

San Sim

111 Pico
Telephone

Bob McLaughlin, Loraine Mira

DATE: March 13, 2002

TO: Board of Directors

FROM: Mark A. Bloodgood

RE: General Manager's

1. Public Broadcasting of B

2. Compensation Package for

package for the Board mem
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Agenda and will be discusse

3. Internal Controls Program

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4. Mid Year Budget Review - S

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Committee is in a position to begi
next year's budget process.

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

Ron Head, Pl

San Simeon Community Services District

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

Board of Directors

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

MEMORANDUM

DATE: March 13, 2002
TO: Board of Directors
FROM: Mark A. Bloodgood, General Manager
RE: General Manager's Report

1. **Public Broadcasting of Board Meetings -** No update.
2. **Compensation Package for Employees –** We had previously prepared a package for the Board members and met with them on two occasions in closed session to review and discuss the material and to come to conceptual agreement on the issues to consider for this year. This is an item listed on the March Board Agenda and will be discussed further at that time.
3. **Internal Controls Program and Office Procedures -** With all the time and effort put into getting the financials in order, we were not able to complete our updating and "codifying" of the procedures for accounts payable and payroll. So we will not have a draft prepared of our recommended policies for the Board's review for the March meeting, but we are confident that we will have this for April's meeting.
4. **Mid Year Budget Review –** Staff has just completed entering numbers into the District's software program for the first half of this fiscal year. Consolidated reports have been distributed to all Board Members and the detailed reports, which include the individual breakdowns for Sewer, Water and General, have been given to the Budget Committee Members. With this project completed we can now begin issuing monthly financials that will indicate actual vs. budget for the current month and year-to-date. We are now capturing the data that, beginning with the new fiscal year, will allow us to also compare the current month and year to the prior month and year. Given that this effort took longer than anticipated, we suggest that the Budget Committee and other Board members be given some time to review and digest this material and that we put this item on the agenda for next month. With this information, the Budget Committee is in a position to begin meeting as planned and to prepare for the next year's budget process.

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

Ron Head, Plant Superintendent

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

In light of the move toward Zero-Based Budgeting (ZBB) for next fiscal year, we have attached an overview of this process for the Board to read. "Zero-Based Budgeting – The process of preparing an operating plan or budget that starts with no authorized funds. In a zero-based budget, each activity to be funded must be justified every time a new budget is prepared." (From the "Lectric Law Library's Lexicon on ZBB.)

5. **Discussions with Marty Cepkauskas, Director of Real Estate, Sunical Land & Stock (Hearst Corp.)** Another meeting with Mr. Cepkauskas and Roger Lyon is being scheduled for later this month with Paul Reichardt and your District Manager. We are preparing correspondence in conjunction with our charge to move forward with a Water Supply Plan. Per the Action Plan, we are compiling "all reasonable/achievable actions and options" for presentation to the Board and the Community. Paul Reichardt and I are looking forward to working with members of the newly established Water Committee. Paul will not be able to make March's meeting, but will be attending April's meeting for a more detailed update on our progress.
6. **Facilities Plan/Wastewater Treatment Plant** – This is on March's Agenda as a Discussion/Action item and we will discuss it further there.
7. **Completion of the Action Plan** - The Board was desirous of scheduling another session to do more work with our Action Plan. Specifically we wanted to tackle the remaining issues of Staffing, Finances and Planning. We were targeting a date roughly six months after the original session held last November, i.e. May of 2002. But we also agreed that we needed to have the Facilities Plan in hand to give us a more realistic look at Finances. If we award the contract in March to a consultant, given a four month turn around, that would put us into July before we received a finished product. Therefore we recommend setting a date for late July or early August. This will also give us the time to work up next year's budget and have those numbers available for this meeting.

SAN SIMEON COMMUNITY SERVICES DISTRICT SUPERINTENDENT'S REPORT FOR FEBRUARY 2002

FLOW COMPARISON - Water				
FEB 2002 2,097,000 gallons	YTD 2002 4,245,000 gallons	MONTHLY USAGE COMPARISON: ANNUAL USAGE COMPARISON:	12% increase 10% increase	
FEB 2001 1,871,000 gallons	YTD 2001 3,873,000 gallons	GROSS WATER PRODUCTION: NET WATER PRODUCTION: MONTHLY RECOVERY RATE:	2,325,000 gallons 1,972,961 gallons 85%	
RAINFALL				
FEB 2002 1.80 inches	01-02 YTD 17.55 inches	MONTHLY COMPARISON: ANNUAL COMPARISON:	4.59 inches less 2.74 inches more	
FEB 2001 6.39 inches	00-01 YTD 14.81 inches			
WELL DEPTH COMPARISON				
FEB 2002 10.55 feet	JAN 2002 10.65 feet	FEB 2001 10.95 feet	MONTHLY COMPARISON: ANNUAL COMPARISON:	0.1 feet higher 0.4 feet higher
CHLORIDE COMPARISON				
FEB 2002 45 mg/l	JAN 2002 45 mg/l	FEB 2001 46 mg/l	MONTHLY COMPARISON: ANNUAL COMPARISON:	CONSTANT CONSTANT
FLOW COMPARISON - District Wastewater Treated				
FEB 2002 1,479,000 gallons	YTD 2002 3,123,480 gallons	MONTHLY USAGE COMPARISON: ANNUAL USAGE COMPARISON:	22% decrease 14% decrease	
FEB 2001 1,900,890 gallons	YTD 2001 3,626,240 gallons			
FLOW COMPARISON - State Wastewater Treated				
FEB 2002 200,412 gallons	YTD 2002 464,304 gallons	MONTHLY USAGE COMPARISON: ANNUAL USAGE COMPARISON:	36% decrease 16% decrease	
FEB 2001 315,462 gallons	YTD 2001 567,177 gallons			
DISCHARGE REQUIREMENTS				
EFFLUENT BOD: INFLUENT BOD:	2.0 mg/l N/A mg/l	EFFLUENT SUSPENDED SOLIDS: INLUENT SUSPENDED SOLIDS:	<2 mg/l N/A m/l	
BIOSOLIDS DISPOSAL				
FEBRUARY:	15000 gallons	YTD:	30000 gallons	

Post-It* Fax Note	7671	Date <u>2/6/02</u>	# of pages ▶
To <u>EILEEN</u>		From <u>RON</u>	
Co./Dept. <u>EDA</u>		Co. <u>SSCSD</u>	
Phone #		Phone # <u>927-4918</u>	

SAN SIMEON COMMUNITY SERVICES DISTRICT**SUPERINTENDENT'S REPORT FOR FEBRUARY 2002****COMMENTS**

The equalization tank has been off-line for about the past four months in order to keep odors down at the Treatment Plant. Flows have been picking up as we get closer to summer and the tank will have to be put back online in March or April.

A 2" compound meter was installed at the Pine View Trailer Park. The compound meter will register down to one-half gallon per minute versus the existing meters which only register a minimum of 4 gallons per minimum. With the exception of irrigations meters, all 2" or larger meters should be compound meters so we can have a more accurate determination of flow.

Plumbing lines around the Treatment Plant were relocated to avoid impacting the air-line project.

SAN SIMEON COMMUNITY SERVICES DISTRICT

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

DATE: March 13, 2002
TO: Board of Directors
VIA: Mark Bloodgood, District Manager
FROM: John L. Wallace, District Engineer
SUBJECT: Engineer's Report - Project Status

SUMMARY OF ACTIVE PROJECTS
March 2002

1. Temporary Odor Control - Status.
2. Air Piping Replacement - Schedule Update.
3. Anodized Aluminum Railing Replacement - Pending Air Piping Project.
4. Avonne / Castillo Loop - Rescheduled for Motel 6 Spring/Summer Operations.
5. Warren Reservoir Investigation - Pending Evaluation of Water Projects.
6. Annual Progress on Road Improvements - Soliciting Quotations for Soils Investigation.
7. Major Project Priority List/Descriptions and Estimated Costs FY 01/02 - Ongoing.
8. Pico Creek Wells - Floodproofing - Included in Proposed FY 2001-02 Budget.
9. Standby Power - Re-evaluating for Natural Gas Equipment.
10. Coastal Commission - Violation Notice for Rip Rap Fronting Treatment Plant.
11. State Revolving Fund Loan - Application.
12. Facilities Plan to Address:
 - A. Facilities Plan
 - B. Equalization Basin Conversion
 - C. Recycling Water Supply
 - D. Safety Projects - Special District Risk Management Authority
 - E. Storage/Shop Building

DISCUSSION:

1. Odor Control;

No further updates at this time. Chemical feed has been suspended pending reuse of the equalization basin, anticipated in March/April.

2. Air Line Replacement Project;

As the Board will recall, the request for substitution of the electrical subcontractor caused a hiatus in the start of construction. A request for time extension on the contract has been submitted from D-Kal Engineering for the Board's review. The request indicates a contract completion date of May 24th (10 days from the ruling plus 90 days from the date of issue of the arbitration).

3. Anodized Aluminum Railing Replacement;

No Further Updates at this time. Approximately 1/3 of the railing has been installed; the remaining work will be done in conjunction with the installation of the air lines around the treatment basins.

4. Avonne - Castillo Waterline Loop;

In recent discussions with Accor/Motel 6, the Motel has objected to the construction of the pipeline through their parking lot between the week of Easter, and Labor Day. Although the District has acquired an easement that would allow construction on the current schedule for this spring, this might create a hardship on the motel operations. Therefore, the construction will be re-let for bids later this summer so as to construct immediately after labor day of this year.

5. Warren Reservoir Investigation;

No further updates at this time. Listing of this project as an active project will be discontinued until such time as the Board can re-evaluate water projects and which ones should be pursued.

