

Public
Copy

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



BOARD PACKET

**Wednesday, January 11, 2017
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, January 11, 2017
6:00 pm

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

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 December.

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

3. PRESENTATIONS AND ANNOUNCEMENTS FROM BOARD:

4. STAFF REPORTS

A. General Manager's Report

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

2. **No Update on Grants** – Integrated Regional Water Management Grant (IRWM), Prop 1 Grant.

3. **Verbal Update** – Reservoir / Storage tank project.

4. **No Update** - Castillo/Pico Avenue project.

5. **Update** – California Coastal Commission WWTP Rip Rap.

6. **Update on Board requested Speed bumps for Avonne Avenue.**

B. Superintendent's Report

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

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

3. **District Maintenance** – Summary of District maintenance for December.

C. **District Financial Summary** – Update on Monthly Financial Status for close of business December 31, 2016.

D. **District Counsel's Report** – Summary of December activities.

5. ITEMS OF BUSINESS

A. **Consideration of approval of last month's minutes** – December 14, 2016.

B. **Consideration of approval of the revised minutes** – June 8, 2016.

C. **Consideration of approval of Disbursements Journal** – January 11, 2017.

6. DISCUSSION/ACTION ITEMS

A. **Consideration of approval of the District Fiscal Audit for 2015-2016.**

B. **Chair appointment of standing committee members per policy #4060.30.**

7. **BOARD COMMITTEE REPORTS** – Oral Reports from Committee Members.

8. **BOARD REPORTS** – Oral Reports from Board Members on current issues.

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

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 December.
- 2. No Update on Grants** – Integrated Regional Water Management Grant (IRWM), Prop 1 Grant.
- 3. Verbal Update** – Reservoir / Storage tank project.
- 4. No Update** - Castillo/Pico Avenue project.
- 5. Update** – California Coastal Commission WWTP Rip Rap.
- 6. Update on Board requested Speed bumps for Avonne Avenue.**

4A. General Manager's report
January 11, 2018

- 1. Staff Activity** – Report on Staff activities for the month of December.
During the month of December, Staff sent out water billing and responded to several customer service calls. District Staff and the Bookkeeper have been coordinating with the District Auditor in order to complete the 2015-2016 Audit. Staff has been working on the District's Archived documents and system. An updated inventory list is almost complete.

- 2. No Grant Update** – Integrated Regional Water Management Grant (IRWM), Prop 1 Grant.

There is no update at this time on the above grants.

- 3. Verbal Update** – Reservoir / Storage tank project.
At the time of preparation for this report, a meeting is currently scheduled for Thursday, January 5th with Phoenix Engineering. Staff will provide a verbal update during the January 11, 2017 Board meeting.

- 4. No Update** – Castillo/Pico Avenue Project.

- 5. Update** – California Coastal Commission (CCC) Waste Water Treatment Plant (WWTP) Rip Rap.
Staff and Oliveira Consulting are working with Earth Systems on items 3 and 4 found in the September 28, 2016 CCC, CDP application response letter. Staff reviewed the draft re-submittal from Earth Systems and discussed the need to add beach nourishment to their submittal. Due to holiday schedules the CCC extended the SSCSD's response deadline to January 27, 2017. Staff is on course to respond by the deadline.

- 6. Update on Board requested Speed bumps for Avonne Avenue.**
The Chairperson directed staff to inquire about installing speed bumps on Avonne Avenue to slow traffic. After speaking with the County, the County directed staff to "our emergency services providers"; this means Fire and Sheriff. Per Cal Fire, any and all Fire Departments throughout the County do not allow speed bumps on any road they service due to delayed response times. This includes Private or District roads like Avonne Avenue.

4B. SUPERTINTENDENT'S REPORT
Jerry Copeland
Facilities Update for December 2016

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

4B. SUPERINTENDENT'S REPORT

Activities of December 2016

1. Wastewater Treatment Plant

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

2. Water 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).
- On December 12th the chloride level in both wells had fallen below 250mg/L. The Reverse Osmosis Unit was taken offline and pickling solution was injected.
- Monthly water meter reading was performed.
- Chloride levels continue to be 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 County Air Pollution Control District came out and performed the annual inspection of the District facilities.
- The vegetation on the District easement on Pico Avenue was cut down to ground level.

San Simeon Community Services District **Superintendent's Report** **December 2016**

MONTHLY DATA REPORT																	
Date	Day	Wastewater Influent Daily Flow	Wastewater Effluent Daily Flow	Well 1 Total Daily Produced	Well 2 Total Daily Produced	Total Daily Water Produced	R.O. Daily Influent Flow	R.O. Daily Effluent Flow	R.O. Daily Brine Flow	Distribution Chloride	Chloride Wells 1	Chloride Wells 2	Recycled Water Distributed	Water Level Well 1	Water Level Well 2	Rainfall in Inches	State Influent Daily Flow
12/01/16	Thu	81,571	46,600	45,927	0	45,927	23358	20443	4680	233	459	-	0	12.1	12.1	0.00	5,058
12/02/16	Fri	75,750	49,940	46,974	0	46,974	23968	21394	5291	233	418	-	0	12.0	12.0	0.00	2,954
12/03/16	Sat	87,654	62,680	50,714	0	50,714	26418	23744	5429	216	362	-	0	11.9	11.8	0.00	3,332
12/04/16	Sun	77,700	62,450	56,474	0	56,474	32024	28642	6420	216	336	-	0	11.7	11.7	0.00	8,924
12/05/16	Mon	80,546	52,340	50,939	0	50,939	27317	24437	5503	216	313	-	0	11.6	11.5	0.00	7,129
12/06/16	Tue	85,899	48,870	47,797	1,870	49,667	24350	22036	4903	216	291	82	0	11.4	11.4	0.00	2,553
12/07/16	Wed	72,131	50,880	45,254	0	45,254	21606	19597	4372	200	313	-	0	11.3	11.3	0.00	5,268
12/08/16	Thu	104,189	91,760	46,825	0	46,825	21001	18998	4240	184	291	-	0	11.2	11.2	1.10	5,120
12/09/16	Fri	93,850	74,920	46,575	0	46,575	22449	20272	4507	184	251	-	0	10.3	10.3	0.04	16,338
12/10/16	Sat	90,402	79,250	52,659	0	52,659	19154	17287	3884	170	233	-	0	9.9	9.9	0.31	6,575
12/11/16	Sun	92,353	80,370	43,982	0	43,982	4477	3468	1663	170	233	-	0	9.9	9.9	0.00	11,609
12/12/16	Mon	67,333	60,750	49,592	0	49,592	0	0	0	184	233	-	0	9.9	9.9	0.00	10,602
12/13/16	Tue	72,095	56,210	0	53,258	53,258	0	0	0	184	216	-	0	10.0	10.0	0.00	3,693
12/14/16	Wed	68,160	49,500	51,388	0	51,388	0	0	0	184	-	144	0	10.0	10.0	0.00	4,558
12/15/16	Thu	179,656	186,980	87,074	54,978	142,052	0	0	0	157	216	-	0	10.0	10.0	2.40	4,861
12/16/16	Fri	108,976	105,090	42,935	0	42,935	0	0	0	170	-	157	0	10.0	10.0	0.10	38,857
12/17/16	Sat	93,730	89,340	17,428	1,346	18,775	0	0	0	170	170	-	0	10.0	10.0	0.00	13,322
12/18/16	Sun	86,552	81,460	0	59,466	59,466	0	0	0	162	-	100	0	10.0	10.0	0.00	16,244
12/19/16	Mon	85,554	59,010	41,065	19,598	60,663	0	0	0	148	-	135	0	10.2	10.2	0.00	15,767
12/20/16	Tue	82,549	74,180	0	56,025	56,025	0	0	0	135	162	111	0	10.4	10.4	0.00	11,678
12/21/16	Wed	83,531	72,960	0	55,352	55,352	0	0	0	123	-	61	0	10.5	10.5	0.00	13,205
12/22/16	Thu	96,197	84,190	0	105,244	105,244	0	0	0	111	-	123	0	10.5	10.5	0.00	12,755
12/23/16	Fri	128,055	130,320	0	58,269	58,269	0	0	0	-	-	123	0	10.5	10.5	1.00	12,188
12/24/16	Sat	100,383	95,220	0	44,656	44,656	0	0	0	-	-	-	0	10.5	10.5	0.00	22,337
12/25/16	Sun	84,870	71,120	0	69,040	69,040	0	0	0	-	-	-	0	10.5	10.5	0.00	20,144
12/26/16	Mon	111,786	100,510	0	58,045	58,045	0	0	0	111	-	111	0	10.5	10.5	0.00	4,015
12/27/16	Tue	121,147	107,680	0	95,968	95,968	0	0	0	111	-	100	0	10.6	10.6	0.00	23,062
12/28/16	Wed	126,432	123,400	0	84,524	84,524	0	0	0	-	-	-	0	10.5	10.5	0.00	29,653
12/29/16	Thu	123,898	112,040	0	92,827	92,827	0	0	0	-	-	-	0	10.5	10.5	0.00	23,364
12/30/16	Fri	105,464	105,310	0	58,045	58,045	0	0	0	111	-	135	0	10.6	10.6	0.00	25,066
12/31/16	Sat	99,525	97,180	0	83,028	83,028	0	0	0	-	-	-	0	10.6	10.6	0.00	24,330
TOTALS		2,967,938	2,562,510	823,704	1,051,538	1,875,242	246122	220318	50892				0			4.95	404,571
Average		95,740	82,662	26,571	33,921	60,492	7939	7107	1642	172	281	115	0	10.6	10.6	0.16	13,051
Minimum		67,333	46,600	0	0	18,775	0	0	0	111	162	61	0	9.9	9.9	0.00	2,563
Maximum		179,656	186,980	87,074	105,244	142,052	32024	28642	6420	233	459	157	0	12.1	12.1	2.40	38,857

