

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



BOARD PACKET

**Wednesday, March 12, 2014
Regular Meeting 6:00 pm**

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

Prepared by **ULTURA**[®]

AGENDA
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
Wednesday, March 12, 2014
6:00 pm

CAVALIER BANQUET ROOM
250 San Simeon Avenue
San Simeon, CA

- 1. NO CLOSED SESSION:**

- 2. REGULAR SESSION: 6:00 PM**
 - A. Roll Call

 - B. Pledge of Allegiance

3. 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**

4. BOARD PRESENTATIONS AND ANNOUNCEMENTS:

5. STAFF REPORTS

- A. **General Manager's Report**
 - 1. **Staff Activity** – Report on Staff activities for the month of February.

 - 2. **Grants, Loans and Partnership Opportunities** – Update on USDA Wellhead Project

 - 3. **San Simeon Recycled Water Use** – Progress since obtaining the permit to use

 - 4. **Application For Well Head Chloride Treatment** – Information on CDPH process

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, 2014.

D. District Counsel's Report – Tim Carmel/Heather Whitham

6. ITEMS OF BUSINESS

- A. **Approval of last month's minutes** – February 12, 2014
- B. **Approval of Disbursements Journal(s)** – March 12, 2014.

7. DISCUSSION/ACTION ITEMS

- A. **Review of Bookkeeper Proposals** – Consideration and awarding of bookkeeping services from Glen Burdett (\$1,500/\$1800) and Robert Stilts (\$1,200 flat)
- B. **Review and discussion of DRAFT Ordinance 114, Stage 1 and 2 Alert - Water conservation measures, changes in fines, and conservation stage restrictions.**
- C. **Well 2 Sanitary Seal Installation Design and Construction Observation** – Proposal from Phoenix Civil Engineering, Inc. (\$7,483) to design, provide bid phase assistance and construction observation.

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

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

10. 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.

11. 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.

GENERAL MANAGER'S REPORT
Charles Grace
Staff Activities for February

GENERAL MANAGER'S REPORT
March 12, 2014

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

Along with billing and collections, Staff worked with the USDA, Phoenix Engineering, Rahmina Construction on the Wellhead Project and Ultura on the Small Scale Recycled Water System. Staff has been training residents and hotels on the use of Recycled Water and staff has distributed the Mandatory Use Ordinance 112. Staff has been working on the draft of Ordinance 114 (Stage 1,2,3 Alert) and prepared the State/Hearst Castle sewer bill. The San Simeon CSD Administrator, Superintendent and Board President have received CERT Training on behalf of the District.

2. Grants, Loans and Partnership Opportunities – Update on USDA Wellhead Project

USDA Wellhead Project

The Well #1 piping and connection piping was completed early this month. The USDA is set to perform the pre-final inspection of the facility the week of March 10th. The new SCADA installation will also be completed next week. Punch list items will be identified for the Contractor to complete. It is anticipated that the project will be completed by the end of March. The District continues to work with the County of SLO regarding the lack of a sanitary seal on Well #2.

3. San Simeon Recycled Water Use – Progress since obtaining the permit to use

Staff has trained Distributors (4), Residents (9), Homeowner Associations (8), Hotels (5) and Restaurants (2) in the use of Recycled Water. Signs are already being posted at approved recycled water use sites. The Mandatory use Ordinance was distributed in the February billing to remind everyone in San Simeon of the rules and regulations regarding the Mandatory use of San Simeon Recycled Water.

4. Application for Well Head Chloride Treatment – Information on CDPH Process

Staff submitted Water Well Permit Application Amendment to the California Department of Public Health (CDPH) on February 20, 2014 for Well Head Chloride Treatment. Staff is consulting with Phoenix Engineering regarding the required engineering report, plans and specs for the design of the project.

From: Souza, Kurt (CDPH-DDWEM-DWFO) [<mailto:Kurt.Souza@cdph.ca.gov>]

Sent: Thursday, February 20, 2014 4:14 PM

To: Charles Grace

Cc: Jones, Ashley (CDPH-DDWEM); RALPH N MCADAMS

Subject: RE: San Simeon CSD Permit Amendment Application

Thanks for the heads up. Please provide the engineering report and plans and specs for the design of the RO system when they are available for our review and approval, prior to construction. Please be aware that NSF certified membranes and appurtenances that touch the water will be required for the facility. Also, it is recommended that we review the P&S at 50% design and the engineering report draft prior to finalizing.

If you have any questions, please call.

Thanks,

Kurt Souza
CDPH-DDWEM

SUPERTINTENDENT'S REPORT
Jerry Copeland
Facilities Update for February

SAN SIMEON COMMUNITY SERVICES DISTRICT
Superintendent's Report
Activities of February 2014

Wastewater Treatment Plant

- The wastewater treatment plant performed well this month.
- All sampling, testing and reporting at the wastewater treatment plant was performed as required by the RWQCB.
- The new WWTP and Recycled Water Facility permit was implemented as well as the new sampling and testing schedule belonging to it.
- Equalization Basin pump #1 was rebuilt including a brand new rotating assembly, impeller and wear plate.
- After the earthquake on 2/6/14, the facilities were inspected and no damage was discovered.
- A new water heater was installed at the WWTP
- Staff responded to a power failure alarm at the WWTP, where the stand-by generator had started up and was running upon arrival.

Water Distribution System

- All routine sampling and testing was performed. The monthly report was submitted to the CDPH.
- Monthly meter reading was performed.
- Staff assisted Phoenix Engineering and Raminha Construction and their subcontractors with the domestic water well rehabilitation project.
- Well #3 was disinfected along with the discharge piping to the reservoir and brought online with sampling and testing protocol required by the CDPH.

District and Equipment Maintenance

- Staff continues with all of the scheduled preventive maintenance for all the equipment at the facilities. We are recording all of these activities.
- The fire hydrants were all exercised and painted.
- The no parking curbs were painted.

San Simeon Community Services District - Monthly Data Report -February 2014

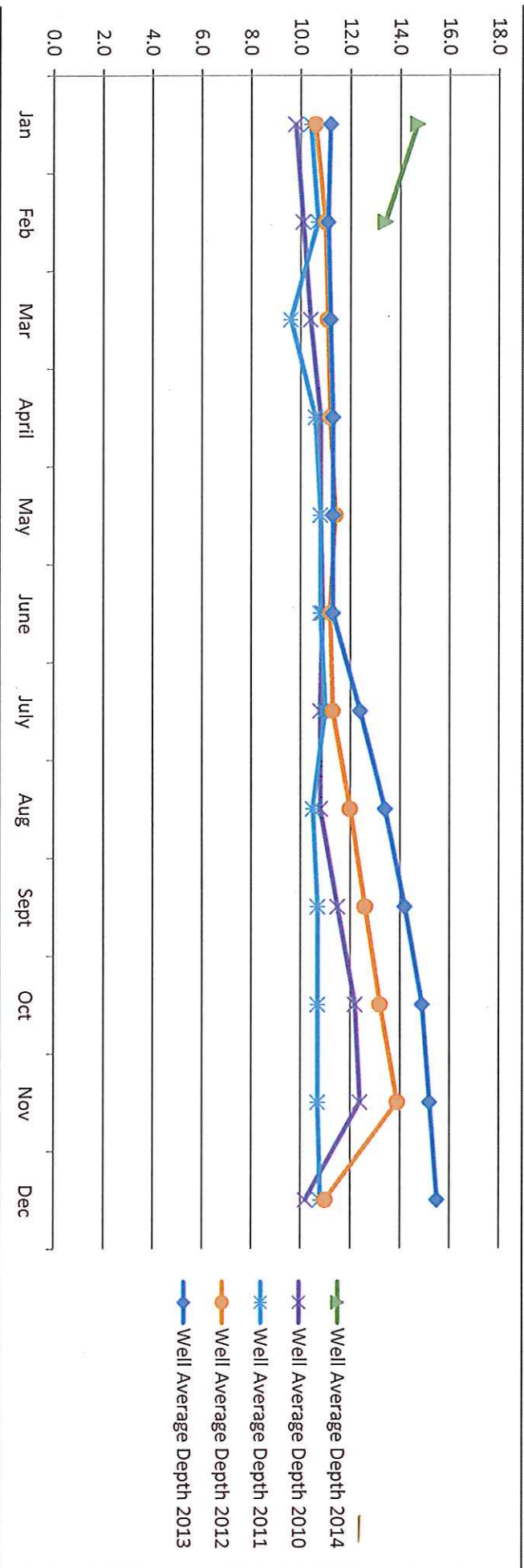
| Date | Day | Wastewater Influent Daily flow | Wastewater Effluent Daily Flow | CALCULATED Well 1 Total Pumped | CALCULATED Well 2 Total Pumped | CALCULATED Well 3 Total Pumped | CALCULATED Total Daily Water Produced | Water Level Well 1 | Water Level Well 2 | Rainfall in Inches | INPUT State Sewer Daily Flow |
|---------------|-----|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|---------------------------------------|--------------------|--------------------|--------------------|------------------------------|
| 02/01/14 | Sat | 66,091 | 64,770 | 0 | 77,119 | 0 | 77,119 | 12.5 | | 0.00 | 7,384 |
| 02/02/14 | Sun | 63,607 | 62,210 | 0 | 68,666 | 0 | 68,666 | 12.8 | | 0.43 | 10,400 |
| 02/03/14 | Mon | 65,027 | 68,070 | 0 | 63,056 | 0 | 63,056 | 12.9 | 13.0 | 0.00 | 1,829 |
| 02/04/14 | Tue | 71,333 | 57,550 | 0 | 30,144 | 0 | 30,144 | | | 0.00 | 7,927 |
| 02/05/14 | Wed | 68,454 | 55,480 | 0 | 35,754 | 0 | 35,754 | | | 0.00 | 8,360 |
| 02/06/14 | Thu | 80,781 | 94,390 | 0 | 50,864 | 0 | 50,864 | | | 1.18 | 10,818 |
| 02/07/14 | Fri | 64,861 | 73,030 | 0 | 58,643 | 0 | 58,643 | | | 0.12 | 14,080 |
| 02/08/14 | Sat | 82,337 | 83,870 | 0 | 58,643 | 0 | 58,643 | | | 0.20 | 7,298 |
| 02/09/14 | Sun | 85,673 | 89,160 | 0 | 62,234 | 0 | 62,234 | | | 0.12 | 12,746 |
| 02/10/14 | Mon | 48,046 | 76,550 | 0 | 57,596 | 0 | 57,596 | 13.3 | 13.4 | 0.08 | 9,980 |
| 02/11/14 | Tue | 68,097 | 66,260 | 0 | 60,513 | 0 | 60,513 | 13.3 | 13.4 | 0.00 | 8,574 |
| 02/12/14 | Wed | 68,356 | 65,200 | 0 | 64,253 | 0 | 64,253 | 13.3 | 13.4 | 0.00 | 6,098 |
| 02/13/14 | Thu | 79,374 | 73,490 | 0 | 90,658 | 0 | 90,658 | 13.3 | 13.4 | 0.00 | 7,044 |
| 02/14/14 | Fri | 90,831 | 93,550 | 0 | 91,630 | 0 | 91,630 | 13.3 | 13.3 | 0.00 | 5,133 |
| 02/15/14 | Sat | 97,983 | 114,940 | 0 | 82,205 | 0 | 82,205 | | 13.8 | 0.00 | 10,052 |
| 02/16/14 | Sun | 105,440 | 120,790 | 0 | 64,852 | 0 | 64,852 | | 13.8 | 0.00 | 17,029 |
| 02/17/14 | Mon | 95,712 | 109,210 | 0 | 73,229 | 0 | 73,229 | | 13.8 | 0.00 | 17,556 |
| 02/18/14 | Tue | 72,034 | 68,250 | 0 | 62,757 | | 62,757 | | | 0.00 | 14,127 |
| 02/19/14 | Wed | 66,632 | 68,230 | 0 | 20,570 | 40,100 | 60,670 | | 13.8 | 0.00 | 8,414 |
| 02/20/14 | Thu | 69,498 | 76,370 | 0 | 54,679 | 21,700 | 76,379 | | | 0.00 | 9,002 |
| 02/21/14 | Fri | 80,898 | 95,110 | 0 | 24,983 | 21,200 | 46,183 | | 13.9 | 0.00 | 8,442 |
| 02/22/14 | Sat | 85,248 | 96,590 | 0 | 66,348 | 20,800 | 87,148 | | | 0.00 | 8,657 |
| 02/23/14 | Sun | 84,584 | 89,600 | 0 | 8,527 | 30,600 | 39,127 | | 13.9 | 0.00 | 11,074 |
| 02/24/14 | Mon | 61,091 | 72,330 | 0 | 32,762 | 23,700 | 56,462 | | 13.8 | 0.00 | 9,706 |
| 02/25/14 | Tue | 67,826 | 63,780 | 0 | 38,597 | 41,600 | 80,197 | | 13.8 | 0.00 | 6,037 |
| 02/26/14 | Wed | 76,756 | 71,570 | 0 | 34,632 | 23,000 | 57,632 | | 13.8 | 0.91 | 6,322 |
| 02/27/14 | Thu | 88,898 | 91,990 | 0 | 0 | 21,300 | 21,300 | | 12.1 | 0.20 | 10,206 |
| 02/28/14 | Fri | 74,170 | 87,980 | 0 | 59,242 | 0 | 59,242 | | 11.2 | 0.56 | 11,523 |
| TOTALS | | 2,129,638 | 2,250,320 | 0 | 1,493,158 | 244,000 | 1,737,158 | | | 3.80 | 265,818 |
| Average | | 76,059 | 80,369 | 0 | 53,327 | 9,037 | 62,041 | 13.1 | 13.4 | 0.14 | 9,494 |
| Minimum | | 48,046 | 55,480 | 0 | 0 | 0 | 21,300 | 12.5 | 11.2 | 0.00 | 1,829 |
| Maximum | | 105,440 | 120,790 | 0 | 91,630 | 41,600 | 91,630 | 13.3 | 13.9 | 1.18 | 17,556 |

