

SSCSD Board Mtg 3-8-06

All Board members present + Schultz and O'Neill
Mtg start 6:05 pm

Public Comment: No public Comments

- Bring back website to Presentation to April mtg.
- Water committee mtg to discuss wait list process 3-28-06 4:00 pm

M. notes Approval
Russell / Fields
All

Warrant Report
Russell / Kiech
All

S.1 Addendum to Boyle Task Order 7-05
Russell / Lorie
All

S.2 Addition of Grade II operator
for ECO Amendment to ECO contract
Russell / Kiech

Vote →

Russell - y	Lorie - N	Fields - y	4-1
Kiech - y	Lambeth - y		

Material
Breach

- * ~~5-3 Amend the Term of ELO Contract~~
Motion to direct staff to research the practice of rolling contracts, develop a draft rolling 5 yr contract with ELO to bring back to Board at April mtg
Motion by Russell/Kiech
- 5-0 approve

5.4 Meter Replacement program
Motion Russell/Fields
Approved 5-0

~~Agenda Items~~

- Budget items for Budget committee
- * ~~Staff Reviews~~
- Staff reviews schedule for next board mtg.

* Look for State contract with District

Adjourn at 8:20 pm

**Board of Directors – Regular Meeting
San Simeon Community Services District
AGENDA
Wednesday March 8, 2006 6:00 PM
Cavalier Banquet Room**

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

1. 6:00 PM – REGULAR SESSION
 - 1.1 Roll Call
 - 1.2 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, or pending before the Board. Presentations are limited to three (3) minutes or otherwise at the discretion of the Chair.

 - 2.1 Sheriff’s Report
 - 2.2 Public Comment

3. STAFF REPORTS
 - 3.1 General Manager Report
 - 3.1.1 Current Project Report
 - 3.1.1.1 Curb Painting
 - 3.1.1.2 Presentation of District’s New Website
 - 3.1.1.3 Development of Water Wait List Policy and Procedures Ordinance for the Addition of Property Owners
 - 3.1.1.4 Report on Abandoned Outfall Line
 - 3.1.2 Superintendent Report
 - 3.1.2.1 Water & Wastewater Operation Report
 - 3.1.3 Other Reports
 - 3.1.3.1 District Financial Summary
 - 3.1.3.2 Grant Application Progress
 - 3.2 District Counsel Report

4. ITEMS OF BUSINESS
 - 4.1 Approval of Minutes – February 8, 2006
 - 4.2 Approval of Warrants –February 1, 2006 – February 28, 2006

5. DISCUSSION/ACTION ITEM
 - 5.1 Discussion/Approval of Addendum to Boyle Task Order # 7-05 Water Master Plan. Addendum to Include Evaluation of District Reservoir and Requirements for Fire Flow.

5.2 Discussion/Approval to Amend ECO Contract to Include Addition of a Grade II Operator.

5.3 Discussion/Approval to Amend the Term of the ECO Contract to a Rolling 5 year Contract.

5.4 Discussion/Action for Residential Meter Replacement Program

5.5 Board Committee Reports.

5.6 Board Reports.

6. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS

7. ADJOURNMENT

General Manager's Report

March 8, 2006

3.1.1 CURRENT PROJECTS REPORT

3.1.1.1 Curb Painting - All the curbs in the District that had previously been painted have been repainted. In addition every storm drain had a button attached stating not to deposit anything into the drain as it drains to the ocean.

3.1.1.2 District's Website – Tom O'Neill will give a short presentation on the District's new website. This will give the Directors one last look and to offer comments before the site goes live. Staff believes that this new site will give us more flexibility to make changes and to keep the residents of the District up to date on developments within the District as well as developments outside the District that could have an impact on San Simeon. All directors and staff will be receiving business cards with the District phone number and address as well as the e-mail address that has been assigned to each director and staff person.

3.1.1.3 Development of Ordinance for Adding to Water Wait List – At the last Board meeting staff was directed to begin development of a policy and procedure ordinance for adding property owners to the District's water wait list. Staff has begun that process and will now meet with the water committee for their input and to finalize. Staff will have an Ordinance ready for the Board's review and approval at the April regular meeting.

3.1.1.4 Report on Abandon Outfall Line – Staff has contacted Boyle Engineering to determine what is needed and the cost to remove part of the abandon outfall. Boyle has contacted a local company that has experience in this area. A recommendation of permits and fees required as well as a cost will be presented at the next meeting. Staff has submitted an application to the California Office of Emergency Services for funds to assist the District with the costs associated with this project. If approved the District would receive up to 94% reimbursement of the total cost.

3.1.3 OTHER REPORTS

3.1.3.1 District Financial Summary

February Billings	\$ 27,492
January Receipts	\$ 29,951
Past Due	\$ 2,502
LAIF Balance	\$ 1,199,580.12
SEP Accounts	\$19,556
	\$ 81,165
Accounts Payable	\$132,207.02

3.1.3.2 Grant Application Progress – Included in the Board packets is the Initial Funding Report from Psomas. Psomas on behalf of the District has submitted two pre-application requests for grants in the amount of \$165,000 under the Homeland Security Program for security the countries water sources and the other for \$500,000 under the Coastal Non-point Source Pollution Protection Grant Program. The \$500,000, if approved, will be applied to the wastewater treatment plant up grade. If the District's application is accepted it could still be up 18 months before the money is funded. If approved and the money is funded after the District has begun the projects none of the grant money may be used retroactively. That is, if the District begins a project under the Homeland Security Grant Program and the total cost of the project is \$150,000 and the District has already used \$50,000 of their own funds than that would leave \$100,000 to be paid for with grant money. Staff will continue to keep the Board informed of the progress of the applications.



