

**Regular Meeting
Board of Directors
San Simeon Community Services District
AGENDA
Wednesday, January 16, 2002 – 5:30 PM
Cavalier Banquet Room**

1. 5:30 PM – CALL TO ORDER
 - 1.1 Roll Call
 - 1.2 Public Comment on Closed Session Items

2. ADJOURN TO CLOSED SESSION
 - 2.1 Conference with Legal Counsel due to Significant Exposure to Litigation – Government Code Section 54956.9(b) – Significant exposure to litigation exists based upon existing facts and the advice of legal counsel as to two matters.

3. RECONVENE IN OPEN SESSION
 - 3.1 Roll Call
 - 3.2 Pledge of Allegiance
 - 3.3 Report on Closed Session

4. PUBLIC COMMENT: (Any topic NOT on the Agenda may be presented, but please observe the 3 Minute Time Limit)
 - 4.1 Public Comment
 - 4.2 Sheriff's Report

5. STAFF REPORTS
 - 5.1 General Manager's Report
 - 5.2 Plant Superintendent's Report
 - 5.3 District Engineer's Report

6. ITEMS OF BUSINESS
 - 6.1 Approval of Minutes – December 12, 2001
 - 6.2 Approval of Warrants – December 1, 2001 – December 31, 2001
 - 6.3 Resolution for Determination of Appropriation Limitation for the 2001 – 2002 Fiscal Year
 - 6.4 Resolution Adopting the 2001 – 2002 Fiscal Year Budget
 - 6.5 Avonne – Castillo Avenue Waterline Loop Improvements – Bid Evaluation
 - 6.6 Resolution for Adoption of Strategic Action Plan

7. DISCUSSION/ACTION ITEMS
 - 7.1 Air Distribution System Piping Replacement Project – Verbal Update
 - 7.2 Outflow Line – Diffuser Repair
 - 7.3 Board Committees
 - 7.4 Board Reports

8. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS
 - 5.1 Board Mission Statement
 - 5.2 Mid Year Review
 - 5.3 Scheduling of Special Meeting for Review of Employee Compensation Package
 - 5.4 Consideration of Water Rates

9. ADJOURNMENT

**Regular Meeting
Board of Directors
San Simeon Community Services District
AGENDA
Wednesday, January 16, 2002 – 5:30 PM
Cavalier Banquet Room**

1. 5:30 PM – CALL TO ORDER
 - 1.1 Roll Call
 - 1.2 Public Comment on Closed Session Items

2. ADJOURN TO CLOSED SESSION
 - 2.1 Conference with Legal Counsel due to Significant Exposure to Litigation – Government Code Section 54956.9(b) – Significant exposure to litigation exists based upon existing facts and the advice of legal counsel as to two matters.

3. RECONVENE IN OPEN SESSION
 - ~~3.1~~ Roll Call
 - ~~3.2~~ Pledge of Allegiance
 - ~~3.3~~ Report on Closed Session

4. PUBLIC COMMENT: (Any topic NOT on the Agenda may be presented, but please observe the 3 Minute Time Limit)
 - ~~4.1~~ Public Comment
 - ~~4.2~~ Sheriff's Report

5. STAFF REPORTS
 - ~~5.1~~ General Manager's Report
 - ~~5.2~~ Plant Superintendent's Report
 - ~~5.3~~ District Engineer's Report

6. ITEMS OF BUSINESS
 - ~~6.1~~ Approval of Minutes – December 12, 2001
 - ~~6.2~~ Approval of Warrants – December 1, 2001 – December 31, 2001
 - ~~6.3~~ Resolution for Determination of Appropriation Limitation for the 2001 – 2002 Fiscal Year
 - ~~6.4~~ Resolution Adopting the 2001 – 2002 Fiscal Year Budget
 - ~~6.5~~ Avonne – Castillo Avenue Waterline Loop Improvements – Bid Evaluation
 - ~~6.6~~ Resolution for Adoption of Strategic Action Plan

7. DISCUSSION/ACTION ITEMS
 - ~~7.1~~ Air Distribution System Piping Replacement Project – Verbal Update
 - ~~7.2~~ Outflow Line – Diffuser Repair
 - ~~7.3~~ Board Committees
 - ~~7.4~~ Board Reports

8. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS
 - 5.1 Board Mission Statement
 - 5.2 Mid Year Review *in FEB*
 - 5.3 Scheduling of Special Meeting for Review of Employee Compensation Package
 - 5.4 Consideration of Water Rates *ROB*

9. ADJOURNMENT

San Simeon Community Services District

111 Pico Avenue, San Simeon, California 93452
Telephone: (805) 927-4778 Fax (805) 927-0399

Board of Directors

Bob McLaughlin, Loraine Mirabal-Boubion, Eric Schell, David Kiech, Carol Bailey-Wood

MEMORANDUM


DATE: January 16, 2002
TO: Board of Directors
FROM: Mark A. Bloodgood, General Manager
RE: General Manager's Report

1. **Public Broadcasting of Board Meetings** - No update.
2. **Compensation Package for Employees** – The CalPers Actuarial Evaluation was finally received, albeit later than we had been led to believe last month. We suggest the Board now schedule a special meeting to discuss the package and we have listed scheduling this meeting on this month's agenda, item 8.3. Prior to this meeting, we will submit a package to Board members of the material we have assembled.
3. **Internal Controls Program and Office Procedures** - Eileen has completed the Cash Needs List template for our use in monitoring cash flow. We should also be in a position to use this next month. If Kim returns, we should also have enough time to implement the monthly financial statements displaying actual vs. budgeted figures. We are also updating and "codifying" the procedures for accounts payable and payroll this month. Since the Board participates in these processes, i.e. check signing, they will be asked to provide input and commitment to the final established policy.
4. **Quarterly Investment Report** – The data is not in yet from L.A.I.F. but should be here before our next Board meeting. A check into the current interest rates indicates that the Annual Rate is 3.02%. The current quarterly rate is 3.07%. *FCB*
5. **Mid Year Budget Review** – Dates and times are being scheduled with the Budget Committee members and we should be starting with the review process and initiating plans for next year's budget this month.

Mark A. Bloodgood, General Manager
Robert W. Schultz, District Counsel

Ron Head, Plant Superintendent

Kim Allison, Office Administrator
John L. Wallace, District Engineer

- 
6. **Tour of the Plant and District with Marty Cepkauskas, Director of Real Estate, Sunical Land & Stock (Hearst Corp.)** Plans are being made for a tour and meeting with Mr. Cepkauskas for later in the month.
 7. **Kim Allison** – Kim, our Office Administrator, remains out on sick leave without any firm date for her return. She reports that she is getting better but that it is a slow process. It was anticipated initially that her absence was going to extend for only a two to four week period. We were comfortable with Eileen “pinch” hitting for this amount of time. This longer period, however, has been impacting our progress with the myriad projects at hand. (Therefore we are recommending placing a part-time temporary employee in the position until Kim returns.)
 8. **Facilities Plan/Wastewater Treatment Plant** – The RFP’s have been submitted and follow-up has been made with all (9) of the firms. We will continue to monitor the process and, in conjunction with Steve Tanaka, address any questions the participants may have. The bid packages are due back by February 8.

6" above monthly last year

SAN SIMEON COMMUNITY SERVICES DISTRICT

SUPERINTENDENT'S REPORT FOR DECEMBER 2001

FLOW COMPARISON - Water				
DEC 2001 2,571,000 gallons	YTD 2001 34,770,000 gallons	MONTHLY USAGE COMPARISON: ANNUAL USAGE COMPARISON:	14% increase 1% decrease	
DEC 2000 2,260,000 gallons	YTD 2000 35,270,000 gallons	GROSS WATER PRODUCTION: NET WATER PRODUCTION: MONTHLY RECOVERY RATE:	2,302,000 gallons 2,005,388 gallons 87%	
RAINFALL				
DEC 2001 6.15 inches	01-02 YTD 13.25 inches	MONTHLY COMPARISON: ANNUAL COMPARISON:	6.02 inches more 10.18 inches more	
DEC 2000 0.13 inches	00-01 YTD 3.07 inches			
WELL DEPTH COMPARISON				
DEC 2001 10.25 feet	NOV 2001 10.8 feet	DEC 2000 11.42 feet	MONTHLY COMPARISON: ANNUAL COMPARISON:	0.55 feet higher 1.2 feet higher
CHLORIDE COMPARISON				
DEC 2001 45 mg/l	NOV 2001 45 mg/l	DEC 2000 48 mg/l	MONTHLY COMPARISON: ANNUAL COMPARISON:	CONSTANT CONSTANT
FLOW COMPARISON - District Wastewater Treated				
DEC 2001 1,852,530 gallons	YTD 2001 26,884,540 gallons	MONTHLY USAGE COMPARISON: ANNUAL USAGE COMPARISON:	7% increase 6% decrease	
DEC 2000 1,724,320 gallons	YTD 2000 28,730,000 gallons			
FLOW COMPARISON - State Wastewater Treated				
DEC 2001 316,370 gallons	YTD 2001 3,933,441 gallons	MONTHLY USAGE COMPARISON: ANNUAL USAGE COMPARISON:	41% increase 6% decrease	
DEC 2000 223,179 gallons	YTD 2000 4,174,815 gallons			
DISCHARGE REQUIREMENTS				
EFFLUENT BOD: INFLUENT BOD:	7 mg/l N/A mg/l	EFFLUENT SUSPENDED SOLIDS: INFLUENT SUSPENDED SOLIDS:	9 mg/l N/A mf/l	
BIOSOLID DISPOSAL				
DECEMBER:	11000 gallons	YTD:	222000 gallons	

SAN SIMEON COMMUNITY SERVICES DISTRICT

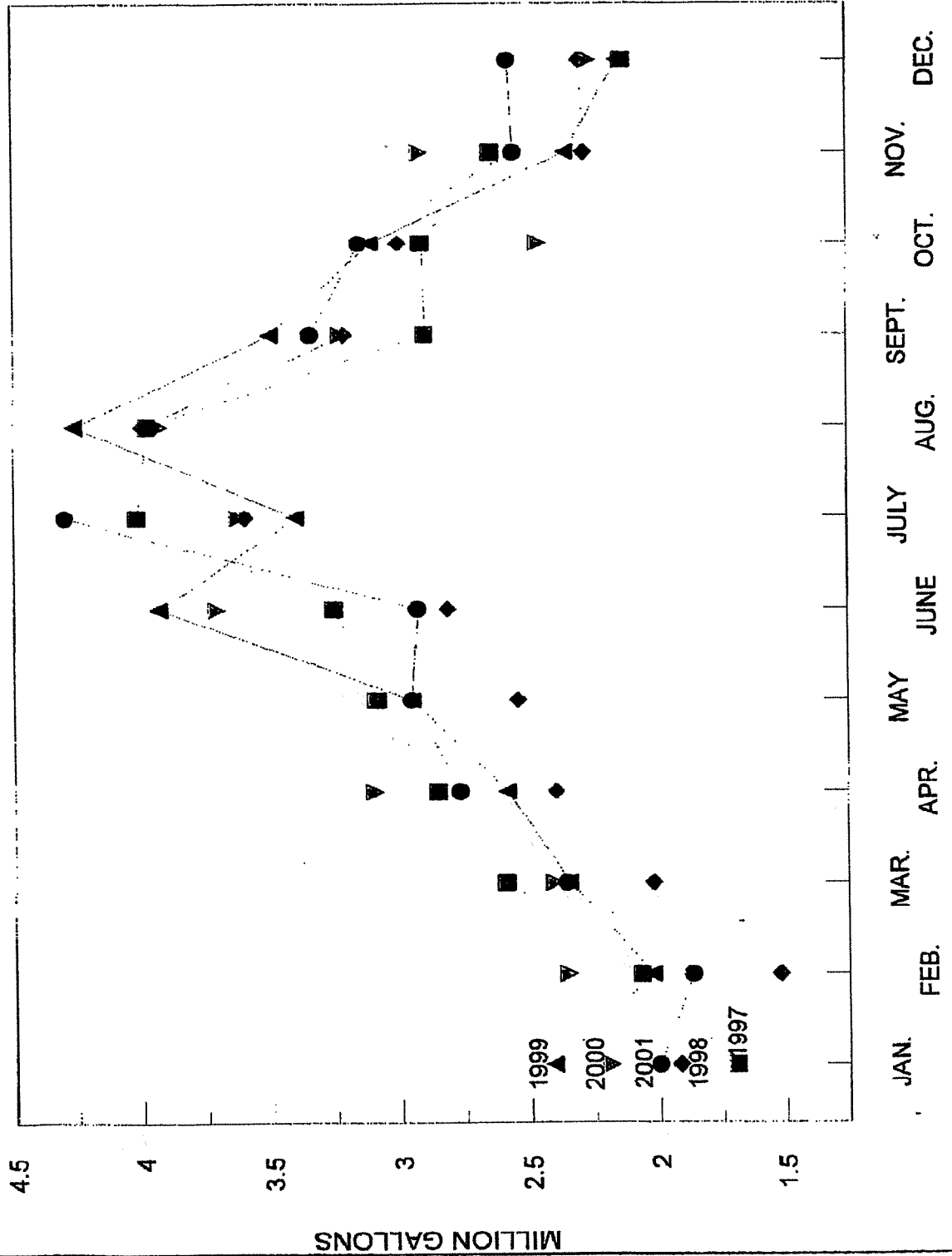
SUPERINTENDENT'S REPORT FOR DECEMBER 2001

COMMENTS

DURING THE LAST OUTFALL INSPECTION ON OCTOBER 29, 2001, IT WAS NOTED THAT TWO OF THE FOUR DIFFUSERS WERE BROKEN OFF. ON DECEMBER 26, THE OUTFALL LINE PLUGGED FOR ABOUT AN HOUR. TO PREVENT THE CHLORINE CONTACT CHAMBER FROM OVERFLOWING ONTO THE BEACH, WE PUMPED THE EFFLUENT TO THE EQUALIZATION TANK UNTIL THE LINE CLEARED ITSELF. THE PLUG WAS PROBABLY DUE TO THE MISSING DIFFUSERS AND THE HIGH SURF.

