental agency to withdraw its deposited moneys from the Local Agency Investment Fund, upon demand, may not be altered, impaired, or denied, in any way, by any state official or state agency based upon the state's failure to adopt a State Budget by July 1 of each new fiscal year." (Government Code section 16429.4)

Is LAIF Considered a 2a7?

No. As a part of the Pooled Money Investment Account (PMIA), LAIF does not exist on its own, it is a subset of the PMIA. Due to this comingling of funds LAIF is not a 2a7 External Investment Pool (nor is the PMIA/LAIF "2a7 like") and as such exempt from Government Accounting Standards Board (GASB) Rule 72.

Administration

How much are LAIF's administrative costs?

Administrative costs are not to exceed 5% of quarterly earnings of the fund. However, if the 13-week Daily Treasury Bill Rate on the last day of the fiscal year is below 1%, then administrative costs shall not exceed 8% of quarterly earnings of the fund for the subsequent fiscal year. (Government Code Section 16429.1) These fees cover actual costs to administer the LAIF program. A history of administrative costs can be found at www.treasurer.ca.gov/pmia-laif/historical/admin_costs.asp.

How often are administrative fees assessed and how are they paid?

Administrative fees are assessed quarterly. For each LAIF account, these fees are deducted from quarterly earnings prior to interest posting.

Are there additional fees for wiring funds?

No. LAIF does not charge a fee for wires or book transfers. However, your financial institution may charge a fee for LAIF transfers.

Interest

What's the current interest rate on the Pool?

For current interest rates on the Pool, go to http://www.treasurer.ca.gov/pmia-laif/performance/PMIA-LAIF_perform.pdf

What methodology is used to calculate interest (simple maturity, yield to maturity, etc.)?

Interest is calculated on a dollar-day basis to guarantee equitable distribution among all member funds.

How frequently is interest paid?

Interest is paid quarterly and is posted to the LAIF accounts on the 15th of the month, or previous business day if the 15th is a non-working day, after the quarter end (i.e., January 15, April 15, July 15 and October 15).

How are gains and/or losses reported (factored monthly or only when realized)?

Gains and/or losses are reported when realized.

Reporting

How often is the portfolio yield reported to participants?

The portfolio yield is updated weekly. See "PMIA/LAIF Performance" at http://www.treasurer.ca.gov/pmia-laif/performance/pmia-laif_perform.pdf. To receive weekly electronic performance updates, please contact LAIF staff at 916-653-3001 to be added to the subscriber list.

Are administrative fees of the Pool deducted before quoting the yield?

No. The yield is quoted prior to deduction of administrative fees.

Where can I find reporting documents for the Pool?

The following reports can be found at <http://www.treasurer.ca.gov/pmia-laif/pmia/index.asp> under “Reporting Documents”: Disclosure Statements, Market Valuation, Maturity Schedule, Monthly Reports, Quarterly Reports, Annual Reports, and Independent Auditor’s Report by Bureau of State Audits.

Is the Pool insured?

No. However, due to the portfolio’s characteristics, credit risk is minimal.

Securities

Does the Pool provide a written statement of the PMIA Investment Policy?

Yes. A written statement of the PMIA Investment Policy can be found at www.treasurer.ca.gov/pmia-laif/answer/policy.pdf. The policy includes a description of authorized securities, credit standards of investments, allowable maturity range of investments, the maximum allowable dollar weighted average portfolio maturity, the limits of portfolio concentration permitted for each type of security, and the policy on reverse repos.

Is the Pool rated?

No. The Pool is not rated.

Security

What are the safekeeping practices of the Pool?

The Treasurer may place and maintain for safekeeping as a trust deposit with any qualified trust company, other than the depositor bank, or with the Federal Reserve Bank or any branch thereof any securities that have been received by the Treasurer. (Government Code Section 16551) The Treasurer utilizes a custodian bank.

Is the Pool subject to audit by an independent auditor?

Yes. The Pool is audited annually by the Bureau of State Audits and the resulting report is posted to the website at www.treasurer.ca.gov/pmia-laif/reports/bsa.pdf.

Who makes the portfolio decisions?

Investment decisions are made by the State Treasurer and the Investment Division staff of the State Treasurer's Office.

How do the investment managers monitor the credit risk of the securities in the Pool?

A written statement of portfolio management goals, objectives and policies, along with independent market valuations, are used to monitor the credit risk of the securities in the Pool.

How is the Pool monitored?

The Pool is monitored by the Pooled Money Investment Board, Local Investment Advisory Board and the Bureau of State Audits to ensure compliance with written policies.

How often are the portfolio's market and securities value reported?

These values are reported quarterly and can be found at www.treasurer.ca.gov/pmia-laif/reports/quarterly.asp.

What method is used to value the portfolio?

The amortized cost and current value methods are used to value the portfolio.

Does the pool distribute detailed reports of its holdings?

Yes. These reports are distributed on a monthly basis and can be found at www.treasurer.ca.gov/pmia-laif/reports/monthly.asp.

BUSINESS ACTION ITEMS:

ITEM 3.A. DISCUSSION AND REVIEW OF THE FISCAL YEAR BUDGET 2022/2023.



PUBLIC HEARING STAFF REPORT

ITEM 3.A. DISCUSSION AND REVIEW OF THE FISCAL YEAR BUDGET 2022/2023.

Summary:

There will be a presentation by the Budget Committee on the DRAFT version of the Fiscal Year Budget for 2022/2023. Staff is seeking feedback from the Board and members of the public regarding the budget.

Recommendation:

It is recommended that the Board take no formal action on this matter. The budget will be presented to the Board at a public hearing during the June 14, 2022 Board meeting, at which time the Board may choose to formally adopt the budget.