DATA SUMMARY SHEET

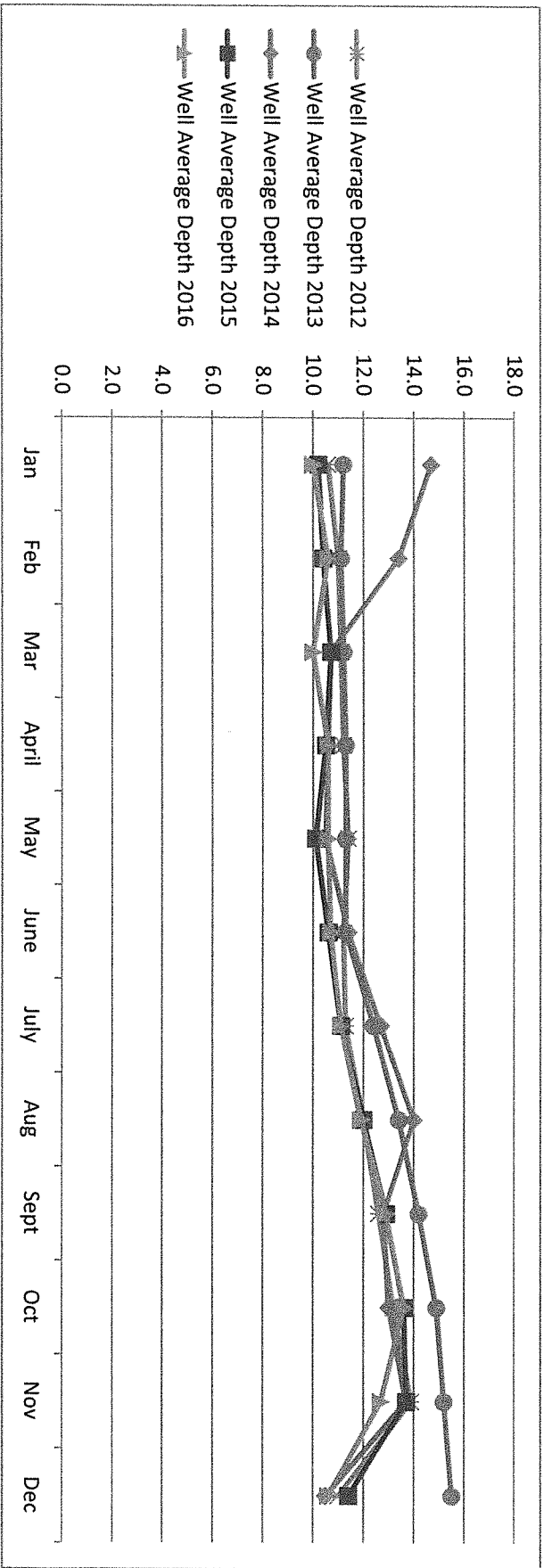
2016	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Total for 2016
Wastewater Influent	2,849,357	2,375,307	3,071,599	2,340,256	2,824,792	2,909,805	3,485,599	3,039,238	2,885,814	2,773,295	2,624,172	2,967,938	34,097,172
Wastewater Final Effluent (Month Cycle)	2,714,170	2,185,020	3,037,390	2,191,550	2,712,580	2,822,370	3,453,020	2,935,450	2,672,409	2,741,600	2,332,940	2,562,510	32,361,009
Adjusted Wastewater Influent (- State Flow) *	2,535,974	2,177,118	2,699,165	2,164,251	2,554,523	2,619,042	3,078,242	2,803,378	2,603,638	2,550,943	2,423,520	2,563,367	30,773,161
Water Produced (month cycle)	2,153,548	1,923,258	2,168,302	2,117,663	2,606,630	2,736,933	3,269,433	2,981,902	2,670,884	2,475,131	1,989,530	1,875,242	28,968,455
Sewer Influent/Water Produced Ratio	1.32	1.24	1.42	1.11	1.08	1.06	1.07	1.02	1.06	1.12	1.32	1.58	N/A
Adjusted Sewer/Water Produced Ratio	1.18	1.13	1.25	1.02	0.98	0.96	0.94	0.94	0.98	1.03	1.22	1.36	N/A
Well 1 Water Pumped	97,988	968,286	1,109,732	1,079,364	1,323,885	1,385,521	1,627,050	1,537,663	1,346,400	1,352,459	1,175,931	823,704	13,827,983
Well 2 Water Pumped	1,454,860	954,972	1,058,570	1,038,299	1,282,745	1,351,412	1,642,384	1,444,238	1,324,484	1,122,672	813,600	1,051,538	14,539,772
Well 3 Water Pumped	600,700	0	0	0	0	0	0	0	0	0	0	0	600,700
Total Well Production	2,153,548	1,923,258	2,168,302	2,117,663	2,606,630	2,736,933	3,269,433	2,981,902	2,670,884	2,475,131	1,989,530	1,875,242	28,968,455
Water Well 1 Avg Depth to Water	10.0	10.6	10.0	10.6	10.6	10.8	11.2	12.0	12.9	13.6	13.6	12.7	10.6
Water Well 2 Avg Depth to Water	9.9	10.5	9.9	10.5	10.5	10.6	11.0	11.8	12.8	13.5	13.5	10.6	N/A
Average Depth to Water of Both Wells	10.0	10.6	10.0	10.6	10.6	10.7	11.1	11.9	12.9	13.6	12.7	10.6	N/A
Change in Average Depth to Water from 2015	-0.2	+0.2	-0.7	+0.1	+0.5	+0.1	0.0	-0.1	0.0	0.0	-1.0	-0.8	N/A
Average Chloride mg/L at the Wells	1828	723	360	239	173	148	135	132	145	193	344	198	N/A
State Wastewater Treated	313,383	198,189	372,434	176,005	270,269	290,763	407,357	235,860	232,176	222,352	200,652	404,571	3,324,011
State % of Total WW Flow	11%	12%	12%	8%	10%	10%	12%	8%	8%	8%	8%	14%	N/A
Recycled Water Sold (Gallons)	0	0	0	0	1,375	1,900	4,300	4,955	11,065	4,375	0	0	27,970
Biosolids Removal (Gallons)	6,000	0	6,000	6,000	6,000	12,000	6,000	6,000	6,000	6,000	3,500	5,000	68,500
WW Permit Limitation Exceeded	0	1	0	0	0	0	0	0	0	0	0	0	N/A
RW Permit Limitation Exceeded	0	0	0	0	0	0	0	0	0	0	0	0	N/A
Constituent Exceeded	None	TSS % of Removal	None	None	None	None	None	None	None	None	None	None	N/A
Sample Limit	N/A	85%	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	79%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

2015

	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
Wastewater Influent	2,278,607	2,137,631	2,579,655	2,698,683	2,877,973	2,736,511	3,127,790	2,938,940	2,595,828	2,571,859	2,307,432	2,477,658	31,328,567
Wastewater Final Effluent (Month Cycle)	2,078,820	2,179,270	2,419,750	2,596,880	2,551,790	2,563,570	3,045,720	2,846,890	2,488,090	2,464,150	2,283,580	2,372,070	29,890,580
Adjusted Wastewater Influent (- State Flow) *	2,129,329	2,015,656	2,386,629	2,457,477	2,602,675	2,564,762	2,918,658	2,786,097	2,401,062	2,455,246	2,142,924	2,201,887	29,062,402
Water Produced (month cycle)	1,881,724	2,054,121	2,163,830	2,273,769	2,551,727	2,550,830	2,820,558	2,737,380	2,495,573	2,597,276	2,301,928	2,342,025	28,770,740
Sewer Influent/Water Produced Ratio	1.21	1.04	1.19	1.19	1.25	1.07	1.10	1.07	1.04	0.99	1.00	1.06	N/A
Adjusted Sewer/Water Ratio	1.13	0.98	1.10	1.08	1.13	1.01	1.04	1.02	0.96	1.06	0.93	0.94	N/A
Average Depth of Both Wells	10.2	10.4	10.7	10.5	10.1	10.6	11.1	12.0	12.9	13.6	13.7	11.4	N/A
Average Chloride mg/L at the Wells	844	576	342	288	234	188	169	194	224	346	582	1533	N/A
Change in Average Well Depth from 2014	-4.5	-2.9	0.0	-0.1	-0.4	-0.8	-1.6	-2.0	+0.1	+0.6	0.0	+0.9	N/A
State Wastewater Treated	149,278	121,975	193,026	241,206	275,298	171,749	209,132	152,843	194,766	116,613	164,508	275,771	2,266,165
State % of Total WW Flow	0.07	0.06	0.08	0.09	0.1	0.06	0.07	0.05	8%	4%	7%	11%	N/A
Recycled Water Sold (Gallons)	10710	3070	9775	12945	30040	65100	52250	55355	53445	45015	4435	550	342,690
Biosolids Removal (Gallons)	0	6,000	6,000	6,000	6,000	12,000	6,000	6,000	6,000	6,000	6,000	6,000	72,000
WW Permit Limitation Exceeded	0	0	0	0	0	0	0	1	0	0	0	0	0
Constituent Exceeded	None	None	None	None	None	None	None	TSS	None	None	None	None	N/A
Sample Limit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	30	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	36	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.