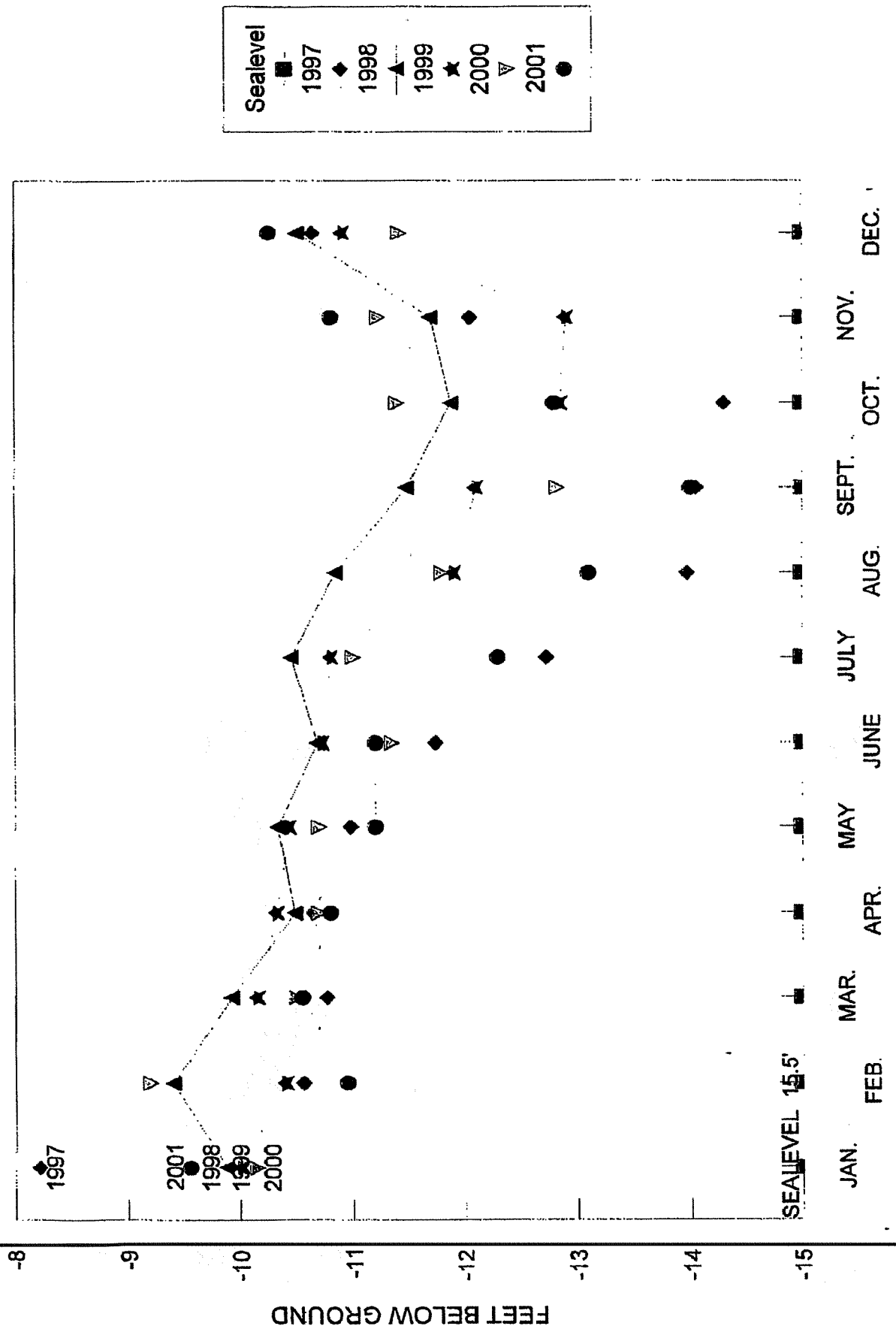
A STANDBY GENERATOR WAS RENTED FROM UNITED RENTALS TO TEST THE WIRING AND TRANSFER SWITCH AT THE TREATMENT PLANT.

SAN SIMEON C.S.D. WATER PRODUCTION

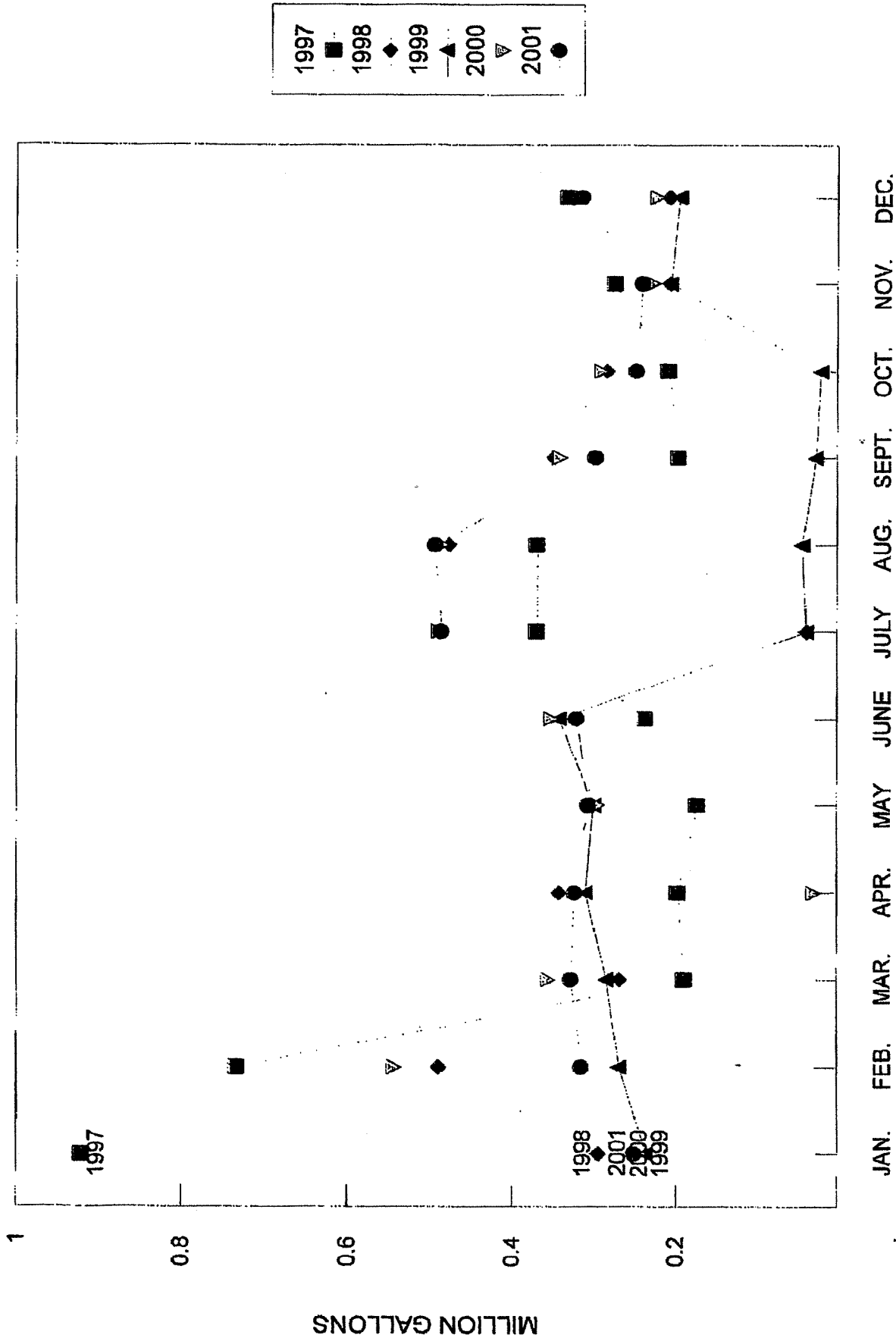


MONTHLY USAGE

SAN SIMEON C.S.D. WELL DEPTH



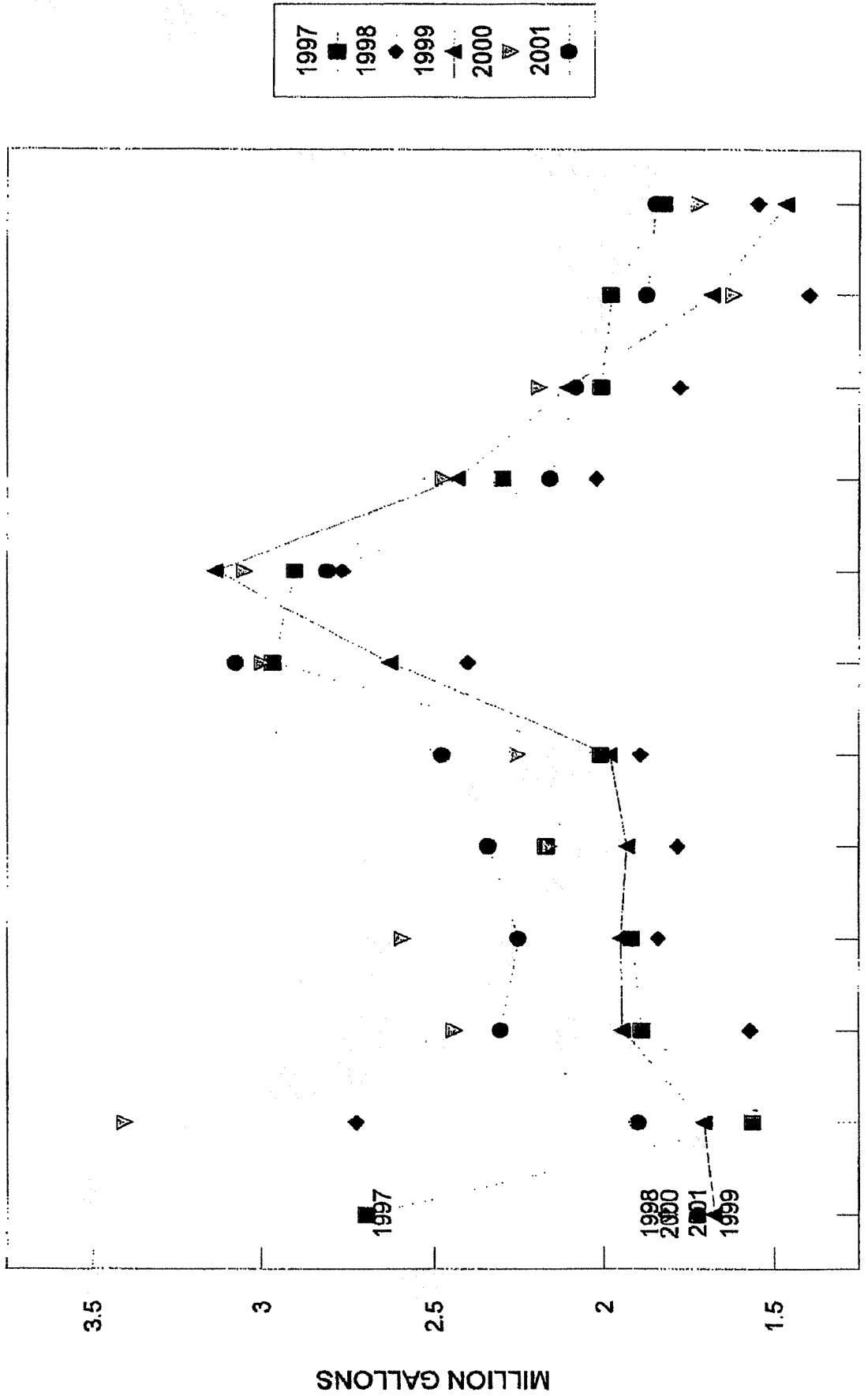
SAN SIMEON C.S.D.
STATE WASTEWATER TREATED



MONTHLY LEVELS

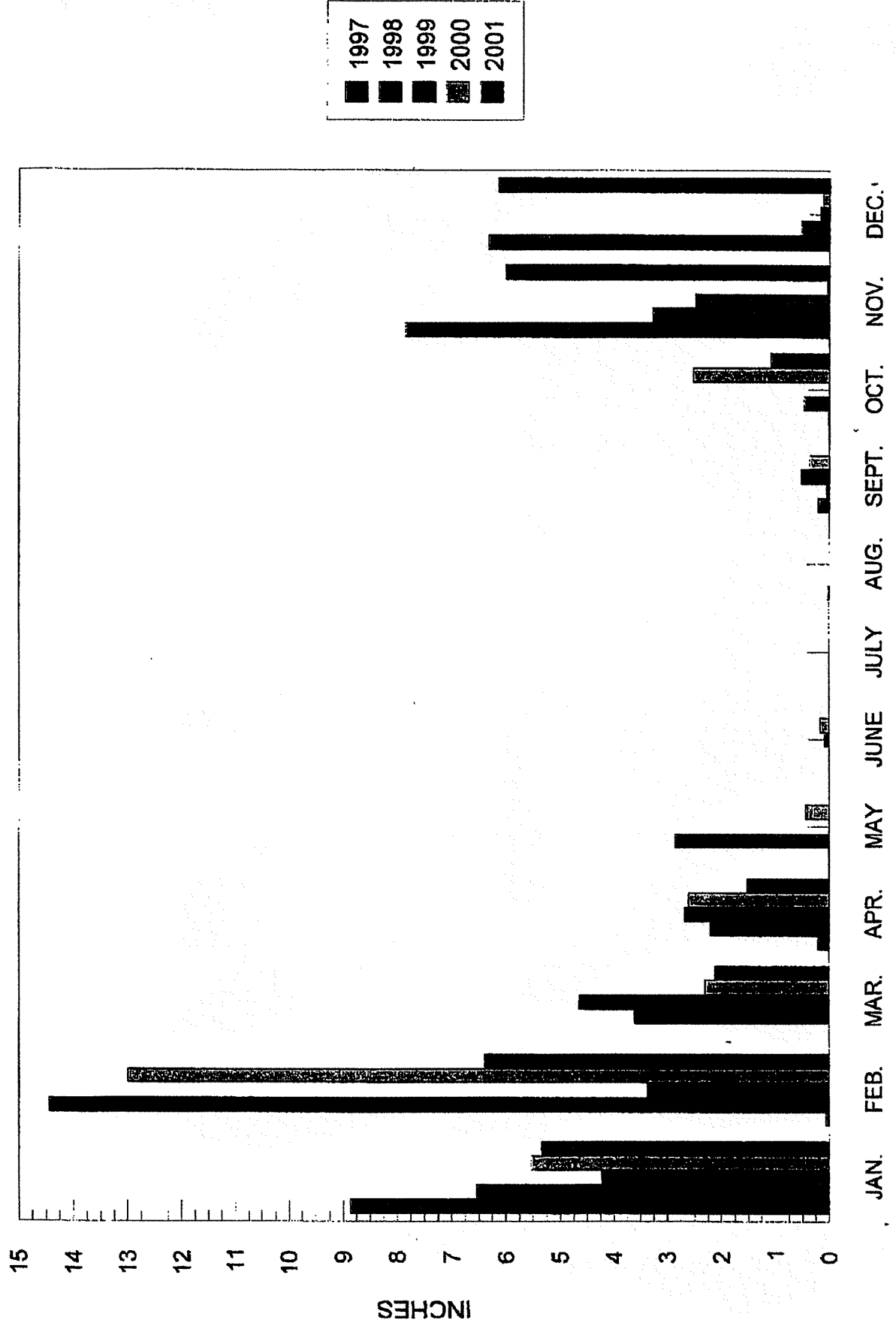
JAN. FEB. MAR. APR. MAY JUNE JULY AUG. SEPT. OCT. NOV. DEC.

