

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



BOARD PACKET

**Wednesday, June 10, 2015
Regular Meeting 6:00 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, June 10, 2015
6:00 pm

CAVALIER BANQUET ROOM
250 San Simeon Avenue
San Simeon, CA

1. REGULAR SESSION: 6:00 PM

A. Roll Call

B. Pledge of Allegiance

2. PUBLIC COMMENT:

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

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

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

3. BOARD PRESENTATIONS AND ANNOUNCEMENTS:

4. STAFF REPORTS

A. General Manager's Report

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

2. **Update** – Wellhead treatment system project.

3. **Update** from USDA and WRAC Grants for Wellhead Treatment systems project.

4. **Update** – Well 2 sanitary seal project.

5. **Update** – Notice of Violation from Coastal Commission regarding Wastewater Treatment Plant Rip Rap installation.

B. Superintendent's Report

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

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

3. District Maintenance – Summary of District maintenance for May.

C. District Financial Summary – Update on Monthly Financial Status for close of business May 31, 2015.

D. District Counsel's Report

5. ITEMS OF BUSINESS

A. Approval of last month's minutes – May 13, 2015.

B. Approval of Disbursements Journal – June 10, 2015.

C. Public Hearing on 2015-2016 Fiscal Budget.

6. DISCUSSION/ACTION ITEMS

A. Consideration of Adoption of Resolution 15-374 Fiscal Budget 2015-2016.

B. Consideration of approval of Land Commission Agreement for Wastewater Treatment Plant Outfall Line and authorization for the District Chairperson to execute the agreement.

C. Consideration of approval of Wellhead Treatment Equipment Bid;

- **Wigen Water Process Solutions \$298,770.00**
- **H2O Engineering \$347,444.68**

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

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

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

10. ADJOURNMENT

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

4A. GENERAL MANAGER'S REPORT

Charles Grace

- 1. Staff Activity** – Report on Staff activities for the month of May.
- 2. Update** – Wellhead treatment system project.
- 3. Update** from USDA and WRAC Grants for Wellhead Treatment systems project.
- 4. Update** – Well 2 sanitary seal project.
- 5. Update** – Notice of Violation from Coastal Commission regarding Wastewater Treatment Plant Rip Rap installation.

4A. GENERAL MANAGER'S REPORT

June 10, 2015

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

During the month of May, Administrative Staff distributed water billing, weed abatement notices and responded to multiple customer service calls. The Consumer Confidence Report was distributed to all District water users and all postings and certifications were completed. The Administrator attended a WRAC and IRWM meeting along with several Grant meetings.

All Staff worked on District Weed abatement at the office and around District streets, property and easements. Property owner follow up is still in process.

2. Wellhead treatment system project update.

The bid package for the wellhead treatment unit was advertised with a response due date of May 21. Two of four vendors that were directly sent a bid package responded. Those bids are included as part of the Discussion Action Items. PG&E has scheduled their estimator to review the project location.

3. USDA and WRAC Grants for Wellhead Treatment systems project update.

The USDA has asked for more reports from Staff regarding District financial project allocation. The Administrator submitted the report as requested. The USDA is in the process of finalizing the Districts Grant letter. Proposed grant funds of \$500,000 towards the Wellhead treatment project are expected.

The Water Regional Advisory Council (WRAC) grant process continues. The Administrator is up to date on reports and all other submittals to the County. The County's Grant writer began writing the Grant on behalf of all the County projects. Staff will assist the Grant Writer as much as possible to keep costs below \$25,000. The Grant Writer has already begun sending Staff the Grant application templates. The Grant application is due in August. Projected date of Grant fund determination is around October.

4. Well 2 sanitary seal project update.

Enloe, the Well drilling contractor is tied up on other projects and has not submitted plans to the Phoenix Engineering. Staff will work with Enloe to discuss an updated time frame and Liquidated Damages.

5. Notice of Violation from Coastal Commission regarding Wastewater Treatment Plant Rip Rap installation update.

Staff has requested a list of documents from the Coastal Commissioner. The District has received estimates from Phoenix Engineering to update plans and estimates from Earth Systems to update their March 2008 study that was submitted with the previous 2008 CDP (Coastal Development Permit) application. Those combined estimates total \$20,410.

Staff will work with Earth Systems to identify tasks that could not be performed by their firm and solicit a bid from a third firm. Once estimates are received, consideration will be given to re-submitting a CDP application with existing material to solicit a formal response or updating the previously submitted material and submitting the CDP.

4B. SUPERTINTENDENT'S REPORT
Jerry Copeland
Facilities Update for May

- 1. Wastewater Treatment Plant Update**
- 2. Water Distribution System Update**
- 3. District & Equipment Maintenance Update**

4B. SUPERINTENDENT'S REPORT

Activities of May 2015

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.
- Annual proficiency testing for the wastewater treatment plant laboratory was performed.
- One load of sludge was hauled away this month.

Water 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.
- Chloride levels are monitored throughout the system.

District and Equipment Maintenance

- Staff continues with all of the scheduled preventive maintenance for all the equipment at the facilities. We are recording all of these activities.
- The various no parking area curbs around the District were painted.

San Simeon Community Services District

Superintendent's Report

May 2015

MONTHLY DATA REPORT

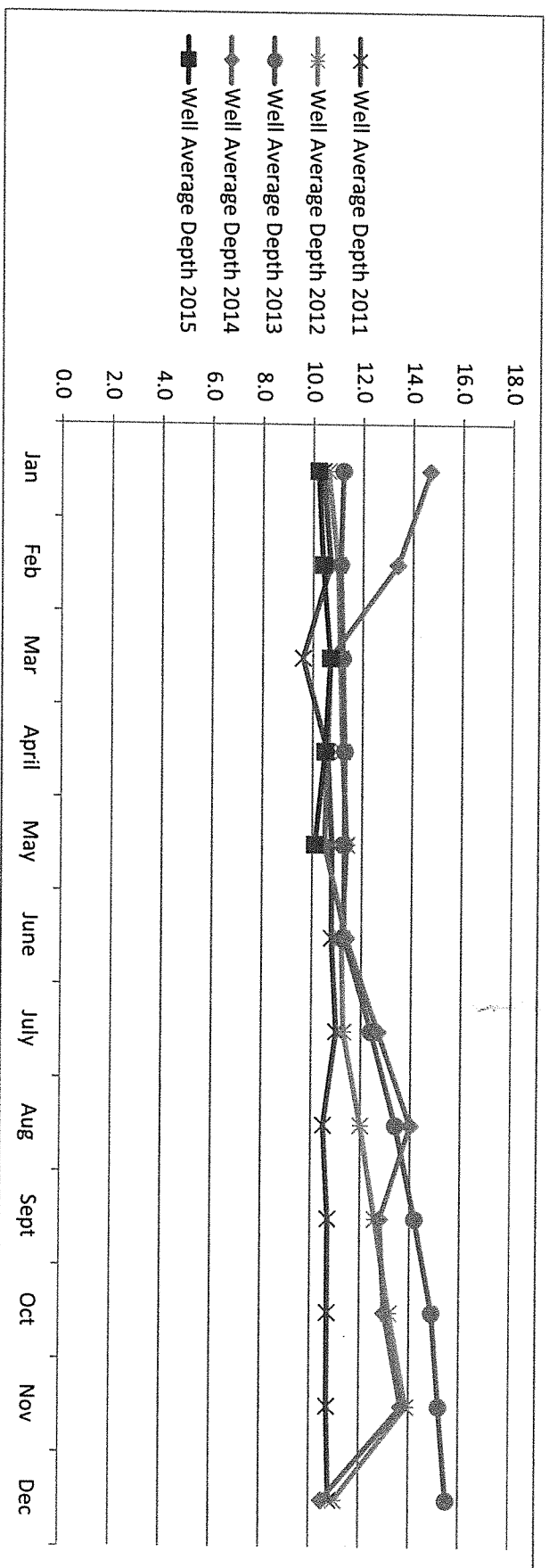
Date	Day	Wastewater Influent Daily flow	Wastewater Effluent Daily Flow	CALCULATED			CALCULATED Total Daily Water Produced	Chloride Wells		Recycled Water Distributed	Water Level Well 1	Water Level Well 2	Rainfall in Inches	INPUT State Sewer Daily Flow
				Well 1 Total Pumped	Well 2 Total Pumped	Well 3 Total Pumped		1	2					
05/01/15	Fri	90,151	77,670	78,390	0	0	78,390	1	254	0	10.1	10.0	0.00	11,527
05/02/15	Sat	92,192	90,480	0	82,504	0	82,504			0	10.1	10.1	0.00	12,142
05/03/15	Sun	90,885	89,000	77,418	0	0	77,418			0	10.1	10.0	0.00	4,441
05/04/15	Mon	76,621	77,380	0	82,579	0	82,579	254	235	0	9.9	9.9	0.00	6,964
05/05/15	Tue	77,946	71,480	82,280	1,346	0	83,626	235	235	5,945	9.9	9.9	0.00	6,661
05/06/15	Wed	93,577	79,400	70,387	0	0	70,387	294	129	0	10.0	9.9	0.00	5,141
05/07/15	Thu	98,302	71,220	0	71,509	0	71,509	235	235	3,285	10.1	10.0	0.00	3,380
05/08/15	Fri	84,986	76,890	72,182	0	0	72,182		235	0	10.0	10.0	0.00	6,620
05/09/15	Sat	85,350	77,870	0	81,756	0	81,756	235	231	0	10.0	9.9	0.00	3,380
05/10/15	Sun	87,798	88,070	80,335	0	0	80,335		231	0	10.0	10.0	0.00	11,884
05/11/15	Mon	107,802	72,590	0	78,764	0	78,764	249	231	0	10.0	10.0	0.00	11,387
05/12/15	Tue	118,397	64,540	79,213	0	0	79,213	231	231	275	10.1	10.0	0.00	3,632
05/13/15	Wed	112,248	65,040	0	80,784	0	80,784	231	249	0	10.1	10.1	0.00	3,471
05/14/15	Thu	78,598	73,470	80,560	0	0	80,560		231	0	10.1	10.1	0.00	4,218
05/15/15	Fri	98,018	78,060	0	85,945	0	85,945	231	231	0	10.1	10.0	0.00	4,558
05/16/15	Sat	93,256	89,850	87,666	0	0	87,666		231	0	10.1	10.0	0.00	10,892
05/17/15	Sun	96,244	90,270	0	81,682	0	81,682			0	10.1	10.1	0.00	14,641
05/18/15	Mon	82,177	71,680	81,756	0	0	81,756			0	10.1	10.0	0.00	7,283
05/19/15	Tue	91,776	90,680	0	86,693	0	86,693	231		4,115	10.1	10.1	0.00	11,171
05/20/15	Wed	72,183	75,010	82,280	0	0	82,280	231	231	3,345	10.1	10.1	0.00	7,297
05/21/15	Thu	93,008	74,720	0	86,618	0	86,618	231		2,990	10.2	10.1	0.00	5,197
05/22/15	Fri	105,023	92,800	86,768	0	0	86,768		214	0	10.2	10.1	0.00	4,648
05/23/15	Sat	87,816	99,140	0	89,162	0	89,162			0	10.2	10.1	0.00	15,979
05/24/15	Sun	161,061	138,850	85,796	20,944	0	106,740			0	10.2	10.1	0.00	22,548
05/25/15	Mon	77,686	91,330	0	78,166	0	78,166			0	10.2	10.2	0.00	23,939
05/26/15	Tue	93,338	82,090	82,205	0	0	82,205	231	231	0	10.2	10.2	0.00	17,395
05/27/15	Wed	73,033	71,370	6,657	84,150	0	90,807	231		6,835	10.3	10.2	0.00	6,373
05/28/15	Thu	82,273	75,430	74,501	0	0	74,501	231	231	3,250	10.3	10.2	0.00	2,674
05/29/15	Fri	75,017	73,080	0	80,260	0	80,260	231		0	10.3	10.2	0.00	4,590
05/30/15	Sat	102,193	89,580	84,075	0	0	84,075			0	10.3	10.2	0.00	8,862
05/31/15	Sun	99,018	92,750	0	86,394	0	86,394			0	10.3	10.2	0.00	12,403
TOTALS		2,877,973	2,551,790	1,292,469	1,259,258	0	2,300,998			30,040			0.00	275,298
Average		92,838	82,316	41,693	40,621	0	82,178	241	226	969	10.1	10.1	0.00	8,881
Minimum		72,183	64,540	0	0	0	70,387	231	129	0	9.9	9.9	0.00	2,674
Maximum		161,061	138,850	87,666	89,162	0	78,390	294	254	6,835	10.3	10.2	0.00	23,939

DATA SUMMARY SHEET

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Total for 2015
2015													
Wastewater Influent	2,278,607	2,137,631	2,579,655	2,698,683	2,877,973								12,572,549
Wastewater Final Effluent (Month Cycle)	2,078,820	2,179,270	2,419,750	2,596,880	2,551,790								11,826,510
Adjusted Wastewater Influent (- State Flow) *	2,129,329	2,015,656	2,386,629	2,457,477	2,602,675								11,591,766
Water Produced (month cycle)	1,881,724	2,054,121	2,163,830	2,273,769	2,300,998								10,674,442
Sewer Influent/Water Produced Ratio	1.21	1.04	1.19	1.19	1.25								N/A
Adjusted Sewer/Water Produced Ratio	1.13	0.98	1.10	1.08	1.13								N/A
Well 1 Water Pumped	446,937	991,526	1,495,126	1,192,985	1,292,469.2								5,419,043
Well 2 Water Pumped	772,287	1,030,395	1,048,165	1,169,722	1,259,258								5,279,826
Well 3 Water Pumped	662,500	32,200	0	0	0								694,700
Total Well Production	1,881,724	2,054,121	2,163,830	2,273,769	2,300,998								10,674,442
Water Well 1 Avg Depth to Water	10.2	10.4	10.7	10.5	10.1								N/A
Water Well 2 Avg Depth to Water	10.2	10.3	10.6	10.5	10.1								N/A
Average Depth of Both Wells	10.2	10.4	10.7	10.5	10.1								N/A
Change in Average Well Depth from 2014	-4.5	-2.9	0.0	+0.1	+0.4								N/A
Average Chloride mg/L at the Wells	844	576	342	268	234								N/A
State Wastewater Treated	149,278	121,975	193,026	241,206	275,298								980,783
State % of Total WW Flow	7%	6%	8%	9%	10%								N/A
Recycled Water Sold (Gallons)	10,710	3,070	9,775	12,945	30,040								66,540
Biosolids Removal (Gallons)	0	6,000	6,000	6,000	6,000								24,000
WW Permit Limitation Exceeded	0	0	0	0	0								N/A
Constituent Exceeded	None	None	None	None	None								N/A
Sample Limit	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
2014													
Wastewater Influent	2,038,514	2,129,638	2,312,484	2,560,476	2,551,268	2,827,071	3,032,345	2,978,001	2,438,979	2,319,178	2,327,707	2,981,479	Total for 2014 30,497,140
Wastewater Final Effluent (Month Cycle)	2,086,880	2,250,320	2,347,710	2,548,090	2,475,100	2,547,800	3,024,620	2,859,870	2,344,990	2,259,290	1,919,400	2,667,890	29,331,940
Adjusted Wastewater Influent (- State Flow) *	1,776,470	1,863,820	1,938,110	2,204,983	2,198,940	2,428,604	2,790,878	2,840,506	2,303,254	2,192,612	2,213,479	2,757,165	27,508,821
Water Produced (month cycle)	1,892,141	1,737,158	1,745,682	1,941,958	2,196,613	2,314,014	2,731,098	2,729,715	2,192,595	2,182,907	1,721,518	1,728,672	25,114,070
Sewer Influent/Water Produced Ratio	1.10	1.23	1.32	1.32	1.16	1.22	1.11	1.09	1.11	1.06	1.35	1.77	N/A
Adjusted Sewer/Water Ratio	0.94	1.10	1.10	1.14	1.00	1.04	1.02	1.04	1.05	1.01	1.29	1.60	N/A
Average Depth of Both Wells	14.7	13.3	10.7	10.6	10.5	11.4	12.7	14.0	12.8	13.0	13.7	10.5	N/A
Average Chloride mg/L at the Wells									1036	1964	2776	1965	N/A
Change in Average Well Depth from 2013	+3.4	+2.2	-0.5	-0.7	-0.8	-0.1	+0.3	+0.6	-1.4	-1.9	-1.5	-5.0	N/A
State Wastewater Treated	262,044	265,818	311,282	355,493	352,328	398,467	241,467	137,495	135,725	126,566	114,228	224,314	2,925,227
State % of Total WW Flow	13%	13%	16%	14%	14%	14%	8%	5%	6%	6%	5%	8%	N/A
Recycled Water Sold (Gallons)	0	0	0	125	5785	10420	29555	44145	36080	38705	9080	0	173,895
Biosolids Removal (Gallons)	0	0	12,000	12,000	6,000	6,000	12,000	6,000	6,000	6,000	0	0	72,000
WW Permit Limitation Exceeded	0	0	0	0	0	0	0	0	0	0	0	0	0
Constituent Exceeded	None	None	None	None	None	None	None	None	None	None	None	None	N/A
Sample Limit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sample Result	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Well Average Depth 2011	10.4	10.7	9.6	10.6	10.8	10.8	11.0	10.5	10.7	10.7	10.7	10.8
Well Average Depth 2012	10.6	11.0	11.1	11.2	11.4	11.2	11.3	12.0	12.6	13.2	13.9	11.0
Well Average Depth 2013	11.2	11.1	11.2	11.3	11.3	11.3	12.4	13.4	14.2	14.9	15.2	15.5
Well Average Depth 2014	14.7	13.4	10.7	10.6	10.5	11.4	12.7	14.0	12.8	13.0	13.7	10.5
Well Average Depth 2015	10.2	10.4	10.7	10.5	10.1							