DATA SUMMARY SHEET

| | 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 |
|-----------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------------------------|
| 2014 | | | | | | | | | | | | | |
| Wastewater Influent | 2,038,514 | 2,129,638 | | | | | | | | | | | 4,168,152 |
| Wastewater Final Effluent (Month Cycle) | 2,086,860 | 2,250,320 | | | | | | | | | | | 4,337,180 |
| Adjusted Wastewater Influent (- State Flow) * | 1,776,470 | 1,863,820 | | | | | | | | | | | 3,640,290 |
| Water Produced (month cycle) | 2,772,141 | 1,737,158 | | | | | | | | | | | 4,509,298 |
| Sewer Influent/Water Produced Ratio | 1.08 | 1.23 | | | | | | | | | | | N/A |
| Adjusted Sewer/Water Ratio | 0.94 | 1.10 | | | | | | | | | | | N/A |
| Total Well Production | 1,892,141 | 1,737,158 | | | | | | | | | | | 3,629,299 |
| Well 1 Water Pumped | 1,368,990 | 0 | | | | | | | | | | | 1,368,990 |
| Well 2 Water Pumped | 523,151 | 1,493,158 | | | | | | | | | | | N/A |
| Well 3 Water Pumped | 0 | 244,000 | | | | | | | | | | | 244,000 |
| Water Well 1 Avg Depth to Water | 14.6 | 13.1 | | | | | | | | | | | N/A |
| Water Well 2 Avg Depth to Water | 14.7 | 13.4 | | | | | | | | | | | N/A |
| Average Depth of Both Wells | 14.7 | 13.3 | | | | | | | | | | | N/A |
| Change in Average Well Depth from 2013 | +3.4 | +2.2 | | | | | | | | | | | N/A |
| State Wastewater Treated | 262,044 | 265,818 | | | | | | | | | | | 527,862 |
| State % of Total WW Flow | 13% | 13% | | | | | | | | | | | N/A |
| Biosolids Removal (Gallons) | 0 | 0 | | | | | | | | | | | 0 |
| 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 |
| 2013 | | | | | | | | | | | | | |
| Wastewater Final Effluent (Month Cycle) | 2,021,340 | 1,908,020 | 2,318,280 | 2,451,860 | 2,643,980 | 2,808,900 | 3,419,550 | 3,346,020 | 2,749,810 | 2,603,850 | 2,288,780 | 2,353,200 | Total for 2013 30,883,590 |
| Wastewater Influent | 2,314,345 | 2,162,072 | 2,521,425 | 2,462,631 | 2,597,523 | 2,836,232 | 3,360,480 | 3,305,527 | 2,735,386 | 2,525,334 | 2,084,338 | 2,313,438 | 31,218,731 |
| Adjusted Wastewater Influent (- State Flow) * | 2,067,826 | 1,945,010 | 2,232,831 | 2,144,411 | 2,239,609 | 2,452,299 | 2,819,473 | 2,783,082 | 2,351,167 | 2,191,107 | 1,852,313 | 2,007,408 | 27,086,536 |
| Water Produced (month cycle) | 1,727,730 | 1,703,869 | 1,995,696 | 2,278,258 | 2,540,208 | 2,803,862 | 3,198,897 | 3,089,090 | 2,471,242 | 2,288,805 | 1,854,816 | 2,032,266 | 27,984,740 |
| Sewer Influent/Water Produced Ratio | 1.34 | 1.27 | 1.26 | 1.08 | 1.02 | 1.01 | 1.05 | 1.08 | 1.11 | 1.10 | 1.22 | 1.17 | N/A |
| Adjusted Sewer/Water Ratio | 1.20 | 1.14 | 1.12 | 0.94 | 0.88 | 0.88 | 0.88 | 0.90 | 0.95 | 0.96 | 1.00 | 1.01 | N/A |
| Average Depth of Both Wells | 11.3 | 11.1 | 11.2 | 11.3 | 11.3 | 11.3 | 12.4 | 13.4 | 14.2 | 14.9 | 15.2 | 15.5 | N/A |
| Change in Average Well Depth from 2011 | +0.6 | +0.1 | +0.1 | +0.1 | +0.1 | +0.1 | +1.1 | +1.4 | +1.6 | +1.7 | +1.3 | +5.5 | N/A |
| State Wastewater Treated | 246,519 | 217,062 | 288,594 | 318,220 | 357,914 | 383,933 | 541,007 | 522,445 | 384,219 | 334,227 | 232,025 | 281,172 | 4,107,337 |
| State % of Total WW Flow | 11% | 10% | 11% | 13% | 14% | 14% | 16% | 16% | 14% | 13% | 11% | 12% | N/A |
| Biosolids Removal (Gallons) | 6,000 | 0 | 0 | 6,000 | 6,000 | 12,000 | 6,000 | 12,000 | 12,000 | 6,000 | 6,000 | 6,000 | 78,000 |
| 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 2010 | 9.8 | 10.1 | 10.4 | 10.8 | 10.8 | 10.9 | 10.8 | 10.8 | 11.5 | 12.2 | 12.4 | 10.2 |
| 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 | | | | | | | | | | |



DISTRICT FINANCIALS
Renee Lundy

February 28, 2014

*** Financial Summary**

*** Balance Sheet**

*** Water Sales & Production**

SAN SIMEON COMMUNITY SERVICES DISTRICT



FINANCIAL SUMMARY

BILLING
February 28, 2014

| | |
|--------------------------|--------------|
| January Billing Revenue | \$ 50,453.49 |
| February Billing Revenue | \$ 47,127.68 |
| Past Due (31 to 60 days) | \$ 65.64 |
| Past Due (60 days) | \$ 234.01 |

RABOBANK SUMMARY
Ending Balances February 28, 2014

Summary of Transactions:

| | |
|------------------------------------------------------------------|----------------------|
| Balance January 31, 2014 | \$ 685,991.23 |
| Interest for February 2014 | \$ 136.03 |
| Money Marketing Account Closing Balance February 28, 2014 | \$ 686,127.26 |

| | |
|------------------------|----------------------|
| Reserve Fund | (\$ 250,000.00) |
| Hook up Deposits | (\$ 43,470.00) |
| Available Funds | \$ 392,657.26 |

