

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



BOARD PACKET

**Wednesday, January 14, 2015
Regular Meeting 6:00 pm**

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

Prepared by GES

AGENDA
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
Wednesday, January 14, 2015
6:00 pm

CAVALIER BANQUET ROOM
250 San Simeon Avenue
San Simeon, CA

1. REGULAR SESSION: 6:00 PM

A. Roll Call

B. Pledge of Allegiance

2. PUBLIC COMMENT:

Any member of the public may address and ask questions of the Board relating to any matter within the Board's jurisdiction, provided the matter is not on the Board's agenda. 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.

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

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

3. BOARD PRESENTATIONS AND ANNOUNCEMENTS:

4. STAFF REPORTS

A. General Manager's Report

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

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

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

B. Superintendent's Report

1. **Wastewater Treatment / Collection Systems** – Summary of operations and maintenance for December.

2. **Water / Distribution Systems** – Distribution performance for the Month of December.

3. **District Maintenance** – Summary of District maintenance for December.

C. District Financial Summary – Update on Monthly Financial Status for close of business December 31, 2014.

D. District Counsel's Report –Heather Whitham

5. ITEMS OF BUSINESS

A. Approval of last month's minutes – December 10, 2014.

B. Approval of Disbursements Journal – January 14, 2015.

6. DISCUSSION/ACTION ITEMS

A. Board Vote on LAFCO Special District Member for a three (3) year term.

B. Review of 2013-2014 Draft Fiscal Audit.

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

8. Board Reports – Oral Report from Board Members on current issues.

9. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS- Requests from Board members to receive feedback, direct staff to prepare information, and/or request a formal agenda report be prepared and the item placed on a future agenda.

10. 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.

4A. GENERAL MANAGER'S REPORT

Charles Grace

- **Staff Activity** – Report on Staff activities for the month of December.
- **Verbal Update** – Well head treatment system project
- **Verbal Update** – Well 2 sanitary seal project

4A. General Manager's Report January 14, 2015

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

During the month of December Staff read meters and distributed water billing and handled multiple customer service calls. Maintenance was performed around the District office; weed abatement and chicken wire placed around the base of the office to keep out wild animals.

2. Verbal Update – Well head treatment system project

3. Verbal Update – Well 2 sanitary seal project

4B. SUPERTINTENDENT'S REPORT

Jerry Copeland

Facilities Update for December

- **Wastewater Treatment Plant**
- **Water Distribution System**
- **District & Equipment Maintenance**

**4B. SAN SIMEON COMMUNITY SERVICES DISTRICT
Superintendent's Report
Activities of December 2014**

Wastewater Treatment Plant

- All sampling, testing and reporting at the wastewater treatment plant and the recycled water facility was performed as required by the RWQCB.
- Quarterly maintenance was performed on Blowers 4 and 5.
- One load of sludge was hauled away.
- New hire training took place for all facility operations.

Water Distribution System

- All routine sampling and testing was performed. The monthly report was submitted to the CDPH.
- Monthly meter reading was performed.
- Chloride levels were monitored daily throughout the system.

District and Equipment Maintenance

- Staff continues with all of the scheduled preventive maintenance for all the equipment at the facilities. We are recording all of these activities.
- Weed abatement was performed around the District office, the wastewater treatment plant, and areas around the District streets.

San Simeon Community Services District - Monthly Data Report -December 2014

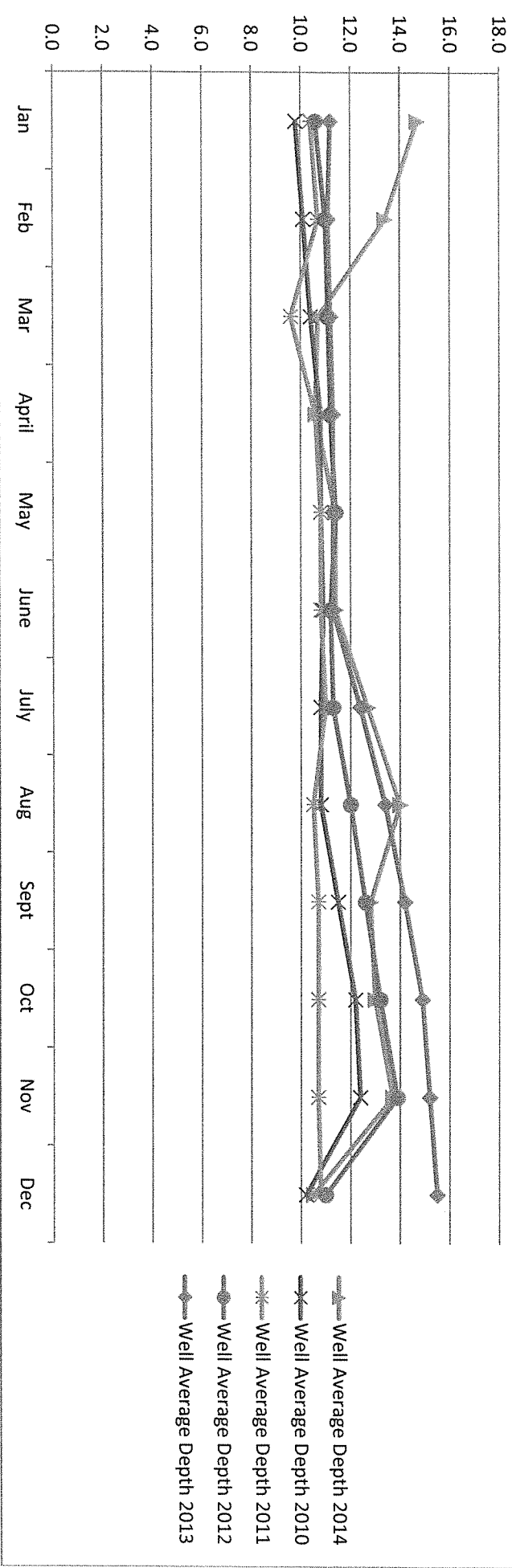
Date	Day	Wastewater Influent Daily flow	Wastewater Effluent Daily Flow	CALCULATED Well 1 Total Pumped	CALCULATED Well 2 Total Pumped	CALCULATED Well 3 Total Pumped	CALCULATED Total Daily Water Produced	Recycled Water Distributed	Water Level Well 1	Water Level Well 2	Rainfall in Inches	INP/UT State Sewer Daily Flow
12/01/14	Mon	72,538	65,900	0	7,929	46,400	54,329	0	14.1	14.0	0.12	7,889
12/02/14	Tue	74,379	69,880	0	9,051	46,700	55,751	0	14.1	14.1	0.55	3,600
12/03/14	Wed	72,970	54,810	0	5,386	25,600	30,986	0	14.0	14.0	0.08	4,642
12/04/14	Thu	81,437	71,930	1,272	6,807	25,200	33,278	0	12.7	12.7	0.91	4,891
12/05/14	Fri	92,484	83,180	0	5,610	31,900	37,510	0	11.1	11.0	0.83	7,569
12/06/14	Sat	91,460	93,820	0	0	38,400	38,400	0	9.8	9.7	0.16	10,558
12/07/14	Sun	84,754	68,560	0	8,826	43,600	52,426	0	9.9	9.9	0.00	5,833
12/08/14	Mon	75,647	62,280	0	8,602	49,600	58,202	0	10.3	10.2	0.00	4,436
12/09/14	Tue	85,516	57,870	0	2,693	43,500	46,193	0	10.5	10.4	0.00	6,771
12/10/14	Wed	84,995	47,750	449	8,976	37,500	46,925	0	10.5	10.4	0.00	3,236
12/11/14	Thu	120,366	84,970	0	5,610	32,100	37,710	0	10.3	10.2	1.10	9,035
12/12/14	Fri	131,151	129,160	0	2,992	22,300	25,292	0	9.6	9.5	0.91	9,421
12/13/14	Sat	174,536	76,520	0	5,460	38,300	43,760	0	9.3	9.3	0.00	16,753
12/14/14	Sun	80,866	75,080	0	11,818	37,600	49,418	0	9.9	9.8	0.00	5,984
12/15/14	Mon	111,218	133,530	0	13,240	33,000	46,240	0	10.2	10.2	0.95	10,162
12/16/14	Tue	101,768	105,140	0	10,771	32,300	43,071	0	9.0	8.9	0.28	19,406
12/17/14	Wed	95,475	89,390	0	11,893	32,700	44,593	0	9.1	9.0	0.01	14,683
12/18/14	Thu	76,481	75,290	4,563	17,279	38,600	60,442	0	9.6	9.5	0.04	8,861
12/19/14	Fri	85,787	73,180	0	18,401	37,200	55,601	0	9.9	9.8	1.20	6,248
12/20/14	Sat	98,301	83,540	0	14,212	30,800	45,012	0	10.1	10.0	0.00	4,923
12/21/14	Sun	135,128	98,380	0	33,211	40,100	73,311	0	9.9	9.9	0.00	4,844
12/22/14	Mon	93,107	92,720	0	26,554	38,200	64,754	0	10.1	10.0	0.00	5,186
12/23/14	Tue	88,619	86,180	0	30,743	59,600	90,343	0	10.1	10.0	0.00	3,099
12/24/14	Wed	72,658	110,930	0	17,952	54,500	72,452	0	10.1	10.0	0.00	10,248
12/25/14	Thu	105,270	94,160	0	9,948	53,000	62,948	0	10.1	10.0	0.00	3,960
12/26/14	Fri	94,634	81,100	0	34,707	54,900	89,607	0	10.0	10.0	0.00	3,186
12/27/14	Sat	111,281	103,810	0	38,223	54,200	92,423	0	10.1	10.0	0.00	4,688
12/28/14	Sun	89,532	92,060	0	34,558	54,400	88,958	0	10.2	10.1	0.00	4,627
12/29/14	Mon	119,316	114,890	0	38,372	54,700	93,072	0	10.2	10.1	0.00	7,236
12/30/14	Tue	89,791	96,360	0	41,065	54,600	95,665	0	10.2	10.1	0.00	6,376
12/31/14	Wed	90,024	95,520	0	43,982	54,200	98,182	0	10.3	10.2	0.00	5,963
TOTALS		2,981,479	2,667,890	6,283	524,872	1,295,700	1,728,672	0			7.14	224,314
Average		96,177	86,061	203	16,931	41,797	57,622	0	10.5	10.4	0.23	7,236
Minimum		72,538	47,750	0	0	22,300	25,292	0	9.0	8.9	0.00	3,099
Maximum		174,536	133,530	4,563	43,982	59,600	95,665	0	14.1	14.1	1.20	19,406

