

Board of Directors San Simeon Community Services District



REGULAR MEETING BOARD PACKET

Thursday, April 8, 2021
Regular Meeting 6:00 pm

Virtual Board Meeting via Zoom
Meeting Room: 927-053-7206
Password: 114376

Prepared by:



GRACE
ENVIRONMENTAL SERVICES

Board Meeting Brown Act Check Sheet

Does the agenda have the correct:

Meeting location

Meeting time

Is the agenda posted 72 hours prior to the Regular meeting

Posting 1 District Office

Posting 2 Post Office

Posting 3 Chamber of Commerce

Is the agenda on the website 72 hours prior to the Regular meeting

Has the Board Packet been distributed to the Board

At the time of Packet Distribution to the Board has the Packet Been:

Distributed to the individuals / entities on the Distribution List

Loaded on the Website

Budget Committee Meeting

Does the agenda have the correct:

Meeting location

Meeting time

Is the agenda posted 72 hours prior to the Regular meeting

Posting 1 District Office

Posting 2 Corner Store

Posting 3 Chamber of Commerce

Water Committee Meeting

Does the agenda have the correct:

Meeting location

Meeting time

Is the agenda posted 72 hours prior to the Regular meeting

Posting 1 District Office

Posting 2 Corner Store

Posting 3 Chamber of Commerce

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AGENDA
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
Thursday, April 8, 2021
6:00 pm

Pursuant to Governor Gavin Newsom's Executive Order N-29-20 dated March 17, 2020 and the San Luis Obispo County Local Emergency Order and Regulation regarding COVID-19 dated March 18, 2020, this meeting shall occur as a virtual teleconference using the Zoom app. Members of the public cannot physically attend this meeting.

Internet Meeting Location

Join Zoom Meeting

<https://us02web.zoom.us/j/9270537206?pwd=RDNNcTErb2E1TmswRG51WGNEZVJLQT09>

Meeting ID: 927 053 7206

Password: 114376

One tap mobile

+1 669 900 9128, 9270537206# US (San Jose)

+1 346 248 7799, 9270537206# US (Houston)

Time: **April 8, 2021 6:00 PM Pacific Time**

NOTE: On the day of the meeting, the virtual meeting room will be open beginning at 5:30 PM. If you are unable to access the meeting please contact Cortney Murguia at (805) 927-4778 prior to the 6:00 PM meeting start time and staff can assist you in accessing the meeting. Should you have any questions related to the information on this agenda or 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. REGULAR SESSION: 6:00 PM

A. Roll Call

2. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA:

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

3. SPECIAL PRESENTATIONS AND REPORTS:

A. STAFF REPORTS:

- i. **Sheriff's Report** – Report for March.
- ii. **Superintendent's Report** – Summary of March activities.

- iii. **General Manager's Report** – Summary of March Activities.
- iv. **District Financial Summary** – Summary of March Financials.
- v. **District Counsel's Report** – Summary of March Activities.

B. PUBLIC COMMENTS ON SPECIAL PRESENTATIONS AND REPORTS:

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

4. CONSENT AGENDA ITEMS:

Public Comment - Members of the public wishing to speak on consent agenda 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.

A. Review and approval of Minutes for the Regular Meeting on March 11, 2021.

B. Review and approval of Minutes for the Special Meeting on February 25, 2021.

C. Review and approval of Disbursements Journal.

5. CLOSED SESSION-The Board will adjourn to Closed Session pursuant to Government Code Section 54957(b) to consider the following:

- A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION**
Title: District Counsel

Reconvene to Open Session

6. 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. Approval of the District Fiscal Audit for 2019-2020.

B. Discussion regarding review of the monthly disbursement journal.

C. Discussion regarding updates to the Policy & Procedures including updating the social media policy (AB992).

D. Discussion related to the 6 PM meeting time of regular Board meetings.

E. Consideration of RRM Design to complete the finalization of LAFCO solid waste power on behalf of the District.

- F. Discussion related to the Hearst Limited Term Encroachment Agreement and Letter from Ogden and Fricks, LLC.**
- G. Discussion of video contract with Lori Mather productions for Special Board meeting recordings.**
- H. Consideration of endorsing correspondence to Senator Feinstein regarding water reclamation and reuse program funding.**

7. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS – Requests from Board members to Staff to receive feedback, prepare information, and/or place an item on a future agenda(s).

8. ADJOURNMENT

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

3. A. ii. SUPERINTENDENT REPORT
Jerry Copeland
Facilities Update for March 2021



SUPERINTENDENT'S REPORT

Item 3.A.ii

Prepared by: Jerry Copeland

1. Wastewater Treatment Plant

- All sampling, testing and reporting at the Wastewater Treatment Plant was performed as required by the RWQCB.
- The monthly report was submitted to the SWRCB.
- The motor on Blower #5 was replaced.
- On March 20 around 8:17pm there was a utility power outage at the WWTP. Staff was notified by the alarm system. The standby generator started up automatically and there was a transition to back up power. Staff monitored operations at this time. At 8:36 the next morning the utility power came back on.
- The entire sewer collection system was cleaned.

2. Water Treatment and 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).
- Filter operations continue daily.
- Routine maintenance was performed on the R.O. unit.
- Monthly water meter reading was performed.
- The distribution pump at the water treatment facility developed a leak it was replaced by the spare with no interruption in water production.

3. District and Equipment Maintenance

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

San Simeon Community Services District

Superintendent's Report

March 2021

MONTHLY DATA REPORT

Date	Day	Wastewater Influent Daily Flow	Wastewater Effluent Daily Flow	Well 1 Total Daily Produced	Well 2 Total Daily Produced	Total Daily Water Produced	R.O. Daily Influent Flow	R.O. Daily Effluent Flow	R.O. Daily Brine Flow	Distribution Chloride	Chloride Wells 1 2	Recycled Water Distributed	Water Level Well 1	Water Level Well 2	Rainfall in Inches	State Flows	
03/01/21	Monday	56,098	59,580	0	52,510	52,510	0	0	0	-	-	0	9.9	9.6	0.00	2,418	
03/02/21	Tuesday	57,241	55,990	0	60,289	60,289	0	0	0	-	-	0	9.8	9.6	0.00	738	
03/03/21	Wednesday	39,634	38,460	972	49,069	50,041	0	0	0	-	-	0	9.5	9.3	0.00	1,699	
03/04/21	Thursday	42,746	50,050	0	59,915	59,915	0	0	0	-	-	0	9.4	9.1	0.00	1,157	
03/05/21	Friday	52,193	53,920	0	61,336	61,336	0	0	0	-	-	0	9.5	9.2	0.00	985	
03/06/21	Saturday	60,617	61,420	0	55,128	55,128	0	0	0	-	-	0	9.4	9.2	0.00	1,097	
03/07/21	Sunday	64,259	66,200	0	84,823	84,823	0	0	0	-	-	0	9.4	9.1	0.00	2,938	
03/08/21	Monday	44,406	45,260	0	39,120	39,120	0	0	0	-	-	0	9.4	9.1	0.00	2,003	
03/09/21	Tuesday	56,315	58,470	898	60,139	61,037	0	0	0	-	-	0	9.4	9.2	0.00	1,437	
03/10/21	Wednesday	50,547	51,590	0	30,294	30,294	0	0	0	121	78	121	9.3	9.1	0.00	1,358	
03/11/21	Thursday	45,582	46,470	0	50,789	50,789	0	0	0	-	-	0	9.4	9.2	0.00	1,417	
03/12/21	Friday	47,907	50,880	0	55,651	55,651	0	0	0	-	-	0	9.8	9.4	0.00	1,360	
03/13/21	Saturday	70,610	71,460	0	59,092	59,092	0	0	0	-	-	0	9.9	9.5	0.00	1,139	
03/14/21	Sunday	64,684	68,580	0	68,367	68,367	0	0	0	-	-	0	10.0	9.6	0.00	2,926	
03/15/21	Monday	58,450	57,330	0	54,754	54,754	0	0	0	-	-	0	10.0	9.7	0.00	1,778	
03/16/21	Tuesday	60,451	64,870	0	57,446	57,446	4,453	2,934	1,519	-	-	0	10.0	9.7	0.00	1,597	
03/17/21	Wednesday	38,885	40,740	748	74,052	74,800	0	0	0	98	67	67	10.0	9.8	0.00	385	
03/18/21	Thursday	49,318	45,690	0	32,164	32,164	0	0	0	-	-	0	10.0	9.7	0.00	1,043	
03/19/21	Friday	51,114	58,760	0	42,112	42,112	0	0	0	-	-	0	10.0	9.7	0.00	1,412	
03/20/21	Saturday	75,398	75,680	0	65,525	65,525	0	0	0	-	-	0	10.0	9.7	0.00	1,147	
03/21/21	Sunday	62,380	70,850	0	80,485	80,485	0	0	0	-	-	0	10.0	9.7	0.00	3,723	
03/22/21	Monday	58,718	52,940	0	78,166	78,166	0	0	0	-	-	0	10.0	9.7	0.00	1,705	
03/23/21	Tuesday	51,715	55,070	1,496	50,116	51,612	0	0	0	-	-	0	10.0	9.8	0.00	1,498	
03/24/21	Wednesday	58,611	61,900	0	62,084	62,084	0	0	0	88	45	88	10.1	9.7	0.00	2,194	
03/25/21	Thursday	52,291	56,260	0	61,336	61,336	0	0	0	-	-	0	10.0	9.8	0.00	2,652	
03/26/21	Friday	62,515	66,390	0	79,438	79,438	0	0	0	-	-	0	10.1	9.7	0.00	1,471	
03/27/21	Saturday	83,187	86,470	0	72,107	72,107	0	0	0	-	-	0	10.1	9.7	0.00	1,728	
03/28/21	Sunday	75,870	74,810	0	89,610	89,610	0	0	0	-	-	0	10.1	9.8	0.00	2,944	
03/29/21	Monday	79,839	80,050	0	66,422	66,422	0	0	0	-	-	0	10.1	9.9	0.00	3,019	
03/30/21	Tuesday	70,246	71,960	38,896	51,388	90,284	0	0	0	-	-	0	10.1	9.8	0.00	1,988	
03/31/21	Wednesday	78,348	76,190	58,942	1,571	60,513	0	0	0	-	-	0	10.1	9.8	0.00	1,974	
TOTALS		1,820,175	1,874,290	101,952	1,805,298	1,907,250	4,453	2,934	1,519			0			0.00	54,930	
Average		58,715	60,461	3,289	58,235	61,524	144	95	49	102	63	92	0	9.8	9.5	0.00	1,772
Minimum		38,885	38,460	0	1,571	30,294	0	0	0	88	45	67	0	9.3	9.1	0.00	385
Maximum		83,187	86,470	58,942	89,610	90,284	4,453	2,934	1,519	121	78	121	0	10.0	9.9	0.00	3,723

DATA SUMMARY SHEET

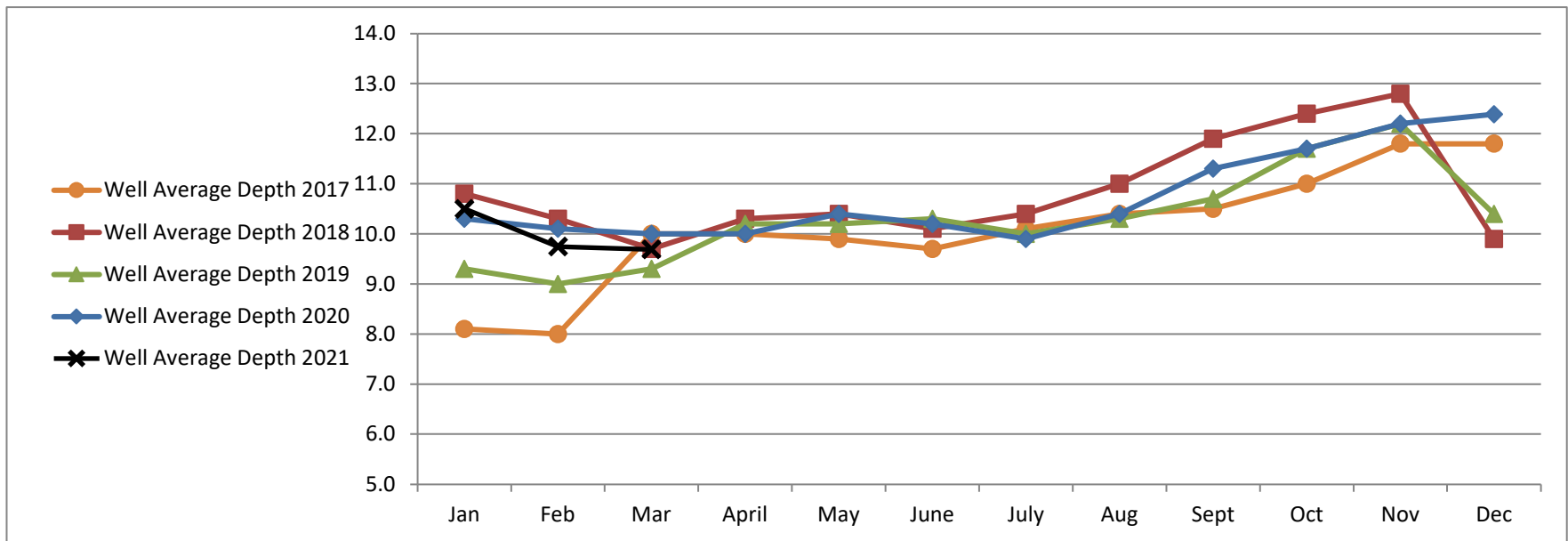
2021													
	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total for 2020
Wastewater Influent	2,399,103	1,705,622	1,820,175										5,924,900
Wastewater Final Effluent (Month Cycle)	2,546,130	1,747,000	1,874,290										6,167,420
Adjusted Wastewater Influent (- State Flow)	2,148,485	1,645,420	1,765,245										5,559,150
Water Produced (month cycle)	1,851,150	1,682,402	1,907,250										5,440,802
Sewer Influent/Water Produced Ratio	1.30	1.05	0.95										N/A
Adjusted Sewer/Water Produced Ratio	1.16	0.95	0.93										N/A
Well 1 Water Production	90,358	3,590	101,952										195,901
Well 2 Water Production	1,760,792	1,678,811	1,805,298										5,244,901
Total Well Production	1,851,150	1,682,402	1,907,250										5,440,802
Water Well 1 Avg Depth to Water	10.6	9.9	9.8										N/A
Water Well 2 Avg Depth to Water	10.4	9.6	9.5										N/A
Average Depth to Water of Both Wells	10.5	9.7	9.7										N/A
Change in Average Depth to Water from 2019	+0.2	-0.4	-0.3										N/A
Average Chloride mg/L at the Wells	352	169	77										N/A
State Wastewater Treated	250,618	60,202	54,930										365,750
State % of Total WW Flow	10%	4%	3%										N/A
Recycled Water Sold (Gallons)	0	0	0										0
Biosolids Removal (Gallons)	0	4,500	0										4,500
WW Permit Limitation Exceeded	0	0	0										0
RW Permit Limitation Exceeded	0	0	0										0
Constituent Exceeded	None	None	None										N/A
Sample Limit	N/A	N/A	N/A										N/A
Sample Result	N/A	N/A	N/A										N/A
2020													
	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total for 2019
Wastewater Influent	2,215,755	1,971,958	1,944,913	1,583,618	1,850,716	2,266,319	2,341,110	2,516,424	1,858,385	1,825,386	1,542,483	1,305,557	23,222,624
Wastewater Final Effluent (Month Cycle)	2,168,690	1,922,920	1,846,450	1,555,350	1,707,500	2,045,070	2,304,980	2,397,730	1,907,070	1,915,400	1,661,370	1,431,330	22,863,860
Adjusted Wastewater Influent(- State Flow) *	1,958,507	1,780,122	1,818,999	1,500,460	1,748,006	2,201,429	2,262,301	2,440,274	1,798,005	1,763,948	1,490,514	1,257,657	22,020,222
Water Produced (month cycle)	1,843,670	1,872,693	1,514,688	1,215,724	1,962,303	2,261,129	2,673,502	2,726,684	2,321,568	2,242,803	1,894,160	1,785,252	24,314,177
Sewer Influent/Water Produced Ratio	1.20	1.05	1.28	1.31	0.94	1.00	0.88	0.92	0.80	0.81	0.81	0.73	N/A
Adjusted Sewer/Water Ratio	0.94	0.95	1.20	1.24	0.89	0.91	0.85	0.90	0.78	0.79	0.79	0.71	N/A
Average Depth of Both Wells	10.3	10.1	10.0	10.0	10.4	10.2	9.9	10.4	11.3	12.2	12.8	12.5	N/A
Change in Average Depth to Water from 2019	+1.0	+1.1	+0.7	-0.2	+0.2	+0.1	+0.1	+0.1	+0.6	+0.5	+0.6	+1.1	N/A
Average Chloride mg/L at the Wells	32	32	32	-	-	-	-	-	-	<30	<30	55	N/A
State Wastewater Treated	257,248	191,836	125,914	83,158	102,710	64,890	78,809	76,150	60,380	61,438	51,969	47,900	1,202,402
State % of Total WW Flow	12%	10%	6%	5%	6%	3%	3%	3%	3%	3%	3%	4%	N/A
Recycled Water Sold (Gallons)	0	0	0	0	0	0	0	0	0	0	0	0	0
Biosolids Removal (Gallons)	4,500	9,000	9,000	0	4,500	4,500	9,000	0	4,500	4,500	4,500	4,500	58,500
WW Permit Limitation Exceeded	0	0	0	0	0	0	0	0	0	0	0	0	N/A
RW Permit Limitation Exceeded	0	0	0	0	0	0	0	0	0	0	0	0	N/A
Constituent Exceeded	None	None	None	None	None	None	None	None	None	None	None	None	N/A
Sample Limit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sample Result	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

San Simeon Community Services District

Superintendent's Report

March 2021

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Well Average Depth 2017	8.1	8.0	10.0	10.0	9.9	9.7	10.1	10.4	10.5	11.0	11.8	11.8
Well Average Depth 2018	10.8	10.3	9.7	10.3	10.4	10.1	10.4	11.0	11.9	12.4	12.8	9.9
Well Average Depth 2019	9.3	9.0	9.3	10.2	10.2	10.3	10.0	10.3	10.7	11.7	12.2	10.4
Well Average Depth 2020	10.3	10.1	10.0	10.0	10.4	10.2	9.9	10.4	11.3	11.7	12.2	12.4
Well Average Depth 2021	10.5	9.7	9.7									



3. A. iii GENERAL MANAGER'S REPORT
Charles Grace
Update for March 2021



GENERAL MANAGER'S REPORT

Item 3.A.iii

Staff Activity – Report on Staff activities for the month of April 2021. Regular activities performed by District staff include:

Processing of utility payments, customer service duties, answering phone calls, mailing of the regular monthly utility bills. Prepared and distributed the agenda and Board packet.

Staff also attended to the following items:

- Responded to seven (7) public records requests. Seven (7) requests are still being assembled and will require additional efforts.
- Manually removed late fees from thirty-five (35) utility accounts in the amount of \$3554.80.
- Assisted Board members with verification that their filing for the Form 700 had been submitted.
- Prepared Board packets for the March 5, 2021 special meeting which was cancelled due to technical issues with the office landline.

Update on District Grants:

OPC Grant – As part of the effort to restore this grant, the District was asked to contact OPC after a scope of work for the CHRP has been finalized. OPC indicated there is a potential that they would be open to re-instating the grant but want to see that the project is moving forward before making a decision.

LCP Grant – The draft Agreement approved by the District last month was submitted to the County on March 20th, outlining the responsibilities of both the District and the County in administrating this grant. The District received a reply from the County on March 26th confirming receipt and that they would be getting back to the District this week. Once that Agreement is signed, the District can notify the selected consultants and start work on the scope of work for the CHRP.

Update on District Projects: The District is in the process of selecting a consultant team for preparation of the Coastal Hazards Response Plan (CHRP), as required by the California Coastal Commission. Once the Agreement between the County and the District under the LCP Grant has been signed, the District will be able to make the official consultant selection and will begin work on preparation of the CHRP scope of work.

Water Tank Project Update – No update.

Draft Budget presentation – Section 18.07 of the policy & procedures manual states the following:

18.07 Budget Preparation.

The annual budget proposal is prepared by the Budget/Finance Committee in conjunction with staff. The Budget/Finance Committee shall present the annual budget proposal at its meeting in April of each year, the annual budget proposal shall be reviewed and amended by the Board of Directors. The annual budget proposal shall be presented to the Board of Directors for review and approval no later than its meeting in June of each year.

Due to COVID19, delays in committee appointments, and scheduling conflicts the Budget Committee has yet to meet during 2021. It is anticipated that a draft version of the budget will be presented to the Board at the May Board meeting.

3. A. iv. DISTRICT FINANCIALS
Cortney Murguia
March 31, 2021

SAN SIMEON COMMUNITY SERVICES DISTRICT



3.A.iv FINANCIAL SUMMARY

Billing March 31, 2021

February Billing Revenue	\$	67,954.38
March Billing Revenue	\$	66,026.20
Past Due (60+ days)	\$	3,884.61

ENDING BANK BALANCES

March 31, 2021

PACIFIC PREMIER BANK:

Money Market Account Closing Balance February 28, 2021	\$	1,093,766.38
Interest for February	\$	152.84
Money Market Account Closing Balance March 31, 2021	\$	1,093,919.22
Reserve Fund		(250,000.00)
Wait-list Deposits		(70,836.00)
Customer Deposits		(8,900.00)
Available Funds	\$	<u>764,183.22</u>
General Checking Account March 31, 2021	\$	25,831.57
LAIF Closing Balance March 31, 2021	\$	559.89
Interest Money Market Account 2019	\$	22,529.11
Interest Money Market Account 2020	\$	12,206.44
Interest Money Market Account 2021	\$	506.39

SAN SIMEON COMMUNITY SERVICES DISTRICT
Balance Sheet
As of March 31, 2021

	Mar 31, 21
ASSETS	
Current Assets	
Checking/Savings	
1010 · Petty cash	150.00
1015 · Pac Prem Ckg-6603	18,935.91
1017 · Pacific Premier-Money Market	1,093,766.38
1050 · LAIF - non-restricted cash	559.89
Total Checking/Savings	1,113,412.18
Other Current Assets	
1200 · Accounts receivable	96,277.02
1220 · A/R - Hearst Castle	4,898.26
1300 · Prepaid expenses	3,239.80
Total Other Current Assets	104,415.08
Total Current Assets	1,217,827.26
Fixed Assets	
1400 · Fixed assets	
1420 · Building and structures	279,580.67
1500 · Equipment	12,689.93
1560 · Pipe bridge	29,497.00
1580 · Sewer plant	869,343.61
1600 · Water system	235,615.43
1620 · WWTP expansion	299,565.92
1630 · Tertiary Project	568,063.00
1640 · Wellhead Rehab Project	448,253.95
1650 · Walkway access projects	26,791.00
1660 · RO Unit	944,121.38
1680 · Generator	18,291.00
Total 1400 · Fixed assets	3,731,812.89
1450 · Construction in Progress	
1670 · Reservoir / Water Tanks	285,995.56
Total 1450 · Construction in Progress	285,995.56
1690 · Accumulated depreciation	(1,516,107.18)
Total Fixed Assets	2,501,701.27
TOTAL ASSETS	3,719,528.53
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2100 · Payroll liabilities	(30.60)
2500 · Customer security deposits	8,750.00
2510 · Connect hookup wait list	70,944.00
2520 · USDA Loan	442,920.02
Total Other Current Liabilities	522,583.42
Total Current Liabilities	522,583.42
Total Liabilities	522,583.42
Equity	
3200 · Fund balance	2,329,133.43
3201 · BOD designated - water improve	53,618.00
3202 · BOD designated-WW improvement	53,315.00
3203 · BOD designated-gen fund improve	15,065.00
3204 · BOD designated for reserves	250,000.00
3205 · BOD designated for customer dep	80,140.00
3206 · Unrestricted net equity	576,332.00
3900 · Suspense	4,228.16

SAN SIMEON COMMUNITY SERVICES DISTRICT

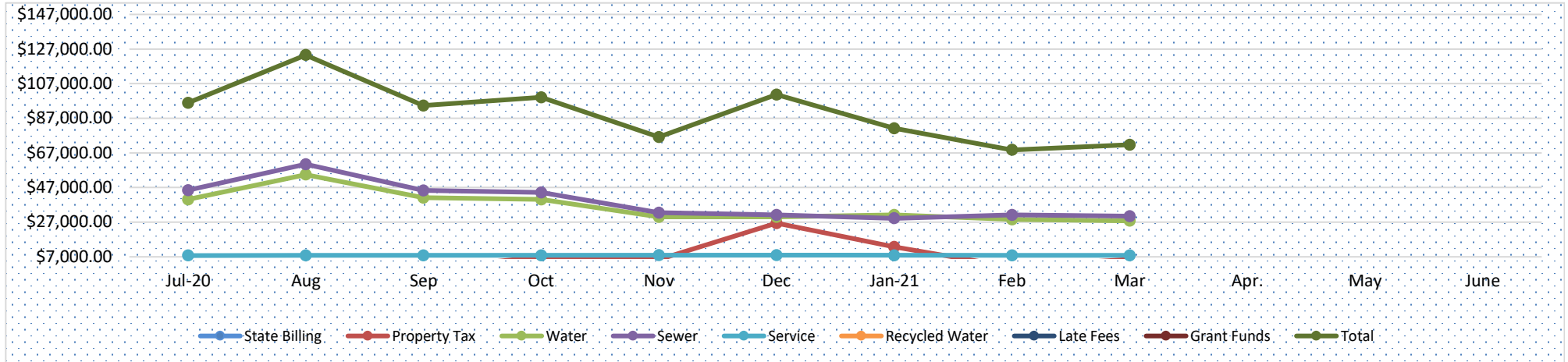
Balance Sheet

As of March 31, 2021

	<u>Mar 31, 21</u>
Net Income	<u>(164,886.48)</u>
Total Equity	<u>3,196,945.11</u>
TOTAL LIABILITIES & EQUITY	<u><u>3,719,528.53</u></u>