Enc: Copy of the DRAFT fiscal year 2022/2023 Proposed Budget

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1														
2						San Simeon Community Services District								
3						Preliminary Budget ver.4								
4						Fiscal Year Ending June 30 2023								
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DRAFT

May 15, 2022 @ 19:03 hrs					DRAFT
San Simeon Community Services District Rate Structure (Proforma)					
Fiscal Year 2022-23					
5/12/22 @ 1525hrs					
Fiscal Year		21-22	22-23		\$ Increase
Ordinance		#121	#121		% Increase
Ordinance Adopted		Aug. 14, 2019	Aug. 14, 2019		
Ordinance Effective					
Service Charges					
Proposed Increase		4.60%	6.80%		
Per month - Per Service		\$39.78	\$42.48		\$2.70
% Increase		4.60%	6.80%		6.8%
Water Rates					
Proposed Increase		4.60%	6.80%		
Per 100 cf of water used		\$14.21	\$15.18		\$0.97
% Increase		4.60%	6.80%		6.8%
Irrigation Meters					
Per 100 cf of water used		\$23.81	\$25.43		\$1.62
% Increase		4.60%	6.80%		6.8%
Recycled Water					
Proposed Increase per gal					
% Increase					
Sewer Rates					
Proposed Increase		4.60%	6.80%		
Per 100 cf of water used					
Motels					
		\$17.37	\$18.55		\$1.18
% Increase		4.60%	6.80%		6.8%
Residences					
		\$10.69	\$11.42		\$0.73
% Increase		4.60%	6.80%		6.8%
Restaurants					
		\$26.89	\$28.72		\$1.83
% Increase		4.60%	6.80%		6.8%
Commerical					
		\$10.69	\$11.42		\$0.73
% Increase		4.60%	6.80%		6.8%

DRAFT

SAN SIMEON COMMUNITY SERVICES DISTRICT
Capital Improvement Projects
FY 2022-2023

Wastewater Treatment Plant

- **Ocean Outfall Repair** **\$120,000**
 This is the repair of the outfall line as determined previous inspections involving the loss of support.
 - **WWTP Composite Samplers** **\$12,000**
 These are needed for testing and reporting purposes and we need two at approx. \$6,000 ea.
 - **Pipe Bridge Design** **\$37,500**
 This is a joint project with the Water Fund for design of a new bridge to support the water & sewer line over Padre de Juan creek.
- Sub Total - \$169,500**

Water Storage and Distribution

- **Pipe Bridge Design** **\$37,500**
 This is a joint project with the Sewer Fund for design of a new bridge to support the water & sewer line over Padre de Juan creek.
 - **Disposal of Transite Pipe** **\$15,000**
 This was extra replacement pipe that will no longer be used, might be class as hazardous material for disposal.
 - **Paint Elevated Wall on Reservoir** **\$10,000**
 This major repair may be expensed but is listed here for Review.
 - **Tank Reservoir Easement** **\$60,000**
 This project will complete the easement acquisition, design for the water storage, bid package and project management.
 - **Residential Meter Replacement** **\$90,000**
 This project is necessary to replace the residential meter.
- Sub Total - \$212,500**

**Capital Improvement Projects
Continued
FY 2022-2023**

General Fund

• Pico Stair Repair	\$30,000
This project is to further stabilize the stairway at Pico Beach access. (Included in future Projects Gen on 22-23 Budget)	
• Accounting Software Package	\$25,000
This bookkeeping software is necessary to complete the transition to complete enterprise fund accounting	
	<u>Sub Total - \$25,000</u>
Total Project Cost FY 2022-23	<u>\$407,000</u>

BUSINESS ACTION ITEMS:

ITEM 3.B. AUTHORIZATION FOR STAFF TO RETAIN A CONSULTANT, DANIEL HEIMEL, TO PROVIDE SERVICES RELATED TO THE WATER MORATORIUM.



BUSINESS ACTION ITEM STAFF REPORT

ITEM 3.B. AUTHORIZATION TO RETAIN A CONSULTANT, DANIEL HEIMEL (CONFLUENCE ENGINEERING), TO PROVIDE SERVICES RELATED TO THE WATER MORATORIUM, ISSUES THEREAFTER AND UTILITY RELATED ISSUES.

Need for Consulting Services:

During the October 2020 Board meeting, Grace Environmental Services (GES) staff provided a list of eleven (11) items related to removing the existing water moratorium. Many of these have been completed. Subsequently, at the November 2020 Board meeting, it was determined that many of these tasks were not covered under the current management contract that the District has with Grace Environmental Services (“GES”). The Board approved the hiring of Paavo Ogren, to provide consulting services related to the lifting of the water moratorium.

Scope of Work:

In light of Mr. Ogren’s current availability, the recent settlement agreement related to a hardship exemption, and the various other agencies that may also be involved, it is suggested that the Board consider contracting with Confluence Engineering Solutions (Daniel Heimel) to continue progress on the will serve process and other utility related matters that may arise.

Purchasing Policy:

Due to the unique circumstances in lifting a 30 plus year water moratorium and the interagency involvement, it appears that the hiring of an independent contractor would fall within the “Special Circumstances” section of the District’s purchasing policy. Section 8 of the District purchasing policy provides the following:

8. Special Circumstances

These professional consultant selection procedures are not applicable when three (3) qualified professional service firms or individuals are unavailable or if it is appropriate and in the best interest of the District under the specific circumstances of the project at issue to limit the number of consultants solicited. Examples of such specific circumstances may include the following: the need to take immediate action on a

project precludes the District's ability to follow these procedures; the absence of any fiscal or competitive advantage in following these procedures; only one consultant is known to be available and capable of providing needed services within the required time; the services to be provided are so unique that only one known consultant is qualified and available to perform them; or the terms of a legal mandate or negotiated agreement require the use of a particular consultant. The basis for such action shall be documented in writing and noted in the contract and approved by the General Manager. When Board approval is required, the documented basis for such action shall be included in the report to the Board.

