

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

DATE: Wednesday, May 13, 1998
TIME: 7:00P.M.

PLACE: CAVALIER
BANQUET ROOM

Agenda

1. **CALL TO ORDER**
 - 1.1 PLEDGE OF ALLEGIANCE TO THE FLAG
 - 1.2 ROLL CALL
2. **PUBLIC COMMENTS:** Note: Any topic NOT on the agenda may be presented. Please observe a 3-minute limit.
3. **CONSIDERATION AND APPROVAL OF MINUTES OF**
Feb. 13, 1998 and April 8, 1998
4. **CONSIDERATION AND APPROVAL OF WARRANTS**
5. **CONSIDERATION OF AMENDING THE WATER RECYCLING
FACILITIES PLANNING GRANT.**
6. **PUBLIC HEARING ON PROPOSED ABATEMENT OF
WEEDS.**
Receive and consider comments from property owners and
the public regarding the District's 1998 Abatement Control Program.
7. **Consideration of SAMDA contract and proposal.**
8. **STAFF REPORT**
Wastewater valve and comminutor/pipebridge.
Consideration of revised Hunt and Associates' contract.
 - 8.1 WRITTEN COMMUNICATIONS
Request from Bob Hahn for detailed comparisons from 1995 to 1999 on actual and
proposed expenses including salaries, employee benefits, PERS costs for Retirement,
Medical Benefits, and Social Security expenses.
 - 8.2 ORAL COMMUNICATIONS
Consideration of Miscellaneous verbal Staff reports and Directors' comments.
9. **ADJOURNMENT**

SAN SIMEON COMMUNITY SERVICES DISTRICT

SPECIAL MEETING

FEBRUARY 13, 1998

CAVALIER INN CONFERENCE ROOM

10:30 AM

MINUTES WATER COMMITTEE

The water committee met to discuss the following:

The Water Distribution system.
Possible storage of water.
Sources of water for the District.

PRESENT: Kim Karnes
Michael Hanchett Jr.
Michael Hanchett Sr.
Richard Andresen
Ardy May
Mel McColloch
Bob Morales
John Taylor ?

Chairperson May suggested the meeting be rescheduled since John Wallace, Ron Head, Forrest Warren and Arlyn Webster could not attend the meeting. Also, the ISO information had not been received and the testing of the hydrants would not take place until March 5th.

Discussion centered on SAMDA'S idea to deliver water to the district at a set rate. A draft proposal was to be delivered to the District Office. Ideas such as DeSal, fractured rock and off stream storage were discussed.

REGULAR BOARD OF DIRECTORS MEETING SAN SIMEON COMMUNITY SERVICES DISTRICT

DATE: Wednesday, April 8, 1998
TIME: 7:00P.M.

PLACE: CAVALIER
BANQUET ROOM

Minutes

1. CALL TO ORDER

- 1.1 PLEDGE OF ALLEGIANCE TO THE FLAG
- 1.2 ROLL CALL

Present: Andresen, Morgan, Mirabal-Boubion, May, Stevens

Absent: None

2. PUBLIC COMMENTS: Note: Any topic NOT on the agenda may be presented. Please observe a 3-minute limit.

Mr. Ed Caras:

- 1. Spoke to refunding of security deposits after a year or six months.
- 2. Wanted to know about the \$13.50 administrative charge, indicating it was unfair for people to pay if they were not using the water.
- 3. Talked about the Ordinance that imposed the new water and sewer rates.

Mrs. Dee Dee Ricci:

Wanted a vote regarding the Hearst Project placed on the Agenda. Chairman Andresen indicated it was not appropriate to do this and didn't place the item on the agenda.

Mr. Mike Hanchett, Sr. indicated the Chamber of Commerce was polling its members regarding the Hearst Project and felt that some of the statements regarding lack of support for the Project was not accurate.

3. CONSIDERATION AND APPROVAL OF MINUTES FOR THE REGULAR MEETING ON 3-11-98 AND SPECIAL MEETING ON 3-17-1998.

Motion by Mirabal-Boubion seconded by May to approve minutes as submitted for the Regular meeting on 3-11-98 and Special meeting on 3-17-98. Motion carried

4. **CONSIDERATION AND APPROVAL OF WARRANTS.**

Motion by May seconded by Mirabal-Boubion to approve warrants as submitted. Motion carried

5. **RESOLUTION NO. 98-242 DECLARING PUBLIC NUISANCE WITHIN THE SAN SIMEON COMMUNITY SERVICES DISTRICT. (WEED ABATEMENT)**

Motion by Mirabal-Boubion seconded by Morgan

Roll call:

**Ayes: Stevens, Morgan, Mirabal-Boubion, May, Andresen
Noes: None**

6. **RESOLUTION NO. 98-243 DESIGNATION OF APPLICANT'S AGENT RESOLUTION. (FEMA PROCESSING)**

Motion by Mirabal-Boubion seconded by May

Roll call:

Ayes: Stevens, Morgan, Mirabal-Boubion, May, Andresen

Noes: None

7. **PRELIMINARY DRAFT OF 1998/99 BUDGET FOR REVIEW, AND FURTHER DIRECTION.**

Motion by Mirabal-Boubion seconded by May to appoint a budget sub-committee of Morgan and Stevens.

Motion carried

8. **WASTEWATER VALVE AND COMINUTOR CHANGES**

Motion by Mirabal-Boubion seconded by Morgan to authorize staff to begin designing a new wastewater diversion structure and in-line comminutor. Motion carried

9. **STAFF REPORT**

UPDATE ON CASTILLO DR./AVONNE LOOP LINE

Motion by Mirabal-Boubion seconded by May to authorize staff to begin preliminary design and open negotiations with Motel 6 to acquire an easement through the parking lot benefiting both the Motel and the District. Also to look into the possibility of placement of the line on the North side of the building. **Motion carried.**

HEARST DRIVE REPLACEMENT. (FLOW TESTING)

District Engineer John L. Wallace indicated the final design package is ready for bid. Discussion followed as to the timing of the project in relationship to the need of the businesses to keep the disturbance to a minimum. It was decided to postpone the job until Oct. 15, 1998. (Actually tearing the road up.)

District Engineer John L. Wallace indicated we have a volume of 500 to 700 gpm from existing hydrants. Commercial needs 1500 gpm residential could be down as low as 500 gpm. Mr. Wallace stated they will do more work with the information and bring back to the Board several ways of improving the system and the cost benefits to the District.

SAMDA UPDATE

Mr. Fleishman has reviewed the draft Mr. McColloch gave him. It was given back to him so he could present it to his Board. Hopefully, the draft will meet legal requirements so it can be presented to the Board at the next meeting.

10.1 WRITTEN COMMUNICATIONS

San Simeon Restaurant has filed an application for a project to waive parking requirements; place tables and chairs in front of the restaurant.

General Manager stated he had requested additional information from the County. Namely the number and placement of existing tables and chairs plus the future location of the same.

Any additional questions regarding this project should be directed to General Manager, Forrest G. Warren.

Mr. Ron Hurlbert was notified that our existing ordinances prohibit anyone from developing their properties at this time. Also, there is no transfer of development rights. And there was no desire to change these ordinances.

Mr. Fleishman has given his suggestions on the personnel section of the book and General Manager, Forrest Warren was to give these out to the Board with explanations. It was indicated by Stevens that we should have a special meeting.

10.2 ORAL COMMUNICATIONS

Consideration of Miscellaneous verbal Staff reports and Directors' comments.

10. ADJOURNMENT

SAN SIMEON COMMUNITY SERVICES DISTRICT
WARRANT REPORT
 April 2 through May 6, 1998

<u>DATE</u>	<u>NUM</u>	<u>NAME</u>	<u>WARRANT #</u>	<u>MEMO</u>	<u>AMOUNT</u>
4/7/98	1578	VOID	9804-005		\$0.00
4/7/98	1579	EMPLOYMENT DEV. DEPT.	9804-006	PAYROLL TAXES	\$296.98
4/7/98	1580	PERS-RETIREMENT	9804-007	RETIREMENT FOR MARCH	\$2,529.66
4/7/98	1581	VIKING OFFICE PRODUCTS	9804-008	COPIER CARTRIDGE	\$162.79
4/7/98	1582	U.S. FILTER/ENVIREX	9804-009	SPROCKET SHEAR PIN W/SEPARATORS	\$930.00
4/7/98	1583	FISHER SCIENTIFIC	9804-010	OXY PROBE, MEMBRANE, 10' FT. CABLE	\$425.06
4/7/98	1584	C.C.S.D.	9804-011	COLIFORM P/A, EFFLUENT COL. MPN	\$227.50
4/7/98	1585	AT&T	9804-012	TELEPHONE	\$13.80
4/7/98	1586	MISSION COUNTRY DISPOSA	9804-013	RUBBISH	\$91.80
4/7/98	1587	MISSION UNIFORM SERVICE	9804-014	TOWELS, COVERALLS	\$54.72
4/7/98	1588	FGL ENVIRONMENTAL	9804-015	INORGANIC ANALYSIS	\$92.40
4/7/98	1589	MID-STATE BANK	9804-016	PAYROLL TAXES	\$1,528.24
4/15/98	1590	KIMBERLY ALLISON	9804-017	PAYROLL 4/1/98-4/15/98	\$316.54
4/15/98	1591	RONALD HEAD	9804-018	PAYROLL 4/1/98-4/15/98	\$1,764.27
4/15/98	1592	LEROY PRICE	9804-019	PAYROLL 4/1/98-4/15/98	\$1,179.47
4/15/98	1593	FORREST WARREN	9804-020	PAYROLL 4/1/98-4/15/98	\$1,047.73
4/15/98	1594	INTERNAL REVENUE SERV.	9804-021	PAYROLL TAX ADJUSTMENT	\$29.79
4/15/98	1595	GTE MOBILNET	9804-022	CELL PHONE	\$23.91
4/15/98	1596	PG&E	9804-023	STREET LIGHTS	\$693.35
4/15/98	1597	RICHARD ANDRESEN	9804-024	MONTHLY BOARD SERVICE FOR APRIL	\$75.00
4/15/98	1598	LEANNE MORGAN	9804-025	MONTHLY BOARD SERVICE FOR APRIL	\$75.00
4/15/98	1599	LORAIN MIRABAL-BOUBION	9804-026	MONTHLY BOARD SERVICE FOR APRIL	\$75.00
4/15/98	1600	ARDY MAY	9804-027	MONTHLY BOARD SERVICE FOR APRIL	\$75.00
4/15/98	1601	LOIS STEVENS	9804-028	MONTHLY BOARD SERVICE FOR APRIL	\$75.00
4/21/98	1602	PACIFIC BELL	9804-029	TELEPHONE	\$155.43
4/21/98	1603	JOHN WALLACE & ASSOC.	9804-030	ENGINEER CONSULTANT	\$4,307.91
4/21/98	1604	CAMBRIA HARDWARE	9804-031	TORCH KIT, RECEPTACLE, ASPHALT ETC	\$117.97
4/21/98	1605	FARM SUPPLY COMPANY	9804-032	HOSE, CAMLOCK, WILKINS	\$65.30
4/21/98	1606	U.S.A. BLUE BOOK	9804-033	SOLUTION, 3" STEEL SUCTION STRAINER	\$73.83
4/21/98	1607	HUNT & ASSOCIATES	9804-034	ATTORNEY FEES	\$1,297.61
4/21/98	1608	VIKING OFFICE PRODUCTS	9804-035	PRINTER CARTRIDGE, FAX PAPER	\$78.60
4/21/98	1609	HACH COMPANY	9804-036	DPD TOT CHLORINE	\$49.46
4/21/98	1610	FGL ENVIRONMENTAL	9804-037	INORGANIC ANALYSIS	\$92.40
4/21/98	1611	PRESSURE VESSEL SERVICE	9804-038	SODIUM HYPOCHLORITE & BISULFITE	\$1,574.28
4/21/98	1612	PG&E	9804-039	ELECTRICITY	\$2,591.27
4/30/98	1613	KIMBERLY ALLISON	9804-040	PAYROLL 4/16/98-4/30/98	\$410.01
4/30/98	1614	FORREST WARREN	9804-041	PAYROLL 4/16/98-4/30/98	\$1,120.88
4/30/98	1615	WATER ENVIRON. FED.	9804-042	MEMBERSHIP RENEWAL	\$71.00
4/30/98	1616	MID-STATE BANK	9804-043	GAS & OIL, TRUCK REPAIR, TRIMMER, PE	\$519.02
4/30/98	1617	CHARLOTTE MCELROY	9804-044	SEC. DEP. REFUND LESS FINAL BILL	\$20.21
4/30/98	1618	VIKING OFFICE PRODUCTS	9804-045	OFFICE SUPPLIES	\$39.76
4/30/98	1619	R. MCKEAN CONSTRUCTION	9804-046	INSTALLATION OF 20" STEEL PIPE	\$18,250.00
4/30/98	1620	LEROY PRICE	9804-047	PAYROLL 4/16/98-4/30/98	\$1,216.10
4/30/98	1621	RONALD HEAD	9804-048	PAYROLL 4/16/98-4/30/98	\$1,764.27
5/6/98	1622	EMPLOYMENT DEV. DEPT.	9805-001	STATE PAYROLL TAXES	\$284.81
5/6/98	1623	MID-STATE BANK	9805-002	FEDERAL PAYROLL TAXES	\$1,552.36
5/6/98	1624	PUBLIC EMP. RET. SYSTEM	9805-003	RETIREMENT FOR APRIL	\$2,168.09
5/6/98	1625	WATER ENVIRON. FED.	9805-004	MEMBERSHIP	\$71.00
5/6/98	1626	PUBLIC EMP. RET. SYSTEM	9805-005	HEALTH INSURANCE FOR MAY	\$1,050.13
5/6/98	1627	SLO COUNTY NEWSPAPERS	9805-006	LEGAL ADVERTISING	\$248.85
5/6/98	1628	AT&T	9805-007	LONG DISTANCE	\$6.02
5/6/98	1629	A BETTER BEEP	9805-008	PAGER	\$12.10
5/6/98		TOTAL			\$50,991.68

San Simeon
Community Services District

Board of Directors

Chairman:

Richard Andresen

Vice Chairman:

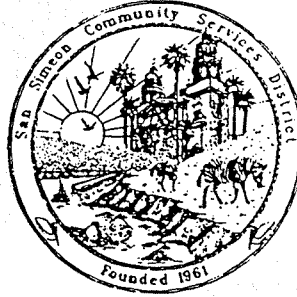
Ardy May

Directors:

Lois Stevens

Loraine Mirabal-Boubion

Leanne Morgan



Forrest G. Warren
General Manager

David M. Fleishman
District Counsel

John L. Wallace
District Engineer

Ron Head
Plant Superintendent

April 6, 1998

Mr. Lynn E. Johnson

Chief, Office of Water Recycling
Division of Clean Water Programs
State Water Resources Control Board
P.O. Box 944212
Sacramento, California 94244-2120

Subject: Request to Amend Water Recycling Facilities Planning Grant Application

Dear Mr. Johnson,

This letter represents a request to amend the Water Recycling Facilities Planning Grant Application by extending the schedule of completion dates for specific tasks associated with the study. Please refer to the attached revised schedule.

In addition, we feel it prudent to increase the matching grant amount to \$20,000 as apposed to the original amount of \$10,000. As we understand it, by increasing this amount now it will not inhibit our ability to increase the amount of the "one time" eligibility to request additional funds if needed. On the other hand, if District staff is able to accomplish these tasks outlined in the original grant application, we will not be obligated to these additional monies.

If you should have any questions or need any additional information, please give us a call.

SAN SIMEON COMMUNITY SERVICE DISTRICT

Sincerely,

John L. Wallace, P.E.

District Engineer

lynn2.wpd

c Forrest G. Warren, General Manager

AMENDED SCHEDULE
April 6, 1998

8. A schedule with the starting and completion dates of specific tasks associated with the facilities planning study:

Grant Application Submitted to OWR.....	January, 1998
OWR Reviews Application.....	February, 1998
Application Review Meetings with SWRCB.....	March, 1998
SWRCB Authorizes Grant.....	June, 1998
Grant Contract Execution.....	September, 1998
JLWA / KJC / District Meeting (Start Date).....	November, 1998
Begin Facilities Planning Tasks.....	January, 1999
Negotiations with Service Area Agencies.....	March, 1999
District Submits Draft Facilities Plan.....	July, 1999
Plan Review by OWR.....	September, 1999
OWR processes 50 percent of Grant Payment.....	December, 1999
Final Facilities Plan and Report Submittal (Completion Date).....	February, 2000

a:newsch.wpd

SAN SIMEON COMMUNITY SERVICES DISTRICT
SUPERINTENDENT'S REPORT FOR APRIL 1998

FLOW COMPARISON - Water

APR 1998 2,400,000 gallons	YTD 1998 7,865,000 gallons	MONTHLY USAGE COMPARISON: ANNUAL USAGE COMPARISON:	16% decrease 15% increase
APR 1997 2,853,000 gallons	YTD 1997 9,213,000 gallons	GROSS WATER PRODUCTION: NET WATER PRODUCTION: MONTHLY RECOVERY RATE:	2,372,000 gallons 2,250,865 gallons 95%

RAINFALL

APR 1998 2.21 inches	97-98 YTD 41.25 inches	MONTHLY COMPARISON: ANNUAL COMPARISON:	2.01 inches more 28.78 inches more
APR 1997 0.20 inches	96-97 YTD 12.47 inches		

WELL DEPTH COMPARISON

APR 1998 10.48 feet	MAR 1998 9.92 feet	APR 1997 10.65 feet	MONTHLY COMPARISON: ANNUAL COMPARISON:	0.56 feet lower 0.17 feet higher
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CHLORIDE COMPARISON

APR 1998 72 mg/l	MAR 1996 72 mg/l	APR 1997 46 mg/l	MONTHLY COMPARISON: ANNUAL COMPARISON:	CONSTANT SLIGHTLY LOWER
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FLOW COMPARISON - District Wastewater Treated

APR 1998 1,841,320 gallons	YTD 1998 7,959,130 gallons	MONTHLY USAGE COMPARISON: ANNUAL USAGE COMPARISON:	4% decrease 1% decrease
APR 1997 1,920,084 gallons	YTD 1997 8,074,724 gallons		

FLOW COMPARISON - State Wastewater Treated

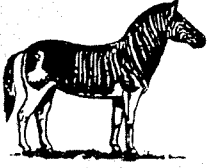
APR 1998 341,585 gallons	YTD 1998 1,393,682 gallons	MONTHLY USAGE COMPARISON: ANNUAL USAGE COMPARISON:	73% increase 32% decrease
APR 1997 197,400 gallons	YTD 1997 2,043,720 gallons		

DISCHARGE REQUIREMENTS

EFFLUENT BOD:	8.4 mg/l	EFFLUENT SUSPENDED SOLIDS:	5 mg/l
INFLUENT BOD:	210 mg/l	INFLUENT SUSPENDED SOLIDS:	60 mg/l

BIOSOLIDS DISPOSAL

APRIL:	14560 gallons	YTD:	48560 gallons
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Robert M. Hahn
533 Casa del Mar
San Simeon, Ca 93452



April 26, 1998

San Simeon Community Services District
111 Pico Ave.
San Simeon, Ca 93452

Board of Directors,

In the District's discussions of its Budget for the fiscal year 1998-1999 will you please discuss, in detail, the costs presently being incurred and those proposed, for clerical expenses and compare them to those actually incurred for the fiscal year 1995-1996.