DISTRICT REVENUE FY 2020/2021

	Jul-20	Aug	Sep	Oct	Nov	Dec	Jan-21	Feb	Mar	Apr.	May	June	Totals
State Billing			\$4,898.26			\$4,898.26							\$9,796.52
Property Tax	\$2,336.92	\$751.11	\$11.88	\$6,945.71	\$5,461.44	\$26,458.17	\$12,827.64	\$1,063.98	\$5,505.65				\$61,362.50
Water	\$40,209.97	\$54,512.44	\$41,179.63	\$40,129.44	\$30,132.26	\$30,099.00	\$31,207.86	\$28,567.08	\$27,866.11				\$323,903.79
Sewer	\$45,546.00	\$60,488.59	\$45,320.14	\$44,227.62	\$32,486.93	\$31,269.68	\$29,285.81	\$31,276.88	\$30,546.56				\$350,448.21
Service	\$7,830.48	\$7,834.18	\$7,910.24	\$7,872.17	\$8,062.36	\$7,948.27	\$7,910.24	\$7,910.24	\$7,834.18				\$71,112.36
Recycled Water													\$0.00
Late Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				\$0.00
Grant Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				\$0.00
Total	\$95,923.37	\$123,586.32	\$94,421.89	\$99,174.94	\$76,142.99	\$100,673.38	\$81,231.55	\$68,818.18	\$71,752.50				\$811,725.12
Water Sold Cu Ft	292033	387244	297886	291236	218802	217498	215864	209660	203888				2334111
Water Sold Acre ft	6.70	8.89	6.84	6.69	5.02	4.99	4.96	4.81	4.68				53.58



REVENUE VS EXPENSES

	Jul-20	Aug	Sep	Oct	Nov	Dec	Jan-21	Feb	Mar	Apr.	May	June	Totals
Revenue	\$95,923.37	\$123,586.32	\$94,421.89	\$99,174.94	\$76,142.99	\$100,673.38	\$81,231.55	\$68,818.18	\$71,752.50				\$811,725.12
Expenses	\$87,144.37	\$81,902.63	\$114,623.38	\$160,041.02	\$98,357.85	\$137,804.21	\$111,151.88	\$106,602.36	\$84,771.53				\$982,399.23
Balance	\$8,779.00	\$41,683.69	(\$20,201.49)	(\$60,866.08)	(\$22,214.86)	(\$37,130.83)	(\$29,920.33)	(\$37,784.18)	(\$13,019.03)				(\$170,674.11)



**SAN SIMEON COMMUNITY SERVICES
HISTORICAL FISCAL REVIEW**

FY 2017/2018

Month	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fiscal Total
State Billing			\$24,606.31			\$21,914.14			\$21,542.66			\$23,690.87	\$91,753.98
Property Tax	\$1,282.43		\$121.78	\$3,983.38	\$11,222.22	\$31,099.09	\$7,506.90	\$2,750.02	\$640.94	\$22,168.20	\$1,686.05	\$771.97	\$83,232.98
Water	\$34,880.43	\$36,192.33	\$31,137.52	\$27,999.25	\$26,930.07	\$19,762.53	\$22,551.64	\$25,457.70	\$16,741.07	\$28,408.76	\$27,795.23	\$36,075.95	\$333,932.48
Sewer	\$38,495.46	\$39,770.86	\$33,836.96	\$30,919.58	\$29,421.68	\$21,164.32	\$25,021.12	\$28,652.26	\$19,108.33	\$32,900.73	\$31,492.38	\$40,773.70	\$371,557.38
Service	\$6,820.12	\$6,950.95	\$6,821.63	\$6,659.98	\$6,886.29	\$6,886.29	\$6,789.30	\$6,853.96	\$6,724.64	\$6,724.64	\$6,724.64	\$6,724.64	\$81,567.08
Late Fees	\$628.24	\$379.06	\$292.61	\$241.85	\$221.14	\$159.01	\$113.69	\$197.92	\$487.09	\$284.43	\$202.63	\$179.47	\$3,387.14
Grant Funds	\$332,310.87						\$42,858.00						
Revenue	\$82,106.68	\$83,293.20	\$96,816.81	\$69,804.04	\$74,681.40	\$100,985.38	\$61,982.65	\$63,911.86	\$65,244.73	\$90,486.76	\$67,900.93	\$108,216.60	\$965,431.04
Expense	\$94,660.34	\$87,503.06	\$104,489.98	\$71,763.52	\$62,490.35	\$85,613.60	\$88,196.48	\$73,251.65	\$109,510.66	\$70,856.21	\$80,363.24	\$80,743.66	\$1,009,442.75
Balance	(\$12,553.66)	(\$4,209.86)	(\$7,673.17)	(\$1,959.48)	\$12,191.05	\$15,371.78	(\$26,213.83)	(\$9,339.79)	(\$44,265.93)	\$19,630.55	(\$12,462.31)	\$27,472.94	(\$44,011.71)
Water Sold Cu Ft	299369	310960	266284	241692	232942	169355	194345	217741	144425	244412	237414	308832	2,867,771
Water Sold Acre f	6.87	7.14	6.11	5.55	5.35	3.89	4.46	5.00	3.32	5.61	5.45	7.09	65.84

FY 2018/2019

Month	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fiscal Total
State Billing			\$26,723.91			\$20,971.00			\$19,858.71			\$19,390.52	\$86,944.14
Property Tax	\$1,288.59		\$169.19	\$7,205.82	\$8,542.19	\$33,187.58	\$1,319.32	\$4,888.55	\$2,227.01	\$22,928.34	\$3,062.24	\$1,057.02	\$85,875.85
Water	\$41,336.59	\$45,279.14	\$41,178.74	\$34,050.67	\$30,760.16	\$24,353.21	\$29,009.60	\$27,745.06	\$24,146.67	\$35,445.24	\$29,158.01	\$38,455.33	\$400,918.42
Sewer	\$47,258.33	\$53,156.35	\$47,379.43	\$39,628.31	\$35,491.84	\$28,149.21	\$34,169.78	\$32,181.86	\$27,850.19	\$41,666.62	\$33,854.74	\$44,856.07	\$465,642.73
Service	\$7,111.73	\$7,113.60	\$7,113.60	\$7,113.60	\$7,079.40	\$7,079.40	\$7,147.80	\$7,079.40	\$7,079.40	\$7,079.40	\$7,045.20	\$7,079.40	\$85,121.93
Late Fees	\$461.43	\$201.49	\$290.08	\$168.71	\$600.53	\$135.60	\$178.43	\$146.51	\$126.87	\$177.46	\$111.54	\$272.66	\$2,871.31
Grant Funds				\$11,367.00		\$18,753.05							
Revenue	\$97,456.67	\$105,750.58	\$122,854.95	\$88,167.11	\$82,474.12	\$113,876.00	\$71,824.93	\$72,041.38	\$81,288.85	\$107,297.06	\$73,231.73	\$111,111.00	\$1,127,374.38
Expense	\$81,495.91	\$74,250.58	\$102,279.81	\$104,990.12	\$111,554.79	\$92,037.25	\$94,850.91	\$94,625.06	\$71,744.58	\$105,016.25	\$89,244.32	\$98,066.81	\$1,120,156.39
Balance	\$15,960.76	\$31,500.00	\$20,575.14	(\$16,823.01)	(\$29,080.67)	\$21,838.75	(\$23,025.98)	(\$22,583.68)	\$9,544.27	\$2,280.81	(\$16,012.59)	\$13,044.19	\$7,217.99
Water Sold Cu Ft	334631	367360	332914	275609	243491	195107	236456	227602	197397	288979	236030	311046	3,246,622
Water Sold Acre f	7.68	8.43	7.64	6.33	5.59	4.48	5.43	5.23	4.53	6.63	5.42	7.14	74.53

FY 2019/2020

Month	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fiscal Total
State Billing			\$25,528.71			\$22,455.35			\$15,776.54			\$7,016.19	\$70,776.79
Property Tax	\$1,218.61	\$2,752.21	\$3,126.48	\$5,305.64	\$6,019.52	\$23,503.23	\$13,612.60	\$5,282.91	\$2,659.00	\$15,436.18	\$9,385.45	\$916.22	\$89,218.05
Water	\$41,718.97	\$39,623.52	\$40,324.01	\$43,808.36	\$32,208.00	\$23,432.56	\$33,732.14	\$34,067.23	\$24,268.55	\$17,909.86	\$28,582.31	\$36,460.31	\$396,135.82
Sewer	\$48,137.21	\$45,503.27	\$45,161.69	\$48,244.57	\$34,916.02	\$26,527.95	\$39,321.56	\$39,368.21	\$27,637.52	\$19,243.28	\$29,934.22	\$37,683.06	\$441,678.56
Service	\$7,113.60	\$7,045.20	\$7,079.40	\$7,451.10	\$7,489.26	\$7,344.54	\$7,525.44	\$7,453.08	\$7,489.26	\$7,489.26	\$7,489.26	\$7,453.08	\$88,422.48
Recycled Water													\$0.00
Late Fees	\$1,957.04	\$2,399.24	\$1,407.87	\$468.45	\$316.84	\$1,136.41	\$237.28	\$307.96	\$2,793.44	\$5,540.71	\$4,647.78	\$3,802.45	\$25,015.47
Grant Funds			\$8,750.00	\$167,376.61						\$1,485.90		\$8,369.50	\$185,982.01
Revenue	\$100,145.43	\$97,323.44	\$122,628.16	\$105,278.12	\$80,949.64	\$104,400.04	\$94,429.02	\$86,479.39	\$80,624.31	\$65,619.29	\$80,039.02	\$93,331.31	\$1,111,247.17
Expense	\$90,205.84	\$67,705.50	\$94,401.58	\$97,595.50	\$87,822.01	\$86,173.97	\$85,716.44	\$75,643.11	\$62,582.54	\$73,942.83	\$90,232.61	\$79,762.52	\$991,784.45
Balance	\$9,939.59	\$29,617.94	\$28,226.58	\$7,682.62	(\$6,872.37)	\$18,226.07	\$8,712.58	\$10,836.28	\$18,041.77	(\$8,323.54)	(\$10,193.59)	\$13,568.79	\$119,462.72
Water Sold Cu Ft	336845	319458	323518	329822	242893	179311	260006	261505	185972	137196	217871	274085	3,068,482
Water Sold Acre f	7.73	7.33	7.43	7.57	5.58	4.12	5.97	6.00	4.27	3.15	5.00	6.29	70.44

4. CONSENT AGENDA

- A. Review and approval of Minutes for the Regular Meeting on March 11, 2021.**

MEETING MINUTES
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
Thursday, March 11 2021
6:00 pm

Internet Meeting Location - ZOOM

1. REGULAR SESSION: 6:00 PM

- A. Chairperson Kellas – Present
- Vice-Chairperson Giacoletti – Present
- Director Carson – Present
- Director Maurer – Present
- Director de la Rosa – Present

2. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA:

Public Comment – (1:50)

Michael Donahue commented on the costs associated with the legal bills for the District and the overuse of Oliveira Environmental Consulting.

Julie Tacker commented on the formal complaints that her and Mr. Krzciuk had submitted and asked when the District would be addressing these complaints.

Henry Krzciuk spoke about the formal complaints and asked when the District would be responding to these complaints.

David Sansone commented to the Chairperson about the legal invoices and acknowledged that these bills were correlated with two members of the community.

3. SPECIAL PRESENTATIONS AND REPORTS:

A. STAFF REPORTS:

- i. **Sheriff's Report – (11:40)** Commander MacDonald provided the report for February.
- ii. **Superintendent's Report – (15:40)** Jerry Copeland provided a summary of February activities.
- iii. **General Manager's Report – (16:58)** Charlie Grace provided a summary of February activities.
- iv. **District Financial Summary – (19:41)** Cortney Murguia provided a summary of the February financials.
- v. **District Counsel's Report – (21:12)** Jeffrey Minnery provided a summary of February activities.

B. PUBLIC COMMENTS ON SPECIAL PRESENTATIONS AND REPORTS:

Public Comment – (22:52)

Henry Krzciuk commented.
Julie Tacker commented.

4. CONSENT AGENDA ITEMS:

(31:00) Vice-Chairperson Giacoletti mentioned the Disbursements journal and the invoices associated with report.

(36:00) Director Maurer also commented on the revenue versus expenses. He asked what the overall amount was that was spent on consulting services from Paavo Ogren.

(40:00) Michael Hanchett commented (budget committee).

(42:00) Director Carson commented.

(43:53) Vice-Chairperson asked about Resolution 20-419 and if it was initiated due to COVID-19. Chairperson Kellas responded that it was created as a pro-active response to the pandemic.

Public Comment – (44:50)

Michael Donahue commented.

Julie Tacker commented.

Henry Krzciuk commented.

Michael Hanchett commented.

A. Review and approval of Minutes for the Regular Meeting on February 11, 2021.

B. Review and approval of Minutes for the Special Meeting on February 9, 2021.

C. Review and approval of Disbursements Journal.

D. Review of authorization of powers to the General Manager awarded under Resolution 20-419.

(50:25) A motion was made to approve the consent agenda item A-C.

Motion: Chairperson Kellas

2nd: Vice-Chairperson Gioaletti

Vote: 3/2

Abstain: Maurer/Carson

Roll Call: Kellas: Yes Carson: Abstain Maurer: Abstain de la Rosa: Yes Giacoletti: Yes

(55:40) Discussion about consent agenda item D.

(56:40) Director Carson commented that he would like to keep the resolution in place for another month until spring break occurred and members of the community were back working full-time.

(57:53) A motion was made to absolve 20-419.

Motion: Chairperson Kellas

2nd: Vice-Chairperson Giacoletti

Vote: 4/1

Abstain:

Roll Call: Kellas: Yes Carson: No Maurer: Yes de la Rosa: Yes Giacoletti: Yes

5. BUSINESS ACTION ITEMS:

A. Review draft sub-recipient agreement between the District and the County of San Luis Obispo regarding the Local Coastal Plan (LCP). (59:26)

Public Comment – (59:38)

Julie Tacker commented.

Henry Krzciuk commented.

(1:02:40) Vice-Chairperson Giacoletti inquired about page 2 of the audit page 2 of the audit related to the required Supplementary information language.

(1:04:15) Chairperson Kellas asked that the question be posed to the auditor and staff bring this matter back to the next Board meeting.

No formal action was taken on this matter.

B. Direction to staff regarding the responses from the request for proposal related to the Coastal Hazard Response Plan (CHRP). (1:06:40)

Public Comment – (1:07:45)

Henry Krzciuk commented.

Julie Tacker commented.

(1:13:32) Director Carson spoke stating that he didn't understand why the public wasn't commenting on the amount of money that the County was taking from the grant for administrative fees.

(1:14:50) Chairperson Kellas, Vice-Chairperson Giacoletti, and Jeff Oliveira discussed that Exhibit A was not included as part of the Board packet. Jeff Oliveira clarified what documents were included as Exhibit A.

(1:18:50) Director Maurer asked if Charles Grace or Jeff Oliveira could comment on if the District was behind schedule. Jeff Oliveira commented that he would not characterize the District as being behind schedule and that the schedule was updated as part of the quarterly reporting.

(1:21:08) Jeff Minnery commented that earlier in the afternoon the County had returned the draft version of the contract and that there were very few redlines made to the draft contract. He suggested that the Board may wish to direct staff to continue moving forward with the agreement in order to allow for a selection to occur.

(1:23:17) A motion was made to continue working on this matter and to return the final version of the contract to the Board.

Motion: Director Carson
2nd: Chairperson Kellas
Vote: 5/0
Abstain:

Roll Call: Kellas: Yes Carson: Yes Maurer: Yes de la Rosa: Yes Giacoletti: Yes

C. Direction to staff regarding the responses from the request for proposal related to the Coastal Hazard Response Plan (CHRP). (1:25:54)

Chairperson Kellas introduced the item.

Public Comment – (1:27:04)

Julie Tacker commented.
Henry Krzciuk commented.

Chairperson Kellas made a motion was made to postpone this item to the next Board meeting.
(1:32:40)

Public Comment – (1:33:00)

Michael Donahue commented.
Michael Hanchett commented.

(1:34:15) Chairperson Kellas asked if this item required formal action. Jeffrey Minnery responded that it did not.

No formal action was taken on this item.

D. Discussion regarding the District of Distinction process. (1:35:20)

Public Comment – (1:36:40)

Julie Tacker commented.
Michael Hanchett commented.

A motion was made to move forward with the District of Distinction process. (1:39:00)

Motion: Chairperson Kellas
2nd: Director Carson
Vote: 4/1
Abstain:

Roll Call: Kellas: Yes Carson: Yes Maurer: Yes de la Rosa: Yes Giacoletti: No

E. Discussion regarding Oliveira Environmental Consulting general service proposal. (1:39:40)

Public Comment – (1:40:05)

Henry Krzciuk commented.

Julie Tacker commented.

Michael Hanchett commented.

David Sansone commented.

(1:46:30) Jeff Oliveira thanked the Board for the opportunity to be considered for this role. He stated that he had responded in writing to the accusations made by Mr. Krzciuk and that he was happy to answer any of the Board's questions or possible concerns.

(1:50:50) Vice-Chairperson Giacoletti asked why the Board needed a full-time consultant when there were already full-time consultants under contract. Chairperson Kellas responded that Jeff Oliveira's role would be on-call and not a full-time position. Vice-Chairperson Giacoletti asked about his qualifications and asked if perhaps Mr. Ogren might be able to serve in the same capacity. There was conversation about the need for consultants and additional costs to the District.

A motion was made to enter into a contract with Jeff Oliveira to provide general services. (1:55:00)

Motion: Chairperson Kellas

2nd: Director Carson

Vote: 4/1

Abstain:

Roll Call: Kellas: Yes Carson: Yes Maurer: Yes de la Rosa: Yes Giacoletti: No

F. Direction to staff regarding real property offer for A.P.N. 013.091.027. (1:57:00)

Director Maurer recused himself. (1:57:20)

Director Carson recused himself. (1:58:20)

(1:59:45) Chairperson Kellas and Vice-Chairperson discussed the terms of the proposal and financial terms of the agreement. Director de la Rosa asked about the purpose of leasing or buying the property.

Public Comment – (2:02:10)

Michael Hanchett commented.

Henry Krzciuk commented.

Julie Tacker commented.

A motion was made to table this item. (2:07:00)

Motion: Chairperson Kellas

2nd: Vice-Chairperson Giacoletti

Vote: 2/1

Abstain: Maurer/Carson (recused)

Roll Call: Kellas: Yes de la Rosa: No

Giacoletti: No

No action was taken on this item.

6. CLOSED SESSION:

A. Pursuant to Government Code §54956.9 (d)(2): Conference with District Legal Counsel regarding anticipated litigation. Number of cases: one (1). Robert Hather. (2:08:50)

Public Comment – (2:09:35)

Julie Tacker commented.

Henry Krzciuk commented.

Michael Hanchett commented.

The Board reconvened from closed session. (2:13:50)

There was no reportable action.

7. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS – None.

8. ADJOURNED @ 8:14 PM

4. CONSENT AGENDA

- B. Review and approval of Minutes for the Special Meeting on February 25, 2021.**

San Simeon Community Services District
SPECIAL MEETING MINUTES
February 25, 2021
Meeting held via Zoom

1. REGULAR SESSION @ 3:02 PM

- A. Chairperson Kellas – present Jeff Oliveira – OEC Consulting
Vice-Chairperson Giacoletti – present
Director Carson – present
Director Maurer – present
Director de la Rosa – present

2. PUBLIC COMMENT (2:00)

Hank Krzciuk commented.

3. BUSINESS ITEMS (5:50)

A. Interview with perspective respondents to provide professional services related to the Coastal Hazard Response Plan (CHRP).

Chairperson Kellas introduced the candidates from Dudek. The Dudek team presented information on their plan for the CHRP.

(34:55) The interview panel consisting of the Board of Directors and Jeff Oliveira (OEC) asked the Dudek team questions.

Chairperson Kellas introduced the candidates from Hassan Consultants. (1:09:15)
The Hassan team presented information on their plan for the CHRP. (1:13:55)

The interview panel consisting of the Board of Directors and Jeff Oliveira (OEC) asked the Hasan team questions.

(2:11:10) The interviews concluded. The Board discussed the interviews.

(2:17:55) Public comment was taken. Henry Krzciuk commented. Michel Hanchett commented.

There was no action taken on this item.

4. ADJOURNMENT @ 5:25 PM

4. CONSENT AGENDA

C. Review and approval of Disbursements Journal.

SAN SIMEON COMMUNITY SERVICES DISTRICT
Disbursements Journal
April 2021

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Paid Amount</u>
Paycheck	04/08/2021	2201	GWEN KELLAS	Board Service March 2 through April 1, 2021.	-92.35
Paycheck	04/08/2021	2202	MARY P GIACOLETTI	Board Service March 2 through April 1, 2021.	-92.35
Paycheck	04/08/2021	2203	WILLIAM E MAURER	Board Service March 2 through April 1, 2021.	-92.35
Paycheck	04/08/2021	2204	WILLIAM J CARSON	Board Service March 2 through April 1, 2021.	-92.35
Bill Pmt -Check	04/08/2021	2205	CGS Engineering Corp	Replace Blower #5 with new 60hp motor and coupling. Inv 103 dated 3/2/21.	-9,188.51
Bill Pmt -Check	04/08/2021	2206	CGS Engineering Corp	Replace existing CIP 2" pump with new pump (provided by SSCSD). Inv 104 dated 3/18/21.	-375.08
Bill Pmt -Check	04/08/2021	2207	Kathleen Fry Bookkeeping Services	Bookkeeping services March 2021. Inv CSD-2021-03 dated 3/31/21.	-1,320.00
Bill Pmt -Check	04/08/2021	2208	Lori Mather Video Services	Video services for Special Zoom meeting scheduled 3/5/21 (cancelled due to technical issues). Invoice dated 3/10/21.	-150.00
Bill Pmt -Check	04/08/2021	2209	Oliveira Environmental Consulting LLC	Prof Svcs related to Prop 1, LCP, OPC, other grant opportunities, and CSD tasks. Period 2/4-3/15/2021. Inv OEC-2021-04 dated 3/15/21.	-3,190.00
Bill Pmt -Check	04/08/2021	2210	RNM Engineering Inc	New well generator and RO backup design. Inv 21023 dated 3/25/21.	-3,900.00
Bill Pmt -Check	04/08/2021	2211	Simply Clear Marketing & Media	Monthly Website Service and Mgt fee service period Apr 21 - May 20, 2021. Inv 31401 dated 3/30/21.	-400.00
Bill Pmt -Check	04/08/2021	2212	SLO County Clerk-Recorder	Statement of charges for presidential general election on Nov 3, 2020. 195 registered voters. Inv dated 3/48/21.	-713.83
Bill Pmt -Check	04/08/2021	2213	Grace Environmental Services	Operations Management, Electrical and Maintenance Fees April 2021. Inv # 1443 dated 4/1/21.	-54,197.39
Bill Pmt -Check	04/08/2021	2214	Adamski Moroski Madden Cumberland & Green	General legal fees through 02/28/21. Inv 53678 3/31/21.	-9,236.50
Check	04/25/2021	Elec Pymt	CalPERS Fiscal Svcs Div	Retiree Health monthly premium.	-351.65
Check	04/25/2021	Elec Pymt	CalPers Fiscal Svcs Divn	Monthly Unfunded Accrued Liability payment. Cust. ID # 7226734344.	-1,317.97
Liability Check	04/26/2021	Elec Pymt	United States Treasury (US Treasury)	Payroll tax payment for paychecks dated 04/08/21.	-61.20
TOTAL					-84,771.53

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6. A. Business Items



BUSINESS ACTION ITEM STAFF REPORT

Item 6.A. Consideration of Approval of the District Fiscal Audit for 2019-2020.

Summary:

During the February Board meeting Adam Guise from Moss, Levy & Hartzheim presented a draft version of the District audit for FY 2019/2020. No changes or edits were recommended at this time, the final version is presented for approval.

At the March Board meeting Director Giacoletti asked a question related to information on page 2 of the audit regarding the paragraph on Required Supplementary Information.

Staff contacted Adam Guise who advised that the paragraph refers to a Management's Discussion and Analysis (MD&A) letter that would typically go into the front of the financial statements between the opinion letter and the basic financial statements provided by the auditor. The purpose is to summarize the financial statements, provide some explanation of variances from the prior year, discuss trends, talk about future expectations and basically anything else related to the financials that the management wants to highlight.

Enc: Audit for FY 2019/2020
Email from Adam Guise

From: Adam Guise <[REDACTED]>
Sent: Saturday, March 13, 2021 7:47 AM
To: San Simeon CSD <admin@sansimeoncsd.org>
Cc: cgrace@graceenviro.com <[REDACTED]>; Gwen Kellas <[REDACTED]>
Subject: Re: Question about the Audit

Cortney,

Wasn't the audit already approved at the meeting I attended? That paragraph is referring to what's called a Management's Discussion and Analysis (MD&A) letter that would go into the front of the financial statements between the opinion letter and the basic financial statements we wrote for you. It's purpose is to summarize the financial statements, provide some explanation of variances from the prior year, discuss trends, talk about future expectations and basically anything else related to the financials that the management wants to highlight.

The GASB considers this a part of the final financial statements thus we have to include that paragraph if a MD&A letter is not done. However, aside from putting that paragraph into the opinion letter, there is no other consequence of not doing a MD&A, therefore some agencies chose not to do it. You could consider adding an MD&A to future audit reports but it's basically a time/benefit analysis that you and the Board would need to consider to see if it was important to the District and it's customers.

Here is an example from a nearby CSD, Los Osos: <https://www.losososcsl.org/files/4bd5a6718/Los+Osos+CSD+2020+Audit+FINAL.pdf> pdf page 15-23 or report pages 3-11.

On Fri, Mar 12, 2021 at 12:52 PM San Simeon CSD <[REDACTED]> wrote:
Hi Adam,

At last night's Board meeting one of the Directors had a question about language from the audit. On page 2 of the audit it states:

Required Supplementary Information

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

Could you please provide an explanation as to what this means? The Board would like an answer to this question before they will vote to approve the FY 19/20 audit.

Finally, are you aware of any required deadlines for adoption that may potentially be impacted by this delay?

