

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



BOARD PACKET

**Wednesday, January 08, 2014
Regular Meeting 6:00 pm**

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

AGENDA
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
Wednesday, January 08, 2014
6:00 pm

CAVALIER BANQUET ROOM
250 San Simeon Avenue
San Simeon, CA

Note; All comments concerning any item on the agenda are to be directed to the Board Chairperson

1. CLOSED SESSION: 3:30 PM

GOVERNMENT CODE SECTION 54957(b)(1) – PUBLIC EMPLOYMENT:
Title: District Counsel Interviews

2. REGULAR SESSION: 6:00 PM

A. Roll Call

B. Pledge of Allegiance

3. 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, or pending before the Board. Presentations are limited to three (3) minutes or otherwise at the discretion of the Chair.

A. Sheriff's Report – Report for December.

B. Public comment on Sheriff's Report

4. BOARD PRESENTATIONS AND ANNOUNCEMENTS:

5. STAFF REPORTS

A. General Manager's Report

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

2. Grants, Loans and Partnership Opportunities – Update on USDA Wellhead Project

3. Rip Rap letter to Assemblyman Achadjian

4. **Street Lights for Eastside of Highway**
5. **9270 Avonne Avenue, Sansone Project Application** – Verbal update
6. **San Simeon Resident update on Mandatory Recycled Water Use Ordinance**
7. **Update on District Counsel interviews** – Verbal update

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, 2013.

D. District Counsel's Report – No Report

6. ITEMS OF BUSINESS

- A. **Approval of last month's minutes** – December 11, 2013.
- B. **Approval of Disbursements Journal** – January 08, 2014.

7. DISCUSSION/ACTION ITEMS

- A. **Final Audit for Fiscal year 2012-2013.**
- B. **Resolution 13-361** – San Simeon Community Services District Board Salaries.
- C. **Proposal from Phoenix Engineering** – Design for Purple Pipe on West Side of Highway.

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

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

10. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS

11. ADJOURNMENT

GENERAL MANAGER'S REPORT
Charles Grace
Staff Activities for December

GENERAL MANAGER'S REPORT
JANUARY 8, 2014

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

Along with billing and collections, Staff worked with the Auditors regarding the completion of the District Audit and requested changes. Staff coordinated Street sweeping for the end of the 4th quarter. Staff worked with the USDA, Phoenix Engineering, Rahmina Construction on the Wellhead Project. Staff helped the Webmaster update the District Website to be more user friendly. Staff worked with the County regarding the Sansone project and prepared a Rip Rap Report for a meeting with Assemblyman's Achadjian's office to discuss the District's Rip Rap after the fact permit. Staff requested contacted and requested proposals from 6 potential District Counsel candidates.

2. Grants, Loans and Partnership Opportunities – Update on USDA Wellhead Project

"The Wellhead Rehabilitation Project building has been installed and completed since the beginning of December. Most of the new electrical components have been installed. The pumps are to be shipped the second week of January from the manufacturer and are scheduled to be onsite the week of January 20th. Work on Well #2 will commence once the pumps are onsite. The first task will be to pull the existing Well 2 pump and motor along with the conductor pipe and determine the condition of the well casing. The casing will be videotaped and if it is determined to be in sound condition the new submersible well pump and motor will be installed. The electrical system and SCADA system for Well #2 will be in place before work is started on Well #1. The construction of Well #1 will be identical to #2. The Contractor anticipates being complete with the work on the project the middle of February."

3. Rip Rap letter to Assemblyman Achadjian

Staff met with Assemblyman's Achadjian's Director to discuss possible assistance with obtaining an after the fact Coastal Development Rip Rap permit. Assemblyman Achadjian was originally working with the District on the Coastal Commission before he was elected to Assemblyman. Staff created a Rip Rap history for the Assemblyman to take with him to his meeting in January in Sacramento.

4. Street Lights for Eastside of Highway

Staff has been working with the PG&E Community Director in possibly installing new street lights on the east side of the highway. Since the project is costly, PG&E is looking for funding and assistance from the County as well as grants they may have available. Staff was told that they would be updated after February meetings took place.

5. 9270 Avonne Avenue, Sansone Project Application

The County is expecting Sansone to resubmit a updated design to address the expressed concerns regarding, curb and gutter, fire flow, and number of units requested.

6. San Simeon Resident update on Mandatory Recycled Water Use Ordinance

Staff will be sending out information on the use of recycled water by San Simeon Residents in the January newsletter. All users of the recycled water must be trained before water can be obtained. The Mandatory use ordinance will also be sent in the February billings to residents as well as letters to other water purveyors so they are aware of the Recycled water Mandatory use.

7. Update on District Counsel interviews

Staff contacted six firms in effort to collect proposals and conduct interviews to fill the District Counsel vacancy.

San Simeon Community Services District



111 Pico Avenue, San Simeon, California 93452
(805) 927-4778 Fax (805) 927-0399

December 12, 2013

John Hofschroer
Supervising Planner
Department of Planning and Building
County Government Center
San Luis Obispo, CA 93408

Dear Mr. Hofschroer:

The San Simeon Community Services District (SSCSD) is exploring the possibility of expanding the recycled water distribution system. Expanding the system will provide access to recycled water to a greater amount of residents and hotels located within the SSCSD service area. In order to expand the system the SSCSD is considering installing recycled water pipe in the proximity of an existing water line easement along Hearst Drive.

Currently the SSCSD is estimating the cost of the above described project. Please provide the SSCSD with what the County's fees would be to install approximately 2000' of 6" recycled water pipe from San Simeon Avenue along Hearst Drive toward Vista Del Mar.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles Grace", is written over a horizontal line.

Charles Grace
San Simeon CSD
General Manager

Encl: San Simeon CSD water system map

SUPERTINTENDENT'S REPORT
Jerry Copeland
Facilities Update for December

SAN SIMEON COMMUNITY SERVICES DISTRICT
Superintendent's Report
Activities of December 2013

Wastewater Treatment Plant

- The wastewater treatment plant performed well this month.
- All sampling, testing and reporting at the wastewater treatment plant was performed as required by the RWQCB.
- #4 Reactor and Clarifier were taken offline for annual preventive maintenance and repair.
- One load of sludge was hauled away.

Water Distribution System

- All routine sampling and testing was performed. The monthly report was submitted to the CDPH.
- Monthly meter reading was performed.
- Staff assisted Phoenix Engineering and Raminha Construction and their subcontractors with the domestic water well rehabilitation project.

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.