Any such discussion, for meaningful comparisons, should include, at a minimum, Salaries [including overtime], and Employee Benefits, [including PERS costs for Retirement and Medical Benefits, and Social Security expenses,].

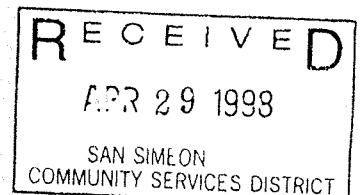
If you feel that that this matter would overload the Agenda(s) for Regular and Special Meetings, please send me personally the comparisons described above.

Thank you very much for your attention to this matter.

Sincerely,


Robert M. Hahn

cc: *The Cambrian*



SAN SIMEON COMMUNITY SERVICES DISTRICT

111 Pico Ave.
San Simeon, CA 93452
U.S.A

Phone 805-927-4778
Fax 805-927-0399

May 11, 1998

Mr. Robert M. Hahn
533 Casa del Mar
San Simeon, CA 93452

Dear Robert,

I am not exactly clear on what you are asking for in your letter dated April 26, 1998.

Clerical expenses could be just the expenses associated with the Secretary position or it could be also associated with the bookkeeping function. Do you want both or separate.

Since the 1995-1996 time frame includes a contract person as Office Administrator and separate General Manager/Engineer who also had many of the clerical functions of the District done at that office, would you include that in what you want?

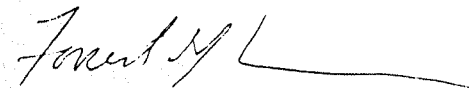
I have talked to Bob Crosby about this issue and he felt you really can't compare the current salary positions with Elizabeth because she was on contract. If Elizabeth had stayed, she would have needed to be put on the payroll anyway because she was not in compliance with the law and there have been many problems in this area in the last 2 years. So either way, the District would be paying these payroll items.

We will be more than willing to give you the financial statements at the cost of reproducing them and current staff costs. (For the safety of District records District Personnel will make all copies.)

Enclosed is a copy of a request for District Materials. Please fill it out and get it back to me as soon as possible if you want the financial statements.

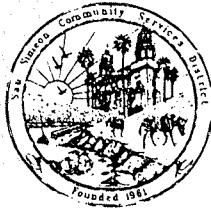
Thank you for your continued interest in the District. I will be more than willing to work with you within the parameters of the Board's instructions.

Sincerely,



Forrest G. Warren

San Simeon Community Services District



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

MEMORANDUM

DATE: May 8, 1998

TO: Robert Hahan

FROM: Forrest G. Warren

SUBJECT: Separate account for rate increase (1996)

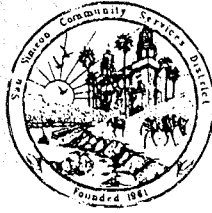
Bob Crosby has indicated that unless a rate increase was an assessment it does not need to be accounted for separately.

There is nothing in the minutes about assessments and no other Board action was taken

The ordinance says that it was for an increase in operating costs then there was no separate account set up or should there be one.

Elizabeth confirms the aboves.

San Simeon Community Services District



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

REQUEST FOR DISTRICT MATERIALS

DATE

I, _____ on behalf of
SIGNATURE

request a copy of San Simeon Community Services District records concerning the following
(must be specific).

I agree to pay for the cost of reproducing these records including staff time*. I understand that the District will respond to this request for copies as time allows.

* Cost of reproducing includes material and staff time at current salary rates.

REGULAR BOARD OF DIRECTORS MEETING SAN SIMEON COMMUNITY SERVICES DISTRICT

DATE: Wednesday, May 13, 1998
TIME: 7:00P.M.

PLACE: CAVALIER
BANQUET ROOM

~~_____~~ For minutes:

1. CALL TO ORDER
 - 1.1 PLEDGE OF ALLEGIANCE TO THE FLAG
 - 1.2 ROLL CALL

L.S., L.M. L.M.B. - A.M. R.A

2. PUBLIC COMMENTS: Note: Any topic NOT on the agenda may be presented. Please observe a 3-minute limit.

Lee Hartness / Recycling → greenspace grants

Dee Dee Ricci { Special meeting - every month -
9-2 AM - scheduled Special Meeting }

ED Canas { Sec. Dep. }
 ① Administrative charge \$13.50 more than sewer charge
more than sewer charge compare
 99/

Total Bill For Water

0" gals used

③

Bob Kahn: 1 admission / meter charge
 2 cost of provided gal
 3 sewer treatment plant -

\$13.50 fixed cost in the district - larger independent clerical cost - \$20,000 - 20,000 in district

fixed cost \$13.50 per meter & the cause the commercial people would be higher.

→ ch.o. - street repair + garbage other cost.

aug 5, 1996
(92-227)
~~92-227~~

Ed Caras:

rates increase 1996

\$0.

invested money in the Bond: Debt repaid
general N.A.F. { water use

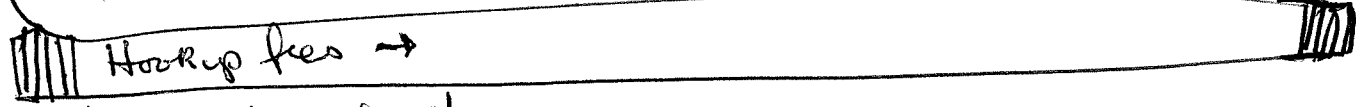
218

(April 1996)

{ agreed by Bond Council }

- 1,428,000 Desal
- 350,000 water / tank
- 700,000 waste water - (used -)

1.46 per 100 cuft - \$46,000
 \$8,000 per Sewer Box
 .15¢ per meter
 .42¢ per meter



Hookup fees →
Put it aside

Bob Kahn:

Tim Karnes:

(another meeting H2O -) (Iso)

{ Bid proposal - 1 Meter Flow }
informal

Copy of Hearst / Dm S.S. Ave.
water line replacement

Water Comm. should approve these

3. CONSIDERATION AND APPROVAL OF MINUTES OF Feb. 13, 1998 and April 8, 1998

Motion: hony m - n

Sec: A May

(nois) NO - Demanded (Indicates) hois - wallace

4. CONSIDERATION AND APPROVAL OF WARRANTS

Motion: ardy may - look in to 1615/1625 (710)

Sec: heame maga

410

M. Hanchett Grant application

5. CONSIDERATION OF AMENDING THE WATER RECYLCING FACILITIES PLANNING GRANT.

Motion: h-m-v

Sec: w a m

4-0-

scope part of planning cycle

6. PUBLIC HEARING ON PROPOSED ABATEMENT OF WEEDS.

Receive and consider comments from property owners and the public regarding the District's 1998 Abatement Control Program.

Bob - Hahn: July

E.O. Warrants Engconal

B. Hahn Write Documents Budget Committee

Dee Dee Bui

B. Hahn

July - (actual) (Budget)

7. Consideration of SAMDA contract and proposal.

Dave F. [unclear]

(30 day to terminate (1 phase) - remainder \$150,000)

Buy two contracts:

time limitation for combine: -

(M.H.%) expect combine desal water:

Time: [unclear] expect.

Finish control with same diller (next month)

(over \$25,000)

Connector
Lois: TAKE MONEY FROM GAUGE
See Leanne - meter pay

8. STAFF REPORT

Wastewater valve and comminutor/pipebridge.

{ water first then waste water }

Move - system over - configuration
\$420,000 - cost less than labor time
* Lois asked about cost of company - should
order - + 25% electrical cost - Tom let see if it works -

Consideration of revised Hunt and Associates' contract.

monthly pay - -
less than 60 pay - \$1050.00 no notice

June 1 - contract starts

Motion: [unclear] - approve

See [unclear]

4 (ages)

8.1 WRITTEN COMMUNICATIONS

Request from Bob Hahn for detailed comparisons from 1995 to 1999 on actual and proposed expenses including salaries, employee benefits, PERS costs for Retirement, Medical Benefits, and Social Security expenses.

8.2 ORAL COMMUNICATIONS

Consideration of Miscellaneous verbal Staff reports and Directors' comments.

9. ADJOURNMENT

9-521

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

DATE: Wednesday, May 13 , 1998
TIME: 7:00P.M.

PLACE: CAVALIER
BANQUET ROOM

Agenda

1. **CALL TO ORDER**
 - 1.1 PLEDGE OF ALLEGIANCE TO THE FLAG
 - 1.2 ROLL CALL

2. **PUBLIC COMMENTS:** Note: Any topic NOT on the agenda may be presented. Please observe a 3-minute limit.

3. **CONSIDERATION AND APPROVAL OF MINUTES OF**
Feb. 13, 1998 and April 8, 1998

4. **CONSIDERATION AND APPROVAL OF WARRANTS**

5. **CONSIDERATION OF AMENDING THE WATER RECYCLING FACILITIES PLANNING GRANT.**

6. **PUBLIC HEARING ON PROPOSED ABATEMENT OF WEEDS.**
Receive and consider comments from property owners and the public regarding the District's 1998 Abatement Control Program.

7. **Consideration of SAMDA contract and proposal.**

8. **STAFF REPORT**
Wastewater valve and comminutor/pipebridge.
Consideration of revised Hunt and Associates' contract.
 - 8.1 WRITTEN COMMUNICATIONS
Request from Bob Hahn for detailed comparisons from 1995 to 1999 on actual and proposed expenses including salaries, employee benefits, PERS costs for Retirement, Medical Benefits, and Social Security expenses.
 - 8.2 ORAL COMMUNICATIONS
Consideration of Miscellaneous verbal Staff reports and Directors' comments.

9. **ADJOURNMENT**

SAN SIMEON COMMUNITY SERVICES DISTRICT
WARRANT REPORT
 April 2 through May 6, 1998

DATE	NUM	NAME	WARRANT #	MEMO	AMOUNT
4/7/98	1578	VOID	9804-005		\$0.00
4/7/98	1579	EMPLOYMENT DEV. DEPT.	9804-006	PAYROLL TAXES	\$296.98
4/7/98	1580	PERS-RETIREMENT	9804-007	RETIREMENT FOR MARCH	\$2,529.66
4/7/98	1581	VIKING OFFICE PRODUCTS	9804-008	COPIER CARTRIDGE	\$162.79
4/7/98	1582	U.S. FILTER/ENVIREX	9804-009	SPROCKET SHEAR PIN W/SEPARATORS	\$930.00
4/7/98	1583	FISHER SCIENTIFIC	9804-010	OXY PROBE, MEMBRANE, 10' FT. CABLE	\$425.06
4/7/98	1584	C.C.S.D.	9804-011	COLIFORM P/A, EFFLUENT COL. MPN	\$227.50
4/7/98	1585	AT&T	9804-012	TELEPHONE	\$13.80
4/7/98	1586	MISSION COUNTRY DISPOSA	9804-013	RUBBISH	\$91.80
4/7/98	1587	MISSION UNIFORM SERVICE	9804-014	TOWELS, COVERALLS	\$54.72
4/7/98	1588	FGL ENVIRONMENTAL	9804-015	INORGANIC ANALYSIS	\$92.40
4/7/98	1589	MID-STATE BANK	9804-016	PAYROLL TAXES	\$1,528.24
4/15/98	1590	KIMBERLY ALLISON	9804-017	PAYROLL 4/1/98-4/15/98	\$316.54
4/15/98	1591	RONALD HEAD	9804-018	PAYROLL 4/1/98-4/15/98	\$1,764.27
4/15/98	1592	LEROY PRICE	9804-019	PAYROLL 4/1/98-4/15/98	\$1,179.47
4/15/98	1593	FORREST WARREN	9804-020	PAYROLL 4/1/98-4/15/98	\$1,047.73
4/15/98	1594	INTERNAL REVENUE SERV.	9804-021	PAYROLL TAX ADJUSTMENT	\$29.79
4/15/98	1595	GTE MOBILNET	9804-022	CELL PHONE	\$23.91
4/15/98	1596	PG&E	9804-023	STREET LIGHTS	\$693.35
4/15/98	1597	RICHARD ANDRESEN	9804-024	MONTHLY BOARD SERVICE FOR APRIL	\$75.00
4/15/98	1598	LEANNE MORGAN	9804-025	MONTHLY BOARD SERVICE FOR APRIL	\$75.00
4/15/98	1599	LORAIN MIRABAL-BOUBION	9804-026	MONTHLY BOARD SERVICE FOR APRIL	\$75.00
4/15/98	1600	ARDY MAY	9804-027	MONTHLY BOARD SERVICE FOR APRIL	\$75.00
4/15/98	1601	LOIS STEVENS	9804-028	MONTHLY BOARD SERVICE FOR APRIL	\$75.00
4/21/98	1602	PACIFIC BELL	9804-029	TELEPHONE	\$155.43
4/21/98	1603	JOHN WALLACE & ASSOC.	9804-030	ENGINEER CONSULTANT	\$4,307.91
4/21/98	1604	CAMBRIA HARDWARE	9804-031	TORCH KIT, RECEPTACLE, ASPHALT ETC	\$117.97
4/21/98	1605	FARM SUPPLY COMPANY	9804-032	HOSE, CAMLOCK, WILKINS	\$65.30
4/21/98	1606	U.S.A. BLUE BOOK	9804-033	SOLUTION, 3" STEEL SUCTION STRAINER	\$73.83
4/21/98	1607	HUNT & ASSOCIATES	9804-034	ATTORNEY FEES	\$1,297.61
4/21/98	1608	VIKING OFFICE PRODUCTS	9804-035	PRINTER CARTRIDGE, FAX PAPER	\$78.60
4/21/98	1609	HACH COMPANY	9804-036	DPD TOT CHLORINE	\$49.46
4/21/98	1610	FGL ENVIRONMENTAL	9804-037	INORGANIC ANALYSIS	\$92.40
4/21/98	1611	PRESSURE VESSEL SERVICE	9804-038	SODIUM HYPOCHLORITE & BISULFITE	\$1,574.28
4/21/98	1612	PG&E	9804-039	ELECTRICITY	\$2,591.27
4/30/98	1613	KIMBERLY ALLISON	9804-040	PAYROLL 4/16/98-4/30/98	\$410.01
4/30/98	1614	FORREST WARREN	9804-041	PAYROLL 4/16/98-4/30/98	\$1,120.88
4/30/98	1615	WATER ENVIRON. FED.	9804-042	MEMBERSHIP RENEWAL	\$71.00
4/30/98	1616	MID-STATE BANK	9804-043	GAS & OIL, TRUCK REPAIR, TRIMMER, PE	\$519.02
4/30/98	1617	CHARLOTTE MCELROY	9804-044	SEC. DEP. REFUND LESS FINAL BILL	\$20.21
4/30/98	1618	VIKING OFFICE PRODUCTS	9804-045	OFFICE SUPPLIES	\$39.76
4/30/98	1619	R. MCKEAN CONSTRUCTION	9804-046	INSTALLATION OF 20" STEEL PIPE	\$18,250.00
4/30/98	1620	LEROY PRICE	9804-047	PAYROLL 4/16/98-4/30/98	\$1,216.10
4/30/98	1621	RONALD HEAD	9804-048	PAYROLL 4/16/98-4/30/98	\$1,764.27
5/6/98	1622	EMPLOYMENT DEV. DEPT.	9805-001	STATE PAYROLL TAXES	\$284.81
5/6/98	1623	MID-STATE BANK	9805-002	FEDERAL PAYROLL TAXES	\$1,552.36
5/6/98	1624	PUBLIC EMP. RET. SYSTEM	9805-003	RETIREMENT FOR APRIL	\$2,168.09
5/6/98	1625	WATER ENVIRON. FED.	9805-004	MEMBERSHIP	\$71.00
5/6/98	1626	PUBLIC EMP. RET. SYSTEM	9805-005	HEALTH INSURANCE FOR MAY	\$1,050.13
5/6/98	1627	SLO COUNTY NEWSPAPERS	9805-006	LEGAL ADVERTISING	\$248.85
5/6/98	1628	AT&T	9805-007	LONG DISTANCE	\$6.02
5/6/98	1629	A BETTER BEEP	9805-008	PAGER	\$12.10
5/6/98		TOTAL			\$50,991.68

Bill Chalko

REGULAR BOARD OF DIRECTORS MEETING SAN SIMEON COMMUNITY SERVICES DISTRICT

DATE: Wednesday, April 8, 1998
TIME: 7:00P.M.

PLACE: CAVALIER
BANQUET ROOM

Minutes

1. CALL TO ORDER

- 1.1 PLEDGE OF ALLEGIANCE TO THE FLAG
- 1.2 ROLL CALL

Present: Andresen, Morgan, Mirabal-Boubion, May, Stevens

Absent: None

2. PUBLIC COMMENTS: Note: Any topic NOT on the agenda may be presented. Please observe a 3-minute limit.

Mr. Ed Caras:

- 1. Spoke to refunding of security deposits after a year or six months.
- 2. Wanted to know about the \$13.50 administrative charge, indicating it was unfair for people to pay if they were not using the water.
- 3. Talked about the Ordinance that imposed the new water and sewer rates.

Mrs. Dee Dee Ricci:

Wanted a vote regarding the Hearst Project placed on the Agenda. Chairman Andresen indicated it was not appropriate to do this and didn't place the item on the agenda.

Mr. Mike Hanchett, Sr. indicated the Chamber of Commerce was polling its' members regarding the Hearst Project and felt that some of the statements regarding lack of support for the Project was not accurate.

3. CONSIDERATION AND APPROVAL OF MINUTES FOR THE REGULAR MEETING ON 3-11-98 AND SPECIAL MEETING ON 3-17-1998.

Motion by Mirabal-Boubion seconded by May to approve minutes as submitted for the Regular meeting on 3-11-98 and Special meeting on 3-17-98. Motion carried

4. **CONSIDERATION AND APPROVAL OF WARRANTS.**

Motion by May seconded by Mirabal-Boubion to approve warrants as submitted. Motion carried

5. **RESOLUTION NO. 98-242 DECLARING PUBLIC NUISANCE WITHIN THE SAN SIMEON COMMUNITY SERVICES DISTRICT. (WEED ABATEMENT)**

Motion by Mirabal-Boubion seconded by Morgan

Roll call:

**Ayes: Stevens, Morgan, Mirabal-Boubion, May, Andresen
Noes: None**

6. **RESOLUTION NO. 98-243 DESIGNATION OF APPLICANT'S AGENT RESOLUTION. (FEMA PROCESSING)**

Motion by Mirabal-Boubion seconded by May

Roll call:

Ayes: Stevens, Morgan, Mirabal-Boubion, May, Andresen

Noes: None

7. **PRELIMINARY DRAFT OF 1998/99 BUDGET FOR REVIEW, AND FURTHER DIRECTION.**

Motion by Mirabal-Boubion seconded by May to appoint a budget sub-committee of Morgan and Stevens.