DATA SUMMARY SHEET

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Total for 2014
2014													
Wastewater Influent	2,038,514	2,129,638	2,312,484	2,560,476	2,551,268	2,827,071	3,032,345	2,978,001	2,438,979	2,319,178	2,327,707	2,981,479	30,497,140
Wastewater Final Effluent (Month Cycle)	2,086,860	2,250,320	2,347,710	2,548,090	2,475,100	2,547,800	3,024,620	2,859,870	2,344,990	2,259,290	1,919,400	2,667,890	29,331,940
Adjusted Wastewater Influent (- State Flow) *	1,776,470	1,863,820	1,938,110	2,204,983	2,198,940	2,428,604	2,790,878	2,840,506	2,303,254	2,192,612	2,213,479	2,757,165	27,508,821
Water Produced (month cycle)	1,892,141	1,737,158	1,745,682	1,941,958	2,196,613	2,314,014	2,731,098	2,729,715	2,192,595	2,182,907	1,721,518	1,728,672	25,114,070
Sewer Influent/Water Produced Ratio	1.10	1.23	1.32	1.32	1.16	1.22	1.11	1.09	1.11	1.06	1.35	1.77	N/A
Adjusted Sewer/Water Produced Ratio	0.94	1.10	1.10	1.14	1.00	1.04	1.02	1.04	1.05	1.01	1.29	1.60	N/A
Well 1 Water Pumped	1,368,990	0	374,374	1,148,479	1,099,186	1,190,814	1,436,085	1,386,532	232,703	598	0	6,383	8,244,145
Well 2 Water Pumped	523,151	1,493,158	1,595,634	909,867	1,097,427	1,123,200	1,295,012	1,343,183	1,573,792	642,008	329,718	524,872	12,451,022
Well 3 Water Pumped	0	244,000	0	0	0	0	0	0	386,100	1,540,300	1,391,800	1,295,700	4,857,900
Total Well Production	1,892,141	1,737,158	1,745,682	1,941,958	2,196,613	2,314,014	2,731,098	2,729,715	2,192,595	2,182,907	1,721,518	1,728,672	25,114,071
Water Well 1 Avg Depth to Water	14.6	13.1	10.7	10.6	10.5	11.4	12.7	14.0	12.8	12.9	13.7	10.5	N/A
Water Well 2 Avg Depth to Water	14.7	13.4	10.6	10.5	10.5	11.3	12.6	13.9	12.8	13.0	13.7	10.4	N/A
Average Depth of Both Wells	14.7	13.3	10.7	10.6	10.5	11.4	12.7	14.0	12.8	13.0	13.7	10.5	N/A
Change in Average Well Depth from 2013	+3.4	+2.2	-0.5	-0.7	-0.8	-0.1	+0.3	+0.6	-1.4	-1.9	-1.5	-5.0	N/A
State Wastewater Treated	262,044	265,818	311,282	355,493	352,328	398,467	241,467	137,495	135,725	126,566	114,228	224,314	2,925,227
State % of Total WW Flow	13%	13%	16%	14%	14%	14%	8%	5%	6%	6%	5%	8%	N/A
Recycled Water Sold (Gallons)	0	0	0	125	5,785	10,420	29,555	44,145	36,080	38,705	9,080	0	173,895
Biosolids Removal (Gallons)	0	0	12,000	12,000	6,000	6,000	12,000	6,000	6,000	6,000	0	6,000	72,000
WW 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
2013													
Wastewater Final Effluent (Month Cycle)	2,021,340	1,908,020	2,318,280	2,451,860	2,643,980	2,808,900	3,419,550	3,346,020	2,749,810	2,603,850	2,258,780	2,353,200	30,883,590
Wastewater Influent	2,314,345	2,162,072	2,521,425	2,462,631	2,597,523	2,836,232	3,360,480	3,305,527	2,735,386	2,525,334	2,084,338	2,313,438	31,218,731
Adjusted Wastewater Influent (- State Flow) *	2,067,826	1,945,010	2,232,831	2,144,411	2,239,609	2,452,299	2,819,473	2,783,082	2,351,167	2,191,107	1,882,313	2,007,408	27,086,536
Water Produced (month cycle)	1,727,730	1,703,869	1,995,696	2,278,258	2,540,208	2,803,862	3,198,897	3,089,090	2,471,242	2,288,805	1,854,816	2,032,266	27,984,740
Sewer Influent/Water Produced Ratio	1.34	1.27	1.26	1.08	1.02	1.01	1.05	1.08	1.11	1.10	1.22	1.17	N/A
Adjusted Sewer/Water Ratio	1.20	1.14	1.12	0.94	0.88	0.88	0.88	0.90	0.95	0.96	1.00	1.01	N/A
Average Depth of Both Wells	11.3	11.1	11.2	11.3	11.3	11.3	12.4	13.4	14.2	14.9	15.2	15.5	N/A
Change in Average Well Depth from 2012	+0.6	+0.1	+0.1	+0.1	+0.1	+0.1	+1.1	+1.4	+1.6	+1.7	+1.3	+5.5	N/A
State Wastewater Treated	246,519	217,062	288,594	318,220	357,914	383,933	541,007	522,445	384,219	334,227	232,025	281,172	4,107,337
State % of Total WW Flow	11%	10%	11%	13%	14%	14%	16%	16%	14%	13%	11%	12%	N/A
Biosolids Removal (Gallons)	6,000	0	0	6,000	6,000	12,000	6,000	12,000	12,000	6,000	6,000	6,000	78,000
WW Permit Limitation Exceeded	0	0	0	0	0	0	0	0	0	0	0	0	0
Constituent Exceeded	None	None	None	None	None	None	None	None	None	None	None	None	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

The formula for calculation of "State % of total WW Flow" compares the State Wastewater Treated to the Wastewater Influent Flow.

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Well Average Depth 2010	9.8	10.1	10.4	10.8	10.8	10.9	10.8	10.8	11.5	12.2	12.4	10.2
Well Average Depth 2011	10.4	10.7	9.6	10.6	10.8	10.8	11.0	10.5	10.7	10.7	10.7	10.8
Well Average Depth 2012	10.6	11.0	11.1	11.2	11.4	11.2	11.3	12.0	12.6	13.2	13.9	11.0
Well Average Depth 2013	11.2	11.1	11.2	11.3	11.3	11.3	12.4	13.4	14.2	14.9	15.2	15.5
Well Average Depth 2014	14.7	13.4	10.7	10.6	11.4	11.4	12.7	14.0	12.8	13.0	13.7	10.5



4C. DISTRICT FINANCIALS

**Renee Lundy
December 31, 2014**

- **Financial Summary**
- **Balance Sheet**
- **Water Sales & Production**

SAN SIMEON COMMUNITY SERVICES DISTRICT



4C. FINANCIAL SUMMARY

**BILLING
December 31, 2014**

November Billing Revenue	\$ 56,326.44
December Billing Revenue	\$ 42,504.47
Past Due (31 to 60 days)	\$ 229.33
Past Due (60 days)	\$ 347.03

**RABOBANK SUMMARY
Ending Balances December 31, 2014**

Summary of Transactions:

Money Marketing Account Closing Balance December 31, 2014	\$ 706,950.26
(Interest December)	\$ 166.79)
	Reserve Fund (\$ 250,000.00)
	Hook up Deposits (\$ 45,750.00)
	Available Funds \$ 411,200.26
General Checking Account	\$ 164,645.22
Well Rehab Project/USDA Checking Account	\$ 100.05