SUPERINTENDENT'S REPORT

February 2006

Superintendent's Report

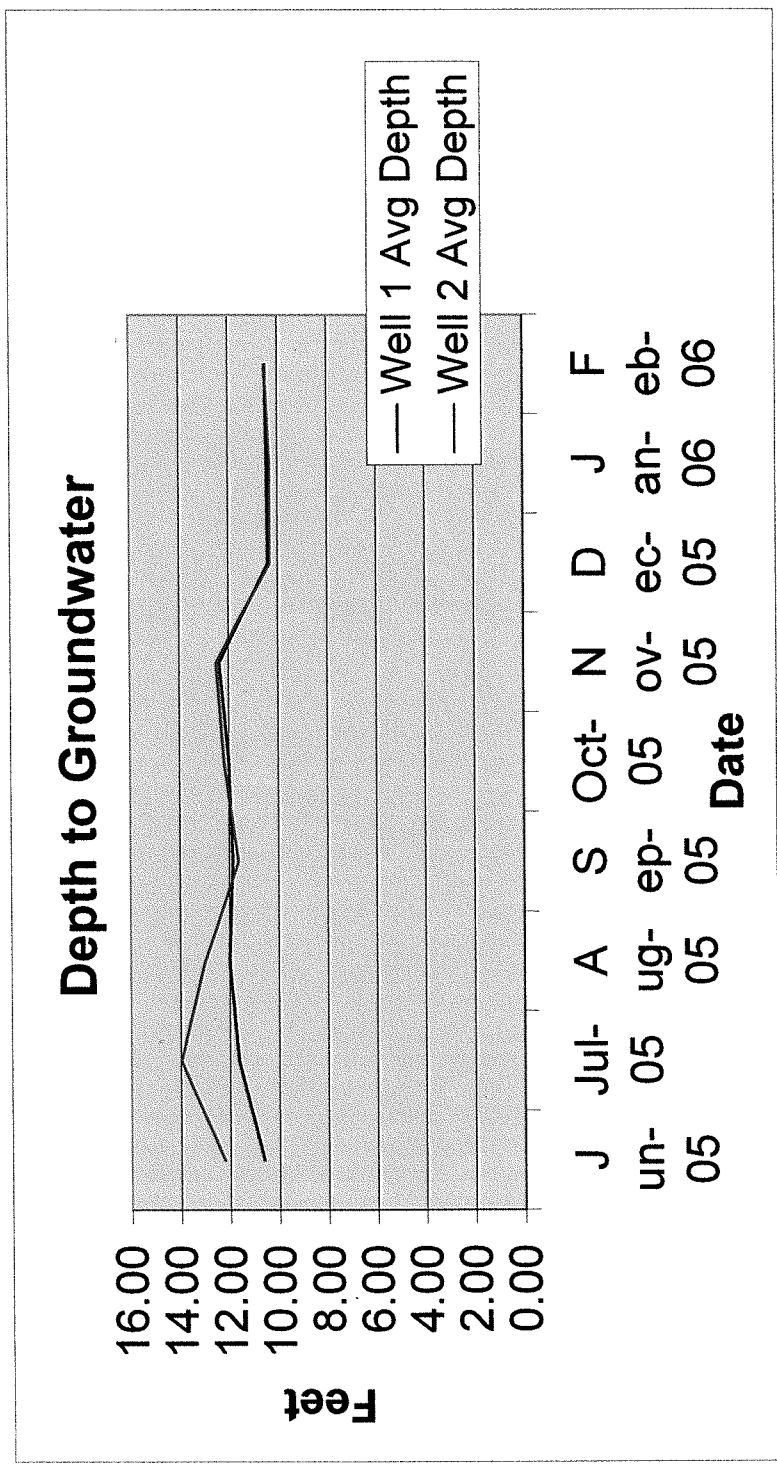
March 3, 2006

During the month of February, contractor Allan Larson continued working on items identified for immediate improvements. Parts, equipment, and materials needed for the work was ordered and some has been received. The fine bubble diffuser "socks" in Aeration Unit #1 were all replaced, slide gate between Aeration unit and Clarifier was replaced. Work on Clarifier #1 has involved cleaning, inspecting Air Lift Pump, disassembly of drive chain, shaft, etc., core drilled for new intermediate shaft, and installation. We are waiting on the reinforced fiberglass scrapers, which are scheduled to arrive within the next two to three weeks. Piping and valves were replaced on both Equalization Basin Pumps. Allan fabricated an air lift pump and modified salvaged materials from the old sludge bagger to enable a new surface skimmer to remove floating materials from the inlet chamber of the Chlorine Contact Chamber (CCC). This has improved the quality of the surface water within the CCC. As you are aware, the floating material on the surface of the CCC was one of the major items pointed out by the staff member of the Regional Water Quality Control Board.

The Wastewater Treatment Plant operated well overall during the month. To my knowledge and based on lab results received as of the date this report is being prepared, we had no violations during the month of February 2006.

	INPUT Wastewater Inf Meter Tot	CALCULATED WWW Daily Q	INPUT Well 1 Read	CALCULATED Well 1 Total Q	INPUT Well 2 Read	CALCULATED Well 2 Total Q	CALCULATED Daily Water Prod	INPUT Well 1 level	INPUT Well 2 level	INPUT State Water Daily Q
31-Jan	265731	1469	15732.50							
2/1/06	298991	33260	1469.20	0	15818.00	63,954	63,954	9.5	9.5	8117
2/2/06	337340	38349	1469.20	0	15905.20	65,226	65,226	10.1	9.8	9830
2/3/06	369056	31,716	1469.20	0	16007.40	76,446	76,446	9.9	10.9	12956
2/4/06	402286	33,230	1469.20	0	16077.30	52,285	52,285	10.3	10.2	7017
2/5/06	458890	56,604	1469.20	0	16179.60	76,520	76,520	9.9	11.0	16351
2/6/06	521638	62,748	1469.20	0	16264.00	63,131	63,131	10.2	10.4	11403
2/7/06	578765	57,127	1469.20	0	16347.00	62,084	62,084	11.2	10.6	11659
2/8/06	602173	23,408	1469.30	75	16430.70	62,608	62,682	10.5	10.4	15008
2/9/06	647096	44,923	1469.30	0	16526.20	71,434	71,434	9.9	10.8	10150
2/10/06	683682	36,586	1469.30	0	16625.60	74,351	74,351	10.1	10.1	13209
2/11/06	721926	38,244	1469.30	0	16694.50	51,537	51,537	10.2	10.2	11224
2/12/06	760364	38,438	1469.30	0	16813.80	89,236	89,236	10.4	10.9	14380
2/13/06	835399	75035	1469.30	0	16946.40	99,185	99,185	10.2	10.0	13099
2/14/06	908582	73,183	1469.30	0	17016.00	52,061	52,061	10.8	10.6	8607
2/15/06	953088	44,506	1469.30	0	17087.00	53,108	53,108	10.7	10.6	10615
2/16/06	998406	45,318	1476.10	5086	17157.40	52,659	57,746	10.4	10.4	10440
2/17/06	1042311	43,905	1526.50	37699	17173.10	11,744	49,443	10.7	10.7	14262
2/18/06	1122196	79,885	1526.50	0	17288.85	86,581	86,581	10.6	10.8	17476
2/19/06	1180938	58,742	1526.50	0	17325.85	27,676	27,676	10.8	10.9	23851
2/20/06	1286421	105,483	1651.50	93500	17360.00	25,544	119,044	10.4	10.4	22403
2/21/06	1345340	58,919	1782.50	97988	17399.90	29,845	127,833	10.5	10.7	15094
2/22/06	1402102	56,762	1885.90	77343	17428.00	21,019	98,362	10.6	10.7	10996
2/23/06	1445667	43,565	1960.90	56100	17441.00	9,724	66,824	10.9	10.9	13043
2/24/06	1496700	51,033	2037.90	57596	17469.00	20,944	78,540	11.2	10.4	12199
2/25/06	1540828	44,128	2111.90	55352	17539.00	52,360	107,712	12.4	10.9	17432
2/26/06	1607177	66349	2191.90	59840	17560.00	15,708	75,548	10.7	10.8	17856
2/27/06	1680928	73,751	2191.90	0	17572.00	8,976	8,976	10.5	10.4	21237
2/28/06	1765320	84,392	2192.00	75	17585.00	9,724	9,799	10.4	10.9	27744
Total WW	1,363,034	Total Well 1	Total Well 2	540,654	1,385,670	1,926,324	397,658			
		Average	Average	19309	49488	10,50	14202			
		Min	Min	0	8976	9.5	7017			
		Max	Max	97988	99184.8	12.4	27744			

	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	6-Feb
Well 1 Avg Depth	10.70	10.63	11.64	12.00	11.86	12.00	12.39	10.40	10.44	10.5
Well 2 Avg Depth	10.70	12.23	13.97	13.00	11.62	12.20	12.51	10.34	10.34	10.53







January 27, 2005

Mr. Tom O'Neill
General Manager
SAN SIMEON COMMUNITY SERVICES DISTRICT
111 Pico Avenue
San Simeon, CA 93452

Submitted by Email: toneill@ecoresources.com

Subject: San Simeon Community Services District – Initial Report on Grant and Low Interest Loan Funding Opportunities for Various Projects of the District

Dear Mr. O'Neill:

Psomas has conducted a preliminary funding search for identified projects for the San Simeon Community Services District (District). The District has immediate funding needs for a variety of projects, including upgrade to its 30-year old wastewater treatment plant.

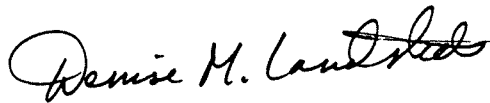
We understand that the State Water Resources Control Board has requested the District to commit to making some treatment improvements within six months and others within two years. Boyle Engineering's August 2005 Technical Memorandum on the wastewater treatment plan identifies needed improvements, including Immediate Improvements, Short-Term Improvements, and Long-Term Improvements. Due to the approaching implementation of the Immediate Improvements (March 2006), these projects and therefore have not been included in this report. Additional projects including well rehabilitation and the Rip Rap project also have potential funding opportunities identified. We were unsuccessful in locating any funding for the water and sewer rate studies, and the water master plan.