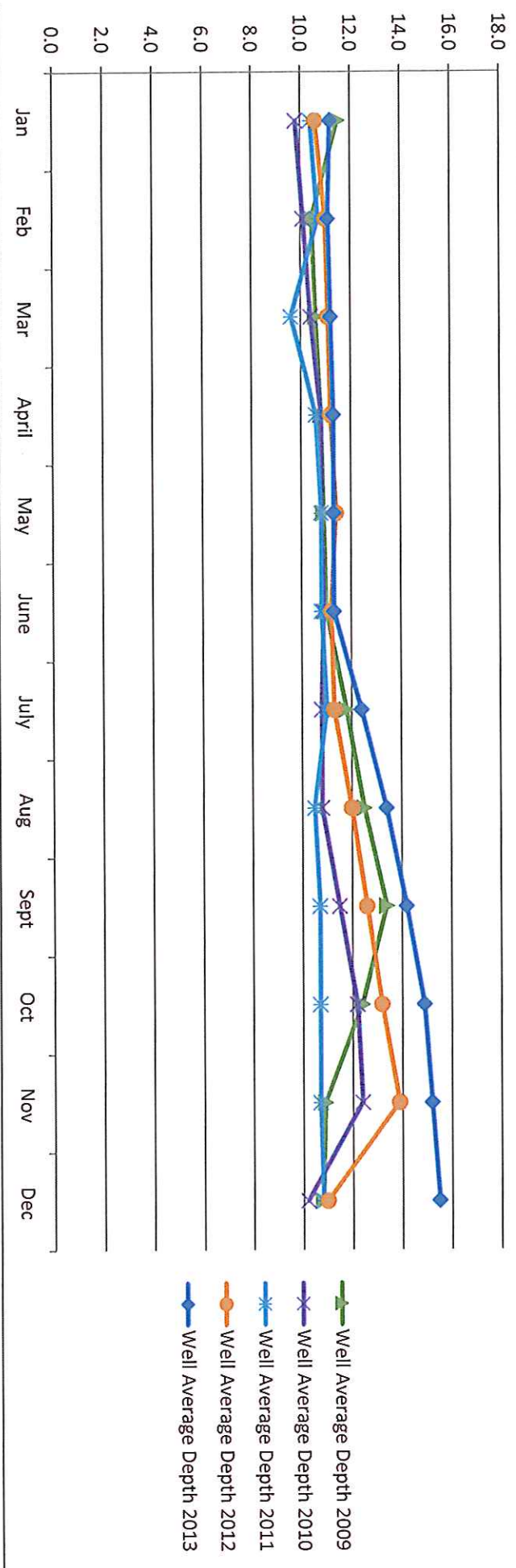
San Simeon Community Services District - Monthly Data Report -December 2013

Date	Day	Wastewater Influent Daily flow	Wastewater Effluent Daily Flow	CALCULATED Well 1 Total Pumped	CALCULATED Well 2 Total Pumped	CALCULATED Total Daily Water Produced	Water Level Well 1	Water Level Well 2	Rainfall in Inches	INPUT State Sewer Daily Flow
12/01/13	Sun	73,489	82,960	0	82,729	82,729	15.3	15.4	0.00	16,717
12/02/13	Mon	67,436	70,950	66,946	0	66,946	15.3	15.4	0.00	8,426
12/03/13	Tue	49,766	40,480	0	59,690	59,690	15.3	15.4	0.00	5,472
12/04/13	Wed	60,970	41,580	66,572	0	66,572	15.3	15.4	0.00	4,625
12/05/13	Thu	58,476	47,250	0	0	0	15.3	15.4	0.00	4,867
12/06/13	Fri	48,748	49,150	0	59,092	59,092	15.2	15.3	0.12	4,216
12/07/13	Sat	64,455	62,870	62,383	0	62,383	15.2	15.3	0.00	6,888
12/08/13	Sun	81,664	56,840	0	39,195	39,195	15.3	15.4	0.00	4,975
12/09/13	Mon	51,231	57,490	45,254	28,948	74,202	15.2	15.3	0.00	4,888
12/10/13	Tue	51,510	53,910	1,571	0	1,571			0.00	5,773
12/11/13	Wed	56,899	43,530	0	59,391	59,391	15.2	15.3	0.00	4,429
12/12/13	Thu	63,843	49,100	45,703	0	45,703	15.3	15.4	0.00	6,404
12/13/13	Fri	57,892	57,830	24,086	0	24,086			0.00	5,157
12/14/13	Sat	58,753	58,110	0	62,234	62,234	15.2	15.3	0.00	5,340
12/15/13	Sun	58,852	61,010	67,918	0	67,918	15.3	15.4	0.00	6,547
12/16/13	Mon	54,005	60,070	0	54,454	54,454	15.3	15.4	0.00	4,474
12/17/13	Tue	54,113	56,590	69,115	0	69,115	15.4	15.5	0.00	6,430
12/18/13	Wed	63,010	93,240	0	36,502	36,502	15.3	15.4	0.00	4,981
12/19/13	Thu	66,114	94,710	0	30,818	30,818			0.00	6,369
12/20/13	Fri	68,716	76,200	67,245	0	67,245	15.2	15.3	0.00	6,711
12/21/13	Sat	84,231	87,310	0	69,714	69,714	15.3	15.4	0.00	6,679
12/22/13	Sun	99,560	100,260	155,883	0	155,883	15.3	15.4	0.00	10,710
12/23/13	Mon	97,340	101,990	0	59,017	59,017	15.4	15.5	0.00	14,197
12/24/13	Tue	84,601	98,810	0	65,226	65,226	15.5	15.6	0.00	12,180
12/25/13	Wed	70,121	66,570	71,210	0	71,210	15.6	15.7	0.00	8,922
12/26/13	Thu	103,835	108,530	0	67,395	67,395	15.6	15.7	0.00	2,833
12/27/13	Fri	126,285	123,760	78,615	71,135	149,750	15.6	15.7	0.00	18,083
12/28/13	Sat	113,595	115,850	73,828	0	73,828			0.00	19,781
12/29/13	Sun	108,996	112,140	0	67,844	67,844	15.7	15.8	0.00	20,991
12/30/13	Mon	108,658	110,710	82,804	32,987	115,790	15.7	15.7	0.00	31,503
12/31/13	Tue	106,274	113,400	29,546	52,360	81,906			0.00	11,604
TOTALS		2,313,438	2,353,200	1,008,678	998,730	2,007,408			0.12	281,172
Average		74,627	75,910	32,538	32,217	64,755	15.4	15.5	0.00	9,070
Minimum		48,748	40,480	0	0	0	15.2	15.3	0.00	2,833
Maximum		126,285	123,760	155,883	82,729	155,883	15.7	15.8	0.12	31,503

2013	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Total for 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	2,256,780	2,353,200	30,683,590
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	1,852,313	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
Total Well Production	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	2,007,408	27,959,881
Well 1 Water Pumped	748,748	238,462	1,839,594	1,211,386	1,090,883	1,642,966	1,716,585	1,664,150	1,245,644	1,233,451	970,680	1,008,678	14,611,228
Well 2 Water Pumped	978,982	1,465,407	156,102	1,066,872	1,449,325	1,160,896	1,482,312	1,424,940	1,225,598	1,055,353	884,136	998,730	13,348,653
Water Well 1 Avg Depth to Water	11.2	11.0	11.1	11.2	11.2	11.2	12.3	13.3	14.1	14.8	15.1	15.4	N/A
Water Well 2 Avg Depth to Water	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
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%	11%	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
2012	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Total for 2012
Wastewater Final Effluent (Month Cycle)	2,282,400	2,013,230	2,330,795	2,716,990	2,525,450	2,715,470	3,502,920	3,227,160	2,616,130	2,535,700	2,175,190	2,509,470	31,150,905
Wastewater Influent	2,374,670	2,135,421	2,402,116	2,798,195	2,575,428	2,749,696	3,298,298	3,082,906	2,634,002	2,413,542	1,983,791	2,482,140	30,930,205
Adjusted Wastewater Influent (- State Flow) *	2,100,280	1,917,729	2,145,425	2,464,553	2,265,629	2,380,258	2,801,758	2,634,075	2,297,669	2,137,808	1,757,882	2,138,937	27,042,003
Water Produced (month cycle)	1,981,790	1,852,198	1,796,370	2,288,880	2,390,907	2,672,903	3,132,146	3,061,993	2,542,115	2,308,627	1,773,882	1,641,636	27,443,447
Sewer Influent/Water Produced Ratio	1.15	1.15	1.34	1.19	1.07	1.03	1.05	1.01	1.04	1.05	1.12	1.51	N/A
Adjusted Sewer/Water Ratio	1.06	1.04	1.19	1.08	0.95	0.89	0.90	0.86	0.90	0.93	0.99	1.30	N/A
Average Depth of Both Wells	10.7	11.0	11.1	11.2	11.4	11.2	11.3	12.0	12.6	13.2	13.9	11.0	N/A
Change in Average Well Depth from 2011	+0.2	+0.3	+1.5	+0.6	+0.6	+0.4	+0.3	+0.5	+1.9	+2.5	+3.2	+0.2	N/A
State Wastewater Treated	274,390	217,692	256,691	333,642	309,799	369,438	496,540	448,831	336,333	275,734	225,909	343,203	3,888,202
State % of Total WW Flow	12%	10%	11%	12%	12%	13%	15%	15%	13%	11%	12%	14%	N/A
Biosolids Removal (Gallons)	6,000	0	6,000	6,000	6,000	6,000	6,000	6,000	6,000	0	6,000	6,000	60,000
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 2009	11.5	10.5	10.6	10.8	10.9	11.0	11.8	12.5	13.4	12.4	10.9	10.8
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