Motion carried

8. **WASTEWATER VALVE AND COMINUTOR CHANGES**

Motion by Mirabal-Boubion seconded by Morgan to authorize staff to begin designing a new wastewater diversion structure and in-line comminutor. Motion carried

9. **STAFF REPORT**

UPDATE ON CASTILLO DR./AVONNE LOOP LINE

SAN SIMEON COMMUNITY SERVICES DISTRICT

SPECIAL MEETING

FEBRUARY 13, 1998

CAVALIER INN CONFERENCE ROOM

10:30 AM

MINUTES WATER COMMITTEE

The water committee met to discuss the following:

The Water Distribution system.
Possible storage of water.
Sources of water for the District.

PRESENT: Kim Karnes
Michael Hanchett Jr.
Michael Hanchett Sr.
Richard Andresen
Ardy May
Mel McColloch
Bob Morales
John Taylor ?

Chairperson May suggested the meeting be rescheduled since John Wallace, Ron Head, Forrest Warren and Arlyn Webster could not attend the meeting. Also, the ISO information had not been received and the testing of the hydrants would not take place until March 5th.

Discussion centered on SAMDA'S idea to deliver water to the district at a set rate. A draft proposal was to be delivered to the District Office. Ideas such as DeSal, fractured rock and off stream storage were discussed.

San Simeon
Community Services District

Board of Directors

Chairman:

Richard Andresen

Vice Chairman:

Ardy May

Directors:

Lois Stevens

Loraine Mirabal-Boubion

Leanne Morgan



Forrest G. Warren
General Manager

David M. Fleishman
District Counsel

John L. Wallace
District Engineer

Ron Head
Plant Superintendent

April 6, 1998

Mr. Lynn E. Johnson

Chief, Office of Water Recycling
Division of Clean Water Programs
State Water Resources Control Board
P.O. Box 944212
Sacramento, California 94244-2120

Subject: Request to Amend Water Recycling Facilities Planning Grant Application

Dear Mr. Johnson,

This letter represents a request to amend the Water Recycling Facilities Planning Grant Application by extending the schedule of completion dates for specific tasks associated with the study. Please refer to the attached revised schedule.

In addition, we feel it prudent to increase the matching grant amount to \$20,000 as apposed to the original amount of \$10,000. As we understand it, by increasing this amount now it will not inhibit our ability to increase the amount of the "one time" eligibility to request additional funds if needed. On the other hand, if District staff is able to accomplish these tasks outlined in the original grant application, we will not be obligated to these additional monies.

If you should have any questions or need any additional information, please give us a call.

SAN SIMEON COMMUNITY SERVICE DISTRICT

Sincerely,

John L. Wallace, P.E.

District Engineer

lynn2.wpd

c Forrest G. Warren, General Manager

AMENDED SCHEDULE
April 6, 1998

8. A schedule with the starting and completion dates of specific tasks associated with the facilities planning study:

Grant Application Submitted to OWR.....	January, 1998
OWR Reviews Application.....	February, 1998
Application Review Meetings with SWRCB.....	March, 1998
SWRCB Authorizes Grant.....	June, 1998
Grant Contract Execution.....	September, 1998
JLWA / KJC / District Meeting (Start Date).....	November, 1998
Begin Facilities Planning Tasks.....	January, 1999
Negotiations with Service Area Agencies.....	March, 1999
District Submits Draft Facilities Plan.....	July, 1999
Plan Review by OWR.....	September, 1999
OWR processes 50 percent of Grant Payment.....	December, 1999
Final Facilities Plan and Report Submittal (Completion Date).....	February, 2000

a:newsch.wpd

San Simeon
Community Services District

Board Of Directors

Chairman:
Walt Blankenship
Vice Chairman:
Bob Hahn
Directors:
Ellie de Klerk
Ray Price
Dee Dee Ricci



John L. Wallace
General Manager

Roger C. Lyon
District Counsel

Elizabeth O'Leary
District Secretary

Ron Head
Plant Superintendent

REGULAR BOARD OF DIRECTORS MEETING
CAVALIER BANQUET ROOM
San Simeon, California

Wednesday

April 10, 1996

7:00 P.M.

AGENDA

1. Pledge of Allegiance to the Flag
2. Roll Call
3. Approval of Minutes from Regular Meeting of March 13, 1996
4. Approval of Minutes from Special Meeting of March 19, 1996
5. Approval of Minutes from Special Meeting of March 27, 1996
6. Public Comments
Note: Any topic NOT on the agenda may be presented.
Please observe a 3-minute limit.
7. Consideration and Approval of Warrants
8. Superintendent's Report
9. Consideration of Resolution No. 96-219: A RESOLUTION OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT DECLARING PUBLIC NUISANCE WITHIN THE SAN SIMEON COMMUNITY SERVICES DISTRICT
10. Discussion of Agreement with Cambria CSD for The Supply of Water
11. Discussion of bonding
12. Consideration of Resolution No. 96-220: A RESOLUTION OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT DECLARING THE OFFICIAL INTENT TO REIMBURSE EXPENDITURES FROM THE PROCEEDS OF TAX EXEMPT SECURITIES
13. Consideration of Resolution No. 96-221: A RESOLUTION OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT (SSCSD) REGARDING ESTABLISHING RATES SUFFICIENT TO COVER SSCSD COST OF DEBT SERVICE ON THE CAMBRIA COMMUNITY SERVICES DISTRICT AND SAN SIMEON COMMUNITY SERVICES DISTRICT JOINT DESAL PROJECT AND THE PIPELINE TO SAN SIMEON
14. Discussion of 1996/97 Budget, Rates and Connection fees.
15. Consideration of Ordinance No. 90: AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT ESTABLISHING SERVICE CHARGES AND CONNECTION FEES FOR WATER AND SEWER SERVICE WITHIN THE DISTRICT
16. Action Necessary for Current Water Projects
17. Consideration of septage treatment experiment project
18. Written Communications
 - a. Letter from CHP Lt. Goggans
 - b. Miscellaneous correspondence
19. Oral Communications
Consideration of Miscellaneous verbal Staff reports and Directors' comments
20. Adjournment

brochure and that the accolades belonged to Staff and especially to Senior Planner Susan Ostrov.

VII CONSIDERATION AND APPROVAL OF WARRANTS

Upon MOTION by Director Price, SECONDED by Director de Klerk, the Warrants were approved for payment as presented.

VIII SUPERINTENDENT'S REPORT

There were no comments on this report.

IX CONSIDERATION OF RESOLUTION NO. 96-219: A RESOLUTION OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT DECLARING PUBLIC NUISANCE WITHIN THE SAN SIMEON COMMUNITY SERVICES DISTRICT

A background for the need of this weed abatement program, and its operation, was given by Manager Wallace, who announced that a public hearing would be held May 8, 1996 for any property owner having objections to the proposed removal of such weeds.

Upon MOTION by Director Ricci, SECONDED by Director Hahn, Resolution No. 96-219 was passed by roll call vote, to-wit: AYES: Blankenship, de Klerk, Hahn, Price, Ricci; NOES: None; ABSTAIN: None.

Chairman Blankenship announced that Agenda Items 10 through 13 would not be considered at this meeting because the Special Counsel representing the Cambria CSD and the Special Counsel representing San Simeon CSD have not produced an acceptable Agreement between the two districts and therefore Items 10 through 13 would be carried over to the next meeting to be held April 22, 1996.

At the request of the Chairman, Manager Wallace gave further details of the items being continued, and the reason for such action.

XIV DISCUSSION OF 1996/97 BUDGET, RATES AND CONNECTION FEES

Manager Wallace reviewed the rationale for the proposed rate increases. The effective date of either May 1, 1996 or June 27, 1996 was discussed and the latter chosen. Wallace stated that the connection fees would be resolved at a later date when all bids for the Desal Project are in and the rate of interest on the Certificates of Participation is known. Discussion ensued.

Chairman Blankenship asked if there were any question concerning the 1996/97 Budget after the thorough discussion of it at the March 13th meeting. There were no comments or questions.

XV CONSIDERATION OF ORDINANCE NO. 90: AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT ESTABLISHING SERVICE CHARGES FOR WATER AND SEWER SERVICE WITHIN THE DISTRICT

**SAN SIMEON COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 96-221
A RESOLUTION ADOPTING THE 1996-97 FISCAL YEAR BUDGET**

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

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

WHEREAS, the District desires to make known its planned activities and associated for the 1996-1997 fiscal year.

WHEREAS, the District has held a public hearing on June 12, 1996 to present and received public comment on the proposed budget and has duly considered all public comment.

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

1. That the proposed budget entitled, "Preliminary 1996-1997 Budget, San Simeon Community Services District," be adopted with amendments, if any.
2. That the proposed revisions to the Payment of Compensation Plan, contained in the "Preliminary 1996-1997 Budget, San Simeon Community Services District," be adopted with amendments, if any.
3. That the final budget be administered as established by the District's policies and procedures.

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

AYES: Blankenship, Hahn, Price, Ricci

NOES: de Klerk

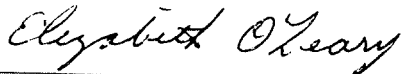
ABSENT: None

ABSTAINING: None

the foregoing Resolution is hereby adopted this 12th day of June, 1996.


Walt Blankenship
Chairman of the Board of Directors

ATTEST:


Elizabeth O'Leary, Secretary S.S.C.S.D.
and to the Board of Directors thereof

ORDINANCE NO. 90

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE
SAN SIMEON COMMUNITY SERVICES DISTRICT
ESTABLISHING SERVICE CHARGES FOR WATER AND SEWER SERVICE WITHIN
THE DISTRICT

WHEREAS, State law, including, but not limited to, Government Code Section 61621, provides that the San Simeon Community Services District (hereinafter referred to as "District") may prescribe, revise and collect rates or other charges for the services and facilities furnished by it; and

WHEREAS, the District on April 10, 1996, set a public meeting date to revise wastewater and water rates; and

WHEREAS, said public meeting was properly noticed; and

WHEREAS, the District has on file data indicating the amount of estimated costs required to provide the services for which the fees are levied and the revenue sources anticipated to provide the services, which fees have been determined as not exceeding the cost to provide the services; and

WHEREAS, the District's Board of Directors took testimony from the public and reviewed and evaluated data indicating the estimated cost to provide wastewater and water services; and

WHEREAS, it is necessary to produce additional revenues to offset the annual increases in operating costs due to increases in contractual service costs, utility and equipment maintenance costs and the loss of other revenues which have historically been used to offset the costs of wastewater and water services;

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the San Simeon Community Services District as follows:

SECTION 1.

The District hereby revises wastewater and water rates as provided in Exhibit "A". Any other structure, business, or private activities, or other use of water not covered herein, or any modification or change in the rates, fees and charges specified herein, may be set by the Board of Directors of the San Simeon Community Services District as authorized by law.

SECTION 2.

The rates provided in Exhibit "A" shall be effective as of June 27, 1996; and

Within fifteen (15) days of passage, this Ordinance shall be published at least one time in a

newspaper of general circulation published within the District, if there is one, and if not, then this Ordinance shall be posted for one week in at least three (3) public places in the District.

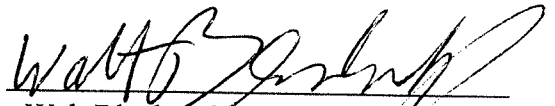
On motions of Director Ricci , seconded by Director de Klerk , and on the following roll call vote to wit:

AYES: Blankenship, de Klerk, Hahn, Price, Ricci

NOES: None

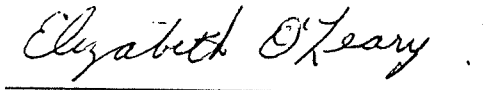
ABSENT: None

Ordinance No. 90 is hereby adopted this 10th day of April 1996.




Walt Blankenship
President, Board of Directors

ATTEST:



Elizabeth O'Leary
District Secretary

APPROVED AS TO FORM



FOR
Roger C. Lyon, Jr.
District Counsel

bmh:084.01.1(17)ord

EXHIBIT A

SAN SIMEON COMMUNITY SERVICES DISTRICT
WATER & SEWER RATES
AS ADOPTED APRIL 10, 1996

EFFECTIVE AS JUNE 27, 1996 METER READINGS
ORDINANCE NO. 90

RATES

Water Charges

Cubic Foot of Water \$4.82 Per 100 cubic feet of water used for all types of users within the District, except irrigation meters.

\$7.73 Per 100 cubic feet of water supplied through irrigation meters.

Sewer Charges

Sewer service charges will be set as follows:

\$4.73	Motels	Per 100 Cubic Feet of Water Used
\$2.91	Residences	Per 100 Cubic Feet of Water Used
\$7.33	Restaurants	Per 100 Cubic Feet of Water Used
\$2.91	Commercial	Per 100 Cubic Feet of Water Used

Meter Charges

All users will be charged \$13.50 each month for each meter regardless of the amount of water used.

**SAN SIMEON COMMUNITY SERVICES DISTRICT
SUPERINTENDENT'S REPORT FOR APRIL 1998**

FLOW COMPARISON - Water

APR 1998 2,400,000 gallons	YTD 1998 7,865,000 gallons	MONTHLY USAGE COMPARISON: ANNUAL USAGE COMPARISON:	16% decrease 15% increase
APR 1997 2,853,000 gallons	YTD 1997 9,213,000 gallons	GROSS WATER PRODUCTION: NET WATER PRODUCTION: MONTHLY RECOVERY RATE:	2,372,000 gallons 2,250,865 gallons 95%

RAINFALL

APR 1998 2.21 inches	97-98 YTD 41.25 inches	MONTHLY COMPARISON: ANNUAL COMPARISON:	2.01 inches more 28.78 inches more
APR 1997 0.20 inches	96-97 YTD 12.47 inches		

WELL DEPTH COMPARISON

APR 1998 10.48 feet	MAR 1998 9.92 feet	APR 1997 10.65 feet	MONTHLY COMPARISON: ANNUAL COMPARISON:	0.56 feet lower 0.17 feet higher
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CHLORIDE COMPARISON

APR 1998 72 mg/l	MAR 1996 72 mg/l	APR 1997 46 mg/l	MONTHLY COMPARISON: ANNUAL COMPARISON:	CONSTANT SLIGHTLY LOWER
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FLOW COMPARISON - District Wastewater Treated

APR 1998 1,841,320 gallons	YTD 1998 7,959,130 gallons	MONTHLY USAGE COMPARISON: ANNUAL USAGE COMPARISON:	4% decrease 1% decrease
APR 1997 1,920,084 gallons	YTD 1997 8,074,724 gallons		

FLOW COMPARISON - State Wastewater Treated

APR 1998 341,585 gallons	YTD 1998 1,393,682 gallons	MONTHLY USAGE COMPARISON: ANNUAL USAGE COMPARISON:	73% increase 32% decrease
APR 1997 197,400 gallons	YTD 1997 2,043,720 gallons		

DISCHARGE REQUIREMENTS

EFFLUENT BOD:	8.4 mg/l	EFFLUENT SUSPENDED SOLIDS:	5 mg/l
INFLUENT BOD:	210 mg/l	INFLUENT SUSPENDED SOLIDS:	60 mg/l

BIOSOLIDS DISPOSAL

APRIL:	14560 gallons	YTD:	48560 gallons
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SAN SIMEON COMMUNITY SERVICES DISTRICT

111 Pico Ave.
San Simeon, CA 93452
U.S.A

Phone 805-927-4778
Fax 805-927-0399

May 06, 1998

Dear Board of Directors,

Today I received a call from Roger Collins (N.A.T.E.) regarding De-Sal projects (Turn-key operations).

He indicated his company (N.A.T. E.) could provide water for around \$800 an acre feet.

He also indicated he would be writing to the Board regarding his proposal.

Sincerely,



Forrest G. Warren

CONTRACT AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 1998, by and between SAMDA, Inc., 2018 Broadway, Santa Monica, CA 90404, hereinafter referred to as SAMDA; and SAN SIMEON COMMUNITY SERVICES DISTRICT, 111 Pico Avenue, San Simeon, CA 93452, hereinafter referred to as DISTRICT.

FACTS

1. SAMDA is a privately-owned Oklahoma corporation doing business as a foreign corporation in California, and is interested in developing New Water for DISTRICT, and will proceed with an exploration program; and
2. SAMDA believes that New Water may be produced for delivery to DISTRICT's service facilities, and SAMDA will study several potential sources, develop and prepare water for delivery to DISTRICT at no cost to DISTRICT until water is actually delivered to DISTRICT, and thereafter at quantities and prices set forth herein; and
3. SAMDA and DISTRICT will enter into this agreement for a water development program which would include exploration, documentation, environmental, construction, operational delivery and purchasing phases.

NOW, THEREFORE, for and in consideration of the mutual agreements hereinafter set out, the parties agree to as follows:

I. Definitions: As used in this agreement, the following terms have the following meanings:

A. "Exploration" shall mean SAMDA will study various options for producing and delivering New Water to DISTRICT.

B. "New Water" means Potable Water produced by SAMDA that was not previously used by DISTRICT as Potable Water.

C. "Points of Delivery" shall be at DISTRICT's facilities.

D. "Potable Water" shall mean water that meets the requirements of California Code of Regulations, Title 22 requirements.

E. "Water Meter" shall mean a water metering device approved by DISTRICT.

II. SAMDA will be responsible for all costs and expenses, and elements of the Exploration, studies, environmental, permitting, construction and delivery of Potable Water to DISTRICT facilities. There shall be no cost to DISTRICT until water is actually delivered to DISTRICT facilities, and thereafter only in such quantities and at such prices as set forth in this Agreement. After the study and exploration phase of this Agreement, SAMDA will present water project option(s) to DISTRICT's Board of Directors, and advise the DISTRICT Board of Directors which project SAMDA has selected to proceed

with, and an estimated time schedule to complete the selected project. A SAMDA representative will meet with the Board President monthly and report progress on the water project. If at any time SAMDA determines there is not a viable New Water project, or the cost per acre foot for such New Water exceeds the price set forth in this Agreement, SAMDA will report such determination to DISTRICT, and DISTRICT may decide whether it will authorize SAMDA to proceed with the New Water project at the new per-acre foot price. In the event SAMDA makes a determination that the cost to provide such New Water to the DISTRICT exceeds the price set forth in this Agreement, DISTRICT is under no obligation to purchase any New Water whatsoever from SAMDA's identified New Water project, nor is DISTRICT obligated in any manner to reimburse SAMDA for any expenses incurred by SAMDA in connection with SAMDA's Exploration.

III. Water Production. DISTRICT agrees to accept and pay for New Water delivered by SAMDA to DISTRICT facilities at the rate and upon the terms hereinafter agreed upon. SAMDA shall be responsible for all the expenses for the production of the New Water, including but not limited to: exploration, studies, obtaining permits, acquiring rights-of-way, all work required under the California Environmental Quality Act (CEQA), complying with all environmental laws and regulations, construction of facilities and deliveries to DISTRICT facilities. There will be no cost to DISTRICT until water is actually delivered to DISTRICT facilities, and then only in such quantities, and at such price as is set forth in this Agreement. Under no circumstances shall DISTRICT be obligated to purchase New Water in an amount that exceeds the amount set forth in this Agreement, or at a price that exceeds the price set forth in this Agreement.