SAN SIMEON C.S.D. WASTEWATER TREATED



JAN. FEB. MAR. APR. MAY JUNE JULY AUG. SEPT. OCT. NOV. DEC.
MONTHLY TOTALS

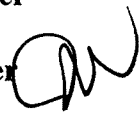
SAN SIMEON C.S.D. RAINFALL



MONTHLY TOTALS

SAN SIMEON COMMUNITY SERVICES DISTRICT

111 Pico Avenue
San Simeon, California 93452
(805) 927-4778

DATE: January 16, 2002
TO: Board of Directors
VIA: Mark Bloodgood, District Manager
FROM: John L. Wallace, District Engineer 
SUBJECT: Engineer's Report - Project Status

SUMMARY OF ACTIVE PROJECTS
January 2002

1. Temporary Odor Control - Status
2. Air Piping Replacement - Bid Opening November 8, 2001
3. Anodized Aluminum Railing Replacement - Purchased June 2001
4. Avonne / Castillo Waterline Loop - Bid Opening December 4, 2001
5. Storage/Shop Building - Exemption from County Permit Processing Pending
6. Warren Reservoir Investigation - Pending Evaluation of Water Projects
7. General Priority Water and Wastewater Projects - Ongoing
8. Annual Progress on Road Improvements - Receive Bids March 5, 2002
9. General Major Project Priority List/Descriptions and Estimated Costs FY 01/02 - Ongoing
10. Pico Creek Wells - Investigation and Floodproofing - Included in Proposed FY 2001-02 Budget
11. Facilities Plan to be Developed/Addressing:
 - A. Equalization Basin Conversion

- B. Recycling Water Supply
- C. Safety Projects - Special District Risk Management Authority
- D. Emergency Stand-by Power - Wastewater Treatment Plant
- E. Storage Building
- F. Treatment Plant Facilities

DISCUSSION:

1. Odor Control;

No further updates at this time. Chemical feed has been suspended pending reuse of the equalization basin. Further testing is anticipated to resume in March/April.

2. Air Line Replacement Project;

The Notice of Award and Agreement were mailed to D-Kal Engineering in November. A return receipt of the Notice of Award mailing indicates the document was received by D-Kal Engineering on November 29th. The signed Agreement, security bond and insurance certificate were received the week of December 6th. The Notice to Proceed was issued and the construction schedule will be forthcoming after resolution of a substitution of a subcontractor is resolved.

The Notice of Request for Substitution was delivered to Ben's Electric in mid December. Ben's Electric responded to the notice with a written objection and a request to have a hearing on the matter. This objection was submitted within the required five days of the issue of the notice and a hearing is now being scheduled to review the matter. This hearing must have five business days notice before the hearing takes place. The hearing is anticipated to occur the last week of January 2002.

3. Anodized Aluminum Railing Replacement;

No Further Updates at this time. Approximately 1/3 of the railing has been installed pending other work on the air lines around the treatment basins.

4. Avonne - Castillo Waterline Loop;

Bids were received and opened December 6, 2001. Staff presented the bid opening report with recommendations at the December 12, 2001 Board meeting. The Board directed staff to perform additional research on the second lowest bidder. No award was made at this meeting. The project is recommended for rebidding to minimize disturbance to the Motel 6 operations.

5. Shop / Storage Building;

No further updates at this time.

6. Warren Reservoir Investigation;

No further updates at this time.

7. General Priority Water and Wastewater Projects; (See proposed FY 2001-02 Budget)

8. Annual Progress on Road Improvements;

No Further Updates at this time.

9. General Major Projects Priority List;
(See proposed FY 2001-02 Budget)

10. Pico Creek Wells;
No Further Updates at this time.

11. FACILITIES PLAN:

A. Equalization Basin Conversion

This project is partly tied to the need for an overall Facilities Plan to better determine project priority and scheduling. In September 2001, the District sent out Requests for Proposals (RFPs) to engineering firms qualified in the area of wastewater engineering services, to prepare this Facilities Plan; however, no RFPs were received by the specified deadline. As reported last month, staff is in the process of reissuing the RFP. This is anticipated to be completed by the January 16th Board Meeting.

B. Recycling Water Supply;

The study was completed in August 2001, and grant reimbursement was sent to the State Board. Reimbursement of 50% of the cost of the study (\$13,657.23) was expected by the end of the calendar year. Staff has contacted State Board for an update on the reimbursement process. They are still in the process of executing the necessary addendum to the original Agreement, before the reimbursement can be issued to the District. Staff will continue to contact State Board for updates on their progress towards issuing reimbursement. At last month's Board meeting, staff prepared a preliminary cost estimate for pumping and delivering secondary effluent from the treatment plant to Cavalier Hotel and Caltrans right-of-way. This cost estimate was based on installation of all new distribution piping to these potential users. Staff reviewed the alignment of existing abandoned AC piping along with the State Health separation criteria, and determined that it would be feasible to utilize the existing abandoned 4-inch AC water lines for recycled water distribution. This finding reduces the preliminary engineer's estimate of construction cost from approximately \$80,000 to \$60,000. This initial water recycling project was considered primarily to alleviate, in part, potential immediate water supply shortfalls.

In the coming months, staff will continue to refine elements of the recycled water project, including potential market and demands, and a review of available grant and loan monies. Some components to the water recycling project, including tertiary treatment processes, potential storage and pumping facilities, may best be integrated with the overall facilities plan. Once the direction is set with the facilities plan recommendations, staff can then take a detailed look at the State Revolving Fund (SRF) Loan Program. The SRF program, which includes 80 percent Federal monies and 20 percent State matching funds, may be an attractive low interest loan program to assist implementation of treatment plant and water recycling improvements. The loan is paid back on a 20-year amortization period, at 50% of the general bond obligation rate for the federal portion, and zero percent interest for the State matching funds. The loan program has a number of requirements, however, including a complete environmental review (in accordance with the California Environmental Quality Act), preparation of a Project Report, Financial Plan and Revenue Program, and other documents as part of the overall loan process.

Staff will stay in contact with the local Regional Board staff, to ensure that the District will be placed on the regional priority list for the SRF loan program, and in turn be placed on the State-wide priority list for loan assistance. In the meantime, discussions with State Parks may provide some interest in joint funding.

C. Safety Projects;

(To be identified as part of the Facilities Plan)

D. Emergency Stand-by Generator;

If a power outage event occurred, the treatment plant would need an external source of power to operate. The District does not own a portable generator. The treatment plant recently underwent electrical modifications to install an emergency power supply connection to run the process equipment. This connection is being tested by Staff and a bid package is being prepared for a standby generator.

1.0

1.1

1.2
1.3

CA
S
P
E
M
the
McL
nom
Mirabe

Mr. Blo
Director
McLaugh

2.0

PUBLIC COMMENT

2.1 Sheriff's Report
Lt. Basti reported
D.S.A. and a
between shifts.
between Cayu
reported that
for cash, and is
maintaining high
three times a night.
Still, many such
complaints be called

2.2 Public Comment:
Director McLaughlin
serving as a drop off
efforts.

3.0

ITEMS OF BUSINESS:

3.1 Approval of Minutes:
It was moved by Director
of November 14, 2001.

**REGULAR BOARD OF DIRECTORS MEETING
SAN SIMEON COMMUNITY SERVICES DISTRICT**

Date: Wednesday, December 12, 2001
Location: Cavalier Banquet Room

MINUTES

1.0 **CALL TO ORDER**

The Board convened at **6:33 p.m.**

1.1 **Roll Call:**

Directors Present: Carol **Bailey-Wood**, David **Kiech**, Bob **McLaughlin** and Eric **Schell** and **Mirabel-Boubion**

Staff Present: **District Managers** Mark **Bloodgood** and Eileen **Putnam**, Plant Superintendent **Steve Tanaka** (For District **Engineer** John **Wallace**) and Michael **Boyajian** (For District **Commissioner** **Schultz**)

1.2 **Pledge of Allegiance**

1.3 **Election of Officers:**

Mr. **Bloodgood** stated that according to Board Policy, the election of officers should be held at the next meeting. A motion was made by Director **McLaughlin** and seconded by Director **Schell** to hold the elections. Director **Mirabel-Boubion** nominated Director **Bailey-Wood** for Chairperson. Director **McLaughlin** nominated Director **Mirabel-Boubion** for Vice-Chairperson. There were no other nominations. A roll call vote for the slate of officers was held. Directors **Kiech**, **McLaughlin**, **Mirabel-Boubion** and **Bailey-Wood** voted in the affirmative, unanimously approving the slate.

Mr. **Bloodgood** also requested that the bids for the **Avonne-Castillo Waterline Loop** project be added to the agenda. Director **Mirabel-Boubion** made the motion to add this item to the agenda as Item 4.3. Director **McLaughlin** seconded the motion, which then carried unanimously.

2.0 **PUBLIC COMMENT**

2.1 **Sheriff's Report:**

Lt. **Basti** reported that the proposal for 12 hour shifts for SLO County Sheriff's had met with resistance from the D.S.A. and as a result, the department has reverted back to three 10 hour/day shifts. There is overlap between shifts. There is now a beat coordinator in Cambria who will divide the log sheet for the area between Cayucos and Ragged Point. This will provide consistency in the patrolling. Lt. **Basti** also reported that there has been an increase in the window smashing burglaries of cars. The theft is primarily for cash, and is especially occurring in the Park & Ride areas. In the San Simeon area, patrols are maintaining high visibility and are checking the areas of concern, including the District Office, twice three times a night. There was a bomb scare at the Cavalier last month, though it proved to be unfounded. Still, many such calls are coming in and all must be taken seriously. Lt. **Basti** also suggested that all complaints be called into the direct line, 781-4550.

2.2 **Public Comment:** There were no comments from members of the public. Director **McLaughlin** commented about receiving a letter from Mike **Hanchett** regarding the Cavalier serving as a drop off point for the local Christmas Toy campaign. He thanked Mr. **Hanchett** for his efforts.

3.0 **ITEMS OF BUSINESS:**

3.1 **Approval of Minutes:**

It was moved by Director **Mirabel-Boubion** and seconded by Director **McLaughlin** to approve the minutes of November 14, 2001. The motion carried unanimously.

3.2 Approval of Warrants:

Director Mirabel-Boubion asked about the decreased cost of sludge removal. Superintendent Head indicated that the District was using a new vendor for this service. Director Mirabel-Boubion also inquired about the warrant for Hunt & Associates. Assistant Manager Putnam indicated that this was for two months of services. A motion was made by Director Mirabel-Boubion, seconded by Director Kiech to approve the warrants for November 8, 2001 through November 30, 2001. Motion carried unanimously.

3.3 General Manager's Report:

Mr. Bloodgood reported that the CalPERS actuarial valuation should be available next week. Quotes have been received from alternative health insurance providers. In addition, the district has obtained a recent benefits survey from another area district. A special session should be scheduled for the Board to review the Employee's Compensation Package. Regarding internal controls, Eileen is close to completing a Cash Needs List for use in monitoring cash flow. The auditor has been out of town, but once the fiscal year 00-01 journal entries are received and reviewed, we will close last year's books. Members of Hearst Castle staff recently toured the district facilities again. Following this tour, Mr. Bloodgood and Mr. Sturm outlined a rough draft of plans and needs of the District, both long term and short term. This outline will be the basis for a final report which will be submitted to Mr. Sturm. The goal is to facilitate a long term relationship which will be mutually beneficial for both the Castle and the District. In addition, Paul Reichardt met with Kara Smith, of the Nature Conservancy, regarding the needs of the District and to get feedback on what is currently taking place with regards to the Nature Conservancy and Hearst negotiations.

Kim Allison, Office Administrator is currently out of the office, recovering from recent surgery. Eileen is spending some time in the District Office in order to keep things running smoothly. When the office is closed, calls are being forwarded to the General Manager's San Luis Obispo office. Finally, Mr. Bloodgood reported that the RFP's for the Facilities Plan are ready to be sent out. The changes discussed at last month's meeting have been incorporated. Proposals should be back near the end of January in time for review and award at the February Board meeting.

3.4 Plant Superintendent's Report:

Superintendent Head reported that the 6 inches of rainfall in November had boosted the wells considerably. Pico Creek is now running. The equalization tank was recently cleaned and may have to be put back online for the holidays. Mr. Head is also looking into what size generator is needed for the plant. Requirements include the ability to run a 60hp blower and as such, may require a minimum of 100kw. A discussion followed regarding fuel types and environment regulation requirements. Director Bailey-Wood asked about the Underwater Resources Report regarding their inspection of the outflow line. Mr. Head explained that an annual inspection of the outflow line is required. Approximately 4 to 5 years ago, a number of the diffusers had broken and were replaced. The most recent inspection found 2 of the diffusers broken. Mr. Head stated that these must be considered a high priority for repair. Director Kiech asked if Mr. Head had any idea about cost. It will be expensive and should probably be put to bid.