DISTRICT FINANCIALS
Renee Lundy

December 31, 2013

*** Financial Summary**

*** Balance Sheet**

*** Water Sales & Production**

SAN SIMEON COMMUNITY SERVICES DISTRICT



FINANCIAL SUMMARY

BILLING

December 31, 2013

November Billing Revenue	\$ 50,079.55
December Billing Revenue	\$ 43,325.61
Past Due (31 to 60 days)	\$ 132.19
Past Due (60 days)	\$ 393.92

RABOBANK SUMMARY
Ending Balances December 31, 2013

Summary of Transactions:

Balance December 1, 2013	\$ 635,693.18
Interest for December 2013	\$ 147.42
Money Marketing Account Closing Balance December 31, 2013	\$ 635,840.60

Reserve Fund	(\$ 250,000.00)
Hook up Deposits	(\$ 43,470.00)
Available Funds	\$ 342,370.60

General Checking Account \$ 152,713.22

Well Rehab Project/USDA Checking Account \$ 2,231.04

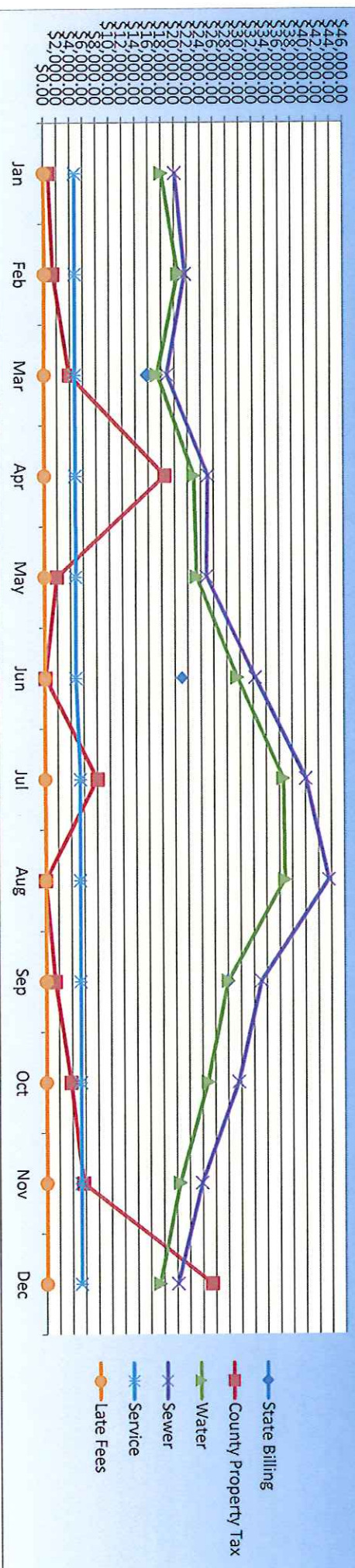
LAIF Closing Balance December 31, 2013 \$ 517.62

SAN SIMEON COMMUNITY SERVICES DISTRICT
Balance Sheet
 As of December 31, 2013

	Dec 31, 13
ASSETS	
Current Assets	
Checking/Savings	
1010 · Petty cash	150.00
1020 · General checking	152,713.22
1022 · USDA checking	2,231.04
1040 · Cash in county treasury	11.39
1050 · LAIF - non-restricted cash	517.62
1060 · Money Market Account 9548643039	635,840.60
Total Checking/Savings	791,463.87
Other Current Assets	
1200 · Accounts receivable	42,468.82
1300 · Prepaid expenses	3,860.65
Total Other Current Assets	46,329.47
Total Current Assets	837,793.34
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	235,886.09
1640 · Wellhead project	118,512.92
Total 1400 · Fixed assets	3,550,600.49
1650 · Walkway access projects	11,511.00
1690 · Accumulated depreciation	-1,903,638.96
Total Fixed Assets	1,658,472.53
TOTAL ASSETS	2,496,265.87
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts payable	31,098.31
Total Accounts Payable	31,098.31
Other Current Liabilities	
2100 · Payroll liabilities	229.50
2500 · Customer security deposits	10,308.13
2510 · Connect hookup wait list	43,470.00
Total Other Current Liabilities	54,007.63
Total Current Liabilities	85,105.94
Total Liabilities	85,105.94
Equity	
3200 · Fund balance	2,214,136.83
Net Income	197,023.10
Total Equity	2,411,159.93
TOTAL LIABILITIES & EQUITY	2,496,265.87

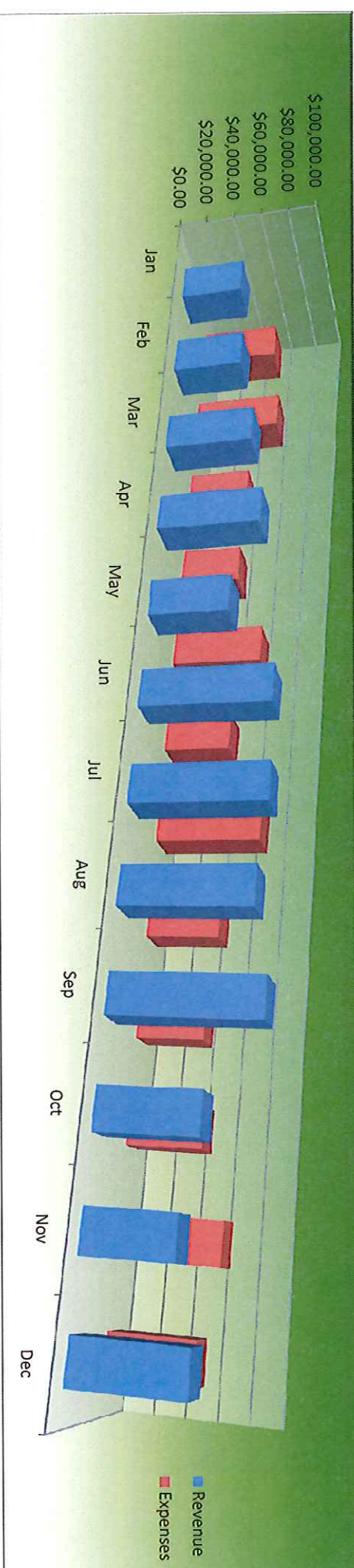
2013 DISTRICT REVENUE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
State Billing			\$15,874.60			\$21,090.32			\$27,981.20				\$64,946.12
County Property 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	\$71,453.98
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
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	\$1,118.73
Total	\$43,905.4	\$48,743.0	\$60,972.0	\$71,562.6	\$55,129.7	\$88,066.6	\$90,280.3	\$85,975.3	\$96,204.7	\$63,842.4	\$55,697.7	\$68,520.9	\$828,900.58
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