LAIF Closing Balance December 31, 2014 **\$ 518.85**

SAN SIMEON COMMUNITY SERVICES DISTRICT
Balance Sheet
As of January 1, 2015

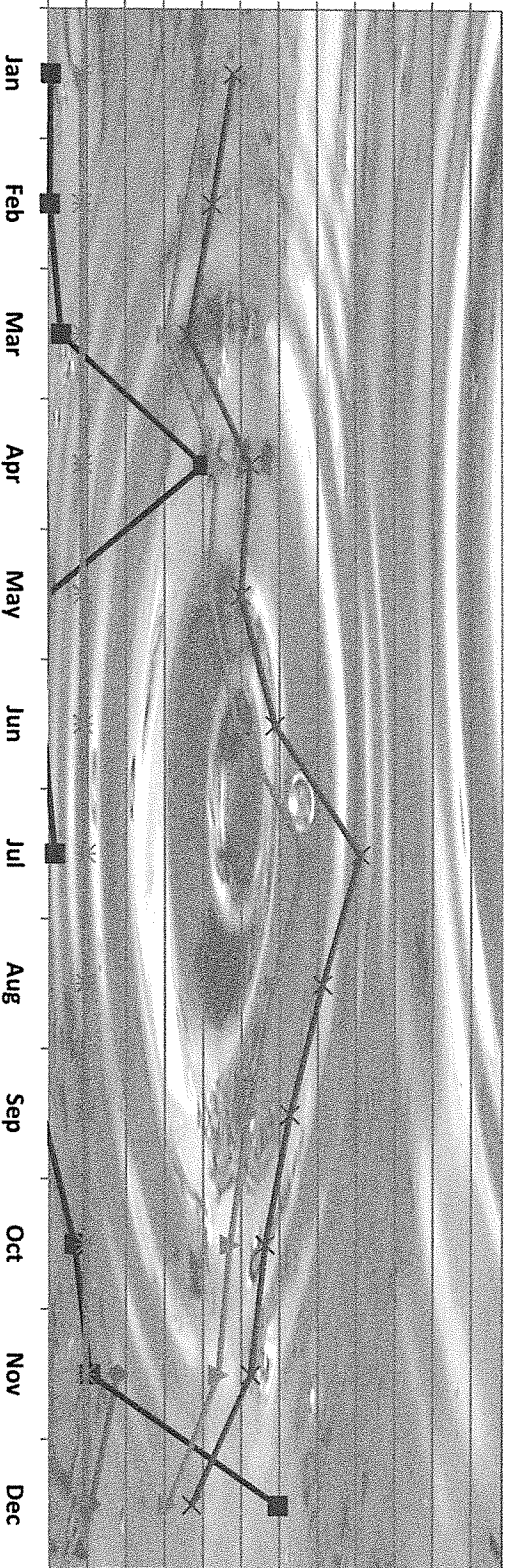
Jan 1, 15

ASSETS	
Current Assets	
Checking/Savings	
1010 · Petty cash	150.00
1020 · General checking	93,929.51
1022 · USDA checking	100.05
1040 · Cash in county treasury	(3,053.68)
1050 · LAIF - non-restricted cash	518.24
1060 · Money Market Account 9548643039	706,950.26
Total Checking/Savings	798,594.38
Other Current Assets	
1200 · Accounts receivable	41,222.83
1300 · Prepaid expenses	4,801.15
Total Other Current Assets	46,023.98
Total Current Assets	844,618.36
Fixed Assets	
1400 · Fixed assets	
1420 · Building and structures	395,874.73
1500 · Equipment	316,747.53
1540 · Major water projects	145,068.22
1580 · Sewer plant	1,488,555.08
1600 · Water system	550,390.00
1620 · WWTP expansion	299,565.92
1630 · Tertiary Project	260,692.62
1640 · Wellhead project	444,712.08
Total 1400 · Fixed assets	3,901,606.18
1650 · Walkway access projects	11,511.00
1660 · RO Unit	2,918.00
1690 · Accumulated depreciation	(2,003,388.96)
Total Fixed Assets	1,912,646.22
Other Assets	
1710 · Customer deposits	100.00
Total Other Assets	100.00
TOTAL ASSETS	2,757,364.58
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2100 · Payroll liabilities	229.50
2500 · Customer security deposits	10,208.13
2510 · Connect hookup wait list	45,750.00
2520 · USDA Loan	479,310.00
Total Other Current Liabilities	535,497.63
Total Current Liabilities	535,497.63
Total Liabilities	535,497.63
Equity	
3200 · Fund balance	2,332,653.26
3900 · Suspense	2,394.00
Net Income	(113,180.31)
Total Equity	2,221,866.95
TOTAL LIABILITIES & EQUITY	2,757,364.58

2014 DISTRICT REVENUE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
State Billing				\$23,125.64			\$24,891.66				\$9,972.00	\$6,480.49	\$64,469.79
Property Tax	\$1,327.66	\$1,155.60	\$2,632.24	\$21,054.41	\$912.02	\$195.04	\$1,749.86		\$170.96	\$4,304.07	\$6,305.04	\$30,755.69	\$70,562.59
Water	\$21,971.3	\$19,076.2	\$16,337.8	\$22,890.1	\$21,881.1	\$25,417.3	\$34,524.9	\$30,347.3	\$26,979.2	\$24,551.7	\$23,063.4	\$16,542.2	\$283,582.31
Sewer	\$25,116.2	\$22,334.7	\$19,215.2	\$27,214.3	\$26,016.0	\$30,425.9	\$41,554.7	\$36,609.6	\$32,364.6	\$29,124.2	\$27,266.3	\$19,555.3	\$336,796.91
Service	\$5,366.4	\$5,366.4	\$5,366.4	\$5,366.4	\$5,392.2	\$5,392.2	\$5,773.5	\$5,747.7	\$5,747.7	\$5,747.7	\$5,775.1	\$5,747.7	\$66,789.37
Late Fees	\$155.8	\$100.4	\$93.9	\$413.6	\$896.4	\$139.2	\$124.0	\$44.8	\$94.8	\$153.1	\$221.7	\$168.2	\$2,605.77
Total	\$53,937.3	\$48,033.3	\$43,645.6	\$100,064.4	\$55,097.7	\$61,569.5	\$108,618.6	\$72,749.4	\$65,357.2	\$63,880.8	\$72,603.5	\$79,249.6	\$824,806.74
Water Sold Cu Ft	229200	206900	177200	248063	236917	275338	352622	309962	275523	250905	235552	169443	2961625
Water Sold Acre ft	5.12	4.75	4.07	5.69	5.44	6.32	8.10	7.12	6.33	5.76	5.41	3.89	67.99

\$56,000.00
 \$51,000.00
 \$46,000.00
 \$41,000.00
 \$36,000.00
 \$31,000.00
 \$26,000.00
 \$21,000.00
 \$16,000.00
 \$11,000.00
 \$6,000.00
 \$1,000.00

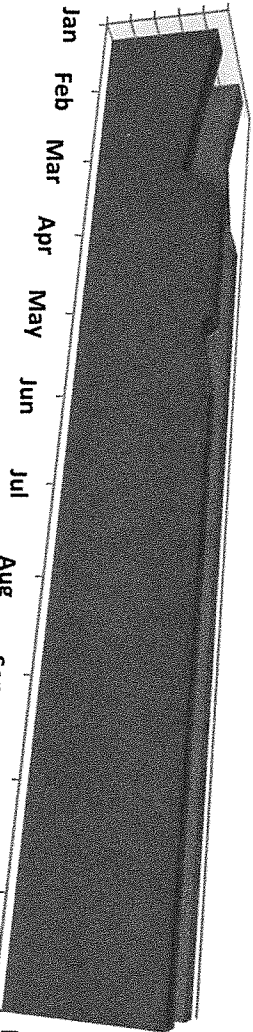


- ◆ State Billing
- Property Tax
- ▲ Water
- ✕ Sewer
- ✱ Service
- Late Fees

REVENUE VS EXPENSES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Revenue	\$53,937.30	\$48,033.30	\$43,645.60	\$100,064.40	\$55,097.70	\$61,569.50	\$108,618.60	\$72,749.40	\$65,357.20	\$63,880.80	\$72,603.50	\$79,249.60	\$824,806.90
Expenses	\$58,555.68	\$53,848.94	\$56,471.91	\$67,511.62	\$68,584.98	\$63,061.56	\$68,239.78	\$75,948.43	\$67,780.30	\$71,023.34	\$70,022.86	\$70,473.36	\$791,522.76
Balance	-\$4,618.38	-\$5,815.64	-\$12,826.31	\$32,552.78	-\$13,487.28	-\$1,492.06	\$40,378.82	-\$3,199.03	-\$2,423.10	-\$7,142.54	\$2,580.64	\$8,776.24	\$33,284.14

