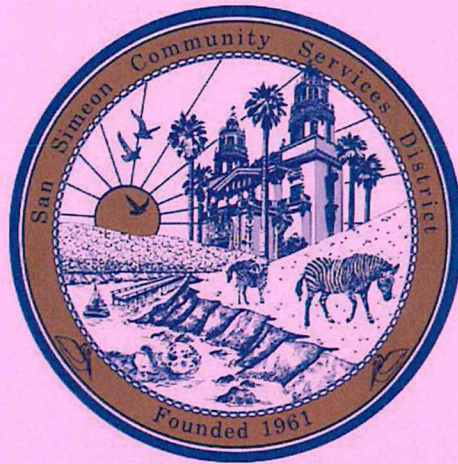


**Board of Directors  
San Simeon Community Services District**



**BOARD PACKET**

**Wednesday, November 13, 2019**  
**Regular Meeting 5:00 pm**

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

Prepared by:



**GRACE**  
ENVIRONMENTAL SERVICES

**AGENDA**  
**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**BOARD OF DIRECTORS REGULAR MEETING**  
**Wednesday, November 13, 2019**  
**5:00 pm**

**CAVALIER BANQUET ROOM**  
**250 San Simeon Avenue**  
**San Simeon, CA 93452**

**1. REGULAR SESSION: 5:00 PM**

- A. Roll Call
- B. Pledge of Allegiance

**2. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA:**

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

**3. SPECIAL PRESENTATIONS AND REPORTS:**

**A. STAFF REPORTS:**

- i. **Sheriff's Report** – Report for October.
- ii. **Superintendent's Report** – Summary of October activities.
- iii. **General Manager's Report** – Summary of October Activities.
- iv. **District Financial Summary** – Update on Monthly Financial Status.
- v. **District Counsel's Report** – Summary of October Activities.

**B. BOARD OF DIRECTORS AND COMMITTEE REPORTS:**

**C. SPECIAL PRESENTATION:**

**D. PUBLIC COMMENTS ON SPECIAL PRESENTATIONS AND REPORTS:**

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

**4. CONSENT AGENDA ITEMS:**

**Public Comment** - Members of the public wishing to speak on consent agenda items may do so when recognized by the Presiding Officer. If a member of the public wishes to speak at this time, Public Comment is limited to three (3) minutes.

- A. Review and approval of Minutes for the Regular Meeting on October 9, 2019.
- B. Review and approval of Disbursements Journal.

## **5. BUSINESS ITEMS:**

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

- A. Discussion regarding the water moratorium, as it relates to water quality.**
- B. Discussion regarding adoption of Ordinance No. 120 Water and Wastewater Capacity Fee Charges.**
- C. Discussion and approval for Staff to repair the well generator not to exceed the amount of \$ 6,772.00.**
- D. Discussion regarding audiotaping of Committee Meetings.**
- E. Authorization for the General Manager to obtain SUSP to perform a Median Household Income (MHI) Survey not to exceed the amount of \$12,750.00.**
- F. Discussion regarding the activation of solid waste power from the Local Agency Formation Commission (LAFCO).**
- G. Consideration of approval of Resolution 19-415 Reimbursement Agreement for the Proposition 1 Integrated Regional Water Management Round 1 Implementation Grant.**
- H. Consideration of approval of Resolution 19-416 Policy on Discontinuance of Residential Water Service.**
- I. Discussion regarding the Hazard Mitigation Plan \$33,000 matching funds for the California Coastal Commission (CCC) Local Coastal Plan (LCP) Grant application for the CCC mandated, WWTP Coastal Hazard Mitigation Plan.**
- J. Discussion on Procedure to Fill the Vacancy on the San Simeon Community Services District Board of Directors Created by the Resignation of Director Julia Stanert; Direction to Staff to Post Notice of Vacancy pursuant to Gov't Code 1780; Schedule meeting at which candidates will be considered and the appointment made.**

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

## **7. ADJOURNMENT**

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

**3. A. ii. SUPERINTENDENT REPORT**  
**Jerry Copeland**  
**Facilities Update for October 2019**



## SUPERINTENDENT'S REPORT

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### Item 3.A.ii

Prepared by: Jerry Copeland

#### 1. Wastewater Treatment Plant

- All sampling, testing and reporting at the Wastewater Treatment Plant and the Recycled Water Facility was performed as required by the RWQCB.
- One load of sludge was hauled away.

#### 2. Water Treatment and Distribution System

- All routine sampling and testing was performed. The monthly report was submitted to the State Water Resources Control Board (SWRCB), Division of Drinking Water (DDW).
- Monthly water meter reading was performed.
- Monthly maintenance on the R.O. unit was performed.
- Triennial Lead and Copper sampling was performed in the month of September. The results of the testing were received from the lab on October 11th. All results were below the MCL (Maximum Contaminant Level) as required by the DDW. The report was submitted on October 30th.
- The last two hotel water meters were replaced. (Quality Inn front building and San Simeon Lodge north building).
- A damaged fire hydrant was replaced on Vista del Mar Ave.
- The new Pre-filter that will be used in times of high turbidity upstream of the main filter was installed and tested.
- Two leaks at service connections were repaired.

#### 3. District and Equipment Maintenance

- Staff continues with all of the scheduled preventive maintenance for all the equipment at the facilities. We are recording all of these activities.
- A new recyclables receptacle was placed at the Pico Ave stairs.

**San Simeon Community Services District      Superintendent's Report      October 2019**

<b>MONTHLY DATA REPORT</b>																
Date	Day	Wastewater Inflow	Wastewater Effluent	Well 1 Total Daily Produced	Well 2 Total Daily Produced	Total Daily Water Produced	R.O. Daily Inflow	R.O. Daily Effluent Flow	R.O. Daily Brine Flow	Distribution Chloride	Chloride Wells 1 2	Recycled Water Distributed	Water Level Well 1	Water Level Well 2	Rainfall in Inches	State Flows
10/01/19	Tue	70,884	71,280	75,024	1,197	76,221	0	0	0	-	-	0	11.3	11.2	0.00	9,753
10/02/19	Wed	82,708	79,950	70,686	0	70,686	0	0	0	-	-	0	11.2	11.1	0.00	8,783
10/03/19	Thu	73,142	72,550	69,639	0	69,639	0	0	0	-	-	0	11.2	11.1	0.00	8,478
10/04/19	Fri	83,269	80,840	91,106	0	91,106	0	0	0	-	-	0	11.2	11.1	0.00	9,019
10/05/19	Sat	86,969	85,550	83,477	0	83,477	0	0	0	-	-	0	-	-	0.00	9,937
10/06/19	Sun	83,456	81,150	129,404	0	129,404	0	0	0	-	-	0	-	-	0.00	11,851
10/07/19	Mon	81,198	80,510	21,692	0	21,692	0	0	0	-	-	0	11.4	11.3	0.00	10,338
10/08/19	Tue	69,605	68,070	104,720	972	105,692	4287	2691	1598	-	-	0	11.4	11.3	0.00	9,573
10/09/19	Wed	76,459	72,180	73,528	0	73,528	0	0	0	-	-	0	11.4	11.3	0.00	8,328
10/10/19	Thu	74,425	72,440	81,906	0	81,906	0	0	0	-	-	0	11.6	11.5	0.00	8,948
10/11/19	Fri	80,604	74,270	75,024	0	75,024	0	0	0	-	-	0	11.7	11.6	0.00	8,421
10/12/19	Sat	104,494	101,250	83,028	0	83,028	0	0	0	-	-	0	11.7	11.6	0.00	9,575
10/13/19	Sun	90,505	88,210	73,229	0	73,229	0	0	0	-	-	0	11.7	11.6	0.00	13,335
10/14/19	Mon	85,239	80,200	71,060	0	71,060	0	0	0	-	-	0	11.6	11.5	0.00	11,814
10/15/19	Tue	75,190	71,660	73,977	0	73,977	0	0	0	-	-	0	11.6	11.5	0.00	10,685
10/16/19	Wed	66,363	62,720	68,367	0	68,367	0	0	0	-	-	0	11.7	11.6	0.00	8,690
10/17/19	Thu	67,676	66,820	73,080	0	73,080	0	0	0	-	-	0	11.7	11.6	0.00	11,715
10/18/19	Fri	75,833	73,540	91,929	0	91,929	0	0	0	-	-	0	11.7	11.6	0.00	6,836
10/19/19	Sat	90,166	86,870	116,015	0	116,015	0	0	0	-	-	0	11.7	11.6	0.00	10,460
10/20/19	Sun	96,344	93,120	55,352	0	55,352	0	0	0	-	-	0	11.7	11.6	0.00	10,388
10/21/19	Mon	72,166	68,630	93,874	0	93,874	0	0	0	-	-	0	-	-	0.00	9,188
10/22/19	Tue	77,390	73,700	78,091	0	78,091	0	0	0	-	-	0	-	-	0.00	8,045
10/23/19	Wed	68,883	67,060	68,442	0	68,442	0	0	0	-	-	0	11.9	11.8	0.00	9,414
10/24/19	Thu	73,147	70,150	80,709	0	80,709	0	0	0	-	-	0	12.0	11.9	0.00	9,772
10/25/19	Fri	67,759	64,550	64,403	0	64,403	0	0	0	-	-	0	12.0	11.9	0.00	8,283
10/26/19	Sat	90,193	85,450	109,731	0	109,731	0	0	0	-	-	0	12.1	12.0	0.00	8,142
10/27/19	Sun	82,692	79,070	30,593	0	30,593	0	0	0	-	-	0	12.1	12.0	0.00	10,654
10/28/19	Mon	75,154	70,710	70,836	0	70,836	0	0	0	-	-	0	12.0	11.9	0.00	8,935
10/29/19	Tue	71,088	67,700	72,855	0	72,855	0	0	0	-	-	0	12.1	12.0	0.00	7,891
10/30/19	Wed	59,397	58,240	66,722	0	66,722	0	0	0	-	-	0	12.0	11.9	0.00	8,354
10/31/19	Thu	56,907	54,900	70,013	0	70,013	0	0	0	-	-	0	12.0	11.9	0.00	7,157
<b>TOTALS</b>		<b>2,409,305</b>	<b>2,323,340</b>	<b>2,388,513</b>	<b>2,169</b>	<b>2,390,682</b>	<b>4287</b>	<b>2691</b>	<b>1598</b>			<b>0</b>			<b>0.00</b>	<b>292,762</b>
Average		77,720	74,946	77,049	70	77,119	138	87	52	0	32	0	11.7	11.6	0.00	9,444
Minimum		56,907	54,900	21,692	0	21,692	0	0	0	0	32	0	11.2	11.1	0.00	6,836
Maximum		104,494	101,250	129,404	1,197	129,404	4287	2691	1598	0	32	0	12.1	12.0	0.00	13,335

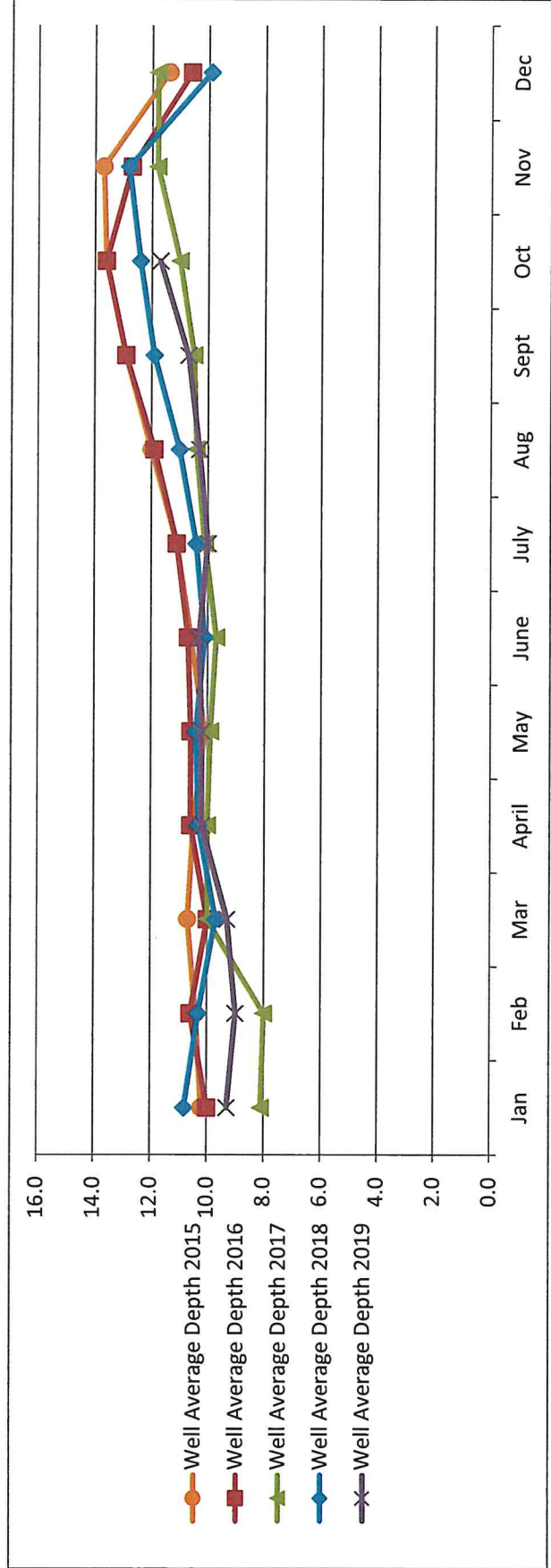
**DATA SUMMARY SHEET**

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Total for 2019
Wastewater Influent	2,974,678	2,978,722	3,279,598	2,517,042	2,622,942	2,407,688	2,798,408	2,948,183	2,466,442	2,409,305			27,403,008
Wastewater Final Effluent (Month Cycle)	2,921,320	2,950,740	3,186,710	2,456,140	2,464,900	2,553,710	3,022,860	2,737,320	2,323,010	2,323,340			26,940,050
Adjusted Wastewater Influent (- State Flow)	2,599,672	2,540,371	2,840,773	2,267,805	2,227,432	2,089,028	2,339,678	2,543,256	2,152,297	2,116,543			23,716,855
Water Produced (month cycle)	1,849,654	1,643,730	2,013,823	2,212,060	2,175,858	2,456,058	2,832,302	2,609,472	2,373,404	2,390,682			22,557,044
Sewer Influent/Water Produced Ratio	1.61	1.81	1.63	1.14	1.24	0.85	1.09	1.13	1.04	1.01			N/A
Adjusted Sewer/Water Produced Ratio	1.41	1.55	1.41	1.03	1.06	0.88	0.91	0.98	0.91	0.09			N/A
Well 1 Water Production	103,897	59,616	60,663	1,010,024	2,108,538	2,162,169	2,574,242	2,604,610	2,265,542	2,388,513			15,337,814
Well 2 Water Production	1,745,757	1,584,114	1,953,160	1,202,036	67,320	293,889	258,060	4,862	107,862	2,169			7,219,230
Total Well Production	1,849,654	1,643,730	2,013,823	2,212,060	2,175,858	2,456,058	2,832,302	2,609,472	2,373,404	2,390,682			22,557,044
Water Well 1 Avg Depth to Water	9.0	8.7	9.0	10.0	10.2	10.4	10.0	10.3	10.7	11.7			N/A
Water Well 2 Avg Depth to Water	9.5	9.2	9.5	10.3	10.2	10.2	10.0	10.2	10.6	11.6			N/A
Average Depth to Water of Both Wells	9.3	9.0	9.3	10.2	10.2	10.3	10.0	10.3	10.7	11.7			N/A
Change in Average Depth to Water from 2018	-1.5	-1.3	-0.4	-0.1	-0.2	+0.2	-0.4	-0.8	-1.3	-0.7			N/A
Average Chloride mg/L at the Wells	55	44	44	46	46	38	38	38	38	32			N/A
State Wastewater Treated	375,006	438,351	438,825	294,237	395,510	318,660	458,730	404,927	314,145	292,762			3,731,153
State % of Total WW Flow	13%	15%	13%	12%	15%	13%	16%	14%	13%	12%			N/A
Recycled Water Sold (Gallons)	0	0	0	0	0	0	0	0	0	0			0
Biosolids Removal (Gallons)	4,500	0	9,000	9,000	4,500	9,000	9,000	4,500	4,500	4,500			58,500
WW Permit Limitation Exceeded	0	0	0	0	0	0	0	0	0	0			N/A
RW Permit Limitation Exceeded	0	0	0	0	0	0	0	0	0	0			N/A
Constituent Exceeded	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
Sample Result	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			N/A

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total for 2018
Wastewater Influent	1,762,514	1,707,154	2,752,139	2,188,423	2,254,636	2,475,142	3,200,941	3,139,374	2,539,174	2,339,012	2,096,790	2,227,833	28,683,132
Wastewater Final Effluent (Month Cycle)	1,718,650	1,748,894	2,796,460	2,287,640	2,303,330	2,485,760	3,156,580	3,158,998	2,479,999	2,286,320	2,004,920	2,144,640	28,572,191
Adjusted Wastewater Influent(- State Flow) *	1,516,601	1,459,319	2,320,828	1,819,468	1,901,248	2,082,826	2,641,403	2,500,033	2,107,514	1,951,269	1,800,530	1,941,526	24,042,565
Water Produced (month cycle)	1,464,210	1,578,354	1,677,091	1,845,614	2,252,051	2,539,202	2,954,183	2,975,092	2,423,071	2,187,526	1,858,930	1,887,877	25,643,203
Sewer Influent/Water Produced Ratio	1.20	1.08	1.64	1.19	1.00	0.99	1.08	1.05	1.05	1.07	1.13	1.18	N/A
Adjusted Sewer/Water Ratio	1.04	0.92	1.38	0.99	0.84	0.82	0.89	0.84	0.87	0.89	0.97	1.03	N/A
Average Depth of Both Wells	10.8	10.3	9.7	10.3	10.4	10.1	10.4	11.0	11.9	12.4	12.8	9.9	N/A
Change in Average Depth to Water from 2017	+2.7	+2.3	-0.3	+0.3	+0.5	+0.4	+0.3	+0.6	+1.4	+1.4	+1.0	-1.9	N/A
Average Chloride mg/L at the Wells	34.5	35.5	32	35.5	35.5	32	32	32	32	34.5	45	65	N/A
State Wastewater Treated	245,913	247,835	431,311	368,955	353,388	392,298	559,538	639,341	431,660	387,743	269,260	286,307	4,613,549
State % of Total WW Flow	14%	15%	16%	17%	16%	16%	18%	20%	17%	17%	13%	13%	N/A
Recycled Water Sold (Gallons)	0	0	0	0	0	0	0	0	0	0	0	0	0
Biosolids Removal (Gallons)	9,600	0	4,800	9,600	4,800	4,800	13,500	13,500	9,000	4,500	4,500	4,500	83,100
WW Permit Limitation Exceeded	0	0	0	0	0	0	0	0	0	0	0	0	N/A
RW Permit Limitation Exceeded	0	0	0	0	0	0	0	0	0	0	0	0	N/A
Constituent Exceeded	None	None	None	None	None	None	None	None	None	None	None	None	N/A
Sample Limit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sample Result	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**San Simeon Community Services District Superintendent's Report October 2019**

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
<b>Well Average Depth 2015</b>	10.2	10.4	10.7	10.5	10.1	10.6	11.1	12.0	12.9	13.6	13.7	11.4
<b>Well Average Depth 2016</b>	10.0	10.6	10.0	10.6	10.6	10.7	11.1	11.9	12.9	13.6	12.7	10.6
<b>Well Average Depth 2017</b>	8.1	8.0	10.0	10.0	9.9	9.7	10.1	10.4	10.5	11.0	11.8	11.8
<b>Well Average Depth 2018</b>	10.8	10.3	9.7	10.3	10.4	10.1	10.4	11.0	11.9	12.4	12.8	9.9
<b>Well Average Depth 2019</b>	9.3	9.0	9.3	10.2	10.2	10.3	10.0	10.3	10.7	11.7		





**3. A. iii GENERAL MANAGER'S REPORT**  
**Charles Grace**  
**Update for October 2019**



## GENERAL MANAGER'S REPORT

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### Item 3.A.iii

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

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

Staff also attended to the following items:

- Responded to five (5) public records requests.
- Assisted auditor with the October 7, 2019 accounting audit.
- Continued preparing information for the District's new website.

**County Wide Hazardous Mitigation Plan** – There is no update on this item.

**Coastal Development Permit (CDP) Special Conditions Update** – Oliveria Consulting continues to perform Special Condition tasks.

**Prop.1 Grant Update** – The District received a check in the amount of \$167,376.61, which is reimbursement for the planning and design portion of the Phase 1 master plan projects. This money has been deposited into the money market account.

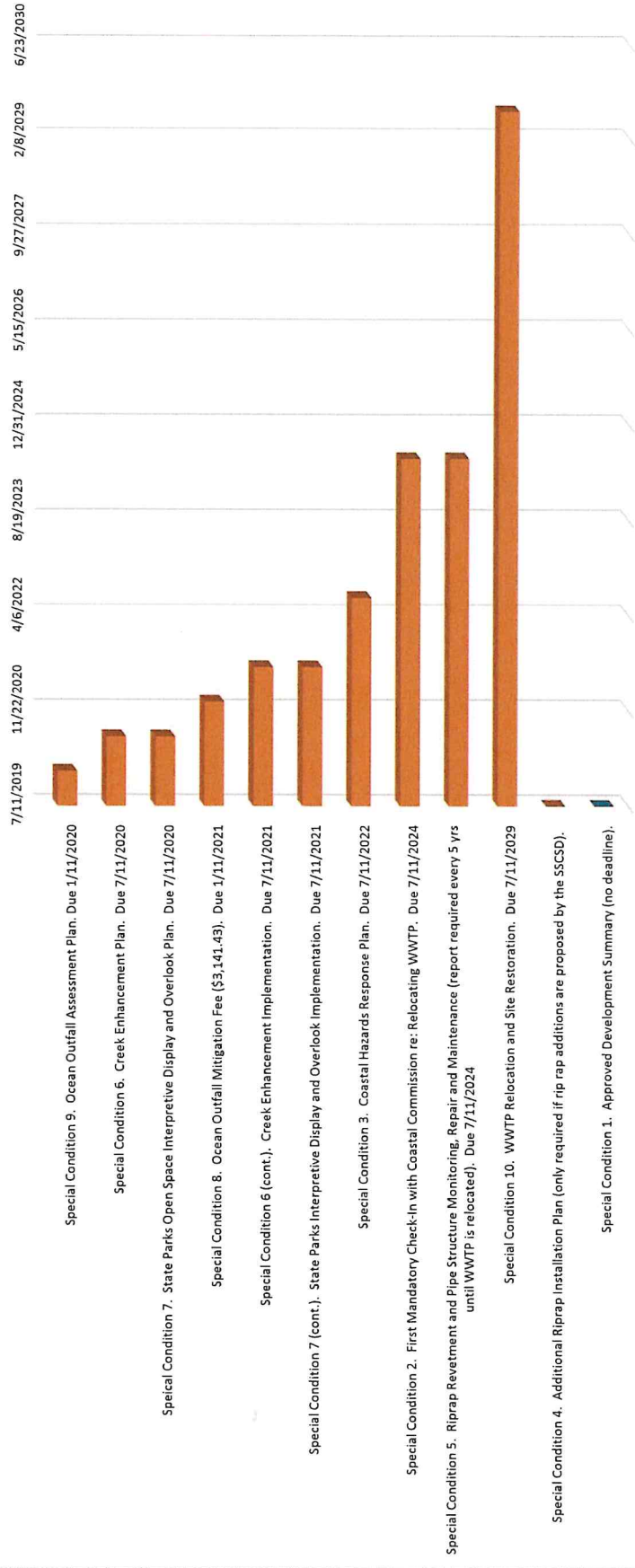
**2000 series policy and procedures manual** – Staff continues to make progress on this series. Staff will present a draft version of the 2000 series to the Board once the revisions have been completed.

**PG&E potential power outages and emergency measures update** – A list of equipment that is necessary to operate the filter system(s) has been forwarded to the electrical engineer for review.

**District website** –The website link was emailed to the Board members on 11/8/2019. Staff is working to finalize all of the edits received and the new website should be launched mid-November. The maintenance agreement/monthly contract needs to be discussed by the Board and will be placed onto the December meeting agenda.

Enc: Timeline

SSCSD WWTP Special Condition Timeline. Organized by Due Dates.



