

San Simeon Community Services District

November 10, 2004

Regular Board Meeting

**Board of Directors – Special and Regular Meeting
San Simeon Community Services District
AGENDA
Wednesday, November 10, 2004 – 3:30 PM
Cavalier Banquet Room**

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

1. 3:30 PM - CALL TO ORDER
 - 1.1 Roll Call
 - 1.2 Convening of Ordinance 66 Committee Workshop

2. 5:30 PM CLOSED SESSION
 - 2.1 Personal Issues- performance evaluation of a specific employee – General Manager/Plant Manager (§ 54957).
 - 2.2 Real Property- Discussion regarding price and terms of purchase of Cambria Desalination Water. (§54956.8)

3. 6:30 PM - RECONVENE IN REGULAR SESSION
 - 3.1 Roll Call
 - 3.2 Pledge of Allegiance

4. PUBLIC COMMENT:

Any member of the public may address and ask questions of the Board relating to any matter within the Board's jurisdiction, provided the matter is not on the Board's agenda, or pending before the Board. Presentations are limited to three (3) minutes or otherwise at the discretion of the Chair.

 - 4.1 Presentation by County Code Enforcement and Review and discussion on status 9450 Avonne Ave property (Requested by Chairperson Kiech to move this item towards the beginning of meeting to accommodate Code Enforcement Officer Voss's request).
 - 4.1 Sheriff's Report
 - 4.2 Public Comment

5. STAFF REPORTS
 - 5.1 Plant Superintendent's Report
 - 5.2 District Counsel Report

6. ITEMS OF BUSINESS
 - 6.1 Approval of Minutes – September 15, 2004
 - 6.2 Approval of Minutes – October 13, 2004
 - 6.3 Approval of Warrants – October 1 through October 31, 2004
 - 6.4 Approval of Two Capital Expenditures for Repair of Water Line Break

7. DISCUSSION/ACTION ITEMS
 - 7.1 Review and Acceptance of the Kennedy and Jenks Electrical Report.
 - 7.2 Sea Coast Lodge's Written Request to Install Fire Sprinklers
 - 7.3 Review List of Engineering Firms for Consideration
 - 7.4 Updated Priority Assessment of the Kennedy/Jenks Report
 - 7.5 Board Committee Reports
 - 7.6 Board Reports
8. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS
9. ADJOURNMENT

ITEM 1

- CALL TO ORDER
 - ROLL CALL
- CONVENE WORKSHOP of
ORDINANCE 66 COMMITTEE

ITEM 2

- **CLOSED SESSION**

ITEM 3

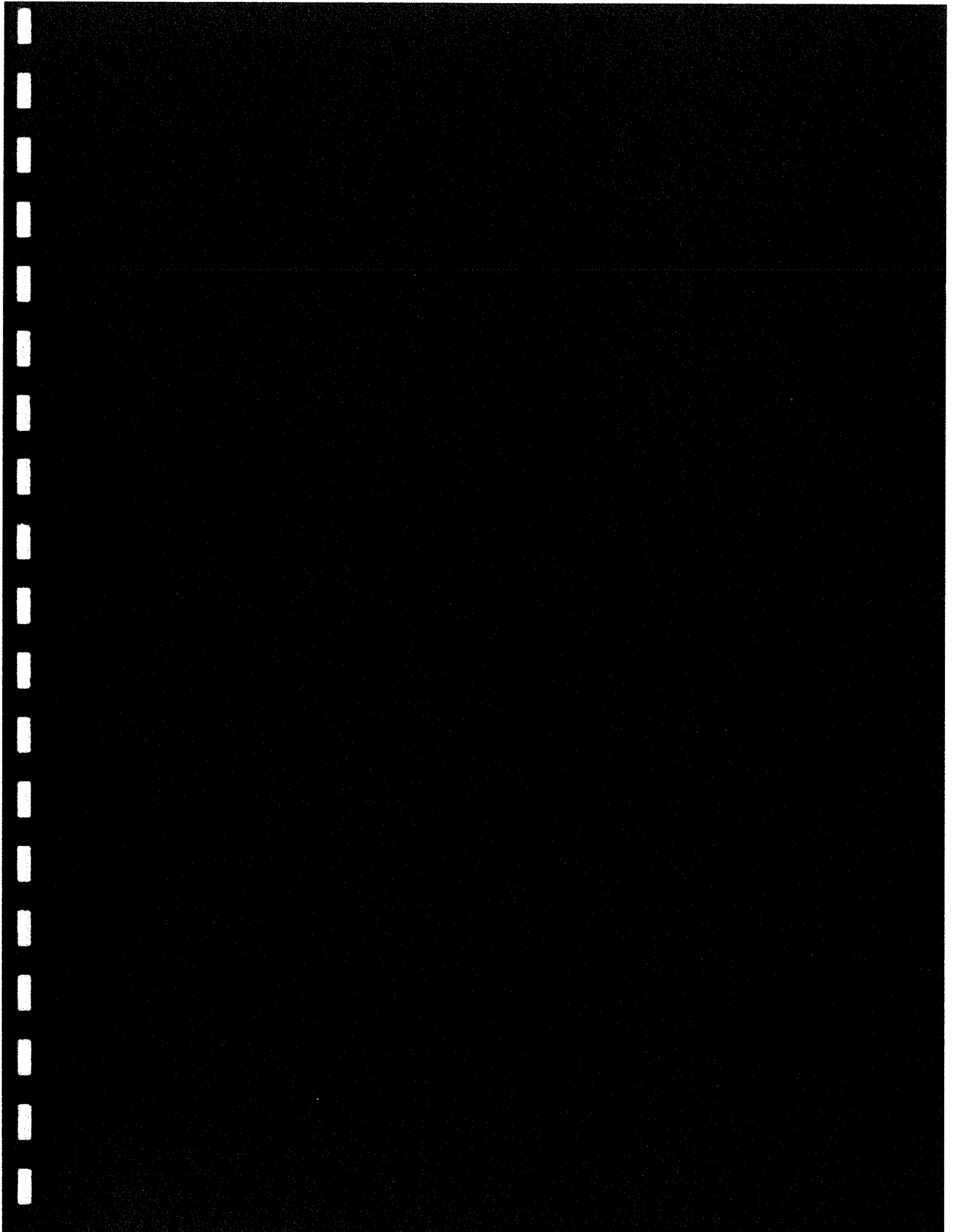
- RECONVENE in REGULAR SESSION
 - ROLL CALL
 - PLEDGE ALLEGIANCE

ITEM 4

- PUBLIC COMMENT
- COUNTY CODE ENFORCEMENT
PRESENTATION
- SHERIFF'S REPORT
- PUBLIC COMMENT

ITEM 5

- **GENERAL MANAGER & PLANT SUPERINTENDENT REPORTS**
- **GENERAL COUNSEL REPORT**



General Manager's and Superintendent's Reports

General Manager

1. Joann Hale has been hired for the position of Office Administrator and began working as of November 1, 2004. Her office hours are 9:30 am to 1:30 pm Monday through Friday. Customer Service hours have been established as 10:30 am to 1:30 pm on Mondays, Tuesdays and Thursday. The remainder of her time will be directed towards the day-to-day tasks of office administration. The customer service hours have been posted at the district office, the store at the corner of Pico and Castillo, the Chamber of Commerce, the Cambrian Newspaper and will also be posted on the district's website.
2. The owner of the property at the south end of Balboa was contacted regarding weed abatement of his property. Mr. Whitaker was informed by the owner that he was not intending to perform any weed abatement on property he is not allowed to build on. Recommend proceeding per District Policy. Board direction is requested.
3. There were four abandoned vehicles on Avonne Ave. Two in the vacant lot on Avonne and two on the street just north of Otter. Since the last board meeting one of the vehicles in the vacant lot has been removed and the other is being handled by County Code Enforcement. The two vehicles on the street were tagged by the Highway Patrol and one has since been removed. The tags require that the vehicles be removed within 72 hours. Staff is following up with Highway Patrol for removal of vehicle if they are not moved.
4. Received a check in the amount of \$1,078 from the State under the California Disaster Assistance Act (CDAA). This check break down was as follows \$980 for Public Buildings and \$98 for Administrative Allowance. The check has been sent to Glen/Berk. This check was in response to filings the Wallace Group made on behalf of the district. The Wallace Group has submitted a bill for those services that was presented for payment at the last board meeting and was not approved. It is now recommended that the board reconsider this invoice for payment. (*Warrant has been resubmitted for this invoice*).
5. Two current credit cards, both for San Simeon CSD, were found in the district office. One for Shell Oil Co. that expires in Feb or 2007 and one for Home Depot with no expiration and a credit limit of \$1,000. Recommend discontinuing credit cards. Request board direction.

6. Water and Sewer past due bills.
1 to 30 days \$4389.
31 to 60 days \$981
61+ days \$1986
Request direction regarding District Policy for handling past due accounts.
7. Proposition 50 Grants for water security, safe drinking water and contaminant removal technology. Information in agenda packets.
8. The LAFCO meeting scheduled for November 18, 2004 has been cancelled. The next meeting is scheduled for December 16, 2004

Plant Superintendent Report

Plant Statistics:

Flow: October 2004

Water:	2.85 Million Gallons Pumped
Wastewater	2.86 Million Gallons Processed
Biosolids Disposal	15, 000 Gallons equates to 300 Pounds of Dry Solids

Well Depth: 13 Feet 6 Inches as reported on November 3, 2004. The well depth is expected to change once these past rains have had time to work through the aquifer.

Meter Reading: Readings were taken on October 25. Six re-reads were required. The majority of the re-reads was to clear up discrepancies vs. last months readings.

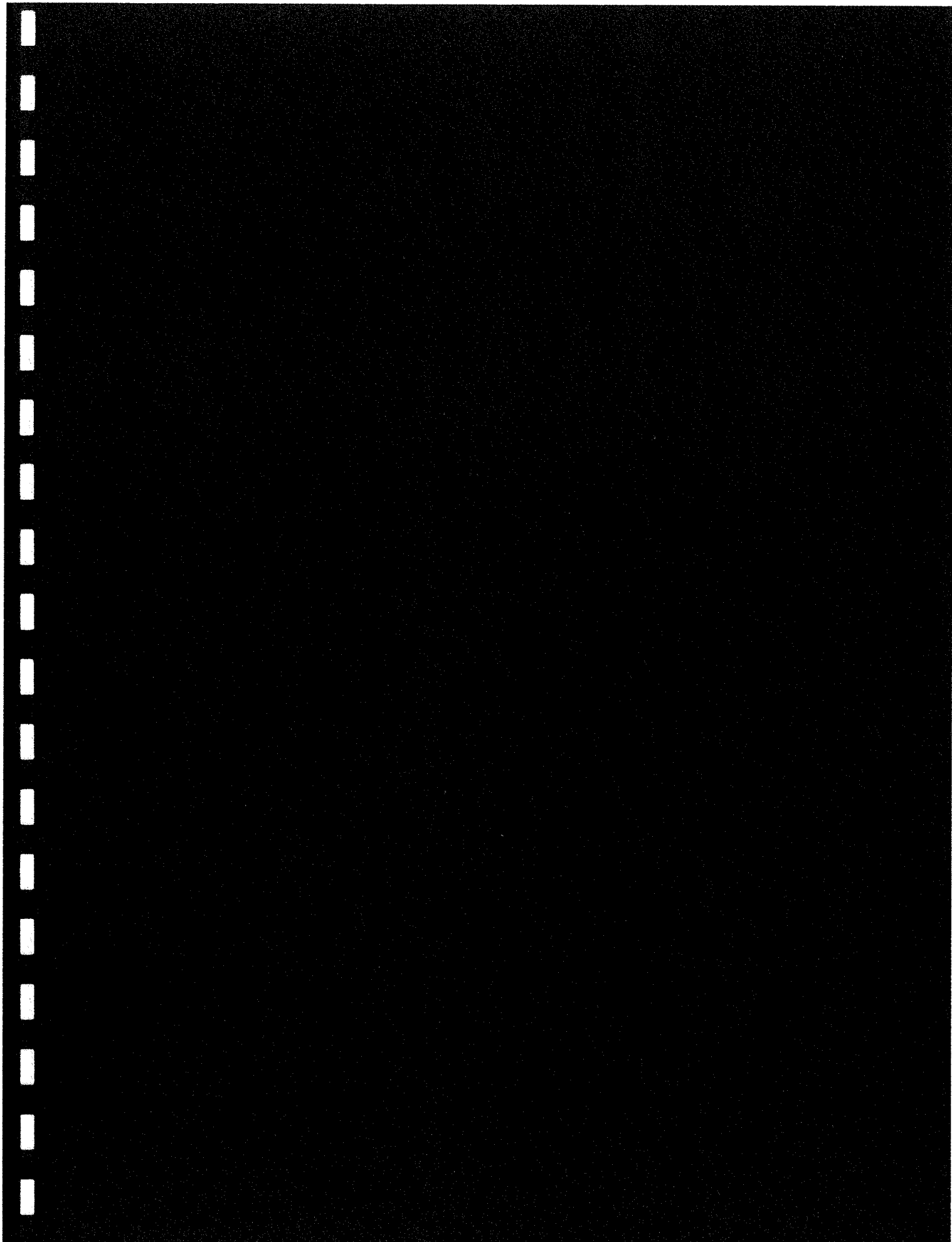
B & C: Bills for October were mailed on November 1st.