Staff is suggesting that based on the complexity involved in lifting the water moratorium, the District consider retaining Confluence Engineering Solutions on a consulting basis. Staff recommends an initial limit of not to exceed \$50,000.

Enc: Copy of proposal from Dan Heimel, Confluence Engineering
Section 19.00 of the Purchasing Policy



May 25, 2022

To: Jeff Minnery

Legal Counsel

San Simeon Community Services District

Subject: Proposal to provide Water and Wastewater Engineering Support Services to the San Simeon Community Services District

Confluence Engineering Solutions, Inc. (ConfluenceES) is pleased to provide the following proposal to the San Simeon Community Services District (San Simeon CSD) for Water and Wastewater Engineering Support Services. Dan Heimel, PE, MS, and founder of ConfluenceES has 20 years of experience providing engineering, operations, and regulatory compliance services for water and wastewater utilities. Combining technical expertise with extensive experience facilitating multi-stakeholder projects allows ConfluenceES to provide a wide range of engineering consulting services to support utilities in planning, design and construction of their water and wastewater systems. For the last decade, Dan has focused on supporting San Luis Obispo County municipalities and has developed extensive knowledge of San Luis Obispo County water, wastewater and recycled water resources and relationships with local utility staff, elected officials and regulatory agencies. Dan and ConfluenceES will leverage this knowledge and experience to support San Simeon CSD with the management and improvement of its water and wastewater systems.

The proposal includes the following components:

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Background

San Simeon is a small coastal community located on the North Coast of San Luis Obispo County, approximately 35 miles north of the City of San Luis Obispo. The San Simeon Community Services District (San Simeon CSD), formed in 1961, provides water, wastewater and other municipal services to approximately 200 residential and 10 non-residential customers within its ~100-acre service area. San Simeon CSD is in the process of undertaking numerous initiatives for its water and wastewater systems. Some of these initiatives are listed below:

- Relocating its wastewater treatment plant
- Lifting its water services moratorium
- Completing an Instream Flow Study for Pico Creek
- Replacing a critical water and sewer utility pipe bridge

To support these and other projects San Simeon CSD needs additional engineering support for utility planning and conceptual design, infrastructure alternatives evaluation, permitting, coordination with regulatory and jurisdictional agencies, consultant management and project management services. ConfluenceES prepared this proposal to provide San Simeon CSD with additional engineering support services for its water and wastewater systems and the projects listed above.

FIRM DESCRIPTION



CONFLUENCE
ENGINEERING SOLUTIONS, INC.

**BRINGING PEOPLE
TOGETHER TO CREATE
COLLABORATIVE WATER
RESOURCE SOLUTIONS**

SERVICES OFFERED

- **WATER RESOURCES PLANNING**
Water Supply, Resiliency and Reliability Planning
- **PROGRAM/PROJECT MANAGEMENT**
Water, wastewater, recycled water program/project management
- **STAFF EXTENSION/AS-NEEDED ENGINEERING SUPPORT**
As-needed water/wastewater utility engineering, operations and regulatory compliance support
- **MULTI-AGENCY COLLABORATION FACILITATION**
Regional, multi-agency water supply and infrastructure collaboration facilitation
- **GROUNDWATER MANAGEMENT**
Sustainable Groundwater Management Act (SGMA) and Adjudicated Basin groundwater management

CONFLUENCE ENGINEERING SOLUTIONS, INC.

(ConfluenceES) was created to help people and organizations identify and develop sustainable water resource solutions.

At ConfluenceES, we understand the value of bringing people together to create more powerful opportunities than one individual or organization can develop alone.

We are focused on collaborating with water, wastewater and recycled water utilities to develop reliable, resilient water supplies and systems.

Qualifications

i *ConfluenceES has provided Engineering and Operations support services for municipal clients for the last 20 years and is well positioned to support San Simeon CSD with its engineering needs. A description of some of these services is provided below:*

Water and Wastewater Engineering Services – City of Morro Bay

ConfluenceES is providing engineering services for the City of Morro Bay (City) to support management of its water and wastewater systems and implementation of Capital Improvement Projects (CIP). In 2018, the City of Morro Bay completed its OneWater Plan, which included a comprehensive evaluation of its water, wastewater and stormwater systems and the development of a prioritized list of recommended rehabilitation/replacement or new infrastructure projects to allow the City to serve its current and build-out populations. To assist the City in delivering its CIP projects, ConfluenceES is providing permitting, environmental, consultant procurement, design overview, bidding, construction management and project/program management support services. These services are supporting the City with its Kings/Blanca Tank Rehab, Nutmeg Tank and Distribution System Modification, Beachcomber Sewer, Atascadero/Main Street Sewer, Brackish Reverse Osmosis Treatment Facility Upgrades and other projects.

Relevance to the San Simeon CSD

- Assisting a municipal utility in planning, design, permitting and construction of water and wastewater infrastructure projects to address deferred maintenance and future capacity needs
- Providing regulatory agency coordination and permitting support for operations and maintenance of water and wastewater infrastructure in the Coastal Zone
- Representing City in regional water and wastewater collaboration and grant funding forums

Water Resources Facility Owner’s Advisor – City of Morro Bay

ConfluenceES is providing Owner’s Advisor and Program Management engineering services to support the City of Morro Bay (City) with construction of a new Water Resources Center (WRC) and associated recycled water facilities. The City’s existing wastewater treatment plant was constructed in 1953 and upgraded in 1964, 1982 and 1984, but is under a Time Schedule Order to comply with current wastewater treatment requirements. The existing facility cannot meet these requirements without significant upgrades and the California Coastal Commission denied a permit to upgrade the existing facility in 2013, because it is located in the sea-level rise, tsunami and flood inundation zones.