6. Annual Progress on Road Improvements;

Design for Avonne Street between Otter Way and Pico Avenue and a small portion of Otter Way is underway.

7. General Major Projects Priority List;

(See proposed FY 2001-02 Budget)

8. Pico Creek Wells;

No Further Updates at this time.

9. Emergency Standby Power;

Bids for a diesel generator were solicited on January 22, 2002 and have been received. However, at the February 13th Board meeting, comments were made that the District should investigate the feasibility of using a natural gas or liquid propane (LP) powered generator. In order to obtain additional bids from suppliers of natural gas and LP driven generators, additional time is necessary. It is anticipated that these additional bids will be received, evaluated and presented at the April 10, 2002 Board meeting. Any further options that the Board wishes to investigate should be discussed at the March 13th meeting.

10. Coastal Commission Permitting - Treatment Plant Rip Rap
On February 8th staff received correspondence from the California Coastal Commission indicating that rip rap previously placed on the beach in front of the plant was without an "approved coastal development permit". Staff has responded to these concerns providing documentation explaining the rip rap was installed pre 1983 and additionally, that it may have been installed during the plant improvements of 1971. Staff is attempting to better determine the date of the installation asking the Coastal staff to review their historical aerial photos and will continue to work with the CCC to resolve this issue.

11. State Revolving Fund (SRF) Program;
Staff is investigating potential loan funding for wastewater projects through the State Revolving Fund which provides loans at a low interest rate (approximately 2.5 to 3%). Because of the potential to construct several different improvements with SRF funds, a "general project" application has been submitted as a "place holder" for the SWRCB to consider.

12. FACILITIES PLAN:

A. Facilities Plan;
Recommendations for consultant selection will be presented at the March Board meeting.

B. Equalization Basin Conversion;
This project is integral to the overall Facilities Plan to better determine project priority and scheduling.

C. Recycling Water Supply;
The study was completed in August 2001, and grant reimbursement of 50% of the cost of the study has been received. Further refinement of an acceptable project and a determination of property owners willing to take the water should be done in conjunction with the development of the Facilities Plan.

D. Safety Projects;
(To be identified as part of the Facilities Plan)

E. Shop / Storage Building;
Recommendations for the building will be addressed as part of the Facilities Plan. No further update at this time.

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

Date: Wednesday, February 13, 2002

Place: Cavalier Banquet Room

MINUTES

1.0 CALL TO ORDER:

Chairperson Bailey-Wood called the meeting to order at 5:10 p.m.

1.1 Roll Call:

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

Staff Present: General Managers Mark Bloodgood and Eileen Putnam, District Counsel Robert Schultz.

1.2 Public Comment on Closed Session Items:

Terry Lambeth distributed a letter to the Board of Directors and Mr. Bloodgood regarding the closed session. He requested that this letter be taken under advisement.

Michael Hassett, a district employee, addressed the Board. He stated that the employees of the District have been approached regarding union membership. He went on to say that they did not want the Board to feel it was being back-doored. He indicated that each of the employees has specific concerns that are important to them. He also stated that the matter of union representation had only materialized in the last 72 hours. Mr. Hassett stated his observation was that the Board has evolved, and there no longer appears to be a divisive wedge, but rather the members appear to be working together towards specific goals. The progress is evident. His hope is that the Board will come to consensus on a suitable compensation package.

2.0 ADJOURN TO CLOSED SESSION:

The Board adjourned to closed session for the purpose of Conferencing with the District Manager, the Districts Designated Representative, for the purpose of reviewing the Districts position regarding salaries, salary schedules, and compensation paid in the form of fringe benefits for fiscal year 2001-2002 and giving instructions to the designated representative, GC Section 54957.6

3.0 RECONVENE IN OPEN SESSION/CALL TO ORDER:

The Board reconvened in open session at 6:32 p.m.

3.1 Roll Call:

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

Staff Present: General Managers Mark Bloodgood and Eileen Putnam, Robert Schultz, District Counsel, Ron Head, Plant Superintendent, John Wallace, District Engineer.

3.2 Pledge of Allegiance to the Flag

3.3 Report on Closed Session:

District Counsel, Rob Schultz reported that the Board met in closed session to discuss the Personnel/Employee Compensation for fiscal year 2001-2002, GC Section No. 54957.6.

No action was taken that requires reporting under the Brown Act.

4.0 PUBLIC COMMENT

4.1 Public Comment:

Dee Dee Ricci complained that a boat/trailer was illegally parked on Otter Way. It did not have a District Parking Permit. Ms. Putnam stated that she had received a call regarding this matter, and had pulled the information relating to parking regulations. Lt. Basti stated that California Vehicle Code gives the community jurisdiction over parking, but if a vehicle is not in compliance, the Sheriff Department can intervene.

4.2 Sheriff Report:

Lt. Basti reported that there has been an increase in criminal activity. There have been several cases of Identity Theft, including one in the area in which a motel clerk used a customer's credit card for internet purchases. Lt. Basti distributed a handout to the Board and members of the public regarding identity theft and ways to avoid it. Everyone must be diligent.

5.0 STAFF REPORTS

5.1 General Manager Report

Mr. Bloodgood reported that information relating to employee compensation had been distributed to the Board of Directors for their review. Staff is still in the process of updating the financial information now that Kim has returned to work. The Budget Committee will review the information and report to the Board next month. A meeting, including a tour of the District and Treatment Plant, was held with Marty Cepkauskas, Director of Real Estate for Sunical Land and Stock (Hearst Corp.). Mr. Cepkauskas is encouraged by the District Action Plan and the united front shown by the District and community regarding the major issues confronting the District. We will be meeting again in the future. Mr. Bloodgood also reported that although Kim had returned, management had utilized part time help in her absence. In regards to the Facilities Plan, the District received three (3) proposals from the ten RFP's sent out. Staff will be reviewing these proposals and will make a recommendation at the March meeting.

5.2 Plant Superintendent Report

Superintendent Head outlined the new water distribution system operator regulations that went into effect this year. Stringent certification requirements are in place for wastewater distribution and soon, certification in collections may also be required. The equalization tank is still not being used, but that may change very soon. A pump & float switch was installed on the chlorine chamber in the event of a plug in the outflow line. This is a temporary solution. The annual service of the generator at the well was done. A call was received about someone changing oil on a car and dumping it on the ground. Anyone observing such activity should get a license plate number and contact the Sheriff's office immediately.

5.3 District Engineer Report

Mr. Wallace reported that the chemical feed was still not in use, but was anticipated to resume in March or April. Mr. Hanchett stated there was a slight odor at the basin the day before yesterday. The air line replacement construction schedule should be forthcoming. Reimbursement on the Water Recycling Study is anticipated shortly. Staff is also investigating potential loan funding for wastewater projects through the State Revolving Fund. A discussion was held relative to an emergency stand-by generator, what type might be used and potential issues surrounding the diesel type, particularly permitting matters. Further investigation is warranted before a decision is made.

6.0 ITEMS OF BUSINESS

6.1 Approval of Minutes – January 16, 2002

A motion was made by Director Mirabel-Boubion and seconded by Director McLaughlin to approve the minutes of the January 16, 2002 meeting. Motion carried unanimously.

6.2 Approval of Warrants – January 1, 2002 through January 31, 2002

A motion was made by Director McLaughlin and seconded by Director Bailey-Wood to approve the warrants for January 1 through January 31, 2002. Motion carried unanimously.

6.3 Investment Report – December 31, 2002

The Investment Report was accepted by the Board. The rate of interest for the period ending 12/31/01 was 3.52%. Discussion followed.

6.4 Amendment to Ordinance No. 71 Exhibit A – Establishing the Standards for Installation of Water Conservation Devices & Plumbing.

Discussion was held regarding the language in Exhibit A of the ordinance relating to toilet fixtures. The flushometer toilet is outdated and there are newer, more efficient styles recommended for use which would comply with District Standards. Staff recommended editing the language in Exhibit A since it is too restrictive. The Board directed District Counsel to prepare an amendment to Ordinance No. 71 – Exhibit A to address these concerns. Action will be taken at the next board meeting.

7.0 DISCUSSION/ACTION ITEMS

7.1 Air Distribution System Piping Replacement Project

Mr. Wallace gave a summary of the events surrounding the project and request for substitution by D-Kal Engineering, which culminated in an arbitration hearing on February 8, 2002. A decision should be forthcoming shortly. Mr. Schultz stated that the hearing had lasted approximately 1.5 hours and reiterated that the District has no liability relative to the arbitration. He went on to say that proving a contractor “not responsible” is very difficult. A Notice to Proceed was issued and the clock is running on the project. Staff does anticipate a Request for Time Extension on the project.

7.2 Outfall Line – Diffuser Repair

Mr. Wallace gave an overview of the project. A discussion followed relative to an emergency back-up plan should the line become plugged and back up resulted. As reported earlier in the meeting, a pump and float switch has been installed on the chlorine contact chamber. If a plug occurs, the pump will initiate pumping into the equalization chamber and the backup will be hauled to Cambria or Santa Maria. The discussion continued, resulting in two motions. Director Bailey-Wood made a motion to contract with Underwater Resources for emergency repair of the outfall line. Seconded by Director Mirabel-Boubion, the motion carried unanimously. A second motion was made by Director McLaughlin to develop and implement an emergency plan and to review alternatives for a long term solution to the outfall line. This motion was seconded by Director Mirabel-Boubion and carried unanimously.

7.3 Mid-Year Budget Review

This item was postponed pending review by the Budget Committee. It is anticipated that the topic will be scheduled for the next board meeting.