**3. A. iv. DISTRICT FINANCIALS**  
**Cortney Murguia**  
**October 31, 2019**

# SAN SIMEON COMMUNITY SERVICES DISTRICT



## 3.A.iv FINANCIAL SUMMARY

### Billing October 31, 2019

September Billing Revenue	\$	93,993.41
October Billing Revenue	\$	96,430.15
Past Due (31 to 60 days)	\$	21.70
Past Due (60 days)	\$	-

### ENDING BANK BALANCES

October 31, 2019

#### RABOBANK SUMMARY:

Well Rehab Project/USDA Checking Account **CLOSED**

#### PACIFIC PREMIER BANK:

Money Market Account Closing Balance September 30, 2019	\$	922,226.43
Interest for October	\$	1,982.87
Deposit of Grant Reimbursement	\$	167,376.61
Deposit State of California Billing	\$	25,528.71
Money Market Account Closing Balance October 31, 2019	\$	1,117,114.62

Reserve Fund	(250,000.00)
Wait-list Deposits	(69,750.00)
Customer Deposits	(9,100.00)
<b>Available Funds</b>	<b>\$ 788,264.62</b>

General Checking Account October 31, 2019 \$ 137,127.37

LAIF Closing Balance October 31, 2019 \$ 549.86

Interest Money Market Account 2018 \$ 5,473.10

Interest Money Market Account Year to Date \$ 18,491.34

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**Balance Sheet**  
**As of October 31, 2019**

	Oct 31, 19
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
1010 · Petty cash	150.00
1015 · Pacific Prem - General Checking	135,457.52
1017 · Pacific Premier-Money Market	1,117,114.62
1040 · Cash in county treasury	108.33
1050 · LAIF - non-restricted cash	546.49
Total Checking/Savings	1,253,376.96
Other Current Assets	
1200 · Accounts receivable	96,500.02
1300 · Prepaid expenses	6,775.22
Total Other Current Assets	103,275.24
Total Current Assets	1,356,652.20
Fixed Assets	
1400 · Fixed assets	
1420 · Building and structures	395,874.73
1500 · Equipment	316,747.53
1540 · Major Water Projects	190,360.90
1560 · Pipe bridge	28,075.58
1580 · Sewer plant	1,488,555.08
1600 · Water system	550,390.00
1620 · WWTP expansion	299,565.92
1630 · Tertiary Project	262,932.67
1640 · Wellhead Rehab Project	450,827.53
1650 · Walkway access projects	21,511.00
1660 · RO Unit	931,966.97
1670 · Reservoir / Water Tanks	183,600.88
1680 · Generator	29,101.14
Total 1400 · Fixed assets	5,149,509.93
1690 · Accumulated depreciation	(2,475,930.17)
Total Fixed Assets	2,673,579.76
<b>TOTAL ASSETS</b>	<b>4,030,231.96</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2500 · Customer security deposits	9,150.00
2510 · Connect hookup wait list	69,750.00
2520 · USDA Loan	447,403.07
Total Other Current Liabilities	526,303.07
Total Current Liabilities	526,303.07
Total Liabilities	526,303.07
Equity	
3200 · Fund balance	3,275,440.52
Net Income	228,488.37
Total Equity	3,503,928.89
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>4,030,231.96</b>

**SAN SIMEON COMMUNITY SERVICES  
HISTORICAL FISCAL REVIEW**

**Y 2016/2017**

Month	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fiscal Total
Rate Billing			\$12,485.00			\$13,996.07			\$29,440.40			\$23,960.29	\$79,881.76
Property Tax	\$1,161.69		\$1,184.42	\$6,789.01	\$6,970.82	\$28,878.98	\$2,456.74	\$2,966.66	\$2,421.97	\$23,540.38	\$415.92	\$1,111.78	\$77,898.37
Water	\$36,292.1	\$36,746.52	\$31,241.74	\$29,953.03	\$22,549.49	\$19,445.8	\$25,600.5	\$22,112.36	\$19,816.90	\$27,563.35	\$27,763.55	\$31,331.40	\$330,416.71
sewer	\$41,862.8	\$43,190.60	\$36,386.89	\$35,106.74	\$25,574.57	\$21,817.9	\$29,037.7	\$24,590.36	\$22,440.87	\$31,022.32	\$31,228.75	\$34,851.59	\$377,111.12
Service	\$6,559.5	\$6,472.20	\$6,472.20	\$6,472.20	\$6,626.30	\$6,533.8	\$6,503.0	\$6,503.02	\$6,503.02	\$6,503.02	\$6,564.66	\$6,626.30	\$78,339.28
Site Fees	\$485.7	\$97.52	\$595.71	\$316.72	\$353.70	\$1,587.7	\$366.8	\$1,387.73	\$735.52	\$202.87	\$187.94	\$804.03	\$7,121.95
Grant Funds						\$20,000.00							
Revenue	<b>\$86,361.78</b>	<b>\$86,506.84</b>	<b>\$88,365.96</b>	<b>\$78,637.70</b>	<b>\$62,074.88</b>	<b>\$92,260.26</b>	<b>\$63,964.81</b>	<b>\$57,560.13</b>	<b>\$81,358.68</b>	<b>\$88,831.94</b>	<b>\$66,160.82</b>	<b>\$98,685.39</b>	<b>\$950,769.19</b>
Expense	<b>\$127,105.89</b>	<b>\$72,035.48</b>	<b>\$114,268.09</b>	<b>\$71,273.31</b>	<b>\$75,340.87</b>	<b>\$66,017.87</b>	<b>\$71,441.43</b>	<b>\$72,822.48</b>	<b>\$152,049.21</b>	<b>\$62,994.78</b>	<b>\$77,525.44</b>	<b>\$71,657.28</b>	<b>\$1,034,532.13</b>
Balance	<b>(\$40,744.11)</b>	<b>\$14,471.36</b>	<b>(\$25,902.13)</b>	<b>\$7,364.39</b>	<b>(\$13,265.99)</b>	<b>\$26,242.39</b>	<b>(\$7,476.62)</b>	<b>(\$15,262.35)</b>	<b>(\$70,690.53)</b>	<b>\$25,837.16</b>	<b>(\$11,364.62)</b>	<b>\$27,028.11</b>	<b>(\$83,762.94)</b>
Water Sold Cu Ft	324654	324654	281207	269907	203338	175391	232048	200704	179990	249876	249279	282352	2,973,400
Water Sold Acre Ft	7.45	7.45	6.46	6.20	4.67	4.03	5.33	4.61	4.13	5.74	5.72	6.48	68.26

**Y 2017/2018**

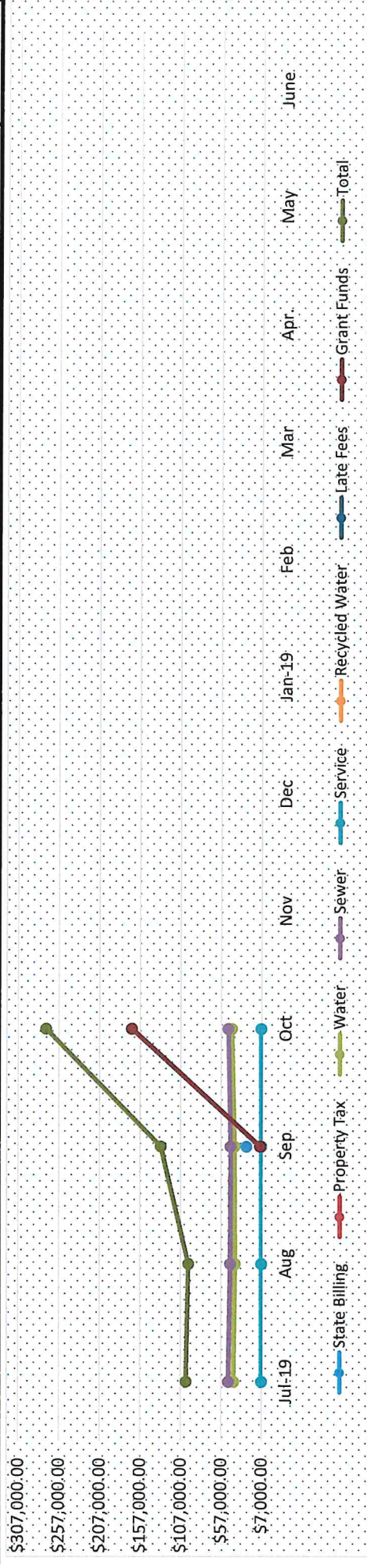
Month	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fiscal Total
Rate Billing			\$24,606.31			\$21,914.14			\$21,542.66			\$23,690.87	\$91,753.98
Property Tax	\$1,282.43		\$121.78	\$3,983.38	\$11,222.22	\$31,099.09	\$7,506.90	\$2,750.02	\$640.94	\$22,168.20	\$1,686.05	\$771.97	\$83,232.98
Water	\$34,880.43	\$36,192.33	\$31,137.52	\$27,999.25	\$26,930.07	\$19,762.53	\$22,551.64	\$25,457.70	\$16,741.07	\$28,408.76	\$27,795.23	\$36,075.95	\$333,932.48
sewer	\$38,495.46	\$39,770.86	\$33,836.96	\$30,919.58	\$29,421.68	\$21,164.32	\$25,021.12	\$28,652.26	\$19,108.33	\$32,900.73	\$31,492.38	\$40,773.70	\$371,557.38
Service	\$6,820.12	\$6,950.95	\$6,821.63	\$6,659.98	\$6,886.29	\$6,886.29	\$6,789.30	\$6,853.96	\$6,724.64	\$6,724.64	\$6,724.64	\$6,724.64	\$81,567.08
Site Fees	\$628.24	\$379.06	\$292.61	\$241.85	\$221.14	\$159.01	\$113.69	\$197.92	\$487.09	\$284.43	\$202.63	\$179.47	\$3,387.14
Grant Funds	\$332,310.87						\$42,858.00						
Revenue	<b>\$82,106.68</b>	<b>\$83,293.20</b>	<b>\$86,816.81</b>	<b>\$69,804.04</b>	<b>\$74,681.40</b>	<b>\$100,985.38</b>	<b>\$61,982.65</b>	<b>\$63,911.86</b>	<b>\$65,244.73</b>	<b>\$90,486.76</b>	<b>\$67,900.93</b>	<b>\$108,216.60</b>	<b>\$965,431.04</b>
Expense	<b>\$94,660.34</b>	<b>\$87,503.06</b>	<b>\$104,489.98</b>	<b>\$71,763.52</b>	<b>\$62,490.35</b>	<b>\$85,613.60</b>	<b>\$88,196.48</b>	<b>\$73,251.65</b>	<b>\$109,510.66</b>	<b>\$70,856.21</b>	<b>\$80,363.24</b>	<b>\$80,743.66</b>	<b>\$1,009,442.75</b>
Balance	<b>(\$12,553.66)</b>	<b>(\$4,209.86)</b>	<b>(\$7,673.17)</b>	<b>(\$1,959.48)</b>	<b>\$12,191.05</b>	<b>\$15,371.78</b>	<b>(\$26,213.83)</b>	<b>(\$9,339.79)</b>	<b>(\$44,265.93)</b>	<b>\$19,630.55</b>	<b>(\$12,462.31)</b>	<b>\$27,472.94</b>	<b>(\$44,011.71)</b>
Water Sold Cu Ft	299369	310960	266284	241692	232942	169355	194345	217741	144425	244412	237414	308832	2,867,771
Water Sold Acre Ft	6.87	7.14	6.11	5.55	5.35	3.89	4.46	5.00	3.32	5.61	5.45	7.09	65.84

**Y 2018/2019**

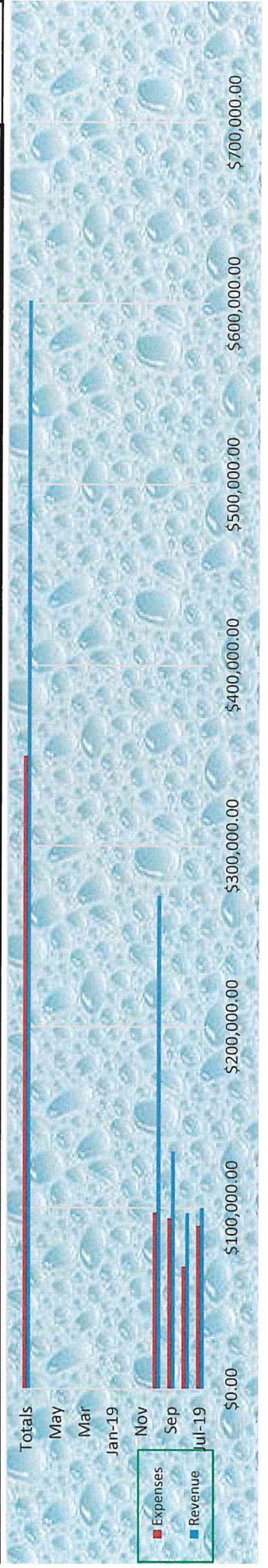
Month	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fiscal Total
Rate Billing			\$26,723.91			\$20,971.00			\$19,858.71			\$19,390.52	\$86,944.14
Property Tax	\$1,288.59		\$169.19	\$7,205.82	\$8,542.19	\$33,187.58	\$1,319.32	\$4,888.55	\$2,227.01	\$22,928.34	\$3,062.24	\$1,057.02	\$85,875.85
Water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

DISTRICT REVENUE FY 2019/2020

	Jul-19	Aug	Sep	Oct	Nov	Dec	Jan-19	Feb	Mar	Apr.	May	June	Totals
State Billing			\$25,528.71										\$25,528.71
Property Tax	\$1,218.61	\$2,752.21	\$3,126.48	\$5,305.64									\$12,402.94
Water	\$41,718.97	\$39,623.52	\$40,324.01	\$43,808.36									\$165,474.86
Sewer	\$48,137.21	\$45,503.27	\$45,161.69	\$48,244.57									\$187,046.74
Service	\$7,113.60	\$7,045.20	\$7,079.40	\$7,451.10									\$28,689.30
Recycled Water													\$0.00
Late Fees	\$1,957.04	\$2,399.24	\$1,407.87	\$468.45									\$6,232.60
Grant Funds			\$8,750.00	\$167,376.61									\$176,126.61
<b>Total</b>	<b>\$100,145.43</b>	<b>\$97,323.44</b>	<b>\$131,378.16</b>	<b>\$272,654.73</b>									<b>\$601,501.76</b>
Water Sold Cu Ft	336845	319458	323518	329822									1309643
Water Sold Acre ft	7.73	7.33	7.43	7.57									30.07



	Jul-19	Aug	Sep	Oct	Nov	Dec	Jan-19	Feb	Mar	Apr.	May	June	Totals
Revenue	\$100,145.43	\$97,323.44	\$131,378.16	\$272,654.73	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$601,501.76
Expenses	\$90,205.84	\$67,705.50	\$94,401.58	\$97,595.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$349,908.42
Balance	\$9,939.59	\$29,617.94	\$36,976.58	\$175,059.23	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$251,593.34





## **4. CONSENT AGENDA**

- A. Consideration of approval of the October 9, 2019 meeting minutes.**

**MINUTES**  
**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**BOARD OF DIRECTORS REGULAR MEETING**  
**Wednesday, October 9, 2019**  
**5:00 pm**

**CAVALIER BANQUET ROOM**  
**250 San Simeon Avenue**  
**San Simeon, CA 93452**

**1. REGULAR SESSION: @ 5:08 PM**

- |  |                                       |
|--|---------------------------------------|
| <b>A. Chairperson Kellas – Present</b> | General Manager, Charlie Grace        |
| Vice-Chairperson McGuire – Present     | District Counsel, Natalie Frye Laacke |
| Director Russell – Present             |                                       |
| Director Stanert – Present             |                                       |
| Director Carson – Present              |                                       |

**2. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA:**

**Public Comment –**

Mike Hanchett spoke on the proposed 25% rate increase on trash service in San Simeon. He asked that the Board discuss this matter and requested that this matter be placed on the agenda as an emergency item.

**3. SPECIAL PRESENTATIONS AND REPORTS:**

**A. STAFF REPORTS:**

- i. Sheriff's Report** – Deputy Cramer presented the Report for September.
- ii. Superintendent's Report** – Charles Grace provided a summary of September activities. There was a discussion related to the repairs and standard routine maintenance work that was done at the waste water treatment plant. Jeff Oliveira commented that staff had notified the California Coastal Commission of the work that was to be completed via emails to Coastal Commission staff. The Board directed Staff to save the emails between staff and the Coastal Commission staff so that they could be referenced in the future if needed.
- iii. General Manager's Report** – Charlie Grace provided a summary of September Activities. Jeff Oliveira was present and presented a timeline related to the special conditions associated with the after the fact CDP permit for the riprap. Jeff Oliveira also presented information related to the grant for the Prop. One monies related to the water tank storage project.
- iv. District Financial Summary** – Cortney Murguia provided a summary of the District financials.
- v. District Counsel's Report** – Natalie Frye Laacke provided a summary of September activities. She also provided a report on State Bill 998 and discussed the revised legislation.

- B. BOARD OF DIRECTORS AND COMMITTEE REPORTS:** Vice-Chairperson McGuire provided a summary of the Budget Committee meeting. She explained that the Budget Committee would

hold a meeting in November after Kathy Fry and Mike Hanchett met to discuss possible funding options for the water tank project.

Mike Hanchett provided a summary of the Water Committee meeting. He stated that the committee had reviewed the request from the owner of APN 013-071-017 for water allocation and that the water committee agreed with staff's response letter to the property owner, denying the owner's request for an intent letter.

**C. SPECIAL PRESENTATION:** None

**D. PUBLIC COMMENTS ON SPECIAL PRESENTATIONS AND REPORTS:**

**Public Comment – None**

**4. CONSENT AGENDA ITEMS:**

**Public Comment – None**

**A.** Review and approval of Minutes for the Regular Meeting on September 11, 2019.

**B.** Review and approval of Disbursements Journal.

A motion to approve the minutes with the changes recommended by Vice-Chairperson McGuire.

Motion by: Director Russell

2<sup>nd</sup>: Vice-Chairperson McGuire

All in: 5 /0

**5. BUSINESS ITEMS:**

**Public Comment –**

None

**A. Consideration and Adoption of a Mitigated Negative Declaration for San Simeon CSD Community water tank project. (MND public comment period September 9, 2019 - November 13, 2019).**

Chairperson Kellas introduced the item and discussed a letter from Greenspace (green sheet was distributed to the Board members). She also stated that the MND was dynamic and could be changed. She also stated that staff should respond to Greenspace to clarify that the response period would be extended and remain open for an additional 30 days. Chairperson Kellas commented about the dates not being part of the ad in the newspaper.

Jeff Oliveira commented that the Board could chose to certify the MND. He stated that staff had received two public comments related to the time period not being part of the ad in the newspaper. He clarified that the dates had been part of the information that was submitted to the state clearinghouse. He observed that should the Board choose to approve the MND, this would allow staff to move forward in the permitting process.

A motion was made to accept the MND, extend the public comment period to November 13, 2019, and approve Resolution 19-414.

Staff was directed to send a response letter to Greenspace to address their concerns.

Motion by: Chairperson Kellas  
2<sup>nd</sup>: Director Carson  
All in: 5/0  
Roll call:

Chairperson Kellas: YES      Vice-Chairperson McGuire: YES      Director Russell: YES  
Director Stanert: YES      Director Carson: YES

**B. Discussion regarding amendment of harassment policy in the Policy & Procedures Manual.**

A motion to approve the harassment policy.

Motion by: Chairperson Kellas  
2<sup>nd</sup>: Vice-Chairperson McGuire  
All in: 5/0

**C. Discussion regarding entering into a contract with Woods, LLC for grant writing services not to exceed \$10,000.00.**

Chairperson Kellas introduced the item.

Director Russell asked about the duration of the contract.

Director Stanert replied that it is dated September 31, 2020.

A motion was made to approve the contract with Woods, LLC for grant writing services not to exceed \$10,000.00.

Motion by: Chairperson Kellas  
2<sup>nd</sup>: Vice-Chairperson McGuire  
All in: 5/0

**D. Discussion and direction to staff regarding a request for a letter of support for the IWMA for an ordinance regulating polystyrene and expanding polystyrene (EPS) food containers and products.**

Chairperson Kellas provided a draft version of a letter to the IWMA (greensheet given to the Board).

Director Russell commented that this matter was not part of the Districts jurisdiction.

A motion was made to send a letter of support to the IWMA related to the ordinance regulating polystyrene food containers and products.

Motion by:  
2<sup>nd</sup>: Vice-Chairperson McGuire  
All in: 4/1  
Opposed: Director Russell

## **6. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS –**

Charlie Grace commented about the request to discuss the proposed rate increase to the trash service and how the deadline for the letter would be before the next Board meeting.

Natalie Frye Laacke provided a summary of the process to add this item to the agenda as an emergency item.

Chairperson Kellas made a motion to add the proposed rate increase to trash service onto the agenda.

Motion by: Chairperson Kellas

2<sup>nd</sup>: Director Stanert

All in: 4/1

Opposed: Director Russell

A motion was made to send a letter to the IWMA about a phased increase approach.

Motion by: Chairperson Kellas

2<sup>nd</sup>: Director Stanert

All in: 4/1

Opposed: Director Russell

### **General Discussion and Proposed Agenda Items**

Vice-Chairperson McGuire commented that a member of the public had requested that shrubs be planted on Pico Avenue as part of the beautification grant.

Chairperson Kellas requested that an item be added to the November 13, 2019 Board meeting agenda related to the audio recording of the committee meetings.

## **7. ADJOURNMENT @ 6:23 PM**

## **4. CONSENT AGENDA**

- B. Consideration of approval of Disbursements Journal**

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**Disbursements Journal**  
 November 2019

Type	Date	Num	Name	Memo	Paid Amount
Paycheck	11/01/2019	1896	GWEN KELLAS	Board Service Oct 2 through Nov 1, 2019.	-92.35
Paycheck	11/01/2019	1897	JOHN K RUSSELL	Board Service Oct 2 through Nov 1, 2019.	-92.35
Paycheck	11/01/2019	1898	JULIA A GREENAN	Board Service Oct 2 through Nov 1, 2019.	-92.35
Paycheck	11/01/2019	1899	MARY M McGUIRE	Board Service Oct 2 through Nov 1, 2019.	-92.35
Paycheck	11/01/2019	1900	WILLIAM J CARSON	Board Service Oct 2 through Nov 1, 2019.	-92.35
Bill Pmt -Check	11/13/2019	1901	San Simeon Community Services District	To refund customer security deposit on Acct #433 and to apply it to Acct #439. 11/1/2019.	-50.00
Bill Pmt -Check	11/13/2019	1902	Slagter, Fred & Colleen	Customer security deposit refund Acct #176. 11/1/19.	-50.00
Bill Pmt -Check	11/13/2019	1903	Adamski Moroski Madden Cumberland & Green	Legal services related to FPPC communication and CDP requirements through Sept 30, 2019. Inv 48475 dated 10/15/19.	-301.00
Bill Pmt -Check	11/13/2019	1904	Adamski Moroski Madden Cumberland & Green	Regular monthly legal services performed through Sept 30, 2019. Inv #48476 dated 10/15/19.	-2,666.00
Bill Pmt -Check	11/13/2019	1905	Adamski Moroski Madden Cumberland & Green	Legal services on Policy Manuals performed through Sept 30, 2019. Inv #48477 dated 10/15/19.	-967.50
Bill Pmt -Check	11/13/2019	1906	California Special Districts Assoc (CSDA)	2020 CSDA Membership dues, ID 255.	-2,931.00
Bill Pmt -Check	11/13/2019	1907	Dechance Construction Co. Inc.	Meter box replacement and hydrant test at Quality Inn. Stmt 2019-02A dated 10/08/19.	-4,587.00
Bill Pmt -Check	11/13/2019	1908	Dechance Construction Co. Inc.	Meter box replacement and hydrant test at San Simeon Lodge. Stmt 2019-02B dated 10/08/19.	-2,677.00
Bill Pmt -Check	11/13/2019	1909	Dechance Construction Co. Inc.	Meter box replacement and hydrant test at fire hydrant. Stmt 2019-02C dated 10/08/19.	-1,184.00
Bill Pmt -Check	11/13/2019	1910	Filtration Technology	6 Harmsco HC/170 cartridge filters. Inv 7896 dated 10/8/19.	-1,341.70
Bill Pmt -Check	11/13/2019	1911	Kathleen Fry Bookkeeping Services	Bookkeeping Services October 2019. Inv 2019-10 dated 10/31/19.	-1,200.00
Bill Pmt -Check	11/13/2019	1912	Oliveira Environmental Consulting LLC	Professional environmental consulting services regarding WWTP CDP, Prop 1 Grant, LCP Grant 7/24/19 through 8/31/19. Inv OEC-2019-025 dated 10/2/19. Professional environmental consulting services regarding WWTP CDP, Prop 1 Grant, LCP Grant, Water Tank/MP. 9/1/19 through 10/2/19. Inv OEC-2019-026 dated 10/2/19.	-4,750.00
Bill Pmt -Check	11/13/2019	1913	Oliveira Environmental Consulting LLC		-5,465.00
Bill Pmt -Check	11/13/2019	1914	Phoenix Civil Engineering, Inc	Prof Svcs on Reservoir Project through Oct 21, 2019. Inv 19-238 dated 10/21/19.	-6,630.00

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**Disbursements Journal**  
 November 2019

Type	Date	Num	Name	Memo	Paid Amount
Bill Pmt -Check	11/13/2019	1915	SLO County - Environmental Health	Cross Connection - Admin Cost. Facility ID FA0004646. Inv 0121141 dated 9/23/19.	-28.20
Bill Pmt -Check	11/13/2019	1916	SWRCB--ELAP State Water Resource Control Board	Annual ELAP fee - Environmental Laboratory Accreditation Program TO Certificate #2880. WW Trmt Plant Facility. Renewals on 4/23/20. Inv #EA-0420-2880 dated 10/2/19.	-4,310.00
Bill Pmt -Check	11/13/2019	1917	The Tribune - Public Notices	Notice of Availability. Inv #1782812 dated 09/29/19.	-457.38
Bill Pmt -Check	11/13/2019	1918	Grace Environmental	Reimb for 2019 environmental filing fee - mitigated negative declaration (MND) on Reservoir/Water Tank project. Inv #1331 dated 10/17/19.	-2,404.75
Bill Pmt -Check	11/13/2019	1919	Grace Environmental	Operations Management and Maintenance Fees Nov 2019. Inv # 1330 dated 11/01/2019.	-53,495.12
Check	11/25/2019	Elec Pymt	CalPERS Fiscal Services Division	Retiree Health monthly premium for December 2019.	-362.07
Check	11/25/2019	Elec Pymt	CalPERS Fiscal Services Division	Unfunded Accrued Liability only - prepaid for December 2019. Cust. ID # 7226734344.	-1,199.93
Liability Check	11/25/2019	Elec Pymt	United States Treasury (US Treasury)	Payroll tax payment for paychecks dated 11/01/19.	-76.50
<b>TOTAL</b>					<b>\$ (97,595.90)</b>



## **5. A. Business Items**



## BUSINESS ACTION ITEM STAFF REPORT

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### **Item 5.A. Discussion regarding the water moratorium, as it relates to water quality.**

Attached please find a written request from Robert Hather. Mr. Hather owns property in San Simeon, is currently on the water waitlist, and he is requesting a will serve letter. District Ordinance 102 and previous moratorium ordinances, declared the water moratorium related to water quality. In 2016, the District installed a reverse osmosis (RO) system, which is fully functional. The RO system, addresses the water quality concerns that are listed in Ordinance 102.