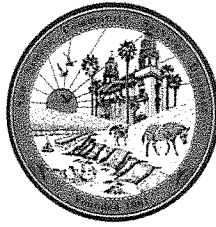
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Well Average Depth 2012	10.6	11.0	11.1	11.2	11.4	11.2	11.3	12.0	12.6	13.2	13.9	11.0
Well Average Depth 2013	11.2	11.1	11.2	11.3	11.3	11.3	12.4	13.4	14.2	14.9	15.2	15.5
Well Average Depth 2014	14.7	13.4	10.7	10.6	10.5	11.4	12.7	14.0	12.8	13.0	13.7	10.5
Well Average Depth 2015	10.2	10.4	10.7	10.5	10.1	10.6	11.1	12.0	12.9	13.6	13.7	11.4
Well Average Depth 2016	10.0	10.6	10.0	10.6	10.6	10.7	11.1	11.9	12.9	13.6	12.7	10.6



4C. DISTRICT FINANCIALS
Renee Samaniego Osborne
December 31, 2016

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

SAN SIMEON COMMUNITY SERVICES DISTRICT



4C. FINANCIAL SUMMARY

**BILLING
December 31, 2016**

November Billing Revenue	\$ 55,104.06
December Billing Revenue	\$ 48,538.08
Past Due (31 to 60 days)	\$ 5,361.50
Past Due (60 days)	\$ 123.36

**ENDING BANK BALANCES
December 31, 2016**

RABOBANK SUMMARY:

Well Rehab Project/USDA Checking Account \$ 60.05

HERITAGE OAKS BANK:

Interest for December \$ 153.38

Money Marketing Account Closing Balance November 30, 2016 \$ 517,308.73

Money Marketing Account Closing Balance December 31, 2016 \$ 517,462.11

Reserve Fund (\$ 250,000.00)

Wait-list Deposits (\$ 45,750.00)

Customer Deposits (\$ 9,708.00)

Available Funds \$ 212,004.11

General Checking Account December 31, 2016 \$ 128,330.53

LAIF Closing Balance December 31, 2016 \$ 522.88

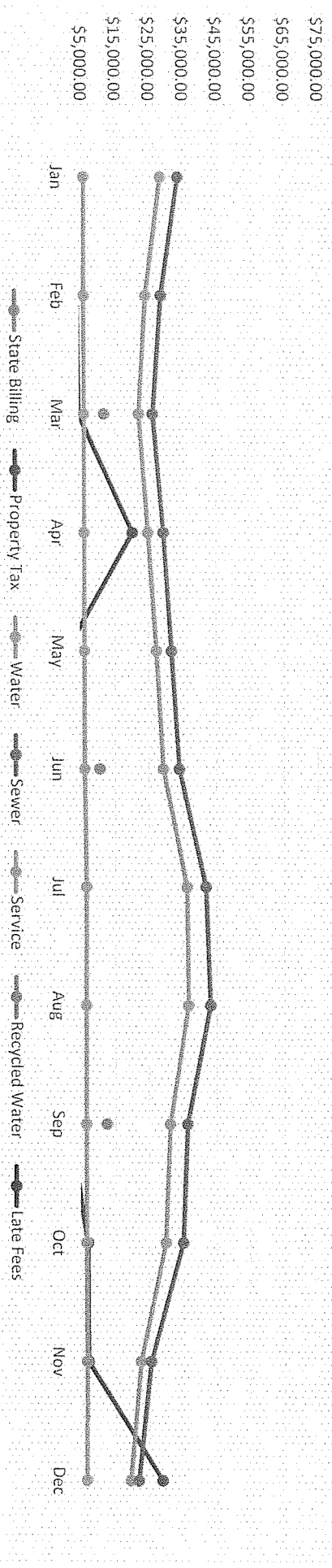
SAN SIMEON COMMUNITY SERVICES DISTRICT
Balance Sheet
As of December 31, 2016

Dec 31, 16

ASSETS	
Current Assets	
Checking/Savings	
1010 · Petty cash	150.00
1015 · Heritage Oaks- General Checking	124,231.27
1016 · Heritage Oaks-Wellhead	6.34
1017 · Heritage Oaks-Money Market	517,462.11
1022 · USDA checking	100.05
1040 · Cash in county treasury	108.33
1050 · LAIF - non-restricted cash	522.88
Total Checking/Savings	642,580.98
Other Current Assets	
1200 · Accounts receivable	68,011.99
1300 · Prepaid expenses	3,770.86
Total Other Current Assets	71,782.85
Total Current Assets	714,363.83
Fixed Assets	
1400 · Fixed assets	
1420 · Building and structures	395,874.73
1500 · Equipment	316,747.53
1540 · Major water projects	145,068.22
1560 · Pipe bridge	28,075.58
1580 · Sewer plant	1,488,555.08
1600 · Water system	550,390.00
1620 · WWTP expansion	299,565.92
1630 · Tertiary Project	262,932.67
1640 · Wellhead Rehab Project	447,545.53
1650 · Walkway access projects	21,511.00
1660 · RO Unit	928,088.35
1680 · Generator	29,101.14
Total 1400 · Fixed assets	4,913,455.75
1690 · Accumulated depreciation	(2,162,988.96)
Total Fixed Assets	2,750,466.79
TOTAL ASSETS	3,464,830.62
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2100 · Payroll liabilities	322.00
2500 · Customer security deposits	9,958.13
2510 · Connect hookup wait list	45,750.00
2520 · USDA Loan	437,930.00
Total Other Current Liabilities	493,960.13
Total Current Liabilities	493,960.13
Total Liabilities	493,960.13
Equity	
3200 · Fund balance	2,821,713.94
3900 · Suspense	24,321.73
Net Income	124,834.82
Total Equity	2,970,870.49
TOTAL LIABILITIES & EQUITY	3,464,830.62

2016 DISTRICT REVENUE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
State Billing			\$11,992.94			\$10,529.30			\$12,485.00				\$35,007.24
Property Tax	\$732.82	\$3,907.74	\$4,380.61	\$20,311.1	\$670.65	\$812.49	\$1,161.69		\$1,184.42	\$6,789.01	\$6,970.82	\$28,878.98	\$75,800.28
Water	\$28,833.6	\$24,410.7	\$22,300.8	\$24,943.6	\$27,395.8	\$29,375.5	\$36,292.1	\$36,746.52	\$31,241.74	\$29,953.03	\$22,549.49	\$19,445.78	\$333,488.63
Sewer	\$33,983.5	\$28,929.3	\$26,405.5	\$29,496.1	\$31,742.1	\$34,065.2	\$41,862.8	\$43,190.60	\$36,386.89	\$35,106.74	\$25,574.57	\$21,817.88	\$388,561.21
Service	\$6,169.2	\$6,111.0	\$6,140.1	\$6,140.10	\$6,111.0	\$6,111.0	\$6,559.5	\$6,472.20	\$6,472.20	\$6,472.20	\$6,626.30	\$6,533.84	\$75,918.64
Recycled Water												\$216.35	\$216.35
Late Fees	\$153.3	\$138.8	\$86.4	\$485.53	\$657.2	\$418.4	\$485.7	\$97.52	\$595.71	\$316.72	\$353.70	\$1,587.71	\$5,376.65
Grant Funds													\$20,000.00
Total	\$69,872.42	\$63,497.49	\$71,306.30	\$81,376.35	\$66,576.82	\$81,311.92	\$86,361.78	\$86,506.84	\$88,365.96	\$78,637.70	\$62,074.88	\$98,480.54	\$934,369.00
Water Sold Cu Ft	276707	234583	213757	239168	260907	278453	324654	324654	281207	269907	203338	175391	3082726
Water Sold Acre ft	6.35	5.39	4.91	5.49	5.99	6.39	7.45	7.45	6.46	6.20	4.67	4.03	70.77