7.4 Board Committees

Mr. Bloodgood reported that the brochures soliciting individuals for voluntary service on the committees formed by the Board of Directors are ready to go. A discussion was held regarding the interview process and appointments, to will be done by the Board as a

whole. The General Manager will formulate questions for the interview process. The Board needs to move on this soon so that the committees can commence.

- 7.5 Board Reports
There were no Board Reports

8.0 BOARD/STAFF GENERAL DISCUSSION AND PROPOSED AGENDA ITEMS

- 8.1 Board Mission Statement

Mr. Bloodgood stated that the Directors had received samples of various mission statements from other districts. These should be reviewed and may assist in developing a mission statement for the District.

- 8.2 Mid Year Review

Chairperson Bailey-Wood gave general overview of what the Board of Directors had accomplished since July 1st. A copy of this list is attached to the official minutes.

- 8.3 Consideration of Water Rates

Mr. Schultz indicated he was watching the Tahoe Vista Case and would like to wait until the Supreme Court renders its opinion this matter before he releases the report on the water rates.

9.0 ADJOURNMENT

A motion was made by Director Mirabel-Boubion and seconded by Director McLaughlin to adjourn the meeting at 7:45pm. The motion carried unanimously.

APPROVAL

Minutes approved at the San Simeon Board of Directors meeting held _____ on a motion made by Director _____, seconded by Director _____ with the following vote:

AYE:

NAY:



MR. MARK BLOODGOOD
GENERAL MANAGER
SSCSD

FEBRUARY 13, 2002

MR. BLOODGOOD,

IT HAS COME TO OUR ATTENTION THAT THE CLOSED SESSION MEETING SCHEDULED TO BE HELD AT 5:00 P.M. TODAY DEALS WITH EMPLOYEES COMPENSATION PACKAGE. THE ADVISORY COMMITTEE FOR THE CHAMBER STRONGLY SUGGESTS THAT NO ACTION BE TAKEN ON THIS MATTER UNTIL SUCH TIME THAT A COMPREHENSIVE REVIEW OF OUR POLICIES, BUDGET AND NEEDS BE SATISFACTORILY COMPLETED. IT IS UNREALISTIC TO COMMIT TO LONG TERM EXPENDITURES WITHOUT FIRST, ANALYZING THE THE LONG TERM AFFECTS AND THE ABILITY TO FUND. THE ADOPTION OF ANY ADDITIONAL COST ITEMS AT THIS TIME WOULD BE FISCALLY IRRESPONSIBLE.

AS YOU ARE AWARE WE HAVE REPEATEDLY INVITED THE CHAIRPERSON AS WELL AS THE ENTIRE BOARD TO MEET WITH US SADLY TO NO AVAIL. IT IS VERY IMPORTANT THAT THE NEEDS OF THE COMMUNITY BE SERVED SO IN THE SPIRIT OF COOPERATION WE WILL CONTINUE TO BE VIGILANT AND BE AVAILABLE AS A BODY TO JOIN IN THE COMMITTEES THAT ARE IN INITIAL STAGES OF FORMATION.

WE THANK YOU FOR YOUR VALUABLE TIME AND CONSIDERATION OF THESE MATTERS. THE ADVISORY COMMITTEE ALONG WITH THE ENTIRE CHAMBER BOARD WOULD LIKE TO ACKNOWLEDGE THE GOOD JOB THAT YOU AND THE EDA STAFF HAS DONE TO DATE. WE APPRECIATE YOUR DILIGENCE AND BUSINESSLIKE WORK ETHIC. KEEP UP THE GOOD WORK.

SINCERELY,
TERRY LAMBETH, PRESIDENT

San Simeon Community Services District

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

MEMORANDUM

DATE: March 8, 2002
TO: Board of Directors
FROM: Carol Bailey-Wood, Board Chair
RE: Outline for Mid Year Review

-
1. **Bringing the New General Manager on Board (EDA)**
 2. **Getting Rid of the Blue Truck!**
 3. **Competing the 2001-02 Budget (minus the Compensation Package)**
 4. **Completing the Annual Audit**
 5. **Completing the Strategic Planning**
 6. **Moving forward with the Facilities Plan**
 7. **Opening up Dialogue with Kirk Sturm from Hearst Castle and Marty Cepkauskas, Director of Real Estate, Sunical Land & Stock (Hearst Corp.) and Kara Smith from the Nature Conservancy**
 8. **Moving forward with the Air Line Replacement Project**
 9. **Dealing with the Odor Control Issue**
 10. **Putting in the Railings around the Equalization Basin and Chlorine Contact Chamber**
 11. **Working toward being able to Broadcast District Meetings**
 12. **Working with CalTrans with locating Grant Monies**
 13. **Committee Formation**
 14. **State Board Study Grant Project: Water Recycling Study**
 15. **Repeal of Water Conservation Ordinance No. 94**
 16. **Lowering the Sludge Disposal Billing**

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

Date: Monday, March 4, 2001
Place: Cavalier Banquet Room

MINUTES

1.0 CALL TO ORDER:

The Board convened at 4:35 p.m.

1.1 Roll Call:

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

Staff Present: Mark Bloodgood and Eileen Putnam

1.2 Public Comment on Closed Session Items:

Michael Hanchett Sr. expressed his concern about the Board taking action on a compensation package without first evaluating the budget. He requested that the Board take care in choosing a course of action and that it consider the implications of such decisions on future budgets.

Mike Hanchett Jr. reminded the Board of its fiduciary duty to be fiscally responsible. He requested that the total price tag of any compensation package be kept in mind so as to avoid any hint of malfeasance or negligence.

2.0 ADJOURN TO CLOSED SESSION:

The Board adjourned to closed session for the purpose of one item:

1. Conference with the District Manager, the Districts Designated Representative, regarding Personnel/Employee Compensation for fiscal year 2001-2002, GC Section 54957.6
-

3.0 RECONVENE IN OPEN SESSION/CALL TO ORDER:

The Board reconvened in open session at 7:15 p.m.

3.1 Report on Closed Session

General Manager Bloodgood reported that the Board met in closed session to discuss the Personnel/Employee Compensation Package for fiscal year 2001-2002, Government Code Section No. 54957.6. No action was taken.

4.0 ADJOURNMENT

The meeting was adjourned at 7:16 p.m.

APPROVAL

Minutes approved at the San Simeon Board of Directors meeting held _____ on a motion made by Director _____, seconded by Director _____ with the following vote:

AYE:

NAY:

**SAN SIMEON COMMUNITY SERVICES DISTRICT
WARRANT REPORT
February 1 through February 28, 2002**

DATE	NUM	NAME	WARRANT #	MEMO	AMOUNT
					\$84.87
2/5/02	3597	MICHAEL HASSETT	0202-001	MILEAGE REIMBURSEMENT TO CLASS	\$842.68
2/5/02	3598	PUBLIC EMP. RET. SYSTEM	0202-002	HEALTH INSURANCE FOR FEBRUARY	\$5,414.12
2/5/02	3599	EDA	0202-003	GEN. MGMT. SERVICES FOR DEC. 2001	\$325.00
2/11/02	3600	AL'S SEPTIC PUMPING SERV.	0202-004	SLUDGE DISPOSAL FOR 11/29/01	\$1,043.75
2/11/02	3601	EMPLOYMENT DEV. DEPT.	0202-005	PAYROLL TAXES	\$1,978.56
2/11/02	3602	MID-STATE BANK	0202-008	PAYROLL TAXES	\$0.00
2/13/02	3603	VOID	VOID	VOID	\$734.73
2/13/02	3604	AMERICAN INDUST. SUPPLY	0202-007	HWY REFLECTORS, CARTRIDGE, HOSE	\$154.47
2/13/02	3605	CAMBRIA HARDWARE	0202-008	50' CORD, PVC, LUBRICANT, PAINT,	\$1,536.91
2/13/02	3608	PUBLIC EMP. RET. SYSTEM	0202-009	RETIREMENT FOR NOVEMBER 2001	\$163.94
2/13/02	3607	SLO CO. NEWSPAPERS	0202-010	LEGAL ADVERTISING	\$80.00
2/13/02	3608	SCHULTZ TRANSPORTATION	0202-011	MONTHLY CONTAINER RENTAL	\$91.35
2/13/02	3609	W.W. GRAINGER, INC.	0202-012	ENTRANCE LOCKSET	\$34.45
2/13/02	3610	A BETTER BEEP	0202-013	PAGER	\$54.26
2/13/02	3611	CELLULAR ONE	0202-014	CELL PHONE	\$588.00
2/13/02	3612	SLO CO. ENVIRON. HEALTH	0202-015	CROSS CONNECTION/COMMUNITY WATER	\$127.50
2/13/02	3613	SLO CO. ENVIRON. HEALTH	0202-016	HAZARDOUS MATERIALS	\$2,369.64
2/13/02	3614	JOHN WALLACE & ASSOC.	0202-017	DISTRICT ENGINEERING FOR DEC. 2001	\$3,782.36
2/13/02	3614	MAJOR PROJECTS	0202-017	AIR PIPING, ODOR CONTROL, ROADS	\$4,510.00
2/13/02	3615	RAUCH COMM. CONSULTANTS	0202-018	CONSULTING FEE/PLANNING WORKSHOP	\$589.57
2/13/02	3616	BASIC CHEMICAL SOLUTIONS	0202-019	SODIUM HYPOCHLORITE & BISULFITE	\$1,174.28
2/13/02	3617	ROSSI & CARR ELECTRICAL	0202-020	PUMP INSTALLATION/GENERATOR WORK	\$1,477.65
2/13/02	3618	PUBLIC EMP. RET. SYSTEM	0202-021	RETIREMENT FOR DECEMBER 2001	\$217.80
2/13/02	3619	U.S.A. BLUE BOOK	0202-022	BRONZE STOP & NOZZLE	\$189.67
2/13/02	3620	AMERICAN INDUS. SUPPLY	0202-023	GREEN PVC SUCTION HOSE	\$699.77
2/13/02	3621	BASIC CHEMICAL SOLUTIONS	0202-024	SODIUM HYPOCHLORITE & BISULFITE	\$67.05
2/13/02	3622	GROENIGER & COMPANY	0202-025	GASKET, 4" GLAND & BARREL, BOLT/NUT	\$124.32
2/13/02	3623	MISSION UNIFORM SERVICE	0202-026	TOWELS & COVERALLS	\$978.31
2/13/02	3624	HUNT & ASSOCIATES	0202-027	ATTORNEY FEES	\$154.92
2/13/02	3625	PACIFIC BELL	0202-028	TELEPHONE	\$328.85
2/13/02	3626	U.S.A. BLUE BOOK	0202-029	SEWAGE PUMP	\$35.73
2/13/02	3627	AT&T	0202-030	TELEPHONE	\$57.25
2/13/02	3628	CRYSTAL SPRINGS WATER	0202-031	WATER DELIVERY	\$155.79
2/13/02	3629	VIKING OFFICE PRODUCTS	0202-032	COPIER CARTRIDGE, COPY PAPER	\$0.00
2/15/02	3630	VOID	0202-033	VOID	\$1,893.39
2/15/02	3631	MICHAEL HASSETT	0202-034	PAYROLL 2/1/02-2/15/02	\$0.00
2/15/02	3632	VOID	VOID	VOID	\$426.19
2/15/02	3633	KIMBERLY ALLISON	0202-035	PAYROLL 2/1/02-2/15/02	\$1,888.98
2/15/02	3634	RONALD HEAD	0202-036	PAYROLL 2/1/02-2/15/02	\$267.10
2/19/02	3635	CAMBRIA HARDWARE	0202-037	OIL, BLADE, WEEDER, PAINT, PIPE, PIPE	\$958.29
2/19/02	3636	BASIC CHEMICAL SOLUTIONS	0202-038	SODIUM HYPOCHLORITE & BISULFITE	\$274.00
2/19/02	3637	FGL ENVIRONMENTAL	0202-039	INORGANIC ANALYSIS	\$216.48
2/21/02	3638	MID-STATE BANK	0202-040	GAS & OIL	\$414.08
2/21/02	3638	MID-STATE BANK	0202-040	GENERATOR RENTAL	\$60.88
2/21/08	3638	MID-STATE BANK	0202-040	HEADLIGHT, SHARPEN CHAINSAW	\$80.00
2/21/02	3639	SCHULTZ TRANSPORTATION	0202-041	MONTHLY CONTAINER RENTAL	\$1,049.79
2/28/02	3640	JOHN WALLACE & ASSOC.	0202-042	DISTRICT ENGINEERING	\$3,781.01
2/28/02	3640	MAJOR PROJECTS	0202-042	LOOPLINE, AIR PIPING, ODOR CONTROL	\$6,435.30
2/28/02	3641	PG&E	0202-043	ELECTRICITY	\$1,088.59
2/28/02	3642	GROENIGER & COMPANY	0202-044	2" COMPOUND METER	\$155.20
2/28/02	3643	HEIDI S. LEQUESNE	0202-045	MILEAGE, PROCESS BILLING & RECEIPTS	\$1,053.32
2/28/02	3644	U.S.A. TRANSPORT	0202-046	SLUDGE DISPOSAL FOR 1/29/02 & 1/30/02	\$469.97
2/28/02	3645	KIMBERLY ALLISON	0202-047	PAYROLL 2/16/02-2/28/02	\$1,512.03
2/28/02	3646	MICHAEL HASSETT	0202-048	PAYROLL 2/16/02-2/28/02	\$1,820.05
2/28/02	3647	RONALD HEAD	0202-049	PAYROLL 2/16/02-2/28/02	\$55,807.60
2/28/02		TOTAL			

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SAN SIMEON COMMUNITY SERVICES DISTRICT

RESOLUTION NO. _____

RESOLUTION OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT AMENDING EXHIBIT "A" TO ORDINANCE NO. 71 ESTABLISHING STANDARDS FOR THE INSTALLATION OF WATER CONSERVING DEVICES AND PLUMBING

WHEREAS, the San Simeon Community Services District presently has limited water resources. A fact which is recognized by both the District, its residents and business establishments within the District. Accordingly, District water users must be regulated, to ensure that demand does not exceed the District's water supply; and

WHEREAS, the San Simeon Community Services District on May 3, 1988 adopted Ordinance No. 71 to establish the Districts standards for the installation of water conserving devices and plumbing; and

WHEREAS, as designated in Exhibit "A" to Ordinance No. 71, the District designated "Flushometer" type toilets as the appropriate water saving devices to be used within the District; and

WHEREAS, the "Flushometer" toilet brands used within the District are no longer being used and becoming difficult to service; and

WHEREAS, by this Resolution, the San Simeon Community Services District wishes to amend Exhibit "A" to Ordinance No. 71 to designate the following type of toilets as appropriate water saving device:

Category No. 1 - Toilets and Urinals

Toilets installed and used within the District shall be of a design that does not exceed 1.6 gallons per flush and urinals shall be of a design that does not exceed 1.6 gallons per flush. (E.G. 1.6 gallon gravity flush toilets, TOTO, Kohler (Residential), and Kohler Commercial Grade (business establishments).

NOW, THEREFORE, be it resolved that the District hereby amends Exhibit "A" to Ordinance No. 71.

PASSED AND ADOPTED by the Board of Directors, San Simeon Community Services District at a regular meeting thereof held on the _____ day of _____ 2002, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Carol Bailey-Wood, Chairwoman

ATTEST:

Mark Bloodgood

S/rws/sscsd/resotoilets.

SAN SIMEON COMMUNITY SERVICES DISTRICT

Route 1, Box S-17
San Simeon, California 93452
(805) 927-4778

DATE: March 13, 2002
TO: Board of Directors
VIA: Mark Bloodgood, General Manager
FROM: John L. Wallace, District Engineer
SUBJECT: Facilities Plan Proposals and Recommendation to Award

RECOMMENDATIONS:

Staff recommends the Board;

1. Review the attached information regarding evaluation of proposals submitted from qualified engineering firms to prepare the District's Facilities Plan Update;
2. Review Staff's recommendation to award the Facilities Plan Update to Kennedy-Jenks Consultants; and
3. Retain Kennedy-Jenks Consultants to prepare the Facilities Plan, or provide further direction to staff.

FUNDING:

The Board directed staff to re-submit the Request For Proposals (RFP) to qualified consultants. As a result of feedback on the initial RFP submittal, the projected cost for the project was increased. It is recommended that funds in the amount of \$40,000 be designated in the FY 2001 - 2002 budget for the preparation of this Facilities Plan.

Supplemental funding is still anticipated if the State Parks Department (Hearst Visitors Center) participates in the study.

DISCUSSION:

The District sent out Requests for Proposals (RFPs) to ten engineering firms qualified in the area of wastewater engineering services, to prepare this Facilities Plan. Three proposals were received by the specified due date of February 7, 2002. The three proposals were submitted by: 1) Kennedy-Jenks Consultants; 2) Carollo Engineers; and 3) Ensitu (John Yuroslaski).

Staff (Steve Tanaka, Mark Bloodgood, Paul Reichart) reviewed the proposals, and on March 25, 2002, met to collectively evaluate the technical merits of the proposals. A shortlist of two firms were selected (Kennedy-Jenks and Carollo), and Ensitu was notified they were not selected.

Ensitu's proposal was not rated favorably due to the following:

- The proposal did not include references as requested, and did not provide the fees in a separate sealed envelope as specified in the RFP (fees were at \$38,000);
- Team qualifications were weak, including support by a team member in Colorado, and an academic professor from Cal Poly.
- Although Ensitu demonstrated detailed knowledge of the activated sludge process, the proposal did not offer much direct experience relating to extended aeration/activated sludge plants.

On March 1, 2002, Staff held a brief telephone conference interview (question and answer period) with Kennedy-Jenks and Carollo Engineers to seek clarification on their respective proposals. After completing these telephone interviews, and evaluating the proposals, staff summarizes the proposals as follows:

- Overall, both proposals are relatively equal in regards to qualifications to perform the work specified in the RFP.
- Kennedy-Jenks displayed greater depth in understanding and approach to this specific project, having visited and studied this plant before.
- Carollo offers extensive expertise in extended aeration plants, and had a good approach to evaluating the treatment plant process further.
- Fees are proposed as follows: 1) Kennedy-Jenks, \$29,000; 2) Carollo, \$42,000.


The benefits to retaining Kennedy-Jenks include their prior experience and working knowledge of the treatment plant and staff, and their refined cost to prepare the facilities plan. Benefits to hiring Carollo would include providing a "fresh look" at the plant, and offering detailed process experience with extended aeration plants.

After considerable discussion regarding the merits of each proposal, Staff recommends award of the project to Kennedy-Jenks Consultants.

C:\TEMP\facilities_plan_proposals rev 1.wpd

SAN SIMEON COMMUNITY SERVICES DISTRICT

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

DATE: March 13, 2002
TO: Board of Directors
VIA: Mark Bloodgood
FROM: John L. Wallace, District Engineer 
SUBJECT: Bid Results for Cleaning and Video Inspection

RECOMMENDATIONS:

Staff recommends the Board award the project to Video Inspection Specialists, of Fresno, California for all of the work as specified in the amount of **\$9,751.00**.