Thank you so much,

Cortney Murguía

Office Manager
San Simeon Community Services District
(805) 927-4778

--

Adam Guise, C.P.A.
Partner
Moss, Levy & Hartzheim LLP
Office: (805) [REDACTED]

SAN SIMEON COMMUNITY SERVICES DISTRICT

FINANCIAL STATEMENTS

June 30, 2020

SAN SIMEON COMMUNITY SERVICES DISTRICT
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June 30, 2020

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INTRODUCTORY SECTION

Board of Directors

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Gwen Kellas	Chairperson	2022
John Russell	Vice-Chairperson	2022
Daniel de la Rosa	Director	2020
William Carson	Director	2020
Bill Maurer	Director	2020

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying basic financial statements of San Simeon Community Services District (District) as of and for the fiscal year ended June 30, 2020, and the related notes to the basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the San Simeon Community Services District, as of June 30, 2020, and the changes in financial position and cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The introductory section and the schedules of revenues, expenses, and changes in net position by function on pages 15 and 16 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2021, on our consideration of the San Simeon Community Services District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the District's basic financial statements as of and for the fiscal year ended June 30, 2019, and our report dated March 11, 2020, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Moss, Kelly & Hultgreen LLP

Santa Maria, California
January 28, 2021

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

June 30, 2020

with Comparative Totals for June 30, 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets:		
Petty cash	\$ 150	\$ 150
Cash and investments	1,248,894	1,001,073
Restricted cash and investments		34
Accounts receivable	128,375	110,145
Prepaid expenses	12,959	10,163
Total current assets	<u>1,390,378</u>	<u>1,121,565</u>
Capital Assets:		
Non-depreciable:		
Construction in progress	223,206	
Depreciable:		
Sewer plant	1,784,769	2,086,929
Water plant	1,627,991	2,322,338
Building	279,580	395,874
Equipment	12,690	329,437
Land improvements	26,791	26,791
Less: Accumulated depreciation	<u>(1,446,427)</u>	<u>(2,444,252)</u>
Net capital assets	<u>2,508,600</u>	<u>2,717,117</u>
Total assets	<u>3,898,978</u>	<u>3,838,682</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	18,306	15,301
Customer deposits	80,140	78,950
Long-Term Liabilities:		
Current portion of loan payable	<u>8,568</u>	<u>8,121</u>
Total current liabilities	<u>107,014</u>	<u>102,372</u>
Long-Term Liabilities		
Loan payable	<u>434,352</u>	<u>450,968</u>
Total long-term liabilities	<u>434,352</u>	<u>450,968</u>
Total Liabilities	<u>541,366</u>	<u>553,340</u>
NET POSITION		
Net investment in capital assets	2,065,680	2,258,028
Restricted for:		
Capital projects		34
Unrestricted:		
Board assigned for water capital improvements	55,655	53,618
Board assigned for wastewater capital improvements	55,341	53,315
Board assigned for general capital improvements	15,637	15,065
Board committed for operating reserves	250,000	250,000
Undesignated	915,299	655,282
Total net position	<u>\$ 3,357,612</u>	<u>\$ 3,285,342</u>

See accompanying notes to basic financial statements.

SAN SIMEON COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUND
For the Fiscal Year Ended June 30, 2020
With Comparative Totals for the Fiscal Year Ended June 30, 2019

	2020	2019
Operating Revenues:		
Services-waste	\$ 444,391	\$ 473,434
Services-water	396,043	400,918
State of CA-Hearst Castle	70,777	86,944
Services-other	88,422	85,122
Late fees and adjustments	2,514	3,133
	<u>1,002,147</u>	<u>1,049,551</u>
Operating Expenses:		
Accounting	9,775	9,445
Bank fees	166	220
Bookkeeping	14,560	14,400
Directors' fees	5,100	5,100
Payroll expenses	397	257
Dues and subscriptions	4,732	5,034
Election expense		549
Road maintenance		3,838
Riprap engineering	21,958	56,736
Insurance-health	4,285	7,738
PERS Retirement	13,199	11,326
Insurance-liability	10,163	9,889
LAFCO budget allocation	3,386	3,168
Legal fees	64,363	34,039
Licenses and permits	16,936	14,991
Miscellaneous	1,524	
Depreciation	97,102	98,167
Office expenses		207
Operations management	653,031	732,148
Professional fees	40,922	18,140
Emergency stand by	10,000	10,000
Repairs	34,280	7,130
Utilities	7,695	960
Website	13,700	
Weed abatement	3,885	
	<u>1,031,159</u>	<u>1,043,482</u>
Total operating expenses	<u>1,031,159</u>	<u>1,043,482</u>
Net operating income (loss)	<u>(29,012)</u>	<u>6,069</u>
Non-Operating Revenues (Expenses):		
Property taxes	87,860	86,705
Interest expense	(12,354)	(18,347)
Interest income	21,979	14,951
	<u>97,485</u>	<u>83,309</u>
Total non-operating revenues (expenses)	<u>97,485</u>	<u>83,309</u>
Capital Contributions		
Grant income	178,482	30,120
	<u>178,482</u>	<u>30,120</u>
Total capital contributions	<u>178,482</u>	<u>30,120</u>
Changes in net position	<u>246,955</u>	<u>119,498</u>
Net position - beginning of fiscal year	3,285,342	3,165,844
Prior-period adjustment	(174,685)	
Net position - beginning of fiscal year, restated	<u>3,110,657</u>	<u>3,165,844</u>
Net position - end of fiscal year	<u>\$ 3,357,612</u>	<u>\$ 3,285,342</u>

See accompanying notes to basic financial statements.

SAN SIMEON COMMUNITY SERVICES DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
For the Fiscal Year Ended June 30, 2020
With Comparative Totals for the Fiscal Year Ended June 30, 2019

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities:		
Receipts from customers and users	\$ 985,107	\$ 1,070,348
Payments to suppliers	(924,066)	(937,039)
Payments to employees	(9,782)	(24,421)
Net cash provided by operating activities	<u>51,259</u>	<u>108,888</u>
Cash Flows from Capital and Related Financing Activities:		
Purchase of capital assets	(71,103)	(141,690)
Grants	178,482	30,120
Interest payments	(12,354)	(18,347)
Principal loan payments	(8,336)	(2,343)
Net cash provided (used) by capital and related financing activities	<u>86,689</u>	<u>(132,260)</u>
Cash Flows from Noncapital Financing Activities:		
Property taxes	87,860	86,705
Net cash provided by noncapital and related financing activities	<u>87,860</u>	<u>86,705</u>
Cash Flows from Investing Activities:		
Investment income	21,979	14,951
Net cash provided by investing activities	<u>21,979</u>	<u>14,951</u>
Net increase in cash and cash equivalents	247,787	78,284
Cash and cash equivalents, beginning of fiscal year	1,001,257	922,973
Cash and cash equivalents, end of fiscal year	<u>\$ 1,249,044</u>	<u>\$ 1,001,257</u>
Reconciliation to Statement of Net Position		
Petty cash	\$ 150	\$ 150
Cash and investments	1,248,894	1,001,073
Restricted cash and investments	34	34
	<u>\$ 1,249,044</u>	<u>\$ 1,001,257</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Operating income (loss)	\$ (29,012)	\$ 6,069
Adjustments to reconcile operating income (loss) to net cash provided (used)		
by operating activities:		
Depreciation	97,102	98,167
Change in Operating Assets and Liabilities:		
(Increase) decrease in accounts receivable	(18,230)	(2,903)
(Increase) decrease in prepaid expenses	(2,796)	(437)
Increase (decrease) in accounts payable	3,005	(15,708)
Increase (decrease) in customer deposits	1,190	23,700
Net cash provided by operating activities	<u>\$ 51,259</u>	<u>\$ 108,888</u>

See accompanying notes to basic financial statements.

SAN SIMEON COMMUNITY SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

NOTE 1 - NATURE OF DISTRICT

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

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

There are no component units included in this report which meet the criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39, No. 61, and No. 80.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

SAN SIMEON COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

M. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements:

Statement No. 84	"Fiduciary Activities"	The provisions of this statement are effective for fiscal years beginning after December 15, 2019.
Statement No. 87	"Leases"	The provisions of this statement are effective for fiscal years beginning after June 15, 2021.
Statement No. 89	"Accounting for Interest Cost Incurred before the End of a Construction Period"	The provisions of this statement are effective for fiscal years beginning after December 15, 2020.
Statement No. 90	"Majority Equity Interests-an Amendment of GASB Statements No. 14 and No. 61"	The provisions of this statement are effective for fiscal years beginning after December 15, 2019.
Statement No. 91	"Conduit Debt Obligations"	The provisions of this statement are effective for fiscal years beginning after December 15, 2021.
Statement No. 92	"Omnibus 2020"	The provisions of this statement are effective for fiscal years beginning after June 15, 2021.
Statement No. 93	"Replacement of Interbank Offered Rates"	The provision of this statement except for paragraphs 11b, 13, and 14 are effective for fiscal years beginning after June 15, 2020. Paragraph 11b is effective for fiscal years beginning after December 31, 2021. Paragraphs 13 and 14 are effective for fiscal years beginning after June 15, 2021.
Statement No. 94	"Public-Private and Public-Public Partnerships and Availability Payment Arrangements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2022.
Statement No. 96	"Subscription-Based Information Technology Arrangements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2022.
Statement No. 97	"Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32"	The provisions of this statement are effective for fiscal years beginning December 15, 2019.

SAN SIMEON COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

NOTE 3 - CASH AND INVESTMENTS

Investments are carried at fair value. On June 30, 2020, the District had the following cash and temporary investments on hand:

Deposits:		
Cash on hand		\$ 150
Cash in banks		81,850
		<u>82,000</u>
Investments:		
Money market		1,166,488
State of California Local Agency Investment Fund (LAIF)		556
		<u>1,167,044</u>
Total Cash and Investments		<u>\$1,249,044</u>

Cash and investments are presented on the accompanying basic financial statements, as follows:

Petty cash	\$ 150
Cash and investments	<u>1,248,894</u>
Total cash and investments	<u>\$1,249,044</u>

The District categorizes its fair value measurements within the fair value hierarchy established by U.S. Generally Accepted Accounting Principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Local Agency Investment Fund (LAIF) is measured under Level 2. The money market account is not measured under Levels 1, 2, or 3.

Restricted cash

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

Investments Authorized by the District's Investment Policy

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

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

SAN SIMEON COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 3 - CASH AND INVESTMENTS (Continued)

Disclosures Relating to Interest Rate Risk

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

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

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months or Less</u>	<u>13-24 Months</u>	<u>25-60 Months</u>	<u>More than 60 Months</u>
Money market funds	\$ 1,166,488	\$ 1,116,488	\$ -	\$ -	\$ -
LAIF	<u>556</u>	<u>556</u>			
Total	<u>\$ 1,167,044</u>	<u>\$ 1,167,044</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Disclosures Relating to Credit Risk

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

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Fiscal Year End</u>		
				<u>AAA</u>	<u>Aa</u>	<u>Not Rated</u>
Money market funds	\$1,166,488	N/A	\$ -	\$ -	\$ -	\$1,166,488
LAIF	<u>556</u>	N/A				<u>556</u>
Total	<u>\$1,167,044</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,167,044</u>

Concentration of Credit Risk

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

Custodial Credit Risk

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

SAN SIMEON COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 3 - CASH AND INVESTMENTS (Continued)

Custodial Credit Risk (continued)

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

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

Investment in State Investment Pool

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

NOTE 4 - SCHEDULE OF CAPITAL ASSETS

A schedule of changes in capital assets and depreciation for the fiscal years ended June 30, 2020, and June 30, 2019, are shown below and on the following page:

	Balance July 1, 2019	Additions	Deletions	Prior-period Adjustment	Balance June 30, 2020
Non-depreciable capital assets:					
Construction in progress	\$ -	\$ 62,538	\$ -	\$ 160,668	\$ 223,206
Total non-depreciable capital assets	<u>\$ -</u>	<u>\$ 62,538</u>	<u>\$ -</u>	<u>\$ 160,668</u>	<u>\$ 223,206</u>
Depreciable capital assets:					
Sewer plant	\$ 2,086,929	\$ 8,565	\$ (280,413)	\$ (30,312)	\$ 1,784,769
Water plant	2,322,338		(387,047)	(307,300)	1,627,991
Building	395,874		(116,294)		279,580
Land improvements	26,791				26,791
Equipment	329,437		(316,747)		12,690
	<u>5,161,369</u>	<u>8,565</u>	<u>(1,100,501)</u>	<u>(337,612)</u>	<u>3,731,821</u>
Accumulated depreciation	2,444,252	97,102	(1,100,501)	5,574	1,446,427
Total depreciable capital assets	<u>\$ 2,717,117</u>	<u>\$ (88,537)</u>	<u>\$ -</u>	<u>\$ (343,186)</u>	<u>\$ 2,285,394</u>
Net capital assets	<u>\$ 2,717,117</u>	<u>\$ (25,999)</u>	<u>\$ -</u>	<u>\$ (182,518)</u>	<u>\$ 2,508,600</u>

SAN SIMEON COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

NOTE 4 - SCHEDULE OF CAPITAL ASSETS (Continued)

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Non-depreciable capital assets:				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Total non-depreciable capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Depreciable capital assets:				
Sewer plant	\$ 2,086,929	\$ -	\$ -	\$ 2,086,929
Water plant	2,198,617	123,721		2,322,338
Building	395,874			395,874
Land improvements	21,511	5,280		26,791
Equipment	316,748	12,689		329,437
	<u>5,019,679</u>	<u>141,690</u>		<u>5,161,369</u>
Accumulated depreciation	2,346,085	98,167		2,444,252
Total depreciable capital assets	<u>\$ 2,673,594</u>	<u>\$ 43,523</u>	<u>\$ -</u>	<u>\$ 2,717,117</u>
Net capital assets	<u>\$ 2,673,594</u>	<u>\$ 43,523</u>	<u>\$ -</u>	<u>\$ 2,717,117</u>

Depreciation expense for the fiscal years ended June 30, 2020 and 2019 was \$97,102 and \$98,167, respectively.

NOTE 5 – CUSTOMER DEPOSITS

The liability for customer deposits consists of the following as of June 30, 2020 and 2019:

	2020	2019
Hook-up deposits	\$ 70,890	\$ 69,750
Customer meter deposits	9,250	9,200
	<u>\$ 80,140</u>	<u>\$ 78,950</u>

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

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

NOTE 6 – LOAN PAYABLE

On July 11, 2011, the District applied for a \$500,000 loan from the United States Department of Agriculture. The loan was approved, and the District began to draw on the loan during the 13/14 fiscal year. The District is required to make semi-yearly payments of \$10,345. The agreement is secured by a first lien and a pledge of revenues from the water system. In the event of a default by the District, the remaining amount of the note shall become due. Future minimum payments are as follows on the next page:

SAN SIMEON COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

NOTE 6 – LOAN PAYABLE (Continued)

Fiscal year Ended June 30,	Principal	Interest	Total
2021	\$ 8,568	\$ 12,122	\$ 20,690
2022	8,805	11,885	20,690
2023	9,049	11,641	20,690
2024	9,300	11,390	20,690
2025	9,557	11,133	20,690
2026-2030	51,906	51,544	103,450
2031-2035	59,501	43,949	103,450
2036-2040	68,208	35,242	103,450
2041-2045	78,188	25,262	103,450
2046-2050	89,629	13,821	103,450
2051-2053	50,209	2,114	52,323
Total	<u>\$ 442,920</u>	<u>\$ 230,103</u>	<u>\$ 673,023</u>

NOTE 7 – LONG TERM DEBT – SCHEDULE OF CHANGES

A schedule of changes in long-term debt for the fiscal years ended June 30, 2020 and June 30, 2019, are shown below:

	Balance July 1, 2019	Additions	Deletions	Prior-period Adjustment	Balance June 30, 2020	Due within one year
Loan payable (Direct Borrowing)	\$ 459,089	\$ -	\$ 8,336	\$ (7,833)	\$ 442,920	\$ 8,568
Totals	<u>\$ 459,089</u>	<u>\$ -</u>	<u>\$ 8,336</u>	<u>\$ (7,833)</u>	<u>\$ 442,920</u>	<u>\$ 8,568</u>

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due within one year
Loan payable (Direct Borrowing)	\$ 461,432	\$ -	\$ 2,343	\$ 459,089	\$ 8,121
Totals	<u>\$ 461,432</u>	<u>\$ -</u>	<u>\$ 2,343</u>	<u>\$ 459,089</u>	<u>\$ 8,121</u>

NOTE 8 – JOINT POWERS AUTHORITY

The District is a member of the Special District Risk Management Authority (S.D.R.M.A.), an intergovernmental risk sharing joint powers authority, created pursuant to California Government Code Sections 6500 et. Seq. In becoming a member of the S.D.R.M.A., the District elected to participate in the risk financing programs listed below for the program period July 1, 2017 through June 30, 2018.

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

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

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

SAN SIMEON COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 8 – JOINT POWERS AUTHORITY (Continued)

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

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

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

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

NOTE 9 – RELATED PARTY TRANSACTION

The District has an agreement with Grace Environmental Services to oversee the daily operations of the District with the President of Grace Environmental Services, Charles Grace, serving as the District's General Manager. San Simeon Community Services District paid \$643,134 for their services including \$601,941 for operations including staffing and \$41,193 for additional consulting, maintenance, and repairs during the 19/20 fiscal year.

NOTE 10 – CONTINGENCIES

According to the District's staff and attorney, no contingent liabilities are outstanding and no lawsuits are pending of any real financial consequence.

NOTE 11 – SUBSEQUENT EVENTS

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity as of the date of issuance of these financial statements.

NOTE 12 – PRIOR-PERIOD ADJUSTMENTS

Prior-period adjustments were made to the Statement of Revenues, Expenses, and Changes in Net Position of \$7,833 of loan payments made in a prior fiscal year and for (\$182,518) to match the capital accounts with the District's depreciation schedule and asset records for a net adjustment of (\$174,685).

SUPPLEMENTARY INFORMATION

SAN SIMEON COMMUNITY SERVICES DISTRICT
SCHEDULE OF REVENUES AND EXPENSES BY FUNCTION
For the Fiscal Year Ended June 30, 2020

	Sanitation Fund	Water Fund	General	Total
Operating Revenues:				
Utility sales	\$ 444,391	\$ 396,043	\$ 2,514	\$ 842,948
Service charges			88,422	88,422
State of CA-Dept. of Parks and Recreation	70,777			70,777
Total operating revenues	515,168	396,043	90,936	1,002,147
Operating Expenses:				
Accounting	3,258	3,258	3,259	9,775
Bank fees			166	166
Bookkeeping	4,853	4,854	4,853	14,560
Directors' fees	1,734	1,733	1,633	5,100
Payroll expenses	132	133	132	397
Dues and subscriptions	891	891	2,950	4,732
Riprap engineering	21,958			21,958
Insurance-health			4,285	4,285
PERS Retirement			13,199	13,199
Insurance-liability	6,098	3,049	1,016	10,163
LAFCO budget allocation	847	846	1,693	3,386
Legal fees	21,204	21,204	21,955	64,363
Licenses and permits	14,589	2,347		16,936
Miscellaneous	281	439	804	1,524
Depreciation	38,198	43,408	15,496	97,102
Operations management	417,262	200,446	35,323	653,031
Professional fees	25,215	11,582	4,125	40,922
Emergency stand by		10,000		10,000
Repairs	18,641	15,639		34,280
Utilities	2,565	2,565	2,565	7,695
Website	4,567	4,567	4,566	13,700
Weed abatement			3,885	3,885
Total operating expenses	582,293	326,961	121,905	1,031,159
Net operating income (loss)	(67,125)	69,082	(30,969)	(29,012)
Non-Operating Revenues (Expenses):				
Property taxes			87,860	87,860
Interest expense		(12,354)		(12,354)
Interest income		15	21,964	21,979
Total non-operating revenues (expenses)		(12,339)	109,824	97,485
Capital Contributions				
Grant income			178,482	178,482
Total capital contributions			178,482	178,482
Change in net position	\$ (67,125)	\$ 56,743	\$ 257,337	\$ 246,955

SAN SIMEON COMMUNITY SERVICES DISTRICT
SCHEDULE OF REVENUES AND EXPENSES BY FUNCTION
For the Fiscal Year Ended June 30, 2019

	Sanitation Fund	Water Fund	General	Total
Operating Revenues:				
Utility sales	\$ 473,434	\$ 400,918	\$ 3,133	\$ 877,485
Service charges			85,122	85,122
State of CA-Dept of Parks and Recreation	86,944			86,944
Total operating revenues	560,378	400,918	88,255	1,049,551
Operating Expenses:				
Accounting	3,148	3,148	3,149	9,445
Bank fees		50	170	220
Bookkeeping	4,800	4,800	4,800	14,400
Directors' fees	1,800	1,800	1,500	5,100
Payroll expenses	133	132	(8)	257
Dues and subscriptions	705	1,127	3,202	5,034
Election expense			549	549
Road maintenance			3,838	3,838
Riprap engineering	56,736			56,736
Insurance-Health			7,738	7,738
PERS Retirement			11,326	11,326
Insurance-Liability	5,933	2,967	989	9,889
LAFCO budget allocation	792	792	1,584	3,168
Legal fees	14,006	10,017	10,016	34,039
Licenses and permits	13,062	1,929		14,991
Depreciation	43,200	43,200	11,767	98,167
Office expenses			207	207
Operations management	443,051	249,446	39,651	732,148
Professional fees	3,666	8,303	6,171	18,140
Emergency water stand-by		10,000		10,000
Repairs	2,377	2,377	2,376	7,130
Utilities	320	320	320	960
Total operating expenses	593,729	340,408	109,345	1,043,482
Net operating income (loss)	(33,351)	60,510	(21,090)	6,069
Non-Operating Revenues (Expenses):				
Property taxes			86,705	86,705
Interest expense			(18,347)	(18,347)
Interest income			14,951	14,951
Total non-operating revenues (expenses)			83,309	83,309
Capital Contributions				
Grant income			30,120	30,120
Total capital contributions			30,120	30,120
Change in net position	\$ (33,351)	\$ 60,510	\$ 92,339	\$ 119,498

6. B. Business Items



BUSINESS ACTION ITEM STAFF REPORT

Item 6.B. Discussion regarding review of the monthly disbursement journal.

Summary:

This item was placed on the agenda by the Board Chairperson. During the March Board meeting there was a discussion regarding the invoices related to the monthly disbursement journal.

6. C. Business Items



BUSINESS ACTION ITEM STAFF REPORT

Item 6.C. Discussion regarding updates to the Policy & Procedures including updating the social media policy (AB 992).

Summary:

This item was placed on the agenda by the Board Chairperson. In May of 2019 when the Policy & Procedures Manual was adopted by the Board it was suggested that in the future the Board may wish to review this document and make any needed updates to the P&P.

Effective January 1, 2021 an amendment to the Brown Act (AB 992) took effect. This legislation sets limits for legislative bodies specific to social media platforms and provides clearance for public officials.

Notably, AB 992 is stricter about social media contacts between public officials than in-person contacts. For example, under the Brown Act, two public officials of the same agency could talk face-to-face about a public agency matter without running afoul of the law. However, AB 992 prohibits a member of a legislative body from responding “directly to any communication on an Internet-based social media platform” regarding an agency matter if the communication is “made, posted, or shared by any other member of the legislative body.”

The District may also wish to consider updating the P&P to include additional language about how the District processes public records requests. The existing language is vague.

Enc: Printout regarding AB 992 – CSDA website

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2021 New Laws Series, Part 8: The Brown Act Meets Social Media

By Kristin Withrow posted 11-30-2020 03:34 PM

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The Brown Act Meets Social Media

What Public Officials Can and Cannot Post on Social Media Under the Recently Enacted AB 992

By Hong Dao Nguyen and Albert Maldonado, Attorneys, Best Best & Krieger LLP

Public officials must continue to be vigilant if they post on social media sites about agency-related matters. However, recently enacted legislation, AB 992, aimed at updating the Brown Act to meet today’s social media environment, provides greater guidance for public officials.

Prior to AB 992, public officials across the state received mixed messages and conflicting guidance from their various counsels on what could be posted, “liked,” or shared on Facebook and other social media websites. These conflicting messages sometimes led to paralysis and some public officials avoiding communication on social media. While the public is



increasingly receiving their news and community information from social media, some public agency officials have been noticeably absent from that communication medium. AB 992 was drafted and passed in the hopes of providing greater clarity on the actions public officials can and cannot take on social media, thereby encouraging greater communication and transparency with the public.

The Brown Act, a transparency law, generally provides that legislative bodies must have noticed and open meetings to discuss and transact agency business. Until AB 992 was signed into law in September, the Brown Act was silent regarding communications on social media.

AB 992 amends Government Code section 54952.2 and clarifies that a public official may communicate on social media platforms to answer questions, provide information to the public or to solicit information from the public regarding a matter within the legislative body's subject matter jurisdiction. But those communications are only allowed if members of the same legislative body do not use a social media platform to discuss official business among themselves. "Discuss among themselves" means making posts, commenting, and even using digital icons that express reactions to communications (i.e., emojis) made by other members of the legislative body.

Notably, AB 992 is stricter about social media contacts between public officials than in-person contacts. For example, under the Brown Act, two public officials of the same agency could talk face-to-face about a public agency matter without running afoul of the law. However, AB 992 prohibits a member of a legislative body from responding "directly to any communication on an Internet-based social media platform" regarding an agency matter if the communication is "made, posted, or shared by any other member of the legislative body."

Questions are already arising regarding what social media communications are now allowed under the law. The following includes some questions and answers to unpack AB 992:

Question: To what kinds of social media platforms does AB 992 apply?

Answer: AB 992 applies to Internet-based social media platforms that are "open and accessible to the public." "Open and accessible to the public" means "that members of the general public have the ability to access and participate, free of charge, in the social media platform without the approval by the social media platform or a person or entity other than the social media platform, including any forum and chatroom, and cannot be blocked from doing so, except when the Internet-based social media platform determines that an individual violated its protocols or rules."

Practically, those platforms include, but are not limited to, Snapchat, Instagram, Facebook, Twitter, blogs, TikTok and Reddit. That means AB 992 could affect social media commenting, retweeting, liking, disliking, responding with positive or negative emojis and/or screenshotting (photographing) and reposting.

Question: Does AB 992 prohibit public officials from commenting, sharing, or liking a social media post that was posted by the public agency on its own social media platform?

Answer: No, AB 992 does not prohibit a public official from commenting, sharing, or liking a social media post that was posted by the official’s public agency. For example, if a public official wants to share his or her agency’s post about water conservation, the official could still do that. AB 992 expressly allows a public official to communicate on social media platforms to answer questions, provide information to the public or to solicit information from the public regarding a matter within the legislative body’s subject matter jurisdiction.

An issue may arise, however, if one director shares his or her agency’s post on water conservation, and another director from the same board gives it a thumbs up. That would likely be a prohibited direct communication on social media.