Tom O'Neil
Page 2
January 27, 2006

I am pleased to provide you with this preliminary funding report and look forward to discussing these opportunities with you further. We are contracted to follow up on funding opportunities for further detail and meet with the District to present and discuss the opportunities for further consideration. Additionally, four additional monthly funding opportunity reports will be provided through May 2006. Please contact me at (714) 313-4465 (cell) with any with any questions.

Sincerely,

On behalf of PSOMAS

A handwritten signature in cursive script that reads "Denise M. Landstedt".

Denise M. Landstedt
Senior Project Manager
Dudek & Associates, Inc.

C: Karen Lopez, Psomas

Attachment – Initial Report on Grant and Low Interest Loan Funding Opportunities for
the San Simeon Community Services District

INITIAL REPORT ON GRANT AND LOW INTEREST LOAN OPPORTUNITIES FOR THE IMMEDIATE AND LONG-TERM PROJECT NEEDS OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT

1.0 INTRODUCTION

The San Simeon Community Services District (District) has immediate funding needs for a variety of projects, including upgrade to its 30-year old wastewater treatment plant. The District manages and operates a wastewater treatment plant servicing the community of San Simeon and the Hearst San Simeon State Historical Monument. The wastewater treatment plant has an average dry weather flow design capacity of 0.20 million gallons per day (MGD), and a peak wet weather capacity of 0.45 MGD, serving approximately 200 customers. The plant is currently operating at approximately 50 percent capacity. Aging infrastructure has caused water quality problems with the effluent from the plant, resulting in fines from the Regional Water Quality Control Board (RWQCB). The District is currently exploring opportunities to improve the quality of the effluent discharged from the plant in an effort to eliminate future violations.

Boyle Engineering is currently conducting design and engineering work for the District on a variety of projects. Boyle is preparing a Water Master Plan and has completed identification of a project listing prioritized by Immediate Improvements, Short Term Improvements, and Long Term Improvements, further detailed in Section 3.0 below.

2.0 APPROACH

To facilitate a focused funding search, Psomas staff held discussions and obtained project information from Tom O'Neil, General Manager, SSCSD, and Jon Hanlon, Boyle Engineering Corporation, the District's project engineers. Mr. Hanlon provided additional project detail to clarify and enhance information contained in the following documents provided by Boyle. Project detail is included in Section 3.0, Project Identification, Understanding and Inventory.

- Task Order 3-05 (date not indicated) involves the preliminary design, permitting, and final design services associated with the upgrade of the District's wastewater treatment plant to tertiary treatment. Includes a preliminary engineering report with a recycled water user survey and report to meet Title 22 criteria, and additional permitting and preliminary engineering activities; and plan design for the proposed treatment plant improvements – screening improvements and tertiary treatment upgrade.

- Task Order 6-05 (February 8, 2005) includes design and implementation of the “immediate improvements” to the wastewater treatment plant as outlined in Boyle Technical Memorandum 5-05. Includes recommendation for replacement parts or modifications, contractor job walk, bid schedule, construction phase services, startup services.
- Task Order 7-05 (February 8, 2005) includes data collection/review, water demand analysis, system schematic, hydraulic modeling, existing water supply evaluation, regulation evaluation, facility improvement recommendations, water rate study, well evaluation technical memorandum, and water master plan.
- Technical Memorandum (Tech Memo) 4-05 (August 31, 2005) San Simeon Community Services District Wastewater Treatment Plant Walkthrough Evaluation; identifies and prioritizes needed improvements to assist with regulatory compliance.

Utilizing project information, Psomas conducted a focused funding search for potential and immediate funding needs. Psomas utilized a variety of online funding search tools, including funding agency web sites, federal and state search engines, and eCivis Grants Locator. Psomas held additional discussions with funding agencies to clarify funding availability, agency eligibility, and possibly project eligibility, where needed. Results of this search are included in section 4.0, Funding Search Results.

Next Steps

For the proposed projects and the identified funding opportunities, the next actions will be to do the following:

- Although some funding agency program officers have been contacted, several remain to contact to discuss proposed projects, clarify eligibility for funding, determine probability of success, verify possibility of multiple funding sources, confirm funding program requirements, and obtain a history of program funding, if available.
- Psomas will then meet with District staff to discuss identified funding opportunities, determine availability of funding, timing for funding application, eligibility, probability of success, and readiness to proceed. Readiness to proceed includes key requirements for the project to be highly competitive, status of each key requirement, and identifying measures required to increase readiness to proceed. Measures include status of project design, environmental documentation, required board resolutions, supporting studies/reports, establishment of project partners, and securing stakeholder support. Psomas will assist the District in determining funding opportunities to pursue.

3.0 PROJECT IDENTIFICATION, UNDERSTANDING AND INVENTORY

Project Identification

1. Wastewater Treatment Plant Upgrade

- a. Immediate Improvements
Schedule: March 2006 – too near-term for funding, not included in report
- b. Influent Screening Improvements
Schedule: 1-2 Years
- c. Plant Upgrade to Tertiary Treatment
Schedule: September 2007
- d. Plant Improvements – Short-Term
Schedule: 1-2 Years
- e. Plant Improvements – Long-Term
Schedule: Beyond 1 year

2. Sewer Rate Study

Schedule: Estimated completion in August 2006

3. Water Rate Study

Schedule: Estimated completion in September 2006

4. Groundwater Wells Restoration and Well Site Improvements

Schedule: prior to water master plan completion (September 2006)

5. Water Master Plan

Schedule: Estimated completion late-September 2006

6. Rip Rap Project (erosion-preventing boulders)

Schedule: Completion prior to Plant Upgrade (September 2007)

3.1 Wastewater Treatment Plant Upgrade

Boyle's August 31, 2005 Tech Memo detailed and prioritized issues and projects of the wastewater treatment plant (Plant). The Plant has experienced deferred maintenance and includes aging and worn out equipment. Due to the condition, the Plant is difficult to operate and difficult to achieve water quality compliance for direct ocean outfall disposal.

Improvement prioritization included Immediate Improvements, Short Term Improvements, and Long Term Improvements. The Immediate Improvements¹ project listing have been shared with the RWQCB, which has expressed an explicit requirement to have the Immediate Improvements "substantially undertaken" by March 2006, which means, at minimum, demonstrating progress. These improvements are intended to assist in keeping the plant in regulatory compliance, and to stabilize plant operation in preparation for tertiary treatment upgrades, and will be accomplished on an emergency basis (no requirement for public bid). Due to the approaching timeframe of March 2006, the Immediate

¹ High priority maintenance and improvements that could significantly improve the operation of the Plant.

Improvements have not been considered for grant or low interest loan funding and are not included in this report. Immediate Improvements include a recycled water user survey and Title 22 Report, anticipated for completion the end of January 2006, which will provide information for direction on treatment methodology. For consideration in this effort, in June 1998, the District received approval from the SWRCB for a \$20,000 Water Recycling Facilities Planning Grant for a study to investigate providing a recycled water source to Caltrans to irrigate the Highway 1 landscape corridor, community parks, existing and new landscaping, and to recharge groundwater. The District requested two time extensions for submittal of a final facilities planning report, with final approval on January 25, 2001 for submittal on August 11, 2001 (SWRCB Resolution No. 2001-004). It is uncertain if this study was completed and submitted.

The RWQCB has mandated upgrade of the Plant to tertiary treatment by September 2007. Therefore, the focus of funding opportunities for Plant improvements is on the Short-Term and Long-Term Improvements.

Short-Term and Long-Term Project Understanding

In its Tech Memo regarding the wastewater treatment plant, Boyle detailed and prioritized the District issues/improvements according to need. The Immediate Improvements would increase plant reliability and improve treatment performance, leading to the Short-Term and Long-Term Improvements. The Short-Term Improvements would provide and support the tertiary treatment upgrade. Long-Term Improvements would enhance the District's capability to manage the Plant and continue to meet regulatory requirements. Table 3.1-1 lists the Short-Term and Long-Term Improvements, which is followed by details of the improvements.