Lifting the moratorium would likely be considered a “project” under the California Environmental Section 15378 of the State CEQA Guidelines which provides the following definition of a project. “Project” means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. This broad definition is intended to provide the maximum protection of the environment. Given the fact that lifting the moratorium, would likely result in some development of San Simeon, it is reasonably foreseeable that indirect physical change in the environment may occur.

Therefore, *prior* to making any decisions about the moratorium, the District should commence an environmental review of the potential impacts to the environment from that decision. Then, it can take any recommendations from that review into consideration when making a decision concerning the moratorium.

The Board may wish to direct staff to move forward with the CEQA process related to this matter.

Enc: Correspondence from Property Owner  
District Ordinance 102

Robert Hather  
[REDACTED]  
[REDACTED]  
[REDACTED]

Oct 30, 2019

San Simeon Community Service District  
111 Pico Ave.  
San Simeon, CA 93452

Re: Request for water will serve letter for property on Avonne

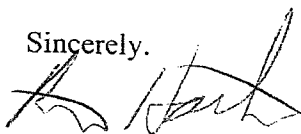
Please find attached my application for a will serve letter for obtaining water on my lot located at the south east end of Avonne, parcel 013-071-009.

I have recently attended a pre building permit application meeting with the San Luis Obispo County Planning and Building Dept to review my plans for building 15 town homes on my lot. This preliminary review indicated my building plans are consistent with current land use requirements. At this point in the permitting process the County requires a will serve letter from the district to proceed with my application for a building permit.

Please issue the will serve letter without delay. Given that the district's water quality and quantity now exists to extend further build out of the town of San Simeon there is a legal duty upon your district to issue will serve letters. Ordinance 102 and preceding ordinances 61, 63, and 66 are no longer valid due to the installation of the desal plant.

The issuance of will serve letters at this time is your legal obligation. The fees I paid to be on your water list should be applied to the hookup fees at the time the building permit is issued.

Sincerely,



Robert Hather

## ORDINANCE NO. 102

### AN ORDINANCE OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT CONTINUING A MORATORIUM OF THE ISSUANCE OF WATER CONNECTIONS WITHIN THE BOUNDARIES OF THE DISTRICT

**BE IT ORDAINED** by the Board of Directors of the San Simeon Community Services District ("District") as follows:

#### **SECTION I. FINDINGS.**

The Board of Directors of the District does hereby reaffirm its conclusions in Ordinance 66 and hereby find, determine, and declare as follows:

- A. There continue to exist serious water quality and quantity problems within the boundaries of the District;
- B. There currently exists a moratorium on new water connections within the District originally established by Ordinance No. 61 and extended by Ordinance No. 63 and Ordinance No. 66. The intent of the Board of Directors by this Ordinance is to keep in effect said water connection moratorium while clarifying any inconsistencies with Ordinance 101;
- C. The water quality and quantity problems continue to pose a current and immediate threat to the health and safety of the people within the District;
- D. People, not fixtures, use water. Additional plumbing fixtures to an existing water connection are primarily for the purpose of convenience. Additional plumbing fixtures shall not significantly cause additional water demand.
- E. The granting of additional new water connections within the District contrary to the provisions of this Ordinance would result in an immediate threat to the public health and safety;
- F. The District is diligently pursuing long-term supplemental water supplies, but until the time when such supply is available, it is necessary to continue the existing water connection moratorium.
- G. This ordinance is exempt from the California Environmental Quality Act (CEQA) under Water Code § 10652. This ordinance is also exempt from the requirements of CEQA under the provisions of CEQA Guideline 15269 (c) and 15282 (w).

#### **SECTION II. MORATORIUM ON WATER CONNECTION.**

Except as provided in Section IV of this Ordinance, the District shall not allow water connections or services on or to properties located within the boundaries of the District to serve any of the following:

1. Any new structure that will increase its existing EDU requirements or entitlements; or

2. Any expansion or replacement of an existing structure that will increase its existing EDU requirements or entitlements.

### **SECTION III. DURATION OF MORATORIUM.**

The provisions of this Ordinance shall remain in effect until repealed. This Ordinance supersedes Ordinance No. 66.

### **SECTION IV. PROHIBITION ON WATER CONNECTIONS.**

The prohibition on new water connections or services shall be inapplicable to the following connections or uses:

- A. A project receiving a vested rights exemption pursuant to Section 4 of District Ordinance No. 65 which states as follows:

**SECTION 4.** Any property owner within the District who demonstrates a vested right to sewer and water service, as defined in this section, may make application to the District's Board of Directors for exemption from the provisions of the District's current moratorium ordinance established pursuant to Ordinance No. 61 and continued in effect by Ordinance No. 63. A property owner with a "vested right" to water and sewer services, as used in this section, shall be one whom the Board of Directors finds has done all of the following as of the effective date of this Ordinance:

- a. Obtained paid receipts from the District for deposit of the full amount of current District sewer and water connection fees;
- b. Obtained a "will serve letter" from the District signed by the District's Board President or other authorized representative of the District;
- c. Obtained all permits from other government agencies necessary for construction of the project for which sewer and water connection fees have been deposited, including, but not limited to, final building permit and coastal development permit; and
- d. Has completed substantial on-site physical construction of the project.

Application for vested rights exemption may be made in writing submitted to the District within ninety (90) days of the effective date of this Ordinance. The Board of Directors shall consider the application and evidence presented and determine whether the criteria for vested rights exemption specified in this Ordinance have been met and shall make written findings supporting its decision. If the Board grants a vested right exemption pursuant to this section, the applicant shall be provided water and sewer service subject to such terms and conditions as are established by the District's Board of Directors.

B. An existing “active service commitment” as set forth in Section 3.a. of District Ordinance 101 which states of follows:

a. Active Service Commitments. Active service commitments consist of parcels for which active water service is provided. Active service commitments are those with current billing for service for potable water. active service commitments are categorized as residential and commercial.

C. An existing “non-active service commitment” as set forth in Section 3 of District Ordinance 101 which states as follows:

b. Non-Active Service Commitments. Non-active service commitments consist of those parcels listed on the attached Exhibit “B” that the District has determined have pre-existing commitments for water service, but which do not use all of the EDUs allocated to the parcel.

D. A connection for fire suppression purposes whether for new or the retrofitting of an existing use.

#### **SECTION V. HARDSHIP APPLICATIONS**

Any person aggrieved by this moratorium law may file a hardship application for relief from such moratorium, which application shall be determined by the Board of Directors after public hearing and considering such factors as the Board may deem appropriate considering the purposes of the enactment of this law, including but not limited to: (1) nature and extent of financial hardship, (2) extent of proposed usage of water, (3) existence of suspected environmental problems within the vicinity of the applicant, (4) amount of removal of vegetation, (5) amount of traffic to be generated, (6) the general magnitude of potential adverse environmental impacts, (7) potential storm water generation, (8) whether the subject property has the potential for re-zoning, and (9) such other factors as may be significant relative to the individual property and circumstances. The granting of nay hardship shall remain in harmony with the general purpose and intent of this ordinance so that the goals hereof can be achieved and substantial justice done. In granting any hardship, the Board may impose such reasonable and additional stipulations and conditions as will in its judgment thus fulfill the purposes of this ordinance.

#### **SECTION VI. NO TAKING OF PROPERTY INTENDED**

Nothing in this chapter shall be interpreted to affect an unconstitutional taking of property of any person. If the Board of Supervisors determines, based on specific evidence in the administrative record, that the application of one or more of the provisions of this chapter to a proposed project would effect an unconstitutional taking of private property, the Board shall disregard such provision or provisions to the extent necessary to avoid such unconstitutional taking.

**SECTION V. CONSTITUTIONALITY.**

If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held to be invalid or unconstitutional by a Court of competent jurisdiction, such decision shall not affect the validity or the constitutionality of the remaining portions of this Ordinance. The Board of Directors of the District hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, phrase or portion thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or portions be declared invalid or unconstitutional.

**SECTION VI. EFFECTIVE DATE OF ORDINANCE.**

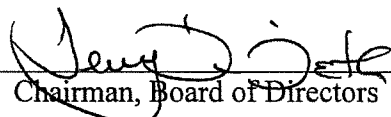
The Ordinance shall be in full force immediately upon passage. Within fifteen (15) days of passage, this Ordinance shall be published at least once in a newspaper of general circulation in the County of San Luis Obispo.

**INTRODUCED AND ADOPTED** at a regular meeting of the Board of Directors of the San Simeon Community Services District held on the 11<sup>th</sup> day of October, 2006, and on the following roll call vote, to wit:

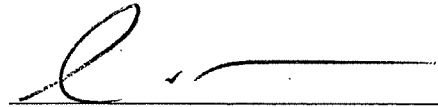
Ayes: 3

Noes: 0

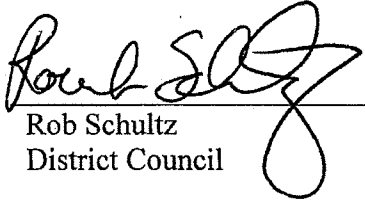
Absent: • Mirabal-Baubion  
• John Russell

  
Chairman, Board of Directors

ATTEST:

  
Secretary, Board of Directors

APPROVED AS TO FORM:

  
Rob Schultz  
District Council

## **5.B. BUSINESS ITEMS**





## BUSINESS ACTION ITEM STAFF REPORT

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### **Item 5.B. Discussion regarding adoption of Ordinance No. 120 Water and Wastewater Capacity Fee Charges.**

During the March, April, and May Board meetings staff presented several draft versions of the capacity fee schedule. During these meetings, staff was given feedback from both the Board of Directors and members of the public. At the July Board meeting staff presented a draft version of Ordinance No. 120 related to capacity fee charges. During the public hearing, no changes were recommended and the Board voted to approve Ordinance No. 120.

At the August Board meeting, Director Carson read a letter from property owner David Sansone. Sansone, asked that the Board consider allowing him to conduct a separate capacity fee study due to his concerns about the low costs associated with the approved capacity fee schedule. During the meeting, a motion was made directing staff to look at legislation pertaining to gifts and report back to the Board.

The methodology used to calculate the capacity fees, is based on the figures associated with capital improvement projects incorporated into the fee study. Meaning, that the costs will only change, if new projects are incorporated into the study.

Staff is looking for direction on this matter. If the Board would like a new study to be performed, staff is asking the Board direct staff to return with new proposals related to this matter. The other option would be for the Board to vote to adopt Ordinance No. 120. This discussion would be considered the first reading in the public hearing process. The Board would need to wait until the December 11, 2019 Board meeting to formally adopt Ordinance 120. This allows for staff to publish an ordinance summary, which must be published at least five (5) days prior to ordinance adoption. If the schedule is adopted, the new capacity fee schedule would take effect 30 days after adoption.

Enc: Draft Version District Ordinance No. 120

**ORDINANCE NO. 120**

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE  
SAN SIMEON COMMUNITY SERVICES DISTRICT AMENDING  
WATER AND WASTEWATER CAPACITY FEE CHARGES**

**WHEREAS**, the San Simeon Community Services District ("District") is a community services district duly formed under Government Code Section 61000 et seq. to provide community services within the District's service area; and

**WHEREAS**, on April 14, 1993, the District adopted Ordinance No. 81 establishing service charges and connection fees for water and sewer service within the District; and

**WHEREAS**, on June 14, 1995, the District adopted Ordinance No. 89 establishing service charges and connection fees for water and sewer service within the District which amended service charges but made no amendments to connection fees for water and sewer service; and

**WHEREAS**, on March 13, 2019 and June 12, 2019, the District held a properly noticed public hearings to amend water and wastewater capacity fee charges; and

**WHEREAS**, Government Code Sections 66013 and 66016 provide the District the authority to amend its capacity fee charges and the District has complied with all requirements of the Government Code; and

**WHEREAS**, the District therefore adopts the revised water and wastewater connection fees as provided in Exhibit "A" attached hereto and incorporated herein by this reference.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT ORDAINS AS FOLLOWS:**

**SECTION 1. Authority, Intent and Purpose.**

A. This Ordinance is adopted pursuant to Government Code sections 66013 and 66016 for the purpose of amending the District's method of calculating water and wastewater capacity charges. The District last revised its water and wastewater capacity charges on April 14, 1993 in District Ordinance No. 81.

B. The District recently completed a study to review its water and wastewater capacity charges and propose revisions to reflect the cost of providing water and wastewater capacity for needed infrastructure projects (the "Study.") The Study reviewed and analyzed the District's water and wastewater fixed assets, capital improvement plans, existing and future water and wastewater system demands and existing or planned financing.

C. Based on the Study, the District's water and wastewater capacity charges as described in Exhibit A shall not exceed the estimated reasonable cost of providing the service for which the charges are imposed. The water and wastewater capacity charges collected under this Ordinance shall be used solely for the purposes for which the charges were collected and will not be used for general spending purposes.

D. The Study and related materials are on file at the District office and have been made available for public review and inspection for more than fourteen days prior to the public hearing on the proposed amendments to the water and wastewater capacity charges. The Study and the proposed amendments to the water and wastewater capacity charges were the subject of a properly noticed public hearings of the District Board of Directors on March 14, 2019 and June 12, 2019.

## **SECTION 2. Legal Authority.**

This Ordinance is being adopted under the authority found in Government Code section 61100(a), 61115(a), 61060(b), 66013, 66016 and other applicable law.

## **SECTION 3. Water and Wastewater Capacity Charges**

Water and wastewater capacity charges shall be imposed in connection with applications for water and wastewater will serve commitments as set forth in the schedule of charges in Exhibit A as follows: (1) for residential units based on the equivalent dwelling units needed to serve the subject premises as determined by the District in accordance with such applications and (2) for non-residential units based on water meter size as determined by the District in accordance with such applications. As described more fully in Exhibit A, the water and wastewater capacity charges shall be increased annually pursuant to the Engineering News Records - Construction Cost Index.

## **SECTION 4. CEQA Findings**

The Board of Directors find that this Ordinance is exempt from the requirements of the California Environmental Quality Act pursuant to Title 14 of the California Code of Regulations, Section 15061(b)(3) in that it is not a project which has the potential for causing a significant effect on the environment.

## **SECTION 5. Inconsistent Provisions.**

This Ordinance amends portions of Ordinance 81 and Ordinance 89. To the extent that the provisions of this Ordinance may be inconsistent or in conflict with the terms and conditions of any prior district ordinance, resolution, rule or regulation governing the same subject, the provisions of this Ordinance shall prevail with respect to the subject matter thereof, and such inconsistent or conflicting terms or conditions of prior ordinances, resolutions, rules or regulations are hereby repealed.

**SECTION 6. Severability.**

If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional, ineffective or in any manner in conflict with the laws of the United States, or the State of California, such decision shall not affect the validity of the remaining portions of this Ordinance. The District Board hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional, ineffective, or in any manner in conflict with the laws of the United States or the State of California.

**SECTION 7. Effective Date and Publication.**

This Ordinance shall take effect thirty days after its adoption. A summary of this Ordinance shall be published in a newspaper of general circulation and a certified copy of the full text of the proposed Ordinance shall be posted in the office of the District at least five days prior to the meeting at which the proposed Ordinance is to be adopted. Within fifteen days after adoption of the Ordinance, the governing body shall publish a summary of the Ordinance with the names of those members voting for and against the ordinance and shall post in the office of the district a certified copy of the full text of the adopted Ordinance along with the names of those members voting for and against the Ordinance.

This Ordinance was introduced by the Board of Directors on April 10, 2019. This Ordinance was passed and adopted at a meeting of the Board of Directors of the San Simeon Community Services District on \_\_\_\_\_, 2019; Upon motion by Director \_\_\_\_\_ and seconded by Director \_\_\_\_\_, by the following roll call vote:

Chairperson Kellas:  
Vice-Chair McGuire:  
Director Stanert:  
Director Russell:  
Director Carson:

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Gwen Kellas, Chairperson

ATTEST:

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Charles Grace  
Secretary/General Manager

APPROVED AS TO FORM:

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Natalie F. Laacke  
District Counsel

Exhibit "A"

Capacity Fee Charges Schedule

Table 4 Schedule of Capacity Charges							
	Capacity Ratio / EDU Ratio	Proposed Water	Proposed Wastewater	Wastewater Information Used [2]			
				gpd	BOD (mg/l)	SS (mg/l)	Customers
1 Single-family Residential [1]	1.00	\$5,030	\$590	18	327	283	1
2 Multifamily Residential [1]	1.00	\$5,030	\$590	18	327	283	1
3 Mobile Home [1]	1.00	\$5,030	\$590	18	327	283	1
4 RV Space [1]	1.00	\$5,030	\$590	18	327	283	1
5 Motels (per unit)	0.70	\$3,521	\$381	12	310	120	1
6 Motels (Manager Apartment)	1.00	\$5,030	\$590	18	327	283	1
7 Restaurants (per square foot)			\$36.00	0.167	1,000	600	1
8 Service Stations (with 2 restrooms)			\$40,747	1,000	1,000	600	1
9 Retail Shops (each)			\$5,646	200	150	150	1
10 Public Restrooms (each)			\$5,478	175	327	283	1
11 Commercial Laundries (each machine)			\$5,561	200	150	110	1
<b>Non-Residential</b>							
	Water Meter Size	Capacity Rate					
12	5/8"	1.00	\$5,030				
13	3/4"	1.00	\$5,030				
14	1"	1.67	\$8,400				
15	1 1/2"	3.33	\$16,749				
16	2"	5.33	\$26,809				
17	3"	10.67	\$53,670				
18	4"	16.67	\$81,850				
19	6"	40.00	\$201,200				
20	8"	66.67	\$335,350				
<b>Unspecified [3]</b>							
21	Charge for Each Component			Flow (gpcd)	BOD (\$/gpd)	SS (\$/lb)	Customer (\$/Customer)
				\$25.10	\$1,105.86	\$1,277.79	\$30.15

[1] Per dwelling unit.

[2] Strength information from State Water Resources Control Board.

[3] Capacity Charge calculated based on Non-residential customer flow and strength.

The water and wastewater capacity charges shall be increased annually pursuant to the Engineering News Records (ENR) Construction Cost Index (CCI) to capture future construction cost inflation. This capacity charge adjustment shall be made on the change in the index from the date of adoption of the proposed charges.

## **5.C. BUSINESS ITEMS**



## **BUSINESS ACTION ITEM STAFF REPORT**

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**Item 5.C. Discussion and approval for Staff to repair the well generator not to exceed the amount of \$ 6,772.00.**

During routine inspection of the generator the attached quote was provided to repair items associated with the generator used to power the well(s) during an electric power outage. A verbal estimate received to replace the generator was \$40,000 plus installation. Staff recommends approval of the repair quote.

Enc: Copy of Repair Estimate San Luis Powerhouse



# S A N L U I S POWERHOUSE

798 Francis Avenue, San Luis Obispo, CA 93401  
805.543.4643 Fax 805.543.4673  
[Gens@SanLuisPowerhouse.com](mailto:Gens@SanLuisPowerhouse.com)

## Service / repair estimate

Date: October 10<sup>th</sup>, 2019

To: San Simeon CSD

Attn: Jerry Copeland

Subject: Well generator repair

**Scope of work: Includes site visit to replace failing radiator, belts, coolant hoses, water pump, thermostat, block heater, fuel lift pump, and fuel lines, but does not include any additional necessary work beyond this specified repair. This repair estimate includes off-site disposal of all hazardous materials.**

Labor and materials estimate

**\$6,772.00**

**Please call if you have any questions. If this estimate meets your approval please sign and date below, scan and email back.**

Approved by: \_\_\_\_\_ Date \_\_\_\_\_

Thank you,

By: Bill Wimmer



## **BUSINESS ACTION ITEM STAFF REPORT**

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### **Item 5.E. Authorization for the General Manager to obtain SUSP to perform a Median Household Income (MHI) Survey not to exceed the amount of \$12,750.00.**

The community of San Simeon Acres has been designated as a disadvantaged community (DAC) based on income data that was obtained during the 2010 census. This DAC status has played a critical role in the District receiving grant funding. As part of the Prop. One (1) grant funding related to the water tank storage project, the State of California asked that the DAC status information be updated as soon as possible.

Currently, they are using 2017 American Community Survey Data to qualify communities for small disadvantaged community funding. There is no data for San Simeon during this year's data. The 2016 data is too high to qualify for grant funding, and the 2015 data is missing. So the community will need an income survey to qualify for grant funding if that is what they are seeking. The community would qualify for low interest loans if they are not a small disadvantaged community. Here is the information that I pulled on the Median Household Income.

As we approach the 2020 census, staff is also concerned that census will not gather accurate information and that our DAC status could be modified based on inaccurate income reporting, or lack thereof. Staff also had concerns that households may be overlooked based on their location. Several months ago, staff contacted the census supervisor for our area to discuss these concerns. This conversation further reinforced the need for the District to conduct a separate median household income (MHI) survey to ensure that the DAC status for the community remains intact.

Staff contacted four (4) companies to obtain quotes on conducting an MHI survey: WSC, RRM Design, Rincon and Cal Rural Water. The three engineering firms do not provide these services and all recommended contacting Cal Rural Water. Specialized Utility Services Program (SUSP) is a subsidiary of Cal Rural Water. Attached is an estimate for an MHI survey for San Simeon.

Staff is asking for the Board to approve entering into a contract with the SUSP not to exceed the amount of \$12,750.00.

Enc: SUSP MHI Proposal



1234 North Market Blvd.  
Sacramento, CA 95834  
Toll-free: 800.833.0322  
Phone: 916.553.4900  
Fax: 916.553.4904  
[www.calruralwater.org](http://www.calruralwater.org)

**San Simeon CSD**  
**Median Household Income (MHI) Survey Proposal**  
**October 3, 2019**

1. SUSP
2. Scope of Services
3. Price Proposal
4. Proposal Summary

**1. Specialized Utility Services Program, Inc.**  
**(SUSP)**

The Specialized Utility Services Program, Inc. (SUSP) is a subsidiary company of the California Rural Water Association. CRWA established the SUSP program in order to answer requests from member and non-member systems for assistance and services that require more time and resources than CRWA can provide to systems utilizing our technical assistance and training programs. The SUSP program is set up to provide services in contract water and wastewater operations; contract utility management; rate studies; MHI studies; and a variety of contract management and operator training.

**2. Scope of Services**

**2.1 General Services**  SUSP will provide San Simeon Community Services District with an MHI Survey in accordance with guidelines set down by the State. SUSP will act as an un-biased third-party surveyor and will provide a Final Report to any appropriate State agencies and to the District. SUSP will conduct any necessary mailings and/or survey phone calls in order to meet the required survey response rate threshold outlined in the aforementioned State guidelines.