\$60,000.00
 \$50,000.00
 \$40,000.00
 \$30,000.00
 \$20,000.00
 \$10,000.00



- Revenue
- Expenses

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec
 Revenue

**SAN SIMEON COMMUNITY SERVICES DISTRICT
DISTRICT REVENUE
YEAR END TOTALS**

2014													
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YET
Water	\$21,971.3	\$19,076.2	\$16,337.8	\$22,890.1	\$21,881.1	\$25,417.3	\$34,524.9	\$30,347.3	\$26,979.2	\$24,551.7	\$23,063.4	\$16,542.2	\$283,582.3
Sewer	\$25,116.2	\$22,334.7	\$19,215.2	\$27,214.3	\$26,016.0	\$30,425.9	\$41,554.7	\$36,609.6	\$32,364.6	\$29,124.2	\$27,266.3	\$19,555.3	\$336,796.9
Service	\$5,366.4	\$5,366.4	\$5,366.4	\$5,366.4	\$5,392.2	\$5,392.2	\$5,773.5	\$5,747.7	\$5,747.7	\$5,747.7	\$5,775.1	\$5,747.7	\$66,789.4
Late Fees	\$155.8	\$100.4	\$93.9	\$413.6	\$896.4	\$139.2	\$124.0	\$44.8	\$94.8	\$153.1	\$221.7	\$168.2	\$2,605.8
State Billing				\$23,125.64			\$24,891.66				\$9,972.00	\$6,480.49	\$64,469.8
Prop Tax	\$1,327.66	\$1,155.60	\$2,632.24	\$21,054.41	\$912.02	\$195.04	\$1,749.86		\$170.96	\$4,304.07	\$6,305.04	\$30,755.69	\$70,562.6
TOTAL	\$53,937.3	\$48,033.3	\$43,645.6	\$100,064.4	\$55,097.7	\$61,569.5	\$108,618.6	\$72,749.4	\$65,357.2	\$63,880.8	\$72,603.5	\$79,249.6	\$824,806.7

2013													
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YET
Water	\$18,102.6	\$20,631.4	\$17,394.1	\$23,008.4	\$23,384.4	\$29,603.5	\$36,628.9	\$36,833.3	\$28,053.5	\$24,908.9	\$20,549.4	\$17,417.0	\$296,515.5
Sewer	\$20,172.8	\$21,705.5	\$18,903.2	\$25,168.5	\$24,914.3	\$32,350.8	\$40,084.9	\$43,613.3	\$33,179.7	\$29,636.1	\$23,946.3	\$20,191.1	\$333,866.5
Service	\$4,792.3	\$4,769.3	\$4,769.3	\$4,792.3	\$4,815.4	\$4,792.3	\$5,436.9	\$5,366.4	\$5,366.4	\$5,366.4	\$5,366.4	\$5,366.4	\$60,999.8
Late Fees	\$80.3	\$163.5	\$95.6	\$58.8	\$51.7	\$88.3	\$59.8	\$110.4	\$120.6	\$71.4	\$117.4	\$101.1	\$1,118.7
State Billing			\$15,874.60			\$21,090.32			\$27,981.20			\$21,530.45	\$86,476.6
Prop Tax	\$757.44	\$1,473.36	\$3,935.20	\$18,534.56	\$1,963.98	\$141.38	\$8,069.77	\$51.86	\$1,503.31	\$3,859.65	\$5,718.15	\$25,445.32	\$71,454.0
TOTAL	\$43,905.44	\$48,742.98	\$60,971.99	\$71,562.56	\$55,129.68	\$88,066.63	\$90,280.29	\$85,975.29	\$96,204.70	\$63,842.39	\$55,697.70	\$90,051.38	\$850,431.0

2012

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YET
Water	\$18,368.8	\$17,712.9	\$14,752.5	\$20,943.1	\$19,569.8	\$24,471.6	\$30,164.0	\$31,860.6	\$27,236.4	\$23,180.2	\$19,172.8	\$13,606.3	\$261,038.8
Sewer	\$19,403.2	\$16,370.8	\$15,243.1	\$22,112.6	\$20,266.8	\$25,270.9	\$32,911.6	\$34,733.9	\$29,563.0	\$25,730.9	\$21,158.5	\$14,923.0	\$277,688.4
Service	\$4,251.5	\$4,272.0	\$4,251.5	\$4,251.5	\$4,251.5	\$4,292.4	\$4,792.3	\$4,792.3	\$4,815.4	\$4,815.4	\$4,792.3	\$4,815.4	\$54,393.5
Late Fees	\$509.5	\$66.6	\$177.6	\$204.2	\$268.6	\$195.6	\$106.6	\$170.8	\$131.8	\$94.7	\$1,113.9	\$99.0	\$3,138.8
State Billing			\$12,350.99			\$14,482.23			\$21,846.13			\$18,453.99	\$67,133.34
Prop Tax	\$619.54	\$1,594.90	\$5,291.08	\$18,294.18	\$765.20	\$349.85	\$528.42	\$1,346.94	\$1,576.52	\$3,775.02	\$6,279.23	\$25,525.47	\$65,946.35
TOTAL	\$43,152.57	\$40,017.17	\$52,066.87	\$65,805.54	\$45,121.80	\$69,062.60	\$68,502.96	\$72,904.50	\$85,169.16	\$57,596.18	\$52,516.73	\$77,423.13	\$729,339.21

**SAN SIMEON COMMUNITY SERVICES DISTRICT
DISTRICT REVENUE
YEAR END TOTALS**

2011													
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YET
Water	\$14,079.9	\$14,436.8	\$14,580.3	\$15,978.4	\$17,181.9	\$20,045.1	\$29,080.9	\$30,541.4	\$24,905.3	\$23,664.7	\$18,603.5	\$18,224.2	\$241,322.4
Sewer	\$14,010.9	\$14,599.5	\$13,759.0	\$16,248.7	\$17,077.0	\$20,232.7	\$30,694.0	\$32,170.1	\$26,341.4	\$24,926.1	\$19,583.4	\$19,169.6	\$248,812.4
Service	\$3,820.5	\$3,838.8	\$3,802.2	\$3,802.2	\$3,820.5	\$3,802.2	\$4,272.0	\$4,231.1	\$4,251.5	\$4,251.5	\$4,251.5	\$4,272.0	\$48,416.1
Late Fees	\$175.71	\$157.43	\$209.24	\$328.45	\$927.82	225.80,	\$356.68	\$101.30	\$843.71	\$104.57	\$630.80	\$98.08	\$3,933.8
State Billing			\$1,953.63			\$13,745.07			\$15,046.67			\$14,638.77	\$55,354.1
Prop Tax	\$1,477.22		\$5,052.73	\$19,947.64	\$1,010.56	\$455.35	\$2,191.03	\$15.30	\$1,449.09	\$2,573.45	\$8,150.50	\$25,373.46	\$67,696.3
TOTAL	\$33,564.21	\$33,032.51	\$49,357.12	\$56,305.40	\$40,017.76	\$58,250.42	\$66,594.53	\$67,059.19	\$72,837.69	\$55,520.40	\$51,219.72	\$81,776.15	\$665,535.10

2010													
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YET
Water	\$14,655.9	\$12,301.9	\$12,308.1	\$17,354.2	\$16,361.6	\$23,235.2	\$23,422.1	\$24,495.2	\$24,323.5	\$18,281.7	\$17,712.1	\$13,309.5	\$217,760.9
Sewer	\$14,474.7	\$12,023.6	\$11,960.2	\$17,100.5	\$15,949.3	\$22,296.5	\$21,589.4	\$22,706.9	\$22,330.6	\$16,837.1	\$17,839.7	\$13,259.2	\$208,367.6
Service	\$3,498.7	\$3,498.7	\$3,481.9	\$3,498.7	\$3,498.7	\$3,481.9	\$3,835.7	\$3,820.5	\$3,802.2	\$3,802.2	\$3,802.2	\$3,857.1	\$43,878.5
Late Fees	\$214.07	\$130.07	\$132.54	\$158.48	\$754.55	\$291.27	\$870.23	\$578.79	\$96.79	\$55.83	\$254.46	\$260.05	\$3,797.1
State Billing			\$15,319.73			\$18,674.54			\$12,346.08			\$12,156.15	\$58,496.5
Prop Tax	\$3,215.01	\$268.85	\$6,014.92	\$16,244.84	\$1,289.79	\$672.32	\$3,103.65	\$29.75	\$958.44	\$707.60	\$8,316.76	\$27,270.18	\$68,092.1
TOTAL	\$36,058.42	\$28,223.10	\$49,217.37	\$54,356.62	\$37,853.86	\$68,651.72	\$52,821.03	\$51,631.13	\$63,857.66	\$39,684.38	\$47,925.31	\$70,112.12	\$600,392.7

Historical Water Production and Sales

Month	2014												Year End Total
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Water	\$21,971.3	\$19,076.2	\$16,337.8	\$22,890.1	\$21,881.1	\$25,417.3	\$34,524.9	\$30,347.3	\$26,979.2	\$24,551.7	\$23,063.4	\$16,542.2	\$283,582.31
Sewer	\$25,116.2	\$22,334.7	\$19,215.2	\$27,214.3	\$26,016.0	\$30,425.9	\$41,554.7	\$36,609.6	\$32,364.6	\$29,124.2	\$27,266.3	\$19,555.3	\$336,796.91
Service	\$5,366.4	\$5,366.4	\$5,366.4	\$5,366.4	\$5,392.2	\$5,392.2	\$5,773.5	\$5,747.7	\$5,747.7	\$5,747.7	\$5,775.1	\$5,747.7	\$66,789.37
Total	\$52,453.9	\$46,777.3	\$40,919.4	\$55,470.7	\$53,289.3	\$61,235.3	\$81,853.1	\$72,704.6	\$65,091.5	\$59,423.6	\$56,104.8	\$41,845.2	\$687,168.6
Water Sold Cu Ft	223200	206900	177200	248063	236917	275338	352622	309962	275523	250905	235552	169443	2961625
Water Sold Acre ft	5.12	4.75	4.07	5.69	5.44	6.32	8.10	7.12	6.33	5.76	5.41	3.89	67.99