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Revenue	\$69,872.42	\$63,497.49	\$71,306.30	\$81,376.35	\$66,576.82	\$81,311.92	\$86,361.78	\$86,506.84	\$88,365.96	\$78,637.70	\$62,074.88	\$98,482.54	\$934,371.00
Expenses	\$71,441.43	\$72,822.48	\$152,049.21	\$62,994.78	\$77,525.44	\$71,657.28	\$127,105.89	\$72,035.48	\$114,268.09	\$71,273.31	\$75,340.87	\$66,017.87	\$1,034,532.13
Balance	-\$1,569.01	-\$9,324.99	-\$80,742.91	\$18,381.57	-\$10,948.62	\$9,654.64	-\$40,744.11	\$14,471.36	-\$25,902.13	\$7,364.39	-\$13,265.99	\$32,464.67	-\$100,161.13

Month	Revenue	Expenses
Jan	\$69,872.42	\$71,441.43
Feb	\$63,497.49	\$72,822.48
Mar	\$71,306.30	\$152,049.21
Apr	\$81,376.35	\$62,994.78
May	\$66,576.82	\$77,525.44
Jun	\$81,311.92	\$71,657.28
Jul	\$86,361.78	\$127,105.89
Aug	\$86,506.84	\$72,035.48
Sep	\$88,365.96	\$114,268.09
Oct	\$78,637.70	\$71,273.31
Nov	\$62,074.88	\$75,340.87
Dec	\$98,482.54	\$66,017.87
Totals	\$934,371.00	\$1,034,532.13

**SAN SIMEON COMMUNITY SERVICES DISTRICT
DISTRICT REVENUE YEAR END TOTALS**

	2016												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YET
Water	\$28,833.6	\$24,410.7	\$22,300.8	\$24,943.6	\$27,395.8	\$29,375.5	\$36,292.1	\$36,746.52	\$31,241.74	\$29,953.03	\$22,549.49	\$19,445.8	\$333,488.6
Sewer	\$33,983.5	\$28,929.3	\$26,405.5	\$29,496.1	\$31,742.1	\$34,065.2	\$41,862.8	\$43,190.60	\$36,386.89	\$35,106.74	\$25,574.57	\$21,817.9	\$388,561.2
Service	\$6,169.2	\$6,111.0	\$6,140.1	\$6,140.10	\$6,111.0	\$6,111.0	\$6,559.5	\$6,472.20	\$6,472.20	\$6,472.20	\$6,626.30	\$6,533.8	\$75,918.6
Late Fees	\$153.3	\$138.8	\$86.4	\$485.53	\$657.2	\$418.4	\$485.7	\$97.52	\$595.71	\$316.72	\$353.70	\$1,587.7	\$5,376.7
Recycled Water												\$216.4	\$216.4
State Billing			\$11,992.94			\$10,529.30			\$12,485.00				\$35,007.2
Property Tax	\$732.82	\$3,907.74	\$4,380.61	\$20,311.1	\$670.65	\$812.49	\$1,161.69		\$1,184.42	\$6,789.01	\$6,970.82	\$28,878.98	\$75,800.3
Grants												\$20,000.00	\$20,000.0
Total	\$69,872.42	\$63,497.49	\$71,306.30	\$81,376.35	\$66,576.82	\$81,311.92	\$86,361.78	\$86,506.84	\$88,365.96	\$78,637.70	\$62,074.88	\$98,480.54	\$934,369.0

	2015												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YET
Water	\$24,980.7	\$22,031.4	\$23,713.3	\$29,614.9	\$25,535.8	\$26,568.3	\$32,179.3	\$35,048.6	\$31,023.2	\$30,062.5	\$23,260.9	\$19,903.4	\$323,922.3
Sewer	\$29,619.7	\$25,800.7	\$27,563.4	\$35,077.2	\$30,393.1	\$31,702.7	\$38,340.3	\$41,800.7	\$36,517.9	\$35,482.6	\$27,568.6	\$23,716.4	\$383,583.3
Service	\$5,775.1	\$5,747.7	\$5,747.7	\$5,747.70	\$5,802.4	\$5,747.7	\$6,052.8	\$6,081.9	\$6,111.0	\$6,111.0	\$6,111.0	\$6,111.0	\$71,147.0
Late Fees	\$78.2	\$106.6	\$194.3	\$19.45	\$192.3	\$47.2	\$118.8	\$71.2	\$72.3	\$239.8	\$386.6	\$99.4	\$1,626.2
Recycled Water			\$174.3			\$798.0			\$1,359.8			\$854.1	\$3,186.1
State Billing			\$7,042.78			\$8,943.33			\$7,200.02			\$8,584.90	\$31,771.0
Property Tax	\$1,698.01	\$680.91	\$4,730.41	\$20,998.8	\$444.16	\$624.12	\$1,299.10	\$78.29	\$89.78	\$6,473.88	\$5,162.73	\$31,035.95	\$73,316.1
Total	\$62,151.65	\$54,367.29	\$69,166.14	\$91,457.99	\$62,367.76	\$74,431.29	\$77,990.37	\$83,080.74	\$82,373.96	\$78,369.81	\$62,489.86	\$90,305.16	\$888,552.0

2014

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YET
Water	\$21,971.3	\$19,076.2	\$16,337.8	\$22,890.1	\$21,881.1	\$25,417.3	\$34,524.9	\$30,347.3	\$26,979.2	\$24,551.7	\$23,063.4	\$16,542.2	\$283,582.3
Sewer	\$25,116.2	\$22,334.7	\$19,215.2	\$27,214.3	\$26,016.0	\$30,425.9	\$41,554.7	\$36,609.6	\$32,364.6	\$29,124.2	\$27,266.3	\$19,555.3	\$336,796.9
Service	\$5,366.4	\$5,366.4	\$5,366.4	\$5,366.4	\$5,392.2	\$5,392.2	\$5,773.5	\$5,747.7	\$5,747.7	\$5,747.7	\$5,775.1	\$5,747.7	\$66,789.4
Late Fees	\$155.8	\$100.4	\$93.9	\$413.6	\$896.4	\$139.2	\$124.0	\$44.8	\$94.8	\$153.1	\$221.7	\$168.2	\$2,605.8
State Billing			\$23,125.64			\$24,891.66			\$9,972.00				\$6,480.49
Prop Tax	\$1,327.66	\$1,155.60	\$2,632.24	\$21,054.41	\$912.02	\$195.04	\$1,749.86		\$170.96	\$4,304.07	\$6,305.04	\$30,755.69	\$70,562.6
TOTAL	\$53,937.3	\$48,033.3	\$66,771.3	\$76,938.8	\$55,097.7	\$86,461.2	\$83,726.9	\$72,749.4	\$75,329.2	\$63,880.8	\$62,631.5	\$79,249.6	\$824,806.7

5. ITEMS OF BUSINESS

- A. Consideration of approval of last month's minutes –
December 14, 2016.**

- B. Consideration of approval of the revised minutes – June 8,
2016.**

- C. Consideration of approval of Disbursements Journal –
January 11, 2017.**

MINUTES
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
Wednesday, January 11, 2017
6:00 pm

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

1. REGULAR SESSION: 6:00 PM

A. Roll Call:

Chairperson Williams – Present	General Manager, Charles Grace
Vice-Chair Fields – Present	District Counsel, David Hirsch
Director Patel – Present	Commander Taylor, Sheriff Representative
Director Russell – Present	
Director McGuire - Present	

B. Pledge of Allegiance

2. PUBLIC COMMENT:

Gwen Kellas commented that she would like to be on the water committee. She was directed to wait until that agenda item was presented.

Amanda Rice (Current Board president Cambria CSD) commented that she would like to be a liaison between the Cambria CSD and the San Simeon CSD. She gave her phone number and email information.

Henry (Hank) Krzciuk presented information to staff and the Board. Requested that staff be authorized overtime to replace water meters. He also stated that new meters will increase district revenue.

Julie Rench commented about the trees that are located in the vacant lot on Jasper Way. Expressed concern about the potential for safety issues.

A. Sheriff's Report – Report for December.

For the period between December 14, 2016 and January 11, 2016 the Sheriff's Office received 37 calls for service in the San Simeon area. Included in these numbers are: five (5) traffic stops by deputies on vehicles that were either suspicious or were stopped for vehicle code violations, one (1) pedestrian contact where a deputy stopped a person on foot, three incomplete 911 calls, six (6) requests to assist other agencies, three (3) disturbing the peace calls.

On January 3, 2017 Deputies were sent to assist CHP with a vehicle off the road way south of Ragged Point. The vehicle belonged to the couple that had been reported missing by the LAPD.

Staffing at the station is as follows: One (1) commander, two (2) sergeants, twenty one (21) deputies assigned to patrol, two (2) assigned with field training officers, one (1) school resource deputy, one (1) rural crimes deputy.