**2.2 Onsite Services**  If the required survey response rate threshold is not met, and onsite work is required, SUSP can conduct an in-person (door-to-door) survey for an additional cost.

**3. Price Proposal**

SUSP will provide all services outlined in Section 2.1  General Services for a firm-fixed price of \$9,750 for the income survey. This price includes the cost for any necessary mailings, administrative fees, phone call surveying, and final reporting costs. If necessary, SUSP can provide the services outlined in Section 2.2  Onsite Services for a firm-fixed price of \$3,000. This price includes time and travel costs for one (1) onsite in-person survey. A breakdown of the estimated costs is listed below.

TASK	DESCRIPTION	COST
MAILINGS	Mailing and copying of survey to system's customers with return envelopes and pre-paid postage	Included
ADMIN FEE	Admin fee for processing information, reporting, and phone call surveying	Included
ONSITE WORK	Onsite work including travel, lodging, and labor for in-person survey	Included (if necessary)
TOTAL		\$12,750

#### 4. Proposal Summary

This is a price proposal and a more formal contract will be submitted upon an agreement on this proposal. Although are prices for the services we provide are fixed, we are flexible in providing services so please feel free to discuss any aspect of this price proposal with me for clarification. If you would like to see changes in the scope of services, we will be glad to discuss any ideas or options that you might want to bring to the table. This proposal was put together based on the scope of services. If you are in agreement with this price proposal, please sign, date and return to:

*Via mail to: SUSP, Inc., 1234 North Market Boulevard, Sacramento, CA 95834 - Attention: Thomas Elisher  
Or via Fax: 916-553-4904 or via Email: telisher@calruralwater.org*

Submitted by: \_\_\_\_\_ Date \_\_\_\_\_  
Dustin Hardwick, Deputy Director  
Specialized Utility Services Program, Inc.

Accepted by: \_\_\_\_\_ Date \_\_\_\_\_  
Signature  
\_\_\_\_\_  
Printed Name and Title

**5.F. BUSINESS ITEMS**



## **BUSINESS ACTION ITEM STAFF REPORT**

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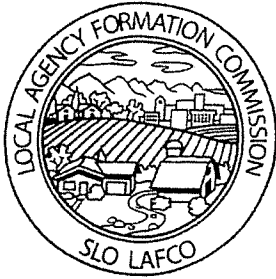
### **Item 5.F. Discussion regarding the activation of solid waste power from the Local Agency Formation Commission (LAFCO).**

Staff has prepared information related to the District obtaining solid waste authority from the Local Agency Formation Commission (LAFCO). The annual franchise fee amount is approximately \$ 27,375.00. This money goes directly to San Luis Obispo County. If the District chooses to obtain this power, these funds could be placed into the District's general fund.

The process to activate this authority, would be similar to the process used to obtain weed abatement authority. There will be a proposition 218 process that District staff is responsible for administering. Staff estimates the initial costs for activation of solid waste power to be approximately \$ 6,000 - \$8,000. This estimate includes the set up fees to LAFCO as well as staff and attorneys costs.

Staff is looking for direction from the Board related to this matter.

Enc: Information related to activation of a latent power with LAFCO



## **Activation of Powers**

### **Community Services Districts**

Any district wishing to exercise a latent power is required to receive LAFCO approval prior to providing the service (GC 56824.10-56824.14). The CSD law provides that LAFCO approval is required to perform certain services.

### **Purpose**

To activate a latent or inactive power for a Community Services District. A CSDs active powers are determined by LAFCO. Government Code 61100 lists all the services that a CSD can provide to a community. Services/Powers that are latent must be activated through the LAFCO process as identified in the Cortese-Knox-Hertzberg Act.

### **Governing Body**

The Community Services District Board of Directors

### **Activation of a Latent Power**

1. A resolution of application adopted by a district that contains:
  - a. all the information specified for a petition (56700)
  - b. a plan for services pursuant to GC 56653
  - c. Must provide a 21 day notice prior to hearing
2. Once the resolution is filed with the LAFCO application and fees, the activation of the District latent power will follow the process described in the CKH Act.
  - a. Application Review: funding and budget, service provision, boundaries,
  - b. If approved by LAFCO, the activation is subject to Protest Process.

### **Plan for Services**

Plan for Services discusses the costs of service, the financing plan, the level and range of services, and alternatives to having the District perform this service.. To activate a latent power includes the following information pursuant to Government Code Sections 56824.12 and 56653:

1. Description of Service(s)
  - a. Description of the services to be extended to the affected territory. Include the level and range of services to be provided
  - b. Indicate when services can be extended to the affected area(s)



- c. An indication of any improvement of structures, roads, sewer or water facilities, or other conditions the local agency would require within the affected territory if the latent power is activated.
2. An identification of existing providers, if any, of the new or different function or class of services proposed to be provided and the potential fiscal impact to the customers of those existing providers.
3. A written summary of whether the new or different function or class of services to provide particular functions or classes of services, within all or part of the jurisdictional boundaries of a special district, pursuant to subdivision (b) of Section 56654, will involve the activation of the power to provide a particular service or services, service function or functions, or class of service or services.
4. A plan for financing the establishment of the new or different function or class of services within the special district's jurisdictional boundaries.
  - a. The total estimated cost to provide the new or different function or class of services within the special district's boundaries.
  - b. The estimated cost of the new or different function or class of services to customers within the special district's jurisdictional boundaries. The costs may be identified by customer class.
  - c. Identify and describe the revenue sources. Discuss the stability of the revenue sources and future availability.
  - d. Provide an initial budget that describes anticipated expenses associated with the service to be provided
  - e. Indicate if a prop 218 action will be required.
  - f. Other information with respect to how services will be financed.
5. Alternatives for the establishment of the new or different functions or class of services within the special district's jurisdictional boundaries.

### **Recent Activations**

- Weed Abatement San Simeon CSD, 2017
- Ground Squirrel Hollow CSD - Activation of Solid Waste Function-Approved, 2014
- Nipomo CSD – Activation of Parks and Recreation Function Conditionally Approved - 218 vote failed power was not activated
- Templeton CSD – Activation of Cemetery Function – 2006

### **Protest Process**

If LAFCO has approved the application, LAFCO conducts the Protest Hearing for the formation of the District. As allowed by the Cortese-Knox-Hertzberg Act, the Commission has delegated the completion of the Protest Process to the Executive Officer. The following steps and procedures are followed:

1. The Executive Officer sets the proposal for protest hearing within 35 days of the Commission's resolution date and gives notice.
2. The date of the hearing shall not be less than 21 days nor more than 60 days after the date the notice is given and shall be:
  - a. Published in a newspaper of general circulation;
  - b. Posted near the hearing room door; and
  - c. Notice is mailed to each registered voter, land owners and affected agencies within the Districts service area (57025).
3. The Executive Officer hears the proposal at the noticed time and date. The hearing may be continued for up to 60 days. Any written protests must be filed with the Executive Officer or Commission prior to the conclusion of the hearing and must be signed, have the signature date, and address or location of the property. The value of written protests must be determined and action taken by LAFCO resolution to order the change, with or without an election, or terminate proceedings.
4. The Executive Officer shall perform all Conducting Authority Proceedings in accordance with the provisions of the CKH Act. Only written protests with the required information submitted prior to the close of the Protest Hearing shall be considered valid.
5. The Commission delegates to the Executive Officer the authority to act on matters related to the implementation of the Conducting Authority responsibilities as applicable and appropriate.

The activation shall be approved if less than 25% of the registered voters or property owners file written protests. As allowed under CKH Act, the Commission has delegated the completion of the Protest Process to the Executive Officer.

Registered voters and land owners in the area would be notified about LAFCO's approval and when a Conducting Authority Hearing (Protest Hearing) would be held. If the protests are between 25% but less than 50% of the registered voters in the area the activation will be subject to a vote of the registered voters within the area. If 50% or more of the registered voters file a written protest the activation is terminated. If at least 25% of the property owners who own at least 25% of the assessed value of land protest, then change of organization shall be subject to a vote of the registered voters.

**Government Code 61100 – CSDs Powers and Authorities**

The following powers may be activated by a District if approved by LAFCO:

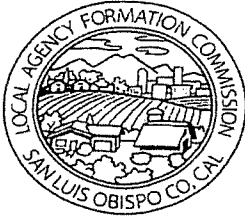
- (a) Supply water for any beneficial uses, in the same manner as a municipal water district, formed pursuant to the Municipal Water District Law of 1911, Division 20 (commencing with Section 71000) of the Water Code. In the case of any conflict between that division and this division, the provisions of this division shall prevail.
- (b) Collect, treat, or dispose of sewage, wastewater, recycled water, and storm water, in the same manner as a sanitary district, formed pursuant to the Sanitary District Act of 1923, Division 6 (commencing with Section 6400) of the Health and Safety Code. In the case of any conflict between that division and this division, the provisions of this division shall prevail.
- (c) Collect, transfer, and dispose of solid waste, and provide solid waste handling services, including, but not limited to, source reduction, recycling, and composting activities, pursuant to Division 30 (commencing with Section 40000), and consistent with Section 41821.2 of the Public Resources Code.
- (d) Provide fire protection services, rescue services, hazardous material emergency response services, and ambulance services in the same manner as a fire protection district, formed pursuant to the Fire Protection District Law, Part 2.7 (commencing with Section 13800) of Division 12 of the Health and Safety Code.
- (e) Acquire, construct, improve, maintain, and operate recreation facilities, including, but not limited to, parks and open space, in the same manner as a recreation and park district formed pursuant to the Recreation and Park District Law, Chapter 4 (commencing with Section 5780) of Division 5 of the Public Resources Code.
- (f) Organize, promote, conduct, and advertise programs of community recreation, in the same manner as a recreation and park district formed pursuant to the Recreation and Park District Law, Chapter 4 (commencing with Section 5780) of Division 5 of the Public Resources Code.
- (g) Acquire, construct, improve, maintain, and operate street lighting and landscaping on public property, public rights-of-way, and public easements.
- (h) Provide for the surveillance, prevention, abatement, and control of vectors and vectorborne diseases in the same manner as a mosquito abatement and vector control district formed pursuant to the Mosquito Abatement and Vector Control District Law, Chapter 1 (commencing with Section 2000) of Division 3 of the Health and Safety Code.
- (i) Provide police protection and law enforcement services by establishing and operating a police department that employs peace officers pursuant to Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code.
- (j) Provide security services, including, but not limited to, burglar and fire alarm services, to protect lives and property.
- (k) Provide library services, in the same manner as a library district formed pursuant to either Chapter 8 (commencing with Section 19400) or Chapter 9 (commencing with Section 19600) of Part 11 of the Education Code.
- (l) Acquire, construct, improve, and maintain streets, roads, rights-of-way, bridges, culverts, drains, curbs, gutters, sidewalks, and any incidental works. A district shall not acquire, construct, improve, or maintain any work owned by another public agency unless that other public agency gives its written consent.

- (m) Convert existing overhead electric and communications facilities, with the consent of the public agency or public utility that owns the facilities, to underground locations pursuant to Chapter 28 (commencing with Section 5896.1) of Part 3 of Division 7 of the Streets and Highways Code.
- (n) Provide emergency medical services pursuant to the Emergency Medical Services System and the Prehospital Emergency Medical Care Personnel Act, Division 2.5 (commencing with Section 1797) of the Health and Safety Code.
- (o) Provide and maintain public airports and landing places for aerial traffic, in the same manner as an airport district formed pursuant to the California Airport District Act, Part 2 (commencing with Section 22001) of Division 9 of the Public Utilities Code.
- (p) Provide transportation services.
- (q) Abate graffiti.
- (r) Plan, design, construct, improve, maintain, and operate flood protection facilities. A district shall not plan, design, construct, improve, maintain, or operate flood protection facilities within the boundaries of another special district that provides those facilities unless the other special district gives its written consent. A district shall not plan, design, construct, improve, maintain, or operate flood protection facilities in unincorporated territory unless the board of supervisors gives its written consent. A district shall not plan, design, construct, improve, maintain, or operate flood protection facilities within a city unless the city council gives its written consent.
- (s) Acquire, construct, improve, maintain, and operate community facilities, including, but not limited to, community centers, libraries, theaters, museums, cultural facilities, and child care facilities.
- (t) Abate weeds and rubbish pursuant to Part 5 (commencing Section 14875) of the Health and Safety Code. For that purpose, the board of directors shall be deemed to be a "board of supervisors" and district employees shall be deemed to be the "persons" designated by Section 14890 of the Health and Safety Code.
- (u) Acquire, construct, improve, maintain, and operate hydroelectric power generating facilities and transmission lines, consistent with the district's water supply and wastewater operations. The power generated shall be used for district purposes, or sold to a public utility or another public agency that generates, uses, or sells electrical power. A district shall not acquire hydroelectric power generating facilities unless the facilities' owner agrees.
- (v) Acquire, construct, improve, maintain, and operate television translator facilities.
- (w) Remove snow from public streets, roads, easements, and rights-of-way. A district may remove snow from public streets, roads, easements, and rights-of-way owned by another public agency, only with the written consent of that other public agency.
- (x) Provide animal control services pursuant to Section 30501 of the Food and Agricultural Code. Whenever the term "board of supervisors," "county," "county clerk," or "animal control officer" is used in Division 14 (commencing with Section 30501) of the Food and Agricultural Code, those terms shall also be deemed to include the board of directors of a district, a district, the general manager of the district, or the animal control officer of a district, respectively. A district shall not provide animal control services in unincorporated territory unless the county board of supervisors gives its written consent. A district shall not provide animal control services within a city unless the city council gives its written consent.
- (y) Control, abate, and eradicate pests, in the same manner as a pest abatement district, formed pursuant to Chapter 8 (commencing with Section 2800) of Division 3 of the Health and Safety Code. A district's program to control, abate, or eradicate local pine bark beetle infestations shall be consistent with any required plan or program approved by the Department of Forestry and Fire Protection.
- (z) Construct, maintain, and operate mailboxes on a district's property or rights-of-way.

- (aa) Provide mail delivery service under contract to the United States Postal Service.
- (ab) Own, operate, improve, and maintain cemeteries and provide interment services, in the same manner as a public cemetery district, formed pursuant to the Public Cemetery District Law, Part 4 (commencing with Section 9000) of Division 8 of the Health and Safety Code.
- (ac) Finance the operations of area planning commissions formed pursuant to Section 65101.
- (ad) Finance the operations of municipal advisory councils formed pursuant to Section 31010.
- (ae) Acquire, own, improve, maintain, and operate land within or without the district for habitat mitigation or other environmental protection purposes to mitigate the effects of projects undertaken by the district.
- (af) If a private person or entity is unable or unwilling to deploy broadband service, construct, own, improve, maintain, and operate broadband facilities and to provide broadband services. For purposes of this section, broadband has the same meaning as in subdivision (a) of Section 5830 of the Public Utilities Code. The district shall first make a reasonable effort to identify a private person or entity willing to deploy service. The authority granted by this subdivision shall expire when a private person or entity is ready, willing, and able to acquire, construct, improve, maintain, and operate broadband facilities and to provide broadband services, and to sell those services at a comparable cost and quality of service as provided by the district. At that time, the district shall do one of the following:
  - (1) Diligently transfer its title, ownership, maintenance, control, and operation of those broadband facilities and services at a fair market value to that private person or entity.
  - (2) Lease the operation of those broadband facilities at a fair market value to that private person or entity.

## Examples Around the State

- **Rancho Santa Fe CSD** provides numerous services and Security Services to the Community of 8,000. The Security Services are regular patrols of the Community. (San Diego County)
- **Pauma Valley CSD** provides wastewater and Security services to the community of 1,160. Services involve guard and patrol services, alarm system monitoring, and gate control. (San Diego County)
- **Rancho Murieta CSD** provides security services in the form of 24-hour patrol, 7 days a week as well as gate security for the community. (Sacramento County)
- **Pebble Beach CSD** has been contracting California Highway Patrol (CHP) to augment vehicle code enforcement in Pebble Beach since October 2006. (Monterey County)
- **Diablo CSD** provides numerous services including police and security through a contract with the Sheriff. (Contra Costa County)
- **Kensington Police Protection and CSD** – Provides direct law enforcement services like a police department along with parks and recreation and solid waste to the community. (Contra Costa County)



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

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ADAM HILL  
County Member

ROBERT ENNS  
Special District Member

STAFF

DAVID CHURCH  
Executive Officer

RAYMOND A. BIERING  
Legal Counsel

MIKE PRATER  
Analyst

DONNA J. BLOYD  
Commission Clerk

TO: MEMBERS, FORMATION COMMISSION

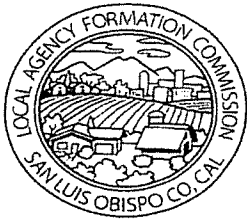
FROM: DAVID CHURCH, AICP, EXECUTIVE OFFICER (DC)

DATE: FEBRUARY 20, 2014

SUBJECT: ACTIVATION OF SOLID WASTE POWER FOR THE  
GROUND SQUIRREL HOLLOW COMMUNITY SERVICES  
DISTRICT (RECOMMEND CONTINUANCE - FILE 1-E-14)

**Recommendation.** It is respectfully recommended that the Commission continue this item until March 20, 2014 to allow for direct noticing of all landowners and registered voters in the area.

**Discussion.** The Cortese-Knox-Hertzberg Act requires direct mailing to all landowners and registered voters within the Ground Squirrel Hollow Community Services District boundary, plus all landowners and registered voters within 300-feet of the exterior boundary of the District. If the total number of landowners and registered voters exceed 1,000 persons then notice may instead be provided by publishing a display advertisement of at least one-eighth page in a newspaper at least 21-days before the hearing. A one-eighth page was published for this item at least 21-days before February's hearing, however the total number of persons does not exceed 1,000. Based on a more detailed analysis the total number of landowners and registered voters is estimated at 931+ persons. Therefore, direct mailing of all individuals should be provided at least 21-days before the Commission makes its decision. Staff will prepare the mailing list and notice the landowners and registered voters before the March meeting.



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MIKE PRATER  
Analyst

DONNA J. BLOYD  
Commission Clerk

TO: MEMBERS, FORMATION COMMISSION

FROM: DAVID CHURCH, AICP, EXECUTIVE OFFICER (DC)

DATE: MARCH 20, 2014

SUBJECT: ACTIVATION OF SOLID WASTE POWER FOR THE  
GROUND SQUIRREL HOLLOW COMMUNITY SERVICES  
DISTRICT (RECOMMEND CONDITIONAL APPROVAL -  
FILE 1-E-14)

**Recommendation.** It is respectfully recommended that the Commission activate the solid waste power for the Ground Squirrel Hollow Community Services District with the following conditions:

- 1) The GSHCSD shall abide by all the terms and conditions of the existing contract with Paso Robles Country Waste Disposal for the remaining term of the franchise agreement with the County of San Luis Obispo;
- 2) The GSHCSD shall comply with the recycling components currently in place for the remaining term of the agreement with the County of San Luis Obispo;
- 3) The GSHCSD shall adopt rules and regulations pertaining to the collection of solid waste within the District. Upon adoption of such rules and regulations, the GSHCSD shall be the authorized local agency to provide solid waste services within the Districts boundary; and
- 4) The GSHCSD shall join the Integrated Waste Management Authority.

**Discussion.** This is a request by the Ground Squirrel Hollow Community Services District (GSHCSD) to activate the solid waste power. The authority to provide for the collection and disposal of garbage and refuse matter currently resides with the County of San Luis Obispo.

**Attachments**

- A: Resolution of Application**
- B: Plan for Services**
- C: LAFCO Factors**
- D: Comments**
- E: CEQA Exemption**
- F: Draft Resolution**



On January 8, 2014, the Board of Directors of the Ground Squirrel Hollow Community Services District (GSHCSD) adopted a resolution requesting LAFCO to activate the collection or disposal of garbage or refuse matter (solid waste) as an active power. When the district was formed in 2004, the provision of garbage collection and disposal services was not authorized by the Commission. The District currently has the authority to provide road maintenance services for its residents.

Any district wishing to activate a latent power is required to receive LAFCO approval prior to providing the service. The CKH Act also requires that the Protest Process be conducted. A vote of the District's residents is not needed to activate a power, unless the Protest Process indicates a vote is required by the registered voters.

A copy of the GSHCSD's Resolution of Application is attached for the Commission's information. This resolution includes background information (Attachment A) and a Plan for Services (Attachment B). The Background Information exhibit addresses existing providers of this service, CSD's that already provide this service in other communities, advantages to District residents, and a description of the Integrated Waste Management Authority. The Plan for Services discusses the costs of service, the financing plan, the level and range of services, and the proposed terms and conditions for the transfer of the Solid Waste function from the County to the District.

**Summary - 56824.10 - 56824.14.** The Cortese-Knox-Hertzberg Act directs that the Commission consider the following key information in reviewing a request to activate a new or additional function/class of service:

- 1) Whether the special district will have sufficient revenues to carry out the proposed new or different functions of class of services;
- 2) Whether another local agency already provides substantially similar services or facilities to the territory where the district proposes to exercise that latent power;
- 3) The Plan for Services to provide a new or different function or class of services.

With the exception of the County of San Luis Obispo, there is no other agency that can provide this service. In addition, the area is not included within the sphere of influence of any other city or special district that currently provide this service. The Plan for Services indicates the revenues anticipated.

**Plan for Services.** Attachment B includes the Plan for Services provided by the District. Government Code section 56824.12 states the Plan for Services should include the following:

1. Total estimated cost to provide the new or different function or class of services.

The Plan for Services indicates there will be no increase in solid waste fees charged to residents. The franchise hauler currently bill customers monthly for solid waste service through a fee structure approved by the current contract. Approximately nine thousand dollars (\$9000) in annual franchise fees would be transferred from the County to the GSHCSD.

2. Estimated cost of the new or different function or class of services to customers within the district's boundaries.

No changes are proposed to the solid waste fees charged to residents. The existing contract will be transferred to the District from the County. The residential rates for 32 gallon automated at curb is \$29.85 monthly rate plus, IWMA fee of \$0.30 for a total monthly fee of \$30.15. 64 gallon automated at curb is \$43.65 monthly rate plus same additional fees for a total monthly fee of \$43.95. 96 gallon automated at curb is \$57.45 monthly rate plus, IWMA fee of \$1.15 for a total monthly fee of \$58.60.

3. Identification of existing providers, if any and the potential fiscal impact to the customers of those existing providers.

The existing solid waste hauler is Paso Robles Country Disposal. No changes are proposed that would increase the solid waste fees charged to residents.

4. Summary of whether the new or different function or class of services will be within all or part of the jurisdictional boundaries.

The activation of the solid waste power would follow the current service boundaries of the District.

5. A plan for financing the establishment of the new or different function or class of services.

Solid waste customers will fund the day-to-day services through a fee structure approved by the franchiser and billed by the franchisee. The GSHCSD maintains a sufficient cash reserve to create and implement a new solid waste agreement with the hauler. Cash reserves are available to maintain solid waste services in the event the hauler default on the agreement and a performance bond will be required by the hauler.

6. Alternatives for the establishment of the new or different function or class of services.

Currently the County contracts with the franchise hauler for solid waste services.

**LAFCO Factors Government Code 56668.** Government Code Section 56668 identifies a number of factors that are to be considered by LAFCO in reviewing a proposal. These factors are addressed in Attachment C of this Staff Report. Each factor is listed and a Staff Response is provided for LAFCO's consideration. The factors are intended to provide the Commission with information about certain topics that are often relevant to a change in organization. The factors include information on:

- |   |  |                            |
|---|--|----------------------------|
| • Population and Land Use                             | • Need for Services                            | • Impact on Adjacent Areas |
| • Commission Policies                                 | • Agricultural Lands                           | • Definite Boundaries      |
| • Consistency with General Plans and Reg. Trans. Plan | • Sphere of Influence                          | • Other Agency Comments    |
| • Ability to provide services                         | • Availability of water supplies               | • Housing                  |
| • Comments from landowner, voters or residents        | • Existing information about existing land use | • Environmental Justice    |

**Agency Coordination.** The Ground Squirrel Hollow Community Services District appointed an ad hoc solid waste committee to investigate the concept of providing solid waste services to the community. Three ad hoc committee meetings were held and the Board of Directors also held a public workshop and a public hearing before proceeding with an application to LAFCO to activate the solid waste power. GSHCSD has historically communicated with Paso Robles Country Disposal and resolved to maintain roads that are accessible to garbage trucks in all weather conditions.

### **Other Agencies**

**County Planning Department Comments:** The County Department of Planning and Building supports the activation of solid waste power. According to Table H in Framework for Planning, part of the Land Use Element of the County General Plan, solid waste pick-up services are appropriate in areas having suburban densities (typically one dwelling per one to five acres) such as the Ground Squirrel Hollow area. In accordance with the intent of El Pomar Area Plan Service Program No. 4, Planning encourages the CSD to establish rural recyclable collection service as a part of waste pick-up services. Condition number two requires the District to maintain the recycling components currently in place.