Beginning in December 2021, ConfluenceES was hired by the City to assist in delivering the WRC and the recycled water program, which provide advanced purified water for injection into the Morro Basin, to provide the City with a drought resilient water supply portfolio. ConfluenceES’s role includes reviewing and advising the City in all aspects of the WRC project and leading the planning, design and implementation of the Indirect Potable Reuse (IPR) groundwater recharge program. Additionally, ConfluenceES is assisting the City in identify strategies to maximize the value of its recycled water and

State Water Project resources to provide a resilient water supply portfolio and revenue recovery opportunities for its customers.

Relevance to the San Simeon CSD

- Assisting a municipal utility in relocating and constructing a new wastewater treatment facility to avoid sea-level rise and tsunami inundation coastal hazards
 - Identifying strategies for a coastal community to maximize the value of its water supply resources to provide a reliable, resilient water supply for the community
 - Coordinating closely with Regional Water Quality Control Board, Division of Drinking Water, California Coastal Commission and other regulators to ensure compliance with current regulations
-

Drinking Water Regulatory Compliance – City of Grover Beach

ConfluenceES is providing drinking water monitoring and regulatory compliance services for the City of Grover Beach (City). The City owns and operates a water distribution system that includes approximately 5,200 service connections and consists of 57 miles of pipeline, four groundwater wells, three water storage tanks, one booster station, a nitrate groundwater treatment system and one connection to the Lopez Water Treatment System. To comply with Division of Drinking Water (DDW) regulations, the City must collect, analyze and report multiple water quality samples and other information from its drinking water sources and the distribution system on a weekly, monthly, quarterly and yearly basis.

To assist the City with DDW regulatory compliance, ConfluenceES is providing water quality monitoring, reporting and engineering support services. These services include development of the water quality sampling schedule, review of water quality monitoring results and system operations information, preparation of drinking water compliance reports and coordination with City Staff and DDW representatives. Duties additionally include supporting City Staff with the preparation of the annual Consumer Confidence Report (CCR) and Electronic Annual Reporting (EAR) and researching and advising the City on how to comply with new and changing regulations (e.g. Revised Total Coliform Rule, Lead and Copper Rule Revisions, Unregulated Contaminant Monitoring Rule V, etc.).

Relevance to the San Simeon CSD

- Assisting a municipal water utility with compliance with DDW water quality sampling and reporting requirements
 - Providing technical engineering consulting services to support the City in navigating new and changing regulations
-

2020 Urban Water Management Plan – City of Morro Bay

Dan Heibel supported the City in the development of its 2020 Urban Water Management Plan (UWMP) and Water Shortage Contingency Plan. The UWMP provides the City with an updated assessment of its water supply portfolio's anticipated capability to meet current and projected future water demands under various drought scenarios. Additionally, included in the 2020 UWMP are an updated: description of the City's water system; assessment of current water demands; projections for future water demands; SBX7-7 compliance calculations; characterization of existing and future water supply availability; Water Service Reliability and Drought Risk Assessments; Water Shortage Contingency Plan; and description of Demand Management Measures. The UWMP confirmed that the City will be able to reliably provide water to its customers in near-term and future drought conditions utilizing a combination of its State Water Project (i.e. allocations, drought buffer and stored water), Morro Valley Groundwater Basin and Indirect Potable Reuse water supplies.

Relevance to the San Simeon CSD

- Developed supply/demand evaluation tool to assist the City in evaluating capability of its water supply portfolio to meet current and future demands under extended drought conditions
- Prepared and provided presentations to the City's Governing Board and Subcommittees
- Coordinated with City Staff to provide engineering support services and prepare an updated water supply document on an accelerated timeline

Central Coast Blue Program Management – Cities of Pismo Beach, Arroyo Grande and Grover Beach

Central Coast Blue is a regional recycled water groundwater recharge and recovery project led by the City of Pismo Beach and includes partnerships with the Cities of Arroyo Grande and Grover Beach. Central Coast Blue will capture and treat water from the City of Pismo Beach and the South San Luis Obispo County Sanitation District Wastewater Treatment Plants to advanced purified standards and inject it into the Santa Maria Groundwater Basin. This will provide additional groundwater recharge and create a seawater intrusion barrier that will allow the participating agencies to reliably access their groundwater supplies under future drought conditions.

Dan Heibel's Program Manager role on Central Coast Blue included overseeing the multidisciplinary team that was formed to support project implementation. He managed the engineering design team and hydrogeologic, environmental, and property acquisition consultants and coordinated with staff, elected officials and members of the public for the participating and stakeholder agencies. Additionally, Dan led coordination with the Regional Water Quality Control Board, Division of Drinking Water, County of San Luis Obispo, California Coastal Commission, State and County Parks and other regulatory agencies.

Relevance to the San Simeon CSD

- Provided Program Management Services for an innovative recycled water program to maximize water resources availability

- Coordinated with numerous regulatory agencies regarding development of a major Public Works Infrastructure project in the Coastal Zone
 - Oversaw and managed coordination of a multi-disciplinary team of consultants to develop a complex recycled water program
-

Engineering Staff Extension Support Services – Northern Cities Management Area

From 2010 to 2021, Dan Heibel provided the Cities of Arroyo Grande, Grover Beach, Pismo Beach and the Oceano Community Services District (Northern Cities Management Area or NCMA Agencies) with Engineering Support Staff Extension Services to assist in the management of their Santa Maria Groundwater Basin and surface water supplies (i.e. Lopez Reservoir and State Water Project). In this role, Dan Heibel facilitated monthly NCMA Technical Group Meetings to coordinate the water resources management efforts for the NCMA Agencies during an unprecedented drought. He developed numerous decision support tools to assist the agencies in making informed water supply decisions and coordinated on regional water initiatives on behalf of the NCMA Agencies, including the San Luis Obispo County Stormwater Resources Plan, Regional Recycled Water Strategic Plan, San Luis Obispo County Master Water Report, San Luis Obispo County Resource Management System, and Santa Maria Groundwater Basin Characterization Study.