REVENUE VS EXPENSES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Revenue	\$43,905.44	\$48,742.98	\$60,971.99	\$71,562.60	\$55,129.70	\$88,066.60	\$90,280.30	\$85,975.30	\$96,204.70	\$63,842.40	\$55,697.70	\$68,520.90	\$828,900.61
Expenses	\$56,546.16	\$62,776.84	\$44,114.20	\$42,560.87	\$62,849.92	\$45,648.58	\$71,615.58	\$48,925.07	\$44,121.32	\$48,707.12	\$65,809.41	\$54,825.37	\$648,500.44
Balance	-\$12,640.72	-\$14,033.86	\$16,857.79	\$29,001.73	-\$7,720.22	\$42,418.02	\$18,664.72	\$37,050.23	\$52,083.38	\$15,135.28	-\$10,111.71	\$13,695.53	\$180,400.17



ITEMS OF BUSINESS

*** Minutes – December 11, 2013**

*** Disbursements Journal – January 8, 2014**

*** USDA Loan Disbursements Journal**

MINUTES
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
Wednesday, December 11, 2013
5:30 pm

CAVALIER BANQUET ROOM
250 San Simeon Avenue
San Simeon, CA

1. CLOSED SESSION: @5:05 PM to 5:26 PM
GOVERNMENT CODE SECTION 54957(b)(1) – PUBLIC EMPLOYMENT: Title: District Counsel

District Counsel discussed his resignation. The Board accepted his resignation and is going to look for replacement Counsel. The Board will hold Counsel interviews at a closed session at the next Board Meeting on January 8, 2014.

2. REGULAR SESSION: @5:34 PM

A. Roll Call:	Also Present:
Chairperson McAdams - Present	General Manager Charles Grace
Vice-Chair Williams - Present	District Counsel Robert Schultz
Director Fields - Present	Travis Hole, Moss & Levy (auditors)
Director Price – Present	Jon Turner, Phoenix Engineering
Director Patel - Present	

B. Pledge of Allegiance

3. PUBLIC COMMENT: None

A. Sheriff's Report – Report for November sent via email.

There were 30 calls for service for the month of November. Such calls were: EMS Calls: 1, Crimes Against Property: 2 (Thefts: 1, Defrauding Innkeeper: 1), Disturbances: 2, Check the Welfare/Citizen Assists: 1, Suspicious Circumstances/Subjects: 1, Incomplete 911 Calls: 4, Self-Initiated Field Activity: 20, Traffic/Pedestrian Stops: 12, On Site/Flag Down: 8.

B. Public comment on Sheriff's Report: None

4. BOARD PRESENTATIONS AND ANNOUNCEMENTS: None

5. STAFF REPORTS

A. General Manager's Report

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

Along with billing and collections, Staff worked with the new Auditors regarding the completion of the District Audit. Staff attended WRAC and the Byways/SLOCOG meetings on behalf of the District. Staff coordinated with the USDA, Phoenix Engineering, Rahmina Construction and electric sub-contractors during construction of the Wellhead Project. Staff also did final inspection of the Oceanside Inn improvements to check for any inconsistencies; none were found.

2. Grants, Loans and Partnership Opportunities – Update on USDA Wellhead Project

The brick building that houses the pumps and new Well office has been completed. Currently the electrical is being installed while pumps are being shipped.

3. NPDES Permit - Update

On December 5, 2013 the NPDES permit containing the recycled water use provisions was approved by the State Water Resources Control Board. Due to the appeal period provided for new permits, the SSCSD permit's effective date is February 1, 2014 making the use of recycled water available on that date.

B. Superintendent's Report

Wastewater Treatment Plant

- The wastewater treatment plant performed well this month.
- All sampling, testing and reporting at the wastewater treatment plant was performed as required by the RWQCB.
- One load of sludge was hauled away.

Water Distribution System

- All routine sampling and testing was performed. The monthly report was submitted to the CDPH.
- Monthly meter reading was performed.
- Staff assisted Phoenix Engineering and Raminha Construction and their subcontractors with the domestic water well rehabilitation project.

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 stand-by generators at the WWTP and the well site received quarterly and annual maintenance.

C. District Financial Summary – Update on Monthly Financial Status for close of business November 30, 2013.

October Billing Revenue	\$ 60,015.78
November Billing Revenue	\$ 50,079.55
Past Due (31 to 60 days)	\$ 221.27
Past Due (60 days)	\$ 282.50

RABOBANK SUMMARY (Ending Balances November 30, 2013)

Summary of Transactions:

Balance October 31, 2013	\$ 585,567.08
Interest November	\$ 126.10
Money Transfer from general checking November 18, 2013	\$ 50,000.00
Money Marketing Account Closing Balance November 30, 2013	\$ 635,693.18

Reserve Fund	(\$ 250,000.00)
Hook up Deposits	(\$ 43,470.00)
Available Funds	\$ 342,223.18

General Checking Account	\$ 133,537.61
Well Rehab Project/USDA Checking Account	\$ 3,109.31
LAIF Closing Balance November 30, 2013	\$ 517.62

D. District Counsel's Report – Oral Report on current issues

Besides general duties, this month Counsel attended a Regional Water Control Board meeting on behalf of the District regarding the pending approval of the NPDES permit and Recycled water permit. Counsel also prepared Resolution 13-361 regarding Board salaries.

After reviewing County documents and site visit, the Balboa access in question is not the "publicly deemed access". There is an access next to the Waste Water Treatment plant which is most likely the County access. Staff will direct County to look into clean up and or making the access safer. Counsel's last day will be December 31, 2013.

6. ITEMS OF BUSINESS

A. Approval of last month's minutes – November 13, 2013.

Motion to approve minutes as presented.

Motion by: Director Fields
 2nd by: Director Price
 All in: 5 / 0

B. Approval of Disbursements Journal – December 11, 2013.

Motion to approve disbursements as presented.

Motion by: Director Fields

2nd by: Director Patel

All in: 5 / 0

7. DISCUSSION/ACTION ITEMS

A. Review of Draft Audit for Fiscal year 2012-2013.

The Draft 2012-2013 District Audit performed by Moss, Levy & Hartzheim was in the Board Packet for Board review. Travis Hole, from Moss, Levy & Hartzheim was present to address any questions or changes Staff or the Board might have prior to finalizing the Audit.

The Draft Audit was approved by the Board with the exception of making “electrical expense” its own line item.

Motion by: Director Price

2nd by: Chairperson McAdams

All in: 5 / 0

B. 9270 Avonne Avenue, Sansone Project Application – Discussion of application submitted to the County regarding the proposed project.

The San Simeon Board of Directors concerns for the Sansone project are fire flow, fire storage, and impact on District streets. Mr. Grace mentioned that in his conversation with the County, they were looking into storm drains/gutters and curbing. Sansone is still working out requested changes. Mr. Grace also mentioned to the County that the District had still not been approach with a “Will Serve” request by Sansone.