Meter Replacement: There was one meter replaced at 9170 Avonne.

Overview: October on a whole was rather uneventful. The wastewater plant operated with no major problems and no complaints were received

ITEM 6

- APPROVAL of SEPTEMBER 15, 2004
MINUTES
- APPROVAL of OCTOBER 13, 2004
MIUNTES
 - APPROVAL of OCTOBER 31
WARRANT REPORT
 - APPROVAL OF CAPITAL
EXPENDITURES



SEPTEMBER MINUTES TO FOLLOW UNDER
SEPARATE COVER

**Board of Directors – Regular Monthly Meeting
San Simeon Community Services District
Minutes
Wednesday October 13, 2004 – 6:30 p.m.
Cavalier Banquet Room**

1. CALL TO ORDER

- 1.1 Roll Call: Board President Kiech opened session at 6:30 p.m. Directors present – Carol Bailey-Wood, Loraine Mirabal-Boubion, and Terry Lambeth.
- 1.2 Board President Kiech led pledge of Allegiance.

2. PUBLIC COMMENT

- 2.1 Sheriff's Report – Sheriff's Dept. reported that crime statistic in the San Simeon and Cambria areas are down. The Dept. will step up patrol of the sheriff's Special Problems Unit to address the problem of car thefts and burglaries in the area. New Station Commander Robin Wackerly was introduced.
- 2.2 Ms. Sandy Bradford wanted to thank the Board for contracting the operation of the wastewater facility to ECO Resources. Ms. Bradford stated since ECO had taken over that she is now able to enjoy her home because the past odor problems from the plant are now nonexistent. Mike Hanchett of the Cavalier Inn seconded the comments of Ms. Bradford. Mr. Hanchett stated the Cavalier Inn's restaurant was downwind for the wastewater facility and they were unable to serve food because of the past odor problems. Board Member Lambeth stated the he also lives down the street from the wastewater facility and he concurred with Ms. Bradford and Mr. Hanchett that odors from the facility are no longer a concern.
- 2.3 Unidentified citizen ask the Sheriff's Department what he could do to assist the Sheriff's in stopping the racing and donuts that is occurring on Avonne St.
- 2.4 Sheriff's Dept. stated the first responsibility for traffic control belongs to the Highway Patrol. The Sheriff told the citizens that time of occurrence, description and license plate of the vehicle would help in finding the offending person or persons. The Sheriff stated the person that was doing the donuts has been arrested.
- 2.5 Ralph McAdams asked the Board to address the problem with water valves that are used to isolate line breaks. Mr. Richardson of ECO Resources explained that these water valves become stuck because of a lack of "exercising" the valves over a long period. Mr. Richardson advised that staff would provide the Board with a recommendation to replace problem valves for the Boards direction.

3. STAFF REPORTS

3.1 Plant Superintendent's Report

- 3.1.1 Mr. Richardson told the Board that he was filling in for Jim Whitaker because of medical issues with Mr. Whitaker, and that it is ECO's responsibility to make sure that the water and wastewater facilities are properly staffed with certified people regardless of what may happen to individuals. He advised Board the regular office hours for district office would be 10:30 am to 1:30

pm on Mondays, Tuesday, and Thursdays, to accommodate variations in the citizens work schedules and hours. Director Mirabal-Boubion stated that she would like the answering service monitored because of previous problems.

- 3.1.2 Reported water level was 13 feet; this is a significant movement from the last reading and will be rechecked. Water quality was above requirements for the month and quantity was sufficient to supply all requirements.
- 3.1.3 At the wastewater treatment facility there was a significant electrical failure to the variable frequency drive (VFD) on the pump for the equalization basin. Cost to replace the pump has not been established but will be a capital expense. Mr. Richardson stated the cause of problem was faulty wiring from previous years. Director Lambeth asked if there was a warranty or other recourse about the failed VFD at the wastewater plant. Mr. Richardson advised the Board that staff would look into the cause and report back.
- 3.1.4 Mr. Richardson stated that the ECO Resources has purchased, at its cost, a "Tuff Shed" for the District to store old district files.
- 3.1.5 Mr. Richardson advised the Board that there is going to be a need for a district engineer to advise the district on upcoming issues beyond the expertise of ECO Resources. General discussion ensued, and Mr. Schultz advised the Board this is a preliminary discussion issue that would need to be agendized for a future meeting. Director Mirabal-Boubion requested that the engineering firm discussion be put on the next agenda and that staff come back with a list of engineering firms and their disciplines.
- 3.1.6 Presentations of wastewater reuse options: Mr. Richardson gave a general overview of the board workshop that was presented October 6, 2004. Mr. Richardson stated that the RWQCB would likely be favorable to this change because it would be less sewage being discharged into the ocean and reduce the District's potable water demand. Director Lambeth wanted to know "of the total discharge how much could be reclaimed?" Mr. Richardson told Director Lambeth that practically all the discharge could be reclaimed, but how much reclaimed wastewater could be used was not known. Discussions ensued on the possible uses of reclaimed wastewater. Estimated costs ranged from \$1,000 to \$2,500 per Acre-Foot.

3.2 District Counsel Report:

Mr. Schultz stated the counsel's report consisted of items 5.1 through 5.2 of the agenda and he deferred until the Board had reached those items.

4. ITEMS OF BUSINESS

- 4.1 Approval of minutes July 21, 2004 – Motion for approval of minutes by Director Mirabal-Boubion, seconded by Director Lambeth, and unanimously approved by voice vote.
- 4.2 Approval of minutes August 11, 2004 - Board commented that the July minutes were a great improvement over previous minutes and approved minute's format. Motion for approval of minutes by Director Bailey-Wood, seconded by Director Lambeth, and unanimously approved by voice vote.
- 4.3 Approval of minutes for September 15, 2004 – Minutes unavailable because of Mr. Whitaker's absence. Minutes will be presented at next meeting for consideration.

- 4.4 Approval of warrants July 1st through July 31st 2004 – Motion for approval by Director Mirabal-Boubion, seconded by Director Lambeth, and approved unanimously by voice vote.
- 4.5 Approval of warrants August 1st through August 31st 2004 - Motion for approval by Director Mirabal-Boubion, seconded by Director Lambeth, and approved unanimously by voice vote.
- 4.6 Approval of warrants September 1st through September 30th 2004 – These warrants were previously approved at the September 15th 2004 meeting.

5. DISCUSSION/ACTION ITEMS

- 5.1 Review and discussion on status of 9450 Avonne Ave property – Mr. Schultz reminded the Board that it approved a resolution at August 2004 meeting regarding the property and resolution was sent on to the Board of Supervisors in early September 2004. Discussion on the issue ensued. Director Mirabal-Boubion stated that at the last meeting Mr. Whitaker said he had sent the sample out and was awaiting results. Mr. Richardson will follow up on test results. This issue will continue to be on district agenda until it is resolved.
- 5.2 Discussions regarding amendment of District Policy 6020.40 – Mr. Schultz review with Board the policy regarding delivery of board packets prior to scheduled meeting. Mr. Schultz's recommended amending the policy to include the following: "in addition to all documentation and support of any discussion and/or action item on the agenda shall be hand delivered to each director at least 72 hours prior to the time of the regulator meeting. The failure to comply with this section shall require the board to continue that agenda item." The motion was seconded by Director Lambeth and unanimously approved by voice vote.

It was noted by Board members that: [a] packets should also be available to the public at the District office the Monday prior to the regulator-scheduled meeting and [b] a board packet be available at each board meeting for public review.

- 5.3 Approval of Resolution 04-302 supporting Proposition 1A – Mr. Schultz gave a brief overview of Proposition 1A and made a recommendation for board approval; Mr. Richardson concurred. A motion was made by Director Bailey-Wood and seconded by Director Mirabal-Boubion and approved unanimously by roll-call vote.
- 5.4 Discussion on expanding the members of Ordinance 66 Committee – Mr. Schultz gave a brief overview of Ordinance 66 and then asked the board for their input on the expansion of the committee. Discussion of the issue ensued, with ultimate concurrence on expansion. The next regular scheduled meeting agenda will select expanded committee members.
- 5.5 Approval of settlement with Community Bank in the amount of \$7,482.74 – Mr. Schultz gave the board an overview on the history of the lien that was placed on the Courtesy Inn after the Community Bank foreclosed on the property. A motion was made by Director Mirabal-Boubion, seconded by Director Lambeth, and approved by unanimous voice vote.
- 5.6 Approval of list to authorize GBP&B to pay standard pre-approved invoices – Mr. Richardson presented the board the recommendation of the General Manager of five monthly reoccurring expenses for pre-approval. After a brief discussion a motion was made by Director Mirabal-Boubion, seconded by Director Bailey-Wood, and approved unanimously by voice vote.

5.7 Review of Kennedy /Jenks (KJ) Electrical Report – Mr. Richardson told the Board that the report was a general report and the report did not have any cost information. It was determined that some pages [6, 7, and 8] of the report were missing; these pages outlined the cost for the listed priorities. The missing pages were discussed by the Board and it was determined that the KJ report could not be acted upon until a complete report was available. Staff will contact Kennedy/Jenks and get a complete report and forward the missing pages to the Board.

Discussion of the report's recommendations ensued, with particular attention to: [a] the need for a standby generator, [b] the RWQCB letter stating that acquisition of this unit was an immediate requirement, and [c] ECO's recommendation of the order of priorities of the KJ report issues. Mr. Schultz stated his concerns about the RWQCB's letter in regards to the force and affect this letter has; Mr. Richardson said he would respond to it. Mr. Richardson said staff would provide an updated priority assessment of the KJ report, with cost estimates, at the next meeting.

5.8 Discussion of Sea Coast fire sprinkler service request – Mr. Richardson stated this is a verbal request and would probably need to be agendized; discussion ensued. Mr. Richardson requested direction from the Board and Counsel on how to proceed with this request.

Mr. Schultz and Director Mirabal-Boubion asked if the Sea Coast Inn had sent a written request. Mr. Richardson that the request was a verbal one and no written request had been received. Mr. Schultz suggested to the Board that the Sea Coast Inn be asked to submit a written so the Board could agendize it and react. Director Lambeth asked that a letter be sent to the Sea Coast Inn requesting them to turn off the landscape sprinklers by 5:20 a.m.

5.9 Discussion of SSCSD/CCSD joint desalination project – Mr. Schultz asked the Board to take some action to direct staff on whether or not to continue with negotiations with Cambria CSD regarding a possible joint desalination project. Director Lambeth that it is difficult to make a decision to move forward without cost information that Cambria was supposed to supply. Mr. Schultz stated that it was his understanding the Cambria was looking for San Simeon to indicate simply that they were (or were not) willing to move forward with at least the preliminary negotiations.

Director Lambeth stated that he believed that: [a] San Simeon had no chose but to continue with the preliminary talks, [b] the mandate of the Board was to get water, and [c] the Board had to look at all options. The Board agreed (minus Director Bailey-Wood, who had departed) to direct staff to move forward with negotiations with Cambria CSD.

