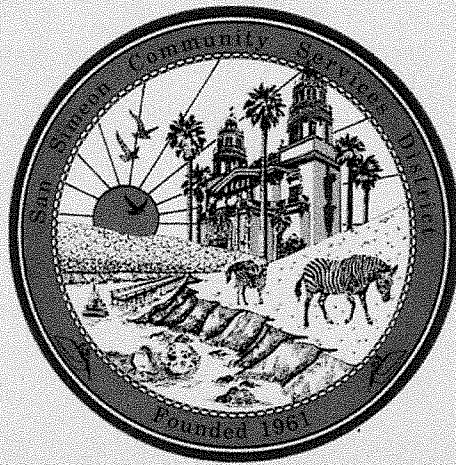


**Board of Directors  
San Simeon Community Services District**



**BOARD PACKET**

**Wednesday, March 11, 2015  
Regular Meeting 6:00 pm**

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

Prepared by GES



**AGENDA**  
**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**BOARD OF DIRECTORS REGULAR MEETING**  
**Wednesday, March 11, 2015**  
**6:00 pm**

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

**1. REGULAR SESSION: 6:00 PM**

- A. Roll Call
- B. Pledge of Allegiance

**2. PUBLIC COMMENT:**

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

- A. **Sheriff's Report** – Report for February.
- B. **Public comment on Sheriff's Report**

**3. BOARD PRESENTATIONS AND ANNOUNCEMENTS:**

**4. STAFF REPORTS**

**A. General Manager's Report**

- 1. **Staff Activity** – Report on Staff activities for the month of February.
- 2. **Update** – Well head treatment system project.
- 3. **Update** – Well 2 sanitary seal project.
- 4. **Update** – Notice of Violation from Coastal Commission regarding Wastewater Treatment Plant Rip Rap installation.

**B. Superintendent's Report**

- 1. **Wastewater Treatment / Collection Systems** – Summary of operations and maintenance for February.
- 2. **Water / Distribution Systems** – Distribution performance for the Month of February.
- 3. **District Maintenance** – Summary of District maintenance for February.

**C. District Financial Summary** – Update on Monthly Financial Status for close of business February 28, 2015.

**D. District Counsel’s Report** –Heather Whitham

**5. ITEMS OF BUSINESS**

**A. Approval of last month’s minutes** – February 11, 2015.

**B. Approval of Disbursements Journal** – March 11, 2015.

**6. DISCUSSION/ACTION ITEMS**

**A. Consideration of Board Approval of Earth Systems Proposal for \$5,700 to perform geotechnical survey of Wellhead treatment project site.**

**B. Consideration of the Introduction of Ordinance No. 116 Repealing Ordinance No. 112 and Adopting a New Ordinance Mandating Use of Recycled Water Strictly From the San Simeon Community Services District’s Recycled Water System.**

**C. Consideration of approval of Well Seal Bid from Enloe Well Drilling for \$11,000 to install Sanitary Seal on Well #2.**

**D. Consideration of Board Approval of a Non-Binding Letter of Intent with Hearst Holdings, Inc. regarding expansion of the existing Water Reservoir Easement.**

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

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

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

**10. ADJOURNMENT**

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

This agenda was prepared and posted pursuant to Government Code Section 54954.2.

## **4A. GENERAL MANAGER'S REPORT**

**Charles Grace**



- 1. Staff Activity** – Report on Staff activities for the month of February.
- 2. Update** – Well head treatment system project
- 3. Update** – Well 2 sanitary seal project
- 4. Update** - Letter of Violation from the Coastal Commission regarding Wastewater Treatment Plant Rip Rap installation.

## **4A. GENERAL MANAGER'S REPORT**

### **March 11, 2015**

#### **1. Report on Staff activities for the month of February.**

During the month of February Staff read meters and distributed water billing and responded to multiple customer service calls. Staff completed all paperwork requested from the USDA regarding the Grant submittal for the RO project, provided a site tour and responded to inquiries regarding the submittals. Staff worked on updating the Health and Safety Program, the Vulnerability Assessment and the Emergency Response program. Staff also retouched the paint on District Office building.

#### **2. Well head treatment system project - Update**

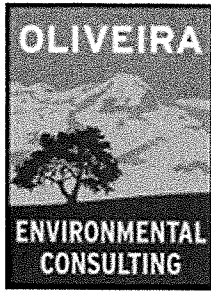
The specification both the reverse osmosis unit and the Well Head Treatment Project have been completed and reviewed. Coordinating a geotechnical survey of the site and preparing bid packages. 90% design and specifications have been sent to the Division of Drinking Water (DDW) for review.

#### **3. Well 2 sanitary seal project- Update**

The SSCSD received one bid of several requested to perform the Well 2 sanitary seal installation. Staff will be seeking bid approval as part of the March 11 2015 Discussion Action Items.

#### **4. Notice of Violation from Coastal Commission regarding Wastewater Treatment Plant Rip Rap installation - Update**

Staff responded to the California Coastal Commission (CCC) as required by the NOV. Staff and Oliveira Environmental reviewed 10 plus years of historical documents including one Wallace Engineering and two Boyle Engineering submittals. A composite task list has been created from several years of correspondence from the CCC and submitted to Daniel Robinson, the CCC Central Coast Planner. Staff has requested a meeting with Mr. Robinson in effort to directly coordinate the effort to obtain an After the Fact (ATF) permit.



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February 25, 2015

Daniel Robinson, Coastal Planner  
California Coastal Commission  
Central Coast District Office  
725 Front Street, Suite 300  
Santa Cruz, CA 95060

**Subject: San Simeon Community Services District Response to Coastal Commission Notice of Violation (Violation File # V-3-01-028) for Unpermitted Rip Rap at the Community Wastewater Treatment Facility (notice dated January 26, 2015).**

Dear Daniel:

The purpose of this memo is to provide the California Coastal Commission (CCC) with a list of tasks intended to fulfill the permitting requirements and information requests stipulated in the CCC Notice of Violation (V-3-01-028) dated January 26, 2015. Oliveira Environmental Consulting LLC (OEC) will be working with the San Simeon Community Services District (SSCSD) on the following tasks and it is our intention to ensure the CCC that the SSCSD is working diligently to remedy the historic violation and address the CCC permitting requirements.

As discussed in our previous email communications (February 17, 2015), OEC is currently working with the San Simeon CSD on this project, and in anticipation of addressing the necessary issues with the Coastal Commission we contacted CCC Enforcement staff, Sharif Traylor, to ensure staff that the SSCSD is working to address the issues needed to get a finalized "After the Fact" Coastal Development Permit for the unpermitted work.

**Project Background:** The January 26, 2015 Notice of Violation sent by the CCC addresses the unpermitted placement of riprap in front of the SSCSD wastewater treatment facility, including backfilling the area landward of the riprap with sand and gravel, unpermitted replacement of the wastewater facility ocean outfall line, placement of riprap on both sides of Arroyo del Padre Juan Creek and ditch cleaning/shaping at 9245 Balboa Avenue in the community of San Simeon.

The unpermitted work that is the subject of the violation letter was a historic project that was initiated several decades ago under previous management. The CCC violation letter provides a background discussion on the history of the unpermitted work and attempts by the SSCSD to address the violation through previously withdrawn "After The Fact" Coastal Development Permit application submittals. As discussed in the violation letter, the latest application submittal for authorization of the unpermitted historic project was in 2005, which resulted in a detailed "non-filing" letter requesting additional materials and information necessary to complete the application (and to include the other unpermitted work listed above). Additional information was submitted in 2006 and again in 2008 and after review, CCC staff determined that additional information was still needed and the application was withdrawn by the SSCSD.

In February 2014, the SSCSD worked with the office of Assemblyman Achadjian to address the violation and to determine exactly what information would be needed to complete the "After The Fact" Coastal Development Permit for the unpermitted project. The result was a list of the minimum materials and information needed to complete the permitting process (please refer to the violation letter for the list of requested information).

As a result of the previous communications and outreach, the following tasks have been compiled with the intent to meet the materials and information requests from the CCC. Please review the following tasks to ensure that the SSCSD is taking the correct steps to address the aforementioned violation.

**Tasks Intended to Meet the Materials and Information Requests for a Complete "After The Fact" Coastal Development Permit:**

1. Project Description. The current project description includes a portion of rip-rap installed at the sewage treatment plant following the storms of 1983. Based on site photos and a search of historic permit records, it appears that other developments may have occurred at the wastewater treatment facility without the benefit of a Coastal Development Permit. These include: backfilling the area landward of the rip rap with coarse sand and gravel (Cleath and Assoc., July 17, 2002 report pg. 4); replacement of the ocean outfall line (1984); placement of rip-rap on both sides of Arroyo Del Padre Juan and "ditch cleaning/shaping" following flood events of 1995 (County Construction Permit #96390). In accordance with the SSCSD on-going effort to resolve apparent permit violations at this location, the project description will include these development activities;
2. Historic Protective Measures. The previous SSCSD application indicates that 125 yards of riprap was installed by Bickford Concrete in 1969. The new permit application will identify the approximate location of this riprap on project plans (in addition to information on State Lands' outfall lease), and provide whatever evidence is available to document the timing of its installation (e.g., the invoice issued to the District by Bickford Concrete);
3. Property Ownership. Proof of ownership or evidence of consent and/or co-application from the adjacent down-coast property owner will be included in the SSCSD submittal;
4. Biological Resources. The SSCSD will provide a biological survey prepare by a qualified professional addressing sensitive plant and animal species that may be associated with Arroyo Del Padre Juan, its riparian corridor, and beach and blufftop areas;
5. Project Plans. As part of the permit application, the SSCSD will provide two sets of full size project plans and two sets of reduced (11" x 17") plans including cross sections and elevations of the entire project areas. The plans will include the following:
  - A detailed site plan showing all treatment plant structures proposed for protection, including sewage treatment basins, outfall locations, the pipe crossing Arroyo Del Padre Juan; and all structural support mechanisms (e.g., foundation type, depth of support

structures and retaining walls, location and methods of anchoring) shown in both site plan and cross sectional view;

- Clear identification of the edge of the top of bluff/seacliff rim; distance between the plant facility and the identified edge of top of bluff/seacliff rim at varying locations; location and spatial extent of fill material; the base of bluff, and the sand-bluff interface for both winter and summer beach profiles (if accurate delineations for both seasons cannot be provided within the required time frame, approximations based on aerial photography is an acceptable approach). These elements will be identified in both site plan and cross sectional view;
- All parcel lines shall be clearly identified on the subject plans;
- All existing easements and/or property restrictions affecting any portion of the subject property will be identified on the plans. The corresponding recorded easement/restriction(s) would be provided as well.

6. Alternatives Analysis. According to review by CCC staff, the reports thus far submitted do not include adequate information regarding alternatives to the rock riprap. Although Wooley's 1982 study concluded that rip-rap was a "geologically suitable" alternative, it is unclear if this alternative is the least environmentally damaging to coastal resources. This task includes preparation of a report prepared by a qualified professional detailing the following:

- A detailed analysis of options to address any identified erosion problem. At a minimum, and in addition to the no project alternative, such analyses must include evaluation of: (a) relocation of any threatened structures, including an analysis of any technical feasibility questions and an estimate of expected costs to relocate; (b) partial removal of threatened elements, again with a clear analysis and estimate of how this would be accomplished; (c) upper bluff drainage controls and vegetation; (d) upper bluff retaining walls or other upper bluff support structures; and (e) vertical seawalls. Any combination of the different alternatives should be considered separately as a single option;
- A description of expected resource impacts for all alternative projects considered (armoring and non-armoring), methods to avoid impacts identified, and adequate mitigation prescribed for any impacts that cannot feasibly be avoided;
- At a minimum, an estimate of the sand content of the bluff Materials covered by armoring must be provided. The sand content should be broken down for both the upper bluff terrace deposits and the lower bluff sandstone;
- The square footage of the beach area footprint of the existing revetment and each alternative considered.

7. Previous Coastal Permits. At least two previous coastal development permits apply to this site (199-09 and 4-85-180). Permit 199-09 listed four special prior to issuance conditions including: 1) a deed restriction allowing public use of the beach from the mean high tide line to the toe of the bluff; 2) a deed restriction waiving CCC liability and recognizing that the CCC makes no commitment for approval of the construction of future protective devices; 3) recognition that acceptance of the permit does not prejudice assertion of a public right; and 4) requirement for submittal of a geologic report. As a condition of approval for permit 4-85-180, the SSCSD was required to accept all remaining public access OTD's in the immediate area. The new permit application will provide



evidence that these OTD 's have been accepted by the SSCSD and all Other special conditions of approval listed above have been met;

8. Other Approvals. As part of the application submittal, the SSCSD will submit copies of all other permits, permissions or approvals granted, or evidence that no approvals were necessary, from the California Department of Fish and Game, Army Corps of Engineers, and the National Marine Fisheries Service;
9. Technical Report Updates. The application submittal will include an update of or addendum to the Earth Systems March 2008 report to include effects of sea level rise (SLR) and any other pertinent updates. The geotechnical information needs to be brought up to date, including for SLR and erosion rates at a minimum. The update needs to include information detailing adequacy and life span of the revetment in light of coastal hazards, including SLR, long-term average annual erosion, largest expected episodic event, wave uprush/coastal flooding and other factors (seismic activity, natural slumping, storm events, etc.), as well as evidence detailing how long the revetment will be able to protect the wastewater treatment facility into the future;
10. Project History. To the best of our ability, the SSCSD will provide a history of revetment installation and modification, including evidence of coastal permits for all events;
11. State Lands Jurisdiction. The project permit application will include information on State Lands' outfall lease and any extensions; and
12. Facility Design Life. Project application submittals will include updated information on the design life of the existing WWTP. The design life of the plant really gets at the cost/benefit analysis of potentially moving the WWTP away from danger. The cost to move needs to take into account the lifespan of the current WWTP and the cost of any necessary future upgrades/retrofits to it.

