

**SPECIAL BOARD OF DIRECTORS MEETING
SAN SIMEON
COMMUNITY SERVICES DISTRICT**

Special Closed Session: Date: January 10, 2001
 Time: 4:30 p.m.
 Place: ~~District Office~~ CAVALIER MOTEL
 ~~1111 New Avenue~~ BANQUET ROOM
 San Simeon, CA

AGENDA

1. CALL TO ORDER
 - 1.1 ROLL CALL
2. PUBLIC COMMENTS: Limited to those items on the agenda.
3. CONFERENCE WITH LEGAL COUNSEL REGARDING
PENDING LITIGATION -- GOVERNMENT CODE SECTION 54956.9(a):
Warren v. San Simeon Community Service District
4. ADJOURNMENT

s/rws/sccsd/cs000110.agd

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

Wednesday, January 10, 2001
7:00 p.m.
Cavalier Motel - Banquet Room

Agenda

1. CALL TO ORDER
 - 1.1 Pledge of Allegiance
 - 1.2 Roll Call

2. PUBLIC COMMENT : (Any topic NOT on the agenda may be presented, but please observe the 3-minute time limit)
 - 2.1 Sheriff's Representative Presentation
 - 2.2 General Public

3. CLOSED SESSION REPORT

4. RESOLUTIONS COMMENDING OUTGOING BOARD MEMBERS
 - 4.1 Resolution No. 01 - 268 (Ardy May)
 - 4.2 Resolution No. 01 - 269 (Richard Andresen)
 - 4.3 Resolution No. 01 - 270 (Terry Lambeth)

5. CONSIDERATION AND APPROVAL OF MINUTES : December 13, 2000 Regular Meeting

6. CONSIDERATION AND APPROVAL OF WARRANTS : December 7, 2000 - January 3, 2001 Warrant Report

7. DISCUSSION / ACTION ITEMS
 - 7.1 Presentation and Approval of 1999-2000 Annual Audit Report
 - 7.2 Consideration of Quarterly / Annual Investment Report and Investment Policy Review
 - 7.3 Water Recycling Planning Study
 - 7.4 Evaluation of Clyde Warren Reservoir Water Supply Alternative

8. BOARD / STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS

9. ADJOURNMENT

San Simeon Community Services District



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

MEMORANDUM

DATE: Thursday, January 4, 2001
TO: Board of Directors
FROM: Interim General Manager
SUBJECT: Monthly Report

December 31 was the conclusion of my first two-month extension of the original agreement for interim general manager services. During that period (November 1 - December 31) I worked a total of 178.5 hours, just under the 180 hour limit set in the original September 1 agreement. I am now working under the additional two-month extension approved at the December 13 Board of Directors meeting.

Several months ago, when I didn't realize that I would be working here in January, friends of ours from Wisconsin made plans to visit us in Morro Bay from January 6 to January 13. As a result, we had made plans to spend the week with them, to show them the area. Because of the new two-month extension of my agreement, I have told them that I will need to be in San Simeon on Wednesday for the Board of Directors meeting. However, we had committed to spend as much of the week as possible with them, so I will be at the Board meeting and the earlier Closed Session, but next week I will probably be off all day Monday and Thursday, and at least part of the day Tuesday and Friday. Beginning on Monday, January 15 I plan to resume my former pre-holiday schedule of working Monday, Wednesday and Friday from 9:00 - 2:00, and Tuesday and Thursday from 9:00 to 1:00. That schedule keeps my total hours very closely within the total of 180 hours for two months that was established in the original agreement.

The agenda for the January 10 meeting has been structured to allow sufficient time to address the audit report review and to finalize the discussion and acceptance of the Water Recycling Planning Study, and to address the investment report / policy

items that are supposed to be considered at the regular monthly meeting in January each year. As a result, some other matters had to be deferred to the February 14 agenda, which should give a better balance to the two agendas.