Month	2013												Year End Total
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Water	\$18,102.6	\$20,631.4	\$17,394.1	\$23,008.4	\$23,384.4	\$29,603.5	\$36,628.9	\$36,833.3	\$28,053.5	\$24,908.9	\$20,549.4	\$17,417.0	\$296,515.50
Sewer	\$20,172.8	\$21,705.5	\$18,903.2	\$25,168.5	\$24,914.3	\$32,350.8	\$40,084.9	\$43,613.3	\$33,179.7	\$29,636.1	\$23,946.3	\$20,191.1	\$333,866.47
Service	\$4,792.3	\$4,769.3	\$4,769.3	\$4,792.3	\$4,815.4	\$4,792.3	\$5,436.9	\$5,366.4	\$5,366.4	\$5,366.4	\$5,366.4	\$5,366.4	\$60,999.78
Total	\$43,067.8	\$47,106.2	\$41,066.6	\$52,969.2	\$53,114.0	\$66,746.6	\$82,150.7	\$85,813.0	\$66,599.6	\$59,911.4	\$49,862.2	\$42,974.5	\$691,381.8
Water Sold Cu Ft	220059	216680	209256	285145	279529	354134	373741	396714	303256	269689	222002	188500	3318705
Water Sold Acre ft	5.05	4.97	4.80	6.55	6.42	8.13	8.58	9.11	6.96	6.19	5.10	4.33	76.19

Month	2012												Year End Total
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Water	\$18,368.8	\$17,712.9	\$14,752.5	\$20,943.1	\$19,569.8	\$24,471.6	\$30,164.0	\$31,860.6	\$27,236.4	\$23,180.2	\$19,172.8	\$13,606.3	\$261,038.80
Sewer	\$19,403.2	\$16,370.8	\$15,243.1	\$22,112.6	\$20,266.8	\$25,270.9	\$32,911.6	\$34,733.9	\$29,563.0	\$25,730.9	\$21,158.5	\$14,923.0	\$277,688.41
Service	\$4,251.5	\$4,272.0	\$4,251.5	\$4,251.5	\$4,251.5	\$4,292.4	\$4,792.3	\$4,792.3	\$4,815.4	\$4,815.4	\$4,792.3	\$4,815.4	\$54,393.48
Total	\$42,023.5	\$38,355.7	\$34,247.2	\$47,307.2	\$44,088.1	\$54,034.9	\$67,867.9	\$71,386.8	\$61,614.7	\$53,726.5	\$45,123.6	\$33,344.7	\$593,120.7
Water Sold Cu Ft	248582	225987	201323	285397	264824	329516	361479	380540	324880	279621	232827	165658	3300634
Water Sold Acre ft	5.71	5.19	4.62	6.55	6.08	7.56	8.30	8.74	7.46	6.42	5.34	3.80	75.77

Month	2011												Year End Total
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Water	\$14,079.9	\$14,436.8	\$14,580.3	\$15,978.4	\$17,181.9	\$20,045.1	\$29,080.9	\$30,541.4	\$24,905.3	\$23,664.7	\$18,603.5	\$18,224.2	\$241,322.4
Sewer	\$14,010.9	\$14,599.5	\$13,759.0	\$16,248.7	\$17,077.0	\$20,232.7	\$30,694.0	\$32,170.1	\$26,341.4	\$24,926.1	\$19,583.4	\$19,169.6	\$248,812.4
Service	\$3,820.5	\$3,838.8	\$3,802.2	\$3,802.2	\$3,820.5	\$3,802.2	\$4,272.0	\$4,231.1	\$4,251.5	\$4,251.5	\$4,251.5	\$4,272.0	\$48,416.1
Total	\$31,911.3	\$32,875.1	\$32,141.5	\$36,029.3	\$38,079.4	\$44,080.0	\$64,046.8	\$66,942.6	\$55,498.2	\$52,842.4	\$42,438.4	\$41,665.8	\$538,550.8
Water Sold Cu Ft	216577	220129	214084	243460	269171	304596	394069	413435	337511	319681	252605	247832	3433150
Water Sold in acre	4.97	5.05	4.91	5.59	6.18	6.99	9.05	9.49	7.75	7.34	5.80	5.69	78.81

5. ITEMS OF BUSINESS

5A. Approval of last month's minutes – December 10, 2014.

5B. Approval of Disbursements Journal – January 14, 2015.

MINUTES
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
Wednesday, December 10, 2014
6:00 pm

CAVALIER BANQUET ROOM
250 San Simeon Avenue
San Simeon, CA

1. REGULAR SESSION: @6:06 PM

A. Roll Call:

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

General Manager, Charles Grace
District Counsel, Heather Whitham
Sheriff Representative Sargent Cronin

B. Pledge of Allegiance

2. PUBLIC COMMENT: No Comment

A. Sheriff's Report – Report for November.

There were 63 calls for service. Such calls were 11 Assist Other Agencies, 1 Domestic Violence, 1 Crimes Against Property, 4 Check the Welfare, 7 Suspicious Circumstances, 8 Incomplete 911 Calls, 31 Self-Initiated Field Activity by a Deputy.

B. Public comment on Sheriff's Report: None

3. BOARD PRESENTATIONS AND ANNOUNCEMENTS:

The residents of San Simeon were given ballots in October to vote for the San Simeon business who they felt did the best job representing the Community of San Simeon. El Chorlito was the winner, runner up was The Cavalier. The Board presented the "Dee Dee Ricci Beautification Award" to El Chorlito Restaurant at the December meeting. Evelyn and Bob Morals from El Chorlito accepted their Beautification award from Dee Dee Ricci.

4. STAFF REPORTS

A. General Manager's Report

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

During the month Staff read meters and distributed water billing to customers. Grease trap inspections were conducted and will continue through the month of December.

Staff worked with Phoenix Engineering and Olivera Environmental on their proposals for the Recycled Water Project and their portions of the work plan. Staff revised the work plan, budget and other paperwork necessary to meet the County's deadline for the Grant approval process. Staff assisted hotels with questions regarding the recycled water contract in effort that they could be submitted in a timely manner.

2. Update – Well Head Treatment Project

After extensive coordination staff received a proposal from Evoqua to rent a well head treatment system to reduce hardness and chloride from water pumped via well one and well two. Staff continues to work with Evoqua by exploring their capital lease program in effort to eventually own the treatment device.

The General Manager received word from the California Department of Public Health (CDPH) that the 50% design that was submitted has been accepted. Staff is now moving forward with 100% design.

Mrs. Ricci from the public asked about permitting. Mr. Grace said that the CDPH has been involved in every step taken by Staff to avoid problems with permitting.

3. Update - USDA Grant Application for Well Head Treatment Project

Phoenix Engineering has completed the Preliminary Engineering Report (PER) for the Grant and staff submitted the PER to the USDA. Staff is continuing with the application process required by the USDA for Grant approval. The USDA suggested they review the PER prior to SSCSD submitting the remainder of the application. The PER is currently being review by the USDA engineering department for grant compatibility.

B. Superintendent's Report

1. Wastewater Treatment Plant

- All sampling, testing and reporting at the wastewater treatment plant and the recycled water facility was performed as required by the RWQCB.
- The oxygen pressure regulator on the Recycled Water Facility failed and was replaced.
- A pH study was performed. A report for the study was assembled to be submitted to the RWQCB.

2. Water Distribution System

- All routine sampling and testing was performed. The monthly report was submitted to the CDPH.

- Monthly meter reading was performed.
- Well 2 had a 3600 mg/l chloride level. After the storm it went down to 1800 mg/l. Well 3 was at 200 mg/l and went down to 30 mg/l. Well 1 is not in operation at the moment.

3. District and Equipment Maintenance

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

The Superintendent also introduced the newest Staff member, Jonathon Weiss, who replaced Mike Arias.

C. District Financial Summary – Update on Monthly Financial Status for close of business November 30, 2014.

October Billing Revenue	\$ 59,532.62
November Billing Revenue	\$ 56,326.44
Past Due (31 to 60 days)	\$ 191.78
Past Due (60 days)	\$ 234.01

**RABOBANK SUMMARY
Ending Balances November 30, 2014**

Summary of Transactions:

Money Marketing Account Closing Balance October 31, 2014	\$ 634,916.90
Transfer from Well Rehab Account	\$ 71,730.00
Interest November	\$ 136.57
Money Marketing Account Closing Balance November 30, 2014	\$ 706,783.47

Reserve Fund	(\$ 250,000.00)
Hook up Deposits	(\$ 45,750.00)
Available Funds	\$ 411,033.47

General Checking Account	\$ 75,713.93
Well Rehab Project/USDA Checking Account	\$ 100.05
LAIF Closing Balance November 30, 2014	\$ 518.85

D. District Counsel’s Report –Heather Whitham

District Counsel assisted Staff with the preparation of the agenda, final Ordinance 115 Summary and publication, and the WWTP’s PH evaluation report. Counsel attended the 11/21 Special Meeting and assisted with the agenda. Counsel also reviewed the Phoenix Engineering R.O. contract.