The tasks listed above represent the steps identified by CCC staff to complete the materials and information request for an accepted "After The Fact" Coastal Development Permit for the permitting of the project elements discussed above. Please review these tasks and provide confirmation that these steps meet the CCC staff requests, or provide any edits and/or additions so that the SSCSD can begin assembling the application for submittal.

Thank you for your assistance, I look forward to working with you to address the Notice of Violation and to get this historic project fully permitted. Please feel free to contact either myself, or the SSCSD General Manager, Charles Grace (805-431-6253, graceenvironmental@gmail.com).

Sincerely,



Jeff Oliveira, Principal Environmental Planner

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

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



## **4B. SUPERINTENDANT'S REPORT**

### **Activities of February 2015**

#### **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.
- During startup of the WWTP stand-by generator for routine maintenance the windings of the generator head caught fire. The fire was immediately extinguished, and the generator head needs to be replaced. A portable generator was brought in that day and placed outside the blower building to provide State mandated back up. Parts have been ordered to make the repair. The repair should take place in late March to early April.
- The mechanical components of the chlorine analyzer were rebuilt.
- One load of sludge was hauled away this month.

#### **2. Water Distribution System**

- All routine sampling and testing was performed. The monthly report was submitted to the State Water Resources Control Board (SWRCB), Division of Drinking Water (DDW).
- Monthly water meter reading was performed.
- Chloride levels are monitored daily throughout the system.
- Pico Creek flow is monitored periodically throughout the month.

#### **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.
- Weed abatement was performed around the entire district streets and sidewalks, including in front of the WWTP.
- Pot holes were filled around the district streets.
- Pine needles were picked up on Pico Ave.

**San Simeon Community Services District - Monthly Data Report - February 2015**

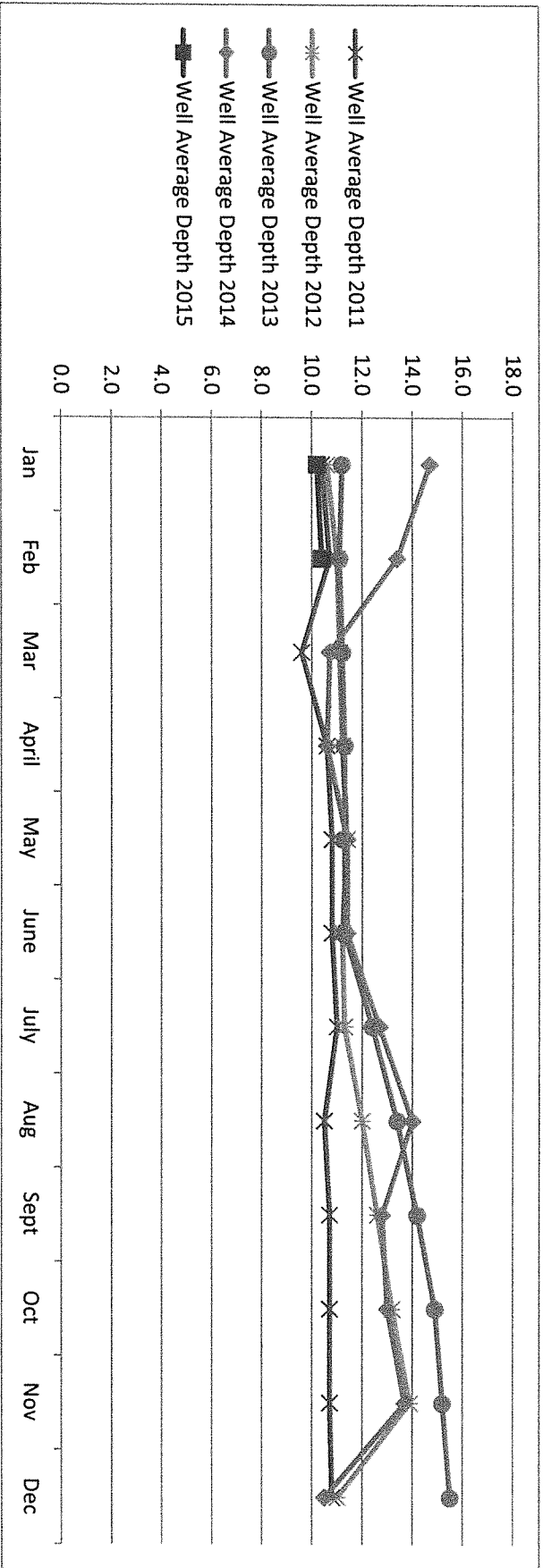
Date	Day	Wastewater Influent Daily flow	Wastewater Effluent Daily Flow	CALCULATED Well 1 Total Pumped	CALCULATED Well 2 Total Pumped	CALCULATED Well 3 Total Pumped	CALCULATED Total Daily Water Produced	Recycled Water Distributed	Water Level Well 1	Water Level Well 2	Rainfall in Inches	INPUT State Sewer Daily Flow
02/10/15	Sun	90,096	64,770	69,392	0	10,600	79,992	0	10.1	10.0	0.00	4,802
02/10/15	Mon	69,832	73,260	0	47,670	4,700	52,370	0	10.1	10.1	0.00	2,852
02/10/15	Tue	63,288	56,460	54,080	0	5,100	59,180	2,990	10.1	10.1	0.00	4,193
02/10/15	Wed	61,961	52,100	1,720	48,545	6,400	56,666	80	10.0	10.0	0.00	3,443
02/05/15	Thu	61,264	61,800	40,616	32,388	4,900	77,905	0	10.1	10.1	0.00	5,022
02/06/15	Fri	66,408	74,100	45,329	0	0	45,329	0	10.0	10.0	0.12	4,058
02/07/15	Sat	92,322	93,010	37,624	0	0	37,624	0			1.02	4,407
02/08/15	Sun	87,734	80,130	0	80,784	0	80,784	0	9.0	8.9	0.16	4,952
02/09/15	Mon	73,031	68,000	71,808	0	0	71,808	0	9.0	8.9	0.00	4,298
02/10/15	Tue	63,990	54,430	0	49,892	0	49,892	0	9.8	9.7	0.00	4,758
02/11/15	Wed	105,587	86,930	0	33,585	500	34,085	0			0.00	1,427
02/12/15	Thu	68,800	80,300	80,859	0	0	80,859	0	10.2	10.2	0.00	5,257
02/13/15	Fri	81,976	89,640	0	85,945	0	85,945	0	10.4	10.3	0.00	3,162
02/14/15	Sat	103,496	126,620	90,358	0	0	90,358	0	10.5	10.5	0.00	5,847
02/15/15	Sun	72,795	132,430	0	101,803	0	101,803	0	10.6	10.5	0.00	7,754
02/16/15	Mon	40,462	103,070	99,260	0	0	99,260	0			0.00	8,493
02/17/15	Tue	75,194	96,930	0	88,414	0	88,414	0	10.6	10.6	0.00	7,453
02/18/15	Wed	80,083	82,430	84,225	0	0	84,225	0	10.7	10.6	0.00	5,213
02/19/15	Thu	75,592	71,770	0	82,654	0	82,654	0	10.7	10.6	0.00	3,155
02/20/15	Fri	53,424	82,580	80,186	0	0	80,186	0	10.7	10.6	0.00	3,602
02/21/15	Sat	80,322	75,660	0	86,618	0	86,618	0	10.7	10.7	0.00	3,980
02/22/15	Sun	133,756	85,150	80,859	0	0	80,859	0	10.8	10.7	0.08	4,516
02/23/15	Mon	71,334	70,030	0	70,686	0	70,686	0	10.8	10.7	0.00	5,055
02/24/15	Tue	67,380	59,170	83,252	0	0	83,252	0	10.9	10.8	0.00	2,036
02/25/15	Wed	62,966	66,600	0	67,846	0	67,846	0	10.7	10.6	0.00	3,547
02/26/15	Thu	65,459	49,590	0	81,083	0	81,083	0	10.7	10.7	0.00	2,347
02/27/15	Fri	85,268	71,570	71,958	0	0	71,958	0	10.8	10.8	0.00	3,502
02/28/15	Sat	83,811	70,740	0	72,481	0	72,481	0	11.0	10.9	0.08	2,844
TOTALS		2,137,631	2,179,270	991,526	1,030,395	32,200	2,054,121	3,070			1.46	121,975
Average		76,344	77,831	35,412	36,800	1,150	73,361	110	10.4	10.3	0.05	4,356
Minimum		40,462	49,590	0	0	0	34,085	0	9.0	8.9	0.00	1,427
Maximum		133,756	132,430	99,260	101,803	6,400	79,992	2,990	11.0	10.9	1.02	8,493

DATA SUMMARY SHEET

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											4,416,238
Wastewater Final Effluent (Month Cycle)	2,078,820	2,179,270											4,258,090
Adjusted Wastewater Influent (- State Flow) *	2,129,329	2,015,656											4,144,985
Water Produced (month cycle)	1,881,724	2,054,121											3,935,845
Sewer Influent/Water Produced Ratio	1.21	1.04											N/A
Adjusted Sewer/Water Produced Ratio	1.13	0.98											N/A
Well 1 Water Pumped	446,937	991,526											1,438,463
Well 2 Water Pumped	772,287	1,030,395											1,802,682
Well 3 Water Pumped	662,500	32,200											694,700
Total Well Production	1,881,724	2,054,121											3,935,845
Water Well 1 Avg Depth to Water	10.2	10.4											N/A
Water Well 2 Avg Depth to Water	10.2	10.3											N/A
Average Depth of Both Wells	10.2	10.4											N/A
Change in Average Well Depth from 2014	-4.5	-2.9											N/A
State Wastewater Treated	149,278	121,975											271,253
State % of Total WW Flow	7%	6%											N/A
Recycled Water Sold (Gallons)	10,710	3,070											13,780
Biosolids Removal (Gallons)	0	6,000											6,000
WW Permit Limitation Exceeded	0	0											N/A
Constituent Exceeded	None	None											N/A
Sample Limit	N/A	N/A											N/A
Sample Result	N/A	N/A											N/A
2014	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Total for 2014
Wastewater Influent	2,038,514	2,129,638	2,312,484	2,560,476	2,551,268	2,827,071	3,032,345	2,978,001	2,438,979	2,319,178	2,327,707	2,981,479	30,497,140
Wastewater Final Effluent (Month Cycle)	2,086,860	2,250,320	2,347,710	2,548,090	2,475,100	2,547,800	3,024,620	2,859,870	2,344,990	2,289,290	1,919,400	2,667,890	29,331,940
Adjusted Wastewater Influent (- State Flow) *	1,776,470	1,863,820	1,938,110	2,204,983	2,198,940	2,428,604	2,790,878	2,840,506	2,303,254	2,192,612	2,213,479	2,757,165	27,508,821
Water Produced (month cycle)	1,892,141	1,737,158	1,745,682	1,941,958	2,196,613	2,314,014	2,731,098	2,729,715	2,192,595	2,182,907	1,721,518	1,728,672	25,114,070
Sewer Influent/Water Produced Ratio	1.10	1.23	1.32	1.32	1.16	1.22	1.11	1.09	1.11	1.06	1.35	1.77	N/A
Adjusted Sewer/Water Ratio	0.94	1.10	1.10	1.14	1.00	1.04	1.02	1.04	1.05	1.01	1.29	1.60	N/A
Average Depth of Both Wells	14.7	13.3	10.7	10.6	10.5	11.4	12.7	14.0	12.8	13.0	13.7	10.5	N/A
Change in Average Well Depth from 2013	+3.4	+2.2	-0.5	-0.7	-0.8	-0.1	+0.3	+0.6	-1.4	-1.9	-1.5	-5.0	N/A
State Wastewater Treated	262,044	265,818	311,282	355,493	352,328	398,467	241,467	137,495	135,725	126,566	114,228	224,314	2,925,227
State % of Total WW Flow	13%	13%	16%	14%	14%	14%	8%	5%	6%	6%	5%	8%	N/A
Recycled Water Sold (Gallons)	0	0	0	125	5785	10420	29555	44145	36080	38705	9080	0	173,895
Biosolids Removal (Gallons)	0	0	12,000	12,000	6,000	6,000	12,000	6,000	6,000	6,000	0	6,000	72,000
WW Permit Limitation Exceeded	0	0	0	0	0	0	0	0	0	0	0	0	0
Constituent Exceeded	None	None	None	None	None	None	None	None	None	None	None	None	N/A
Sample Limit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sample Result	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