3.5 District Engineer's Report:

Steve Tanaka gave the District Engineer Report for John Wallace. Regarding Odor Control, the ferric chloride chemical feed study is on hold at this time since the equalization basin is only used intermittently during the winter months. An update was sent to RWQCB last month and we have not heard anything from them. The suggestion is to periodically update RWQCB on our progress, including info relative to the upcoming RFP's. Reimbursement for the recycled water study should be received sometime after the first of the year. In regards to district road improvements, The Avonne Avenue project slated for this fiscal year was approved by the board at its November meeting. A memo regarding cost estimates and related design activities has been distributed to the Board for reference. A discussion was held regarding testing of the electrical connection for an emergency generator at a cost of approximately \$400. Once the testing is completed, procedures for how to handle emergency power outage situations will be written out.

4.0 DISCUSSION/ACTION ITEMS

4.1 Repeal of Water Conservation Ordinance No. 94

A motion was made by Director Bailey-Wood and seconded by Director Mirabel-Boubion to adopt Ordinance No. 95 relating to Water Conservation. This ordinance repeals Ordinance No. 94 and re-establishes the SSCSD Comprehensive Water Conservation Plan. Roll Call vote was held, with Directors Bailey-Wood, Mirabel-Boubion, Kiech, McLaughlin and Schell all voting in the affirmative. There were no negative votes. Motion passed unanimously.

4.2 Air Distribution System Piping Replacement & Related Improvements

The air piping replacement project was awarded to D-Kal Engineering. Since the issuance of the meeting agenda, Brian French reported that the district had received a request for substitution of the sub-contractor for the electrical portion of the work. Brian French of John L. Wallace & Associates reported that a letter of protest regarding the use of the original sub-contractor, Ben's Electric, had been received, accompanied with supporting documentation. The formal request for substitution was received on December 11, 2001, and proposes that Taft Electric replace Ben's Electric. Assistant District Counsel Boyajian distributed copies of District Counsel Schultz' letter of notification, in accordance with Section 4107 of the California Public Contract Code, to Ben's Electric regarding this matter. Ben's Electric has five (5) working days to respond. A discussion followed relative to past practices, and the potential of arbitration is Ben's Electric files objection to the substitution. It was suggested that the overall screening process, including reference checking, be reviewed so that situations like this are avoided in the future.

4.3 Avonne-Castillo Waterline Loop – Receipt of Bids

Bids for the Motel 6 Waterline Loop were opened on December 6, 2001. Due to deficiencies in their submittal, the lowest bidder was eliminated. Based on the completeness of the remaining bids, the District Engineer's recommendation was that the Board accept the bid of Ahren's Construction for \$27,500. Discussion followed regarding the review process and whether or not references had been checked. A motion was made by Director Mirabel-Boubion and seconded by Director McLaughlin to accept the bid by Ahren's Construction, contingent upon satisfactory reference checks to be conducted by staff. The motion carried unanimously.

4.4 Fiscal Year Budget: July 1, 2001 – June 30, 2002

Revisions recommended by the Budget Committee have been incorporated into the proposed 2001- 2002 Fiscal Year Budget. Director Kiech pointed out that the budget for Sludge Hauling (8365) had been increased to \$35,000 but was not changed on the spreadsheet. Discussion was also held regarding the Other Income Revenue, since interest rates have declined significantly. This is seen particularly in regards to the LAIF account. Staff will re-check this figure. A motion was made by Director Bailey-Wood and seconded by Director Mirabel-Boubion to approve, with the noted change, the Proposed Fiscal Year 2001- 2002 Budget. Motion carried unanimously.

4.5 3 Month Review of General Manager's Contract

Discussion was held relative to the work performed by EDA during the first three months of their contract. Overall, EDA had come in just under budget during that time. The consensus of the Board is that given all that is currently in progress, it is necessary for EDA to continue at their current level of service. District Counsel stated that an addendum to the contract could be prepared to address this change. A motion was made by Director Mirabel-Boubion and seconded by Director Kiech to amend the district contract with EDA, extending the 25 hour/week clause for an additional three months at the current rate of service. Motion carried unanimously.

4.6 Board Resolution for Bank Items:

A motion was made by Director Mirabel-Boubion and seconded by Director Bailey-Wood to adopt Resolution No. 01-274, granting EDA authority to access the District's financial information from the District's financial institution, Mid-State Bank & Trust. General Manager Bloodgood re-iterated that this resolution was required by the bank, and that the District Manager would not be a signature for checks but would only be able to access pertinent information. The motion carried unanimously.

4.7 Board Planning Session: Action Plan:

Mr. Bloodgood stated that the Board of Director's had received the final draft of the District Action Plan, based on the planning workshop held in November. He requested that they review the document and direct any comments, changes of recommendations to the District Manger. A discussion followed. Chamber of Commerce President Terry Lambeth stated that the Chamber is very interested in working with the District to achieve the goals outlined in the draft. He encouraged the Board to adopt a resolution relative to its top priority, development of a water supply plan.

4.8 Review Status and Need for Committees:

Mr. Bloodgood reported that, in accordance with Board Policy, all committees to be established are set in January. Discussion followed regarding which committees were needed and what their composition would be, including board members, staff and members of the community. It was agreed that such committees would include Water, Policy, Facilities and Budget committees. The District will publicize these committees and seek interested individuals from the public to participate. This will be addressed at the January meeting.

4.9 Board Reports:

There were no Board Reports. Director Mirabel-Boubion asked if it would be possible to begin working on a Mission Statement. It would be helpful to have some examples to look at. Staff will gather the information and make it available to the Board.

5.0 BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS

5.1 Consideration of Water Rates

District Counsel Schultz was not able to make tonight's meeting. He has been reviewing the information and will have a report for the Board in January.

6.0 ADJOURNMENT

The meeting was adjourned at approximately 8:20 p.m.

San Simeon Warrant Report December 2001

Date	Num	Name	Memo	Amount
12/15/01	3530	ALLISON, KIMBERL...	0112-001	-435.03
12/15/01	3531	HASSETT, MICHAEL...	0112-002	-1,224.85
12/15/01	3532	HEAD, RONALD B.	0112-003	-1,772.20
12/15/01	3533	DHS-OCP	0112-004 OPERATOR #227...	-55.00
12/15/01	3534	DHS-OCP	0112-005 OPERATOR #110...	-55.00
12/15/01	3535	PG&E	0112-006 (October)	-10,434.82
12/15/01	3536	JOHN WALLACE & ...	0112-007 (Svc for Sept) INV#...	-8,577.09
12/15/01	3537	CRYSTAL SPRING...	0112-008 ACCT# 62495	-57.25
12/15/01	3538	EDA	0112-009 SVCS. FOR OCT. INV#4...	-6,128.79
12/15/01	3539	BASIC CHEMICAL ...	0112-010	-609.90
12/15/01	3540	MID-STATE BANK...	0112-011	-813.55
12/15/01	3541	U.S.A. TRANSPOR...	0112-012 INV #22645	-528.08
12/15/01	3542	AT & T	0112-013 ACCT#018-054-7...	-35.65
12/31/01	3543	ALLISON, KIMBERL...	0112-014	-455.91
12/31/01	3544	HASSETT, MICHAEL...	0112-015	-1,443.57
12/31/01	3545	HEAD, RONALD B.	0112-016	-1,751.15
12/31/01	3546	CAROL BAILEY-W...	0112-017	-75.00
12/31/01	3547	LORAIN MIRABAL...	0112-018	-75.00
12/31/01	3548	ERIC SCHELL	0112-019	-75.00
12/31/01	3549	ROBERT L. MCLAU...	0112-020	-75.00
12/31/01	3550	DAVID KIECH	0112-021	-75.00
12/31/01	3551	CALIFORNIA RURA...	0112-022	-215.00
12/31/01	3552	CALIFORNIA SPEC...	0112-023 INV# 2276	-408.00
12/31/01	3553	PG&E	0112-024 (November)	-9,548.35
12/31/01	3554	MISSION UNIFOR...	0112-025 CUST#059302	-138.00
12/31/01	3555	MISSION COUNTR...	0112-026 ACCT#1409-1	-205.19
12/31/01	3556	SCHULTZ TRANSP...	0112-027 INV #4803	-85.60
12/31/01	3557	FGL ENVIRONMEN...	0112-028 INV# 111066AA	-115.00
12/31/01	3558	PACIFIC BELL	0112-029	-161.15
12/31/01	3559	CELLULAR ONE	0112-030	-32.20
12/31/01	3560	AT & T	0112-031 ACCT#018-054-72...	-44.55
12/31/01	3561	HUNT & ASSOCIAT...	0112-032 Through 11/30/0) INV # 14586	-1,802.40
12/31/01	3562	EDA	0112-033 (Through Nov. 30th, 2001) ...	-6,072.70
12/31/01	3563	PERS - HEALTH	0112-034 EMP#1566	-842.58
12/31/01	3564	C.C.S.D.	0112-035	-235.00
12/31/01	3565	U.S.A. TRANSPOR...	0112-036 (DECEMBER SVC) INV #23018/...	-1,003.26
12/31/01	3566	CAMBRIA HARDW...	0112-037 ACCT#678	-60.92
12/31/01	3567	U.S.A. BLUE BOOK	0112-038 INV# 496459/496472	-364.92
12/31/01	3568	SAN LUIS SECURI...	0112-039 ALARM FOR JAN-MAR	-81.00
12/31/01	3569	B.W. CAVALIER O...	0112-040 -Board Workshop (Nov)	-90.13
12/31/01	3570	ARGO Chemical	0112-041 (Ferric Chloride) Inv.No. 110088	-380.98

**SAN SIMEON COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 02-275**

**A RESOLUTION FOR DETERMINATION OF
APPROPRIATION LIMITATION FOR THE
2001-2002 FISCAL YEAR
AND
REQUESTING DISTRIBUTION OF
SPECIAL DISTRICT AUGMENTATION FUNDS**

WHEREAS, Article XIII B of the California Constitution specifies that appropriations made by governmental entities may increase annually by the change in population and the change in either the California Per Capita Personal Income or the change in the local assessment roll due to local residential construction; and

WHEREAS, upon determination of an appropriation limitation for the 2001-2002 Fiscal Year, the District should request the Auditor Controller of the County of San Luis Obispo to distribute the District's portion of Special District's Augmentation Funds, if any, when they are determined by the County Board of Supervisors; and

WHEREAS, it has been determined by the State Department of Finance that the percent change in the California Per Capita Personal Income (CPCPI) is 7.82% and the percent change in the population (POP) of the unincorporated areas of San Luis Obispo County is 1.81%; and,

WHEREAS, the appropriation, subject to limitation (estimated net tax proceeds excluding Augmentation Funds) has been determined to be \$47,400; and

WHEREAS, the appropriation limit exceeds the appropriation subject to limitation;
and,

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

1. That the ratio of change is determined as follows:

$$\frac{7.82 + 100}{100} \text{ (CPCPI)} \quad \times \quad \frac{1.81 + 100}{100} \text{ (POP)} \quad = \quad \text{RATIO}$$
$$1.0782 \quad \times \quad 1.0181 \quad = \quad 1.0977$$

2. That the 2000-2001 appropriation limit is determined as follows:

2000-2001 Limitation		\$ 153,894
2001-2002 Ratio of Change	X	<u>1.0977</u>
2001-2002 Appropriation Limitation		<u>\$ 168,929</u>

3. That the Appropriation Limitation (\$168,929) exceeds the Appropriation subject to Limitation (\$47,400) by \$121,529.
4. No further adjustment to the 2001-2002 appropriation limitation has been made for mandated costs. However, any new mandated costs or increases in existing mandated costs would increase the limitation by the amount of "Proceeds from Taxes" used to finance mandates in fiscal year 2001-2002.
5. That the County of San Luis Obispo distribute to the District, the District's share of the Special District's Augmentation Funds, if any, as determined by the Board of Supervisors.

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

AYES:

NOES:

ABSENT:

ABSTAINING:

the foregoing Resolution is hereby adopted this 16th day of January, 2002.

Carol Bailey-Wood, President

ATTEST:

Secretary to the Board of Directors

**SAN SIMEON COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 02-276
A RESOLUTION ADOPTING THE 2001-2002 FISCAL YEAR BUDGET**

WHEREAS, the District is required, pursuant to State codes, to designate a financial budget for its expenditures and revenues; and,

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

WHEREAS, the District desires to make known its planned activities and associated costs for the 2001-2002 fiscal year; and,

WHEREAS, the District has held a public hearing on July 11, 2001, to present and received public comment on the proposed budget and has duly considered all public comment.

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

1. That the proposed budget entitled, "Proposed 2001-2002 Budget, San Simeon Community Services District", be adopted with amendments, if any.
2. That the adopted budget be administered as established by the District's policies and procedures.

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

AYES:

NOES:

ABSENT:

ABSTAINING:

the foregoing Resolution is hereby adopted this 16th day of January, 2002.

Carol Bailey-Wood
Chairman of the Board of Directors

ATTEST:


Secretary S.S.C.S.D.
and to the Board of Directors thereof

reso.adopt.wpd

SAN SIMEON COMMUNITY SERVICES DISTRICT

111 Pico Avenue
San Simeon, California 93452
(805) 927-4778

MEMORANDUM

DATE: January 11, 2002
TO: Board of Directors
VIA: Mark Bloodgood, District Manager
FROM: John Wallace, District Engineer 
SUBJECT: Castillo and Avonne Avenue Loop - Bid Evaluation

RECOMMENDATIONS:

Staff recommends the Board:

Due to the circumstances described below, it is recommended that the District reject all bids and re-advertise the project.

FUNDING:

Currently, funds in the amount of \$40,000 are included in the District's preliminary FY 2001-2002 Budget under Item No. W-5 for water line improvements.

The initial advertising costs for two consecutively run Notice Inviting Bidders (approximately \$260.00) and plan reproduction costs are generally covered by the sale of bid packages.

DISCUSSION:

Prior to recommending for award, staff evaluated the bid proposal submitted by the apparent low bidder (Papich Construction) and found it to be incomplete and was therefore disqualified. Staff explained that the District would need to re-advertise in order for his company to resubmit a complete bid proposal.

At the December 12, 2001 Board meeting, the Board directed staff to continue researching the qualifications of other bidders prior to awarding the bid. No award was made for this project at the December 2001 Board meeting.