FUNDING:

Funds in the amount of **\$30,000** have been made available in the District's Capital Improvement Program and Fiscal Year 2001-02 Budget under sewer project item number S-13.

DISCUSSION:

The District is in receipt of four (4) bids for video inspection and cleaning services from local contractors.

Attached is a bid summary delineating the results of the bids for the above project. The apparent low bidder is Video Inspection Specialists with a total bid price of **\$9,751.00**.

The District has previously retained Video Inspection Specialists for similar work on other occasions with success. Therefore, it is recommended that the District award Video Inspection Specialists for this project.

San Simeon Community Services District

Cleaning and Video Inspection

Bid Summary

1 2

ITEM	QTY	UNIT	ITEM DESCRIPTION	Video Inspection Specialists		MainLine Utility Co.	
				UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
1	1	LS	Mobilization	\$0.00	\$0.00	\$200.00	\$200.00
2	9175	LF	Clean and Video 6" Sewer Lines	\$0.98	\$8,991.50	\$1.25	\$11,468.75
3	775	LF	Clean and Video 8" Sewer Lines	\$0.98	\$759.50	\$1.25	\$968.75
TOTAL BID PRICE					\$9,751.00		\$12,637.50

3 4

ITEM	QTY	UNIT	ITEM DESCRIPTION	ABC Service		Pacific Liners	
				UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
1	1	LS	Mobilization	\$2,352.00	\$2,352.00	\$1,500.00	\$1,500.00
2	9175	LF	Clean and Video 6" Sewer Lines	\$1.57	\$14,404.75	\$1.80	\$16,515.00
3	775	LF	Clean and Video 8" Sewer Lines	\$1.57	\$1,216.75	\$1.80	\$1,395.00
TOTAL BID PRICE					\$17,973.50		\$19,410.00

PROJECT TITLE Video/Clean Sewer Lines **PROJECT NO.** S-13

TOTAL PROJECT COST \$30,000

PROJECT DESCRIPTION
Inflow & Infiltration Study.

REVENUE

Source	FY 2001-02	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	Funding to Complete
Sewer Fund	15,000	0	0	0	15,000	0
Total	15,000	0	0	0	15,000	0

EXPENDITURES

Activity	FY 2001-02	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	Costs to Complete
Design	1,000	0	0	0	1,000	0
Construction	13,000	0	0	0	13,000	0
Administration	1,000	0	0	0	1,000	0
Total	15,000	0	0	0	15,000	0

MS ✓

HUNT & ASSOCIATES

Attorneys and Counselors at Law

FAX MEMORANDUM

805/594-0812 [Phone] ↔ 805/594-1295 [Fax]

TO: Mr. Mark Bloodgood Mr. John Wallace	FROM: MICHAEL J. BOYAJIAN, ESQ.
Company: EDA John Wallace & Associates	COMPANY: HUNT & ASSOCIATES
	PHONE: (805) 594-0812
FAX NUMBER: (805) 549-8704 Fax Number: (805) 544-4294	FAX NUMBER: (805) 594-1295
DATE: FEBRUARY 1, 2002	9 PAGES INCLUDING COVER

COMMENTS:

Original Will Not Follow

Original Will Follow By:

- First Class Mail
- Certified Mail
- Federal Express
- Hand Delivery
- Other: _____

IF YOU DO NOT RECEIVE ALL PAGES OR IF THERE IS A TRANSMISSION OR OTHER PROBLEM CONCERNING THIS FACSIMILE, PLEASE CALL 805-594-0812. THANK YOU.

PLEASE NOTE: The information contained in this facsimile message is intended only for the personal and confidential use of the designated recipient(s) named above. This message may be an attorney-client communication, and as such is privileged and confidential. If the reader of this message is *not* the intended recipient(s) or an agent responsible for delivering it to the intended recipient(s), you are hereby notified that you have received this document in error, and that any review, dissemination, distribution or copying of this message is strictly prohibited. If you have received this communication in error, please notify this office immediately by telephone (805-594-0812) and return the original message to HUNT & ASSOCIATES. Thank you.

Time Sent:

Operator:

Client Matter:	rws.sscsd
Documents Transmitted:	Decision of Arbitrator



JUST RESOLUTIONS, LLC
ALTERNATIVE DISPUTE NEUTRAL SERVICES
1333 Mill Street
San Luis Obispo, CA 93401
phone: (805) 543-4648
fax: (805) 542-0223
justresolutions@aol.com

February 14, 2002

Dave Loughran
D-Kal Engineering
(805) 489 9009

Michael Boyajian, Esq.
(805) 594-1295

Rick Rodewald, Esq.
(805) 541-6870

Re: Matter of D-Kal Engineering and Ben's Electric

Gentlemen:

Attached is the decision in the above referenced matter. I will be sending this decision to you in the mail but I wanted you to have this decision as soon as possible.

Very truly yours,


Robert Dimidjevich

1 Robert Dimitrijevic
 2 Arbitrator
 3 Just Resolutions, LLC
 4 1333 Mill Street
 5 San Luis Obispo, CA 93401
 6 Telephone (805)543-4648
 7 Facsimile (805)542-0225

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ARBITRATION DECISION

In the Matter of
D-KAL ENGINEERING and
BEN'S ELECTRIC

DECISION OF ARBITRATOR
(PUBLIC CONTRACT CODE § 4107)

INTRODUCTION

The hearing for substitution of subcontractor, pursuant to Public Contract Code § 4107 (a), was held on February 8, 2002 at the offices of Hunt and Associates located at 738 Higuera Street, San Luis Obispo, California.

Present at the hearing were Dave Loughran for D-Kal Engineering, Brian French for John Wallace & Associates, Mark Bloodgood for San Simeon Community Services District with legal counsel Michael Boyajian of Hunt and Associates. Ben Jochim appeared on behalf of Ben's Electric along with his legal counsel, Rick Rodewald of Diehl & Rodewald. Mark Satterfield appeared as a witness and is a representative of IBEW Local No. 639.

This matter arises out of a work of public improvement where the general contractor, D-Kal Engineering, seeks to substitute the subcontractor, Ben's Electric, pursuant to Public Contract Code § 4107. Ben's Electric was listed as a subcontractor in D-Kal's bid for a public works project entitled the Air Distribution System Piping Upgrade, San Simeon. Forty per-cent of the \$130,000.00 bid is allocated to work to be performed by Ben's Electric. The project was awarded to D-Kal Engineering. Work has not yet commenced on the project. Work will commence after the decision in this matter is rendered. D-Kal and Ben's Electric have never

worked together on a project.

2 Upon request for the substitution of subcontractor and upon receipt of the subcontractor's
3 objection, the Simeon Community Services District invoked the hearing process required by
4 Public Contract Code § 4107. The parties then stipulated to submit this matter to binding
5 arbitration in the place and stead of an administrative hearing conducted by the awarding
6 authority.

7 D-Kal is requesting a substitution of subcontractor Ben's Electric on the basis that Ben's
8 Electric is not a "responsible contractor" pursuant to Public Contract Code § 4107 (a)(9). None
9 of the other bases for substitution listed in Public Contract Code § 4107 were raised at the
10 hearing. Ben's Electric has standing to object to the substitution as the evidence established that
11 Ben's Electric was an original, listed sub-contractor on D-Kal's bid. D-Kal's bid was accepted by
12 the awarding authority and more than one per-cent of the total bid amount is allocated to work to
13 be performed by Ben's Electric.

14 If the contractor believes one of the statutory grounds exists, it may seek approval
15 to substitute another subcontractor by notifying the awarding authority. (§§ 4107,
16 subds. (a) & (b).) Before approving a contractor's request for the substitution, the
17 awarding authority must "give notice in writing to the listed subcontractor . . ."
(§§ 4107, subd. (a).) The listed subcontractor may then submit written objections.
If written objections are filed, the awarding authority must hold a hearing on the
substitution request. (*Ibid.*)

18 The Act thus binds a contractor to its listed subcontractors, even though the
19 parties have not yet entered into a contractual relationship. E.F. Brady Company,
Inc. v M.H. Golden Company 58 Cal. App. 4th 182, 189

20 The above referenced code section does not identify the quantum of proof necessary to
21 prevail in a request for substitution of a subcontractor. Nevertheless, significant statutory rights
22 are affected by the effort to substitute a subcontractor as well as rights to an administrative
23 hearing. The arbitrator therefore determines that K-Cal is seeking a change in the status quo and
24 therefore, has the burden to prove, by a preponderance of the evidence, that Ben's Electric is not
25 a "responsible contractor" as that term is used in Public Contract Code § 4107(a)(9).

26 THE HEARING RECORD

27 The following documentary evidence was admitted into the administrative hearing record:

28 "A" Correspondence dated 12/11/01 from D-Kal Engineering to John Wallace and

Associates requesting a substitution

2 "B" Correspondence dated 12/06/01 from IBEW representative John M. Satterfield to
3 Brian French of John Wallace & Associates

4 "C" Packet of Documents from IBEW related to the Paso Robles Locker Room
5 Expansion Project along with documents from the Department of Labor Standards
6 Enforcement (hereinafter DLSE) identifying claims for prevailing wages in the
7 Paso Robles Locker Room Expansion with Tim Pipe (claimant) and the Mesa
8 Gym project. Finally, a bid questionnaire from Lucia Mar School District that
9 was filled out by Ben's Electric was also included.

10 "D" Packet of Documents from Ben's Electric related to DLSE claims on Templeton
11 School District Project and declaration of Ray Peters.