4C. DISTRICT FINANCIALS
Renee Samaniego
May 31, 2015

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

SAN SIMEON COMMUNITY SERVICES DISTRICT



4C. FINANCIAL SUMMARY

**BILLING
May 31, 2015**

April Billing Revenue	\$ 70,633.56
May Billing Revenue	\$ 62,232.09
Past Due (31 to 60 days)	\$ 158.47
Past Due (60 days)	\$ 180.81

**RABOBANK SUMMARY
Ending Balances May 31, 2015**

Summary of Transactions:

Money Marketing Account Closing Balance April 30, 2015	\$ 757,502.99
Interest for April 2015	\$ 132.41

Money Marketing Account Closing Balance May 31, 2015	\$ 757,635.40
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Reserve Fund	(\$ 250,000.00)
Hook up Deposits	(\$ 45,750.00)
Available Funds	\$ 461,885.40

General Checking Account	\$ 94,356.55
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Well Rehab Project/USDA Checking Account	\$ 100.05
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LAIF Closing Balance May 31, 2015	\$ 519.51
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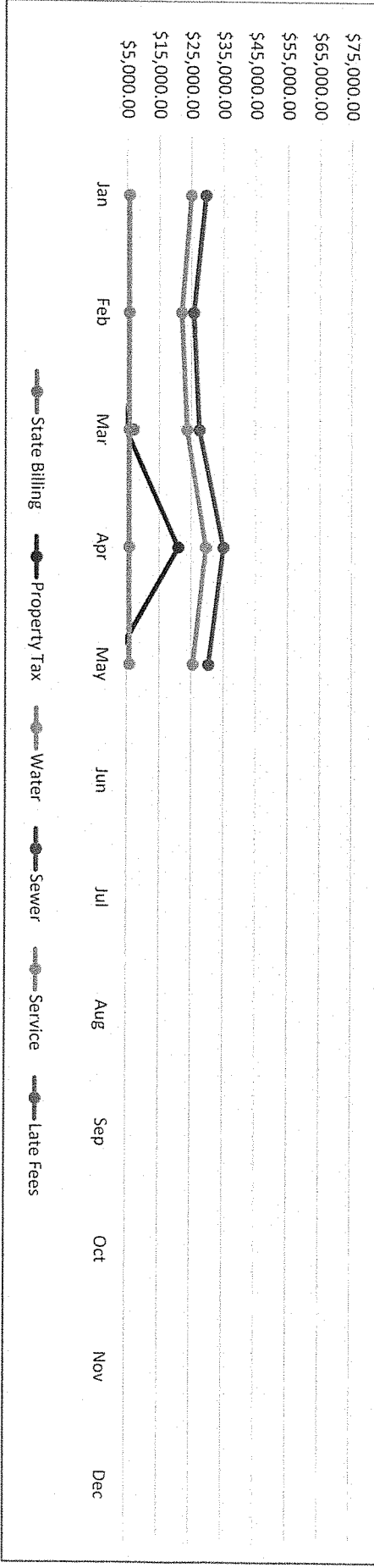
SAN SIMEON COMMUNITY SERVICES DISTRICT
Balance Sheet
As of May 31, 2015

May 31, 15

ASSETS	
Current Assets	
Checking/Savings	
1010 · Petty cash	150.00
1020 · General checking	87,296.65
1022 · USDA checking	10,445.05
1040 · Cash in county treasury	(3,053.68)
1050 · LAIF - non-restricted cash	518.24
1060 · Money Market Account 9548643039	757,502.99
Total Checking/Savings	852,859.25
Other Current Assets	
1200 · Accounts receivable	59,962.84
1220 · A/R - Hearst Castle	7,042.78
1300 · Prepaid expenses	736.93
Total Other Current Assets	67,742.55
Total Current Assets	920,601.80
Fixed Assets	
1400 · Fixed assets	
1420 · Building and structures	395,874.73
1500 · Equipment	316,747.53
1540 · Major water projects	145,068.22
1580 · Sewer plant	1,488,555.08
1600 · Water system	550,390.00
1620 · WWTP expansion	299,565.92
1630 · Tertiary Project	261,723.62
1640 · Wellhead project	444,972.08
Total 1400 · Fixed assets	3,902,897.18
1650 · Walkway access projects	11,511.00
1660 · RO Unit	9,170.00
1690 · Accumulated depreciation	(2,029,988.96)
Total Fixed Assets	1,893,589.22
Other Assets	
1710 · Customer deposits	100.00
Total Other Assets	100.00
TOTAL ASSETS	2,814,291.02
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2100 · Payroll liabilities	260.10
2500 · Customer security deposits	10,108.13
2510 · Connect hookup wait list	45,750.00
2520 · USDA Loan	479,310.00
Total Other Current Liabilities	535,428.23
Total Current Liabilities	535,428.23
Total Liabilities	535,428.23
Equity	
3200 · Fund balance	2,332,653.26
3900 · Suspense	2,744.76
Net Income	(56,535.23)
Total Equity	2,278,862.79
TOTAL LIABILITIES & EQUITY	2,814,291.02

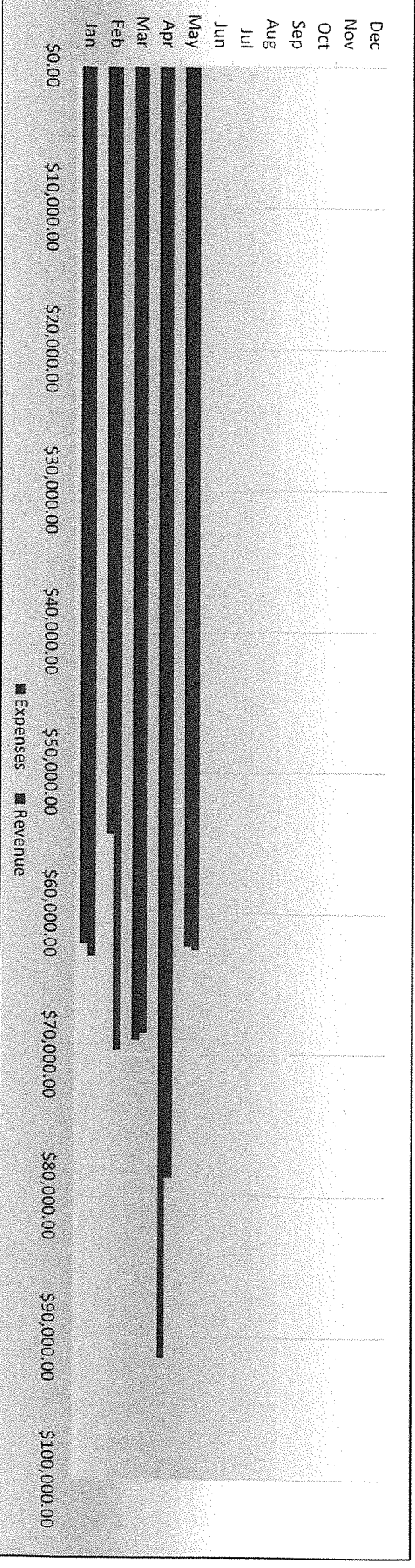
2015 DISTRICT REVENUE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
State Billing			\$7,042.78	\$20,998.8	\$444.16								\$7,042.78
Property Tax	\$1,698.01	\$680.91	\$4,730.41	\$29,614.9	\$25,535.8								\$28,552.24
Water	\$24,980.7	\$22,031.4	\$23,713.3	\$35,077.2	\$30,393.1								\$125,876.06
Sewer	\$29,619.7	\$25,800.7	\$27,563.4	\$5,747.7	\$5,802.4								\$148,453.97
Service	\$5,775.1	\$5,747.7	\$5,747.7	\$19.45	\$192.3								\$28,820.61
Late Fees	\$78.2	\$106.6	\$194.3	\$19.45	\$192.3								\$590.86
Total	\$62,151.65	\$54,367.29	\$68,991.83	\$91,457.99	\$62,367.76								\$339,336.52
Water Sold Cu Ft	255324	224325	240675	300989	260697								1282010
Water Sold Acre ft	5.86	5.15	5.53	6.91	5.98								29.43



REVENUE VS EXPENSES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Revenue	\$62,151.65	\$54,367.29	\$68,991.83	\$91,457.99	\$62,367.76								\$339,336.52
Expenses	\$62,999.58	\$69,646.10	\$68,440.42	\$78,744.51	\$62,608.05								\$342,438.66
Balance	-\$847.93	-\$15,278.81	\$551.41	\$12,713.48	-\$240.29								-\$3,102.14



**SAN SIMEON COMMUNITY SERVICES
HISTORICAL FISCAL REVIEW**

Month	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fiscal Total
Water	\$23,422.1	\$24,495.2	\$24,323.5	\$18,281.7	\$17,712.1	\$13,309.5	\$14,079.9	\$14,436.8	\$14,580.3	\$15,978.4	\$17,181.9	\$20,045.1	\$217,846.3
Sewer	\$21,589.4	\$22,706.9	\$22,330.6	\$16,837.1	\$17,839.7	\$13,259.2	\$14,010.9	\$14,599.5	\$13,759.0	\$16,248.7	\$17,077.0	\$20,232.7	\$210,490.6
Service	\$3,835.7	\$3,820.5	\$3,802.2	\$3,802.2	\$3,802.2	\$3,857.1	\$3,820.5	\$3,838.8	\$3,802.2	\$3,802.2	\$3,820.5	\$3,802.2	\$45,806.6
Total	\$48,847.2	\$51,022.6	\$50,456.4	\$38,921.0	\$39,354.1	\$30,425.7	\$31,911.3	\$32,875.1	\$32,141.5	\$36,029.3	\$38,079.4	\$44,080.0	\$474,143.4
Water Sold Cu Ft	370034	403035	381961	302816	275704	203414	216577	220129	214084	243460	269171	304596	3,404,981
Water Sold acre ft	8.49	9.25	8.77	6.95	6.33	4.67	4.97	5.05	4.91	5.59	6.18	6.99	78.17

Month	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fiscal Total
Water	\$29,080.9	\$30,541.4	\$24,905.3	\$23,664.7	\$18,603.5	\$18,224.2	\$18,368.8	\$17,712.9	\$14,752.5	\$20,943.1	\$19,569.8	\$24,471.6	\$260,838.8
Sewer	\$30,694.0	\$32,170.1	\$26,341.4	\$24,926.1	\$19,583.4	\$19,169.6	\$19,403.2	\$16,370.8	\$15,243.1	\$22,112.6	\$20,266.8	\$25,270.9	\$271,552.0
Service	\$4,272.0	\$4,231.1	\$4,251.5	\$4,251.5	\$4,251.5	\$4,272.0	\$4,251.5	\$4,272.0	\$4,251.5	\$4,251.5	\$4,251.5	\$4,292.4	\$51,100.0
Total	\$64,046.8	\$66,942.6	\$55,498.2	\$52,842.4	\$42,438.4	\$41,665.8	\$42,023.5	\$38,355.7	\$34,247.2	\$47,307.2	\$44,088.1	\$54,034.9	\$583,490.8
Water Sold Cu Ft	394069	413435	337511	319681	252655	247832	248528	225987	201323	285397	264824	329516	3,520,708
Water Sold acre ft	9.05	9.49	7.75	7.34	5.80	5.69	5.71	5.19	4.62	6.55	6.08	7.56	80.82

Month	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fiscal Total
Water	\$30,164.0	\$31,860.6	\$27,236.4	\$23,180.2	\$19,172.8	\$13,606.3	\$18,102.6	\$20,631.4	\$17,394.1	\$23,008.4	\$23,384.4	\$29,603.5	\$277,344.6
Sewer	\$32,911.6	\$34,733.9	\$29,563.0	\$25,730.9	\$21,158.5	\$14,923.0	\$20,172.8	\$21,705.5	\$18,903.2	\$25,168.5	\$24,914.3	\$32,350.8	\$302,236.0
Service	\$4,792.3	\$4,792.3	\$4,815.4	\$4,815.4	\$4,792.3	\$4,815.4	\$4,792.3	\$4,769.3	\$4,769.3	\$4,792.3	\$4,815.4	\$4,792.3	\$57,553.9
Total	\$67,867.9	\$71,386.8	\$61,614.7	\$53,726.5	\$45,123.6	\$33,344.7	\$43,067.8	\$47,106.2	\$41,066.6	\$52,969.2	\$53,114.0	\$66,746.6	\$637,134.5
Water Sold Cu Ft	361479	380540	324880	279821	232827	165658	220099	216680	209256	285145	279829	354134	3,309,808
Water Sold acre ft	8.30	8.74	7.46	6.42	5.34	3.80	5.05	4.97	4.80	6.55	6.42	8.13	75.98

Month	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fiscal Total
State Billing			\$27,981.20			\$21,530.45	\$1,327.66	\$1,155.6	\$2,632.2	\$21,054.4	\$912.0	\$21,530.5	\$94,167.7
Property Tax	\$8,069.77	\$51.86	\$1,503.31	\$3,859.65	\$5,718.15	\$25,445.32	\$19,076.2	\$16,337.8	\$22,890.1	\$21,881.1	\$25,417.3	\$195.0	\$71,925.1
Water	\$36,628.9	\$36,833.3	\$28,053.5	\$24,908.9	\$20,549.4	\$17,417.0	\$21,971.3	\$19,076.2	\$19,215.2	\$27,214.3	\$26,016.0	\$30,425.9	\$340,973.7
Sewer	\$40,084.9	\$43,613.3	\$33,179.7	\$29,636.1	\$23,946.3	\$20,191.1	\$25,116.2	\$22,334.7	\$19,215.2	\$27,214.3	\$26,016.0	\$30,425.9	\$340,973.7
Service	\$5,436.9	\$5,366.4	\$5,366.4	\$5,366.4	\$5,366.4	\$5,366.4	\$5,366.4	\$5,366.4	\$5,366.4	\$5,366.4	\$5,392.20	\$5,392.20	\$64,518.9
Late Fees	\$59.8	\$110.4	\$120.6	\$71.4	\$17.4	\$101.1	\$155.8	\$100.38	\$93.94	\$413.64	\$896.41	\$139.15	\$2,380.0
Total	\$90,280.3	\$85,975.3	\$96,204.7	\$63,842.4	\$55,697.7	\$90,051.4	\$53,937.3	\$48,033.3	\$66,771.2	\$76,938.8	\$55,097.7	\$83,100.0	\$865,930.0
Water Sold Cu Ft	373741	396714	303256	269689	222002	188500	223200	206900	177200	248063	236917	275338	3,121,520
Water Sold acre ft	8.58	9.11	6.96	6.19	5.10	4.33	5.12	4.75	4.07	5.69	5.44	6.32	71.66

Month	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fiscal Total
State Billing			\$9,972.00			\$6,480.49	\$1,698.01	\$680.91	\$4,730.41	\$20,998.8	\$444.16		\$23,495.3
Property Tax	\$1,749.86		\$170.96	\$4,304.07	\$6,305.04	\$30,755.69	\$24,980.7	\$22,031.4	\$23,713.3	\$29,614.9	\$25,535.8		\$281,884.7
Water	\$34,524.9	\$30,347.3	\$26,979.2	\$24,551.7	\$23,063.4	\$16,542.2	\$24,980.7	\$25,800.7	\$27,563.4	\$35,077.2	\$30,393.1		\$334,928.6
Sewer	\$41,554.7	\$36,609.6	\$32,364.6	\$29,124.2	\$27,266.3	\$19,555.3	\$29,619.7	\$25,800.7	\$27,563.4	\$35,077.2	\$30,393.1		\$334,928.6
Service	\$5,773.5	\$5,747.7	\$5,747.7	\$5,747.7	\$5,775.1	\$5,747.7	\$5,775.1	\$5,747.7	\$5,747.7	\$5,747.70	\$5,802.4		\$63,360.0
Late Fees	\$124.0	\$44.8	\$94.8	\$153.1	\$221.7	\$168.2	\$78.2	\$106.6	\$194.3	\$19.45	\$192.3		\$1,397.3
Total	\$83,726.9	\$72,749.4	\$75,329.2	\$63,880.8	\$62,631.5	\$79,249.6	\$62,151.65	\$54,367.29	\$68,991.83	\$91,458.0	\$62,367.8		\$776,903.8
Water Sold Cu Ft	352622	309962	275523	250905	235552	169443	255324	224325	240675	300989	260697		2,876,017.0
Water Sold Acre ft	8.10	7.12	6.33	5.76	5.41	3.89	5.86	5.15	5.53	6.91	5.98		66.0

2014 / 2015

2013 / 2014

2012 / 2013

2011 / 2012

2010 / 2011

5. ITEMS OF BUSINESS

- A. Approval of last month's minutes – May 13, 2015.**
- B. Approval of Disbursements Journal – June 10, 2015.**
- C. Public Hearing on 2015-2016 Fiscal Budget.**

MINUTES
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
Wednesday, June 10, 2015
6:00 pm

CAVALIER BANQUET ROOM
250 San Simeon Avenue
San Simeon, CA

1. REGULAR SESSION@ 6:00 PM

A. Roll Call:

Chairperson McAdams - present	General Manager, Charles Grace
Vice-Chair Fields - present	District Counsel, Heather Whitham
Director Williams - present	Sheriff Representative, Commander Taylor
Director Patel - present	
Director Price - present	

B. Pledge of Allegiance

2. PUBLIC COMMENT:

Mrs. Ricci thanked District Staff for the dog leash signs that were put up on the East side of the highway. She hopes that this will encourage people to keep their dogs on a leash and also pick up after them.