The January 10 agenda includes consideration and approval of the minutes of the December 13 meeting. However, until we are able to arrange for the new Board members to view the videotapes of the September 13 and November 8 meetings, the minutes of those two meetings cannot be approved.

John Wallace has advised that the Water Recycling Planning Study must be submitted to the State this month, so the Board will need to complete its review and acceptance of the study report at the January 10 meeting. John has asked that all Board members carefully review the report again prior to the meeting and bring up any questions or concerns at the meeting, so that the review can be finalized and the study submitted to the State.

The Policy Manual states that the January quarterly investment report can also serve as the annual investment report, but that the investment policy itself should also be reviewed and amended or re-adopted at the January meeting each year. To keep the matter simple, it has all been rolled into one agenda item. So the Board can consider the report and re-adopt the policy.

Again this month we will have a full agenda, and we will again for the February 14 meeting. Also, please make a note of the Closed Session scheduled for 4:30 p.m. Wednesday afternoon, prior to the regular meeting. In the meantime, as always, do not hesitate to call if you have any questions.

SAN SIMEON COMMUNITY SERVICES DISTRICT

WARRANT REPORT

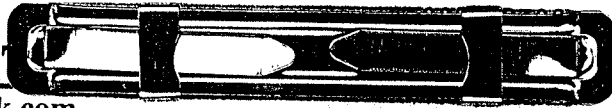
December 7, 2000 through January 3, 2001