**Table 3.1-1
Recommended Short-Term and Long-Term Plant Improvements**

Short-Term Improvements	Long-Term Improvements
<ul style="list-style-type: none"> • Influent screening improvements • Mechanism to dewater clarifiers, transfer digester sludge, and return supernatant to aeration basins • Upgrade to tertiary treatment • Improve method of removing air manifold from aeration basin • Improvements to existing chlorine contact chamber (CCC) • Upgrade RAS pump header and manifold • Evaluate clarifier capacity and help identify source of settling problems in tanks 2 and 4 • Investigate apparent leakage in reactor #2 • Improve solids handling and dewatering (belt press or other) 	<ul style="list-style-type: none"> • Ability to adjust equalization basin flow through laptop-controlled SCADA system • Replace water/wastewater maintenance building • Rebuild/remodel laboratory and office space

Short-Term Improvements (1-2 years) – Medium priority improvements required to stabilize and optimize plant operation.

- **Influent screening improvements** – Installation of a mechanical screen to remove large solids from plant influent. Additionally, the District is pursuing a community grease-trap implementation program.
- **Mechanism to dewater clarifiers, transfer digester sludge, and return supernatant to aeration basins** – Improve solids and liquid handling capabilities by providing an electric, cart-mounted, suction lift pump that can be maneuvered about the facility by one operator. Permanent suction manifolds could be installed in the aeration basins, and in the digester. Cam-lock fittings would provide convenient pump attachment at each location.
- **Upgrade to tertiary treatment** (by September 2007) – Plans, design and specifications, and construction of equipment for tertiary treatment. Possible treatment of a portion of the wastewater for recycled water uses, including irrigation, commercial laundry, and other approved uses. Recycled water user survey results will allow District to determine direction of recycled water treatment and possible distribution system.
- **Improve method of removing air manifold from aeration basin** –The addition of a top knuckle and a catwalk-style mechanical lifting device to facilitate manifold removal.
- **Improvements to existing chlorine contact chamber (CCC)** – Reconfigure CCC to provide plug flow and consistent velocity profile, either by shaping the channels to reduce eddies, or by adding baffling (replacing several cross-baffles with longitudinal baffles). Current configurations results in eddy currents and settling zones that interfere with disinfection, and possible suspended solids accumulation and re-suspension in the CCC.
- **Upgrade RAS pump header and manifold** – Replace retrofitted RAS pump header and manifold, which are at the end of their useful life. Reconfigure piping to allow access to the walkways between the clarifiers to eliminate operational difficulties and safety hazards.
- **Evaluate clarifier capacity and help identify source of settling problems in tanks 2 and 4** – Modifications to improve aeration basin performance to improve settling quality of the activated sludge and minimize bulking/settling problems. The size of the clarifiers provides a surface loading rate of less than 150 gallons per day per square foot of clarifier area, which is more than sufficient for RAS/WAS settling.

- **Investigate apparent leakage in reactor #2** – Investigation to determine source of water infiltrated into basin after dewatering reactor #2 (approximately five feet within 24 hours). Possible cracked basin receiving groundwater, a leak between basins, etc.
- **Improve solids handling and dewatering (belt press or other)** – Investigate the addition of biosolids dewatering equipment such as a centrifuge or belt press.

Long-Term Improvements (beyond 1-2 years)

- **Ability to adjust equalization basin flow through laptop-controlled SCADA system** – Upgrade manual control of equalization basin flows to a laptop-controlled SCADA system. The system would interface with the influent flow meter and basin level.
- **Replace Water/Wastewater maintenance building** – Replacement of the water /wastewater maintenance building, which is beyond its useful life.
- **Rebuild/remodel laboratory and office space** – Remodel laboratory and office space to be more functional and efficient; upgrade sump and pump system serving the office shower and toilet, as necessary based on identification of significant leaks in the sump water conveyance system.

3.2 Water and Sewer Rate Studies

Sewer Rate Study: Includes hydraulic modeling, and investigation and identification of capital improvements. Anticipated completion in August 2006.

Water Rate Study: Includes analysis of water sources and costs, customers, and identification of capital improvements. Anticipated completion in September 2006.

3.3 Groundwater Wells Restoration and Well Site Upgrades

Groundwater well restoration for the District's two wells include detailed analysis of upgrades needed based on analysis of safe yield from the basin and inspection of well casings and seals; repair leaking pipes and housing; and improve the delivery system. Site upgrade includes security measures and improved chemical storage. Completion anticipated prior to water master plan (September 2006).

3.4 Water Master Plan

Development of a Water Master Plan (WMP) (estimated for completion late-September 2006), including identification of existing water sources and supplies, distribution and storage systems, and system requirements at build out. The WMP will include future water sources including recycled water and desalination.

3.5 Rip Rap Project

Coastal Commission permit for the erosion-preventing boulders placed on the shoreline during the 1970/80's to protect the ocean outfall pipeline. Potential geotechnical work to further investigate keeping boulders in place or replacing with a seawall. Possible CEQA and Coastal Development permit requirement. Completion required by the Coastal Commission prior to permitting for upgrade of the Plant.

4.0 FUNDING SEARCH RESULTS

A preliminary funding search resulted in identification of the following nine funding opportunities as possible sources for District projects. Additional funding opportunities may be identified during the next few months as additional research and reports are provided to the District.

Grants

1. Department of Health Services: Proposition 50 Chapter 3 – Water Security Projects – Pre-applications due January 31, 2006 at 5:00 p.m.
2. Department of Health Services: Infrastructure Improvements Program
3. State Water Resources Control Board: Proposition 50, Chapter 5 – 2005-06 Consolidated Grants Program – Coastal Nonpoint Source Pollution Control – Concept Proposals due February 9, 2006.
4. State Water Resources Control Board – Small Community Wastewater Grant (Solicitation Anticipated for Spring 2006)
5. State Water Resources Control Board – Clean Beaches Initiative Grant Program
6. California Department of Boating and Waterways – Beach Erosion Control

Low Interest Loans

7. California Infrastructure and Economic Development Bank: Infrastructure State Revolving Fund Program – Continuous submission
8. State Water Resources Control Board: State Revolving Fund Loan Program – Continuous submission
9. USDA Rural Development (Loan/Possible Grant)

These funding opportunities have been matched with proposed District projects as shown in the Table 4-1. Following Table 4-1 are details of each funding program.

**Table 4-1
 Potential Funding Opportunities for Prioritized District Projects**

Funding Programs	Status of Funding	Projects									
		Wastewater Treatment Plant				Sewer Rate Study	Water Rate Study	Groundwater Wells Rehabilitation and Well Site Upgrades	Water Master Plan	Rip Rap Project	
		Influent Screening Improvements 1-2 Yrs	Upgrade to Tertiary Treatment Sep 2007	Plant Improvements Short-Term 1-2 Yrs	Plant Improvements Long-Term Beyond 1 Yr						
Grants											
CA DHS Water Security (Prop 50, Chap. 3)	Pre-Proposal Due 1/31/06							X			
CA DHS Infrastructure Improvements – Small Community Water System Facilities (Prop 50/Chap.4a)	Pre-Proposal Due 1/31/06							X			
SWRCB 2005-06 Consolidated Grants – Coastal Nonpoint Source Pollution Control	Concept Proposal Due 2/9/06	X	X								
SWRCB Small Community Wastewater Grant	Possible Solicitation in Spring 2006	X	X	X							
SWRCB Clean Beach Initiative Grant Program	Rolling	X	X								
California Dept of Boating and Waterways: Beach Erosion Control	Rolling										X

San Simeon Community Services District
Initial Report on Grant and Low Interest Loan Funding Opportunities

Funding Programs	Status of Funding	Projects									
		Wastewater Treatment Plant					Sewer Rate Study	Water Rate Study	Groundwater Wells Rehabilitation and Well Site Upgrades	Water Master Plan	Rip Rap Project
		Influent Screening Improvements 1-2 Yrs	Upgrade to Tertiary Treatment Sep 2007	Plant Improvements Short-Term 1-2 Yrs	Plant Improvements Long-Term Beyond 1 Yr	Aug 2006					
Loans						n/a	n/a		n/a		
I-Bank SRF	Ongoing	X	X					X		X	
SWRCB SRF	Ongoing	X	X					X			
USDA Rural Development – Water and Waste Disposal	Ongoing	X	X	X				X			

GRANTS

1. California Department of Health Services Proposition 50, Chapter 3 – Water Security Projects (Grant)

Summary

The purpose of this program is to assist public water systems with implementing water security, safe drinking water, and contaminant removal technology projects using Proposition 50 funds through the California Department of Health Services (DHS). The purpose of this program component is to prevent damage to water treatment, distribution, and supply facilities to prevent disruption of drinking water deliveries, and to protect drinking water supplies from intentional contamination.