A. Sheriff's Report – Report for May.

With fire season upon us, the Sheriff would like to remind homeowners that the dispatch facility has the ability to inform the public directly by sending a phone message to each land line and cell phone in the County to inform persons of evacuation orders for fires and other emergencies. This service is provided through reverse 911. Commander Taylor encourages everyone to sign up; you can log on to SLOsheriff.org.

There were 68 calls for service. (The service area covers from San Simeon to Ragged Point.) Included in these numbers are; 15 traffics stops by deputies, 4 pedestrian contacts by deputies, 1 alarm call, 2 disturbing the peace, 1 theft (tourist license plate), 1 defrauding an Innkeeper,

One (1) Burglary was reported. Suspect broke into a restaurant and stole beer. The Suspect was surprised by the cook and fled. Suspect was described as a white male about 30 years, brown hair with mustache and goatee, about 6'0". With break-in damage plus beer, \$300 total damage.

B. Public comment on Sheriff's Report - None

3. BOARD PRESENTATIONS AND ANNOUNCEMENTS: None

4. STAFF REPORTS

A. General Manager's Report

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

During the month of May, Administrative Staff distributed water billing, weed abatement notices and responded to multiple customer service calls. The Consumer Confidence Report was distributed to all District water users and all postings and certifications were completed. The Administrator attended a WRAC and IRWM meeting along with several Grant meetings.

All Staff worked on District Weed abatement at the office and around District streets, property and easements. Property owner follow up is still in process.

2. Wellhead treatment system project update.

The bid package for the wellhead treatment unit was advertised with a response due date of May 21. Two of four vendors that were directly sent a bid package responded. Those bids are included as part of the Discussion Action Items. PG&E has scheduled their estimator to review the project location.

3. USDA and WRAC Grants for Wellhead Treatment systems project update.

The USDA has asked for more reports from Staff regarding District financial project allocation. The Administrator submitted the report as requested. The USDA is in the process of finalizing the District's Grant letter. Proposed grant funds of \$500,000 towards the Wellhead treatment project are expected.

The Water Regional Advisory Council (WRAC) grant process continues. The Administrator is up to date on reports and all other submittals to the County. The County's Grant writer began writing the Grant on behalf of all the County projects. Staff will assist the Grant Writer as much as possible to keep costs below \$25,000. The Grant Writer has already began sending Staff the Grant application templates. The Grant application is due in August. Projected date of Grant fund determination is around October.

4. Well 2 sanitary seal project update.

Enloe, the Well drilling contractor is tied up on other projects and has not submitted plans to Phoenix Engineering. Staff will work with Enloe to discuss an updated time frame and Liquidated Damages.

5. Notice of Violation from Coastal Commission regarding Wastewater Treatment Plant Rip Rap installation update.

Staff has requested a list of documents from the Coastal Commissioner. The District has received estimates from Phoenix Engineering to update plans and estimates from Earth Systems to update their March 2008 study that was submitted with the previous 2008 CDP (Coastal Development Permit) application. Those combined estimates total \$20,410.

Staff will work with Earth Systems to identify tasks that could not be performed by their firm and solicit a bid from a third firm. Once estimates are received, consideration will be given to re-submitting a CDP application with existing material to solicit a formal response or updating the previously submitted material and submitting the CDP.

B. Superintendent’s Report

1. Wastewater Treatment Plant

- All sampling, testing and reporting at the wastewater treatment plant and the recycled water facility was performed as required by the RWQCB.
- Annual proficiency testing for the wastewater treatment plant laboratory was performed.
- One load of sludge was hauled away this month.

2. Water 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.
- Chloride levels are monitored throughout the system.

3. District and Equipment Maintenance

- Staff continues with all of the scheduled preventive maintenance for all the equipment at the facilities. We are recording all of these activities.
- The various no parking area curbs around the District were painted.

C. District Financial Summary – Update on Monthly Financial Status for close of business May 31, 2015.

April Billing Revenue	\$ 70,633.56
May Billing Revenue	\$ 62,232.09
Past Due (31 to 60 days)	\$ 158.47
Past Due (60 days)	\$ 180.81

RABOBANK SUMMARY: Ending Balances May 31, 2015

Summary of Transactions:

Money Marketing Account Closing Balance April 30, 2015	\$ 757,502.99
Interest for April 2015	\$ 132.41

Money Marketing Account Closing Balance May 31, 2015	\$ 757,635.40
Reserve Fund	(\$ 250,000.00)
Hook up Deposits	(\$ 45,750.00)
Available Funds	\$ 461,885.40

General Checking Account	\$ 94,356.55
Well Rehab Project/USDA Checking Account	\$ 100.05
<hr/>	
LAIF Closing Balance May 31, 2015	\$ 519.51

D. District Counsel’s Report

Counsel assisted Staff; with the Public Hearing Summary for the District Fiscal Budget, June Agenda, and State Land Commission Lease.

There is no word yet on the judgement against Ultura. Courts are backed up at this time.

5. ITEMS OF BUSINESS

A. Approval of last month’s minutes – May 13, 2015.

A motion was made to approve minutes as presented.

Motion by: Director Price

2nd by: Vice-Chair Fields

All in favor: 3/2 2 abstained because of absence Director Patel ad Director Williams

B. Approval of Disbursements Journal – June 10, 2015.

A motion was made to approve Disbursements Journal as presented.

Motion by: Director Patel

2nd by: Director Williams

All in favor: 5/0

C. Public Hearing on 2015-2016 Fiscal Budget.

There was no comment from the public. A motion was made to close the public comment on the 2015-2016 Fiscal Budget.

Motion by: Director Williams

2nd by: Director Price

All in favor: 5/0

6. DISCUSSION/ACTION ITEMS

A. Consideration of Adoption of Resolution 15-374 Fiscal Budget 2015-2016.

During the May 10, 2015 Board Meeting, a preliminary Fiscal 2015 – 2016 District Budget was presented for comment. The Budget Committee received all comments and/or changes by the Board. Government Code Section 61110 requires notice and a public hearing prior to adopting

the budget. Staff posted the required notice for the newspaper to publish, posted in 4 areas around the District and on the District website.

Since there was no public comment, Staff recommends approval of Resolution No.14-364 adopting the 2015-2016 District Budget.

A motion was made to approve the 2015-2016 Fiscal Budget

Motion by: Director Williams

2nd by: Chairperson McAdams

All in favor: 5/0

B. Consideration of approval of Land Commission Agreement for Wastewater Treatment Plant Outfall Line and authorization for the District Chairperson to execute the agreement.

The Wastewater Treatment Plant Outfall Line Lease is being extended for an additional 20 years. Included in this agreement are new requirements for the annual inspection using high definition video and voice overlay as well as a structural inspection every five years. Staff recommends approval of the agreement.

A motion was made to approve and sign the Land Commission Agreement for the Wastewater Treatment Plant Outfall Line.

Motion by: Vice-Chair Fields

2nd by: Director Price

All in favor: 5/0

C. Consideration of approval of Wellhead Treatment Equipment Bid;

- **Wigen Water Process Solutions \$298,770.00**
- **H2O Engineering \$347,444.68**

Two bids were received for the treatment unit which is the major component of the overall Wellhead Treatment Project. Staff and Phoenix Engineering have reviewed the bids (Wigen Water Process Solutions \$298,770.00 and H2O Engineering \$347,444.68) and found both bids to be complete. Approval of a bid will allow Staff to seek funding for Board approval and move forward with the overall project design and planning. Staff recommends approval of Wigen Water Process Solutions bid package.

A motion was made to accept the proposal from Wigen Water Process Solutions bid package, but no purchase yet.

Motion by: Chairperson McAdams

2nd by: Director Price

All in favor: 5/0

7. Board Committee Reports from Committee Members - None

8. Oral Report from Board Members on current issues - None

9. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS-

The General Manager mentioned that he was working on the Pico Street Stair repairs. He is starting the Coastal development permit process.

10. ADJOURNMENT @ 7:12 PM

SAN SIMEON COMMUNITY SERVICES DISTRICT
Disbursements Journal
June 10, 2015

Type	Date	Num	Name	Memo	Amount	Balance
					Beginning Balance	\$ 94,356.55
Bill Pmt	05/26/2015	7285	California Coastal Commission	51 pages/document copies	13.77	\$ 94,342.78
Bill Pmt	06/01/2015	7286	Carmel & Naccassa. LLP	Monthly Legal (May), # 19435	1,800.00	\$ 92,542.78
Bill Pmt	06/01/2015	7287	Earth Systems Pacific, Inc.	Geo Report for RO Unit	5,700.00	\$ 86,842.78
Bill Pmt	06/01/2015	7288	Grace Environmental	June 2015 Services	47,762.00	\$ 39,080.78
Bill Pmt	06/01/2015	7289	I.R.J. Engineers Inc.	Electrical Eng. Design RO unit	2,268.75	\$ 36,812.03
Bill Pmt	06/01/2015	7290	MICHAEL O'NEILL	Monthly Web maintenance	320.00	\$ 36,492.03
Bill Pmt	06/01/2015	7291	Phoenix Civil Engineering, Inc	Eng. Design RO Unit	1,655.00	\$ 34,837.03
Bill Pmt	06/01/2015	7292	Ray Salazar Jr.	Deposit Return Acct 138	50.00	\$ 34,787.03
Bill Pmt	06/01/2015	7293	Robert Stilts, CPA	May Bookkeeping	1,200.00	\$ 33,587.03
Bill Pmt	06/01/2015	7294	The Tribune	Postings: Ord 116, RO Bids	1,249.78	\$ 32,337.25
Bill Pmt	06/01/2015	7295	Tim Postiff	Deposit Return Acct 339	50.00	\$ 32,287.25
Bill Pmt	06/01/2015	7296	Wayne Craveiro	Deposit Return Acct 317	50.00	\$ 32,237.25
Bill Pmt	06/01/2015	7297	Carmel & Naccassa. LLP	Ultura Litigation	27.00	\$ 32,210.25
Paycheck	06/01/2015	7298	ALAN FIELDS	Board monthly service	92.35	\$ 32,117.90
Paycheck	06/01/2015	7299	DAN WILLIAMS	Board monthly service	92.35	\$ 32,025.55
Paycheck	06/01/2015	7300	KAUSHIK S PATEL	Board monthly service	92.35	\$ 31,933.20
Paycheck	06/01/2015	7301	LEROY E PRICE	Board monthly service	92.35	\$ 31,840.85
Paycheck	06/01/2015	7302	RALPH N MCADAMS	Board monthly service	92.35	\$ 31,748.50
Total					62,608.05	\$ 31,748.50

6. DISCUSSION & ACTION ITEMS

A. Consideration of Adoption of Resolution 15-374 Fiscal Budget 2015-2016.

B. Consideration of approval of Land Commission Agreement for Wastewater Treatment Plant Outfall Line and authorization for the District Chairperson to execute the agreement.

C. Consideration of approval of Wellhead Treatment Equipment Bid:

- **Wigen Water Process Solutions \$298,770.00**
- **H2O Engineering \$347,444.68**

6. DISCUSSION/ACTION ITEMS

June 10, 2015

A. Consideration of Adoption of Resolution 15-374 Fiscal Budget 2015-2016.

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Staff recommends approval of Resolution No.14-364 adopting the 2015-2016 District Budget.

B. Consideration of approval of California State Lands Commission Agreement for Wastewater Treatment Plant Outfall Line and authorization for the District Chairperson to execute the agreement.

The Wastewater Treatment Plant Outfall Line Lease is being extended for an additional 20 years. Included in this agreement are new requirements for the annual inspection using high definition video and voice overlay as well as a structural inspection every five years. Staff recommends approval of the agreement.

C. Consideration of approval of Wellhead Treatment Equipment Bid.

Two bids were received for the treatment unit which is the major component of the overall Wellhead Treatment Project. Staff and Phoenix Engineering have reviewed the bids (Wigen Water Process Solutions \$298,770.00 and H2O Engineering \$347,444.68) and found both bids to be complete. Approval of a bid will allow Staff to seek funding for Board approval and move forward with the overall project design and planning.

Staff recommends approval of Wigen Water Process Solutions bid package.

RESOLUTION NO. 15-373

**A RESOLUTION OF THE BOARD OF DIRECTORS FOR THE
SAN SIMEON COMMUNITY SERVICES DISTRICT
ADOPTING THE 2015-2016 FISCAL BUDGET**

WHEREAS, the District is required, pursuant to Government Code Section 61110, to designate a financial budget for its expenditures and revenues; and,

WHEREAS, such budgeting requires that proper methods be used for the acquisition and disbursements of District monies; and,

WHEREAS, the District desires to make known its planned activities and associated costs for the 2015-2016 fiscal year; and,

WHEREAS, the District held a noticed, public hearing on June 10, 2015 to present and receive public comment on the proposed budget and has duly considered all public comment.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED by the Board of Directors, San Simeon Community Services District, San Luis Obispo County, California, as follows:

1. That the proposed 2015-2016 Fiscal Budget for San Simeon Community Services District, be adopted.
2. That the adopted budget be administered as established by the District's policies and procedures.

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

AYES:

NOES:

ABSTAIN:

ABSENT:

The foregoing Resolution is hereby adopted this 10th day of June 2015.