Bob McLaughlin with the North Coast Advisory Committee was present and mentioned that the North Coast Advisory Committee had sent the County “their” concerns with the project’s impact to San Simeon. Chairperson McAdams requested the information/list of concerns be sent to the District office for review.

Per Counsel Schultz, at this time the project is still under review by the County, still going through changes, and final plans have not been submitted. Until final plans are submitted, there is no decision that can be made at this time. Staff will continue to keep in contact with the County to voice District concerns.

C. Approval of Resolution 13-361 – San Simeon Community Services District Board Salaries.

After reviewing Board Policies and Resolutions, Auditor's Moss, Levy & Hartzheim have suggested that the District have in place a Resolution regarding Board Salaries. Attached for your review is the District's Council Summary and Resolution 13-361 regarding San Simeon Community Services Board Salaries.

Director Fields would like Counsel Schultz to find out if paragraph 1 of the resolution can be "net \$100". Currently there are taxes being taken out of the Board of director's check making the total amount of compensation \$92.35. Counsel Schultz said that he would look into it and come back with an updated Resolution for the next board meeting.

D. Vote on Board Officer's for the 2014 year.

The term for the Chairperson and Vice-Chair person will be up in January 2014. Staff asked for the Board to vote on the position of Chairperson and Vice-Chair for the 2014 year.

Nomination for Ralph McAdams as Chairperson

Motion by: Director Williams

2nd by: Director Patel

All in: 3 / 2

Nomination for Alan Fields as Vice-Chair

Motion by: Director Price

2nd by: Director McAdams

All in: 3 / 2

8. Board Committee Reports – None

9. Board Reports – None

10. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS

None

11. ADJOURNMENT@ 6:41 PM

SAN SIMEON COMMUNITY SERVICES DISTRICT
Disbursements Journal
 January 1 - 2, 2014

Type	Date	Num	Name	Memo	Amount	Balance
				End Balance General Checking		152,713.22
Paycheck	01/01/2014	6963	ALAN FIELDS	Board Salary	-92.35	152,620.87
Paycheck	01/01/2014	6964	DAN WILLIAMS	Board Salary	-92.35	152,528.52
Paycheck	01/01/2014	6965	KAUSHIK S PATEL	Board Salary	-92.35	152,436.17
Paycheck	01/01/2014	6966	LEROY E PRICE	Board Salary	-92.35	152,343.82
Paycheck	01/01/2014	6967	RALPH N MCADAMS	Board Salary	-92.35	152,251.47
Bill Pmt	01/02/2014	6968	United States Treasury	Fourth quarter payroll taxes	-229.50	152,021.97
Bill Pmt	01/02/2014	6969	APTwater, Inc	O & M monthly service	-38,870.64	113,151.33
Bill Pmt	01/02/2014	6970	CALPERS	Jan/Feb/Mar 2014 Health Premium	-930.78	112,220.55
Bill Pmt	01/02/2014	6971	Cambria CSD	Settlement agreement - Final Installment	-3,750.00	108,470.55
Bill Pmt	01/02/2014	6972	County - Environmental Health Services	Haz Mat and site surcharge	-266.00	108,204.55
Bill Pmt	01/02/2014	6973	Glenn Burdette	December 2013 Services	-1,200.00	107,004.55
Bill Pmt	01/02/2014	6974	MICHAEL O'NEILL	Webmaster maintenance fee	-275.00	106,729.55
Bill Pmt	01/02/2014	6975	Moss, Levy & Hartzheim, LLP	Audit Services	-2,000.00	104,729.55
Bill Pmt	01/02/2014	6976	SLO Air Pollution Control District	Equipment permit for District generators	-1,832.00	102,897.55
Bill Pmt	01/02/2014	6977	CALPERS	Unfunded Liability for 2013-2014	-4,955.00	97,942.55
Bill Pmt	01/02/2014	6978	County of San Luis Obispo	Cross connection admin fee	-54.70	97,887.85
					-54,825.37	97,887.85
					Total -54,825.37	97,887.85

SAN SIMEON COMMUNITY SERVICES
 USDA DISBURSMENTS JOURNAL
 JANUARY 2014

Type	Date	Num	Name	Memo	Amount	Balance
Bill Pmt	01/02/2014	108	AECOM USA Inc.	Services for Nov 2013	-1,139.40	1,091.64
Bill Pmt	01/02/2014	109	Earth Systems Pacific, Inc.	Soil sampling	-3,616.00	-2,524.36
Bill Pmt	01/02/2014	110	PG&E	Electrical Engineering services	-348.05	-2,872.41
Bill Pmt	01/02/2014	111	Phoenix Civil Engineering, Inc	Period 11/1 to 11/30/13	-11,006.38	-13,878.79
Bill Pmt	01/02/2014	112	Raminha Construction, Inc	Period 11/16-12/15/13	-22,040.00	-35,918.79
					-38,149.83	-35,918.79
				Total	-38,149.83	-35,918.79

DISCUSSION & ACTION ITEMS

DISCUSSION ACTION ITEMS

January 8, 2014

A. Final Audit for Fiscal year 2012-2013.

Attached is the 2012-2013 District Audit performed by Moss, Levy & Hartzheim for Board with suggested Board and Staff changes. Staff is asking for Board approval.

B. Approval of Resolution 13-361 – San Simeon Community Services District Board Salaries.

After reviewing Board Policies and Resolutions, Auditor's Moss, Levy & Hartzheim have suggested that the District have in place a Resolution regarding Board Salaries. Director Fields asked if it was possible to change the language in government code to add "net" to paragraph 1. Per Counsel Schultz:

"It is my legal opinion that the Board, by law, cannot pay over \$100, per meeting, to a Director. If the Board was to pay a Director so he/she would net \$100, the District and would be paying over \$100 per meeting even if the net to the Director was a net of \$100. "

Attached for your approval is Resolution 13-361 regarding San Simeon Community Services Board Salaries. Staff is asking for Board approval.

C. Proposal from Phoenix Engineering – Proposal to design a extension of the recycled water distribution system by extending the existing warf head supply piping over to San Simeon Avenue and eastward along San Simeon Avenue.

SAN SIMEON COMMUNITY SERVICES DISTRICT

FINANCIAL STATEMENTS

June 30, 2013

SAN SIMEON COMMUNITY SERVICES DISTRICT
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June 30, 2013

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INTRODUCTORY SECTION

Board of Directors

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

FINANCIAL SECTION



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS
RONALD A. LEVY, CPA
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INDEPENDENT AUDITORS' REPORT

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

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, 2013, 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.

Auditor's 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 of the San Simeon Community Services District, as of June 30, 2013, 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.

Report on Summarized Comparative Information

Other auditors previously audited the San Simeon Community Service District's 2012 financial statements, and their report dated January 4, 2013, 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, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Emphasis of Matter

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. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, Statement No. 61, *The Financial Report Entity: Omnibus*, Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, and Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. 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 13 and 14 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 DATE, 2013, 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.