General Checking Account \$ 86,046.20

Well Rehab Project/USDA Checking Account \$ 190,822.19

LAIF Closing Balance February 28, 2014 \$ 517.95

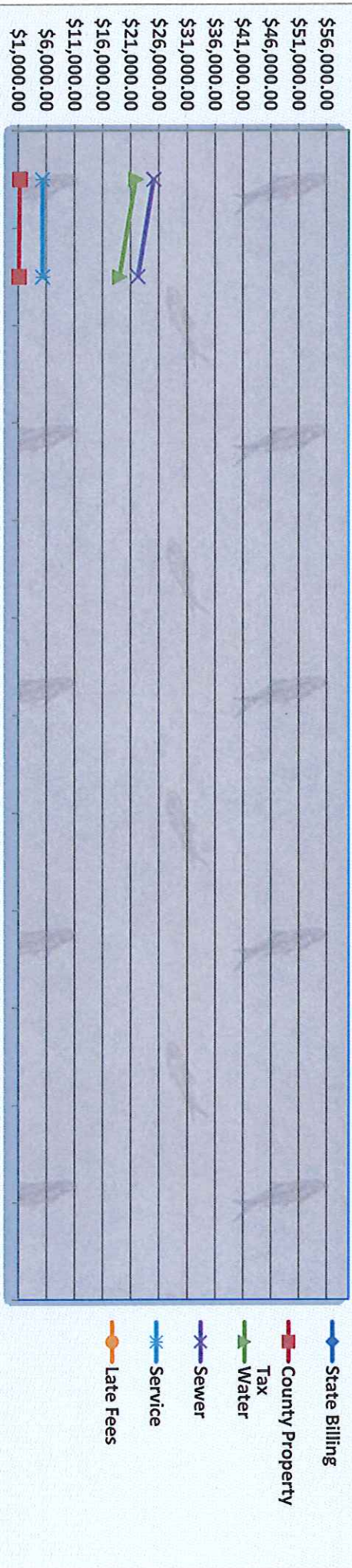
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 03/05/14
 Accrual Basis

SAN SIMEON COMMUNITY SERVICES DISTRICT
Balance Sheet
 As of February 28, 2014

| | Feb 28, 14 |
|----------------------------------------|---------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| 1010 · Petty cash | 150.00 |
| 1020 · General checking | 86,046.20 |
| 1022 · USDA checking | 190,822.19 |
| 1040 · Cash in county treasury | 11.39 |
| 1050 · LAIF - non-restricted cash | 517.62 |
| 1060 · Money Market Account 9548643039 | 686,127.26 |
| Total Checking/Savings | 963,674.66 |
| Other Current Assets | |
| 1200 · Accounts receivable | 44,965.25 |
| 1300 · Prepaid expenses | 2,819.49 |
| Total Other Current Assets | 47,784.74 |
| Total Current Assets | 1,011,459.40 |
| 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 | 235,886.09 |
| 1640 · Wellhead project | 330,601.30 |
| Total 1400 · Fixed assets | 3,762,688.87 |
| 1650 · Walkway access projects | 11,511.00 |
| 1690 · Accumulated depreciation | -1,916,938.96 |
| Total Fixed Assets | 1,857,260.91 |
| TOTAL ASSETS | 2,868,720.31 |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| 2000 · Accounts payable | 190,029.85 |
| Total Accounts Payable | 190,029.85 |
| Other Current Liabilities | |
| 2100 · Payroll liabilities | 153.00 |
| 2500 · Customer security deposits | 10,408.13 |
| 2510 · Connect hookup wait list | 43,470.00 |
| Total Other Current Liabilities | 54,031.13 |
| Total Current Liabilities | 244,060.98 |
| Total Liabilities | 244,060.98 |
| Equity | |
| 3200 · Fund balance | 2,214,136.83 |
| Net Income | 410,522.50 |
| Total Equity | 2,624,659.33 |
| TOTAL LIABILITIES & EQUITY | 2,868,720.31 |

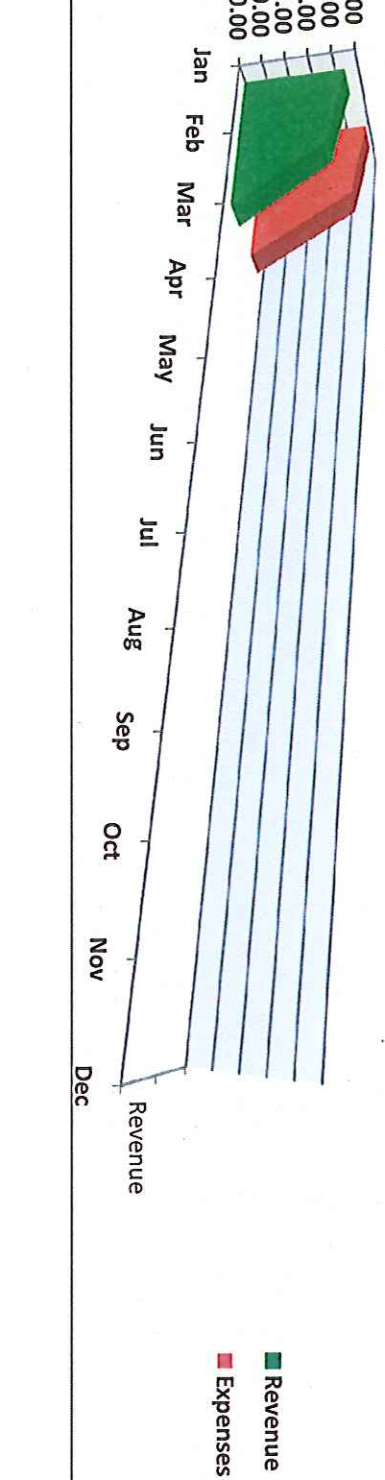
2014 DISTRICT REVENUE

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Totals |
|---------------------|------------|------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|--------------|
| State Billing | | | | | | | | | | | | | \$0.00 |
| County Property Tax | \$1,327.66 | \$1,155.60 | | | | | | | | | | | \$2,483.26 |
| Water | \$21,971.3 | \$19,076.2 | | | | | | | | | | | \$41,047.44 |
| Sewer | \$25,116.2 | \$22,334.7 | | | | | | | | | | | \$47,450.91 |
| Service | \$5,366.4 | \$5,366.4 | | | | | | | | | | | \$10,732.80 |
| Late Fees | \$155.8 | \$100.4 | | | | | | | | | | | \$256.17 |
| Total | \$53,937.3 | \$48,033.3 | | | | | | | | | | | \$101,970.58 |
| Water Sold Cu Ft | 223200 | 206900 | | | | | | | | | | | 430100 |
| Water Sold Acre ft | 5.12 | 4.75 | | | | | | | | | | | 9.87 |



REVENUE VS EXPENSES

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Totals |
|----------|-------------|-------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|--------------|
| Revenue | \$53,937.30 | \$48,033.30 | | | | | | | | | | | \$101,970.60 |
| Expenses | \$58,555.68 | \$53,848.94 | | | | | | | | | | | \$112,404.62 |
| Balance | | | | | | | | | | | | | -\$10,434.02 |



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

| Month | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YET |
|-----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Water | \$18,102.6 | \$20,631.4 | \$17,394.1 | \$23,008.4 | \$23,384.4 | \$29,603.5 | \$36,628.9 | \$36,833.3 | \$28,053.5 | \$24,908.9 | \$20,549.4 | \$17,417.0 | \$296,515.5 |
| Sewer | \$20,172.8 | \$21,705.5 | \$18,903.2 | \$25,168.5 | \$24,914.3 | \$32,350.8 | \$40,084.9 | \$43,613.3 | \$33,179.7 | \$29,636.1 | \$23,946.3 | \$20,191.1 | \$333,866.5 |
| Service | \$4,792.3 | \$4,769.3 | \$4,769.3 | \$4,792.3 | \$4,815.4 | \$4,792.3 | \$5,436.9 | \$5,366.4 | \$5,366.4 | \$5,366.4 | \$5,366.4 | \$5,366.4 | \$60,999.8 |
| Late Fees | \$80.3 | \$163.5 | \$95.6 | \$58.8 | \$51.7 | \$88.3 | \$59.8 | \$110.4 | \$120.6 | \$71.4 | \$117.4 | \$101.1 | \$1,118.7 |
| State Billing | | | \$15,874.60 | | | \$21,090.32 | | | \$27,981.20 | | | \$21,530.45 | \$86,476.6 |
| County Prop Tax | \$757.44 | \$1,473.36 | \$3,935.20 | \$18,534.56 | \$1,963.98 | \$141.38 | \$8,069.77 | \$51.86 | \$1,503.31 | \$3,859.65 | \$5,718.15 | \$25,445.32 | \$71,454.0 |
| TOTAL | \$43,905.44 | \$48,742.98 | \$60,971.99 | \$71,562.56 | \$55,129.68 | \$88,066.63 | \$90,280.29 | \$85,975.29 | \$96,204.70 | \$63,842.39 | \$55,697.70 | \$90,051.38 | \$850,431.0 |

2013

| Month | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YET |
|-----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Water | \$18,368.8 | \$17,712.9 | \$14,752.5 | \$20,943.1 | \$19,569.8 | \$24,471.6 | \$30,164.0 | \$31,860.6 | \$27,236.4 | \$23,180.2 | \$19,172.8 | \$13,606.3 | \$261,038.8 |
| Sewer | \$19,403.2 | \$16,370.8 | \$15,243.1 | \$22,112.6 | \$20,266.8 | \$25,270.9 | \$32,911.6 | \$34,733.9 | \$29,563.0 | \$25,730.9 | \$21,158.5 | \$14,923.0 | \$277,688.4 |
| Service | \$4,251.5 | \$4,272.0 | \$4,251.5 | \$4,251.5 | \$4,251.5 | \$4,292.4 | \$4,792.3 | \$4,792.3 | \$4,815.4 | \$4,815.4 | \$4,792.3 | \$4,815.4 | \$54,393.5 |
| Late Fees | \$509.5 | \$66.6 | \$177.6 | \$204.2 | \$268.6 | \$195.6 | \$106.6 | \$170.8 | \$131.8 | \$94.7 | \$1,113.9 | \$99.0 | \$3,138.8 |
| State Billing | | | \$12,350.99 | | | \$14,482.23 | | | \$21,846.13 | | | \$18,453.99 | \$67,133.34 |
| County Prop Tax | \$619.54 | \$1,594.90 | \$5,291.08 | \$18,294.18 | \$765.20 | \$349.85 | \$528.42 | \$1,346.94 | \$1,576.52 | \$3,775.02 | \$6,279.23 | \$25,525.47 | \$65,946.35 |
| TOTAL | \$43,152.57 | \$40,017.17 | \$52,066.87 | \$65,805.54 | \$45,121.80 | \$69,062.60 | \$88,502.96 | \$72,904.50 | \$85,169.16 | \$57,596.18 | \$52,516.73 | \$77,423.13 | \$729,339.21 |