<u>DATE</u>	<u>NUM</u>	<u>NAME</u>	<u>WARRANT #</u>	<u>MEMO</u>	<u>AMOUNT</u>
12/7/00	2989	PUBLIC EMP. RET. SYSTEM	0012-001	HEALTH INSURANCE FOR DECEMBER	\$855.68
12/7/00	2990	SLO CO. ENVIRON. HEALTH	0012-002	CROSS CONNECTION	\$20.00
12/7/00	2991	AT&T	0012-003	TELEPHONE	\$23.92
12/7/00	2992	USA BLUE BOOK	0012-004	GLOVES, SKIMMING NET, POLE	\$156.38
12/7/00	2993	CROSBY & CINDRICH	0012-005	AUDIT FEES	\$2,500.00
12/7/00	2994	MID-STATE BANK	0012-006	PAYROLL TAXES	\$2,320.44
12/7/00	2995	EMPLOYMENT DEV. DEPT.	0012-007	PAYROLL TAXES	\$563.20
12/7/00	2996	CAMBRIA AUTO PARTS	0012-008	GEAR OIL	\$12.66
12/7/00	2997	CAMBRIA HARDWARE	0012-009	GLOVES, TAPE, CONDUIT, ASPHALT...	\$130.81
12/7/00	2998	PUBLIC EMP. RET. SYSTEM	0012-010	RETIREMENT FOR NOVEMBER	\$1,470.27
12/7/00	2999	PACIFIC BELL	0012-011	TELEPHONE	\$200.53
12/7/00	3000	VERIZON WIRELESS	0012-010	CELL PHONE	\$64.93
12/7/00	3001	C.C.S.D.	0012-013	EFFLUENT COLIFORM MPN & P/A	\$260.00
12/7/00	3002	W.W. GRAINGER, INC.	0012-014	SANDER/GRINDER	\$106.18
12/7/00	3003	MISSION COUNTRY DISP.	0012-015	RUBBISH	\$203.07
12/7/00	3004	MISSION UNIFORM SERVICE	0012-016	TOWELS & COVERALLS	\$63.46
12/14/00	3005	KIMBERLY ALLISON	0012-017	PAYROLL 12/1/00-12/15/00	\$427.38
12/14/00	3006	MICHAEL HASSETT	0012-018	PAYROLL 12/1/00-12/15/00	\$1,262.44
12/14/00	3007	RONALD HEAD	0012-019	PAYROLL 12/1/00-12/15/00	\$2,028.50
12/14/00	3008	DAVID COLE	0012-020	INTERIM GENERAL MANAGER FEE	\$2,160.00
12/14/00	3009	PG&E	0012-021	ELECTRICITY	\$4,292.37
12/14/00	3010	CAROL BAILEY-WOOD	0012-022	MONTHLY BOARD SERVICE FOR DEC.	\$75.00
12/14/00	3011	DAVID KIECH	0012-023	MONTHLY BOARD SERVICE FOR DEC.	\$75.00
12/14/00	3012	ROBERT L. MCLAUGHLIN	0012-024	MONTHLY BOARD SERVICE FOR DEC.	\$75.00
12/14/00	3013	LORAIN MIRABAL-BOUBION	0012-025	MONTHLY BOARD SERVICE FOR DEC.	\$75.00
12/14/00	3014	ERIC SCHELL	0012-026	MONTHLY BOARD SERVICE FOR DEC.	\$75.00
12/14/00	3015	CRYSTAL SPRINGS WATER	0012-027	WATER DELIVERY	\$10.00
12/14/00	3016	SCHULTZ TRANSPORTATION	0012-028	MONTHLY CONTAINER RENTAL	\$80.00
12/14/00	3017	SLO COUNTY NEWSPAPERS	0012-029	CLASSIFIED AD FOR BLUE TRUCK	\$60.24
12/14/00	3018	AL'S SEPTIC PUMPING SERV.	0012-030	PUMP & DISPOSAL OF HOLDING TANKS	\$1,280.00
12/21/00	3019	D-KAL ENGINEERING	0012-031	PROGRESS PAYMENT #5	\$2,781.00
12/21/00	3020	BASIC CHEMICAL SOLUTIONS	0012-032	SODIUM HYPOCHLORITE & BISULFITE	\$2,025.93
12/21/00	3021	HUNT & ASSOCIATES	0012-033	ATTORNEY FEES	\$2,818.34
12/21/00	3022	SAN LUIS SECURITY SYS.	0012-034	ALARM	\$81.00
12/21/00	3023	MAJOR PROJECTS	0012-035	DESAL, ROADS, RAILINGS, RECYCLING...	\$2,567.66
12/21/00	3023	JOHN WALLACE & ASSOC.	0012-035	DISTRICT ENGINEERING	\$1,542.74
12/27/00	3024	DAVID COLE	0012-036	INTERIM GENERAL MANAGER FEE	\$1,320.00
12/28/00	3025	KIMBERLY ALLISON	0012-037	PAYROLL 12/16/00-12/31/00	\$447.14
12/28/00	3026	MICHAEL HASSETT	0012-038	PAYROLL 12/16/00-12/31/00	\$1,349.39
12/28/00	3027	RONALD HEAD	0012-039	PAYROLL 12/16/00-12/31/00	\$2,019.01
12/28/00	3028	A BETTER BEEP	0012-040	PAGER	\$32.45
12/28/00	3029	MCMASTER-CARR	0012-041	ACETYLENE TORCH, WRENCH, FLANGE...	\$119.56
12/28/00	3030	U.S.A. BLUE BOOK	0012-042	SQUEEGEE, STEEL FRAME, HANDLE	\$36.11
12/28/00	3031	SLO CO. ENVIRON. HEALTH	0012-043	WATER/GROUNDWATER TREATMENT	\$525.00
12/28/00	3032	AERO-MOD, INC.	0012-044	DRAIMAD DEWATERING FILTER BAGS	\$2,279.63
12/28/00	3033	W.W. GRAINGER, INC.	0012-045	NITRILE GLOVE	\$173.10
12/28/00	3034	VIKING OFFICE PRODUCTS	0012-046	NAMEPLATES, CARTRIDGES, PAPER....	\$214.20
1/2/01	3035	MID-STATE BANK	0101-001	PAYROLL TAXES	\$2,021.52
1/2/01	3036	EMPLOYMENT DEV. DEPT.	0101-002	PAYROLL TAXES	\$486.80
1/3/01	3037	PUBLIC EMP. RET. SYSTEM	0101-003	HEALTH INSURANCE FOR JANUARY	\$1,283.99
1/3/01		TOTAL			\$45,052.03

