

Public Copy

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



BOARD PACKET

**Wednesday, August 8, 2018
Regular Meeting 6:00 pm**

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

Prepared by:



GRACE
ENVIRONMENTAL SERVICES

AGENDA
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
Wednesday, August 8, 2018
6:00 pm

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

1. REGULAR SESSION: 6:00 PM

- A. Roll Call

- B. Pledge of Allegiance

2. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA:

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

3. SPECIAL PRESENTATIONS AND REPORTS:

A. STAFF REPORTS:

- i. **Sheriff's Report** – Report for July.
- ii. **General Manager's Report** – Summary of July Activities.
- iii. **Superintendent's Report** - Summary of July Activities.
- iv. **District Financial Summary** – Update on Monthly Financial Status.
- v. **District Counsel's Report** – Summary of July activities & review of appropriations limits handout.

B. BOARD OF DIRECTORS AND COMMITTEE REPORTS:

C. SPECIAL PRESENTATION:

D. PUBLIC COMMENTS ON SPECIAL PRESENTATIONS AND REPORTS:

Public Comment - This public comment period provides an opportunity for members of the public to address the Board on matters discussed during Agenda Item #3 – Special Presentations and Reports. If a member of the public wishes to speak to this time, Public Comment is limited to three (3) minutes.

4. CONSENT AGENDA ITEMS:

Public Comment - Members of the public wishing to speak on consent agenda items may do so when recognized by the Presiding Officer. If a member of the public wishes to speak at this time, Public Comment is limited to three (3) minutes.

- A. Review and approval of Minutes for the Regular Meeting on July 11, 2018.

B. Review and approval of Disbursements Journal.

5. BUSINESS ITEMS:

Public Comment - Members of the public wishing to speak on business items may do so when recognized by the Presiding Officer. If a member of the public wishes to speak at this time, Public Comment is limited to three (3) minutes.

A. Authorization for the General Manager to execute a Professional Services Agreement with Tuckfield & Associates not to exceed \$10,000.00.

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

7. PUBLIC COMMENT -This public comment period provides an opportunity for members of the public to address the Board on matters discussed during Agenda Item #8. If a member of the public wishes to speak at this time, Public Comment is limited to three (3) minutes.

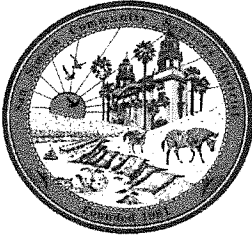
8. CLOSED SESSION. The Board will hold a Closed Session to discuss the following item:
A. Conference with Legal Counsel – Anticipated Litigation. Decide whether to initiate litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: Number of case(s): 1.

9. RECONVENE TO OPEN SESSION – An announcement of any reportable action taken in closed session will be made in open session.

10. ADJOURNMENT

All staff reports or other written documentation, including any supplemental material distributed to a majority of the Board within 72 hours of a regular meeting, relating to each item of business on the agenda are available for public inspection during regular business hours in the District office, 111 Pico Avenue, San Simeon. If requested, this agenda shall be made available in appropriate alternative formats to persons with a disability, as required by the Americans with Disabilities Act. To make a request for a disability-related modification or accommodation, contact the District Administrator at 805-927-4778 as soon as possible and at least 48 hours prior to the meeting date. This agenda was prepared and posted pursuant to Government Code Section 54954.2.

3. A. ii GENERAL MANAGER'S REPORT
Charles Grace
Update for July 2018



GENERAL MANAGER'S REPORT

Item 3.A.ii

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

Regular activities performed by District staff include:

Processing of utility payments, customer service duties, answering phone calls, mailing of the regular monthly utility bills. Prepared and distributed the agenda and Board packet. Prepared the agenda for the Water Committee meeting.

During the month of July, staff also attended to the following items:

- Responded to six (6) public records requests.
- Finalized the executed contract with Phoenix Engineering for 100% Design work of the reservoir project.
- Responded to several customer inquiries related to parking, dead tree removal, removal of debris on county property, and code enforcement issues.
- Coordinated continued landscaping improvements at the District office, and along Pico Avenue, including removal of a dead tree located on the District easement.
- Prepared the quarterly newsletter.
- Notice of Stage 1 water restrictions was prepared and mailed on July 26, 2018.
- Met with the policy and procedures ad-hoc committee.

The District office will be closed from August 13 – August 17, 2018.

2. Grant Update –

PROP 1 FUNDS – PLANNING GRANT

As part of the reimbursement process staff has submitted invoices totaling the amount of \$73,655.00. The County is expecting to do a six month reimbursement turn around. Staff will update the District when we receive a confirmation from the County on a reimbursement schedule.

PROP 1 FUNDS – IMPLEMENTATION PROJECTS

The IRWM Scoring Summary for the Reservoir project has been submitted for the Reservoir Expansion Project (attached). The guidelines time frame has changed, and now expected to be release in December of 2018. The County will be selecting projects approximately in February of 2019 once the guidelines are reviewed. There is a \$3.2 million dollar set aside for Round one (1) of the Prop 1 Funds. \$232,229

has been set aside for specifically for DACs. Our understanding is there are only two (2) other DACs that are applying for the Round 1 Funds.

Attached is a copy of the summary and scoring sheet for the project. This is the preliminary grant submission. If selected, there is a main application process and a presentation to the Department of Water Resources. There is a very tight schedule in place and it is important that Staff, Engineering and Environmental stay on task.

Other:

Staff attended the County Emergency Services/FEMA seminar on how to prepare for emergency funding during a disaster. The class was informative and staff will be putting together some items to be better prepared to apply for emergency funding in case of a disaster situation.



DRAFT Project Evaluation Form
Updated June 13, 2018

Instructions:

This Form accompanies the "2018 IRWM Scoring Summary" and embedded worksheets.

Project Sponsors shall evaluate a single project with this Form as guided in the "Project Evaluation Rubric". This Form is to be filled out on a per project basis. Please ensure the Project Name and Sponsor information matches with what is on the Summary worksheet.

Project Name: Reservoir Expansion Project

Project Sponsor Agency/Organization: San Simeon CSD

Contact Person: Renee Osborne

A. Contribution to the IRWM Plan Objectives

Water Supply Goal:

The expansion of the current reservoir storage from 150,000 gallons to 400,000 gallons will maximize the accessibility of water, supply, and sustain the rural community with an adequate potable water source. Additionally, the project will assist in planning and improving the communities' the water supply while reducing the vulnerability issues.

Ecosystem & Water shed Goal: Climate change has negatively impacted the San Simeon watershed "Rocky Butte ridge" and its sensitive ecosystem. The constant change in rain patterns impact the entire watershed. With a larger water storage system in place, during times of drought and low creek water flow, we would draw less from the wells/aquifer and rely mostly on the banked water. This would help us conserve the balance of the ecosystem and not overdraw it during a drought. If we drew water from the aquifer during large creek flows or rain events and banked the water, it would also reduce water contaminants such as virus and bacteria during times of heavy rain and extremely high chlorides (ranging 3200 to 3500 mg/l) which intrude our wells during times of drought.

Groundwater: Our intentions of a larger reservoir 150,000 to 400,000 gallons is for ground water banking, and to protect and improve ground water quality.

Water Resource Management & Communications Goal: A larger water reserve would help support San Simeon's local control of their water system while supporting a Disadvantaged Community.

B. Utilization of IRWM Resource Management Strategies (RMS)

The reservoir project is designed to help improve the drinking water treatment and distribution system by improving contact time which reduces viruses and bacteria that can be commonly found in groundwater that is impacted by surface water. A larger reservoir will help us bank quality water and protect and manage our watershed. The larger reservoir will not only allow us to bank good quality water during rain or high creek flow events, but also help us with remediation of our groundwater/aquifer.

C. Strategic considerations for IRWM Plan Implementation

- It will allow us to become fire flow compliant.
- The expansion of the reservoir will allow us to store water during rainy seasons or events.
- It will allow us to store water before it is contaminated by high chloride.
- When the creek is flowing with muddy water and harmful contaminants, we would have the ability to use stored water.

D. Technical feasibility of the project (Design)

Design will be complete by fall of 2018.

E. Project status / Readiness to Proceed (Permitting, etc.)

CEQA/permitting will be close to completion by fall of 2018. We feel that we will have a mitigated negative declaration.

F. Project costs and financing

Project costs are known using an engineer's estimate and part of the updated Master Plan.

Part II. Project Financing (5 Points possible).

How is the project being funded? Points are awarded for percent complete of secured & documented financing:

We are applying for a USDA loan for a portion of the cost and the District will match some funds from the general fund.

G. Economic Feasibility (Is project cost effective? O&M Costs planned?)

If an economic analysis of the project has been completed within the past 5 years and indicates the project is financially feasible, the project is given 10 points. Project sponsor shall provide documentation of the completed analysis to receive points.

An engineer's report and updated District Master Plan has been prepared.

H. DAC, Tribal and Environmental Justice considerations

Part I. DAC (4 points)

Does the project directly benefit a critical water issue of a DAC? DAC's in our Region include the communities of San Miguel, San Simeon, Oceano and the Cities of San Luis Obispo and Grover Beach.

0 points for does not directly benefits 4 points for directly benefits

This project directly effects San Simeon CSD

Part II. Native American Critical Water Issues (3 points)

Does the project directly address water quality in surface waters, habitat restoration and/or fish migration?

NO

Part III. Environmental Justice (3 points)

Does the project directly address Environmental Justice issues, i.e. access to quality water, water pollution generation reduction, etc.? Guidelines state "Environmental Justice seeks to redress inequitable distribution of environmental burden and access to environmental goods (i.e. clean water and air)".

Quality/Clean water for a DAC

I. Climate Change Adaption *(Not included on this form. Scored via "2018 IRWM Scoring Summary and Worksheets")*

Seasonal water demand, drought sensitive water system, water supply from coastal aquifers, inability to store carryover supply surpluses, declining season low flows, water quality impacted by rain events, coastal infrastructure in low lying areas, rising sea level, sea level rise/high tides impacts in combination with low to no rain events.

J. Climate Change Mitigation (GHG Emission Reduction

Part I. Project Alternatives Analysis (1 point)

Does the selected project reduces GHG emissions compared to other project alternatives, and can provide documentation of this analysis?

If yes, it is given 1 point.

Yes, an alternative would be to purchase water and truck water to the District.

Part II. Energy Consumption Reduction (1 point)

Does the project qualitatively reduces energy consumption, especially energy embedded in water?

If yes, it is given 1 point.

NO

Part III. Emission Reduction over 20-year Horizon (1point)

When evaluating the project-related GHG emissions on a 20-year planning horizon, does the project reduce GHG emissions?

If yes, it is given 1 point.

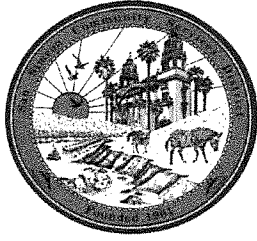
NO

K. Reduce reliance on the Delta

If the project reduces dependence on the Sacramento-San Joaquin Delta for water supply, it is given 1 point.

NO

3. A. iii. SUPERINTENDENT'S REPORT
Jerry Copeland
Facilities Update for July 2018



SUPERINTENDENT'S REPORT

Item 3.A.iii

Prepared by: Jerry Copeland

1. Wastewater Treatment Plant

- All sampling, testing and reporting at the Wastewater Treatment Plant and the Recycled Water Facility was performed as required by the RWQCB, including annual, bi-annual and semi-annual sampling.
- Three loads of sludge were hauled away.

2. Water Distribution System

- All routine sampling and testing was performed. The monthly report was submitted to the State Water Resources Control Board (SWRCB), Division of Drinking Water (DDW), including additional reporting required with filter operation.
- The annual County Water Usage Report was completed and submitted.
- Annual testing of the District's backflow devices was performed.
- The R.O. unit was repickled.
- Monthly water meter reading was performed.

3. District and Equipment Maintenance

- Staff continues with all of the scheduled preventive maintenance for all the equipment at the facilities. We are recording all of these activities.
- The District office roof was replaced.
- Pot holes were filled around the District.
- Weed abatement was performed around the District.

San Simeon Community Services District
Superintendent's Report
July 2018

MONTHLY DATA REPORT

Date	Day	Wastewater Inflow	Wastewater Effluent Daily Flow	Well 1 Total Daily Produced	Well 2 Total Daily Produced	Total Daily Water Produced	R.O. Inflow	R.O. Effluent Flow	R.O. Daily Brine Flow	Distribution Chloride	Chloride Wells 1	Chloride Wells 2	Recycled Water Distributed	Water Level Well 1	Water Level Well 2	Rainfall in Inches	State Inflow Daily
07/01/18	Sun	100,579	106,110	65,674	13,389	79,064	0	0	0	-	-	-	0	10.1	10.4	0.00	18,812
07/02/18	Mon	106,850	106,140	0	78,465	78,465	0	0	0	-	-	-	0	10.1	10.4	0.00	18,533
07/03/18	Tue	87,629	88,060	73,753	449	74,202	0	0	0	-	<32	<32	0	10.1	10.6	0.00	20,767
07/04/18	Wed	87,517	91,940	0	77,119	77,119	0	0	0	-	-	-	0	10.2	10.5	0.00	12,211
07/05/18	Thu	106,945	102,850	84,449	23,712	108,161	0	0	0	-	-	-	0	10.2	10.5	0.00	14,083
07/06/18	Fri	104,706	102,990	37,325	69,414	106,740	0	0	0	-	-	-	0	10.2	10.6	0.00	19,129
07/07/18	Sat	112,970	111,260	58,568	61,635	120,204	0	0	0	-	-	-	0	10.3	10.7	0.00	19,504
07/08/18	Sun	90,041	92,160	75,997	0	75,997	0	0	0	-	-	-	0	10.4	10.8	0.00	18,945
07/09/18	Mon	95,526	92,920	0	72,182	72,182	0	0	0	-	-	-	0	10.3	10.6	0.00	17,313
07/10/18	Tue	79,050	77,040	71,808	1,272	73,080	0	0	0	-	<32	<32	0	10.3	10.7	0.00	12,833
07/11/18	Wed	84,153	82,850	75,772	0	75,772	0	0	0	-	-	-	0	10.2	10.6	0.00	14,276
07/12/18	Thu	84,549	86,100	73,603	0	73,603	0	0	0	-	-	-	0	10.2	10.6	0.00	16,018
07/13/18	Fri	83,359	85,440	78,166	16,381	94,547	0	0	0	-	-	-	0	10.2	10.5	0.00	14,969
07/14/18	Sat	101,845	102,060	38,447	70,836	109,283	0	0	0	-	-	-	0	10.1	10.5	0.00	3,374
07/15/18	Sun	97,868	102,180	57,746	40,616	98,362	0	0	0	-	-	-	0	10.1	10.5	0.00	29,722
07/16/18	Mon	94,924	96,560	0	47,439	47,439	0	0	0	-	-	-	0	10.1	10.5	0.00	14,833
07/17/18	Tue	101,643	96,680	84,898	14,810	99,708	0	0	0	-	-	-	0	10.1	10.5	0.00	14,871
07/18/18	Wed	93,849	93,340	4,338	70,836	75,174	0	0	0	-	-	-	0	10.1	10.5	0.00	20,593
07/19/18	Thu	102,591	101,910	86,843	43,010	129,853	0	0	0	-	-	-	0	10.1	10.5	0.00	15,796
07/20/18	Fri	114,322	114,970	66,722	39,436	106,157	4203	2640	1563	-	-	-	0	10.1	10.5	0.00	17,171
07/21/18	Sat	117,648	115,290	0	81,682	81,682	0	0	0	-	-	-	0	10.4	10.8	0.00	15,764
07/22/18	Sun	105,285	107,600	82,579	0	82,579	0	0	0	-	-	-	0	10.3	10.7	0.00	22,469
07/23/18	Mon	126,368	112,160	48,620	90,209	138,829	0	0	0	-	-	-	0	10.3	10.7	0.00	19,549
07/24/18	Tue	111,385	106,150	40,392	77,867	118,259	0	0	0	-	-	-	0	10.3	10.7	0.00	18,458
07/25/18	Wed	110,907	104,110	80,186	0	80,186	0	0	0	-	-	-	0	10.3	10.7	0.00	18,502
07/26/18	Thu	114,513	107,600	33,062	88,488	121,550	0	0	0	-	-	-	0	10.3	10.7	0.00	18,108
07/27/18	Fri	120,122	112,620	68,068	65,749	133,817	0	0	0	-	-	-	0	10.3	10.7	0.00	17,158
07/28/18	Sat	119,503	114,610	83,851	0	83,851	0	0	0	-	-	-	0	10.4	10.8	0.00	25,837
07/29/18	Sun	111,619	114,360	26,629	97,764	124,392	0	0	0	-	<32	<32	0	10.3	10.7	0.00	20,214
07/30/18	Mon	131,897	129,340	64,253	63,131	127,384	0	0	0	-	-	-	0	10.3	10.7	0.00	25,030
07/31/18	Tue	100,778	99,180	86,544	0	86,544	0	0	0	-	-	-	0	10.4	10.8	0.00	24,696
TOTALS		3,200,941	3,156,580	1,648,293	1,305,891	2,954,183	4203	2640	1563	-	32	32	0	10.2	10.6	0.00	559,538
Average		103,256	101,825	53,171	42,126	95,296	136	85	50	-	0	0	0	10.1	10.4	0.00	18,050
Minimum		79,050	77,040	0	0	47,439	0	0	0	-	0	0	0	10.1	10.4	0.00	3,374
Maximum		131,897	129,340	86,843	97,764	138,829	4203	2640	1563	-	0	0	0	10.4	10.8	0.00	29,722