2012

| Month | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YET |
|-----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Water | \$14,079.9 | \$14,436.8 | \$14,580.3 | \$15,978.4 | \$17,181.9 | \$20,045.1 | \$29,080.9 | \$30,541.4 | \$24,905.3 | \$23,664.7 | \$18,603.5 | \$18,224.2 | \$241,322.4 |
| Sewer | \$14,010.9 | \$14,599.5 | \$13,759.0 | \$16,248.7 | \$17,077.0 | \$20,232.7 | \$30,694.0 | \$32,170.1 | \$26,341.4 | \$24,926.1 | \$19,583.4 | \$19,169.6 | \$248,812.4 |
| Service | \$3,820.5 | \$3,838.8 | \$3,802.2 | \$3,802.2 | \$3,820.5 | \$3,802.2 | \$4,272.0 | \$4,231.1 | \$4,251.5 | \$4,251.5 | \$4,251.5 | \$4,272.0 | \$48,416.1 |
| Late Fees | \$175.71 | \$157.43 | \$209.24 | \$328.45 | \$927.82 | 225.80, | \$356.68 | \$101.30 | \$843.71 | \$104.57 | \$630.80 | \$98.08 | \$3,933.8 |
| State Billing | | | \$11,953.63 | | | \$13,715.07 | | | \$15,046.67 | | | \$14,638.77 | \$55,354.1 |
| County Prop Tax | \$1,477.22 | | \$5,052.73 | \$19,947.64 | \$1,010.56 | \$455.35 | \$2,191.03 | \$15.30 | \$1,449.09 | \$2,573.45 | \$8,150.50 | \$25,373.46 | \$67,696.3 |
| TOTAL | \$33,564.21 | \$33,032.51 | \$49,357.12 | \$56,305.40 | \$40,017.76 | \$58,250.42 | \$66,594.53 | \$67,059.19 | \$72,837.69 | \$55,520.40 | \$51,219.72 | \$81,776.15 | \$665,535.10 |

2011

| Month | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YET |
|-----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Water | \$14,655.9 | \$12,301.9 | \$12,308.1 | \$17,354.2 | \$16,361.6 | \$23,235.2 | \$23,422.1 | \$24,495.2 | \$24,323.5 | \$18,281.7 | \$17,712.1 | \$13,309.5 | \$217,760.9 |
| Sewer | \$14,474.7 | \$12,023.6 | \$11,960.2 | \$17,100.5 | \$15,949.3 | \$22,296.5 | \$21,589.4 | \$22,706.9 | \$22,330.6 | \$16,837.1 | \$17,839.7 | \$13,259.2 | \$208,367.6 |
| Service | \$3,498.7 | \$3,498.7 | \$3,481.9 | \$3,498.7 | \$3,498.7 | \$3,481.9 | \$3,835.7 | \$3,820.5 | \$3,802.2 | \$3,802.2 | \$3,802.2 | \$3,857.1 | \$43,878.5 |
| Late Fees | \$214.07 | \$130.07 | \$132.54 | \$158.48 | \$754.55 | \$291.27 | \$870.23 | \$578.79 | \$96.79 | \$55.83 | \$254.46 | \$260.05 | \$3,797.1 |
| State Billing | | | \$15,319.73 | | | \$18,674.54 | | | \$12,346.08 | | | \$12,156.15 | \$58,496.5 |
| County Prop Tax | \$3,215.01 | \$268.85 | \$6,014.92 | \$16,244.84 | \$1,289.79 | \$672.32 | \$3,103.65 | \$29.75 | \$958.44 | \$707.60 | \$8,316.76 | \$27,270.18 | \$68,092.1 |
| TOTAL | \$36,058.42 | \$28,223.10 | \$49,217.37 | \$54,356.62 | \$37,853.86 | \$68,651.72 | \$62,821.03 | \$51,631.13 | \$63,857.66 | \$39,684.38 | \$47,925.31 | \$70,112.12 | \$600,392.7 |

2010

**SAN SIMEON COMMUNITY SERVICES
HISTORICAL FISCAL REVIEW**

| Month | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Fiscal Total |
|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| Water | \$18,173.0 | \$18,627.8 | \$16,595.1 | \$15,204.0 | \$11,089.7 | \$11,820.6 | \$14,655.9 | \$12,301.9 | \$12,308.1 | \$17,354.2 | \$16,361.6 | \$23,235.2 | \$187,727.1 |
| Sewer | \$17,131.8 | \$17,715.1 | \$16,373.1 | \$15,130.5 | \$10,808.6 | \$11,430.7 | \$14,474.7 | \$12,023.6 | \$11,960.2 | \$17,100.5 | \$15,949.3 | \$22,296.5 | \$182,394.7 |
| Service | \$3,208.9 | \$3,210.2 | \$3,495.9 | \$3,465.2 | \$3,481.9 | \$3,515.4 | \$3,498.7 | \$3,498.7 | \$3,481.9 | \$3,498.7 | \$3,498.7 | \$3,481.9 | \$41,336.0 |
| Total | \$38,513.8 | \$39,553.2 | \$36,464.1 | \$33,799.7 | \$25,380.2 | \$26,766.7 | \$32,629.3 | \$27,824.2 | \$27,750.2 | \$37,953.3 | \$35,809.5 | \$49,013.6 | \$411,457.8 |
| Water Sold Cu Ft | 338115 | 340942 | 280448 | 254487 | 185365 | 200865 | 245098 | 206476 | 206159 | 292035 | 272744 | 384783 | 3207517 |
| Water Sold acre ft | 7.76 | 7.83 | 6.44 | 5.84 | 4.26 | 4.61 | 5.63 | 4.74 | 4.73 | 6.70 | 6.26 | 8.83 | 73.63 |

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

| Month | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Fiscal Total |
|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| Water | \$29,080.9 | \$30,541.4 | \$24,905.3 | \$23,664.7 | \$18,603.5 | \$18,224.2 | \$18,368.8 | \$17,712.9 | \$14,752.5 | \$20,943.1 | \$19,569.8 | \$24,471.6 | \$260,838.8 |
| Sewer | \$30,694.0 | \$32,170.1 | \$26,341.4 | \$24,926.1 | \$19,583.4 | \$19,169.6 | \$19,403.2 | \$16,370.8 | \$15,243.1 | \$22,112.6 | \$20,266.8 | \$25,270.9 | \$271,552.0 |
| Service | \$4,272.0 | \$4,231.1 | \$4,251.5 | \$4,251.5 | \$4,251.5 | \$4,272.0 | \$4,251.5 | \$4,272.0 | \$4,251.5 | \$4,251.5 | \$4,251.5 | \$4,292.4 | \$51,100.0 |
| Total | \$64,046.8 | \$66,942.6 | \$55,498.2 | \$52,842.4 | \$42,438.4 | \$41,665.8 | \$42,023.5 | \$38,355.7 | \$34,247.2 | \$47,307.2 | \$44,088.1 | \$54,034.9 | \$583,490.8 |
| Water Sold Cu Ft | 394069 | 413435 | 337511 | 319681 | 252605 | 247832 | 248528 | 225987 | 201323 | 285397 | 264824 | 329516 | 3,520,708 |
| Water Sold acre ft | 9.05 | 9.49 | 7.75 | 7.34 | 5.80 | 5.69 | 5.71 | 5.19 | 4.62 | 6.55 | 6.08 | 7.56 | 80.82 |

| Month | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Fiscal Total |
|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| Water | \$30,164.0 | \$31,860.6 | \$27,236.4 | \$23,180.2 | \$19,172.8 | \$13,606.3 | \$18,102.6 | \$20,631.4 | \$17,394.1 | \$23,008.4 | \$23,384.4 | \$29,603.5 | \$277,344.6 |
| Sewer | \$32,911.6 | \$34,733.9 | \$29,563.0 | \$25,730.9 | \$21,158.5 | \$14,923.0 | \$20,172.8 | \$21,705.5 | \$18,903.2 | \$25,168.5 | \$24,914.3 | \$32,350.8 | \$302,236.0 |
| Service | \$4,792.3 | \$4,792.3 | \$4,815.4 | \$4,815.4 | \$4,792.3 | \$4,815.4 | \$4,792.3 | \$4,769.3 | \$4,769.3 | \$4,792.3 | \$4,815.4 | \$4,792.3 | \$57,553.9 |
| Total | \$67,867.9 | \$71,386.8 | \$61,614.7 | \$53,726.5 | \$45,123.6 | \$33,344.7 | \$43,067.8 | \$47,106.2 | \$41,066.6 | \$52,969.2 | \$53,114.0 | \$66,746.6 | \$637,134.5 |
| Water Sold Cu Ft | 361479 | 380540 | 324880 | 279621 | 232827 | 165658 | 220059 | 216680 | 209256 | 285145 | 279529 | 354134 | 3,309,808 |
| Water Sold acre ft | 8.30 | 8.74 | 7.46 | 6.42 | 5.34 | 3.80 | 5.05 | 4.97 | 4.80 | 6.55 | 6.42 | 8.13 | 75.98 |

| Month | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Fiscal Total |
|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----|-----|-----|-----|--------------------|
| State Billing | | | \$27,981.20 | | | | | | | | | | \$27,981.2 |
| County Property Tax | \$8,069.77 | \$51.86 | \$1,503.31 | \$3,859.65 | \$5,718.15 | \$25,445.32 | \$1,327.66 | \$1,155.6 | | | | | \$47,131.4 |
| Water | \$36,628.9 | \$36,833.3 | \$28,053.5 | \$24,908.9 | \$20,549.4 | \$17,417.0 | \$21,971.3 | \$19,076.2 | | | | | \$205,438.5 |
| 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 | | | | | \$238,102.4 |
| Service | \$5,436.9 | \$5,366.4 | \$5,366.4 | \$5,366.4 | \$5,366.4 | \$5,366.4 | \$5,366.4 | 5366 | | | | | \$43,001.7 |
| Late Fees | \$59.8 | \$110.4 | \$120.6 | \$71.4 | \$117.4 | \$101.1 | \$155.8 | 100.38 | | | | | \$836.8 |
| Total | \$90,280.3 | \$85,975.3 | \$96,204.7 | \$63,842.4 | \$55,697.7 | \$68,520.9 | \$53,937.3 | \$48,033.3 | | | | | \$562,491.9 |
| Water Sold Cu Ft | 373741 | 396714 | 303256 | 269689 | 222002 | 188500 | 223200 | 206900 | | | | | 2,184,002 |
| Water Sold Acre ft | 8.58 | 9.11 | 6.96 | 6.19 | 5.10 | 4.33 | 5.12 | 4.75 | | | | | 50.14 |

2013 / 2014

ITEMS OF BUSINESS

*** Minutes – February 12, 2014**

*** Disbursements Journal – March 12, 2014**

*** USDA Loan Disbursements Journal - March 12, 2014**

MINUTES
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
Wednesday, February 12, 2014
6:00 pm

CAVALIER BANQUET ROOM
250 San Simeon Avenue
San Simeon, CA

1. NO CLOSED SESSION:

2. REGULAR SESSION: 6:01 PM

A. Roll Call:

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

Also present:

General Manager Charles Grace
District Counsel: Tim Carmel/Heather Whitham
Sheriff Representative: Sergeant MacDonald
Phoenix Engineering, Jon Turner

B. Pledge of Allegiance

3. PUBLIC COMMENT:

Resident, Eddie Price asked the Board if and when will they determine if Well 3 can or will be used. The General Manager responded that if one of the Wells are down for service or if the Wells reach 500mg/l in chloride we would use the Well. Mr. Price asked what the chloride levels were currently. Mr. Grace replied 1000mg/l. We have been testing Well 3 in order to be allowed to use the Well per the California Department of Public Health.