These staff extension services additionally included coordinating and leading annual meetings with the NCMA Agricultural Representatives to facilitate collaboration amongst municipal and agricultural pumpers in the NCMA. Dan also led the development of two NCMA Technical Group Strategic Plans to identify and build consensus on how to best prioritize the use of the NCMA resources and staff time to better improve water supply reliability and resilience in the region.

Relevance to the San Simeon CSD

- Provided Staff Extension Engineering Supports Services for over 10 years
 - Coordinated hundreds of meetings to facilitate collaboration amongst Public Works departments from 3 Cities and a Community Services District
 - Developed and presented numerous presentations for City Councils, Agricultural Representatives and other Stakeholder agencies
-

Regional Water Infrastructure Resiliency Plan – San Luis Obispo County Flood Control and Water Conservation District

Dan Heibel led the development of the Regional Water Infrastructure Resiliency Plan (RWIRP) to assist the San Luis Obispo County Flood Control and Water Conservation District (District), Countywide Water Action Team (CWAT) and partnering water utilities in identifying and addressing potential water supply resiliency risks. The RWIRP included evaluation of current and future demands and anticipated available supply and reliability of water supply portfolios for 40 water systems in San Luis Obispo County. Through

a combination of qualitative and quantitative assessments, the RWIRP identified which agencies' water supplies were potentially vulnerable to extended drought, infrastructure failure, natural disaster, changing environmental or regulatory requirements, water rights challenges and other risk factors.

Following the assessment of potential vulnerabilities, Dan Heibel led the District and the CWAT in identifying and developing Resilience Risk Mitigation Opportunities or projects and initiatives to improve water supply resiliency and reliability. This exercise identified multiple potential intertie, transfer, and exchange opportunities to improve water supply reliability and resiliency by providing access to additional water supply sources, access to more reliable water supply sources, and/or enhanced conjunctive use opportunities.

Relevance to the San Simeon CSD

- Evaluated water supply portfolio reliability and resiliency for 40 water suppliers in San Luis Obispo County, including the San Simeon CSD
- Facilitated water supply workshops with representatives from each participating water supplier to build consensus and buy-in on water supply assessment methodologies
- Coordinated with City of Morro Bay staff to obtain water supply information and provide a more accurate assessment of the City's water supply portfolio

Executive Director – Los Osos Basin Management Committee

ConfluenceES provides Executive Director services for the Los Osos Basin Management Committee (BMC) to assist in implementing the Los Osos Groundwater Basin Adjudication. In 2015, the Los Osos Community Services District, Golden State Water Company, County of San Luis Obispo and the S&T Mutual Water Company (BMC Parties) agreed to a Stipulated Judgement which called for the formation of the BMC to facilitate the implementation of the Los Osos Basin Plan, the plan to ensure the sustainability of the Los Osos Basin. As Executive Director, Dan Heibel coordinates the activities of the BMC, including facilitating BMC Meetings, developing and maintaining of BMC budget and finances, overseeing development of the BMC Annual Report and other initiatives, and coordinating BMC Party Staff Meetings.

Additionally, as BMC Executive Director, Dan Heibel facilitated the BMC Parties in the development of a Strategic Implementation Plan to build consensus and align the BMC on where to focus its staff and financial resources. In 2021, Dan Heibel led the BMC through an updated evaluation of the Sustainable Yield for the Los Osos Basin and achieved unanimous approval of an updated Sustainable Yield estimate which will inform the Los Osos Community Plan and future of Los Osos development.

Relevance to the San Simeon CSD

- Providing water supply management services for a coastal community located in San Luis Obispo County
- Facilitating collaboration and coordinating amongst four parties to implement a water supply management plan to ensure a sustainable water supply

- Coordinating with County of San Luis Obispo and other regulatory agencies regarding water supply and wastewater disposal regulatory compliance
-

Fee Estimate

ConfluenceES proposes to provide Water and Wastewater Engineering Support Services for the San Simeon CSD on a time and materials basis at a rate of \$200 per hour.

Sincerely,

A handwritten signature in blue ink, appearing to read "Daniel Heimel".

Daniel Heimel, PE, MS

President/Principal Engineer

Confluence Engineering Solutions, Inc.

PO Box 7098

Los Osos, CA 93412

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Manager but, in general, should not exceed \$150.00. The General Manager shall ensure that petty cash is used to cover only those expense reimbursements for which it is not feasible, or for which it is unreasonably inconvenient, to use normal purchasing methods. Any expense that is predictable, regular, or significant should be dealt with through normal accounting procedures. All expenses incurred using petty cash funds must be substantiated by acceptable supporting documentation such as receipts and invoices. The petty cash shall be kept in a secure (locked) location and the key held securely. The General Manager may delegate petty cash duties to the Office Manager.

19.00 Procurement Policy.

19.01. Purpose. The purpose of this policy is to provide direction on how to efficiently and legally obtain suitable quality services, supplies, materials, and labor at the lowest possible cost.

19.02. Definitions. For the purposes of this Policy, the term "purchasing" refers collectively to contracting or procurement of services, supplies, materials, or labor, including Capital Improvements.

19.03. Procurement Procedures.

Sections A, B, and C are governed by the following conditions:

The contract shall be awarded to the lowest responsible, responsive bidder, in accordance with the Public Contract Code. Written entries documenting that the required bidding process has been followed shall be entered in the project file, and a copy of the Board Report and contract shall be saved in the District files. Following Board approval, the General Manager and one Board member shall then execute the contract.