IV. Water Rights and Rights-of-Way.

- A. SAMDA will be responsible for conducting all activities necessary to obtain all necessary water rights and rights-of-way which may arise in connection with SAMDA's project to deliver New Water to DISTRICT.
- B. DISTRICT will cooperate with SAMDA and assist SAMDA in connection with such activities to the extent that SAMDA may reasonably request. However, DISTRICT shall not be required to expend its own funds in connection with such cooperation or to assist SAMDA in any way which DISTRICT reasonably determines to be prejudicial to its financial or other interests. DISTRICT may be asked to be the lead agency in CEQA work, but at SAMDA's cost.

V. Compliance with Laws and Permits.

- A. SAMDA shall be responsible for complying with all laws, whether Federal, state or local, which may pertain to the permitting, construction, production and delivery of water proposed by this Agreement.
- B. DISTRICT will cooperate with SAMDA in obtaining such permits, approvals and licenses, provided that DISTRICT shall not be required to expend its own funds in connection with such cooperation or to assist SAMDA in any way which it reasonably determines to be prejudicial to its financial or other interests.

VI. Indemnification.

- A. SAMDA shall indemnify, defend and hold harmless DISTRICT, its elected officials, officers, agents and employees from all liability, claims, damages, costs and expenses, however incurred, resulting from or related to the production or delivery of the water which is the subject of this Agreement, or the acquisition of the rights to produce or deliver said water.
- B. SAMDA also hereby agrees to indemnify, defend and hold harmless DISTRICT, its elected officials, officers, agents, and employees from:
1. Any and all liability, claims, damages, costs and expenses, and demands which may be made against DISTRICT, its elected officials, officers, agents, or employees by reason of any injury to or death of or damages to any person or entity caused by any negligent act or omission of SAMDA, its employees, independent contractors, or agents;
 2. Any and all liability, claims, damages, costs and expenses, and demands which may be made against DISTRICT, its elected officials, officers, agents, or employees by reason of any injury to or death of or damage suffered or sustained by any employee, independent contractor or agent of SAMDA under this Agreement, however caused, excepting, however, any such liability, claims, damages, costs and expenses, and demands which are the result of the

sole negligence of DISTRICT, its elected officials, officers, agents or employees;

3. Any and all penalties imposed or damages sought on account of the violation of any law or regulation or of any term or condition of any permit, when said violation of any law or regulation or of any term or condition of any permit is due to actions or inaction on the part of SAMDA, its employees, independent contractors or agents.

C. DISTRICT agrees to indemnify, defend and save harmless SAMDA, its officers, agents, and employees of and from:

1. Any and all claims and demands which may be made against SAMDA, its officers, agents, or employees by reason of any injury to or death of or damages to any person or entity or the property of any person or entity caused by the sole negligence of DISTRICT, including, but not limited to, any claims made against SAMDA by any customer of DISTRICT or users of water supplied by DISTRICT.

VII. Workers' Compensation. SAMDA certifies that it is aware of the provisions of the Labor Code of the State of California, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code. SAMDA certifies that it will comply with such

provisions before commencing the performance of the work for this Agreement, and it will ensure that all independent contractors it utilizes are similarly insured.

VIII. Insurance.

A. SAMDA represents that it will, prior to commencement of work pursuant to this Agreement, name DISTRICT as an "Additional Insured" on its comprehensive general liability insurance policy. SAMDA shall obtain and keep insurance policies in full force and effect for forms of coverage, and in appropriate coverage limits specified by the Insurance Requirements. SAMDA shall require any subcontractor to provide evidence of the same liability insurance coverage.

B. SAMDA shall add to its comprehensive general liability insurance policy the following severability interest clause:

"The insurance afforded applies separately to each insured against whom claim is made or suit is brought, including claims made or suits brought by any person included within the persons insured provision of this insurance against any other such person or organization."

C. SAMDA shall provide photocopies of its current Automobile, Comprehensive General Liability, and Workers' Compensation Insurance policies, including endorsements thereto, to DISTRICT.

D. SAMDA shall not only provide notice to DISTRICT of any cancellation or material change in insurance coverage where DISTRICT has been named as an insured, but shall also require the insurance company to provide DISTRICT notice of any cancellation or material change in insurance coverage, such notice to be delivered to DISTRICT in accord with Section XIII of this Agreement at least sixty (60) days before the date of such change or cancellation of insurance.

E. DISTRICT shall not be responsible for SAMDA premiums due for the insurance coverage specified in this Agreement. All insurance required by this Agreement shall be furnished by SAMDA at its sole expense.

IX. Water Deliveries - Water Purchases. Assuming SAMDA is able to identify a viable New Water project, SAMDA agrees to provide a sustained minimum yield of 50 acre feet and a maximum of 150 acre feet of Potable Water annually. DISTRICT will advise SAMDA on a semi-annual basis its estimated daily/monthly Potable Water need for the next twelve months. Attachment A of this Agreement will be the DISTRICT's current estimated daily and monthly water requirements for the twelve month period following the signing of the Agreement. SAMDA may ask DISTRICT to operate SAMDA facilities with DISTRICT employees, at SAMDA's expense. However, DISTRICT shall not be obligated to provide its employees for such purpose if DISTRICT's other facilities and services will be adversely affected thereby. Water will be metered into DISTRICT's facilities with a Water Meter approved by DISTRICT. DISTRICT may check the Water Meter for accuracy at reasonable intervals, at SAMDA's expense. Water will be delivered to a point of delivery in DISTRICT facilities that is subject to DISTRICT

approval. DISTRICT agrees to purchase all Potable Water produced and delivered by SAMDA, subject to the minimum and maximum production yields set forth in this paragraph. Under no circumstances shall the DISTRICT be obligated to purchase Potable Water in excess of the maximum production yield of 150 acre feet annually. SAMDA will advise DISTRICT of the sustained available yield of up to 150 acre feet in writing prior to the delivery phase. SAMDA will make every effort to plan to "phase in" annual water deliveries to DISTRICT, but cannot guarantee this is possible until a water project is selected.

- X. Payment for Water. DISTRICT shall purchase Potable Water delivered to DISTRICT facilities by SAMDA, at the price of \$925 per acre foot of Potable Water delivered.
- XI. Invoicing and Payment. At the end of each month after the date of the first delivery of New Water by SAMDA to DISTRICT, SAMDA shall submit an invoice to DISTRICT for payment of all sums due. DISTRICT shall be responsible for the payment of such invoices within thirty (30) days from the date of the receipt thereof.
- XII. Term. The term of this Agreement shall be for thirty (30) years from the date the first New Water is delivered to DISTRICT facilities. At the termination of this Agreement, DISTRICT will take control of and own all SAMDA facilities and water produced by SAMDA facilities, for a purchase price of \$1.00 and any legal fees or conveyance costs.

XIII. Notices. All communications to either party by the other shall be deemed given when made in writing and delivered or mailed to such party at its respective address, as follows:

A. **DISTRICT:** President of the Board

San Simeon Community Services District

111 Pico Avenue

San Simeon, CA 93452

Phone: 805/927-4778

B. **SAMDA:** Cole Frates

Mel McColloch

SAMDA, Inc.

SAMDA, Inc.

2018 Broadway

2450 Main Street, Suite E

Santa Monica, CA 90404

Cambria, CA 93428

Phone: 310/449-1199

Phone: 805/927-5993

C. All notices shall be effective when delivered in person or deposited first class postage prepaid in the United States mail. A party may change its address by written notice to the other.

XIV. Waiver. A party's failure to insist on the strict performance of any provision of this Agreement or to exercise any right, power, or remedy upon a breach of this Agreement shall not constitute a waiver of any provision of this Agreement. Neither shall such action or inaction limit the party's right to later enforce any provision or exercise any

right to the fullest extent allowed under this Agreement. A waiver of any covenant, term or condition contained in this Agreement shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The consent, authorization or approval by a party of any act shall not be deemed to waive or render unnecessary the consent, authorization or approval of any subsequent similar act.

XV. Remedies.

A. Injunctive Relief. This Agreement shall be specifically enforceable; damages are not an adequate remedy for failure to perform pursuant to its terms and conditions.

B. Attorneys' Fees and Costs. If it shall be necessary to enforce or interpret this Agreement by arbitration, mediation, or before a court of law, the prevailing party shall be entitled to reasonable attorneys' fees and costs incurred. These costs shall include the cost of any expert employed in the preparation or presentation of any evidence. Such costs and fees shall be taxable as costs, and included in the judgment rendered in that matter.

C. Venue. The venue for arbitration, mediation, or any judicial action shall be in San Luis Obispo County. The parties agree that this Agreement and all relations of the parties shall be governed by California law.

XVI. Warranty. SAMDA, as an Oklahoma corporation, warrants to DISTRICT that SAMDA is now authorized, and throughout the term of this Agreement, shall remain authorized

to conduct business in the State of California and County of San Luis Obispo as a foreign corporation. SAMDA further warrants to DISTRICT that SAMDA shall take all action necessary to register its activities with the State of California, to provide evidence of that registration, and to ensure that all of SAMDA's operations within California comply with California law.

XVII. SAMDA may assign this Agreement with the concurrence of DISTRICT, which will not be unreasonably withheld.

IN WITNESS WHEREOF, DISTRICT Board of Directors has caused this Agreement to be executed by its President, thereunto duly authorized, and SAMDA has subscribed same, all on the day and year first written above.

SAMDA, Inc.

By: _____
President

Date: _____

APPROVED AS TO FORM:

SAN SIMEON COMMUNITY
SERVICES DISTRICT

By: _____
District Legal Counsel

By: _____
President of the Board

Date: _____

Date: _____

Current
Agreement

“GENERAL COUNSEL”
LEGAL SERVICES AGREEMENT

This Agreement is between the SAN SIMEON COMMUNITY SERVICES DISTRICT ("DISTRICT") and HUNT & ASSOCIATES ("LAW FIRM") and sets out the terms and conditions under which DISTRICT retains LAW FIRM to provide legal services and is intended to fulfill the requirement for a written fee contract under California law. This Agreement will not take effect, and LAW FIRM will have no obligation to provide legal services, until DISTRICT returns a signed copy of this Agreement.

ARTICLE I.
SCOPE OF SERVICES

1. LEGAL SERVICES. DISTRICT retains LAW FIRM to advise, counsel, and represent it as its General Counsel providing (a) routine advice and counsel to the District Board and Staff; and (b) litigation services to DISTRICT as authorized. These services shall be referred to as "Legal Services." The two general categories of services shall include, and be defined as, the following:

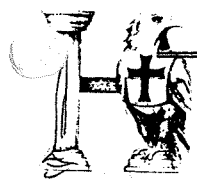
a. “Routine Advice and Counsel”:

- provide routine legal advice, consultation, and opinions to the District Board and Staff;
- assist in the preparation and review of ordinances, resolutions, agreements, contracts and related documents;
- attend regular District Board meetings and other meetings as may be considered necessary;
- monitor existing and pending legislation and case law which may affect DISTRICT;
- monitor and report on litigation in which DISTRICT is a party or otherwise interested where LAW FIRM is not counsel of record; and

b. “Litigation Services”: Represent DISTRICT in active litigation as authorized by DISTRICT under the terms of this agreement. “Active litigation” is defined as those matters falling under the definition set out in Government Code section 54956.9 as follows:

- In which a lawsuit has been filed against DISTRICT;
- Where DISTRICT authorizes litigation to be filed for the purpose of seeking affirmative relief, including code enforcement actions; and
- Where DISTRICT requires representation before a duly constituted administrative agency or governmental body outside of DISTRICT.

2. ATTENDANCE AT MEETINGS. LAW FIRM shall attend all regular, adjourned regular, and special meetings of the District Board, unless excused by the District Manager or a majority of the District Board sitting in a duly noticed public meeting.



ARTICLE II.
RESPONSIBILITIES OF LAW FIRM AND DISTRICT

1. RESPONSIBILITIES OF LAW FIRM. LAW FIRM will perform the Legal Services called for under this Agreement, keep DISTRICT informed of progress and developments in all matters, and respond promptly to DISTRICT's inquiries and communications. DISTRICT is retaining a LAW FIRM, not any particular attorney. The Legal Services to be provided under this Agreement will not necessarily be performed by any particular attorney, but the services will be supervised principally by David M. Fleishman, Esq., who shall also be appointed as the "General Counsel" of DISTRICT. Mr. Fleishman shall be primarily responsible for attending all District Board meetings.

2. RESPONSIBILITIES OF DISTRICT. DISTRICT will be truthful and cooperative with LAW FIRM, keep LAW FIRM informed of developments in DISTRICT related to the subject matter of LAW FIRM's representation.

ARTICLE III.
LEGAL FEES AND BILLING PRACTICES

1. COMPENSATION BASED UPON NATURE OF REPRESENTATION. Compensation of LAW FIRM shall be based upon the nature of the services rendered, either "routine advice and counsel" or "litigation services," as defined under Article I.

2. ROUTINE LEGAL ADVICE AND COUNSEL. Services meeting the description of this category shall be compensated as follows:

a. Base Compensation. DISTRICT shall pay to LAW FIRM as attorneys' fees the sum of five hundred and twenty-five dollars (\$525.00) a month. These payments shall be paid in advance, on or before the first day of each month. In consideration for this monthly compensation, LAW FIRM shall provide up to five (5) hours of billed attorney time.

b. Additional Services. DISTRICT shall compensate LAW FIRM for providing routine legal advice and counsel in addition to the five (5) hours provided above at the rates of the legal personnel rendering the services as indicated on the Public Entity Consultation rate schedule attached, except that additional services beyond the five (5) hours per month shall not be performed unless such additional services are first requested by DISTRICT's Designated Representative or by three members of the District Board.

3. LITIGATION SERVICES. Services meeting the description of this category as set out in ARTICLE I, section 1, paragraph b., above shall be compensated without respect to the "Base Compensation." The rate of compensation for litigation services shall depend on the nature of the litigation and whether DISTRICT is entitled to a Multiple Matter Discount as discussed below. Litigation services shall be compensated as follows:



a. Public Entity Specialty Litigation Matters. Services of LAW FIRM in litigation matters which shall be compensated by DISTRICT at the rates of the legal personnel rendering the services as indicated on the Public Entity Specialty Litigation Rate Schedule attached.

b. Casualty/JPA Matters. Services of LAW FIRM in litigation matters which are "casualty" in nature and are of the type generally handled under DISTRICT's risk management and insurance program shall be compensated at the rates of the legal personnel rendering the services as currently applicable pursuant to LAW FIRM's agreement with the Risk Managers of the JPA if one exists, but in no event at a rate greater than the multiple matter discount specialty litigation rate set out below.

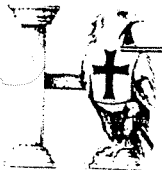
c. Multiple Matter Discount. Preferred rates shall be given DISTRICT by LAW FIRM in public entity specialty litigation matters when DISTRICT qualifies for a "Multiple Matter Discount." Services of LAW FIRM shall be compensated by DISTRICT at the rates of the legal personnel rendering the services as indicated in the "Multiple Matter Discount" column of the Public Entity Specialty Litigation Rate Schedule attached when the discount is applicable. A "matter" is defined based upon an actual controversy arising out of the same transaction or occurrence between the same parties, without regard to whether the controversy results in multiple lawsuits. The term "multiple" is defined as 3 litigation matters.

4. GENERAL PROVISIONS REGARDING LEGAL FEES AND BILLING PRACTICES. The general provisions regarding billing practices, legal fees and costs are set out below.

a. Hourly Fees. DISTRICT agrees to pay LAW FIRM the hourly rates as described above. LAW FIRM shall charge in increments of one tenth (0.1) of an hour. The minimum time charged for any particular activity will be one tenth (0.1) of an hour.

b. Chargeable Time. LAW FIRM shall charge for all activities undertaken in providing Legal Services to DISTRICT, including, but not limited to: meetings and conferences; telephone calls, including telephone conferences with DISTRICT, any opposing counsel, or any third-parties; preparing correspondence, memorandums, and opinions; court appearances, depositions, drafting papers and pleadings; investigation; legal research; and travel time. LAW FIRM shall not charge for travel time to and from DISTRICT for regular meetings of the Board, but shall charge for travel time for all special meetings.

c. Costs. LAW FIRM must incur various costs and expenses in addition to its fees in order to provide the Legal Services required by DISTRICT under this Agreement. These costs and expenses commonly include reproduction costs, facsimile charges, long distance telephone charges, investigation costs, expert witness fees, process service fees, jury fees, certification expenses, court and deposition reporter and transcript expense, court filing fees, and travel expenses. DISTRICT agrees to pay all costs and expenses incurred by LAW FIRM in carrying out the Legal Services identified under this Agreement. All costs and expenses will be charged at LAW FIRM's actual cost, except for those items which LAW FIRM must, of necessity, approximate, and those will be charged as near to their actual cost as possible. The items which will be billed as



approximations of actual cost include those listed on the rate schedules attached. LAW FIRM is not obligated to pay or advance any costs or expenses. LAW FIRM may, at its sole option, (1) advance the cost on behalf of DISTRICT and seek reimbursement from DISTRICT, (2) arrange to have the cost billed directly to DISTRICT, or (3) require DISTRICT advance payment for the cost items(s). LAW FIRM will obtain DISTRICT's prior consent before incurring, directly or indirectly, any cost item in excess of Two Hundred Fifty Dollars (\$250.00).

d. Billing and Payment. LAW FIRM shall send DISTRICT periodic statements not more frequently than monthly. The statements shall indicate attorneys' fees and costs incurred, the identity of the person performing work for each billing entry, any amounts applied from deposits, any current balance owed, a reasonably detailed description of services performed, and any costs and expenses for which LAW FIRM is entitled to reimbursement. DISTRICT agrees to pay the balance within thirty (30) days of billing. All billings not paid within thirty (30) days shall be considered in arrears.

e. Objections to Billings. LAW FIRM encourages DISTRICT to advise LAW FIRM promptly of any charge which appears to be incorrect. LAW FIRM will assume all charges are acceptable if DISTRICT does not express any concerns regarding a billing within thirty (30) days of its mailing. Failure to question a billing or request an adjustment within thirty (30) days from the statement will be deemed agreement by DISTRICT that the stated charges are correct and payable in full.

5. REPORTS. LAW FIRM shall provide DISTRICT monthly reports of fees and costs incurred as broken down by whether they are "specialty litigation" or "consultation" in nature, and all consultation reports shall be broken down by individual activity. LAW FIRM shall also provide reports to District Manager showing work in progress in any given month as reasonably requested.

6. NO PROMISES. DISTRICT acknowledges LAW FIRM has not made any promises about the total amount of attorneys' fees and costs to be incurred by DISTRICT under this agreement.

ARTICLE IV. TERM AND DISCHARGE

1. TERM. The term for performance of the services by LAW FIRM as General Counsel shall commence on August 1, 1997. The initial term of the agreement for these services shall be for six months, running from August 1, 1997, through February 1, 1998. Thereafter the agreement shall be automatically renewed every year unless either party gives written notice to the other of its intent to renegotiate the terms of the agreement. Notice to renegotiate must be given not more than two months nor less than one month before the end of a pending term.