Santa Maria, California
XXXXXXX, 2013

SAN SIMEON COMMUNITY SERVICES DISTRICT
STATEMENT OF NET POSITION-PROPRIETARY FUND
June 30, 2013
with Comparative Totals for June 30, 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Current Assets:		
Petty cash	\$ 150	\$ 150
Cash and investments	615,545	512,377
Restricted cash and investments	730	54,010
Accounts receivable	85,441	67,054
Prepaid expenses	<u>6,507</u>	<u>6,194</u>
Total current assets	<u>708,373</u>	<u>639,785</u>
Capital Assets:		
Non-depreciable:		
Construction in progress	26,555	676,070
Depreciable:		
Sewer plant	2,030,781	1,488,555
Water plant	695,458	550,391
Building	395,874	395,874
Equipment	316,748	316,748
Less: Accumulated depreciation	<u>(1,869,980)</u>	<u>(1,790,000)</u>
Net capital assets	<u>1,595,436</u>	<u>1,637,638</u>
Total assets	<u>2,303,809</u>	<u>2,277,423</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	3,970	50,084
Customer deposits	53,928	53,878
Contingency	<u>25,000</u>	<u>63,464</u>
Total current liabilities	<u>82,898</u>	<u>167,426</u>
NET POSITION		
Net investment in capital assets	1,595,436	1,637,638
Restricted for capital projects	730	54,010
Unrestricted	<u>624,745</u>	<u>418,349</u>
Total net position	<u>\$ 2,220,911</u>	<u>\$ 2,109,997</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, 2013
With Comparative Totals for the Fiscal Year Ended June 30, 2012

	<u>2013</u>	<u>2012</u>
Operating Revenues:		
Utility sales	\$ 574,519	\$ 534,420
Service charges	57,554	51,100
State of CA-Dept of Parks and Recreation	<u>77,265</u>	<u>56,519</u>
Total operating revenues	<u>709,338</u>	<u>642,039</u>
Operating Expenses:		
Contract labor	460,746	493,395
Depreciation	79,980	78,524
Legal and professional	52,117	42,263
Repairs and maintenance	21,100	29,982
Utilities and telephone		21,061
Bookkeeping	15,500	14,700
Licenses and permits	9,334	9,021
Insurance	6,194	5,963
Directors' fees	5,500	5,800
Health insurance	11,962	4,869
Operating supplies		3,828
Website	3,575	3,025
Dues and subscriptions	1,980	1,264
Office expenses	371	548
Election expense	696	
Other expense	<u>10</u>	<u>2</u>
Total operating expenses	<u>669,065</u>	<u>714,245</u>
Net operating gain (loss)	<u>40,273</u>	<u>(72,206)</u>
Non-Operating Revenues (Expenses):		
Property taxes	73,755	68,380
Interest income	1,708	2,083
Tax administration fee	(1,618)	(1,587)
LAFCO budget allocation	(3,849)	(1,699)
Miscellaneous income	<u>645</u>	
Total non-operating revenues (expenses)	<u>70,641</u>	<u>67,177</u>
Changes in net position	110,914	(5,029)
Net position - beginning of fiscal year	<u>2,109,997</u>	<u>2,115,026</u>
Net position - end of fiscal year	<u>\$ 2,220,911</u>	<u>\$ 2,109,997</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, 2013
With Comparative Totals for the Fiscal Year Ended June 30, 2012

	<u>2013</u>	<u>2012</u>
Cash Flows From Operating Activities:		
Receipts from customers and users	\$ 691,001	\$ 633,386
Payments to suppliers	(656,514)	(544,194)
Payments to employees	(17,462)	(10,669)
Net cash provided (used) by operating activities	<u>17,025</u>	<u>78,523</u>
Cash Flows from Capital and Related Financing Activities:		
Property taxes	73,755	68,380
Miscellaneous revenues	645	
Purchase of capital assets	(37,778)	(224,662)
Tax administration fee	(1,618)	(1,699)
LAFCO budget allocation	(3,849)	(1,587)
Net cash provided (used) by capital and related financing activities	<u>31,155</u>	<u>(159,568)</u>
Cash Flows from Investing Activities:		
Investment income	1,708	2,083
Net cash provided (used) by investing activities	<u>1,708</u>	<u>2,083</u>
 Net increase (decrease) in cash and cash activities	 49,888	 (78,962)
Cash and cash equivalents, beginning of fiscal year	<u>566,537</u>	<u>645,499</u>
Cash and cash equivalents, end of fiscal year	<u>\$ 616,425</u>	<u>\$ 566,537</u>
Reconciliation to Statement of Net Position		
Petty cash	\$ 150	\$ 150
Cash and investments	615,545	512,377
Restricted cash and investments	730	54,010
	<u>\$ 616,425</u>	<u>\$ 566,537</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating loss	\$ 40,273	\$ (72,206)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	79,980	78,524
Change in Operating Assets and Liabilities:		
(Increase) decrease in accounts receivable	(18,387)	(8,853)
(Increase) decrease in prepaid expenses	(313)	(6,194)
Increase (decrease) in accounts payable	(46,114)	23,588
Increase (decrease) in customer deposits	50	200
Increase (decrease) in contingency	(38,464)	63,464
Net cash provided (used) by operating activities	<u>\$ 17,025</u>	<u>\$ 78,523</u>

See accompanying notes to basic financial statements.

SAN SIMEON COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2013

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, 2013

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. 60

For the fiscal year ended June 30, 2013, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements." This Statement is effective for periods beginning after December 15, 2011. The objective of this Statement is to improve financial reporting by addressing issues related to Service Concession Arrangements. This Statement improves consistency in reporting and enhances the comparability of the accounting and financial reporting of Service Concession Arrangements among state and local governments. Implementation of the GASB Statement No. 60, did not have an impact on the District's financial statements for the fiscal year ended June 30, 2013.

Governmental Accounting Standards Board Statement No. 61

For the fiscal year ended June 30, 2013, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 61 "The Financial Reporting Entity: Omnibus." This statement is effective for periods beginning after June 15, 2012. The objective of this Statement is to improve financial reporting for component units. The Statement modifies certain requirements for inclusion of component units in the financial reporting entity and clarifies the reporting of equity interests in legally separate organizations. Implementation of the GASB Statement No. 61, did not have an impact on the District's financial statements for the fiscal year ended June 30, 2013.

Governmental Accounting Standards Board Statement No. 62

For the fiscal year ended June 30, 2013, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 62 "Codification of Accounting and Financial Reporting Guidance Contained in *Pre-November 30, 1989 FASB and AICPA Pronouncements*." This Statement is effective for periods beginning after December 15, 2011. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the FASB and AICPA pronouncements issued on or before November 30, 1989. This Statement specifically identifies and consolidates the accounting and financial reporting provisions that apply to state and local governments. Implementation of the GASB Statement No. 62, did not have an impact on the District's financial statements for the fiscal year ended June 30, 2013.

Governmental Accounting Standards Board Statement No. 63

For the fiscal year ended June 30, 2013, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." This Statement is effective for periods beginning after December 15, 2011. The objective of this Statement is to establish guidance for reporting deferred outflows or resources, deferred inflows of resources, and net position in a statement

SAN SIMEON COMMUNITY SERVICES DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. New Accounting Pronouncements (Continued)

of financial position. This Statement sets forth framework that specifies where deferred outflows of resources and deferred inflows of resources, as well as assets and liabilities should be displayed. This Statement also specifies how net position, no longer referred to as net assets, should be displayed. Implementation of the Statement and the impact of the District's financial statements are explained in Note 2 – J Net Position.