12 "E" Contract for Services dated 4/20/95 re Paso Roble Locker Room Expansion
13 Project #934300 signed by Tim Pipes.

14 Live testimony was from Dave Lougham of D-Kal Engineering, Mark Satterfield of the
15 IBEW, Local No. 639 and Ben Jochim of Ben's Electric was given.

16 RESPONSIBLE CONTRACTOR

17 Public Contract Code § 4107 (a)(9) was added to the statute in 1999. There is no
18 appellate definition of what "responsible contractor" means. There is the analogous
19 circumstance of what constitutes a "responsible bidder" and the definitions are somewhat
20 helpful.

21 Generally, cities, as well as other public entities, are required to put significant
22 contracts out for competitive bidding and to award the contract to the lowest
23 responsible bidder. (See, e.g., Pub. Contract Code, 21062) [Citations Omitted] A
bidder is responsible if it can perform the contract as promised. MCM
Construction, Inc. v. City and County of San Francisco, 66 Cal. App. 4th 359, 368

24 The term 'lowest responsible bidder' has been held to mean the lowest bidder
25 whose offer *best* responds in quality, fitness, and capacity to the particular
26 requirements of the proposed work." (Italics added.) While it is possible to
27 interpret the use of the term "best" as meaning that the standard to be applied is
28 one of relative superiority, an examination of the holding of *West* as well as other
cases which quote its language [Citations Omitted] reveals that this is not the
intention since these cases hold that the lowest bidder was properly rejected as not
responsible either because (as in *West*) his product was not satisfactory or (as in
Raymond) because he was found to have provided poor workmanship in another
public project. City of Inglewood-Los Angeles County Civic Center Authority v

Superior Court, 7 Cal. 3d 861, 867

1
2
3 Public Contract Code § 4107 (a)(1) through (a)(6) enumerate fairly specific conditions
4 that would allow substitution of a subcontractor. Section (a)(7) provides for a circumstance
5 where the work is substantially unsatisfactory or the work is substantially delayed or disrupted by
6 the subcontractor. That section appears to apply to circumstances where work has already
7 commenced and the work has been unsatisfactory. Section (a)(8) provides for another specific
8 circumstance.

9 Public Contract Code § 4107 (a)(9) appears to be a broader, *catch-all* provision for
10 circumstances that may not fit in with the specific reasons for substitution as set forth in Public
11 Contract Code §§ 4107 (a)(1) through (a)(8).

12 Thus the arbitrator determines that the term "responsible contractor" encompasses not
13 only the requirement that the contractor will likely perform the terms of the contract as promised,
14 but that the contractor will responsibly discharge its other required duties attendant to its
15 obligations as a licensed contractor on a public works project.

16 Here, the request for substitution is based upon allegations of unsatisfactory workmanship
17 on the Paso Robles Gym Expansion Project performed in 1995, failure to pay appropriate wages
18 to an employee on that project resulting in a DLSE claim, an additional DLSE wage claim on the
19 Mesa Gym project and the falsification of a bidder questionnaire from the Lucia Mar School
20 District that resulted in Ben's Electric's disqualification. These allegations are relevant to the
21 determination of whether Ben's Electric is a responsible contractor as those are important
22 activities attendant to the subcontractor's obligations on a public works project.

23 DISCUSSION

24 Dave Lougham testified that he was alerted to a problem with the use of Ben's Electric as
25 a subcontractor by one Ron Head and one Brian Bodie. A letter, with follow up supporting
26 information, was sent by the IBEW. (See Exhibit "B"). D-Kal Engineering, faced with the
27 information from IBEW and from Head and Bodie, initiated the substitution process on
28 December 11, 2002. (See Exhibit "A").

The allegation that Ben's Electric is not a "responsible contractor" arises out of the

following projects and actions:

- 1995 Paso Robles High School Gym Expansion with Gibraltar Construction.
- 1996-1997 DLSE Wage Claim from Tim Pipe arising out of Paso Robles High School Gym Expansion
- 2000 Mesa Middle School DLSE Wage Claim
- 2001 Lucia Mar bid not accepted for falsification of bidder information

Bodie and Head did not attend the hearing to provide testimony. The evidence presented by D-Kal Engineering and IBEW (Exhibit "B" and "C") was the subject of a continuing and timely hearsay objection by counsel for Ben's Electric.

Based upon a review of the evidence and upon hearing testimony from the witnesses, the arbitrator determines that the burden of proof and burden of persuasion to justify a substitution of subcontractor under Public Contract Code § 4107(a)(9) was not satisfied.

First, the evidence provided to support the contention that Ben's Electric is not a "responsible contractor" is mainly hearsay evidence. Although strict rules of evidence in arbitration proceedings or administrative hearings are somewhat relaxed, hearsay evidence cannot be relied upon to support a factual finding unless admissible over objection in civil actions. See, Government Code §1513 (d). Hearsay evidence may be used to supplement or explain other evidence. Fundamental fairness dictates that the use of hearsay evidence be limited particularly where there is the potential that a ruling can have a significant effect upon an individual's or business's ability to earn a livelihood.

Second, admissible testimony from Ben Jochim refuted or explained the adverse evidence proffered by D-Kal and IBEW and raised questions about that evidence's reliability and veracity.

Paso Roble Gym Expansion Project

Although there was correspondence in the record documenting complaints about workmanship on that project, there were no live witnesses who could provide competent and admissible evidence related to the circumstances surrounding the Paso Robles High School Gym Expansion Project other than Ben Jochim.

1 Jochim's testimony was that Gibraltar Construction Company poorly managed the project
2 and that they were responsible for breaking conduit and junctions that had been installed by
3 Ben's Electric. This breakage appeared to be the subject of the poor workmanship complaints.

4 Finally, Jochim testified that he left the project for non-payment, filed a stop notice and
5 successfully filed an action to collect amounts due and owing on the project.

6 Paso Roble Gym Expansion Project/DLSE/Tim Pipes Wage Claim

7 A DLSE action was commenced by Tim Pipes claiming a failure to pay prevailing wages
8 on the Paso Robles Gym Expansion project. An award of wages due and waiting time penalties
9 was rendered by the DLSE that is evidenced by a Notice to Withhold in 1996 and 1997.

10 Jochim's explanation was that he attended that DLSE hearing without counsel and that Tim
11 Pipes held himself out to Jochim as an independent licensed contractor. See Exhibit "E".

12 Ben's Electric was determined to owe wages and waiting time penalties to Tim Pipes by
13 the DLSE.

14 DLSE Claim/Mesa Middle School

15 The undisputed testimony is that the claim was withdrawn by the DLSE.

16 Lucia Mar Bidder Questionnaire.

17 There is no competent, admissible testimony that Lucia Mar rejected a bid from Ben's
18 Electric for falsifying a bid questionnaire. The only evidence is the hearsay statement in the
19 IBEW's letter. (Exhibit "B") Again, there were no witnesses who could provide competent and
20 admissible testimony that Lucia Mar rejected or otherwise disqualified Ben's Electric bid as a
21 result of falsification. The hearsay statements of witnesses or documents, alone, are not
22 sufficient to support the finding that this event occurred.

23 Again, Joachim's testimony did give an explanation for the information that he placed in
24 the questionnaire and the reasons for it. He further testified that he has contracted with Lucia Mar
25 on five or six projects in the last two years. He further provided information about another wage
26 claim that was dropped by the DLSE on a project in Templeton.

27 **CONCLUSION**

28 In sum, the proved allegations are that there was a DLSE award for wages on a work of

1 improvement performed in 1995. The balance of the evidence is predominately hearsay that,
2 standing alone, will not support a finding that Ben's Electric is not a responsible contractor.

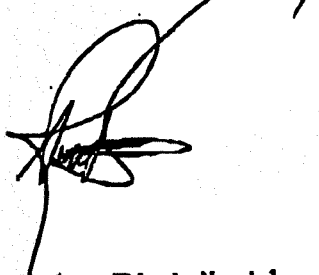
3 No other reasons enumerated in Public Contract Code § 4107 were raised at the hearing.
4 The evidence did establish that Ben's Electric is a duly licensed and bondable contractor with a
5 C10 license. The contractor is in good standing and has had no license revocations. The
6 undisputed evidence from Ben's Electric was that he had performed work on hundreds of public
7 works projects.

8 Certainly D-Kal was placed in a difficult circumstance confronted with the allegations as
9 it had been. However, based upon the admissible evidence, the arbitrator finds that a prevailing
10 wage violation on a project performed in 1995, is not sufficient to establish that the contractor is
11 not responsible.

12 For these reasons, after hearing evidence and argument, the request to substitute Ben's
13 Electric as a subcontractor under Public Contract Code Section 4107(a)(9) is denied.