A. Sheriff's Report – Report for January

The following statistics were prepared for the time period of 01/01/14 through 01/31/14:

There were a total calls for service: 70. The calls were as follows;

EMS Calls: 11, Assist Other Agencies: 9, Crimes Against Persons: 1, Child Abuse: 1

Disturbances: 1, Check the Welfare/Citizen Assists: 6, Suspicious Circumstances/Subjects: 2

Incomplete 911 Calls: 8, Alarm Calls: 1, Self-Initiated Field Activity: 31

Traffic/Pedestrian Stops: 23, On Site/Flag Down: 8.

B. Public comment on Sheriff's Report:

Director Patel asked if there had been any other reports or sightings of ponga boats or any arrests? Sergeant MacDonald stated that as of the time of the meeting there had been two; December 23, 2013 and January 15, 2014 and no direct arrests have been made.

Vice-Chair Fields asked where do the ponga boats go. Sergeant MacDonald said that they go to Homeland Security. The engines are not California compliant.

4. BOARD PRESENTATIONS AND ANNOUNCEMENTS:

Vice-Chair Fields announced that the San Simeon Lodge was the first in the North Coast to have a Car Charging devise.

5. STAFF REPORTS

A. General Manager's Report

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

Along with billing and collections, Staff organized a San Simeon CSD Special Meeting and Water Committee meeting and prepared the newsletter to be distributed with the water billing. Staff worked with the USDA, Phoenix Engineering, Rahmina Construction on the Wellhead Project. Staff worked with the California Department of Public Health (CDPH) and the Regional Water Quality Control Board (RWQCB) in order to put in place all regulations and programs needed to supply recycled water to the San Simeon residents.

2. Grants, Loans and Partnership Opportunities –

Verbal update on USDA Wellhead Project by Jon Turner.

We have completed Well 2 piping, enough to get online for use. Painting is still needed. Well 1 is dismantled. It looks great per the video and testing has been done. The pump and motor will be put in next week. It was discovered that some oxidation has occurred to the connecting piping to the reservoir. A change order has been submitted in order to buy a new one with the proper coating. Both Wells should be online by the last week of the month.

Update from Terry Lambeth, Water Consultant

We have been working with the Hearst Corporation on the purchase of extra land for the expansion of the reservoir holding area. We are looking at a 5 acre addition. Counsel, Carmel is assisting with the contract.

3. San Simeon Recycled Water Use – Progress since obtaining the RW permit for use.

Staff has been working with the CDPH to implement and monitor the San Simeon Recycled Water Program. Staff has updated the application process, training manual, program and handouts needed by anyone interested in receiving recycled water from the San Simeon Recycled Water Facility. Training has started and many residents and two haulers have signed up. There are still a several Home Owner Associations and Hotels that need to designate a site supervisor, complete the application and receive training in order to receive recycled water at their site. Staff has sent out a newsletter and in addition has called entities that have previously expressed interest to explain the process.

4. District Purchase of a Water Buffalo for the distribution of recycled water San Simeon District. – General discussion to revisit potential interest in SSCSD ownership and operation of a water trailer to provide delivery of recycled water.

The General Manager asked for any Board Member that was interested in having him look into the purchase of a water buffalo, to please let him know and he will bring prices to the next board meeting.

B. Superintendent's Report

1. Wastewater Treatment Plant

- The wastewater treatment plant performed well this month.
- All sampling, testing and reporting at the wastewater treatment plant was performed as required by the RWQCB.
- The Wastewater Treatment Plant Annual Compliance Report was written and submitted to the Regional Water Quality Control Board.

2. Water Distribution System

- All routine sampling and testing was performed. The monthly report was submitted to the CDPH.
- Monthly meter reading was performed.
- Staff assisted Phoenix Engineering and Raminha Construction and their subcontractors with the domestic water well rehabilitation project.

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.

C. District Financial Summary – Update on Monthly Financial Status for close of business January 31, 2014.

| | |
|--------------------------|--------------|
| December Billing Revenue | \$ 43,325.61 |
| January Billing Revenue | \$ 50,453.49 |

| | |
|--------------------------|-----------|
| Past Due (31 to 60 days) | \$ 99.27 |
| Past Due (60 days) | \$ 484.16 |

RABOBANK SUMMARY
Ending Balances January 31, 2014

Summary of Transactions:

| | |
|-----------------------------------------------------------------|----------------------|
| Balance December 31, 2013 | \$ 635,840.60 |
| Transfer from general checking January 9, 2014 | \$ 50,000.00 |
| Interest for January 2014 | \$ 150.63 |
| Money Marketing Account Closing Balance January 31, 2014 | \$ 685,991.23 |
| | |
| Reserve Fund | (\$ 250,000.00) |
| Hook up Deposits | (\$ 43,470.00) |
| Available Funds | \$ 392,521.23 |
| | |
| General Checking Account | \$ 89,565.97 |
| Well Rehab Project/USDA Checking Account | \$ 2,231.04 |
| | |
| LAIF Closing Balance January 31, 2014 | \$ 517.62 |

D. District Counsel's Report – Tim Carmel/Heather Whitham

The District received and signed the contracts with Carmel and Naccasha. The team has just started getting updated on current San Simeon issues. Both Tim and Heather will be available to help the District.

Counsel advised the General Manager on the weed/debris abatement ordinance, development and connection fees and conditions you can impose on projects such as the Sansone Project. Counsel made some suggested changes to the District's Agenda (Brown Act related) and met with the General Manager and Administrator to get updated on District Ordinances and Policies in case of future need.

Counsel will be reviewing Resolution 348, the "Uniform Construction Cost Accounting Act" for program completeness. Would like to assist the District with the Sansone Project with "conditions of approval" before the project goes in front of the County. Counsel plans on helping with Policy revisions when there aren't more pressing issues at hand.

Vice-Chair Fields asked if Counsel could get an update on the Oceanside Inn Project from the County.

6. ITEMS OF BUSINESS

**A. Approval of last month's minutes –
Regular Meeting: January 08, 2014.**

Motion to approve minutes as presented for Regular Meeting.
Motion by: Director Price

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

Special Meeting: January 21, 2014

Motion to approve minutes as presented for Special Meeting.

Motion by: Director Price

2nd by: Director Williams

All in: 4 / 0, Abstain: 1, Director Patel left meeting early.

B. Approval of Disbursements Journal – February 12, 2014.

Motion to approve both General Checking and USDA Disbursements Journals.

Motion by: Vice-Chair Fields

2nd by: Director Williams

All in: 5 / 0

7. DISCUSSION/ACTION ITEMS

A. Distribution of Recycled Water Signs for Residents of San Simeon – Free or purchase?

In effort to comply with State and San Simeon CSD recycled water “site sign” requirements and maintain uniformity, Staff has ordered recycled water signs. The signs cost \$9.00 a sign, and can be handed out to individuals trained as site supervisors. Staff is requesting approval to either recover the cost of the sign or give the signs away in order for recycled water sites to easily comply with regulation and maintain District wide consistency.

A motion was made to give the signs away for free to all San Simeon properties.

Motion by: Vice-Chair Fields

2nd by: Director Price

All in: 5 / 0

B. Phoenix Engineering Water Distribution System Loop Design Proposal –

In part to improve fire flow and the distribution system pressure for fire flow. Attached is a proposal from Phoenix Engineering to design projects identified in the 2006 SSCSD Master Plan. The District is implementing certain recommendations from the 2006 Potable Water System Master Plan priority one tasks. The areas to be improved as part of this proposal cover the inlet/outlet pipeline from the reservoir to the intersection of Avonne Avenue, loop completion of the pipeline between Pico Ave. and Jasper Way (APN 013091028) and the loop completion between Avonne Ave. and Castillo Ave (APN 013071012). Staff request approval in the amount of \$19,210 for Phoenix Engineering to Design and provide a construction cost for the above described projects.

A motion was made to approve the proposal from Phoenix Engineering for \$19,210 for the looping project.

Motion by: Chairperson McAdams

2nd by: Director Williams

All in: 5 / 0

8. Board Committee Reports – None

9. Board Reports – None

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

11. ADJOURNMENT@ 7:00 PM

SAN SIMEON COMMUNITY SERVICES DISTRICT

General Checking Disbursements Journal

March 12, 2014

| Type | Date | Num | Name | Memo | Amount | Balance |
|-------------------------------|------------|------|---------------------------|-----------------------------------------|--------------|-------------|
| | | | | Balance February 28, 02014 | | 86,046.20 |
| Bill Pmt | 02/28/2014 | 6993 | County of San Luis Obispo | Well 1 permit (rehab project) | -476.00 | 85,570.20 |
| Bill Pmt | 02/28/2014 | 6994 | County of San Luis Obispo | Well 2 permit (rehab project) | -476.00 | 85,094.20 |
| Paycheck | 03/01/2014 | 6995 | ALAN FIELDS | Board of Director monthly Salary | -92.35 | 85,001.85 |
| Paycheck | 03/01/2014 | 6996 | DAN WILLIAMS | Board of Director monthly Salary | -92.35 | 84,909.50 |
| Paycheck | 03/01/2014 | 6997 | KAUSHIK S PATEL | Board of Director monthly Salary | -92.35 | 84,817.15 |
| Paycheck | 03/01/2014 | 6998 | LEROY E PRICE | Board of Director monthly Salary | -92.35 | 84,724.80 |
| Paycheck | 03/01/2014 | 6999 | RALPH N MCADAMS | Board of Director monthly Salary | -92.35 | 84,632.45 |
| Bill Pmt | 03/05/2014 | 7000 | CALPERS | Quarterly Health Premium (April- June) | -986.49 | 83,645.96 |
| Bill Pmt | 03/05/2014 | 7001 | Carmel & Nacassha. LLP | Feb Services | -1,800.00 | 81,845.96 |
| Bill Pmt | 03/05/2014 | 7002 | Eugene Krum | Deposit Refund (Acct 172) | -50.00 | 81,795.96 |
| Bill Pmt | 03/05/2014 | 7003 | MICHAEL O'NEILL | Monthly maintenance fee | -275.00 | 81,520.96 |
| Bill Pmt | 03/05/2014 | 7004 | RVS Software | Annual software maintenance and updates | -452.00 | 81,068.96 |
| Bill Pmt | 03/05/2014 | 7005 | TERRY LAMBETH | Water Consulting | -2,194.00 | 78,874.96 |
| Bill Pmt | 03/05/2014 | 7006 | Ultura Water | Operations and Management | -38,870.64 | 40,004.32 |
| Bill Pmt | 03/05/2014 | 7007 | Ultura Water | Electric bill oveage from \$62,000.00 | -6,607.06 | 33,397.26 |
| Bill Pmt | 03/05/2014 | 7008 | Glenn Burdette | Bookkeeping/Feb Services | -1,200.00 | 32,197.26 |
| Total 1020 · General checking | | | | | -\$53,848.94 | \$32,197.26 |