Ralph McAdams
Chairperson of the Board of Directors

ATTEST:

Charles Grace
General Manager/Secretary SSCSD

SAN SIMEON COMMUNITY SERVICES DISTRICT

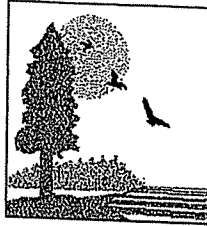
July 2015 - June 2016 DRAFT Budget

				General	Waste	Water	Total 15/16	Current Total 14/15
Ordinary Income/Expenses				1.30%	1.30%	1.30%		
CPI								
Income				5.00%	5.00%	5.00%	6.30%	6.10%
Rate Increase = CPI +Plus								
4000 Operating Revenues								
	4005	Utility fees-waste		\$0.00	\$377,646.33	\$0.00	\$377,646.33	\$362,264.66
	4010	Utility fees-water		\$0.00	\$0.00	\$323,692.58	\$323,692.58	\$311,508.54
	4025	Service fees		\$71,992.19	\$0.00	\$0.00	\$71,992.19	\$67,725.49
	4050	State of Calif fees-waste		\$0.00	\$32,000.00	\$0.00	\$32,000.00	\$79,677.21
	4000	Total Operating Revenue		\$71,992.19	\$409,646.33	\$323,692.58	\$805,331.10	\$821,175.90
4100 Property Taxes								
	4110	Prop Tax current secured		\$71,255.00	0.00	0.00	\$71,255.00	\$68,454.44
	4120	Prop Tax Homeowners		\$545.00	0.00	0.00	\$545.00	\$472.32
	4130	Prop Tax current unsecured		\$1,687.00	0.00	0.00	\$1,687.00	\$1,756.86
	4140	Unitary Railroad Revenue		\$10.00	0.00	0.00	\$10.00	\$10.93
	4150	Unitary Revenue		\$1,612.00	0.00	0.00	\$1,612.00	-\$332.91
	4160	Prop Tax prior secured supp		\$0.00	0.00	0.00	\$0.00	-\$7.65
	4170	Prop Tax prior unsecured		\$0.00	0.00	0.00	\$0.00	\$125.54
	4180	Prop Tax prior unsecured supp		\$0.00	0.00	0.00	\$0.00	\$11.16
	4190	Penalties and interest prop tax		\$0.00	0.00	0.00	\$0.00	\$16.57
	4220	Homeowners prop tax relief		\$0.00	0.00	0.00	\$0.00	\$0.00
	4230	Prop tax admin fee SB 2557		\$0.00	0.00	0.00	\$0.00	\$0.00
	4270	Current utility tax		\$0.00	0.00	0.00	\$0.00	-\$1,733.24
	4280	State aid-homeowners		\$0.00	0.00	0.00	\$0.00	\$802.60
	4290	Educaton Rev Augmentation		\$0.00			\$0.00	\$614.00
	4100-4299	Total Property taxes		75,109.00	0.00	0.00	75,109.00	70,190.62
	4750	Fema-storm damage funds				\$0.00	\$0.00	\$0.00
	4800	Miscellaneous Income			\$0.00	\$0.00	\$0.00	\$0.00
	4900	Late fees & adjustments		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Total Income			\$147,101.19	\$409,646.33	\$323,692.58	\$880,440.10	\$891,366.52
Expense								
	6000	Accounting	*	\$10,110.00	\$0.00	\$0.00	\$10,110.00	\$9,540.00
	6045	Auto Expenses		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	6047	Bad Debts		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	6020	Bank Fees		\$111.21	\$0.00	\$0.00	\$111.21	\$110.00
	6025	Bookkeeping	*	\$4,536.00	\$5,040.00	\$4,738.45	\$14,314.45	\$15,983.91
	6030	Directors Fees	*	\$348.00	\$2,376.00	\$2,916.00	\$5,640.00	\$5,671.71
	6031	Payroll Expense		\$199.38	\$161.94	\$161.94	\$523.26	\$500.00
	6035	Dues and subscriptions	*	\$2,386.80	\$150.00	\$150.00	\$2,686.80	\$2,041.82
	6045	Electrical power		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	6050	Election Expenses		\$0.00	\$0.00	\$0.00	\$0.00	\$707.70
	6055	Road Maintenance		\$11,446.54	\$0.00	\$0.00	\$11,446.54	\$11,446.54
	6060	Riprap engineering	*	\$0.00	\$4,200.00	\$0.00	\$4,200.00	\$3,033.00
	6065	Equipment rental	*	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	6075	Insurance-health		\$9,914.00	\$0.00	\$0.00	\$9,914.00	\$12,335.45
	6080	Insurance-liability	*	\$696.60	\$4,180.08	\$2,090.40	\$6,967.08	\$6,387.38
	6095	LAFCO Cost Apportionment	*	\$1,487.22	\$743.60	\$743.60	\$2,974.42	\$3,969.17
	6100	Legal fees	*	\$8,600.00	\$6,500.00	\$6,500.00	\$21,600.00	\$21,600.00
	6105	Licenses and permits	*	\$0.00	\$15,000.00	\$3,000.00	\$18,000.00	\$18,000.00
	6110	Memberships and seminars		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	6115	Miscellaneous expenses		\$400.00	\$200.00	\$200.00	\$800.00	\$1,132.44
	6120	Office Expenses		\$1,520.29	\$94.56	\$90.00	\$1,704.85	\$382.58
	6125	Operations Management	*	\$28,247.40	\$338,968.80	\$205,931.80	\$573,148.00	\$573,148.00
	6130	Operating supplies		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	6145	Professional Fees		\$5,000.00	\$15,000.00	\$15,000.00	\$35,000.00	\$35,000.00
	6150	Contingency	*	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	6180	Street lights		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	6191	Emergency Water Standby		\$0.00	\$0.00	\$21,000.00	\$21,000.00	\$10,000.00
	6195	Website Support		\$3,900.00	\$0.00	\$0.00	\$3,900.00	\$3,300.00
	6200	Violations		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Total Expense			\$88,903.44	\$392,614.98	\$262,522.19	\$744,040.61	\$734,289.70

		General	Waste	Water	Total 15/16	Total 14/15
Net Ordinary Income(Loss)		\$58,197.75	\$17,031.35	\$61,170.39	\$136,399.49	\$157,076.82
Other Income/Expenses						
Other Income						
8010 Interest Income		\$1,761.32	\$0.00	\$0.00	\$1,761.32	\$1,761.32
8015 Dividend		\$0.00			\$0.00	\$0.00
8020 Interest-Money Market		\$0.00			\$0.00	\$0.00
8030 Interest - LAIF		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CPI Rate Increase					\$0.00	\$0.00
State Payment for WWTP Cap Imprv					\$0.00	\$0.00
Total Other Income		\$1,761.32	\$0.00	\$0.00	\$1,761.32	\$1,761.32
Other Expenses						
9010 Depreciation Expense		\$17,320.37	\$39,588.54	\$25,568.07	\$82,476.98	\$82,476.98
9030 Capital Projects/Improvements		\$0.00		\$0.00	\$0.00	\$0.00
Water Well Loan Payments		\$0.00		\$20,730.00	\$20,730.00	\$20,730.00
Total Other Expenses		\$17,320.37	\$39,588.54	\$46,298.07	\$103,206.98	\$103,206.98
Net Other Income (Loss)		-\$15,559.05	-\$39,588.54	-\$46,298.07	-\$101,445.65	-\$101,445.65
Net Income (Loss)		\$42,638.70	-\$22,557.19	\$14,872.32	\$34,953.84	\$55,631.17

CALIFORNIA STATE LANDS COMMISSION

100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202



JENNIFER LUCCHESI, Executive Officer

(916) 574-1800 FAX (916) 574-1810

California Relay Service From TDD Phone 1-800-735-2922
from Voice Phone 1-800-735-2929

Contact Phone: (916) 574-0900

Contact FAX: (916) 574-1835

May 26, 2015

File Ref: PRC 5208.9

Charles Grace
General Manager
San Simeon Community
Services District
111 Pico Avenue
San Simeon, CA 93452

Subject: Application for a General Lease – Public Agency Use, for the Use of Sovereign Land in the Pacific Ocean, for an 8-inch Ocean Outfall, Located near the Town of San Simeon, San Luis Obispo County

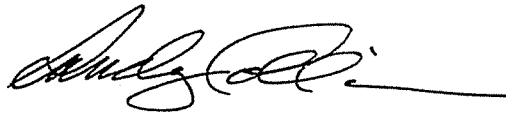
Dear: Mr. Grace:

The enclosed lease document, in triplicate, states the terms and conditions of a General Lease – Public Agency Use, for use of sovereign land in the Pacific Ocean for an 8-inch ocean outfall, located near the town of San Simeon, San Luis Obispo County. If you find these documents to be in order, please execute **two copies** of the lease, keeping one for your records, and return them to my attention at the above-stated address. Please ensure that all signatures are acknowledged by the notary public on the separate acknowledgment form provided and not on the lease documents. In addition to returning these documents please provide evidence of the authority of the official to executing the lease such as a resolution or other documentation authorizing execution of the lease by the San Simeon Community Services District.

Your application will be scheduled for consideration for approval by the State Lands Commission at the next meeting scheduled to be held on June 29, 2015. Once returned and approved, a fully-executed lease will be returned to you.

Thank you for your attention in this matter. If you have any questions, please feel free to contact me at Randy.Collins@slc.ca.gov, by phone at (916) 574-0900, or in writing at the above address, if you have any questions concerning your application.

Sincerely,

A handwritten signature in black ink, appearing to read "Randy Collins", with a long horizontal flourish extending to the right.

Randy Collins
Public Land Management Specialist

Enclosures

RECORDED AT THE REQUEST OF
AND WHEN RECORDED MAIL TO:
STATE OF CALIFORNIA
California State Lands Commission
Attn: Title Unit
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202

COPY FOR YOUR
FILES

STATE OF CALIFORNIA
OFFICIAL BUSINESS
Document entitled to free recordation
pursuant to Government Code Section 27383

A.P.N. 013-031-028 & 041
County: San Luis Obispo

SPACE ABOVE THIS LINE FOR RECORDER'S USE

LEASE NO. PRC 5208.9

This Lease consists of this summary and the following attached and incorporated parts:

Section 1	Basic Provisions
Section 2	Special Provisions Amending or Supplementing Section 1 or 3
Section 3	General Provisions
Exhibit A	Land Description
Exhibit B	Site and Location Map

SECTION 1

BASIC PROVISIONS

THE STATE OF CALIFORNIA, hereinafter referred to as Lessor acting by and through the **CALIFORNIA STATE LANDS COMMISSION** (100 Howe Avenue, Suite 100-South, Sacramento, California 95825-8202), pursuant to Division 6 of the Public Resources Code and Title 2, Division 3 of the California Code of Regulations, and for consideration specified in this Lease, does hereby lease, demise, and let to **SAN SIMEON COMMUNITY SERVICES DISTRICT**, hereinafter referred to as Lessee, those certain lands described in Exhibit A hereinafter referred to as Lease Premises, subject to the reservations, terms, covenants, and conditions of this Lease.

MAILING ADDRESS: 111 Pico Avenue
San Simeon, CA 93452

LEASE TYPE: General Lease – Public Agency Use

LAND TYPE: Sovereign

LOCATION: Pacific Ocean, offshore from the town of San Simeon, as described in Exhibit A attached and by this reference made a part hereof.

LAND USE OR PURPOSE: Continued use and maintenance of an 840-foot long, 8-inch diameter ocean outfall pipeline.

TERM: 20 years; beginning January 1, 2014; ending December 31, 2033, unless sooner terminated as provided under this Lease.

CONSIDERATION: Public use and benefit, subject to modification by Lessor as specified in Paragraph 3(c) of Section 3 - General Provisions.

AUTHORIZED IMPROVEMENTS:

X **EXISTING:** 8-inch diameter ocean outfall pipeline.

N/A **TO BE CONSTRUCTED; CONSTRUCTION MUST BEGIN BY:**

AND BE COMPLETED BY:

LIABILITY INSURANCE: N/A

SURETY BOND OR OTHER SECURITY: N/A

**SECTION 2
SPECIAL PROVISIONS**

BEFORE THE EXECUTION OF THIS LEASE, ITS PROVISIONS ARE AMENDED, REVISED, OR SUPPLEMENTED AS FOLLOWS:

1. Within one year of authorization of the lease, Lessee shall provide updated “as-built” drawings, certified by a California registered Civil/Structural Engineer, showing the pipeline’s horizontal alignment and vertical profile through the lease area with all pertinent existing features such as diffusers, valves, flanges, reducers, pipeline anchors, supports, thrust blocks etc., and with all horizontal survey control points referenced to the California Coordinate System 1983 revision (CCS83) and vertical profile data with elevations referenced to Mean Lower Low Water (MLLW) datum or otherwise to the local elevation control datum. The drawings are to provide information such as pipeline grade and material specifications, cathodic protection (CP) information,

delineation of the ordinary high water line and the offshore 3-mile limit line (State Lands Commission boundary) where applicable. The drawings shall also show the location of the pipeline repair performed in 2011 and the details of the pipeline repair.

2. Lessee shall conduct external inspections of the lease facilities using diver/ROV video or high resolution side-scan sonar on an annual basis and when warranted by extraordinary circumstances such as an accident or a significant seismic event unless the schedule is modified by mutual agreement among the parties hereto. Copies of the results of all external inspections including reports, analyses, recommendations, and inspection video with voice overlay shall be submitted promptly to Lessor at no cost.
3. Lessee shall conduct an integrity assessment of the facilities by a California Registered Civil/Structural Engineer every five years and when warranted by extraordinary circumstances such as an accident or a significant seismic event unless the schedule is modified by mutual agreement among the parties hereto. Copies of the results of all integrity assessment reports including internal inspection reports (if any), analyses, and recommendations shall be submitted promptly to Lessor at no cost. The next integrity assessment shall be performed within 6 months of lease execution.
4. Lessee shall provide all funds necessary to pay for any and all reasonable costs and expenditures paid or incurred by the Commission, its staff or both for review and approval of any plan or related materials required under Paragraph 2 and 3 herein, including but not limited to any review or preparation of reports, documents or other actions as required pursuant to the California Environmental Quality Act (CEQA), plan reviews, and/or amendments. Payment by Lessee shall be in a form and manner which is determined by Lessor staff and is consistent with the requirement of State law.
5. Any future structural modifications, abandonment, or removal of the ocean outfall pipeline within the Lease Premises shall require prior review and approval by Lessor.
6. In the event of any emergency structural modification (e.g. catastrophic damage, failure of the pipeline) requiring immediate action, telephone contact can be made through Lessor's 24-hour emergency response number (562) 590-5201.
7. Lessee acknowledges that the land described in Exhibit A of this Lease is subject to the Public Trust and is presently available to members of the public for recreation, waterborne commerce, navigation, fisheries, open space, or other recognized Public Trust uses and that Lessee's use of the Lease Premises shall not interfere or limit the Public Trust rights of the public.

[Remainder of page left intentionally blank]

SECTION 3

GENERAL PROVISIONS

1. GENERAL

In the case of any conflict between these General Provisions and Special Provisions found in Section 2, the Special Provisions control.

2. DEFINITIONS

For the purposes of this Lease, the following terms shall be defined as stated below:

“Additions” shall be defined as any use or Improvements other than those expressly authorized in this Lease.

“Alterations” shall be defined as any material change in the size, scope, density, type, nature, or intensity of Improvements on the Lease Premises from what is authorized in this Lease. Alterations shall also include any modifications, alterations, or renovations of the land or waterways on the Lease Premises other than those authorized by this Lease.

“Breach” shall be defined as a party's unjustified or unexcused nonperformance of a contractual duty the party is required to immediately perform.

“Damages” shall include all liabilities, demands, claims, actions or causes of action whether regulatory, legislative or judicial in nature; all assessments, levies, losses, fines, penalties, damages, costs and expenses, including, without limitation: (i) reasonable attorneys', accountants', investigators', and experts' fees and expenses sustained or incurred in connection with the defense or investigation of any such liability, and (ii) costs and expenses incurred to bring the Lease Premises into compliance with Environmental Laws, a court order, or applicable provisions of a Regulatory Agency. The term “Damages” also includes, expressly, those Damages that arise as a result of strict liability, whether arising under Environmental Laws or otherwise.

“Default” shall be defined as a material Breach of magnitude sufficient to justify termination of the Lease.

“Environmental Law” shall be defined as and include all federal, state, and local environmental, health, and safety laws, statutes, ordinances, regulations, rules, judgments, orders, and notice requirements, which were in effect as of the date of execution of this Lease or are subsequently enacted and lawfully applied hereto, which regulate or relate to (a) the protection or clean-up of the environment; (b) the use, treatment, storage, transportation, handling or disposal of hazardous, toxic or otherwise dangerous substances, wastes or materials; (c) the quality of the air and the discharge of airborne wastes, gases, particles, or other emissions; (d) the preservation or protection of waterways, groundwater, or drinking water; (e) the health and safety of persons or property; or (f) impose liability with respect to any of the foregoing, including without limitation, the California Environmental Quality Act (CEQA) [PRC §§ 21000 et seq.]; the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) [42 USCS §§ 9601 et seq.]; the Resource Conservation and Recovery Act of 1976 (RCRA) [42 USCS §§ 6901 et seq.]; the Clean Water Act, also known as the Federal Water Pollution Control Act (FWPCA) [33 USCS §§ 1251 et seq.]; the Toxic Substances Control Act (TSCA) [15 USCS §§ 2601 et seq.]; the Hazardous Materials Transportation Act (HMTA) [49 USCS §§ 1801 et seq.]; the Insecticide, Fungicide, Rodenticide Act [7 USCS §§ 136 et seq.]; the Superfund Amendments and Reauthorization Act [42 USCS §§ 6901 et seq.]; the Clean Air Act [42 USCS §§ 7401 et seq.]; the Safe Drinking Water Act [42 USCS §§ 300f et seq.]; the Solid Waste Disposal Act [42 USCS §§ 6901 et seq.]; the Surface Mining Control and Reclamation Act [30 USCS §§ 1201 et seq.]; the Emergency Planning and Community Right to Know Act [42 USCS §§ 11001 et seq.]; the Occupational Safety and Health Act [29 USCS §§ 655 and 657]; the California Underground Storage of Hazardous Substances Act [H & S C §§ 25280 et seq.]; the California Hazardous Substances Account Act [H & S C §§ 25300 et seq.]; the California Hazardous Waste Control Act [H & S C §§ 25100 et seq.]; the California Safe Drinking Water and Toxic Enforcement Act [H & S C §§ 24249.5 et seq.]; the Porter-Cologne Water Quality Act [Water C §§ 13000 et seq.] together with any amendments of or regulations promulgated under the statutes cited above.

“Hazardous Material” shall be defined as and include any substance which falls within the definition of hazardous substance, hazardous waste, hazardous material, toxic substance, solid waste, pollutant, or contaminant, under any Environmental Law.