**San Simeon
Investment Report
As of December 31, 2000**

	Dec 31, '00
ASSETS	
Current Assets	
Checking/Savings	
1022 · GENERAL CHECKING	8,114.21
1026 · MONEY MARKET ACCOUNT	7,404.28
1200 · LAIF-NON RESTRICTED CASH	1,218,579.91
Total Checking/Savings	1,234,098.40
Other Current Assets	
1201 · NON CURRENT RESTRICTED CASH	
1201.5 · RESTRICTED CASH-RESERVES	
1202 · Contingent Liability Reserve	250,000.00
1210 · Customer Security Deposits	9,250.00
1212 · Connect Hookup Wait Deposits	43,470.00
Total 1201.5 · RESTRICTED CASH-RESERVES	302,720.00
Total 1201 · NON CURRENT RESTRICTED CASH	302,720.00
Total Other Current Assets	302,720.00
Total Current Assets	1,536,818.40
TOTAL ASSETS	1,536,818.40
LIABILITIES & EQUITY	0.00

- 1) The District has the ability to meet the next six months' cash flow requirements
- 2) Market valuation is stated as of the most recent statement
- 3) Investments are in compliance with the adopted policies
- 4) See attached for rate and balance detail



Partners In Your Community Since 1961

RECEIVED
DEC 5 - 2000
SAN SIMEON
COMMUNITY SERVICES DISTRICT



SAN SIMEON COMMUNITY SERVICES 30-2
111 PICO AVE 0
SAN SIMEON CA 93452-9738 0

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CAMBRIA OFFICE TELEPHONE: 805-927-8633
1070 MAIN STREET
CAMBRIA, CA 93428-2822

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Thank you for your business. Mid-State Bank has been a Partner in Your Community Since 1961. To learn more about the convenient products and services we offer, visit our web site at www.midstatebank.com or stop by one of our 34 Central Coast offices.

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PUBLIC MM INV ACCOUNT 1202959403

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INTEREST THIS STATEMENT	12.28	LAST STATEMENT 10/31/00	7,392.00
INTEREST PAID 2000	253.62	1 CREDITS	12.28
		DEBITS	.00
		THIS STATEMENT 11/30/00	7,404.28

DESCRIPTION	----- OTHER CREDITS -----	DATE	AMOUNT
INTEREST		11/30	12.28

----- DAILY BALANCE -----		
DATE.....BALANCE	DATE.....BALANCE	DATE.....BALANCE
11/30 7,404.28		



Partners In Your Community Since 1961

RECEIVED
DEC 6 - 2000
SAN SIMEON
COMMUNITY SERVICES DISTRICT

SAN SIMEON COMMUNITY SERVICES 30-2
111 PICO AVE 6
SAN SIMEON CA 93452-9738 45

CAMBRIA OFFICE
1070 MAIN STREET
CAMBRIA, CA 93428-2822

TELEPHONE: 805-927-8633

Would you like to withdraw funds from your checking account without ever writing a check? With a MasterMoney(TM) Debit Card, you can purchase groceries, gas, or anything else wherever MasterCard is accepted. It's the faster, more economical, more convenient way to shop.