DATA SUMMARY SHEET

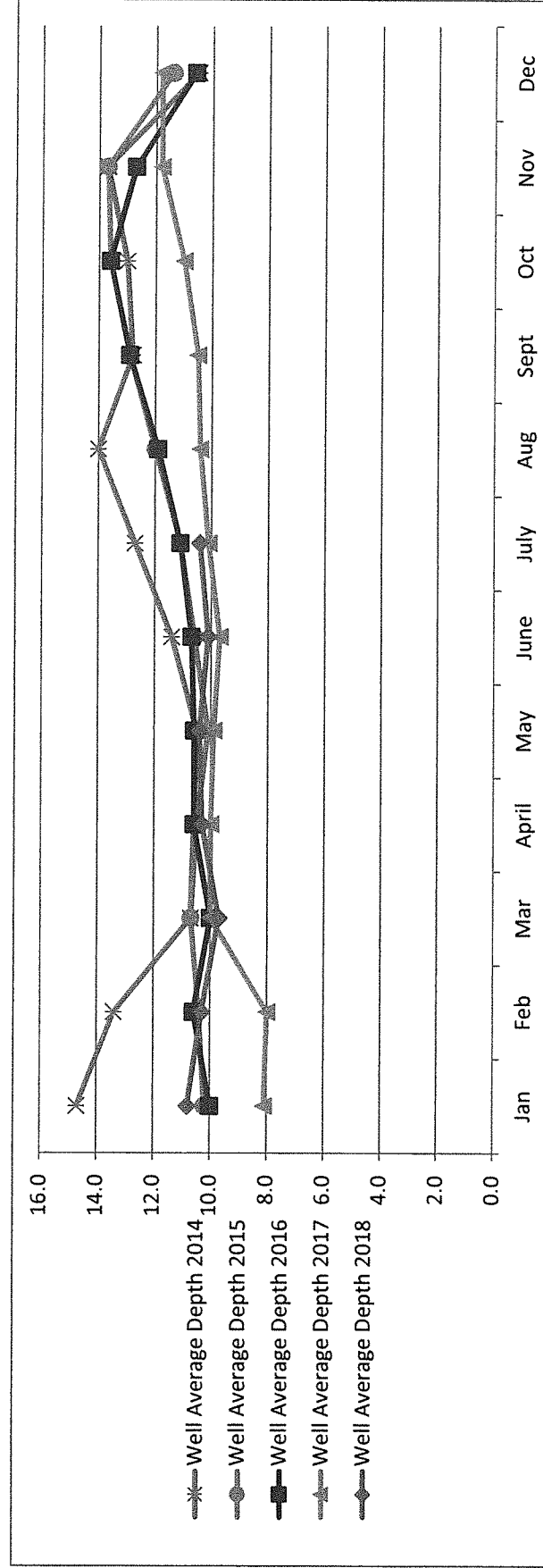
	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total for 2018
2018													
Wastewater Influent	1,762,514	1,707,154	2,752,139	2,188,423	2,254,636	2,475,142	3,200,941						16,340,949
Wastewater Final Effluent (Month Cycle)	1,718,650	1,748,894	2,796,460	2,287,640	2,303,330	2,485,760	3,156,580						16,497,314
Adjusted Wastewater Influent (- State Flow)	1,516,601	1,459,319	2,320,828	1,819,468	1,901,248	2,082,826	2,641,403						13,741,693
Water Produced (month cycle)	1,464,210	1,578,354	1,677,091	1,845,614	2,252,051	2,539,202	2,954,183						14,310,707
Sewer Influent/Water Produced Ratio	1.20	1.08	1.64	1.19	1.00	0.99	1.08						N/A
Adjusted Sewer/Water Produced Ratio	1.04	0.92	1.38	0.99	0.84	0.82	0.89						N/A
Well 1 Water Production	314,983	582,542	40,691	885,332	1,122,301	1,233,003	1,648,293						5,827,146
Well 2 Water Production	1,149,227	995,812	1,636,400	960,282	1,129,750	1,306,199	1,305,891						8,483,562
Total Well Production	1,464,210	1,578,354	1,677,091	1,845,614	2,252,051	2,539,202	2,954,183						14,310,707
Water Well 1 Avg Depth to Water	10.6	10.1	9.5	10.1	10.2	9.9	10.2						N/A
Water Well 2 Avg Depth to Water	11.0	10.5	9.9	10.5	10.5	10.3	10.6						N/A
Average Depth to Water of Both Wells	10.8	10.3	9.7	10.3	10.4	10.1	10.4						N/A
Change in Average Depth to Water from 2017	+2.7	+2.3	-0.3	+0.3	+0.5	+0.4	+0.3						N/A
Average Chloride mg/L at the Wells	34.5	35.5	32	35.5	35.5	32	32						N/A
State Wastewater Treated	245,913	247,835	431,311	368,955	353,388	392,298	559,538						2,599,238
State % of Total WW Flow	14%	15%	16%	17%	16%	16%	18%						N/A
Recycled Water Sold (Gallons)	0	0	0	0	0	0	0						0
Biosolids Removal (Gallons)	9,600	0	4,800	9,600	4,800	4,800	14,400						48,000
WW Permit Limitation Exceeded	0	0	0	0	0	0	0						N/A
RW Permit Limitation Exceeded	0	0	0	0	0	0	0						N/A
Constituent Exceeded	N/A	N/A	N/A	N/A	N/A	N/A	N/A						N/A
Sample Limit	N/A	N/A	N/A	N/A	N/A	N/A	N/A						N/A
Sample Result	N/A	N/A	N/A	N/A	N/A	N/A	N/A						N/A
2017													
Wastewater Influent	4,686,295	4,225,605	2,454,810	2,674,358	2,408,421	2,400,006	3,248,977	2,976,582	2,314,982	2,167,268	1,852,863	1,972,595	33,382,762
Wastewater Final Effluent (Month Cycle)	4,621,950	4,185,250	2,372,800	2,628,130	2,496,660	2,398,120	2,993,830	2,648,061	2,259,220	2,140,520	1,816,710	1,893,300	32,414,551
Adjusted Wastewater Influent (- State Flow) *	3,757,902	3,410,095	2,084,624	2,263,137	2,035,569	2,008,272	2,675,674	2,492,452	1,942,728	1,840,359	1,577,793	1,670,528	27,759,133
Water Produced (month cycle)	1,602,216	1,806,869	1,773,957	1,960,209	2,111,454	2,153,118	2,598,851	2,392,456	2,060,913	1,943,827	1,706,552	1,744,635	23,855,056
Sewer Influent/Water Produced Ratio	2.90	2.34	1.38	1.36	1.14	1.12	1.25	1.24	1.10	1.10	1.08	1.13	N/A
Adjusted Sewer/Water Ratio	2.50	1.89	1.18	1.16	0.96	0.93	1.03	1.04	0.94	0.95	0.92	0.92	N/A
Average Depth of Both Wells	8.1	8.0	10.0	10.0	9.9	9.7	10.1	10.4	10.5	11.0	11.8	11.8	N/A
Change in Average Depth to Water from 2016	-2.0	-2.6	0.0	-0.6	-0.7	-1.0	-1.0	-1.5	-2.4	-2.6	-0.9	+1.2	N/A
Average Chloride mg/L at the Wells	66	65	46	36	53	69	60	51	40	37	36	35	N/A
State Wastewater Treated	928,393	815,510	370,186	411,221	372,852	391,734	573,303	484,130	372,254	326,909	275,070	302,067	5,623,629
State % of Total WW Flow	0.2	0.19	0.15	0.15	0.16	0.16	0.18	0.16	16%	15%	15%	15%	N/A
Recycled Water Sold (Gallons)	0	0	0	0	0	0	0	0	0	0	0	0	0
Biosolids Removal (Gallons)	9,600	4,800	4,800	9,600	9,600	9,600	14,400	9,600	4,800	4,800	0	4,800	72,000
WW Permit Limitation Exceeded	0	0	0	0	0	0	0	0	0	0	0	0	N/A
RW Permit Limitation Exceeded	0	0	0	0	0	0	0	0	0	0	0	0	N/A
Constituent Exceeded	None	None	None	None	None	None	None	None	None	None	None	None	N/A
Sample Limit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sample Result	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

San Simeon Community Services District

Superintendent's Report

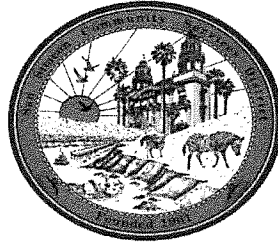
July 2018

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Well Average Depth 2014	14.7	13.4	10.7	10.6	10.5	11.4	12.7	14.0	12.8	13.0	13.7	10.5
Well Average Depth 2015	10.2	10.4	10.7	10.5	10.1	10.6	11.1	12.0	12.9	13.6	13.7	11.4
Well Average Depth 2016	10.0	10.6	10.0	10.6	10.6	10.7	11.1	11.9	12.9	13.6	12.7	10.6
Well Average Depth 2017	8.1	8.0	10.0	10.0	9.9	9.7	10.1	10.4	10.5	11.0	11.8	11.8
Well Average Depth 2018	10.8	10.3	9.7	10.3	10.4	10.1	10.4					



3. A. iv DISTRICT FINANCIALS
Cortney Murguia
July 31, 2018

SAN SIMEON COMMUNITY SERVICES DISTRICT



3.A.iv FINANCIAL SUMMARY

Billing July 31, 2018

June Billing Revenue	\$ 86,537.48
July Billing Revenue (*includes rate increase)	\$ 96,340.98
Past Due (31 to 60 days)	\$ 361.77
Past Due (60 days)	\$ 277.47

ENDING BANK BALANCES

July 31, 2018

RABOBANK SUMMARY:

Well Rehab Project/USDA Checking Account	\$ 4.00
---	----------------

PACIFIC PREMIER BANK:

Money Marketing Account Closing Balance June 30, 2018	\$ 837,435.82
Interest for July 2018	\$ 253.58
Deposit for Waitlist	\$ 24,000.00

Money Marketing Account Closing Balance July 31, 2018	\$ 861,689.40
--	----------------------

Reserve Fund	(250,000.00)
Wait-list Deposits	(69,750.00)
Customer Deposits	(9,500.00)
Available Funds	\$ 532,439.40

General Checking Account July 31, 2018	\$ 85,606.90
---	---------------------

LAIF Closing Balance July 31, 2018	\$ 533.49
---	------------------

SAN SIMEON COMMUNITY SERVICES DISTRICT

**Balance Sheet
As of July 31, 2018**

Jul 31, 18

ASSETS

Current Assets

Checking/Savings

1010 · Petty cash	150.00
1015 · Pacific Prem - General Checking	87,342.34
1016 · Pacific Premier-Wellhead	6.34
1017 · Pacific Premier-Money Market	861,689.40
1022 · USDA checking	14.00
1040 · Cash in county treasury	108.33
1050 · LAIF - non-restricted cash	530.97

Total Checking/Savings 949,841.38

Other Current Assets

1200 · Accounts receivable	95,391.10
1220 · A/R - Hearst Castle	23,690.87
1300 · Prepaid expenses	8,901.66

Total Other Current Assets 127,983.63

Total Current Assets 1,077,825.01

Fixed Assets

1400 · Fixed assets

1420 · Building and structures	395,874.73
1500 · Equipment	316,747.53
1540 · Major water projects	188,893.72
1560 · Pipe bridge	28,075.58
1580 · Sewer plant	1,488,555.08
1600 · Water system	550,390.00
1620 · WWTP expansion	299,565.92
1630 · Tertiary Project	262,932.67
1640 · Wellhead Rehab Project	450,827.53
1650 · Walkway access projects	21,511.00
1660 · RO Unit	931,966.97
1670 · Reservoir	38,510.50
1680 · Generator	29,101.14

Total 1400 · Fixed assets 5,002,952.37

1690 · Accumulated depreciation (2,289,338.96)

Total Fixed Assets 2,713,613.41

TOTAL ASSETS 3,791,438.42

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Other Current Liabilities

2100 · Payroll liabilities	214.80
----------------------------	--------

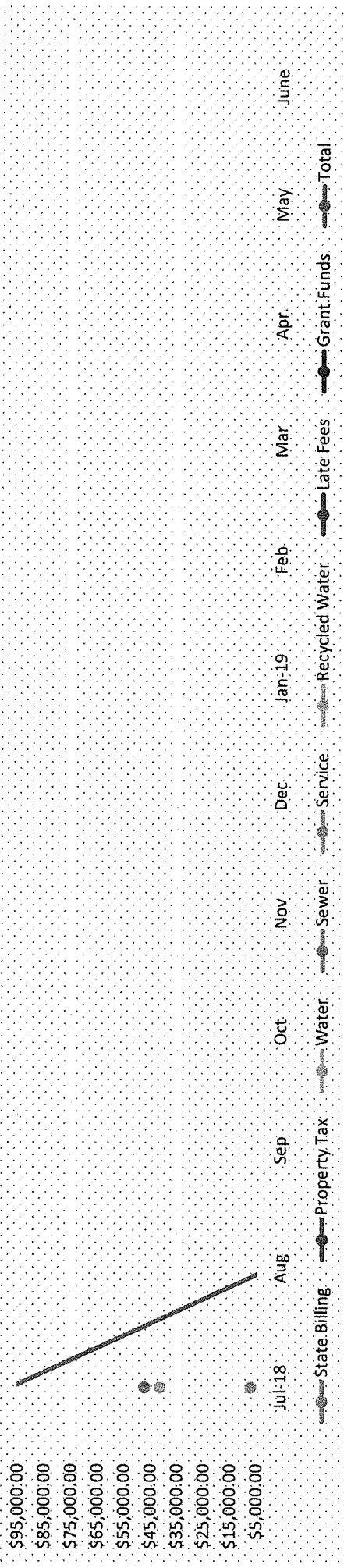
SAN SIMEON COMMUNITY SERVICES DISTRICT

**Balance Sheet
As of July 31, 2018**

	<u>Jul 31, 18</u>
2500 · Customer security deposits	9,600.00
2510 · Connect hookup wait list	69,750.00
2520 · USDA Loan	<u>406,895.00</u>
Total Other Current Liabilities	<u>486,459.80</u>
Total Current Liabilities	<u>486,459.80</u>
Total Liabilities	486,459.80
Equity	
3200 · Fund balance	3,297,523.20
3900 · Suspense	(100.00)
Net Income	<u>7,555.42</u>
Total Equity	<u>3,304,978.62</u>
TOTAL LIABILITIES & EQUITY	<u><u>3,791,438.42</u></u>