2. DISCHARGE. The provisions governing the term of this agreement notwithstanding, either party may terminate this agreement by giving the other at least sixty (60) days written notice of its intent to do so. Each party shall remain obligated to act in good faith and to perform its duties to the other under the terms of this agreement throughout the



notice period. DISTRICT may, in its sole discretion, pay LAW FIRM a total of two (2) months Base Compensation as defined under this agreement in lieu of notice.

3. RETURN OF FILES AND DISTRICT PROPERTY. After LAW FIRM's services conclude, LAW FIRM shall, upon DISTRICT's request, deliver DISTRICT's files to DISTRICT, along with any property of DISTRICT in LAW FIRM's possession. DISTRICT's files and property include correspondence, transcripts, legal documents, exhibits, physical evidence, and other items reasonably necessary to DISTRICT's business and its future representation, whether DISTRICT has paid for them or not. DISTRICT's file and property does not include attorney work product (e.g., drafts, research, office memoranda) unless the absence of such items would be likely to prejudice or injure DISTRICT's position in the matter which is the subject of this Agreement.

ARTICLE V. OTHER PROVISIONS

1. ASSIGNMENT. This Agreement cannot be assigned by either party for any reason without the written consent of the other party.

2. INSURANCE DISCLOSURE. LAW FIRM discloses to DISTRICT that it maintains professional liability insurance, including errors and omissions coverage, in excess of the minimum requirements of one hundred thousand dollars (\$100,000.00) per occurrence and three hundred thousand dollars (\$300,000.00) per policy term.

3. NATURE OF EMPLOYMENT. LAW FIRM is employed as an independent contractor. Its employment is on a part time basis. LAW FIRM is responsible for providing and maintaining its own staff, facilities, resources, and benefits. It is LAW FIRM's sole responsibility to adequately train its attorneys and staff and DISTRICT shall have no obligation to pay for continuing education or for providing LAW FIRM with professional resources or materials. LAW FIRM shall stand ready, willing, and able to perform duties for DISTRICT pursuant to this agreement as called upon by DISTRICT. It is understood, however, that LAW FIRM is otherwise free to engage in the private practice of law so long as its practice does not put it in conflict with DISTRICT.

4. RESTRICTIONS ON FUTURE REPRESENTATION. In addition to the proscriptions regarding conflicts of interest imposed on LAW FIRM by the Business and Professions Code and by the California Rules of Professional Conduct, LAW FIRM represents that no member of LAW FIRM shall appear before any board, commission, committee, or agency of DISTRICT for the purpose of representing any other client of LAW FIRM's for a period of six months from the date of termination of LAW FIRM's employment as DISTRICT Attorney.



5. NOTICES. Notices regarding this Agreement shall be given to the parties at the following addresses:

DISTRICT: SAN SIMEON COMMUNITY SERVICES DISTRICT
111 Pico Avenue
San Simeon, California 93452
Attention: Mr. Forrest Warren

LAW FIRM: HUNT & ASSOCIATES
738 Higuera Street, Suite "H"
San Luis Obispo, CA 93401
Attention: David M. Fleishman, Esq.

6. DISTRICT DESIGNATED REPRESENTATIVE. DISTRICT designates its District General Manager as its representative under this agreement. The designated representative is authorized to review services and statements of LAW FIRM, and to authorize additional services.

9. Entire Agreement. This document contains the full, complete and exclusive agreement between the parties regarding this matter. No oral representations or modifications concerning the subject matter of this Agreement shall have any force or effect. This Agreement may only be amended through a writing signed by both parties.

IN WITNESS OF having read and understood the terms and conditions above and those set out in the attached rate schedules and having agree to be bound by them, the parties affix their signatures below on the dates noted.

DATED: August 4th, 1997

"DISTRICT"
SAN SIMEON COMMUNITY
SERVICES DISTRICT

By: Richard Andresen
Richard Andresen, Chair
Board of Directors

DATED: July 31, 1997

"LAW FIRM"
HUNT & ASSOCIATES

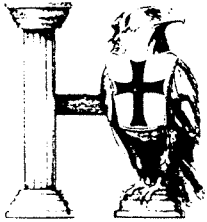
By: David R. Hunt
David R. Hunt, Esq.

ATTEST:

By: Forrest Warren
DISTRICT Manager

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HUNT
& ASSOCIATES
Attorneys and Counselors at Law

DAVID R. HUNT
 PHILIP F. SINCO
 DAVID M. FLEISHMAN
 DANIEL M. MCGEE

PUBLIC ENTITY SPECIALTY LITIGATION
RATE SCHEDULE
 (Effective January 1, 1996)

HOURLY RATES FOR LEGAL PERSONNEL:

<u>PERSONNEL</u>	<u>STANDARD RATE</u>	<u>MULTIPLE MATTERS</u>
Mr. Hunt	\$ 150.00 / hr	\$ 125.00 / hr
Senior Associate	125.00 / hr	115.00 / hr
Associate	115.00 / hr	105.00 / hr
Paralegal/Law Clerk	65.00 / hr	65.00 / hr

STANDARD CHARGES:

Law Firm charges for its time in minimum units of 0.10 hours and line item bills all activities.

COSTS AND EXPENSES:

Costs and expenses in excess of \$250.00 will only be incurred after having obtained express authority. Costs and expenses will either be billed directly to the client or advanced by Law firm and billed for reimbursement, depending on the nature of the expense.

Expenses incurred on matters for outside services will be directly billed to the client for payment. These expenses, except in exceptional circumstances, shall not be advanced by Law Firm. Examples of such expenses include deposition costs and expert consultant fees.

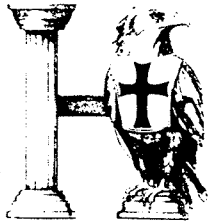
Other costs and expenses will be advanced and billed for reimbursement. They will be billed at the actual cost incurred or, if the actual cost is not documented, at an estimate of actual cost to the firm. Examples of costs billed at actual expense include long distance phone, travel, meals, out-of-office photocopying, filing fees, arbitration fees and costs, and express delivery fees when incurred due to client's need and direction, but not if necessary due to Law Firm's action.

In office services are charged at an approximation of Law Firm's actual cost include:

In-office photocopying:	\$ 0.20/page
Mileage:	\$ AT CURRENT IRS RATE/mile
Facsimile	\$ 1.00/page
Computerized Research	\$ Actual Cost
Document Coding/Scanning	\$ 35.00/hour

No separate expense is charged for word processing or clerical staff time.

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HUNT
& ASSOCIATES
Attorneys and Counselors at Law

DAVID R. HUNT
 PHILIP F. SINCO
 DAVID M. FLEISHMAN
 DANIEL M. MCGEE

PUBLIC ENTITY CONSULTATION
RATE SCHEDULE
 (Effective January 1, 1996)

HOURLY RATES FOR LEGAL PERSONNEL:

<u>PERSONNEL</u>	<u>CURRENT RATES</u>
Mr. Hunt	\$ 125.00 per hour
Senior Associate	\$ 115.00 per hour
Associates	\$ 105.00 per hour
Paralegal/Law Clerks	\$ 65.00 per hour

STANDARD CHARGES:

Law Firm charges for its time in minimum units of 0.10 hours and line item bills all activities.

COSTS AND EXPENSES:

Costs and expenses in excess of \$250.00 will only be incurred after having obtained express authority. Costs and expenses will either be billed directly to the client or advanced by Law firm and billed for reimbursement, depending on the nature of the expense.

Expenses incurred on matters for outside services will be directly billed to the client for payment. These expenses, except in exceptional circumstances, shall not be advanced by Law Firm. Examples of such expenses include deposition costs and expert consultant fees.

Other costs and expenses will be advanced and billed for reimbursement. They will be billed at the actual cost incurred or, if the actual cost is not documented, at an estimate of actual cost to the firm. Examples of costs billed at actual expense include long distance phone, travel, meals, out-of-office photocopying, filing fees, arbitration fees and costs, and express delivery fees when incurred due to client's need and direction, but not if necessary due to Law Firm's action.

In office services are charged at an approximation of Law Firm's actual cost include:

In-office photocopying:	\$ 0.20/page
Mileage:	\$ AT CURRENT IRS RATE/mile
Facsimile	\$ 1.00/page
Computerized Research	\$ Actual Cost
Document Coding/Scanning	\$ 35.00/hour

No separate expense is charged for word processing or clerical staff time.

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"GENERAL COUNSEL" LEGAL SERVICES AGREEMENT

This Agreement is between the SAN SIMEON COMMUNITY SERVICES DISTRICT ("DISTRICT") and HUNT & ASSOCIATES ("LAW FIRM") and sets out the terms and conditions under which DISTRICT retains LAW FIRM to provide legal services and is intended to fulfill the requirement for a written fee contract under California law. This Agreement will not take effect, and LAW FIRM will have no obligation to provide legal services, until DISTRICT returns a signed copy of this Agreement.

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a. "Routine Advice and Counsel":

- provide routine legal advice, consultation, and opinions to the District Board and Staff;
- assist in the preparation and review of ordinances, resolutions, agreements, contracts and related documents;
- attend regular District Board meetings and other meetings as may be considered necessary;
- monitor existing and pending legislation and case law which may affect DISTRICT;
- monitor and report on litigation in which DISTRICT is a party or otherwise interested where LAW FIRM is not counsel of record; and

b. "Litigation Services": Represent DISTRICT in active litigation as authorized by DISTRICT under the terms of this agreement. "Active litigation" is defined as those matters falling under the definition set out in Government Code section 54956.9 as follows:

- In which a lawsuit has been filed against DISTRICT;
- Where DISTRICT authorizes litigation to be filed for the purpose of seeking affirmative relief, including code enforcement actions; and
- Where DISTRICT requires representation before a duly constituted administrative agency or governmental body outside of DISTRICT.

2. ATTENDANCE AT MEETINGS. LAW FIRM shall attend all regular, adjourned regular, and special meetings of the District Board, unless excused by the District Manager or a majority of the District Board sitting in a duly noticed public meeting.



ARTICLE II.
RESPONSIBILITIES OF LAW FIRM AND DISTRICT

1. RESPONSIBILITIES OF LAW FIRM. LAW FIRM will perform the Legal Services called for under this Agreement, keep DISTRICT informed of progress and developments in all matters, and respond promptly to DISTRICT's inquiries and communications. DISTRICT is retaining a LAW FIRM, not any particular attorney. The Legal Services to be provided under this Agreement will not necessarily be performed by any particular attorney, but the services will be supervised principally by David M. Fleishman, who shall also be appointed as the "General Counsel" of DISTRICT. Mr. Fleishman shall be primarily responsible for attending all District Board meetings.

2. RESPONSIBILITIES OF DISTRICT. DISTRICT will be truthful and cooperative with LAW FIRM, keep LAW FIRM informed of developments in DISTRICT related to the subject matter of LAW FIRM's representation.

ARTICLE III.
LEGAL FEES AND BILLING PRACTICES

1. Hourly Fees. DISTRICT agrees to pay LAW FIRM the hourly rates of the attorneys and associated legal personnel rendering the services as set out on the attached rate schedule. LAW FIRM shall charge in increments of one-tenth (0.1) of an hour. The minimum time charged for any particular activity will be one tenth (0.1) of an hour.

2. GENERAL PROVISIONS REGARDING LEGAL FEES AND BILLING PRACTICES. The general provisions regarding billing practices, legal fees and costs are set out below.

a. Hourly Fees. DISTRICT agrees to pay LAW FIRM the hourly rates as described above. LAW FIRM shall charge in increments of one tenth (0.1) of an hour. The minimum time charged for any particular activity will be one tenth (0.1) of an hour.

b. Chargeable Time. LAW FIRM shall charge for all activities undertaken in providing Legal Services to DISTRICT, including, but not limited to: meetings and conferences; telephone calls, including telephone conferences with DISTRICT, any opposing counsel, or any third parties; preparing correspondence, memorandums, and opinions; court appearances, depositions, drafting papers and pleadings; investigation; legal research; and travel time. LAW FIRM shall not charge for travel time to and from DISTRICT for regular meetings of the Board, but shall charge for travel time for all special meetings.

c. Costs. LAW FIRM must incur various costs and expenses in addition to its fees in order to provide the Legal Services required by DISTRICT under this Agreement. These costs and expenses commonly include reproduction costs, facsimile charges, long distance telephone charges, investigation costs, expert witness fees, process service fees, jury fees, certification expenses, court and deposition reporter and transcript expense, court filing fees, and travel expenses. DISTRICT agrees to pay all costs and expenses incurred by LAW FIRM in carrying out the Legal Services identified under this



Agreement. All costs and expenses will be charged at LAW FIRM's actual cost, except for those items which LAW FIRM must, of necessity, approximate, and those will be charged as near to their actual cost as possible. The items which will be billed as approximations of actual cost include those listed on the rate schedules attached. LAW FIRM is not obligated to pay or advance any costs or expenses. LAW FIRM may, at its sole option, (1) advance the cost on behalf of DISTRICT and seek reimbursement from DISTRICT, (2) arrange to have the cost billed directly to DISTRICT, or (3) require DISTRICT advance payment for the cost items(s). LAW FIRM will obtain DISTRICT's prior consent before incurring, directly or indirectly, any cost item in excess of Two Hundred Fifty Dollars (\$250.00).

d. Billing and Payment. LAW FIRM shall send DISTRICT periodic statements not more frequently than monthly. The statements shall indicate attorneys' fees and costs incurred, the identity of the person performing work for each billing entry, any amounts applied from deposits, any current balance owed, a reasonably detailed description of services performed, and any costs and expenses for which LAW FIRM is entitled to reimbursement. DISTRICT agrees to pay the balance within thirty (30) days of billing. All billings not paid within thirty (30) days shall be considered in arrears.

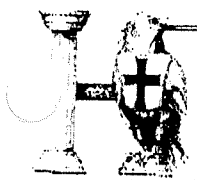
e. Objections to Billings. LAW FIRM encourages DISTRICT to advise LAW FIRM promptly of any charge which appears to be incorrect. LAW FIRM will assume all charges are acceptable if DISTRICT does not express any concerns regarding a billing within thirty (30) days of its mailing. Failure to question a billing or request an adjustment within thirty (30) days from the statement will be deemed agreement by DISTRICT that the stated charges are correct and payable in full.

3. NO PROMISES. DISTRICT acknowledges LAW FIRM has not made any promises about the total amount of attorneys' fees and costs to be incurred by DISTRICT under this agreement.

ARTICLE IV. TERM AND DISCHARGE

1. TERM. The term for performance of the services by LAW FIRM as General Counsel shall commence on June 1, 1998. The initial term of the agreement for these services shall be for one year, running from June 1, 1998, through May 31, 1999. Thereafter the agreement shall be automatically renewed every year unless either party gives written notice to the other of its intent to renegotiate the terms of the agreement. Notice to renegotiate must be given not more than two months nor less than one month before the end of a pending term.

2. DISCHARGE. The provisions governing the term of this agreement notwithstanding, either party may terminate this agreement by giving the other at least sixty (60) days written notice of its intent to do so. Each party shall remain obligated to act in good faith and to perform its duties to the other under the terms of this agreement throughout the notice period. DISTRICT may, in its sole discretion, pay LAW FIRM a total of \$1,050, in lieu of notice which sum represents the equivalent of two months' base compensation under the agreement between District and LAW FIRM which preceded this Agreement.



3. RETURN OF FILES AND DISTRICT PROPERTY. After LAW FIRM's services conclude, LAW FIRM shall, upon DISTRICT's request, deliver DISTRICT's files to DISTRICT, along with any property of DISTRICT in LAW FIRM's possession. DISTRICT's files and property include correspondence, transcripts, legal documents, exhibits, physical evidence, and other items reasonably necessary to DISTRICT's business and its future representation, whether DISTRICT has paid for them or not. DISTRICT's file and property does not include attorney work product (e.g., drafts, research, office memoranda).

**ARTICLE V.
OTHER PROVISIONS**

1. ASSIGNMENT. This Agreement cannot be assigned by either party for any reason without the written consent of the other party.

2. INSURANCE DISCLOSURE. LAW FIRM discloses to DISTRICT that it maintains professional liability insurance, including errors and omissions coverage, in excess of the minimum requirements of one hundred thousand dollars (\$100,000.00) per occurrence and three hundred thousand dollars (\$300,000.00) per policy term.

3. NATURE OF EMPLOYMENT. LAW FIRM is employed as an independent contractor. Its employment is on a part time basis. LAW FIRM is responsible for providing and maintaining its own staff, facilities, resources, and benefits. It is LAW FIRM's sole responsibility to adequately train its attorneys and staff and DISTRICT shall have no obligation to pay for continuing education or for providing LAW FIRM with professional resources or materials. LAW FIRM shall stand ready, willing, and able to perform duties for DISTRICT pursuant to this agreement as called upon by DISTRICT. It is understood, however, that LAW FIRM is otherwise free to engage in the private practice of law so long as its practice does not put it in conflict with DISTRICT.

4. RESTRICTIONS ON FUTURE REPRESENTATION. In addition to the proscriptions regarding conflicts of interest imposed on LAW FIRM by the Business and Professions Code and by the California Rules of Professional Conduct, LAW FIRM represents that no member of LAW FIRM shall appear before any board, commission, committee, or agency of DISTRICT for the purpose of representing any other client of LAW FIRM's for a period of six months from the date of termination of LAW FIRM's employment as DISTRICT Attorney.

5. NOTICES. Notices regarding this Agreement shall be given to the parties at the following addresses:

DISTRICT: SAN SIMEON COMMUNITY SERVICES DISTRICT
111 Pico Avenue
San Simeon, California 93452
Attention: Mr. Forrest Warren



LAW FIRM: HUNT & ASSOCIATES
738 Higuera Street, Suite "H"
San Luis Obispo, CA 93401
Attention: David M. Fleishman

6. DISTRICT DESIGNATED REPRESENTATIVE. DISTRICT designates its District General Manager as its representative under this agreement. The designated representative is authorized to review services and statements of LAW FIRM, and to authorize additional services.

9. Entire Agreement. This document contains the full, complete and exclusive agreement between the parties regarding this matter. No oral representations or modifications concerning the subject matter of this Agreement shall have any force or effect. This Agreement may only be amended through a writing signed by both parties.

IN WITNESS OF having read and understood the terms and conditions above and those set out in the attached rate schedules and having agree to be bound by them, the parties affix their signatures below on the dates noted.

DATED: May __, 1998

DATED: May __, 1998.

"DISTRICT"
SAN SIMEON COMMUNITY
SERVICES DISTRICT

"LAW FIRM"
HUNT & ASSOCIATES

By: _____
Richard Andresen, Chair
Board of Directors

By: _____
David R. Hunt, Esq.