B. Public comment on Sheriff’s Report.

Henry (Hank) Krzciuk asked the deputy about a pit-bull off leash at Pico and inquired about what can be done.

3. PRESENTATIONS AND ANNOUNCEMENTS FROM BOARD:

None

4. STAFF REPORTS

A. General Manager’s Report

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

During the month of December, Staff sent out water billing and responded to several customer service calls. District Staff and the Bookkeeper have been coordinating with the District Auditor in order to complete the 2015-2016 Audit. Staff has been working on the District’s archived documents and system. An updated inventory list is forthcoming.

2. No Grant Update – Integrated Regional Water Management Grant (IRWM), Prop 1 Grant.

There was no update at this time on the above grants.

3. Verbal Update – Reservoir / Storage tank project.

At the time of preparation for this report, a meeting is currently scheduled for Thursday, January 5th with Phoenix Engineering. Staff will provide a verbal update during the January 11, 2017 Board meeting.

General Manager Charlie Grace stated that he is requesting from Phoenix Engineering a comparison of in ground concrete tanks and above ground steel tanks. General comments were received from the Board and by the public about the high capital cost of in ground concrete compared to the lower capital cost of above ground steel. General comments were made about the long life span of in ground concrete as compared to the shorter life span of above ground steel and that the life span of above ground steel can be prolonged using a coating system. The General Manager stated that Staff would be requesting direction from the Board.

4. No Update – Castillo/Pico Avenue Project.

5. Update – California Coastal Commission (CCC) Waste Water Treatment Plant (WWTP) Rip Rap. Staff and Oliveira Consulting are working with Earth Systems on items 3 and 4 found in the September 28, 2016 CCC, CDP application response letter. Staff reviewed the draft re-submittal from Earth Systems and discussed the need to add beach nourishment to their submittal. Due to holiday schedules the CCC extended the SSCSD’s response deadline to January 27, 2017. Staff is on course to respond by the deadline.

6. Update on Board requested Speed bumps for Avonne Avenue.

The Chairperson directed staff to inquire about installing speed bumps on Avonne Avenue to slow traffic. After speaking with the County, the County directed staff to “our emergency services providers”; this means Fire and Sheriff. Per Cal Fire, any and all Fire Departments throughout the

County do not allow speed bumps on any road they service due to delayed response times. This includes Private or District roads like Avonne Avenue.

B. Superintendent’s Report

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

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

2. Water 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).
- On December 12th the chloride level in both wells had fallen below 250mg/L. The Reverse Osmosis Unit was taken offline and pickling solution was injected.
- Monthly water meter reading was performed.
- Chloride levels continue to be 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 County Air Pollution Control District came out and performed the annual inspection of the District facilities.
- The vegetation on the District easement on Pico Avenue was cut down to ground level.

C. Update on Monthly Financial Status for close of business December 31, 2016.

November Billing Revenue	\$ 55,104.06
December Billing Revenue	\$ 48,538.08
Past Due (31 to 60 days)	\$ 5,361.50
Past Due (60 days)	\$ 123.36
ENDING BANK BALANCES: December 31, 2016	
RABOBANK SUMMARY:	
Well Rehab Project/USDA Checking Account	\$ 60.05
HERITAGE OAKS BANK:	
Interest for December	\$ 153.38
Money Marketing Account Closing Balance November 30, 2016	\$ 517,308.73
Money Marketing Account Closing Balance December 31, 2016	\$ 517,462.11
Reserve Fund	(\$ 250,000.00)
Wait-list Deposits	(\$ 45,750.00)
Customer Deposits	(\$ 9,708.00)
Available Funds	\$ 212,004.11
 General Checking Account December 31, 2016	 \$ 128,330.53
 LAIF Closing Balance December 31, 2016	 \$ 522.88

General Manager Charlie Grace stated that there would be revisions on the monthly financials because the revenue from Hearst Castle had not been added.

D. District Counsel's Summary of December Activities.

Counsel stated that a response letter had been prepared for the District auditor. Counsel also responded to questions from staff regarding agenda prep.

5. ITEMS OF BUSINESS

A. Consideration of approval of last month's minutes – December 14, 2016.

Director McGuire stated that Item 5A in the minutes approval for October 12, 2016 the language should read "approve" and not "approved". A motion was made to approve minutes with the changes recommended by Director McGuire.

Motion by: Director Russell
2nd by: Vice-Chair Fields
All in: 5 / 0

B. Consideration of approval of the revised minutes – June 8, 2016.

A motion was made to approve revised minutes as presented.

Motion by: Director Russell
2nd by: Director Patel
All in: 4 / 0 1 abstain from Director McGuire

C. Consideration of approval of Disbursements Journal – January 11, 2017.

A motion was made to accept the Disbursements Journal as presented.

Motion by: Director Russell
2nd by: Director Patel
All in: 5 / 0

6. DISCUSSION/ACTION ITEMS

A. Consideration of approval of the District Fiscal Audit for 2015-2016.

Staff attached a copy of the Fiscal Audit for 2015-2016 for the Board to review.

Director Russell referenced a typo on page 2 of the Audit.

A motion was made to accept the audit with the typo on page 2 corrected.

Motion by: Vice-Chair Fields
2nd by: Director Patel
All in: 5 / 0

B. Chair appointment of standing committee members per policy #4060.30.

The Board Chair heard comments from the following people:

Gwen Kellas commented that she would like to volunteer for the Water Committee.

Henry (Hank) Krzciuk commented that he would like to volunteer for the Budget and Water Committees.

Jonathon Weise commented that he would like to volunteer for the Water Committee.

Legal Counsel advised that it would be better for Jonathon Weise to be a staff liaison in order to avoid any possible legal impediments. Counsel also addressed the comment from Henry (Hank) Krzciuk regarding a potential conflict of General Manager Charlie Grace being on the Budget Committee.

Director Williams withdrew from the Water Committee.
Director McGuire volunteered for the Water Committee.

A motion was made for the Budget Committee members to be: Director Williams, Charlie Grace, Mike Hanchett, Robert Stilts, and Travis Holt.

Motion by: Director Williams
2nd by: Director McGuire
All in: 5 / 0

A motion was made for the Water Committee members to be: Director Fields, Mike Hanchett, Gwen Kellas, Director McGuire, and Henry Krzciuk.

Motion by: Director Russell
2nd by: Director Patel
All in: 5 / 0

7. BOARD COMMITTEE REPORTS – Oral Reports from Committee Members.

Vice – Chair Fields mentioned an article “Saving a Drying Out Resource”.

8. BOARD REPORTS – Oral Reports from Board Members on current issues.

None

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

Director McGuire commented on the status of a slow down sign or flashing light on Highway 1. General Manager Charlie Grace stated that he would direct staff to follow up on this item.

10. ADJOURNMENT @ 7:29 PM

SAN SIMEON COMMUNITY SERVICES DISTRICT
Disbursements Journal

January 2017

Type	Date	Num	Name	Memo	Amount	Balance
Paycheck	01/01/2017	1296	John K Russell	Director's Fees	92.35	124,231.27
Paycheck	01/01/2017	1298	Mary M McGuire	Director's Fees	92.35	124,046.57
Paycheck	01/01/2017	1294	Alan Fields	Director's Fees	92.35	123,954.22
Paycheck	01/01/2017	1295	Dan Williams	Director's Fees	92.35	123,861.87
Paycheck	01/01/2017	1297	Ken Patel	Director's Fees	92.35	123,769.52
Bill Pmt	01/01/2017	1278	CALPERS	Annual Unfunded Liability Jan-March	1,908.42	121,861.10
Bill Pmt	01/01/2017	1279	Carmel & Nacassha. LLP	December Legal	1,845.00	120,016.10
Bill Pmt	01/01/2017	1280	Earth Systems Pacific, Inc.	Rip Rap Report	320.00	119,696.10
Bill Pmt	01/01/2017	1281	Grace Environmental	Operations & Mangement January 2017	48,948.00	70,748.10
Bill Pmt	01/01/2017	1282	MBS Land Surveys	shipping of Penn Way/Jasper aerial	20.00	70,728.10
Bill Pmt	01/01/2017	1283	MICHAEL O'NEILL	Monthly maintenance fee, December and Jar	640.00	70,088.10
Bill Pmt	01/01/2017	1284	Moss, Levy & Hartzheim, LLP	Audit to Date	1,000.00	69,088.10
Bill Pmt	01/01/2017	1285	OLIVEIRA ENVIRONMENTAL	Rip Rap Violation Project-CCC	1,530.00	67,558.10
Bill Pmt	01/01/2017	1286	Paul Harness	Acct. 384, Deposit return	50.00	67,508.10
Bill Pmt	01/01/2017	1287	Robert Basch	Acct. 48, Deposit return	50.00	67,458.10
Bill Pmt	01/01/2017	1288	Robert Stitts, CPA	December Bookkeeping	1,200.00	66,258.10
Bill Pmt	01/01/2017	1289	County Air Pollution Control Dis	WWTP and Well Site Generator Permit	1,900.70	64,357.40
Bill Pmt	01/01/2017	1290	The Tribune	Ordinance Summary posting	169.40	64,188.00
Bill Pmt	01/01/2017	1291	SWRCB	WWTP permit	3,703.00	60,485.00
Bill Pmt	01/01/2017	1292	SWRCB	Collections System Permit	2,088.00	58,397.00
Bill Pmt	01/04/2017	1293	United States Treasury	95-2755743	183.60	58,213.40
					66,017.87	58,213.40

6. DISCUSSION & ACTION ITEMS

A. Consideration of approval of the District Fiscal Audit for 2015-2016.

B. Chair appointment of standing committee members per policy #4060.30.

6. DISCUSSION/ACTION ITEMS

January 11, 2017

A. Consideration of approval of the District Fiscal Audit for 2015-2016.

Attached is the final copy of the 2015-2016 Fiscal Audit for the San Simeon Community Services District. A draft copy was given to the board at the December for comments and or changes. Please find attached the amended version.