Due to the complications of the bid process and the need to be very clear regarding the timing of the construction as it affects the Motel Six property, it is recommended the project be readvertised to allow for construction between the Easter and Memorial Day holidays. Attached is a revised schedule for the project.

SAN SIMEON COMMUNITY SERVICES DISTRICT
TENTATIVE CONSTRUCTION SCHEDULE

**Castillo and Avonne Avenue Water Line Loop
(Motel 6)**

January 3, 2002

(RE-ADVERTISE - EASTER BREAK ENDS April 5th Memorial Day Weekend Starts May 24th)

1st Notice Inviting Bids February 15, 2002

2nd Notice Inviting Bids January 22, 2002

Receive Bids (Tuesday 2:00 PM) March 5, 2002

Award of Bid March 13, 2002

Notice of Award * March 14, 2002

Notice to Proceed* April 1, 2002

Start Work April 10, 2002

Completion - (45 Calendar Days) May 25, 2002

* send Certified Mail

\\Jlwa01\proj\084-SSCSD\084-002 Major Projects\0020 Castillo_Avonne Loop_Motel 6\LOOPSCH-rev.wpd

THIS IS NOT A PART OF THE CONTRACT

RESOLUTION NO. 02-277

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN SIMEON
COMMUNITY SERVICES DISTRICT ADOPTING THE DISTRICT'S ACTION PLAN

WHEREAS, the District attended and participated in a workshop on November 12, 2001 to develop a District Action Plan to discuss the Districts long range plans; and

WHEREAS, the District desires to adopt the final draft of the Action Plan prepared by Rauch Communications Consultants; and

WHEREAS, the District has identified in the Action Plan issues of priority for the District; and

WHEREAS, the Action Plan has specifically identified the District's top priority as being development of a water supply plan; and

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of the San Simeon Community Services District hereby adopts the Action Plan, with Board comments, dated November 12, 2001 and makes the District's top priority the development of a water supply plan.

PASSED, APPROVED, AND ADOPTED, by the Board of Directors of the San Simeon Community Services District on the 16th day of January, 2002, by the following vote to wit:

AYES:

NOES:

ABSENT:

Carol Bailey-Wood, Chairperson
Board of Directors

Mark A. Bloodgood, District Secretary

s/dmf/sscsd/res.ActionPlan

**San Simeon
Community Services District**

ACTION PLAN

**Based on
Board of Directors
Planning Workshop**

November 12, 2001

Prepared by Rauch Communication Consultants

Table of Contents

<u>Section</u>	<u>Page No.</u>
Part I – Developing the Planning Process	
Introduction -----	3
1. Why a Workshop-----	3
2. Expectations -----	4
Part II – The Rating Process	
3. Rating The District – Today -----	5
4. Looking Down The Road – Tomorrow -----	7
5. High Priority Issues Impacting the District and Community-----	8
6. The Board’s Agenda -----	9
7. What Is An Action Plan? -----	10
Part III – The Action Plan	
Issue #1 – Water Supply -----	11
Issue #2 – Treatment Plant Upgrade -----	13
Issue #3 – Relationships -----	14
Issue #4 – Maintenance Plan -----	16
Summary of Action Items -----	18

Part I

Developing The Planning Process

INTRODUCTION

The Board of Directors and members of the senior staff of San Simeon Community Services District met in a workshop on November 12, 2001 in order to develop a District Action Plan.

Attendees were: Board of Directors: Carol Bailey-Wood (Chair), Lorraine Mirabel-Boubion, David Kiech, Eric Schell, Bob McLaughlin; Mark Bloodgood, General Manager, Engineering Development Associates; Eileen Hogan, Assistant General Manager, Engineering Development Associates; Ron Hood, Plant Operator. Public attendees were: John Wallace, John Wallace Associates, Consulting Engineers; Michael Hanchett, Community Member and Businessman; Michael Hanchett Jr., Community Member and Businessman; and Robert Rauch of Rauch Communication Consultants LLC, who conducted the workshop.

This document summarizes the discussions and conclusions of the planning workshop.

1. Why a Workshop

The facilitator opened the session with a brief explanation of the unique purpose and benefits of a workshop: the opportunity to see beyond the daily details of agenda items and focus on the big picture; to envision what kind of “big picture” direction the District is creating as it takes numerous individual actions; take the necessary time to get beyond short range tactical positions; and develop Board and staff consensus around a common long-range strategy.

Regular Board Meeting	Board Planning Workshop
Trees	Forest
Details	Big Picture
Hurry	Time
Positions	Consensus
Tactics	Strategy

2. Expectations

The facilitator then asked each of the participants to share their individual expectations for the day - what they hoped would be accomplished. The expectations of individual participants are listed below.

- Achieve a better working relationship among Board
- Achieve Board consensus
- Promote public awareness/support
- Develop a long-term plan
- Have the will/ability to do the job
- Prepare a clear outline of steps to achieve a consensus in the end
- Clarify the details of our consensus agreement
- Board learn to overcome differences and work together
- End misperceptions about the Board by public and other Board members
- Examine “us vs. them” syndrome
- Examine barriers to progress
- Develop achievable priorities
- Develop trust in each other
- Develop a vision of the District’s future
- Build consensus on major issues, generating team spirit and effort
- Move Board away from micromanaging
- Prepare an Action Plan that supports District as a whole.

Part II – The Rating Process

3. Rating The District – Today.

Each participant in the workshop was asked to rate various aspects of the District based on the District as it stands today. Each participant selected the aspects and rated them on a scale of 1 to 10 (10 being excellent), and included words to explain the reason for the rating. The actual ratings are compiled below.

Table I – Summary of District Ratings

ISSUE	RATING										AVG
Board	5	5	4	4	7	4					4.8
Facilities - Treatment Plant	5	3	4	3							3.8
Facilities - Office	4	3									3.5
Facilities - General	4										4
Finances	6	3									4.5
Relations - Constituents	5	4	6								5
Relations – Hearst Corp	6	5	6								5.7
Relations - Businesses	3	3	5								3.7
Relations - Public	1										1
Relations – Public Agencies (Cambria)	5										5
Planning	4	6	3	3							4
Water Supply	4	2	3	2	4	3					3
Consultants	4	9									6.5
Staff	7	9	9								8.3
Management / Engineering	9										9
Other Infrastructure (pipelines, roads)	8										8

Ratings - Today

Below are listed the raw ratings that are tabulated on the previous page. The words before a dash are the category being rated and the words after a dash explain the reason for the rating.

<u>RATING</u>	<u>CATEGORY - REASON</u>		
5	Board – room for improvement	3	Relationships – business community
5	Facilities – treatment plant	1	Relationships – public
4	Facilities - office	2	Water supply
4	Water supply – continued shortage	3	Finances – money in bank being used up for ops
5	Relationship with constituents and districts	4	Board – need to work together
6	Hearst Corp – potential breakthrough	2	Maintenance – “fire drill” basis
4	Planning – not implemented	7	Board – better behaved, need to execute better
5	Board - contentious	9	Staff – “succeeding” with little direction and resources
4	Facilities – poor shape	3	Treatment plant
2	Water supply – inadequate in all ways	4	Water supply
6	Finances – money in bank	8	Other infrastructure – pipelines, roads
6	Planning – working at it	9	Mgmt/Engineering – doing good job despite conditions
4	Consultants – lack of trust	4	Board – inaction on water , plant
4	Relationships - constituents	4	Treatment plant
3	Relationships – businesses (local)	9	Staff, consultants
5	Relationships - Hearst	3	Water supply
4	Board – lack of trust, intimidation	3	Long-term planning
7	Staff – doing best they can	6	Hearst Corporation relations
3	Facilities - office	5	Business community
3	Facilities – treatment plant	6	Constituent relations
3	Water supply – no projects completed	5	Public agencies relations (Cambria)
3	Planning		

4. Looking Down The Road -- Tomorrow

Each participant was then asked to predict what issues the Agency would confront in the future. That list follows:

Table II – Future Issues Confronting the District

- a. Water recycling – in San Simeon
- b. Tighter State and Federal regulations – meeting them
- c. Lack of control by Board - County decisions, State decisions
- d. Water supply
- e. National economy impact on local business
- f. Resolve Hearst Castle issue (participation) - Hearst development, etc.
- g. Stuck in present situation – economic growth necessary
- h. Sludge handling
- i. LAFCO – has local government influence
- j. Beautification/redevelopment need
- k. Exodus of homeowners/property owners/demographics
- l. Little Hoover Commission
- m. Connecting north/south sides of highway
- n. Finances – reserves diminishing

5. High Priority Issues Impacting the District and Community

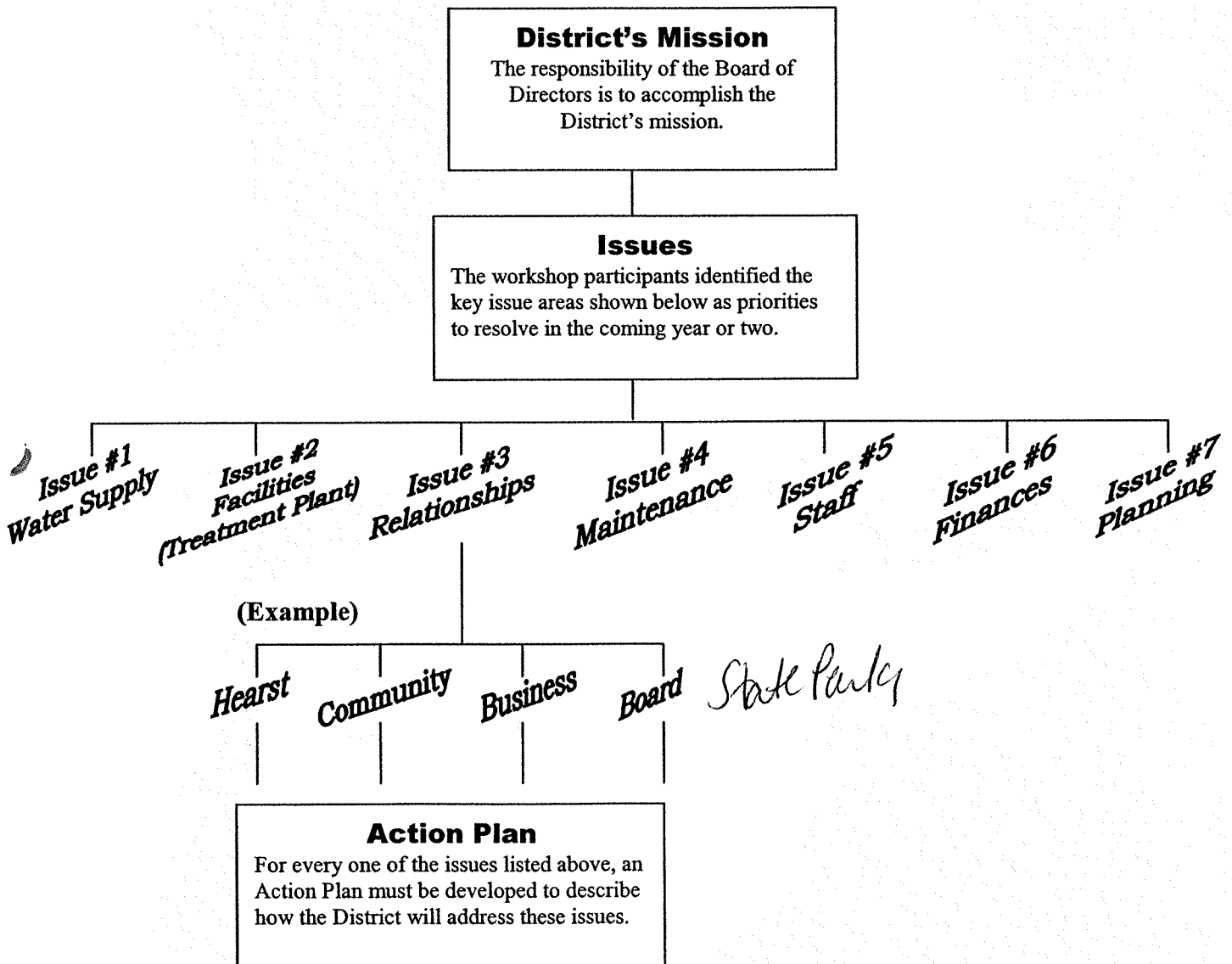
The participants were next asked to each make a short list of the highest priority issues from the above lists. The group was asked to select only issues that each felt were truly important to deal with, so that if the group were to meet again in a year or two, they would find that the issue had been addressed. The facilitator reminded the group that it was important to focus on just a few priority issues, recognizing that there are limits on time, money and personnel resources.

Table III – High Priority Issues

- a. Water supply
 - Recycled
 - Hearst opportunities
 - Other
- b. Facilities upgrade
 - Treatment Plant (re-permitting in 2002)
- c. Relationships with ~~business community~~
 - Hearst Corp
 - Community
 - Board
 - State Parks General Manager
- d. Maintenance
 - Plant
 - Office
 - Other (roads, etc.)
- e. Retaining staff
 - Compensate adequately, respond to them
- f. Finances – present and future
 - Budget = zero based budgeting
 - Review rate structure (no desal plant)
- g. Planning – long term

6. The Board's Agenda

The facilitator summarized the strategic planning process using the following diagram. They pointed out that to accomplish the District's mission, the Board must address the major issues they have selected; and within each major issue, also address the sub-issues.



7. What is An Action Plan?

With the seven major issue areas defined, the group worked together to develop an action plan. In creating such a plan, it is critical to complete the following five steps:

- a. **Define** the issue. It is not enough to say, for example, that “water supply” is an issue. We must clearly and specifically define that issue.
- b. **What** are we going to do? Next the group must decide what to do about the issue.
- c. **Who** is responsible? Someone or some group must be identified as personally responsible for carrying out the action (i.e., staff, consultants, vendor, Board committee).
- d. **When** will we do it? A timeline must be set for getting the job done (or it may never get done).
- e. **How** we will do it – resources. We must ask if we have adequate resources -- people, money or time -- to get the job done. If not, we need to obtain additional resources or change the action.

Part III - The Action Plan

This part of the workshop involves moving step-by-step through each of the seven priority issue areas and developing an Action Plan for each. The Action Plan developed by the participants follows.