“Improvements” shall be defined as any modification, alteration, addition, or removal of any material, and any other action which serves to change the condition of the Lease Premises from the natural state whether situated above, on, or under the Lease Premises. Improvements include, but are not limited to buildings, structures, facilities, decks, docks, wharves, piers, walks, curbs, bridges, buoys, landscaping, roadways, shoreline protective structures of all types, foundations, pilings or similar support structures whether above or below the water line, fences, utilities, pipelines, and any other construction of any type situated on the Lease Premises.

“Lease” shall be defined as this lease contract together with all amendments and exhibits.

“Lease Premises” shall be defined as the area of land, together with any improvements located thereon, the use and occupancy of which

is authorized by this Lease.

“Lessor” shall be defined as the state of California, acting by and through the California State Lands Commission, including the Commissioners, their alternates and designates, the Executive Officer, and the staff of the California State Lands Commission.

“Regulatory Agency” shall include any Federal, State, County, Municipal, or Local agency having jurisdiction over the Lease Premises.

“Repairs” shall be defined as all work of any kind made to maintain, change, restore, strengthen, replace, alter, or otherwise affect any Improvement on the Lease Premises.

“Residence” shall be defined as any Improvement, whether permanent, movable, or temporary, or a portion thereof, which is for the time being a home or place of lodging. A Residence includes any Improvement affixed to the land such as trailers or cabins, built on a raised foundation such as stilts or pilings, and floating residences such as boats, barges, arks, and houseboats, and any combination of such Improvements which provide residential accommodations to the Lessee or others. “Residence” shall not include transitory, intermittent, recreational use of facilities such as campgrounds.

“Residential Use” shall be defined as Improvements such as, but not limited to, sundecks, and sunrooms which are extensions of, or additions to, the upland property and are not water-dependent uses. Although the various uses or Improvements which may fall under this definition may vary by geographic area, lease type, or other factors, it is the intention of the parties to include in this definition all uses and Improvements which are not water-dependent but residential in nature, or those uses and Improvements which are not consistent with common law public trust principles and values.

3. CONSIDERATION

(a) Absolute Triple Net Lease

This Lease is an absolute triple net lease, pursuant to which Lessor has no obligation with respect to the payment of taxes, insurance, the cost of maintenance, utilities and repairs or other costs or obligations associated with the Leased Premises, except as expressly stated herein.

(b) Rent

Lessee agrees to pay Lessor rent as stated in this Lease, in annual installments, for the use and occupancy of the Lease Premises. The first installment shall be due on or before the beginning date of this Lease and all subsequent installments shall be due on or before each anniversary of its beginning date during each year of the Lease term, or as otherwise provided in this Lease. Said sums shall be paid in lawful money of the United States of America. Lessee shall send said rent to the mailing address of Lessor. Timeliness of receipt of remittances sent by mail shall be governed by the postmark date as stated in Government Code Section 11002. Invoices for rent due may be provided by Lessor as a courtesy. Lessor's failure to, or delinquency in, providing invoices shall neither excuse Lessee from paying rent, nor extend the time for paying rent.

(c) Modification

Lessor may modify the method, amount, or rate of consideration effective on each fifth anniversary of the beginning date of this Lease. Should Lessor fail to exercise such right effective on any fifth anniversary it may do so effective on any one (1) of the next four (4) anniversaries following such fifth anniversary, without prejudice to its right to effect such modification on the next or any succeeding fifth anniversary of the beginning date. No such modification shall become effective unless Lessee is given at least thirty (30) days' notice prior to the date of the Commission meeting wherein the rent modification is considered, or thirty (30) days' notice prior to the effective date of the increase, whichever provides a greater notice period.

If the consideration for this Lease is based on a percentage of income, royalties, profits, or any similar business performance indicators, Lessee shall provide Lessor with financial statements and all other documents necessary to determine the relevant basis for income.

(d) Penalty and Interest

Any installments of rent accruing under this Lease not paid when due shall be subject to a delinquency charge equal to five percent (5%) of the principal sum due. Annual payments shall bear interest as specified in Public Resources Code Section 6224 and the Lessor's then existing administrative regulations governing penalty and interest.

(e) Non-Monetary Consideration

If the consideration to Lessor for this Lease is the public use, benefit, health, or safety, Lessor shall have the right to review such consideration at any time and set a monetary rental if the Lessor, at its sole discretion, determines that such action is in the best interest of the State. Lessee's assignment or transfer of this Lease pursuant to Section 3 Paragraph 11 below to any third party

which results in royalties, profits, or any form of compensation, whether monetary or otherwise, shall give Lessor the right to reevaluate the requirements of this Lease as stated in Section 3 Paragraph 11. Lessee shall be given at least thirty (30) days' notice prior to the date of the Commission meeting wherein the rent modification is considered, or thirty (30) days' notice prior to the effective date that this Lease is converted to a monetary rental, whichever provides more notice.

(f) Place for Payment of Rent

All rent that becomes due and payable under this Lease shall be paid to Lessor in person or by United States mail at the Sacramento Offices of the California State Lands Commission, currently at 100 Howe Avenue, Suite 100-South, Sacramento, CA 95825-8202, or at any other place or places that Lessor may designate by written notice to Lessee. Alternately, Lessee may contact Lessor's accounting department for Lessor's current practices for payment by credit card or electronic fund transfer.

4. BOUNDARIES

This Lease is not intended to establish the State's boundaries and is made without prejudice to either party regarding any boundary or title claims which may be asserted presently or in the future.

5. LAND USE

(a) General

(1) Lessee shall use the Lease Premises only for the purpose or purposes stated in this Lease and only for the operation and maintenance of the Improvements expressly authorized in this Lease. Lessee shall commence use of the Lease Premises within ninety (90) days of the beginning date of this Lease or within ninety (90) days of the date set for construction to commence as set forth in this Lease, whichever is later.

(2) All demolition, construction, remodeling, reconstruction, maintenance, repairs, removal, or remediation performed on the Lease Premises at any time by Lessee shall first be authorized by all appropriate Regulatory Agencies. Lessee is solely responsible for determining what approvals, authorizations, or certifications are required, and shall be solely responsible for all costs incurred thereby. In addition, Lessee shall obtain and comply with preventative or remedial measures required by any environmental reports, assessments, or inspections, including, but not limited to those required by the California Environmental Quality Act and/or the National Environmental Policy Act, or as otherwise required by law or reasonably requested by Lessor. Nothing in this Lease shall be interpreted as a pre-approval of any permit, certification, or any other precondition required for the use of the Lease Premises.

(b) Continuous Use

Lessee's use of the Lease Premises shall be continuous from commencement of the Lease until its expiration. Lessee's discontinuance of such use for a period of ninety (90) days shall be presumed to be an abandonment unless Lessee demonstrates to Lessor's satisfaction that Lessee's use of the Lease Premises is consistent with similarly situated properties. In the event of an abandonment, Lessor may elect to terminate the Lease as provided in Paragraph 12(a)(3). Abandonment of the Lease Premises shall not relieve Lessee of any obligations under this Lease.

(c) Repairs and Maintenance

(1) Lessor shall not be required to make any Repairs in, on, or about all or part of the Lease Premises. Lessee shall, at all times during the term of this Lease and without any cost or expense to Lessor, keep and maintain the Lease Premises, including all Improvements, in good order and repair and in a clean, safe, sanitary, and orderly condition.

(2) Lessee shall make, or cause to be made, any Repairs which may be required by any Regulatory Agency. Lessee shall observe and comply with, any law, statute, ordinance, plan, regulation, resolution, or policy applicable to the Lease Premises in making such Repairs. All work shall be performed with reasonable diligence, completed within a reasonable time, and performed at the sole cost and expense of Lessee.

(3) Lessee expressly accepts the Lease Premises "as is" and expressly acknowledges that:

(i) Lessor has made no representations or warranties as to the suitability of the Lease Premises for any Improvements. Lessee shall conduct all tests necessary to determine the suitability of the Lease Premises for any proposed use or Improvements authorized; and

(ii) Lessor has made no representations or warranties as to the quality or value of any Improvements found on the Lease Premises, or of their conformity to any applicable building codes, zoning ordinances, or other regulations. Lessee agrees to inspect any preexisting Improvements at its own cost to determine whether such Improvements are safe and suitable for

the Lessee's intended use; and

(iii) Lessee shall neither be entitled to any reduction in rent, nor any extension of the terms of this Lease because of damage to or destruction of any Improvements on the Lease Premises.

(iv) Lessee and Lessor agree that any Improvements on the Lease Premises constitute the personal property of Lessee and that fixture law does not apply.

(4) In the event that the Lease Premises is partly, or in whole, comprised of tidal, submerged, or waterfront property, Lessee expressly accepts the hazards involved in using or improving such lands. Lessor is not responsible for, and Lessee shall not be reimbursed for nor receive any offset of rent for, any damages or reduced use of the Lease Premises caused by: local or invasive flora or fauna, flooding, erosion, sea level rise, storms, freezing, inclement weather of any kind, acts of god, maintenance or failure of protective structures, and any other such hazards.

(d) Additions, Alterations, and Removal

No Improvements other than those expressly authorized in this Lease shall be constructed by the Lessee on the Lease Premises without the prior written consent of Lessor. Any Additions or Alterations are expressly prohibited. Lessee is also prohibited from any Additions or Alterations which cause a material change to the environmental impact on or around the Lease Premises.

(e) Enjoyment

This Lease is non-exclusive, and is subject to the provisions of Section 3, Paragraph 6 below. Lessee shall have the right to exclude persons from the Lease Premises only when their presence or activity constitutes a material interference with Lessee's use and enjoyment of the Lease Premises.

(f) Discrimination

Lessee, in its use of the Lease Premises, shall not discriminate against any person or class of persons on any basis protected by federal, state, or local law, including: race, color, creed, religion, national origin, sex, sexual orientation, gender identity, age, marital/parental status, veteran status, or disability.

(g) Residential Use

Unless otherwise provided for in this Lease, no portion of the Lease Premises shall be used as a location for a Residence, for the purpose of mooring or maintaining a structure which is used as a Residence, or for Residential Uses.

(h) Commercial Use

Unless otherwise provided for in this Lease, the Lease Premises is to be used by Lessee and Lessee's invitees or guests only. Use of the Lease Premises for commercial purposes; conducting a business, whether for profit or otherwise; and any subleasing, rental, or any transaction whereby Lessee directly or indirectly receives compensation from a third party in exchange for use of the Lease Premises shall constitute an immediate Default of this lease with no cure period.

6. RESERVATIONS, ENCUMBRANCES, AND RIGHTS-OF-WAY

(a) Reservations

(1) Lessor expressly reserves all natural resources in or on the Lease Premises, including but not limited to timber, minerals, and geothermal resources as defined under Public Resources Code sections 6401, 6407, and 6903, respectively; the right to grant and transfer the same; as well as the right to grant leases in and over the Lease Premises which may be necessary or convenient for the extraction of such natural resources. Such leasing shall be neither inconsistent nor incompatible with the rights or privileges of Lessee under this Lease.

(2) Lessor expressly reserves a right to go on the Lease Premises and all Improvements for any purposes associated with this Lease or for carrying out any function required by law, or the rules, regulations, or management policies of the State Lands Commission. Lessor shall have a right of reasonable access to the Lease Premises across Lessee owned or occupied lands adjacent to the Lease Premises for any purpose associated with this Lease.

(3) Lessor expressly reserves to the public an easement for convenient access across the Lease Premises to other State-owned lands located near or adjacent to the Lease Premises and a right of reasonable passage across and along any right-of-way granted by this Lease; however, such easement or right-of-way shall be neither inconsistent nor incompatible with the rights or privileges of Lessee under this Lease.

(4) Lessor expressly reserves the right to lease, convey, or encumber the Lease Premises, in whole or in part, during the Lease term for any purpose not inconsistent or incompatible with the rights or privileges of Lessee under this Lease.

(b) Encumbrances

The Lease Premises may be subject to pre-existing contracts, leases, licenses, easements, encumbrances, and claims and is made without warranty by Lessor of title, condition, or fitness of the land for the stated or intended purpose.

7. RULES, REGULATIONS, AND TAXES

(a) Lessee shall comply with and be bound by all presently existing or subsequently enacted rules, regulations, statutes or ordinances of the State Lands Commission or any Regulatory Agency. Occupancy or use of the Lease Premises provides no exemption from applicable regulations including, but not limited to, federal, state, county and local regulations, regulations promoting public health, safety, or welfare, building codes, zoning ordinances, and sanitation regulations. Lessee expressly acknowledges that Regulatory Agencies have jurisdiction over the Lease Premises unless such laws are in direct conflict with state law or public trust principles.

(b) Lessee understands and agrees that a necessary condition for the granting and continued existence of this Lease is that Lessee obtains and maintains all permits or other entitlements. Lessee expressly acknowledges that issuance of this Lease does not substitute for, or provide preference in obtaining authorizations from other Regulatory Agencies.

(c) Taxes

(1) In addition to the rent due under this Lease, Lessee accepts responsibility for and shall pay any and all real and personal property taxes, including possessory interest taxes, assessments, special assessments, user fees, service charges, and other charges of any description levied, imposed on, assessed, or associated with the leasehold interest, Improvements on the Lease Premises, any business or activity occurring on the Lease Premises, the Lease Premises itself, or any portion thereof, levied by any governmental agency or entity. Such payment shall not reduce rent due Lessor under this Lease and Lessor shall have no liability for such payment.

(2) In the event that this Lease commences, terminates or expires during a tax year, Lessee shall pay the taxes for the period of such year during which this Lease was in effect.

(3) Any and all taxes and assessments and installments of taxes and assessments required to be paid by Lessee under this Lease shall be paid when due and the official and original receipt for the payment of such tax, assessment, or installment shall be delivered to Lessor upon request.

(4) Lessee shall indemnify and hold Lessor, the Lease Premises, and any Improvements now or hereafter located thereon, free and harmless from any liability, loss, or Damages resulting from any taxes, assessments, or other charges required by this Lease to be paid by Lessee and from all interest, penalties, and other sums imposed thereon and from any sales or other proceedings to enforce collection of any such taxes, assessments, or other charges.

8. INDEMNITY

(a) Lessee's use of the Lease Premises and any Improvements thereon is at Lessee's sole and exclusive risk.

(b) In addition to any other obligation to indemnify Lessor as otherwise provided in this Lease, except to the extent caused by the sole negligence and/or willful misconduct of the Lessor, Lessee shall indemnify, hold harmless, and, at the option of Lessor, defend Lessor, its officers, agents, and employees from any and all Damages resulting from Lessee's occupation and use of the Lease Premises. Lessee shall reimburse Lessor in full for all reasonable costs and attorneys' fees, specifically including, without limitation, any Damages arising by reason of: (1) The issuance, enjoyment, interpretation, Breach, or Default of this Lease; (2) The challenge to or defense of any environmental review upon which the issuance of this Lease is based; (3) The death or injury of any person, or damage to or destruction of any property from any cause whatever in any way connected with the Lease Premises, or with any of the Improvements or personal property on the Lease Premises; (4) The condition of the Lease Premises, or Improvements on the Lease Premises; (5) An act or omission on the Lease Premises by Lessee or any person in, on, or about the Lease Premises; (6) Any work performed on the Lease Premises or material furnished to the Lease Premises; (7) Lessee's failure to comply with any material legal or other requirement validly imposed on Lessee or the Lease Premises by a Regulatory Agency.

(c) The reimbursement provisions of this Paragraph 8 shall not apply to any claims, litigation, or other actions which may be brought by either Lessee or Lessor against each other.

(d) Nothing in this paragraph shall be construed as requiring that Lessor defend itself against all or any aspect of any challenge to

this Lease or any associated environmental review. However, Lessee may take whatever legal action is available to it to defend this Lease or any associated environmental review against any challenge by a third party, whether or not Lessor chooses to raise a defense against such a challenge.

(e) Lessee shall notify Lessor immediately in case of any accident, injury, or casualty on the Lease Premises.

9. INSURANCE

(a) Lessee shall obtain and maintain in full force and effect during the term of this Lease comprehensive general liability insurance and property damage insurance, with such coverage and limits as may be reasonably requested by Lessor from time to time, but in no event for less than the sum(s) specified against any and all claims or liability arising out of the ownership, use, occupancy, condition, or maintenance of the Lease Premises and all Improvements.

(b) The insurance policy shall identify the Lease by its assigned number. The specific Improvements shall also be generally identified, as well as their location on state owned property. The coverage provided shall be primary and non-contributing. Lessee shall keep such policy current. Lessor shall be named as a "certificate holder" and/or an "additional interest" on the policy. Lessee shall provide Lessor with a current certificate of insurance at all times. At Lessor's request, Lessee shall provide a full copy of the current insurance policy, along with any and all endorsements or other such documents affecting the coverage. Lessor will not be responsible for any premiums or other assessments on the policy.