PUBLIC CHECKING ACCOUNT 1202959401

LAST STATEMENT 10/31/00 38,379.62
6 CREDITS 33,658.80
45 DEBITS 47,715.55
THIS STATEMENT 11/30/00 24,322.87

DEPOSITS			
REF #	DATE	AMOUNT	
	11/07	961.06	
	11/07	6,087.37	
	11/15	1,916.80	
	11/15	5,312.26	
	11/21	5,306.19	
	11/21	14,075.12	

CHECKS					
CHECK #	DATE	AMOUNT	CHECK #	DATE	AMOUNT
2921	11/17	75.00	2939	11/08	64.93
2924	11/06	75.00	2940	11/02	32.45
2930	11/02	2,410.27	2941	11/02	447.14
2931	11/06	405.41	2942	11/02	2,373.03
2932	11/06	861.91	2943	11/08	855.68
2933	11/06	1,838.31	2944	11/13	2,080.00
2934	11/08	6,579.59	2945	11/07	1,620.60
2935	11/03	1,920.00	2946	11/21	349.61
2936	11/03	4,297.29	2947	11/21	953.76
2937	11/06	353.25	2948	11/22	585.83
2938	11/21	82.80	2949	11/24	2,213.05
			2950	11/28	214.80
			2951	11/17	260.00
			2952	11/21	30.69
			2953	11/24	65.93
			2954	11/20	1,230.00
			2955	11/22	1,211.46
			2956	11/20	109.58
			2957	11/17	116.96
			2958	11/21	203.07
			2959	11/20	58.96
			2960	11/21	279.82

*** CONTINUED ***

SAN SIMEON COMMUNITY SERVICES

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PUBLIC CHECKING ACCOUNT 1202959401

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----- CHECKS -----

CHECK #	DATE	AMOUNT	CHECK #	DATE	AMOUNT	CHECK #	DATE	AMOUNT
2961	11/29	2,000.00	2965*	11/20	2,100.00	2971*	11/20	75.00
2962	11/16	358.24	2967	11/28	92.40	2973*	11/24	40.00
2963	11/17	1,100.69	2968*	11/27	1,682.77	2975	11/28	1,591.24
2964	11/17	2,424.03	2970	11/17	75.00	2976	11/22	1,920.00

(*) INDICATES A GAP IN CHECK NUMBER SEQUENCE

----- DAILY BALANCE -----

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
11/02	33,116.73	11/15	26,442.25	11/24	29,904.08
11/03	26,899.44	11/16	26,084.01	11/27	28,221.31
11/06	23,365.56	11/17	22,032.33	11/28	26,322.87
11/07	28,793.39	11/20	18,458.79	11/29	24,322.87
11/08	21,293.19	11/21	35,940.35		
11/13	19,213.19	11/22	32,223.06		

Please See Reverse Side for Important Information

OFFICE OF THE TREASURER

SACRAMENTO



Local Agency Investment Fund
PO Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

November, 2000 Statement

Account Number : 16-40-003

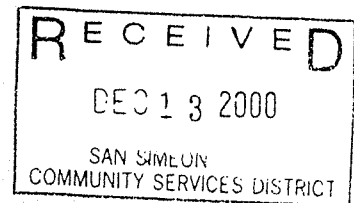
COMMUNITY SERVICES DISTRICT OF
SAN SIMEON

Attn: CHAIRMAN
111 PICO AVENUE
SAN SIMEON

CA 93452

Account Summary

Total Deposit :	0.00	Beginning Balance :	1,518,385.47
Total Withdrawal :	0.00	Ending Balance :	1,518,385.47



RECEIVED
OCT 16 2000
SAN SIMEON
COMMUNITY SERVICES DISTRICT

COMM SERVICE DIST-SAN SIMEON
ATTN: CHAIRMAN
111 PICO AVE
SAN SIMEON, CA

93452

REMITTANCE ADVICE

CONTROLLER OF CALIFORNIA

COMM SERVICE DIST-SAN SIMEON

ACCOUNT NUMBER 16-40-003

AS OF 10/13/2000, YOUR LOCAL AGENCY
INVESTMENT FUND ACCOUNT HAS BEEN DIRECTLY
CREDITED WITH THE INTEREST EARNED ON YOUR
DEPOSITS FOR THE QUARTER ENDING 09/30/2000.