A. Solicitation of Formal, Advertised Bids or Requests for Proposals (RFP) for Expenditures Exceeding \$50,000

When any expenditure is expected to exceed \$50,000, the District shall publish a notice inviting bids or requests for proposals a minimum of one week prior to the time of receiving bids in a general circulation newspaper published within San Luis Obispo County. This type of formal bidding process typically includes the issuance of written plans and/or specifications describing the goods or services to be provided and the receipt of written bids from the vendors or contractors involved. The General Manager, or a designated staff member, shall solicit a minimum of three (3) vendors or contractors to bid on the project. There may be special circumstances, however, when fewer than three (3) vendors are available to submit a proposal or fewer than three (3) vendors submit proposals. In such cases, the General Manager shall justify the reason(s) three vendors could not be solicited with written documentation retained in the project file.

B. Solicitation of Three Written Bids or Requests for Proposals for Expenditures Exceeding \$10,000 but Not Exceeding \$50,000

When any expenditure is expected to exceed \$10,000, but not exceed \$50,000, the General Manager, or said designee, shall solicit a minimum of three (3) vendors or

contractors to submit written bids or proposals. Written entries documenting that three written proposals were solicited shall be noted by the General Manager in the project file. There may be special circumstances, however, when fewer than three (3) vendors are available to submit a proposal or fewer than three (3) vendors submit proposals. In such cases, the General Manager shall justify the reason(s) three vendors could not be solicited with written documentation retained in the project file.

1. Alternative Selection Procedure for Expenditures Exceeding \$10,000

When the District is seeking a unique solution to a problem or situation that cannot necessarily be resolved by the lowest bidder (i.e. when the methods, approaches, and procedures to be used in performing the work are of primary importance), a “Point Count/High Score” method of selecting a proposal may be utilized. Before soliciting proposals, the District must determine the method of evaluation and include the appropriate information in the request for proposal. If a “Point Count/High Score” method will be used, a comprehensive evaluation plan must be developed and finalized. All rating and scoring factors that are to be considered must be included, criteria for considering costs must be developed, and the evaluation plan must provide for a fair and equitable evaluation of all proposals. Scoring factors must take into consideration cost and that factor cannot be less than 30% of the total points available. Proposals received under this method shall first be evaluated to determine whether they were received in time and in the manner prescribed to determine which ones meet the format requirements specified in the request for proposal. Those proposals that meet the format requirements shall then be submitted to an evaluation committee which shall be comprised of the General Manager and one Board member. The evaluation committee will evaluate and score the proposals using the methods specified in the request for proposal. The contract must be awarded to the responsible, responsive proposal given the highest score by the evaluation committee.

Note: *Invitation for Bids* are typically used to obtain simple, common, or routine services that may require personal or mechanical skills (i.e. little discretion is used in performing the work). *Requests for Proposals* are used to obtain complex services in which professional expertise is needed and may vary. *Requests for Proposals that will utilize the alternative selection procedure* should be used only to obtain very complex and/or unique services in which professional expertise and methods vary greatly or creative/innovative approaches are needed. (i.e. public relations, advertising, complex research projects).

C. Solicitation of Three Verbal Quotes for Expenditures Exceeding \$5,000 but Not Exceeding \$10,000

When any expenditure is expected to exceed \$5,000 but not exceed \$10,000, the General Manager, or said designee, shall solicit a minimum of three (3) verbal quotes to provide the goods or services. Written entries documenting that three verbal quotes were solicited shall be made in the project file.

D. Expenditures Not Exceeding \$5,000

The General Manager, or said designee, shall obtain competitive cost information, whenever reasonably feasible, for any District purchase even though formal cost

quotations are not required for goods or services costing \$5,000 or less. The General Manager shall approve the payment.

19.04. Exceptions to Standard Purchasing Procedures.

A. Public Projects.

On June 11, 2014, the District passed Resolution No. 14-363 adopting the Uniform Public Construction Cost Accounting Procedures (California Public Contract Code § 22000 *et seq.*) in the contracting for construction of “public projects.” The District is therefore subject to the uniform construction cost account procedures set forth in Pub. Con. Code § 22000 *et seq.* and incorporates the procedures set forth therein to this policy manual. “Public project” means any of the following: (1) construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility; (2) painting or repainting of any publicly owned, leased, or operated facility.

B. Emergency Conditions

An emergency is defined as a breakdown in machinery and/or equipment resulting in the inability of the District to provide essential services or a threat to public health, safety, or welfare, including, but not limited to, threatened damage to natural resources or an imminent threat of injury or damage to any person or property.

In the case of such an emergency, the formal RFP process is suspended. The General Manager, or said designee, shall secure, in the open market at the lowest obtainable price, any services, supplies, material, or labor required to respond to the emergency. The Purchase Order should indicate "Emergency Conditions" with written documentation of the nature of the emergency and lowest obtainable price information. The General Manager shall consult with two Board members prior to taking significant action.

In the case of a natural disaster or for civil defense, nothing contained in this Policy shall limit the authority of the General Manager to make purchases and take necessary emergency steps.

C. Limited Availability/Sole Source

Occasionally, necessary supplies, material, equipment, or services are of a unique type, are of a proprietary nature, or are otherwise of such a specific design or construction, or are specifically necessary for purposes of maintaining cost-effective system consistency so as to be available from only one source. The General Manager may dispense with the requirement of competitive bids and recommend negotiating a fair price and making the purchase from a sole source if, after reasonable efforts by District staff to find alternative suppliers, there exists only a single source. Alternatively, if reasonable efforts by District staff to identify three (3) vendors or contractors as applicable under this policy are unsuccessful, the General Manager may authorize a limited availability bidding process with fewer than three (3) vendors or contractors. The basis for the sole source recommendation shall be documented in writing on the contract or purchase order and approved, in advance, by the Board for purchases exceeding \$10,000 and the General Manager, or other authorized District staff, under this policy for purchases not exceeding \$10,000.

D. Cooperative Purchasing

The District shall have the authority to join in cooperative purchasing agreements with other public agencies (e.g. the State of California or other counties, cities, or special districts) to purchase goods or services at a price established by that agency through a competitive bidding process consistent with California public bidding requirements. The Board may authorize participation in cooperative purchasing agreements.