ATTEST:

By: _____
DISTRICT Manager

s:\dmf\ls980504.doc



Hunt's Bill

San Simeon
Find Report

✓ Amount P AFD

All Transactions

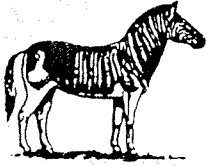
Type	Date	Num	Name	Memo	Account	Clr	Split	Amount	Balance
Check	8/6/87	1187	HUNT & ASSOCIATES	9708-019	1022 - GENERAL CHECKING	X	-SPLIT-	-525.00	-525
Check	8/6/87	1187	HUNT & ASSOCIATES	ATTORNEY FEES	8545-01 - Attorney Fees - Se...		1022 - GENERAL CH...	131.25	-393
Check	8/6/87	1187	HUNT & ASSOCIATES	PREPAYMENT FOR	8546-02 - Attorney Fees - W...		1022 - GENERAL CH...	131.25	-262
Check	8/8/87	1187	HUNT & ASSOCIATES	AUGUST	8547-03 - Attorney Fees - Ge...		1022 - GENERAL CH...	262.50	0
Check	9/4/87	1233	HUNT & ASSOCIATES	9709-011	1022 - GENERAL CHECKING	X	-SPLIT-	-525.00	-525
Check	9/4/87	1233	HUNT & ASSOCIATES	ATTORNEY FEES	8545-01 - Attorney Fees - Se...		1022 - GENERAL CH...	131.25	-393
Check	9/4/87	1233	HUNT & ASSOCIATES	PREPAYMENT FOR	8546-02 - Attorney Fees - W...		1022 - GENERAL CH...	131.25	-262
Check	9/4/87	1233	HUNT & ASSOCIATES	SEPTEMBER	8547-03 - Attorney Fees - Ge...		1022 - GENERAL CH...	262.50	0
Check	9/15/87	1239	HUNT & ASSOCIATES	9709-017	1022 - GENERAL CHECKING	X	-SPLIT-	-525.00	-525
Check	9/15/87	1239	HUNT & ASSOCIATES	ATTORNEY FEES	8545-01 - Attorney Fees - Se...		1022 - GENERAL CH...	131.25	-393
Check	9/15/87	1239	HUNT & ASSOCIATES	PREPAYMENT FOR	8546-02 - Attorney Fees - W...		1022 - GENERAL CH...	131.25	-262
Check	9/15/87	1239	HUNT & ASSOCIATES	OCTOBER	8547-03 - Attorney Fees - Ge...		1022 - GENERAL CH...	262.50	0
Check	9/22/87	1266	HUNT & ASSOCIATES	9709-043	1022 - GENERAL CHECKING	X	-SPLIT-	-684.80	-684
Check	9/22/87	1266	HUNT & ASSOCIATES	ATTORNEY FEES	8545-01 - Attorney Fees - Se...		1022 - GENERAL CH...	151.95	-532
Check	9/22/87	1266	HUNT & ASSOCIATES	INV# 11145	8546-02 - Attorney Fees - W...		1022 - GENERAL CH...	151.95	-380
Check	9/22/87	1266	HUNT & ASSOCIATES	9709-043	8547-03 - Attorney Fees - Ge...		1022 - GENERAL CH...	303.90	-77
Check	9/22/87	1266	HUNT & ASSOCIATES	INV#11146	1748 - MAJOR WATER PRO...		1022 - GENERAL CH...	77.00	0
Check	10/8/87	1290	HUNT & ASSOCIATES	9710-014	1022 - GENERAL CHECKING	X	-SPLIT-	-525.00	-525
Check	10/8/87	1290	HUNT & ASSOCIATES	PREPAYMENT	8545-01 - Attorney Fees - Se...		1022 - GENERAL CH...	131.25	-393
Check	10/8/87	1290	HUNT & ASSOCIATES	FOR	8546-02 - Attorney Fees - W...		1022 - GENERAL CH...	131.25	-262
Check	10/8/87	1290	HUNT & ASSOCIATES	NOVEMBER	8547-03 - Attorney Fees - Ge...		1022 - GENERAL CH...	262.50	0
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Check	11/3/87	1338	HUNT & ASSOCIATES	9711-018	1022 - GENERAL CHECKING	X	-SPLIT-	-525.00	-525
Check	11/3/87	1338	HUNT & ASSOCIATES	PREPAYMENT	8545-01 - Attorney Fees - Se...		1022 - GENERAL CH...	131.25	-393
Check	11/3/87	1338	HUNT & ASSOCIATES	FOR	8546-02 - Attorney Fees - W...		1022 - GENERAL CH...	131.25	-262
Check	11/3/87	1338	HUNT & ASSOCIATES	DECEMBER	8547-03 - Attorney Fees - Ge...		1022 - GENERAL CH...	262.50	0
Check	1/12/88	1439	HUNT & ASSOCIATES	9801-011	1022 - GENERAL CHECKING	X	-SPLIT-	-267.89	-267
Check	1/12/88	1439	HUNT & ASSOCIATES	INV# 11428 MAJO...	1748 - MAJOR WATER PRO...		1022 - GENERAL CH...	26.31	-241
Check	1/12/88	1439	HUNT & ASSOCIATES	INV. #11427 ATTO...	8545-01 - Attorney Fees - Se...		1022 - GENERAL CH...	60.40	-181
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Check	1/30/88	1460	HUNT & ASSOCIATES	9801-032	1022 - GENERAL CHECKING	X	-SPLIT-	120.78	0
Check	1/30/88	1460	HUNT & ASSOCIATES	VOIDED - LOST IN ...	8545-01 - Attorney Fees - Se...		1022 - GENERAL CH...	0.00	0
Check	1/30/88	1460	HUNT & ASSOCIATES	REISSUED IN CK # ...	8545-01 - Attorney Fees - Se...		1022 - GENERAL CH...	0.00	0
Check	1/30/88	1460	HUNT & ASSOCIATES	9801-032	8546-02 - Attorney Fees - W...		1022 - GENERAL CH...	0.00	0
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Check	2/1/88	1492	HUNT & ASSOCIATES	ATTORNEY FEES	8545 - LEGAL FEES		1022 - GENERAL CH...	34.62	-594
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Check	3/12/88	1543	HUNT & ASSOCIATES	9803-034	1022 - GENERAL CHECKING	X	-SPLIT-	-1,726.10	-1,294
Check	3/12/88	1543	HUNT & ASSOCIATES	ATTORNEY FEES	8545-01 - Attorney Fees - Se...		1022 - GENERAL CH...	431.53	-863
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Check	4/21/88	1607	HUNT & ASSOCIATES	9804-034	8547-03 - Attorney Fees - Ge...		1022 - GENERAL CH...	262.50	0
								0.00	0

8,292.06

921.34 - per month

9 Mon / 8,292.06

Budget is \$1,000.00 / month



Robert M. Hahn
533 Casa del Mar
San Simeon, Ca 93452



April 26, 1998

San Simeon Community Services District
111 Pico Ave.
San Simeon, Ca 93452

Board of Directors,

In the District's discussions of its Budget for the fiscal year 1998-1999 will you please discuss, in detail, the costs presently being incurred and those proposed, for clerical expenses and compare them to those actually incurred for the fiscal year 1995-1996.

Any such discussion, for meaningful comparisons, should include, at a minimum, Salaries [including overtime], and Employee Benefits, [including PERS costs for Retirement and Medical Benefits, and Social Security expenses,].

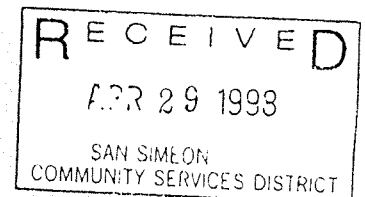
If you feel that that this matter would overload the Agenda(s) for Regular and Special Meetings, please send me personally the comparisons described above.

Thank you very much for your attention to this matter.

Sincerely,


Robert M. Hahn

cc: *The Cambrian*



SAN SIMEON COMMUNITY SERVICES DISTRICT

111 Pico Ave.
San Simeon, CA 93452
U.S.A

Phone 805-927-4778
Fax 805-927-0399

May 11, 1998

Mr. Robert M. Hahn
533 Casa del Mar
San Simeon, CA 93452

Dear Robert,

I am not exactly clear on what you are asking for in your letter dated April 26, 1998.

Clerical expenses could be just the expenses associated with the Secretary position or it could be also associated with the bookkeeping function. Do you want both or separate.

Since the 1995-1996 time frame includes a contract person as Office Administrator and separate General Manager/Engineer who also had many of the clerical functions of the District done at that office, would you include that in what you want?

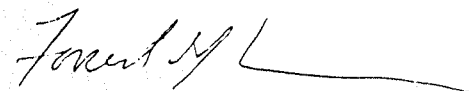
I have talked to Bob Crosby about this issue and he felt you really can't compare the current salary positions with Elizabeth because she was on contract. If Elizabeth had stayed, she would have needed to be put on the payroll anyway because she was not in compliance with the law and there have been many problems in this area in the last 2 years. So either way, the District would be paying these payroll items.

We will be more than willing to give you the financial statements at the cost of reproducing them and current staff costs. (For the safety of District records District Personnel will make all copies.)

Enclosed is a copy of a request for District Materials. Please fill it out and get it back to me as soon as possible if you want the financial statements.

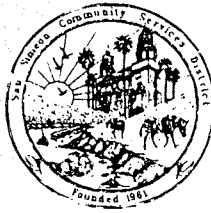
Thank you for your continued interest in the District. I will be more than willing to work with you within the parameters of the Board's instructions.

Sincerely,



Forrest G. Warren

San Simeon Community Services District



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

MEMORANDUM

DATE: May 8, 1998

TO: Robert Hahan

FROM: Forrest G. Warren

A handwritten signature in black ink, appearing to read "Forrest G. Warren", is written over the printed name.

SUBJECT: Separate account for rate increase (1996)

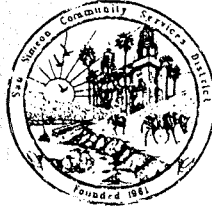
Bob Crosby has indicated that unless a rate increase was an assessment it does not need to be accounted for separately.

There is nothing in the minutes about assessments and no other Board action was taken

The ordinance says that it was for an increase in operating costs then there was no separate account set up or should there be one.

Elizabeth confirms the above.

San Simeon Community Services District



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

REQUEST FOR DISTRICT MATERIALS

DATE

I, _____ on behalf of
SIGNATURE

request a copy of San Simeon Community Services District records concerning the following
(must be specific).

I agree to pay for the cost of reproducing these records including staff time*. I understand that the District will respond to this request for copies as time allows.

* Cost of reproducing includes material and staff time at current salary rates.

Manager's Report
May 13, 1998

April 1996 rate increase:

Several people have asked about the rate increase in 1996 and whether the project for the Desal/pipeline to Cambria is still alive or not.

I had a conversation with Ken Topping the General Manager of Cambria about the Desal/pipeline situation this morning. His board is considering various options and therefore it was felt that the project was not totally dead. I will remind the Board that no one has taken any action to terminate the project.

After researching the Ordinances, resolutions and Minutes of the District regarding the Rate increase of 1996, I found the following. As far as the rate increase Ordinance that was past in April of 1996 it was not connected to any project. A discuss of the Desal/pipeline and use of the rate increase to pay for the same took place in June. No action followed. Without action by the Board in the form of a motion, resolution or Ordinance there is no formal legal ties between the rate increase of 1996 and the Desal/Project. Proposition 218 was passed in November of 1996 after the rate increase was passed. And it is unclear whether this Proposition would even have an effect on this type of situation if it had been passed prior to the rate change.

I have talked to Bob Crossly our auditor regarding keep separate accounts for these funds and use of funds. He has indicated unless it is an assessment we do not need to keep separate accounts. He also has read all the minutes, resolution and ordinances and concurs with the fact that their was no formal action by the Board regarding the tie between the rate increase and the Desal/Pipeline.

It is up to the Board to approve annual funds for capital improvement projects (Desal for example) . If the Board so desires to place an amount of money in the Budget for the Desal/Pipeline project corresponding to the percent of rate increase that was was discussed but not acted on by prior boards it would be appropriate to do it during the budget process.

Since there are ample funds in the unresisited accounts, I do not perceive that this would be a problem at this time.

Since there is a feeling in the community that these funds should be accounted for, I believe the annual allocation in the Budget Capital Improvements items would be a simple way of keeping track of these funds and resolving this problem.

Robert Hahn's Letter:

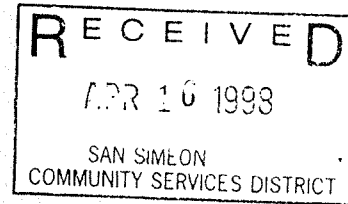
see letter of response.

Carriage Inn Restaurant:

Carriage Inn has given us a copy of their proposed plans for improvements to their property. I have two sets of plan with me tonight. I will have them at the office for review.

Kim Karnes
501 Casa Del Mar Drive
San Simeon, CA 93452
805.927.6763

April 13, 1998



San Simeon Community Services District
Mr. Ron Heard
111 Pico Avenue
San Simeon, CA 93452
805.927.4778

re: Water quality testing.

Dear Ron;

Thank you for offering to test the San Simeon District residential water quality at the Casa Del Mar Condominiums. It has been several months since our initial conversation, at the ad hoc water meeting, regarding the monthly testing you do in our community at different locations.

I am looking forward to your water quality report. Please send me a copy .

During our discussion April 7, 1998 at the San Simeon City Hall regarding water permits and quality, you commented that a monthly water quality report would need to be approved by the SSCSD Board. A monthly water report would be very helpful to our community, especially for those who are sensitive to salt and or allergic to chlorine. Thanks for the idea. What do you recommend the monthly report should contain.?

Again, Thank you for your prompt attention to this matter.

Sincerely,

A handwritten signature in cursive script that reads "Kim Karnes".

Kim Karnes

SAN SIMEON COMMUNITY SERVICES DISTRICT

111 Pico Ave.
San Simeon, CA 93452
U.S.A

Phone 805-927-4778
Fax 805-927-0399

April 20, 1998

Kim Karnes
501 Casa Del Mar Drive
San Simeon, CA 93452

Dear Kim,

For your information, the normal monthly Superintendent's Report includes a chloride comparison. This report would be useful if you are sensitive to salts. (This report is given to The Cambrian monthly.)

A chlorine residual must be in the water to insure proper disinfecting of the water. Chlorine residual testing is done daily if not more often.

As for a **true** water quality report, which includes a more costly full range of testing, that report is given to the public annually.

If a person is sensitive to either salt or chlorine, they should consult their Doctor and possibly consider a filter system for their home or purchase bottled water.

If you want monthly copies of the Superintendent's Report, you can request that at the office.

Sincerely,



Ron Head
Water/Wastewater Superintendent

Manager's Report
May 13, 1998

April 1996 rate increase:

Several people have asked about the rate increase in 1996 and whether the project for the Desal/pipeline to Cambria is still alive or not.

I had a conversation with Ken Topping the General Manager of Cambria about the Desal/pipeline situation this morning. His board is considering various options and therefore it was felt that the project was not totally dead. I will remind the Board that no one has taken any action to terminate the project.

After researching the Ordinances, resolutions and Minutes of the District regarding the Rate increase of 1996, I found the following. As far as the rate increase Ordinance that was past in April of 1996 it was not connected to any project. A discuss of the Desal/pipeline and use of the rate increase to pay for the same took place in June. No action followed. Without action by the Board in the form of a motion, resolution or Ordinance there is no formal legal ties between the rate increase of 1996 and the Desal/Project. Proposition 218 was passed in November of 1996 after the rate increase was passed. And it is unclear whether this Proposition would even have an effect on this type of situation if it had been passed prior to the rate change.

I have talked to Bob Crossly our auditor regarding keep separate accounts for these funds and use of funds. He has indicated unless it is an assessment we do not need to keep separate accounts. He also has read all the minutes, resolution and ordinances and concurs with the fact that there was no formal action by the Board regarding the tie between the rate increase and the Desal/Pipeline.

It is up to the Board to approve annual funds for capital improvement projects (Desal for example) . If the Board so desires to place an amount of money in the Budget for the Desal/Pipeline project corresponding to the percent of rate increase that was discussed but not acted on by prior boards it would be appropriate to do it during the budget process.

Since there are ample funds in the unresisited accounts, I do not perceive that this would be a problem at this time.

Since there is a feeling in the community that these funds should be accounted for, I believe the annual allocation in the Budget Capital Improvements items would be a simple way of keeping track of these funds and resolving this problem.



MICHAEL E. CANNON, PE
ANDREW G. MERRIAM, AIA, AICP
DANIEL S. HUTCHINSON, LS

ENGINEERS

PLANNERS

SURVEYORS

May 13, 1998

Forrest Warren, General Manager
San Simeon Community Services District
111 Pico Avenue
San Simeon, CA 93428

Subject: District Finances

Dear Forrest:

Thank you for meeting with me yesterday. I thought the meeting was very productive. Similar to many other Special Districts that I have worked for, I learned that San Simeon CSD is facing issues that resulted from past actions, that involve current projects and that require future planning. I am very interested in discussing my perspective of San Simeon CSD with the District's governing Board, at no cost to the District. I am available either Thursday, May 21st, or Wednesday, June 10th.

Attached is an outline of topics that we could discuss with the Board members. I prefer developing a dialogue, in contrast to a presentation, so that we can talk about those issues that are of greatest concern to Board members. Consequently, I developed the outline to provide some organization to the discussion although it should be viewed as very flexible. Although I do intend to discuss some of my professional background, and services of Cannon Associates, I will keep that discussion very brief so that we can focus on San Simeon CSD.

Please let me know if you have any comments, or suggested revisions to the attached outline. I look forward to meeting with your Board, meeting residents and business representatives from the community and other District personnel.

Sincerely,

Paavo Ogren, CPA
Financial Analyst

364 PACIFIC STREET
SAN LUIS OBISPO, CA
93401

805 544-7407
FAX 805 544-3863



San Simeon Community Services District Discussion Outline

- ◆ **Introduction**
 - ◆ Paavo Ogren, Cannon Associates, Who we are and what we do

- ◆ **District Finances**
 - ◆ Financial position
 - ◆ Operating results
 - ◆ Current rates

- ◆ **District Budgeting**
 - ◆ Multi-year operating projections
 - ◆ Capital project financing
 - ◆ Rate analysis

- ◆ **Managing Issues and Priorities**
 - ◆ Ongoing staffing commitments
 - ◆ Staff time available for special projects

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

DATE: Wednesday, May 13 , 1998
TIME: 7:00P.M.

PLACE: CAVALIER
BANQUET ROOM

Agenda

1. **CALL TO ORDER**
 - 1.1 PLEDGE OF ALLEGIANCE TO THE FLAG
 - 1.2 ROLL CALL

2. **PUBLIC COMMENTS:** Note: Any topic NOT on the agenda may be presented. Please observe a 3-minute limit.

3. **CONSIDERATION AND APPROVAL OF MINUTES OF**
Feb. 13, 1998 and April 8, 1998

4. **CONSIDERATION AND APPROVAL OF WARRANTS**

5. **CONSIDERATION OF AMENDING THE WATER RECYCLING FACILITIES PLANNING GRANT.**

6. **PUBLIC HEARING ON PROPOSED ABATEMENT OF WEEDS.**
Receive and consider comments from property owners and the public regarding the District's 1998 Abatement Control Program.