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



**4C. DISTRICT FINANCIALS**  
**Renee Lundy**  
**February 28, 2015**

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



SAN SIMEON COMMUNITY SERVICES DISTRICT



**4C. FINANCIAL SUMMARY**

**BILLING**  
**February 28, 2015**

<b>January Billing Revenue</b>	<b>\$ 60,453.64</b>
<b>February Billing Revenue</b>	<b>\$ 53,661.51</b>
Past Due (31 to 60 days)	\$ 0.00
Past Due (60 days)	\$ 234.01

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**RABOBANK SUMMARY**  
**Ending Balances February 28, 2015**

**Summary of Transactions:**

Money Marketing Account Closing Balance January 31, 2015	\$ 757,092.22
Interest for February 2015	\$ 127.77
Money Marketing Account Closing Balance February 28, 2015	\$ 757,219.99
Reserve Fund	(\$ 250,000.00)
Hook up Deposits	(\$ 45,750.00)
Available Funds	\$ 461,469.99
General Checking Account	\$ 99,026.76
Well Rehab Project/USDA Checking Account	\$ 100.05

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LAIF Closing Balance February 28, 2015 \$ 519.18



**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**Balance Sheet**  
As of February 28, 2015

Feb 28, 15

**ASSETS**

**Current Assets**

**Checking/Savings**

1010 · Petty cash	150.00
1020 · General checking	93,781.36
1022 · USDA checking	100.05
1040 · Cash in county treasury	(3,053.68)
1050 · LAIF - non-restricted cash	518.24
1060 · Money Market Account 9548643039	757,219.99

**Total Checking/Savings** 848,715.96

**Other Current Assets**

1200 · Accounts receivable	52,100.82
1300 · Prepaid expenses	3,059.17

**Total Other Current Assets** 55,159.99

**Total Current Assets** 903,875.95

**Fixed Assets**

**1400 · Fixed assets**

1420 · Building and structures	395,874.73
1500 · Equipment	316,747.53
1540 · Major water projects	145,068.22
1580 · Sewer plant	1,488,555.08
1600 · Water system	550,390.00
1620 · WWTP expansion	299,565.92
1630 · Tertiary Project	260,692.62
1640 · Wellhead project	444,712.08

**Total 1400 · Fixed assets** 3,901,606.18

1650 · Walkway access projects	11,511.00
1660 · RO Unit	2,918.00
1690 · Accumulated depreciation	(2,010,038.96)

**Total Fixed Assets** 1,905,996.22

**Other Assets**

1710 · Customer deposits	100.00
--------------------------	--------

**Total Other Assets** 100.00

**TOTAL ASSETS** 2,809,972.17

**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

**Other Current Liabilities**

2100 · Payroll liabilities	290.70
2500 · Customer security deposits	10,158.13
2510 · Connect hookup wait list	45,750.00
2520 · USDA Loan	479,310.00

**Total Other Current Liabilities** 535,508.83

**Total Current Liabilities** 535,508.83

**Total Liabilities** 535,508.83

**Equity**

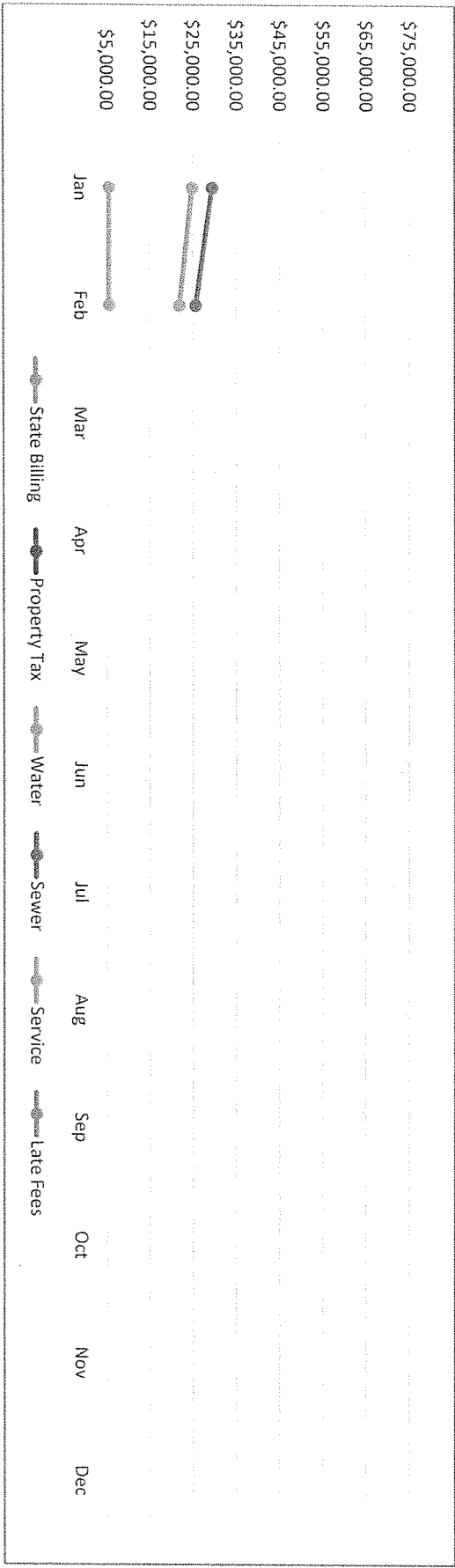
3200 · Fund balance	2,332,653.26
3900 · Suspense	2,494.76
Net Income	(60,684.68)

**Total Equity** 2,274,463.34

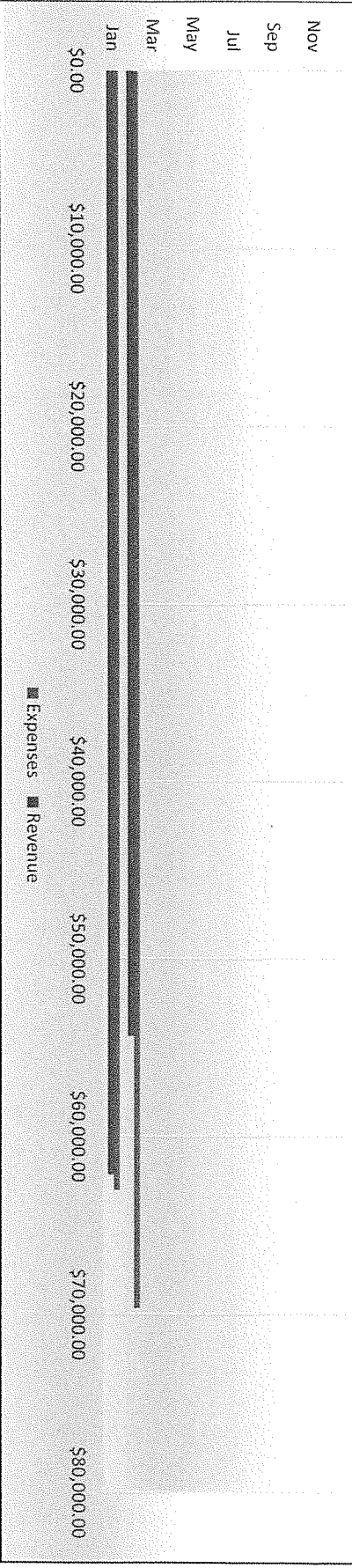
**TOTAL LIABILITIES & EQUITY** 2,809,972.17

2015 DISTRICT REVENUE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
State Billing													\$0.00
Property Tax	\$1,698.01	\$680.91											\$2,378.92
Water	\$24,980.7	\$22,031.4											\$47,012.09
Sewer	\$29,619.7	\$25,800.7											\$55,420.37
Service	\$5,775.1	\$5,747.7											\$11,522.77
Late Fees	\$78.2	\$106.6											\$184.79
<b>Total</b>	<b>\$62,151.65</b>	<b>\$54,367.29</b>											<b>\$116,518.94</b>
Water Sold Cu Ft	255324	224325											479649
Water Sold Acre Ft	5.86	5.15											11.01



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Revenue	\$62,151.65	\$54,367.29											\$116,518.94
Expenses	\$62,999.58	\$69,646.10											\$132,645.68
Balance	-\$847.93	-\$15,278.81											-\$15,128.88



**SAN SIMEON COMMUNITY SERVICES  
HISTORICAL FISCAL REVIEW**

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

Month	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fiscal Total
Water	\$29,080.9	\$30,541.4	\$24,905.3	\$23,664.7	\$18,603.5	\$18,224.2	\$18,368.8	\$17,712.9	\$14,752.5	\$20,943.1	\$19,569.8	\$24,471.6	\$260,838.8
Sewer	\$30,694.0	\$32,170.1	\$26,341.4	\$24,926.1	\$19,583.4	\$19,169.6	\$19,403.2	\$16,370.8	\$15,243.1	\$22,112.6	\$20,266.8	\$25,270.9	\$271,552.0
Service	\$4,272.0	\$4,231.1	\$4,251.5	\$4,251.5	\$4,251.5	\$4,272.0	\$4,251.5	\$4,272.0	\$4,251.5	\$4,251.5	\$4,251.5	\$4,292.4	\$51,100.0
<b>Total</b>	<b>\$64,046.8</b>	<b>\$66,942.6</b>	<b>\$55,498.2</b>	<b>\$52,842.4</b>	<b>\$42,438.4</b>	<b>\$41,665.8</b>	<b>\$42,023.5</b>	<b>\$38,355.7</b>	<b>\$34,247.2</b>	<b>\$47,307.2</b>	<b>\$44,088.1</b>	<b>\$54,034.9</b>	<b>\$583,490.8</b>
Water Sold Cu Ft	394069	413435	337511	319681	252605	247832	248528	225987	201323	285397	264824	329516	\$520,708
Water Sold acre ft	9.05	9.49	7.75	7.34	5.80	5.69	5.71	5.19	4.62	6.55	6.08	7.56	80.82

Month	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fiscal Total
Water	\$30,164.0	\$31,860.6	\$27,236.4	\$23,180.2	\$19,172.8	\$13,606.3	\$18,102.6	\$20,631.4	\$17,394.1	\$23,008.4	\$23,384.4	\$29,603.5	\$277,344.6
Sewer	\$32,911.6	\$34,733.9	\$29,563.0	\$25,730.9	\$21,158.5	\$14,923.0	\$20,172.8	\$21,705.5	\$18,903.2	\$25,168.5	\$24,914.3	\$32,350.8	\$302,236.0
Service	\$4,792.3	\$4,792.3	\$4,815.4	\$4,815.4	\$4,792.3	\$4,815.4	\$4,792.3	\$4,769.3	\$4,769.3	\$4,792.3	\$4,815.4	\$4,792.3	\$57,553.9
<b>Total</b>	<b>\$67,867.9</b>	<b>\$71,386.8</b>	<b>\$61,614.7</b>	<b>\$53,726.5</b>	<b>\$45,123.6</b>	<b>\$33,344.7</b>	<b>\$43,067.8</b>	<b>\$47,106.2</b>	<b>\$41,066.6</b>	<b>\$52,969.2</b>	<b>\$53,114.0</b>	<b>\$66,746.6</b>	<b>\$637,134.5</b>
Water Sold Cu Ft	361479	380540	324880	279621	232827	165658	220059	216680	209256	285145	279529	354134	\$330,808
Water Sold acre ft	8.30	8.74	7.46	6.42	5.34	3.80	5.05	4.97	4.80	6.55	6.42	8.13	75.98

Month	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fiscal Total
State Billing	\$8,069.77	\$51.86	\$1,503.31	\$3,859.65	\$5,718.15	\$21,530.45	\$1,327.66	\$1,155.6	\$2,632.2	\$23,125.6	\$912.0	\$195.0	\$72,637.3
Property Tax	\$36,628.9	\$36,833.3	\$28,053.5	\$24,908.9	\$20,549.4	\$17,417.0	\$21,971.3	\$19,076.2	\$16,337.8	\$22,890.1	\$21,881.1	\$25,417.3	\$291,964.7
Sewer	\$40,084.9	\$43,613.3	\$33,179.7	\$29,636.1	\$23,946.3	\$20,191.1	\$25,116.2	\$22,334.7	\$19,215.2	\$27,214.3	\$26,016.0	\$30,425.9	\$340,973.7
Service	\$5,436.9	\$5,366.4	\$5,366.4	\$5,366.4	\$5,366.4	\$5,366.4	\$5,366.4	\$5,366.4	\$5,366.4	\$5,366.4	\$5,392.20	\$5,392.20	\$64,518.9
Late Fees	\$59.8	\$110.4	\$120.6	\$71.4	\$117.4	\$101.1	\$155.8	\$100.38	\$93.94	\$413.64	\$896.41	\$139.15	\$2,380.0
<b>Total</b>	<b>\$90,280.3</b>	<b>\$85,975.3</b>	<b>\$96,204.7</b>	<b>\$63,842.4</b>	<b>\$55,697.7</b>	<b>\$90,051.4</b>	<b>\$53,937.3</b>	<b>\$48,033.3</b>	<b>\$43,645.6</b>	<b>\$100,064.4</b>	<b>\$55,097.7</b>	<b>\$61,569.5</b>	<b>\$844,399.6</b>
Water Sold Cu Ft	373741	396714	303256	269689	222002	188500	223200	206900	177200	248063	236917	275338	\$3,121,520
Water Sold acre ft	8.58	9.11	6.96	6.19	5.10	4.33	5.12	4.75	4.07	5.69	5.44	6.32	71.66