**CalFire:** CalFire indicates there are no significant concerns regarding this proposal.

**Air Pollution Control District (APCD):** The APCD did not comment regarding this proposal.

**County Public Works Comments:** Public Works is supportive of activating the solid waste power with the requirement to comply with the existing recycling components already in place with the County.

**Past Actions.** In past actions, the Commission has approved the activation of garbage collection and disposal services and the transfer of the franchise agreement with the South County Sanitary, Inc. to the Oceano, Avila Beach and Nipomo Community Services Districts. LAFCO has also approved the activation of this power for the Templeton, Heritage Ranch and the Los Osos Community Services Districts. In each of these cases, several meetings were conducted with representatives of the Integrated Waste Management Authority, County Counsel, the County's Solid Waste Coordinator, the County Auditor-Controller, and Districts Legal Counsel and General Managers to develop conditions of approval.

For the current request by the GSHCSD, staff also discussed conditions of approval that would be appropriate for this request. It was decided that the same conditions that were worked out for previous actions, should also be applied to the GSHCSDs request. These conditions are included in the recommendation. Past approvals have cited several examples of how the Solid Waste power has helped implement projects at the local level, including:

**Templeton CSD**

- Salary for a recycling coordinator in Templeton
- Funding for public information materials about recycling

**Los Osos CSD**

- Reduction in the franchise fees
- Services are tailored to meet community needs
- Funding for public information materials about recycling

**Heritage Ranch CSD**

- Reduction in the franchise fees
- Increased public participation regarding recycling issues

**Nipomo CSD**

- Implement Nipomo Creek Clean Up
- Implement Nipomo Clean Up Week including car crushing
- Street Sweeping
- Purchase of trash receptacles for the Olde Towne
- Paid for monthly pick up for Olde Towne receptacles

**District Conditions of Approval.** The District has proposed conditions of approval for activating the solid waste power, and includes the following:

- 1) The GSHCSD shall abide by all the terms and conditions of the existing contract with Paso Robles Country Waste Disposal for the remaining term of the franchise agreement with the County of San Luis Obispo;
- 2) The GSHCSD shall adopt rules and regulations pertaining to the collection of solid waste within the District.
- 3) Upon adoption of such rules and regulations, the GSHCSD shall be the authorized local agency to provide solid waste services within the Districts boundary; and
- 4) The GSHCSD shall join the Integrated Waste Management Authority.

These conditions are consistent with conditions placed on the activation of this power for other districts. LAFCO has recommended an additional condition to comply with the recycling components currently in place with the County.

**Environmental Determination.** The purpose of the environmental review process is to provide information about the environmental effects of the actions and decisions made by LAFCO and to comply with the California Environmental Quality Act (CEQA). In this case it has been found to be exempt from CEQA under General Rule Exemption under CEQA Regulation Section 15061(b)(3) of the State Guidelines (Attachment D). The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. There are no land use changes or environmental impacts created because the solid waste removal service is currently provided by a contract between the County of San Luis Obispo and private solid waste provider. The same contract agreement would be transferred to the Ground Squirrel Hollow Community Services District. The same services are being provided to the community.

**Public Noticing.** A 21-day public notice was sent to the required affected agencies and interested parties. A 21-day Notice of Hearing and public review period was published in a newspaper of general distribution (The Tribune) as required by the CKH Act. Notice was also mailed directly to interested agencies and parties. LAFCO staff has also coordinated with District representatives regarding the activation process. The documents were also mailed directly to the District, interested parties and agencies. The documents are also available at the San Luis Obispo LAFCO website, [www.slolafo.com](http://www.slolafo.com).

**Protest Process.** If the activation of solid waste power is approved by LAFCO, registered voters and land owners in the area would be notified about LAFCO's decision and when

a Conducting Authority Hearing (Protest Hearing) would be held. Section 57075 states if the protests are between 25% but less than 50% of the registered voters in the area the change of organization will be subject to a vote of the registered voters within the area. If 50% or more of the registered voters file a written protest the action is terminated. If at least 25% of the property owners who own at least 25% of the assessed value of land protest, then change of organization shall be subject to a vote of the registered voters. The Cortese-Knox-Hertzberg Act provides specific guidance regarding noticing and holding the protest hearing. The change of organization shall be approved if less than 25% of the registered voters or property owners file written protests. As allowed under CKH Act, the Commission has delegated the completion of the Protest Process to the Executive Officer.

**Conclusion.** The activation of the solid waste power for the Ground Squirrel Hollow Community Services District requires approval by LAFCO prior to providing the service. The District wishes to exercise the latent power and has provided a Resolution of Application and a Plan for Services that indicates a sufficient revenue source to carry out the added power. The recommendation is to activate the solid waste power for the Ground Squirrel Hollow Community Services District with conditions.

## **5.G. BUSINESS ITEMS**



## **BUSINESS ACTION ITEM STAFF REPORT**

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### **Item 5.G. Consideration of approval of Resolution 19-415 Reimbursement Agreement for the Proposition 1 Integrated Regional Water Management Round 1 Implementation Grant.**

As part of the Proposition 1 IRWM grant for the water storage project the County is requiring that the Board approve and sign the attached resolution.

Attached is a copy of the draft reimbursement agreement. The District is committed for funds not to exceed the amount of \$15,000.00.

Enc: District Resolution 19-415  
Draft Reimbursement Agreement



**RESOLUTION NO. 19-415**

**RESOLUTION DESIGNATING THE SAN SIMEON CSD AS THE  
AUTHORIZED REPRESENTATIVE  
TO FILE APPLICATION AND EXECUTE AGREEMENTS  
FOR THE 2019 PROPOSITION 1 INTEGRATED REGIONAL WATER MANAGEMENT  
IMPLEMENTATION GRANT PROGRAM**

The following Resolution is hereby offered and read:

**WHEREAS**, the State of California has established an Integrated Regional Water Management (IRWM) grant program pursuant the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (also known as Proposition 1); and

**WHEREAS**, the San Simeon Community Services District (SSCSD) approved a Memorandum of Understanding, incorporated herein as Attachment No. 1, which established the San Simeon CSD as a member of the Regional Water Management Group for the San Luis Obispo County Region, and which also designates the San Luis Obispo County Flood Control and Water Conservation District (the "Flood Control District") as the lead agency to submit Integrated Regional Water Management grants; and

**WHEREAS**, the San Simeon CSD, or Designee, is especially suited to ensure the grant application materials submitted by and on behalf of the San Simeon CSD are prepared in a complete, efficient and adequate manner; and

**WHEREAS**, the San Simeon CSD, has the authority to ensure that projects are carried out in full compliance with the applicable permits and agreements; and

**WHEREAS**, the San Simeon CSD, submitted the Water Tank (Reservoir Expansion) project for inclusion in the San Luis Obispo County Region's 2019 Proposition 1 Round 1 IRWM grant program application; and

**WHEREAS**, the Water Tank (Reservoir Expansion) was endorsed by the Regional Water Management Group and the San Luis Obispo County Water Resources Advisory Committee; and

**WHEREAS**, Attachment No. 2 includes a list of all the local projects endorsed to be in the Region's application to the California Department of Water Resources; and

**WHEREAS**, in anticipation of the final application submittal, Flood Control District staff has requested that local agencies adopt a resolution verifying support for the project, authorization to proceed with the IRWM grant application, and authorization to enter into reimbursement agreement to fund a share of the Flood Control District's costs; and

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** by the Board of Directors of the San Simeon CSD, State of California, that:

1. The San Simeon CSD Board of Directors supports the Water Tank (Reservoir Expansion) project as described in Attachment No. 2, and that the application be made to the California Department of Water Resources to obtain a 2019 Proposition 1 Round 1

Integrated Regional Water Management Implementation Grant pursuant to the Water Quality, Supply, and Infrastructure Improvement Act of 2014 in coordination with the Flood Control District and the Regional Water Management Group.

2. The General Manager or Designee, of the San Simeon CSD is hereby authorized and directed to prepare the necessary data, conduct investigations, file such application required for grant funding, and to execute a grant agreement (which must first be approved as to form by SSCSD Legal Counsel) with the San Luis Obispo County Flood Control and Water Conservation District.
3. The General Manager, or Designee, of the San Simeon CSD is hereby authorized to enter into a reimbursement agreement to pay for San Simeon CSD's share of the Flood Control District costs.

Upon motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_ and on the following roll call vote, to wit:

AYES:

ABSTAIN:

NOES:

ABSENT:

The foregoing Resolution is hereby adopted this \_\_11\_\_ day of December, 2019

\_\_\_\_\_  
Gwen Kellas, Chairperson of the  
Board of Directors

**ATTEST:**

\_\_\_\_\_  
Charles Grace, General Manager and  
Secretary for the Board of Directors

**APPROVED AS TO FORM  
AND LEGAL EFFECT:**

\_\_\_\_\_  
Natalie F. Laacke, District Counsel

**Reimbursement Agreement  
Proposition 1 Integrated Regional Water Management  
Round 1 Implementation Grant**

This Reimbursement Agreement ("Agreement") is made on this \_\_\_\_ day of \_\_\_\_\_, 2019 by and between the San Luis Obispo County Flood Control and Water Conservation District ("District"), the City of San Luis Obispo ("City"), the Nipomo Community Services District ("NCSD"), the Los Osos Community Services District ("LOCSD"), the Oceano Community Services District ("OCSD") and the San Simeon Community Services District ("SSCSD"), collectively referred to herein as the "Parties" (all Parties other than the District shall also be individually referred to herein as "Agency" and collectively as the "Agencies").

**RECITALS**

**WHEREAS**, the State of California has established an Integrated Regional Water Management ("IRWM") Grant Program pursuant to the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Water Code Section 79700 *et seq.*) (also known as "Proposition 1"); and

**WHEREAS**, a Memorandum of Understanding ("MOU") between the District and various other parties, including the Agencies, designates the District as the lead agency to submit IRWM grant applications and to execute and administer IRWM grant agreements with the State; and

**WHEREAS**, the Agencies have an interest in developing a regional application to submit to the California Department of Water Resources under the IRWM Proposition 1 Round 1 Implementation Grant Program ("Grant Application"); and

**WHEREAS**, the District entered into an Agreement for Professional Engineering Services with Water Systems Consulting, Inc. ("Consultant") on or about September 16, 2019, attached hereto as Exhibit "A" and incorporated herein, pursuant to which Consultant is to develop the Grant Application ("Consultant Agreement"); and

**WHEREAS**, the Consultant Agreement identifies the development of local project specific submittals (i.e. submittals for each Agency sponsored project) as a separate task and further requires the Consultant to detail the work performed on each task and each project on each invoice; and

**WHEREAS**, on or about Nov. 19, 2019, the District Board of Supervisors authorized and directed the Director of Public Works to execute a reimbursement agreement(s) with the Agencies on behalf of the District to recover certain costs incurred by the District in connection with the Consultant Agreement.

**NOW, THEREFORE**, it is hereby mutually agreed by the Agencies and District as follows:

1. The above recitals are true and correct and are incorporated herein by this reference.
2. Consistent with the MOU and Consultant Agreement, each Agency agrees that it is appropriate for the San Luis Obispo County Public Works Department ("Department"), as *ex officio* staff to the District, to manage the Consultant's development of the Grant Application. Each Agency further agrees to provide the

Department and the Consultant with all information, materials and coordination that they determine necessary to develop the Grant Application.

3. Each Agency shall pay to the District a sum equal to the costs that the Consultant identifies on its invoices as attributable to inclusion of the Agency's particular project in the Grant Application within thirty (30) days of written notification to the Agency by the District that the District has received the final Grant Application from the Consultant.
4. Each Agency shall also pay to the District a sum equal its proportionate share of the total costs that the Consultant identifies on its invoices as not attributable to any particular Agency project, including, without limitation, costs attributable to development of the overall proposal and program description and project management and meetings, within thirty (30) days of written notification to the Agency by the District that the District has received the final Grant Application from the Consultant. For purposes of this section, each Agency's proportionate share (equal to each Agency's grant funding request divided by the total request of the Agencies) shall be as follows:
  - City: 42%
  - NCSD: 26%
  - LOCSD: 7%
  - OCSD: 9%
  - SSCSD: 16%
5. Notwithstanding Paragraphs 3 and 4 above, no Agency's payment obligation pursuant to this Agreement shall exceed fifteen thousand dollars (\$15,000).
6. This Agreement shall not be changed or modified except upon written consent of all of the Parties.
7. This Agreement is intended by the Parties as a final expression of their understanding with respect to the matters contained herein and is a complete and exclusive statement of the terms and conditions thereof.
8. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute a single instrument. Signature pages may be detached from individual counterparts and attached to a single or multiple original(s) in order to form a single or multiple originals of this Agreement.

**IN WITNESS WHEREOF**, the Agencies have executed this Agreement with the approval of their respective governing bodies, and District has executed this Agreement in accordance with the authorization of the Board of Supervisors.

<p><b>City of San Luis Obispo</b></p> <p>By: _____</p> <p>Date: _____, 20__</p>	<p><b>Nipomo Community Services District</b></p> <p>By: _____</p> <p>Date: _____, 20__</p>
<p><b>Los Osos Community Services District</b></p> <p>By: _____</p> <p>Date: _____, 20__</p>	<p><b>Oceano Community Services District</b></p> <p>By: _____</p> <p>Date: _____, 20__</p>
<p><b>San Simeon Community Services District</b></p> <p>By: _____</p> <p>Date: _____, 20__</p>	
<p><b>SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT</b></p> <p>By: _____</p> <p>Date: _____, 20__</p>	<p><b>APPROVED AS TO FORM AND LEGAL EFFECT:</b>  <b>RITA L. NEAL</b>  <b>County Counsel</b></p> <p>By: _____  <b>Deputy County Counsel</b></p> <p>Date: _____, 20__</p>

EXHIBIT A  
CONSULTANT AGREEMENT

**CONTRACT FOR PROFESSIONAL CONSULTANT SERVICES  
GRANT APPLICATION DEVELOPMENT – PROPOSITION 1  
INTEGRATED REGIONAL WATER MANAGEMENT IMPLEMENTATION ROUND 1**

This Contract is entered into this 19 day of September, 2019 by and between the San Luis Obispo County Flood Control and Water Conservation District, a political subdivision of the State of California, herein called "DISTRICT," and Water Systems Consulting, Inc., an independent contractor whose address is 805 Aerovista Place, Suite 201, San Luis Obispo, CA 93401, herein called "CONSULTANT" or "WSC."

The DISTRICT department responsible for administering this Contract is the Department of Public Works ("Public Works"), and all written communications hereunder with the DISTRICT shall be addressed to the Director of Public Works unless otherwise specified herein.

WHEREAS, the DISTRICT has need for special services and advice with respect to the work described herein for the Grant Application Development – Proposition 1 Integrated Regional Water Management Implementation Round 1 Project (hereafter, the "Project"); and

WHEREAS, the CONSULTANT warrants that it is specially trained, experienced expert, and competent to perform such special services;

**NOW, THEREFORE**, the parties agree with the above recitals, and hereby further agree as follows:

**ARTICLE 1. SCOPE OF WORK**

The CONSULTANT shall, at its own cost and expense, provide all the services, equipment, and materials necessary to complete the work described in the CONSULTANT's Scope of Work (hereafter, collectively "Work") attached hereto as Exhibit A. CONSULTANT warrants and represents that said Work encompasses all services, equipment, and materials necessary for the CONSULTANT's completion of a final application for a Proposition 1 Integrated Regional Water Management Implementation Round 1 grant based on the Final 2019 Integrated Regional Water Management Grant Program Guidelines and Final Round 1 – Implementation Proposal Solicitation Package. All Work shall be performed to the highest professional standard.

**ARTICLE 2. TIME FOR COMPLETION OF WORK**

No Work shall be commenced prior to the CONSULTANT's receipt of the DISTRICT's Notice to Proceed. All Work shall be completed at least one business day prior the deadline to submit the grant application described above to the California Department of Water Resources ("DWR"), as established by DWR (anticipated to be on or around December 6, 2019), provided, however, that extensions of time may be granted in writing by the DISTRICT's Director of Public Works, which said extensions of time, if any, shall be granted only for reasons attributable to inclement weather, acts of God, or for other cause determined in the sole discretion of the DISTRICT's Director of Public Works to be good and sufficient cause for such extensions.

**ARTICLE 3. PAYMENT FOR SERVICES**

**A. COMPENSATION**

1. DISTRICT shall pay to CONSULTANT as compensation in full for all Work required by this Contract a sum not to exceed the total Contract amount of \$50,680.

2. Payments will be made to CONSULTANT based on compensable services provided and allowable costs incurred at the rates set forth in the CONSULTANT'S Cost Proposal attached hereto as Exhibit B. All payments to CONSULTANT shall be based on actual services performed and costs incurred at the rates set forth in Exhibit B.
3. The DISTRICT reserves the right to delete Work from CONSULTANT'S Scope of Work, but such deletion must be in writing from the DISTRICT'S Director of Public Works and expressly state that certain Work is being deleted. CONSULTANT shall be entitled to no compensation for any Work that is deleted.

#### B. REPORTS

The CONSULTANT shall submit to the DISTRICT, on a monthly basis, a detailed statement of all services performed, and all Work accomplished under this Contract since the CONSULTANT'S last monthly statement, including the number of hours of Work performed and the personnel involved. For the purpose of timely processing of invoices, the CONSULTANT'S invoices are not regarded as received until the monthly report is submitted. Any anticipated problems in performing any future Work shall be noted in the monthly reports. The CONSULTANT shall also promptly notify the DISTRICT of any perceived need for a change in the scope of Work, and an explanation as to why the CONSULTANT did not include said Work in the attached Scope of Work.

#### C. INVOICES

Billing invoices shall be based upon the CONSULTANT'S Cost Proposal, attached hereto as Exhibit B. Invoices shall detail the Work performed on each task and each project as applicable. Invoices shall follow a format based upon the Cost Proposal and shall reference this Contract number and Project. Final invoice must contain the final cost and all credits due the DISTRICT including any equipment purchased under the provisions of Article 22 Equipment Purchase of this Contract.

#### D. CONSULTANT'S ASSIGNED PERSONNEL

All Work performed under this Contract shall be performed by the CONSULTANT'S personnel identified in the organizational chart, attached hereto as Exhibit C. Any changes to the any personnel designated on this organizational chart must be approved in writing by the DISTRICT'S Project Manager.

### **ARTICLE 4. ACCOUNTING RECORDS**

- A. The CONSULTANT shall maintain accounting records in accordance with generally accepted accounting principles. The CONSULTANT shall obtain the services of a qualified bookkeeper or accountant to ensure that accounting records meet this requirement. The CONSULTANT shall maintain acceptable books of accounts which include, but are not limited to, a general ledger, cash receipts journal, cash disbursements journal, general journal, and payroll journal.
- B. The CONSULTANT shall record costs in a cost accounting system which clearly identifies the source of all costs. Contract costs shall not be co-mingled with other project costs, but shall be directly traceable to contract billings to the DISTRICT. The use of worksheets to produce billings shall be kept to a minimum. If worksheets are used to produce billings, all entries should be documented and clearly traceable to the CONSULTANT'S cost accounting records.



- C. All accounting records and supporting documentation shall be retained for a minimum of five (5) years or until any audit findings are resolved, whichever is later. The CONSULTANT shall safeguard the accounting records and supporting documentation.
- D. The CONSULTANT shall make accounting records and supporting documentation available on demand to the DISTRICT and its designated auditor for inspection and audit. Disallowed costs shall be repaid to the DISTRICT. The DISTRICT may require having the CONSULTANT's accounting records audited, at the CONSULTANT's expense, by an accountant licensed by the State of California. The audit shall be presented to the County Auditor-Controller within thirty (30) calendar days after completion of the audit.

**ARTICLE 5. NON-ASSIGNMENT OF CONTRACT**

Inasmuch as this Contract is intended to secure the specialized services of the CONSULTANT, the CONSULTANT may not assign, transfer, delegate, or sublet any interest herein without the prior written consent of the DISTRICT and any such assignment, transfer, delegation, or sublease without the DISTRICT's prior written consent shall be considered null and void.

**ARTICLE 6. INSURANCE**

CONSULTANT shall procure and maintain for the duration of this Contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the CONSULTANT, its agents, representatives, or employees.

**A. MINIMUM SCOPE AND LIMITS OF REQUIRED INSURANCE POLICIES**

Coverage shall be at least as broad as:

**1. COMMERCIAL GENERAL LIABILITY (CGL)**

Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis for bodily injury and property damage, including products-completed operations, personal injury and advertising injury, with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

**2. AUTOMOBILE LIABILITY**

ISO Form Number CA 0001 covering, Code 1 (any auto), or if CONSULTANT has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and property damage.

**3. WORKERS' COMPENSATION**

Workers' Compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease. If CONSULTANT will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage shall also include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the DISTRICT as the Alternate Employer, and the endorsement form shall be modified to provide that DISTRICT will receive not less than thirty (30) calendar days advance written notice of cancellation of this

coverage provision. If applicable to CONSULTANT's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

#### 4. PROFESSIONAL LIABILITY/ERRORS AND OMISSIONS

Insurance covering CONSULTANT's liability arising from or related to this Contract, with limits of not less than \$1 million per claim and \$2 million aggregate. Further, CONSULTANT understands and agrees it shall maintain such coverage for a period of not less than three (3) years following this Contract's expiration, termination or cancellation.

If the CONSULTANT maintains higher limits than the minimums shown above, the DISTRICT requires and shall be entitled to coverage for the higher limits maintained by the CONSULTANT.

#### B. OTHER INSURANCE PROVISIONS

The insurance policies are to contain, or be endorsed to contain, the following provisions:

##### 1. ADDITIONAL INSURED STATUS

The DISTRICT, its officers, officials, employees, and volunteers are to be covered as insureds on the auto policy with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the CONSULTANT; and on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the CONSULTANT including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the CONSULTANT's insurance (at least as broad as ISO Form CG 20 10, 11 85 or both CG 20 10 and CG 23 37 forms if later revisions used).

##### 2. PRIMARY COVERAGE

For any claims related to this Contract, the CONSULTANT's insurance coverage shall be primary insurance as respects the DISTRICT, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the DISTRICT, its officers, officials, employees, or volunteers shall be excess of the CONSULTANT's insurance and shall not contribute with it.

##### 3. NOTICE OF CANCELLATION

Each insurance policy required above shall state that coverage shall not be canceled, except after thirty (30) calendar days' prior written notice (ten (10) calendar days for non-payment) has been given to the DISTRICT.

##### 4. FAILURE TO MAINTAIN INSURANCE

CONSULTANT's failure to maintain or to provide acceptable evidence that it maintains the required insurance shall constitute a material breach of this Contract, upon which the DISTRICT immediately may withhold payments due to CONSULTANT, and/or suspend or terminate this Contract. The DISTRICT, at its sole discretion, may obtain damages from CONSULTANT resulting from said breach.

5. WAIVER OF SUBROGATION

CONSULTANT hereby grants to DISTRICT a waiver of any right to subrogation which any insurer of said CONSULTANT may acquire against the DISTRICT by virtue of the payment of any loss under such insurance. CONSULTANT agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the DISTRICT has received a waiver of subrogation endorsement from the insurer.

6. DEDUCTIBLES AND SELF-INSURED RETENTIONS

Any deductibles or self-insured retentions must be declared to and approved by the DISTRICT. The DISTRICT may require the CONSULTANT to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

7. ACCEPTABILITY OF INSURERS

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the DISTRICT.

8. CLAIMS MADE POLICIES

If any of the required policies provide coverage on a claims-made basis:

- a. The Retroactive Date must be shown and must be before the date of the Contract or the beginning of Contract Work.
- b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the Contract Work
- c. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the Contract effective date, the CONSULTANT must purchase "extended reporting" coverage for a minimum of five (5) years after completion of Contract work.

9. SEPARATION OF INSURED

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

10. VERIFICATION OF COVERAGE

CONSULTANT shall furnish the DISTRICT with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the DISTRICT before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the CONSULTANT's obligation to provide them. The DISTRICT reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Certificates and copies of any required endorsements shall be sent to:

County of San Luis Obispo  
Department of Public Works  
Brendan Clark, Contract Administrator  
County Government Center, Room 206  
San Luis Obispo, CA 93408

11. SUBCONSULTANTS

CONSULTANT shall require and verify that all subconsultants maintain insurance meeting all the requirements stated herein.