14 Dated: February 14, 2002

15 Respectfully submitted)

16
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18 

19
20 Robert Dimitrijevic



CALIFORNIA COASTAL COMMISSION

CENTRAL COAST DISTRICT OFFICE
725 FRONT STREET, SUITE 300
SANTA CRUZ, CA 95060
427-4863
HEARING IMPAIRED: (415) 904-5200



Sent via Regular and Certified Mail (Receipt 7000 1530 0003 5913 9507)

February 8, 2002

Mr. Mark Bloodgood, General Manager
San Simeon Community Services District
111 Pico Avenue
San Simeon, CA 93452

Property Location: 250 San Simeon Avenue, Suite 4c, San Simeon, CA, APNs: 013-031-014 and 013-031-028

Violation Description and File No.: Unpermitted Rock Riprap, V-3-01-028

Dear Mr. Bloodgood,

It's been brought to the attention of California Coastal Commission (Commission) staff that development – placement of riprap -- has taken place on the beach in front of the San Simeon Wastewater Treatment Plant without an approved Coastal Development Permit (CDP). The rock riprap is located within the State's defined coastal zone. The alleged activity constitutes "development" as defined by the Coastal Act. Section 30106 of the Coastal Act states that:

"Development means, on land, in, or under water, the placement or erection of any solid material or structure; discharge or disposal of any dredged material or of any gaseous, liquid, solid, or thermal waste; grading, removing, dredging, mining, extraction of any materials; change in the density or intensity of use of land, including but not limited to, subdivision pursuant to the Subdivision Map Act (commencing with Section 66410 of the Government Code), and any other division of land, including lot splits, except where the land division is brought about in connection with the purchase of such land by a public agency for public recreational use; change in the intensity and use of water,

or access thereto; construction, reconstruction, demolition, or alteration of the size of any structure, including any facility of any private, public, or municipal utility; and the removal or harvesting of major vegetation other than for agricultural purposes, kelp harvesting, and timber operations which are in accordance with a timber harvesting plan submitted pursuant to the provisions of the Z'berg-Nejedly Forest Practice Act of 1973 (commencing with Section 4511)."

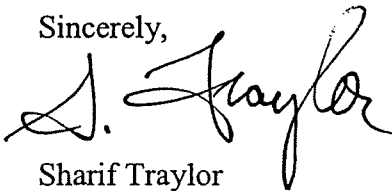
The alleged activity on your property constitutes "development" in that it involves the placement of a solid material on land, the placement of riprap. Pursuant to Section 30600 of the Act, any person wishing to perform development in the coastal zone must first obtain a Coastal Development Permit (CDP). It is our understanding that the District has authorized the placement of the riprap. However, we have found no evidence of the District first having obtained a CDP from the Coastal Commission. Hence, we believe this development activity constitutes a violation of the Coastal Act's permit requirements. Coastal Act policy does allow a person to apply for a CDP after-the-fact. Therefore, for your convenience, I have included a CDP application with this letter. It is important to note that Enforcement staff does not know whether or not your submitted application can be recommended for approval or denial. That determination will be made by Commission permit staff assigned to handle your application.

To resolve this matter, you should either:

- 1) Submit evidence of a valid CDP or CDP Waiver for placement of the rock riprap by **February 28, 2002**; OR
- 2) Submit a complete CDP application by **February 28, 2002**.

If you have any questions concerning this letter, please do not hesitate to give me a call at 831-427-4863.


Sincerely,



Sharif Traylor
Enforcement Officer
Central Coast District Office

Enclosures

Cc: Art Trinidad, Code Enforcement Supervisor, San Luis Obispo County
Nancy Cave, Enforcement Supervisor, California Coastal Commission
Jonathan Bishop, Coastal Planner, California Coastal Commission
Charles Lester, District Manager, California Coastal Commission



Law Offices of
Thomas F.
Stone

Local Government Lawyers

Special District LAW BRIEFS

Legal Developments for Board Members and Managers

Bulletin No. 16

Fall 2001

Inspection Warrants

A Useful Tool for Enforcing Your Ordinances and Regulations

At one time or another, every district must face the challenge of enforcing its health and safety regulations. This is particularly true for those providing utility services, such as water, sewer or electricity, or for districts that provide vector control.

Violations can range from storm drains connected to sanitary sewers, lack of back flow prevention devices and uninspected connections, to illegal water softeners and unsanitary disposal of manure.

In many cases, the best strategy is to work with the appropriate county department, using the established enforcement mechanism for violation of county ordinances and state law. Because they see more cases, county officials are usually familiar with appropriate notices and other procedures and can exercise the ultimate threat of legal action by the district attorney. The county also assumes the major risk of lawsuits that can result from enforcement action.

When county enforcement is not available, such as a case where only a district regulation and no county ordinance or state law is violated, a special district may have to provide its own enforcement process.

Enforcement of ordinances and other regulations involves technical legal issues, and it is always important to consult with your attorney at an early stage. There are often very specific requirements for notices, hearings and other procedures that may be unfamiliar to staff because they are not used often.

A major legal issue is the authority of a special

district to conduct an inspection of private property. Generally, a district is not authorized to inspect or search without either (1) consent from the owner or the tenant of the property, or (2) a warrant issued by a court. The basis of this requirement is found in the United States and California Constitutions, prohibiting unreasonable search and seizure.

California law includes specific provisions that apply to special districts such as county, municipal and state water districts, community service districts, and public utility districts. These laws generally provide that the district can enter private property within the jurisdiction of the district. Permitted purposes for entry may include, depending on the type of district, violation of ordinances or regulations or the rate and charge fixing provisions of the district.

Entry can be made with the consent of the owner or tenant. If consent is refused, then the district can seek an inspection warrant from the court, with a showing of probable cause, under Section 1822.50 of the Code of Civil Procedure.

The Code allows the district to ask a court for a warrant to conduct any inspection authorized by state law or local regulation relating to building, fire, safety, plumbing, electrical, health, labor or zoning. The warrant can only be issued on a showing of probable cause. It requires an application to the court, in writing and under oath, containing some observations or other reliable information showing that it is likely that a violation of law or other lawful reason to inspect exists on the property.

Inspection Warrants continued from Page 1...

The written application must also describe the place to be inspected and the purpose of the inspection. It must state that consent to inspect has been sought and refused, or state facts or circumstances that justify failure to seek consent, such as the possibility that evidence may be destroyed or a condition hidden if the owner knows an inspection is likely.

Warrants have been upheld by the courts for inspection of logging operations to determine compliance with water quality regulations, to inspect structures where code violations had been photographed, and to inspect a hazardous waste facility where previous violations had been observed. In another case, a warrant was issued to inspect property in an area of a city that met standards for a rehabilitation program.

Because of the time and expense necessary to obtain an inspection warrant, it should be a last resort. But with some property owners, it is the only way to document violations of district ordinances so enforcement action can be taken. A last resort, a warrant is a valuable enforcement tool for every district to consider when other measures fail.



Old Insurance Policies are Like Money in the Bank

Old files overflowing from the file cabinets, the attic and the store room at the sewage treatment plant? Maybe it's time for spring housecleaning.

When you do, hang on to the insurance policies from commercial insurance companies, and the insurance agreements and memoranda of coverage from joint powers insuring authorities.

Insurance policies generally are written on an "occurrence" basis, which means that the insurance policy covers losses that occur during the policy period.

If, for example, your district does something in 1995 that causes hidden damage discovered in 2005, it is the insurance in force in 1995 that provides coverage, not the policy you have in 2005.

In recent water litigation, the plaintiffs who sued several water purveyors accused them of practices carried on over a period of 10 years or more, causing alleged degrading of underground water quality. The water purveyors were able to call on various insurance policies and insuring agreements that were in force during some part of the entire period.

When an old claim arises, it is important that the district can produce an accurate copy of the policy. Insurance companies often have incomplete or inaccurate records of policies, or their old records may be damaged or destroyed in a fire or flood.

With an accurate copy, your district can easily establish its full rights to coverage.



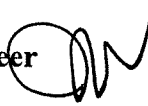
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(805) 963-1994
tfstonelaw@aol.com

SAN SIMEON COMMUNITY SERVICES DISTRICT

Route 1, Box S-17
San Simeon, California 93452
(805) 927-4778

DATE: March 13, 2002
TO: Board of Directors
VIA: Mark Bloodgood, General Manager
FROM: John L. Wallace, District Engineer 
SUBJECT: Air Piping Replacement Project Status and Recommendation
for Approval of Time Extension Request

RECOMMENDATIONS:

Staff recommends the Board;

Review and approve the attached request for a time extension from D-Kal Engineering.

FUNDING:


The Board approved funding in the amount of **\$151,271** for this project at the November 2001 Board meeting.

DISCUSSION:

D-Kal Engineering submitted a formal request to substitute his electrical subcontractor, Ben's Electric, in December of last year. This request resulted in an arbitration hearing to review the matter between D-Kal and Ben's Electric. This hearing was held on February 8th and a ruling was issued on February 14th and sent to all of the involved parties on February 15th. The ruling denied D-Kal Engineering's request for the substitution. Based on the ruling, D-Kal initiated executing an agreement with his subcontractor.

This process delayed the construction activities as D-Kal was not able to begin construction activities (specifically, submittals for the electrical work) without an agreement in place with his electrical subcontractor.

A preconstruction conference was held at the treatment plant on February 26th. Submittals, progress payment procedures, and tentative schedules were discussed.



On March 4, D-Kal submitted both a construction schedule and request for time extension, based on a starting date of February 25 (10 days from the issue of the ruling). The schedule and request for time extension indicate a project completion date of May 24, 2002 (previously April 17, 2002), or a total contract time of 90 calendar days.

Based on the submitted schedule, the submittal review and approval process will take place during the first two weeks of March, mobilization and potholing activities will take place at the end of March, and underground trenching for the new piping will commence at the beginning of April.

\\JLWA01\PROJ\084-SSCSD\084-001 District Engr\Board Meetings_Staff Reports\March_2002\air piping - request for time extension.wpd

D-KAL ENGINEERING
GENERAL ENGINEERING CONTRACTORS

P.O. Box 247
Nipomo, CA 93444
Phone (805) 489-9001~ Fax (805) 489-9009

March 4, 2002

John Wallace and Associates
4115 Broad Street, Suite B-5
San Luis Obispo, CA 93401

REFERENCE: Air Distribution System Piping Upgrade, San Simeon, CA
ATTENTION: Mr. Brian French, Project Engineer
SUBJECT: Time Extension

Dear Mr. French,


On January 7, 2002, I received a NOTICE TO PROCEED for the reference project. As you are aware, I was unable to proceed with my obligations until resolution was formalized in the D-KAL Engineering vs. Ben's Electric matter.