Eligible Projects

Eligible projects include monitoring and early warning systems; fencing; protective structures; contamination treatment facilities; emergency interties; communications systems; and other projects designed to prevent damage to water treatment, distribution, and supply facilities.

Eligibility

Eligible applicants apply to all public water systems.

Funding

- An estimated \$47.25 million is available to support awards under the Water Security Projects component
- 25% of the funding has been allocated to disadvantaged communities
- Minimum Range Per Award: \$50,000 and Maximum Range Per Award: \$10,000,000
- A 50% cash and/or in-kind matching is required for this component except for disadvantaged communities with 1,000 or fewer service connections

Key Dates

- Public Workshop: January 11, 2006
- Pre-applications Due: January 31, 2006 at 5:00 p.m.
- DHS Review of Pre-applications: May 1, 2006
- Development of Project Priority List (PPL) to the Public: August 1, 2006
- Determine Fundable Portion of PPLs: August 30, 2006
- Invite Full Applications: September 2006
- Applicants Submit Full Applications: October 2006
- Review Applications, Prepare Technical Reports, and Issue Letter of Commitment (LOC): November 2006 – June 2007
- Applicant submits Plans, Financial, and Environmental Documentation: Up to 14 months after LOC
- DWR Develops Funding Agreements: After LOC requirements have been met

Contact

Cindy Garcia
(916) 449-5283
cgarcia@dhs.ca.gov

Reference

The Program guidelines and application information is available at the following link:
<http://www.dhs.ca.gov/ps/ddwem/Prop50/>

**2. California Department of Health Services
Proposition 50, Chapter 4a – Water Infrastructure Grants – Small
Community Water Systems**

Summary

Grants to small community water systems to upgrade monitoring, treatment, or distribution infrastructure. The water system must be in noncompliance with a safe drinking water standard.

Eligibility

Eligible applicants are small community public water systems (less than or equal to 1,000 service connections or less than or equal to 3,300 persons) under the regulatory jurisdiction of the DHS.

Funding

- An estimated \$14 million for Small Community Water Systems.
- 25% of the funding has been allocated to disadvantaged communities
- Minimum Range Per Award: \$50,000 and Maximum Range Per Award: \$20,000,000
- A 50% cash and/or in-kind matching is required for this component except for disadvantaged communities with 1,000 or fewer service connections

Eligible Projects

The Drinking Water State Revolving Fund (DWSRF) categories will be used to rank projects, along with population, with the largest population ranked first. DWSRF categories include the following:

Drinking Water State Revolving Fund Categories

Category	Description
DWSRF-A	Demonstrated illness attributable to the water system or system under court-ordered compliance. There are no systems in Category A.
DWSRF-B	Microbial contamination of the water supply resulting in a repeated coliform bacteria maximum contaminant level (MCL) violation.
DWSRF-C	Unfiltered surface water or wells that have fecal or E. coli contamination.
DWSRF-D	Filtered surface water that violates the surface water filtration and disinfection regulation.
DWSRF-E	Insufficient water source capacity resulting in water outages.
DWSRF-F	Nitrate/nitrite contamination exceeding MCL.
DWSRF-G	Chemical contamination (other than nitrate/nitrite) exceeding a primary MCL.
DWSRF-H	Uncovered distribution reservoirs and low-head lines.
DWSRF-I	Systems meeting existing MCLs but not proposed microbial MCLs or the California Cryptosporidium Action Plan.
DWSRF-J	Significant sanitary defect involving sewage.
DWSRF-K	Disinfection facilities that have defects.
DWSRF-L	Systems meeting existing MCLs but not future nonmicrobial MCLs or action levels.
DWSRF-M	Other waterworks standards defects.
DWSRF-O	Other water system deficiencies.
DWSRF-X	Combine project with another submitted by system.
DWSRF-Z	ineligible projects or systems.

Key Dates

- Public Workshop: January 11, 2006
- Pre-applications Due: January 31, 2006 at 5:00 p.m.
- DHS Review of Pre-applications: May 1, 2006
- Development of Project Priority List (PPL) to the Public: August 1, 2006
- Determine Fundable Portion of PPLs: August 30, 2006
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- Applicant submits Plans, Financial, and Environmental Documentation: Up to 14 months after LOC
- DWR Develops Funding Agreements: After LOC requirements have been met

Contact

Cindy Garcia
(916) 449-5283
cgarcia@dhs.ca.gov

Reference

The Program guidelines and application information is available at the following link:
<http://www.dhs.ca.gov/ps/ddwem/Prop50/>

**3. State Water Resources Control Board
Proposition 50 Chapter 5 – 2005-06 Consolidated Grants Program –
Coastal Nonpoint Source Pollution Control Program (Grant)**

Summary

The purpose of this program is to revitalize and conserve water quality throughout the state of California. This particular component of the 2005-06 Consolidated Grants Program is to aid projects that will revitalize and protect the water quality and environment of coastal waters, estuaries, bays, nearshore waters, and groundwater. This particular program component provides aid for reasonable costs of engineering, design, land and easement, legal fees, preparation of environmental documentation, environmental mitigation, and project implementation.

Eligible Projects

Eligible projects comprise of projects that improve water quality at public beaches and ensure that adjacent coastal waters meet bacteriological standards; provide capability to monitor, collect, and analyze ambient water quality; install improvements to existing sewer collection and septic systems for restoring and protection of coastal water quality; implement stormwater and runoff pollution reduction and prevention programs; and are consistent with the state's nonpoint source control program.

Eligibility

Eligible applicants who may apply are municipalities, local public agencies, educational institutions, nonprofit organizations, state agencies, and federal agencies.

Funding

- Up to \$43.1 million
- Minimum and Maximum Range Per Award: \$43,100,000
- Matching funds are required. Applicants must provide a match for the portion of the project consisting of capital costs for construction, as follows:
 - 1) 10% of costs ranging from \$1 to \$124,999
 - 2) 15% of costs ranging from \$125,000 to \$999,999
 - 3) 20% for costs ranging from \$1 million to \$5

Key Dates

- Concept Proposal available in FFAST: January 5, 2006 through February 9, 2006
- Applications Due: February 9, 2006
- Applicant Assistance Workshop in Los Angeles: January 23, 2006
- Full Proposal Invitations: March 2006
- Full Proposals Due: May 2006
- Recommended Project List to SWRCB and Bay Delta Authority: July-November 2006

Contact

Erin Ragazzi
(916) 341-5733
enragazzi@waterboards.ca.gov

Reference

The Program guidelines and application information is available at the following link:
<http://www.swrcb.ca.gov/funding/coastalnonpoint50.html> and

**4. State Water Resources Control Board
Small Communities Wastewater Grant Program**

Summary

The purpose of this program is to provide financial assistance to small, financially disadvantaged communities in correcting public health and water quality problems. Projects for this program usually involve the following stages: preliminary planning, design, construction, and project operation. Projects for this program may be treatment plants or new collection systems that are required to alleviate existing or potential public health hazards in sewerred and unsewerred areas.

Eligible Projects

Treatment facilities, systems, mitigation measures, special and integral equipment, land and change orders. Project includes:

- Treatment plant "buy-in" costs up to 20 years of reserve capacity;
- New collection system construction costs;
- Collection systems, interceptors, and outfalls;
- Wastewater facilities improvements;
- Required mitigation measures; or
- Utility relocation.