5.10 Board Committee Reports – There were no Board Committee Reports

5.11 Board Reports – There were no Board Reports

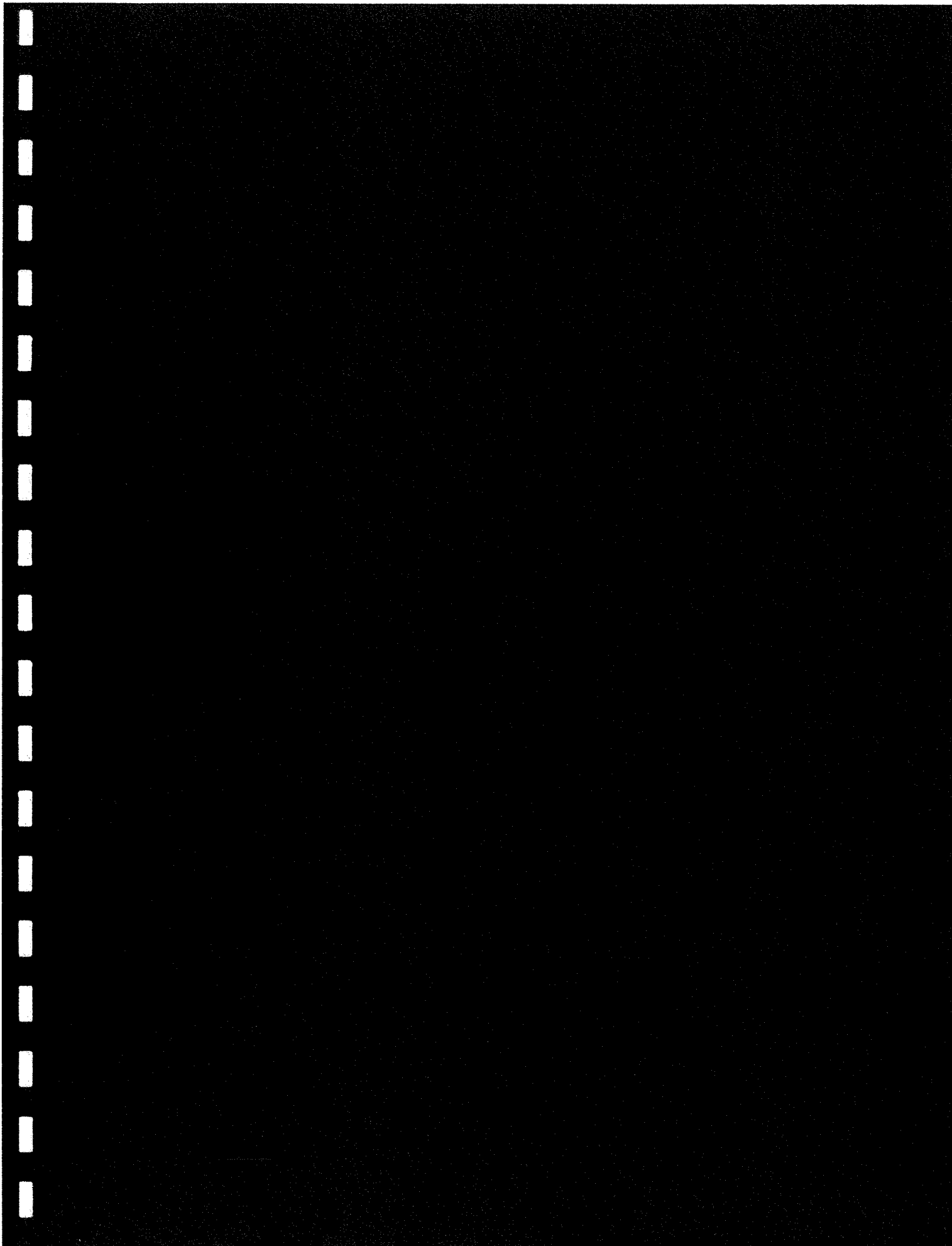
6. BOARD/STAFF GENERAL DISCUSSION AND PROPOSED AGENDA ITEMS

6.1 Director Lambeth received a letter from Walt Blankship and provided pictures showing signs that had graffiti. Director Lambeth wanted to address the problems of

- graffiti and trash in the cul-de-sac and problems (unspecified) on Balboa. It was determined that the signs were District signs.
- 6.2 Mr. Richardson presented miscellaneous, recently-received invoices for Board consideration.
 - 6.3 Director Lambeth stated that the property where the old Chevron Station may have had a MTBE report and that the Board wants to find out the status of that report if it exists. Mr. Schultz stated he would look into it.
 - 6.4 Mr. Richardson also informed the Board that the locks have been changed at the office and the plant because of personal changes. He also informed the Board that ECO had come across some old District checks and some old check payable to the district. These checks are between 5 and 7 years old and total nearly \$1,500. Disposition of these checks was not addressed.
 - 6.5 Director Mirabal-Boubion asked if staff was pursuing the request for FEMA funds that was started by the Wallace Group. Director Lambeth stated that the Wallace Group was supposed to take care of securing funding; Mr. Richardson stated that it has not been taken care of by the Wallace Group, and discussion ensued. There was no agreement as to whether or not the Wallace Group had Board approval to be the lead the effort but had no approval to video tape for damage. Director Lambeth asked the ECO from this point forward take the lead. Mr. Richardson informed the Board that the videotaping of the system would be contracted out and expected the cost to be about \$1.00 per foot. Director Mirabal-Boubion made a motion to authorize the General Manager to contract to have the systems lines video taped; the motioned was seconded by Director Lambeth and unanimously approved by voice vote. Mr. Schultz was directed by the Board to notify the Wallace Group that there services are no longer required by the District.
 - 6.6 Director Mirabal-Boubion stated that she had a notice of preparation of an environmental impact report from the Department of Planning and Building and she did not know what they want the District to do. Mr. Schultz advised that this was just a notice and no response was required by the District.
 - 6.7 Director Mirabal-Boubion suggested that new Board Members be presented with a copy of the Brown Act and signed up for seminars.
 - 6.8 Mike Hanchett Jr. asked if the Board had supplied the General Manager with direction on the recycled water item. Mr. Schultz stated that the General Manager has said he has gone as far as he can without a certified engineer, and Mr. Richardson concurred with Mr. Schultz. Mr. Richardson informed the Board that preliminary cost estimates to retrofit the wastewater plant with the required equipment to meet Title 22 standards are in the \$500,000 range.
 - 6.9 Director Mirabal-Boubion asked that staff enforce the weed abatement ordinance specifically the property at the south end of Balboa.

7. ADJOURNMENT

Director Mirabal-Boubion made a motion to adjournment. The motion was seconded and approved by unanimous voice vote.



**San Simeon Community Services District
WARRANT REPORT
October 1 through October 31, 2004**

	<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Due Date</u>	<u>Aging</u>	<u>Open Balance</u>	<u>Warrant #</u>	<u>Check #</u>
CAROL BAILEY-WOOD	Bill	11/04/2004	NOV BOARD SERVICES	11/04/2004		100.00	0411-001	
Total CAROL BAILEY-WOOD						100.00		
DAVID KIECH	Bill	11/04/2004	NOV BOARD SERVICES	11/04/2004		100.00	0411-002	
Total DAVID KIECH						100.00		
ECO Resources, Inc.	Bill	11/04/2004	13814 Nov services	11/14/2004		27,575.42	0411-003	
Total ECO Resources, Inc.						27,575.42		
FERGUSON ENTERPRISES, INC.	Credit	05/28/2004	CM041767 Over Payment			-150.96	0411-004	
Total FERGUSON ENTERPRISES, INC.						-150.96		
GBP&B	Bill	11/04/2004	64052	12/04/2004		525.00	0411-005	
Total GBP&B						525.00		
JOHN WALLACE & ASSOCIATES, INC.	Bill	11/04/2004	14914	12/04/2004		237.50	0411-006	
Total JOHN WALLACE & ASSOCIATES, INC.	Bill	11/04/2004	14688	12/04/2004		207.50	0411-007	
						445.00		
LORAIN MIRABAL-BOUBION	Bill	11/04/2004	NOV BOARD SERVICES	11/04/2004		100.00	0411-008	
Total LORAIN MIRABAL-BOUBION						100.00		
PERS - HEALTH	Bill	11/04/2004	for November 2004	11/04/2004		118.94	0411-009	
Total PERS - HEALTH						118.94		
PG&E	Credit	03/12/2004	3179514655-9 Over Payment			-149.02	0411-010	
Total PG&E						-149.02		
ROBERT W. SCHULTZ ESQ.	Bill	11/04/2004	November Billing	11/14/2004		1,575.00	0411-011	
Total ROBERT W. SCHULTZ ESQ.						1,575.00		
SWRCB	Bill	11/04/2004	0409190 Yearly Fee	11/29/2004		3,008.00	0411-012	
Total SWRCB	Bill	11/04/2004	2954-916 Residual Fee	12/04/2004		103.25	0411-013	
						3,111.25		
TERRY LAMBETH	Bill	11/04/2004	NOVEMBER BOARD SERV	11/04/2004		100.00	0411-014	
Total TERRY LAMBETH						100.00		
TOTAL						<u>33,450.63</u>		

STATE WATER RESOURCES CONTROL BOARD
DIVISION OF WATER RIGHTS
P.O. BOX 2000 SACRAMENTO, CALIFORNIA 95812-2000
DIVISION OF WATER RIGHTS (916) 341-5431



FOR BOARD USE ONLY		
RE		PM
EFFECTIVE DATE OF PAYMENT		
MO	DAY	YEAR

SAN SIMEON ACRES COMMUNITY SERVIC
Attn: SAN SIMEON ACRES COMMUNITY SERVICES DIST
111 PICO AVE
SAN SIMEON CA 93452

Account: WR MT 094-006560

Notice Id:	0000 2954 916	October 18, 2004
Amount Due		103.25
Amount enclosed		
Additional charges are due if not paid by 11/17/04 (See instructions below)		
		2

** Notice of Determination **
You are hereby notified of an amount due from you as shown below.

App.Id. A019095

Water Rights Fee	Fee	Interest	Penalty	Total
WATER RIGHTS				

DETERMINATION issued 10/18/04
As determined
For the Period 07/01/04-06/30/05
Revenue 103.25
Subtotal 103.25

103.25 0.00 0.00

103.25
103.25
103.25

AMOUNT-DUE

Additional interest will accrue in accordance with the Revenue and Taxation Code section 55041, 55042, 55050, 55061 on the unpaid Fee at the rate of 0.583 % per month. Interest of 0.60 will accrue if the Fee is not paid on or before 11/17/04.

Additional penalty of 10.33 is due if not paid by 11/17/04.

The above assessment is based upon amounts due for the annual fee on a Water Rights Permit or License as required under California Code of Regulations, Title 23, Section 1066.

Information concerning Determinations
A person against who a determination is made or any person directly interested may petition for reconsideration with the State Water Resources Board within 30 days from the date shown at the top of this notice. The State Water Resources Control Board must receive the petition for reconsideration by the 30th day. A petition for reconsideration must be in writing and state the specific grounds upon which it is founded, including an explanation why the petitioner believes that no fee is due or how the petitioner believes that the

Continued on back

Always write your account number: 094-006560 on your check or money order. Return this notice with your check in the enclosed envelope. Make a copy for your records.



DIVISION OF WATER RIGHTS

(916) 341-5431

Account: **WR MT 094-006560**

** Notice of Determination ** Page 2	Notice Id: 0000 2954 916	October 18, 2004	2
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Water Rights Fee WATER RIGHTS	Fee	Interest	Penalty	Total
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amount of the fee has been miscalculated.

Anyone filing a petition should be prepared to submit documentary evidence to support the specific grounds upon request. All petitions for reconsideration must be mailed to the following address:

State Water Resources Control Board, Division of Water Rights, P.O. Box 2000, Sacramento, CA 95812-2000

Petitions for Reconsideration are governed by Chapter 4 (commencing with Section 1120) of Part 1 of Division 2 of the Water Code and Article 12 (commencing with Section 768) of Chapter 2 of Division 3 of Title 23 of the California Code of Regulations. The California Water Code and California Code of Regulations may be found at http://www.swrcb.ca.gov/water_laws/.

The filing of the petition will not prevent the accrual of interest. The application of additional penalty referred to above would be deferred until 30 days after the date of a Notice of Redetermination. Prompt payment of undisputed portions of the liability should be made. This will prevent accrual of additional interest thereon and will not in any way affect the protested portions.

Note: This billing was issued by the State Board of Equalization (BOE) on behalf of the State Water Resources Control Board. Payment should be sent to the BOE in the enclosed envelope.


Always write your account number: 094-006560 on your check or money order. Return this notice with your check in the enclosed envelope. Make a copy for your records.

INVOICE

Annual Fee for Waste Discharge Requirements
Required by SECTION 13260 of the California Water Code

Facility ID (WDID): 3 400110001
Facility Name: SAN SIMEON WWTP
9245 BALBOA
SAN SIMEON, CA

Invoice No: 0409190
Billing Period: 07/01/04-06/30/05
Invoice Date: 10/29/04

 Total Amount Due by 11/28/04..... \$3,008

SAN SIMEON CSD
ATTN: CHRIS NALLY
111 PICO AVE
SAN SIMEON, CA 93452


Invoice details are shown on the back

STATE WATER RESOURCES CONTROL BOARD
Annual Fee for Waste Discharge Requirements
Required by SECTION 13260 of the California Water Code


Facility ID: 3 400110001 Billing Period: 07/01/04-06/30/05

Invoice No 0409190 Amount Due: \$3,008 Due By: Sunday, November 28 2004


PLEASE REMIT YOUR PAYMENT ON OR BEFORE THE DUE DATE SHOWN ABOVE.
LATE PAYMENTS COULD RESULT IN PENALTIES UNDER PROVISIONS OF THE WATER CODE.
SECTION 13261. THESE ACTIONS COULD INCLUDE DAILY PENALTIES IN ADDITION TO
YOUR FEE, OR OTHER ACTIONS DEEMED APPROPRIATE BY THE REGIONAL BOARD.