ISSUE #1 – Water Supply

Issue: Basically, there is not enough water to meet community needs. A building moratorium has been imposed for 16 years. Very low well levels occur in the fall – need special conservation measures (no landscape watering in fall). Salt water intrusion occurs from surface seawater.

Actions Already Taken to Address This Issue:

- a. In the event we run short, we practice aggressive conservation*
- b. Changed toilets to low flush – reduced demand by half*
- c. Reached contractual agreement with Hearst to use one of their wells – one year contracts but health authorities may now place unworkable restrictions on this solution
- d. Instituted building moratorium to limit demand*
- e. Sought desal project with Cambria – Now defunct; contract no longer in force
- f. Prepared plan to develop San Simeon desal plant – Shelved in favor of exploring a joint desal project with Cambria Community Services District.
- g. Investigated reservoir for increased storage: 2 reservoir plans: Hearst and Warren*
- h. Developed recycled wastewater plan*
 - Ph I: - Provide pumping equipment at treatment plant
- Build pipeline to plant to freeway for irrigation
 - Ph II: Install pipelines for other users plus add more treatment

* = alive today

Note: Recycled plan does not resolve the water supply issue. Provides some relief.

Water supply needed for buildout	230 af	
Water supply currently available	-142 af	
Water Supply Today	100 af	88 af new supply needed for buildout
Ph I recycled	7 af	(100af if rounded up)
Ph II recycled	35 af	
	142 af	

Options to provide extra 100 feet (or not go to costly Ph II), assume need is approximately 150 af/yr if not utilizing recycled water

- Reservoirs
- Ph I of recycled
- Regional desal plant
 - San Simeon
 - Cambria
 - State Parks (Hearst Castle)?
- Hearst – they could provide more wells, or possible directly sell it to San Simeon
 - This option is likely – if we approach it right, made it a joint effort, improve our relationship
- SAMDA Corp – Possibility to provide water on a contract basis?

Action: Develop a Water Supply Plan

- Include all reasonable/achievable actions and options (those above and others)
- Establish criteria for evaluating the options
- Produce a recommendation and present it (and defend it) to the Board
- Include comparative estimated costs (as part of criteria)
- Probably requires consultant contract

Who: General Manager, District Engineer, possible new Board Committee, Community involvement

When: March 1, 2002, have a plan ready for Board review

ISSUE #2 – Treatment Plant Upgrade

Issue: Treatment plant urgently requires repair:

- Leaking air pipes
- High utility bills
- Undersized sludge handling facilities
- Difficulty handling peak hour demand – limited capacity (can handle peak day demand)
- Unreliable, requires constant monitoring and maintenance work, marginal operation
- Does not meet future growth needs.

Facilities Plan addresses all these needs

- But initial RFP did not meet with good industry response
- RFP reissued – will likely get better response
- Award contract in January 2002
- Board receive Facilities Plan in June 2002
- Various upgrade options and costs will be presented in plan
- Would define specific plant technology, site plan, costs, sequence of upgrade actions
- Regional Board will not approve a permit for expanded capacity without plant upgrade
- New regulations are strict and carry fines: must conform to meet standards.

Action: Board review the Facilities Plan and adopt it. Then carry it out by phases.

Who: General Manager, possible new Board Committee, consultant

When: Award: Jan 2002

Plan: Due June 2002 to be presented to Board

Implement: ASAP, but by phases

ISSUE #3 – Relationships with Business Community – also with Hearst, Community, Other Board Members and General Manager

3.1 Business Community

Issue:

- Some members of business community are very involved with District actions, others are not
- Business community has criticized Board. Has exhibited hostile attitude, negative mail
- Business community frustrated by lack of progress on water, wastewater issues. Not personal but may be perceived as personal
- No Board-to-Chamber involvement
 - At one time, a Board-to-Chamber Facilities Committee had some dialog and was successful. Meetings have lapsed.

Action: Hold a Chamber Board-to-District Board joint workshop. Explain District's plans. Get feedback. Discuss Chamber concerns. Agree to establish further regular contacts.

Who: Board President, General Manager, Chamber Board

When: Following completion of District Action Plan

3.2 Hearst

& Hearst State Parks

Issue: Little or no relationship has existed with Hearst in last 5 years. Personal issues have arisen with Hearst, attorney, others.

- Note: Chamber has maintained a good relationship with Hearst, both Ranch and Castle
- Currently, Business community has opened door to Hearst, also Nature Conservancy (which is seeking to purchase development rights)
- Hearst has shown interest and support for District's needs and plans.

Action: Maintain open communications with Hearst Corp. and Hearst Castle.

- Involve Hearst Corp. in Water Supply Plan and Hearst Castle with Facilities Plan. Seek appropriate tradeoffs for meeting each of their needs as well as ours (win-win).

Who: General Manager

When: On-going

~~Seek to work jointly with Chamber on issues with Hearst~~

~~May seek to bring Board of Directors into contact with Hearst~~

3.3 Community

Issue: No active current communication method to regularly reach community.

- Note that people have shown interest in important issues that affect them when it's been brought to their attention
- Possible tools: newsletters, tour, open house, website.

Action: Develop an outreach plan and begin implementation.

Who: Board President (appoint Board committee)

When: January 2002 propose Communication Plan to Board

ISSUE #4 – Maintenance Plan

4.1 Treatment Plant

Issue: Financial philosophy in past: wait until it breaks, then fix it. This has led to present poor state of maintenance at plant.

Action: Do maintenance on present plant facilities ^{per schedule} ~~on an as-needed basis.~~

Who: General Manager, Ron Head

When: Continuing

4.2 Roads

Issue: Roads are receiving some level of preventive maintenance. Some roads were built to substandard condition in the first place and are deteriorating.

- Specific roads have been prioritized and a plan has been prepared for all roads. This work needs to be accelerated and funding increased. Priorities have been shifted to accommodate water line and sewer lines work, but roads remain important.

Action:

- Update the roads maintenance plan to match plans for sewer and water line changes. Seek to coordinate the two. Accelerate maintenance to stabilize road conditions, then move to stable maintenance level.
- Determine dollar requirements and document needs and actions.

Who: General Manager, consultant

When: January 2002 mid-year budget review

4.3 Pipelines

Issue: Coordinate upsizing and looping of pipeline actions with the Plan.

Action:

Who: General Manager, consultant

When: Spring 2002

4.4 Office

Issue: No plan exists at present.

Action: Some amenities required, but relatively low priority compared to other District needs. Defer for the present.

Who: General Manager

When: On-going



SUMMARY OF ACTION ITEMS

1. Water Supply

Action: Develop a Water Supply Plan
Who: General Manager, possible new Board Committee, Community involvement
When: March 1, 2002, have a plan ready for Board review

2. Treatment Plant Upgrade

Action: Board review the Facilities Plan and adopt it. Carry out in phases.
Who: General Manager, possible new Board Committee, consultant
When: **Award:** Jan 2002
Plan: Due June 2002 to be presented to Board
Implement: ASAP, but by phases

3.1 Business Community Relationship

Action: Hold a Chamber Board-to-District Board joint workshop. Explain District's plans. Get feedback. Discuss Chamber concerns. Agree to establish further regular contacts.
Who: Board President, General Manager, Chamber Board
When: Following completion of District Action Plan

3.2 Hearst Relationship

Action: Maintain open communications with Hearst Corp. and Hearst Castle. Involve Hearst in Water Supply Plan and Facilities Plan. Seek appropriate tradeoffs for meeting their needs as well as ours (win-win).
Who: General Manager
When: On-going

3.3 Community Relationship

Action: Develop an outreach plan and begin implementation.
Who: Board President (appoint Board Committee)
When: January 2002 propose Communication Plan to Board

4.1 Treatment Plant Maintenance Plan

Action: Do maintenance on present plan facilities *prudent* on an as-needed basis.
Who: General Manager, Ron Hood
When: Continuing

4.2 Roads Maintenance Plan

Action: Update the roads maintenance plan to match plans for sewer and water line changes. Seek to coordinate the two. Accelerate maintenance to stabilize road conditions, then move to stable maintenance level. Determine dollar requirements and document needs and actions.
Who: General Manager, consultant
When: January 2002 mid-year budget review

4.3 Pipelines Maintenance Plan


Action: Pending completion of Facilities Plan
Who: General Manager, consultant
When: Spring 2002

4.4 Office Maintenance Plan

Action: Some amenities required, but relatively low priority compare to other District needs. Defer for the present.
Who: General Manager
When: On-going

SAN SIMEON COMMUNITY SERVICES DISTRICT

111 Pico Avenue
San Simeon, California 93452
(805) 927-4778

DATE: January 9, 2002
TO: Board of Directors
VIA: Mark Bloodgood, District Manager
FROM: John L. Wallace, District Engineer 
SUBJECT: Ocean Outfall - Emergency Repairs

RECOMMENDATIONS:

Staff recommends the Board:

Authorize staff to retain the services of Underwater Resources, Inc. of San Francisco, California or other acceptable contractor to perform the emergency repair work of the ocean outfall line.

FUNDING:

Currently, funds in the amount of **\$30,000** are included in the District's FY 2001-2002 Budget under Item No. S-9 Sewer System Improvements for manholes and repairs.

The total estimated cost for the emergency repair of the ocean outfall, is **\$10,000**, depending upon weather conditions. This estimate would not be exceeded unless authorized by the District. Because the bid amount is less than \$15,000, the work can be done with a contractor selected by the District in accordance with Section 20685 of the Public Contracts Code without the lengthy process of formal advertisement.

DISCUSSION:

The annual inspection of the District's ocean outfall pipeline occurred on October 29, 2001. The inspection report is attached to this memo.

It was recently brought to staff's attention that two of the four diffuser spools and neoprene flap gates were broken off and missing. The reason of the broken diffuser spools is unknown. It is possible that an anchor from a fishing vessel could have snagged it or rocks damaged it from heavy surf.

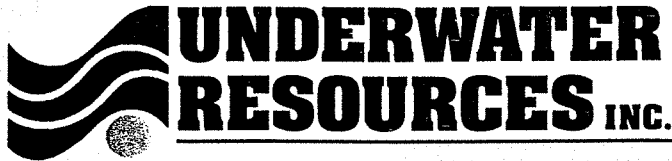
The District's plant superintendent experienced intermittent stoppage of treated wastewater effluent flows. Although treated wastewater did not back-up into the treatment tanks, it is evident that the ocean outfall diffuser manifold is being covered with sand, rocks and debris. In addition, the diffuser ports that are broken are exposed to sand infiltration. Therefore, it is imperative that the missing spools and flaps be replaced.

A spill due to an ocean outfall obstruction would be in direct violation of the waste discharge requirements and would be subject to very substantial fines levied by the State Water Resources Control Board.

Underwater Resources, Inc., of San Francisco, California has submitted a proposal (see attached) to make the emergency repairs (as soon as the heavy surf subsides) by mobilizing a vessel from Morro Bay with assorted hand dredging and diving equipment including a dive crew from San Francisco.

As an emergency action, it is recommended by staff to retain the services of Underwater Resources, Inc. of San Francisco, California or other acceptable contractor which may be available to perform the emergency repair work of the ocean outfall line. The goal would be to complete the repairs as soon as practicable considering surf/weather conditions and at a reasonable price. The proposal by Underwater Resources, Inc. is reasonable within the scope of repairs, but further inquiries are being made to other contractors.

\\Jlwa01\proj\084-SSCSD\084-001 District Engr\Board Meetings_Staff Reports\January_2002\OUTFALLrepair.wpd



January 8, 2002

Mr. Craig Taylor
John Wallace & Associates, Inc.
4115 Broad Street, Suite 5B
San Luis Obispo, CA 93401

Re: Emergency Diffuser Repairs to San Simeon Ocean Outfall

Dear Mr. Taylor:

Underwater Resources, Inc. is pleased to provide the following cost proposal to mobilize a vessel with operator from Morro Bay along with assorted hand dredging and diving equipment and a dive crew from San Francisco. Because of unknown site conditions and the possible requirement to excavate down to the pipeline, this estimate is provided on a *Time and Materials* cost basis.

Our understanding of the scope of work you require includes the following tasks:

1. Procure neoprene material and non-conductive fasteners to fabricate and assemble two 1/4" diameter round flapper valves for use with two HDPE diffuser spools provided by San Simeon Community Services District and delivered to us prior to working offshore.
2. Transport with our pick-up truck a portable high-pressure fire pump, suction and supply hoses and hand-dredging equipment, shallow air diving equipment with voice communications, and dive crew to Morro Bay and mobilize onto 27' work boat.
3. Travel between Morro Bay and San Simeon Ocean Outfall on a daily basis to locate outfall, excavate and remove sand as necessary to expose pipeline diffuser section, and install two HDPE diffuser spools at flange locations that are missing valves.
4. An additional task that could also be required may be the removal of sand and/or gravel from inside the 8" diffuser section if site conditions allow.

Based upon rates provided on the attached spreadsheet, estimated costs for personnel and equipment mobilization, materials, two working shifts and one standby day would be approximately \$10,000.00. If this work were to be performed during winter months, when the marine weather and ocean swell conditions are very often adverse, productive diving operations would need to be carefully planned in order to minimize additional standby charges. Vessel standby and non-working weekend charges for both personnel and equipment would be negotiable and likely less than estimated in the spreadsheet, depending upon when this emergency project is actually attempted.

If you have questions or require any additional information please do not hesitate to call.