(c) The insurance coverage specified in this Lease shall be in effect at all times during the Lease term and subsequently until Lessor has either accepted all of the Lease Premises as improved or restored by Lessee as provided elsewhere in this Lease. Lessee shall notify Lessor within five (5) business days if the insurance is canceled for any reason.

10. SURETY BOND

(a) When required by Section 1 of this Lease, Lessee shall provide a surety bond or other security device acceptable to Lessor, for the specified amount, and naming the State of California, California State Lands Commission as the assured, to guarantee to Lessor the faithful observance and performance by Lessee of all of the terms, covenants, and conditions of this Lease.

(b) Lessor may require an increase in the amount of the surety bond or other security device to cover any additionally authorized Improvements, any modification of consideration, or to provide for inflation or other increased need for security. The surety bond or other security device may be increased on each fifth anniversary of the beginning date of this Lease. Should Lessor fail to exercise such right effective on any fifth anniversary, it may do so effective on any one (1) of the next four (4) anniversaries following such fifth anniversary without prejudice to its right to effect such modification on the next or any succeeding fifth anniversary. No such modification shall become effective unless Lessee is given at least thirty (30) days' notice prior to the date of the Commission meeting wherein the modification of the bond or security is considered, or thirty (30) days' notice prior to the effective date of the increase, whichever provides more notice.

(c) The surety bond or other security device shall be maintained in full force and effect at all times during the Lease term and subsequently until Lessor has either accepted all of the Lease Premises as improved or restored by Lessee as provided elsewhere in this Lease. Lessee must first seek approval of Lessor before changing the type of security device used, or the bond holder.

11. ASSIGNMENT, ENCUMBRANCING OR SUBLETTING

(a) Lessee shall not either voluntarily or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease and shall not sublet the Lease Premises, in whole or in part, or allow any person other than the Lessee's employees, agents, servants and invitees to occupy or use all or any portion of the Lease Premises without the prior written consent of Lessor, which consent shall not be unreasonably withheld.

(1) Notwithstanding the foregoing prohibition against transfer and assignment, the Lease may be transferred by Lessee if the transfer is caused by the death of a spouse and the full interest of the deceased spouse is transferred to a surviving spouse; or the transfer is caused by the dissolution of the marriage of Lessee and the full interest of one of the spouses is transferred to the other spouse. In the event of such a transfer, Lessor shall be notified in writing within 30 days of the transfer.

(2) Notice to Lessor of Successor Trustee(s): In the event this Lease is held in trust, and the Lessee is a trustee thereof, the substitution or succession of a new trustee shall not be an assignment or transfer for the purposes of this Paragraph. Lessee (and by operation of law, any successor trustee) agrees to provide prompt notice to Lessor of any succession or substitution of trustee in accordance with Paragraph 16(c) of General Provisions, no later than sixty (60) days after the named trustee as appears on the face of this Lease becomes unable or ceases to serve as trustee for any reason.

(b) The following shall be deemed to be an assignment or transfer within the meaning of this Lease:

- (1) If Lessee is a business entity, any dissolution, merger, consolidation or other reorganization of Lessee, or the sale or other transfer of substantially all the assets of Lessee. If Lessee is a publicly traded entity, transfers of interests in Lessee shall not constitute an assignment requiring the consent of Lessor.
- (2) If Lessee is a partnership, a transfer of any interest of a general partner, a withdrawal of any general partner from the partnership, or the dissolution of the partnership.
- (c) If this Lease is for sovereign lands appurtenant to adjoining littoral or riparian land, Lessee shall not transfer or assign its ownership interest or use rights in such adjoining lands separately from the leasehold rights granted herein without the prior written consent of Lessor.
- (d) If Lessee desires to assign, sublet, encumber or otherwise transfer all or any portion of the Lease Premises, Lessee shall do all of the following:
- (1) Give not less than 90 days' prior written notice to Lessor;
 - (2) Provide the name, complete business organization, operational structure, and formation documents of the proposed assignee, sublessee, secured third party, or other transferee; and the nature of the use of and interest in the Lease Premises proposed by the assignee, sublessee, secured third party or other transferee.
 - (3) Provide the terms and conditions of the proposed assignment, sublease, or encumbrance or other transfer;
 - (4) Provide audited financial statements for the two most recently completed fiscal years of the proposed assignee, sublessee, secured party or other transferee; and provide pro forma financial statements showing the projected income, expense and financial condition resulting from use of the Lease Premises; and
 - (5) Provide such additional or supplemental information as Lessor may reasonably request concerning the proposed assignee, sublessee, secured party or other transferee.
 - (6) Lessor will evaluate proposed assignees, sublessees, secured third parties and other transferees and grant approval or disapproval according to standards of commercial reasonableness considering the following factors within the context of the proposed use: the proposed party's financial strength and reliability, their business experience and expertise, their personal and business reputation, their managerial and operational skills, their proposed use and projected rental, as well as other relevant factors.
- (e) Lessor shall have a reasonable period of time from the receipt of all documents and other information required under this provision to grant or deny its approval of the proposed party. Lessor may reevaluate the rent, insurance and/or bond provisions of this Lease, and may condition its approval of the proposed assignment, sublease, hypothecation, mortgage, or other transfer on the party's acceptance of the new terms. Lessee's rights stated in this paragraph shall apply regardless of whether the proposed transfer coincides with a regular rent review period as stated in Section 3 Paragraph 3(c) above.
- (f) Lessee's mortgage or hypothecation of this Lease, if approved by Lessor, shall be subject to terms and conditions imposed by a separately negotiated encumbering agreement.
- (g) Upon the express written assumption of all obligations and duties under this Lease by an assignee approved by Lessor, the Lessee may be released from all liability under this Lease arising after the effective date of assignment and not associated with Lessee's use, possession or occupation of or activities on the Lease Premises; except as to any hazardous wastes, substances or materials as defined under federal, state or local law, regulation, or ordinance manufactured, generated, used, placed, disposed, stored or transported on the Lease Premises during Lessee's tenancy.
- (h) If the Lessee files a petition or an order for relief is entered against Lessee, under Chapters 7, 9, 11 or 13 of the Bankruptcy Code (11 USC Sect. 101, et seq.) then the trustee or debtor-in-possession must elect to assume or reject this Lease within sixty (60) days after filing of the petition or appointment of the trustee, or the Lease shall be deemed to have been rejected, and Lessor shall be entitled to immediate possession of the Lease Premises. No assumption or assignment of this Lease shall be effective unless it is in writing and unless the trustee or debtor-in-possession has cured all Defaults under this Lease (monetary and non-monetary) or has provided Lessor with adequate assurances (1) that within ten (10) days from the date of such assumption or assignment, all monetary Defaults under this Lease will be cured; and (2) that within thirty (30) days from the date of such assumption, all non-monetary Defaults under this Lease will be cured; and (3) that all provisions of this Lease will be satisfactorily performed in the future.

(i) In the event of any transfer or assignment, under this Paragraph 11 or by any other means authorized by this Lease, the Lease terms shall be for the remaining years existing on the Lease prior to the transfer or assignment. A transfer or assignment shall not extend the term of this Lease.

12. DEFAULT AND REMEDIES

(a) Default

The occurrence of any one or more of the following events shall immediately and without further notice constitute a Default of this Lease:

- (1) Lessee's failure to make any payment of rent, royalty, or other consideration as required under this Lease; or
 - (2) Lessee's failure to obtain or maintain liability insurance or a surety bond or other security device as required under this Lease; or
 - (3) Lessee's abandonment of the Lease Premises (including the covenant for continuous use as provided for in Paragraph 5(b)) during the Lease term; or
 - (4) Lessee's failure to obtain and maintain all necessary governmental permits or other entitlements; or
 - (5) The maintenance of the Lease Premises in violation of, or failure to comply with, any applicable provisions of any Regulatory Agency, Environmental Law, or maintenance of the Lease Premises in a condition constituting nuisance; or
 - (6) Lessee's Failure to commence to construct and to complete construction of the Improvements authorized by this Lease within the time limits specified in this Lease.
 - (7) Lessee is found to sublet or otherwise surrender daily management and control of the Lease Premises to a third party without the knowledge, expressed written consent or authorization of the Lessor.
- (b) Lessee's failure to observe or perform any other term, covenant, or condition of this Lease when such failure shall continue for a period of thirty (30) days after Lessor's giving written notice shall constitute a Default of this lease. However, if the nature of Lessee's Default under this paragraph is such that more than thirty (30) days are reasonably required for its cure, then Lessee shall not be deemed to be in Default if Lessee commences such cure within such thirty (30) day period and diligently proceeds with such cure to completion.
- (c) Should Lessee Breach any term, covenant, or condition of this Lease under Paragraph 12(b) above three (3) times in any three hundred and sixty-five (365) day period, the third Breach will be a Default under this Lease and Lessor will be entitled to immediately terminate this Lease, and take other appropriate action. Lessor will provide written notice of each Breach as provided above, and provide written notice that future Breaches will constitute immediate Default with no cure period.

(d) Remedies

In the event of a Default by Lessee and Lessee's failure to cure such Default if such a cure period is applicable, Lessor may at any time and with or without notice do any one or more of the following in addition to any rights or remedies permitted by law:

- (1) Re-enter the Lease Premises, remove all persons and property, and repossess and enjoy such premises; or
- (2) Terminate this Lease and Lessee's right of possession of the Lease Premises by any lawful means. The termination shall not relieve Lessee of any obligation, monetary or otherwise, which has accrued prior to the date of termination. Such termination shall be effective upon Lessor's giving written notice and upon Lessee's receipt of such notice. Lessee shall immediately surrender possession of the Lease Premises to Lessor. Lessor shall be entitled to recover from Lessee all amounts to which Lessor is entitled pursuant to Section 1951.2 of the California Civil Code, or any other provision of law, including any necessary Repair, renovation, alteration, remediation, or removal of Improvements; or
- (3) Maintain this Lease in full force and effect and recover any rent, royalty, or other consideration as it becomes due without terminating Lessee's right of possession regardless of whether Lessee shall have abandoned the Lease Premises, subject to the conditions imposed by Cal. Civil Code § 1951.2; or

(4) Exercise any other right or remedy which Lessor may have at law or equity.

(e) Determination of Rental Value

If rent under this Lease is calculated as a percentage of Lessee's income attributable to the Lease Premises and Lessee abandons the Lease Premises during some or all of the applicable period, then the reasonable rental value shall be the percentage of proceeds Lessor would have received had Lessee operated the Lease Premises in the usual and customary manner.

(f) Waiver of Rights

The failure or delay of either party to exercise any right or remedy shall not be construed as a waiver of such right or remedy or any Breach by the other party. Lessor's acceptance of any rent shall not be considered a waiver of any preexisting Breach by Lessee other than the failure to pay the particular rent accepted regardless of Lessor's knowledge of the preexisting Breach at the time rent is accepted.

13. RESTORATION OF LEASE PREMISES AND ENVIRONMENTAL MATTERS

(a) Restoration of Lease Premises

(1) Upon expiration or sooner termination of this Lease, Lessee must immediately surrender possession of the Lease Premises to Lessor. Prior to the time of surrender, Lessee must remove all or any Improvements together with the debris and all parts of any such Improvements at its sole expense and risk, regardless of whether Lessee actually constructed or placed the Improvements on the Lease Premises; or Lessor, at its sole and absolute discretion, may itself remove or have removed all or any portion of such Improvements at Lessee's sole expense. Lessor may waive all or any part of this obligation in its sole discretion if doing so is in the best interests of the State.

(2) As a separate and related obligation, Lessee shall restore the Lease Premises as nearly as possible to the conditions existing prior to the installation or construction of any Improvements. For purposes of this Lease, restoration includes removal of any landscaping; removal of any Hazardous Materials; and to the extent possible, undoing any grading, fill, excavation, or similar alterations of the natural features of the Lease Premises. Lessor may waive all or any part of this obligation in its sole and absolute discretion.

(3) Unless otherwise provided for in this Lease, Lessee shall submit to Lessor no later than one (1) year prior to the expiration of this Lease either: (a) an application and minimum expense deposit for a new lease for the continued use of the Lease Premises, or (b) a plan for the restoration of the Lease Premises to be completed prior to the expiration of the lease term together with a timeline for obtaining all necessary permits and conducting the work prior to the expiration of this Lease.

(4) In removing any or all Improvements, or conducting any restoration work, Lessee shall be required to obtain any permits or other governmental approvals as may then be required by any Regulatory Agency, including, without limitation, any Environmental Law.

(5) Lessor may, upon written notice, in its sole and absolute discretion, accept title to any or all Improvements at the termination of this Lease. Lessor shall notify Lessee that Lessor intends to take title to any or all Improvements within six (6) months of Lessee submitting a plan for restoration under Paragraph 13(a)(3)(b) above. If Lessor elects to take title to any such Improvements, Lessee shall deliver to Lessor such documentation as may be necessary to convey title to such Improvements to Lessor free and clear of any liens, mortgages, loans, or any other encumbrances. Lessor shall not pay, and Lessee shall not be entitled to compensation for Lessor's taking title to such property.

(b) Environmental Matters

(1) Lessee's Obligations:

(i) Lessee will not use, occupy, or permit any portion of the Lease Premises to be used or occupied in violation of any Environmental Law. Lessee shall not manufacture or generate or store Hazardous Material on the Lease Premises unless specifically authorized under other terms of this Lease.

(ii) Lessee shall practice conservation of water, energy, and other natural resources.

(iii) Lessee shall notify Lessor and the appropriate governmental emergency response agency, or agencies immediately in the event of any release or threatened release of any Hazardous Material.

(2) Lessor may at any time during the Lease term require Lessee to conduct at its own expense and by a contractor approved

by Lessor an independent environmental site assessment or inspection for the presence or suspected presence of Hazardous Material generated, used, placed, disposed, stored, or transported on the Lease Premises during the term of the Lease. Lessee shall provide the results of the assessment or inspection to Lessor and the appropriate governmental response agency or agencies and shall further be responsible for removing or taking other appropriate remedial action regarding such Hazardous Material in accordance with applicable Environmental Law.

(3) Environmental Indemnity.

Lessee shall indemnify, defend, and hold Lessor and Lessor's, officer, appointees, volunteers, employees, agents, successors and assigns free and harmless from and against all Damages that may at any time be imposed upon, incurred by, or asserted or awarded against Lessor in connection with or arising from any Breach of Lessee's obligations hereunder; or out of any violation by Lessee of any Environmental Law; or resulting in the imposition of any lien or claim for the recovery of any costs for environmental cleanup or other response costs relating to the release or threatened release of Hazardous Materials on the Lease Premises during the Lessee's tenancy. This obligation shall include any prior leases between Lessor and Lessee and will continue through any periods Lessee is in holdover, unlawful detainer, or any subsequent month-to-month tenancies created by operation of law. Lessee's obligations hereunder will survive the expiration or sooner termination of this Lease.

(4) Violation of this section shall constitute grounds for termination of the Lease. Lessor, shall notify Lessee when, in Lessor's opinion, Lessee has violated the provisions of this section. Lessee shall immediately discontinue the conduct and respond within five (5) business days. Lessee shall take all measures necessary to remedy the condition.

14. QUITCLAIM

Lessee shall, upon the early termination of this Lease and at Lessor's request, execute and deliver to Lessor in a form provided by Lessor a good and sufficient release of all rights under this Lease. Should Lessee fail or refuse to deliver such a release, Lessor may record a written notice reciting such failure or refusal. This written notice shall, from the date of its recordation, be conclusive evidence against Lessee of the termination of this Lease and all other claimants.

15. HOLDING-OVER

(a) This Lease shall terminate without further notice upon the expiration of the term of this Lease. Lessee shall have removed any Improvements and completed any restoration as required by Lessor prior to the expiration of this Lease, and shall surrender possession of the Lease Premises. Any failure by the Lessee to remove Improvements, restore the Lease Premises, and/or surrender possession of the Lease Premises at the expiration or sooner termination of this Lease shall not constitute a renewal or extension and shall not give Lessee any rights in or to the Lease Premises or any part thereof except as expressly provided in this Lease. Lessee shall be deemed in unlawful detainer of the Lease Premises and Lessor shall be entitled to all resulting legal remedies.

(b) Lessor may, in its sole discretion, choose to accept Rent for the Lease Premises instead of immediately taking legal action to recover possession of the Lease Premises. Any tenancy created by operation of law on Lessor's acceptance of rent shall be deemed a month-to-month tenancy regardless of what sum or sums Lessee delivers to Lessor. Except as set forth below, any subsequent tenancy created in this manner shall be on the same terms, covenants, and conditions set forth in this Lease insofar as such terms, covenants, and conditions can be applicable to a month-to-month tenancy

(c) In recognition of the increased accounting, land management, and supervisory staff time required for month-to-month tenancies, the rent for each month or any portion thereof during such holdover period may be an amount equal to one hundred fifty percent (150%) of one-twelfth (1/12) of the total compensation for the most recent year paid. In the event this Lease does not require monetary compensation, Lessor shall have the right to establish rent based on the fair market value of the Lease Premises. The month-to-month tenancy may be terminated by Lessee or Lessor upon thirty (30) calendar days' prior written notice to the other.