 Make your check payable to SWRCB FEES

If you have any questions about this invoice, please call your Regional Water Quality Control Board at (805) 542-4633

 Retain this portion for your records
Please detach and return this portion with your payment

CHECK HERE FOR ADDRESS CORRECTION ON THE BACK

 Invoice No: 0409190
PLEASE PRINT THIS NUMBER ON
CHECK OR MONEY ORDER

SAN SIMEON CSD
ATTN: CHRIS NALLY
111 PICO AVE
SAN SIMEON, CA 93452
(805) 927-4918

SWRCB ACCOUNTING OFFICE
ATTN: AFRS
P. O. Box 1888
SACRAMENTO, CA 95812-1888

AMOUNT DUE: \$3,008
BILLING PERIOD: 07/01/04-06/30/05
DUE BY: 11/28/04
FACILITY ID (WDID): 3 400110001
FACILITY NAME: SAN SIMEON WWTP
9245 BALBOA
SAN SIMEON, CA

NEW YORK STATE WATER RESOURCES CONTROL BOARD INVOICE DETAILS

INVOICE NO: 0409190 **BILLING PERIOD: 07/01/04-06/30/05** **FACILITY ID (WDID): 3 400110001**

Account No	Program Code	Region/Order No	Flow (mgd)	Annual Fee	Annual Water Charge	Other Surcharges	Other Surcharges	Appl. Number	Appl. Date	Appl. Months	Charged Amount	Charged Amount	
23630	NPDES	3/02-0046	Flow (mgd)	.45	\$2,538	\$470	\$0	\$0	22	01-OCT-91	\$100	0	\$0
									203	29-JUL-96	\$0	0	\$0
Invoice Total by Charge					\$2,538	\$470	\$0	\$0					\$0

INVOICE TOTAL: \$3,008

If you have any questions about this invoice, please call your Regional Water Quality Control Board at (805) 542-4633

* Other Surcharge:
 SUB15 with water quality threat and complexity (1 A) is \$12,000.
 NPDES with water quality threat and complexity (1 A) is \$15,000.
 NPDES with water quality threat and complexity (1 B) is \$10,000.
 NPDES with water quality threat and complexity (1 C) is \$5,000.

BILLING ADDRESS CORRECTIONS

Please print the new billing address information in the space provided below

FACILITY ID (WDID): 3 400110001 SAN SIMEON WWTP

BILLING NAME: [Grid of 30 empty boxes for name entry]

CONTACT PERSON: [Grid of 30 empty boxes for contact name entry]

STREET: [Grid of 30 empty boxes for street address entry]

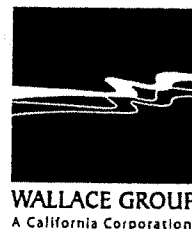
CITY: [Grid of 20 empty boxes for city entry]

STATE: [Grid of 2 empty boxes for state entry]

ZIP: [Grid of 5 empty boxes for ZIP5 entry] - [Grid of 4 empty boxes for ZIP4 entry]

PHONE: ([Grid of 3 empty boxes for area code]) [Grid of 3 empty boxes for prefix] - [Grid of 7 empty boxes for number]

REGION 3



San Simeon C S D
David Kiech, President
111 Pico Avenue
San Simeon, CA 93452

Invoice number 14914
Date 10/15/2004

Contract: 0084-0003-04
FEMA DISASTER ASSISTANCE
Scope of Work:

Customer ID: 0084

Professional Services Rendered through September 30, 2004

Labor

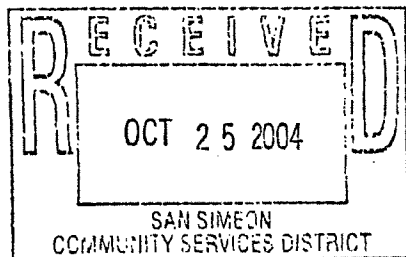
<u>Employee Type</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Engineering Associate IV	1.00	80.00	80.00
Associate Planner I	2.25	70.00	157.50
Labor subtotal	3.25		237.50

Invoice total 237.50

Approved by

John L. Wallace

*****CLOSING BILL*****



Date	Staff Type	Comment	Hours
Project	0084-0003	SSCSD FEMA DISASTER ASSIST	
Phase	0100	Planning Services	
09-16-04	Associate Planner I	Update FEMA Memo, Mtg w/CT-JF-C.Mentz	2.00
09-22-04	Associate Planner I	Fax to J Whitaker re: Video Status	.25
Phase Total:			2.25
Project	0084-0003	SSCSD FEMA DISASTER ASSIST	
Phase	0300	Engineering Services	
09-16-04	Engineering Associate IV	FEMA Mtg	1.00
Phase Total:			1.00
Project Total:			3.25

111 Pico Ave.
San Simeon, CA 93452
(805) 927-4778 Office
(805) 927-0399 Fax

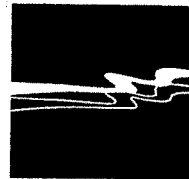
San Simeon CSD

Memo

To: SSCSD General Manager
From: Tom O'Neill
CC:
Date: October 20, 2004
Re: Wallace Group

The attached bill was not approved for payment by the board during the October 13th meeting. Also attached is a letter from the State of California OES notifying the District that San Simeon's Disaster Fund for the San Simeon Earthquake was being adjusted to a State share from 75% to 100%. The letter indicates that the Wallace Group may have instigated this adjustment; if this is accurate than the bill for \$207.50 from Wallace may be valid. Wallace's bill was for FEMA Disaster Assistance and was for services rendered through Aug. 31, 2004. The date of the State letter is Oct. 8, 2004. The board should reconsider payment of this bill. They Board should also consider whether they want to continue using The Wallace Group for these services. If they decided to discontinue using Wallace a formal letter should be sent.





WALLACE GROUP
A California Corporation

San Simeon C S D
David Kiech, President
111 Pico Avenue
San Simeon, CA 93452

Invoice number 14688
Date 9/17/2004

Contract: 0084-0003-04
FEMA DISASTER ASSISTANCE
Scope of Work:

Customer ID: 0084

Professional Services Rendered through August 31, 2004

Labor

<u>Employee Type</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Senior Planner	2.00	95.00	190.00
Associate Planner I	0.25	70.00	17.50
Labor subtotal	2.25		207.50

Invoice total 207.50

Approved by

John L. Wallace

Date	Staff Type	Comment	Hours
Project	0084-0003	SSCSD FEMA DISASTER ASSIST	
Phase	0100	Planning Services	
7-06-04	Senior Planner	Telecon District Re: FEMA Video	.25
8-12-04	Senior Planner	Telecon SSCSD RE: Video	.25
8-24-04	Associate Planner I	Update Files and prepare memo to Chuck Mentz	.25
08-16-04	Senior Planner	FEMA Update	.25
08-18-04	Senior Planner	Telecon OES Re: Closeout	.50
8-23-04	Senior Planner	FEMA Status Update Coord.	.25
8-27-04	Senior Planner	OES Coord. w/ SSCSD	.50
		Phase Total:	2.25
		Project Total:	2.25

**GOVERNOR'S OFFICE OF EMERGENCY SERVICES
DISASTER ASSISTANCE RESOURCES BRANCH
GRANT MANAGEMENT SECTION
POST OFFICE BOX 419023
RANCHO CORDOVA, CALIFORNIA 95741-9023
PHONE: (916) 845-8110 FAX: (916) 845-8392**



October 8, 2004

John L. Wallace
District Engineer
San Simeon Community Services
111 Pico Ave
San Simeon, CA 93452

Dear Mr. Wallace:

**SUBJECT: NOTIFICATION OF OBLIGATION AND PAYMENT
FOR 100% COST SHARE
CDAA GRANT PROGRAM
FEMA-1505-DR-CA, OES ID #079-91005**

The Governor's Office of Emergency Services has been authorized by Assembly Bill 1510 to release 100 percent cost share under the California Disaster Assistance Act (CDAA) for the San Simeon Earthquake. State Supplement #1 is to adjust the state share from 75 percent to 100 percent of the eligible amount. Please see the tables below for further obligation and payment details.

Obligation Details	Package/Supplement Obligation Amount	Cumulative Amount Obligated
CDAA	\$1,078	\$4,311

Payment Details	Amount Automatically Paid
CDAA	\$1,078

Please see the attached Exhibit "C" for additional details. If you have any questions or need additional assistance, please contact the Grant Management Section at (916) 845-8110.

GRANT MANAGEMENT SECTION

Enclosures

cc: Applicant's File

PROJECT PAYMENT REPORT

Decl#: 1505 OES ID#: 079-91005 CDAA Supp#: 1

Small Project Amt.: 54,100 Applicant Name: San Simeon Community Services

OES Proj#	PW#	PW Ref#	Total Project Obligations to Date (Fed&CDAA)	Project Payments to Date (Fed&CDAA)	Reported Project Exp. to Date	Authorized CDAA Payment Amounts
1682	110	2	15,676	14,696	15,676	980
Total Project Payments:						980
Total Admin Allowance:						98
Total Authorized Payments:						1,078

Please Note: This report only includes projects for which payment has been approved - for a complete listing of PWs in this obligation package, please refer to the attached obligation report



APPLICATION NO. OES 079-91005
 SUPPLEMENT NUMBER 1
 DISASTER APPLICATION NO 1505 079-91005

State of California
 Office of
 Emergency Services

PROJECT APPLICATION APPROVAL
CALIFORNIA DISASTER ASSISTANCE ACT PROGRAM

1. APPLICANT'S NAME AND ADDRESS

San Simeon Community Services
 111 Pico Ave
 San Simeon, CA 93452

2. APPLICANT'S AGENT

John L. Wallace
 District Engineer

3. PROJECT SUMMARY
CATEGORY OF WORK

AMOUNT APPROVED BY STATE

A - DEBRIS REMOVAL	\$0
B - EMERGENCY PROTECTIVE MEASURES	\$0
C - ROAD SYSTEMS REPAIRS	\$0
D - DIKES, LEVEES & FLOOD CONTROL WORKS	\$0
E - PUBLIC BUILDINGS	\$980
F - UTILITIES	\$0
G - OTHER	\$0
ADMINISTRATIVE ALLOWANCE	\$98
TOTAL THIS SUPPLEMENT	\$1,078
TOTAL NOW APPROVED FOR APPLICATION	\$4,311

4. OES APPROVAL (Approved in accordance with attached Exhibit "C".)

SIGNATURE

DATE APPROVED October 8, 2004

TITLE: MANAGER, GRANT PAYMENTS UNIT

10/08/04

CDAO Obligation Summary (Exhibit "C")

Page: 1

CDAO No.: 079-91005

Applicant: San Simeon Community Services

FEMA-1505-DR-CA, FIPS# 079-91005

St. Supplement Date 10/07/04

St. Sup. #	Dam. Cat.	CDAO DSR#/PW#	FEMA DSR#/PW#	Total Obligation
------------	-----------	---------------	---------------	------------------