Sincerely,

Thomas R. Belcher

HOURLY/DAILY COSTS

DESCRIPTION:	Mob	8-hr. Shift	Standby	Demob
Admin.	150			
Shop Labor Mob/Loadout/Clean-up	300			150
Fabricate two 1/4" reinforced neoprene flaps (Est.)	60			
Procure SS/non-conductive diffuser fasteners (Est.)	50			
4.5 Hours Travel - 2 personnel @ \$45/hour each	405			405
Pier Diem Charge @ \$90/day/person	180	180	180	0
Vessel, Operator + Fuel (max. 10 hour day)		1000	250	
Diver #1		840	600	
Diver #2		840	600	
Diving Equipment		50	25	
Jetting Equipment		200	50	
Misc. Consumables		25	0	
Vehicle Charge	75	75	75	75
225 miles @ \$.35/mile	78.75			78.75
Fuel Surcharge @ \$1.75/gallon	25			25
	\$ 1,323.75	\$ 3,210.00	\$ 1,780.00	\$ 733.75

Tender Dayrate (offshore but not diving) \$ 640.00 Per 8 hr. ST Shift
Tender OT Rate (beyond 8 hrs. ST) \$ 135.00 Per OT hour
Diver OT Rate (beyond 8 hrs. ST) \$ 175.00 Per OT hour



November 5, 2001

SAN SIMEON SANITARY OCEAN OUTFALL

INSPECTION OF DIFFUSER SECTION

An underwater Level 1 inspection of the exposed portion of the San Simeon Sanitary Outfall pipe was conducted on the morning of Monday, October 29, 2001. Although sea conditions were generally flat with a 1' to 2' swell and no wind present, wave sets of 3' and larger occasionally broke on the beach. A previous attempt by our dive crew to perform this same inspection on October 2, 2001 was aborted due to large ground swells and breaking waves that prevented our crew from launching an inflatable boat out beyond the surf-zone.

The diffuser section was eventually located and marked with a buoy after the diver performed transects across the pipeline alignment several times. The inspection divers, Tom Belcher and Grant Cooper of Underwater Resources, were assisted by Ron Head and Mike Hassett of San Simeon Community Services District.

EXTENT OF SURVEY

Visibility underwater near the bottom was poor as a result of surge from the ground swell and despite observing dye on the surface, visibility varied between 1' and 4'. Utilizing two SCUBA diving personnel on a kayak and inflatable dive float launched from the beach, one of the divers cleaned and removed the build-up of precipitate from each anode while the other conducted the inspection and recorded the conditions.

The investigation included a visual inspection of each of the eight (8) anodes after an exterior layer of depleted anode residue "crust" had been removed using hand tools to enable close inspection to determine the amount of each remaining anode. In addition, the level of sand along the entire diffuser alignment was recorded with each of the four (4) diffuser ports inspected for both condition and operation.

RESULTS OF SURVEY

The general condition of the exposed outfall transmission line was good but two of the recently installed HDPE non-conductive diffuser ports and valves had been broken and were missing. Last observed in September of 2000, they were damaged and had been sheared off in the past 12 months. Sacrificial anodes that had been installed in the fall of 1999 were intact, reported as functional and active, and generally had evidence of only 25% depletion or wastage from their original mass.

We recommend another dive operation be conducted at the earliest convenience to perform the following: 1) fabricate and install two non-conductive low profile diffuser valves to replace the two HDPE spools and valves that have broken and are missing; 2) clean out small rocks from the Inshore Old Diffuser #2 and pipeline; and 3) replace all delaminated diffuser flapper valves with a thicker, ¼" reinforced pre-cut neoprene material. This maintenance operation will require a larger vessel for diver support.

A summary tabular record of the field inspection is included as part of this report.



LOCATION:	Anode Wastage	Sand Cover	Notes:
Anode #1 (inshore) Bell Connection	75% Anode Intact	Entire Pipe Buried	Anode "crust" cleaned, anode is active
Anode #2 Bell Connection	75% Intact Anode	3/4 of Pipe Buried	Intact, appears normal
Anode #3 Bell Connection	75% Intact Anode	1/2 of Pipe Buried	Anode "crust" cleaned, anode is active
Anode #4 Bell Connection	75% Intact Anode	1/2 of Pipe Buried	Intact, appears normal
Anode #5 Bell Connection	75% Intact Anode	1/2 of Pipe Buried	Anode "crust" cleaned, anode is active
Anode #6 Bell Connection	75% Intact Anode	1/2 of Pipe Buried	Intact, appears normal
Anode #7 Saddle Clamp New Diffuser (#1) Inshore Old Diffuser (#2)	50% - 75% Intact Anode	1/2 of Pipe Buried	Anode "crust" cleaned, anode is active
Inshore/Middle Old Diffuser (#3)	50% - 75% Intact Anode	1/2 of Pipe Buried	Intact, appears normal
Anode #8 (offshore) Offshore/Middle Old Diffuser (#4) Offshore Old Diffuser (blanked)	75% Intact Anode	1/2 of Pipe Buried	Anode "crust" cleaned, anode is active
		1/4 to 1/2 Pipe Buried	Anode "crust" cleaned, anode is active
		1/2 of Pipe Buried	Good diffuser flow, rubber flapper valve delaminated
		3/4 of Pipe Buried	HDPE Diffuser spool/valve broken & missing at old flange with restricted flow due to small rocks (1" to 1-1/2"), partially cleaned
		1/2 of Pipe Buried	HDPE Diffuser spool/valve broken & missing at old flange with good flow through port, PVC bolts sheared/visible within flange
		1/2 of Pipe Buried	Anode "crust" cleaned, anode is active
		1/2 of Pipe Buried	Good diffuser flow, rubber flapper valve delaminated
		1/2 to 3/4 Pipe Buried	Intact with No flow

Additional Comments:

- 1) Pipeline circumference measured again at 31" to determine 9.86" outside diameter for future anode sizing.
- 2) Bubbles were observed rising from several "active" anodes. None were depleted enough to view embedded cores.
- 3) Cause of broken/missing HDPE spools and valves unknown, possibly resulting from boat anchor fouling or movement of larger debris across bottom during storm and large swell events.
- 4) Recommend replacement of broken/missing diffuser valves with low profile flapper valve assemblies installed directly onto existing flange faces using non-conductive materials in contact with ductile flanges.
- 5) Recommend replacement of all delaminated flapper valves with 1/4" thick laminated neoprene materials after first cleaning calcareous growth and removing flapper assembly to surface using divers before re-installation.
- 6) Recommend continued annual monitoring and inspection of exposed diffuser section.

San Simeon Community Services District

111 Pico Avenue, San Simeon, California 93452
Telephone: (805) 927-4778 Fax (805) 927-0399

Board of Directors

Bob McLaughlin, Loraine Mirabal-Boubion, Eric Schell, David Kiech, Carol Bailey-Wood

MEMORANDUM

DATE: January 12, 2002
TO: Board of Directors
FROM: Mark A. Bloodgood, General Manager
RE: Committees

Background – Please recall that during the last Board Meeting per agenda item 4.7, *Review Status and Need for Committees*, it was agreed that in addition to the existing Budget Committee, three other standing committees would be created. These additional committees would include a **Water Committee**, a **Facilities Committee** and a **Policies Committee**. Further, the Board desired that membership on these committees be open to the public. The District is to publicize for these committees and solicit interested individuals to join and participate. The Board wanted to further address the make-up of these committees at the January meeting.

Discussion and Recommendation - In reviewing our policy manual, *Article 6, Committees*, it is apparent, given the direction the Board wants to take, that we should re-define sections of this article to better suit our needs. The Board should consider increasing and setting the size and composition of the committees, define the purpose and charge of each group, add language regarding membership qualifications and requirements, determine term length, and establish the appointment process.

Attached you will find a copy of Article 6, Committees, from our manual. In addition, other material provided by Rob Schultz, our District Council, has been included. These are samples of By-Laws and other information being used at the City of Morro Bay. This should prove helpful in setting up our own committees.

Please review these attachments and be prepared to discuss and establish the policies for our committees at the Board meeting. It is our belief that this endeavor is an important part of the community outreach program, which was given such high priority during our recent Planning Workshop. The contributions that these committees will make will undoubtedly play a major role in helping the District address the major issues facing the District and the Community of San Simeon.

Mark A. Bloodgood, General Manager
Robert W. Schultz, District Counsel

Kim Allison, Office Administrator
John L. Wallace, District Engineer

Ron Head, Plant Superintendent

ARTICLE 6
Committees

6-1 Standing Committees: All standing committees, that is committees appointed for a session (a session being that period equal to the term of office of the Board Chairman), shall consist of two Board members and all must conform to the Brown Act.

- a. Budget Committee: Responsible for direct Board input to the budget process. Investigates and reports possible revenue sources. Passes on the preliminary budget and mid-year budget review prior to full Board action. Helps monitor the District's financial position.
- b. Finance Committee: Responsible for overseeing all billing and accounting procedures. Also oversees the deposits on hand and advises the Board of the best place to have its funds, at what rates and any risks involved. It reports all findings to the Board at regular meetings.
- c. Fresh Water Committee: Responsible for Board member interaction and input on the District's fresh water projects. Attend meetings with other agencies to help determine project feasibility and opportunity for joint projects. Takes particular interest in those budget items related to the water projects.
- d. Operations committee: Responsible for Board member interaction and input on matters assigned regarding the operation of the District not covered within an existing committee.
- e. Operations & Procedure Manual Committee: Responsible for keeping up with any changes, additions or deletions made to the District Operations Manual. Will also make reasonable effort insuring all directors, managers, legal counsels and District office copies of the manual are current.
- f. Roads Committee: Responsible for direct Board input into the road maintenance and construction standards. Advises on the need for ordinances re: parking/camping. Takes special interest into those budget items for road repairs and construction. Street lights are part of the Roads Committee responsibility.
- g. Waste Water Committee: Responsible for Board member interaction and input on the District's waste water projects and condition. Attend meetings with other agencies to help determine project feasibility. Takes particular interest in those budget items related to the water projects.

PH
1) WATER
2) BUDGET
3) FACIL.
POLICY

6-2 Committee Appointments: All committees shall be appointed by the Chairperson. Committee selection shall take place as often as the Chairperson deems necessary.

6-3 Special Committees: Special committees, that is committees appointed to meet for a special purpose, shall have the same rules as standing committees except that once the purpose for which the committee was formed has been achieved, the committee shall automatically be disbanded.

ARTICLE 7 Election of Officers

7-1 Time of Election: At the first Board meeting in the month of December of every year, the election of Chairperson and Vice Chairperson shall be held.

7-2 Order of Business: This election shall be the first order of business after the call to order and roll call.

7-3 Nominations: The call for nominations shall be opened by the Chairperson and nominations shall be received by voice. No nomination needs to be seconded.

7-4 Nominations Closed: Nominations shall be closed upon an approved motion.

7-5 Absent Candidate: An absent candidate may not be nominated and elected unless such candidate has submitted in writing his desire to serve.

7-6 Possession of Office: The officer elect takes possession of his office immediately.

7-7 Committee Appointments: Committee appointments shall be made, by the new Chairperson, during the first meeting in January after the election of the new Chairperson, and subject to the approval of the Board.

ARTICLE 8 Restriction on Rules

8-1 Policy: The rules contained herein shall govern the Board in all cases to which they are applicable, and in which they are not inconsistent with State or Federal laws or any other rules, regulations, resolutions, or ordinances of the District.

**CITY OF MORRO BAY
COMMUNITY PROMOTIONS COMMITTEE
BY-LAWS**

PURPOSE AND AUTHORITY

The Community Promotions Committee was created in the belief that tourism is essential to the economic health and quality of life of this community. Its purpose is to increase tourism to Morro Bay through marketing and advertising. The purpose of the Committee shall provide input and recommendations to the Morro Bay City Council on policies and expenditure programs to advertise and promote Morro Bay and its special events as a tourist destination point in geographic and demographic areas outside the boundaries of San Luis Obispo County.

The Committee shall make reports and recommendations to the various city boards, commissions or the City Council on the above matters. When requested to do so, will review items referred by other city boards, commissions or the City Council. Resulting reports and recommendations will be included in presentations before the City Council.

APPOINTMENT

The Community Promotions Committee shall be comprised of seven (7) voting members, four of which must be qualified electors of the City of Morro Bay. Appointments and the filling of vacancies shall be made by the City Council. Committee members shall serve at the pleasure of the City Council. The City Council will attempt to select members from the following categories:


- Morro Bay Chamber of Commerce
- Morro Bay Merchants Association
- Morro Bay Motel and Restaurant Association
- Water Front Business Representative
- Special Events Representative
- Two Members at Large

TERMS OF OFFICE

Members shall serve, without compensation, for a period of four (4) years commencing February 1st. In the year specified when members are appointed. Appointments shall be made in such a manner so as no more than three members' terms expire concurrently. Unanticipated vacancies shall be filled for the duration of the unexpired term only.

- CAP - 2 - 2 yr terms
filled vacancy shall not be precluded from serving full 2 terms

**interoffice
MEMORANDUM**

TO: Bob Hendrix, City Manager
FROM: Susan Lichtenbaum, Harbor 
DATE: 8/29/01
SUBJECT: PROPOSED BOARDS & COMMISSION HANDBOOK

Per City Council direction, the Harbor Advisory Board reviewed several formats for a "Boards and Commission Handbook". Attached is a proposed Boards and Commission handbook based on the City of Larkspur's Handbook with a section specific to the Harbor Advisory Board that was reviewed by the Harbor Advisory Board at their 8/2/01 meeting.

If you want a copy e-mailed, let me know.

cc: City Clerk
Harbor Director

CITY OF MORRO BAY COMMISSIONS AND BOARDS

Everybody talks about government... YOU CAN DO SOMETHING ABOUT IT... HERE IN MORRO BAY... WHERE IT ALL STARTS... BY SERVING ON A BOARD OR COMMISSION.

INTRODUCTION TO COMMUNITY SERVICE

Citizen participation in local government is the foundation of the American democratic system. Few other major countries in the world encourage residents to contribute their time and good sense to shaping the policies of local government.

Thanks to the farsighted men and women who first settled our country, the concepts that society's goals are best set by public discussion and that government should be open and accountable to the public in every step of the planning process prevail throughout this country. Participation is an ongoing process. Citizen advisory boards and commissions are critically important in maintaining communication with divergent groups, in maintaining local standards, and preserving the intrinsic character of Morro Bay.

Pressing issues provide continued challenges to those participating in the government system. Some of those issues include: the preservation and enhancement of our historic fishing industry and our unique bay and estuary; enrichment of our cultural and recreational environment; improvement of our public transportation systems; and the protection and improvement of neighborhoods and commercial areas.

The Morro Bay Municipal Code empowers the City Council to form boards and commissions to assist the City Council in legislating and managing the affairs of the City. Currently there are five permanent boards and commissions. From time to time citizen advisory committees are appointed to meet a specific topic and need. Their varied roles provide significant opportunities for formulating City policy and for creating public forums for meaningful community participation.