EARNINGS RATIO .00017726564634401	DOLLAR DAY TOTAL	142,870,925.43
INTEREST RATE 6.47%	QUARTER END PRINCIPAL BAL	1,493,059.36
	QUARTERLY INTEREST EARNED	25,326.11

ARTICLE 8
Investment of District Funds

8-1 Statement of Policy: In accordance with the provision of California Government Code, Section 53601 et seq., surplus monies not required for immediate necessities may be invested in a safe and liquid institution.

8-2 Investment Requirements: All investments shall conform to Exhibit A of Resolution No. 96-220.

8-3 Statement of Investments: The District Finance Officer shall file a quarterly report that identifies the District's Investment Policy. The quarterly report must be filed with the District's auditor and considered by the District's Board of Directors within thirty (30) days after the end of each quarter (California Government Code 53646). Elements of the report shall conform to Exhibit A of Resolution No. 96-220.

8-4 Investment Policy Review: This Investment Policy shall be reviewed on an annual basis. Any modification must be approved by the Board of Directors.

1996 INVESTMENT POLICY

1. INTRODUCTION

The purpose of this written *Investment Policy* is to establish the guidelines for the prudent investment of San Simeon Community Services District funds (herein referred to as District's funds). The objectives of this policy are safety, liquidity, yield, and compliance with state and federal laws and policies.

District funds are to be managed with a high degree of care and prudence. Though all investments contain a degree of risk, the proper concern for prudence, maintenance of high level of ethical standards and proper delegation of authority reduces the potential for any realized loss.

This policy establishes the standards under which the District's Finance Officer will conduct business with financial institutions with regard to the investment process.

2. FINANCE OFFICER

The Board of Directors appoints the District Manager as the District Finance Officer and Treasurer.

3. SCOPE

This investment policy applies to all financial assets and unrestricted cash reserves of the District not required for the immediate necessities: money market checking account, money market investment accounts, LAIF pooled money investment account established and administered by the State, and brokerage investment accounts.

4. OBJECTIVES The primary objectives are safety, liquidity, yield, and compliance.

A. SAFETY

The investment portfolio shall be managed in a manner that ensures the preservation of capital. The objective is to minimize credit risk and interest rate risk.

B. LIQUIDITY

The investment portfolio shall remain sufficiently liquid to meet all operating requirements. This shall be accomplished by structuring the investment portfolio so that investments mature concurrent with cash needs.

C. YIELD

Yield shall be a consideration only after the requirements of safety and liquidity have been met.

D. COMPLIANCE

This Investment Policy is written to be in compliance with California and Federal law.

5. STANDARDS OF CARE

A. PRUDENCE

The Finance Officer will manage the portfolio pursuant to the "Prudent Investor Standard." When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the Finance Officer shall act with care, skill, prudence and diligence under the circumstances then prevailing, that a prudent person acting in like capacity and familiarity with those matters would use in the conduct of funds of a similar character and with like aims, to safeguard the principal and maintain the liquidity of the assets of the District.

B. DISCLOSURE

The Finance Officer shall disclose any material interest in financial institutions with which he/she conducts District business.

6. INVESTMENTS AUTHORITY

A. PERMITTED INVESTMENTS

The District Finance Officer is authorized to invest in the following institutions:

1. County bonded funds;
2. The Local Agency Investment Fund created by the California State Treasury;
3. One or more FDIC insured Banks and/or Savings and Loan Associations that are designated as District depositories by resolution of the Board of Directors;
4. Such other financial institutions or securities that may be designated by the Board of Directors from time to time in compliance with California and Federal law.

B. PROHIBITED INVESTMENTS

The District's Finance Officer shall not invest in:

1. Inverse floaters, range notes or interest only strips that are derived from a pool of mortgages.
2. Any security that could result in a zero interest accrual if held to maturity.
3. A state or federal credit union, if a member of the District's Board of Directors or an administrative officer also serves on the Board of Directors, or any committee appointed by the Board of Directors, or the credit committee or supervisory committee, of the state or federal credit union.