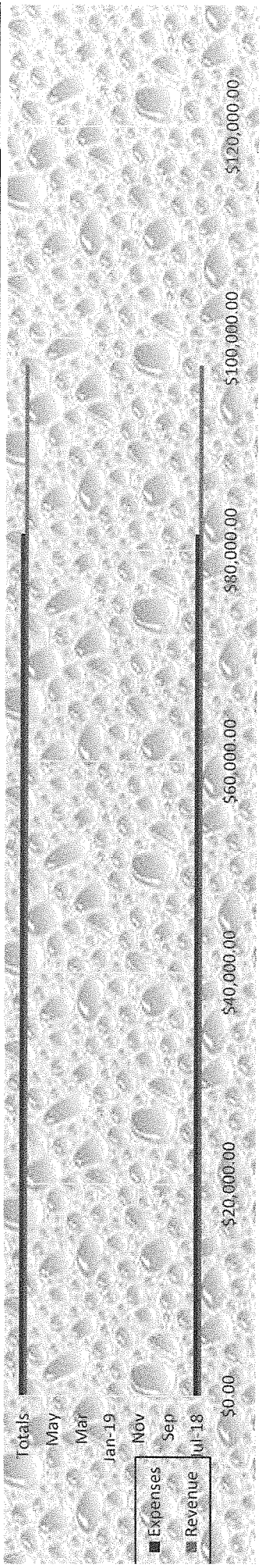
DISTRICT REVENUE FY 2018/2019

	Jul-18	Aug	Sep	Oct	Nov	Dec	Jan-19	Feb	Mar	Apr.	May	June	Totals
State Billing													\$0.00
Property Tax	\$1,288.59												\$1,288.59
Water	\$41,336.59												\$41,336.59
Sewer	\$47,258.33												\$47,258.33
Service	\$7,111.73												\$7,111.73
Recycled Water													\$0.00
Late Fees	\$461.43												\$461.43
Grant Funds													\$0.00
Total	\$97,456.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$97,456.67
Water Sold Cu Ft	334631												334631
Water Sold Acre ft	7.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.68



REVENUE VS EXPENSES

	Jul-18	Aug	Sep	Oct	Nov	Dec	Jan-19	Feb	Mar	Apr.	May	June	Totals
Revenue	\$97,456.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$97,456.67
Expenses	\$81,495.91												\$81,495.91
Balance	\$15,960.76	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$15,960.76



**SAN SIMEON COMMUNITY SERVICES
HISTORICAL FISCAL REVIEW**

Month	2015 / 2016												Fiscal Total		
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun			
State Billing			\$7,200.02			\$8,584.90			\$11,992.94			\$10,529.30			\$38,307.16
Property Tax	\$1,299.10	\$78.29	\$89.78	\$6,473.88	\$5,162.73	\$31,035.95	\$732.82	\$3,907.74	\$4,380.61	\$20,311.05	\$670.65	\$812.49			\$74,955.09
Water	\$32,179.33	\$35,048.63	\$31,023.24	\$30,062.47	\$23,260.87	\$19,903.42	\$28,833.61	\$24,410.65	\$22,300.83	\$24,943.58	\$27,395.80	\$29,375.50			\$328,737.93
Sewer	\$38,340.31	\$41,800.72	\$36,517.90	\$35,482.63	\$27,568.63	\$23,716.44	\$33,983.50	\$28,929.28	\$26,405.46	\$29,496.09	\$31,742.13	\$34,065.24			\$388,048.33
Service	\$6,052.80	\$6,081.90	\$6,111.00	\$6,111.00	\$6,111.00	\$6,111.00	\$6,169.20	\$6,111.00	\$6,140.10	\$6,140.10	\$6,111.00	\$6,111.00			\$73,361.10
Recycled Water			\$1,359.75			\$854.07									\$2,213.82
Late Fees	\$118.83	\$71.20	\$72.27	\$239.83	\$386.63	\$99.38	\$153.29	\$138.82	\$86.36	\$485.53	\$657.24	\$418.39			\$2,927.77
Total Revenue	\$77,990.37	\$83,080.74	\$82,373.96	\$78,369.81	\$62,489.86	\$90,305.16	\$69,872.42	\$63,497.49	\$71,306.30	\$81,376.35	\$66,576.82	\$81,311.92			\$908,551.20
Total Expense	\$56,735.48	\$80,703.14	\$62,573.67	\$62,460.00	\$90,307.21	\$78,261.91	\$62,999.58	\$69,646.10	\$68,440.42	\$78,744.51	\$62,608.05	\$60,034.80			\$833,514.87
Water Sold Cu Ft	311247	338869	297896	288860	223460	191579	276707	234583	213757	239168	260907	278453			3,155,486
Water Sold Acre ft	7.15	7.78	6.84	6.63	5.13	4.40	6.35	5.39	4.91	5.49	5.99	6.39			72.44

Month	2016 / 2017												Fiscal Total		
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun			
State Billing			\$12,485.00			\$13,996.07			\$29,440.40			\$23,960.29			\$79,881.76
Property Tax	\$1,161.69		\$1,184.42	\$6,789.01	\$6,970.82	\$28,878.98	\$2,456.74	\$2,966.66	\$2,421.97	\$23,540.38	\$415.92	\$1,111.78			\$77,898.37
Water	\$36,292.1	\$36,746.52	\$31,241.74	\$29,953.03	\$22,549.49	\$19,445.8	\$25,600.5	\$22,112.36	\$19,816.90	\$27,563.35	\$27,763.55	\$31,331.40			\$330,416.71
Sewer	\$41,862.8	\$43,190.60	\$36,386.89	\$35,106.74	\$25,574.57	\$21,817.9	\$29,037.7	\$24,590.36	\$22,440.87	\$31,022.32	\$31,228.75	\$34,851.59			\$377,111.12
Service	\$6,559.5	\$6,472.20	\$6,472.20	\$6,472.20	\$6,626.30	\$6,533.8	\$6,503.0	\$6,503.02	\$6,503.02	\$6,503.02	\$6,564.66	\$6,626.30			\$78,339.28
Recycled Water						\$216.4									\$216.35
Late Fees	\$485.7	\$97.52	\$595.71	\$316.72	\$353.70	\$1,587.7	\$366.8	\$1,387.73	\$735.52	\$202.87	\$187.94	\$804.03			\$7,121.95
Total Revenue	\$86,361.78	\$86,506.84	\$88,365.96	\$78,637.70	\$62,074.88	\$92,476.61	\$63,964.81	\$67,560.13	\$81,358.68	\$88,831.94	\$66,160.82	\$98,685.39			\$950,985.54
Total Expense	\$127,105.89	\$72,035.48	\$114,268.09	\$71,273.31	\$75,340.87	\$66,017.87	\$71,441.43	\$72,822.48	\$152,049.21	\$62,994.78	\$77,525.44	\$71,657.28			\$1,034,532.13
Water Sold Cu Ft	324654	324654	281207	269907	203338	175391	232048	200704	179990	249876	249279	282352			2,973,400
Water Sold Acre ft	7.45	7.45	6.46	6.20	4.67	4.03	5.33	4.61	4.13	5.74	5.72	6.48			68.26

Month	2017/2018												Fiscal Total		
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun			
State Billing			\$24,606.31			\$21,914.14			\$21,542.66			\$23,690.87			\$91,763.98
Property Tax	\$1,282.43		\$121.78	\$3,983.38	\$11,222.22	\$31,099.09	\$7,506.90	\$2,750.02	\$640.94	\$22,168.20	\$1,686.05	\$771.97			\$83,232.98
Water	\$34,880.43	\$36,192.33	\$31,137.52	\$27,999.25	\$26,930.07	\$19,762.53	\$22,551.6	\$25,457.70	\$16,741.07	\$28,408.76	\$27,795.23	\$36,075.95			\$333,932.48
Sewer	\$38,495.46	\$39,770.86	\$33,836.96	\$30,919.58	\$29,421.68	\$21,164.32	\$25,021.1	\$28,652.26	\$19,108.33	\$32,900.73	\$31,492.38	\$40,773.70			\$371,557.38
Service	\$6,820.12	\$6,950.95	\$6,821.63	\$6,659.98	\$6,886.29	\$6,886.29	\$6,789.3	\$6,853.96	\$6,724.64	\$6,724.64	\$6,724.64	\$6,724.64			\$81,567.08
Recycled Water															\$0.00
Late Fees	\$628.24	\$379.06	\$292.61	\$241.85	\$221.14	\$159.01	\$113.7	\$197.92	\$487.09	\$284.43	\$202.63	\$179.47			\$3,387.14
Total Revenue	\$82,106.68	\$83,293.20	\$96,816.81	\$69,804.04	\$74,681.40	\$100,985.38	\$61,982.65	\$63,911.86	\$65,244.73	\$90,486.76	\$67,900.93	\$108,216.60			\$965,431.04
Total Expenditures	\$94,660.34	\$87,503.06	\$104,489.98	\$71,763.52	\$62,490.35	\$85,613.60	\$88,196.48	\$73,251.65	\$109,510.66	\$70,856.21	\$80,363.24	\$108,216.60			\$1,036,915.69
Water Sold Cu Ft	299369	310960	266284	241692	232942	169355	194345	217741	144425	244412	237414	308832			2,867,771
Water Sold Acre	6.87	7.14	6.11	5.55	5.35	3.89	4.46	5.00	3.32	5.61	5.45	7.09			65.84

**v. District Counsel's Report
Natalie Frye Laacke**

Memo

To: San Simeon Community Services District Board of Directors
From: Natalie F. Laacke
CC: Charles Grace
Date: 7/17/2018
Re: San Simeon CSD Appropriations Limit

This memorandum is meant to provide some additional information regarding appropriations limits and the requirements of Article XIII B of the California Constitution. I have also attached a handout to this memorandum which provides greater detail about appropriation limits.

An **appropriation** is an amount of money set aside for a certain purpose. It is not the same as spending or budget expenditures. Essentially, an *appropriation is an authorization for money to be spent* – the actual spending of the money occurs later. Proposition 4 added Article XIII B to the California Constitution which sets the limit on the amount of money which can be **appropriated** from tax revenue or “proceeds of taxes.”

The **appropriations limit** is based on a calculation of the prior year’s appropriation limit, population change, and Consumer Price Index (CPI). This calculation of the limit is not related to revenues received by the local agency.

Revenue received by the District may be more or less than the appropriations limit. Sometimes actual revenue received is the restraint, not the appropriations limit. If tax revenue from the County is less than the appropriations limit set by the District, the District will be limited in their spending by the revenue.

Following are two appropriations limit situations:

Situation A

If the District’s tax revenue from the County is more than the appropriations limit set by the District, the District would only be able to appropriate to budget line items, and later spend, up to the amount set by the appropriations limit.

Situation B

If the District’s tax revenue from the County is less than the appropriations limit set by the District, the District would be limited in its appropriations to budget line items by the amount of revenue received even though the appropriations limit is higher.

With regard to San Simeon, only a (small) portion of the District's revenue (\$84,617 for FY18-19) comes from San Luis Obispo County's one percent ad valorem charges (taxes based on assessed value of property). The appropriations limits required by Proposition 4 only apply to the revenue the District receives from taxes. The District receives the majority of its revenue from water/sewer utility fees. These proceeds are not governed by Proposition 4 and therefore the appropriations limits do not apply to that revenue. That is why it is not a problem that the appropriation limit for FY18-19 is 426,867, but the amount the District will spend is closer to \$800,000.

Additional Information

Appropriations Not Subject to Limit

Not all appropriations are subject to the limit. For CSDs, these exceptions include:

1. Appropriations to pay for costs of complying with federal laws and court mandates
2. Payments for interest and redemption charges on pre-existing (i.e. pre-Proposition 4) or voter-approved bonded indebtedness
3. Withdrawals from previously appropriated reserve funds
4. Refunds of taxes

Appropriations Permitted in Excess of Limit

1. Emergency – Declared Emergency appropriations do not count toward limit
2. Voter Approval – Voters may authorize an increase in the appropriations limit, not to exceed four years

CHAPTER 5

GOVERNMENT APPROPRIATIONS LIMIT: ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION

HIGHLIGHTS

- What is the Appropriations Limit
 - Expenditures Versus Appropriations
 - How the Appropriations Limit Works
 - History of the State's Limit
 - Relationship Between State and Local Limits
-

1. IN BRIEF: WHAT IS THE APPROPRIATIONS LIMIT?

Proposition 4 approved by the voters in November 1979 added California Constitution, Article XIII B. Article XIII B limits the level of most appropriations from tax sources that the state and most local government entities are permitted to make in any given year. The limit for each year is equal to the limit for the prior year, adjusted for changes in the cost-of-living and population. Various other adjustments are also required. The first year in which appropriations limits applied to state and local governments in California was fiscal year (FY) 1980-81.

Article XIII B also requires state and local governments to return to taxpayers (or in certain cases, K-14 education programs) any tax revenues in excess of the amount that can be appropriated in any given FY.

This constitutional provision also contains requirements that the state reimburse local governments and school districts for the costs of complying with state mandates, and requires the Legislature to establish a prudent state reserve fund.

Article XIII B was significantly modified by two initiative constitutional amendments approved by the state's voters in November 1988, Propositions 98 and 99. Proposition 111, approved by the voters in June 1990, made several additional significant revisions in the appropriations limit. Changes made by these propositions are noted in the following sections.

2. EXPENDITURES VERSUS APPROPRIATIONS

The terms "appropriations limit" and "spending limit" or "expenditure limit" are often used interchangeably, and there is some confusion about the difference between appropriations and expenditures.

An appropriation is an action by the Legislature to set aside an amount of money for a specified purpose. In short, an appropriation authorizes money to be spent. Appropriations are made in the annual Budget Bill, or in individual bills providing for specific governmental programs.

The actual expenditure of money occurs later, and is implemented by the State Controller. Writing checks is a ministerial function of the Controller. The Controller has no authority to expend money that has not been appropriated by the Legislature.

The amount of an expenditure on a program may not equal the appropriation for that program. For example, if the number of clients for a particular government service is actually less than anticipated, the appropriation may be larger than the amount actually spent.