16. ADDITIONAL PROVISIONS

(a) Waiver

(1) No term, covenant, or condition of this Lease and no omission, neglect, Default or Breach of any such term, covenant or condition shall be deemed to have been waived by Lessor's acceptance of a late or nonconforming performance or otherwise, unless such a waiver is expressly acknowledged by Lessor in writing. No delay or omission of Lessor to exercise any right or power arising from any omission, neglect, Default or Breach of term, covenant, or condition of this Lease shall be construed as a waiver or any acquiescence therein.

(2) Any such waiver shall not be deemed to be a waiver of any other term, covenant or condition; of any successive Breaches of the same term, covenant, or condition; or of any other Default or Breach of any term, covenant or condition of this Lease.

(b) Time

Time is of the essence for this Lease and each and all of its terms, covenants or conditions in which performance is a factor.

(c) Notice

All notices required to be given under this Lease shall be given in writing, sent by U.S. Mail with postage prepaid, to Lessor at the offices of the State Lands Commission and the Lessee at the address specified in this Lease. Lessee shall give Lessor notice of any change in its name or address.

(d) Consent

Where Lessor's consent is required under this Lease its consent for one transaction or event shall not be deemed to be a consent to any subsequent occurrence of the same or any other transaction or event.

(e) Changes

This Lease may be terminated and its term, covenants, and conditions amended, revised, or supplemented only by mutual written agreement of the parties.

(f) Successors

The terms, covenants, and conditions of this Lease shall extend to and be binding upon and inure to the benefit of the heirs, successors, and assigns of the respective parties.

(g) Joint and Several Obligation

If more than one Lessee is a party to this Lease, the obligations of the Lessees shall be joint and several.

(h) Captions

The section and paragraph captions used in this Lease are for the convenience of the parties. The captions are not controlling and shall have no effect upon the construction or interpretation of this Lease.

(i) Severability

If any term, covenant or condition of this Lease is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and each term and provision of this Lease shall remain valid and enforceable to the fullest extent permitted by law.

(j) Representations

Lessee agrees that no representations have been made by Lessor or by any person or agent acting for Lessor. Lessor and Lessee agree and acknowledge that this document contains the entire agreement of the parties, that there are no verbal agreements, representations, warranties or other understandings affecting this Lease, and Lessor and Lessee, as a material part of the consideration of this Lease, waive all claims against the other for rescission, damages, or otherwise by reason of any alleged covenant, agreement or understanding not contained in this Lease.

(k) Gender and Plurality

In this Lease, the masculine gender includes both the feminine and neuter, and the singular number includes the plural whenever the context so requires.

(l) Survival of Certain Covenants

All covenants pertaining to bond, insurance, indemnification, restoration obligations, Breach, Default, and remedies shall survive the expiration or earlier termination of this Lease until Lessee has fulfilled all obligations to restore the Lease Premises as required by this Lease.

(m) Counterparts

This agreement may be executed in any number of counterparts and by different parties in separate counterparts. Each counterpart when so executed shall be deemed to be an original and all of which together shall constitute one and the same agreement.

(n) Delegation of Authority

Lessor and Lessee acknowledge Lessor as defined herein includes the Commission Members, their alternates or designees, and the staff of the Commission. The ability of staff of the Commission to give consent, or take other discretionary actions described herein will be as described in the then-current delegation of authority to Commission staff. All other powers are reserved to the Commission.

STATE OF CALIFORNIA - STATE LANDS COMMISSION

LEASE NO. PRC 5208.9

This Lease shall become effective only when approved by and executed on behalf of the State Lands Commission of the State of California and a duly executed copy has been delivered to Lessee. The submission of this Lease by Lessor, its agent, or representative for examination by Lessee does not constitute an option or offer to lease the Lease Premises upon the terms and conditions contained herein, or a reservation of the Lease Premises in favor of Lessee. Lessee's submission of an executed copy of this Lease to Lessor shall constitute an offer to Lessor to lease the Lease Premises on the terms and conditions set forth herein.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date hereafter affixed.

LESSEE:

**SAN SIMEON COMMUNITY
SERVICES DISTRICT**

By: _____
Ralph McAdams, Chairperson

Date: _____

ATTEST:

Charles Grace, General Manager

APPROVED AS TO FORM:

Heather K. Whitham, District Counsel

LESSOR:

**STATE OF CALIFORNIA
STATE LANDS COMMISSION**

By: _____
Robert Brian Bugsch

Title: Chief, Land Management Division

Date: _____

This Lease was authorized by the
California State Lands Commission on

(Month Day Year)

ATTACH NOTARY ACKNOWLEDGEMENT

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____)

On _____ before me, _____
(insert name and title of the officer)

personally appeared _____
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A

PRC 5208.9

LAND DESCRIPTION

A 20 feet wide strip of tide and submerged land situated in the bed of the Pacific Ocean, lying adjacent to Rancho San Simeon patented April 1, 1865, County of San Luis Obispo, State of California and lying 10 feet on each side of the following described centerline:

BEGINNING at a point on the centerline of an existing 8 inch outfall pipeline having a geographic coordinate of 36° 36' 41.95" North Latitude, 121° 08' 44.92" West Longitude; thence along said centerline South 66° 07' 38" West, 749.40 feet to a point of TERMINUS having a geographic coordinate of 35° 36' 38.74" North Latitude, 121° 08' 53.10" West Longitude.

The sidelines of said strip to be lengthened or shortened as to begin on the ordinary high water mark of said Pacific Ocean and to terminate at a line perpendicular to the terminus of said centerline.

EXCEPTING THEREFROM any portion located landward of ordinary high water mark of the Pacific Ocean.

END OF DESCRIPTION

Geographic coordinates provided by the San Simeon Community Services District.

Prepared 04/27/15 by the California State Lands Commission Boundary Unit



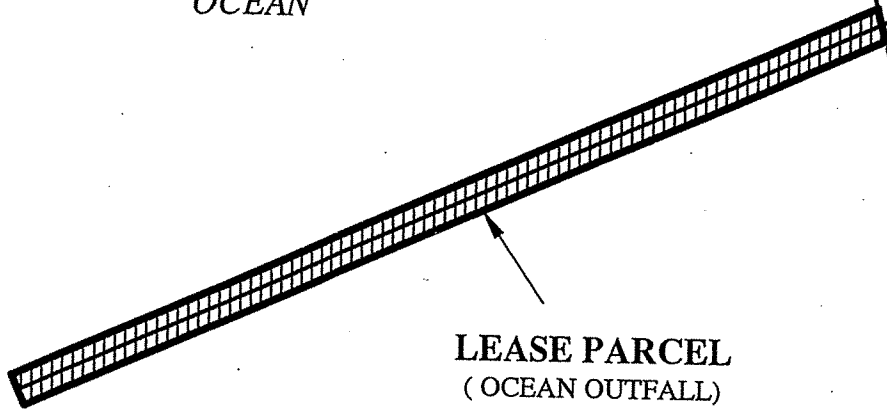
NO SCALE

SITE

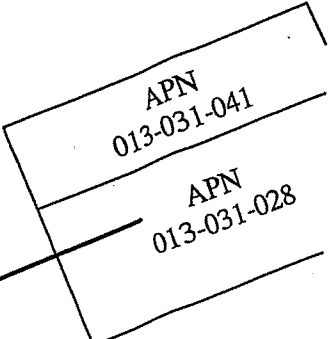


PACIFIC

OCEAN



LEASE PARCEL
(OCEAN OUTFALL)

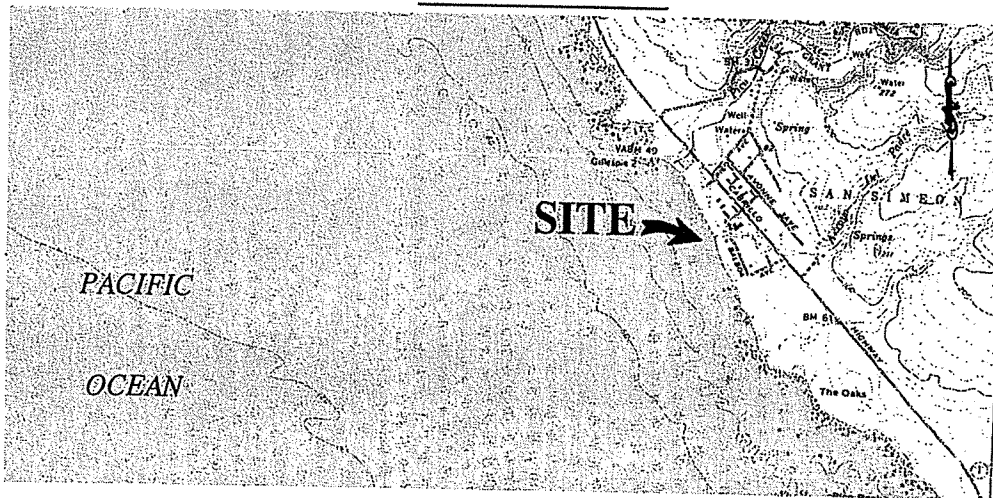


APPROX.
SHORELINE

9245 BALBOA AVENUE, SAN SIMEON

NO SCALE

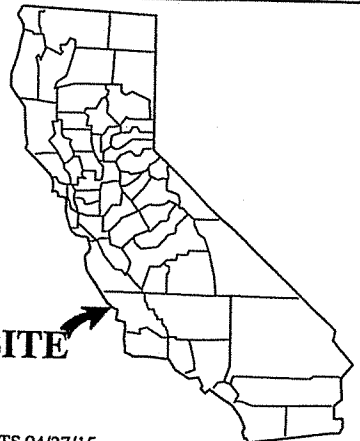
LOCATION



MAP SOURCE: USGS QUAD

Exhibit B

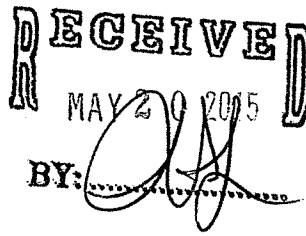
PRC 5208.9
SAN SIMEON COMMUNITY
SERVICES DISTRICT
APNs 013-031-028 & -041
GENERAL LEASE -
PUBLIC AGENCY USE
SAN LUIS OBISPO COUNTY



This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.



Water.
Process.
Solutions.



Corporate Headquarters
302 Lake Hazelline Drive
Chaska, MN 55318 USA

Phone 800-240-3330
Phone 952-448-4884
Fax 952-448-4886
Web WIGEN.COM

May 19, 2015

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

RE: Bid Proposal for a Reverse Osmosis Treatment System for the San Simeon Community Services District

Wigen Water Technologies (WWT) is pleased to present this bid proposal for the Procurement of a Reverse Osmosis Treatment System for the San Simeon Community Services District in accordance with Specifications No. 2015-02. Please find enclosed a detailed proposal that includes all information requested in the Project Specifications.

WWT specializes in building custom designed, skid mounted membrane systems and we have many installations of a similar size to the system proposed for the San Simeon Community Services District (SSCSD). A list of reference installations is provided as part of the bid form and additional references can be supplied if desired. Our expertise in providing high quality water treatment equipment for small to mid-sized communities will ensure SSCSD is provided with the highest level of service and a treatment system optimized to meet the District's specific requirements.

Thank you for the opportunity to submit a proposal for this project and if you have any questions on our proposal or need any additional information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Wigen".

Jeff Wigen
President and CEO
Wigen Water Technologies

RECEIVED
MAY 20 2015
BY: *[Signature]*

BID

FOR THE PURCHASE OF
REVERSE OSMOSIS TREATMENT EQUIPMENT
SPECIFICATIONS NO. 2015-02

BIDS RECEIVED UNTIL 2:00 pm on Thursday, May 21, 2015

Unless otherwise defined herein, capitalized terms used in this Bid shall have the same meaning given to them in the "General Conditions" adopted by SSCSD.

To the Board of Directors of the San Simeon Community Services District:

The undersigned bidder (the "Bidder") hereby declares as follows:

- A. The Bidder is submitting this Bid on its own behalf and not in the interest of, on behalf of, or in collusion with any other person, partnership, corporation, association or organization.
- B. No director, officer, or employee of San Simeon Community Services District (the "District") has any proprietary interest in the Bidder, this Bid, or in the profits to be derived from the Contract.
- C. The Bid is in all respects fair and without collusion or fraud.
- D. The Bidder has read the Notice Inviting Bids and the Instructions to Bidders and agrees to all of the stipulations contained therein.
- E. The Bidder has examined the Site of the Work, and has read all of the Contract Documents approved by the District, including without limitation all of the Specifications and Drawings referenced therein, and the Bidder proposes and agrees that if the Bid as submitted in the attached Bid Schedule is accepted by the District, the Bidder shall contract in the form so approved by the District to perform and complete all of the Work under the Contract within the time and by the dates stipulated therein.
- F. The Bidder shall accept, in full payment, the prices quoted by the Bidder in the Bid Schedule. Said prices shall include and cover the supply of all labor, equipment, materials, and incidentals necessary or proper for the Bidder to complete each and every item of the Work required to be completed under the Contract Documents in the manner and within the time required under the Contract Documents.
- G. The address provided by the Bidder in this Bid is the address to which the District may direct any and all notices or other communications to the Bidder.

The Bidder further agrees that, upon receipt of written Notice of Award from the District of the acceptance of the Bidder's Bid, the Bidder shall, within fifteen (15) Calendar Days from the date the District mails such notice, or within such additional time as may be expressly allowed by the District in writing, (i) execute the Contract in accordance with the Bid as accepted by the District, (ii) furnish the required payment and performance bonds and bonding company documentation,

(iii) provide satisfactory evidence that the Bidder's Project Manager and all other designated employees meet the experience and certification requirements in the Notice Inviting Bids, and (iv) provide satisfactory evidence that all required insurance coverages have been secured. The Bidder further acknowledges and agrees that if the Bidder refuses or otherwise fails to complete all of said requirements within the required time, then the certified or cashier's check or bidder's bond accompanying this Bid, and the money payable thereon, shall be forfeited to and become the property of the San Simeon Community Services District as liquidated damages for such failure or refusal. If the Bidder complies with all of the above referenced requirements within the required time, then the certified or cashier's check, if furnished, shall be returned to him within three (3) Working Days thereafter, or the bidder's bond, if furnished, shall become void.

BIDDER'S DECLARATION

The undersigned Bidder acknowledges receipt of the following addenda:

<u>Addendum No.</u>	<u>Description</u>	<u>Date Received</u>
1	Change to Specifications	May 18, 2015

Failure to acknowledge receipt of all Addenda will cause rejection of the Bid as non-responsive.

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BID

BIDDER'S BOND

(Not necessary when certified or cashier's check accompanies Bid)

We, the undersigned principal and surety, acknowledge ourselves jointly and severally bound to the San Simeon Community Services District in the amount of ten percent (10%) of the aggregate amount of the Bid to be paid to said District if the Bid of the undersigned principal for manufacture of the Reverse Osmosis Treatment System under Specifications No. 2015-02 of said District shall be accepted and the proposed contract awarded to said Bidder, and the said Bidder shall fail to execute the Contract in accordance with the Bid as accepted by the District, furnish the required payment and performance bonds and bonding company documentation, provide satisfactory evidence that the Bidder's Project Manager and all other designated employees meet the experience and certification requirements in this Notice Inviting Bids, and provide satisfactory evidence that all required insurance coverages have been secured, required in connection therewith; otherwise, this obligation to be void.

WITNESS our hands this 19th day of May, 2015

Wigan Companies, Inc. dba Wigan Water Technologies

(Print Name of Bidder)

By

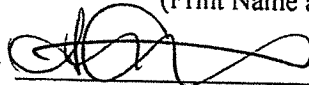


(Signature)

JEFF WIGAN - PRESIDENT

(Print Name and Title of Bidder's Signatory)

By



(Signature)

Angie Christofore - Project Manager

(Print Name and Title of Bidder's Signatory)

The Ohio Casualty Insurance Company

(Print Name of Surety)

By



(Signature)

Robert Downey, Attorney-in-Fact

(Print Name and Title of Surety's Signatory)

62 Maple Ave, Keene, NH 03431

(Print Address of Surety)

Surety's Telephone No. 800-535-0006

*Refer to Section I-9 for authorized signatories and requirements for documentation to be included with the Bid to demonstrate the authority of signatories and, if applicable, establishment of a joint venture

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BID

The Bidder proposes to manufacture and supply the Reverse Osmosis Treatment System in accordance with the San Simeon Community Services District Specifications No. 2015-02 and with the Drawings for the unit and lump sum prices indicated herein below.