Month	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fiscal Total
State Billing			\$9,972.00			\$6,480.49							\$16,452.5
Property Tax	\$1,749.86		\$170.96	\$4,304.07	\$6,305.04	\$30,755.69	\$1,698.01	\$680.91					\$45,664.5
Water	\$34,524.9	\$30,347.3	\$26,979.2	\$24,551.7	\$23,063.4	\$16,542.2	\$24,980.7	\$22,031.4					\$203,020.7
Sewer	\$41,554.7	\$36,609.6	\$32,364.6	\$29,124.2	\$27,266.3	\$19,555.3	\$29,619.7	\$25,800.7					\$241,895.0
Service	\$5,773.5	\$5,747.7	\$5,747.7	\$5,747.7	\$5,775.1	\$5,747.7	\$5,775.1	\$5,747.7					\$46,062.1
Late Fees	\$124.0	\$44.8	\$94.8	\$153.1	\$221.7	\$168.2	\$78.2	\$106.6					\$991.3
<b>Total</b>	<b>\$83,726.9</b>	<b>\$72,749.4</b>	<b>\$75,329.2</b>	<b>\$63,880.8</b>	<b>\$62,631.5</b>	<b>\$79,249.6</b>	<b>\$62,151.65</b>	<b>\$54,367.29</b>					<b>\$554,086.2</b>
Water Sold Cu Ft	352622	309962	275523	250905	235552	169443	255324	224325					2,073,656.0
Water Sold Acre ft	8.10	7.12	6.33	5.76	5.41	3.89	5.86	5.15					47.6

2014 / 2015

2013 / 2014

2012 / 2013

2011 / 2012

2010 / 2011



## **5. ITEMS OF BUSINESS**

- A. Approval of last month's minutes – February 11, 2015.**
- B. Approval of Disbursements Journal – March 11, 2015.**

**MINUTES**  
**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**BOARD OF DIRECTORS REGULAR MEETING**  
**Wednesday, March 11, 2015**  
**6:00 pm**

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

**1. REGULAR SESSION: @6:04 PM**

**A. Roll Call:**

Chairperson McAdams - Present  
Vice-Chair Fields - Present  
Director Williams - Present  
Director Patel - Present  
Director Price - Present

General Manager, Charles Grace  
District Counsel, Heather Whitham  
Sheriff Representative, Commander Nix

**B. Pledge of Allegiance**

**2. PUBLIC COMMENT: None**

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

There were 71 calls for service for the month of February. Such calls were; 13, Assist other agencies, 3 Crimes against persons, 2 Crimes against property, 4 Disturbances, 3 Check the welfare, 1 Suspicious circumstances, , 9 Incomplete 911 calls, 1 Alarm call, 35 Self-initiated field activity by Deputy.

**B. Public comment on Sheriff's Report: None**

**3. BOARD PRESENTATIONS AND ANNOUNCEMENTS: None**

**4. STAFF REPORTS**

**A. General Manager's Report**

**1. Report on Staff activities for the month of February.**

During the month of February Staff read meters and distributed water billing and responded to multiple customer service calls. Staff completed all paperwork requested from the USDA regarding the Grant submittal for the RO project, provided a site tour and responded to inquiries regarding the submittals. Staff worked on updating the Health and Safety Program, the Vulnerability Assessment and the Emergency Response program. Staff also retouched the paint on District Office building.

## **2. Wellhead treatment system project - Update**

The specifications for both the reverse osmosis unit and the Wellhead Treatment Project have been completed and reviewed. Staff is coordinating a geotechnical survey of the site and preparing bid packages for the project. 90% design and specifications have been sent to the Division of Drinking Water (DDW) for review.

## **3. Well 2 sanitary seal project- Update**

The SSCSD received one bid of several requested to perform the Well 2 sanitary seal installation. Staff will be seeking bid approval as part of the March 11, 2015 Discussion Action Items.

## **4. Notice of Violation (NOV) from Coastal Commission regarding Wastewater Treatment Plant Rip Rap installation - Update**

Staff responded to the California Coastal Commission (CCC) as required by the NOV. Staff and Oliveira Environmental reviewed 10 plus years of historical documents including one Wallace Engineering and two Boyle Engineering submittals. A composite task list has been created from several years of correspondence from the CCC and submitted to Daniel Robinson, the CCC Central Coast Planner. Staff has requested a meeting with Mr. Robinson in effort to directly coordinate the effort to obtain an "After the Fact" (ATF) permit.

## **B. Superintendent's Report**

### **1. Wastewater Treatment Plant**

- All sampling, testing and reporting at the wastewater treatment plant and the recycled water facility was performed as required by the RWQCB.
- During startup of the WWTP stand-by generator for routine maintenance the windings of the generator head caught fire. The fire was immediately extinguished, and the generator head needs to be replaced. A portable generator was brought in that day and placed outside the blower building to provide State mandated back up. Parts have been ordered to make the repair. The repair should take place in late March to early April.
- The mechanical components of the chlorine analyzer were rebuilt.
- One load of sludge was hauled away this month.

### **2. Water Distribution System**

- All routine sampling and testing was performed. The monthly report was submitted to the State Water Resources Control Board (SWRCB), Division of Drinking Water (DDW).
- Monthly water meter reading was performed.
- Chloride levels are monitored daily throughout the system.
- Pico Creek flow is monitored periodically throughout the month.

### 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.
- Weed abatement was performed around the entire district streets and sidewalks, including in front of the WWTP.
- Pot holes were filled around the district streets.
- Pine needles were picked up on Pico Ave.

### C. District Financial Summary – Update on Monthly Financial Status for close of business February 28, 2015.

<b>January Billing Revenue</b>	<b>\$ 60,453.64</b>
<b>February Billing Revenue</b>	<b>\$ 53,661.51</b>
Past Due (31 to 60 days)	\$ 0 .00
Past Due (60 days)	\$ 234.01

### RABOBANK SUMMARY/Ending Balances February 28, 2015

#### Summary of Transactions:

<b>Money Marketing Account Closing Balance January 31, 2015</b>	<b>\$ 757,092.22</b>
<b>Interest for February 2015</b>	<b>\$ 127.77</b>

<b>Money Marketing Account Closing Balance February 28, 2015</b>	<b>\$ 757,219.99</b>
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Reserve Fund	(\$ 250,000.00)
Hook up Deposits	(\$ 45,750.00)
<b>Available Funds</b>	<b>\$ 461,469.99</b>

<b>General Checking Account</b>	<b>\$ 99,026.76</b>
<b>Well Rehab Project/USDA Checking Account</b>	<b>\$ 100.05</b>

<b>LAIF Closing Balance February 28, 2015</b>	<b>\$ 519.18</b>
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### D. District Counsel's Report –Heather Whitham

Counsel assisted Staff with:

- February Agenda and January minutes.
- Ordinance 116 (recycled water) regarding repealing Ordinance 112 and including fines and penalties.
- District's response to the Notice of Violation from the Coastal Commission.
- Preparation of a memo discussing SB 854, which imposed new regulations on public works projects.
- Review of County's 2012-2014 Resource Summary Report.

Ultura Litigation:

There has been no response from Ultura. The default has been entered and there is a hearing scheduled on March 24<sup>th</sup> to prove the damages against Ultura.

## 5. ITEMS OF BUSINESS

### A. Approval of last month's minutes – February 11, 2015.

A motion was made to accept the minutes as presented.

Motion by: Director Willaims

2<sup>nd</sup>: Vice-Chair Fields

All in: 4 yes 1 abstain because of absence - Director Patel

### B. Approval of Disbursements Journal – March 11, 2015.

A motion was made to approve the Disbursements.

Motion by: Director Price

2<sup>nd</sup>: Chairperson McAdams

All in: 5 / 0

## 6. DISCUSSION/ACTION ITEMS

### A. Consideration of Board Approval of Earth Systems Proposal for \$5,700 to perform geotechnical survey of Wellhead treatment project site.

Attached in the March board packet was a proposal from Earth Systems to perform a geotechnical survey and soil testing of Wellhead Treatment Project site. The survey is necessary in order to evaluate the subsurface conditions for the Well Head Treatment System and Building. Staff has experience with similar size projects and finds the proposal to be competitive. Staff requested approval of the Earth Systems Proposal.

A motion was made to accept the proposal from Earth Systems with the exception of using the Districts terms and conditions provided by Counsel.

Motion by: Director Patel

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

All in: 5 / 0

### B. Consideration of the Introduction of Ordinance No. 116 Repealing Ordinance No. 112 and Adopting a New Ordinance Mandating Use of Recycled Water Strictly From the San Simeon Community Services District's Recycled Water System.

The March board packet included Draft Ordinance 116 regarding the mandatory use of recycled water from the District's Recycled Water System. Proposed Ordinance 116 is being written in order to clarify regulations currently contained in Ordinance 112 passed and adopted



August 16, 2012. Draft Ordinance 116 also includes fines associated with violating the mandatory use of District Recycled Water requirements, which were not defined in Ordinance 112. Staff asked for Board comments and/or edits to Draft Ordinance 116 before it is officially introduced.

Chairperson McAdams asked to change Section 12, #5, to reflect a fine of \$1200 instead of water shut off. All board members agreed to this change. Staff will bring the Ordinance back to the April board meeting for its official introduction.

**C. Consideration of approval of Well Seal Bid from Enloe Well Drilling for \$11,000 to install Sanitary Seal on Well #2.**

Staff attached the Well Seal Bid from the only company that submitted a bid to install the sanitary seal to Well 2. The bid is for \$11,000. Staff asked for board approval.

A motion was made to approve/accept the bid from Enloe Drilling for \$11,000.

Motion by: Vice-Chair Fields  
2<sup>nd</sup>: Director Price  
All in: 5 / 0

**D. Consideration of Board Approval of a Non-Binding Letter of Intent with Hearst Holdings, Inc. regarding expansion of the existing Water Reservoir Easement.**

Expanding the District's reservoir capacity would require the use of additional land surrounding the existing reservoir. Staff has been coordinating with Lambeth Consulting and Hearst Corporation to create a Non-Binding Letter of Intent (LOI) to potentially expand the existing reservoir easement. The Letter of Intent provides an outline of each party's understanding of responsibilities and terms of a potential easement expansion. The LOI was included in the March board packet for review.

Staff requested approval of the LOI.

A motion was made to approve the Letter of Intent from Hearst Holdings, Inc.