Staff is asking for Board Approval.

B. Chair appointment of standing committee members per policy #4060.30.

At this time the Board Chairperson and Board would like to hear from anyone interested in being on the water committee (3 minute max). Following introductions, the Board Chairperson will appointment committee members to fill any vacancy.

SAN SIMEON COMMUNITY SERVICES DISTRICT

FINANCIAL STATEMENTS
June 30, 2016

DRAFT

SAN SIMEON COMMUNITY SERVICES DISTRICT
TABLE OF CONTENTS
June 30, 2016

INTRODUCTORY SECTION

Organization.....1

FINANCIAL SECTION

Independent Auditors' Report.....2

BASIC FINANCIAL STATEMENTS

Statement of Net Position – Proprietary Fund.....4

Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund5

Statement of Cash Flows – Proprietary Fund6

Notes to Basic Financial Statements7

SUPPLEMENTARY INFORMATION

Schedule of Revenues and Expenses by Function for the Fiscal Year Ended June 30, 201615

Schedule of Revenues and Expenses by Function for the Fiscal Year Ended June 30, 201516

DRAFT

INTRODUCTORY SECTION

DRAFT

Board of Directors

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Daniel Williams	Chairperson	2016
Alan Fields	Vice-Chairperson	2016
John Russell	Director	2018
Leroy Price	Director	2016
Ken Patel	Director	2018

FINANCIAL SECTION

DRAFT



Moss, Levy & Hartzheim LLP

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
San Simeon Community Services District
San Simeon, CA

Report on the Financial Statements

We have audited the accompanying basic financial statements of San Simeon Community Services District (District) as of and for the fiscal year ended June 30, 2016, and the related notes to the basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the of the San Simeon Community Services District, as of June 30, 2016, and the changes in financial position and cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The introductory section and the schedules of revenues, expenses, and changes in net position by function on pages 15 and 16 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of revenues, expenses, and changes in net position by function is the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of revenues, expenses, and changes in net position by function are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated XXXXX, on our consideration of the San Simeon Community Services District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the District's basic financial statements as of and for the fiscal year ended June 30, 2015, and our report dated January 20, 2016, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Santa Maria, California
XXXX

SAN SIMEON COMMUNITY SERVICES DISTRICT
STATEMENT OF NET POSITION-PROPRIETARY FUND

June 30, 2016

with Comparative Totals for June 30, 2015

	2016	2015
ASSETS		
Current Assets:		
Petty cash	\$ 150	\$ 150
Cash and investments	660,412	860,691
Restricted cash and investments	35	100
Accounts receivable	83,677	70,355
Prepaid expenses	47	156
Total current assets	<u>744,321</u>	<u>931,452</u>
Capital Assets:		
Non-depreciable:		
Construction in progress	922,452	31,254
Depreciable:		
Sewer plant	2,086,929	2,056,619
Water plant	1,140,431	1,140,431
Building	395,874	395,874
Equipment	316,748	316,748
Less: Accumulated depreciation	<u>(2,109,789)</u>	<u>(2,036,639)</u>
Net capital assets	<u>2,752,645</u>	<u>1,904,287</u>
Total assets	<u>3,496,966</u>	<u>2,835,739</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	171,740	337
Customer deposits	55,608	55,608
Long-Term Liabilities		
Current portion of loan payable	<u>7,483</u>	<u>7,281</u>
Total current liabilities	<u>234,831</u>	<u>63,226</u>
Long-Term Liabilities		
Loan payable	<u>469,170</u>	<u>476,653</u>
Total long-term liabilities	<u>469,170</u>	<u>476,653</u>
Total Liabilities	<u>704,001</u>	<u>539,879</u>
NET POSITION		
Net investment in capital assets	2,275,992	1,420,353
Restricted for:		
Capital projects	35	100
Debt service		21,000
Unrestricted	<u>516,938</u>	<u>854,407</u>
Total net position	<u>\$ 2,792,965</u>	<u>\$ 2,295,860</u>

See accompanying notes to basic financial statements.

SAN SIMEON COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -PROPRIETARY FUND
For the Fiscal Year Ended June 30, 2016
With Comparative Totals for the Fiscal Year Ended June 30, 2015

	2016	2015
Operating Revenues:		
Services-waste	\$ 395,248	\$ 370,212
Services-water	328,018	311,700
Meter charge-water		11,521
Effluent water	3,004	1,495
State of CA-Hearst Castle	31,107	23,495
Services-other	73,397	66,530
Late fees and adjustments	3,076	4,074
	<u>833,850</u>	<u>789,027</u>
Total operating revenues		
Operating Expenses:		
Accounting	8,535	8,425
Bank fees	169	20
Bookkeeping	14,400	14,400
Directors' fees	5,800	5,500
Payroll Expenses	444	497
Dues and subscriptions	3,664	2,540
Election expense		250
Road maintenance	18,056	206
Riprap engineering	30,534	2,989
Insurance-health	10,991	8,262
Insurance-liability	6,967	6,967
LAFCO budget allocation	2,742	2,479
Legal fees	22,841	25,980
Legal fees-litigation	1,184	2,154
Licenses and permits	12,262	13,865
Miscellaneous	106	100
Memberships		153
Depreciation	73,150	79,800
Interest	13,409	13,605
Office expenses		1,421
Operations management	579,074	600,097
Professional fees	17,985	57,830
Pico project	4,907	
Emergency stand by	12,607	21,962
Repairs	13,220	20,818
Website	3,840	3,570
	<u>856,887</u>	<u>893,890</u>
Total operating expenses		
Net operating gain (loss)	<u>(23,037)</u>	<u>(104,863)</u>
Non-Operating Revenues (Expenses):		
Property taxes	77,109	73,307
Interest income	2,266	1,687
	<u>79,375</u>	<u>74,994</u>
Total non-operating revenues (expenses)		
Capital and Financing Revenues		
Grant income	419,448	
	<u>419,448</u>	
Total capital and financing revenues (expenses)		
Changes in net position	<u>475,786</u>	<u>(29,869)</u>
Net position - beginning of fiscal year	2,295,860	2,325,729
Prior period adjustment	21,319	
Net position - beginning of fiscal year-restated	<u>2,317,179</u>	<u>2,325,729</u>
Net position - end of fiscal year	<u>\$ 2,792,965</u>	<u>\$ 2,295,860</u>

See accompanying notes to basic financial statements.

SAN SIMEON COMMUNITY SERVICES DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
For the Fiscal Year Ended June 30, 2016
With Comparative Totals for the Fiscal Year Ended June 30, 2015

	<u>2016</u>	<u>2015</u>
Cash Flows From Operating Activities:		
Receipts from customers and users	\$ 820,528	\$ 803,795
Payments to suppliers	(594,990)	(807,895)
Payments to employees	(17,235)	(13,762)
Net cash provided (used) by operating activities	<u>208,303</u>	<u>(17,862)</u>
Cash Flows from Capital and Related Financing Activities:		
Purchase of capital assets	(900,189)	(67,312)
Grants	419,448	
Repayment of loan	(7,281)	(7,085)
Net cash provided (used) by capital and related financing activities	<u>(488,022)</u>	<u>(74,397)</u>
Cash Flows from Noncapital Financing Activities:		
Property taxes	77,109	74,721
Tax administration fee		(1,414)
Net cash provided (used) by noncapital and related financing activities	<u>77,109</u>	<u>73,307</u>
Cash Flows from Investing Activities:		
Investment income	2,266	1,687
Net cash provided (used) by investing activities	<u>2,266</u>	<u>1,687</u>
Net increase (decrease) in cash and cash equivalents	(200,344)	(17,265)
Cash and cash equivalents, beginning of fiscal year	860,941	878,206
Cash and cash equivalents, end of fiscal year	<u>\$ 660,597</u>	<u>\$ 860,941</u>
Reconciliation to Statement of Net Position		
Petty cash	\$ 150	\$ 150
Cash and investments	660,412	860,691
Restricted cash and investments	35	100
	<u>\$ 660,597</u>	<u>\$ 860,941</u>
Reconciliation of Operating (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating loss	\$ (23,037)	\$ (104,863)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	73,150	79,800
Change in Operating Assets and Liabilities:		
(Increase) decrease in accounts receivable	(13,322)	15,467
(Increase) decrease in prepaid expenses	109	6,967
Increase (decrease) in accounts payable	171,403	(17,013)
Increase (decrease) in customer deposits		1,780
Net cash provided (used) by operating activities	<u>\$ 208,303</u>	<u>\$ (17,862)</u>

See accompanying notes to basic financial statements.