Question: What if Director A posts about an agency matter, a member of the public then comments on the post, and then Director B replies to the public comment?

Answer: It is unclear whether the above scenario would violate AB 992. On one hand, Director B would likely claim that he or she is directly communicating with a member of the public and not Director A. On the other hand, someone could claim an AB 992 violation since the thread was started by Director A.

An important takeaway here is that whether or not a violation of AB 992 has occurred will likely be driven by the facts. For example, what if Director A started the thread and there were 10 intervening replies or comments before Director B chimed in? Could Director B’s reply still be categorized as a “direct communication” to Director A? A conservative approach is for public officials to avoid posting on threads in which another public official of the same agency has posted, if the issue relates to public business. This is especially true if two directors have already commented on a public agency-related thread, since a third director’s input could constitute a serial meeting by a majority.

Question: What if Director B shares or retweets Director A’s post without comment?

Answer: Some social media platforms like Facebook and Twitter allow users to “share” someone else’s post or “retweet” a post, respectively. Arguably, if one director is taking another director’s post about a public agency matter and posting it onto his or her own page — even without comment — that would appear to be a direct response. Typically a share or retweet of another person’s post shows support of that post (though that’s not always the case).

Similarly, if two other directors (Directors B and C) shared or retweeted Director A’s post — even without comment — those directors would appear to be a majority of the body “discussing among themselves” a topic within their agency’s purview.

Question: Can public officials use social media to discuss personal matters amongst themselves?

Answer: Yes. Neither the Brown Act nor the new provisions in AB 992 prohibit discussions regarding private matters. For example, there is no issue with one director giving a thumbs up to another director's family photo or a majority of directors congratulating another director for finishing a marathon. The Brown Act only applies to public agency business.

Question: How would AB 992 be enforced?

Answer: AB 992 does not include any new or additional enforcement provisions. The district attorney or any interested person could raise a claim that a public agency violated the Brown Act and follow the enforcement provisions provided in the Government Code.

Question: Does AB 992 affect other methods of communication, such as public officials texting or emailing one other?

Answer: No, AB 992 only applies to communications about agency business on social media accounts that are generally open to the public. It does not regulate other electronic means of communication such as text messaging or emailing. However, the other means of electronic communication could raise other issues, including serial meetings and the California Public Records Act.

Question: How does AB 992 implicate the California Public Records Act?

Answer: In the case *San Jose v. Superior Court* (2017) 2 Cal. 5th 608, the California Supreme Court held that communications on personal electronic accounts could be subject to the Public Records Act. If public officials are using social media to communicate with members of the public (or one another), those posts could be subject to the Public Records Act.

As noted, whether an issue has arisen under AB 992 is highly factual, and this article only gives a sampling of the questions that may come up with public officials' use of social media. For specific issues, public officials should consult with their agency's general counsel.

This article was written by, Hong Dao Nguyen and Albert Maldonado Attorneys, Best Best & Krieger LLP, as part of CSDA's New Laws Series, where experts explain recently enacted laws and how they will impact special districts moving forward. This article is provided for general information only and is not offered or intended as legal advice. Readers should seek the advice of an attorney when confronted with legal issues, and attorneys should perform an independent evaluation of the issues raised in these materials.

Missed Part 1? Read it now: [Water Districts Must Complete Federal Risk & Resilience Assessment and Emergency Response Plan](#)

6. D. Business Items



BUSINESS ACTION ITEM STAFF REPORT

Item 6.D. Discussion related to the 6 PM meeting time of regular Board meetings.

Summary:

At the December 9, 2020 Board meeting, the Board voted to move the Board meeting start time from 3 PM to 6 PM with the condition that this item be reviewed after three months' time. The period of three months has passed, so this matter was placed on the agenda to allow for Board discussion. Staff was contacted by one member of the community who stated that the meeting start time now conflicts with the regularly scheduled School Board meeting, which may prevent interested parties from participating in SSCSD meetings.

6. E. Business Items



BUSINESS ACTION ITEM STAFF REPORT

Item 6.E. Consideration of RRM Design to complete the finalization of LAFCO solid waste power on behalf of the District.

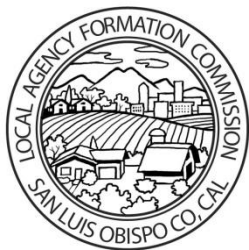
Summary:

On March 18, 2021 LAFCO approved solid waste authority for the San Simeon CSD. LAFCO requires that the following items occur:

- Prepare rules and regulations pertaining to the collection of solid waste within the district (Condition 3C of Resolution No. 2020-09)
- Coordinate with San Luis Obispo IWMA about the appointment process for CSDs exercising solid waste authority (Condition 3D of Resolution No. 2020-09)

RRM was initially awarded a contract for \$9,000.00 to complete this task. An additional \$3,000 was paid to finalize the project. In the attached additional services document RRM is asking for an estimated \$2,000 to complete the above referenced items which would bring the project total to \$15,000.

Enc: Copy of LAFCO Report – Activation of Power
Additional Services - Proposal from RRM



LAFCO - San Luis Obispo - Local Agency Formation Commission
SLO LAFCO - Serving the Area of San Luis Obispo County

March 22, 2021

SENT VIA E-MAIL

COMMISSIONERS

Chairperson
ROBERT ENNS
Special District Member

Vice-Chair
ED WAAGE
City Member

DEBBIE ARNOLD
County Member

LYNN COMPTON
County Member

MARSHALL OCHYLSKI
Special District Member

STEVE GREGORY
City Member

TOM MURRAY
Public Member

ALTERNATES

ED EBY
Special District Member

CHARLES BOURBEAU
City Member

HEATHER JENSEN
Public Member

JOHN PESCHONG
County Member

STAFF

DAVID CHURCH
Interim Executive Officer

BRIAN A. PIERIK
Legal Counsel

IMELDA MARQUEZ
Analyst

Charlie Grace, District Manager
San Simeon Community Services District
111 Pico Avenue
San Simeon, CA 93452

**Re: San Simeon CSD Activation of Latent Powers: Solid Waste
LAFCO No. 1-E-20**

Dear Mr. Grace,

Attached is a copy of the Certificate of Completion and LAFCO Resolution No. 2020-09 that was filed with the County Recorder for the San Simeon Community Services District Activation of Latent Powers (Solid Waste) for your records.

This completes the LAFCO process for this application of activation of solid waste power. Please contact us if you have questions.

Sincerely,

Imelda Marquez
LAFCO Analyst

Cc: Courtney Murguia, Applicant
Pam Ricci, Applicant
John Diodati, Public Works
Laura Holder, Public Works
Doug Bird, Public Works
David Grimm, Public Works
Lynette O'Neil, Public Works

2021021311

Tommy Gong
San Luis Obispo - County Clerk-Recorder
03/19/2021 03:16 PM

CONFORMED COPY

Copy of document recorded.
Has not been compared with original.

Recording requested by and mail to:

Executive Officer
Local Agency Formation Commission
1042 Pacific Street
San Luis Obispo, CA 93401

CERTIFICATE OF COMPLETION

Pursuant to Government Codes Section 57200 and 57201 this Certificate of Completion is hereby issued by the Executive Officer of the Local Agency Formation Commission of San Luis Obispo County, California.


1. The short-form designation by LAFCO is San Simeon Community Services District Activation of a Latent Power (Solid Waste).
2. The name of the District involved in this action and the type of action ordered for the District is as follows:

<u>DISTRICT</u>	<u>ACTION</u>
San Simeon Community Services District	Activation of Latent Powers Solid Waste

3. The above-listed Community Services District is located within San Luis Obispo County.
4. The territory involved in this action is inhabited and protest hearings have been completed pursuant to Government Code Section 57000. The protest process for Land Owners and Registered Voters was completed and the thresholds for further actions were not reached by the Conducting Authority Hearing date of January 22, 2021. Therefore, the activation of the District's Solid Waste power is approved.
5. This Change of Organization has been approved subject to the conditions stated in Resolution No. 2020-09 attached hereto and made a part hereof.
6. The date of adoption of the Resolution ordering this action was November 19, 2020, and the effective date of this action is upon the date of recordation of this certificate at the Office of the San Luis Obispo County Clerk Recorder.

I hereby certify that I have examined the above-cited ordinance or resolution for this action and have found this document to be in compliance with Resolution No. 2020-09 approving said action and adopted by the Local Agency Formation Commission of the County of San Luis Obispo on November 19, 2020.

Date: 3-19-21



David Church
LAFCO Interim Executive Officer

LAFCO File No: 1-E-20

IN THE LOCAL AGENCY FORMATION COMMISSION
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

Thursday, November 19, 2020

**PRESENT: COMMISSIONERS TOM MURRAY, ROBERT ENNS, DEBBIE
ARNOLD, LYNN COMPTON, MARSHALL OCHYLSKI, ED WAGGE,
AND ALTERNATE ED EBY**

**ABSENT: COMMISSIONER ROBERTA FONZI, ALTERNATE COMMISSIONERS
STEVE GREGORY, HEATHER JENSEN, AND JOHN PESCHONG**

RESOLUTION NO. 2020-09

**RESOLUTION APPROVING THE ACTIVATION OF SOLID WASTE POWER FOR SAN
SIMEON COMMUNITY SERVICE DISTRICT**

The following resolution is now offered and read:

WHEREAS, on September 17, 2020, a request to consider activation of latent power of solid waste for the San Simeon Community Services District was filed with this Commission; and

WHEREAS, a Certificate of Filing for this proposal was signed by the Executive Officer on October 14, 2020; and

WHEREAS, the Executive Officer has given the notices required by law and forwarded copies of his report to officers, persons and public agencies prescribed by law; and

WHEREAS, a staff report was prepared, and the public hearing was duly conducted under the Covid-19 modified meetings laws;

WHEREAS, the matter was set for public hearing at 9:00 a.m. on November 19, 2020, and the public hearing was duly conducted and determined and a decision was made on November 19, 2020; and

WHEREAS, at said hearing this Commission heard and received all oral and written protests, objections and evidence, which were made, presented or filed, and all person's present were given the opportunity to hear and be heard in respect to any matter relating to the proposal and report; and

WHEREAS a Notice of Exemption from the California Environmental Quality Act (CEQA) has been duly prepared, noticed, and submitted under CEQA Regulation Section 15061(b)(3) of the

State Guidelines; and

WHEREAS, the Commission has considered all factors required to be considered by Government Code Sections 56668 et seq. and adopts as its written statements of determinations therein, the determinations set in the Executive Officer's Staff report dated November 19, 2020, said determinations being incorporated by reference herein as though set forth in full; and

WHEREAS, the Commission duly considered the proposal to activate the power of solid waste for the San Simeon Community Services District and finds that the proposal should be approved.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Local Agency Formation Commission of the County of San Luis Obispo, State of California, as follows:

1. That the recitals set forth hereinabove are true, correct, and valid.
2. That the Executive Officer of this Commission is authorized and directed to mail copies of this resolution in the manner provided by law.
3. That the activation of latent power of solid waste for the San Simeon Community Services District is approved following a Protest Process, with the following conditions:
 - A. The SSCSD shall abide by all the terms and conditions of the existing contract with Mission Country Waste Disposal for the remaining term of the franchise agreement with the County of San Luis Obispo; unless otherwise agreed to between the Mission Country Waste Disposal and the San Simeon Community Services District;
 - B. The SSCSD shall comply with the recycling components currently in place for the remaining term of the agreement with the County of San Luis Obispo;
 - C. The SSCSD shall adopt rules and regulations pertaining to the collection of solid waste within the District. Upon adoption of such rules and regulations, the SSCSD shall be the authorized local agency to provide solid waste services within the Districts boundary;
 - D. The SSCSD shall participate in the San Luis Obispo IWMA and all policies and ordinances of the San Luis Obispo IWMA in accordance with the appointment process of the San Luis Obispo County Special Districts Association for districts exercising solid waste authority.
 - E. The applicant shall defend, indemnify and hold harmless LAFCO to the fullest extent allowed by law, at the sole expense of the applicant, against any and all claims.

Tommy Gong
San Luis Obispo
County Clerk-Recorder
Main Office: (805) 781-5080
Atascadero: (805) 461-6041
www.slovote.com

Receipt: 21-16074

ProductName	Extended
0176 NOTICE OF COMPLETION	\$0.00
Document #	2021021311
Document Info:	PUBLIC
# Pages	4
<hr/>	
Total	\$0.00
Change (Cash)	\$0.00

PLEASE KEEP FOR REFERENCE

3/19/21 3:16 PM gugalde
San Luis Obispo

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ADD. SERVICE AUTHORIZATION

Client: San Simeon Community Services District (SSCSD)	Task ID Number: 3
Project Name: San Simeon Community Services District Planning Services	Project Number: 0440-02-C119
Work Requested by: Charlie Grace	Request Received by: Pam Ricci
Date: March 18, 2021	Date Received: March 15, 2021

Method:

- Client authorization required Included in contract, authorization not required

Fee Type(s):

- Time & Materials – Not to Exceed Time & Materials - Hourly

DESCRIPTION OF WORK TO BE PERFORMED

RRM Design Group, a California Corporation ("RRM Design Group"), has entered into an agreement with San Simeon Community Services District (the "Client") dated February 18, 2020 (the "Prime Agreement") for the project: San Simeon Community Services District Planning Services (the "Project"). Additional Services Authorized by the Client are subject to the Terms and Conditions of the Prime Agreement.

This additional service covers assisting the SSCSD with follow-up tasks relating to the official establishment of its solid waste service power. The original contract focused on the application and hearing process through LAFCO, but did not anticipate the implementation tasks with setting up the solid waste power formally. Additional services authorized by the Client are subject to the terms and conditions of the prime agreement.

Task 3: LAFCO Processing Assistance

This task will cover ongoing consulting by RRM to assist with the County of San Luis Obispo LAFCO process to implement the solid waste services as an active power for the SSCSD. This will likely include the following activities:

- Prepare rules and regulations pertaining to the collection of solid waste within the district (Condition 3C of Resolution No. 2020-09)
- Coordinate with San Luis Obispo IVMA about the appointment process for CSDs exercising solid waste authority (Condition 3D of Resolution No. 2020-09)

- Provide other coordination tasks with the County to establish the solid waste authority for the District

Deliverables:

- Prepare rules and regulations pertaining to the collection of solid waste within the CSD
- Coordination with the San Luis Obispo IWMA and the County of San Luis Obispo

Estimated Fee: Time and Materials – Not to Exceed

- \$2,000 (see footnote)

Fee Footnote

Estimated fees for tasks shown as “Time and Materials - Not to Exceed” (T&M/NTE) establish the maximum that will be billed for each task. Amounts billed will reflect actual hours, and will not exceed the maximum amount shown without prior approval by the Client.

Total Estimated RRM Additional Service Fees: \$2,000

Any work outside the scope of the original agreement between RRM Design Group and the Client and authorized by Client, is subject to the Terms and Conditions of the Prime Agreement.

AUTHORIZATION TO PROCEED BY CLIENT REPRESENTATIVE:

Sign

Date

Print Name, Title

Billing Email (Please identify person’s name and email address to receive electronic invoices.)

Billing Address (if different from mailing address)

d:\corp\rrm\on-site\0401\0440-02-C119-San-Simeon-Comm-Serv-District-Planning-Services\Project-Management\Contracts\Addendums\ASA Task 3\ASA-Task-3-bpd-3-17-2021.docx

6. F. Business Items



BUSINESS ACTION ITEM STAFF REPORT

Item 6.F. Discussion related to the Hearst Limited Term Encroachment Agreement and Letter from Ogden and Fricks, LLC.

Summary:

During a review of the Survey performed by Wallace Group it was noted that a title search was not performed as part of the survey to determine ownership of the abandoned Old County Road right of way that 560 square feet of the Reverse Osmosis building is on.

A concerned property owner contacted First American Title Company to seek clarification on questions they had related to the Wallace Group Survey. First American Title reviewed County records and concluded that Old County Road is a shared right-of-way. Right-of-way is the legal right, established by usage or grant, to pass along a specific route through grounds or property belonging to another party.

First American Title Company recommends that a Licensed Surveyor take into account the following: 1) The Rancho San Simeon deed, 2) The Arbuckle Tract, 3) Pico Avenue, 4) Abandoned County Road # 3 plus, chain of title including easement and right-of-way rights, the effect of the County road when it was abandoned, which would include where the roads were when they were granted to the County. These roads would have been right-of-ways and not fee title, at the time of county acquisition.

The letter from Ogden and Fricks. LLC with Grant Deed and County Abandonment of Right of Way attachments concludes that the SSCSD holds title to it's half of the abandoned county right-of -way. The letter states that the District improvement is located on land owned by the CSD and that the encroachment allegation is false.

Attached is a Limited Term Agreement proposed by Hearst Corporation. Hearst has agreed to grant the District an easement. This would allow the existing Encroachment to remain on the Encroachment Area for as long as the District continues to use the Encroachment for Public Utilities Purposes in a manner substantially similar to the District's manner of use thereof as of the date of this Agreement.

Potential Options:

1. Approve Limited Term (public utilities purpose use) Easement.
2. Obtain a third-party survey to include chain of title and easement rights.
3. Contact Wallace group to add chain of title and easement rights.

Enc: Copy of Email from Kevin Irot, First American Title

Letter from Ogden & Fricks, LLC

Limited Term Encroachment Easement

Executed Revocable Encroachment License Agreement & Invoice from Hearst

Wallace Survey of the RO building

Condition of Title Guarantee Hearst APNs

Plotted Easements Hearst APNs

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Email from
Kevin Irot
Vice President/County Manager
First American Title



Charles Grace <c>

Fwd: San Simeon

To: Charles Grace <c>

Mon, Mar 29, 2021 at 1:08 PM

Please see below, this came in this morning.

Begin forwarded message:

From: Kevin Irot <>
Date: March 29, 2021 at 9:59:29 AM PDT
Subject: San Simeon

Hi

I have reviewed the documents you have presented. From our records we cannot determine where improvements lie and or areas of physical occupation by any owner of real property.

The problem the District may have, is associated with where the improvement physically are located, and there relation to the ownerships of record. Only a survey can determine this. The CSD property is on the edge of 1). The Rancho San Simeon, 2). The Arbuckle Tract, 3). Pico Avenue, 4). Abandoned County Road # 3.

A Licensed Surveyor would have to take into account the all these aspects, plus, the effect of the County roads that were abandoned, which would include where the roads were when they were granted to the County. The roads would have been rights of way and not fee title, at the time of county acquisition.

The recorded instruments affecting these are not definitive in their descriptions.

Kevin Irot
Vice President/County Manager
First American Title

Letter from Ogden & Fricks, LLC

Reverse Osmosis building

Charles Grace <cm>
To: "O'Toole, Kerry (SUNICAL)" <>

Mon, Mar 1, 2021 at 4:13 PM

Kerry,

Please find the attached letter from Ogden Fricks regarding the land that the RO building is on.

Charles Grace
805 431 6253
www.graceenviro.com



 **210225 Minnery ltr-reo (1).pdf**
664K

OGDEN & FRICKS LLP
656 Santa Rosa Street, Suite 2B
San Luis Obispo, California 93401
Phone: 805•544•5600 Fax: 805•544•7700
www.ogdenfricks.com

February 25, 2021

Via E-Mail

jminnery@ammcglaw.com

Jeff Minnery, Esquire
Adamski Moroski Madden Cumberland & Green LLP
6633 Bay Laurel Place
Avila Beach CA. 93424

Re: San Simeon CSD- Encroachment Allegation

Dear Jeff:

We hope this letter finds you well. We were asked to review the situation concerning an allegation that the San Simeon CSD built a portion of its improvements on land owned by the Hearst Corporation. Based upon our research, the encroachment allegation is unfounded. The purpose of this letter is to show that the CSD's reverse osmosis improvement at issue (CSD Improvement) is located on CSD-owned land.

Prior to the subdivision of Rancho San Simeon by Ira Van Gordon Sr. on July 27, 1899, the County of San Luis Obispo acquired a 50 foot right of way (R.O.W). for the proposed 'Stage Coach Road,' which was to connect San Luis Obispo to San Simeon. This R.O.W. was assembled by the taking of land from various property owners who owned the land along the intended R.O.W. route. In most instances, the R.O.W. was centered on an existing boundary line between two different properties, with a twenty-five foot section being taken from each side of the shared property line.

The CSD owns APN 013-041-005 (See Exhibit A). This parcel is contiguous to the R.O.W. known as the County Road #3 Easement and was the original parcel from which the twenty-five foot "half" of the R.O.W. was taken. This 50 foot R.O.W. was officially abandoned through two actions: the first on June 2, 1933 and the second on January 9, 1939. (See Exhibits B and C)

The abandonment left the owners of properties abutting the subject portion of the R.O.W. with fee title unencumbered by a public right of way. (Streets and Highways §§960, 960.5, Civil Code §§831, 1112, *Safwenberg v. Marquez* (1975) 50 CA3d 301)

Jeff Minnery, Esquire

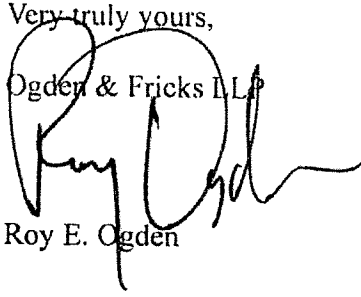
- 2 -

February 25, 2021

Based on the foregoing, the CSD now holds fee title to its "half" of the abandoned R.O.W. (from the westerly edge to the centerline of the abandoned R.O.W.). The CSD Improvement is located on land owned by the CSD. The encroachment allegation is false.

Very truly yours,

Ogden & Fricks LLP



Roy E. Ogden

cc: client

3224

GRANT DEED

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WALTER R. SOUTHALL and AVORNE A. SOUTHALL, husband and wife, Grantors, for a valuable consideration, receipt of which is hereby acknowledged, do hereby grant to RANCHO SAN SIMEON ACRES SERVICE CORPORATION, a California corporation, the real property in the County of San Luis Obispo, State of California, described on Exhibit "A" attached hereto and made a part hereof; reserving to Grantors, their heirs and assigns, the right to extend the use of water procurable from the demised premises beyond the present limits of real property situate in San Luis Obispo County, California, described as follows: Those portions of Lot A of the partition of that part of the San Simeon Rancho owned by Ira Van Gordon, Sr., in the County of San Luis Obispo, State of California, according to map recorded July 27, 1899, in the office of the County Recorder of said County as shown on Licensed Surveyors map recorded May 22, 1952, in Book 6, at page 49 of Record of Surveys and on Licensed Surveyors map recorded January 4, 1955, in Book 7, at page 58 of Record of Surveys, which property is hereinafter sometimes referred to as "property entitled to primary use of water from property the subject of this deed," which extended area shall not exceed one hundred acres, but which may be owned individually or severally, provided that the property entitled to primary use of water from the property the subject of this deed shall, at all times, have priority and shall be first entitled to subject water for reasonable domestic and business needs and, provided further, that any extended area using water shall pay its proportionate share of the cost of operation, maintenance and replacement of necessary well and pumping facilities. Provided further that Grantors, their heirs and assigns, reserve the right of reasonable access to present or future well, pumping or pipe facilities so as to

REC-1188
3224

CHARLES H. COLE
ATTORNEY AT LAW
212 5TH STREET
MORNING STAR, CALIF.
PHONE OPHACE 2-8071

1 accomplish the intent of this reservation. Provided further that
 2 that the property entitled to primary use of water from property
 3 the subject of this deed and any other extended area described
 4 above that may come into active use of water from the demised
 5 premises, shall cease to use water from the demised parcels, or
 6 cease to use the demised parcels to facilitate the use and dis-
 7 tribution of water for a period of five years, then, in that
 8 event, title to the demised premises shall revert to Grantors,
 9 their heirs or assigns.

10 DATED: February 28th, 1958

11 Walter R. Southall

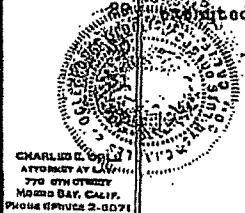
12 Avonne A. Southall

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 20 ~~XX~~
 21 ~~XX~~
 22 ~~XX~~

23 STATE OF CALIFORNIA)
 24 COUNTY OF SAN LUIS OBISPO) ss.

25 On February 28th, 1958, before me, the undersigned, a
 26 Notary Public, personally appeared WALTER R. SOUTHALL and AVONNE
 27 A. SOUTHALL, known to me to be the persons whose names are
 28 subscribed to the within instrument, and acknowledged that they
 29 executed the same.

Charles E. ...
 Notary Public in and for said
 County and State



CHARLES E. ...
 ATTORNEY AT LAW
 770 CHOCOMA
 MARINA DEL REY, CALIF.
 PHONE BRUNO 2-0571

EXHIBIT "A"

PARCEL ONE: That portion of Lot A of the partition of that part of the San Simeon Rancho owned by Ira Van Gordon, Sr., in the County of San Luis Obispo, State of California, according to map recorded July 27, 1899, in the office of the County Recorder of said County, described as follows:

Beginning at the intersection of the Northeasterly line of the California State Highway with the Northwesterly line of Pico Avenue as said State Highway and Avenue appear on Licensed Surveyors Map recorded January 4, 1955 in Book 7, at page 58 of Record of Surveys; thence North 36° 01' East along the Northwesterly line of Pico Avenue, 1,041.81 feet to the true point of beginning; thence North 53° 59' West, 209.38 feet to a point in the boundary line of the property conveyed to Willard H. Allen, et ux, by deed dated July 1, 1954 and recorded August 10, 1954, in Book 767, at page 490 of Official Records; thence along said boundary line, North 79° 50' East, 127.99 feet to an angle point therein and South 40° 17' East, 124.29 feet; thence leaving said boundary line and continuing South 40° 17' East, 32.13 feet, more or less to the center line of Pico Avenue as said Avenue is shown on the Licensed Surveyors Map hereinafter referred to; thence South 36° 01' West along said center line to a point which bears South 53° 59' East, 30 feet from the true point of beginning; thence North 53° 59' West, 30 feet to the true point of beginning.

Together with a right of way for road purposes over and across Pen Way, Avonlea Avenue, Pico Avenue, San Simeon Avenue, Ruta Lane and Balboa Avenue as shown on Licensed Surveyors Map recorded May 22, 1952, in Book 6, at page 49 of Record of Surveys.

Reserving unto the grantors herein a right of way for road purposes over and across that portion of the herein described property lying within the boundary line of Pico Avenue as shown on Licensed Surveyors map last above mentioned.