SAN SIMEON COMMUNITY SERVICES DISTRICT
WELLHEAD PROJECT
USDA CHECKING

MARCH 2014

| Type | Date | Num | Name | Memo | Amount | Balance |
|-----------------------------------------|------------|-----|---------------------------|-------------------------------------------------|--------------|------------|
| Bill Pmt | 03/05/2014 | 116 | Phoenix Civil Engineering | Construction Management - Period 1/1 to 1/31/14 | -4,920.00 | 190,822.19 |
| Bill Pmt | 03/05/2014 | 117 | Raminha Construction | Construction Period 12/16/13-2/13/14 | -183,671.36 | 185,902.19 |
| | | | | | -188,591.36 | 2,230.83 |
| Total 1022 · USDA checking paid to date | | | | | \$315,559.17 | |

DISCUSSION & ACTION ITEMS

DISCUSSION/ACTION ITEMS

March 12, 2014

A. Review of Bookkeeper Proposals – Consideration and awarding of bookkeeping services from Glen Burdett (\$1,500/\$1800) and Robert Stilts CPA (\$1,200 flat).

The current District Bookkeeping service is Glen Burdett Phillips and Bryson GBP. The dedicated bookkeeper from GBP for San Simeon CSD retired last year. GBP and District Staff spent countless hours training the GBP bookkeepers replacement leading District Staff to believe no transition effort was made by GBP. To date there have been numerous issues, such as; with audit preparation, warrant report coordination, timeliness and unexpected additional cost. Currently GBP is increasing the cost of service by \$300 per month and \$300 per quarter more for the services they provide us. Staff has requested proposals for similar bookkeeping service for your review. Staff recommends approval of the Robert Stilts CPA. proposal.

B. Review and discussion of DRAFT Ordinance 114, Stage 1 and 2 Alert - Water conservation measures, changes in fines, and conservation stage restrictions.

Staff was asked to review Ordinance 106 to adjust existing conservation restrictions and add measures that could be taken to increase potable water conservation. Staff has attached Draft Ordinance 114 for the Water Committee and San Simeon CSD Board to review and comment.

C. Well 2 Sanitary Seal Installation Design and Construction Observation – Proposal from Phoenix Civil Engineering, Inc. (\$7,483) to design, provide bid phase assistance and construction observation.

In contrast with the original well log drafted when Well #2 was installed; during the rehabilitation work on Well #2 it was discovered that Well #2 does not have a sanitary seal. Staff has been working with the County and CDPH to resolve this issue and both entities thus far have allowed San Simeon CSD to continue to use the well. The most likely long term solution is to design and construct a sanitary seal that starts from the ground surface around Well #2 to a depth of 10 feet. Staff recommends approval of the Phoenix Engineering Proposal.



GLENN BURDETTE
CERTIFIED PUBLIC ACCOUNTANTS

February 3, 2014

San Simeon Community Service District
Attn: Ralph McAdams
111 Pico Ave
San Simeon, CA 03452

ENGAGEMENT LETTER

This letter must be signed, dated and returned

Dear Mr. McAdams:

We appreciate the opportunity to be of service to you and believe that this letter accurately summarizes the objectives of our agreement and the nature and limitations of the services we will perform for you.

Governmental and regulatory agencies impose penalties for failure to observe due diligence in the reporting of payroll and sales tax related forms. You are responsible for management decisions and functions, and for designating a competent employee to oversee any bookkeeping services we provide. Penalties assessed, based on incorrect information that you supplied to our firm, will be your sole responsibility. In order to ensure an understanding of our mutual responsibilities, we ask all clients to confirm the following arrangements.

Beginning with January of 2014 we will compile, from the information you provide, a monthly statement of assets, liabilities and equity, and statement of revenues, expenses and capital on the income tax basis of accounting. A cash disbursements journal will be provided as a warrant report by the Thursday before each monthly board meeting.

The objective of a compilation is to assist you in presenting financial information in the form of financial statements. We will utilize information that is your representation without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for the statements to be in conformity with accounting principles generally accepted in the United States of America.

You are responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. You are responsible for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements. You are responsible for preventing and detecting fraud. You are responsible for identifying and

SAH LUIS OBISPO
1150 Palm Street
San Luis Obispo, CA 93401
p 805 544 1441
f 805 544 4351

PASO ROBLES
102 South Vine Street, Ste. A
Paso Robles, CA 93446
p 805 237 3995
f 805 239 9332

SANTA MARIA
2222 South Broadway, Ste. A
Santa Maria, CA 93454
p 805 922 4010
f 805 922 4286

ensuring that the organization complies with the laws and regulations applicable to its activities. You are responsible for making all financial records and related information available to us.

We are responsible for conducting the engagement in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation differs significantly from a review or an audit of financial statements. A compilation does not contemplate performing inquiry, analytical procedures, or other procedures performed in a review. Additionally, a compilation does not contemplate obtaining an understanding of the entity's internal control; assessing fraud risk; testing accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, or the examination of source documents (for example, cancelled checks or bank images); or other procedures ordinarily performed in an audit. Accordingly, we will not express an opinion or provide any assurance regarding the financial statements being compiled.

The financial statements will not be accompanied by a report. Based on our discussions with you, these financial statements are for management's use only and are not intended for third-party use.

Material departures from accounting principles generally accepted in the United States of America may exist and the effects of those departures, if any, on the financial statement may not be disclosed. In addition, the statement of cash flows and substantially all disclosures required by accounting principles generally accepted in the United State of America may be omitted. Because of the extent of material departures that may exist in, or required disclosures that may be omitted from, the financial statements, we make no representations regarding the appropriateness of such statements for your intended use or for any other purpose. Moreover, because of the nature of this engagement, we are not responsible for communicating any such departures or omissions to you.

Notwithstanding these limitations, you represent that you have knowledge about the nature of the procedures applied and the basis of accounting and assumptions used in the preparation of the financial statements that allow you to place the financial information contained in the statements in the proper context.

Furthermore, you represent and agree that the financial statements are intended solely for your information and use and are not intended to be, and should not be, used by third parties. You also represent and agree that you will not distribute the statements to such third parties.

We will record all income and expenses on a monthly basis, from the above documents you provide, in a computerized general ledger system. Each month you will receive a copy of the general ledger account listing, which shows each check, deposit, and adjustment affecting each account during the month. It is your responsibility to review this general ledger report each month and you must let us know of any changes necessary in the classification or distribution of expense. Unless you tell us of a change within fifteen (15) days, we will assume that all transactions have been properly coded and have been posted to the correct accounts. These ledgers will record, on a monthly basis, all cash receipts and all cash disbursements. The ledgers will also include proposed adjusting journal entries. You are responsible for evaluating and accepting the proposed adjusting

journal entries. These ledgers will be used in the preparation of the annual compiled financial statements and income tax returns.

Our standard bank reconciliation services are performed solely to reconcile the amount of Cash in Bank on your books with the amount of Cash in Bank shown on the bank statement. This service is limited in scope and is neither designed nor intended to prevent or detect fraud, embezzlement or any other irregularity. Each month we will reconcile your books and records of the following bank accounts with the bank statements to confirm proper account balances and to identify reconciling items that may require adjustments to your books and records: Various accounts at Rabobank including #1202959401. Glenn Burdette will make all deposits and provide you with the deposit receipts at the beginning of the following month.

When performing standard bank reconciliation services, we do not:

- Look at individual checks
- Examine signatures, payees or any other information on any individual check
- Examine the signature cards on file with the financial institution or determine if the correct authorized individuals have signed the check
- Determine whether payee information matches what is shown in your books
- Perform any procedures to determine whether the checks are for appropriate expenses
- Supervise, audit or review accounting work

Because we do not perform any of the steps described above, we are able to perform our standard bank reconciliation services quickly and cost effectively. However, if you are interested in having us perform additional bank reconciliation services we would be pleased to discuss these services and fees.

By your signature below, you acknowledge that you understand and agree that our services are limited in scope and they are not designed to prevent or detect employee embezzlement or other fraudulent activities involving your bank accounts. Should you wish us to expand our procedures to include additional work and investigations, we will arrange this with you in a separate engagement letter.

Beginning with the January of 2014, we will prepare payroll based on information you provide to us. We will notify you when payroll tax deposits are due. You are responsible for complying with federal and state labor laws regarding hours of work, overtime, meal and rest periods. We will not review the salary and hourly reports beyond the normal authorization stamp produced by your office. If an amount appears unusual or out of the ordinary, we will call it to your attention, but we do not take any responsibility in the discovery of any errors, irregularities, or fraud. We are available to assist you with payroll compliance questions.

Beginning with the first quarter of 2014, we will prepare on a quarterly basis the federal and state payroll tax returns for the state of California. You are responsible for making the federal and state payroll tax deposits. If there is a payroll tax payment due with the quarterly report, we will notify you.

On an annual basis, we will reconcile all payroll tax returns with the payroll withholding records and prepare the year-end payroll tax returns, including federal and state unemployment tax returns, Forms W-2 and W-3, as required.

On an annual basis, we will prepare Forms 1099 and 1096 based on information you provide to us. You are responsible for complying with federal and state laws regarding vendor payments. We will not audit or make any determination as to employee or independent contractor status with regard to payments made for services. We are available to assist you with compliance questions.