1	E	2	110	980
<u>Desc:</u> BUILDING REPAIR-WASTE WATER TREATMENT PLANT				

Subtotal for Category E 980

Subtotal for Supplement No. 1 980

Administrative Allowance (10%) 98

Total Supplement No. 1 1,078

Sup.1 Eligible Amount 980

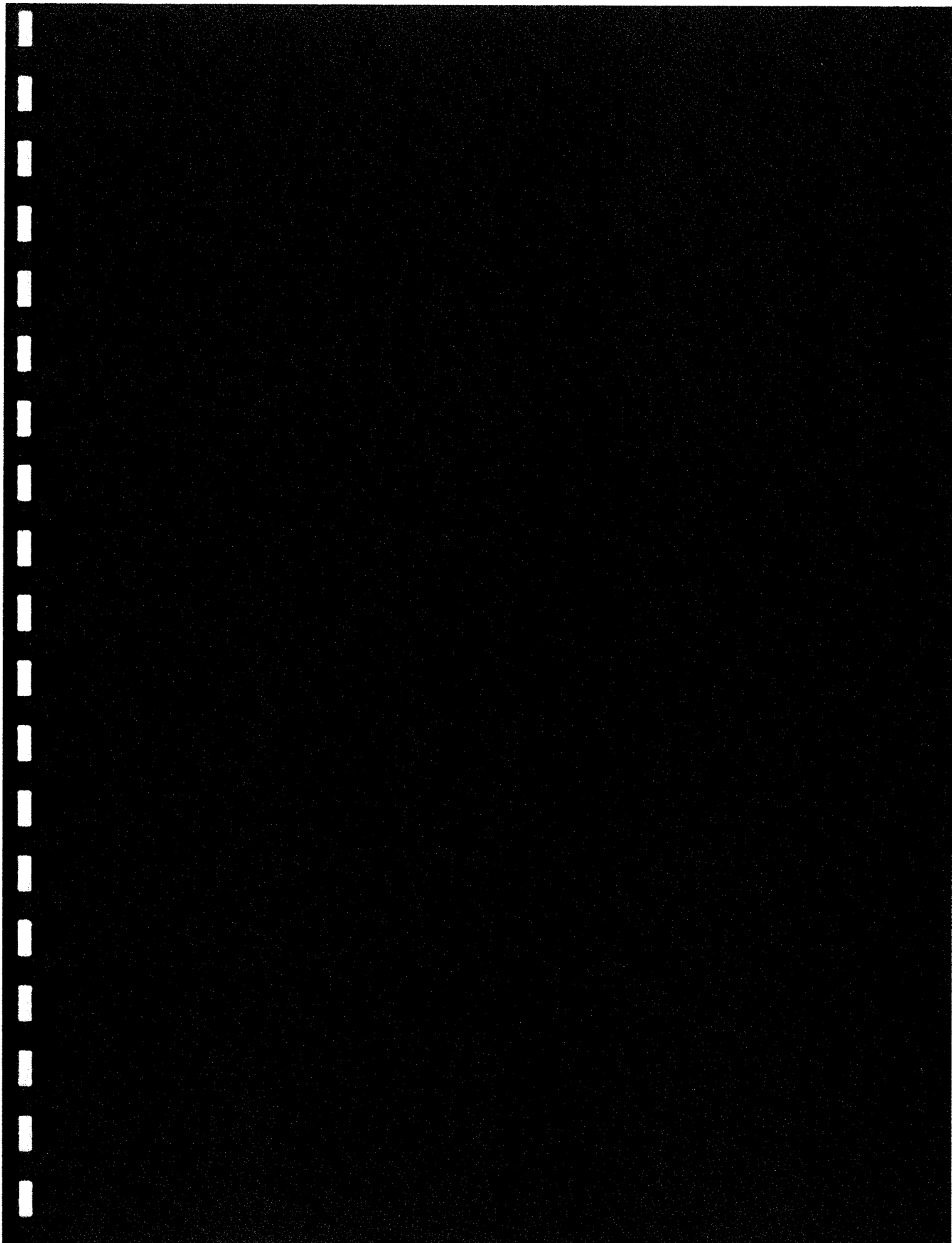
Sup.1 Administrative Allowance(10%) 98

Total Sup.1 1,078

Application Eligible Amount 3,919

Application Administrative Allowance(10%) 392

Total Application 4,311



VICTOR BACKHOE, INC.
991 LITTLE MORRO CREEK RD
MORRO BAY, CA 93442
LICENSE # 808923

Estimate

Date	Estimate #
10/7/2004	50

Name / Address
ECO RESOURCES, INC. SAN SIMEON CSD 111 PICO ROAD SAN SIMEON, CA 93425

Description	Qty	Rate	Project
			Total
<p>WE HEREBY SUBMIT ESTIMATES FOR REPLACING ONE 2" SERVICE LINE ON AVONNE AVE. BEHIND THE SILVER SURF MOTEL. THIS WILL REQUIRE A MAIN LINE SHUT DOWN TO REPLACE THE 6" x 2" A/C TEE WITH NEW PIPE & A 2" SADDLE WITH A CORP STOP. TEMPORARY ASPHALT PATCHING WITH COLD MIX.</p> <p>TOTAL PRICE AS REP PROPOSAL</p> <p>ALL MATERIAL IS GUARANTEED TO BE AS SPECIFIED. ALL WORK TO BE COMPLETED IN A WORKMANLIKE MANNER ACCORDING TO STANDARD PRACTICES. ANY ALTERATION OR DEVIATION FROM SPECIFICATIONS INVOLVING EXTRA COSTS, WILL BE EXECUTED ONLY UPON WRITTEN ORDERS, AND WILL BECOME AN EXTRA CHARGE OVER AND ABOVE THE ESTIMATE. ALL AGREEMENTS CONTINGENT UPON STRIKES, ACCIDENTS OR DELAYS BEYOND OUR CONTROL.</p> <p>NOTE: WE ARE NOT RESPONSIBLE FOR ANY ENGINEERING, SURVEYING, STAKING, ENDANGERED SPECIES, ENVIRONMENTAL, CULTURAL, MONITORING OR DAMAGE.</p>	1	2,607.00	2,607.00
<p>THANK YOU FOR THE OPPORTUNITY TO BID ON YOUR PROJECT.</p>			<p>Total \$2,607.00</p>

VICTOR BACKHOE, INC.
991 LITTLE MORRO CREEK RD
MORRO BAY, CA 93442
LICENSE # 808923

Estimate

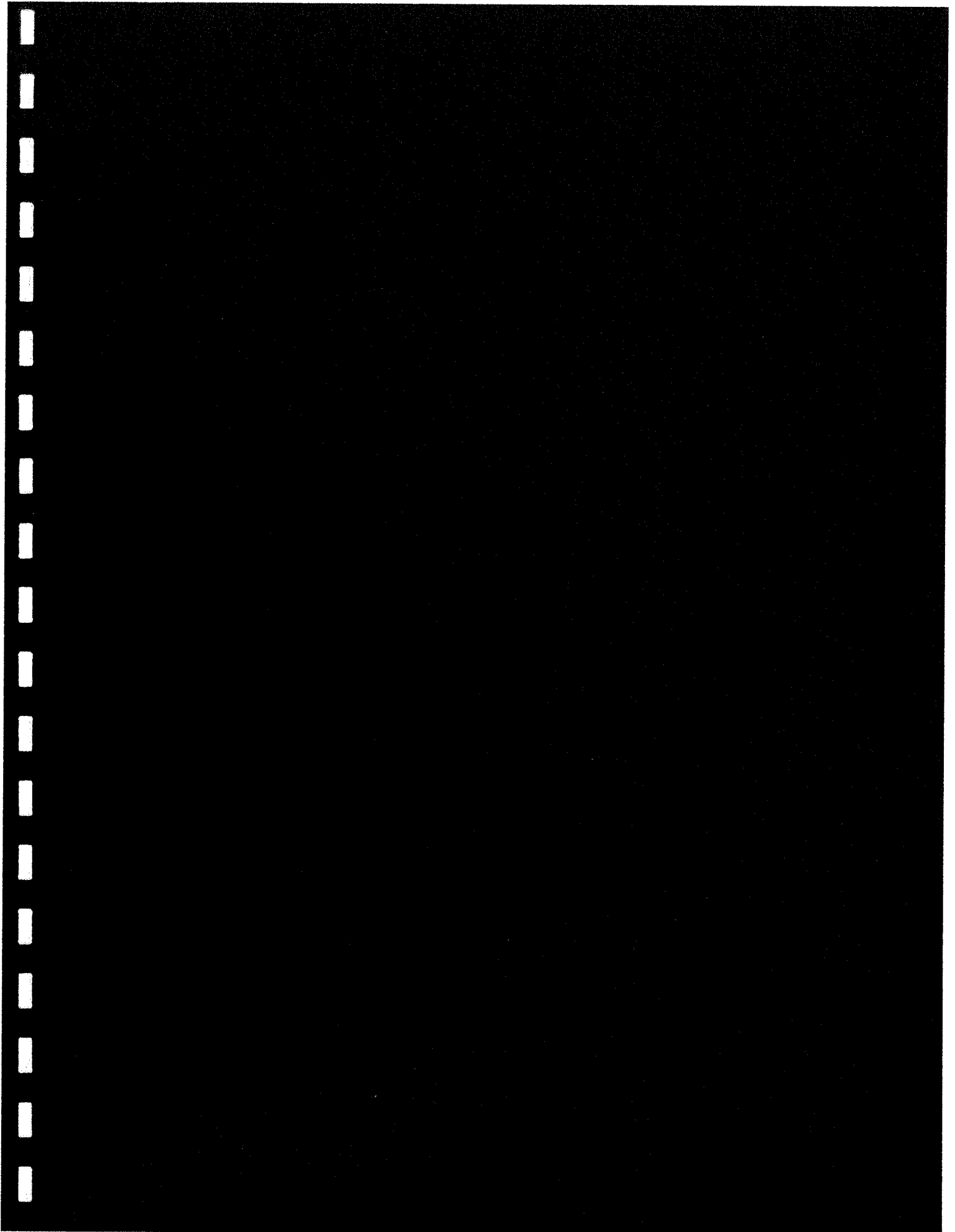
Date	Estimate #
10/7/2004	51

Name / Address
ECO RESOURCES, INC. SAN SIMEON CSD 111 PICO ROAD SAN SIMBON, CA 93425

Description	Qty	Rate	Project
			Total
<p>WE HEREBY SUBMIT ESTIMATES FOR INSTALLING A NEW 2" WATER SERVICE LINE FROM THE EXISTING 8" A/C WATER MAIN TO 4 WATER METERS AT 9231 BALBOA AVE.</p> <p>TOTAL PRICE AS PER PROPOSAL ALL MATERIAL IS GUARANTEED TO BE AS SPECIFIED. ALL WORK TO BE COMPLETED IN A WORKMANLIKE MANNER ACCORDING TO STANDARD PRACTICES. ANY ALTERATION OR DEVIATION FROM SPECIFICATIONS INVOLVING EXTRA COSTS, WILL BE EXECUTED ONLY UPON WRITTEN ORDERS, AND WILL BECOME AN EXTRA CHARGE OVER AND ABOVE THE ESTIMATE. ALL AGREEMENTS CONTINGENT UPON STRIKES, ACCIDENTS OR DELAYS BEYOND OUR CONTROL.</p> <p>NOTE: WE ARE NOT RESPONSIBLE FOR ANY ENGINEERING, SURVEYING, STAKING, ENDANGERED SPECIES, ENVIRONMENTAL, CULTURAL, MONITORING OR DAMAGE.</p>	1	2,420.00	2,420.00
<p>THANK YOU FOR THE OPPORTUNITY TO BID ON YOUR PROJECT.</p>			<p>Total \$2,420.00</p>

ITEM 7

- REVIEW OF KENEDY/JENKS REPORT
 - REVIEW OF SEA COAST REQUEST
 - REVIEW ENGINEERING FIRM LIST
- UPDATED PRIORITY ASSESSMENT OF THE KENNEDY/JENKS REPORT
 - BOARD COMMITTEE REPORTS
 - BOARD REPORTS





October 14, 2004

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

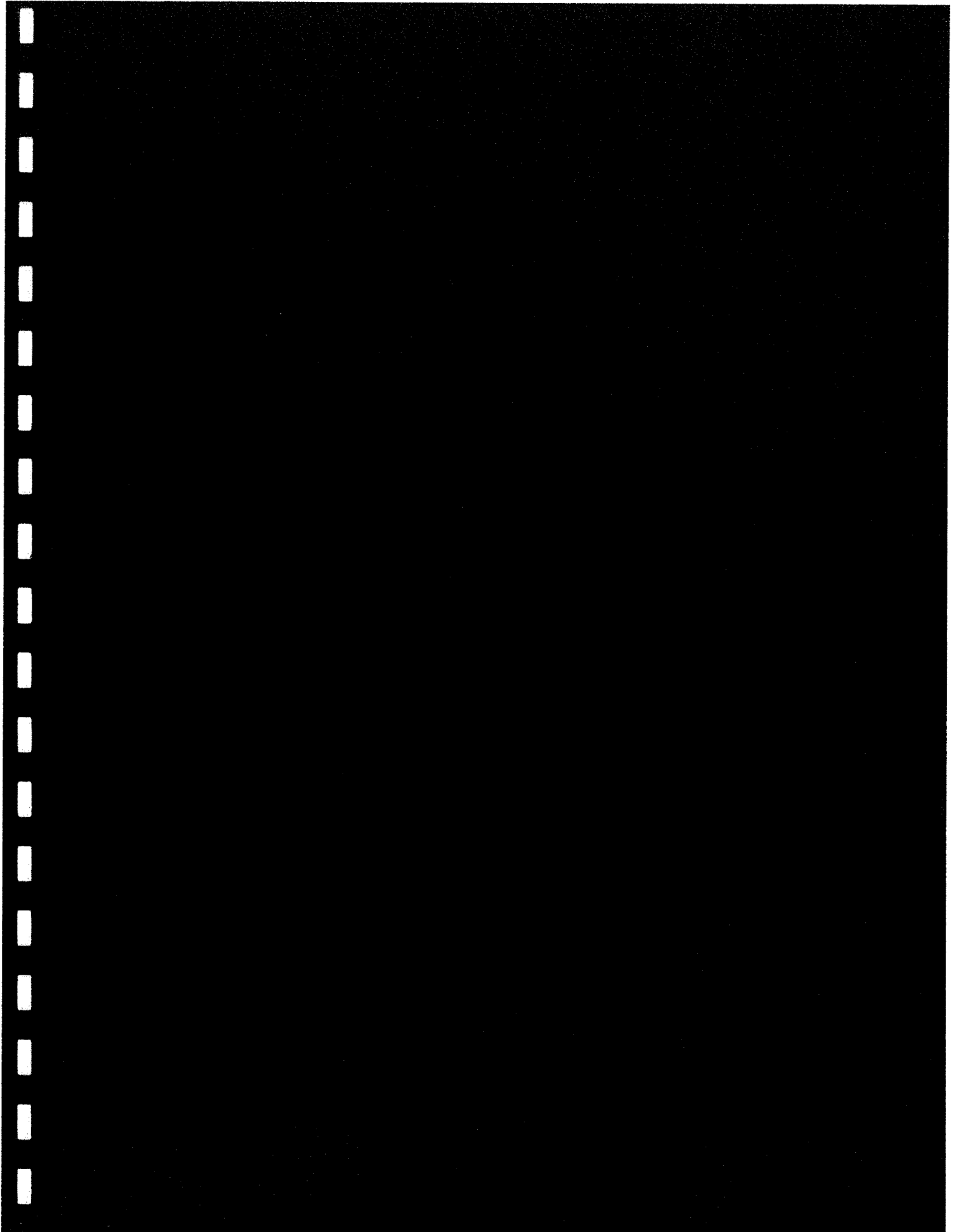
Dear Board of Directors:

The Sea Coast Lodge would like to install fire sprinklers throughout both of our buildings. This addition to our facility would benefit the safety of our community and guests. We would like to move forward with this immediately and appreciate your prompt approval of this request. Thank you for your time and consideration.