Motion by: Vice-Chair Fields  
2<sup>nd</sup>: Director Williams  
All in: 5 / 0

**7. Board Committee Reports – None**

**8. Board Reports – None**

**9. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS- None**

**10. ADJOURNMENT @7:20 PM**

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**Warrant Report**  
 March 2015

Type	Date	Num	Name	Memo	Amount	Balance
<b>Balance as of February 28, 2015</b>						<b>99,026.76</b>
Bill Pmt	03/01/2015	7236	CALPERS Fiscal Services Division	Health Premium (remainder)	6.36	99,020.40
Bill Pmt	03/01/2015	7237	Carmel & Nacassha, LLP	February Legal Services, Inv. # 19004	1,800.00	97,220.40
Bill Pmt	03/01/2015	7238	County of San Luis Obispo	Cross Connection - Direct Cost	51.30	97,169.10
Bill Pmt	03/01/2015	7239	Grace Environmental	Operations and Management March 2015	47,762.00	49,407.10
Bill Pmt	03/01/2015	7240	J & G Services	Effluent pH Evaluation, # 2015-01	836.00	48,571.10
Bill Pmt	03/01/2015	7241	MICHAEL O'NEILL	Monthly maintenance fee	320.00	48,251.10
Bill Pmt	03/01/2015	7242	Phoenix Civil Engineering, Inc	Recycled Water Pipe West-side design	\$1031.00	44,424.10
				RO unit USDA grant assistance	\$596.00	
				RO System Design	\$2200.00	
Bill Pmt	03/01/2015	7243	Robert Stilts, CPA	February Bookkeeping	1,200.00	43,224.10
Bill Pmt	03/01/2015	7244	RVS Software	Annual Software Maintenance/Updates 2015	520.00	42,704.10
Bill Pmt	03/01/2015	7245	SLO County Clerk-Recorder	November 2014 Election - Consolidation	250.00	42,454.10
Bill Pmt	03/01/2015	7246	San Simeon Ranch	Water Usage January	1,615.96	40,838.14
Bill Pmt	03/01/2015	7247	Carmel & Nacassha, LLP	Ultura litigation, Inv. # 19005	650.73	40,187.41
Paycheck	03/01/2015	7248	ALAN FIELDS	Monthly Board Service	92.35	40,095.06
Paycheck	03/01/2015	7249	DAN WILLIAMS	Monthly Board Service	92.35	40,002.71
Paycheck	03/01/2015	7250	KAUSHIK S PATEL	Monthly Board Service	92.35	39,910.36
Paycheck	03/01/2015	7251	LEROY E PRICE	Monthly Board Service	92.35	39,818.01
Paycheck	03/01/2015	7252	RALPH N MCADAMS	Monthly Board Service	92.35	39,725.66
Fund transfer	03/03/2015		USDA March payment	Funds transfer to USDA checking account	10,345.00	29,380.66
<b>Total</b>					<b>69,646.10</b>	<b>29,380.66</b>



## **6. DISCUSSION & ACTION ITEMS**

- A. Consideration of Board Approval of Earth Systems Proposal \$5,700 to perform geotechnical survey of Wellhead treatment project site.**
  
- B. Discussion and Consideration of the Introduction of Ordinance No. 116 Repealing Ordinance No. 112 and Adopting a New Ordinance Mandating Use of Recycled Water Strictly From the San Simeon Community Services District's Recycled Water System.**
  
- C. Consideration of approval of Well Seal Bid from Enloe Well Drilling for \$11,000 to install Sanitary Seal on Well #2.**
  
- D. Consideration of Board Approval of a Non-Binding Letter of Intent regarding expansion of the existing Water Reservoir Easement.**

## 6. DISCUSSION/ACTION ITEMS

March 11, 2015

**A. Consideration of Board Approval of Earth Systems Proposal \$5,700 to perform geotechnical survey of Wellhead treatment project site.**

Attached is a proposal from Earth Systems to perform a geotechnical survey and soil testing of Wellhead Treatment Project site in order to evaluate the subsurface conditions for the Well Head Treatment System and Building. Staff has experience with similar size projects and finds the proposal to be competitive. Staff requests approval of the Earth Systems Proposal.

**B. Discussion and Consideration of the Introduction of Ordinance No. 116 Repealing Ordinance No. 112 and Adopting a New Ordinance Mandating Use of Recycled Water Strictly From the San Simeon Community Services District's Recycled Water System.**

Attached is Draft Ordinance 116 regarding the mandatory use of recycled water from the District's Recycled Water System. Proposed Ordinance 116 is being written in order to clarify regulations currently contained in Ordinance 112 passed and adopted August 16, 2012. Proposed Ordinance 116 also includes fines associated with violating the mandatory use of District recycled water requirements, which were not defined in Ordinance 112. Staff asks for Board comments and/or edits to proposed Ordinance 116 before it is officially introduced.

**C. Consideration of approval of Well Seal Bid from Enloe Well Drilling for \$11,000 to install Sanitary Seal on Well #2.**

Attached is the Well Seal Bid from the only company that submitted a bid to install the sanitary seal to Well 2. The bid is for \$11,000. Staff asks for board approval.

**D. Consideration of Board Approval of a Non-Binding Letter of Intent regarding expansion of the existing Water Reservoir Easement.**

Expanding the District's reservoir capacity would require the use of additional land surrounding the existing reservoir. Staff has been coordinating with Lambeth Consulting and Hearst Corporation to create a Non-Binding Letter of Intent (LOI) to potentially expand the existing reservoir easement. The Letter of Intent provides an outline of each party's understanding of responsibilities and terms of a potential easement expansion and is included in this Board Packet for review. Staff request approval of the LOI.



February 9, 2015

Mr. Jon Turner  
Phoenix Civil Engineering, Inc.  
4532 Telephone Rd, Suite 113  
Ventura, CA 93003

PROJECT: SAN SIMEON CSD – POTABLE WELL HEAD TREATMENT PROJECT  
111 PICO AVENUE  
SAN SIMEON, CALIFORNIA

SUBJECT: Proposal for a Geotechnical Engineering Report

Dear Mr. Turner:

In accordance with your request, this proposal to provide a geotechnical engineering report for the proposed San Simeon Community Services District (CSD) Potable Well Head Treatment Project has been prepared. The project will be constructed to the northeast of the CSD office building at 111 Pico Avenue in San Simeon, California. It will consist of a 25-foot by 40-foot metal building, a 16,500 gallon tank, and a 2,000 gallon tank. The building will have a slab-on-grade and the tanks will sit atop exterior cast-in-place concrete slabs. Underground utilities and valves will also be constructed.

Based upon Google Earth photos and our discussion, we understand that the site is virtually flat and accessible to conventional truck-mounted drilling equipment. It is assumed that shallow continuous and spread footings will be the preferred foundation type if the site proves to be suitable for such a foundation. No pavement; retaining walls; underground vaults; infiltration basins, bioswales, pervious pavers, or other Low Impact Development Stormwater Control Measures (LIDSCM); or other such features will be included in the project.

**Geotechnical Engineering Report.** To evaluate subsurface conditions for the geotechnical engineering report, we plan to drill two borings, one to an approximate depth of 15 feet and one to a maximum depth of 30 feet, conditions permitting and as dictated by the materials encountered. The borings will be drilled with a Mobile Drill rig, Model B-53, equipped with a 6-inch outside diameter hollow stem auger and an automatic drop hammer for sampling. Soils will be classified in general accordance with the Unified Soil Classification System (ASTM D 2488). If bedrock is encountered, its properties will be described based upon observation of ring and/or Standard Penetration Test samples, observation of the auger cuttings, the effort required to drill into the bedrock, and the energy required to drive samplers into the bedrock.

Soil samples will be taken using a ring-lined barrel sampler (ASTM D 3550, with shoe similar to D 2937) and Standard Penetration Tests will be performed at selected depths in the borings (ASTM D 1586). Soil samples will be tested in the laboratory to determine such properties as unit weight and moisture, maximum density versus optimum moisture, expansion index, grain size by sieve analysis, and unconfined compressive strength. The final determination of the number and types of tests to be performed will depend upon the subsurface conditions encountered.



The field and laboratory data will be reviewed by a Registered Geotechnical Engineer, and evaluated with respect to development of geotechnical criteria for the proposed project. Based upon our current work load, we anticipate that the undersigned will be the primary engineer on this project. A map showing the boring location and logs of the boring will be included in the report. The following items will be addressed:

- Soil and groundwater conditions encountered
- Preparation of the site prior to grading
- Grading criteria
- Types and depths of foundations
- Maximum allowable bearing capacities
- 2013 California Building Code seismic criteria
- Potential for liquefaction
- Estimated maximum and differential settlement
- Slabs-on-grade design criteria
- Site drainage around improvements

Soil samples will be obtained for geotechnical corrosivity testing. The corrosivity testing will be subcontracted to a consultant that specializes in this type of testing. The results, including a brief evaluation and general mitigation recommendations, will be appended to the soils engineering report. The cost of the testing and the brief evaluation and recommendations is included in the fixed fee below. An in-depth evaluation of the test results and recommendations for corrosion mitigation can also be provided, if desired by the client. The cost for an in-depth evaluation can be provided upon request.

The report and recommendations will be intended to comply with applicable considerations of Sections 1803.2 through 1803.6, J104.3 and J104.4 of the 2013 CBC and common geotechnical engineering practice in this area under similar conditions at this time. It is our intent that the reports will be used exclusively by the client to form the geotechnical basis of the design of the project and in the preparation of plans and specifications.

#### FEES

Geotechnical Engineering Report ..... \$5,700.00

Periodic invoices will be submitted for major work elements (field investigation and infiltration testing, laboratory testing, and analysis report preparation) as they are completed.



### CONDITIONS

Please note that the above quotation is a fixed fee in accordance with California Prevailing Wage Law that does not include charges for meetings, plan reviews, consultation, report revisions to address changes in design, or other such services. Fees for additional services available through our firm will be charged at the prevailing wage fee schedule rates in effect at the time of the request for services.

The fee is predicated upon our understanding that the CSD will contact Underground Service Alert to locate utilities that are owned by their member utility companies. Responsibility for accurate location of underground utilities lies with CSD, and Earth Systems Pacific shall not be held responsible for damage resulting from failure to provide such information. CSD shall notify Earth Systems Pacific of the location of any on-site utilities prior to beginning drilling. The borings will be backfilled with on-site material.

With the exception of soil corrosivity, the analysis of the soil for chemical properties including hydrocarbons, lead, radioisotopes, etc. is beyond the scope of the proposed services. Similarly, assessment of mold potential or potential for asbestos (either naturally occurring or man-made), site geology, hydrology, estimates of material shrinkage; LIDSCMs; construction issues within the domain of contractors, and any other services not specifically noted in the preceding paragraphs are beyond the scope of the proposed services.

If the client finds the proposed scope of work, terms, and fees satisfactory, the return of the attached work order, signed and dated by the party responsible for payment, and indicating the legal entity that will be the client, will constitute authorization for work on the project to begin. This agreement can be terminated by either party upon notification in writing. Earth Systems Pacific's responsibility for the project will end upon completion of the services described herein or termination of the agreement, unless authorization to perform additional work and agreement for payment thereof is provided by the client.

We thank you for your consideration of our firm for this project. If you have any questions or require additional information, please contact me at your convenience.

Sincerely,  
Earth Systems Pacific

Dennis Shallenberger, GE 2158  
Chairman

Attachment: Work Order  
Terms

Doc. No.: 1502-026.PRP/sr



**WORK ORDER**

EARTH SYSTEMS PACIFIC ("CONSULTANT") AND CLIENT AGREE TO A WORK ASSIGNMENT FOR EARTH SYSTEMS PACIFIC AS FOLLOWS:

**Date:** February 9, 2015 **Doc. Number:** 1502-026.PRP

**Name of Project:** SAN SIMEON CSD – POTABLE WELL HEAD TREATMENT PROJECT

**Order Received by:** Dennis Shallenberger

**Client Name:** Phoenix Civil Engineering, Inc., Attn.: Mr. Jon Turner

**Client Address:** 4532 Telephone Rd, Suite 113, Ventura, CA 93003

**Location of Project:** 111 Pico Avenue, San Simeon, California

**Scope of Services:** Per Proposal dated February 9, 2015

**Fees to be Charged:** Per Proposal dated February 9, 2015\*

I have read and agree to all terms of this document, including the attached terms for services (7/2011).

**AGREED TO AND ACCEPTED:**

CCGC, Inc. dba  
Earth Systems Pacific

Dennis Shallenberger, GE 2158  
Chairman

Date

2/9/15

Phoenix Civil Engineering, Inc.  
Client (Party responsible for payment)

by Authorized Representative (please print)

Signature and Title

Date

PLEASE RETURN A SIGNED COPY  
TO EARTH SYSTEMS PACIFIC

Telephone Number

JTurner@phoenixcivil.com  
Email Address

IF THE CLIENT DOES NOT OWN THE PROPERTY, PLEASE FILL IN THE PROPERTY OWNER'S NAME AND ADDRESS:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\* Rates are subject to change due to changes in prevailing wage law or its application. In the event that it is determined or alleged that Prevailing Wage Law applies to any additional aspect of the project, the client agrees to pay Earth Systems Pacific (Consultant) any and all additional compensation necessary to adjust Consultant's wage, to pay any penalties that may be levied against Consultant due to alleged noncompliance with the Prevailing Wage Law, and to pay for apprentices, supervision, certified payrolls, and other administrative costs as necessary to comply with Prevailing Wage Law. In the event that work thought to be subject to prevailing wage is determined not to be subject to prevailing wage, no refund of fees will be given.



**1. INVESTIGATION, MONITORING & INSPECTION** If the services include monitoring or inspection of soil, construction and/or materials, Client shall authorize and pay for Consultant to provide sufficient observation and professional inspection to permit Consultant to form opinions according to accepted statistical sampling methods as to whether the work has been performed in accordance with recommendations. Such opinions, while statistically valid, do not guaranty uniformity of conditions or materials. Similarly, soils and geology investigations do not guaranty uniformity of subsurface conditions. Client hereby represents and warrants that it has provided and shall provide to Consultant all information and sufficient advance notice necessary in order for Consultant to perform the appropriate level of services. No statement or action of Consultant can relieve Client's contractors of their obligation to perform their work properly. Consultant has no authority to stop the work of others.