SAN SIMEON COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 – NATURE OF DISTRICT

San Simeon Community Services District (the “District”) is a political subdivision of the State of California and operates under a council form of government. The District administers the following community services as provided by its charter: water, sanitation, streets, lighting and general and administrative services.

The District is a Community Services District as defined under State Code Section: 61000. A Community Services District is a public agency (State Code Section: 12463.1) which is a State instrumentality (State Code Section: 23706). State instrumentalities are exempt from federal and state income taxes.

There are no component units included in this report which meet the criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39 and No. 61.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Accounting Policies - The accounting policies of the District conform with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).
- B. Basis of Accounting - The District is organized as an Enterprise Fund and follows the accrual method of accounting, whereby revenues are recorded as earned, and expenses are recorded when incurred.
- C. Budget - Although a budget is adopted annually, it is used primarily as a guideline for the Board in regulating expenditures. There is no legal requirement to stay within the adopted budget in the payment or classification of expenditures.
- D. Cash and Cash Equivalents – Cash and cash equivalents consist of cash on hand and in banks and short-term, highly liquid investments with a maturity of three months or less, which include money market funds, cash management pools in County Treasury and the state Local Agency Investment Fund (LAIF). Cash held in the county and state pooled funds is carried at cost, which approximates fair value. Interest earned is deposited quarterly into the participant’s fund. Any investment losses are proportionately shared by all funds in the pool. The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the County are either secured by federal depository insurance or are collateralized.
- E. Property, Plant and Equipment – Capital assets purchased by the District are recorded at cost. Contributed or donated capital assets are recorded at fair value when acquired.
- F. Depreciation – Capital assets purchased by the District are depreciated over their estimated useful lives (ranging from 5-50 years) under the straight-line method of depreciation.
- G. Receivables - The District did not experience any significant bad debt losses; accordingly, no provision has been made for doubtful accounts, and accounts receivable is shown at full value.
- H. Encumbrances - Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized by the District.
- I. Customer Deposits - Customer deposits are recorded as a liability of the District. The District requires an advance deposit of \$50 for new customers.
- J. Net Position - GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

SAN SIMEON COMMUNITY SERVICES DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- J. Net Position (Continued) - Net investment in capital assets consist of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position is the net position that has external constraints placed on them by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.
- K. Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the AICPA, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- L. Comparative Data/Total Only - Comparative total data for the prior fiscal year has been presented in certain accompanying financial statements in order to provide an understanding of the changes in the District's financial position, operations, and cash flows. Also, certain prior fiscal amounts have been reclassified to conform to the current fiscal year financial statements presentation.

M. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements:

Statement No. 74	"Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans"	The provisions of this statement are effective for fiscal years beginning after June 15, 2016.
Statement No. 75	"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"	The provisions of this statement are effective for fiscal years beginning after June 15, 2017.
Statement No. 77	"Tax Abatement Disclosures"	The provisions of this statement are effective for fiscal years beginning after December 15, 2015.
Statement No. 78	"Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans"	The provisions of this statement are effective for fiscal years beginning after December 15, 2015.
Statement No. 79	"Certain External Investment Pools and Pool Participants"	The provisions of this statement are effective for fiscal years beginning after July 15, 2016.
Statement No. 80	"Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14"	The provisions of this statement are effective for fiscal years beginning after June 15, 2016.
Statement No. 81	"Irrevocable Split-Interest Agreements"	The provisions of this statement are effective for fiscal years beginning after December 15, 2016.
Statement No. 82	"Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73"	The provisions of this statement are effective for fiscal years beginning after June 15, 2017.

SAN SIMEON COMMUNITY SERVICES DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 3 - CASH AND INVESTMENTS

Investments are carried at fair value. On June 30, 2016, the District had the following cash and temporary investments on hand:

Deposits:			
Cash on hand		\$	150
Cash in banks			659,037
			<u>659,187</u>
Pooled Investment Funds:			
Cash and investments in San Luis Obispo County Treasurer			889
County Treasurer			521
State of California Local Agency Investment Fund (LAIF)			<u>1,410</u>
			<u>1,410</u>
Total Cash and Investments		\$	<u>660,597</u>

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District had investments in the San Luis Obispo County Investment Pool and the Local Agency Investment Fund (LAIF), however, these external pools are not measured under Level 1, 2, or 3.

Restricted cash

Restricted cash consists of funds that are set aside for well refurbishment as well as appurtenant equipment and structure.

Investments Authorized by the District's Investment Policy

The table on the following page identifies the investment types that are authorized for the District by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
Federal Agency Securities	N/A	None	None
Banker's Acceptances	180 days	40%	None
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase and Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	20%	None
Mutual Funds	N/A	20%	None
Money Market Mutual Funds	N/A	None	None
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Fund	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
State Registered Warrants, Notes or Bonds	N/A	None	None
Notes and Bonds for other Local California Agencies	5 years	None	None

SAN SIMEON COMMUNITY SERVICES DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 3 - CASH AND INVESTMENTS (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

Investment Type	Carrying Amount	Remaining Maturity (in Months)			
		12 Months Or Less	13-24 Months	25-60 Months	More than 60 Months
San Luis Obispo County					
Treasury	\$ 889	\$ 889	\$ -	\$ -	\$ -
LAIF	521	521	-	-	-
Total	\$ 1,410	\$ 1,410	\$ -	\$ -	\$ -

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. Presented below, is the minimum rating required by (where applicable) the California Government Code and the actual rating as of fiscal year end for each investment type.

Investment Type	Carrying Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End		
				AAA	Aa	Not Rated
San Luis Obispo County						
Treasury	\$ 889	N/A	\$ -	\$ -	\$ -	\$ 889
LAIF	521	N/A	-	-	-	521
Total	\$ 1,410		\$ -	\$ -	\$ -	\$ 1,410

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of total District's investments.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law

SAN SIMEON COMMUNITY SERVICES DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 3 - CASH AND INVESTMENTS (Continued)

Custodial Credit Risk (Continued)

also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

None of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying basic financial statements at the amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

NOTE 4 - SCHEDULE OF CAPITAL ASSETS

A schedule of changes in capital assets and depreciation for the fiscal years ended June 30, 2016, and June 30, 2015, are shown below:

	Balance July 1, 2015	Additions	Deletions	Prior Period Adjustments	Balance June 30, 2016
Non-depreciable capital assets:					
Construction in progress	\$ 31,254	\$ 891,198	\$ -	\$ -	\$ 922,452
Total non-depreciable capital assets	\$ 31,254	\$ 891,198	\$ -	\$ -	\$ 922,452
Depreciable capital assets:					
Sewer plant	\$ 2,056,619	\$ 8,991	\$ -	\$ 21,319	\$ 2,086,929
Water plant	1,140,431				1,140,431
Building	395,874				395,874
Equipment	316,748				316,748
	3,909,672	8,991		21,319	3,939,982
Accumulated depreciation	2,036,639	73,150			2,109,789
Total depreciable capital assets	\$ 1,873,033	\$ (64,159)	\$ -	\$ 21,319	\$ 1,830,193
Net capital assets	\$ 1,904,287	\$ 827,039	\$ -	\$ 21,319	\$ 2,752,645

SAN SIMEON COMMUNITY SERVICES DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 4 - SCHEDULE OF CAPITAL ASSETS (Continued)

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Non-depreciable capital assets:				
Construction in progress	\$ 11,511	\$ 19,743	\$ -	\$ 31,254
Total non-depreciable capital assets	<u>\$ 11,511</u>	<u>\$ 19,743</u>	<u>\$ -</u>	<u>\$ 31,254</u>
Depreciable capital assets:				
Sewer plant	\$ 2,030,781	\$ 25,838	\$ -	\$ 2,056,619
Water plant	1,118,700	21,731		1,140,431
Building	395,874			395,874
Equipment	316,748			316,748
	<u>3,862,103</u>	<u>47,569</u>		<u>3,909,672</u>
Accumulated depreciation	1,956,839	79,800		2,036,639
Total depreciable capital assets	<u>\$ 1,905,264</u>	<u>\$ (32,231)</u>	<u>\$ -</u>	<u>\$ 1,873,033</u>
Net capital assets	<u>\$ 1,916,775</u>	<u>\$ (12,488)</u>	<u>\$ -</u>	<u>\$ 1,904,287</u>

Depreciation expense for the fiscal years ended June 30, 2016 and 2015 was \$73,150 and \$79,800, respectively. Additions to construction in progress for the year ended June 30, 2016 consisted of expenses related to the RO unit.