PARCEL TWO: A well site described as that portion of Lot A of the partition of that part of the San Simeon Rancho owned by Ira Van Gordon, Sr., in the County of San Luis Obispo, State of California, according to map recorded July 27, 1899, in the office of the County Recorder of said County, described as follows:

Beginning at the Northwest corner of Rancho San Simeon, being designated as SS #2; thence North 28° 49' East, 262.4 feet to the Northeast line of California State Highway 56B; thence South 44° 09' East along said Northeast line, 271.25 feet; thence leaving said Northeast line, North 64° East, 356.5 feet; thence North 16° 50' West, 388.32 feet; thence North 1° 18' East, 297.3 feet; thence North 89° 10' East, 69.36 feet; thence South 85° 16' 10" East, 275.31 feet; thence North 79° 50' East, 153.58 feet; thence North 30° 21' 40" West, 32.1 feet to the true point of beginning; thence South 75° 49' 20" West, 73.85 feet; thence North 14° 10' 40" West, 104.36 feet; thence North 75° 49' 20" East, 104.36 feet; thence South 14° 10' 40" East, 104.36 feet; thence South 75° 49' 20" West, 30.51 feet to the true point of beginning.

Together with an easement for ingress and egress for the purposes of the maintenance and construction of any present or future wells upon said well site, as described above.

PARCEL THREE: An easement for pipe line purposes 10 feet in width over and across a portion of Lot A of the partition of that part of the San Simeon Rancho owned by Ira Van Gordon, Sr., in the County of San Luis Obispo, State of California, according to map recorded July 27, 1899 in the office of the County Recorder of said County, said easement lying 5 feet on each side of the following described center line:

Beginning at the Northwest corner of Rancho San Simeon being designated as SS #2; thence North 28° 49' East, 262.4 feet to the Northeast line of California State Highway 56B; thence South 44° 09' East along said Northeast line, 271.25 feet; thence leaving said Northeast line, North 64° East, 356.5 feet; thence North 16° 50' West, 388.32 feet; thence North 1° 18' East, 297.3 feet; thence North 89° 10' East, 69.36 feet; thence South 85° 16' 10" East, 275.31 feet; thence North 79° 50' East, 153.58 feet to the true point of beginning; thence North 30° 21' 40" West, 32.1 feet.

Said property is also shown on Licensed Surveyors map recorded July 7, 1954, in Book 7, at page 34 of Record of Surveys.

MAN - 4 1138

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1958

VOL 350 PAGE 3

5 51900-2
 Title to: *Wm. Keane & Co. Insurance*
Company, Inc.

Document No. 3624
 RECORDED AT REQUEST OF
 SECURITY TITLE INSURANCE COMPANY
 AT 30 MIN. PAST 2 P.M.
 VOL 350 Official Records - P. 35
 SAN LUIS OBISPO COUNTY, CAL.

MAR 4 - 1958

J. E. Meane
 County Recorder
 By J. E. Meane Deputy
 Rec. & Indexed

100-1048

(WHOOBOD)
FILED
MAY 15 1933
J. G. DRISCOLL County Clerk
By L. L. ESTHEL Deputy Clerk

STATE OF CALIFORNIA,
COUNTY OF SAN LUIS OBISPO. } SS

I, J. G. DRISCOLL, County Clerk of the County of San Luis Obispo, State of California, and ex-officio Clerk of the Superior Court of the State of California, in and for said County, hereby certify that I have compared the annexed copy with the original "Decree Terminating Joint Tenancy" (together with the endorsements thereon) in Action No. 10636, entitled in the Matter of the Petition of Richard J. Janesen to terminate a joint tenancy, and that the same is a full, true and correct copy of the same, and the whole thereof, as the same appears on file and of record in my office.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said Superior Court, this 15th day of May, 1933.



J. G. Driscoll County Clerk
By Gwendolyn Marshall Deputy Clerk
RECORDED AT REQUEST OF W. T. Shipsey JUN-1 1933 at 50 min. past 4 o'clock P.M.
W. L. Ramage County Recorder

ABANDONMENT OF RIGHT OF WAY IN SAN LUIS OBISPO COUNTY

2177 -

ROAD V-SLO-56-B

ROAD V-SLO-56-B

WHEREAS, the State of California heretofore acquired a right of way for State highway purposes in San Luis Obispo County, in the Rancho San Simeon, between San Nicolas Creek and Pico Creek, and

WHEREAS, a portion of said right of way is no longer used for State highway purposes and the California Highway Commission deems the abandonment of said portion as a State road and highway is necessary by reason of alteration and revision in alignment of a portion of the route of the State highway and deems it for the best interests of the State of California.

IT IS VOTED, that the State of California, acting by and through the California Highway Commission, does hereby abandon that portion of State highway right of way described as follows:

A portion of Lot D of the subdivision of the Rancho San Simeon as delineated on the map entitled "Final showing partition of that part of San Simeon Rancho owned by Ira Van Orden, Sr.", filed July 27, 1899, in the office of the County Recorder of San Luis Obispo County:

Beginning at Station 1407 as designated on said map, being a point in the southwesterly line of the State highway right of way, originally the county road from Cambria to San Simeon; thence, southeasterly 2201 feet along said southwesterly line; thence, northeasterly, at right angles to said southwesterly line, to the northeasterly line of said right of way; thence, northwesterly, along said northeasterly line, to the westerly line of said Lot D; thence, southerly, along said westerly line, to said southwesterly right of way line; thence, southeasterly, along said southwesterly line, to the point of beginning.

The purpose of this resolution is to revert the title to the lands hereby abandoned in the original grantors, their successors or assigns.

THIS IS TO CERTIFY that the foregoing is a full and correct copy of the original.

resolution passed by the California Highway Commission at its meeting regularly called and held on the 25th day of April, 1933, in the City of Sacramento, a majority of the members of said Commission being present and voting therefor, and that the same has never been rescinded, and is now in full force and effect.

G. T. Gunston
Assistant Secretary of the California
Highway Commission.

SEE STATE HIGHWAY MAP BOOK NUMBER 153

RECORDED AT REQUEST OF Albert Nelson JUN-2 1933 at 43 min. past 3 o'clock P.M.

W. L. Remage County Recorder

By Eileen Shaug Deputy Recorder

AA

ADELE TYNER : 2182 X
TO IN CONSIDERATION OF TEN (\$10.00) Dollars ADELE TYNER, a single person, Does Hereby Grant to OLIVIA L. CHAPMAN, a single person, OLIVIA L. CHAPMAN all that Real Property situate in the County of San Luis Obispo, State of California, described as follows:

Lot Four (4), Block Twenty-two (22) in Atascadero Colony, as per Map and Survey thereof, consisting of five and forty-two hundredths acres (5.42)

SUBJECT TO: Encumbrances of record.

WITNESS her hand this 29th day of May, 1933.
Adele Tyner

STATE OF CALIFORNIA, }
COUNTY OF LOS ANGELES. } SE On this 29th day of May, in the year one thousand nine hundred thirty-three, before me, Gertrude L. Eads, a Notary Public in and for said County and State, personally appeared Adele Tyner, known to me to be the person described in and whose name is subscribed to the within instrument, and acknowledged that she executed the same.

WITNESS my hand and official seal the day and year in this certificate first above written.
Gertrude L. Eads
Notary Public in and for said County and State.
My Commission Expires Jan. 26, 1934

RECORDED AT REQUEST OF Olivia L. Chapman JUN-3 1933 at 31 min. past 8 o'clock A.M.

W. L. Remage County Recorder

By Eileen Shaug Deputy Recorder

AA

2184 X
IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA,
IN AND FOR THE COUNTY OF SAN LUIS OBISPO.

JOAQUIN THOMAS and LOUISA THOMAS,
his wife,)
Plaintiffs,) No. 10569
vs.)
F. J. WRIGHT, as executor of the)
last will and testament of HENRY)
C. WRIGHT, Deceased,)
Defendant.)
JUDGMENT.

The above-entitled cause coming on for hearing before the Court sitting without a jury on the 4th day of May, 1933, M. H. Van Wert appearing as attorney for plaintiffs and Charles F. Wright, Esq., appearing as attorney for the defendant, and the parties having stipulated by writing filed herein that Judgment be entered as hereinafter set forth, and the Court having approved of said stipulation and good cause appearing therefor,

NOV 5 1933

AG 5 1933

NO. 10000
AG
C-579

PARCEL A: The portion of the above described road right of way whose northerly terminus is the southerly terminus of a part of said road right of way heretofore abandoned by resolution passed by the California Highway Commission at its regular meeting on the 25th day of April, 1933, a copy of said resolution was recorded in Vol. 114, at page 481 of Official Records, records of said San Luis Obispo County, and whose southerly terminus is the southerly boundary line of the above mentioned Rancho San Simeon in San Simeon Creek.

PARCEL B: The portion of the first above described road right of way whose northerly terminus is a line drawn through Engineer's Station 310400 at right angles to the centerline of the State highway as reconstructed, Road V-SLO-56-B, as said centerline is delineated and described upon a map filed in State Highway Map Book at page 139 therein, records of said San Luis Obispo County, and whose southerly terminus is the prolongation eastwardly of the southerly boundary line of the part of Lot A of the Partition of the Rancho San Simeon conveyed to E. Bianchini by Deed dated September 28, 1920, recorded in Book 121 at page 154 of Deeds, records of said County.

PARCEL C: The portion of the first above described road right of way whose southerly terminus is a line drawn concentric with and 40.00 feet northerly of the centerline of the State highway near Engineer's Station 50 thereon, Road V-SLO-56-A, as said centerline is delineated and described on the map filed in State Highway Map Book at page 140 therein, records of said County and whose northerly terminus is a line drawn at right angles to the centerline described in the Deed to the County of San Luis Obispo, recorded July 27, 1922, and recorded in Vol. 156, page 462, of Deeds, records of said County, said northerly extremity being Engineer's Station 105+98.56 at the end of that certain course described in the last said deed as "N. 41° 23' W., 2040.9 feet."

PARCEL D: That portion of the State highway right of way formerly the County road between the town of Caebris and 6 miles north of the town of San Simeon, State Highway Route No. 56 in San Luis Obispo County, lying southerly of the State highway as reconstructed and between the terminal limits hereinafter set forth. The centerline of the said reconstructed State highway is delineated and described upon a map filed in State Highway Map Book on Sheet 140 therein, records of San Luis Obispo County; the easterly terminus of the right of way hereby abandoned being a line drawn in a southerly direction at right angles to the said centerline of the reconstructed State highway, through Engineer's Station 439400 thereon; the westerly terminus of the right of way hereby abandoned being a line drawn in a southerly direction at right angles to the said centerline of the reconstructed State highway, through Engineer's Station 472400 thereon.

This abandonment is made as a part of a transaction with the Hearst Sunical Land and Packing Corporation to clearly define the right of way of said State highway through the lands of said corporation, in connection with said transaction, a deed dated December 27, 1938, to the State of California has been executed by said corporation, bearing the caption "V-SLO-56-B, A"; and an "Agreement for Deed", dated December 27, 1938, by and between the State of California and the Hearst Sunical Land and Packing Corporation, has been negotiated. Said deed will not be delivered to the State of California, nor will said "Agreement for Deed" be permitted to be recorded until this abandonment has been made. This abandonment does not apply to, nor shall it affect any rights of the State of California acquired under or by virtue of said deed or "Agreement for Deed."

See State Highway Map Book Sheet: 218, 219, 220, 221 & 222

THIS IS TO CERTIFY that the foregoing is a full and correct copy of the original resolution passed by the California Highway Commission at its meeting regularly called and held on the 29th day of December, 1938, in the City of Sacramento, a majority of the members of said Commission being present and voting therefor, and that the same has never been rescinded, and

Reverse Osmosis building

O'Toole, Kerry (SUNICAL)

Tue, Mar 2, 2021 at 4:03 PM

To: Charles Grace <c San Simeon CSD <admin@sansimeoncsd.org> Cc: "O'Toole, Kerry (SUNICAL)" <k

Dear Charlie,

Thank you for sharing the letter dated February 25, 2021 from Ogden & Fricks LLP ("Ogden letter") with Hearst. As you and I discussed today, Hearst will not commence its review of the claims in the Ogden letter until SSCSD completes all of the following: (1) SSCSD reimburses Hearst \$17,193.15 as outlined in the attached invoice in accordance with Sections 1(e) and 2(d) of the Revocable Encroachment License Agreement effective October 26, 2020 (copy attached) (the "License"), which is due upon receipt of such invoice; and (2) SSCSD presents Hearst with its findings and supporting details pertaining to the purported accuracy of the claims in the Ogden letter. As a reminder, pursuant to Sections 1(e) and 2(d) of the License, SSCSD agreed to reimburse to Hearst all damages and expenses associated with the RO encroachment and the resolution thereof.

Please let me know if you have any questions. We look forward to receipt from SSCSD of the reimbursement check as well as the results of SSCSD's inquiries into the Ogden letter.

Thank you,

Kerry

[Quoted text hidden]

2 attachments



Hearst Invoice 3.2.21.pdf
296K



Revocable Encroachment License Agt eff 10-26-20 Hearst SSCSD.pdf
1856K

Limited Term Encroachment Easement

Proposed Limited Term Encroachment Easement

7 messages

O'Toole, Kerry (SUNICAL) < To: Charles Grace <>
Cc: "O'Toole, Kerry (SUNICAL)" <

Thu, Jan 28, 2021 at 9:56 AM

Hello Charlie,

I hope this email finds you well. Attached please the Limited Term Encroachment Easement that Hearst is proposing to grant to SSCSD. Please review and let me know if you have any questions.

Thank you,

Kerry

 **Limited Term Encroachment Easement - Hearst-SSCSD (MA Rev 1-27-21).DOCX**
57K



O'Toole, Kerry (SUNICAL) <>
To: San Simeon CSD <admin@sansimeoncsd.org>, Charles Grace <> Cc: "O'Toole, Kerry (SUNICAL)" <

Mon, Feb 1, 2021 at 10:56 AM

Charlie,

Please confirm receipt of the proposed Limited Term Encroachment Easement.

Thank you,

Kerry

From: O'Toole, Kerry (SUNICAL)
Sent: Thursday, January 28, 2021 9:56 AM
To: Charles Grace <
Cc: O'Toole, Kerry (SUNICAL) <
Subject: Proposed Limited Term Encroachment Easement

Hello Charlie,

[Quoted text hidden]

 **Limited Term Encroachment Easement - Hearst-SSCSD (MA Rev 1-27-21).DOCX**
57K

San Simeon CSD <admin@sansimeoncsd.org>
To: "O'Toole, Kerry (SUNICAL)" <k>, Charles Grace <c

Mon, Feb 1, 2021 at 11:21 AM

Hi Kerry,

We are in receipt of the agreement.

Thank you so much,

Cortney Murguia
Office Manager
San Simeon Community Services District
(805) 927-4778

From: O'Toole, Kerry (SUNICAL) <>
Sent: Monday, February 1, 2021 10:56 AM
To: San Simeon CSD <admin@sansimeoncsd.org>; Charles Grace <c> Cc: O'Toole, Kerry (SUNICAL) <
Subject: FW: Proposed Limited Term Encroachment Easement

[Quoted text hidden]

San Simeon CSD <admin@sansimeoncsd.org>
To: Jeffrey Minnery <jminnery@ammcglaw.com>
Cc: Jennifer Blackburn <jblackburn@ammcglaw.com>, Charles Grace <cgrace@graceenviro.com>

Tue, Feb 16, 2021 at 10:08 AM

Cortney Murguia
Office Manager
San Simeon Community Services District
(805) 927-4778

From: O'Toole, Kerry (SUNICAL) <klotoole@hearst.com>
Sent: Monday, February 1, 2021 10:56 AM
To: San Simeon CSD <admin@sansimeoncsd.org>; Charles Grace <cgrace@graceenviro.com>
Cc: O'Toole, Kerry (SUNICAL) <klotoole@hearst.com>
Subject: FW: Proposed Limited Term Encroachment Easement

[Quoted text hidden]

 **Limited Term Encroachment Easement - Hearst-SSCSD (MA Rev 1-27-21).DOCX**
57K

O'Toole, Kerry (SUNICAL) <k> Wed, Feb 17, 2021 at 1:31 PM
To: San Simeon CSD <admin@sansimeoncsd.org>, Charles Grace <c> Cc: "O'Toole, Kerry (SUNICAL)" <

Hello,

I just left a voicemail for Charlie. Can you please advise as to the status of your review of the agreement?

Thank you,

Kerry

[Quoted text hidden]

Grace enviro <c> Wed, Feb 17, 2021 at 2:21 PM
To: "O'Toole, Kerry (SUNICAL)" Cc: San Simeon CSD <admin@sansimeoncsd.org>

I'm in the field today. I just returned your call.

Charles Grace
GES
805 431 6253

On Feb 17, 2021, at 1:31 PM, O'Toole, Kerry (SUNICAL)

[Quoted text hidden]

Proposed Limited Term Encroachment Easement

O'Toole, Kerry (SUNICAL) <k>

Mon, Feb 1, 2021 at 10:56 AM

To: San Simeon CSD <admin@sansimeoncsd.org>, Charles Grace <c Cc: "O'Toole, Kerry (SUNICAL)" <

Charlie,

Please confirm receipt of the proposed Limited Term Encroachment Easement.

Thank you,

Kerry

From: O'Toole, Kerry (SUNICAL) < **Sent:** Thursday, January 28, 2021 9:56 AM
To: Charles Grace <c
Cc: O'Toole, Kerry (SUNICAL) < **Subject:** Proposed Limited Term Encroachment Easement

Hello Charlie,

[Quoted text hidden]



Limited Term Encroachment Easement - Hearst-SSCSD (MA Rev 1-27-21).DOCX
57K



Charles Grace <>

Proposed Limited Term Encroachment Easement

O'Toole, Kerry (SUNICAL) <

Wed, Feb 17, 2021 at 1:31 PM

To: San Simeon CSD <a, Charles Grace <c Cc: "O'Toole, Kerry (SUNICAL)" <

Hello,

I just left a voicemail for Charlie. Can you please advise as to the status of your review of the agreement?

Thank you,

Kerry

[Quoted text hidden]

RECORD AT REQUEST OF AND RETURN TO:

Hearst Holdings, Inc.
5 Third Street, Suite 200
San Francisco, CA 94103-3202
Attn: Controller

No Fee Document – Per Govt. Code Sec. 6103 & 27383
No County Transfer Tax Per R & T Code 11922

APNs: Portions of APNs 013-041-014 &
013-011-024

Space Above This Line for Recorder's Use

GRANT OF LIMITED TERM ENCROACHMENT EASEMENT AND AGREEMENT

This GRANT OF LIMITED TERM ENCROACHMENT EASEMENT AND AGREEMENT (the “**Agreement**”), dated _____ for reference purposes only, is made and entered into by and between **HEARST HOLDINGS, INC.**, a Delaware corporation (“**Hearst**” or “**Grantor**”), and **SAN SIMEON COMMUNITY SERVICES DISTRICT**, a California special district (“**District**” or “**Grantee**”).

RECITALS

A. Hearst owns certain real property located in San Luis Obispo County, California (the “**Conservation Property**”) encumbered by a conservation easement (the “**Conservation Easement**”) held by California Rangeland Trust, a California nonprofit public benefit corporation (“**Rangeland Trust**”), pursuant to that certain Deed of Conservation Easement and Agreement Concerning Easement Rights recorded on February 18, 2005 in the Official Records of San Luis Obispo County, California, as Instrument No. 2005013388, as assigned pursuant to that certain Assignment and Assumption of Conservation Easement and Related Grant Agreement (East Side Conservation Area) recorded on February 18, 2005 in the Official Records of San Luis Obispo County, California, as Instrument No. 2005013391 (as assigned, the “**Conservation Easement Agreement**”).

B. On or about March 16, 2015, Hearst provided a copy of the Conservation Easement Agreement to the District.

C. In or about October 2015, the District commenced construction of certain Potable Water Well Head Treatment Project (the “**Project**”) improvements including a reverse osmosis facility (collectively, the “**Water Treatment Facility**”), and completed construction of the Water Treatment Facility on or about April 2016. Since completion of the Water Treatment Facility, the District has been using the Water Treatment Facility for active water treatment operations and services as part of the Project (the “**Public Utilities Purposes**”).

D. In July 2020, Hearst and the District discovered that a portion of the Water Treatment Facility encroaches (the “**Encroachment**”) on that portion of the Conservation

Property more particularly description in Exhibit A, attached hereto and incorporated herein by this reference (the “**Encroachment Area**”).

E. As an interim measure, Hearst and the District entered into that certain Revocable Encroachment License Agreement effective as of October 26, 2020 (the “**License Agreement**”), by which Hearst granted to District a license to temporarily leave the existing Encroachment on the Encroachment Area pending completion and recordation of this Agreement.

F. District desires to obtain from Hearst, and Hearst has agreed to grant to District, an easement to allow the existing Encroachment to remain on the Encroachment Area for so long as the District continues to use the Encroachment for the Public Utilities Purposes, on the terms and conditions set forth in this Agreement.

AGREEMENTS

NOW, THEREFORE, in consideration of the foregoing recitals which are specifically incorporated into the body of this Agreement, the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Easement Terms.**

(a) **Grant of Easement.** Subject to the terms and conditions of this Agreement, Hearst hereby grants to the District an easement (the “**Easement**”) on, over and across the Encroachment Area for the sole and exclusive purpose of allowing the Encroachment to remain in its current location within the Encroachment Area for so long as the District continues to use the Encroachment for the Public Utilities Purposes in a manner substantially similar to the District’s manner of use thereof as of the date of this Agreement.

(b) **Term.** The term of the Easement and this Agreement (the “**Term**”) shall commence on the date that this Agreement is recorded in the Official Records of San Luis Obispo County, California (the “**Effective Date**”), and continue until the earlier of: (i) written notice by District to Hearst that the District has ceased to use the Easement for the Public Utilities Purposes; (ii) the District ceases to use the Easement for Public Utilities Purposes for a period of twelve (12) consecutive months; or (iii) any termination pursuant to Section 5 below.

(c) **Acknowledgements and Release by District.** In addition to Section 7 below, District acknowledges and agrees that, in consideration of the grant of the Easement by Hearst to District as provided herein, District releases, relinquishes and waives any and all claims or rights that it may have with respect to the Encroachment Area, including without limitation any claims or rights of inverse condemnation, adverse possession, or prescriptive easement pertaining to the Encroachment. For purposes of any requirement that Hearst must file a claim under the Government Claims Act (California Government Code Section 810-996.6) with respect to the Encroachment, District further acknowledges and agrees as follows: (1) no claim by Hearst accrued until August 18, 2020 when the Encroachment was confirmed by that certain survey report dated August 18, 2020, prepared by Wallace Group, a copy of which has previously been provided by Hearst to the District; and (2) Hearst shall not be required to file a claim until the later of (A) expiration of the required filing period under the Government Claims Act, or (B) thirty (30) days after written notice from District to Hearst.

(d) Encroachment Fee.

(i) As additional consideration for the grant of the Easement by Hearst to District as provided herein, commencing on the Effective Date, District covenants and agrees to pay to Hearst an annual encroachment fee (the “**Encroachment Fee**”) as provided in this Section 1(d). The Encroachment Fee shall be payable in advance on the Effective Date and thereafter on each anniversary of the Effective Date through the Term. The amount of the first Encroachment Fee payment shall be Five Thousand Dollars (\$5,000.00). Commencing on the first anniversary of the Effective Date, the amount of each annual Encroachment Fee shall automatically increase three percent (3%) over the Encroachment Fee for the immediately preceding year. For the avoidance of doubt and as an example of such automatic Encroachment Fee increase during the Term, the annual Encroachment Fee for the first three (3) years of the Term shall be as follows:

<i>Annual Encroachment Fee</i>		
<i>Payment No.</i>	<i>Due Date</i>	<i>Amount</i>
1	Effective Date	\$5,000.00
2	1 st Anniversary of Effective Date	\$5,150.00
3	2 nd Anniversary of Effective Date	\$5,304.50

(ii) Notwithstanding Section 1(d)(i) above, Hearst and the District acknowledge and agree that a prorated amount of the annual license fee previously paid to Hearst by the District under the License Agreement in the aggregate sum of _____ Dollars (\$ _____) (the “**Encroachment Fee Credit**”) shall be applied to the first Encroachment Fee payment under this Agreement. District shall have three (3) business days after the Effective Date to pay to Hearst the balance of the first Encroachment Fee payment after crediting thereto the Encroachment Fee Credit.

(e) Reimbursement of Damages Resulting from Encroachment. As a direct result of the Encroachment, Hearst incurred damages as more particularly set forth in the License Agreement. Hearst and District acknowledge and agree that, as of the Effective Date, the payment obligations of District under the License Agreement (including, without limitation, Section 1(e) of the License Agreement) have been satisfied in full. As additional consideration for the grant of the Easement by Hearst to District as provided herein, District shall pay to Hearst all additional damages incurred by Hearst during the Term as a result of the Encroachment promptly upon written demand by Hearst therefor (which demand shall include reasonable supporting documentation therefor). The payment obligations of the District under this Section 1(e) shall survive any termination of the Easement and this Agreement.

(f) Termination of License Agreement. Subject to and conditioned upon recordation of this Agreement as provided in Section 1(b) above, Hearst and the District hereby agree that this Agreement shall replace the License Agreement, and the License Agreement shall terminate as of the Effective Date.

2. **Additional Covenants and Acknowledgements by the District.**

(a) **Compliance with Conservation Easement.** District acknowledges and agrees that: (i) the Encroachment Area is encumbered by the Conservation Easement; (ii) this Agreement, including but not limited to the District's rights pursuant to Section 1 above, is subordinate and subject to the Conservation Easement Agreement; and (iii) in performing its activities and obligations under this Agreement (including, without limitation, removal and reclamation pursuant to Section 6(a) below), District shall comply with all applicable provisions of the Conservation Easement Agreement. The parties acknowledge and agree that the District's acceptance of the grant of the Easement as provided herein does not constitute an assumption of any of the affirmative obligations of Hearst with respect to the Encroachment Area under the Conservation Easement Agreement; provided, however, District shall cooperate with Hearst, at District's sole cost and expense, in connection with Hearst's performance of its affirmative obligations with respect to the Encroachment Area under the Conservation Easement Agreement.