**2. SITE ACCESS & UTILITIES** Client has sole responsibility for securing site access and locating utilities.

**3. BILLING AND PAYMENT** Client will pay Consultant the proposal amount or, if none is stated, according to the fee schedule attached to the proposal. Payment is due on presentation of invoices, and is delinquent if Consultant has not received payment within thirty (30) days from date of an invoice. Client will pay an additional charge of 1 1/2 (1.5) percent per month (or the maximum percentage allowed by law, whichever is lower) on any delinquent amount, excepting any portion of the invoiced amount that is disputed in good faith. Each payment will first be applied to accrued interest, costs and fees and then to the principal unpaid amount. All time spent and expenses incurred (including any in-house or outside attorney's fees) in connection with collection of any delinquent amount will be paid by the Client to Consultant per Consultant's current fee schedule. Services to be performed by Consultant hereunder which are not set forth in this proposal and/or Work order are additional services. Any additional services provided by Consultant shall be subject to the terms of this contract and charged per Consultant's current fee schedule.

**4. OWNERSHIP OF DOCUMENTS** Consultant owns all documents it creates and grants Client limited license to use the documents for the purposes stated in the documents. Consultant reserves the right to withhold delivery of documents to Client until payment in full of current invoices has been received.

**5. TERMINATION** This agreement may be terminated by either party effective 7 days from the date of written notice, or if the client suspends the work for three (3) months. In the event of termination, Consultant will be paid for services performed prior to the date of termination plus reasonable termination expenses. If Consultant has not received payment for any invoice within 30 days from the date of the invoice, or in the event of anticipatory breach by Client, Consultant may suspend performance of its services immediately and may terminate this contract.

**6. RISK ALLOCATION** In order for Client to obtain the benefit of a fee which includes a lesser allowance for compensating Consultant for its litigation risk, Client agrees to indemnify, hold harmless and defend Consultant, its agents, employees, or officers, from and against any and all loss, claim, expenses, including attorney's fees, injury, damages, liability or costs arising out of non-design services (i.e., services other than as defined by Civil Code Section 2784) performed by Consultant on this project, except where such loss injury, damage, liability, cost, expenses or claims are the result of the sole negligence or willful misconduct of Consultant. Regarding any loss due to the sole negligence or willful misconduct of Consultant, or any loss due to design defects, Client agrees to limit the total aggregate liability of Consultant, its agents, employees, and officers to Client, and to all construction contractors and subcontractors on the entire project, to the greater of \$25,000.00 or total fees charged by Consultant. Client further agrees to require of the contractor and his subcontractors an identical limitation of Consultant's liability for damage suffered by the contractor or the subcontractor arising from any alleged breach or negligence of Consultant. Client agrees to provide to Consultant proof of insurance covering claims for property damage including construction defects and related personal injury on an occurrence basis in an amount of not less than \$1 million per occurrence and in the annual aggregate. You should consult with an attorney experienced in construction contracts and litigation regarding this provision.

**7. HAZARDOUS MATERIALS** Consultant is responsible only for hazardous materials brought by Consultant onto the site. Client retains ownership and responsibility in all respects for other hazardous materials and associated damage.

**8. ASSIGNS AND THIRD PARTIES** Neither the client nor Consultant may delegate, assign or transfer his duties or rights in this Agreement without the written consent of the other party. This Agreement is intended only to benefit of the parties hereto. No person who is not a signatory to this agreement shall have any rights hereunder to rely on this contract or on any of Consultant's services or reports without the express written authorization of Consultant.

**9. GOVERNING LAW, SURVIVAL AND FORUM SELECTION** The contract shall be governed by laws of the Federal Government. If any of the provisions contained in this agreement are held invalid, the enforceability of the remaining provisions will not be impaired. Limitations of liability, indemnities, representations and warranties by Client will survive termination of this agreement. The signatories represent and warrant that they are authorized by the entities on whose behalf they sign to enter into this contract and that their principals have filed fictitious business name statements, if required. All disputes between Consultant and client related to this agreement will be submitted to the court of the county where Consultant's principal place of business is located and client waives the right to remove the action to any other county or judicial jurisdiction.

From: **Jon Turner** <[jturner@phoenixcivil.com](mailto:jturner@phoenixcivil.com)>  
Date: Fri, Feb 13, 2015 at 1:48 PM  
Subject: Geotechnical Firms  
To: "Charles Grace ([graceenvironmental@gmail.com](mailto:graceenvironmental@gmail.com))"  
<[graceenvironmental@gmail.com](mailto:graceenvironmental@gmail.com)>

Charlie,

Per our discussion, I contacted Earth Systems and Oakridge Geoscience for proposals relating to the Potable Water Wellhead Treatment Project. We will need to have a geotechnical evaluation and recommendations for design for the building footing and concrete slabs supporting the equipment. I forwarded to you the Earth Systems proposal to perform the services and Oakridge Geoscience informed me that they would not be able to beat the fee that Earth Systems proposed to the District. I recommend that the District proceed with Earth Systems for the project needs.

Let me know if you need anything else.

**Jon Turner, PE**

**Principal**

Phoenix Civil Engineering, Inc.

4532 Telephone Road, Suite 113

Ventura, CA 93003

(805) 658-6800 office

(805) 850-8562 cell

[www.phoenixcivil.com](http://www.phoenixcivil.com)

## ORDINANCE NO. 116

### AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT REPEALING ORDINANCE NO. 112 AND ADOPTING A NEW ORDINANCE MANDATING USE OF RECYCLED WATER STRICTLY FROM THE SAN SIMEON COMMUNITY SERVICES DISTRICT'S RECYCLED WATER FACILITIES.

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

**Whereas**, the District owns and operates a Recycled Water system providing tertiary treated, disinfected Recycled Water for approved purposes to customers within its service area; and

**Whereas**, it is the objective of the District to continually focus on ways to improve and enhance the quality of service to its customers. In light of this objective, it is the policy of the District that Recycled Water shall be used within its service area wherever such use is economically justified, financially and technically feasible and is not detrimental to public health, safety, welfare, and the environment; and

**Whereas**, Recycled Water is available and useful and suitable for the uses being proposed.

**NOW, THEREFORE, BE IT ORDAINED** by the Board of Directors of the San Simeon Community Services District, San Luis Obispo County, California as follows:

#### **Section 1: Recitals**

The Recitals are true and correct and incorporated herein by this reference.

#### **Section 2: Repealer**

Ordinance No. 112 is hereby repealed in its entirety.

#### **Section 3: Purpose**

The District offers Recycled Water that is surplus to the needs of the Recycled Water customers within the District's service area for such uses outside the service area of the District by agreement with the retail water purveyor. The purpose of this Ordinance is to promote the conservation of the District's potable/drinking water resources and to ensure maximum public benefit from the use of District's Recycled Water supply by regulating its use in accordance with applicable federal, state and local regulations.

#### **Section 4: Policy**

Recycled Water supplies shall be used to the maximum extent possible for any approved use. This shall be accomplished through the collection and treatment of wastewater and the beneficial reuse of the resultant Recycled Water in compliance with applicable federal, state and local regulations.

#### **Section 5: Recycled Water Uses**

Where water is used for irrigation, fountains, commercial uses, industrial process purposes, landscape impoundment, wildlife habitat, recreational impoundment, and commercial laundry, the District may provide Recycled Water where technically and economically feasible.

However, each use must be approved on a case by case basis. Determination of the specific uses shall be in accordance with the treatment standards and water quality requirements set forth in Title 22, Division 4, Chapter 3 of the California Administrative Code and with the intent of this Ordinance to preserve the public health and upon approval of the State Water Resources Control Board Division of Drinking Water.

In addition, each use shall be subject to the availability of distribution facilities or the technical and economic feasibility of making such facilities available, as determined by the District.

All persons, customers, and properties served by the District seeking Recycled Water or any non-potable water shall be restricted and required to only utilize the Recycled Water from the San Simeon Community Services District's Recycled Water System.

#### **Section 6: District's Liability**

The District is not responsible for any condition of the Recycled Water itself, or any substance that may be mixed with or be in Recycled Water as delivered to any customer, except as required by Title 22 and applicable regulations. The District shall not be liable for any damage from Recycled Water, including that resulting from inadequate capacity, defective plumbing, broken or faulty services, or Recycled Water mains or any conditions beyond the control of the District.

#### **Section 7: Compliance with Regulations**

The District's Recycled Water shall be used in a manner that complies with all applicable federal, state, and local statutes, ordinances, regulations and other applicable requirements for the treatment level supplied, as determined by the District.

## **Section 8: Service Constraints**

All service is contingent on the quantity and quality of Recycled Water available from District's facilities and shall be provided in accordance with this Ordinance and the terms of the Agreement between the District and the Customer.

## **Section 9: Distribution**

The District reserves the right to control and schedule distribution as necessary to:

- 1) Maintain an acceptable working pressure
- 2) Safeguard the public health
- 3) Manage the availability of the Recycled Water supply
- 4) Construct, maintain, and operate facilities

## **Section 10: Metering & Charges For Service**

All use shall be metered, and all customers shall be held responsible and charged for all Recycled Water passing through the meter(s). It is the policy of the District to price Recycled Water at a sufficient discount from the price of potable water to make the use of Recycled Water for irrigation and other suitable uses cost effective for new development, and result in savings sufficient to encourage existing customers of the District to convert existing uses to Recycled Water where appropriate. To accomplish this policy the Board of Directors will set the price of Recycled Water service at least 10% less than the price of potable water served by the District.

## **Section 11: Unauthorized Usage:**

When the District has discovered an unauthorized use, the District shall, as appropriate, notify the California Department of Public Health of such unauthorized use. Repeated unauthorized usage shall be considered as tampering with District property and may result in the offender being charged and prosecuted.

## **Section 12: Notice of Violation and Penalties:**

In addition to any other penalty permitted by law, if and when the District becomes aware of any violation of this Ordinance, a written notice shall be placed on the property where the violation occurred and/or mailed to the person who is regularly billed for the service where the violation occurs and to any other person(s), and/or home owner associations known to the District who is responsible for the violation or its correction.

Said notice shall describe the violation and order that it be corrected, cured and abated immediately or within such specified time as the General Manager determines is reasonable under the circumstances. Said notice shall constitute the first violation of the provisions of this Ordinance.

If said violation and order is not complied with, the General Manager may forthwith issue an administrative citation for the following amounts:

1. The notice of violation described above shall constitute the first violation of the provisions of this Ordinance with no fine amount attached.
2. The second violation of any provision of this Ordinance, within the same twelve month period beginning with the first violation, a fine in the amount of one hundred and fifty dollars (\$150.00) shall be added to the customer's and/or association's water bill.
3. The third violation of any provision of this Ordinance, within the same twelve month period beginning with the first violation, a fine in the amount of three hundred (\$300.00) shall be added to the customer's and/or association's water bill.
4. The fourth violation of any provision of this Ordinance, within the same twelve month period beginning with the first violation, a fine in the amount of six hundred (\$600.00) shall be added to the customer's and/or association's water bill.
5. The fifth violation of any provision of this Ordinance, within the same twelve month period beginning with the first violation, shall result in the discontinuance of water service.

**Section 13: Severability:**

If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court or competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Directors hereby declares that it would have passed this Ordinance and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the Ordinance would be subsequently declared invalid or unconstitutional.

**Section 14: Effective Date:**

This Ordinance shall take effect and be in full force and effect thirty (30) days after the date of its adoption.

**Section 15: Publication:**

A summary of this Ordinance shall be published in a newspaper and circulated in the District at least five (5) days prior to the Board of Directors' meeting at which the proposed Ordinance is to be adopted. A certified copy of the full text of the proposed Ordinance shall be posted in the District office. Within fifteen (15) days after adoption of the Ordinance, the summary with the names of those voting for and against the Ordinance shall be published again, and the District shall post a certified copy of the full text of such adopted Ordinance.

Introduced at a meeting of the Board of Directors on March 11, 2015, and passed and adopted by the Board of Directors of the San Simeon Community Services District on April 8, 2015, by the following roll call vote:

Chairperson McAdams \_\_\_\_\_ Vice-Chair Fields \_\_\_\_\_ Director Price \_\_\_\_\_

Director Williams \_\_\_\_\_ Director Patel \_\_\_\_\_

On motion of Director \_\_\_\_\_, Seconded by Director \_\_\_\_\_.

\_\_\_\_\_  
Ralph McAdams, President

ATTEST:

\_\_\_\_\_  
Charles Grace, General Manager/  
District Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
Heather K. Whitham, District Counsel



# Phoenix Civil Engineering, Inc.

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4532 Telephone Road, Ste. 113 Ventura, Ca 93003 805.658.6800  
info@phoenixcivil.com www.phoenixcivil.com

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

February 18, 2015

## **San Simeon Community Services District – Project 2014-01 Well #2 Sanitary Seal Project – Analysis of Contractor Bid Submittals**

Dear Charles-

On February 6, 2015, the District received one construction bid for the above project. Bid packages were sent to nine well drillers to encourage interest in the project. The project was originally bid in December, but no drillers submitted bids. It was rebid in January and only one bidder showed up to the non-mandatory prebid meeting. I have reviewed the one bid package and this letter summarizes my findings and recommendations.