Ms. Whitham updated the Board on the Ultura Litigation. As previously reported, Ultura, Inc. has filed bankruptcy. Litigation counsel has amended the complaint to name Ultura LLC and is in the process of serving Ultura LLC. It is unclear at this time whether Ultura LLC has also declared bankruptcy.

5. ITEMS OF BUSINESS

A. Approval of last month's minutes – November 12, 2014.

Minutes were approved as presented.

Motion by: Vice-Chair Fields

2nd: Director Price

All in: 5 / 0

B. Approval of Disbursements Journal(s) – December 10, 2014.

The Disbursements Journal was approved as presented.

Motion by: Director Price

2nd: Director Patel

All in: 5 / 0

6. DISCUSSION/ACTION ITEMS

A. Accept the Certificate of Appointment by the San Luis Obispo County Clerk.

The County received the District's letter requesting the appointment of Ralph McAdams and Ken Patel to the two (2) vacant San Simeon Community Service District positions. Staff will then seek formal acceptance of the Certificate of Appointments from the County Clerk Recorder's office.

A motion was made to accept the election certificates from the County for Ralph McAdams and Ken Patel.

Motion by: Director Williams

2nd: Director Price

All in: 5 / 0

B. Administration of the Oath of Office to Newly Appointed Directors McAdams and Patel.

C. Board Vote on Appointment of Chair and Vice Chair for the 2015 calendar year.

The Chairperson and Vice Chairperson terms have expired. Staff is requesting nominations and acceptance from the SSCSD Board for the positions of Chairperson and Vice Chairperson.

A motion was made for Ralph McAdams for the position of Chair.

Motion by: Director Williams

2nd: Director Price

All in: 5 / 0

A motion was made for Alan Fields for the position of Vice-Chair.

Motion by: Director Price

2nd: Director Patel

All in: 3 / 0

Price: Yes

Patel: Yes

Fields: Yes

Williams: No

McAdams: No

7. Board Committee Reports – Alan Fields

The Water Committee will meet in January before the next Board Meeting.

8. Board Reports – None

9. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS- None

10. ADJOURNMENT@6:42 PM

SAN SIMEON COMMUNITY SERVICES DISTRICT
Disbursements Journal
 January 14, 2015

Type	Date	Num	Name	Memo	Amount	Balance
				Beginning balance:		\$ 164,645.22
Bill Pmt	01/01/2015	7199	Abalone Coast Analytical Inc.	RO Project	\$400.00	\$ 164,245.22
Bill Pmt	01/01/2015	7200	Air Pollution Control District	Permit renewals for generators at Wells and WWTP	\$1,832.00	\$ 162,413.22
Bill Pmt	01/01/2015	7201	California Special Districts Assoc.	2015 Membership dues 2015	\$1,527.00	\$ 160,886.22
Bill Pmt	01/01/2015	7202	CALPERS	Unfunded Liability 2014-2015 year	\$6,025.00	\$ 154,861.22
Bill Pmt	01/01/2015	7203	Carmel & Nacassha, LLP	Monthly Legal Fees, plus \$ 49.50	\$1,849.50	\$ 153,011.72
Bill Pmt	01/01/2015	7204	County of San Luis Obispo	Cross Connection Admin Costs	\$28.40	\$ 152,983.32
Bill Pmt	01/01/2015	7205	Gabrielle McDonald	Deposit return	\$50.00	\$ 152,933.32
Bill Pmt	01/01/2015	7206	Grace Environmental	January 2015 Operation and Maintenance Services	\$47,762.00	\$ 105,171.32
Bill Pmt	01/01/2015	7207	MICHAEL O'NEILL	Monthly web maintenance fee, # 713	\$320.00	\$ 104,851.32
Bill Pmt	01/01/2015	7208	Moss, Levy & Hartzheim, LLP	Audit payment	\$1,000.00	\$ 103,851.32
Bill Pmt	01/01/2015	7209	Phoenix Civil Engineering, Inc	RO System Design/Drafting Services	\$550.00	\$ 3,950.00
				Recycled Water Pipe Design Services	\$2582.50	
				Potable Water Pipe Design/Draft Services	\$817.50	
Bill Pmt	01/01/2015	7210	Robert Stilts, CPA	December Bookkeeping	\$1,200.00	\$ 98,701.32
Bill Pmt	01/01/2015	7211	San Simeon Ranch	Water Usage November, # 68504	\$2,897.00	\$ 95,804.32
Bill Pmt	01/01/2015	7212	Sandy Wallace	Deposit return	\$50.00	\$ 95,754.32
Bill Pmt	01/01/2015	7213	CALPERS Fiscal Services Division	Jan, Feb. and March 2015 Health Premium	\$891.21	\$ 94,863.11
Paycheck	01/01/2015	7214	ALAN FIELDS	Board Service	\$92.35	\$ 94,770.76
Paycheck	01/01/2015	7215	DAN WILLIAMS	Board Service	\$92.35	\$ 94,678.41
Paycheck	01/01/2015	7216	KAUSHIK S PATEL	Board Service	\$92.35	\$ 94,586.06
Paycheck	01/01/2015	7217	LEROY E PRICE	Board Service	\$92.35	\$ 94,493.71
Paycheck	01/01/2015	7218	RALPH N MCADAMS	Board Service	\$92.35	\$ 94,401.36
Liability Check	01/01/2015	7219	United States Treasury	4th Qtr 2014 payroll taxes	\$229.50	\$ 94,171.86
					\$70,473.36	\$ 94,171.86

6. DISCUSSION & ACTION ITEMS

6A. Board Vote on LAFCO Special District Member for a three (3) year term.

6B. Review of 2013-2014 Draft Fiscal Audit.

6. DISCUSSION/ACTION ITEMS

January 14, 2015

A. Board Vote on LAFCO Special District Member for a three (3) year term.

Two individuals have been nominated for the LAFCO Special District position. The term for this position would expire in December of 2018. Each independent Special District may vote for one nominee. The vote by a District must be considered by the District's Board of Directors as an item placed on its agenda. The nominees resume and statement of qualifications was submitted in this board packet for Board review.

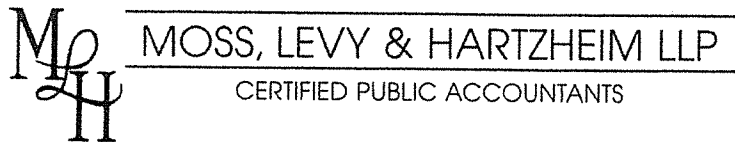
LAFCO has asked the San Simeon CSD Board of Directors to select one of the following nominees:

- ✓ Barbara Bronson Gray, Cambria Healthcare District
- ✓ Marshall Ochylski, Los Osos Community Services District

A ballot will be given to each Board Member at this time for nominee selection and then read out loud for the minutes.

B. Review of 2013-2014 Draft Fiscal Audit.

Attached is the Draft 2013-2014 District Audit performed by Moss, Levy & Hartzheim for Board review. Adam Guise, from Moss, Levy & Hartzheim is present to address any questions or changes Staff or the Board might have prior to finalizing the Audit.



PARTNERS
RONALD A LEVY, CPA
CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA

2400 PROFESSIONAL PARKWAY, STE. 205
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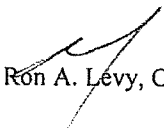
December 22, 2014

To the Board of Directors
San Simeon Community Services District
111 Pico Avenue
San Simeon, CA 93452

Attached is a draft copy of your audit for your review. After reviewing and upon your approval, please sign and fax back this letter to our office as soon as possible. We will not finalize the audit until we receive your response, a signed and dated Management Representation Letter (to be prepared by you), a written response from your attorney to the legal representation letter or a letter from you stating that no legal counsel was retained.

Sincerely,

MOSS, LEVY & HARTZHEIM LLP


Ron A. Levy, CPA

RESPONSE:

I have reviewed the draft copy of the audit for San Simeon Community Services District and give my approval.

By: _____

Title: _____

Date: _____

OFFICES: BEVERLY HILLS · CULVER CITY · SANTA MARIA

MEMBER AMERICAN INSTITUTE OF C.P.A.'S · CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS · CALIFORNIA ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

SAN SIMEON COMMUNITY SERVICES DISTRICT

FINANCIAL STATEMENTS

June 30, 2014

DRAFT

SAN SIMEON COMMUNITY SERVICES DISTRICT
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June 30, 2014

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INTRODUCTORY SECTION

DRAFT

SAN SIMEON COMMUNITY SERVICES DISTRICT
ORGANIZATION
June 30, 2013

Board of Directors

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Ralph McAdams	Chairperson	2014
Alan Fields	Vice-Chairperson	2016
Daniel Williams	Director	2016
Leroy Price	Director	2016
Ken Patel	Director	2014

FINANCIAL SECTION

DRAFT



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS
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HADLEY Y HUI, CPA

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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, 2014, 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 respective financial position of the San Simeon Community Services District, as of June 30, 2014, and the respective 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.