(b) **Compliance with Laws.** District shall perform its activities and obligations under this Agreement in a good and workmanlike manner, shall keep the Encroachment Area in neat, clean, orderly and safe condition at all times, and shall, at its sole cost and expense, comply with all applicable federal, state or local laws, regulations, decisions or orders of courts, administrative bodies or governmental agencies, ordinances, codes, permits or permit conditions, currently existing and as amended, enacted, issued, adopted or imposed in the future.

(c) **Mechanic's Liens.** District shall keep the Encroachment Area free and clear of all mechanic's liens or other liens resulting from the District's exercise of its rights pursuant to this Agreement and will promptly pay and discharge any such liens; provided, however, District will have the right to contest the correctness or the validity of any such lien, if immediately on demand of Hearst, District procures and records a lien release bond that meets the requirements of California Civil Code Section 8424 and will provide for the payment of such sum that the claimant may recover on the claim (together with costs of suit, if it recovers in the action).

3. **Indemnity.** District agrees to wholly indemnify, protect, defend and hold harmless Hearst, its parent, affiliates, subsidiaries, officers, directors, employees, stockholders, managers, property managers, mortgagees, successors, assigns, and insurers, from and against all liability, claims and demands arising out of the existence of the Encroachment on the Encroachment Area and District's use of the Encroachment Area and the undertaking of the Project. District agrees to investigate, handle, respond to, and to provide defense for and defend against any such liability, claims or demands at its sole expense, or, at the option of Hearst, agrees to pay Hearst or reimburse Hearst for the defense costs incurred by Hearst in connection with any such liability, claims or demands. District also agrees to bear all other costs and expenses related thereto, including court costs and attorney fees, whether or not any such liability, claims or demands alleged are groundless, false or fraudulent.

4. **Insurance.** At all times during the Term, District shall, at its sole cost and expense, maintain a commercial general liability in the amount of not less than Two Million Dollars (\$2,000,000) per occurrence, naming Hearst and its parent, affiliates, subsidiaries, officers, directors, employees, stockholders, managers, property managers, mortgagees,

successors, assigns as an additional insured for ongoing and completed operations and Rangeland Trust as an additional insured for claims arising out of the Encroachment and District's exercise of its rights granted under this Agreement on a primary and noncontributory basis. District shall also, at its sole cost and expense, maintain workers compensation insurance with statutory limits and employer's liability coverage of One Million (\$1,000,000) per accident, One Million (\$1,000,000) per employee for injury by disease, and One Million (\$1,000,000) policy aggregate; automobile liability coverage of not less than Two Million Dollars (\$2,000,000); property insurance for the District's real and personal property; and environmental liability insurance for any first party or third party clean-up. A waiver of subrogation shall be included on all policies in favor of Hearst and its parent, affiliates, subsidiaries, officers, directors, employees, stockholders, managers, property managers, mortgagees, successors, assigns. On or before the Effective Date, District shall deliver to Hearst a certificate verifying that such insurance has been obtained. Further, at any time during the Term, Hearst may request of District, and District shall deliver to Hearst within five (5) days, evidence satisfactory to Hearst that the insurance required hereunder is still in full force and effect. The foregoing insurance requirements do not replace, waive, alter or limit the hold harmless or indemnification provisions of this Agreement. Not less frequently than every five (5) years, Hearst and the District shall cooperate in determining an appropriate increase, to adjust for inflation, in the limit of the insurance coverage maintained by the District under this Agreement. Thereafter, the District shall obtain and maintain in effect such increased coverage until the next such adjustment.

5. **Default by District; Hearst Remedies and Right to Terminate.**

(a) In the event District fails to perform any of its obligations as required under this Agreement, or breaches any covenant, condition or term of this Agreement, Hearst shall, in addition to any other remedies available at law or in equity, have the right to immediately terminate the Easement and this Agreement.

(b) If District fails to make any payment to Hearst when due as provided in under this Agreement, then:

(i) the outstanding amount shall bear interest at the maximum rate allowed by law until paid in full ("**Default Interest**"); and

(ii) a late charge by way of damages shall be immediately due and payable to Hearst. District recognizes that any default by District in paying such amounts when due will result in Hearst incurring additional expenses and in Hearst's loss of the use of the money due. District agrees that, if for any reason District fails to pay any amount owed under this Agreement when due, Hearst shall be entitled to damages for the detriment caused thereby, but that it is extremely difficult and impractical to ascertain the extent of such damages. District therefore agrees that an amount equal to Five Cents (\$0.05) for each dollar Hearst fails to pay when due (the "**Late Charge**") is a reasonable estimate of said damages to Hearst, which sum District agrees to pay on demand.

Hearst's right to payment of such Default Interest and Late Charge as provided in this Section 5(b) shall be in addition to, and not in substitution for, any other remedies available to Hearst by

reason of any default, including, without limitation, Hearst's right set forth in this Agreement to be paid its costs and expenses as provided in Section 18 below.

(c) District shall not be in default of any of its obligations under this Agreement unless Hearst first provides to District written notice of default and District thereafter fails within five (5) days after receipt of such notice of default to either cure such default or diligently commence such actions reasonably necessary to cure such default within such five (5) day period, and thereafter cures such default not later than thirty (30) days after receipt of such notice of default.

6. **District Obligations upon Termination.**

(a) **Removal and Reclamation.**

(i) Within twelve (12) months (the "**Removal Period**") after any termination of the Easement and this Agreement as provided in this Agreement (the "**Termination**"), Grantee shall, at its sole cost and expense, remove all improvements and facilities from the Encroachment Area (the "**Removal**"). The Removal shall include, without limitation, removal of all above-ground structures and the upper portion of foundations, and removal of all below-ground structures to a depth of thirty-six (36) inches below grade or greater if Grantor has a valid reason that would require removal of structures greater than 36 inches; provided that any of the foregoing that contain any materials then known to be harmful to the environment or health shall be completely removed, regardless of the depth. Foundations shall be ground to thirty-six (36) inches below grade, unless Grantor has a valid reason that would require removal greater than 36 inches, and the foundation sites re-graded, as applicable. Cables and conduits more than thirty-six (36) inches below grade may be abandoned in place provided they do not contain any materials then known to be harmful to the environment or health, unless Grantor has a valid reason that would require removal greater than 36 inches. All unsalvageable materials shall be disposed of by Grantee at authorized sites in accordance with all applicable present or future federal, state or local laws, statutes, codes, ordinances, rules regulations, decrees, orders and other such requirements. Site reclamation shall be based on site-specific requirements and techniques commonly employed at the time the area shall be reclaimed, including grading and removal of gravel. The failure of Grantee to remove, raze or demolish any improvement within the Removal Period as provided herein shall be deemed an abandonment of the improvements to Grantor, and Grantor shall have the right to keep such improvements and to charge Grantee, and Grantee agrees to reimburse Grantor, for all costs and expenses incurred by Grantor to remove, raze or demolish the improvements or any part thereof to the standard set forth above. In such event, Grantor shall be entitled to the entire salvage value of the improvements, without accounting to Grantee for such value. All Removal and reclamation shall be conducted and completed in compliance with all applicable present or future federal, state or local laws, statutes, codes, ordinances, rules regulations, decrees, orders and other such requirements and all applicable provisions of agreements of record as of the Effective Date, including, without limitation, the Conservation Easement.

(ii) In the event of the Termination as provided above, then notwithstanding any other term or provision of this Agreement, and notwithstanding such termination of this Agreement, until Grantee's completion of the Removal as provided in the preceding subsection 6(a)(i) then: (A) Grantee shall remain bound by and obligated under the

terms, covenants and provisions of this Agreement, and (B) Grantee's rights under this Agreement shall extinguish, except that Grantee shall have the continued license and right to access the Encroachment Area solely for the purpose of completing the Removal.

(b) Recordation of Quitclaim. Upon the Termination as provided above, Grantee shall execute, acknowledge and deliver to Grantor, within ten (10) business days after written demand from Grantor to Grantee, any quitclaim deed, termination agreement, cancellation and surrender agreement, affidavit, petition, or other document required by any reputable title company selected by Grantor, licensed to operate in the California, to remove any cloud or encumbrance on the Conservation Property created by this Agreement. Grantee irrevocably appoints Grantor as attorney-in-fact of Grantee, with full powers, at Grantee's cost and expense, to perform the obligations of Grantee under this paragraph upon the expiration of the ten (10) business day period described in this paragraph. Grantee's obligations under this paragraph shall survive the Termination.

7. District's Use and Liability; Release of Hearst. District hereby releases Hearst from any liability arising from the District exercising its rights under this Agreement and the District's undertaking of the Project. Furthermore, District agrees to assume responsibility for any damages to the Encroachment Area caused by reason of the District's use of the Easement and Encroachment Area under this Agreement. With respect to the release provided in this Section by the District, the District acknowledges that it has been advised by legal counsel and that the District waives the provisions of California Civil Code Section 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

District, on behalf of itself and for its successors and permitted assigns, expressly, knowingly, and voluntarily waives and relinquishes all rights and benefits afforded by California Civil Code Section 1542 and any analogous state or federal law or regulation, and in so doing, understands and acknowledges the significance and consequence of such specific waiver.

8. Notices. Any notice, demand, approval, consent, or other communication required or desired to be given under this Agreement in writing shall be given in the manner set forth below, addressed to the party to be served at the addresses set forth below or at such other address for which that party may have given notice under the provisions of this Section. Any notice, demand, approval, consent, or other communication given by: (a) mail shall be deemed to have been given on the second (2nd) business day immediately following the date it was deposited in the United States mail, first class and postage prepaid; (b) overnight common carrier courier service shall be deemed to be given on the business day immediately following the date it was deposited with such common carrier; (c) delivery in person or by messenger shall be deemed to have been given upon delivery in person or by messenger; or (d) electronic transmission shall be deemed to have been given on the date of transmission of the entire communication, provided that (i) such transmission occurs during 8:00 a.m. and 5:00 p.m., Pacific Time, on normal

business days, and (ii) the receiving party receives delivery of a hard copy of the original transmitted document(s) not later than the first (1st) business day following such transmission.

To Hearst:

Hearst Holdings, Inc.
5 Third Street, Suite 200
San Francisco, CA 94103-3202
Attn: Controller
Email: _____@hearst.com

To District:

San Simeon Community Services District
111 Pico Avenue
San Simeon, CA 93452
Attn: Chairperson
Email: admin@sansimeoncsd.org

9. **Time of the Essence; Dates.** Time is of the essence in the performance of each of the parties' respective obligations contained in this Agreement. In the event that any date specified in this Agreement falls on Saturday, Sunday or other day on which public agencies and major banks in San Luis Obispo County, California, are not open for business (each a "Non-Business Day"), such date shall be deemed to be the succeeding business day. For purposes of this Agreement, a "business day" shall mean a day other than a Non-Business Day.

10. **Further Assurances.** Each of the parties agrees to perform any and all further acts and to execute and deliver any documents that may reasonably be necessary to carry out the provisions of this Agreement.

11. **Severability.** Each provision of this Agreement is severable from any and all other provisions of this Agreement. Should any provision(s) of this Agreement be for any reason unenforceable, the balance shall nonetheless be of full force and effect.

12. **Entire Agreement; Modification; Waiver.** This Agreement constitutes the entire agreement between Hearst and the District pertaining to the subject matter contained in it and, subject to Section 1(f) above, supersedes all prior and contemporaneous agreements, representations, and understandings. This Agreement may be amended, modified or supplemented only by written agreement of Hearst and the District and prior written consent of Rangeland Trust. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

13. **Relationship of Parties.** Nothing contained in this Agreement shall be deemed or construed by the parties or by any third person to create the relationship of principal and agent or of partnership or of joint venture or of any association between Hearst and the District, and no provision contained in this Agreement nor any acts of the parties shall be deemed to create any relationship between Hearst and the District.

14. **No Assignment.** District's rights and obligations under this Agreement are personal to District, and District shall not assign this Agreement without the express written consent of Hearst, which consent may be withheld for any reason or for no reason.

15. **Binding on Successors.** This Agreement shall be binding upon the parties, permitted assigns and other successors in interest.

16. **Drafting.** The parties to this Agreement agree that this Agreement is the product of joint authorship and negotiation and that should any of the terms be determined by a court, or in any type of quasi-judicial or other proceeding, to be vague, ambiguous and/or unintelligible, that the same sentences, phrases, clauses or other wordage or language of any kind shall not be construed against the drafting party in accordance with California Civil Code Section 1654, and that each such party to this Agreement waives the effect of such statute.

17. **Governing Law; Jurisdiction and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. Any legal suit, action, or proceeding arising out of this Agreement shall be instituted in Superior Court in San Luis Obispo County, California, and each party irrevocably submits to the exclusive jurisdiction of such court in any such suit, action, or proceeding. Each party irrevocably and unconditionally waives any objection to the laying of venue of any suit, action, or proceeding in such court and irrevocably waive and agree not to plead or claim in any such court that any such suit, action, or proceeding brought in any such court has been brought in an inconvenient forum.

18. **Legal Costs.** If any party to this Agreement shall take any action to enforce this Agreement or bring any action or commence any proceeding for any relief against any other party, declaratory or otherwise, arising out of this Agreement, the losing party shall pay to the prevailing party a reasonable sum for attorneys' and experts' fees and costs incurred in taking such action, bringing such suit and/or enforcing any judgment granted therein, all of which shall be deemed to have accrued upon the commencement of such action and shall be paid whether or not such action is prosecuted to judgment. Any judgment or order entered in such action shall contain a specific provision providing for the recovery of attorneys' and experts' fees and costs due hereunder, and such provision shall be determined by a court of competent jurisdiction and not by a jury. For the purposes of this Section, attorneys' and experts' fees and costs shall include, without limitation, fees incurred in the following: (a) postjudgment motions; (b) contempt proceedings; (c) garnishment, levy, and debtor and third party examinations; (d) discovery; (e) bankruptcy litigation; and (f) appeals.

19. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The parties authorize each other to detach and combine, or cause to be detached and combined, original signature pages and consolidate them into a single identical original for recordation of this Agreement in the Official Records of San Luis Obispo County, California.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as set forth below.

HEARST:

HEARST HOLDINGS, INC., a Delaware corporation

By: _____

DISTRICT:

SAN SIMEON COMMUNITY SERVICES DISTRICT, a California special district

By: _____

Name:
Title:

Name:
Title:

CONSENT OF CONSERVATION EASEMENT HOLDER

Rangeland Trust, as holder of the Conservation Easement under the Conservation Easement Agreement, hereby consents to and approves of the grant of the Easement as set forth in the foregoing Agreement, in accordance with the Conservation Easement Agreement. Capitalized terms used in this Consent shall have the meanings ascribed to them in the foregoing Agreement.

RANGELAND TRUST:

CALIFORNIA RANGELAND TRUST, a
California nonprofit public benefit
corporation

By: _____ Dated: _____
Name:
Title:

CERTIFICATE OF ACCEPTANCE

STATE OF CALIFORNIA)
COUNTY OF SAN LUIS OBISPO)^{SS.}

Certificate of Acceptance

This is to certify that the SAN SIMEON COMMUNITY SERVICES DISTRICT, a California special district, hereby accepts the interest in real property conveyed by the foregoing Grant of Limited Term Encroachment Easement and Agreement and consents to the recordation thereof.

Dated: _____

Name:
Title:

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)
County of _____)

On _____ before me, _____, a notary public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)
County of _____)

On _____ before me, _____, a notary public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)
County of _____)

On _____ before me, _____, a notary public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

DESCRIPTION OF ENCROACHMENT AREA

The real property referred to in this Agreement as the “Encroachment Area,” is located in San Luis Obispo County, California, and more particularly described as follows:

(See attached)

[Review Note: Legal description and plat map to be prepared and included as Exhibit A.]

HEARST

INVOICE

San Simeon Ranch, LLC
 5 Third St. #200
 San Francisco, CA 94103
 1 (415) 777-0600

Date	Invoice #
3/1/2021	1005

Bill to
San Simeon Community Service District 111 Pico Avenue San Simeon, CA 93452

Terms
Upon Receipt

Date	Description	Amount
	Hearst RO Facility Encroachment Review Cost up to 2/28/21	
2/28/2021	Easement Encroachment Review (Wallace Group)	\$ 1,783.00
2/28/2021	Legal Fees (10/1/20 - 2/28/21)	\$ 13,167.50
2/28/2021	15% overhead	\$ 2,242.65
TOTAL DUE		\$ 17,193.15

HEARST

Executed Revocable Encroachment License Agreement and
Invoice from Hearst San Simeon Ranch, LLC

Re: Fully Executed Agreement Attached

San Simeon CSD <admin@sansimeoncsd.org>

Tue 3/2/2021 5:52 PM

To: O'Toole, Kerry (SUNICAL) <; Charles Grace <>

Last page of the .pdf has the charge for the title work.

Cortney Murguia

Office Manager

San Simeon Community Services District

(805) 927-4778

From: O'Toole, Kerry (SUNICAL) <

Sent: Tuesday, October 27, 2020 9:32 AM

To: Charles Grace <

Cc: San Simeon CSD <admin@sansimeoncsd.org>; O'Toole, Kerry (SUNICAL) <>

Subject: Fully Executed Agreement Attached

Hello Charlie,

Attached please find the fully executed Revocable License Agreement between Hearst and SSCSD. We are in receipt of the check for the damages in the amount of \$32,449. Please send us the \$5,000 annual license fee, which is now due.

Hearst will be in touch with you about next steps once the dialogue with CRT continues.

Thank you,
Kerry

REVOCABLE ENCROACHMENT LICENSE AGREEMENT

This REVOCABLE ENCROACHMENT LICENSE AGREEMENT (the “**Agreement**”), effective as of October 26, 2020 (the “**Effective Date**”), is by and between **HEARST HOLDINGS, INC.**, a Delaware corporation (“**Hearst**”), and **SAN SIMEON COMMUNITY SERVICES DISTRICT**, a California special district (“**District**”).

RECITALS

A. Hearst owns certain real property located in San Luis Obispo County, California (the “**Conservation Property**”) encumbered by a conservation easement (the “**Conservation Easement**”) held by California Rangeland Trust, a California nonprofit public benefit corporation (“**CRT**”), pursuant to that certain Deed of Conservation Easement and Agreement Concerning Easement Rights recorded on February 18, 2005 in the Official Records of San Luis Obispo County, California, as Instrument No. 2005013388, as assigned pursuant to that certain Assignment and Assumption of Conservation Easement and Related Grant Agreement (East Side Conservation Area) recorded on February 18, 2005 in the Official Records of San Luis Obispo County, California, as Instrument No. 2005013391 (as assigned, the “**Conservation Easement Agreement**”).

B. On or about March 16, 2015, Hearst provided a copy of the Conservation Easement Agreement to the District.

C. In or about October 2015, the District commenced construction of certain Potable Water Well Head Treatment Project improvements including a reverse osmosis unit (collectively, the “**Improvements**”), and completed construction of the Improvements on or about April 2016.

D. In July 2020, Hearst and the District discovered that a portion of the Improvements encroaches (the “**Encroachment**”) on a portion of the Conservation Property (the “**Encroachment Area**”) as set forth in that certain survey report dated August 18, 2020, prepared by Wallace Group, a copy of which is attached hereto as Exhibit A, and incorporated herein by this reference (the “**Survey Report**”).

E. District desires to obtain from Hearst and Hearst desires to grant to District, a license to temporarily leave the existing Encroachment on the Encroachment Area pending final resolution of the Encroachment, on the terms and conditions set forth in this Agreement.

AGREEMENTS

NOW, THEREFORE, in consideration of the foregoing recitals which are specifically incorporated into the body of this Agreement, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. License Terms.

(a) Grant of License. Subject to the terms and conditions of this Agreement, Hearst hereby grants to the District a license (the “**License**”) for the sole and exclusive purpose

of temporarily leaving the Encroachment in its current location on the Encroachment Area as described in the Survey Report (the “**Permitted Use**”). District shall have no rights whatsoever to use or conduct any activities upon the Encroachment Area other than the Permitted Use, and shall have no rights under this Agreement with respect to any portion of the Conservation Property other than the Encroachment Area.

(b) Term. The term of the License (the “**License Term**”) shall commence on the Effective Date and shall terminate ninety (90) days after District’s receipt of written notice from Hearst terminating the License, unless earlier terminated pursuant to Section 5 below. Hearst may provide written notice to District terminating this License at any time and for any reason.

(c) Acknowledgements and Release by District. District acknowledges and agrees that, in consideration of the grant of the License by Hearst to District as provided herein, District releases, relinquishes and waives any and all claims or rights that it may have with respect to the Encroachment Area, including without limitation any claims or rights of inverse condemnation, adverse possession, or prescriptive easement pertaining to the Encroachment. For purposes of any requirement that Hearst must file a claim under the Government Claims Act (California Government Code Section 810-996.6) with respect to the Encroachment, District further acknowledges and agrees as follows: (1) no claim by Hearst accrued until August 18, 2020 when the Encroachment was confirmed by the Survey Report; and (2) Hearst shall not be required to file a claim until the later of (A) expiration of the required filing period under the Government Claims Act, or (B) thirty (30) days after written notice from District to Hearst.

(d) License Fee. As additional consideration for the grant of the License by Hearst to District as provided herein, commencing on the Effective Date, District covenants and agrees to pay to Hearst an annual license fee in the amount of Five Thousand Dollars (\$5,000.00) (the “**License Fee**”). The License Fee shall be payable in advance on the Effective Date and thereafter on each anniversary of the Effective Date through the License Term; provided that District shall have three (3) business days after the Effective Date to make the first License Fee payment. Except as may otherwise be provided in the Resolution Agreement (as defined and provided in Section 2 below), (i) the payment obligations of the District under this Section 1(d) shall survive any termination of the License and this Agreement; and (ii) the License Fee shall not be prorated and shall be non-refundable to District upon any termination of the License and this Agreement pursuant to Section 1(b) above or Section 5 below.

(e) Reimbursement of Damages Resulting from Encroachment. As a direct result of the Encroachment, Hearst has incurred damages as of the Effective Date as set forth on the schedule attached hereto as Exhibit B, and incorporated herein by this reference (the “**Preliminary Damages Schedule**”). As additional consideration for the grant of the License by Hearst to District as provided herein, District shall pay to Hearst the following: (i) the total amount shown on the Preliminary Damages Schedule within three (3) business days of the Effective Date, and (ii) additional damages incurred by Hearst during the License Term as a result of the Encroachment promptly upon written demand by Hearst therefor (which demand shall include reasonable supporting documentation therefor). The payment obligations of the District under this Section 1(e) shall survive any termination of the License and this Agreement.

2. **Resolution of Encroachment.** The parties agree to use good faith and commercially reasonable efforts to agree on and enter into a definitive agreement for final resolution of the Encroachment (including, without limitation, the reconciliation of such Encroachment with the Conservation Easement) (“**Resolution Agreement**”) as soon as practicable after the Effective Date that includes the following terms and conditions:

(a) **CRT Approval.** CRT, as the holder of the Conservation Easement, shall have approved the final form of such Resolution Agreement and any proposed long-term authorization by Hearst for the Encroachment in accordance with the Conservation Easement Agreement required under such Resolution Agreement (collectively, the “**Conservation Easement Documentation**”). Hearst expects that, as conditions to such approval, CRT may engage third party consultant(s) to confirm the impact of the Encroachment on the “Easement Area” and the “Conservation Values” (as such terms are defined in the Conservation Easement Agreement), and may engage legal counsel to review such Resolution Agreement and any Conservation Easement Documentation.

(b) **Approval by Hearst of Report from Hearst Rangeland Ecologists.** Hearst may require that its Rangeland Ecologists, Sage Associates (Orrin Sage and Cindy Sage), conduct a study to confirm the impacts of the Encroachment. If Hearst requires such report, then approval by Hearst, in its sole and absolute discretion, of the results of such report will be a condition to Hearst’s approval of the Resolution Agreement and any Conservation Easement Documentation.

(c) **Encroachment Fee.** District shall pay to Hearst an encroachment fee in an amount and on payment terms to be agreed upon by the parties in the Resolution Agreement, which shall replace the License Fee under this Agreement. The Resolution Agreement shall include the right of District to apply a prorated amount of the License Fee to such encroachment fee on the terms and conditions set forth in the Resolution Agreement.

(d) **Costs of Resolution of Encroachment.** All costs associated with resolution of the Encroachment shall be paid by the District including, but not limited to:

(i) Any reasonable, demonstrated and documented, out-of-pocket costs paid or to be paid by CRT to a third party (including a reasonable allocation of internal review and/or internal personnel costs) directly related to the Encroachment and any proposed resolution thereof, such as reasonable costs of review of the Resolution Agreement and/or the Conservation Easement Documentation by any third party consultants retained by CRT including, without limitation, the costs provided for in Section 2(a) above and any applicable transfer fee under the Conservation Easement Agreement; and

(ii) Any reasonable, demonstrated and documented, out-of-pocket costs paid or to be paid by Hearst to a third party (including a reasonable allocation of internal review and/or internal personnel costs plus a fifteen percent (15%) administrative fee) directly related to the Encroachment and any proposed resolution thereof, such as reasonable costs of review of the Resolution Agreement and/or the Conservation Easement Documentation by any third party consultants retained by Hearst including, without limitation, the costs provided for in Section 2(b) above, any work by Wallace Group with respect to the Encroachment in addition to the Survey Report, and legal counsel fees and costs.

3. **Indemnity.** District agrees to wholly indemnify, protect, defend and hold harmless Hearst, its parent, affiliates, subsidiaries, officers, directors, employees, stockholders, managers, property managers, mortgagees, successors, assigns, and insurers, from and against all liability, claims and demands arising out of the existence of the Encroachment on the Encroachment Area. District agrees to investigate, handle, respond to, and to provide defense for and defend against any such liability, claims or demands at its sole expense, or, at the option of Hearst, agrees to pay Hearst or reimburse Hearst for the defense costs incurred by Hearst in connection with any such liability, claims or demands. District also agrees to bear all other costs and expenses related thereto, including court costs and attorney fees, whether or not any such liability, claims or demands alleged are groundless, false or fraudulent.