The nine contractors that were contacted were: Awalt and Son, Coast Drilling, Enloe Well Drilling, Filippini and Thompson, A&A Pump and Well Service, Miller Drilling, Bailey Drilling and Pump, Pro-H2O Drilling, and Pacific Coast Well Drilling. Enloe Well Drilling was the only bidder on the project. The review process involved the following:

- Review the submitted bid package forms for completeness.
- Review and verify the bid quantities and proposed costs. This includes verification of the numerical totals as well as the written out total.
- Review the status of the contractor's license and insurance on the State of California Contractor's State Licensing Board ([www.cslb.gov](http://www.cslb.gov)).
- Contact the listed project references included in the bid package.

I reviewed the bid package (Enloe Well Drilling) to determine that the package included the appropriate forms and was filled out correctly.

On Proposal page P-10, which was submitted as part of the Enloe Well Drilling bid Mr. Douglas Enloe was listed as visiting the jobsite.

Notice Inviting Bids section N-6 Bid Security requires that a bid security (Bid Bond) be submitted for 10% of the bidder's bid. The form that was submitted by Enloe Well Drilling (Proposal page P-5 of the Specifications) was filled out and notarized with an all purpose agreement for the required 10% of the bid. The Bidder included a signed and notarized bid bond and general power of attorney paperwork for the 10% of the bid amount per the specifications.



Notice Inviting Bids section N-9 Bidder's License and Experience requires that the Bidder be licensed as a Class C57 Water Well Drilling Contractor by the California State Licensing Board. I have attached the information that was listed on the California State Licensing Board website. The information shows that Enloe Well Drilling, is a licensed Class C57 Water Well Drilling Contractor and their license is current through January 31, 2017.

Notice Inviting Bids section N-9 also requires that the Bidder provide 5 project references of comparable or greater magnitude to the Well #2 Sanitary Seal Project. Enloe Well Drilling provided a list of 5 reference projects over the period 2013 to present. I contacted by phone the submitted project references (Phillip Kim, Pat Cusack, Kent Allen, Mike Thorp, Bruce Cooper). I was able to speak with Pat Cusack and Bruce Cooper. I left a voice message with Phillip Kim and the voice mail for Kent Allen and Mike Thorp did not accept messages. Both Bruce and Pat confirmed that Enloe Well Drilling had performed the work stated in the bid paperwork and had very complimentary things to say about their experience with Enloe Well Drilling.

In accordance with the Proposal Page P-5 and Information for Bidders Section I-9 (Page I-6), Enloe Well Drilling is a sole proprietor company.

Enloe Well Drilling will be performing all of the work utilizing their own forces as no subcontractors were listed. This seems consistent with the level of work associated with this project.

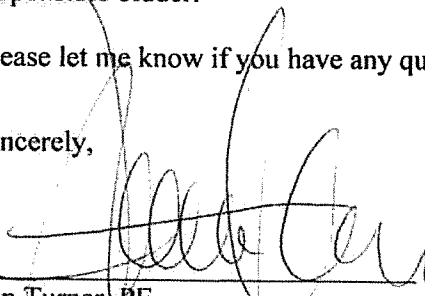
I have verified the line item calculations and the totals for the bid. My review of the individual bid numerical values equates to the total Bid numerical amount and the total written Bid amount equates to the numerical Bid amount. The total bid amount submitted by the Enloe Well Drilling is as follows:

- Enloe Well Drilling \$11,000

Based on the information provided, it appears that Enloe Well Drilling is the lowest, responsive, responsible bidder.

Please let me know if you have any questions or would like to discuss my analysis.

Sincerely,



Jon Turner, PE  
Principal Engineer

Enclosures



## Contractor's License Detail for License # 318877

**DISCLAIMER: A license status check provides information taken from the CSLB license database. Before relying on this information, you should be aware of the following limitations.**

CSLB complaint disclosure is restricted by law (B&P 7124.6) If this entity is subject to public complaint disclosure, a link for complaint disclosure will appear below. Click on the link or button to obtain complaint and/or legal action information.

Per B&P 7071.17, only construction related civil judgments reported to the CSLB are disclosed.

Arbitrations are not listed unless the contractor fails to comply with the terms of the arbitration.

Due to workload, there may be relevant information that has not yet been entered onto the Board's license database.

Data current as of 2/18/2015 6:51:26 AM

### Business Information

ENLOE WELL DRILLING  
PO BOX 1698  
NIPOMO, CA 93444  
Business Phone Number:(805) 343-1698

Entity Sole Ownership  
Issue Date 05/01/1976  
Expire Date 01/31/2017

### License Status

**This license is current and active.**

All information below should be reviewed.

### Classifications

C57 - WELL DRILLING (WATER)

### Bonding Information

#### Contractor's Bond

This license filed a Contractor's Bond with SURETEC INSURANCE COMPANY.

**Bond Number:** 201327

**Bond Amount:** \$12,500

**Effective Date:** 01/31/2012

Contractor's Bond History

### Workers' Compensation

This license has workers compensation insurance with the STATE COMPENSATION INSURANCE FUND

**Policy Number:** 1837912

**Effective Date:** 10/01/2013

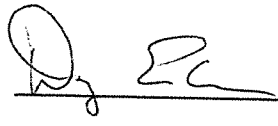
**Expire Date:** 10/01/2015

Workers' Compensation History

CERTIFICATE OF CONTRACTOR

I, Doug Enloe, certify that I am a/the Sole Proprietor [designate sole proprietor, partner in partnership, or specify corporate office, e.g., secretary] in the entity named as CONTRACTOR in the foregoing contract.

I hereby expressly certify that the name of the entity to which I am associated is Enloe Well Drilling; that this entity is in good standing and has complied with all applicable laws and regulations, and that I have been expressly authorized by the proper parties in this entity to execute this contract on behalf of the above-named entity.

 2/5/15

ATTEST:

\_\_\_\_\_  
Name \_\_\_\_\_  
(Please Type)

Title \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me personally came \_\_\_\_\_ to me known, or proven to me on the basis of satisfactory evidence, who being duly sworn, did depose and say: that (he/she) is an authorized representative of the CONTRACTOR and acknowledged to me that (he/she) executed the within instrument on behalf of said CONTRACTOR, \_\_\_\_\_.

In witness whereof, I have signed and affixed my official seal on the date in this certificate first above written.

SEE ATTACHED FORM  
FOR NOTARY CERTIFICATE

\_\_\_\_\_  
NOTARY PUBLIC

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

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

State of California

County of San Luis Obispo

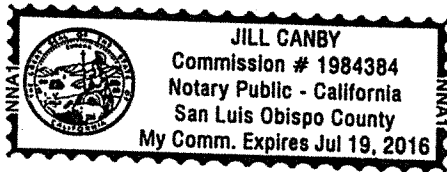
On February 5, 2015 before me, Jill Canby, Notary Public  
Date Here Insert Name and Title of the Officer

personally appeared Doug Enloe  
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Signature Jill Canby  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_ Document Date: \_\_\_\_\_

Number of Pages: \_\_\_\_\_ Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

Corporate Officer — Title(s): \_\_\_\_\_

Partner —  Limited  General

Individual  Attorney in Fact

Trustee  Guardian or Conservator

Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

Corporate Officer — Title(s): \_\_\_\_\_

Partner —  Limited  General

Individual  Attorney in Fact

Trustee  Guardian or Conservator

Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

**BIDDER'S DECLARATION**

The Bidder declares that the surety or sureties named in the space provided below have agreed to furnish bonds and bonding company documentation in the form and aggregate amounts set forth in the accompanying Notice Inviting Bids and the Instructions to Bidders, in the event that the Contract is awarded to the Bidder on the basis of this Bid.

The Bidder declares that the license listed below is the Bidder's license, is current and valid, and is in a classification appropriate to the work to be undertaken.

Contractor's License No. 318877

License Expiration Date 1/31/2017

Contractor's License No. \_\_\_\_\_

(Complete if submitting bid as a joint venture)

License Expiration Date \_\_\_\_\_

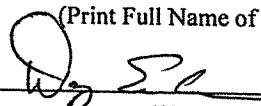
(Complete if submitting bid as a joint venture)

The Bidder declares under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: 2/5, 2015

Douglas Enloe

(Print Full Name of Bidder)

By  \*

(Signature)

(Print Name and Title of Signatory)

By: \_\_\_\_\_ \*

(Signature)

(Print Name and Title of Signatory)

Surety or Sureties:

\_\_\_\_\_  
\_\_\_\_\_

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

**BID**

The Bidder proposes to construct the Well #2 Sanitary Seal Project in accordance with the San Simeon Community Services District Specifications No. 2014-01 and with the Drawings for the unit and lump sum prices indicated herein below.

**BID SCHEDULE**

<b>Item No.</b>	<b>Quantity</b>	<b>Unit</b>	<b>Item Description with Unit Prices Written in Words</b>	<b>Unit Cost (Figures)</b>	<b>Extended Total (Figures)</b>
1	JOB	LS	Furnish all labor, materials and equipment necessary for the mobilization, preparatory work and demobilization, not to exceed 5% of the total amount of the Bid, in conformance with the Contract Documents for the lump sum price of	1000 Lump Sum	\$ 1000.00
2	JOB	LS	<b>EXCAVATION</b> Furnish all labor, materials and equipment necessary for excavation associated with this project, including disposal of excess materials in conformance with the Contract Documents complete and in place for the unit price of	5000 Lump Sum	\$ 5000.00
3	JOB	LS	<b>SANITARY SEAL INSTALLATION</b> Furnish all labor, materials and equipment necessary for installation of the concrete sanitary seal, including necessary reinforcement, concrete pedestal, backfill and compaction and restoration of aboveground improvements in conformance with the Contract Documents complete and in place for the unit price of	5000 Lump Sum	\$ 5000.00

<b>TOTAL FOR BID SCHEDULE</b>	
Sum of Bid Items 1 through 3:	\$ 11,000.00
	_____
	_____
	(Figures)
<hr/>	
Eleven Thousand & no/100	Dollars
(Spell out Dollar Figure )	

**NOTES:**

- The determination of the lowest responsible bidder will be based on the base bid.
- The District reserves the right to reject any or all Bids and bid items.
- All extensions of unit prices will be subject to verification by the District.
- All prices shall include all taxes, insurance, licenses, transportation, delivery and handling charges and duties, etc. and construction complete and in place.

**BID**

**INFORMATION REQUIRED OF THE BIDDER**

1. Name Enloe Well Drilling
2. Address P.O. Box 1698 Nipomo CA 93444
3. Telephone 805-448-5365
4. License (Class, Number, Expiration Date) C-57 318877 1/31/2017
5. Type of firm - Corporation, Partnership, Individual, Joint Venture, or Limited Liability Company  
Individual
6. Organized under laws of the State of \_\_\_\_\_
7. Names, titles and addresses as required for the type of firm in the Instructions to Bidders.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
8. The minimum qualifications are: List at least five projects that were performed by the Bidding company comparable to or greater in magnitude and complexity than this project as specified in the Notice Inviting Bids. The Project Manager that will be in charge of the District project will need to provide five projects comparable to or greater in magnitude and complexity than this project as specified in the Notice Inviting Bids. Include reference information for these projects and contact persons as shown in the table below. **FILL IN ALL OF THE SPACES.** Attach additional sheets if necessary. **Replies to these inquiries must be full and explicit.**

Client: Bruce Cooper

Project: 416 Stanton St. Arroyo Grande CA 93420

Project Description: 390' 6" Water Well

Completion Date: 11/29/14 Contract Amount: \$ 21,174.00

Contact Person: Bruce Cooper Telephone No: 805-343-1288

**BID**

**INFORMATION REQUIRED OF THE BIDDER (continued)**

Client: Phillip Kim  
Project: 1809 Lyn Rd. Arroyo Grande CA 93420

Project Description: 6" 330' Water Well

Completion Date: 12/13/14 Contract Amount: \$ 19,000.00  
Contact Person: Phillip Kim Telephone No: 805-310-2214

Client: Pat Cusack  
Project: 1080 Newsom Springs Rd. Arroyo Grande CA 93420  
Project Description: 5" 540' Water Well

Completion Date: 1/14/15 Contract Amount: \$ 36,495.00  
Contact Person: Pat Cusack Telephone No: 805-478-6580

Client: Kent Allen  
Project: 548 N. Dana Foothill Rd. Nipomo CA 93444  
Project Description: 8" 680' Water Well

Completion Date: 10/4/14 Contract Amount: \$ 67,795.00  
Contact Person: Kent Allen Telephone No: 805-929-9090

Client: Duncan Family Farms  
Project: 407 Thompson Ave Nipomo CA 93444  
Project Description: 12" 920' Water Well

Completion Date: 9/18/13 Contract Amount: \$ 56,017.00  
Contact Person: Mike Thorp Telephone No: 805-801-3170

**Replies to these inquiries must be full and explicit.**



**BID**

**INFORMATION REQUIRED OF THE BIDDER (continued)**

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

Doug Enloe was on site at the Pre Bid Meeting on  
January 23 2015.