E. Professional Consultant Services

1. Definition and Restrictions

Professional consultant services are of a technical nature and, due to the type of services to be provided, do not readily fall within the "low bid" competitive bidding process. California Government Code Section 4525 *et. seq.* requires that selection of professional consultants in the categories of architects, landscape architects, engineers, surveyors, and environmental consulting be made on the basis of demonstrated competence and the professional qualifications necessary for the satisfactory performance of the required services. Professional consultants should be individually selected for a specific project or problem with the objective of selecting the most qualified consultant at a price that is fair and reasonable. Professional service agreements shall not be split into smaller units, nor shall contract amendments be used, for the purpose of circumvention of the expenditure limits of this Policy.

As used in this Policy, "professional consultant service agreement" shall mean and include all professional services provided by the same consultant that are provided as part of or related to the same project or program for which the consultant is being retained. Consultants who are retained to provide services on an ongoing basis, such as geotechnical peer reviews of District projects, shall be retained by means of an annual service agreement unless an agreement providing for renewal or extension of services has been approved.

- a. For selection of architects, landscape architects, engineers, surveyors, and environmental consultants, the following procedures shall apply unless the services needed from such consultants are of a technical nature or involve professional judgment.

Cost is not to be included in the Request for Proposal (RFP). Only after a firm is selected, is compensation negotiated. The scope of work is the basis for negotiations for payment. If the parties cannot agree on fair compensation, negotiations may be formally terminated with the firm considered most qualified and may be commenced with the second highest-rated firm. Such procedure may be repeated until an agreement is reached with a qualified firm.

Alternatively, a fee or cost estimate can be requested at the time of the RFP by requiring it to be provided in a separate, sealed envelope. The fee estimate will only be opened after selecting the successful consulting firm.

- b. For consultants who do not fall under the qualifications-based selection method described above, or where the services needed from the vendors listed above

are of a technical nature and involve professional judgment, cost can be included in the RFQ/RFP and used in ranking the consultants for selection. Examples of such consultants include, but are not limited to: training, safety, recruitment, personnel services, economic analysis, city and regional planning, property appraisals/analysis, property acquisition, title insurance, facilitators, legal services, financial services, and data processing.

2. Selection Procedures for Professional Services in Excess of \$50,000

When the cost for professional services is expected to be in excess of \$50,000, the District shall prepare a Request for Proposal (RFP) which should request the professional's qualifications, relevant experience, described approach, staffing, and support. The proposal should outline the terms, conditions, and specifications of the services required by the District. District staff will review the proposals received, rank the consultants based upon the following criteria, and invite the most qualified firms for interviews:

- a. ability of the consultants to perform the specific tasks outlined in the RFP,
- b. qualifications of the specific individuals who will work on the project,
- c. quantity and quality of time key personnel will be involved in their respective portions of the project,
- d. reasonableness of the fee requested to do the work; comparability of fee to similar services offered by other qualified consultants (except where fee is to be negotiated later),
- e. demonstrated record of success by the consultant on work previously performed for the District or for other public agencies or enterprises,
- f. the specific method and techniques to be employed by the consultant on the project or problem,
- g. ability of the consultant to provide appropriate insurance in adequate amounts, including errors and omissions if applicable, and
- h. responsiveness to the RFP.

The report to the Board shall summarize the basis for staff's consultant selection recommendation and the ranking of the consultants based upon these criteria. Following Board approval, the General Manager and one Board member shall then execute the contract.

3. Selection Procedures for Professional Services in Excess of \$10,000 but Not Exceeding \$50,000

District staff shall solicit written proposals from a minimum of three (3) qualified consultants. A formal RFP is not required. There may be special circumstances, however, when fewer than three (3) vendors are available to submit a proposal or fewer than three (3) vendors submit proposals. In such cases, the General Manager shall justify the reason(s) three (3) vendors could not be solicited with written documentation retained in the project file.

The selection shall be based upon the criteria noted in Section 2 above. The General Manager, or said designee, may approve the selection and execute the agreement. The ranking and selection recommendation, based upon these criteria and the

written proposal information, shall be documented in the project file. Following Board approval, the General Manager shall then execute the contract.

4. Selection Procedures for Professional Services in Excess of \$5,000 Not Exceeding \$10,000

Formal RFP's are not required for professional services in excess of \$5,000 and not exceeding \$10,000. District staff may select a consultant from a pre-qualified consultant file if available. District staff shall contact at least three (3) qualified consultants and request an informal written proposal or verbal proposal. There may be special circumstances, however, when fewer than three (3) vendors are available to submit a proposal or fewer than three (3) vendors submit proposals. In such cases, the General Manager shall justify the reason(s) three vendors could not be solicited with written documentation retained in the project file.

The selection shall be based upon the criteria noted in Section 2 above. Notations documenting the proposals and reasons for selection shall be made in the project file. Following Board approval, the General Manager shall then execute the agreement.

5. Selection Procedure for Professional Services Not Exceeding \$5,000

Formal RFP's are not required for professional services \$5,000 or under. District staff may select a consultant from a prequalified consultant file if available. The General Manager shall approve the selection.

6. Renewal of Contracts with Professional Consultants

The District may, after following required consultant selection procedures, enter into consultant agreements which contain provisions authorizing their extension or renewal. Recommendations to extend or renew an existing contract with a professional consultant should include a written evaluation of the work performed by the consultant as well as a determination that the rationale for providing for the renewal option in the existing contract remains valid and that the fees being charged are comparable to fees for similar services offered by other consultants at the time of renewal or extension. If the total amount of the contract renewal does not exceed \$5,000, the General Manager, or said designee, may execute a contract amendment to formalize the renewal. If the total amount of the original agreement and any amendments exceed \$5,000, prior Board approval must be obtained.