Emphasis of Matter

Change in Accounting Principles

As discussed in note 1 to the basic financial statements effective July 1, 2012, the San Simeon Community Services District adopted Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, Statement No. 66, *Technical Correction-2012*, Statement No. 67, *Financial Reporting for Pension Plans*, and Statement No. 70, *Accounting and Financial Reporting for Non-exchange Financial Guarantees*. Our opinion is not modified with respect to this matter.

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 basic 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 XXXXXX, 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, 2013, and our report dated February 27, 2014, 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, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Santa Maria, California
XXXXXX

SAN SIMEON COMMUNITY SERVICES DISTRICT
STATEMENT OF NET POSITION-PROPRIETARY FUND
 June 30, 2014
 with Comparative Totals for June 30, 2013

ASSETS	<u>2014</u>	<u>2013</u>
Current Assets:		
Petty cash	\$ 150	\$ 150
Cash and investments	785,526	615,545
Restricted cash and investments	20,266	730
Cash in escrow	72,264	
Accounts receivable	85,822	85,441
Prepaid expenses	7,123	6,507
Total current assets	<u>971,151</u>	<u>708,373</u>
Capital Assets:		
Non-depreciable:		
Construction in progress	11,511	26,555
Depreciable:		
Sewer plant	2,030,781	2,030,781
Water plant	1,118,700	695,458
Building	395,874	395,874
Equipment	316,748	316,748
Less: Accumulated depreciation	<u>(1,956,839)</u>	<u>(1,869,980)</u>
Net capital assets	<u>1,916,775</u>	<u>1,595,436</u>
Total assets	<u>2,887,926</u>	<u>2,303,809</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	17,350	3,970
Customer deposits	53,828	53,928
Contingency		25,000
Long-Term Liabilities		
Current portion of long term payable	<u>7,085</u>	
Total current liabilities	<u>78,263</u>	<u>82,898</u>
Long-Term Liabilities		
Loan payable	<u>483,934</u>	
Total long-term liabilities	<u>483,934</u>	
Total Liabilities	<u>562,197</u>	<u>82,898</u>
NET POSITION		
Net investment in capital assets	1,498,020	1,595,436
Restricted for capital projects	20,266	730
Unrestricted	807,443	624,745
Total net position	<u>\$ 2,325,729</u>	<u>\$ 2,220,911</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, 2014
With Comparative Totals for the Fiscal Year Ended June 30, 2013

	2014	2013
Operating Revenues:		
Utility sales	\$ 633,309	\$ 574,519
Service charges	64,519	57,554
State of CA-Dept of Parks and Recreation	97,529	77,265
Total operating revenues	795,357	709,338
Operating Expenses:		
Contract labor	503,866	460,746
Depreciation	86,859	79,980
Legal and professional	90,818	52,117
Repairs and maintenance	10,604	21,100
Utilities and telephone	2,409	
Bookkeeping	16,434	15,500
Licenses and permits	20,877	9,334
Insurance	6,350	6,194
Directors' fees	5,800	5,500
Health insurance	9,763	11,962
Website	3,025	3,575
Dues and subscriptions	1,968	1,980
Office expenses	306	371
Election expense		696
Bank fees	349	
Interest expense	1,364	
Other expense	56	10
Total operating expenses	760,848	669,065
Net operating gain (loss)	34,509	40,273
Non-Operating Revenues (Expenses):		
Property taxes	69,764	73,755
Interest income	1,633	1,708
Tax administration fee	(1,606)	(1,618)
LAFCO budget allocation		(3,849)
Miscellaneous income	518	645
Total non-operating revenues (expenses)	70,309	70,641
Changes in net position	104,818	110,914
Net position - beginning of fiscal year	2,220,911	2,109,997
Net position - end of fiscal year	<u>\$ 2,325,729</u>	<u>\$ 2,220,911</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, 2014
With Comparative Totals for the Fiscal Year Ended June 30, 2013

	<u>2014</u>	<u>2013</u>
Cash Flows From Operating Activities:		
Receipts from customers and users	\$ 794,876	\$ 691,001
Payments to suppliers	(670,662)	(656,514)
Payments to employees	(15,563)	(17,462)
Net cash provided (used) by operating activities	<u>108,651</u>	<u>17,025</u>
Cash Flows from Capital and Related Financing Activities:		
Purchase of capital assets	(408,198)	(37,778)
Proceeds from borrowing	500,000	
Repayment of loan	(8,981)	
Net cash provided (used) by capital and related financing activities	<u>82,821</u>	<u>(37,778)</u>
Cash Flows from Noncapital Financing Activities:		
Property taxes	69,764	73,755
Miscellaneous revenues	518	645
Tax administration fee	(1,606)	(1,618)
LAFCO budget allocation		(3,849)
	<u>68,676</u>	<u>68,933</u>
Cash Flows from Investing Activities:		
Investment income	1,633	1,708
Net cash provided (used) by investing activities	<u>1,633</u>	<u>1,708</u>
Net increase (decrease) in cash and cash activities	261,781	49,888
Cash and cash equivalents, beginning of fiscal year	616,425	566,537
Cash and cash equivalents, end of fiscal year	<u>\$ 878,206</u>	<u>\$ 616,425</u>
Reconciliation to Statement of Net Position		
Petty cash	\$ 150	\$ 150
Cash and investments	785,526	615,545
Restricted cash and investments	20,266	730
Cash in escrow	72,264	
	<u>\$ 878,206</u>	<u>\$ 616,425</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating gain	\$ 34,509	\$ 40,273
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	86,859	79,980
Change in Operating Assets and Liabilities:		
(Increase) decrease in accounts receivable	(381)	(18,387)
(Increase) decrease in prepaid expenses	(616)	(313)
Increase (decrease) in accounts payable	13,380	(46,114)
Increase (decrease) in customer deposits	(100)	50
Increase (decrease) in contingency	(25,000)	(38,464)
Net cash provided (used) by operating activities	<u>\$ 108,651</u>	<u>\$ 17,025</u>

See accompanying notes to basic financial statements.

SAN SIMEON COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

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 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 and No. 61.

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, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Net Position (Continued)

Net investment in capital assets consist 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. New Accounting Pronouncements

Governmental Accounting Standards Board Statement No. 65

For the fiscal year ended June 30, 2014, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 65, "Items Previously Reported as Assets and Liabilities." This Statement is effective for periods beginning after December 15, 2012. The objective of this Statement is to establish accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. Implementation of the GASB Statement No. 65 did not have an impact on the District's financial statements for the fiscal year ended June 30, 2014.

Governmental Accounting Standards Board Statement No. 66

For the fiscal year ended June 30, 2014, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 66, "Technical Correction - 2012." This Statement is effective for periods beginning after December 15, 2012. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions", and GASB Statement No. 62 "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." Since the release of these Statements, questions have arisen concerning differences between the provisions in Statement No. 54 and Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, regarding the reporting of risk financing activities. Questions also have arisen about differences between Statement No. 62 and Statements No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, regarding the reporting of certain operating lease transactions, and No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Equity Transfers of Assets and Future Revenues*, concerning the reporting of the acquisition of a loan or a group of loans and the recognition of servicing fees related to mortgage loans that are sold. Implementation of the GASB Statement No. 66 did not have an impact on the District's financial statements for the fiscal year ended June 30, 2014.

SAN SIMEON COMMUNITY SERVICES DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. New Accounting Pronouncements (Continued)

Governmental Accounting Standards Board Statement No. 67

For the fiscal year ended June 30, 2014, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 67, "Financial Reporting for Pension Plans." This Statement is effective for periods beginning after June 15, 2013. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement replaces the requirements of Statements No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans" and No. 50 "Pension Disclosures" as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. Implementation of the GASB Statement No. 67 did not have an impact on the District's financial statements for the fiscal year ended June 30, 2014.

Governmental Accounting Standards Board Statement No. 70

For the fiscal year ended June 30, 2014, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 70, "Accounting and Financial Reporting for Non-exchange Financial Guarantees." This Statement is effective for periods beginning after June 15, 2013. The objective of this Statement is to improve the recognition, measurement, and disclosure guidance for state and local governments that have extended or received financial guarantees that are non-exchange transactions. Implementation of the GASB Statement No. 70 did not have an impact on the District's financial statements for the fiscal year ended June 30, 2014.

M. 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.

NOTE 3 - CASH AND INVESTMENTS

Investments are carried at fair value. On June 30, 2014, the District had the following cash and temporary investments on hand:

Petty cash	\$	150
Cash in bank		805,274
Investments		518
Cash held in escrow		<u>72,264</u>
Total cash and investments	\$	<u>878,206</u>

Restricted cash

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

Cash held in escrow

The District has a \$500,000 loan with the United States Department of Agriculture (USDA). As of June 30, 2014, the District had only drawn down \$427,736, and the remaining \$72,264 remains with USDA.