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

a. The name and location of the place of business of each subcontractor who will perform work or labor or render service to the prime Contractor in or about the construction of the work or improvement, or a subcontractor licensed by the State of California who, under subcontract to the prime Contractor, specially fabricates and installs a portion of the work or improvement according to detailed drawings contained in the plans and specifications, in an amount in excess of 0.5 percent of the prime Contractor's total bid or, in the case of bids or offers for the construction of streets or highways, including bridges, in excess of 0.5 percent of the prime Contractor's total bid or \$10,000, whichever is greater.

b. The portion of the work which will be done by each such subcontractor under this project. The Contractor shall list only one subcontractor for each such portion as is defined by prime Contractor in its bid.

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

**BID**

**INFORMATION REQUIRED OF THE BIDDER (continued)**

NONE

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

11. Surety Information:

Surety Company: \_\_\_\_\_

Surety Address: \_\_\_\_\_

Representative Company: \_\_\_\_\_

Representative Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Contact Phone No: \_\_\_\_\_

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

The undersigned declares:

Owner of Enloe Well Drilling  
I am the \_\_\_\_\_ of \_\_\_\_\_, the party making the foregoing bid.

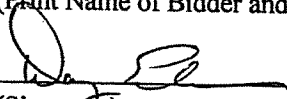
The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid.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

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

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on 2/5 [date], at Tempe [city within California], California [state].

Enloe Well Drilling  
Doug Enloe Owner/Bidder  
(Print Name and Title of Signatory for Bidder)

Doug Enloe  
(Print Name of Bidder and Type of Entity)

  
(Signature) \*

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

[Hearst Holdings, Inc. Letterhead]

\_\_\_\_\_, 2015

San Simeon Community Services District  
111 Pico Avenue  
San Simeon, CA 93452  
Attn: \_\_\_\_\_

Re: Non-Binding Letter of Intent Regarding Proposed Expansion of  
Existing Water Reservoir Easement

Dear \_\_\_\_\_:

This letter outlines the preliminary terms by which Hearst Holdings, Inc. (“Hearst”) is willing to negotiate the grant by Hearst to San Simeon Community Services District formerly known as San Simeon Acres Community Services District (the “District”) of a modification of that certain easement in gross for a water reservoir and related purposes (the “Existing Easement”) originally granted to the District by Hearst’s predecessor in interest, The Hearst Corporation, pursuant to that certain Easement Agreement and Deed dated June 9, 1972, and recorded on June 21, 1972 in the Official Records of San Luis Obispo County, California, in Volume 1674, at Page 336, Document No. 19530 (the “Original Easement Deed”).

Following the recordation of the Original Easement Deed, the real property subject to the Existing Easement (the “Existing Easement Area”) was conveyed to Hearst. The Existing Easement Area, and certain other property owned by Hearst, are now encumbered by a conservation easement (the “Conservation Easement”) held by California Rangeland Trust, a California nonprofit public benefit corporation (“CRT”), pursuant to that certain Deed of Conservation Easement and Agreement Concerning Easement Rights recorded on February 18, 2005 in the Official Records of San Luis Obispo County, California, as Instrument No. 2005013388, as assigned pursuant to that certain Assignment and Assumption of Conservation Easement and Related Grant Agreement (East Side Conservation Area) recorded on February 18, 2005 in the Official Records of San Luis Obispo County, California, as Instrument No. 2005013391 (as assigned, the “Conservation Easement Agreement”). A copy of the Conservation Easement Agreement is provided herewith for your reference.

Hearst understands that the District proposes to modify the Existing Easement to expand the Existing Easement Area approximately five (5) acres (the “Proposed Easement Expansion”) to allow for one or more additional water reservoirs (the “Reservoir(s)”), and additional pipeline(s) and other appurtenances therefor (collectively with the Reservoir(s), the “Proposed Expansion Facilities”). In addition to expansion of the Existing Easement Area, such Proposed Easement Expansion would also require an increase in the scope of the Existing Easement.

Conditions to Hearst’s final approval and grant of the Proposed Easement Expansion include the following:

1. Design and Siting of Proposed Expansion Facilities. In no event shall the aggregate capacity of all Reservoir(s) to be included in the Proposed Easement Expansion exceed 70 acre feet.

In addition, the Proposed Expansion Facilities shall be designed and sited to ensure protection of the existing viewshed from State Highway 1, the Hearst Ranch facilities and other "Protected Views" (as defined and provided in the Conservation Easement), all as approved by Hearst in its sole and absolute discretion. As a condition to such approval, Hearst may require the District to provide and maintain vegetative screening of the Proposed Expansion Facilities, or portion(s) thereof.

2. CRT Approval. Approval by CRT, as the holder of the Conservation Easement, is required pursuant to the Conservation Easement Deed. Hearst expects that, as conditions to such approval, CRT may engage third party consultant(s) to confirm that the Proposed Easement Expansion will not impact the "Conservation Values" (as defined in the Conservation Easement Agreement) protected under the Conservation Easement, and may engage legal counsel to review and approve document(s) pertaining to the Proposed Easement Expansion including, without limitation, any amendments or other modifications to the Original Easement Deed and/or the Conservation Easement Agreement (collectively, the "Easement Documentation").

3. Approval by Hearst of Report from Hearst Rangeland Ecologists. Hearst, upon mutual agreement with the District may require that its Rangeland Ecologists, Sage Associates (Orrin Sage and Cindy Sage), conduct a study to confirm the impacts of the Proposed Easement Expansion. If Hearst requires such report, then approval by Hearst, in its sole and absolute discretion, of the results of such report will be a condition to Hearst's approval of the Proposed Easement Expansion.

4. Entitlements for Proposed Easement Expansion. The District, at its cost, shall be responsible for all applicable regulatory review and approval processes, and obtaining all requisite entitlements, for the Proposed Easement Expansion including, without limitation, the following (collectively, the "Entitlements"):

- (a) Compliance with applicable County, water board and other permitting requirements;
- (b) California Environmental Quality Act (CEQA) compliance; and
- (c) California Coastal Commission approval.

District shall provide Hearst the opportunity to review and approve (such approval not to be unreasonably conditioned, withheld or delayed) all documentation required to complete the Entitlements prior to finalizing and/or filing such documentation with the applicable agencies. At no material cost, Hearst shall cooperate with the District's efforts to obtain the Entitlements by signing any required applications as the owner of the subject property (to the extent applicable). In no event shall any terms or conditions be imposed by any governmental agency against Hearst, Hearst's water rights, the Hearst properties, or Hearst's operations in connection with the Proposed Easement Expansion or the Entitlements, or shall Hearst assume any obligation to pay any fee, cost,

expense or other monetary obligation in connection therewith, without Hearst's prior written approval (such approval may be granted or withheld in Hearst's sole and absolute discretion).

5. Water Rights. For all water to be used in connection with the Proposed Expansion Easement, the District shall exercise its own water rights including, without limitation, Amended License 12272 (Application 19095) issued by the California State Water Resources Control Board. The District shall not rely or seek to rely upon, or claim any right to exercise, any water rights of Hearst, or negatively impact any of Hearst water rights or use of their water rights. The District, at its cost, shall be responsible for obtaining all requisite modifications to its water rights in connection with the Proposed Expansion Easement.

6. Costs of Proposed Easement Expansion. All costs associated with the District's Proposed Easement Expansion shall be paid by the District including:

(a) Any reasonable, demonstrated and documented, out-of-pocket costs paid or to be paid by CRT to a third party (including a reasonable allocation of internal review and/or internal personnel costs) directly related to the Proposed Easement Expansion, such as reasonable costs of review of the Entitlements and/or the Easement Documentation by any third party consultants retained by CRT including, without limitation, the costs provided for in Section 2 above; and

(b) Any reasonable, demonstrated and documented, out-of-pocket costs paid or to be paid by Hearst to a third party (does not include internal review or internal personnel costs) directly related to the Proposed Easement Expansion, such as reasonable costs of review of the design and siting of the Proposed Expansion Facilities as provided in Section 1 above, the Entitlements and/or the Easement Documentation by any third party consultants retained by Hearst including, without limitation, the costs provided for in Section 3 above and legal counsel fees and costs;

(c) All costs for the preparation and processing of the Entitlements as provided in Section 4 above; and

(d) All costs for obtaining requisite modifications to the District's water rights as provided in Section 5 above.

7. Annual Payment by District.

(a) In addition to the amounts to be paid by the District pursuant to Section 6 above and subject to Section 7(b) below, the District shall pay to Hearst an annual payment in the amount of Two Thousand Five Hundred Dollars (\$2,500) (an "Annual Payment"), which Hearst and the District have agreed is the fair value for the additional rights to be granted by Hearst to the District under the Proposed Easement Expansion.

(b) In addition to, or in lieu of Annual Payments, Hearst and the District may agree in writing to other cooperative terms, conditions, and agreements.

8. Wastewater Treatment Service to Hearst.

(a) The parties acknowledge that the District's facilities existing within the Existing Easement as of the date hereof has the capacity to treat up to 40,000 gallons per day ("gpd"), and that the District currently serves the buildings set forth on the schedule attached hereto as Exhibit A (the "Existing Hearst Usage"). The parties further acknowledge that the Existing Hearst Usage is approximately between 3,000 to 5,000 gpd. The District covenants and agrees to maintain the Existing Hearst Usage.

(b) Hearst shall have the right to cause the District to increase the Existing Hearst Usage up to 15,000 gpd at the applicable District connection fee and service rate (the "Increased Usage Option"). Hearst shall exercise the Increased Usage Option by providing written notice thereof to the District. In no event shall the District be required to allocate any increase in usage to Hearst unless and until Hearst exercises the Increased Usage Option as provided in this Section 8(b), and the District then has remaining available capacity for such increase (or portion thereof). The parties acknowledge and agree that, notwithstanding Section 8(b) above, if Hearst exercises the Increased Usage Option but the District's then remaining available capacity is insufficient to satisfy in full the usage requested by Hearst, then the District shall not be required to expand its facilities to meet such requested usage increase unless Hearst agrees to pay for Hearst's proportionate cost of such expansion on terms and conditions approved by Hearst and the District. If the District expands its facilities in accordance with the preceding sentence, then (i) the District shall provide wastewater service to Hearst up to an aggregate maximum of 15,000 gpd, and (ii) for any service requested by and provided to Hearst over 15,000 gpd, Hearst shall be required to pay its proportionate share of service on terms and conditions not less than current connection fees and service rates and approved by Hearst and the District.

(c) The District represents and warrants to Hearst that it has the legal authority to undertake the service obligations as contemplated in this Section 8.

9. District Election to Proceed; Negotiation and Approval of Easement Documentation.

(a) The parties acknowledge that the District is in the preliminary stages of its review regarding the viability of the Proposed Easement Expansion for the District's intended use thereof, and that the terms and conditions set forth herein will require further review and investigation by the District. Not later than December 31, 2016, the District shall notify Hearst in writing of the District's election to proceed or not to proceed with the Proposed Easement Expansion as contemplated herein. If the District fails to provide such notice by such deadline, the District shall be deemed to have elected not to proceed with the Proposed Expansion Easement as contemplated herein. If the District notifies Hearst that it elects not to proceed (or is deemed to have made such election not to proceed in accordance with the preceding sentence) with the

Proposed Easement Expansion as contemplated herein, then this letter shall be of no further force or effect. If the District timely notifies Hearst of its election to proceed with the Proposed Easement Expansion (the "District Approval Notice"), then the parties shall proceed as provided in Section 9(b) below.

(b) As soon as practicable after the District's delivery of the District Approval Notice, Hearst and the District shall meet and confer to negotiate and agree upon an outline of the specific terms and conditions to be included in the Easement Documentation (including, without limitation, the terms and conditions set forth herein). Upon agreement by the parties of such outline, Hearst shall provide to the District an initial draft of the Easement Documentation. Promptly upon receipt of such initial draft, the District shall provide to Hearst written comments to such initial draft. Thereafter, the parties shall use commercially reasonable efforts to agree on the final form of the Easement Documentation. Final approval by Hearst of the Easement Documentation shall be in Hearst's sole and absolute discretion.

The proposed terms and conditions regarding the Proposed Easement Expansion as set forth in this letter are not intended by the parties to create any binding rights, obligations or liabilities of either Hearst or the District, but instead represent the present intentions of such parties. This letter is provided solely as a means of negotiating between Hearst and the District. Neither Hearst or the District shall incur any obligation or liability to the other unless and until Hearst and the District execute final Easement Documentation providing for the Proposed Easement Expansion. Neither Hearst or the District are obligated by this letter to negotiate in good faith to reach such final Easement Documentation, and shall not be liable for any expenses incurred or opportunities foregone by any other party in reliance on this letter.

If the terms and conditions set forth above are acceptable, please sign a copy of this letter in the space provided below, and forward such signed letter to my attention. Thank you for your courtesy and cooperation.

Sincerely,

HEARST HOLDINGS, INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

cc: Russell J. Austin (via email)



San Simeon Community Services District

\_\_\_\_\_, 2015

Page 6

AGREED AND ACCEPTED on \_\_\_\_\_, 2015.

SAN SIMEON COMMUNITY SERVICES DISTRICT

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_