Article XIII B sets forth a limit on the amounts that may be appropriated from government proceeds of taxes. In the remainder of this chapter, Article XIII B will be referred to as an appropriations limit, although in casual conversation and popular press it is often called a spending limit.

3. HOW THE APPROPRIATIONS LIMIT WORKS

Most of the operative provisions of Article XIII B are provided in the Constitution. Some features required statutory implementation, which was accomplished by legislation enacted in 1980, and again in 1990 for changes made by Proposition 111.

The paragraphs below describe how the appropriations limit works, based on both constitutional and statutory provisions. Opinions provided by the Legislative Counsel and the Attorney General have contributed to our interpretation of the provisions of Article XIII B.

Which Governmental Agencies Have Limits. Article XIII B applies to the state and to most units of local government -- cities, counties, K-12 school districts, community college districts, and special districts. Each governmental entity has its own appropriations limit. The few local governmental entities that are not subject to an appropriations limit are:

**CHAPTER 5
GOVERNMENT APPROPRIATIONS LIMIT:
ARTICLE XIII B OF THE
CALIFORNIA CONSTITUTION**

- Special districts in existence on January 1, 1987 that did not levy a property tax rate in excess of 12.5% in FY 1977-78; and
- New special districts formed since that time by a vote of the people that are not funded from proceeds of taxes.

Which Revenues Are Subject to Limit. Article XIII B places a limit on appropriations from most, but not all, government revenue sources. The limit applies to appropriations from proceeds of taxes from both the general fund and special funds of government entities. Proceeds of taxes include tax revenues, interest earnings on invested tax revenues, and any revenues collected by a regulatory license fee or user charge in excess of the amount needed to cover the cost of providing the regulation, product, or service.

Appropriations from non-tax revenues are excluded from the limit. Examples of non-tax proceeds include lottery proceeds, tidelands oil revenues, federal funds, proceeds from the sale of government property, revenues from regulatory license fees or user charges equal to the amount needed to cover the cost of providing the function, gifts, and borrowed funds.

Proposition 111 excluded appropriations from the following revenue sources from the limit:

- Gas and diesel tax revenues above nine cents per gallon;
- Sales and use taxes collected on gas and diesel taxes above nine cents per gallon; and
- Truck weight fees that exceed those in effect on January 1, 1990.

Which Appropriations Are Subject to Limit. Appropriations for almost all government functions are subject to limitation under Article XIII B. However, there are some important exceptions.

The original Proposition 4 provided that the following appropriations are not limited, even if made from proceeds of taxes:

- Subventions from the state to local governments and schools, the use of which is unrestricted (these subventions are not subject to the state's limit, but instead are counted as subject to the local entity's limit);
- Appropriations to pay for costs of complying with federal laws and court mandates;

**CHAPTER 5
GOVERNMENT APPROPRIATIONS LIMIT:
ARTICLE XIII B OF THE
CALIFORNIA CONSTITUTION**

- Payments for interest and redemption charges on pre-existing (i.e., pre-Proposition 4) or voter-approved bonded indebtedness;
- Withdrawals from previously appropriated reserve funds; and
- Refunds of taxes.

Proposition 99, adopted by the voters in November 1988, created another major category of appropriations not subject to the limit. These are appropriations of new tax moneys from cigarette and tobacco products resulting from tax increases imposed by Proposition 99. Under that statutory initiative, beginning in FY 1988-89, state revenues from those new or increased cigarette and tobacco taxes are set aside in special accounts for expenditure on treatment or research of tobacco-related diseases, tobacco health education programs, and wildlife preservation and related programs. All such appropriations are exempt from limitation under Article XIII B.

Proposition 111 excluded capital outlay from the appropriations limit. This change reflects the fact that while capital outlay appropriations are made during a single budget year, they reflect long-term investments that are utilized over a number of years.

Appropriations directly related to an emergency, such as a fire, earthquake, or other natural disaster, were also excluded from the limit by Proposition 111. No reduction in future limits is required for appropriations made for these emergency purposes.

The "Base Year" Limit. The first year that limits were in effect was FY 1980-81. The base year for determining the appropriations limit in FY 1980-81 was FY 1978-79. Actual appropriations in the FY 1978-79 fiscal year that had been financed by the proceeds of taxes were the starting point. Appropriations not subject to limitation (see above) were subtracted from that figure and this became the "base year" level of appropriations for computing all subsequent years' limits.

Proposition 111 updated the base year for calculating the limit for each government entity to FY 1986-87. For fiscal years beginning with FY 1990-91, the limit for each entity is the FY 1986-87 limit adjusted annually as specified by Article XIII B as amended by Proposition 111.

Base year appropriations limits for new local government entities incorporated after the enactment of Article XIII B are to be established by local agency formation commissions or county formation review commissions, and approved by the voters of the incorporation or formation elections.

Annual Adjustments to the Limit. The appropriations limit for each year since FY 1980-81 is calculated by adjusting the base year limit for changes in the cost-of-living

CHAPTER 5
GOVERNMENT APPROPRIATIONS LIMIT:
ARTICLE XIII B OF THE
CALIFORNIA CONSTITUTION

and population. Proposition 111, passed by the voters in June 1990, revised each of the adjustment factors. Specifically, annual adjustments to limits, either upward or downward, are made as follows:

◦ Cost-of-Living.

State and schools. Governments' limits are adjusted by the change in California per capita personal income.

Local agencies (except schools). Limits are adjusted by the change in California per capita personal income or the change in the local property tax roll due to the addition of new nonresidential construction.

◦ Population.

State. The population factor is calculated by adding: (a) the change in the state's total population weighted by the percent of the budget spent on non-educational programs, and (b) the change in average daily attendance (ADA) for K-14 education weighted by the percentage of the budget spent on K-14 education.

Local agencies. The population factor is the percentage change in the jurisdiction or in the county in which the jurisdiction is located. Special districts located in two or more counties may use the change in the county in which the district has the highest assessed valuation.

Counties. The population change for counties can be calculated by using one of three methods: (a) the percentage change in population within the county; (b) the percentage change in population for both the county itself and contiguous counties; or (c) the percentage change in population within the incorporated portion of the county.

K-14 Schools. The change in population is the percentage change in average daily attendance.

◦ Program Transfers. Limits of governmental entities are modified to reflect transfers of financial responsibility from one level of government to another. The limit of the new service provider is increased by the amount the former service provider's limit is reduced.

◦ Funding Transfers. Adjustments either upward or downward are made to account for transfers of program funding sources, for example from tax revenues (subject to limit) to fees (not subject to limit).

**CHAPTER 5
GOVERNMENT APPROPRIATIONS LIMIT:
ARTICLE XIII B OF THE
CALIFORNIA CONSTITUTION**

The level of appropriations actually made by a government entity in any year does not have any bearing on the calculation of the appropriations limit for the subsequent years. Each year's limit is computed based on the prior year's limit, not the prior year's appropriations.

If the governing body actually appropriates less money than what would be permitted by the limit, it has "room" under its limit, and the limit will be further adjusted the following year for cost-of-living and population changes. A government entity does not "lose" room under its limit for the future by appropriating less than the maximum permitted in any year.

Appropriations Permitted in Excess of the Limit. Article XIII B sets forth two circumstances under which governments may make appropriations in excess of their limits:

- Emergency. Appropriations for declared emergencies do not count towards and may be made in excess of the limit. Proposition 111 removed the requirement that the limits for future years must be reduced over a three-year period so that there would be no total increase in allowable appropriations.
- Voter Approval. Article XIII B permits voters of a jurisdiction to authorize an increase in the appropriations limit. However, no voter-approved increase may be in effect for more than four years. At the end of the four-year period, either the voters must approve another increase or the limit must return to the level it would otherwise have been.

When Revenues Exceed the Appropriations Limit. A government entity may receive revenues during a fiscal year that exceed its appropriations limit. Proposition 111 allows governments to average appropriations over a two year period before becoming subject to the excess revenue provisions of Article XIII B. In other words, a government entity can offset appropriations that exceeds its appropriations limit in one year of a two-year period by appropriating less than the limit in the other year. If revenues exceed the appropriations limit after taking this two-year averaging into account and authority to appropriate is not provided by either an emergency declaration or voter approval, Article XIII B as amended by Propositions 98 and 111 sets forth a process for disposing of the excess state revenues:

- Education Programs. After the two-year averaging period, 50% of any excess revenues are transferred to the State School Fund for elementary, secondary and community college education. A portion of this excess revenue (25%) may effectively be built into the base used to calculate future funding required by Proposition 98 if the excess funds are used for a specified purpose. The transfer to education is not required if the state's average expenditure per student and average class size is equal to or exceeds that of the ten states with

CHAPTER 5
GOVERNMENT APPROPRIATIONS LIMIT:
ARTICLE XIII B OF THE
CALIFORNIA CONSTITUTION

the best performance in these areas.

- Return of Excess. The 50% of excess revenues remaining after the transfer to education must be returned to taxpayers within the following two years. The return can be made through a reduction in the tax rate or as a fee reduction.

4. HISTORY OF THE STATE'S LIMIT, FYS 1980-81 TO 2006-07

How the Limit is Administered. Under statute, the Governor must submit to the Legislature along with the budget an estimate of the state's appropriations limit for the budget year. The estimate is subject to the budget process, and the official limit is established in the annual Budget Bill. The Department of Finance and the Legislative Analyst's Office have developed the methodologies necessary to compute the limit annually.

Effect of the State's Limit FYS 1980-81 to 1986-87. For the first five years that Article XIII B was operative, it essentially had no constraining effect on state budgets. Changes in population and CPI outpaced the growth in state revenue in the early 1980s, so that actual revenues received were the constraint on the level of state spending until FY 1986-87.

During this period unused "room" under the state's appropriations limit peaked in FY 1982-83 at \$3.4 billion, and declined steadily after that. A decline in the rate of inflation after that time reduced the rate at which the limit was raised annually, while at the same time a robust economy brought steady growth in state revenues. In late 1986, analysts were predicting that by FY 1987-88, the Article XIII B appropriations limit would begin to function as a significant constraint on state spending.

However, an unanticipated surge in tax revenues in the spring of 1987 caught most observers by surprise. That revenue surge, caused primarily by taxpayer reaction to the federal Tax Reform Act of 1986, pushed the state substantially over its appropriations limit for the first time during the 1986-87 fiscal year. The state ended that fiscal year with \$1.1 billion in excess revenues.

FY 1986-87 Rebate of Excess Revenues. During FY 1986-87 Article XIII B required excess revenues to be returned by means of a tax rate reduction or fee reduction. The method selected to deal with the \$1.1 billion in excess state revenues for the 1986-87 FY was to send rebate checks to 11.1 million personal income taxpayers.

The Limit Today. Revisions to the limit calculation implemented by Proposition 111 have continued to result in room under the appropriations limit since 1986. For example, California is expected to be almost \$12 billion under the appropriations cap in FY 2007-08.

CHAPTER 5
GOVERNMENT APPROPRIATIONS LIMIT:
ARTICLE XIII B OF THE
CALIFORNIA CONSTITUTION

5. RELATIONSHIP BETWEEN THE STATE'S AND LOCAL GOVERNMENTS' LIMITS

Subventions. As noted above, subventions from the state to local governments that are unrestricted as to the purposes for which they may be spent are not counted as state expenditures subject to limit, but rather are counted against the local limit.

With respect to K-12 school districts, a portion of a district's revenue limit apportionment from the state constitutes a subvention for purposes of Article XIII B. Subventions are defined as amounts necessary to fund the "foundation program," after taking into account local tax revenues. The "foundation program" represents a computed value that generally is less than the revenue limit amount. The balance of the regular apportionment, as well as apportionments for categorical programs, are not considered to be subventions. State subventions for community college districts are determined similarly.

Reporting Requirements. Legislation enacted in 1987 requires local entities to include information in their annual budget documents relating to their appropriations limits and their appropriations subject to the limit. Proposition 111 requires that the annual calculation of a local government entity's appropriations limit shall be part of that entity's annual financial audit.

6. CODE

California Constitution, Article XIII B

Government Code Sections 7900-7914

Education Code Sections 41203-41206

4. CONSENT AGENDA

- A. Review & Approval of Minutes for the Regular Meeting
–July 11, 2018.**

MINUTES
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
Wednesday, August 8, 2018
6:00 pm

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

1. REGULAR SESSION: @ 6:00 PM

A. Roll Call

Chairperson Williams – present	General Manager, Charles Grace
Vice-Chairperson McGuire – present	District Counsel, Natalie Frye Laacke
Director Russell – present	
Director Kellas – present	
Director Stanert –present	

2. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA:

Public Comment

Judith King spoke regarding Measure G which is the oil and gas shutdown measure. She provided her business card to each of the Board members.

3. SPECIAL PRESENTATIONS AND REPORTS:

A. STAFF REPORTS:

i. Sheriff's Report – Report for July.

Sergeant Chad Nicholson provided the sheriff's report for the period of three and half weeks. There were 25 calls for service including three (3) calls for a suspicious suspect, theft involving an unlocked vehicle and theft in an unlocked home. He also commented San Simeon was one of the safer areas in the county.

ii. General Manager's Report – Report on Staff activities for the month of July.

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

Regular activities performed by District staff include:

Processing of utility payments, customer service duties, answering phone calls, mailing of the regular monthly utility bills. Prepared and distributed the agenda and Board packet. Prepared the agenda for the Water Committee meeting.

During the month of July, staff also attended to the following items:

- Responded to six (6) public records requests.
- Finalized the executed contract with Phoenix Engineering for 100% Design work of the reservoir project.
- Responded to several customer inquiries related to parking, dead tree removal, removal of debris on county property, and code enforcement issues.
- Coordinated continued landscaping improvements at the District office and along Pico Avenue, including removal of a dead tree located on the District easement.
- Prepared the quarterly newsletter.
- Notice of Stage 1 water restrictions was prepared and mailed on July 26, 2018.
- Met with the policy and procedures ad-hoc committee.

The District office will be closed from August 13 – August 17, 2018.

2. Grant Update –

PROP 1 FUNDS – PLANNING GRANT

As part of the reimbursement process staff has submitted invoices totaling the amount of \$73,655.00. The County is expecting to do a six month reimbursement turn around. Staff will update the District when we receive a confirmation from the County on a reimbursement schedule.

PROP 1 FUNDS – IMPLEMENTATION PROJECTS

The IRWM Scoring Summary for the Reservoir project has been submitted for the Reservoir Expansion Project (attached). The guidelines time frame has changed and is now expected to be released in December of 2018. The County will be selecting projects approximately in February of 2019 once the guidelines are reviewed. There is a \$3.2 million dollar set aside for Round one (1) of the Prop 1 Funds \$232,229 has been set aside specifically for DACs. Our understanding is there are only two (2) other DACs applying for the Round 1 Funds.

Attached is a copy of the summary and scoring sheet for the project. This is the preliminary grant submission. If selected, there is a main application process and a presentation to the Department of Water Resources. There is a very tight schedule in place and it is important that Staff, Engineering and Environmental stay on task.

Other:

Staff attended the County Emergency Services/FEMA seminar on how to prepare for emergency funding during a disaster. The class was informative and staff will be putting together some items to be better prepared to apply for emergency funding in case of a disaster situation.

iii. Superintendent's Report –

Jonathan Weise presented the report.

1. Wastewater Treatment Plant

- All sampling, testing and reporting at the Wastewater Treatment Plant and the Recycled Water Facility was performed as required by the RWQCB, including annual, bi-annual and semi-annual sampling.
- Three loads of sludge were hauled away.