4. **Insurance.** At all times during the License Term, District shall, at its sole cost and expense, maintain a commercial general liability in the amount of not less than Two Million Dollars (\$2,000,000) per occurrence, naming Hearst and its parent, affiliates, subsidiaries, officers, directors, employees, stockholders, managers, property managers, mortgagees, successors, assigns as an additional insured for ongoing and completed operations and CRT as an additional insured for claims arising out of the Encroachment and District's exercise of its rights granted under this Agreement on a primary and noncontributory basis. District shall also, at its sole cost and expense, maintain workers compensation insurance with statutory limits and employer's liability coverage of One Million (\$1,000,000) per accident, One Million (\$1,000,000) per employee for injury by disease, and One Million (\$1,000,000) policy aggregate; automobile liability coverage of not less than Two Million Dollars (\$2,000,000); property insurance for the District's real and personal property; and environmental liability insurance for any first party or third party clean-up. A waiver of subrogation shall be included on all policies in favor of Hearst and its parent, affiliates, subsidiaries, officers, directors, employees, stockholders, managers, property managers, mortgagees, successors, assigns. On or before the Effective Date, District shall deliver to Hearst a certificate verifying that such insurance has been obtained. Further, at any time during the License Term, Hearst may request of District, and District shall deliver to Hearst within five (5) days, evidence satisfactory to Hearst that the insurance required hereunder is still in full force and effect.

5. **Default by District; Hearst Remedies and Right to Terminate.**

(a) In the event District fails to perform any of its obligations as required under this Agreement, Hearst shall, in addition to any other remedies available at law or in equity, have the right to immediately terminate the License and this Agreement.

(b) If District fails to make any payment to Hearst when due as provided in Sections 1(d) or 1(e) above, then:

(i) the outstanding amount shall bear interest at the maximum rate allowed by law until paid in full ("**Default Interest**"); and

(ii) a late charge by way of damages shall be immediately due and payable to Hearst. District recognizes that any default by District in paying such amounts when due will result in Hearst incurring additional expenses and in Hearst's loss of the use of the money due. District agrees that, if for any reason District fails to pay any amount owed under this Agreement when due, Hearst shall be entitled to damages for the detriment caused thereby,

but that it is extremely difficult and impractical to ascertain the extent of such damages. District therefore agrees that an amount equal to Five Cents (\$0.05) for each dollar Hearst fails to pay when due (the “**Late Charge**”) is a reasonable estimate of said damages to Hearst, which sum District agrees to pay on demand.

Hearst’s right to payment of such Default Interest and Late Charge as provided in this Section 5(b) shall be in addition to, and not in substitution for, any other remedies available to Hearst by reason of any default, including, without limitation, Hearst’s right set forth in this Agreement to be paid its costs and expenses as provided in Section 14 below.

(c) District shall not be in default of any of its obligations under this Agreement unless Hearst first provides to District written notice of default and District thereafter fails within five (5) days after receipt of such notice of default to either cure such default or diligently commence such actions reasonably necessary to cure such default within such five (5) day period, and thereafter cures such default not later than thirty (30) days after receipt of such notice of default.

6. **No Assignment**. District’s rights and obligations under this Agreement are personal to District, and District shall not assign this Agreement without the express written consent of Hearst, which consent may be withheld for any reason or for no reason.

7. **No Recording**. Neither this Agreement nor any memorandum of this Agreement shall be recorded in the Official Records of San Luis Obispo County, California.

8. **Notices**. Any notice, demand, approval, consent, or other communication required or desired to be given under this Agreement in writing shall be given in the manner set forth below, addressed to the party to be served at the addresses set forth below or at such other address for which that party may have given notice under the provisions of this Section. Any notice, demand, approval, consent, or other communication given by: (a) mail shall be deemed to have been given on the second (2nd) business day immediately following the date it was deposited in the United States mail, first class and postage prepaid; (b) overnight common carrier courier service shall be deemed to be given on the business day immediately following the date it was deposited with such common carrier; (c) delivery in person or by messenger shall be deemed to have been given upon delivery in person or by messenger; or (d) electronic transmission shall be deemed to have been given on the date of transmission of the entire communication, provided that (i) such transmission occurs during 8:00 a.m. and 5:00 p.m., Pacific Time, on normal business days, and (ii) the receiving party receives delivery of a hard copy of the original transmitted document(s) not later than the first (1st) business day following such transmission.

To Hearst:

Hearst Holdings, Inc.
5 Third Street, Suite 200
San Francisco, CA 94103-3202
Attn:
Email:

To District:

San Simeon Community Services District
111 Pico Avenue
San Simeon, CA 93452
Attn:
Email:

9. **Time of the Essence; Dates.** Time is of the essence in the performance of each of the parties' respective obligations contained in this Agreement. In the event that any date specified in this Agreement falls on Saturday, Sunday or other day on which public agencies and major banks in San Luis Obispo County, California, are not open for business (each a "Non-Business Day"), such date shall be deemed to be the succeeding business day. For purposes of this Agreement, a "business day" shall mean a day other than a Non-Business Day.

10. **Severability.** Each provision of this Agreement is severable from any and all other provisions of this Agreement. Should any provision(s) of this Agreement be for any reason unenforceable, the balance shall nonetheless be of full force and effect.

11. **Entire Agreement; Modification; Waiver.** This Agreement constitutes the entire agreement between Hearst and the District pertaining to the subject matter contained in it and supersedes all prior and contemporaneous agreements, representations, and understandings. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by all the parties. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

12. **Relationship of Parties.** Nothing contained in this Agreement shall be deemed or construed by the parties or by any third person to create the relationship of principal and agent or of partnership or of joint venture or of any association between Hearst and the District, and no provision contained in this Agreement nor any acts of the parties shall be deemed to create any relationship between Hearst and the District.

13. **Drafting.** The parties to this Agreement agree that this Agreement is the product of joint authorship and negotiation and that should any of the terms be determined by a court, or in any type of quasi-judicial or other proceeding, to be vague, ambiguous and/or unintelligible, that the same sentences, phrases, clauses or other wordage or language of any kind shall not be construed against the drafting party in accordance with California Civil Code Section 1654, and that each such party to this Agreement waives the effect of such statute.

14. **Legal Costs.** If any party to this Agreement shall take any action to enforce this Agreement or bring any action or commence any proceeding for any relief against any other party, declaratory or otherwise, arising out of this Agreement, the losing party shall pay to the prevailing party a reasonable sum for attorneys' and experts' fees and costs incurred in taking such action, bringing such suit and/or enforcing any judgment granted therein, all of which shall be deemed to have accrued upon the commencement of such action and shall be paid whether or not such action is prosecuted to judgment. Any judgment or order entered in such action shall contain a specific provision providing for the recovery of attorneys' and experts' fees and costs due hereunder, and such provision shall be determined by a court of competent jurisdiction and not by a jury. For the purposes of this Section, attorneys' and experts' fees and costs shall include, without limitation, fees incurred in the following: (a) postjudgment motions; (b) contempt proceedings; (c) garnishment, levy, and debtor and third party examinations; (d) discovery; (e) bankruptcy litigation; and (f) appeals.

15. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original (including copies sent to a party by electronic transmission) as against the party signing such counterpart, but which together shall constitute one and the same instrument.

IN WITNESS WHEREOF: the parties hereto have executed this Agreement as set forth below.

HEARST:

HEARST HOLDINGS, INC., a Delaware corporation

By: Glenn Eagens
Name: GLENN EAGENS
Title: ASSISTANT TREASURER &
ASSISTANT SECRETARY

DISTRICT:

SAN SIMEON COMMUNITY SERVICES DISTRICT, a California special district

By: [Signature]
Name: [Signature]
Title: Chairperson

Exhibits:

- A - Survey Report
- B - Preliminary Damages Schedule

SURVEY REPORT

(See Attached)

Wallace Group Survey of the RO Building

August 18, 2020

Kerry O'Toole
Hearst Corporation
5 3rd Street, The Hearst Building, Suite 200
San Francisco, California 94103

Subject: Surveyor's Summary of the Location of San Simeon Community Services District Facilities in Relation to Hearst Holding, Inc. Property

Dear Ms. O'toole,

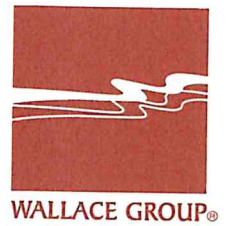
The information below summarizes Wallace Group's findings as related to the boundary lines of APNs 013-041-014 and 013-011-024 [Hearst Holdings Inc. (Hearst)] and 013-041-005 [San Simeon Acres Community Services District (CSD)] with respect to physical above ground and visible improvements near these property boundary lines, including those improvements being a part of the CSD *Potable Water Well Head Treatment Project* (PW Project).

Our findings are based on the below research, including available County of San Luis Obispo survey map records, the CSD record drawings for the PW Project, County of San Luis Obispo record official documents and Wallace Group performed field measurements to establish the position of the boundary lines and improvements in question. Below is a summary of the record documents reviewed as part of this effort. Note: Numbers within parenthesis and italicized represent the circa date of the record document (shown as *(07/30/1954)* for example):

1. Record of Survey, Book 6, Page 49 (*05/22/1952*)
2. Record of Survey, Book 7, Page 35 (*07/30/1954*)
3. Record of Survey, Book 7, Page 58 (*01/04/1955*)
4. Grant Deed, Official Records, Volume 930, page 32 (*03/04/1958*)
5. Certificate of Compliance, Official Records, Document #2002-028663 (*04/05/2002*)
6. Certificate of Compliance, Official Records, Document #2002-055088 (*07/08/2002*)
7. Record of Survey, Book 91, Page 96 (*06/03/2005*)
8. Accessor's Parcel Map 013-01 (*06/12/2006*)
9. Accessor's Parcel Map 013-04 (*03/20/2006*)
10. San Simeon Community Services District, San Simeon, California, Potable Water Well Head Treatment Project Record Drawing (*07/29/2016*)

The research for this effort did not include chain of title type research and is therefore dependent and limited to those items listed above. The review of these documents indicates harmony and agreement in the line common between Hearst and the CSD and is also consistent that a portion of County Road #3 is now together and a part of Hearst APN 013-011-024 fee title property.

Based on our research the boundary line between CSD APN 013-041-005 and Hearst APN 013-041-014 was first surveyed and shown on the map filed for record in Book 7, at page 35 of Record of Surveys and the location as shown on this map is consistent with the location described in the CSD's vesting deed, Book 930, page 32



CIVIL AND
TRANSPORTATION
ENGINEERING

CONSTRUCTION
MANAGEMENT

LANDSCAPE
ARCHITECTURE

MECHANICAL
ENGINEERING

PLANNING

PUBLIC WORKS
ADMINISTRATION

SURVEYING /
GIS SOLUTIONS

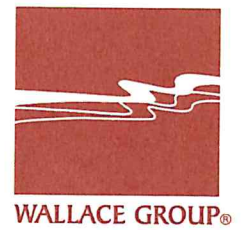
WATER RESOURCES

WALLACE GROUP
A California Corporation

612 CLARION CT
SAN LUIS OBISPO
CALIFORNIA 93401

T 805 544-4011
F 805 544-4294

www.wallacegroup.us

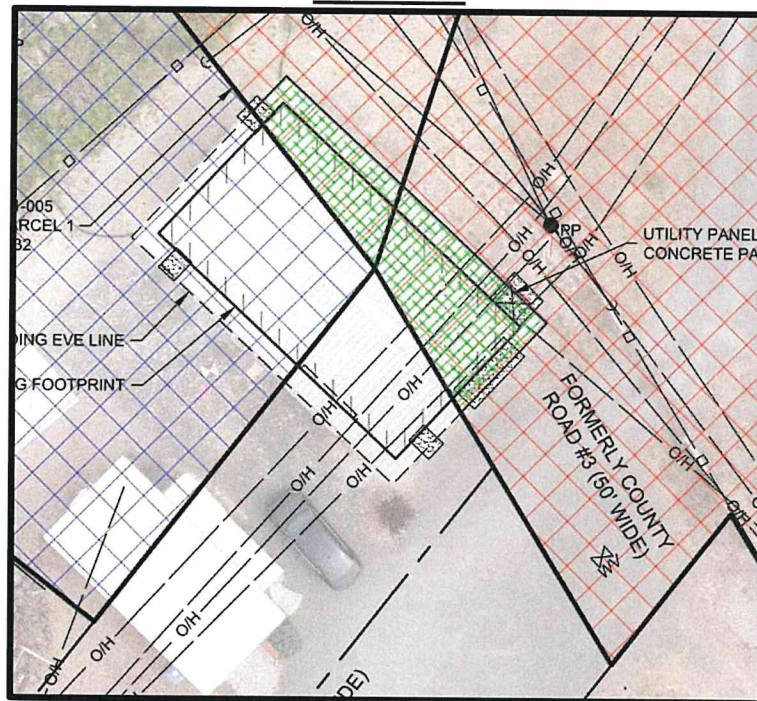


of Official Records and the document recorded in Book 767, at page 490 of Official Records. Our research also consistently indicates that the portion of former County Road No. 3 that is adjacent to and northeasterly of the Pico Avenue right of way, 60 feet wide, is part of and together with the vesting title of Hearst APN 013-011-024 property.

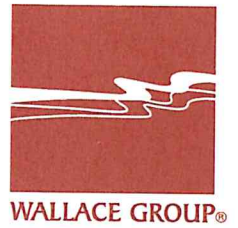
Based on our field measurements of local record monuments, we were able to re-establish the location of the boundary line common to Hearst APN 013-041-014 and CSD APN 013-041-005 properties and that portion of Hearst APN 013-011-024 property that was formerly County Road No. 3. Our field measurements also included the location of various improvements in the area of these property boundary lines.

Figure #1 below and Exhibit #1 show the relationship of these property boundary lines and the visible and above grade improvements near them. Based on our research and field measurements, a portion of the CSD infrastructure, including the PW Project building (that portion of the building encroaching on Hearst property has been hatched in a **GREEN PATTERN**), has been constructed beyond the CSD property (hatched in a **BLUE PATTERN**) and on Hearst APN 013-041-014 and Hearst APN 013-011-024 properties (hatched in a **RED PATTERN**). Approximately 560 square feet of the PW Project building is constructed on Hearst property, 215 square feet on Hearst APN 013-041-014 and 345 square feet on Hearst APN 013-011-024.

FIGURE #1

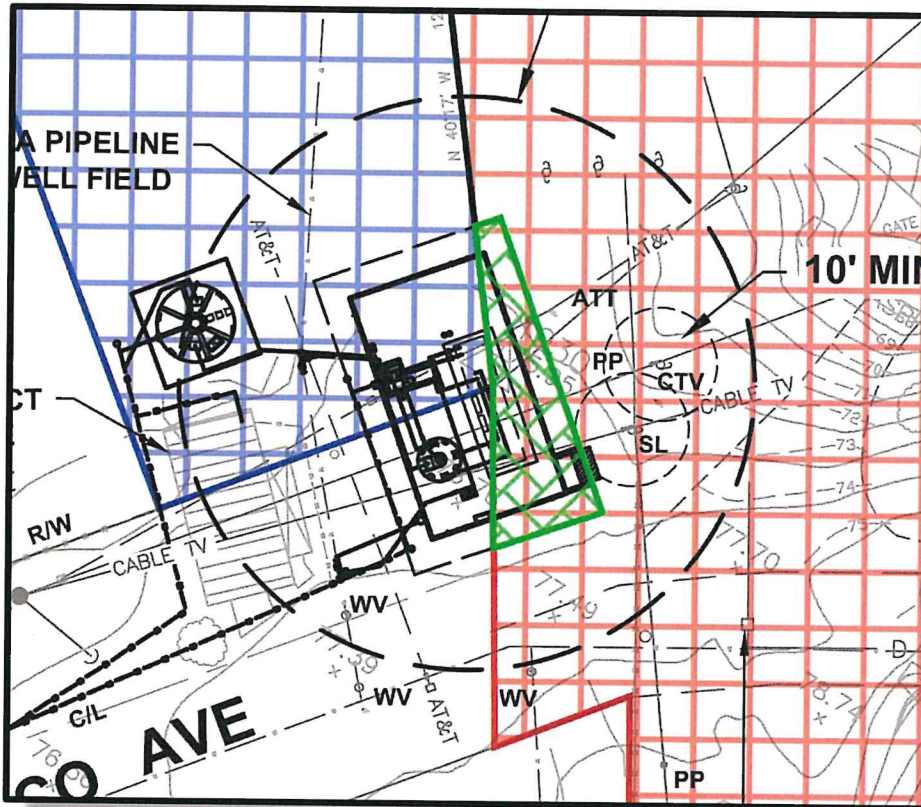


Our findings are consistent and corroborated by the CSD's PW Project record drawings. Sheet C-1 shows the CSD PW Project building to be constructed encroaching on Hearst's property. Figure #2 shows a markup of PW Project record drawing, highlighting the proposed building and its relationship to the property lines in



question (hatching and coloring the same as Figure #1). Which, based on the information shown in the PW Project record drawings, the property boundary lines appear to have been re-established as part of the design and engineering phase and the building was located over said lines as part of the design.

FIGURE #2



In conclusion, and based on our research and field measurements, it is my opinion that the CSD's PW Project infrastructure encroaches onto the Hearst properties discussed herein.

Sincerely,

WALLACE GROUP

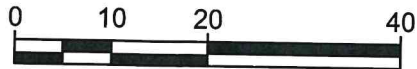
A handwritten signature in blue ink, appearing to read "CABh".

Clayton Bradshaw, PLS, PE
P.L.S. 8298
Date signed: August 18, 2020

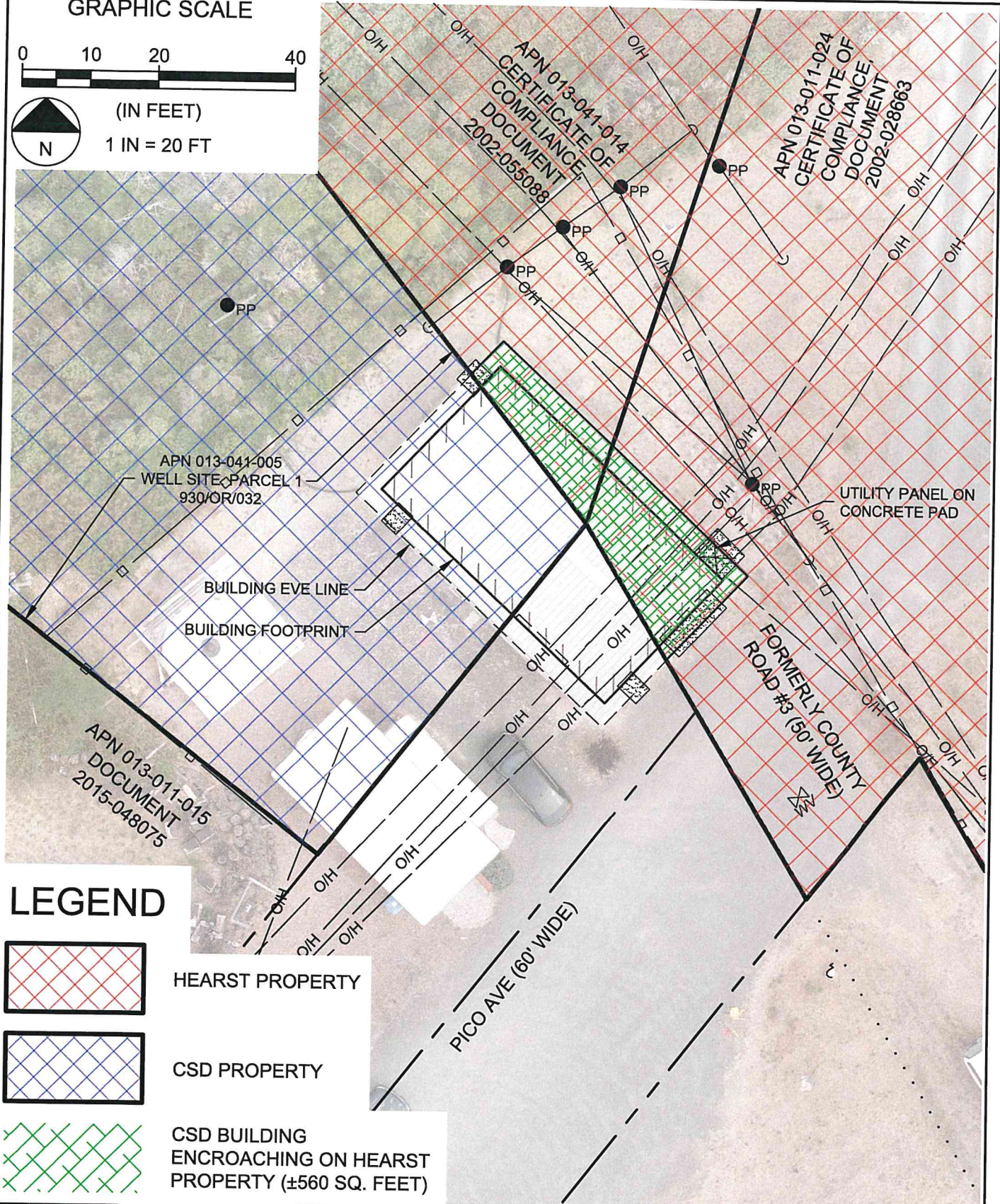
Attachment: Exhibit #1




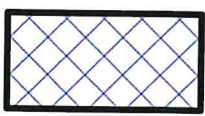

GRAPHIC SCALE



(IN FEET)
1 IN = 20 FT



LEGEND

-  HEARST PROPERTY
-  CSD PROPERTY
-  CSD BUILDING ENCROACHING ON HEARST PROPERTY (±560 SQ. FEET)



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**HEARST SAN SIMEON PROPERTY
CSD & HEARST PROPERTY SURVEY
SAN SIMEON, CA
EXHIBIT #1**

JOB No. :	0731-0009
DRAWING :	RECD-PROP
DRAWN BY :	CLB
DATE :	8/18/2020
SCALE :	1" = 20'

**Condition of Title Guarantee Hearst APN's
013-041-014 and 013-011-024**



Charles Grace <

FW: Hearst/SSCSD Encroachment - Review of Condition of Title and Plotted Easements for APNs 013-041-014 and 013-011-024

O'Toole, Kerry (SUNICAL) <>

Wed, Mar 3, 2021 at 10:36 AM

To: Charles Grace <, San Simeon CSD <admin@sansimeoncsd.org> Cc: "O'Toole, Kerry (SUNICAL)" <

Charlie,

Attached please find the title work and guarantee from First American title.

Thanks,

Kerry

2 attachments



Condition of Title Guarantee dtd 10-27-20 re Hearst APNs 013-041-014 and 013-011-024.PDF

231K



Plotted Easements - Hearst APNs 013-041-014 and 013-011-024.PDF

710K

FW: Hearst/SSCSD Encroachment - Review of Condition of Title and Plotted Easements for APNs 013-041-014 and 013-011-024

Charles Grace <>

Wed, Mar 3, 2021 at 11:52 AM

To: "O'Toole, Kerry (SUNICAL)" <k

Cc: San Simeon CSD <admin@sansimeoncsd.org>, "O'Toole, Kerry (SUNICAL)" <

Received thank you.

Charles Grace
805 431 6253
www.graceenviro.com



	<i>First American Title</i>	CLTA Guarantee Form No. 28 - Condition of Title
Guarantee	ISSUED BY First American Title Insurance Company	GUARANTEE NUMBER 5026900-6415720

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE GUARANTEE CONDITIONS ATTACHED HERETO AND MADE A PART OF THIS GUARANTEE.

FIRST AMERICAN TITLE INSURANCE COMPANY
a Nebraska corporation, herein called the Company

GUARANTEES

against loss or damage not exceeding the Amount of Liability stated in Schedule A sustained by the Assured by reason of any incorrectness in the Assurances set forth in Schedule A

First American Title Insurance Company

Dennis J. Gilmore, President

Greg L. Smith, Secretary

By:

Authorized Countersignature

This jacket was created electronically and constitutes an original document

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EXCLUSIONS FROM COVERAGE

Except as expressly provided by the assurances in Schedule A, the Company assumes no liability for loss or damage by reason of the following:

- (a) Defects, liens, encumbrances, adverse claims or other matters against the title to any property beyond the lines of the Land.
- (b) Defects, liens, encumbrances, adverse claims or other matters, whether or not shown by the Public Records (1) that are created, suffered, assumed or agreed to by one or more of the Assureds; or, (2) that result in no loss to the Assured.
- (c) Defects, liens, encumbrances, adverse claims or other matters not shown by the Public Records.
- (d) The identity of any party shown or referred to in any of the schedules of this Guarantee.

- (e) The validity, legal effect or priority of any matter shown or referred to in any of the schedules of this Guarantee.
- (f) (1) Taxes or assessments of any taxing authority that levies taxes or assessments on real property; or, (2) proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not the matters excluded under (1) or (2) are shown by the records of the taxing authority or by the Public Records.
- (g) (1) Unpatented mining claims; (2) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (3) water rights, claims or title to water, whether or not the matters excluded under (1), (2) or (3) are shown by the Public Records.

GUARANTEE CONDITIONS

1. Definition of Terms.

The following terms when used in the Guarantee mean:

- a. the "Assured": the party or parties named as the Assured in Schedule A, or on a supplemental writing executed by the Company.
- b. "Land": the Land described or referred to in Schedule A, and improvements affixed thereto which by law constitute real property. The term "Land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways.
- c. "Mortgage": mortgage, deed of trust, trust deed, or other security instrument.
- d. "Public Records": those records established under California statutes at Date of Guarantee for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge.
- e. "Date of Guarantee": the Date of Guarantee set forth in Schedule A.
- f. "Amount of Liability": the Amount of Liability as stated in Schedule A.

2. Notice of Claim to be Given by Assured.

The Assured shall notify the Company promptly in writing in case knowledge shall come to an Assured of any assertion of facts, or claim of title or interest that is contrary to the assurances set forth in Schedule A and that might cause loss or damage for which the Company may be liable under this Guarantee. If prompt notice shall not be given to the Company, then all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice by the failure and then only to the extent of the prejudice.

3. No Duty to Defend or Prosecute.

The Company shall have no duty to defend or prosecute any action or proceeding to which the Assured is a party, notwithstanding the nature of any allegation in such action or proceeding.