Sincerely,

A handwritten signature in cursive script that reads "Tom Aura".

Tom Aura
Vice President
Moonstone Hotel Properties



November 4, 2004

Board of Directors
San Simeon Community Services District

Dear Mr. President and Board Members

Per the Boards request we have developed a list of local engineering firms that are experienced in the disciplines required to evaluate and recommend a course of direction for the districts water and wastewater requirements.

Attn: Mike Nunley, PE
Boyle Engineering Corporation
1194 Pacific Street, Suite 204
San Luis Obispo, CA 93401

Cannon Associates
364 Pacific Street
San Luis Obispo, CA 93401

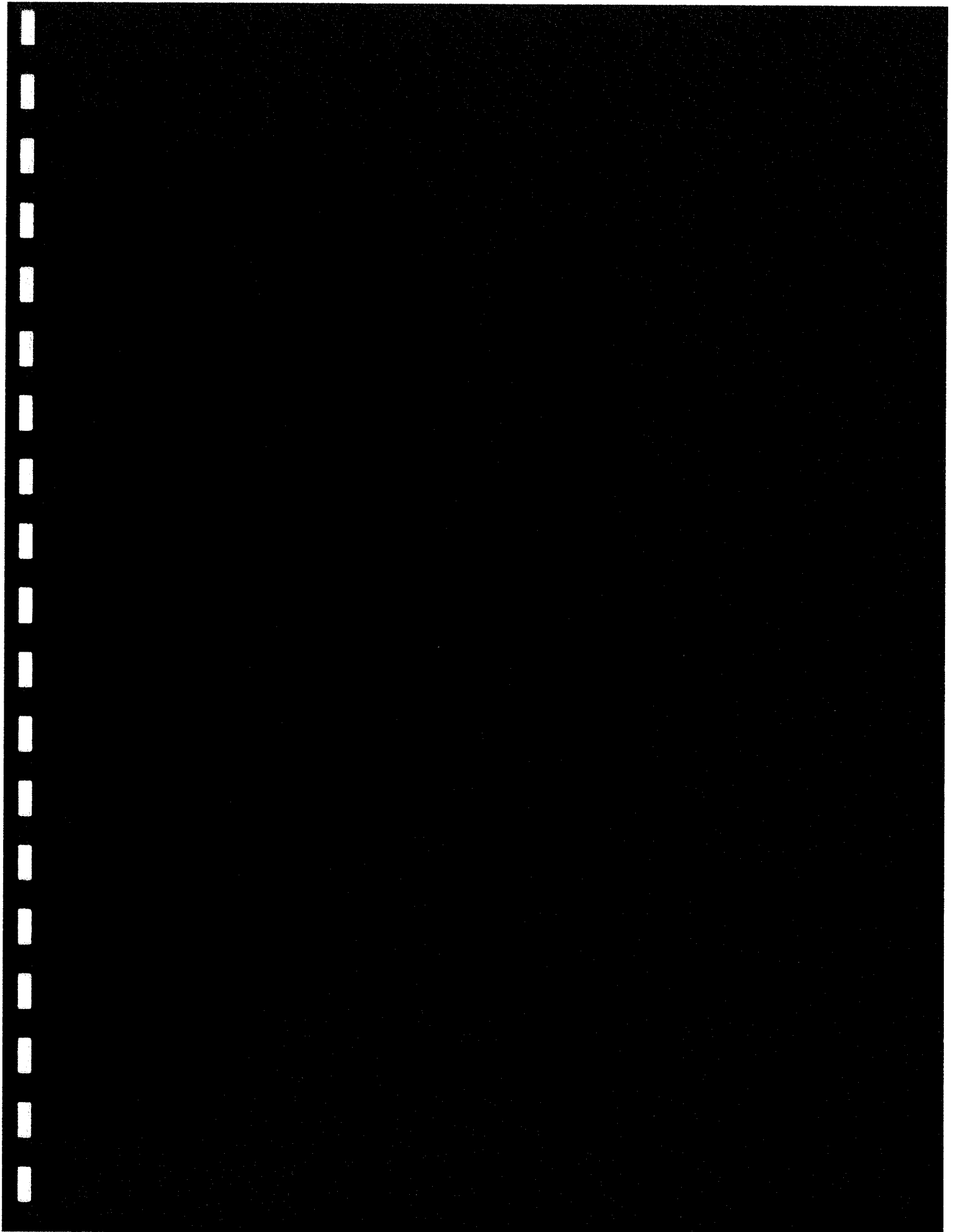
Garing & Taylor
141 South Elm Street
Arroyo Grande, CA 93420

North Coast Engineering
725 Creston Road, Suite B
Paso Robles, CA 93446

Sincerely,

Steve Richardson

Steven E. Richardson
Vice President, Western Region
ECO Resources, Inc.





4 November 2004

Board of Directors
San Simeon Community Services District

Dear Mr. President and Board Members,

We have reviewed the Kennedy Jenks according to the Board's priorities, and have added the cost items. As requested by the Board, we have further analyzed their proposals and, factoring in cost, have prioritized in order of importance.

ITEM	COMMENTS	PRIORITY	PRICE
Standby generator	RWQCB requirement	1	\$ 52,000
Outside lighting repair	Safety & OSHA issue	2	\$ 1,500
Remove old/unsafe wiring/equipment	Safety & OSHA issue	3	\$ 6,750
Realignment of non-code equipment	Code requirement	4	\$ 12,000
New transformer circuit breaker/conduit	Current equipment is inadequate	5	\$ 2,000
30 HP blower wiring; install VFDs	Operations requirement	6	\$ 4,500
New 60 HP blower VFD & DO meters	Operations reliability	7	\$ 7,500
General replacement of corroded items	Safety and operations reliability	8	\$ 1,800
Remove/relocate MCC	Safety & OSHA issue	9	\$ 5,500
Old air equipment	Could be removed	10	\$ 5,000
Main plant power	No action required	N/A	

We believe that items #2 and #8 can and should be completed as soon as possible by ECO under the terms of the Contract Maintenance and Repair fund; item #5 could also possibly fit in this category. The others are capital expenditures that need Board approval, either as an emergency item or standard process.

We are requesting: [a] an emergency action for item #1; [b] Board direction to proceed with preparing formal quotes for Board action on items #3 and #4; and [c] Board direction on whether and when to proceed with formal quotes for items #6, #7, and #9. We suggest that item #10 be considered in the next fiscal year, if and as appropriate.

Sincerely,

Steve Richardson

Steven E. Richardson
Vice President, Western Region
ECO Resources, Inc.

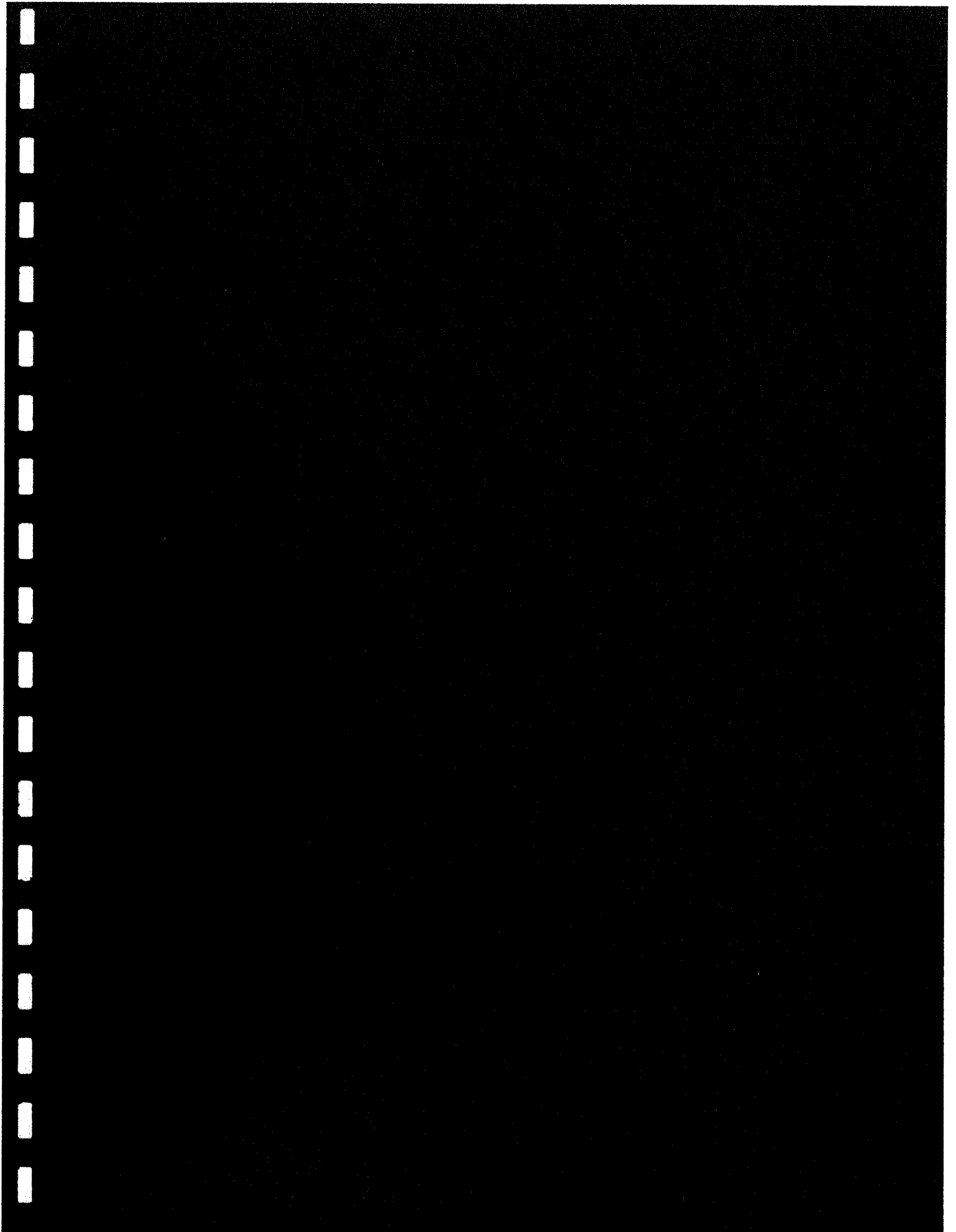
Cc: J. Whitaker & J. Morris, ECO

ITEM 8

- **BOARD/STAFF GENERAL DISCUSSION
& PROPOSED AGENDA ITEMS FOR
NEXT MEETING**

ITEM 9

ADJOURNMENT





California
Department of
Health Services

SANDRA SHEWRY
Director

State of California—Health and Human Services Agency
Department of Health Services



ARNOLD SCHWARZENEGGER
Governor

September 17, 2004

To: Public Water Systems

**Proposition 50 Grants
For Water Security, Safe Drinking Water, and
Contaminant Removal Technology**

Requests for Pre-applications

Through Proposition 50, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, approximately \$400 million has been made available to the California Department of Health Services (DHS) to award grants to public water systems for water security, safe drinking water, and contaminant removal technology projects.