12. SPECIAL RISKS OR CIRCUMSTANCES

DISTRICT reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

**ARTICLE 7. INDEMNIFICATION**

The CONSULTANT shall defend, indemnify and hold harmless the DISTRICT, its officers, agents, and employees from all claims, demands, damages, costs, expenses, judgments, attorney fees, liabilities, or other losses (hereafter, collectively "claims") that may be asserted by any person or entity, and that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the CONSULTANT. The parties agree that, in addition to the CONSULTANT's general and professional duties of care, the CONSULTANT has a duty of care to act in accordance with the terms of this Contract. In addition to whatever other acts or omissions of CONSULTANT that constitute negligence, recklessness, or willful misconduct under applicable law, the parties acknowledge that any act or omission of the CONSULTANT that causes any damages or monetary losses, and constitutes a breach of any duty under, or pursuant to, this Contract, shall at a minimum constitute negligence (and may constitute recklessness or willful conduct if so warranted by the facts).

The preceding paragraph applies to any and all such claims, regardless of the nature of the claim or theory of recovery. For purposes of the paragraphs found in this Article of the Contract, "CONSULTANT" shall include the CONSULTANT, and/or its agents, employees, subconsultants, or other independent contractors hired by, or working under, the CONSULTANT.

It is the intent of the parties to provide the DISTRICT the fullest indemnification, defense, and "hold harmless" rights allowed under the law. No provisions of this Contract shall be construed in a manner that would constitute a waiver or modification of Civil Code section 2782.8. If any word(s) contained herein are deemed by a court to be in contravention of applicable law, said word(s) shall be severed from this Contract and the remaining language shall be given full force and effect. Nothing contained in this Contract shall be construed to require the CONSULTANT to indemnify the DISTRICT against any responsibility or liability in contravention of Civil Code 2782.8.

Pursuant to subdivision (a) of Civil Code section 2782.8, in no event shall the cost to defend charged to the CONSULTANT exceed the CONSULTANT's proportionate percentage of fault. However, notwithstanding the previous sentence, in the event one or more defendants is unable to pay its share of defense costs due to bankruptcy or dissolution of the business, the CONSULTANT shall meet and confer with other parties regarding unpaid defense costs.

## **ARTICLE 8. CONSULTANT'S RESPONSIBILITY FOR ITS WORK**

- A. The CONSULTANT has been hired by the DISTRICT because of the CONSULTANT's specialized expertise in performing the Work described in the attached Scope of Work, Exhibit A. The CONSULTANT shall be solely responsible for such Work. The DISTRICT's review, approval, and/or adoption of any designs, plans, specifications, or any other Work shall be in reliance on the CONSULTANT's specialized expertise and shall not relieve the CONSULTANT of its sole responsibility for the Work. The DISTRICT is under no duty or obligation to review or verify the appropriateness, quality, or accuracy of any designs, plans, specifications, or any other Work, including but not limited to, any methods, procedures, tests, calculations, drawings, or other information used or created by the CONSULTANT in performing any Work under this Contract.
- B. All information which the CONSULTANT receives from the DISTRICT should be independently verified by the CONSULTANT. The CONSULTANT should not rely upon such information unless it has independently verified its accuracy. The only exception to the foregoing arises when the DISTRICT has expressly stated in writing that certain information may be relied upon by the CONSULTANT without the CONSULTANT's independent verification. In such event, the CONSULTANT is still obliged to promptly notify the DISTRICT whenever the CONSULTANT becomes aware of any information that is inconsistent with any information which the DISTRICT has stated may be relied upon by the CONSULTANT.
- C. Pursuant to the provisions of this Article, the CONSULTANT is responsible for all Work under this Contract, including the Work performed by any subconsultants or any other independent contractors which CONSULTANT hires or contracts with regarding the Work.
- D. The CONSULTANT accepts the relationship of trust and confidence established with DISTRICT by this Contract, and covenants with the DISTRICT to furnish the CONSULTANT's reasonable skill and judgment in furthering the interests of the DISTRICT. The CONSULTANT shall use its best efforts to perform in an expeditious and economical manner consistent with the interests of the DISTRICT.
- E. If CONSULTANT ever has reason to believe that any of its general or professional duties of care conflict with any requirements of this Contract, the CONSULTANT shall promptly so notify the DISTRICT in writing.

## **ARTICLE 9. INSURANCE AND INDEMNIFICATION AS MATERIAL PROVISIONS**

The parties expressly agree that the indemnification and insurance clauses in this Contract are an integral part of the performance exchanged in this Contract. The compensation stated in this Contract includes compensation for the risks transferred to the CONSULTANT by the indemnification and insurance clauses.

## **ARTICLE 10. CONSULTANT'S ENDORSEMENT ON REPORTS, ETC**

The CONSULTANT shall endorse all reports, maps, plans, documents, materials, and other data in accordance with applicable provisions of the laws of the State of California.

## **ARTICLE 11. DOCUMENTS, INFORMATION AND MATERIALS OWNERSHIP**

All documents, information, and materials of any and every type prepared by the CONSULTANT (or any subconsultant) pursuant to this Contract shall be the property of the DISTRICT. Such documents shall include but not be limited to data, drawings, specifications, reports, estimates,

summaries, and such other information and materials as may have been accumulated by the CONSULTANT (or any subconsultant) in performing Work under this Contract, whether completed or in process. The CONSULTANT shall assume no responsibility for the unintended use by others of any such documents, information, or materials on project(s) which are not related to the scope of services described under this Contract.

#### **ARTICLE 12. TERMINATION OF CONTRACT WITHOUT CAUSE**

The DISTRICT may terminate this Contract at any time by giving the CONSULTANT thirty (30) calendar days written notice of such termination. Termination shall have no effect upon the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of such termination. Other than payments for services satisfactorily rendered prior to the effective date of said termination, the CONSULTANT shall be entitled to no further compensation or payment of any type from the DISTRICT.

#### **ARTICLE 13. TERMINATION OF CONTRACT FOR CAUSE**

If the CONSULTANT fails to perform the CONSULTANT's duties to the satisfaction of the DISTRICT; or if the CONSULTANT fails to fulfill in a timely and professional manner the CONSULTANT's obligations under this Contract; or if the CONSULTANT violates any of the terms or provisions of this Contract; or if the CONSULTANT, or the CONSULTANT's agents or employees fails to exercise good behavior either during or outside of working hours that is of such a nature as to bring discredit upon the DISTRICT, then the DISTRICT shall have the right to terminate this Contract effective immediately upon the DISTRICT giving written notice thereof to the CONSULTANT. Termination shall have no effect upon the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of such termination. The CONSULTANT shall be paid for all Work satisfactorily completed prior to the effective date of such termination. If the DISTRICT's termination of the Contract for cause is defective for any reason, including but not limited to the DISTRICT's reliance on erroneous facts concerning the CONSULTANT's performance, or any defect in notice thereof, this Contract shall automatically terminate without cause thirty (30) calendar days following the DISTRICT's written notice of termination for cause to the CONSULTANT, and the DISTRICT's maximum liability shall not exceed the amount payable to the CONSULTANT under Article 12 above.

#### **ARTICLE 14. COMPLIANCE WITH LAWS**

The CONSULTANT shall comply with all Federal, State, and local laws and ordinances that are applicable to the performance of the Work of this Contract. This includes compliance with prevailing wage rates and their payment in accordance with the California Labor Code. The CONSULTANT acknowledges that labor performed on site to support any Work required under this Contract is a public work within the meaning of Labor Code Section 1720. The CONSULTANT will comply, or cause its subconsultant(s) to comply, with the provisions of Labor Code Section 1774.

#### **ARTICLE 15. COVENANT AGAINST CONTINGENT FEES**

The CONSULTANT warrants that it has not employed or retained any company or person, other than a bona fide employee working for the CONSULTANT, to solicit or secure this Contract, and that it has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percent, brokerage fee, gift, or any other consideration, contingent upon or

resulting from the award or making this Contract. For breach or violation of this warranty, the DISTRICT shall have the right to annul this Contract without liability or, in its discretion to deduct from the Contract price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

## **ARTICLE 16. DISPUTES & CLAIMS**

### **A. EXCLUSIVE REMEDY**

Any demand or assertion by CONSULTANT seeking any additional compensation and/or time extension, or other relief, for any reason whatsoever (hereafter collectively "Claim"), must be in strict compliance with the requirements of this Article. For purposes of this Article, any and all Work relating to any such demand or assertion shall be referred to as "Disputed Work", regardless of whether the basis of the demand or assertion arises from an interpretation of the Contract, an action or inaction of CONSULTANT or DISTRICT, or any other event, issue, or circumstance. If the Disputed Work relates to any Work performed by any subconsultants hired by CONSULTANT in compliance with the provisions of this Contract, any such Claims must also be processed by CONSULTANT in accordance with the provisions of this Article.

The administration of a Claim as provided in this Article, including CONSULTANT's performance of its duties and obligations specified in this Article is CONSULTANT's sole and exclusive remedy for disputes of all types pertaining to the payment of money, extension of time, the adjustment or interpretation of this Contract or other contractual or tort relief arising from this Contract. Compliance with the procedures described in this Article is a condition precedent to the right to file a Government Code Claim, commence litigation, or commence any other legal action. CONSULTANT waives the right to pursue or submit any Claims not processed in accordance with Article.

### **B. MANDATORY PROCEDURE AND CONDITION PRECEDENT**

The requirements set forth in this Article are mandatory, and CONSULTANT shall strictly comply with these requirements. Strict compliance with these requirements is a condition precedent to CONSULTANT's ability to exercise any rights or remedies that may otherwise be available to CONSULTANT under this Contract or any applicable Laws or Regulations relating to the Claim. No action or inaction by CONSULTANT and/or DISTRICT to try to resolve any Claim(s) through agreement, amendment, mediation, settlement, or any other means shall excuse CONSULTANT from strictly complying with the requirements of this Article. CONSULTANT shall bear all costs incurred in complying with the provisions of this Article.

### **C. NOTICE OF POTENTIAL CLAIM**

The CONSULTANT shall not be entitled to any additional compensation and/or time under this Contract for any act, or failure to act, by the DISTRICT, or for the happening of any event, thing, occurrence, or other cause, unless the CONSULTANT has provided the DISTRICT's Director of Public Works with timely written Notice of Potential Claim as hereinafter specified. The written Notice of Potential Claim shall set forth the reasons for which the CONSULTANT believes additional compensation and/or time will or may be due, the nature of the cost involved, and, insofar as possible, the full amount of additional compensation and/or time extension sought in relation to the potential claim. The said notice as above required must have been given to the DISTRICT prior to the time that the CONSULTANT shall have performed any Disputed Work. It is the intention of this paragraph that differences between the parties relating to this

Contract be brought to the attention of the DISTRICT at the earliest possible time in order that such matters may be settled, if possible, or other appropriate action promptly taken. The CONSULTANT hereby agrees that it shall have no right to additional compensation and/or time regarding any Claim for which no written Notice of Potential Claim as herein required was filed with the DISTRICT's Director of Public Works.

#### D. NOTICE OF FINAL CLAIM

As soon as reasonably practical upon completion of the Disputed Work, and no later than thirty (30) calendar days after completion of the Disputed Work, CONSULTANT shall provide to DISTRICT a Notice of Final Claim containing a full and final documentation of the Claim that provides the following information:

1. A detailed factual narration of events fully describing the nature and circumstances that caused the dispute, including, but not limited to, necessary dates, locations, and items of Work affected by the dispute.
2. The specific provisions of this Contract that support the Claim and a statement of the reasons these provisions support and provide a basis for entitlement of the Claim.
3. When additional monetary compensation is requested, the exact amount requested, including an itemized breakdown of individual costs. These costs shall be segregated into the following cost categories:
  - a. Labor – A listing of individuals, classifications, hours and dates worked, hourly labor rates, and other pertinent information related to the requested reimbursement of labor costs.
  - b. Materials/Equipment – Invoices, purchase orders, location of materials/ equipment used to perform the Disputed Work, dates they were used, and other pertinent information related to the requested reimbursement of material/ equipment costs. (Any applicable equipment rates shall be at the applicable State rental rate as listed in the Department of Transportation publication entitled "Labor Surcharge and Equipment Rental Rates," in effect when the Disputed Work was performed.)
  - c. Other categories as specified by DISTRICT.

#### E. CONSULTANT'S CONTINUING OBLIGATIONS

Neither the filing of a Notice of Potential Claim or of a Notice of Final Claim, nor the pendency of a dispute or claim, nor its consideration by the DISTRICT, shall excuse the CONSULTANT from full and timely performance in accordance with the terms of this Contract. CONSULTANT shall promptly respond to any requests for further information or documentation regarding CONSULTANT's potential or final Claim. If CONSULTANT fails to provide an adequate written response to DISTRICT within fifteen (15) calendar days of DISTRICT's written request for such further documentation or information, CONSULTANT shall be deemed to have waived its Claim. If the further documentation or information requested by DISTRICT, in the opinion of the DISTRICT, reasonably take the CONSULTANT more than fifteen (15) calendar days to comply with, the written request shall provide the CONSULTANT a specific response deadline that is commensurate to a reasonable response time.



#### F. RESPONSE TO NOTICE OF FINAL CLAIM

The DISTRICT shall respond in writing to the Notice of Final Claim within sixty (60) calendar days of receipt thereof, or may request, in writing, within forty-five (45) calendar days of said receipt, any additional information or documentation relating to the Claim or any defenses to the Claim the DISTRICT may have against the CONSULTANT. CONSULTANT shall comply with the request within the reasonable time deadline provided by DISTRICT in the request. If any additional information is thereafter requested by DISTRICT, it shall likewise be provided by CONSULTANT within the reasonable time deadline provided by DISTRICT in such follow-up request. The written response to the Notice of Final Claim shall be submitted to the CONSULTANT within thirty (30) calendar days after receipt of such further information and documentation, or within a period of time no greater than that taken by the CONSULTANT in producing the additional information or documentation, whichever is greater. CONSULTANT may request an informal conference to meet and confer for settlement of the issues in dispute, but CONSULTANT shall have no right to demand such a conference. Neither the requesting of any such conference by CONSULTANT or DISTRICT, nor the holding of such conference shall affect the date of the final decision on the Claim. No written communications of DISTRICT sent to CONSULTANT after any such conference will change the date of the final decision on the Claim unless the writing expressly states that the date of the final decision is being changed to a new specific date.

A Claim may be granted in whole or in part only by a written response that contains the signature of the DISTRICT's Director of Public Works or his authorized representative. In the event a valid written decision is not provided to CONSULTANT within the time prescribed in this Article, the Claim shall be deemed denied on the last day a written response was due. The date upon which the Claim is approved or denied pursuant to the provisions of this Article, shall constitute the date of the final decision on the Claim under the provisions of this Article. The date of the final decision on a Claim can only be changed by a subsequent writing signed by DISTRICT that expressly states that the date of the final decision on the Claim has been changed to a new specific date.

#### G. GOVERNMENT CODE CLAIM REQUIREMENTS

For all Claims not resolved as a result of these Article 16 procedures, CONSULTANT must submit each Claim in a Government Code Section 910 form of claim for final investigation and consideration of its settlement prior to initiation of any litigation on any such Claim, as required by Government Code Section 945.4. Pursuant to Government Code Section 930.2, the one-year period in Government Code Section 911.2 is hereby reduced to 150 calendar days. This time deadline is measured from the accrual date of each separate cause of action. The time deadline for filing a Government Code claim shall not be tolled by any action or inaction by CONSULTANT or DISTRICT, including but not limited to any action or inaction to try to resolve the Claim through negotiation, mediation, settlement, agreement (including Change Order), or by any other means, other than by a separate written tolling agreement expressly approved as to form (on the face of the agreement) by the County Counsel's Office.

#### **ARTICLE 17. CONSULTANT IS AN INDEPENDENT CONTRACTOR**

CONSULTANT shall, during the entire term of this Contract, be construed to be an independent contractor and nothing in this Contract is intended nor shall be construed to create an employer-employee relationship, a joint venture relationship, or to allow the DISTRICT to exercise discretion or control over the professional manner in which the CONSULTANT performs the services which

are the subject matter of this Contract; provided always however that the services to be provided by the CONSULTANT shall be provided in a manner consistent with all applicable standards and regulations governing such services.

The CONSULTANT understands and agrees that the CONSULTANT's personnel are not and will not be eligible for membership in or any benefits from any DISTRICT group plan for hospital, surgical or medical insurance or for membership in any DISTRICT retirement program or for paid vacation, paid sick leave, or other leave, with or without pay or for any other benefit which accrues to a DISTRICT employee.

#### **ARTICLE 18. ENTIRE CONTRACT AND MODIFICATION**

This Contract supersedes all previous contracts and constitutes the entire understanding of the parties hereto. The CONSULTANT shall be entitled to no other compensation and/or benefits than those specified herein. No changes, amendments, or alterations shall be effective unless in writing and signed by both CONSULTANT and the DISTRICT Purchasing Agent. In addition, no changes, amendments, or alterations that increase the CONSULTANT's compensation such that the total compensation due under this Contract equals or exceeds \$200,000 shall be effective unless in writing and approved by the DISTRICT's Board of Supervisors. The CONSULTANT specifically acknowledges that in entering into and executing this Contract, the CONSULTANT relies solely upon the provisions contained in this Contract and no others. To the extent there is any inconsistency between the text in the body of this Contract and anything in any of the Exhibits attached hereto, the text in the body of this Contract shall prevail.

#### **ARTICLE 19. ENFORCEABILITY**

If any term, covenant, condition, or provision of this Contract is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

#### **ARTICLE 20. WARRANTY OF CONSULTANT**

The CONSULTANT warrants that the CONSULTANT and each of the personnel employed or otherwise retained by the CONSULTANT for Work under this Contract are properly certified and licensed under the laws and regulations of the State of California to provide the special services herein agreed to.

#### **ARTICLE 21. SUBCONTRACTING**

- A. CONSULTANT shall perform the work contemplated with resources available within its own organization and no portion of the work pertinent to this Contract shall be performed by any other person or entity without written authorization by DISTRICT's Contract Administrator; provided, however, that those individuals or entities expressly identified in the approved Scope of Work and Cost Proposal (Exhibits A and B) are authorized to perform the specific work identified therein.
- B. CONSULTANT agrees to be fully responsible for all work contemplated by this Agreement regardless of whether it is performed by the Consultant or another individual or entity authorized (in writing) by the DISTRICT to perform the work as a subconsultant of the Consultant (or as a subconsultant of a subconsultant). CONSULTANT agrees to be fully responsible for the acts and omissions of its subconsultant(s) and of any persons or entities employed or hired by any of them as it is for the acts and omissions of the CONSULTANT's

employees. Nothing in this Contract shall create any contractual relation between DISTRICT and any subconsultant(s), and no contract between the CONSULTANT and any subconsultant(s) shall relieve CONSULTANT of its responsibilities and obligations hereunder.

- C. CONSULTANT shall pay its subconsultants within ten (10) calendar days from receipt of each payment made to CONSULTANT by DISTRICT. CONSULTANT's obligation to pay its subconsultant(s) is an independent obligation from DISTRICT's obligation to make payments to the CONSULTANT.
- D. Any subcontract in excess of \$25,000 entered into as a result of this Contract shall contain all the provisions stipulated in this Contract to be applicable to subconsultants.
- E. Any substitution of subconsultant(s) must be approved in writing by DISTRICT's Contract Administrator prior to the start of work by the subconsultant(s).

#### **ARTICLE 22. EQUIPMENT PURCHASE.**

- A. Prior authorization in writing, by the DISTRICT's Contract Administrator, shall be required before the CONSULTANT enters into any unbudgeted purchase order or subcontract exceeding \$5,000 for supplies, equipment, or consultant services. The CONSULTANT shall provide an evaluation of the necessity or desirability of incurring such costs.
- B. For purchase of any item, service, or consulting work not covered in CONSULTANT's Cost Proposal and exceeding \$5,000 prior authorization by DISTRICT's Contract Administrator; three competitive quotations must be submitted with the request, or the absence of bidding must be adequately justified.
- C. Any equipment purchased as a result of this Contract is subject to the following: "The CONSULTANT shall maintain an inventory of all nonexpendable property. Nonexpendable property is defined as having a useful life of at least two years and an acquisition cost of \$5,000 or more. If the purchased equipment needs replacement and is sold or traded in, the DISTRICT shall receive a proper refund or credit at the conclusion of this Contract, or if this Contract is terminated, the CONSULTANT may either keep the equipment and credit the DISTRICT in an amount equal to its fair market value, or sell such equipment at the best price obtainable at a public or private sale, in accordance with established DISTRICT procedures; and credit the DISTRICT in an amount equal to the sales price. If the CONSULTANT elects to keep the equipment, fair market value shall be determined at the CONSULTANT's expense, on the basis of a competent independent appraisal of such equipment. Appraisals shall be obtained from an appraiser mutually agreeable to by the DISTRICT and the CONSULTANT, if it is determined to sell the equipment, the terms and conditions of such sale must be approved in advance by the DISTRICT."
- D. All subcontracts in excess of \$25,000 shall contain the above provisions.

#### **ARTICLE 23. APPLICABLE LAW AND VENUE**

This Contract has been executed and delivered in the State of California and the validity, enforceability, and interpretation of any of the clauses of this Contract shall be determined and governed by the laws of the State of California. All duties and obligations of the parties created hereunder are performable in San Luis Obispo County and such County shall be the venue for any action or proceeding that may be brought or arise out of, in connection with, or by reason of this Contract.

**ARTICLE 24. NOTICES**

Any notice required to be given pursuant to the terms and provisions hereof shall be in writing and shall be sent by first class mail to the DISTRICT at:

County of San Luis Obispo  
Department of Public Works  
Brendan Clark, Contract Administrator  
County Government Center, Room 206  
San Luis Obispo, CA 93408

And to the CONSULTANT:

Water Systems Consulting, Inc.  
Spencer Waterman, Project Manager  
805 Aerovista Place, Suite 201  
San Luis Obispo, CA 93401

**ARTICLE 25. COST DISCLOSURE - DOCUMENTS AND WRITTEN REPORTS**

Pursuant to Government Code section 7550, if the total cost of this Contract is over \$5,000, the CONSULTANT shall include in all final documents and in all written reports submitted a written summary of costs, which shall set forth the numbers and dollar amounts of all contracts and subcontracts relating to the preparation of such documentation or written report. The Contract and subcontract numbers and dollar amounts shall be contained in a separate section of such document or written report.

**ARTICLE 26. CONFIDENTIALITY OF DATA**

- A. All financial, statistical, personal, technical, or other data and information relative to the DISTRICT's operations, which are designated confidential by the DISTRICT and made available to the CONSULTANT in order to carry out this Contract, shall be protected by the CONSULTANT from unauthorized use and disclosure, and shall not be made available to any individual or organization by the CONSULTANT without the prior written approval of the DISTRICT.
- B. Permission to disclose information on one occasion, or public hearing held by the DISTRICT relating to this Contract, shall not authorize the CONSULTANT to further disclose such information, or disseminate the same on any other occasion.
- C. All information related to the construction estimate is confidential, and shall not be disclosed by the CONSULTANT to any entity other than the DISTRICT.

**ARTICLE 27. RESTRICTIVE COVENANT**

The CONSULTANT agrees that it will not, during the continuance of this Contract, perform or otherwise exercise the services described in Exhibit A for or on behalf of any other member of a Central Coast Funding Area Regional Water Management Group (RWMG) unless and until agreed to in writing by the Director of Public Works.

**ARTICLE 28. QUALITY CONTROL AND QUALITY ASSURANCE**

The CONSULTANT shall provide a description of its Quality Control procedure. The process shall be implemented for all facets of Work and a QC-QA statement and signature shall be placed on all submittals to the DISTRICT.

## **ARTICLE 29. CLAIMS ANALYSIS AND EVALUATION**

To the extent any claims are made between the DISTRICT and the construction contractor (or any other third party), any analysis or evaluation of any claims by Consultant shall be deemed confidential work related to potential litigation relating to said claims. Any analysis or evaluation of any claims by Consultant shall be deemed done at the request of the DISTRICT's attorneys as part of the DISTRICT's preparation for the potential litigation of said claims. Consultant acknowledges that the delivery of any such analysis or evaluation to any DISTRICT staff or representative shall be deemed a delivery to the DISTRICT's attorneys, and shall be considered part of the work product directed by the DISTRICT's attorneys to be used in conjunction with the preparation for the potential litigation of said claims. Due to the special relationship between the DISTRICT and the Consultant, the Consultant may be included in communications with DISTRICT staff and/or the DISTRICT's attorneys regarding claims, and the Consultant agrees to keep all such communications privileged and confidential to the full extent allowed under applicable law.

## **ARTICLE 30. UNRESOLVED CLAIMS RELATING TO PROJECT**

This Article only applies to services provided by Consultant after the Project is completed, and the DISTRICT has requested additional support services from Consultant regarding any claims made between the DISTRICT and the construction contractor (or any third party) regarding the Project.