2. Water Distribution System

- All routine sampling and testing was performed. The monthly report was submitted to the State Water Resources Control Board (SWRCB), Division of Drinking Water (DDW), including additional reporting required with filter operation.
- The annual County Water Usage Report was completed and submitted.
- Annual testing of the District's backflow devices was performed.
- The R.O. unit was repickled.
- Monthly water meter reading was performed.

3. District and Equipment Maintenance

- Staff continues with all of the scheduled preventive maintenance for all the equipment at the facilities. We are recording all of these activities.
- The District office roof was replaced.
- Pot holes were filled around the District.
- Weed abatement was performed around the District.

iv. District Financial Summary –

June Billing Revenue	\$ 86,537.48
July Billing Revenue (*includes rate increase)	\$ 96,340.98
Past Due (31 to 60 days)	\$ 361.77
Past Due (60 days)	\$ 277.47
RABOBANK SUMMARY:	
Well Rehab Project/USDA Checking Account	\$ 4.00
PACIFIC PREMIER BANK:	
Money Market Account Closing Balance June 30, 2018	\$ 837,435.82
Interest for July 2018	\$ 253.58
Deposit for Waitlist	\$ 24,000.00
Money Market Account Closing Balance July 31, 2018	\$ 861,689.40
Reserve Fund	(250,000.00)
Wait-list Deposits	(69,750.00)
Customer Deposits Available	(9,500.00)
Funds	\$ 532,439.40
General Checking Account July 31, 2018	\$ 85,606.90
LAIF Closing Balance July 31, 2018	\$ 533.49

v. District Counsel’s Report – Summary of July’s activities

Natalie Frye Laacke provided a recap of July’s activities and reviewed an appropriation limits memorandum with the Board. She provided information on the appropriation limit resolution from the July Board meeting.

B. BOARD OF DIRECTORS AND COMMITTEE REPORTS:

Director Kellas provided a recap of the water committee meeting. The committee came to a consensus regarding the addition of a 5th member due to the resignation of Julia Stanert. They decided to leave the committee at 4 members. The committee also reached a consensus regarding recommending that the Board move forward with the capacity fee study.

C. SPECIAL PRESENTATIONS: None

D. PUBLIC COMMENTS ON SPECIAL PRESENTATIONS AND REPORTS:

Public Comment – None

4. CONSENT AGENDA ITEMS:

Public Comment – None

A. Review and approval of Minutes for the Regular Meeting on July 11, 2018.

A motion was made to approve consent agenda items 4A.

Motion by: Director Russell

2nd: Director Kellas

All in: 5 /0

B. Review and approval of Disbursements Journal.

A motion was made to approve consent agenda items 4B.

Motion by: Vice-Chairperson McGuire

2nd: Director Kellas

All in: 5 /0

5. BUSINESS ITEMS:

Public Comment – None

A. Authorization for the General Manager to execute a Professional Services Agreement with Tuckfield & Associates not to exceed \$10,000.00.

Cortney Murguia presented the item.

Director Kellas asked about the timeline for the capacity fee portion of the study.

Charles Grace replied that staff was working on gathering the information needed for Tuckfield & Associates.

Jon Richardson asked why three companies declined to bid.

Cortney Murguia responded to his question by providing information on the companies that were contacted.

A motion was made to approve the General Manager entering into a professional services agreement for the capacity fee study not to exceed the amount of \$10,000.00.

Motion by: Director Kellas

2nd: Chairperson Williams

All in: 5 /0

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

A consensus was reached to direct staff to review the waitlist procedures and the intent to serve process including transfer of EDUs, the 2.3% growth management and order of issuance and report this information to the Board.

7. PUBLIC COMMENT –

Jon Richardson asked how the public could comment on an item that they had no information about.

Natalie Frye Laacke replied to his question by providing information on the legal requirements of public comment.

8. CLOSED SESSION – 7:13 PM

A. Conference with Legal Counsel – Anticipated Litigation. Decide whether to initiate litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: Number of case(s): 1.

9. RECONVENE TO OPEN SESSION – 7:47 PM

No reportable action was taken regarding this matter.

10. ADJOURNMENT @ 7:50 PM

4. CONSENT AGENDA

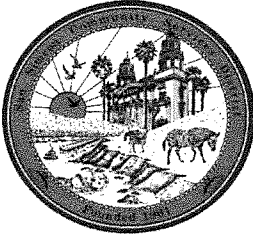
B. Consideration of approval of Disbursements Journal

SAN SIMEON COMMUNITY SERVICES DISTRICT
Disbursements Journal
August 2018

Type	Date	Num	Name	Memo	Paid Amount
Liability Check	08/25/2018	Elec Pymt	United States Treasury	Federal Payroll Taxes: Soc Sec & Mdcr for July 1 and Aug 1 paydates	-153.00
Check	08/25/2018	Elec Pymt	CalPERS	Retiree Health monthly premium for Sept 2018	-347.56
Paycheck	08/25/2018	Elec Pymt	CalPERS	Retiree Health monthly accrued liability for Sept 2018	-1,132.64
Paycheck	08/01/2018	1611	DAN WILLIAMS	Board Service July 2 through August 1, 2018	-92.35
Paycheck	08/01/2018	1612	GWEN KELLAS	Board Service July 2 through August 1, 2018	-92.35
Paycheck	08/01/2018	1613	JOHN K RUSSELL	Board Service July 2 through August 1, 2018	-92.35
Paycheck	08/01/2018	1614	JULIA A GREENAN	Board Service July 2 through August 1, 2018	-92.35
Paycheck	08/01/2018	1615	MARY M MCGUIRE	Board Service July 2 through August 1, 2018	-92.35
Check	08/08/2018	1616	San Simeon Community Services District	Transfer funds from Pac Prem Reg Ckg to USDA ckg acct to cover bank fees	-150.00
Check	08/08/2018	1617	The Cavalier Inn	Refund Sec Dep held on cust acct #362. 8/1/18.	-50.00
Check	08/08/2018	1618	Schultz, Albert & Debra	Close out customer security deposit. Apply \$32.33 to bill. Refund balance of \$17.67. 8/1/18.	-17.67
Bill Pmt -Check	08/08/2018	1619	Adamski Moroski Madden Cumberland & Green	Legal Services through 5/31/18 Re: Rip-Rap matter, Policy Manual, and General Legal Services. Invs #44301 & #44302 date 6/20/18.	-4,587.56
Bill Pmt -Check	08/08/2018	1620	County of SLO - Environmental Health	Cross Connection direct cost invoice for Facility ID FA0004646 Inv IN0115054 dated 7/18/18.	-131.50
Bill Pmt -Check	08/08/2018	1621	Dechance Construction Co. Inc.	Water system repairs on Avonme-Inv#2018-05 dated 7/6/18. Abandon service line Hearst and Casillo median strips-Inv 8718-22 dated 7/6/18.	-11,098.59
Bill Pmt -Check	08/08/2018	1622	Marina Michel	2018 CCR water system report. Invoice dated 6/6/18.	-100.00
Bill Pmt -Check	08/08/2018	1623	McCormick's Tree	Take down dead pine tree, cut wood, chip brush. Invoice dated 07/12/18.	-300.00
Bill Pmt -Check	08/08/2018	1624	Nossaman LLP	Professional Legal Services re: Rip Rap matter through 6/30/2018. Inv 483676 dated 7/16/18.	-875.00
Bill Pmt -Check	08/08/2018	1625	Oliveira Environmental Consulting LLC	Environmental Consulting: Water tank project, Rip Rap project, CCC communications. Svc period 05/14/18 through 7/13/18. Inv OEC_021 datee 7/30/18.	-2,945.00
Bill Pmt -Check	08/08/2018	1626	SDRMA	Additional Liability Insurance Policy: Property & Equipment, General Liability, Auto Liability for 2018-2019 Program Year. Inv 64979 dated 6/30/18.	-163.47
Bill Pmt -Check	08/08/2018	1627	Significant Digits, Inc.	Annual license fee for SD reader route manager software and reading device. Inv #18H-179-177 dated 7/2/18.	-550.00
Bill Pmt -Check	08/08/2018	1628	The Tribune - Annual Subscription	Annual newspaper subscription 6/4/18 - 7/1/18. Invoice dated 7/1/18.	-162.14
Bill Pmt -Check	08/08/2018	1629	Underground Service Alert of Nor Cal	Annual California flat fee for service alerts for underground service lines. Inv #18070734 dated 7/20/18.	-150.00
Bill Pmt -Check	08/08/2018	1630	Winsor Construction, Inc.	Wood chips for landscaping 15 cubic yards. Invoice #52533 dated 7/19/18.	-206.53
Bill Pmt -Check	08/08/2018	1631	Grace Environmental	Filter operations lab analysis. Invoice #1220 dated 7/16/18.	-2,052.20
Bill Pmt -Check	08/08/2018	1632	Grace Environmental	Operation of the water filtration system. Inv 1219 dated 7/14/18.	-3,968.63
Bill Pmt -Check	08/08/2018	1633	Grace Environmental	Operations Management and Maintenance Fees Aug 2018.	-51,892.67
TOTAL					-81,495.91

5. BUSINESS ITEMS

- A. Authorization for the General Manager to execute the Consulting Services Agreement with Tuckfield & Associates not to exceed \$10,000.00.**



BUSINESS ACTION ITEM STAFF REPORT

Item 5.A. Authorization for the General Manager to execute a Professional Services Agreement with Tuckfield & Associates not to exceed \$10,000.00.

The current capacity fees (water & sewer connection fees) for the San Simeon CSD have not been updated since 1995. With the Master Plan complete, the San Simeon CSD can move forward with a capacity fee study. Therefore, Staff contacted five (5) companies to obtain proposals for a study of the community's rate and capacity fees. Of the four bids that were requested, three companies declined to participate, and a fourth company never replied to our phone call and email request. A copy of the proposal from Tuckfield & Associates is attached. The proposal includes a scope of work for both capacity fees and for a water and sewer rate study. When staff began soliciting proposals it was discovered that there is a cost savings for the community if both studies are done simultaneously.

As of July 1, 2018 the current adopted rate increase was finalized. Moving forward the District will need to project another five (5) year rate schedule and begin the Proposition 218 process if necessary. Based on the overall cost of a combined rate and capacity fee study, staff is suggesting that the Board only retain the services of Tuckfield & Associates for the capacity fee portion of the proposal. This amount can be found on page 16 of the proposal and is listed under Task 5. The amount is \$5,700.00 plus an additional \$1,083.00 to attend a Board meeting. This brings the capacity fee portion amount to \$6,783.00.

In the past the budget committee has calculated the proposed water and sewer rates and a proposition 218 was performed by staff, resulting in a tremendous cost savings for the community. Staff suggests that the Board continue this rate fee process moving forward. Based on the legal requirements associated with capacity fee charges, staff is recommending that this scope of work be performed by a company that has comprehensive experience with applicable state laws regarding capacity fees.

Staff is requesting that the Board approve the capacity fee portion of the proposal (Task 5) and allow the General Manager to enter into a contract with Tuckfield & Associates to perform a capacity fee study not to exceed the amount of \$10,000.00. This includes the cost of the study and allows the consultant two onsite visits, plus any unforeseen costs.

Proposal For:

Water and Wastewater Rate Study and Capacity Charge Study

Proposal To:

San Simeon Community Services District

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



Submitted By:

Tuckfield & Associates

Contact: Mr. Clayton Tuckfield
2549 Eastbluff Dr, #450B
Newport Beach, CA 92660
(949) 760-9454
www.tuckfieldassociates.com

FINANCIAL CONSULTING
**TUCKFIELD &
ASSOCIATES**
MANAGEMENT CONSULTING

July 20, 2018

Tuckfield & Associates

2549 Eastbluff Drive, Suite 450B, Newport Beach, CA 92660
Phone (949) 760-9454 Fax (949) 760-2725
Email ctuckfield@tuckfieldassociates.com

July 20, 2018

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

Dear Mr. Grace:

I am pleased to submit this proposal to provide consulting services for a Water and Wastewater Rate Study and Capacity Charge Study for the San Simeon Community Services District (District). Over the last 18 years, I have conducted numerous water and wastewater rate studies in California as well as 15 years of previous experience conducting studies nationally. This depth of experience will benefit the District during the performance of this study.

The scope of work provided herein proposes to address the District's request for the studies. The water and wastewater rates will be designed to be equitable and defensible, meet the requirements of Proposition 218, and fund annual operating expense, capital spending, and debt service. The study will address the following objectives.

- Revenue sufficiency to fund operating and capital needs
- Appropriate levels of operating, capital, and emergency reserves
- Cost of service following appropriate standards, regulations, and guidelines
- Rates that are consistent with industry practice
- Ease of understanding and administration

Tuckfield & Associates consulting is a local firm with extensive experience in California, specializing in rate studies and capacity charge studies. Mr. Tuckfield is the President and Principal Consultant for Tuckfield & Associates, and routinely conducts rate and capacity charge studies as the sole consultant, having completed such studies in this manner for many clients, including those whose populations have exceeded 100,000. Recent and past clients in this regard include the City of Buena Park and City of Ventura. Additional experience is provided in the References section of this proposal.

I will be professionally responsible for conducting the study and will provide hands-on work effort. This will allow me to develop an intimate knowledge of the District's water and wastewater system which will be beneficial when attending meetings and presenting results and findings. All rates and fees will be developed in accordance with the American Water Works Association (AWWA) for water utilities and Water Environment Federation (WEF) for wastewater utilities as well as California State law.

Mr. Charles Grace
San Simeon Community Services District

Page 2
March 13, 2018

I have the qualifications, experience, and capabilities to provide the services desired by the District. I have conducted successful studies for large agencies in California with a focus on smaller cities and special districts.

I look forward to working with District on this project. Should the District need any additional information, my contact information is provided below.

Very Truly Yours,

TUCKFIELD & ASSOCIATES



G. Clayton Tuckfield
Principal Consultant
2549 Eastbluff Drive
Newport Beach, CA 92660
(949) 760-9454 ph
ctuckfield@tuckfieldassociates.com

**Proposal for
Water and Wastewater Rate Study
and Capacity Charge Study**

**Submitted to
SAN SIMEON
COMMUNITY SERVICES DISTRICT**

Table of Contents

	<u>Page</u>
Cover Letter	1
Firm Profile	4
Qualifications	6
Scope of Work	7
References	12
Schedule.....	15
Proposed Fee	15
Resume	Appendix A

Proposal for Rate and Capacity Charge Study

San Simeon Community Services District

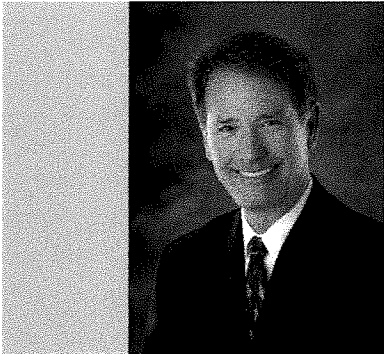
Firm Profile

Tuckfield & Associates was founded in 1999 to provide quality consulting services to publicly-owned utilities to sustain their systems on sound rate-making principles.

The firm was founded by Mr. Clayton Tuckfield PE MBA who has over 30 years of experience conducting rate studies and capacity charge studies. Now in its 18th year, the firm has provided innovative and time-tested strategies founded on industry practice for implementing rates and charges. Tuckfield & Associates is a local firm located in Newport Beach and the performance of this project will be completed at this site.