DHS is now accepting pre-applications for nine Proposition 50 programs. Attached to this notice is a summary of the nine grant programs, a public workshop notice, a map of DHS district offices, and a small water system fact sheet.

Pre-applications are due on or before December 1, 2004 at 5:00 PM.

Grant pre-applications forms and instructions may be obtained at:

<http://www.dhs.ca.gov/ps/ddwem/Prop50/default.htm>

Electronic submittal of pre-applications is highly encouraged. A computer program for electronic submittals is available. To obtain a copy of the program, please visit the website listed above or send a request via e-mail to dwemcomm@dhs.ca.gov.

Public workshops will be held throughout California in October 2004. At the public workshops, DHS will explain the grant programs and provide instruction on completing pre-applications. Copies of the DHS Proposition 50 pre-application computer program will be available.

If you need assistance in obtaining or completing the pre-application forms, please contact the DHS district office for your area.

Sincerely,

David P. Spath, Ph.D., P.E., Chief
Division of Drinking Water and
Environmental Management



State of California—Health and Human Services Agency
 Department of Health Services
 Division of Drinking Water and Environmental Management

*** GRANT FUNDS AVAILABLE ***



California
 Department of
 Health Services

Sandra Shewry
 Director

ARNOLD SCHWARZENEGGER
 Governor

Proposition 50
Grants for Safe Drinking Water
Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002

Grant Opportunities for Small Water Systems

(Public Water Systems with 1,000 or fewer service connections or serving a population up to 3,300.)

In 2002 the voters of California approved Proposition 50 that provided, in part, \$430 million for grants for water systems to address water security, drinking water quality and quantity issues. The California Department of Health Services (DHS) is implementing the Prop 50 grant programs for water systems.

For Small Water Systems and Disadvantaged Communities:

- ▶ No matching funds required (other systems have a 1:1 match)
- ▶ Funds available over the next four years
- ▶ Proposals will be solicited annually beginning October 1, 2004

Opportunities for Small Water Systems Under All Grant Programs

- Small water systems are eligible for all grant programs. Water systems can apply under all programs, but can receive funding for a project from only one program.
- 25% of the funds for all programs, except Chapter 6.b, will be set-aside for disadvantaged communities (water system service area median household income is less than 80% of the statewide median household income).

Special Opportunities for Small Water Systems

Chapter 3 – Water Security

Projects that include interties between systems or that benefit five or more water systems (e.g. promote regional solutions) will be assigned bonus points for prioritization. This could be an opportunity for small systems to increase reliability by interconnecting with or purchasing water from other systems.

Chapter 4.a.1 – Small Community Water Systems

These funds are specifically allocated to small water systems to upgrade facilities for monitoring, treatment, or distribution. Specific criteria are:

- The water system must be in non-compliance with a safe drinking water standard.
- The current Safe Drinking Water State Revolving Fund (SDWSRF) categories will be used to rank projects. See website: <http://www.dhs.ca.gov/ps/ddwem/SRF/categories.html>
- Within a category, projects will be ranked from high-to-low by water system population, with largest population ranked first.

Limitations on Grant Funding

- Operations and Maintenance costs are not eligible expenses under this program.
- Applicants must demonstrate that their project will meet technical, managerial, and financial capacity (TMF). TMF capacity helps to ensure that a water system will be able to operate in compliance with requirements on a sustained and self-sustaining basis.
- There is a \$50,000 minimum for all grants except monitoring grant program. Monitoring grant minimum is \$5,000.
- A funding agreement will be executed once plans and specifications have been developed, a Water Supply Permit amendment processed (if needed), the overall project approved by DHS, and a CEQA review completed.
- Funds will be dispersed on a reimbursement basis (no advances).
- Most of the grant programs (listed below) are prioritized by population size (larger over smaller) to allow limited funds to benefit the maximum number of people.
- Projects serving disadvantaged communities (25% set aside) will be ranked separately.

Prop 50 Grant Opportunities for Small Water Systems

Grant Programs – There are nine (9) new grant programs pertaining to drinking water:

- **Chapter 3 – Water Security (\$50 million)**
For projects that prevent disruption of drinking water deliveries or protect drinking water supplies from intentional contamination.
- **Chapter 4.a.1 – Small Community Water Systems (\$14 million)**
For projects to upgrade monitoring, treatment, or distribution infrastructure
- **Chapter 4.a.2 – Contaminant Removal and Treatment (\$14 million)**
For development and demonstration of new technologies for contaminant removal and treatment
- **Chapter 4.a.3 – Community Water Systems (\$14 million)**
For water quality monitoring facilities and equipment
- **Chapter 4.a.4 – Drinking Water Source Protection (\$14 million)**
For projects that prevent contamination of drinking water supplies
- **Chapter 4.a.5 – Disinfection Byproduct (DBP) Treatment (\$14 million)**
For treatment facilities necessary to meet disinfection byproduct (DBP) safe drinking water standards
- **Chapter 4.b – Southern California Projects (\$260 million)**
For projects that assist in meeting drinking water standards and in meeting the state's commitment to reduce Colorado River water use to 4.4 million acre-feet (MAF) per year
- **Chapter 6.b – Treatment Technology (\$25 million)**
For pilot and demonstration projects for treatment or removal technology for contaminants
- **Chapter 6.c – UV and Ozone Disinfection (\$25 million)**
For drinking water disinfection projects using ultraviolet technology or ozone treatment

Additional Information and Pre-Application Forms

DHS will be contacting water systems, including small systems and systems serving disadvantaged communities, to encourage them to apply for these grant funds. Training and informational workshops will be held at 12 locations in the state during October 2004. Please see the Public Workshop Notice or our website for specific locations and times.

Location	Date	Location	Date
Berkeley	October 5	Los Angeles	October 21
Redding	October 7	Sacramento	October 22
Santa Rosa	October 8	San Diego	October 26
Eureka	October 12	El Centro	October 27
Fresno	October 19	San Bernardino	October 28
Salinas	October 20	San Luis Obispo	October 29

DHS has staff available to provide water systems with technical assistance to prepare a pre-application, complete TMF documentation, and if selected prepare a full application.

Additional information, including the final ranking criteria and pre-application forms, will be available by October 2004 via the Internet at <http://www.dhs.ca.gov/ps/ddwem/Prop50/default.htm>. You may also contact DHS by email or US Mail:

Email: dwemcomm@dhs.ca.gov

U.S. Mail: Department of Health Services
Division of Drinking Water and Environmental Management
Drinking Water Technical Programs Branch
MS 7416
P. O. Box 997413
Sacramento, CA 95899-7413

Information will be mailed to all public water systems by October 2004. For questions please call 916-449-5600 or use above website or mailing address.

**ATTACHMENT A:
Summary Table of Prop 50 Grant Programs
Department of Health Services**

DHS Prop 50 Grant Programs				
Grant Program	Eligible Applicants	Project Eligibility	Ranking Criteria	Funding Available
Chapter 3: Water Security	Public Water Systems	<ol style="list-style-type: none"> 1. These funds may be used for projects designed to prevent damage to water treatment, distribution, and supply facilities, to prevent disruption of drinking water deliveries, and to protect drinking water supplies from intentional contamination. 2. Eligible projects include: monitoring and early warning systems, fencing, protective structures, contamination treatment facilities, emergency inerties, and communications systems. 3. Grants cannot be used to supplant funding for the routine responsibilities or for projects previously required by a DHS compliance order, permit condition or regulation. 	<ol style="list-style-type: none"> 1. Projects will be ranked by bonus points, then by population benefiting from project. 2. Population for purposes of this grant program includes transient or seasonal populations. One bonus point will be assigned for each emergency intertie. Up to five bonus points can be assigned to projects consisting of emergency inerties. 4. Bonus points will only be assigned if the intertie(s) will supply at least 25 percent of the water demand for one of the recipient water systems or at least 10 million gallons per day. Five bonus points will be assigned to projects that benefit at least five other public water systems 5. 	<p>Approximate Total = \$50,000,000</p> <p>Minimum Grant = \$50,000 Maximum Grant = \$10,000,000</p> <p>1-to-1 match of nonstate funds required.</p> <p>25% of funds setaside for disadvantaged communities.</p> <p>No match required for disadvantaged communities or small water systems.</p>
Chapter 4a1: Small Community Water System Facilities	Small Community Water Systems (Community system serving <1,000 service connections or <=3,300 population)	<ol style="list-style-type: none"> 1. Grants to small community water systems to upgrade monitoring, treatment, or distribution infrastructure. 2. The water system must be in non-compliance with a safe drinking water standard. 	<ol style="list-style-type: none"> 1. The DWSRF categories will be used to rank projects. 2. Within a category, projects will be ranked by water system population, with largest population ranked first. 	<p>Approximate Total = \$14,000,000</p> <p>Minimum Grant = \$5,000 Maximum Grant = \$2,000,000</p> <p>25% of funds setaside for disadvantaged communities.</p> <p>No match required.</p>

<p>Chapter 4a2: Contaminant Treatment and Removal</p>	<p>Public Water Systems</p>	<p>Grants to finance development and demonstration of new treatment and related facilities for water contaminant removal and treatment.</p>	<ol style="list-style-type: none"> 1. The Prop 50/AB 1747 categories will be used to rank projects. 2. Within a category, projects will be ranked according to type of study. <ol style="list-style-type: none"> a. Demonstration projects > pilot studies->bench-scale studies. b. Applied research projects >basic research projects. 3. DHS will use a peer review panel to determine the final priority list. 	<p>Approximate Total = \$14,000,000 Minimum Grant = \$50,000 Maximum Grant = \$2,000,000 1-to-1 match of nonstate funds required. 25% of funds setaside for disadvantaged communities. No match required for disadvantaged communities or small water systems.</p>
<p>Chapter 4a3: Community Water System Monitoring Facilities</p>	<p>Community Water Systems</p>	<ol style="list-style-type: none"> 1. Grants for community water system water quality monitoring facilities and equipment. 2. The water system must be in non-compliance with a safe drinking water standard. 	<ol style="list-style-type: none"> 1. The Prop 50/AB 1747 categories will be used to rank projects. 2. Within a category, projects will be ranked by water system population, with largest population ranked first. 	<p>Approximate Total = \$14,000,000 Minimum Grant = \$5,000 Maximum Grant = \$2,000,000 1-to-1 match of nonstate funds required. 25% of funds setaside for disadvantaged communities. No match required for disadvantaged communities or small water systems.</p>
<p>Chapter 4a4: Drinking Water Source Protection</p>	<p>Public Water Systems</p>	<ol style="list-style-type: none"> 1. Grants for source water protection (SWP) projects to prevent contamination of the water supply. 2. For projects that prevent a Possible Contaminating Activity (PCA) from releasing contaminants, or to prevent contaminants that have been released from reaching the water supply. 3. Funds may be used for planning, preliminary engineering, detailed design, construction, education, land acquisition, conservation easements, equipment purchase, and implementing the elements of a SWP program. 4. Funds may not be used to clean up contamination, construct new sources, install treatment on existing sources, or to reconstruct or modify existing sources. 	<ol style="list-style-type: none"> 1. The SWP ranking categories will be used to rank projects. 2. Within a category, projects will be ranked by bonus points (highest first), then by system type (community water systems > non-transient non-community > transient non-community), then by population with largest population first. 3. Bonus points will be assigned as follows: 4. Bonus points if the contaminant has been released and is moving toward the drinking water source. <ol style="list-style-type: none"> 2 bonus points for local SWP task force or work group 2 bonus points for a written source water protection program 1 bonus point for each additional water system participating in the project up to a maximum of 3 point (for water supply used by multiple systems) 	<p>Approximate Total = \$14,000,000 Minimum Grant = \$50,000 Maximum Grant = \$2,000,000 1-to-1 match of nonstate funds required. 25% of funds setaside for disadvantaged communities. No match required for disadvantaged communities or small water systems.</p>