- A. If claims are made between the DISTRICT and the construction contractor or any other third party that relates in any way to the Project, and additional information or assistance from the Consultant's personnel is requested by the DISTRICT regarding any such claims, the Consultant agrees to cooperate with and provide timely response to any reasonable requests for information submitted to the Consultant by the DISTRICT relating to such claims. To the extent the information requested by the DISTRICT only seeks documents or other factual information relating to Work performed by the Consultant, the Consultant will only be compensated for any clerical costs associated with providing the DISTRICT the requested documents or factual information.
- B. The Consultant's personnel that the DISTRICT considers essential to best assisting the DISTRICT regarding a claim will be made available for consultation with the DISTRICT upon reasonable notice from the DISTRICT. In the event the expert opinions of the Consultant's personnel is sought by the DISTRICT through such consultation or through testimony, and only in such event, such consultation or testimony will be reimbursed at the same rates, including travel costs that are being paid for the Consultant's personnel services under this Contract. In the event the testimonies of any of the Consultant's personnel are sought by another party, the Consultant reserves the right to charge other party a different rate for deposition or trial testimony.
- C. Other than requests for documents or other factual information relating to Work performed by the Consultant, any additional services requested by the DISTRICT under this Article will be performed pursuant to a written Contract amendment, if necessary, extending the termination date of this Contract in order to finally resolve the claims. Except as otherwise set forth above, the Consultant's hourly rates shall be the same as set forth in exhibit to this Contract.

- D. Any subcontract entered into by the Consultant relating to this Contract, shall bind the Sub-consultant to all of the provisions of this Article by incorporating the provisions of this Article in any such subcontract, and substituting the name of the Sub-consultant in place of the word "Consultant" where it appears in this Article.

**ARTICLE 31. CONFLICT OF INTEREST**

- A. The CONSULTANT shall disclose any financial, business, or other relationship with the DISTRICT that may be affected by the outcome of this Contract, or any ensuing DISTRICT construction project. The CONSULTANT shall also list current clients who may have a financial interest in the outcome of this Contract, or any ensuing DISTRICT construction project, which will follow.
- B. The CONSULTANT hereby certifies that it does not now have, nor shall it acquire any financial or business interest that would conflict with the performance of services under this Contract.
- C. Any subcontract entered into by the CONSULTANT relating to this Contract, shall bind the subconsultant to all of the provisions of this Article by incorporating the provisions of this Article in any such subcontract, and substituting the name of the subconsultant in place of the word "CONSULTANT" where it appears in this Article.
- D. The CONSULTANT hereby certifies that neither the CONSULTANT, nor any firm affiliated with the CONSULTANT will bid on any construction contract, or on any contract to provide construction inspection for any construction project resulting from this Contract. An affiliated firm is one, which is subject to the control of one or more of the same persons through joint-ownership, or otherwise.
- E. Except for subconsultants whose services are limited to providing surveying or materials testing information, no subconsultant who has provided design services in connection with this Contract shall be eligible to bid on any construction contract, or on any contract to provide construction inspection for any construction project resulting from this Contract.

**ARTICLE 32. EQUAL EMPLOYMENT OPPORTUNITY**

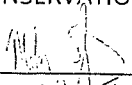
During the performance of this Contract, the Consultant agrees that it will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin, and hereby promises to comply with the provision on contractor agreements contained in Presidential Executive Order Number 11246 as amended by Executive Order (1) 75 and as approved by Department of Labor Relations (41 CFR Part 61).

**ARTICLE 33. STATE PREVAILING WAGE RATES**

- A. CONSULTANT shall comply with the State of California's General Prevailing Wage Rate requirements in accordance with California Labor Code, Section 1770, and all Federal, State, and local laws and ordinances applicable to the work.
- B. Any subcontract entered into by CONSULTANT relating to this Contract, if for more than \$25,000 for public works construction or more than \$15,000 for the alteration, demolition, repair, or maintenance of public works, shall incorporate the provisions of this Article in a manner that binds the subconsultant to all of the provisions of the Article.
- C. When prevailing wages apply to the services described in the scope of work, transportation and subsistence costs shall be reimbursed at the minimum rates set by the Department of Industrial Relations (DIR) as outlined in the applicable Prevailing Wage Determination. See <http://www.dir.ca.gov>.

**IN WITNESS THEREOF**, the parties hereto have executed this Contract, and this Contract shall become effective on the date shown signed by the San Luis Obispo County Flood Control and Water Conservation District.

SAN LUIS OBISPO COUNTY FLOOD CONTROL AND  
WATER CONSERVATION DISTRICT

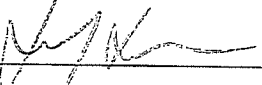
By: 

Will Clemens  
Director of Central Services *Procurement Agent*

Date: 9/12/2019

CONSULTANT

WATER SYSTEMS CONSULTING, INC.


By: 

Title: PRESIDENT

Date: 9/12/2019

APPROVED AS TO FORM AND LEGAL EFFECT:

RITA L. NEAL  
County Counsel

By: 

Deputy County Counsel

Date: SEPTEMBER 9, 2019

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## Scope

*The following tasks represent the work that will be undertaken based on the Final 2019 IRWM Grant Program Guidelines and Final Round 1 – Implementation Grant PSP.*

### TASK 1.0 PROJECT MANAGEMENT & MEETINGS

#### 1.1 Project Management

Manage Project efforts including developing an initial work plan and schedule. Provide weekly Project status updates via conference call to the District on Project progress, budget, and schedule for each task for the duration of the Project. Perform internal review activities for Project deliverables. Prepare progress reports to be submitted with each monthly invoice. The reports will include a summary of activities accomplished in the current month.

Provide coordination and management of efforts between the District and local project sponsors for the development of the grant application.

#### ***Deliverable***

➤ ***WSC will provide weekly Project status updates and monthly progress reports with Project invoices.***

#### 1.2 Meetings

Organize and attend Project meetings with District and/or local project sponsors for the duration of the Project. WSC shall hold and conduct the following meetings:

- Project kick-off meeting in-person with the District and/or local project sponsors.
- Draft Project Information Forms and Project Summary Form review meeting with the District and local project sponsors
- Draft Phase 1 – Funding Area Pre-Application Process Workshop materials review meeting with the District and/or local project sponsors
- Draft PSP Phase 2 Final Application Submittal review meeting with the District and local project sponsors
- Additional in-person or conference call meetings with the District and/or local project sponsors to provide updates and review Project development as needed. WSC will commit two hours per local project for a total of 12 hours to be used as needed.



**Deliverables**

- *WSC will provide an agenda and meeting materials at least three (3) working days prior to a meeting and will provide a meeting summary with action items within five (5) working days following the meeting.*

TASK 2.0 PHASE 1 PRE-APPLICATION PROCESS – OVERALL

Develop an overall submittal for the PSP Phase 1 – Funding Area Pre-Application Process including the preparation of the Proposal Summary Form (including Proposal Map) in coordination with the District and local project sponsors. The overall submittal shall also include the District’s project for grant administration, which requires a completed Project Information Form. WSC will rely on complete Project Information Forms (PIF)s to prepare the Proposal Summary Form. Provide draft and final submittals to allow for review by the District.

Provide an analysis to the District based on feedback, if any, is received from DWR on the pre-application materials and/or workshop presentation. The District will facilitate coordination with DWR and Funding Area representatives for the preapplication submittal, workshop, and other meetings.

**Deliverables**

- **Proposal Summary Form**
- **Project Information Form – Grant Administration**

TASK 3.0 PHASE 1 PRE-APPLICATION PROCESS – SPECIFIC PROJECTS (PER PROJECT BASIS)

Develop local project specific submittals for the PSP Phase 1 – Funding Area Pre-Application Process including the review and finalization of the Project Information Forms provided by local project sponsors for selected projects (assume five implementation projects) in coordination with the District and local project sponsors. Provide draft and final submittals to allow for review by the District.

*WSC assumes that all local project sponsors will provide completed Draft PIFs with relevant supporting files. WSC will commit four hours for review, coordination, and revisions per local project. Additional effort would be required if materials provided by project proponents are not sufficient to meet DWR requirements.*

**Deliverables**

- **Project Information Forms**

**TASK 4.0 PHASE 1 PRE-APPLICATION PROCESS – WORKSHOP (OVERALL AND PER PROJECT BASIS)**

Develop overall proposal and project specific materials (electronic and hardcopy) for the PSP Phase 1 – Funding Area Pre-Application Process Workshop for selected projects (assume five implementation projects) in coordination with the District and local project sponsors. Conduct and present on behalf of District and/or local project sponsors for the overall proposal and each individual project to multiple DWR representatives if local project sponsors cannot attend (see PSP Exhibit B). The date(s) and location(s) of the Workshop are not yet determined. *Not all individual local project sponsors are expected to utilize WSC for this task; they may opt to take on this task themselves.*

***Deliverables***

➤ ***Workshop presentation materials, as requested by individual local project sponsors***

**TASK 5.0 PHASE 2 FINAL APPLICATION SUBMITTAL - OVERALL**

Develop an overall proposal submittal for the PSP Phase 2 Final Application Submittal in coordination with the District and local project sponsors. The overall proposal submittal shall also include the District's project for grant administration. Provide draft and final submittals to allow for review by the District.

Provide the final grant application files to the District according to the PSP format and standards (see PSP Section V.B.1) including all PDF, Word, Excel, GIS data files, etc. necessary for a complete submittal. Provide an electronic version of the completed grant application checklist to facilitate online uploading. The District will submit the completed grant application (electronic and signed hardcopy documents) via DWR's electronic submittal tool Grants Review and Tracking System (GRanTS).

*WSC assumes that all local project sponsors will provide completed responses and information for relevant PSP sections of V.B.1-3 with supporting files and documentation.*

***Deliverables***

- ***Attachment 1. Authorization and Eligibility Requirements***
- ***Attachment 2. Proposal Summary***
- ***Attachment 10. Climate Change***
- ***Electronic version of the completed grant application checklist***

**TASK 6.0 PHASE 2 FINAL APPLICATION SUBMITTAL – SPECIFIC PROJECTS (PER PROJECT BASIS)**

Develop local project specific submittals for the PSP Phase 2 Final Application Submittal for selected local projects (assume five implementation projects) in coordination with the District and local project sponsors.

Provide draft and final submittals to allow for review by the District. Compile the files for the final grant application to the District according to the PSP format and standards (see PSP Section V.B.1) including all PDF, Word, Excel, GIS data files, etc. necessary for a complete submittal. The District will submit the completed grant application (electronic and signed hardcopy documents) via GRanTS.

*WSC assumes that all local project sponsors will provide completed responses, information, supporting files, and documentation in the formats described in the relevant PSP sections of V.B.1-3 and Exhibits B-E. WSC assumes local project sponsors will use DWR's PSP templates, forms, and spreadsheets and WSC does not anticipate creating customized templates, forms, or spreadsheets. WSC will commit 12 hours for review, coordination, and revisions per local project. Additional effort would be required if materials provided by project proponents are not sufficient to meet DWR requirements.*

***Deliverables***

- ***Attachment 3. Project Information Form(s), for each local project***
- ***Attachment 4. Work Plan, for each local project***
- ***Attachment 5. Budget, for each local project***
- ***Attachment 6. Schedule, for each local project***
- ***Attachment 7. Disadvantaged Community, for each local project as needed***
- ***Attachment 8. Economically Distressed Area, for each local project as needed***
- ***Attachment 9. Tribe, for each local project as needed***



Exhibit B - Cost Proposal

Task No.	Task Description	WSC										Total Fee		
		QA/QC	Principal in Charge	Project Manager	Presentations	Staff Engineer	Admin/Clerical	Presentations	WSC Labor Hours	WSC Labor Fee	Expenses		WSC Fee	
		Robert Morrow	Laine Canton	Spencer Waterman	Tiffany Meyer	Kenneth Stabli	Jay Merrill	Nina Hertz						
	Billing rates, \$/hr	\$265	\$245	\$185	\$170	\$155	\$125	\$110						
1	Project Management & Meetings													
1.1	Project Management	3	3	16			6		28	\$ 5,240	\$ 100	\$ 5,340	\$ 5,340	
1.2	Meetings			32		16			48	\$ 8,400	\$ 200	\$ 8,600	\$ 8,600	
	<b>SUBTOTAL</b>													
2	Phase 1 Pre-Application Process - Overall	3	3	48	0	16	6	0	76	\$ 13,640	\$ 300	\$ 13,940	\$ 13,940	
	<b>SUBTOTAL</b>													
3	Phase 1 Pre-Application Process - Specific Projects (per project basis)	1	0	8	0	2	0	0	11	\$ 2,055	\$ -	\$ 2,055	\$ 2,055	
	<b>SUBTOTAL</b>													
4	Phase 1 Pre-Application Process - Workshop (overall and per project basis)	2	0	6	0	24	0	0	32	\$ 5,360	\$ -	\$ 5,360	\$ 5,360	
	<b>SUBTOTAL</b>													
5	Phase 2 Final Application Submittal - Overall	2	2	14	8	12	0	12	50	\$ 8,150	\$ 200	\$ 8,350	\$ 8,350	
	<b>SUBTOTAL</b>													
6	Phase 2 Final Application Submittal - Specific Projects (per project basis)	1	0	6	0	16	0	0	23	\$ 3,855	\$ -	\$ 3,855	\$ 3,855	
	<b>SUBTOTAL</b>													
6	<b>SUBTOTAL</b>													
15	<b>COLUMN TOTALS</b>	15	7	114	10	126	6	12	290	\$ 50,080	\$ 600	\$ 50,680	\$ 50,680	

Exhibit C - Organizational Chart

Staffing

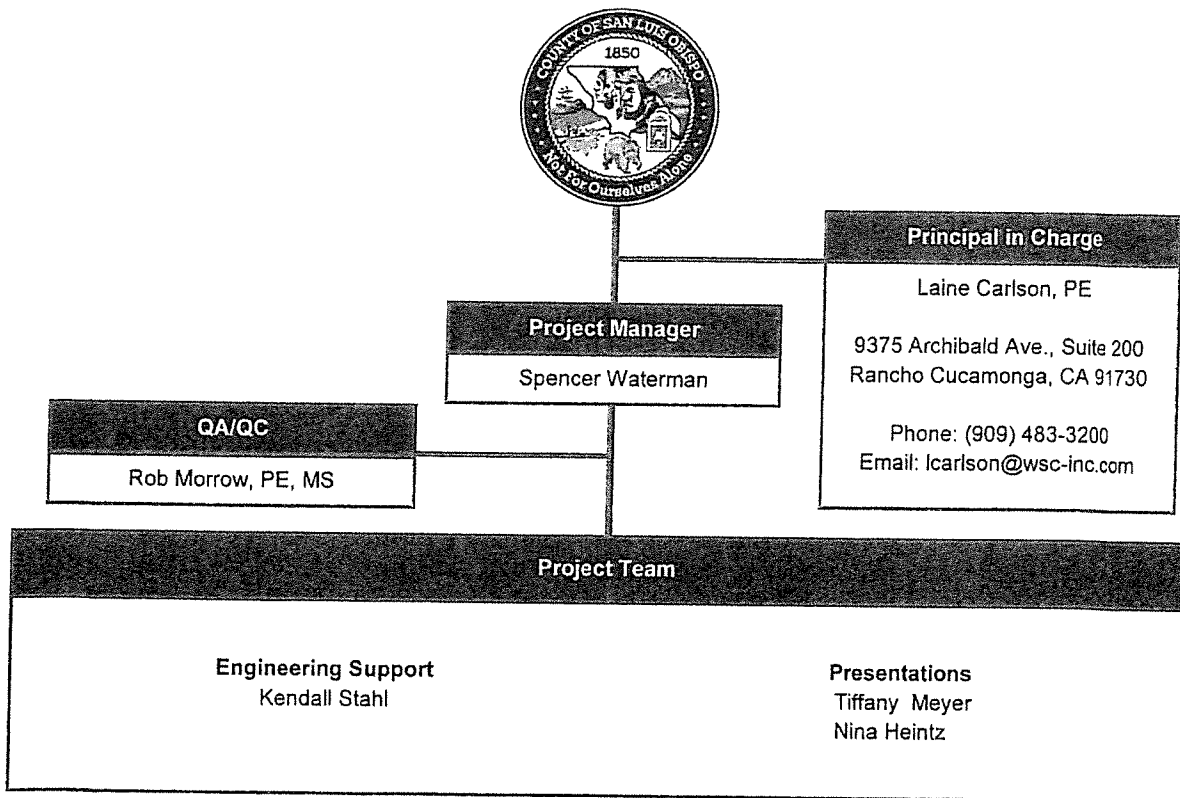
**Staffing**

WSC's team is functionally organized to take advantage of the strengths of our expert staff within a streamlined structure to provide the highest level of responsiveness and quality.

WSC's proposed Project Manager, Spencer Waterman, will serve as the primary point of contact to the District. Spencer will leverage a highly-qualified team and his directly relevant local experience to be a collaborative resource for the District. He is based in WSC's San Luis Obispo office and has strong working relationships with District staff, stakeholders from other local agencies, and DWR.

Spencer will be supported by WSC's Principal in Charge, Laine Carlson, who brings extensive Prop 1 IRWM experience. Laine is authorized to represent WSC in negotiations. QA/QC will be provided by senior engineer, Rob Morrow. The rest of WSC's team members bring experience and expertise in developing funding applications, the IRWM process, and developing presentations that generate support for water resources projects.

The roles and experience of each team member are explained in this section of the proposal, and consolidated resumes are included in Appendix C.



## **5.H. BUSINESS ITEMS**



## **BUSINESS ACTION ITEM STAFF REPORT**

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### **Item 5.H. Consideration of approval of Resolution 19-416 Policy on Discontinuance of Residential Water Service.**

The 2000 series of the (old) policy and procedures manual had language related to the disconnection of water services related to non-payment. Staff is currently working with the policy and procedures ad-hoc committee to revise this section of the P&P. Senate Bill (SB) 998 regulates the disconnection process for utility providers. SB 998 was approved by the Governor on September 28, 2018 and goes into effect for the District on April 1, 2020.

The legislation requires the District to adopt a policy with specific provisions that are summarized in Resolution 19-416. SB 998 has been chaptered into Health and Safety Code Sections 116900 – 116926.

Staff is recommending that the Board approve Resolution 19-416.

Enc: District Resolution 19-416

## RESOLUTION NO. 19-416

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT ESTABLISHING A POLICY ON THE DISCONTINUANCE OF RESIDENTIAL WATER SERVICE**

WHEREAS, on September 28, 2018 the Governor of the State of California approved Senate Bill 998 (SB 998). SB 998 pertains to the discontinuation of residential water service for urban and community water systems. SB 998 was added to Chapter 6 (commencing with Section 116900) of the California Health and Safety Code; and

WHEREAS, Series 2000 of San Simeon's Policy and Procedure Manual currently establish provisions for discontinuance of water services which must be superseded to comply with SB 998. SB 998 requires public water systems with more than 200 connections to have a written policy on discontinuation of residential water service (shutoff) and provide that policy in languages that are spoken by at least 10% of the people residing in the District's service area; and

WHEREAS, SB 998 prohibits discontinuation of water service until a bill has been delinquent for 60 days and provides for a process to work through hardship situations. SB 998 prohibits shutoff for nonpayment if all of the following conditions are met: (1) the customer, or tenant, submits a certification of a primary care provider that discontinuation of residential service will be life threatening or pose a serious threat to the health and safety of a resident, (2) the customer demonstrates that he or she is financially unable to pay within the normal billing cycle, and (3) the customer is willing to enter into an amortization agreement, alternative payment schedule, or plan for deferred or reduced payment for all delinquent charges; and

WHEREAS, SB 998 requires the water system to provide information on how to restore residential service and petition for a waiver of reconnection fees. SB 998 requires the water system to waive reconnection fees and offer a reduction or waiver of interest on delinquent bills once every 12 months for a residential customer who shows an income below 200% of the federal poverty line; caps reconnection fees at \$50 or less if the reconnection is during normal water system operational hours; caps reconnection fees at \$150 or less if the reconnection is during non-operational hours, with the applicable reconnection fee not to exceed the actual cost of reconnection; and

WHEREAS, SB 998 requires the water system to make every good faith effort to inform a tenant by written notice when the owner's account is in arrears and service is going to be terminated, and requires continued service if the tenant assumes responsibility to the satisfaction of the water system. SB 998 authorizes the California State Water Resources Control Board to enforce the requirements and the Attorney General to bring an action for temporary or permanent injunction; and

WHEREAS, SB 998 has other requirements relating to notices, website information, and reporting requirements. It is in the public interest and the right of all California's to safe, accessible and affordable water as declared by Section 106.3 of the California Water Code.



NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Directors of the San Simeon Community Services District that:

1. The attached policy on the Discontinuance of Residential Water Service is hereby adopted and supersedes conflicting provisions of Series 2000 in the Policy and Procedure Manual.
2. The effective date of the attached policy is April 1, 2020.
3. The General Manager is directed to develop the required procedures identified in the attach policy no later than January 31, 2020. To post the policy and procedures on the District website no later than January 31, 2020 and to insert a notice summarizing the policy with the District's contact information and website link with the first water bills affected by the policy.

Upon motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_ and on the following roll call vote, to wit:

AYES:  
ABSTAIN:

NOES:  
ABSENT:

The foregoing Resolution is hereby adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2019

\_\_\_\_\_  
Gwen Kellas, Chairperson of the  
Board of Directors

**ATTEST:**

\_\_\_\_\_  
Charles Grace, General Manager and  
Secretary for the Board of Directors

**APPROVED AS TO FORM  
AND LEGAL EFFECT:**

\_\_\_\_\_  
Natalie F. Laacke, District Counsel

**SAN SIMEON COMMUNITY SERVICES DISTRICT  
POLICY ON DISCONTINUANCE OF RESIDENTIAL WATER SERVICES**

1. Purpose. This policy has been established to comply with Senate Bill 998, known as the "Water Shutoff Protection Act" and approved by the Governor on September 28, 2018.
2. Effective Date. This policy shall be effective on April 1, 2020.
3. Published Languages. This policy and written notices required in this policy shall be available and published in English, the languages listed in Section 1632 of the Civil Code, which includes Spanish, Chinese, Tagalog, Vietnamese, and Korean, and any other language spoken by at least 10 percent of the people residing in the District's water service area.
4. Requirements Precedent to Discontinuing Water Service.

A. The District shall not discontinue residential service for nonpayment until a payment by a customer has been delinquent for at least sixty (60) days. No less than seven (7) business days before discontinuation of residential service for nonpayment, the District shall contact the customer named on the account by telephone or written notice. A customer may contact the District office at 805-927-4778 to discuss options for averting discontinuation of residential service for nonpayment.

B. When the District contacts the customer named on the account by telephone pursuant to subparagraph (A), staff shall offer to provide in writing to the customer this policy. District staff shall offer to discuss options to avert discontinuation of service for nonpayment, including, but not limited to, alternative payment schedules, deferred payments, minimum payments, procedures for requesting amortization of the unpaid balance, and petition for bill review and appeal.

C. When the District contacts the customer named on the account by written notice pursuant to subparagraph (A), the written notice of payment delinquency and impending discontinuation shall be mailed to the customer of the residence to which the residential service is provided. If the customer's address is not the address of the property to which residential service is provided, the notice also shall be sent to the address of the property to which residential service is provided, addressed to "Occupant." The notice shall include, but is not limited to, all of the following information in a clear and legible format:

- (i) The customer's name and address.
- (ii) The amount of the delinquency.
- (iii) The date by which payment or arrangement for payment is required in order to avoid discontinuation of residential service, which shall be sixty (60) days from the date that the bill became delinquent unless extended by the discretion of the General Manager.
- (iv) A description of the process to apply for an extension of time to pay the delinquent charges.

- (v) A description of the procedure to petition for bill review and appeal.
- (vi) A description of the procedure by which the customer may request a deferred, reduced, or alternative payment schedule, including an amortization of the delinquent residential service charges.

5. Good Faith Noticing Requirements.

A. If the District is unable to make contact with the customer or an adult occupying the residence by telephone, and written notice is returned through the mail as undeliverable, the District shall make a good faith effort to visit the residence and leave, or make other arrangements for placement in a conspicuous place of, a notice of imminent discontinuation of residential service for nonpayment and the District's policy for discontinuation of residential service for nonpayment.

B. If an adult at the residence appeals the water bill to the District or any other administrative or legal body to which such an appeal may be lawfully taken, the District shall not discontinue residential service while the appeal is pending.

6. Petition for Water Bill Review and Appeal Process.

A. Should a customer have a complaint or dispute with regard to service or the accuracy of a bill or other charges, the customer has the right to meet with the General Manager, or designee, to discuss the dispute and present any evidence the customer has to support his or her position. In the case of disputes over bills, the customer shall be required to submit his/her complaint, request for a meeting or request for initiation of an investigation in writing not later than five (5) days of his/her receipt of the disputed bill.

B. At the meeting with the General Manager, or designee, the customer must present evidence to support their position and may be accompanied by a representative. The General Manager shall make a written decision regarding the customers' dispute within five (5) days of the meeting with the customer.