NOTE 5 – CUSTOMER DEPOSITS

The liability for customer deposits consists of the following as of June 30, 2016 and 2015:

	2016	2015
Hook-Up deposits	\$ 45,750	\$ 45,750
Customer meter deposits	9,858	9,858
	<u>\$ 55,608</u>	<u>\$ 55,608</u>

The hook-up deposits are from customers on a waiting list to connect into the system. Each deposit represents total hook-up fees owed by the customer based on the fee schedule in place at the time of the payment. Additional fees may be required from the customer, based on the current fee schedule, when the utility connection is completed.

Customer meter deposits consist of a \$50 refundable deposit required for each metered customer before any service can be provided by the District.

NOTE 6 – LOAN PAYABLE

On July 11, 2011, the District applied for a \$500,000 loan from the United States Department of Agriculture. The loan was approved, and the District began to draw on the loan during the 13/14 fiscal year. The District is required to make semi-yearly payments of \$10,345. Future minimum payments are as follows on the next page:

SAN SIMEON COMMUNITY SERVICES DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 6 – LOAN PAYABLE (Continued)

Fiscal year Ended June 30,	Principal	Interest	Total
2017	\$ 7,483	\$ 13,207	\$ 20,690
2018	7,690	13,000	20,690
2019	7,902	12,788	20,690
2020	8,121	12,569	20,690
2021	8,347	12,343	20,690
2022-2026	45,329	58,121	103,450
2027-2031	51,963	51,487	103,450
2032-2036	59,564	43,886	103,450
2037-2041	68,281	35,169	103,450
2042-2046	78,273	25,177	103,450
2047-2051	89,726	13,724	103,450
2052-2053	43,974	9,314	53,288
Total	\$ 476,653	\$ 300,785	\$ 777,438

NOTE 7 – LONG TERM DEBT – SCHEDULE OF CHANGES

A schedule of changes in long-term debt for the fiscal year ended June 30, 2016, is shown below:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016	Due within one year
Loan payable	\$ 483,934	\$ -	\$ 7,281	\$ 476,653	\$ 7,483
Totals	\$ 483,934	\$ -	\$ 7,281	\$ 476,653	\$ 7,483

NOTE 8 – JOINT POWERS AUTHORITY

The District is a member of the Special District Risk Management Authority (S.D.R.M.A.), an intergovernmental risk sharing joint powers authority, created pursuant to California Government Code Sections 6500 et. Seq. In becoming a member of the S.D.R.M.A., the District elected to participate in the risk financing program(s) listed below for the program period July 1, 2015 through June 30, 2016.

General and Auto Liability, Public Officials' and Employees' Errors, and Employment Practices Liability and Employee Benefits Liability: Special District Risk Management Authority, coverage number LCA SDRMA 201112. This covers \$2,500,000 per occurrence, subject to policy deductibles.

Employee Dishonesty Coverage: Special District Risk Management Authority, coverage number EDC SDRMA 201112. This policy includes a \$400,000 Public Employee Dishonesty Blanket Coverage.

Property Loss: Special District Risk Management Authority, coverage number PPC SDRMA 201112. This policy covers the replacement cost for property on file, \$1,000,000,000 per occurrence, subject to policy deductibles.

Boiler and Machinery: Special District Risk Management Authority, coverage number BMC SDRMA 201112. This covers \$100,000,000 per occurrence, subject to policy deductibles.

SAN SIMEON COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 8 – JOINT POWERS AUTHORITY (Continued)

The District also participated in the elective comprehension/collision coverage on selected vehicles, subject to policy deductibles.

Personal Liability Coverage for Board Members: This policy covers \$500,000 per occurrence, coverage number LCA SDRMA 201112, annual segregate per each selected/appointed official, subject to policy deductibles.

Members are subject to dividends and/or assessments, in accordance with Second Amended Joint Powers Agreement and amendments thereto, on file with the District. No such dividends have been declared, nor have any assessments been levied.

NOTE 9 – RELATED PARTY TRANSACTION

The District has an agreement with Grace Environmental Services to oversee the daily operations of the District. San Simeon Community Services District paid \$579,074 for their services during the 15/16 fiscal year.

NOTE 10 – CONTINGENCIES

According to the District's staff and attorney, no contingent liabilities are outstanding and no lawsuits are pending of any real financial consequence.

NOTE 11 – PRIOR PERIOD ADJUSTMENT

A prior period adjustment of \$21,319 was made to add a generator which should have been an addition to capital assets in the 14/15 fiscal year.

DRAFT

SUPPLEMENTARY INFORMATION
DRAFT

SAN SIMEON COMMUNITY SERVICES DISTRICT
SCHEDULE OF REVENUES AND EXPENSES BY FUNCTION
For the Fiscal Year Ended June 30, 2016

	Sanitation Fund	Water Fund	General	Total
Operating Revenues:				
Utility sales	\$ 395,248	\$ 328,018	\$ 3,076	\$ 726,342
Service charges		3,004	73,397	76,401
State of CA-Dept of Parks and Recreation	31,107			31,107
Total operating revenues	426,355	331,022	76,473	833,850
Operating Expenses:				
Accounting	2,838	2,838	2,859	8,535
Bank fees		10	159	169
Bookkeeping	4,800	4,800	4,800	14,400
Directors' fees	1,944	2,232	1,624	5,800
Payroll expenses	148	148	148	444
Dues and subscriptions	650	381	2,633	3,664
Road maintenance			18,056	18,056
Riprap engineering	30,534			30,534
Insurance-Health			10,991	10,991
Insurance-Liability	697	3,832	2,438	6,967
LAFCO budget allocation	686	686	1,370	2,742
Legal fees	7,614	7,614	7,613	22,841
Legal fees-litigation	67	67	1,050	1,184
Licenses and permits	9,959	2,303		12,262
Miscellaenous			106	106
Depreciation	35,112	22,676	15,362	73,150
Interest expense			13,409	13,409
Operations management	364,457	185,663	28,954	579,074
Professional fees	11,682	4,303	2,000	17,985
Pico project			4,907	4,907
Emergency water stand-by		12,607		12,607
Repairs	13,220			13,220
Website			3,840	3,840
Total operating expenses	484,408	250,160	122,319	856,887
Net operating gain (loss)	(58,053)	80,862	(45,846)	(23,037)
Non-Operating Revenues (Expenses):				
Property taxes			77,109	77,109
Interest income			2,266	2,266
Total non-operating revenues (expenses)			79,375	79,375
Capital and Financing Revenues				
Grant income			419,448	419,448
Total capital and financing revenues			419,448	419,448
Change in net position	\$ (58,053)	\$ 80,862	\$ 452,977	\$ 475,786

SAN SIMEON COMMUNITY SERVICES DISTRICT
SCHEDULE OF REVENUES AND EXPENSES BY FUNCTION
For the Fiscal Year Ended June 30, 2015

	Sanitation Fund	Water Fund	General	Total
Operating Revenues:				
Utility sales	\$ 370,212	\$ 311,700	\$ 4,074	\$ 685,986
Service charges	8,943	13,016	57,587	79,546
State of CA-Dept of Parks and Recreation	23,495			23,495
Total operating revenues	402,650	324,716	61,661	789,027
Operating Expenses:				
Accounting	2,758	2,739	2,928	8,425
Bank fees			20	20
Bookkeeping	5,000	4,820	4,580	14,400
Directors' fees	2,260	2,710	530	5,500
Payroll expenses	155	155	187	497
Dues and subscriptions	503	201	1,836	2,540
Election expense			250	250
Road maintenance			206	206
Riprap engineering	2,989			2,989
Insurance-Health			8,262	8,262
Insurance-Liability	4,180	2,090	697	6,967
LAFCO budget allocation	620	620	1,239	2,479
Legal fees	8,660	8,660	8,660	25,980
Legal fees-litigation	324	324	1,506	2,154
Licenses and permits	9,496	4,287	82	13,865
Miscellaneous	50	50		100
Memberships			153	153
Depreciation	38,304	24,738	16,758	79,800
Interest expense			13,605	13,605
Office expenses			1,421	1,421
Operations management	370,435	198,627	31,035	600,097
Professional fees	18,435	36,760	2,635	57,830
Emergency water stand-by		21,962		21,962
Repairs	20,612	206		20,818
Website			3,570	3,570
Total operating expenses	484,781	308,949	100,160	893,890
Net operating gain (loss)	(82,131)	15,767	(38,499)	(104,863)
Non-Operating Revenues (Expenses):				
Property taxes			74,721	74,721
Interest income			1,687	1,687
Tax administration fee			(1,414)	(1,414)
Total non-operating revenues (expenses)			74,994	74,994
Change in net position	\$ (82,131)	\$ 15,767	\$ 36,495	\$ (29,869)