You are responsible for making all management decisions and performing all management functions; for designating an individual with suitable skill, knowledge, or experience to oversee the tax services and any other non-attest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

It is our policy to keep records related to this engagement for seven (7) years. However, we do not keep any of your original records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies. By your signature below, you acknowledge and agree that upon the expiration of the seven (7) year period, Glenn Burdette shall be free to destroy our records related to this engagement.

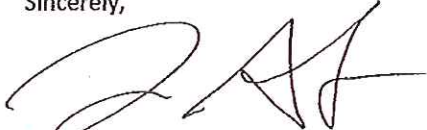
Our fees for these services will be billed at a fixed fee of \$1,500 per month and an additional \$300 per quarter for the quarterly payroll tax returns. Please be aware that our services may be provided by a nonlicensee owner of the firm. Payment for service is due when rendered and interim billings may be submitted as work progresses and expenses are incurred. We reserve the right to stop work on any account that is 60 days past due, in accordance with our firm's stated collection policy. You acknowledge and agree that we are not required to continue work in the event of your failure to pay on a timely basis for services rendered as required by this engagement letter. We shall not be liable to you for any damages that occur as a result of our ceasing to render services. Any past due fee under this agreement shall bear interest at the rate of 1.5 percent per month (18.00 annual percentage rate) on any unpaid balance.

If any dispute arises among the parties, they agree to try first in good faith to settle the dispute by mediation administered by the American Arbitration Association (AAA) under its Rules for Professional Accounting and Related Services Disputes, before resorting to litigation or arbitration. The mediation shall take place in San Luis Obispo, California, at a date and time mutually convenient to the parties. The cost of any mediation proceeding shall be shared equally by all parties. Evidence of anything said, any admission made, or any documents prepared in the course of the mediation shall not be admissible in evidence, or subject to discovery in any arbitration or court proceeding pursuant to California Evidence Code Section 1152.5. All unresolved disputes shall then be decided by final and binding arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the AAA. The arbitration shall be held in San Luis Obispo, California, unless otherwise agreed in writing between the parties. Fees charged by arbitrators or the AAA shall be shared equally by all parties. In

agreeing to arbitration, we both acknowledge that in the event of a dispute over fees charged by the accountant, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.

We will be pleased to discuss this letter with you at your convenience. If the foregoing is acceptable to you, please sign this letter in the space provided and return it to us in the enclosed envelope.

Sincerely,



Jason L. Augustine, CPA

Tax Manager

for

Glenn Burdette

RESPONSE:

This letter correctly sets forth the understanding of San Simeon Community Service District.

Officer name:

Officer signature:

Title:

Date:

12321

jms

Robert Stilts, c.p.a.

1398 Los Osos Valley Road • Suite E • Los Osos, CA 93402

March 3, 2014

San Simeon Community Service District

Attn: Ralph McAdams

111 Pico Ave.

San Simeon, CA 03452

Dear Mr. McAdams,

I would be grateful for the opportunity to provide the following services for the San Simeon Community Service District and have included an Engagement Letter should you find my services agreeable.

On a weekly basis my duties would include:

- Deposits weekly

On a monthly basis my duties would include the following:

- Write checks for signatures and payment.
- Prepare the Warrant report, Balance Sheet Report and Monthly report.
- Reconcile the checking account.

On a quarterly basis I will prepare all federal and state payroll tax returns.

On a yearly basis I will prepare the following :

- Prepare a general ledger for the fiscal year.
- Prepare a trial balance for the fiscal year end.
- Prepare a schedule of revenues and expenses by function for fiscal year end.
- Prepare a general ledger and accounts payable report for the yearend audit.
- Prepare all calendar year end payroll forms including W-2's and W-3.
- Prepare all calendar year end vendor totals for reporting 1099's and form 1096.

Thank you for the opportunity to submit my proposal and provide you with what I believe can be a mutually beneficial working relationship.

Sincerely,



Robert Stilts, CPA



1398 Los Osos Valley Road • Suite E • Los Osos, CA 93402

March 3, 2014

San Simeon Community Service District
Attn: Ralph McAdams
111 Pico Ave
San Simeon, CA 03452

ENGAGEMENT LETTER

This letter must be signed, dated and returned

Dear Mr. McAdams:

I appreciate the opportunity to be of service to you and believe that this letter accurately summarizes the objectives of services I will perform for San Simeon Community Service District and the nature and limitations of those services.

Governmental and regulatory agencies impose penalties for failure to observe due diligence in the reporting of payroll and sales tax related forms. You are responsible for management decisions and functions, and for Designating a competent employee to oversee any bookkeeping services I provide. Penalties assessed, based on incorrect information that you supplied to my firm, will be your sole responsibility. In order to ensure an understanding of our mutual responsibilities, I ask all clients to confirm the following arrangements.

Beginning in May of 2014 I will compile, from the information you provide, a monthly statement of assets, liabilities and equity, statement of revenues and expenses and capital on the income tax basis of accounting. A cash disbursements journal will be provided as a warrant report by the Thursday before each monthly board meeting.

The objective of a compilation is to assist you in presenting financial information in the form of financial statements. We will utilize information that is your representation without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for the statements to be in conformity with accounting principles generally accepted in the United States of America.

You are responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. You are responsible for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial

statements. You are responsible for preventing and detecting fraud. You are responsible for identifying and ensuring that the organization complies with the laws and regulations applicable to its activities. You are responsible for making all financial records and related information available to my office.

The financial statements will not be accompanied by a report. These financial statements are for management's use only and are not intended for third-party use.

Material departures from accounting principles generally accepted in the United States of America may exist and the effects of those departures, if any, on the financial statement may not be disclosed. In addition, the statement of cash flows and substantially all disclosures required by accounting principles generally accepted in the United State of America may be omitted. Because of the extent of material departures that may exist in, or required disclosures that may be omitted from, the financial statements, I make no representations regarding the appropriateness of such statements for your intended use or for any other purpose. Moreover, because of the nature of this engagement, I am not responsible for communicating any such departures or omissions to you.

Notwithstanding these limitations, you represent that you have knowledge about the nature of the procedures applied and the basis of accounting and assumptions used in the preparation of the financial statements that allow you to place the financial information contained in the statements in the proper context.

Furthermore, you represent and agree that the financial statements are intended solely for your information and use and are not intended to be, and should not be, used by third parties. You also represent and agree that you will not distribute the statements to such third parties.

I will record all income and expenses on a monthly basis, from the above documents you provide, in a computerized general ledger system. Each month you will receive a copy of the general ledger account listing, which shows each check, deposit, and adjustment affecting each account during the month. It is your responsibility to review this general ledger report each month and you must let me know of any changes necessary in the classification or distribution of expense. Unless you tell me of a change within fifteen (15) days, I will assume that all transactions have been properly coded and have been posted to the correct accounts. These ledgers will record, on a monthly basis, all cash receipts and all cash disbursements. The ledgers will also include proposed adjusting journal entries. You are responsible for evaluating and accepting the proposed adjusting journal entries. These ledgers will be used in the preparation of the annual compiled financial statements.

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When performing standard bank reconciliation services, I will not:

- Look at individual checks
- Examine signatures, payees or any other information on any individual check
- Examine the signature cards on file with the financial institution or determine if the correct authorized individuals have signed the check
- Determine whether payee information matches what is shown in your books
- Perform any procedures to determine whether the checks are for appropriate expenses
- Supervise, audit or review accounting work

By your signature below, you acknowledge that you understand and agree that our services are limited in scope and they are not designed to prevent or detect employee embezzlement or other fraudulent activities involving your bank accounts. Should you wish us to expand our procedures to include additional work and investigations, we will arrange this with you in a separate engagement letter.

Beginning May of 2014, I will prepare payroll based on information you provide to us. We will notify you when payroll tax deposits are due. You are responsible for complying with federal and state labor laws regarding hours of work, overtime, meal and rest periods. We will not review the salary and hourly reports beyond the normal authorization stamp produced by your office. If an amount appears unusual or out of the ordinary, we will call it to your attention, but we do not take any responsibility in the discovery of any errors, irregularities, or fraud. We are available to assist you with payroll compliance questions.

Beginning in the second quarter of 2014, I will prepare, on a quarterly basis, the federal and state payroll tax returns for the state of California. You are responsible for making the federal and state payroll tax deposits. If there is a payroll tax payment due with the quarterly report, I will notify you.

On an annual basis, I will reconcile all payroll tax returns with the payroll withholding records and prepare the year-end payroll tax returns, including federal and state unemployment tax returns, Forms W-2 and W-3, as required.

On an annual basis, I will prepare Forms 1099 and 1096 based on information you provide to us. You are responsible for complying with federal and state laws regarding vendor payments. I will not audit or make any determination as to employee or independent contractor status with regard to payments made for services.

You are responsible for making all management decisions and performing all management functions; for designating an individual with suitable skill, knowledge, or experience to oversee the tax services and any other non-attest services I provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

It is my policy to keep records related to this engagement for seven (7) years. However, I do not keep any of

your original records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies. By your signature below, you acknowledge and agree that upon the expiration of the seven (7) year period, Robert Stilts, CPA shall be free to destroy our records related to this engagement.

Our fees for these services will be billed at a fixed fee of \$1,200 per month. Please be aware that my services may be provided by a non-licensed employee of the firm. Payment for service is due when rendered and interim billings may be submitted as work progresses and expenses are incurred. I reserve the right to stop work on any account that is 60 days past due in accordance with my firm's stated collection policy. You acknowledge and agree that we are not required to continue work in the event of your failure to pay on a timely basis for services rendered as required by this engagement letter. I shall not be liable to you for any damages that occur as a result of my ceasing to render services.

If any dispute arises among the parties, they agree to try first in good faith to settle the dispute by mediation administered by the American Arbitration Association (AAA) under its Rules for Professional Accounting and Related Services Disputes, before resorting to litigation or arbitration. The mediation shall take place in San Luis Obispo, California, at a date and time mutually convenient to the parties. The cost of any mediation proceeding shall be shared equally by all parties. Evidence of anything said, any admission made, or any documents prepared in the course of the mediation shall not be admissible in evidence, or subject to discovery in any arbitration or court proceeding pursuant to California Evidence Code Section 1152.5. All unresolved disputes shall then be decided by final and binding arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the AAA. The arbitration shall be held in San Luis Obispo, California, unless otherwise agreed in writing between the parties. Fees charged by arbitrators or the AAA shall be shared equally by all parties. In agreeing to arbitration, we both acknowledge that in the event of a dispute over fees charged by the accountant, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.

I would be happy to discuss this letter with you at your convenience. If the foregoing is acceptable to you, please sign this letter in the space provided and return it to us in the enclosed envelope.