C. If the customer is not satisfied with the decision of the General Manager, the customer may appeal that decision to the Board of Directors. An appeal must be submitted in writing within fourteen (14) days of the General Manager's decision, with a full and detailed explanation, to the Board for resolution. The General Manager shall make every effort to set a hearing on the dispute for the next regularly scheduled Board meeting and shall cause notice of such hearing to be given to the customer.

D. The General Manager shall prepare for the Board a written report concerning the dispute, summarizing the facts, action to date, his/her specific findings with regard to the disposition of the matter. At the hearing, the customer may present any evidence in support of his or her position and ask for a decision by the Board.

E. The Board shall act promptly to resolve the dispute, but may delay a resolution of the dispute to a subsequent regular meeting in order to investigate the dispute or receive special reports related to the dispute. Any further delays shall be freely and willingly agreed to by the customer.

F. The decision of the Board of Directors shall be final. Should the Board not render a decision within sixty (60) days of receipt of the appeal to the Board, this failure to act shall be deemed a denial of the requested action, unless the District has informed the customer in writing of its intention to extend the resolution period.

7. Prohibition Against Discontinuing Residential Water Service.

A. The District shall not discontinue residential service for nonpayment if all of the following conditions are met:

(i) The customer, or a tenant of the customer, submits to the District the certification of a primary care provider, as that term is defined in subparagraph (A) of paragraph (1) of subdivision (b) of Section 14088 of the Welfare and Institutions Code, that discontinuation of residential service will be life threatening to, or pose a serious threat to the health and safety of, a resident of the premises where residential service is provided.

(ii) The customer demonstrates that he or she is financially unable to pay for residential service within the District's normal billing cycle. The customer shall be deemed financially unable to pay for residential service within the District's normal billing cycle if any member of the customer's household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or the customer declares that the household's annual income is less than 200 percent of the federal poverty level.

(iii) The customer is willing to enter into an amortization agreement, alternative payment schedule, or a plan for deferred or reduced payment with respect to all delinquent charges.

B. If the conditions listed above are all met, the District shall offer the customer one or more of the following options:

(i) Amortization of the unpaid balance.

(ii) Participation in an alternative payment schedule.

(iii) A partial or full reduction of the unpaid balance financed without additional charges to other ratepayers.

(iv) Temporary deferral of payment.

C. The General Manager is authorized to determine which of the payment options described in paragraph (B) the customer undertakes and may set the parameters of that payment option provided that the repayment of any remaining outstanding balance occurs within 12 months, and further provided that the General Manager may only approve a partial or full reduction of the unpaid balance if that reduction can be funded with property tax revenues that the District Board of Directors has approved and transferred into the Water Fund budget explicitly for the purpose of doing so.

D. Residential service may be discontinued no sooner than five (5) business days after the District posts a final notice of intent to disconnect service in a prominent and conspicuous location at the property under either of the following circumstances:

(i) The customer fails to comply with an amortization agreement, an alternative payment schedule, or a deferral or reduction in payment plan for delinquent charges for sixty (60) days or more.

(ii) While undertaking an amortization agreement, an alternative payment schedule, or a deferral or reduction in payment plan for delinquent charges, the customer does not pay his or her current residential service charges for sixty (60) days or more.

8. Restoration of Water Service.

A. An urban and community water system that discontinues residential service for nonpayment shall provide the customer with information on how to restore residential service. For a residential customer who demonstrates to the District that the household income is below 200 percent of the federal poverty line, the District shall do both of the following:

(i) Set a reconnection of service fee for reconnection during normal operating hours in an amount that does not exceed fifty dollars (\$50), or the actual cost of reconnection if it is less. For the reconnection of residential service during nonoperational hours, the District shall set a reconnection of service fee that does not exceed one hundred fifty dollars (\$150), or the actual cost of reconnection during nonoperational hours if it is less.

(ii) The maximum amount of \$50 for reconnection during operational hours and \$150 during nonoperational hours shall be subject to an annual adjustment for changes in the Consumer Price Index beginning January 1, 2021. The District shall use the average of the Los Angeles area and San Francisco area for determining the increase in the Consumer Price Index.

(ii) Waive interest charges on delinquent bills once every 12 months.

B. An urban and community water system shall deem a residential customer to have a household income below 200 percent of the federal poverty line if any member of the household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or the customer declares that the household's annual income is less than 200 percent of the federal poverty level.

9. Services Involving Landlord-Tenant Relationships.

A. If the District furnishes individually metered residential service to residential occupants of a detached single-family dwelling, a multiunit residential structure, mobilehome park, or permanent residential structure in a labor camp as defined in Section 17008, and the owner, manager, or operator of the dwelling, structure, or park is the customer of record, the District shall make every good faith effort to inform the residential occupants, by means of written notice, when the account is in arrears that service

will be terminated at least ten (10) days prior to the termination. The written notice shall further inform the residential occupants that they have the right to become customers, to whom the service will then be billed, without being required to pay any amount which may be due on the delinquent account.

B. The District shall not make service available to the residential occupants unless each residential occupant agrees to the terms and conditions of service and meets the requirements of law and the District's ordinances, resolutions, rules and regulations. However, if one or more of the residential occupants are willing and able to assume responsibility for the subsequent charges to the account to the satisfaction of the District, including requirements which may include but not be limited to payment of a deposit of \$120 and completion of a District application for service so that the General Manager, or designee, can evaluate whether the District is satisfied that the residential applicants can meet the terms and conditions of service, or if there is a physical means legally available for the District to selectively terminate service to those residential occupants who have not met the requirements of the District's, the District shall make service available to those residential occupants who the District is satisfied can meet the terms and conditions of service.

10. Reporting Requirements. The District shall annually report the number of discontinuations of residential service for inability to pay on the District's Internet Web site and to the State Water Resources Control Board

11. Limitations of this Policy. Nothing in this policy restricts, limits or otherwise impairs the District's ability to terminate service to a customer for reasons other than those explicitly stated in this policy including but not limited to unauthorized actions of the customer.

12. Other Actions to Secure Collection of Delinquent Charges.

A. Pursuant to Government Code Section 61115(a)(3)(C) the District penalize a customer for the nonpayment of charges at a rate of ten percent (10%), plus an additional penalty of one percent (1%) per month for the nonpayment of the charges.

B. Pursuant to Government Code Section 61115(b) the District may collect any delinquent charges and penalties on the tax roll in the same manner as property taxes.

C. Pursuant to Government Code Section 61115(c), the Board of Directors authorizes the General Manager or designee to execute a certificate declaring on a form approved by District legal counsel the amount of the delinquent charges and penalties due and the name and last known address of the person liable for the delinquent charges and penalties, and to record said certificate in the office of the San Luis Obispo County Recorder in accordance with procedures established by the General Manager. Said procedures shall include a provision that recording the certificate can only occur after notifying the customer of the District's intent to record the certificate, that the customers has ten (10) business days to inform the District if the customer intends to appeal the recording of the certificate to the Board of Directors, and if the customer appeals, then the certificate can only be recorded after the Board of Directors considers the appeal and only if the Board of Directors directs that the certificate is recorded.

## **5.I. BUSINESS ITEMS**



## **BUSINESS ACTION ITEM STAFF REPORT**

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**Item 5.I. Discussion regarding the Hazard Mitigation Plan \$33,000 matching funds for the California Coastal Commission (CCC) Local Coastal Plan (LCP) Grant application for the CCC mandated, WWTP Coastal Hazard Mitigation Plan.**

During the September regular Board meeting staff informed the Board that a Local Coastal Plan grant application was submitted to the Coastal Commission seeking funding, for the required Coastal Hazard Mitigation Plan. There is a \$33,000 matching fund component associated with the grant. Staff is seeking and recommends approval of the matching funds if awarded the LCP grant.

Enc: San Simeon Task Descriptions Hazard Mitigation Plan





## San Simeon Coastal Hazards Response Plan – Task Descriptions

### **Task 1: Project Initiation and Kickoff**

Following execution of the Grant Agreement, the County, San Simeon Community Service District (SSCSD), and consulting partners will initiate the preparation of the San Simeon Coastal Hazards Response Plan (Project). A kickoff meeting will be held with County and SSCSD staff, and consultant team, to review and refine the work program, develop an understanding of Project details, establish roles and responsibilities, and protocols for clear lines of communication for the duration of the Project.

#### Deliverables

- Kickoff Meeting Materials including Agenda, Minutes, Communication Protocols, and Action Items

### **Task 2: Agency and Stakeholder Engagement**

The County is committed to maintaining a collaborative relationship with SSCSD to develop a feasible solution for protection of critical public infrastructure through WWTP relocation and/or continuation of wastewater treatment necessary services for an identified priority population. In addition, coordination with agencies, decision-makers, and landowners will be essential to the success of this Project. Stakeholders involved in this process may include Regional Water Quality Control Board, California State Parks, U.S. Army Corps of Engineers, California Natural Resources Agency, community service districts such as Cambria Community Service District, and local landowners.

*Subtask 2.1: Coordination with CCC* – The County and SSCSD will coordinate with CCC for initial Project setup, regular Project status updates, and input at major Project milestones. This subtask will be ongoing.

*Subtask 2.2: Project Coordination between the County and District* - The County and District will meet regularly to coordinate on this project.

*Subtask 2.3: Stakeholder Identification* – SSCSD will develop a list of key stakeholders that SSCSD will coordinate with for development of Coastal Hazards Response Plan and eventual WWTP relocation. Stakeholders will include local, regional, state, and federal agencies, as well as landowners and other interested parties.

*Subtask 2.4: Stakeholder Meetings*: The District will facilitate up to eight (8) stakeholder meetings with relevant agencies with authority over the development, as well as with any potential landowners or technical specialists, to discuss alternatives for a proposed new and/or relocated WWTP and wastewater functions and selection of a preferred alternative.



## Deliverables

- Communications and Meeting Notes
- Project Meeting Notes and Action Items
- Stakeholder List
- Meeting Minutes and Materials from Stakeholder Meetings

## **Task 3: Coastal Hazards Response Plan**

The Coastal Hazards Response Plan will provide a clear long-term plan for providing necessary wastewater treatment functions at an inland location not subject to significant coastal hazards threatening the existing WWTP as identified within the CCC adopted findings within CDP Application No. 3-19-0020 (see attached CCC Staff Report Th13b). The Coastal Hazards Response Plan will be a technical report designed to inform land use and regulatory decisions, including needed amendments to the LCP. This Task will be performed by SSCSD and their subconsultants.

*Subtask 3.1: Evaluate Existing Conditions and Identify Constraints* – SSCSD has commissioned several studies and technical analysis for the WWTP since 2008. SSCSD will build on prior technical studies to summarize existing threats and conditions at the current WWTP site, prior sea level rise modeling and vulnerability assessments, and potential constraints that would affect WWTP relocation or site selection.

*Subtask 3.2: Alternatives Analysis* – SSCSD, through coordination with key stakeholders in Task 2, would identify various landward locations for a wastewater treatment system and evaluate the feasibility. Factors affecting feasibility and selection of wastewater treatment systems may include the presence, absence, or condition of slopes, soils, drainage, elevation, vehicle access points, sensitive receptors, sensitive biological habitat, and surrounding land uses. Additionally, the Alternatives Analysis would assess potential barriers to moving to the final design and implementation stages of the future landward wastewater treatment system to each site for optimal site selection.

*Subtask 3.3: Identification of a Preferred Site or Alternative* - A preferred site(s) based on feasibility, costs, site-specific characteristics, and minimization of potential environmental impacts would be identified.

*Subtask 3.4: Develop Schedule for Potential Major Relocation Events* – A conceptual timeline would be developed that would show project phases and major milestones for relocation at the Preferred site or alternative.

*Subtask 3.5: Conduct economic analysis* – SSCSD and consultants will develop estimated costs and potential funding options for potential land acquisition, planning, permitting,



design, construction, and operation of the relocated WWTP or alternative wastewater treatment solutions.

*Subtask 3.6: Prepare Draft Coastal Hazards Response Plan* – SSCSD and consultants will prepare the Draft Coastal Hazards Response Plan based on work performed for Subtasks 3.1 through 3.5 and with consideration of stakeholder input under Task 2.

*Subtask 3.7 Presentation of Draft Coastal Hazards Response Plan to Planning Commission and Board of Supervisors* – SSCSD and consultant team as needed will present the Coastal Hazards Response Plan at up to two (2) public hearings for the Planning Commission and Board of Supervisors.

*Subtask 3.8: Final Coastal Hazards Response Plan* - SSCSD and will finalize and submit the Coastal Hazards Response Plan to CCC for review and approval.

#### Deliverables

- Draft Coastal Hazard Response Plan
- PowerPoint Presentation and Materials
- Final Coastal Hazard Response Plan

#### **Task 4: Draft LCP Amendments**

The objective of this task will be to develop any necessary amendments to the Coastal Zone Land Use Ordinance and North Coast Area Plan in order to facilitate relocation of the San Simeon WWTP. LCP amendments as part of this Project may include changes in land use designation and zoning, policy updates, and/or inclusion of best management practices and criteria for development of wastewater infrastructure. Such amendments would be informed by the Coastal Hazards Response Plan developed under Task 3, and agency coordination, including CCC, conducted under Task 2.

*Subtask 4.1: Develop Work Plan and Policy Framework* – Once a preferred alternative has been identified for WWTP relocation, the County would determine the need for amendments to the Coastal Zone Land Use Ordinance and North Coast Area Plan to facilitate future development of the WWTP.

*Subtask 4.2: Develop Draft LCP Amendments* - The County will prepare draft amendments as necessary to the Coastal Zone Land Use Ordinance and North Coast Area Plan.

*Subtask 4.3: Circulate Draft LCP Amendments* – The Draft LCP Amendments will be presented at public forums and/or Planning Commission meeting(s) for public review. The County will circulate the Draft LCP Amendments for comment to agencies that have regulatory authority or expertise in areas subject to the LCP Amendments.



Subtask 4.4: Prepare Revised Draft LCP Amendment Package – The County will revise the Draft LCP Amendment package as warranted, with consideration of comments from the public, agencies, and decision-makers.

Deliverables:

- Work Plan
- Draft LCP Amendments
- Public Draft LCP Amendments
- Draft Final LCP Amendments

**Task 5: Hearings and Adoption**

Under this Task, the County would carry any Draft LCP Amendments through the public hearing and local adoption process and through CCC submittal and certification.

Subtask 5.1: Planning Commission Hearings – The Revised Draft LCP Amendment package will be presented before the Planning Commission. This subtask assumes two (2) hearings may be required.

Subtask 5.2: Board of Supervisors - The Revised Draft LCP Amendment package and Planning Commission recommendations will be presented before the Board of Supervisors for consideration of local adoption. This subtask assumes two (2) hearings may be required.

Subtask 5.3: Submit locally approved LCP Amendment to CCC - The County will prepare and submit the LCP Amendment package to the CCC for certification.

Deliverables:

- Planning Commission Staff Reports and Exhibits
- Board of Supervisors Staff Reports and Exhibits
- LCP Amendment Submittal to the CCC

**Task 6: Project Management and Administration**

The County and SSCSD will carry out essential project management tasks throughout the life of the Project, including progress reporting and grant administration, and procurement of any needed subconsultants.

Deliverables:

- Quarterly Progress Reports
- CCC Grant Administration



Proposed starting date: 1/2/2020  
 Estimated completion: 3/31/2022

<b>Task 1. Project Initiation and Kickoff</b>	<b>Projected start date: 1/2/2020</b>	<b>End date: 3/31/2020</b>
Outcomes: Kickoff Meeting		
<u>Deliverables:</u>		
<ul style="list-style-type: none"> <li>Kickoff Meeting Materials including Agenda, Minutes, Communication Protocols, and Action Items</li> </ul>		
<b>Task 2. Agency &amp; Stakeholder Coordination</b>	<b>Projected start date: 1/2/2020</b>	<b>End date: 3/31/2022</b>
2.1 Coordination with CCC	Projected start date: 1/2/2020	End date: 3/31/2022
2.2 Project Coordination between the County and District	Projected start date: 1/2/2020	End date: 3/31/2022
2.3 Stakeholder Identification	Projected start date: 1/2/2020	End date: 3/31/2020
2.4 Stakeholder Meetings	Projected start date: 4/1/2020	End date: 9/30/2021
<u>Outcomes:</u> Coordination with CCC, County, and key stakeholders throughout the life of the Project		
<u>Deliverables:</u>		
<ul style="list-style-type: none"> <li>Communications and Meeting Notes</li> <li>Project Meeting Notes and Action Items</li> <li>Stakeholder List</li> <li>Meeting Minutes and Materials from Stakeholder Meetings</li> </ul>		
<b>Task 3. Coastal Hazards Response Plan</b>	<b>Projected start date: 1/2/2020</b>	<b>End date: 10/1/2021</b>
3.1 Evaluate Existing Conditions and Identify Constraints	Projected start date: 1/2/2020	End date: 3/31/2020
3.2 Alternatives Analysis	Projected start date: 1/2/2020	End date: 9/30/2020
3.3 Identification of a Preferred Site or Alternative	Projected start date: 10/1/2020	End date: 1/31/2021
3.4 Develop Schedule for Potential Major Relocation Events	Projected start date: 10/1/2020	End date: 4/31/2021
3.5 Conduct economic analysis	Projected start date: 10/1/2020	End date: 4/31/2021
3.6 Prepare Draft Coastal Hazards Response Plan	Projected start date: 4/1/2020	End date: 6/30/2021
3.7 Presentation of Draft Coastal Hazards Response Plan to Planning	Projected start date: 7/1/2021	End date: 8/13/2021



Commission and Board of Supervisors		
3.8 Final Coastal Hazards Response Plan	Projected start date: 8/16/2021	End date: 10/1/2021
<u>Outcomes:</u> Preparation and Submittal of the Coastal Hazards Response Plan to CCC		
<u>Deliverables:</u>		
<ul style="list-style-type: none"> <li>• Draft Coastal Hazard Response Plan</li> <li>• PowerPoint Presentation and Materials</li> <li>• Final Coastal Hazard Response Plan</li> </ul>		
<b>Task 4: Draft LCP Amendments</b>	<b>Projected start date:</b> <b>2/1/2021</b>	<b>End date:</b> <b>9/30/2021</b>
4.1: Develop Work Plan and Policy Framework	Projected start date: 2/1/2021	End date: 3/1/2021
4.2: Develop Draft LCP Amendments	Projected start date: 3/2/2021	End date: 6/30/2021
4.3: Circulate Draft LCP Amendments	Projected start date: 7/1/2021	End date: 8/13/2021
4.4: Prepare Revised Draft LCP Amendment Package	Projected start date: 8/16/2021	End date: 10/1/2021
<u>Outcomes:</u> Draft LCP Amendments to facilitate WWTP relocation		
<u>Deliverables:</u>		
<ul style="list-style-type: none"> <li>• Work Plan</li> <li>• Draft LCP Amendments</li> <li>• Public Draft LCP Amendments</li> <li>• Draft Final LCP Amendments</li> </ul>		
<b>Task 5: Hearings and Adoption</b>	<b>Projected start date:</b> <b>10/1/2021</b>	<b>End date:</b> <b>3/31/2022</b>
5.1: Planning Commission Hearings	Projected start date: 10/5/2022	End date: 12/31/2022
5.2: Board of Supervisors	Projected start date: 1/2/2022	End date: 2/4/2022
5.3: Submit locally approved LCP Amendment to CCC	Projected start date: 2/7/2022	End date: 3/31/2022
<u>Outcomes:</u> Local adoption of LCP Amendments and submittal to CCC for certification		
<u>Deliverables:</u>		
<ul style="list-style-type: none"> <li>• Planning Commission Staff Reports and Exhibits</li> <li>• Board of Supervisors Staff Reports and Exhibits</li> <li>• LCP Amendment Submittal to the CCC</li> </ul>		
<b>Task 6: Project Management and</b>	<b>Projected start date:</b>	<b>End date:</b>



<b>Administration</b>	<b>1/2/2020</b>	<b>3/31/2022</b>
Outcomes: Ongoing Project Management & Grant Administration		
<u>Deliverables:</u>		
<ul style="list-style-type: none"> <li>Quarterly Progress Reports</li> <li>CCC Grant Administration</li> </ul>		

**BENCHMARK SCHEDULE**

ACTIVITY	COMPLETION DATE
Kickoff Meeting & Identification of Stakeholders	3/31/2020
Draft Coastal Hazards Response Plan & Draft LCP Amendments	6/30/2021
Presentation at Public Hearing(s) & Circulation of Draft LCP Amendments	7/1/2021 – 8/31/2021
Final Coastal Hazards Response Plan & LCP Amendments	10/1/2021
Local Adoption & Submittal to CCC	3/31/2022

**APPLICATION BUDGET INFORMATION**

**Funding Request: \$130,000**

**Total Project Cost: \$163,000**

	<i>CCC Grant Total</i>	<i>Match/ Other Funds (SSCSD)</i>	<i>Match/ Other Funds</i>	<i>Total (LCP Grant Funds + Match/ Other Funds)</i>
<b>LABOR COSTS<sup>1</sup></b>				
<b>County Staff Labor</b>				
<b>Task 1 – Project Initiation</b>	\$2,500	--		\$2,500
<b>Task 2 – Agency &amp; Stakeholder Coordination</b>	\$5,000	--		\$5,000
<b>Task 3 – Coastal Hazards Response Plan</b>	--	--		--
<b>Task 4 – Draft LCP Amendments</b>	\$25,000	--		\$25,000
<b>Task 5 – Hearings and Adoption</b>	\$8,000	--		\$8,000
<b>Task 6 – Project Management &amp; Administration</b>	\$2,500	--		\$2,500

<sup>1</sup> Amount requested should include total for salary and benefits.



	<b>CCC Grant Total</b>	<b>Match/ Other Funds (SSCSD)</b>	<b>Match/ Other Funds</b>	<b>Total (LCP Grant Funds + Match/ Other Funds)</b>
<b>Total Labor Costs</b>	<b>\$43,000</b>			<b>\$43,000</b>
<b>DIRECT COSTS</b>				
<b>San Simeon Community Services District &amp; Consultants<sup>2</sup></b>				
<i>San Simeon CSD</i>				
<b>Task 1 – Project Initiation</b>	\$2,500			\$2,500
<b>Task 2 – Agency &amp; Stakeholder Coordination</b>	\$15,000			\$15,000
<b>Task 3 – Coastal Hazards Response Plan</b>	\$67,000	\$33,000		\$100,000
<b>Task 4 – Draft LCP Amendment Package</b>	--			
<b>Task 5 – Hearings and Adoption</b>	--			
<b>Task 6 – Project Management &amp; Administration</b>	\$2,500			\$2,500
<b>Total Direct Costs</b>	<b>\$87,000</b>	<b>\$33,000</b>		<b>\$120,000</b>
<b>OVERHEAD/INDIRECT COSTS<sup>3</sup></b>				
<b>Total County Staff Overhead/Indirect Costs</b>				
<b>TOTAL PROJECT COST</b>	<b>\$130,000</b>	<b>\$33,000</b>	<b>--</b>	<b>\$163,000</b>

<sup>2</sup> All consultants must be selected pursuant to a bidding and procurement process that complies with all applicable laws.

<sup>3</sup> Indirect costs include, for example, a pro rata share of rent, utilities, and salaries for certain positions indirectly supporting the proposed project but not directly staffing it. Amount requested for indirect costs should be capped at 10% of amount requested for "Total Labor."



**5.J. BUSINESS ITEMS**



## **BUSINESS ACTION ITEM STAFF REPORT**

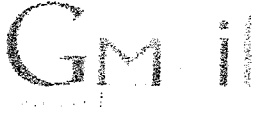
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**Item 5.J. Discussion on Procedure to Fill the Vacancy on the San Simeon Community Services District Board of Directors Created by the Resignation of Director Julia Stanert; Direction to Staff to Post Notice of Vacancy pursuant to Gov't Code 1780; Schedule meeting at which candidates will be considered and the appointment made.**

Staff received a letter of resignation from Julia Stanert on November 7, 2019.

Staff is requesting the Board follow the appointment process to fill the vacant director position, and direct Staff to post notice of the vacancy. The notice of vacancy can also be mailed to members of the public who reside in San Simeon. The goal is to appoint the new Board member at the December 11, 2019 Board meeting.

Enc: Email from Director Stanert



Cortney Murguia <cmurguia@graceenviro.com>

## My resignation

3 messages

**Julia Stanert** <juliastanert.sscsd@gmail.com>  
To: Cortney Murguia <cmurguia@graceenviro.com>

Thu, Nov 7, 2019 at 4:25 PM

Hi Cortney,

I am resigning from my Director position on the SSCSD Board. Assuming all goes as planned I will be moving to Cambria on November 20th. Thank you for all you do for San Simeon. You are amazing at your job. I have enjoyed working with and getting to know you, Charlie and the SSCSD Board.

Sincerely,  
Julia Stanert