C. DIVERSIFICATION

Investments, other than investments referenced in paragraphs A (1) and (2) above, will be diversified to avoid losses that may be associated with any one investment.

7. REPORTS

A. QUARTERLY REPORT

Finance Officer shall file a quarterly report that identifies the District's investments and their compliance with the District's Investment Policy. The quarterly report must be filed with the District's auditor and considered by the District's Board of Directors within thirty (30) days after the end of each quarter (i.e., by May 1, August 1, November 1, and February 1) (California Government Code § 53646). Required elements of the quarterly report are as follows:

1. Type of Investment
2. Institution
3. Date of Maturity (if applicable)
4. Amount of deposit or cost of the security
5. Current market value of securities with maturity in excess of twelve months (if applicable)
6. Rate of Interest
7. Statement relating the report to the Statement of Investment Policy

8. Statement that there are sufficient funds to meet the next 180 days obligations
9. Accrued Interest (if applicable)

B. ANNUAL REPORT

Prior to February 1, of each year, the Finance Officer shall file and submit an annual report to the District's auditor and Board of Directors which will contain the same information required in the quarterly report.

The annual report will include a recommendation to the Board of Directors to either:

1. Readopt the District's then current annual Investment Policy; or
2. Amend the District's then current Investment Policy.

C. LIMITED QUARTERLY REPORT

If the District has placed all of its investments in the Local Agency Investment Fund (LAIF), created by California Government Code § 16429.1, or in Federal Deposit Insurance Corporation, insured accounts in a bank or savings and loan association, in a County investment pool, or any combination of these, the Finance Officer may submit to the Board of Directors, and the auditor of the District the most recent statement or statements received by the District from these institutions in lieu of the information required in paragraph 7.A, above. This special reporting policy does not relieve the Finance Officer of the obligation to prepare an annual investment statement as identified in paragraph 7.B, above.

San Simeon Community Services District



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

Board of Directors
Bob McLaughlin, Loraine Mirabal-Boubion, Eric Schell, David Klech, Carol Bailey-Wood

MEMORANDUM

DATE: January 10, 2001
TO: Board of Directors
FROM: John L. Wallace, District Engineer *[Signature]*
SUBJECT: Draft Water Recycling Study Report

RECOMMENDATIONS:

Staff recommends the Board;
Receive public comments on the Draft Water Recycling Study and provide direction to Staff. The draft report was distributed at the December 13, 2000 meeting.

FUNDING:

No additional funding required.

DISCUSSION:

At the prior meeting, Staff presented an overview of the draft report. The draft report will now be revised to incorporate Board and public comments, and submitted to the State Board for consideration and review. The time extension request for completion of this study, was submitted to State Board in December 2000, and is on the State Board Agenda for January 10 and 11, 2001. It is expected that State Board will approve the time extension request and proceed with review of the draft report. Fifty percent of the costs for this study will be reimbursed by the State, upon approval of the draft and final report.

j\lwa01:\proj\084-SSCSD\02-major projects\18-reclaimed.grant\recycled water study receive comments

David Cole, Interim General Manager
Robert W. Schultz, District Counsel


Ron Head, Plant Superintendent

Kim Allison, Office Administrator
John L. Wallace, District Engineer

SAN SIMEON COMMUNITY SERVICES DISTRICT

Route 1, Box S-17
San Simeon, California 93452
(805) 927-4778

MEMORANDUM

DATE: January 5, 2001
TO: Board of Directors
FROM: John L. Wallace, District Engineer 
SUBJECT: Evaluation of Warren Reservoir, Water Supply Alternative

RECOMMENDATIONS:

Staff recommends the Board; direct staff to initiate the investigation of the Clyde Warren Reservoir water supply alternative in accordance with the following scope of work.