4. Company's Option to Defend or Prosecute Actions; Duty of Assured to Cooperate.

Even though the Company has no duty to defend or prosecute as set forth in Paragraph 3 above:

- a. The Company shall have the right, at its sole option and cost, to institute and prosecute any action or proceeding, interpose a defense, as limited in Paragraph 4 (b), or to do any other act which in its opinion may be necessary or desirable to establish the correctness of the assurances set forth in Schedule A or to prevent or reduce loss or damage to the Assured. The Company may take any appropriate action under the terms of this Guarantee, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this Guarantee. If the Company shall exercise its rights under this paragraph, it shall do so diligently.
- b. If the Company elects to exercise its options as stated in Paragraph 4(a) the Company shall have the right to select counsel of its choice (subject to the right of the Assured to object for reasonable cause) to represent the Assured and shall not be liable for and will not pay the fees of any other counsel, nor will the Company pay any fees, costs or expenses incurred by an Assured in the defense of those causes of action which allege matters not covered by this Guarantee.
- c. Whenever the Company shall have brought an action or interposed a defense as permitted by the provisions of this Guarantee, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from an adverse judgment or order.
- d. In all cases where this Guarantee permits the Company to prosecute or provide for the defense of any action or proceeding, the Assured shall secure to the Company the right to so prosecute or provide for the defense of any action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of such Assured for this purpose. Whenever requested by

GUARANTEE CONDITIONS (Continued)

the Company, the Assured, at the Company's expense, shall give the Company all reasonable aid in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or lawful act which in the opinion of the Company may be necessary or desirable to establish the correctness of the assurances set forth in Schedule A to prevent or reduce loss or damage to the Assured. If the Company is prejudiced by the failure of the Assured to furnish the required cooperation, the Company's obligations to the Assured under the Guarantee shall terminate.

5. Proof of Loss or Damage.

- a. In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Assured furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.
- b. In addition, the Assured may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Guarantee, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Assured shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the Assured provided to the Company pursuant to this paragraph shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Assured to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonable necessary information from third parties, as required in the above paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this Guarantee to the Assured for that claim.

6. Options to Pay or Otherwise Settle Claims: Termination of Liability.

In case of a claim under this Guarantee, the Company shall have the following additional options:

- a. To pay or tender payment of the Amount of Liability together with any costs, attorneys' fees, and expenses incurred by the Assured that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.

- b. To pay or otherwise settle with the Assured any claim assured against under this Guarantee. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Assured that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay;
- c. To pay or otherwise settle with other parties for the loss or damage provided for under this Guarantee, together with any costs, attorneys' fees, and expenses incurred by the Assured that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in 6 (a), (b) or (c) of this paragraph the Company's obligations to the Assured under this Guarantee for the claimed loss or damage, other than the payments required to be made, shall terminate, including any duty to continue any and all litigation initiated by the Company pursuant to Paragraph 4.

7. Limitation Liability.

- a. This Guarantee is a contract of Indemnity against actual monetary loss or damage sustained or incurred by the Assured claimant who has suffered loss or damage by reason of reliance upon the assurances set forth in Schedule A and only to the extent herein described, and subject to the Exclusions From Coverage of This Guarantee.
- b. If the Company, or the Assured under the direction of the Company at the Company's expense, removes the alleged defect, lien, or encumbrance or cures any other matter assured against by this Guarantee in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.
- c. In the event of any litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom.
- d. The Company shall not be liable for loss or damage to the Assured for liability voluntarily assumed by the Assured in settling any claim or suit without the prior written consent of the Company.

8. Reduction of Liability or Termination of Liability.

All payments under this Guarantee, except payments made for costs, attorneys' fees and expenses pursuant to Paragraph 4 shall reduce the Amount of Liability under this Guarantee pro tanto.

9. Payment of Loss.

- a. No payment shall be made without producing this Guarantee for endorsement of the payment unless the Guarantee has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.
- b. When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions, the loss or damage shall be payable within thirty (30) days thereafter.

GUARANTEE CONDITIONS (Continued)

10. Subrogation Upon Payment or Settlement.

Whenever the Company shall have settled and paid a claim under this Guarantee, all right of subrogation shall vest in the Company unaffected by any act of the Assured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the Assured would have had against any person or property in respect to the claim had this Guarantee not been issued. If requested by the Company, the Assured shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The Assured shall permit the Company to sue, compromise or settle in the name of the Assured and to use the name of the Assured in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the Assured the Company shall be subrogated to all rights and remedies of the Assured after the Assured shall have recovered its principal, interest, and costs of collection.

11. Arbitration.

Either the Company or the Assured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Assured arising out of or relating to this Guarantee, any service of the Company in connection with its issuance or the breach of a Guarantee provision, or to any other controversy or claim arising out of the transaction giving rise to this Guarantee. All arbitrable matters when the amount of liability is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Assured. All arbitrable matters when the amount of liability is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Assured. Arbitration pursuant to this Guarantee and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

12. Liability Limited to This Guarantee; Guarantee Entire Contract.

- a. This Guarantee together with all endorsements, if any, attached hereto by the Company is the entire Guarantee and contract between the Assured and the Company. In interpreting any provision of this Guarantee, this Guarantee shall be construed as a whole.
- b. Any claim of loss or damage, whether or not based on negligence, or any action asserting such claim, shall be restricted to this Guarantee.
- c. No amendment of or endorsement to this Guarantee can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

13. Severability.

In the event any provision of this Guarantee, in whole or in part, is held invalid or unenforceable under applicable law, the Guarantee shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

14. Choice of Law; Forum.

- a. Choice of Law: The Assured acknowledges the Company has underwritten the risks covered by this Guarantee and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of Guaranties of the jurisdiction where the Land is located.

Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims that are adverse to the Assured and to interpret and enforce the terms of this Guarantee. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.

- b. Choice of Forum: Any litigation or other proceeding brought by the Assured against the Company must be filed only in a state or federal court within the United State of America or its territories having appropriate jurisdiction.

15. Notices, Where Sent.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this Guarantee and shall be addressed to the Company at **First American Title Insurance Company, Attn: Claims National Intake Center, 5 First American Way, Santa Ana, California 92707. Phone: 888-632-1642 (claims.nic@firstam.com).**



First American Title

Schedule A

CLTA Guarantee Form No. 28 -
Condition of Title

ISSUED BY

First American Title Insurance Company

GUARANTEE NUMBER

5026900-6415720

File No.: 6415720

Guarantee No. 6415720

Amount of Liability: \$2,500.00

Date of Guarantee: October 27, 2020 at 7:30 A.M. Fee: \$1,500.00

1. Name of Assured:

Murphy Austin Adams Schoenfeld LLP

2. The estate or interest in the Land which is covered by this Guarantee is:

FEE

3. The Land referred to in this Guarantee is described as follows:

Real property in the unincorporated area of the County of San Luis Obispo, State of California, described as follows:

PARCEL 1: (APN: 013-011-024)

THAT PART OF LOT 'A' OF THE SUBDIVISIONS OF THE RANCHO SAN SIMEON, AS SURVEYED BY V. H. WOODS AND DELINEATED ON THE "PLAT SHOWING PARTITION OF THAT PART OF SAN SIMEON RO OWNED BY IRA VAN GORDEN SR.", FILED IN THE OFFICE OF THE RECORDER OF SAN LUIS OBISPO COUNTY, CALIFORNIA, JULY 27TH, 1899 IN BOOK B AT PAGE 108 OF MAPS WHICH IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT STAKE S NO. 6 IN THE CHANNEL OF THE ARROYO DEL PINAL AT THE NORTH CORNER OF A TRACT OF 100.00 ACRES OWNED BY SMITH ARBUCKLE, AND ON THE NORTHERLY LINE OF LOT 'A' BEFORENAMED, FROM WHICH SAID STAKE A LIVE OAK 30 INCHES DIAMETER BEARS NORTH 76°15' WEST 94 LINKS (62.04 FEET) DISTANT, AND RUNNING THENCE ON LINES OF THE SAID ARBUCKLE TRACT. - SOUTH 60° EAST --- 3.25 CHAINS (214.50 FEET); SOUTH 15° WEST --- 18.00 CHAINS (1188.00 FEET); SOUTH 33° EAST --- 3.32 CHAINS (219.12 FEET), TO POINT IN WEST LINE OF THE PUBLIC ROAD LEADING FROM CAMBRIA TO SAN SIMEON; THENCE NORTH 56°30' EAST -- 76 LINKS (50.16 FEET) TO POST MARKED LVG NO. 1 IN EAST LINE OF SAID ROAD, 22.22 CHAINS (1466.52 FEET) TO STAKE LVG NO. 2 (...TO A POINT IN THE WEST LINE OF THE PUBLIC ROAD LEADING FROM CAMBRIA TO SAN SIMEON; THENCE NORTH 56° 30' EAST ACROSS SAID ROAD A DISTANCE OF 76 LINKS (50.16 FEET) TO POST MARKED LVG NO. 1 IN THE EAST LINE OF SAID ROAD; THENCE CONTINUING NORTH 56° 30' EAST 21.46 CHAINS (1416.36 FEET) [NOTE THAT 22.22 CHAINS - 76 LINKS = 21.46 CHAINS] TO STAKE LVG NO. 2;); THENCE NORTH 21°15' WEST - 17.64 CHAINS (1164.24 FEET) TO STAKE LVG NO. 3, FROM WHICH A SYCAMORE 30 INCHES DIAMETER BEARS NORTH 25° EAST 15 LINKS (9.90 FEET) DISTANT; THENCE NORTH 79°15' WEST - 63 LINKS (41.58 FEET) TO POINT IN THE CHANNEL OF THE ARROYO DEL PINAL AND ON THE NORTH LINE OF THE BEFORENAMED LOT 'A'; THENCE DOWN THE SAID ARROYO FOLLOWING THE

MEANDERS THEREOF SOUTHWESTERLY ABOUT 19 CHAINS (1254 FEET) TO THE POINT OF BEGINNING, INCLUDING PUBLIC ROAD AREA. BEING THE PROPERTY CONVEYED BY THAT CERTAIN DEED FROM LORA E. VAN GORDEN AND SHERMAN VAN GORDEN, HER HUSBAND, TO SAID J. H. MCGOVERN, DATED JUNE 15, 1914, AND RECORDED JULY 25, 1914, IN VOLUME 101 OF DEEDS AT PAGE 375, RECORDS OF SAID COUNTY OF SAN LUIS OBISPO.

EXCEPTING THEREFROM THAT PORTION LYING WITHIN THE LAND SURVEYED AND SHOWN ON THE MAP ENTITLED "MAP OF SURVEY OF PARCELS OF LAND IN A PORTION OF THE ARBUCKLE TRACT, BEING IN LOT A OF RANCHO SAN SIMEON, SAN LUIS OBISPO COUNTY, CALIFORNIA, AT REQUEST OF WALLER R. SOUTHALL DATED MAY 16, 1952, AND FILED MAY 22, 1952, IN BOOK 6 OF RECORDS OF SURVEY AT PAGE 49 RECORDS OF SAID COUNTY.

THIS LEGAL DESCRIPTION IS MADE PURSUANT TO PARCEL NO. 1 OF THAT CERTAIN CERTIFICATE OF COMPLIANCE NO. C2001-023, RECORDED APRIL 5, 2002, AS INSTRUMENT NO. 2002-028663 OF OFFICIAL RECORDS.

PARCEL 2: (APN: 013-041-014)

THAT NORTHERLY PORTION OF THAT PROPERTY WITHIN THE RANCHO SAN SIMEON IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, DESCRIBED IN THE DEED FROM WALTER R. AND AVONNE A. SOUTHALL TO WILLARD H. AND ERMINE I. ALLEN RECORDED AUGUST 10, 1954 IN BOOK 767 OF OFFICIAL RECORDS AT PAGE 490 IN THE OFFICE OF THE COUNTY RECORDER OF SAN LUIS OBISPO COUNTY.

THIS LEGAL DESCRIPTION IS MADE PURSUANT TO PARCEL NO. 9 OF THAT CERTAIN AMENDED CERTIFICATE OF COMPLIANCE NO. C2001-023, RECORDED JULY 08, 2002, AS INSTRUMENT NO. 2002-055088 OF OFFICIAL RECORDS.

4. ASSURANCES:

According to the Public Records as of the Date of Guarantee,

a. Title to the estate or interest in the Land is vested in:

Hearst Holdings, Inc., a Delaware Corporation

b. Title to the estate or interest is subject to defects, liens, or encumbrances shown in Schedule B which are not necessarily shown in the order of their priority.



First American Title

Schedule B

CLTA Guarantee Form No. 28 -
Condition of Title

ISSUED BY
First American Title Insurance Company

GUARANTEE NUMBER
5026900-6415720

File No.: 6415720

1. General and special taxes and assessments for the fiscal year 2020-2021.

First Installment:	\$4,415.33, OPEN
Penalty:	\$0.00
Second Installment:	\$4,415.33, OPEN
Penalty:	\$0.00
Tax Rate Area:	061-030
A. P. No.:	013-011-024

Affects: PARCEL 1

2. General and special taxes and assessments for the fiscal year 2020-2021.

First Installment:	\$21.98, OPEN
Penalty:	\$0.00
Second Installment:	\$21.98, OPEN
Penalty:	\$0.00
Tax Rate Area:	061-030
A. P. No.:	013-041-014

Affects: PARCEL 2

3. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

4. An easement for private road and incidental purposes reserved in the document recorded March 17, 1908 in Book 76, Page 692 of Deeds.

Reserved by: Vine Ban Gorden, et al.
Affects: a portion of the land

The location of the easement cannot be determined from record information.

5. An easement for public road and incidental purposes, recorded May 4, 1914 as Book 101, Page 45 of Deeds .

In Favor of: the County of San Luis Obispo
Affects: a portion of the land

The location of the easement cannot be determined from record information.

6. An easement for state highway and incidental purposes, recorded January 26, 1932 as Book 119, Page 482 of Official Records.
In Favor of: the State of California
Affects: a portion of the land

The location of the easement cannot be determined from record information.

7. A waiver of any claims for damages by reason of the location, construction, landscaping or maintenance of a contiguous freeway, highway, roadway or transit facility as contained in the document recorded January 26, 1932 as Book 119, Page 482 of Official Records.

Affects: a portion of the land

8. The terms and provisions contained in the document entitled Agreement for Deed recorded January 9, 1939 as Book 253, Page 44 of Official Records.

Affects: a portion of the land

9. An easement for state highway and incidental purposes, recorded January 9, 1939 as Book 253, Page 51 of Official Records.
In Favor of: the State of California
Affects: a portion of the land

The location of the easement cannot be determined from record information.

10. A waiver of any claims for damages by reason of the location, construction, landscaping or maintenance of a contiguous freeway, highway, roadway or transit facility as contained in the document recorded January 9, 1939 as Book 253, Page 51 of Official Records.

Affects: a portion of the land

11. The terms and provisions contained in the document entitled State Highway Deed recorded January 9, 1939 as Book 253, Page 51 of Official Records.

Affects: a portion of the land

12. The map entitled "Plat Showing Partition of That Part of San Simeon Ro. Owned by Ira Van Gorden Sr." recorded in Book B, Page 108 of Maps, records of said County, shows the County Road between the Town of Cambria and the Town of San Simeon lying within Lots A and D as shown on the map. A portion of the above described County Road was abandoned by the County of San Luis Obispo by the Resolution made September 5, 1939 and recorded September 8, 1939 in Book 260, Page 216 of Official Records.

13. An easement for pipe line and incidental purposes, recorded August 10, 1954 as Book 767, Page 490 of Official Records.

In Favor of: Walter R. Southall, et ux.
Affects: a portion of said land

14. A waiver of any claims for damages by reason of the location, construction, landscaping or maintenance of a contiguous freeway, highway, roadway or transit facility as contained in the document recorded September 12, 1960 as Book 1083, Page 375 of Official Records.

Affects: a portion of said land

15. Abutter's rights of ingress and egress to or from Hwy 1 have been relinquished in the document recorded September 12, 1960 as Book 1083, Page 375 of Official Records.
16. The herein described land lies within the San Simeon Acres Service District Assessment District created by the County of San Luis Obispo, and assessments will become a lien upon the land and will be collected with the County Taxes as setforth in an instrument recorded June 1, 1961 in Book 1126, Page 303 of Official Records.
17. A waiver of any claims for damages by reason of the location, construction, landscaping or maintenance of a contiguous freeway, highway, roadway or transit facility as contained in the document recorded March 9, 1967 as Book 1427, Page 671 of Official Records.

Affects: a portion of the land
18. Abutter's rights of ingress and egress to or from Hwy 1 have been relinquished in the document recorded March 9, 1967 as Book 1427, Page 671 of Official Records.

Affects: a portion of the land
19. An easement for ingress, egress, construction, operation, maintenance, repair, replacement, removal of water reservoir and incidental purposes, recorded June 21, 1972 as Book 1674, Page 336 of Official Records.
In Favor of: San Simeon Acres Community Services District
Affects: a portion of the land
20. The terms and provisions contained in the document entitled Easement Agreement and Deed recorded June 21, 1972 as Book 1674, Page 336 of Official Records.

Affects: a portion of said land
21. The terms and provisions contained in the document entitled "Parcel Map No. CO74-309" recorded January 20, 1975 in Book 16, Page 65 of Parcel Maps.

Affects: a portion of said land
22. An easement for public utilities and incidental purposes, recorded October 6, 1976 as Book 1926, Page 805 of Official Records.
In Favor of: Pacific Telephone and Telegraph Company
Affects: a portion of the land
23. Intentionally Deleted
24. An easement for public utilities and incidental purposes, recorded November 10, 1986 as Book 2910, Page 600 of Official Records.
In Favor of: Pacific Gas and Electric Company
Affects: a portion of the land
25. Intentionally Deleted
26. The terms and provisions contained in the document entitled Notice Pursuant to Section 813 of Civil Code recorded August 26, 1996 as Instrument No. 1996-042464 of Official Records.

Affects: a portion of the land

27. The terms and provisions contained in the document entitled Notice of Revocation Pursuant to Section 813, Civil Code recorded June 18, 1999 as Instrument No. 1999-044152 of Official Records.
28. The terms and provisions contained in the document entitled Notice Pursuant to Section 813, Civil Code recorded June 18, 1999 as Instrument No. 1999-044153 of Official Records.
29. The terms and provisions contained in the document entitled Deed of Conservation Easement and Agreement Concerning Easement Rights recorded February 18, 2005 as Instrument No. 2005013388 of Official Records.

The terms and provisions contained in the document entitled "Assignment and Assumption of Conservation Easement and Related Grant Agreement" recorded February 18, 2005 as Instrument No. 2005013391 of Official Records.

The location of the easement cannot be determined from record information.

30. An easement for Conservation and incidental purposes in the document recorded February 18, 2005 as Instrument No. 2005013388 of Official Records.

The terms and provisions contained in the document entitled "Assignment and Assumption of Conservation Easement and Related Grant Agreement" recorded February 18, 2005 as Instrument No. 2005013391 of Official Records.

The location of the easement cannot be determined from record information.

31. The terms and provisions contained in the document entitled Notice of Unrecorded Grant Agreement recorded February 18, 2005 as Instrument No. 2005013389 of Official Records.
32. The terms and provisions contained in the document entitled "AGREEMENT AND IRREVOCABLE OFFER TO DEDICATE BY GIFT" recorded February 18, 2005 as INSTRUMENT NO. 2005-013393 OF OFFICIAL RECORDS.

The location of the easement cannot be determined from record information.

33. The terms and provisions contained in the document entitled Notice of Unrecorded Tax-Credit Agreement recorded February 18, 2005 as Instrument No. 2005013402 of Official Records.
34. The lien for the payment of a transfer fee as imposed by the document entitled NOTICE OF PAYMENT OF TRANSFER FEE REQUIRED, executed by CALIFORNIA RANGELAND TRUST, recorded July 10, 2018, as INSTRUMENT NO. 2018-028167, Official Records, and subject to the terms, conditions, and provisions contained therein.

The imposition of a transfer or conveyance fee is contained within the document. The provisions for such a fee require it to be paid upon transfer or conveyance of the Land. Such imposition may include a conveyance resulting from a foreclosure of an interest in the Land and any subsequent transfer, whether or not derived through such foreclosure.

Note: No transfer of title shall be insured until provisions have been made for payment of any applicable transfer or conveyance fee. The document must be thoroughly reviewed and complied with prior to the issuance of any policy of title insurance.

35. Rights of the public in and to that portion of the Land lying within any Road, Street, Alley or Highway.
36. Water rights, claims or title to water, whether or not shown by the Public Records.
37. Any claim that any portion of the land is below the ordinary high water mark where it was located prior to any artificial or avulsive changes in the location of the shoreline or riverbank.
38. Any rights, interests, or easements in favor of the public, which exist or are claimed to exist over any portion of said land covered by water, including a public right of access to the water.
39. Any claim that any portion of the land is or was formerly tidelands or submerged lands.

Plotted Easements

Hearst APNs 013-041-014 and 013-011-024






First American
Title Insurance Company

File No.: 6415720

Location: San Luis Obispo County, CA

Legend


-  PARCEL 1
-  PARCEL 2
-  Not A Part

03/17/1908 Bk76Pg692
(Private Road - Not Plottable)


05/04/1914 Bk101 Pg45
(Public Road - Not Plottable)


01/26/1932 Bk119 Pg482
(State Highway - Not Plottable)

01/09/1939 Bk253 Pg51
(State Highway - Not Plottable)

 08/10/1954 Bk767 Pg490
(Pipe Line)

08/10/1954 Bk767 Pg490
(Ingress And Egress - Not Plottable)

 06/21/1972 Bk1674 Pg336
(Ingress, Egress, Construction,
Operation, Maintenance, Repair
Of Water Reservoir)

 10/06/1976 Bk1926 Pg805
(Public Utilities)

02/18/2005 #2005013388
(02/18/2005 #2005013391)
(Conservation - Not Plottable)

02/18/2005 #2005-013393
(Right Of Way - Not Plottable)



This map may or may not be an accurate description or identification of the land and is not intended nor may it be relied upon as a survey of the land depicted hereon. This map is solely intended to provide orientation as to the general location of the parcel or parcels depicted herein. First American Title Company, its subsidiaries and affiliates, expressly disclaim any and all liability for all loss or damage which may result from reliance or use of this map.

NOT TO SCALE

PARCEL 2

PARCEL 1

CONS.
ESMT.

24

35.0± AC.
C.C. O.R.

LVG NO.2

LVG N

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6. G. Business Items



BUSINESS ACTION ITEM STAFF REPORT

Item 6.G. Discussion of video contract with Lori Mather productions for Special Board meeting recordings.

Summary:

Prior to the pandemic and the Governor's declaration resulting in a restriction on in-person Board meetings, the District's policy and procedures manual did not contain language that required special Board meetings to be video recorded. The Policy & Procedures Manual states that:

SECTION 6.00 Meetings: Time, Place, and Manner

6.03 Recording. The proceedings of all regular meetings shall be recorded by videographer. The proceedings of all special meetings shall be recorded by audio. Recordings shall be retained in accordance with the record retention policy pursuant to Resolution 19-407. Video and audio taping of regular or special meetings shall conform to Government Code Sections 54953.5 & 54953.6.

The lack of in-person meetings made it challenging for staff to record only the audio of Special Board meetings. On September 23, 2020 a service agreement with Lori Mather Video Services (LVMS) was entered in to, to video record the Special Board meetings on behalf of the District. This agreement was signed in accordance with the District's current purchasing policy.

Regular Board meeting recordings are currently paid for by a member of the community and the District pays \$25.00 for a copy of the meeting recording.

A member of the public contacted the Board of Directors regarding this matter. , This item was brought to the Board so that they can provide direction. The Policy & Procedures manual may need to be updated to reflect the direction provided.

Enc: Updated service agreement from LMVS 4.2.2021

Lori Mather Video Services

COMMERCIAL * LEGAL* EDUCATIONAL* HOME * GOVERNMENT

4/2/21

Services Agreement

LMVS Fee for providing San Simeon Community Services District (SSCSD) Digital File of Board Meetings

*Per meeting fee to attend, record, archive, and deliver SSCSD Meeting digital file (gavel to gavel meeting and a title page)..... \$300

*Per meeting fee NOT including LMVS attendance and recording of Zoom SSCSD Meeting (SSCSD provides LMVS the recorded file of zoom meeting. LMVS provides file of gavel to gavel meeting and a title page)..... \$150

Number of Regular SSCSD Board Meetings per year 12

Number of Special SSCSD Board Meetings per year(estimated) 4

Annual cost based on 16 SSCSD Meetings (16 X \$300)..... \$4,800

- SSCSD Meeting digital file is gavel to gavel of meeting with no video content alterations. Closed session times and duration are noted with a Graphics Page.
- Digital meeting files will be delivered to SSCSD within three calendar days.
- Agreement can be ended by SSCSD at any time.
- No charge for equipment malfunction beyond LMVS control.

Lori Mather/LMVS

San Simeon Community Services District

6. H. Business Items



BUSINESS ACTION ITEM STAFF REPORT

Item 6.H. Consideration of endorsing correspondence to Senator Feinstein regarding water reclamation and reuse program funding.

Summary:

This item was placed on the agenda at the request of Chairperson Kellas. The letter would be mailed to State Senator Diane Feinstein and to the Representative Salud Carbajal (Ken Calvert represents a different District). The letter asks that increased funding be allocated to the only active federal program that focuses on water recycling efforts. The deadline for submittal of the letter is April 8, 2021.

Enc: Template letter

April [X], 2020

The Honorable Dianne Feinstein
United States Senate
331 Hart Senate Office Building
Washington, DC 20510

The Honorable Ken Calvert
United States House of Representatives
2205 Rayburn House Office Building
Washington, DC 20515

Dear Senator Feinstein and Congressman Calvert,

In 2016, due to your steadfast efforts, Congress established a competitive grant program within the U.S. Bureau of Reclamation's (USBR) Title XVI Water Reclamation and Reuse program to provide federal cost-share grant funding for water recycling projects in the arid West. As you know, Title XVI is the only active federal program with a focus on water recycling. We write today to thank you for your support for the program, and to ask you to help secure increased funding for the Title XVI-WIIN program in FY 2022.

Water projects funded through the Title XVI program have been used to increase the supply of drinking water, generate sustainable irrigation water, and help industries expand and create jobs, among other regionally important economic purposes. The program is not limited to the reuse of municipal wastewater—it also helps communities identify beneficial uses for industrial, agricultural, and domestic wastewater, as well as impaired ground and surface water.

There are currently dozens Title XVI-WIIN eligible projects awaiting assistance, with a total of more than \$700 million in eligible federal cost-share. This list will only grow as more projects become eligible. Title XVI-WIIN is an integral part of the federal funding partnership with local communities throughout the West to ensure they have safe and sustainable water supplies to meet demand. This is especially true in California, which has received the vast majority of Title XVI funding.

Given the critical role water reuse plays in California's future water management, and given the overwhelming demand for Title XVI-WIIN projects across the West, we strongly urge you to provide no less than \$50 million for this program in FY 2022.

Thank you for considering our request. If you have any questions, please do not hesitate to contact Greg Fogel at gfogel@watereuse.org.