On February 15, 2002, I received a faxed copy of the Arbitration Decision from Just Resolutions, the arbitrator in the noted disputed. According to the terms of our agreement, I have 10 days from the "Notice" date to commence work. The revised starting date would be February 25, 2002. In accordance with ARTICLE 2 of the Contract Documents, completion date would be May 24, 2002.

Please accept my formal request for an extension of time, granting additional time for delays encountered during the dispute resolution period.

Thank-you for your attention to this matter.

Respectfully submitted,


David Loughran
Owner

Enclosure: Construction Schedule

D-KAL ENGINEERING
GENERAL ENGINEERING CONTRACTORS

P.O. Box 247
Nipomo, CA 93444
Phone (805) 489-9001~ Fax (805) 489-9009

March 4, 2002

John Wallace and Associates
4115 Broad Street, Suite B-5
San Luis Obispo, CA 93401

REFERENCE: Air Distribution System Piping Upgrade, San Simeon, CA
ATTENTION: Mr. Brian French, Project Engineer
SUBJECT: Construction Schedule

Below is construction schedule for the reference Project. Note this is a 90 calendar day project.

<u>DATE</u>	<u>ACTIVITY</u>
3/6	Submittals Due
3/6-3/15	Submittal Review Process
3/20	Submittal Correction Due/Order Materials
3/20-3/22	Mobilization
3/25-3/29	Pothole/survey staking at Treatment Plant
4/1-4/26	Install Fiberglass Pipe/Bracing/Electrical Underground /D.O. Equipment/E.Q.
4/26-4/30	Testing System/Asphalt Patching
5/1	Turn New System Over
5/6-5/10	Concrete Patch Work
5/13-5/17	Project Close-out
5/20-5/24	Demobilize, Final Inspections and Clean-up

San Simeon Community Services District



RECEIVED MAR 04 2002

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

Board of Directors

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

March 1, 2002

Mr. Roger W. Briggs, Executive Officer
California Regional Water Quality Control Board
81 Higuera Street, Suite 200
San Luis Obispo, California 93401-5427

Subject: Comments to Proposed NPDES Permit No. CA0047961, San Simeon Community Services District

Dear Mr. Briggs:

Thank you for the opportunity to comment on the subject Proposed NPDES Permit. Our comments are as follows:

Comments to February 14, 2002 Transmittal Letter

Item 4, Notice of Public Hearing. The letter indicates to post by "May March 6, 2002". We believe this should be changed to "May 6, 2002".

The Department of Parks of Recreation (Hearst State Monument) needs to be on the list of recipients of this correspondence, since they are named in these documents. The contact person is Mr. Kirk Sturm, Hearst Museum Director, 750 Hearst Castle Road, San Simeon, CA 93452.

General Comment

In the staff report and the proposed NPDES Permit, there are numerous references to "lingering safety and maintenance problems", "persistent odor problems", "frequent odor complaints", etc. The District is well aware of the issues surrounding the treatment plant, and is committed to rectify these issues in an expedient manner. You have notified us of these issues in past correspondence, and the District is taking action to correct these noted concerns. Safety remains our number one priority at our facilities, and as such we have taken great strides in recent months to install new handrails around the treatment plant. We are addressing a number of other treatment plant issues in conjunction with our odor pilot study implemented last Fall, and our intent to contract with an engineering firm next month to implement our much-needed wastewater facilities plan. Although we understand your concerns, we request that the Board consider modifying

Mark Bloodgood, General Manager/Sec.
Robert W. Schultz, District Counsel

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

Ron Head, Plant Superintendent

Mr. Roger Briggs, Executive Officer

March 1, 2002

Page 2 of 3

such references throughout these documents with implications that the District is not being responsive to the on-going issues at the treatment plant.

Comments to Staff Report

Page 1, Location. San Simeon is approximately 40 miles north of SLO, not 30. It should also be clarified to say "40 miles north of the City of San Luis Obispo".

Page 1, Discussion, 2nd Paragraph. The District manages sludge by on-site dewatering and disposal to a landfill, or by hauling of wet sludge off-site. It is requested that this be reflected in the staff report, and in Paragraph 5, Page 1, of the NPDES Permit.

Page 2, Discussion Ocean Plan. In the first sentence, the word "exiting" should be "existing".

Comments to the Proposed WDRs/NPDES Permit

Page 1, Facility Description, Item 5. Refer to the prior comment regarding handling of sludge.

Page 2, Paragraph 6. At the end of the paragraph, the word "planing" should be "planning".

Page 3, Item 16. This paragraph implies that the District has a combined sewer and storm water system. This should be modified accordingly, or deleted. The District does not intentionally direct storm water into the wastewater treatment plant.

Page 3, Item 19. It is not clear how the court settlement issue pertains to SSCSD.

Page 4, Second Column at the top of the page. Insert the word "San" in front of "Simeon Community Services District".

Page 6, Table "a". The table has an entire block of constituents, from Arsenic to Mercury, that is entered twice in the table.

Page 6, Table "b". Footnote 2 is missing from the table. It is not clear if the single asterisk in this table, and subsequent tables pertains to the same single asterisk at the bottom of Page 3 relative to "maximum allowable mass rate".

Page 8, Item 6. The reference to 230 per 100 milliliter is not consistent with that stated in Table "a" on Page 6, where it is indicated to be 23 per 100 milliliter.

Page 9, Item D, Provisions. The first sentence needs to be corrected.

Page 9, Item D, Provisions, Item 1c. "district" should be capitalized.

Mark Bloodgood, General Manager/Sec.
Robert W. Schultz, District Counsel

Ron Head, Plant Superintendent

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

Mr. Roger Briggs, Executive Officer
March 1, 2002
Page 3 of 3

Comments to the Monitoring and Reporting Program

Page 1, Influent Monitoring. The table formatting needs fixing.

Page 1, Effluent Monitoring. The units under Daily Flow should be "MGD" to be consistent with the others.

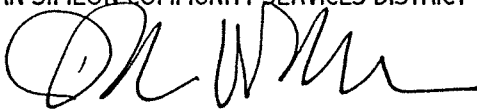
Page 2, Acute Toxicity Testing. In the past, the Regional Board staff has agreed that the District did not need further testing for acute toxicity, after initial testing proved favorable in this regard. With the District's sewer service area being very focused, and of a domestic nature only, we believe that additional acute toxicity testing is not warranted, and therefore request that the Board consider waiving this requirement.

Page 2, Item 2. The words "metalconstituents" should be separated into two words.

Again, thank you for the opportunity to comment on the proposed NPDES Permit. If you have any questions, please do not hesitate to contact me at (805) 544-4011.

Sincerely,

SAN SIMEON COMMUNITY SERVICES DISTRICT



John L. Wallace, District Engineer

SGT:JLW:MB:RH:sgt

\\LWA01\Proj\084-SSCSD\084-002 Major Projects\0029 WWTP Master Plan\Facilities Plan\comments_to_NPDES_permit.wpd

cc: Board of Directors
Mark Bloodgood, General Manager, San Simeon CSD
Kirk Sturm, Hearst State Historical Monument

Mark Bloodgood, General Manager/Sec.
Robert W. Schultz, District Counsel

Ron Head, Plant Superintendent

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

San Simeon Community Services District



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

Board of Directors
Carol Bailey-Wood, Loraine Mirabal-Boubion, David Kiech, Bob McLaughlin, and Eric Schell

February 27, 2002

Mr. Sharif Traylor
Enforcement Officer
California Coastal Commission
725 Front Street, Suite 300
Santa Cruz, California 95060

Subject: Violation Description and File No.: Un-Permitted Rock Rip Rap, V-3-01-028

Dear Mr. Traylor,

Until my staff spoke with Steve Monowitz and you yesterday, we were operating under the premise that your violation notice might be related to a 1995 FEMA emergency repair to the District's pipe bridge, as this is the only project that the District has done in recent memory which included rip rap and was completed in accordance with all required permits.

However, further discussion with your staff clarified that the rip rap at issue is actually that which historically has fronted the ocean side of the wastewater treatment plant.

We are now in the process of reviewing the historic record on its placement as this work precedes our involvement and current District staff tenure with SSCSD. Our Staff has worked with the District since 1985 and there have no improvement in this area since then.

The original plant drawings and grading plan show that the plant was constructed in 1964 and that a seawall was constructed during an expansion in 1971 (see attached plan).

The next planned improvements occurred prior to 1983 but was internal to the plant grounds. Those documents are the first and only record of the "approximate line of boulder sea wall" we have located to date. However, it is unclear whether or not these boulders were existing at that time or were part of the pre-1983 improvements. We are now in the process of attempting to locate any historic aerial photos which could further confirm the date of placement. Your office may have access to historic coastal aerals. If so, perhaps you could also check that data base for the areas cited above.

Please consider the submittal of this information as verification that the District is responding in a timely manner to your violation notice and we will certainly work with you to satisfy any coastal requirements.

Mark Bloodgood, General Manager/Sec.
Robert W. Schultz, District Counsel

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

Ron Head, Plant Superintendent

If you have any questions, at this time please feel free to contact me at (805) 544-4011 or Mark Bloodgood, the District's General Manager at (805) 549-8658.

Sincerely,

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

John L. Wallace, P.E.
District Engineer

cc: Steve Monowitz

\\lwa01\proj\084-SSCSD\084-001 District Engr\CoastalCommPermit3.wpd

Mark Bloodgood, General Manager/Sec.
Robert W. Schultz, District Counsel

Ron Head, Plant Superintendent

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