<p>Chapter 445: Disinfection Byproduct Treatment Facilities</p>	<p>Public Water Systems</p>	<ol style="list-style-type: none"> 1. Grants for treatment facilities necessary to meet disinfection byproduct (DBP) safe drinking water standards. 2. The water system must be in non-compliance with the US EPA Stage 1 DBP rule. 3. The project must follow all appropriate guidance for pathogen control. 4. If the project is receiving funds under Chapter 6, it is not eligible under this chapter. 	<ol style="list-style-type: none"> 1. Projects that address DBP violations will be ranked higher than projects where no DBP violation has occurred. Projects will then be ranked by theoretical cancer risk as follows. <ul style="list-style-type: none"> A theoretical cancer risk from regulated DBPs will be used as means of ranking projects. A risk will be calculated, based on the concentrations of regulated DBPs in the water system. 3. Calculate the theoretical cancer risk, based upon the average regulated DBP concentrations and cancer risk coefficients, using the table provided by DHS. 4. Projects with the highest risk will be ranked first. 5. In the event of a tie between projects, the projects will then be ranked by calculated cancer risk times the population served, with the higher values ranked first. 	<p>Approximate Total = \$14,000,000</p> <p>Minimum Grant = \$50,000 Maximum Grant = \$2,000,000</p> <p>1-to-1 match of nonstate funds required.</p> <p>25% of funds setaside for disadvantaged communities.</p> <p>No match required for disadvantaged communities or small water systems.</p>
<p>Chapter 4b: Southern California Projects to Reduce Demand on Colorado River</p>	<p>Public Water Systems with service area entirely or partly within Southern California counties: San Diego, Imperial, Riverside, Orange, Los Angeles, San Bernardino, Santa Barbara, or Ventura.</p>	<ol style="list-style-type: none"> 1. Eligible projects must assist grantee in meeting drinking water standards and in meeting the state's commitment to reduce Colorado River water use to 4.4 million acre-feet (MAF) per year. 	<ol style="list-style-type: none"> 1. Projects will be assigned points based on three criteria. The points for each criterion will be added together to determine a score for each project. The projects will then be ranked by that score from lowest to highest. <ul style="list-style-type: none"> Criterion 1 - Projects will be ranked by Prop 50/AB 1747 categories, and by water system population (from highest to lowest) within a category. Criterion 2 - Projects will be ranked by reduction of annual volume of Colorado River water demand. Criterion 3 - Projects will be ranked based on the cost per volume of demand reduced. 	<p>Approximate Total = \$260,000,000</p> <p>Minimum Grant = \$50,000 Maximum Grant = \$20,000,000</p> <p>1-to-1 match of nonstate funds required.</p> <p>25% of funds setaside for disadvantaged communities.</p> <p>No match required for disadvantaged communities or small water systems.</p>

<p>Chapter 6b: Contaminant Removal</p>	<p>Public Water Systems and Public Entities</p>	<ol style="list-style-type: none"> Grants for contaminant treatment or removal technology pilot and demonstration studies for the following categories of contaminants: <ol style="list-style-type: none"> Petroleum products, such as MTBE and BTEX NDMA Perchlorate Radionuclides Pesticides and herbicides Heavy metals, such as arsenic, mercury, and chromium Pharmaceuticals and endocrine disrupters The project must address an existing problem in California. 	<ol style="list-style-type: none"> Projects will be assigned points in accordance with Table 1. Projects will be ranked based on the number of points assigned to the proposal, with the largest points first. For proposals with the same number of points, demonstration projects will be ranked higher than pilot projects. DHS will use a peer review panel to determine the projects that will be invited for funding. No more than 30% of the funds within this subsection will be awarded to address a single contaminant category. 	<p>Approximate Total = \$25,000,000</p> <p>Minimum Grant = \$50,000 Maximum Grant = \$5,000,000</p> <p>1-to-1 match of nonstate funds required.</p> <p>No match required for disadvantaged communities or small water systems.</p>
<p>Chapter 6c: UV and Ozone Disinfection</p>	<p>Public Water Systems</p>	<ol style="list-style-type: none"> Grants for projects using UV or ozone disinfection of drinking water Projects must address an MCL compliance violation, surface water treatment microbial requirements, or other mandatory disinfection required by DHS or local primary agency county. The water system must demonstrate that it can operate and maintain the treatment facilities. Ozone treatment projects shall be designed and operated to minimize residual disinfection byproduct formation from the ozone treatment. 	<ol style="list-style-type: none"> UV projects have a higher priority than those projects using ozone. Ozone projects will not be funded until all eligible UV projects have been offered funds. Projects will be ranked in order as follows: <ol style="list-style-type: none"> Projects addressing Total Coliform Rule (TCR) violations caused by fecal contamination OR projects addressing violations of surface water treatment microbial requirements. Projects addressing other types of TCR violations. Projects addressing disinfection byproduct violations that necessitate a change in disinfectant. Projects addressing mandatory disinfection required by DHS or local primary agency county. Within a category, projects will be ranked by population, with the largest population first. 	<p>Approximate Total = \$25,000,000</p> <p>Minimum Grant = \$50,000 Maximum Grant = \$5,000,000</p> <p>1-to-1 match of nonstate funds required.</p> <p>25% of funds setaside for disadvantaged communities.</p> <p>No match required for disadvantaged communities or small water systems.</p>

**ATTACHMENT B:
DHS Field Offices**

State of California
**DEPARTMENT OF HEALTH SERVICES
DRINKING WATER PROGRAM DISTRICT OFFICES**

Headquarters Office
1616 Capitol Avenue, MS 7400
P.O. Box 997413
Sacramento, CA 95899
(916) 449-5600



- Region I - Mr. Carl Lischasko
- Region II - Ms. Catherine Ma
- Region III - Mr. Richard Haberman
- Region IV - Ms. Vera Melnyk-Vecchio
- Region V - Mr. John Curphey

District 01 - Klamath
Tony Wiedemann
415 Knollcrest Drive
Suite 110
Redding, CA 96002
(530) 224-4800

District 02 - Lassen
Michael McNamara
415 Knollcrest Drive
Suite 110
Redding, CA 96002
(530) 224-4800

District 03 - Mendocino
Bruce Burton
50 D Street, Suite 200
Santa Rosa, CA 95404
(707) 578-2145

District 21 - Valley
Richard Hinrichs
415 Knollcrest Drive
Suite 110
Redding, CA 96002
(530) 224-4800

District 09 - Sacramento
Brian Kinney
1616 Capitol Ave, MS 7407
P.O. Box 997413
Sacramento, CA 95899
(916) 449-5600

District 18 - Sonoma
Janice Oakley
50 D Street, Suite 200
Santa Rosa, CA 95404
(707) 578-2145

District 10 - Stockton
Joseph Spano
31 E. Channel Street
Room 270
Stockton, CA 95202
(209) 948-7696

District 04 - San Francisco
Kalyanpur Baiga
2151 Berkeley Way
Room 458
Berkeley, CA 94704
(510) 540-2158

District 11 - Merced
Carl Carlucci
1040 E. Herndon Ave
Suite 205
Fresno, CA 93720
(559) 447-3300

District 12 - Visalia
Jim Stiles
1040 E. Herndon Ave
Suite 205
Fresno, CA 93720
(559) 447-3300

District 17 - Santa Clara
Eric Lacy
2151 Berkeley Way
Room 458
Berkeley, CA 94704
(510) 540-2158

District 19 - Tehachapi
Jesse Dhalwal
1200 Discovery Dr
Suite 100
Bakersfield, CA 93309
(661) 335-7315

District 05 - Monterey
Betsy Lichli
1 Lower Ragsdale Dr.
Bldg. 1, Suite 120
Monterey, CA 93940
(831) 655-6939

District 13 - San Bernardino
Vacant
484 W. 4th Street, Room 437
San Bernardino, CA 92401
(909) 383-4328

District 08 - Santa Barbara
Kurt Souza
1180 Eugenia Place, Suite 200
Carpinteria, CA 93013
(805) 566-1328

District 07 - Hollywood
Joseph Crisologo
1449 W. Temple Street, Room 202
Los Angeles, CA 90026
(213) 580-5723

District 16 - Central
Heather Collins
1449 W. Temple Street, Room 202
Los Angeles, CA 90026
(213) 580-5723

District 06 - Santa Ana
Cor Shaffer
26 Civic Center Plaza
Room 325
Santa Ana, CA 92701
(714) 558-4410

District 14 - San Diego
Brian Bamados
1350 Front Street, Room 2050
San Diego, CA 92101
(619) 525-4159

District 20 - Riverside
Steve Williams
1350 Front Street, Room 2050
San Diego, CA 92101
(619) 525-4159

District 15 - Metropolitan
Jeff O'Keefe
1449 W. Temple Street, Room 202
Los Angeles, CA 90026
(213) 580-5723



California
Department of
Health Services

SANDRA SHEWRY
Director

State of California—Health and Human Services Agency
Department of Health Services

Prop 50 Public Workshops



ARNOLD SCHWARZENEGGER
Governor

Purpose

The California Department of Health Services (DHS) will be releasing pre-applications for nine new grant programs for public water systems on October 1, 2004. Public workshops are being held to inform water systems about the DHS Prop 50 grant programs, and to provide instruction on grant program criteria and procedures for completing and submitting pre-applications.

Where will the workshops be held?

Workshops will be held at 12 locations in the state:

Date	Time	Location	Address	Room
Oct. 5, 2004	10 AM – 3 PM	Berkeley	2151 Berkeley Way Dept. of Health Services building (RSVP required for security reasons—see next page for RSVP instructions)	Auditorium
Oct. 7, 2004	10 AM – 3 PM	Reading	20055 Viking Way City of Redding Corporation Yard	Training Room
Oct. 8, 2004	10 AM – 3 PM	Santa Rosa	50 D Street Rattigan State Building	Room 410
Oct. 12, 2004	10 AM – 3 PM	Eureka	531 K Street City of Eureka	City Council Chambers
Oct. 19, 2004	10 AM – 3 PM	Fresno	944 E. Perrin Avenue Woodward Park Library	Meeting Room
Oct. 20, 2004	10 AM – 3 PM	Salinas	1270 Natividad Road Monterey County Environmental Health	Multi-Purpose Room
Oct. 21, 2004	10 AM – 3 PM	Los Angeles	700 N. Alameda Street Union Station – MWD Offices (RSVP required—see next page for RSVP instructions) Also: please consider carpooling or taking the train, as parking is very limited.	MWD Board Room
Oct. 22, 2004	10 AM – 3 PM	Sacramento	1500 Capitol Avenue Department of Health Services	Building 172 Auditorium
Oct. 26, 2004	10 AM – 3 PM	San Diego	1350 Front Street Downtown State Building	Room B-107 (basement)
Oct. 27, 2004	10 AM – 3 PM	El Centro	935 Broadway Imperial County Public Health Dept.	Training Center
Oct. 28, 2004	10 AM – 3 PM	San Bernardino	385 N. Arrowhead Avenue, 1st floor Board of Supervisors' Chambers	Board Chambers
Oct. 29, 2004	8:30 AM – 12:30 PM	San Luis Obispo	995 Palm Street City of San Luis Obispo library	Meeting room

For maps, directions, and parking information, check the DHS Prop 50 website: <http://www.dhs.ca.gov/ps/ddwem/Prop50/>

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What topics will be covered?

Implementation of Prop 50 grant programs. Topics include:

- Description of criteria for new grant programs
- Pre-application forms and submittal process
- Flowchart for projects, from pre-application through project completion
- Eligibility of projects and project components
- Who to contact for assistance

Who should attend the workshops?

The workshops are directed to representatives of public water systems, but the general public is welcome to attend.

Which workshop should I attend?

Attend the session geographically closest to you, with the following exceptions.

- If you represent water systems in "Prop 50 Southern California Counties" (San Diego, Imperial, Riverside, Orange, Los Angeles, San Bernardino, Santa Barbara, or Ventura) plan to attend the Los Angeles, San Diego, El Centro, San Bernardino, San Luis Obispo, Fresno, or Sacramento workshops.
- If you represent water systems in the remaining counties, plan to attend the sessions in Eureka, Santa Rosa, Berkeley, Salinas, Redding, Fresno, San Luis Obispo, or Sacramento.
- If you represent water systems in both northern and southern California, plan to attend the Fresno, Sacramento, or San Luis Obispo workshops.

Is there any advantage to attending more than one workshop?

No. The same information will be presented at all workshops, with geographic differences for northern and southern California. The Fresno, Sacramento, and San Luis Obispo workshops will include presentations on all grant programs. Choose the workshop location based on the information in the previous response.

Do I have to attend a workshop in order to receive funding?

No. The workshops are for informational purposes only.

How do I get more information?

Consult the DHS Prop 50 website:

<http://www.dhs.ca.gov/ps/ddwem/Prop50/> OR

Contact DHS via e-mail at dwemcomm@dhs.ca.gov or by telephone at (916) 449-5600.

Do I need to RSVP?

RSVPs are required for the Berkeley and Los Angeles workshops.

For other workshops, RSVPs are requested, but not required.

To RSVP, at least 3 days before the workshop, send an e-mail to dwemcomm@dhs.ca.gov or call (916) 449-5600. In your message please state the name(s) of the person(s) attending, your water system name or the organization you are representing, and the location you will attend.

Note: Parking at the Los Angeles workshop (at Metropolitan Water District's office at Union Station) is limited. Please plan to carpool, take the train, or take other public transportation.