BID SCHEDULE

Item No.	Quantity	Unit	Item Description with Unit Prices Written in Words	Unit Cost (Figures)	Extended Total (Figures)
1	JOB	LS	Furnish all labor, materials and equipment necessary for the manufacture of the reverse osmosis treatment and clean in place equipment in conformance with the Contract Documents for the lump sum price of	Lump Sum	\$ 271,880.00
2	JOB	LS	START UP AND TESTING Furnish all labor, materials and equipment necessary to provide two site visits to perform start up and testing of the equipment once installed by the District Contractor in conformance with the Contract Documents complete and in place for the unit price of	Lump Sum	\$ 24,550.00
3	JOB	LS	OPERATION AND MAINTENANCE MANUALS Furnish all labor, materials and equipment necessary for the completion and delivery of the supplied equipment operation and maintenance manuals to the District Contractor in conformance with the Contract Documents complete and in place for the unit price of	Lump Sum	\$ 2,340.00

TOTAL FOR BID SCHEDULE	
Sum of Bid Items 1 through 3:	\$ 298,770.00

	(Figures)
Two hundred ninety eight thousand seven hundred seventy _____ Dollars	
(Spell out Dollar Figure)	

NOTES:

- The determination of the lowest responsible bidder will be based on the base bid.
- The District reserves the right to reject any or all Bids and bid items.
- All extensions of unit prices will be subject to verification by the District.
- All prices shall include all taxes, insurance, licenses, transportation, delivery and handling charges and duties, etc. and construction complete and in place.
- The total bid price shall include all Work described in the Contract Documents. If no separate bid item is provided for any portion of the Work, the price thereof shall be considered to be included in the bid item which most closely applies to that portion of the Work.

BID

INFORMATION REQUIRED OF THE BIDDER

1. Name Wigen Water Technologies
2. Address 302 Lake Hazeltine Drive, Chaska, MN 55318
3. Telephone 952-448-4884
4. License (Class, Number, Expiration Date) N/A
5. Type of firm - Corporation, Partnership, Individual, Joint Venture, or Limited Liability Company
Corporation
6. Organized under laws of the State of Minnesota
7. Names, titles and addresses as required for the type of firm in the Instructions to Bidders.
Jeff Wigen
President/CEO
302 Lake Hazeltine Drive
Chaska, MN 55318
8. The minimum qualifications are: List at least five projects that were performed by the Bidding company comparable to or greater in magnitude and complexity than this project as specified in the Notice Inviting Bids. Include reference information for these projects and contact persons as shown in the table below. **FILL IN ALL OF THE SPACES.** Attach additional sheets if necessary. **Replies to these inquiries must be full and explicit.**
Client: City of St. Peter, MN
Project: Broadway WTP RO System
Project Description: (2) Primary RO skids, 650 gpm each with 20:10, 6L array
(1) Secondary RO skid, 280 gpm with 12, 6L array. CIP system included.
Completion Date: April 2011 Contract Amount: \$ 1,350,000.00
Contact Person: Peter Moulton Telephone No: 507-934-0774

BID

INFORMATION REQUIRED OF THE BIDDER (continued)

Client: City of Panora, IA
Project: Addition of RO System to WTP
Project Description: (1) 220 gpm RO skid with 6:3, 6L array. Low pressure feed pump, bag filter, and CIP system included.

Completion Date: July 2013 Contract Amount: \$ 276,700.00
Contact Person: Brent Christofferon Telephone No: 641-757-0469
Client: City of Fort Madison, IA
Project: Fort Madison WTP RO System
Project Description: (3) 700 gpm RO skids, each with 18:9, 6L array. Includes CIP system.
Provides hardness and nitrate removal.

Completion Date: July 2010 Contract Amount: \$ 975,000.00
Contact Person: Norm Dodson Telephone No: 319-470-6624
Client: City of Ferndale, WA
Project: Ferndale WTP Softening Project
Project Description: (3) Three-stage 500 gpm RO skids with 11:6:3, 6L array. CIP system included.

Completion Date: Sept 2014 Contract Amount: \$ 1,127,000.00
Contact Person: Mike Olinger Telephone No: 360-384-4607
Client: Town of Wiggins, CO
Project: Pressure Filters and Reverse Osmosis System
Project Description: (3) 54" diameter skid mounted Pressure Filters and (2) 225 gpm RO skids with 6:3, 6L array.
CIP system included.

Completion Date: Sept 2012 Contract Amount: \$ 550,000.00
Contact Person: Jim Musgrave Telephone No: 970-483-6167

Replies to these inquiries must be full and explicit.

BID

INFORMATION REQUIRED OF THE BIDDER (continued)

9. When, by whom, and in what manner was the site of this proposed work inspected on behalf of the Bidder.

N/A

10. Pursuant to the Subletting and Subcontracting Fair Practices Act, California Public Contract Code Section 4100, et seq., each bidder submitting bids on public works projects shall set forth:

a. The name and location of the place of business of each subcontractor who will perform work or labor or render service to the prime Contractor in or about the manufacture of the work or improvement in an amount in excess of 0.5 percent of the prime Contractor's total bid.

The information requested below must be filled out completely. All subcontractors will be required to obtain any required business licenses. Attach additional sheets if necessary

<u>Name of Subcontractor and License Class, Number, Exp. Date</u>	<u>Location of Place of Business</u>	<u>Portion (Type) of Work to be Done</u>
N/A - All work to be conducted by WWT.		
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

BID

INFORMATION REQUIRED OF THE BIDDER (continued)

11. Surety Information:

Surety Company:	The Ohio Casualty Insurance Company
Surety Address:	62 Maple Ave, Keene, NH 03431
Representative Company:	Pate Bonding, Inc.
Representative Address:	1276 S Robert St #1, West St Paul, MN 55118
Contact Person:	Tom Kemp
Contact Phone No:	(651) 457-6842

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**NONCOLLUSION DECLARATION TO BE EXECUTED BY BIDDER AND SUMMITTED
WITH BID PURSUANT TO CALIFORNIA PUBLIC CONTRACT CODE §7106 &
CODE OF CIVIL PROCEDURE §2015.5**

The undersigned declares:

I am the President/CEO of Wigen Companies, Inc., the party making the foregoing bid.

The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid. The bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or to refrain from bidding. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on May 19, 2015, at Chaska (Carver County), Minnesota.



Sarah Buesgens
5/19/2015

JEFF WIGEN - PRESIDENT
(Print Name and Title of Signatory for Bidder)

WIGEN COMPANIES, INC - CORPORATION
(Print Name of Bidder and Type of Entity)

Jeff Wigen *
(Signature)

* Signature shall be notarized using a form which is in accordance with current law and which shall be included with the Bid.

Executive Summary

H2O Engineering is pleased to provide San Simeon Community Service District with the following proposal to supply a Reverse Osmosis water treatment solution. In this proposal, you will find all of the commercial and technical details for the water treatment solution designed, fabricated and packaged by H2O Engineering, Inc. This proposal is good for 60 days.

During communication with SSCSD regarding this project, several needs were identified. These include:

- Select a firm who has deep water treatment experience with engineering, PLC programming and fabrication capabilities in-house.
- Select a firm who has experience manufacturing water treatment systems of this scale and complexity with strict performance and safety requirements.
- Provide an optimum equipment selection which minimizes waste and maximizes recovery.
- Provide start-up assistance, training and service as needed.
- H2O Engineering is a Certified Minority-Owned Business

A detailed scope of supply for the equipment and services proposed are provided in the following sections.

If you have any questions regarding our proposal, please do not hesitate to contact me.

Sincerely,

Steve Corbett
Water Treatment Technologist
H2O Engineering Inc.

189 Granada Drive
San Luis Obispo, CA 93401
Email: steve@h2oengineering.com
Tel: (805) 547-0303
Cell: (805) 550-4211

BIDDER'S DECLARATION

RECEIVED
MAY 21 2015
BY: [Signature] 1143

The undersigned Bidder acknowledges receipt of the following addenda:

<u>Addendum No.</u>	<u>Description</u>	<u>Date Received</u>
Addendum 1	Items AD1-1 to AD1-5 and Clarifications	May 18, 2015

Failure to acknowledge receipt of all Addenda will cause rejection of the Bid as non-responsive.

Not Applicable. See Cashier's Check attached.

BID

BIDDER'S BOND

(Not necessary when certified or cashier's check accompanies Bid)

We, the undersigned principal and surety, acknowledge ourselves jointly and severally bound to the San Simeon Community Services District in the amount of ten percent (10%) of the aggregate amount of the Bid to be paid to said District if the Bid of the undersigned principal for manufacture of the Reverse Osmosis Treatment System under Specifications No. 2015-02 of said District shall be accepted and the proposed contract awarded to said Bidder, and the said Bidder shall fail to execute the Contract in accordance with the Bid as accepted by the District, furnish the required payment and performance bonds and bonding company documentation, provide satisfactory evidence that the Bidder's Project Manager and all other designated employees meet the experience and certification requirements in this Notice Inviting Bids, and provide satisfactory evidence that all required insurance coverages have been secured, required in connection therewith; otherwise, this obligation to be void.

WITNESS our hands this _____ day of _____, 2015

(Print Name of Bidder)

By _____ *
(Signature)

(Print Name and Title of Bidder's Signatory)

By _____ *
(Signature)

(Print Name and Title of Bidder's Signatory)

(Print Name of Surety)

By _____
(Signature)

(Print Name and Title of Surety's Signatory)

(Print Address of Surety)

Surety's Telephone No. _____

***Refer to Section I-9 for authorized signatories and requirements for documentation to be included with the Bid to demonstrate the authority of signatories and, if applicable, establishment of a joint venture**

BID

The Bidder proposes to manufacture and supply the Reverse Osmosis Treatment System in accordance with the San Simeon Community Services District Specifications No. 2015-02 and with the Drawings for the unit and lump sum prices indicated herein below.

BID SCHEDULE

Item No.	Quantity	Unit	Item Description with Unit Prices Written in Words	Unit Cost (Figures)	Extended Total (Figures)
1	JOB	LS	Furnish all labor, materials and equipment necessary for the manufacture of the reverse osmosis treatment and clean in place equipment in conformance with the Contract Documents for the lump sum price of	Lump Sum	\$ <u>333,253.18</u>
2	JOB	LS	START UP AND TESTING Furnish all labor, materials and equipment necessary to provide two site visits to perform start up and testing of the equipment once installed by the District Contractor in conformance with the Contract Documents complete and in place for the unit price of	Lump Sum	\$ <u>11,191.50</u>
3	JOB	LS	OPERATION AND MAINTENANCE MANUALS Furnish all labor, materials and equipment necessary for the completion and delivery of the supplied equipment operation and maintenance manuals to the District Contractor in conformance with the Contract Documents complete and in place for the unit price of	Lump Sum	\$ <u>3,000.00</u>

<p>TOTAL FOR BID SCHEDULE Sum of Bid Items 1 through 3:</p> <p align="right"> <u>\$ 347,444.68</u> _____ _____ (Figures) </p> <p align="center"> <u>three hundred thirty six thousand two hundred fifty three ¹⁸/₁₀₀ Dollars</u> (Spell out Dollar Figure) </p>

NOTES:

- The determination of the lowest responsible bidder will be based on the base bid.
- The District reserves the right to reject any or all Bids and bid items.
- All extensions of unit prices will be subject to verification by the District.
- All prices shall include all taxes, insurance, licenses, transportation, delivery and handling charges and duties, etc. and construction complete and in place.
- The total bid price shall include all Work described in the Contract Documents. If no separate bid item is provided for any portion of the Work, the price thereof shall be considered to be included in the bid item which most closely applies to that portion of the Work.

BID

INFORMATION REQUIRED OF THE BIDDER

1. Name Charles Robert Moncrief, III
2. Address 189 Granada Dr., San Luis Obispo, CA, 93401
3. Telephone 805-547-0303
4. License (Class, Number, Expiration Date) Class A, 790167, 03/31/2017
5. Type of firm - Corporation, Partnership, Individual, Joint Venture, or Limited Liability Company
Corporation, Certified Minority Business Enterprise (see attached)
6. Organized under laws of the State of California
7. Names, titles and addresses as required for the type of firm in the Instructions to Bidders.
President: Charles Robert Moncrief, III
Chief Financial Officer: Charles Robert Moncrief, III
Secretary: Charles Robert Moncrief, III
Address Applicable to All Above: 189 Granada Dr., San Luis Obispo, CA, 93401
8. The minimum qualifications are: List at least five projects that were performed by the Bidding company comparable to or greater in magnitude and complexity than this project as specified in the Notice Inviting Bids. Include reference information for these projects and contact persons as shown in the table below. **FILL IN ALL OF THE SPACES.** Attach additional sheets if necessary. **Replies to these inquiries must be full and explicit.**

Client: St. John Parish, Louisiana

Project: 5.0 MGD

Project Description: 5.0 MGD. Treatment targeting TDS, Color and THHM utilizing MUNI-1.5 MGD Skids (3), MUNI-LERO, FRP Housings. Brine disposal is surface discharge.

Completion Date: 2007 Contract Amount: \$ Cannot disclose information

Contact Person: Cannot disclose information Telephone No: Cannot disclose information

BID

INFORMATION REQUIRED OF THE BIDDER (continued)

Client: Hutchinson, Minnesota

Project: 3.9 MGD

Project Description: 3.9 MGD, Treatment targeting TDS utilizing MUNI-1.3 MGD Skids (3), XLE-440, FRP Housings. Brine disposal is surface discharge.

Completion Date: 2006 Contract Amount: \$ Cannot disclose information

Contact Person: Cannot disclose Telephone No: Cannot disclose information

Client: Tama, Iowa

Project: 400 GPM

Project Description: 400 GPM. Treatment targeting TDS, Fe, Mn utilizing MUNI-200 Skids. Brine disposal to WWTP.

Completion Date: 2006 Contract Amount: \$ Cannot disclose information

Contact Person: Cannot disclose Telephone No: Cannot disclose information

Client: Collier County, Florida

Project: 12.0 MGD

Project Description: 12.0 MGD. Treatment targeting softening utilizing MUNI-NF365 membrane elements. Brine disposal via deep well injection.

Completion Date: 2005 Contract Amount: \$ Cannot disclose information

Contact Person: Cannot disclose Telephone No: Cannot disclose information

Client: Schuylerville, New York

Project: 1.3 MGD

Project Description: 1.3 MGD, Treatment targeting TDS utilizing MUNI-450 Skids (2), MUNI-400 FRP, FRP Housings. Brine disposal via WWTP.

Completion Date: 2005 Contract Amount: \$ Cannot disclose information

Contact Person: Cannot disclose Telephone No: Cannot disclose information

Replies to these inquiries must be full and explicit.

BID

INFORMATION REQUIRED OF THE BIDDER (continued)

9. When, by whom, and in what manner was the site of this proposed work inspected on behalf of the Bidder.

Site visit not required per John Tunner.

10. Pursuant to the Subletting and Subcontracting Fair Practices Act, California Public Contract Code Section 4100, et seq., each bidder submitting bids on public works projects shall set forth:

a. The name and location of the place of business of each subcontractor who will perform work or labor or render service to the prime Contractor in or about the manufacture of the work or improvement in an amount in excess of 0.5 percent of the prime Contractor's total bid.

The information requested below must be filled out completely. All subcontractors will be required to obtain any required business licenses. Attach additional sheets if necessary

<u>Name of Subcontractor and License Class, Number, Exp. Date</u>	<u>Location of Place of Business</u>	<u>Portion (Type) of Work to be Done</u>
---	--------------------------------------	--

No subcontractor required for H2O Engineering's Scope of Work. All work to be completed by H2O Engineering.

<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>

BID

INFORMATION REQUIRED OF THE BIDDER (continued)

11. Surety Information:

Surety Company:	<u>CNA Surety</u>
Surety Address:	<u>8880 Cal Center Dr., Suite 410, Sacramento, CA, 95826</u>
Representative Company:	<u>Construction Services Insurance Agency</u>
Representative Address:	<u>9840 Business Park Dr., Sacramento, CA, 95827</u>
Contact Person:	<u>Sarah Marinelli</u>
Contact Phone No:	<u>800-675-2000</u>

*The above surety company information is for the Performance Bond upon award of contract.

**See Cashier's Check for Bid Bond requirements.

**NONCOLLUSION DECLARATION TO BE EXECUTED BY BIDDER AND SUBMITTED
WITH BID PURSUANT TO CALIFORNIA PUBLIC CONTRACT CODE §7106 &
CODE OF CIVIL PROCEDURE §2015.5**

The undersigned declares:

President H₂O Engineering, Inc.
I am the ✓ of ✓, the party making the foregoing bid.

The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid. The bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or to refrain from bidding. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on ✓ [date], at San Luis Obispo city within California], California [state].

Charles Robert Moncrief III President
(Print Name and Title of Signatory for Bidder)

H₂O Engineering, Inc. Corporation
(Print Name of Bidder and Type of Entity)

Charles Robert Moncrief III *
(Signature)

* Signature shall be notarized using a form which is in accordance with current law and which shall be included with the Bid.