7. Conflict of Law

These procedures are not applicable where superseded by local, state, or federal law; where the terms of grant funding provide for the use of other consultant selection procedures; or where the District is obligated to select consultants through the use of different procedures, such as the requirements of an insurance or self-insurance program.

8. Special Circumstances

These professional consultant selection procedures are not applicable when three (3) qualified professional service firms or individuals are unavailable or if it is appropriate and in the best interest of the District under the specific circumstances of the project at issue to limit the number of consultants solicited. Examples of such specific circumstances may include the following: the need to take immediate action on a project precludes the District's ability to follow these procedures; the absence of any fiscal or competitive advantage in following these procedures; only one consultant is known to be available and capable of providing needed services within the required time; the services to be provided are so unique that only one known consultant is qualified and available to perform them; or the terms of a legal mandate or negotiated agreement require the use of a particular consultant. The basis for such action shall be documented in writing and noted in the contract and approved by the General Manager. When Board approval is required, the documented basis for such action shall be included in the report to the Board.

9. Prequalified Consultant File

District staff may maintain a current file of consultants in their appropriate professional services categories after the selection procedures have been followed in this policy and a determination made that a consultant is qualified and competent. District staff may maintain this "prequalified consultant" file for a period of two (2) years from determination of the qualification of such consultant. The District may select a prequalified consultant from this file for services.

F. Open Purchase Orders for Routine and Repetitive Supplies and Services

Open purchase orders may be entered into with vendors who are expected to supply routine services, supplies, materials, or labor to the District on a regular basis throughout the fiscal year (such as gasoline, disking, road maintenance, vehicle maintenance, printing, office supplies, office machinery maintenance, computers, ergonomic equipment, field hardware, resource management supplies). Such open purchase orders should normally be closed at the conclusion of each fiscal year.

1. Competitive Bidding Procedures

Vendors of repetitive supplies and services shall be selected through the competitive procedures set out above, based upon the anticipated or budgeted cumulative cost of the supply or service. When competitive bidding procedures cannot feasibly be done due to the nature of the product to be purchased, a comparison of vendors' prices on representative sample items will be made and staff will provide written documentation of the price quotations used to select the vendor with the lowest cost. In the event that the vendor selected for repetitive supplies and services ceases to provide competitive costs for supplies or adequate services during the fiscal year, the District may replace that vendor with the next lowest cost vendor who participated in the cost comparison.

2. Multi-year Contracts

Multi-year contracts shall be selected through the competitive procedures set out above, based upon the anticipated or budgeted cumulative cost of the supply or service over the course of the contract. Multi-year contracts can be let only when it is documented that it is appropriate and necessary to secure the best pricing or to

assure continuity of service. Whenever feasible, multi-year contracts for service or supplies shall provide that the option to renew or extend the contract is at the District's sole discretion.

19.05 General Provisions.

A. Conflict of Interest

No District staff member or elected official shall be financially interested, directly or indirectly, in any purchase, contract, sale, or transaction to which the District is a party and that comes before said official or staff member for recommendation or action. Any purchase, contract, sale, or transaction in which any staff or official is financially interested shall become void at the election of the District. No staff member or elected official shall realize any personal gain from any purchase, contract, sale, or transaction involving the District. When any staff member is in doubt as to whether a conflict of interest exists, that staff member shall consult with the District Counsel, and, if necessary, alternative actions may be taken to facilitate the purchase.

B. Purchase of Recycled Products

District staff shall purchase recycled products whenever such products are available at equal cost to non-recycled products and when suitability and quality are equal. When recycled products are used, the supplier shall label the products to indicate that they contain recycled materials and specify the minimum percentage of recycled material in the products.

C. Violations of This Policy

Staff members are subject to disciplinary action up to and including termination for violation of this Policy.

SECTION 20.00 Conflict of Interest Policy

Section 20.01. Conflict of Interest Code.

The Political Reform Act, Government Code Section 81000 requires local agencies to adopt and promulgate Conflicts of Interest Codes. The District approved Resolution 18-XXX, attached here as Appendix 1, which adopted the conflict of interest regulations included in 2 Cal. Code of Regs. §18730 (the "Resolution.") The Resolution and the regulations of 2 Cal. Code of Regs. 18730, reproduced below, constitute the Conflict of Interest Code and policies for the District.

Conflict of Interest Regulations

A. Incorporation of this Regulation – Adoption of Conflict of Interest Code

(a) Incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of disclosure categories in the Exhibit referred to below constitute the adoption and promulgation of a conflict of interest code within the meaning of Section 87300 or the amendment of a conflict of interest code within the meaning of Section 87306 if the terms of this regulation are substituted for terms of a conflict of interest code

BUSINESS ACTION ITEMS:

ITEM 3.C. DIRECTION REGARDING A REQUEST FOR PROPOSAL RELATED TO SERVICES FOR OPERATIONS, MAINTENANCE AND GENERAL MANAGER SERVICES.



BUSINESS ACTION ITEM STAFF REPORT

ITEM 3.C. DIRECTION REGARDING A REQUEST FOR PROPOSAL RELATED TO SERVICES FOR OPERATIONS, MAINTENANCE AND GENERAL MANAGER SERVICES.

Summary:

In 2014, the San Simeon CSD entered into a professional services agreement with the current contractor Grace Environmental Services (GES), to provide operations and management services to the community of San Simeon. The current contract was renewed in 2016 and is set to expire in January 2023.

Recommended:

It is suggested that Oliveira Environmental Consulting (OEC) draft a request for proposal (RFP) for operations, maintenance, and general manager services. A draft version of any RFP should be brought back to the Board for final approval prior to its issuance. Additionally, to avoid any potential concerns related to conflict of interest, the RFP process should be handled directly by Adamski, Moroski, Madden, and Green, LLC.