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, 2013, the District had the following cash and temporary investments on hand:

Petty cash	\$ 150
Cash in bank	615,758
Investments	<u>517</u>
Total cash and investments	<u>\$ 616,425</u>

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 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

SAN SIMEON COMMUNITY SERVICES DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2013

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:

Investment Type	Carrying Amount	Remaining Maturity (in Months)			
		12 Months Or Less	13-24 Months	25-60 Months	More than 60 Months
LAIF	\$ 517	\$ 517	\$ -	\$ -	\$ -
Total	\$ 517	\$ 517	\$ -	\$ -	\$ -

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.

Investment Type	Carrying Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End		
				AAA	Aa	Not Rated
LAIF	\$ 517		\$ -	\$ -	\$ -	\$ 517
Total	\$ 517		\$ -	\$ -	\$ -	\$ 517

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.

SAN SIMEON COMMUNITY SERVICES DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2013

NOTE 3 - CASH AND INVESTMENTS (Continued)

Custodial Credit Risk (Continued)

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, 2013, and June 30, 2012, are shown below:

	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	<u>\$ 676,070</u>	<u>\$ 37,778</u>	<u>\$ -</u>	<u>\$ (687,293)</u>	<u>\$ 26,555</u>
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
	<u>2,751,568</u>			<u>687,293</u>	<u>3,438,861</u>
Accumulated depreciation	<u>1,790,000</u>	<u>79,980</u>			<u>1,869,980</u>
Total depreciable capital assets	<u>\$ 961,568</u>	<u>\$ (79,980)</u>	<u>\$ -</u>	<u>\$ 687,293</u>	<u>\$ 1,568,881</u>
Net capital assets	<u>\$ 1,637,638</u>	<u>\$ (42,202)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,595,436</u>

SAN SIMEON COMMUNITY SERVICES DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2013

NOTE 4 - SCHEDULE OF CAPITAL ASSETS (Continued)

	Balance July 1, 2011	Additions	Deletions	Transfers	Balance June 30, 2012
Non-depreciable capital assets:					
Construction in progress	\$ 451,408	\$ 224,662	\$ -	\$ -	\$ 676,070
Total non-depreciable capital assets	<u>\$ 451,408</u>	<u>\$ 224,662</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 676,070</u>
Depreciable capital assets:					
Sewer plant	\$ 1,488,555	\$ -	\$ -	\$ -	\$ 1,488,555
Water plant	550,391				550,391
Building	395,874				395,874
Equipment	316,748				316,748
	<u>2,751,568</u>				<u>2,751,568</u>
Accumulated depreciation	1,711,476	78,524			1,790,000
Total depreciable capital assets	<u>\$ 1,040,092</u>	<u>\$ (78,524)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 961,568</u>
Net capital assets	<u>\$ 1,491,500</u>	<u>\$ 146,138</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,637,638</u>

Depreciation expense for the fiscal years ended June 30, 2013 and 2012 was \$79,980 and \$78,524, respectively. Additions to construction in progress for the year ended June 30, 2013 consisted mainly of expenses related to the construction of a small scale recycled water plant (Tertiary Treatment Facility).

NOTE 5 – CUSTOMER DEPOSITS

The liability for customer deposits consists of the following as of June 30, 2013 and 2012:

	2013	2012
Hook-Up deposits	\$ 43,470	\$ 43,470
Customer meter deposits	10,458	10,408
	<u>\$ 53,928</u>	<u>\$ 53,878</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 – 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, 2012 through June 30, 2013.

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.

SAN SIMEON COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2013

NOTE 6 – JOINT POWERS AUTHORITY (Continued)

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 7 - CONTINGENCIES

The District was party to litigation with its former management company regarding termination of its services contract. The outcome of the lawsuit was determined in July 2012. The District was required to pay \$63,464 to its former management company which amounted to two months management fee payments. As of June 30, 2013, the unpaid liability was \$25,000.

NOTE 8 – RELATED PARTY TRANSACTION

The District has an agreement with APTwater to oversee the daily operations of the District. San Simeon Community Services District paid \$460,325 during the 12/13 fiscal year to APTwater for these services.

NOTE 9 – SUBSEQUENT EVENTS

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

SUPPLEMENTARY INFORMATION

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	<u>77,265</u>			<u>77,265</u>
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
Operating supplies				
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	<u>333</u>	<u>301</u>	<u>1,346</u>	<u>1,980</u>
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>

SAN SIMEON COMMUNITY SERVICES DISTRICT
SCHEDULE OF REVENUES AND EXPENSES BY FUNCTION
For the Fiscal Year Ended June 30, 2012

	<u>Sanitation Fund</u>	<u>Water Fund</u>	<u>General</u>	<u>Total</u>
Operating Revenues:				
Utility sales	\$ 271,586	\$ 260,791	\$ 2,043	\$ 534,420
Service charges		51,100		51,100
State of CA-Dept of Parks and Recreation	56,519			56,519
	<u>328,105</u>	<u>311,891</u>	<u>2,043</u>	<u>642,039</u>
Operating Expenses:				
Contract labor	295,944	172,750	24,701	493,395
Repairs and maintenance	10,000	17,152	2,830	29,982
Depreciation	37,865	24,234	16,425	78,524
Legal and professional	10,550	15,269	16,444	42,263
Utilities and telephone	14,042	652	6,367	21,061
Bookkeeping	5,700	4,485	4,515	14,700
Operating supplies	3,571		257	3,828
Office expenses	63	63	422	548
Health insurance			4,869	4,869
Licenses and permits	6,660	1,763	598	9,021
Directors' fees	2,610	2,610	580	5,800
Insurance	3,752	625	1,586	5,963
Website			3,025	3,025
Other expense			2	2
Dues and subscriptions			1,264	1,264
	<u>390,757</u>	<u>239,603</u>	<u>83,885</u>	<u>714,245</u>
Total operating expenses				
Net operating gain (loss)	<u>(62,652)</u>	<u>72,288</u>	<u>(81,842)</u>	<u>(72,206)</u>
Non-Operating Revenues (Expenses):				
Property taxes			68,380	68,380
Interest income			2,083	2,083
Tax administration fee			(1,587)	(1,587)
LAFCO budget allocation			(1,699)	(1,699)
			<u>67,177</u>	<u>67,177</u>
Total non-operating revenues (expenses)				
Change in net position	<u>\$ (62,652)</u>	<u>\$ 72,288</u>	<u>\$ (14,665)</u>	<u>\$ (5,029)</u>

RESOLUTION NO. 13-361

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT SETTING COMPENSATION FOR MEMBERS OF THE BOARD OF DIRECTORS

WHEREAS, The San Simeon Community Services District is authorized under Government Code 61047 (a) to provide compensation to each member of the Board in amount not to exceed \$100.00 for each day of service on behalf of the District, not to exceed six(6) days of service in a given month, and

WHEREAS, the Board has previously adopted Policy 5030 whereby each member of the Board "shall receive a monthly 'Director's Fee', the amount of which shall be annually established by the Board as set forth in the adopted budget. However, a member of the Board who does not attend the regular monthly meeting of the Board is not entitled to the monthly 'Director's Fee'". The Board has for at least the past 15 years adopted a budget for payment of the sum of \$100 for each Board member per month, and

WHEREAS, the Board desires to establish the amount of compensation by way of this Resolution in accordance with the provisions of the Government Code; and

WHEREAS, in accordance with Section 6066 of the California Government Code, a public hearing was held on January 08, 2014, at 6:00 p.m., or soon thereafter, at the meeting room of the Board at 250 San Simeon Avenue, San Simeon, CA and a notice of said hearing was duly noticed.