Eligibility

Hardship criteria required by SWRCB

Small communities with populations < 20,000 and MHI < \$37,995

Priority for this program will be given to communities that meet any of the following criteria:

- Communities that lack or may have historically lacked the staff or resources to successfully compete for various funding opportunities;
- Communities with a relatively low median household income (MHI);
- Communities that may reflect Environmental Justice considerations; or
- Communities facing other cultural or financial barriers that limit access to funding opportunities.

Funding

\$30 million total program funding in most recent program

Project cap \$2 million/project

Requires up to a 40% match

Grant funding for communities with a Median Housing Income (MHI) of \$28,295 or less will be up to 90% of the eligible project cost. The funding level for communities with an MHI between \$28,495 and \$37,994 will be determined by the following formula:
Percentage of Grant Funding = $(\$37,994 - \text{MHI}) \times (0.00003158) + 0.6$

Key Dates

This program is not accepting new applications at this time due to a lack of funding. There was no solicitation in FY 2005.

The program officer speculated that the priority list will probably be opened up sometime in Spring 2006 depending on the amount of additional funding that becomes available.

Contact

Dave Kim

(916) 341-5720

kirnd@swrcb.ca.gov

Reference

Program description and information is available at the following link:

<http://www.waterboards.ca.gov/cwphome/scwg/index.html>

5. State Water Resources Control Board Clean Beaches Initiative Grant Program

Summary

Provides grants to reduce or eliminate beach postings and closures by implementing projects that protect and restore coastal water quality for beaches included on the Competitive Location List (CLL). Uncertain if the beach(es) located at the WWTP is on the list. Beaches can be added to the CLL if they meet the following criteria:

1. High frequency (>4 percent) of bacterial standard exceedences during weekly monitoring of coastal waters;
2. A known public health threat or source of human sewage discharge to ocean waters adjacent to a beach;
3. The beach received a grade of "C", "D", or "F" on Heal the Bay's report card at least once during the previous three AB 411 time periods (April 1 to October 31); and
4. Demonstrated bacterial contamination problems.

Eligible Projects

Projects that improve beach water quality, reduce or eliminate non-point sources of pollution or upgrade/improve sewage/septic systems.

Eligibility

Local public agencies and non-profits

Funding

As of 1/4/06, there is approximately \$6.5 million of Proposition 40 funding available to implement projects on the CLL.

\$5 million per project; \$5 million per agency

Key Dates

Continuous submission

Contacts

Christopher Stevens	Laura Peter
(916) 341-5698	Senior Water Resources Control Engineer
	(916) 341-5854

Reference

Program description and information is available at the following link:

<http://www.waterboards.ca.gov/cwphome/beaches/index.html>

6. California Department of Boating and Waterways Beach Erosion Control

Summary

The purpose of this program is to preserve and protect the shoreline in order to minimize the economic losses caused by beach erosion and maintaining important recreational beach areas. The objective is to prevent erosion along the California coastline. This can be achieved by:

- Cosponsoring the construction of beach erosion control projects with local and federal agencies,
- Improving present knowledge of oceanic forces, beach erosion and shoreline conditions, and
- Using this knowledge to prevent future erosion.

Erosion impacts have occurred along much of the coast particularly in Southern California. Examples of beaches that have prevented and/or controlled erosion include beaches from Santa Monica south to Palos Verdes in the Los Angeles area, and those from Coronado to Silver Strand near San Diego.

Eligible Projects

Projects for this program may involve the construction of beach erosion controls by local and federal agencies. Projects should address issues regarding erosion that threatens to damage valuable infrastructures or recreational areas.

Eligibility

State and local government; all governmental agencies working with the coast of California

Funding

This program does not have a specific amount of funding available; acquires funding as needed to fund projects.

Key Dates

Program rolled out in FY 2004. Submission is rolling due date. Interested parties should contact the program officer to begin the application process.

Contact

Kim Sterrett
(916) 263-8157
sterrett@dbw.ca.gov

Reference

The Program description and California Public Beach Restoration Act information is available at the following link: <http://www.dbw.ca.gov/beach.asp>

LOANS

7. California Infrastructure and Economic Development Bank (I-Bank) Infrastructure State Revolving Fund (ISRF) Program

Summary

The Infrastructure State Revolving Fund (ISRF) Program provides low-cost financing to public agencies for a wide variety of infrastructure projects.

Eligible Projects

Eligible project categories include city streets, county highways; state highways; drainage; water supply and flood control; educational facilities; environmental mitigation measures including required construction or modification of public infrastructure, and purchase and installation of pollution control and noise abatement equipment; parks and recreational facilities; port facilities; public transit; sewage collection and treatment; solid waste collection and disposal; water treatment and distribution; defense conversion; public safety facilities; and power and communications facilities.

Eligibility

Eligible applicants include any subdivision of a local government, including cities, counties, redevelopment agencies, special districts, assessment districts, joint powers authorities and non-profit corporations formed on behalf of a local government.

Funding

ISRF Program funding is available in amounts ranging from \$250,000 to \$10,000,000, with loan terms of up to 30 years. Interest rates are set on a monthly basis.

Funding Limitations

- A one-time origination fee of 0.85% of the ISRF financing amount, or \$10,000, whichever is greater, due at closing, and an annual fee of 0.3% of the outstanding principal balance.
- Origination fee may be included in the ISRF financing amount.
- There is no required match or leverage. ISRF financing can be the sole source of financing for a project.

Key Dates

Preliminary applications and financing applications are accepted on a continuous basis.

Contact

Roma Cristia-Plant
Municipal Finance Manager
1001 I Street, 19th Floor
Sacramento, CA 95814

Phone: (916) 324-8942
FAX: (916) 322-6314

Reference

The FY 2006 Program guidelines and application information is available at the following link:

http://www.commerce.ca.gov/state/ttca/ttca_htmldisplay.jsp?iOID=21855&sFilePath=/ttca/detail/D_FA_IC_MFP_ISRFPProgram.html&path=Financial+Assistance&childPath=Infrastructure+%26+Community&sTableName=TTCA_NAV&BV_SessionID=@@ @0427963762.1123115925@@ @&BV_EngineID=ccciadffgehehmcfnegcfkmdffidfnf.0&sTTCAHash=

8. State Water Resources Control Board State Revolving Fund Loan Program

Summary

The purpose of the SRF loan program is to implement the Clean Water Act and various State laws by providing financial assistance for the construction of facilities or implementation of measures necessary to address water quality problems and to prevent pollution of the waters of the State.

The SRF Loan Program provides low-interest loan funding for construction of publicly-owned wastewater treatment facilities, local sewers, sewer interceptors, water reclamation facilities, as well as, expanded use projects such as implementation of nonpoint source (NPS) projects or programs, development and implementation of estuary Comprehensive Conservation and Management Plans, and storm water treatment.

Eligible Projects

Eligible projects include publicly-owned wastewater treatment facilities, mitigation measures, and special and integral equipment; local sewers; sewer interceptors; and water reclamation facilities; as well as, nonpoint source pollution control projects.

Eligibility

Eligible applicants include publicly owned treatment works - local public agencies and non-point source - local public agencies, non-profit organizations, and private parties.

Funding

A total of \$200 - \$300 million is available annually, with loan terms of up to 20 years with an interest rate equal to one-half the most recent State General Obligation Bond Rate, typically 2.5% to 3.5% (currently 2.7%)f. Up to \$25 million per agency per year.

Key Dates

Preliminary applications and financing applications are accepted on a continuous basis.

Contact

Christopher Stevens, Chief
Project Development Section 3
(916) 341-5698
cstevens@waterboards.ca.gov

Or

Darrin Polhemus
(916) 341-5694

Reference

The FY 2006 Program guidelines and application is available at the following link:
<http://www.swrcb.ca.gov/funding/srf.html#funding>

**9. US Department of Agriculture Rural Utilities Service
Water and Waste Disposal Loans and Grants**

Summary

Provide loan and grant funds for water and wastewater projects serving the most financially needy communities. Financial assistance should result in reasonable user costs for rural residents, rural businesses, and other rural users.