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert Stilts', with a long horizontal flourish extending to the right.

Robert Stilts, CPA



Phoenix Civil Engineering, Inc.

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

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

March 6, 2014

San Simeon Community Services District – Wellhead Rehabilitation Project– Proposal for Engineering Design Services

Dear Charles-

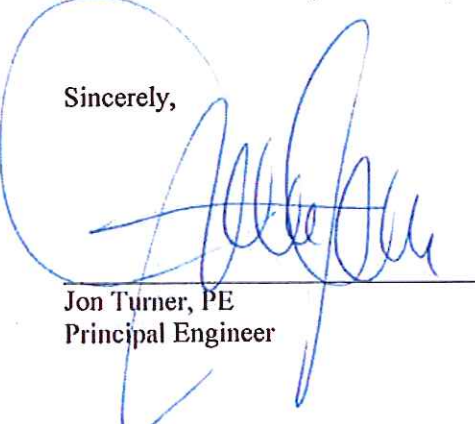
I am pleased to provide you with this proposal for engineering design services associated with the Wellhead Rehabilitation Project. Once Well #2 was taken out of service, it was discovered that it did not contain a concrete sanitary seal around the well casing. In speaking with the County of San Luis Obispo, they stated that the minimum well casing sanitary seal is 10 feet below the ground surface. In order to install this, a plan sheet and specifications will need to be prepared for Contractors to submit bids on. I have included the following in my proposal:

| | | |
|-----------|-------------------------------------|----------------|
| Task 101: | Plan and Specifications Preparation | \$2,558 |
| Task 102: | Bid Phase Services | \$2,225 |
| Task 103: | Construction Management | \$2,700 |
| | Total | \$7,483 |

I appreciate the opportunity to submit this proposal to assist you with this project. I have attached our professional services rate sheet. Bid phase services will include holding a prebid meeting, reproduction of the plan and specifications as well as answering questions and a recommendation letter to the District for award. Construction management services include responding to questions, construction observation of the work as well as review and recommendation of progress payment requests.

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

Sincerely,



Jon Turner, PE
Principal Engineer

Accepted

Charles Grace
District Manager

DRAFT ORDINANCE NO. 114

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT RELATING TO **STAGE ONE AND TWO** WATER CONSERVATION PLAN

WHEREAS; The San Simeon Community Services District (SSCSD) has established a Comprehensive Water Conservation Plan.

WHEREAS; Ordinance 104 and 106 are hereby repealed, and previously enacted Ordinance 106 is amended, and reenacted to read as follows:

SECTION 1: DECLARATION OF POLICY

It is hereby declared that, because of the conditions prevailing within the SSCSD, the general welfare requires that the water resources available to the SSCSD be put to the maximum beneficial use to the extent to which they are capable, and that the waste or unreasonable use, or unreasonable method of use of water be prevented and the conservation of such water is to be extended with a view to the reasonable and beneficial use thereof in the interest of the people of the SSCSD and for the public welfare.

The current water situation within SSCSD is as follows:

1. The SSCSD is committed to acquire new sources of water in order to be able to remove the existing water moratorium; and
2. Present water supplies are limited; and
3. The chloride constituent of the SSCSD water fluctuates to undesirable levels periodically; and
4. Long-term water supply projects are in process but not readily available; and
5. SSCSD needs to conserve its available supplies to provide water to its existing customers.

Based upon the water situation within the SSCSD, the Board finds that an emergency water situation exists necessitating the immediate re-implementation of comprehensive water conservation measures.

SECTION 2: APPLICATION

The provisions of this Ordinance shall apply to all persons, customers and property served by the SSCSD wherever situated. No customer of SSCSD, or any employee or invitee of any customer of the SSCSD, shall knowingly make, cause, use or permit the use of SSCSD water for residential, commercial, industrial, agricultural, governmental or any other purpose in a manner

contrary to any provision of this Ordinance, or in an amount in excess of that use permitted by the following conservation measures. The term "SSCSD water" as used herein, shall not include reclaimed wastewater.

SECTION 3: PURPOSE AND AUTHORITY

The purpose of this Ordinance is to conserve the water supply of the District for the greatest public benefit with particular regard to public health, fire protection and domestic use, to conserve water by reducing waste, and to the extent necessary by reason of drought and the existing water shortage emergency condition to reduce water use fairly and equitably. This Ordinance is adopted pursuant to Water Code section 350 et seq. and sections 31026 - 31029. The General Manager is granted authority to implement the following water conservation measures identified in Stage One and Stage Two of this Ordinance which are:

A. STAGE ONE

Effective when the Well field levels drop to **11.2**. To be lifted when Well levels reach **11.0** for over a month and the General Manager determines the Wells field levels have stabilized.

Alternative Language: Effective when Pico creek stops running to the ocean for one consecutive week as determined by the General Manager. To be lifted when Pico Creek starts running to the ocean for one consecutive week as determined by the General Manager.

1. **SSCSD** potable Water shall not be used to wash down sidewalks, driveways, parking areas, buildings or other structures, except to alleviate immediate fire or sanitation hazards; and
2. The washing of automobiles, trucks, trailers, boats, mobile homes and other types of mobile equipment with SSCSD water shall be prohibited; and
3. All outdoor irrigation **with SSCSD potable** water shall be prohibited; and
4. The use of SSCSD potable water for the filling, refilling or adding of water to swimming pools, wading pools, ornamental fountains, or spas shall be limited to the amount necessary to keep the pool or fountain equipment operative and to refill for evaporative losses; and
5. The use of SSCSD **potable** water for construction, compaction, concrete work or other construction related needs is prohibited; and
6. Use of water from fire hydrants shall be limited to firefighting and/or activities immediately necessary to maintain the health, safety and welfare of the SSCSD; and
7. Restaurants are prohibited from serving SSCSD water to their customers except when specifically requested by the customer; and
8. All lodging establishments are limited to changing guest linens and towels only when specifically requested by the guest; and

9. All San Simeon Residents shall be asked to reduce their monthly average usage by 1 unit of water (748 gallons).

B. STAGE TWO

Initiated when the Governor of California has declared a drought and/or Chloride levels are above 500mg/l. To be lifted when the Governor lifts the drought status of the State AND/OR Chloride levels return to average levels of 30 mg/l, and when the General Manager determines the Wells field levels have stabilized.

Fines will be doubled for violations of Stage 1 restrictions.

SECTION 4: NOTICES

The various stages of conservation will be implemented by special mailing or by a notice inserted into the water/sewer bills. Notices will also be posted at the District Office, Chamber of Commerce, San Simeon Post Office and San Simeon CSD website: sansimeoncsd.com.

~~SECTION 5: VARIANCES~~

~~Applications for a variance from the provisions of Stage One, Stage Two or Stage Three of this Ordinance may be made to the General Manager. The General Manager may grant a variance to permit a use of water otherwise prohibited by Stage One, Stage Two or Stage Three if the General Manager determines that the variance is reasonably necessary. Any decision of the General Manager under this section may be appealed to the Board of Directors.~~

SECTION 5: LIFTING OF RESTRICTIONS IMPOSED DURING A WATER SHORTAGE.

The General Manager shall lift or reduce the restrictions imposed during a water shortage as set forth above or when he/she determines, after consultation with the Chairperson of the Board of Directors and such other persons as he/she deems appropriate, that the conditions which caused the shortage have been alleviated. Such action shall be promptly and extensively publicized.

SECTION 6: NOTICE OF VIOLATION

If and when the SSCSD becomes aware of any violation of any provision of Stage One and Stage Two 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 known to the SSCSD 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 or Designee 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:

SECTION 7: PENALITIES

A. First Violation/Penalty:

The notice of violation described above in Section 7 shall constitute the first violation of the provisions of this ordinance, with no penalty attached.

B. Second Violation/Penalty:

The second violation of any provision of this Ordinance, within the rolling twelve month period beginning with the first violation, a surcharge in the amount of one thousand dollars (\$1,000.00) shall be added to the customer's water bill.

C. Third Violation/Penalty:

The third violation of any provision of this Ordinance, within the rolling twelve month period beginning with the first violation, a surcharge in the amount of two thousand dollars (\$2,000.00) shall be added to the customer's water bill.

D. Fourth Violation/Penalty:

The fourth violation of any provision of this Ordinance, within the rolling twelve month period beginning with the first violation, shall result in the discontinuance of water service.

SECTION 8: SEVERABILITY

If any provision, section, subsection, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of circumstances if for any reason is held to be unconstitutional, void, or invalid, the invalidity of the Board of Directors in adopting this Ordinance that no portion thereof, or provisions, or regulation contained herein, shall become inoperative or fail by reason of any unconstitutionality of any other portion hereof, and all provisions of this Ordinance are declared to be severable for that purpose.

NOW, THEREFORE, BE IT ORDAINED, by the San Simeon Community Services District Board of Directors; Ordinance 114 shall be hereby declared to be in full force and effect from and after thirty (30) days after the date of its passage and shall be published once before the expiration of fifteen (15) days after said passage, with the names of the Board Members voting for or against

the same, in a newspaper of general circulation, published in the County of San Luis Obispo, State of California, and the Secretary of the Board shall post in the District Office, a copy of the full text of this ordinance along with the names of those Directors voting for or against the Ordinance.

This Ordinance was passed and adopted at a regular meeting held on the 12th day of March, 2014 on the following roll call vote, to wit:

On motion of Director _____ and Seconded by Director _____,

Director McAdams _____ Vice-Chair Fields _____ Director Williams _____

Director Price _____ Director Patel _____

ATTEST:

ATTEST:

APPROVED AS TO FORM:

**Ralph McAdams
Chairperson**

**Charles Grace
General Manager/
Secretary**

**Tim Carmel/Heather Whitham
District Council**

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | Average Well Level |
|-----------------|------|------|------|------|------|------|------|------|------|--------------------|
| Stage 1 Letters | 8/05 | 7/06 | none | 5/08 | 5/09 | 7/10 | 8/11 | 6/12 | 6/13 | 11.0 |
| Well Read | 11.1 | 10.5 | 11.3 | 10.8 | 10.8 | 11.6 | 10.5 | 11.2 | 11.3 | |
| Chloride | | | | | 44.1 | | 31.6 | 32.0 | 30.0 | |
| Stage 2 Letters | none | none | 6/07 | 7/08 | 6/09 | none | none | 9/12 | 7/13 | 11.8 |
| Well Read | | | 11.3 | 11.8 | 10.9 | | | 12.6 | 12.3 | |
| Chloride | | | | | 46.0 | | | 32.0 | 30.0 | |