SAN SIMEON COMMUNITY SERVICES DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2014

NOTE 3 - CASH AND INVESTMENTS (Continued)

Investments Authorized by the District's Investment Policy

The table below 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

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>
LAIF	\$ 518	\$ 518	\$ -	\$ -	\$ -
Total	\$ 518	\$ 518	\$ -	\$ -	\$ -

SAN SIMEON COMMUNITY SERVICES DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2014

NOTE 3 - CASH AND INVESTMENTS (Continued)

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 on the next page, 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>
LAIF	\$ 518	N/A	\$ -	\$ -	\$ -	\$ 518
Total	\$ 518		\$ -	\$ -	\$ -	\$ 518

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.

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.

SAN SIMEON COMMUNITY SERVICES DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2014

NOTE 4 - SCHEDULE OF CAPITAL ASSETS

A schedule of changes in capital assets and depreciation for the fiscal years ended June 30, 2014, and June 30, 2013, are shown below:

	Balance July 1, 2013	Additions	Deletions	Transfers	Balance June 30, 2014
Non-depreciable capital assets:					
Construction in progress	\$ 26,555	\$ 408,198	\$ -	\$ (423,242)	\$ 11,511
Total non-depreciable capital assets	\$ 26,555	\$ 408,198	\$ -	\$ (423,242)	\$ 11,511
Depreciable capital assets:					
Sewer plant	\$ 2,030,781	\$ -	\$ -	\$ -	\$ 2,030,781
Water plant	695,458			423,242	1,118,700
Building	395,874				395,874
Equipment	316,748				316,748
	3,438,861			423,242	3,862,103
Accumulated depreciation	1,869,980	86,859			1,956,839
Total depreciable capital assets	\$ 1,568,881	\$ (86,859)	\$ -	\$ 423,242	\$ 1,905,264
Net capital assets	\$ 1,595,436	\$ 321,339	\$ -	\$ -	\$ 1,916,775
Balance July 1, 2012					
	Balance July 1, 2012	Additions	Deletions	Transfers	Balance June 30, 2013
Non-depreciable capital assets:					
Construction in progress	\$ 676,070	\$ 37,778	\$ -	\$ (687,293)	\$ 26,555
Total non-depreciable capital assets	\$ 676,070	\$ 37,778	\$ -	\$ (687,293)	\$ 26,555
Depreciable capital assets:					
Sewer plant	\$ 1,488,555	\$ -	\$ -	\$ 542,226	\$ 2,030,781
Water plant	550,391			145,067	695,458
Building	395,874				395,874
Equipment	316,748				316,748
	2,751,568			687,293	3,438,861
Accumulated depreciation	1,790,000	79,980			1,869,980
Total depreciable capital assets	\$ 961,568	\$ (79,980)	\$ -	\$ 687,293	\$ 1,568,881
Net capital assets	\$ 1,637,638	\$ (42,202)	\$ -	\$ -	\$ 1,595,436

Depreciation expense for the fiscal years ended June 30, 2014 and 2013 was \$86,859 and \$79,980, respectively. Additions to construction in progress for the year ended June 30, 2014 consisted mainly of expenses related to the wellhead project.

NOTE 5 – CUSTOMER DEPOSITS

The liability for customer deposits consists of the following as of June 30, 2014 and 2013:

	2014	2013
Hook-Up deposits	\$ 43,520	\$ 43,470
Customer meter deposits	10,308	10,458
	\$ 53,828	\$ 53,928

SAN SIMEON COMMUNITY SERVICES DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2014

NOTE 5 – CUSTOMER DEPOSITS (Continued)

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 – LOANS 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. In total, \$427,736 has been drawn as of June 30, 2014, and the District is required to make semi-yearly payments of \$10,345. Future minimum payments are as follows:

Fiscal year Ended June 30,	Principal	Interest	Total
2015	\$ 7,085	\$ 13,605	\$ 20,690
2016	7,281	13,409	20,690
2017	7,483	13,207	20,690
2018	7,690	13,000	20,690
2019	7,902	12,788	20,690
2020-2024	42,919	60,531	103,450
2025-2029	49,201	54,249	103,450
2030-2034	56,398	47,052	103,450
2035-2039	64,651	38,799	103,450
2040-2044	74,112	29,338	103,450
2045-2049	84,956	18,494	103,450
2050-2053	81,341	11,576	92,917
Total	\$ 491,019	\$ 326,048	\$ 817,067

NOTE 7 – LONG TERM DEBT – SCHEDULE OF CHANGES

A schedule of changes in long-term debt for the fiscal year ended June 30, 2014, is shown below:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Due within one year
Loans payable	\$ -	\$ 500,000	\$ 8,981	\$ 491,019	\$ 7,085
Totals	-	\$ 500,000	\$ 8,981	\$ 491,019	\$ 7,085

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 program(s) listed below for the program period July 1, 2013 through June 30, 2014.

SAN SIMEON COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 8 – JOINT POWERS AUTHORITY (Continued)

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.

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 had an agreement with Ultura Water, previously named APTwater, to oversee the daily operations of the District. San Simeon Community Services District paid \$503,866 during the 13/14 fiscal year to Ultura Water for these services.

NOTE 10 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date the financial statements were available for issuance which is XXXXXXXX.

SUPPLEMENTARY INFORMATION

DRAFT

SAN SIMEON COMMUNITY SERVICES DISTRICT
SCHEDULE OF REVENUES AND EXPENSES BY FUNCTION
For the Fiscal Year Ended June 30, 2014

	<u>Sanitation Fund</u>	<u>Water Fund</u>	<u>General</u>	<u>Total</u>
Operating Revenues:				
Utility sales	\$ 341,180	\$ 292,129	\$	\$ 633,309
Service charges		53,716	10,803	64,519
State of CA-Dept of Parks and Recreation	<u>97,529</u>			<u>97,529</u>
Total operating revenues	<u>438,709</u>	<u>345,845</u>	<u>10,803</u>	<u>795,357</u>
Operating Expenses:				
Contract labor	307,832	171,653	24,381	503,866
Repairs and maintenance		10,604		10,604
Depreciation	41,693	26,926	18,240	86,859
Legal and professional	37,724	35,500	17,594	90,818
Utilities and telephone	2,409			2,409
Bookkeeping	6,769	5,194	4,471	16,434
Office expenses			306	306
Health insurance			9,763	9,763
Licenses and permits	16,116	4,761		20,877
Directors' fees	2,655	2,655	490	5,800
Insurance	3,810	751	1,789	6,350
Website			3,025	3,025
Bank fees			349	349
Other expense		5	51	56
Interest expense			1,364	1,364
Dues and subscriptions	<u>303</u>	<u>302</u>	<u>1,363</u>	<u>1,968</u>
Total operating expenses	<u>419,311</u>	<u>258,351</u>	<u>83,186</u>	<u>760,848</u>
Net operating gain (loss)	<u>19,398</u>	<u>87,494</u>	<u>(72,383)</u>	<u>34,509</u>
Non-Operating Revenues (Expenses):				
Property taxes			69,764	69,764
Interest income			1,633	1,633
Tax administration fee			(1,606)	(1,606)
Miscellaneous income			518	518
Total non-operating revenues (expenses)			<u>70,309</u>	<u>70,309</u>
Change in net position	<u>\$ 19,398</u>	<u>\$ 87,494</u>	<u>\$ (2,074)</u>	<u>\$ 104,818</u>

SAN SIMEON COMMUNITY SERVICES DISTRICT
SCHEDULE OF REVENUES AND EXPENSES BY FUNCTION
For the Fiscal Year Ended June 30, 2013

	<u>Sanitation Fund</u>	<u>Water Fund</u>	<u>General</u>	<u>Total</u>
Operating Revenues:				
Utility sales	\$ 299,808	\$ 274,711	\$ -	\$ 574,519
Service charges		57,554		57,554
State of CA-Dept of Parks and Recreation	77,265			77,265
Total operating revenues	<u>377,073</u>	<u>332,265</u>		<u>709,338</u>
Operating Expenses:				
Contract labor	276,385	161,303	23,058	460,746
Repairs and maintenance		10,000	11,100	21,100
Depreciation	38,390	24,794	16,796	79,980
Legal and professional	24,476	12,530	15,111	52,117
Utilities and telephone				
Bookkeeping	5,712	4,545	5,243	15,500
Office expenses			371	371
Health insurance			11,962	11,962
Licenses and permits	7,055	2,253	26	9,334
Directors' fees	2,475	2,475	550	5,500
Insurance	3,716	620	1,858	6,194
Website			3,575	3,575
Other expense			706	706
Dues and subscriptions	333	301	1,346	1,980
Total operating expenses	<u>358,542</u>	<u>218,821</u>	<u>91,702</u>	<u>669,065</u>
Net operating gain (loss)	<u>18,531</u>	<u>113,444</u>	<u>(91,702)</u>	<u>40,273</u>
Non-Operating Revenues (Expenses):				
Property taxes			73,755	73,755
Interest income			1,708	1,708
Tax administration fee			(1,618)	(1,618)
LAFCO budget allocation			(3,849)	(3,849)
Miscellaneous income			645	645
Total non-operating revenues (expenses)			<u>70,641</u>	<u>70,641</u>
Change in net position	<u>\$ 18,531</u>	<u>\$ 113,444</u>	<u>\$ (21,061)</u>	<u>\$ 110,914</u>