FUNDING:

The approved FY 2000/01 budget includes \$50,000 for investigation of water projects including a desalination plant and pipeline project. It is anticipated that a reconnaissance level report prepared in accordance with the scope of work would cost between \$10 to 15,000 at this time.

DISCUSSION:

Previously, the Board is aware that the Warren family has offered to make available to the District, as well as to the Cambria Community Services District, a off-creek water diversion and storage project to include a reservoir that could be filled during the wet season and used for a supplemental water supply in the dry season. To investigate this concept, the following scope of work is presented for the Board's consideration:

1. Review all available reports and previous efforts completed to investigate such a project in this area.
2. Coordinate with the Cambria Community Services District in their effort to investigate a similar concept for this District so as to not duplicate effort and to share information whenever possible.
3. Coordinate with the State Department of Water Resources, Division of Water Rights to determine the availability of an unallocated water right for San Simeon creek and its availability to be transported to San Simeon.

4. Coordinate with other agencies that would be involved in permitting such a project in order to determine the scope of the environmental work that would be required.
5. Outline the engineering features of the project and develop a facilities plan and conceptual cost estimate that would be required to physically complete this project, including storage diversion, transmission and treatment components.
6. Present periodic reports to the District's water committee as well make a final presentation to the Board concerning the results of this investigation.

It is anticipated that these preliminary activities can be completed within 60 - 90 days depending on the responses from other agencies including the State Department of Water Resources. It is also proposed that the Board initiate discussions with Cambria as part of this and other alternative water projects to discuss and identify items of mutual interests.

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Roy A. Hanley
Attorney at Law

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Paso Robles, CA 93446

Telephone: (805) 238-9397

Facsimile: (805) 238-9398

October 17, 2000

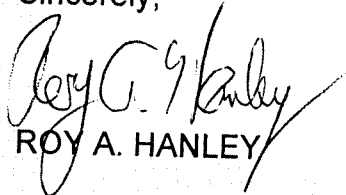
San Simeon Community Services District
Attention: Dave Cole
111 Pico Avenue
San Simeon, CA 93452

Dear Mr. Cole:

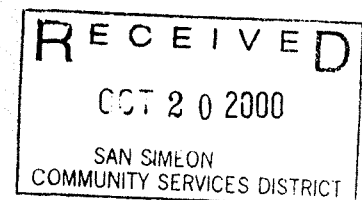
I have been authorized by the trustees of the estates of Willis C. Warren and Mary Warren to inquire about your interest in obtaining lease or other rights for the establishment and/or maintenance of a water reservoir on property located near San Simeon Creek. An example of the types of reservoir and pipelines that the trustees would be willing to explore is attached hereto for your reference.

The trustees are willing to explore these issues with the San Simeon Community Services District. However, before doing so the services district needs to promise, in writing, to cover all of the costs of this exploration, including attorneys fees incurred by Clyde Warren and the trustees. The trustees would also expect that the services district would pay for, and hold the trustees harmless from all of the associated engineering and other costs of the exploration of potential reservoir sites. I look forward to hearing from you at your earliest convenience.

Sincerely,


ROY A. HANLEY

RAH:cl
enclosure
cc: Clyde Warren



SPECIAL BOARD OF DIRECTORS MEETING
SAN SIMEON COMMUNITY SERVICES DISTRICT

Date: Tuesday, January 23, 2001 - Time: 4:30 P.M. - Place: Cavalier Banquet Room

AGENDA

1. CALL TO ORDER
 - 1.1 Pledge of Allegiance to the flag.
 - 1.2 Roll Call.
2. PUBLIC COMMENTS:
3. DISCUSSION/ACTION REGARDING GENERAL MANAGER/SECRETARY POSITION AND OTHER MAN POWER NEEDS OF THE DISTRICT.
4. DISCUSSION/ACTION REGARDING COMPENSATION AND FORM OF PAYMENT TO BOARD OF DIRECTORS.
5. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS.
6. ADJOURNMENT.

*This meeting
was cancelled*