Prior to the firm's founding, Mr. Tuckfield served Black & Veatch Corporation for nearly 15 years in their Management Consulting Division. Mr. Tuckfield has worked with numerous cities and special districts in California and has written papers and articles for AWWA (American Water Works Association) and California Special Districts Association (CSDA) and has conducted a webinar for CSDA regarding financing projects with USDA funding.

Key Personnel



Clayton Tuckfield, Principal

Summary

- 30 years of experience
- Over 100 rate studies
- Public Agency Specialization
- Tested Strategies
- Project Management

Project Responsibilities

- Project Consultant
- Financial Plan, Cost of Service, and Rate Design
- Public Meeting Presentations

Clayton Tuckfield, PE MBA– Project Consultant

Mr. Tuckfield will serve as the project consultant for the study and will be the primary contact with District. He will be responsible for project administration, daily performance of the project, providing all deliverables, attending and/or presenting at all meetings, and will produce key

elements of the study.

Mr. Tuckfield routinely conducts rate and capacity charge studies as the sole consultant and has completed such studies in this manner for many clients, even for those whose populations have exceeded 100,000. Mr. Tuckfield is an expert in utility financial planning, cost of service, rate structures, and utility management and is a professional dedicated to maintaining high financial and engineering standards.

Mr. Tuckfield has over 30 years of experience and has professionally performed over 100 utility cost of service and rate studies and many other financial feasibility studies. He has performed studies for numerous communities in California ranging from the cities of Long Beach, Buena Park, Ventura, Santa Barbara, Fullerton, Loma Linda, Arroyo Grande, Grover Beach, Pismo Beach, Oakdale, and Firebaugh to special districts including Santa Ynez CSD, Nipomo CSD, Mission Hills CSD, Keyes CSD, Hilmar CWD, Delhi CSD, Seeley CWD, and many others.

Mr. Tuckfield has an engineering degree and a master's degree in business administration. He has prepared presentations and technical papers for trade organizations that include the American Water Works Association's annual meeting, American Society of Civil Engineers, Arizona Finance Officers Association, and has authored a section of a webinar for the California Special Districts Association (CSDA) as well as a professional submission for CSDA's bi-monthly magazine. A resume for Mr. Tuckfield is provided in **Appendix A** of this proposal.

Visit www.tuckfieldassociates.com to learn more about Tuckfield & Associates.

Advantages

Tuckfield & Associates offers several unique advantages that will satisfy the District's expectations for the successful implementation of proposed rate structures and rates. These include the following:

Experience. Having performed numerous rate and capacity charge studies concentrated in California, with additional studies conducted nationally, the firm is able to provide a depth of experience to draw upon for this study, using knowledge of methods and alternative rate structures that will be of benefit to the District. The District can be assured that quality services will be provided through our extensive experience and from our client references themselves.

California Regulatory Requirements. Tuckfield & Associates has experience with the California regulatory environment which will be beneficial to the District for the best outcome. Recent State legislation includes the enactment of Proposition 218, AB3030, and the state's 20x2020 plan and these have been addressed in previous studies.

Communication. A critical aspect of this study is the need to communicate results to the public. Communicating the reasons for the rate increases and the impacts to customers is imperative to acceptance by the public and a successful rate implementation.

Personalized Service. Mr. Tuckfield works in a collaborative manner with its clients, providing consulting services in a professional and transparent manner with easy explanation of study results. Our collaborative service creates professional relationships that have spanned a decade for some clients.

Qualifications

Tuckfield & Associates Consulting

Tuckfield & Associates is a specialized consulting firm providing financial solutions for publicly owned utilities. Mr. Clayton Tuckfield, founder and principal of Tuckfield & Associates, has managed or been directly involved in publicly owned utility financial services for over 30 years. Since 1985, Mr. Tuckfield has used innovative methods combined with time-tested strategies to assist municipalities and special districts in achieving their financial goals. Clients have included public utilities, state and county governments, municipalities, and public districts.

Services

Tuckfield & Associates provides comprehensive consulting services intended to safeguard the financial viability of the client's multi-million-dollar utility. Key elements include financial plans that anticipate economic contractions and expansions, capital planning for improvement financing options, allocation of costs to appropriate customers based on cost causative principles, and rates that are designed to be fair and equitable. Services provided by Tuckfield & Associates include the following.

- Cost of Service and Rate Studies
- Capacity Charge Studies
- Rate Stabilization Studies
- Supporting Information for Bond Official Statements
- Capital Improvement Plan Financing Analyses
- Computer Modeling

Tuckfield & Associates Qualifications Summary

- 30 years of experience
- Over 100 rate studies
- Public Agency Specialization
- Tested Strategies
- Project Management

Commitment to Clients

Tuckfield & Associates approaches each study with the commitment to exceed our client's expectations. Our strength lies in our proven capability to provide comprehensive, practical, and implementable programs that serve our clients, with personal relationship-driven service.

Tuckfield & Associates is highly qualified to provide the professional services requested by the District. The firm specializes in rate and capacity charge studies with extensive experience serving cities and special districts in California.

Scope of Work

Based on our understanding of the District's needs, the following tasks describe our proposed scope of work to complete the Water and Wastewater Rate Study and Capacity Charge Study. While the tasks listed below are consecutive, elements of certain tasks may be conducted concurrently with other tasks.

Task 1 – Initial Meeting/Data Collection

The focus of this initial meeting with District Staff will be to define goals and objectives for the study and explore the issues generated by District Staff. The meeting serves as an important first step in assuring that all key members develop a clear understanding of the study elements and data required. Some of the major objectives of the study to be discussed include the following:

- Identify key staff members and the point of contacts for the study
- Establish roles and responsibilities for the project and data gathering
- Identify objectives, goals, and expectations for the study
- Discuss Current District Policies
- Review available funding to support District activities
- Discuss details of alternative rate structures
- Review project schedule and set dates for meetings and deliverables

Prior to the meeting, a request will be submitted to the District for information to be gathered by District Staff. The information request will include several items such as audits, budgets, master plans, design reports, capital improvement plans, billing information, debt service schedules, and several others.

Deliverables: Request for Information

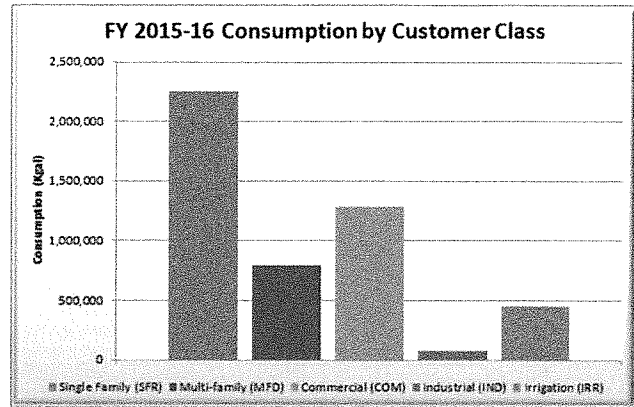
Task 2 – Long Range Financial Planning

The objective of this task is to develop ten-year financial plans for the water and wastewater enterprises that projects the revenue and revenue requirements for the study period. This task requires an assessment of the sufficiency of revenues based on the existing rates and fee schedules, the District's ability to meet projected revenue requirements, and the determination of the level of any revenue adjustments required with any additional financing requirements. Specific tasks include the following.

Task 2.1: Review Financial Information, Policies, and Practice

The District's policies regarding the financial, operating and capital reserves, and rate practices will be reviewed and evaluated. These items are essential to the long-term sustainability of the utility. From the evaluation, recommendations will be made that will enhance the utility's ability to meet its financial goals. The policy recommendations will at least include the following.

- Target reserve levels for operating and capital programs
- Annual infrastructure replacement funding from operations
- Debt service coverage to ensure strong bond ratings



Review and summary of billing information provides an understanding of user characteristics.

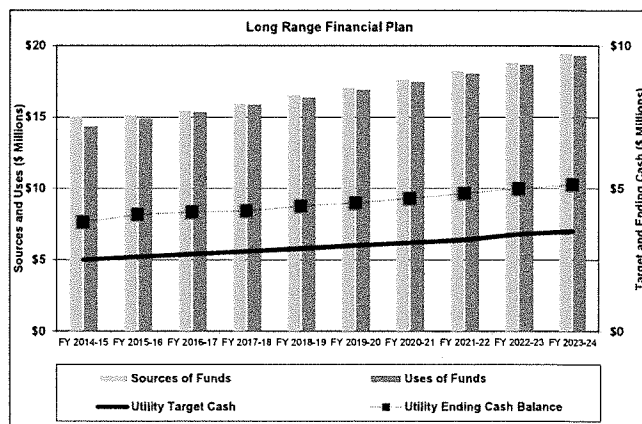
Task 2.2: Review and Summarize Billing Information

The customer billing information that is received from the District will be reviewed, analyzed, and summarized for use in the rate study. The information will be reviewed for accuracy and reasonableness for use to understand user characteristics. In addition to water sales information, influent flow to the wastewater treatment plant will assist in estimating wastewater flows and peaking characteristics for customer classifications.

Task 2.3: Develop Long Range Financial Plans

In this task, the annual revenue requirements of the water and wastewater utilities will be identified and projected. Budget items and any future obligations will be projected for a ten-year forecast period. Revenue Requirements will include operation and maintenance expenses, existing debt service, annual replacement, identification and financing of future capital improvements (CIP), transfers to/from the utility funds, and use of reserves. Revenue requirements will be projected from a review of historical results, current budget, and current economic trends while accounting for expected operational changes and system growth. Miscellaneous fees will be reviewed and updated as appropriate. Such fees may include plan check fees, inspection fees, and FOG program fees and the revenue from such fees will be projected and included into the long-range financial plan.

A ten-year pro forma cash flow will be developed to compare revenue using the existing rates to projected revenue requirements over the planning period. Revenues will be projected by developing assumptions regarding customer growth and estimated usage information. Analysis of the cash flow will determine if any revenue adjustments are needed to meet the revenue requirements while recognizing the financial planning criteria developed for each fund. The long-range financial plan developed above will be modeled such that



The long range financial plan illustrates the stability of the revenue stream over time as well as the degree to which financial planning criteria are met.

assumptions/variables may be changed to assess the impacts to the plan. By varying these assumptions, their sensitivity may be evaluated and the need for higher or lower revenue increases may be determined. Several options for revenue increases may be explored and presented to District Staff.

Deliverables: Assumptions, billing summaries, long-range financial plan alternatives

Task 3 – Cost of Service Analyses

The cost of service phase of the study will focus on allocation of costs (revenue requirements) to customer classifications based on cost causative methodologies. The cost allocations will be developed using standards and methodologies from the AWWA, WEF, and best management practices. The cost of service analysis part of the study provides the defensibility for the selected rate structures and rates, providing compliance with Proposition 218.

Task 3.1: Analyze Customer Usage Patterns and Recommend Customer Classifications

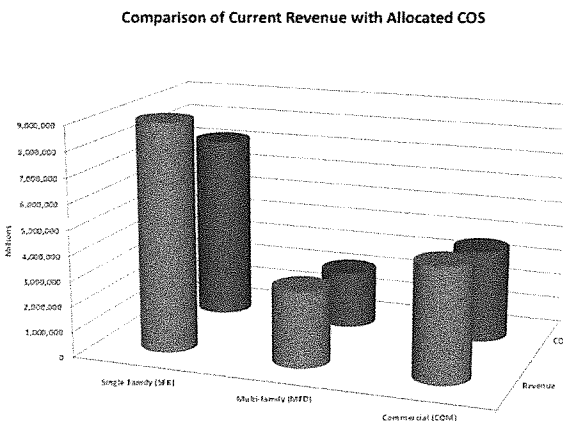
Historical billing summaries that were summarized in Task 2.2 will be reviewed and analyzed by customer classification to determine water consumption, estimate wastewater discharge volumes, and establish user characteristics. Estimates may be made assuming census persons per household.

Task 3.2: Allocate Costs to Functional Cost Components

The annual revenue requirements will be allocated to functional cost components following standards in the AWWA and WEF manuals of practice. Allocations of operation and maintenance expenses will be allocated separately from capital requirements of the system.

Task 3.3: Distribute Functional Costs to Customer Classifications

Costs that have been allocated to functional cost components are distributed to the various customer classifications based on their responsibility for the service provided. Responsibility is established from the units of service (such as HCF, HCF/day, and number of customers) applicable to each functional cost component. Unit costs are developed which are then applied back to the units of service by customer class, which determines each customer classification's cost responsibility.



The equity of the current rate structure and rates is assessed through a comparison of current revenue with the allocated Cost of Service.

Task 4 – Rate Structure Analysis and Rate Design

The rate structures that are selected for each utility should be responsive to the needs and philosophy of both the utility and its customers. The selected rate structures are a blend of what may be several competing objectives to accomplish the overall goals desired by the utility and general public. Through discussion with District staff, our evaluations of the existing rate structures and design of new rate structures will meet the expectations of the utility and public.

Task 4.1: Evaluate Rate Structures and Calculate Rates

The current rate schedules will be evaluated to validate their applicability for District’s cost structure and customer base. Additionally, up to two alternative rate structures will be proposed to address the goals and objectives of the District while enhancing the fairness and equitability among the users. A recommendation will be made as to which rate structures best meets the District’s objectives.

It is intended that the recommended rate structure will result in revenue stability, will be easy to administer and understand, and comply with industry practices such as the AWWA, WEF, and federal, state, and local regulations for rate setting in California.

Task 4.2: Determine Bill Impacts

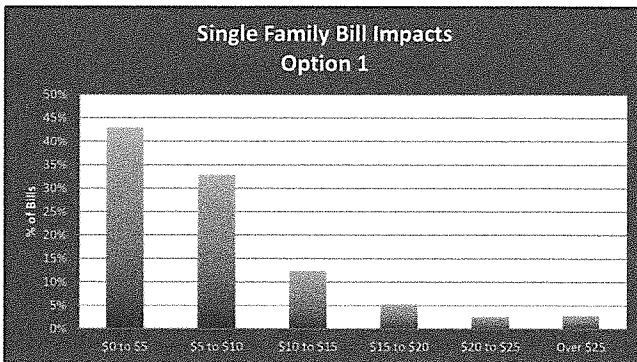
The impact to customer bills is an important aspect of any rate change. The financial impacts to customers that results between the existing and alternative rate structure will be determined and a series of tables and figures will be created that show projected rate impacts on different types of customers at different levels of usage.

Task 4.3: Bill Comparison with Other Communities

Rate schedules will be gathered from other local communities for the purpose of calculating typical bills at various levels of water and wastewater volume. The number of communities chosen for analysis will be agreed upon with the District. Example bills will be developed using the proposed rate structure and compared with typical bills of the other communities at the same volumes.

Single Family (SFR) (with 5/8 inch and 3/4 inch meters)

Description	Use (Kgal)	Current Bill	Proposed Bill	Percent Change
Very Low	10	\$42.76	\$44.88	5.0%
Low	20	\$62.36	\$65.45	5.0%
Median	16	\$54.52	\$57.23	5.0%
Average	22	\$67.58	\$69.57	2.9%
High	40	\$126.26	\$131.16	3.9%
Very High	50	\$158.86	\$165.38	4.1%

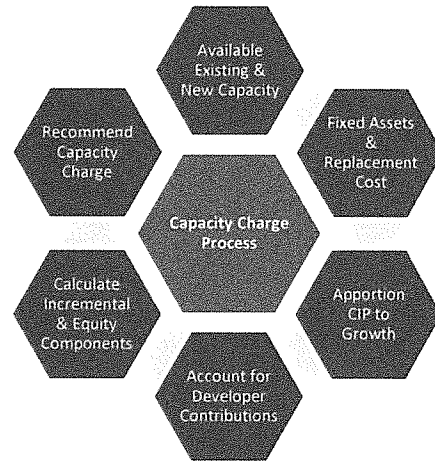


The impacts to customer bills can be identified for each rate structure alternative prior to implementation.