Eligible Projects

Projects required to correct inadequacies of a wastewater disposal system, or to meet health standards which pertain to a wastewater disposal system.

Construct, enlarge, extend, or otherwise improve rural water, sanitary sewage, storm drainage, and solid waste systems. Projects must be necessary for orderly community development and consistent with a current comprehensive community water, waste disposal, or other current development plan for the rural area.

Construct or relocate public buildings, roads, bridges, fences, or utilities, and to make other public improvements necessary for the successful operation or protection of facilities.

Eligibility

Public bodies, tribes, nonprofits, unincorporated areas and up to 10,000 population. These can include municipalities, counties, special purpose districts, Indian tribes, and corporations not operated for profit, including cooperatives. A new entity may be formed to provide the needed service if an appropriate one does not already exist.

Funding

Average project size \$2 million
Loans: 4.5%-5.5% fixed, 40 years

Grants may be provided when necessary to reduce user costs to a reasonable level. They may cover a maximum of 75 percent of eligible facility development costs.

Applicants must certify in writing and the Agency shall determine and document that the applicant is unable to finance the proposed project from their own resources or through commercial credit at reasonable rates and terms.

If construction incurred before loan or grant approval: Funds may be used to pay obligations for eligible project costs incurred before loan or grant approval if such requests are made in writing by the applicant and the Agency determines that compelling reasons exist for incurring obligations before loan or grant approval. If construction is started without Agency approval, post-approval may be considered, provided the construction meets applicable requirements including those regarding approval and environmental matters.

Key Dates

Applications are filed with the USDA Rural Development office service the applicant's area.

Applicant will be notified within fifteen federal working days if an application is properly assemble, and if not, what additional submittal items are needed.

Applicant is advised about eligibility and anticipated fund availability within 45 days of the receipt of a completed application.

Contact

Dave Hartwell	
USDA State Office	USDA Santa Maria Office
Davis, CA	Santa Maria, CA
(530) 792-5817	(805) 928-5340 ext. 4
dave.hartwell@ca.usda.gov	

Reference

Program information is available at the following link:
<http://www.usda.gov/rus/water/programs.htm#GRANTS>



**Board of Directors-Regular Meeting
San Simeon Community Services District
MINUTES
Wednesday, February 8, 2006 6:30 PM
Cavalier Banquet Room**

CALL TO ORDER

1.1 Roll Call: The meeting was called to order by Chairman Lambeth. All directors were in attendance with the exception of Director Fields.

2.1 SHERIFF'S REPORT- Deputies Lance Wilson and Dave Barboza were present and stated that because the Los Osos Station has been short on resources they have not been able to spend much time in San Simeon. They had 45 calls for the month of January, four of which led to reports. The reports were for vandalism, stolen mail, a motel theft, and a warrant arrest. From what information the two men have, San Simeon has no gangs, although there are reports of graffiti.

2.2 PUBLIC COMMENT- None

3. STAFF REPORTS

3.1 GENERAL MANAGERS REPORT

3.1.1 Current Project Report

3.1.1.1 Curb Painting: General Manager Tom O'Neill reported that the painting of the curbs is almost complete. The contractor became ill and will return to finish painting next Friday.

3.1.1.2 Boyle Rip Rap Task Order update: Mr. O'Neill stated that Boyle Engineering submitted the task order for the continuation of permitting the rip rap. The amount of the task order is not to exceed \$14,300, approximately \$6,000 less than the original proposal. It includes a biological survey, two on site meetings, and one with the Coastal Commission which was not included in the previous proposal.

3.1.1.3 Outfall Inspection: The outfall inspection was completed on December 17th by Underwater Resources. The report (included in the packet) concludes that the overall condition of the outfall is good and has no damage.

3.1.2 SUPERINTENDENT'S REPORT: Facility manager Dan Daniels said improvements were continuing to be made at the plant with the help of contractor Alan Larson. Dan mentioned one exceedance in the past month that may or may not become a violation according to the Regional Water Quality Control Board. Discussion followed

regarding how the sample may have been contaminated by nearby bacteria and the various ways in which that could have occurred.

3.1.3 OTHER REPORTS

3.1.3.1 District Financial Summary: The summary was provided by Mr. O'Neill at the request of the board:

January Billings	\$26,394
December Receipts	\$24,318
Past Due	\$1,610
LAIF Balance	\$1,188,525
SEP Accounts	\$19,556
	\$81,165
Accounts Payable	\$37,435
Checking Balance	\$44,323

3.1.1.2 Parcel Number 013-402-013 BALBOA Ave. proposal for residential development: A proposal was submitted to the district by San Luis Obispo County Planning and Building Department for a self-sustaining residence on a property on Balboa Avenue. There are concerns that the project violates community and Coastal Commission guidelines. District Counsel Schultz is confident the project will not be approved. However, he did encourage the Board to create an Ordinance that will address this issue if ever it occurs again in the future. One way to do so would be to require all properties to be hooked up to the San Simeon wastewater collections system.

3.2 DISTRICT COUNSEL REPORT: District Counsel Rob Schultz had no special items to report.

4.1 ITEMS OF BUSINESS

4.1 Approval of Minutes for January 11, 2006

Motion made by Director Russell
Second by Director Mirabal-Boubion
Approved 4-0 without exception

4.2 Approval of Warrants January 1, 2006- January 31, 2006

Motion made by Director Russell
Second by Director Mirabal-Boubion
Approved 4-0 without exception

5. DISCUSSION/ACTION ITEMS

5.1 Water Wait List: Motion to direct staff to develop a procedure and process for placing property owners on the wait list.

Motion made by Director Kiech
Second by Director Mirabal-Boubion
Approved 4-0 without exception

5.3 ECO increase for Operations and Maintenance Fund: ECO Resource's contract requires that they notify the Board when 75% of the funds have been utilized. The funds have reached that point. A motion was made to approve an additional \$15,000 for maintenance and repairs for the upgrade of the plant. Any funds not used will carry over to the following year's 2007 fund.

Motion made by Director Kiech
Second by Director Russell
Approved 4-0 without exception

5.7 BOARD COMMITTEE REPORTS-None

5.8 BOARD REPORTS-None

6. Board/Staff General Discussions and Proposed Agenda Items: Mr. O'Neill mentioned a project that would require creating a manhole in a location that would probably require a Coastal Commission permit. Mr. O'Neill said he received a letter from the Cavalier attorney outlining their concerns and requesting proof of appropriate permits or evidence showing no permits are required. The Cavalier attorney also requested an agreement indemnifying the Cavalier and its owners from liability. A decision has been made not to continue with the project until such time that it can be determined what, if any, permits are required.

Chairperson Lambeth said members of the District have discussed with the State the possibility of increasing the fee to process sewage for the Hearst Castle. The costs of running the wastewater treatment plant have increased and a rate increase would help cover the costs.

Director Mirabal-Boubion would like to add to the next agenda a discussion about what to do with the abandoned outfall line that has been seen protruding from the ocean. The pipe may pose a liability to the district if a swimmer becomes injured by it.

Previously, the Board had discussed moving the day which meetings are held from Wednesday to Thursday. It will not be possible because of lack of room availability. However, the Board agreed to change the time of the meeting from 6:30 to 6:00 pm on Wednesday beginning with the next meeting in March.