NOW THEREFORE, THE BOARD OF DIRECTORS OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT DOES HEREBY ORDAIN AS FOLLOWS:

Section 1 The amount of compensation to be received by Directors for each month's attendance at the Regular Meeting of the Board shall be in the amount of one hundred dollars (\$100.00). There shall be no payment for any other special meetings, workshops, committee meetings or community meetings unless specifically authorized by the Board. Attendance at the Regular Meeting each month is required in order to receive said compensation; and

On motion of Director _____, Seconded by Director _____, and on the following roll call vote to wit:

AYES:

NOES:

ATTEST:

ATTEST:

Ralph McAdams
Chairperson, Board of Directors

Charles Grace
General Manager/District Secretary



Phoenix Civil Engineering, Inc.

4532 Telephone Road, Ste. 113 Ventura, Ca 93003 805.658.6800
info@phoenixcivil.com www.phoenixcivil.com

Mr. Ralph McAdams
San Simeon Community Services District
111 Pico Ave.
San Simeon, CA 93452

November 22, 2013

San Simeon Community Services District – Recycled Water System Expansion Project– Proposal for Engineering Design Services

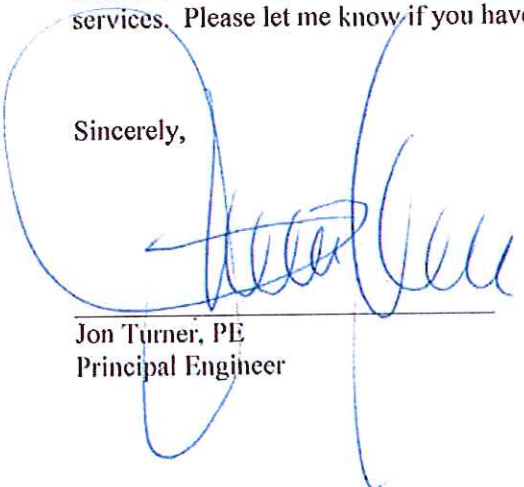
Dear Mr. McAdams-

I am pleased to provide you with this proposal for engineering design services associated with the Recycled Water System Expansion Project. The District installed the Small Scale Recycled Water Facility in 2012. Since that time, the system has been operated intermittently while the District was pursuing completion of the associated permits to utilize the recycled water at specific locations in the community. At this time, there are business owners who would like to obtain the recycled water for irrigation once the system is permitted. Originally, the first phase of the recycled water system in the community was the installation of the treatment process and a wharf head hydrant that could be used by District personnel to manually irrigate specific areas of the community with the recycled water through the use of a water truck. The second and third phases of the recycled water system is intended to install pressurized pipelines throughout the public right of way, obtain agreements with specific commercial establishments to utilize the recycled water for irrigation purposes and expand the treatment plant as needed to meet the increased demands. This proposal covers a second phase system expansion of the recycled water system for the community. Based on my discussions with the General Manager of the District, I have included the following in my proposal:

- Task 101: Topographic Survey
- Task 102: Plans and Specifications Preparation
- Task 103: Title 22 Engineering Report Modifications
- Task 104: Coordination Meetings with Regulatory Agencies

I appreciate the opportunity to submit this proposal to assist you with this project. I have attached a scope of work and our professional services rate sheet along with a fee schedule detailed by task and a project schedule. Our scope of work covers design services only and does not include construction phase services. Please let me know if you have any questions or would like to discuss my proposal.

Sincerely,



Jon Turner, PE
Principal Engineer

Scope of Services

Background/Project Understanding

The District is embarking on the establishment of a recycled water system to a portion of the San Simeon CSD community. The primary focus of the project is to design, install and operate an automated recycled water distribution system to select parcels west of SR 1. The scope of services includes design of the system and preparation of plans and specifications for the proposed improvements as well as modification of the existing Title 22 Engineering Report to allow for automated distribution of recycled water.

Task 101: Topographic Survey

This task will prepare a topographic survey of the proposed pipeline alignments for use as a base map for the improvement plans. The survey work shall be obtained using aerial photogrammetry with supplemental ground surveying in focus areas. The survey will include above ground culture such as curb, gutter, street widths, utilities, driveways, etc. The topographic survey will also include the areas identified as irrigation use areas in sufficient detail to meet the requirements of the regulatory agencies (existing water services, irrigation services, sprinkler heads, hose bibbs, buildings in proximity to the irrigation areas, etc.).

The following efforts are included in this task:

- Aerial photogrammetry of the project alignment.
- Topographic ground survey of the proposed pipeline alignments and irrigation use areas.

Deliverable: No deliverable is associated with this task. The base map will be used in Task 102.

Task 102: Plans and Specifications Preparation

This task will utilize the topographic survey from Task 101 to establish the pipeline alignment, materials of construction, etc. for the District to receive construction bids. The pipeline alignment is approximately 2,500 linear feet. It is envisioned that up to 7 sheets of plans will be prepared for the pipeline alignments (including the creek bridge crossing) – Title Sheet, Plan Sheet, Detail Sheet, Irrigation Site (4 sheets). It is not envisioned that modifications will be required for this phase to the existing San Simeon Water Recycling Facility. Use areas will be prepared separately using the topographic survey. For purposes of this proposal, it is assumed that up to 4 use area plans will be prepared.

The following efforts are included in this task:

- Pipeline plans and specifications preparation.
- Irrigation use area site plans showing proposed improvements and signage locations.

Deliverable: Two paper copies and one electronic copy of the 50% plans and specifications will be provided to the District for their review. Once the comments are received and incorporated into the plans and specifications, one paper and one electronic copy of the final set of plans and specifications will be issued to the District.

Task 103: Title 22 Engineering Report Modifications

The current Title 22 Engineering Report sought the approval of the use of recycled water using District personnel to manually apply the water to irrigation areas around the community. As the project is now envisioned to have a system where the recycled water will be applied to certain use areas with a pressurized system in accordance with the State of California regulations the Title 22 Engineering Report will have to be

modified to reflect the proposed changes. Modification of the Engineering Report will include the work product from Task 102.

The following efforts are included in this task:

- Modification of the Title 22 Engineering Report to reflect the proposed changes in operation of the system.

Deliverable: Three (3) sets of the draft Engineering Report will be provided to the District for their internal review. One electronic copy (.pdf) and three paper copies of the final report will be provided incorporating the District's review comments.

Task 104: Coordination Meetings with Regulatory Agencies

This task includes meeting with representatives of the California Department of Public Health and the Regional Water Quality Control Board to review the proposed project concepts and draft Engineering Report write up.

The following efforts are included in this task:

- Meet with CDPH and RWQCB representatives.
- Prepare meeting summaries of the discussions and the decisions made at the meeting.

Deliverable: One electronic copy of the meeting summaries (.pdf) will be provided.

Schedule

The work associated with Tasks 101 through 104 will be made a top priority. Every effort will be made to keep the project schedule moving along.

Fees

Work associated with Tasks 101 through 104 is estimated to cost \$22,165. A breakdown of the level of effort is listed below:

Task 101:	Topographic Survey	\$5,730
Task 102:	Plans and Specifications Preparation	\$6,305
Task 103:	Title 22 Engineering Report Modifications	\$8,580
Task 104:	Coordination Meetings with Regulatory Agencies	\$1,550

- **Assumptions**
The survey work will occur concurrent with the potable water pipeline survey work so that the surveyor does not have to mobilize to the site twice and the aerial photogrammetry can be obtained in one flight.
- Four sites will be included for information needed in the Title 22 report.