Deliverables: Cost of service analyses, proposed rates and presentation material

Task 5 – Capacity Charges

Capacity charges, or sometimes called by other names such as connection fees, system development charges, or impact fees, will be determined for the District based on existing records and data from the District. Applicable State laws, administrative rules, and District ordinances will be reviewed as well as the District’s master plans, fixed assets, or other lists of capital projects regarding their eligibility for capacity charges. The costs to be recovered from new development will be considered using an appropriate methodology that may include a buy-in method, incremental cost method, or a combination of these two.



Capacity charges will be developed for the water and wastewater utilities that fairly recovers infrastructure costs from new development. Costs need to be distinguished between those that are related to repair and replacement and those that are related expansion (growth-related). The District may need to engage their Engineer to allocate CIP between replacement and growth. The growth-related costs will be recovered from a capacity charge that may include financing costs and reductions for contributed facilities. Water system capacity charges may be determined based on fee per meter or per gallon per day demand while wastewater capacity charges may be determined based on components including flow by volume and BOD and SS per pound.

Task 6 – Report Preparation

A Draft Report will be prepared that includes forward looking financial plans, cost allocations, and proposed rates. The Draft Report will include an executive summary highlighting the major issues, assumptions, and findings and recommendations. Sections will be included that discuss the financial plans, cost allocation methodologies, design of the proposed rate structures and rates, and rate comparisons.

Deliverables: An electronic copy and five (5) hard copies of the draft report

Comments received will be incorporated into a Final Report for submission to the District. The Final Report and results and findings will be presented to the Board of Directors at a regular Board of Directors meeting.

Deliverables: An electronic copy and five (5) hard copies of the final report

Task 7 – Meetings

Meetings will be conducted with District staff throughout the study as appropriate. The draft and final reports will be presented to District staff, Board of Directors, and public. The presentations will discuss the financial plan, the alternatives reviewed, the cost of service analyses, the rate structures analyzed, the selected rate structure, bill impacts, and rate surveys.

Tuckfield & Associates will assist in drafting the Proposition 218 notice and attend and present the Final Report at the Proposition 218 Public Hearing for the adoption of the new rates. To comply with Proposition 218, the notices must be sent to all property owners/customers at least 45 days prior to the Public Hearing.

Meeting: Two (2) on-site meetings with District staff and Board of Directors including a Public Hearing

Deliverables: Presentation materials for meetings

References

Mr. Tuckfield has been providing rate consulting services for over 30 years. Listed below are representative engagements and references for studies delivered by Tuckfield & Associates. These recent and successful municipal utility financial plans and rate studies are a sample of the work provided to California communities. The studies have been prepared in conformance with Proposition 218 and all studies use the cost of service and allocation methods described in the AWWA Manual M1 for water utilities and WEF Manual of Practice No. 27 for wastewater utilities.

Water and Wastewater Rate Studies, Nipomo CSD, California

Tuckfield & Associates completed water rate studies for the District in 2010, 2014, and in 2017 that addressed the District's needs to acquire supplemental water from the City of Santa Maria. Because of recent legal actions to adjudicate the greater Santa Maria groundwater basin, the District entered into an MOU to contract for 3,000 ac-ft of supplemental water from Santa Maria.

In the 2010 study, Mr. Tuckfield assisted the District with evaluating several financial planning scenarios and rates regarding the financing and implementation of the supplemental water project. Rates were ultimately established to cover O&M and capital, without the project, to allow the District to meet its on-going obligations while the District pursued establishing an assessment district to finance the project. Rates from the 2010, 2014, and 2017 studies were adopted by the Board of Directors.

In 2013, Tuckfield & Associates assisted the District for a bond offering by providing a statement of revenue, expense and debt coverage information for its Official Statement, used to secure partial financing for the supplemental water project. The financing was incorporated into the 2014 rate study which developed a supplemental water rate structure that passed at the Proposition 218 public hearing.

In 2015, Tuckfield & Associates conducted a Wastewater Rate Study for the District. The study included preparing a long-range financial plan that included reserve targets, debt coverage ratios, and funding of CIP. Wastewater rates were developed following cost of service principles from the WEF manual of practice. Wastewater rates are currently scheduled for a Proposition 218 public hearing in November.



Client Reference

*Mr. Mario Iglesias
General Manager
Nipomo CSD
(805) 929-1133
Email: miglesias@ncsd.ca.gov*

Water and Wastewater Rate Study, City of Pismo Beach, California

Tuckfield & Associates completed a comprehensive water and wastewater rate study for the City of Pismo Beach in 2013 and 2007. The 2007 study accounted for all financial aspects of the water and wastewater rates, including each water supply source, utility debt and assessment debt, and various sub-funds of the utilities. The study included financial planning, cost of service, and rate structures for both water and wastewater. The 2007 study results were adopted by city council.

The 2013 study addressed the city's 2010 Urban Water Management Plan finding that the city needed to reduce its per capita water consumption annually to comply with SB x7-7 as well as plan for significant replacement of infrastructure. One of the water rate structures proposed included a four-block rate structure to promote conservation. Wastewater rates were developed following the WEF and SWRCB guidelines as the City has several loans through the SRF program. Both the water and wastewater proposed rates were adopted by the city council.



Client Reference

*Ms. Nadia Feeser
Administrative Services Director
City of Pismo Beach
(805) 773-7010
Email: nfeeser@pismo beach.org*

Water and Wastewater Rate Study and Capacity Charge Study, Heritage Ranch CSD, California

Tuckfield & Associates completed a Water and Wastewater Rate Study for the District in 2017. The study's scope of work included preparing several financial plan scenarios to demonstrate the impact of the CIP on cash flow by showing revenues necessary to meet O&M, O&M with replacement, and O&M with replacement and debt financing of the CIP. The financial plan alternatives provide for maintaining cash balances at policy target levels while meeting O&M escalation, future debt service, and annual repair and replacement expenditures. The District engaged Tuckfield & Associates again in 2018 to perform a Capacity Charge Study. The study calculated the buy-in and growth-related components of the charge from existing fixed asset records and CIP allocated to growth.

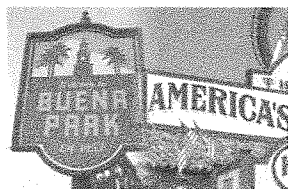
Client Reference

*Mr. Scott Duffield
General Manager
Heritage Ranch CSD
(805) 470-3140
Email: scott@heritageranchcsd.com*

Water Rate Study, City of Buena Park, California

Tuckfield & Associates completed a water financial plan and rate study for the City of Buena Park in 2016 and was engaged again by the City for preparation of a financial plan for a revenue bond issue in 2017. The rate study scope of work included (1) preparing a long-range financial plan that includes assessment of current revenues to meet the current and future obligations of the water fund, establishing operating and capital reserve policies, and incorporating financing of the proposed capital improvement program (CIP) spending plan and (2) design of an appropriate rate structure that complies with Proposition 218.

Three financial plan alternatives were prepared and discussed with City Staff that funded the same CIP but with various combinations of cash, bond financing, and annual revenue increases. The cost of service and rate portion of the study included a review and justification of the City's current rate structure and rates and preparing two tiered-rate structure alternatives. The rate structures addressed the recent San Juan Capistrano court decision regarding conservation rates by preparing a new tiered rate structure to replace the current conservation rate structure while also developing a uniform volume rate structure for all customers. The rates were adopted by city council.



Client Reference

*Mr. Mike Grisso
Utilities Manager
City of Buena Park
(714) 562-3705
Email: mgrisso@buenapark.com*

Water and Wastewater Rate Studies, City of Loma Linda, California

Tuckfield & Associates completed a water and wastewater rate study for the City of Loma Linda in 2014 and is performing an update in 2018. The study included developing financial plans for the water and wastewater utilities including review of the pass-through expense from the City's wastewater treatment provider. This resulted in the need for higher wastewater rate increases than expected.

Several rate scenarios were discussed with city staff that evaluated the impact of budget constraints and the delay of capital improvements to future years. In both the water and sewer funds, the fund balances were below city policy target levels. Rate increases for both utilities included rebuilding fund balances, cure annual deficits, meet O&M escalation, pay for future debt service, and fund annual repair and replacement expenditures. Water and wastewater rates were adopted by the City Council.

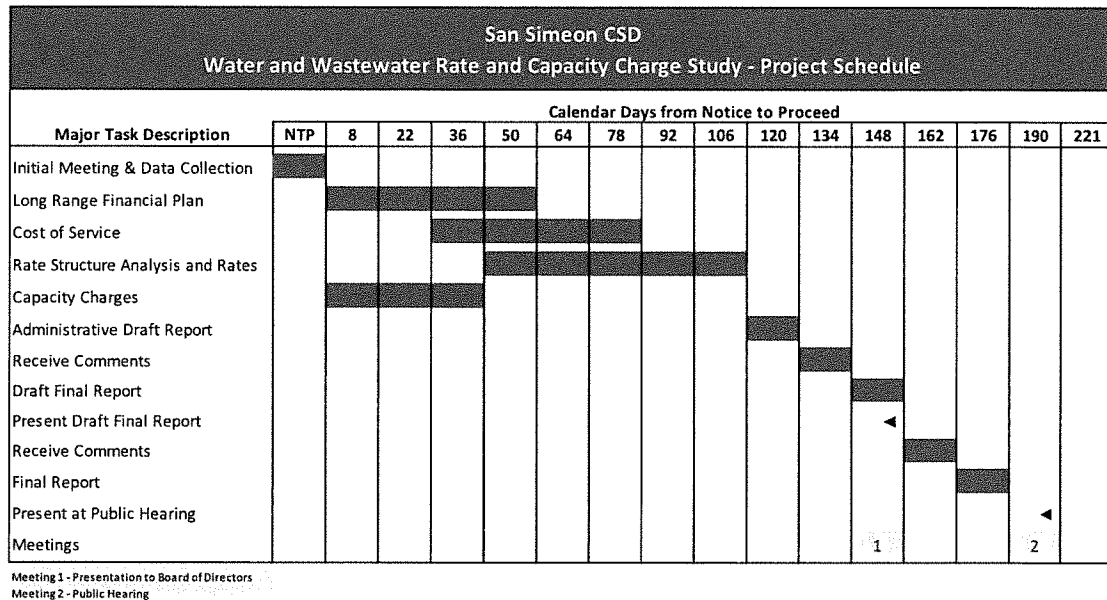


Client Reference

*Mr. T. Jarb Thaipejr
City Manager
City of Loma Linda
(909) 799-2811
Email: jthaipejr@lomalinda-ca.gov*

Schedule

Tuckfield & Associates has a strong track record of meeting client schedules. Our experience in performing rate studies enables us to meet the District’s goals in a timely and efficient manner. A suggested time-line schedule is presented below in a graphical format showing key milestone and target dates. Tuckfield & Associates is capable of presenting the study within six months of notice-to-proceed. The schedule is approximate based on timely receipt of information and acceptance of the study by the District and public. The time-line can be adjusted to meet the District’s specific needs.



Proposed Fee

Tuckfield & Associates provides comprehensive studies with competitive pricing and billing rates. We propose to accomplish the tasks described in our scope of work section for a cost not-to-exceed estimate of \$34,716. The cost estimate is based on our standard hourly billing rates and the number of hours estimated to complete each task. Direct expenses will be billed at cost and will include expenses related to travel, mileage, printing, and other direct costs. A cost schedule showing personnel, estimated hours, hourly billing rates, out-of-pocket expenses, and total estimated project cost is provided below.

Additional meetings can be provided at our standard hourly billing rates with direct actual expenses. Invoices for work effort associated with the rate studies will be invoiced monthly and payable within 30 days of the invoice date.

San Simeon CSD

Water and Wastewater Rate and Capacity Charge Study - Detailed Cost Breakdown

Major Task Description	Cost of Service Study			Each Additional Meeting			
	On-site Meeting	Hours		On-site Meeting	Hours		
		Clayton Tuckfield	Total Budget		Clayton Tuckfield	Total Budget	
	Hourly Rate	\$150		\$150			
Task 1: Data Collection		2	\$300				
Task 2: Long Range Financial Plans							
Task 2.1: Review Financial Info, Policy & Practice		4	\$600				
Task 2.2: Review and Summarize Billing Info		24	\$3,600				
Task 2.3: Develop Long Range Financial Plans		34	\$5,100				
Task 3: Cost of Service Analyses							
Task 3.1: Analyze Customer Usage Patterns & Classes		12	\$1,800				
Task 3.2: Allocate Costs to Cost Components		14	\$2,100				
Task 3.3: Distribute Costs to Customer Class		10	\$1,500				
Task 4: Rate Analysis and Design							
Task 4.1: Evaluate Rate Structures & Calc Rates		36	\$5,400				
Task 4.2: Determine Bill Impacts		10	\$1,500				
Task 4.3: Bill Comparison with Other Communities		6	\$900				
Task 5: Develop Capacity Charges		38	\$5,700				
Task 6: Report Preparation		24	\$3,600				
Task 7: Meetings		2	8	\$1,200	1	4	\$600
Total	2	222	\$33,300	1	4	\$600	
Other Direct Costs (ODCs): Travel, Mileage & Printing:			\$1,416	\$483			
Total Study Cost:			\$34,716	Each Meeting: \$1,083			

Appendix A

Resume

A resume for Clayton Tuckfield is provided in Appendix A.

Clayton Tuckfield, PE MBA

Principal, Tuckfield & Associates Consulting

Education

M.B.A. – Finance,
University of Kansas,
Lawrence, KS, 1985

B.S. – Mechanical
Engineering, Kansas State
University, 1980

Registration

Professional Engineer:
Kansas

Years of Experience

32

Presentations

CSDA 2011 Nov/Dec
Magazine

CSDA 2011 Rate Webinar

AWWA Annual Conference
and Exposition
Toronto, Canada

ASCE, Phoenix, AZ

AFOA, Phoenix, AZ

Mr. Tuckfield is the Principal of Tuckfield & Associates consulting. He has over 30 years of experience serving in various capacities on work performed for publicly owned water and wastewater utilities. Mr. Tuckfield has performed a variety of financial feasibility and economic analyses studies including utility cost of service and rate design studies, impact fee studies, development of pro forma statements of revenue and operating expense, cash flow analyses, preparation of engineer's reports for revenue bond official statements, valuations of facilities use plans, preparation of alternative financing plans for capital improvement programs, and development of training material for presentation to international interest groups.

Mr. Tuckfield has conducted or managed over 100 water and wastewater rate studies for various cities and special districts in California and nationwide. Clients have included the cities of Long Beach, Ventura, Buena Park, Fullerton, and Loma Linda and special districts including Nipomo CSD, Heritage Ranch CSD, Templeton CSD, Keyes CSD, Hilmar CWD, and for many other clients.

Water and Wastewater Utility Rate Studies, City of San Buenaventura, Ventura, California. Mr. Tuckfield has performed rate study updates almost on an annual basis for the City from 1990 through 2010. In the most recent study, Mr. Tuckfield worked with City Staff to extend the study period to 10 years, develop various cash flow scenarios for alternative CIP plans, expand water customer classifications to reflect actual operations, developed analyses regarding the City's outside rate differential, and presented draft results to City Staff. He has also prepared information for City Staff's use for conducting internal meetings on an as needed basis.