HOW ARE BOARD OR COMMISSION MEMBERS CHOSEN: APPLICATION AND SELECTION PROCESS

All recruitment for board and commission members is open and published in the Sun Bulletin. Applicants will be sought from all segments of the community, representing various interests and groups.

Appointment is made by the City Council. Each application is carefully reviewed by the City Council. The City Council interviews each applicant in open public hearings prior to appointment. Incumbents are considered for reappointment at the conclusion of their terms. Terms are four years, expiring on January 31, and the terms are staggered.

HOW DO I GET AN APPLICATION?

Applications may be obtained from City Hall located at 595 Harbor ST, Morro Bay, CA.

Information on vacancies and/or specific recruitment periods may be requested by phoning the City Clerk at 805-772-6200. An official application form must be completed for each position.

ARE THERE ANY TIPS TO IMPROVE MY CHANCES OF BEING APPOINTED?

Fill out a separate form for each board or commission in which you are interested. It is to your advantage to tailor each application to the specific board or commission for which you are applying. Emphasize different aspects of your background to match those needed for a particular board or commission.

Emphasize your talents. Clearly indicate how your particular talents, skills, training, or experience will benefit the board or commission for which you wish to be considered. This is your opportunity to "toot your own horn."

Become familiar with the appropriate board or commission. Attend meetings, talk with board or commission members, or read documents they have developed to acquaint yourself with their work. Talk with the department head responsible for staffing the specific board or commission in which you are interested.

QUALIFICATIONS FOR SERVICE

Board and Commission members may be required to wear "different hats" at different times. The ability to suitably perform the varied roles requires specialized skills and knowledge. Qualification for service can be divided into four general areas:

LONG-RANGE INTEREST IN THE COMMUNITY

The ability to conceive and be concerned with the impact of current decisions on future citizens is paramount. Board and commission members are required to analyze issues, listen to public comment through formal hearings or informal discussion, interpret and apply mandates of the General Plan, and analyze all pertinent data before arriving at objective decisions which will be in the best interests of the community as a whole.

FAIRNESS, COMMON SENSE, HONESTY AND GOOD CHARACTER

Keeping the public interest in mind, a board member will be called upon to use everyday good sense in balancing the need of public and private groups. Controversial issues do arise, and the ability to make decisions based on merit rather than personalities is a must. Other positive and desirable traits include imagination, flexibility, and the ability to act in a judicial vs. legislative capacity.

KNOWLEDGE OF THE COMMUNITY MARKETPLACE, PROCESS, OBJECTIVES, AND LAWS

Having first-hand knowledge of economic systems, the general operation of government, and a basic understanding of the legal process are important attributes.

This knowledge will be of tremendous value when board members are required to conduct public hearings, analyze and receive testimony and make meaningful decisions.

TIME TO SERVE IN APPOINTED CAPACITY

The amount of time that a board or commission member devotes to his/her duties varies with each board or commission. Before making a personal commitment, a prospective applicant should honestly evaluate whether he/she has adequate free time to attend the meetings, to review and be familiar with meeting materials, and to communicate with the public as well as with department staff.

STATEMENTS OF ECONOMIC INTERESTS/CONFLICT OF INTEREST

The Harbor Advisory Board, the Planning Commission, the Recreation and Parks Commission, the Public Works Advisory Board, and the Community Promotions Committee are required to file Statements of Economic Interest.

Board and Commission members are required to refrain from participation in matters where they have the potential for conflict of interest. (See below for City Council's policy on Conflict of Interest)

FURTHER QUESTIONS?

If you have additional questions you can contact the City Clerk at 772-6207. 5

CONFLICT OF INTEREST

Morro Bay was established as a city in 1964 and has the reputation of being split evenly on most issues between proponents and opponents on every issue. Confidence in City government is of paramount importance. This need to maintain community trust is so vital to the City Council that this public policy was written to clearly define the City's position regarding conflict of interest.

Government Code §87100 * contains the statutory rules for elected and appointed officials and defines when a conflict occurs. The regulations are issued by the State Fair Political Practices Commission (FPPC). The City has neither leeway nor latitude when interpreting FPPC rules.

Generally stated, any elected or appointed official has a conflict of interest if he or she has a financial interest in a project before the City and/or when compensation is received from anyone seeking approvals from the City. There are some exceptions but, generally, elected or appointed officials are prohibited from voting on projects where a conflict exists.

A conflict of interest also occurs when officials live within a certain distance from a project (usually 300 feet). Even if a legal conflict does not exist, it may be inappropriate to participate in a decision for personal reasons to avoid even the appearance of a conflict of interest. As an example, there could be a conflict if your good friend has a matter before your board, and you do not feel that it would be appropriate for you to voice an opinion in your "City" capacity. While the latter case is not defined by the Fair Political Practices Commission as a conflict, it could be perceived as a conflict, and then stepping down is appropriate.

It is the policy of the Morro Bay City Council that, in addition to strictly adhering to the FPPC rules, all elected and appointed officials conduct themselves in a manner that does not raise a reasonable perception or belief that there is a conflict of interest or an abuse of your position. Please be aware that the City Council believes that avoiding the appearance of conflict is extremely important.

If you step down from the dais and refrain from voting on an issue, you are not precluded from speaking as an individual. Your presentation, however, must be made from the floor, at the microphone with the rest of the public. You should state for the record that you are speaking as an individual.

Many times in the past, Council members, Board members and Commissioners have stepped down from their official position at the dais when projects are presented in which there may be the potential for conflict of interest. This provides the opportunity to present your views as an individual on any matter before any City body. The conflict of interest policy is simple.

The City Council has adopted a strict policy that if in your business you intend to represent clients or friends before City bodies (whether paid or not), you should not at the same time serve on a City board or commission. This policy has been adopted to provide the public the assurance of fairness and integrity in the public decision making process. This may seem to be a harsh policy, but it does work well for Morro Bay.

If you have any questions, please feel free to ask City Administrator for clarification.

* Caveat: Refer to State Law. This is neither a full nor complete statement of the law.

HARBOR ADVISORY BOARD

The Harbor Department is a service-oriented organization providing boater assistance and emergency response for the waters of Morro Bay including water safety, education, i.e., summer beach lifeguards program, junior lifeguard program and school and community outreach programs. The Harbor Department maintains all harbor facilities, coordinates federal dredging activities, administers Tidelands lease sites and cooperates with other City departments to ensure a high quality of life for harbor users and the citizens of Morro Bay.

Objectives of the Morro Bay Harbor Department include maintenance of all harbor facilities, which includes responsibility for all City piers, docks, equipment and harbor patrol vessels. Harbor Department staff seeks to maintain and enhance existing City facilities and waterfront businesses through reconstruction projects as necessity and funding priorities allow. Department personnel provide assistance to other City departments whenever possible. Staff cooperates with outside agencies to sustain and enhance the business environment and quality of life in Morro Bay. Staff coordinates federal dredging activities.

Another department objective is to provide clean and safe waterfront areas, and many volunteers assist with cleanup of the Embarcadero on an ongoing basis. Available resources do not allow 24-hour staffing of the Harbor Patrol and a 30-minute response time for after-hours vessel response is acceptable at this time.

Harbor Department staff administers tidelands lease property management program for 50 lease agreements providing almost \$1,000,000 in annual revenues. Staff represents the public interest in all lease site use/agreement negotiations and strives to build a partnership concept with tenants through City cooperation in Embarcadero business promotion improvements.

Harbor Department personnel are responsible for general administration of the harbor including: code enforcement of Chapter 15 of the Municipal Code, collection of user fees, and providing general City business office functions in an efficient manner.

The Harbor Patrol maintains equipment and City waterfront facilities at a level that reflects well upon the City. Harbor Patrol officers provide boater assistance and water emergency response in a friendly and professional level equal to, or higher than, other harbors in California.

The City of Morro Bay accepts applications when positions are open. Both incumbent and non-incumbent applicants may apply for open positions. Normal terms are four years and run through January. Applicants will be interviewed by the City Council, and subsequent appointments will be made by the Council.

The Morro Bay Harbor Advisory Board is designated as the official advisory board to the City Council on issues relating to the harbor and waterfront areas along the Morro Bay Embarcadero as set forth in Resolution 74-98 and the attached By-Laws. The harbor area is governed by regulations in City Municipal Code Chapter 15 pursuant to Sections 50022.1 through 50022.8 and 50022.10 of the California Code Annotated.

The Harbor Advisory Board holds public meetings on various issues relating to harbor facilities and services, planning and future development in the waterfront area.

Applicants must be residents of the County of San Luis Obispo, but not necessarily Morro Bay residents, and should meet certain criteria for representation of waterfront, boating, and recreational groups, and must be willing and able to attend evening meetings. The various positions on the Harbor Advisory Board are as follows:

Members at Large	3 (1 to be a South Bay/Los Osos area representative)
Recreational Boating Representative	1
Leaseholder Representative	1
Commercial Fishing Representative	1
Marine Oriented Business	1

The regular Harbor Advisory Board meetings are held at 7:00 p.m. on the first Thursday of each month, and special meetings are scheduled as needed. More specific information on the Harbor Advisory Board may be obtained by contacting the Harbor Director at 772-6259, or Administrative Assistant at 772-6254.

Harbor Advisory Board appointees are required to file Statements of Economic Interest pursuant to Fair Political Practices Commission guidelines. Applicants are well advised to become familiar with all requirements of the Brown Act as well.

High court to hear Tahoe case

700 OWNERS DENIED
RIGHT TO BUILD
ON LAKESIDE LOTS

BY DAVID G. SAVAGE
LOS ANGELES TIMES

WASHINGTON — For several hundred families, the 1970s dream of retiring at Lake Tahoe has led instead to more than 20 years of litigation, frustration and taxes.

Dorothy Cook, a widowed bookkeeper who was living in Southern California's San Fernando Valley, purchased a small lot overlooking the lake in 1977. Kenneth and Betty Eberle bought two adjoining wooded lots about the same time.

But when it came time to build, they were blocked by a 1981 "moratorium" on development, a supposedly temporary delay that remains in effect.

Environmentalists said runoff from rain and melting snow would drain through certain lots if developed and pollute the crystal clear water of the mountain lake. So the owners' building permits were denied, even as they watched houses

Please see TAHOE, A4

Tahoe

From Page A1

go up on nearby lots.

"We haven't been able to do anything with it, except pay taxes," Kenneth Eberle of Cambria said of his Tahoe lot.

The Eberles and Cook are part of a 1984 lawsuit brought by nearly 700 families prohibited from building on their Tahoe lots. They sought compensation from the California-Nevada planning agency that imposed the moratorium.

The Supreme Court today will take up the Tahoe case to decide a question of property law that is being closely watched by builders, environmentalists and land-use planners across the United States.

The outcome will determine when, if ever, the government must pay for delays in allowing property owners to use their land.

The case turns on the meaning of the Fifth Amendment, which states "private property (shall not) be taken for public use, without just compensation."

At one time, an unconstitutional "taking" of private property was limited to instances where the government took over land for its use. More recently, the high court has made clear that a government regulation that bars all use of private property can also trigger a demand for compensation.

It has remained unclear, however, whether a temporary freeze or a moratorium on development entitles the landowners to compensation.

Over 17 years, the Tahoe case has bounced back and forth in the federal courts, prompting a

classic liberal-conservative split among judges on the West Coast — with conservatives siding with property owners and liberals arguing that government has the right to limit certain uses of property.

In the most recent rounds, the litigation has focused on whether property owners deserve money for a "temporary taking" of their land.

A trial judge in Reno, Nev., ruled that the Tahoe families were entitled to compensation because the moratorium deprived them of all use of their land for at least three years. (Strangely enough, the lawsuit has proceeded as a dispute over how things stood in 1984 — three years after the moratorium was imposed — and has essentially ignored the fact that the owners still are unable to build on their land.)

In an appeal, lawyers for the regional planning agency argued that the building moratorium was justified by the need to protect the lake. The 9th U.S. Circuit Court of Appeals agreed two years ago, reversing the decision of the trial judge.

The Supreme Court voted in June to hear the property owners' appeal in the case (Tahoe Sierra Preservation Council vs. Tahoe Regional Planning Agency, 00-1167). Under Chief Justice William H. Rehnquist, the high court has moved repeatedly to strengthen the rights of property owners.

Attorney Michael M. Berger, of Santa Monica, is representing the Tahoe lot owners and argues that property owners are entitled to compensation whenever the government forbids them from using their land, even temporarily.

Tribune
Monday,
1/7/02

Tuesday 11/8/02

A6

THE TRIBUNE WWW.SANLUISOBISPO.COM

SUPREME COURT

Justices hear Tahoe case arguments

'MANDATORY COMPENSATION' RULE CONSIDERED

By DAVID G. SAVAGE
LOS ANGELES TIMES

WASHINGTON — The Supreme Court justices, hearing arguments Monday in a Lake Tahoe property rights case, appeared sympathetic to the hundreds of families who have been barred from building homes on their lots but also wary of forcing local governments to pay compensation whenever they delay new development.

During a lively hourlong argument, the justices seemed sharply divided on the Tahoe case, which pits the interests of land-use planners against those of property owners.

Ten years ago, the high court sided with a South Carolina man who was told that he could not build anything on his beachfront lots, ruling that property owners who are denied all use of their land must be paid for their loss. The Tahoe case raises the question of whether this rule of "mandatory compensation" should be extended to instances where the government puts a temporary freeze on development.

In 1981, the Tahoe regional

planning agency put a moratorium on new housing around the lake because runoff from the hillsides threatened to turn the clear blues of the lake into algae green.

Three years later, about 700 families sued because their lots were deemed susceptible to erosion and they were barred from building.

Chief Justice William H. Rehnquist and Justice Antonin Scalia spoke up for the property owners during Monday's argument.

"It doesn't seem fair to me to say these people should bear the burden" of preserving the lake, Scalia said. "It's a general societal problem for which the entire society should pay. ... Why should some individuals have to make the sacrifice?"

When a lawyer for the regional planning agency defended the "temporary moratorium," the chief justice interjected sarcastically, "Maybe it should all be a park."

Rehnquist and Scalia are the court's strongest champions of property rights, but they were not alone in taking up the cause of the lot owners.

It will be several months before a decision is announced in the case, Tahoe Sierra Preservative Council vs. Tahoe Regional Planning Agency, 00-1167.