7. **Consideration of SAMDA contract and proposal.**

8. **STAFF REPORT**
Wastewater valve and comminutor/pipebridge.
Consideration of revised Hunt and Associates' contract.
 - 8.1 WRITTEN COMMUNICATIONS
Request from Bob Hahn for detailed comparisons from 1995 to 1999 on actual and proposed expenses including salaries, employee benefits, PERS costs for Retirement, Medical Benefits, and Social Security expenses.
 - 8.2 ORAL COMMUNICATIONS
Consideration of Miscellaneous verbal Staff reports and Directors' comments.

9. **ADJOURNMENT**

REGULAR BOARD OF DIRECTORS MEETING SAN SIMEON COMMUNITY SERVICES DISTRICT

DATE: Wednesday, April 8, 1998
TIME: 7:00P.M.

PLACE: CAVALIER
BANQUET ROOM

Minutes

1. CALL TO ORDER

- 1.1 PLEDGE OF ALLEGIANCE TO THE FLAG
- 1.2 ROLL CALL

Present: Andresen, Morgan, Mirabal-Boubion, May, Stevens

Absent: None

2. PUBLIC COMMENTS: Note: Any topic NOT on the agenda may be presented. Please observe a 3-minute limit.

Mr. Ed Caras:

- 1. Spoke to refunding of security deposits after a year or six months.
- 2. Wanted to know about the \$13.50 administrative charge, indicating it was unfair for people to pay if they were not using the water.
- 3. Talked about the Ordinance that imposed the new water and sewer rates.

Mrs. Dee Dee Ricci:

Wanted a vote regarding the Hearst Project placed on the Agenda. Chairman Andresen indicated it was not appropriate to do this and didn't place the item on the agenda.

Mr. Mike Hanchett, Sr. indicated the Chamber of Commerce was polling its members regarding the Hearst Project and felt that some of the statements regarding lack of support for the Project was not accurate.

3. CONSIDERATION AND APPROVAL OF MINUTES FOR THE REGULAR MEETING ON 3-11-98 AND SPECIAL MEETING ON 3-17-1998.

Motion by Mirabal-Boubion seconded by May to approve minutes as submitted for the Regular meeting on 3-11-98 and Special meeting on 3-17-98. Motion carried

4. **CONSIDERATION AND APPROVAL OF WARRANTS.**

Motion by May seconded by Mirabal-Boubion to approve warrants as submitted. **Motion carried**

5. **RESOLUTION NO. 98-242 DECLARING PUBLIC NUISANCE WITHIN THE SAN SIMEON COMMUNITY SERVICES DISTRICT. (WEED ABATEMENT)**

Motion by Mirabal-Boubion seconded by Morgan

Roll call:

Ayes: Stevens, Morgan, Mirabal-Boubion, May, Andresen
Noes: None

6. **RESOLUTION NO. 98-243 DESIGNATION OF APPLICANT'S AGENT RESOLUTION. (FEMA PROCESSING)**

Motion by Mirabal-Boubion seconded by May

Roll call:

Ayes: Stevens, Morgan, Mirabal-Boubion, May, Andresen

Noes: None

7. **PRELIMINARY DRAFT OF 1998/99 BUDGET FOR REVIEW, AND FURTHER DIRECTION.**

Motion by Mirabal-Boubion seconded by May to appoint a budget sub-committee of Morgan and Stevens.

Motion carried

8. **WASTEWATER VALVE AND COMINUTOR CHANGES**

Motion by Mirabal-Boubion seconded by Morgan to authorize staff to begin designing a new wastewater diversion structure and in-line comminutor. **Motion carried**

9. **STAFF REPORT**

UPDATE ON CASTILLO DR./AVONNE LOOP LINE

Motion by Mirabal-Boubion seconded by May to authorize staff to begin preliminary design and open negotiations with Motel 6 to acquire an easement through the parking lot benefiting both the Motel and the District. Also to look into the possibility of placement of the line on the North side of the building. **Motion carried.**

HEARST DRIVE REPLACEMENT. (FLOW TESTING)

District Engineer John L. Wallace indicated the final design package is ready for bid. Discussion followed as to the timing of the project in relationship to the need of the businesses to keep the disturbance to a minimum. It was decided to postpone the job until Oct. 15, 1998. (Actually tearing the road up.)

District Engineer John L. Wallace indicated we have a volume of 500 to 700 gpm from existing hydrants. Commercial needs 1500 gpm residential could be down as low as 500 gpm. Mr. Wallace stated they will do more work with the information and bring back to the Board several ways of improving the system and the cost benefits to the District.

SAMDA UPDATE

Mr. Fleishman has reviewed the draft Mr. McColloch gave him. It was given back to him so he could present it to his Board. Hopefully, the draft will meet legal requirements so it can be presented to the Board at the next meeting.

10.1 WRITTEN COMMUNICATIONS

San Simeon Restaurant has filed an application for a project to waive parking requirements; place tables and chairs in front of the restaurant.

General Manager stated he had requested additional information from the County. Namely the number and placement of existing tables and chairs plus the future location of the same.

Any additional questions regarding this project should be directed to General Manager, Forrest G. Warren.

Mr. Ron Hurlbert was notified that our existing ordinances prohibit anyone from developing their properties at this time. Also, there is no transfer of development rights. And there was no desire to change these ordinances.

Mr. Fleishman has given his suggestions on the personnel section of the book and General Manager, Forrest Warren was to give these out to the Board with explanations. It was indicated by Stevens that we should have a special meeting.

10.2 ORAL COMMUNICATIONS

Consideration of Miscellaneous verbal Staff reports and Directors' comments.

10. ADJOURNMENT

8:55 a.m.

SAN SIMEON COMMUNITY SERVICES DISTRICT

SPECIAL MEETING

FEBRUARY 13, 1998

CAVALIER INN CONFERENCE ROOM

10:30 AM

MINUTES WATER COMMITTEE

The water committee met to discuss the following:

The Water Distribution system.
Possible storage of water.
Sources of water for the District.

PRESENT: Kim Karnes
Michael Hanchett Jr.
Michael Hanchett Sr.
Richard Andresen
Ardy May
Mel McColloch
Bob Morales
John Taylor ?

Chairperson May suggested the meeting be rescheduled since John Wallace, Ron Head, Forrest Warren and Arlyn Webster could not attend the meeting. Also, the ISO information had not been received and the testing of the hydrants would not take place until March 5th.

Discussion centered on SAMDA'S idea to deliver water to the district at a set rate. A draft proposal was to be delivered to the District Office. Ideas such as DeSal, fractured rock and off stream storage were discussed.

SAN SIMEON COMMUNITY SERVICES DISTRICT
WARRANT REPORT
 April 2 through May 6, 1998

<u>DATE</u>	<u>NUM</u>	<u>NAME</u>	<u>WARRANT #</u>	<u>MEMO</u>	<u>AMOUNT</u>
4/7/98	1578	VOID	9804-005		\$0.00
4/7/98	1579	EMPLOYMENT DEV. DEPT.	9804-006	PAYROLL TAXES	\$296.98
4/7/98	1580	PERS-RETIREMENT	9804-007	RETIREMENT FOR MARCH	\$2,529.66
4/7/98	1581	VIKING OFFICE PRODUCTS	9804-008	COPIER CARTRIDGE	\$162.79
4/7/98	1582	U.S. FILTER/ENVIREX	9804-009	SPROCKET SHEAR PIN W/SEPARATORS	\$930.00
4/7/98	1583	FISHER SCIENTIFIC	9804-010	OXY PROBE, MEMBRANE, 10' FT. CABLE	\$425.06
4/7/98	1584	C.C.S.D.	9804-011	COLIFORM P/A, EFFLUENT COL. MPN	\$227.50
4/7/98	1585	AT&T	9804-012	TELEPHONE	\$13.80
4/7/98	1586	MISSION COUNTRY DISPOSA	9804-013	RUBBISH	\$91.80
4/7/98	1587	MISSION UNIFORM SERVICE	9804-014	TOWELS, COVERALLS	\$54.72
4/7/98	1588	FGL ENVIRONMENTAL	9804-015	INORGANIC ANALYSIS	\$92.40
4/7/98	1589	MID-STATE BANK	9804-016	PAYROLL TAXES	\$1,528.24
4/15/98	1590	KIMBERLY ALLISON	9804-017	PAYROLL 4/1/98-4/15/98	\$316.54
4/15/98	1591	RONALD HEAD	9804-018	PAYROLL 4/1/98-4/15/98	\$1,764.27
4/15/98	1592	LEROY PRICE	9804-019	PAYROLL 4/1/98-4/15/98	\$1,179.47
4/15/98	1593	FORREST WARREN	9804-020	PAYROLL 4/1/98-4/15/98	\$1,047.73
4/15/98	1594	INTERNAL REVENUE SERV.	9804-021	PAYROLL TAX ADJUSTMENT	\$29.79
4/15/98	1595	GTE MOBILNET	9804-022	CELL PHONE	\$23.91
4/15/98	1596	PG&E	9804-023	STREET LIGHTS	\$693.35
4/15/98	1597	RICHARD ANDRESEN	9804-024	MONTHLY BOARD SERVICE FOR APRIL	\$75.00
4/15/98	1598	LEANNE MORGAN	9804-025	MONTHLY BOARD SERVICE FOR APRIL	\$75.00
4/15/98	1599	LORAIN MIRABAL-BOUBION	9804-026	MONTHLY BOARD SERVICE FOR APRIL	\$75.00
4/15/98	1600	ARDY MAY	9804-027	MONTHLY BOARD SERVICE FOR APRIL	\$75.00
4/15/98	1601	LOIS STEVENS	9804-028	MONTHLY BOARD SERVICE FOR APRIL	\$75.00
4/21/98	1602	PACIFIC BELL	9804-029	TELEPHONE	\$155.43
4/21/98	1603	JOHN WALLACE & ASSOC.	9804-030	ENGINEER CONSULTANT	\$4,307.91
4/21/98	1604	CAMBRIA HARDWARE	9804-031	TORCH KIT, RECEPTACLE, ASPHALT ETC	\$117.97
4/21/98	1605	FARM SUPPLY COMPANY	9804-032	HOSE, CAMLOCK, WILKINS	\$65.30
4/21/98	1606	U.S.A. BLUE BOOK	9804-033	SOLUTION, 3" STEEL SUCTION STRAINER	\$73.83
4/21/98	1607	HUNT & ASSOCIATES	9804-034	ATTORNEY FEES	\$1,297.61
4/21/98	1608	VIKING OFFICE PRODUCTS	9804-035	PRINTER CARTRIDGE, FAX PAPER	\$78.60
4/21/98	1609	HACH COMPANY	9804-036	DPD TOT CHLORINE	\$49.46
4/21/98	1610	FGL ENVIRONMENTAL	9804-037	INORGANIC ANALYSIS	\$92.40
4/21/98	1611	PRESSURE VESSEL SERVICE	9804-038	SODIUM HYPOCHLORITE & BISULFITE	\$1,574.28
4/21/98	1612	PG&E	9804-039	ELECTRICITY	\$2,591.27
4/30/98	1613	KIMBERLY ALLISON	9804-040	PAYROLL 4/16/98-4/30/98	\$410.01
4/30/98	1614	FORREST WARREN	9804-041	PAYROLL 4/16/98-4/30/98	\$1,120.88
4/30/98	1615	WATER ENVIRON. FED.	9804-042	MEMBERSHIP RENEWAL	\$71.00
4/30/98	1616	MID-STATE BANK	9804-043	GAS & OIL, TRUCK REPAIR, TRIMMER, PE	\$519.02
4/30/98	1617	CHARLOTTE MCELROY	9804-044	SEC. DEP. REFUND LESS FINAL BILL	\$20.21
4/30/98	1618	VIKING OFFICE PRODUCTS	9804-045	OFFICE SUPPLIES	\$39.76
4/30/98	1619	R. MCKEAN CONSTRUCTION	9804-046	INSTALLATION OF 20" STEEL PIPE	\$18,250.00
4/30/98	1620	LEROY PRICE	9804-047	PAYROLL 4/16/98-4/30/98	\$1,216.10
4/30/98	1621	RONALD HEAD	9804-048	PAYROLL 4/16/98-4/30/98	\$1,764.27
5/6/98	1622	EMPLOYMENT DEV. DEPT.	9805-001	STATE PAYROLL TAXES	\$284.81
5/6/98	1623	MID-STATE BANK	9805-002	FEDERAL PAYROLL TAXES	\$1,552.36
5/6/98	1624	PUBLIC EMP. RET. SYSTEM	9805-003	RETIREMENT FOR APRIL	\$2,168.09
5/6/98	1625	WATER ENVIRON. FED.	9805-004	MEMBERSHIP	\$71.00
5/6/98	1626	PUBLIC EMP. RET. SYSTEM	9805-005	HEALTH INSURANCE FOR MAY	\$1,050.13
5/6/98	1627	SLO COUNTY NEWSPAPERS	9805-006	LEGAL ADVERTISING	\$248.85
5/6/98	1628	AT&T	9805-007	LONG DISTANCE	\$6.02
5/6/98	1629	A BETTER BEEP	9805-008	PAGER	\$12.10
5/6/98		TOTAL			\$50,991.68

San Simeon
Community Services District

Board of Directors

Chairman:

Richard Andresen

Vice Chairman:

Ardy May

Directors:

Lois Stevens

Loraine Mirabal-Boubion

Leanne Morgan



Forrest G. Warren
General Manager

David M. Fleishman
District Counsel

John L. Wallace
District Engineer

Ron Head
Plant Superintendent

April 6, 1998

Mr. Lynn E. Johnson

Chief, Office of Water Recycling
Division of Clean Water Programs
State Water Resources Control Board
P.O. Box 944212
Sacramento, California 94244-2120

Subject: Request to Amend Water Recycling Facilities Planning Grant Application

Dear Mr. Johnson,

This letter represents a request to amend the Water Recycling Facilities Planning Grant Application by extending the schedule of completion dates for specific tasks associated with the study. Please refer to the attached revised schedule.

In addition, we feel it prudent to increase the matching grant amount to \$20,000 as apposed to the original amount of \$10,000. As we understand it, by increasing this amount now it will not inhibit our ability to increase the amount of the "one time" eligibility to request additional funds if needed. On the other hand, if District staff is able to accomplish these tasks outlined in the original grant application, we will not be obligated to these additional monies.

If you should have any questions or need any additional information, please give us a call.

SAN SIMEON COMMUNITY SERVICE DISTRICT

Sincerely,

John L. Wallace, P.E.
District Engineer
lynn2.wpd
c Forrest G. Warren, General Manager

AMENDED SCHEDULE
April 6, 1998

8. A schedule with the starting and completion dates of specific tasks associated with the facilities planning study:

Grant Application Submitted to OWR.....	January, 1998
OWR Reviews Application.....	February, 1998
Application Review Meetings with SWRCB.....	March, 1998
SWRCB Authorizes Grant.....	June, 1998
Grant Contract Execution.....	September, 1998
JLWA / KJC / District Meeting (Start Date).....	November, 1998
Begin Facilities Planning Tasks.....	January, 1999
Negotiations with Service Area Agencies.....	March, 1999
District Submits Draft Facilities Plan.....	July, 1999
Plan Review by OWR.....	September, 1999
OWR processes 50 percent of Grant Payment.....	December, 1999
Final Facilities Plan and Report Submittal (Completion Date).....	February, 2000

a:newsch.wpd

CONTRACT AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 1998, by and between SAMDA, Inc., 2018 Broadway, Santa Monica, CA 90404, hereinafter referred to as SAMDA; and SAN SIMEON COMMUNITY SERVICES DISTRICT, 111 Pico Avenue, San Simeon, CA 93452, hereinafter referred to as DISTRICT.

FACTS

1. SAMDA is a privately-owned Oklahoma corporation doing business as a foreign corporation in California, and is interested in developing New Water for DISTRICT, and will proceed with an exploration program; and
2. SAMDA believes that New Water may be produced for delivery to DISTRICT's service facilities, and SAMDA will study several potential sources, develop and prepare water for delivery to DISTRICT at no cost to DISTRICT until water is actually delivered to DISTRICT, and thereafter at quantities and prices set forth herein; and
3. SAMDA and DISTRICT will enter into this agreement for a water development program which would include exploration, documentation, environmental, construction, operational delivery and purchasing phases.

NOW, THEREFORE, for and in consideration of the mutual agreements hereinafter set out, the parties agree to as follows:

I. Definitions: As used in this agreement, the following terms have the following meanings:

A. "Exploration" shall mean SAMDA will study various options for producing and delivering New Water to DISTRICT.

B. "New Water" means Potable Water produced by SAMDA that was not previously used by DISTRICT as Potable Water.

C. "Points of Delivery" shall be at DISTRICT's facilities.

D. "Potable Water" shall mean water that meets the requirements of California Code of Regulations, Title 22 requirements.

E. "Water Meter" shall mean a water metering device approved by DISTRICT.

II. SAMDA will be responsible for all costs and expenses, and elements of the Exploration, studies, environmental, permitting, construction and delivery of Potable Water to DISTRICT facilities. There shall be no cost to DISTRICT until water is actually delivered to DISTRICT facilities, and thereafter only in such quantities and at such prices as set forth in this Agreement. After the study and exploration phase of this Agreement, SAMDA will present water project option(s) to DISTRICT's Board of Directors, and advise the DISTRICT Board of Directors which project SAMDA has selected to proceed

with, and an estimated time schedule to complete the selected project. A SAMDA representative will meet with the Board President monthly and report progress on the water project. If at any time SAMDA determines there is not a viable New Water project, or the cost per acre foot for such New Water exceeds the price set forth in this Agreement, SAMDA will report such determination to DISTRICT, and DISTRICT may decide whether it will authorize SAMDA to proceed with the New Water project at the new per-acre foot price. In the event SAMDA makes a determination that the cost to provide such New Water to the DISTRICT exceeds the price set forth in this Agreement, DISTRICT is under no obligation to purchase any New Water whatsoever from SAMDA's identified New Water project, nor is DISTRICT obligated in any manner to reimburse SAMDA for any expenses incurred by SAMDA in connection with SAMDA's Exploration.

III. Water Production. DISTRICT agrees to accept and pay for New Water delivered by SAMDA to DISTRICT facilities at the rate and upon the terms hereinafter agreed upon. SAMDA shall be responsible for all the expenses for the production of the New Water, including but not limited to: exploration, studies, obtaining permits, acquiring rights-of-way, all work required under the California Environmental Quality Act (CEQA), complying with all environmental laws and regulations, construction of facilities and deliveries to DISTRICT facilities. There will be no cost to DISTRICT until water is actually delivered to DISTRICT facilities, and then only in such quantities, and at such price as is set forth in this Agreement. Under no circumstances shall DISTRICT be obligated to purchase New Water in an amount that exceeds the amount set forth in this Agreement, or at a price that exceeds the price set forth in this Agreement.

IV. Water Rights and Rights-of-Way.

- A. SAMDA will be responsible for conducting all activities necessary to obtain all necessary water rights and rights-of-way which may arise in connection with SAMDA's project to deliver New Water to DISTRICT.
- B. DISTRICT will cooperate with SAMDA and assist SAMDA in connection with such activities to the extent that SAMDA may reasonably request. However, DISTRICT shall not be required to expend its own funds in connection with such cooperation or to assist SAMDA in any way which DISTRICT reasonably determines to be prejudicial to its financial or other interests. DISTRICT may be asked to be the lead agency in CEQA work, but at SAMDA's cost.