Water and Wastewater Cost of Service and Rate Study, Long Beach, California. Mr. Tuckfield was responsible for cost of service and rates for the water and wastewater utilities for the City. The project work included development of utility rates to promote water conservation and to allow easy implementation and acceptance. The work effort also included development of computer models to enable the Department to annually review utility rates. The project included working closely with a departmental task force to develop alternative rate structure for eventual implementation.

Representative Water and Wastewater Rate Studies

- City of Avondale, AZ
- City of Georgetown, TX
- City of Pismo Beach, CA
- City of Arroyo Grande, CA
- City of Grover Beach, CA
- City of Santa Cruz, CA
- City of Battle Creek, MI
- City of Homestead, FL
- Santa Barbara, CA
- City of Brawley, CA
- City of Imperial Beach, CA
- City of Sioux City, IA
- City of Buena Park, CA
- City of Imperial, CA
- City of Sioux Falls, SD
- City of Charleston, SC
- City of Kalamazoo, MI
- City of Westmorland, CA

Clayton Tuckfield, PE MBA

Principal, Tuckfield & Associates Consulting

- City of Chesapeake, VA
- City of El Monte, CA
- City of Fayetteville, AR
- City of Firebaugh, CA
- City of Flagstaff, AZ
- City of Florence, AZ
- City of Fullerton, CA
- City of Loma Linda, CA
- City of Long Beach, CA
- City of Modesto, CA
- City of Oakdale, CA
- City of Orange Cove, AZ
- City of Peoria, AZ
- City of Phoenix, AZ
- DuPage County, IL
- Hilmar County WD, CA
- Mission Springs WD, CA
- Nipomo CSD, CA
- San Miguel CSD, CA
- Templeton CSD, CA
- Town of Cave Creek, AZ

Representative Municipal Bond Feasibility Studies

- City of Alexandria, LA
- City of Kansas City, MO
- City of Owensboro, KY
- City of Firebaugh, CA
- City of Salem, OR
- City of Tacoma, WA
- Eugene Water & Elec, OR
- City of Livingston, CA
- Litchfield Park, AZ
- Memphis Gas, Water, TN
- San Dieguito WD, CA
- City of Buena Park, CA

Other Feasibility Studies

- City of Brownsville, TX - Electric Utility Rate Study
- City of Detroit, MI - Organizational Study
- City of Phoenix, AZ - Impact Fee Review
- County of Maui, HI - Pretreatment Program
- Imperial Irrigation District, CA - Financial Feasibility Study
- Imperial Valley Task Force, CA - Financial Alternatives Study
- MWD of Southern California, CA - Review of New Demand Charges
- Saudi Consolidated Electric Co. - Electric Generation Dispatch Model
- Texas A&M University, TX - Power Supply Alternatives Study
- United Water Conservation District - Water Supply Pricing Model

Publications/Presentations

"Value of Rate Study in Project Finance", CSDA November/December 2011 Magazine, Sacramento, California

"Role of Rate Study with USDA Financing", CSDA Webinar, September 22, 2011, Sacramento, California

"Committee Involvement Facilitates Rate Implementation", AWWA Annual Conference and Expo, Toronto, Canada 1996

"Arizona Utility Rates", ASCE Arizona Fall Conference, Phoenix, Arizona 1997

"Utility Rate Seminar", Arizona Finance Officers Association, Spring Meeting, Flagstaff, Arizona 1998

**AGREEMENT BETWEEN SAN SIMEON COMMUNITY SERVICES DISTRICT
AND TUCKFIELD & ASSOCIATES FOR PROFESSIONAL SERVICES FOR
CAPACITY CHARGE STUDY**

This AGREEMENT is made and entered into this 1st day of August 2018, by and between the SAN SIMEON COMMUNITY SERVICES DISTRICT, hereinafter referred to as "DISTRICT", and TUCKFIELD & ASSOCIATES, hereinafter referred to as "CONSULTANT."

RECITALS

WHEREAS, Government Code Section 37103 authorizes DISTRICT to engage specially trained and experienced persons or firms for special services and advice in financial, economic, accounting, engineering, legal, or administrative matters; and

WHEREAS, DISTRICT requires the services of CONSULTANT by providing special services and advice of a type authorized by Section 37103; and

WHEREAS, CONSULTANT is specially trained and possesses special skills, education, experience, and competency to perform the services and provide the advice needed; and

WHEREAS, the DISTRICT has chosen CONSULTANT to perform the needed work.

AGREEMENT

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, DISTRICT and CONSULTANT agree as follow:

1. Services to be Provided by CONSULTANT

(a) CONSULTANT shall act in a professional capacity to assist DISTRICT. CONSULTANT's work shall conform to applicable statutes, laws, regulations, and professional standards for such work. CONSULTANT shall exercise the same degree of care and diligence in the performance of the Services as is ordinarily exercised by a professional serving under similar circumstances.

(b) CONSULTANT shall perform professional services as described in the CONSULTANT's Proposal dated July 20, 2018; the term "Scope of Services" as used in this Agreement shall refer to the portions of CONSULTANT's Proposal titled "Task 5 – Capacity Charges".

(c) Extra work beyond that described in the Scope of Services is not authorized without the express written approval of DISTRICT. CONSULTANT shall request and receive written approval prior to performing any extra work. Any work beyond that reflected in the approved Scope of Services shall not be compensated by DISTRICT unless prior written approval was provided under this paragraph.

(d) No other warranty, express or implied, is included in this Agreement or in any drawing, specification, report, or opinion produced pursuant to this Agreement. Consultant's opinions, estimates, and forecasts of current and future cost levels, revenue levels, other levels and events shall be made on the basis of available information and Consultant's experience and qualifications as a professional. Consultant does not guarantee that estimates and forecasts of current and future levels and events will not vary from Consultant's estimates and forecasts.

2. Assistance by DISTRICT

Subject to other provisions of this Agreement, the DISTRICT shall provide the CONSULTANT with copies of any specifications, maps, drawings, records, or other documentation, which are required by the CONSULTANT in order to perform the Services specified herein. DISTRICT shall provide all further reasonably necessary information to CONSULTANT upon CONSULTANT's request.

3. Term of Agreement

(a) This Agreement shall take effect on the date first written above and shall be in effect until the Services described in CONSULTANT's Scope of Services are completed.

(b) Either party may terminate this Agreement by tendering a ten (10) day written notice to the other party ten (10) days before the effective date of termination. In such event, or upon request of the DISTRICT, CONSULTANT shall assemble all DISTRICT documents in the CONSULTANT's possession and put them in order for proper filing and closing, and deliver said documents to DISTRICT. In the event of termination, CONSULTANT shall be paid for work performed to the termination date. DISTRICT shall make the final determination as to the portion of tasks completed and the compensation to be made.

4. Compensation

(a) Type:

DISTRICT shall pay CONSULTANT a fee not to exceed \$7,866.00, which includes two meetings with the District, for all services and other expenses provided or incurred in performing the Scope of Services.

(b) Expenses:

DISTRICT shall not reimburse CONSULTANT for any expenses incurred by CONSULTANT in rendering services under this Agreement except as expressly provided for in CONSULTANT's Scope of Services.

(c) Schedule for Payments:

(i) CONSULTANT shall bill DISTRICT c/o the DISTRICT's Manager at 111 Pico Avenue, San Simeon, CA 93452, for services rendered under this Agreement, or such billing may be sent by email to the District Manager at cgrace@graceenviro.com. Billing shall be made at the end of each month.

(ii) DISTRICT shall pay fees and applicable expenses due under this Agreement within thirty (30) days of receiving such bills from CONSULTANT. Payment of any fee or reimbursement shall not constitute a waiver by the DISTRICT of any breach of any part of this Agreement.

5. Indemnification

CONSULTANT shall indemnify and hold harmless the DISTRICT and its officers, elected and appointed officials, employees and volunteers ("DISTRICT entities") from and against claims, damages, losses and expenses including costs and reasonable attorney fees arising out of the performance of the services described herein, or the failure to perform such services, caused by any negligent act or omission of the CONSULTANT, any sub-consultant, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except to the extent caused by the negligence or willful misconduct of the DISTRICT.

DISTRICT agrees to defend, indemnify, and hold harmless CONSULTANT, its agents and employees, from and against legal liability for claims, losses, damages, and expenses to the extent such claims, losses, damages, or expenses are caused by any alleged or untrue statement of material fact contained in any document, data, or report or any other written or oral communication provided by DISTRICT and on which CONSULTANT relies in connection with the services performed under this Agreement.

6. Insurance Requirements

CONSULTANT shall maintain in full force and effect, at all times during the performance of this Agreement, the following policy or policies of insurance covering its operations:

(a) Comprehensive General Liability, including contractual liability, business automobile liability, broad form property damage, and products and completed operations, all of which shall include coverage for both bodily injury and property damage, with a combined single limit of one million dollars (\$1,000,000) per occurrence. CONSULTANT's comprehensive general liability insurance policy shall contain language substantially similar to the following clauses:

(1) "The San Simeon Community Services District, its elected and appointed officials, officers, employees and agents are named as additional insureds as respects operations of the named insured performed under contract with the San Simeon Community Services District."

(2) "It is agreed that any insurance maintained by the San Simeon Community Services District shall apply in excess of, and not contribute with insurance provided by this policy."

(b) Errors and Omissions Liability in the amount of one million dollars (\$1,000,000). DISTRICT need not be named as an additional insured on professional errors and omissions insurance policies.

All insurance policies required by this section shall not be canceled without first giving thirty (30) days written notice to the DISTRICT. Additionally, the policy shall specifically contain language substantially similar to the following clause:

This insurance shall not be canceled until after thirty (30) days written notice has been given to the San Simeon Community Services District, except for non-payment of premium, which shall be ten (10) days.

Certificates of insurance evidencing the coverages required by the clauses set forth above shall be filed with DISTRICT prior to the effective date of this Agreement. This is a condition precedent to the formation of any obligation by DISTRICT to compensate CONSULTANT under this agreement.

7. Ownership of Paper and Electronic Documents

All plans, studies, sketches, drawings, reports, and specifications as herein required are the property of the DISTRICT, whether the work for which they are made be executed or not. In the event this Agreement is terminated, and at the end of the term of this Agreement, all such plans, studies,

sketches, drawings, electronic documentation, reports, and specifications shall be delivered immediately to the DISTRICT, upon CONSULTANT's receipt of final payment for services.

CONSULTANT may retain one copy of each document for CONSULTANT'S records but shall have no proprietary rights to them. CONSULTANT shall have rights to the use of all plans, studies, sketches, drawings, reports, and specifications and shall retain its rights in its specifications, standard databases, computer software, and other intellectual and proprietary rights. Rights to intellectual property developed, utilized, or modified in the performance of the Services shall remain the property of CONSULTANT. Any use by CONSULTANT of intellectual property owned by the DISTRICT is authorized solely for this project.

All materials, including but not limited to, calculations, computer files, computer software and models prepared by CONSULTANT pursuant to this Agreement are instruments of service in respect to the Project and are subject to protection under copyright laws. They are not intended or represented to be suitable for reuse by the DISTRICT or by others on extensions of the Project, updates, or on any other project. Any reuse without prior written verification or adaptation by CONSULTANT for the specific purpose intended will be at the DISTRICT's sole risk and without liability or legal exposure to CONSULTANT. DISTRICT shall defend, indemnify, and hold harmless CONSULTANT against all claims, losses, damages, injuries, and expenses, including attorney's fees, arising out of or resulting from such reuse including distribution of Documents by DISTRICT to another party.

8. Status of the CONSULTANT

The CONSULTANT shall perform the services provided for herein using CONSULTANT's own methods and practices as an independent contractor and in pursuit of CONSULTANT's independent calling. CONSULTANT is not an employee of the DISTRICT, nor shall any employees of CONSULTANT be considered employees of the DISTRICT, for any purpose. CONSULTANT shall be under the direction and control of DISTRICT staff only as to the results to be accomplished.

9. Assignment and Subcontracting

CONSULTANT is being retained due to its special qualifications to perform services as described in CONSULTANT's proposal. Therefore, CONSULTANT shall not assign this Agreement, any part thereof, or any compensation due hereunder.

(a) CONSULTANT shall be fully responsible to the DISTRICT for any negligent acts and omissions of CONSULTANT's subcontractors, including persons either directly or indirectly employed by subcontractors, in the event CONSULTANT subcontracts any of the work to be performed under this Agreement. CONSULTANT's responsibility under this paragraph shall be identical to CONSULTANT's liability for negligent acts and omissions of CONSULTANT and employees of the CONSULTANT.

Nothing contained in this Agreement shall create any contractual relationship between DISTRICT and any subcontractor of CONSULTANT, but CONSULTANT shall bind every subcontractor and every subcontractor of a subcontractor by the terms of this Agreement applicable to CONSULTANT's work, unless such change, omission, or addition is approved in advance in writing by the DISTRICT. All subcontractors are subject to the prior written review and approval of the DISTRICT.

(b) All terms, conditions, and provisions hereof shall inure to and bind each of the parties hereto, and each of their respective heirs, executors, administrators, successors, and assigns.

10. Notices

All notices shall be in writing and given either by personal service or delivery by the United States Postal Service, or its successor, postage prepaid to the specifically named person(s) or the holder(s) of a designated position. Notices shall become effective insofar as service is concerned on the date of personal service and five days following postmark from the United States Postal Service. Notices/communications between the parties to this Agreement may be sent to the following addresses:

DISTRICT: Mr. Charles Grace
District Manager
San Simeon Community Services District
111 Pico Avenue
San Simeon, CA 93933
cgrace@graceenviro.com

CONSULTANT: G. Clayton Tuckfield
Principal Consultant
Tuckfield & Associates
2549 Eastbluff Drive, #450B
Newport Beach, CA 92660
ctuckfield@tuckfieldassociates.com

11. Disputes

If a dispute should arise regarding the performance of this Agreement or compensation for work performed under this Agreement, the parties hereby agree to make good faith and reasonable attempts to settle the dispute through subsequent agreement between CONSULTANT principal and DISTRICT. In the event that a dispute continues, DISTRICT and CONSULTANT agree that the dispute may be submitted to mediation and/or arbitration at the option of either party. If arbitration is used, the arbitration will be conducted in accordance with the rules and procedures of the American Arbitration

Association. In the event of litigation arising out of the performance of the obligations of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and other litigation expenses.

12. Agreement Contains All Understandings

(a) This document (including all exhibits referred to above and attached hereto) represents the entire and integrated Agreement between DISTRICT and CONSULTANT and supersedes all prior negotiations, representations, or agreements, either written or oral. This document may be amended only by written instrument, signed by both DISTRICT and CONSULTANT. The body of this Agreement shall supersede any discrepancy that may exist with respect to any attached exhibits or documents incorporated by reference.

(b) No oral agreement or representation by any officer, agent, or employee of either party made during or after the execution of this Agreement shall become a part of this Agreement except to the extent such oral agreement or representation is expressly reflected in this written Agreement or a written amendment to this Agreement.

IN WITNESS WHEREOF, we have hereunto set our hands and seals.

SAN SIMEON COMMUNITY SERVICES DISTRICT

CONSULTANT

By: _____

By: _____

Charlie Grace, District Manager

G. Clayton Tuckfield, Consultant

APPROVED AS TO FORM:

By: _____