7. ADJOURNMENT-8:15 PM



**San Simeon Community Services District
WARRANT REPORT
February 1-28, 2006**

Type		Date	Open Balance	Warrant #	Check #
Bill	Fields, Alan Mar. Board Services	3/2/2006	\$ 100.00	0803-001	5354
Bill	Kiech, David Mar. Services	3/2/2006	\$ 100.00	0803-002	5381
Bill	Lambeth, Terry Mar. Board Services	3/2/2006	\$ 100.00	0803-003	5378
Bill	Mirabal-Boubion, Loraine Mar. Board Services	3/2/2006	\$ 100.00	0803-004	5370
Bill	Russell, John Mar. Board Services	3/2/2006	\$ 100.00	0803-005	5367
Bill	Schultz, Rob District Counsel Services	3/2/2006	\$ 1,575.00	0803-006	5376
Bill	ECO Resources March Services	3/2/2006	\$ 28,571.95	0803-007	5363
Bill	PERS Health Mar. Health Insurance	3/2/2006	\$ 135.55	0803-008	5373
Bill	GBP&B Services	3/2/2006	\$ 1,200.00	0803-009	5364
Bill	Griswold Industries Replacement of Cla-Valve on well 1	3/2/2006	\$ 1,495.99	0803-010	5365
Bill	Groeniger and Co. Supplies per task order 5-05	3/2/2006	\$ 1,571.87	0803-011	5366
Bill	Board of Equalization Water rights fee	3/2/2006	\$ 11.08	0803-012	5355
Bill	Boyle Engineering Tertiary upgrade, Task Order 6-05, Coastal Development, Water Master Plan	3/2/2006	\$ 12,927.60	0803-014	5356

3-05
1
1-06
9-05

CA Larsen	Bill	Task Order 5-05 Electrical Upgrades	3/2/2006	\$	26,581.75	0803-016	5357
Cambria Hardware	Bill	Supplies for Task Order 5-05	3/2/2006	\$	474.09	0803-015	5358
CED	Bill	Electrical Upgrade	3/2/2006	\$	1,766.73	0803-016	5359
Central Coast Concrete	Bill	Task Order 5-05	3/2/2006	\$	335.00	0803-017	5360
CED	Bill	Electrical Upgrades	3/2/2006	\$	2,452.43	0803-018	5361
Just Painting	Bill	curb painting	3/2/2006	\$	1,875.00	0803-019	5368
LR Paulsell	Bill	repairs to collection system	3/2/2006	\$	38,876.49	0803-020	5369
M29	Bill	Website	3/2/2006	\$	3,650.00	0803-021	5371
McMaster Carr	Bill	Supplies for Task Order 5-05	3/2/2006	\$	1,743.12	0803-022	5372
PG and E	Bill	Street Lighting	3/2/2006	\$	641.29	0803-023	5374
PSOMAS	Bill	Grant Search	3/2/2006	\$	1,630.00	0803-024	5375
Siebuhr Electric	Bill	Electrical Upgrades	3/2/2006	\$	1,875.00	0803-025	5377
Kiech, David	Bill	Deposit Refund	3/2/2006	\$	50.00	0803-026	5362
US Filter	Bill	Supplies for Task Order 5-05	3/2/2006	\$	1,816.82	0803-027	5379
USA Bluebook	Bill	Supplies for Task Order 5-05 Storm Drain markers	3/2/2006	\$	450.26	0803-028	5380

Total:

\$ 132,207.02



DISCUSSION/ACTION ITEMS

March 8, 2006

5.1 Addendum to Boyle Task Order 7-05 – Task Order #7-05 that contracts with Boyle Engineering to develop a Water Master Plan omitted the section that deals with evaluation of the District's reservoir and requirements for fire flow. This is an important element of the water master plan and must be included as a part of the overall plan. The addendum will not exceed \$3,000. With Board approval this will be included as part of Task Order 7-05.

5.2 Amendment to ECO Resources Contract - In June of 2004 ECO Resources began the operations and maintenance of the District's water and wastewater treatment plants and all infrastructures associated with the plants. ECO also became responsible of the overall day to day operations of the District which included street cleaning and repair, meter replacement, meter reading, storm drain management, billing and collections and all General Management duties. Since that time ECO has taken on additional responsibilities that are not addressed in the original contract. Those additional responsibilities include:

- Additional testing required by the Regional Water Quality Control Board
- Increased oversight of both the water and wastewater systems do to the age and deterioration of the facilities
- Required involvement in the planning and designing of the Regional Water Quality Control Board's mandated plant improvements.
- Project management of plant improvements
- Required involvement in the planning, design and application of the District's water well refurbishment
- Requirements to attend planning and design meetings related to the wastewater treatment plant upgrading
- Overseeing all preliminary plant inspections associated to the wastewater treatment plant upgrade
- Future project management of construction of wastewater treatment plant upgrade.
- Oversight of collection system major repairs

Although ECO has the experience to take on these additional responsibilities it is requiring a lot more time than the present staffing levels can absorb. It is of concern that these additional responsibilities may impact the operator's ability to continue to operate the plant effectively. It is also of concern that the amount of hours that are required of Dan Daniels, the Facility Manager, is causing considerable fatigue.

Staff has investigated two approaches to address this issue. The first was to contract with a company that was experienced with water and wastewater treatment facilities design and operations for project management services. This person would assume the last five

bullet points listed above. After talking with engineering firms it was determined that this service would cost between \$80,000 and \$96,000 per year. The second approach would be for ECO to hire a Grade II operator who would be under the direct supervision of Dan Daniels and who would assume most of the day to day operation and maintenance duties. This Grade II operator would be an employee of ECO Resources and would be an additional \$5,000 per month or \$60,000 a year to the current contract. The most cost effective approach is to approve an addendum which would allow ECO to hire a Grade II operator and would adjust the contract price upward by \$60,000 per year.

5.3 Amend the Term of ECO Resources Contract – As we all know there are a lot of things happening within the District with regards to the water and wastewater systems. We are in the process of implementing the immediate repairs that were approved by the RWQCB. After those repairs are complete we will be beginning the short-term and long-term repairs that were also approved by the RWQCB. We are in the middle of the design of the upgrade to the wastewater treatment facility and soon some preliminary construction will begin. The construction is expected to take 18 months. We are completing our evaluation of the refurbishment of the District's two wells and will soon be implementing the recommendations of that evaluation. We are in the process of gathering all the old records of the District to assist Boyle Engineering in development of a water master plan. We are evaluating the residential water meters as to the accuracy and will be making recommendations to the Board. We are working closely with Psomas Engineering in submitting applications for possible grant funds. With all this going on there is a need for continuity. It is brought to the Board for consideration revising the term of the ECO Resources contract to a rolling five year contract. By amending the term of the ECO contract it will assure the District smooth, continuous and successful flow to these most important projects.

5.4 Residential Meter Replacement Program - Residential Meter Replacement - Staff is in the process of developing a cost for the replacement of all residential water meters. We now have sufficient history on the RVS billing system to accurately estimate the water loss/revenue loss do to slow running (recording less than actually used) meters. This water loss is between 16% and 18%. At a 16% water loss that would equate to approximately \$65,500 per year in water and sewer revenue loss and at 18% a \$67,000 per year loss. ECO Resources can replace approximately 155 meters in a 4 week period for \$67,000. This price includes all material and labor. The return on the investment by the District could be realized in 12 to 16 months. It is the recommendation of staff that the Board approve this program





Follow up

Please treat this as Confidential.

Leah Rice

From: Tom O'Neill **Sent:** Mon 2/27/2006 2:18 PM
To: Leah Rice
Cc:
Subject: FW: Budget revision request - Water Master Plan
Attachments:

Leah, print this e-mail. It will need to be included in the board packets under 5.1 discussion/action items.

Tom

From: Mike Nunley [mailto:mnunley@BoyleEngineering.com]
Sent: Fri 2/24/2006 11:34 AM
To: Tom O'Neill
Subject: Budget revision request - Water Master Plan

Tom,

Thank you for contacting us to assist the District with review of fire and domestic storage requirements. If approved by you, we will add a task to the Water Master Plan to assist the District on a time and materials basis with a budget not-to-exceed \$3000.

This task will be identified separately on our invoice to the District.

Michael K. Nunley, PE
Boyle Engineering Corporation
1194 Pacific Street, Suite 204
San Luis Obispo, CA 93401
Phone (805) 542-9840 x102
Fax (805) 542-9990