V. Compliance with Laws and Permits.

- A. SAMDA shall be responsible for complying with all laws, whether Federal, state or local, which may pertain to the permitting, construction, production and delivery of water proposed by this Agreement.
- B. DISTRICT will cooperate with SAMDA in obtaining such permits, approvals and licenses, provided that DISTRICT shall not be required to expend its own funds in connection with such cooperation or to assist SAMDA in any way which it reasonably determines to be prejudicial to its financial or other interests.

VI. Indemnification.

- A. SAMDA shall indemnify, defend and hold harmless DISTRICT, its elected officials, officers, agents and employees from all liability, claims, damages, costs and expenses, however incurred, resulting from or related to the production or delivery of the water which is the subject of this Agreement, or the acquisition of the rights to produce or deliver said water.
- B. SAMDA also hereby agrees to indemnify, defend and hold harmless DISTRICT, its elected officials, officers, agents, and employees from:
1. Any and all liability, claims, damages, costs and expenses, and demands which may be made against DISTRICT, its elected officials, officers, agents, or employees by reason of any injury to or death of or damages to any person or entity caused by any negligent act or omission of SAMDA, its employees, independent contractors, or agents;
 2. Any and all liability, claims, damages, costs and expenses, and demands which may be made against DISTRICT, its elected officials, officers, agents, or employees by reason of any injury to or death of or damage suffered or sustained by any employee, independent contractor or agent of SAMDA under this Agreement, however caused, excepting, however, any such liability, claims, damages, costs and expenses, and demands which are the result of the

sole negligence of DISTRICT, its elected officials, officers, agents or employees;

3. Any and all penalties imposed or damages sought on account of the violation of any law or regulation or of any term or condition of any permit, when said violation of any law or regulation or of any term or condition of any permit is due to actions or inaction on the part of SAMDA, its employees, independent contractors or agents.

C. DISTRICT agrees to indemnify, defend and save harmless SAMDA, its officers, agents, and employees of and from:

1. Any and all claims and demands which may be made against SAMDA, its officers, agents, or employees by reason of any injury to or death of or damages to any person or entity or the property of any person or entity caused by the sole negligence of DISTRICT, including, but not limited to, any claims made against SAMDA by any customer of DISTRICT or users of water supplied by DISTRICT.

VII. Workers' Compensation. SAMDA certifies that it is aware of the provisions of the Labor Code of the State of California, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code. SAMDA certifies that it will comply with such

provisions before commencing the performance of the work for this Agreement, and it will ensure that all independent contractors it utilizes are similarly insured.

VIII. Insurance.

A. SAMDA represents that it will, prior to commencement of work pursuant to this Agreement, name DISTRICT as an "Additional Insured" on its comprehensive general liability insurance policy. SAMDA shall obtain and keep insurance policies in full force and effect for forms of coverage, and in appropriate coverage limits specified by the Insurance Requirements. SAMDA shall require any subcontractor to provide evidence of the same liability insurance coverage.

B. SAMDA shall add to its comprehensive general liability insurance policy the following severability interest clause:

"The insurance afforded applies separately to each insured against whom claim is made or suit is brought, including claims made or suits brought by any person included within the persons insured provision of this insurance against any other such person or organization."

C. SAMDA shall provide photocopies of its current Automobile, Comprehensive General Liability, and Workers' Compensation Insurance policies, including endorsements thereto, to DISTRICT.

D. SAMDA shall not only provide notice to DISTRICT of any cancellation or material change in insurance coverage where DISTRICT has been named as an insured, but shall also require the insurance company to provide DISTRICT notice of any cancellation or material change in insurance coverage, such notice to be delivered to DISTRICT in accord with Section XIII of this Agreement at least sixty (60) days before the date of such change or cancellation of insurance.

E. DISTRICT shall not be responsible for SAMDA premiums due for the insurance coverage specified in this Agreement. All insurance required by this Agreement shall be furnished by SAMDA at its sole expense.

IX. Water Deliveries - Water Purchases. Assuming SAMDA is able to identify a viable New Water project, SAMDA agrees to provide a sustained minimum yield of 50 acre feet and a maximum of 150 acre feet of Potable Water annually. DISTRICT will advise SAMDA on a semi-annual basis its estimated daily/monthly Potable Water need for the next twelve months. Attachment A of this Agreement will be the DISTRICT's current estimated daily and monthly water requirements for the twelve month period following the signing of the Agreement. SAMDA may ask DISTRICT to operate SAMDA facilities with DISTRICT employees, at SAMDA's expense. However, DISTRICT shall not be obligated to provide its employees for such purpose if DISTRICT's other facilities and services will be adversely affected thereby. Water will be metered into DISTRICT's facilities with a Water Meter approved by DISTRICT. DISTRICT may check the Water Meter for accuracy at reasonable intervals, at SAMDA's expense. Water will be delivered to a point of delivery in DISTRICT facilities that is subject to DISTRICT

approval. DISTRICT agrees to purchase all Potable Water produced and delivered by SAMDA, subject to the minimum and maximum production yields set forth in this paragraph. Under no circumstances shall the DISTRICT be obligated to purchase Potable Water in excess of the maximum production yield of 150 acre feet annually. SAMDA will advise DISTRICT of the sustained available yield of up to 150 acre feet in writing prior to the delivery phase. SAMDA will make every effort to plan to "phase in" annual water deliveries to DISTRICT, but cannot guarantee this is possible until a water project is selected.

- X. Payment for Water. DISTRICT shall purchase Potable Water delivered to DISTRICT facilities by SAMDA, at the price of \$925 per acre foot of Potable Water delivered.
- XI. Invoicing and Payment. At the end of each month after the date of the first delivery of New Water by SAMDA to DISTRICT, SAMDA shall submit an invoice to DISTRICT for payment of all sums due. DISTRICT shall be responsible for the payment of such invoices within thirty (30) days from the date of the receipt thereof.
- XII. Term. The term of this Agreement shall be for thirty (30) years from the date the first New Water is delivered to DISTRICT facilities. At the termination of this Agreement, DISTRICT will take control of and own all SAMDA facilities and water produced by SAMDA facilities, for a purchase price of \$1.00 and any legal fees or conveyance costs.

XIII. Notices. All communications to either party by the other shall be deemed given when made in writing and delivered or mailed to such party at its respective address, as follows:

A. **DISTRICT:** President of the Board

San Simeon Community Services District

111 Pico Avenue

San Simeon, CA 93452

Phone: 805/927-4778

B. **SAMDA:** Cole Frates

Mel McColloch

SAMDA, Inc.

SAMDA, Inc.

2018 Broadway

2450 Main Street, Suite E

Santa Monica, CA 90404

Cambria, CA 93428

Phone: 310/449-1199

Phone: 805/927-5993

C. All notices shall be effective when delivered in person or deposited first class postage prepaid in the United States mail. A party may change its address by written notice to the other.

XIV. Waiver. A party's failure to insist on the strict performance of any provision of this Agreement or to exercise any right, power, or remedy upon a breach of this Agreement shall not constitute a waiver of any provision of this Agreement. Neither shall such action or inaction limit the party's right to later enforce any provision or exercise any

right to the fullest extent allowed under this Agreement. A waiver of any covenant, term or condition contained in this Agreement shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The consent, authorization or approval by a party of any act shall not be deemed to waive or render unnecessary the consent, authorization or approval of any subsequent similar act.

XV. Remedies.

- A. Injunctive Relief. This Agreement shall be specifically enforceable; damages are not an adequate remedy for failure to perform pursuant to its terms and conditions.
- B. Attorneys' Fees and Costs. If it shall be necessary to enforce or interpret this Agreement by arbitration, mediation, or before a court of law, the prevailing party shall be entitled to reasonable attorneys' fees and costs incurred. These costs shall include the cost of any expert employed in the preparation or presentation of any evidence. Such costs and fees shall be taxable as costs, and included in the judgment rendered in that matter.
- C. Venue. The venue for arbitration, mediation, or any judicial action shall be in San Luis Obispo County. The parties agree that this Agreement and all relations of the parties shall be governed by California law.

XVI. Warranty. SAMDA, as an Oklahoma corporation, warrants to DISTRICT that SAMDA is now authorized, and throughout the term of this Agreement, shall remain authorized

to conduct business in the State of California and County of San Luis Obispo as a foreign corporation. SAMDA further warrants to DISTRICT that SAMDA shall take all action necessary to register its activities with the State of California, to provide evidence of that registration, and to ensure that all of SAMDA's operations within California comply with California law.

XVII. SAMDA may assign this Agreement with the concurrence of DISTRICT, which will not be unreasonably withheld.

IN WITNESS WHEREOF, DISTRICT Board of Directors has caused this Agreement to be executed by its President, thereunto duly authorized, and SAMDA has subscribed same, all on the day and year first written above.

SAMDA, Inc.

By: _____
President

Date: _____

APPROVED AS TO FORM:

SAN SIMEON COMMUNITY
SERVICES DISTRICT

By: _____
District Legal Counsel

By: _____
President of the Board

Date: _____

Date: _____

SAN SIMEON COMMUNITY SERVICES DISTRICT
SUPERINTENDENT'S REPORT FOR APRIL 1998

FLOW COMPARISON - Water

APR 1998 2,400,000 gallons	YTD 1998 7,865,000 gallons	MONTHLY USAGE COMPARISON: ANNUAL USAGE COMPARISON:	16% decrease 15% increase
APR 1997 2,853,000 gallons	YTD 1997 9,213,000 gallons	GROSS WATER PRODUCTION: NET WATER PRODUCTION: MONTHLY RECOVERY RATE:	2,372,000 gallons 2,250,865 gallons 95%

RAINFALL

APR 1998 2.21 inches	97-98 YTD 41.25 inches	MONTHLY COMPARISON: ANNUAL COMPARISON:	2.01 inches more 28.78 inches more
APR 1997 0.20 inches	96-97 YTD 12.47 inches		

WELL DEPTH COMPARISON

APR 1998 10.48 feet	MAR 1998 9.92 feet	APR 1997 10.65 feet	MONTHLY COMPARISON: ANNUAL COMPARISON:	0.56 feet lower 0.17 feet higher
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CHLORIDE COMPARISON

APR 1998 72 mg/l	MAR 1996 72 mg/l	APR 1997 46 mg/l	MONTHLY COMPARISON: ANNUAL COMPARISON:	CONSTANT SLIGHTLY LOWER
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FLOW COMPARISON - District Wastewater Treated

APR 1998 1,841,320 gallons	YTD 1998 7,959,130 gallons	MONTHLY USAGE COMPARISON: ANNUAL USAGE COMPARISON:	4% decrease 1% decrease
APR 1997 1,920,084 gallons	YTD 1997 8,074,724 gallons		

FLOW COMPARISON - State Wastewater Treated

APR 1998 341,585 gallons	YTD 1998 1,393,682 gallons	MONTHLY USAGE COMPARISON: ANNUAL USAGE COMPARISON:	73% increase 32% decrease
APR 1997 197,400 gallons	YTD 1997 2,043,720 gallons		

DISCHARGE REQUIREMENTS

EFFLUENT BOD:	8.4 mg/l	EFFLUENT SUSPENDED SOLIDS:	5 mg/l
INFLUENT BOD:	210 mg/l	INFLUENT SUSPENDED SOLIDS:	60 mg/l

BIOSOLIDS DISPOSAL

APRIL:	14560 gallons	YTD:	48560 gallons
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SAN SIMEON COMMUNITY SERVICES DISTRICT

111 Pico Ave.
San Simeon, CA 93452
U.S.A

Phone 805-927-4778
Fax 805-927-0399

May 11, 1998

Mr. Robert M. Hahn
533 Casa del Mar
San Simeon, CA 93452

Dear Robert,

I am not exactly clear on what you are asking for in your letter dated April 26, 1998.

Clerical expenses could be just the expenses associated with the Secretary position or it could be also associated with the bookkeeping function. Do you want both or separate.

Since the 1995-1996 time frame includes a contract person as Office Administrator and separate General Manager/Engineer who also had many of the clerical functions of the District done at that office, would you include that in what you want?

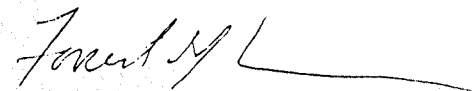
I have talked to Bob Crosby about this issue and he felt you really can't compare the current salary positions with Elizabeth because she was on contract. If Elizabeth had stayed, she would have needed to be put on the payroll anyway because she was not in compliance with the law and there have been many problems in this area in the last 2 years. So either way, the District would be paying these payroll items.

We will be more than willing to give you the financial statements at the cost of reproducing them and current staff costs. (For the safety of District records District Personnel will make all copies.)

Enclosed is a copy of a request for District Materials. Please fill it out and get it back to me as soon as possible if you want the financial statements.

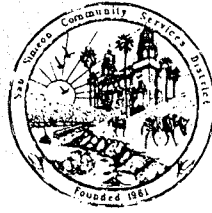
Thank you for your continued interest in the District. I will be more than willing to work with you within the parameters of the Board's instructions.

Sincerely,



Forrest G. Warren

San Simeon Community Services District



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

MEMORANDUM

DATE: May 8, 1998

TO: Robert Hahan

FROM: Forrest G. Warren

A handwritten signature in black ink, appearing to read "F. Warren", is written over the printed name.

SUBJECT: Separate account for rate increase (1996)

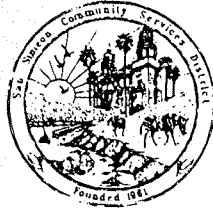
Bob Crosby has indicated that unless a rate increase was an assessment it does not need to be accounted for separately.

There is nothing in the minutes about assessments and no other Board action was taken

The ordinance says that it was for an increase in operating costs then there was no separate account set up or should there be one.

Elizabeth confirms the above.

San Simeon Community Services District



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

REQUEST FOR DISTRICT MATERIALS

DATE

I, _____ on behalf of
SIGNATURE

request a copy of San Simeon Community Services District records concerning the following
(must be specific).

I agree to pay for the cost of reproducing these records including staff time*. I understand that the District will respond to this request for copies as time allows.

* Cost of reproducing includes material and staff time at current salary rates.

HUNT
& ASSOCIATES
Attorneys and Counselors At Law

MEMORANDUM

TO: HONORABLE CHAIRMAN AND DIRECTORS
OF THE BOARD OF DIRECTORS

DATE: MAY 20, 1998

FROM: DAVID R. HUNT 

CLT/MTR: SSCSD.MTRS

SUBJECT: GENERAL COUNSEL POSITION

I am writing to inform you, with sincere regrets, that David M. Fleishman, Esq. has tendered his resignation with this law firm. The separation will be effective May 22, 1998. I have nothing but the greatest respect for Mr. Fleishman's work and his dedication to client service. On behalf of this law firm and its staff, I will be wishing Mr. Fleishman all the best and God-speed.

Mr. Fleishman's leaving of this firm leaves open a question as to what San Simeon Community Services District wishes to do regarding its General Counsel position. As you know, this law firm is the contract general counsel for the district, and Mr. Fleishman holds the appointment to that chair specifically. It is my desire to see to it that the district's wishes are met with respect to its General Counsel position. HUNT & ASSOCIATES stands ready, willing and able to continue to serve in that capacity. To that end I would recommend the appointment of Robert W. Schultz, Esq., an eleven year attorney to that position. On the other hand, if it is your desire to have Mr. Fleishman continue as General Counsel, we will endeavor to make the transition as smooth as possible.

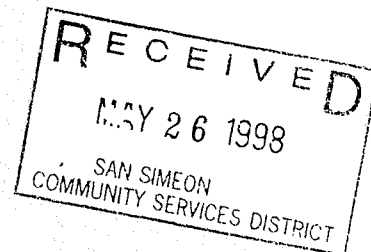
It is your interest we wish to protect. Mr. Schultz and myself are both available to discuss this matter with you if you have any questions or concerns. We shall take whatever action is necessary to accommodate your desires.

I thank you for your attention to this matter.

DRH

DRH/mlb
cc: Forrest Warren, General Manager

s:/dhr/sscsd.mtrs/bd98052098.mm



DAVID M. FLEISHMAN
ATTORNEY AT LAW
P.O. Box 12808
SAN LUIS OBISPO, CALIFORNIA 93406
PHONE (805) 541.3100 FAX (805) 461.5667

May 27, 1998

Via Fax 805.927.0399

Chairman Richard Andresen and the Members
of the Board of Directors
San Simeon Community Services District
111 Pico Avenue
San Simeon, California 93452

Re: General Counsel Position

Dear Chairman Andresen and Members of the Board of Directors:

As you are now probably aware, on May 20, 1998, I tendered my resignation to Hunt & Associates to begin a law practice of my own. I wanted to be the person who informed you of my decision to leave Hunt & Associates, but Mr. Hunt insisted that the news come from him, and I am informed he has written you a memorandum to that effect. One of the difficult issues that has arisen from my resignation is the status of the General Counsel position for the District. I have been informed that David Hunt has recommended Robert Schultz for the position, since the District's contract is with Hunt & Associates, not with me.

Please be assured that I still wish to serve as General Counsel for the District, and my primary goal is to ensure that there is no interruption or change in the services that I have provided you in the past. As such, I am willing to enter into an agreement with the District on the same terms as those contained in the Hunt & Associates contract. In addition, I realize that there is a two-month notice provision for termination of the Hunt & Associates contract, or a payment of \$1050 in lieu of notice. To ensure that the District does not suffer financially as a result of a transfer of the contract from Hunt & Associates to me, I am willing to absorb the \$1050 cost of buying out the contract with Hunt & Associates through a billing credit on the first four billing statements to the District.

I apologize for any inconvenience my resignation from Hunt & Associates has caused or may cause, but I hope to minimize the inconvenience to the full extent I can. It is my understanding that absent a special meeting with the Board, the next opportunity the Board will

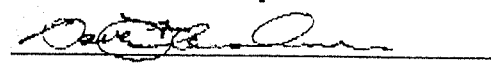
ADMITTED TO PRACTICE IN CALIFORNIA, ARIZONA AND NEVADA
E-MAIL: fleishman@lawyer.com
WEB SITE: <http://www.thegrid.net/dfleishman>

Chairman Andresen and Members
of the Board of Directors
May 27, 1998
Page 2

have to consider this issue is the June regular meeting. I plan on attending that meeting, but please recognize that it will be as only an observer. I understand that Mr. Hunt has decided to attend the meeting as General Counsel, and I am sure he will be able to advise you appropriately on the transfer of the contract, if that is what you wish to do. Again, please be assured that I wish to continue the working relationship we have enjoyed in the past, and I look forward to serving the District into the future.

Please feel free to call me should you have any questions.

Sincerely,



David M. Fleishman

/dmf

cc: Forrest Warren
1003.0001/RA980527

HEAT

MEMORANDUM

MICHAEL

TO: TOWN ENGINEER

FROM: DONALD

DATE: 11/15/68

SUBJECT:

Re: [Illegible text]

The Board [Illegible text]

It is recommended [Illegible text]

That the Board [Illegible text]

It is recommended [Illegible text]

That the Board [Illegible text]

Very truly yours,
[Illegible signature]

