

Board of Directors San Simeon Community Services District



REGULAR BOARD MEETING PACKET

**Thursday, March 11, 2021
Regular Meeting 6:00 pm**

**Virtual Board Meeting via Zoom
Meeting Room: 927-053-7206
Password: 114376**

Prepared by:



GRACE
ENVIRONMENTAL SERVICES

Board Meeting Brown Act Check Sheet

Does the agenda have the correct:

Meeting location

Meeting time

Is the agenda posted 72 hours prior to the Regular meeting

Posting 1 District Office

Posting 2 Post Office

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Is the agenda on the website 72 hours prior to the Regular meeting

Has the Board Packet been distributed to the Board

At the time of Packet Distribution to the Board has the Packet Been:

Distributed to the individuals / entities on the Distribution List

Loaded on the Website

Budget Committee Meeting

Does the agenda have the correct:

Meeting location

Meeting time

Is the agenda posted 72 hours prior to the Regular meeting

Posting 1 District Office

Posting 2 Corner Store

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Water Committee Meeting

Does the agenda have the correct:

Meeting location

Meeting time

Is the agenda posted 72 hours prior to the Regular meeting

Posting 1 District Office

Posting 2 Corner Store

Posting 3 Chamber of Commerce

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AGENDA
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
Thursday, March 11 2021
6:00 pm

Pursuant to Governor Gavin Newsom's Executive Order N-29-20 dated March 17, 2020 and the San Luis Obispo County Local Emergency Order and Regulation regarding COVID-19 dated March 18, 2020, this meeting shall occur as a virtual teleconference using the Zoom app. Members of the public cannot physically attend this meeting.

Internet Meeting Location

Join Zoom Meeting

<https://us02web.zoom.us/j/9270537206?pwd=RDNNcTErb2E1TmswRG51WGNEZVJLQT09>

Meeting ID: 927 053 7206

Password: 114376

One tap mobile

+1 669 900 9128, 9270537206# US (San Jose)

+1 346 248 7799, 9270537206# US (Houston)

Time: **March 11, 2021 6:00 PM Pacific Time**

NOTE: On the day of the meeting, the virtual meeting room will be open beginning at 5:30 PM. If you are unable to access the meeting please contact Cortney Murguia at (805) 400-7399 prior to the 6:00 PM meeting start time and staff can assist you in accessing the meeting. Should you have any questions related to the information on this agenda or if you wish to submit public comment in the written format you can email Cortney Murguia at admin@sansimeoncsd.org. Members of the public can also contact the District office at (805) 927-4778 or (805) 400-7399 with any questions or concerns related to this agenda or accessing the meeting.

1. REGULAR SESSION: 6:00 PM

A. Roll Call

2. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA:

Public Comment - Any member of the public may address the Board relating to any matter within the Board's jurisdiction, provided the matter is not on the Board's agenda.

Presentations are limited to three (3) minutes or less with additional time at the discretion of the Chair. Your comments should be directed to the Board as a whole and not directed to individual Board members. The Brown Act restricts the Board from taking formal action on matters not published on the agenda.

3. SPECIAL PRESENTATIONS AND REPORTS:

A. STAFF REPORTS:

- i. **Sheriff's Report** – Report for February.
- ii. **Superintendent's Report** – Summary of February activities.
- iii. **General Manager's Report** – Summary of February Activities.
- iv. **District Financial Summary** – Summary of February Financials.
- v. **District Counsel's Report** – Summary of February Activities.

B. PUBLIC COMMENTS ON SPECIAL PRESENTATIONS AND REPORTS:

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

4. CONSENT AGENDA ITEMS:

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

A. Review and approval of Minutes for the Regular Meeting on February 11, 2021.

B. Review and approval of Minutes for the Special Meeting on February 9, 2021.

C. Review and approval of Disbursements Journal.

D. Review of authorization of powers to the General Manager awarded under Resolution 20-419.

5. BUSINESS ACTION ITEMS:

Public Comment – Public comment will be allowed for each individual business item. Members of the public wishing to speak on business items may do so when recognized by the Presiding Officer. If a member of the public wishes to speak at this time, Public Comment is limited to three (3) minutes per person for each business item.

A. Approval of the District Fiscal Audit for 2019-2020.

B. Review draft sub-recipient agreement between the District and the County of San Luis Obispo regarding the Local Coastal Plan (LCP).

C. Direction to staff regarding the responses from the request for proposal related to the Coastal Hazard Response Plan (CHRP).

D. Discussion regarding the District of Distinction process.

E. Discussion regarding Oliveira Environmental Consulting general service proposal.

F. Direction to staff regarding real property offer for A.P.N. 013.091.027.

6. CLOSED SESSION:

A. Pursuant to Government Code §54956.9 (d)(2): Conference with District Legal Counsel regarding anticipated litigation. Number of cases: one (1). Robert Hather.

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

8. ADJOURNMENT

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

3. A. ii. SUPERINTENDENT REPORT
Jerry Copeland
Facilities Update for February 2021



SUPERINTENDENT'S REPORT

Item 3.A.ii

Prepared by: Jerry Copeland

1. Wastewater Treatment Plant

- All sampling, testing and reporting at the Wastewater Treatment Plant was performed as required by the RWQCB.
- The monthly report was submitted to the SWRCB.
- The Annual Biosolids report was submitted to SWRCB.
- The Variable Frequency Drive that controls Blowers #4 and #5 was replaced.
- One load of sludge was hauled away.

2. Water Treatment and Distribution System

- All routine sampling and testing was performed.
- The monthly report was submitted to the State Water Resources Control Board (SWRCB), Division of Drinking Water (DDW).
- Filter operations continue daily.
- Routine maintenance was performed on the R.O. Unit.
- Monthly water meter reading was performed.

3. District and Equipment Maintenance

- Staff continues with all the scheduled preventive maintenance for all the equipment at the facilities. We are recording all these activities.

San Simeon Community Services District

Superintendent's Report

February 2021

MONTHLY DATA REPORT

Date	Day	Wastewater Influent Daily Flow	Wastewater Effluent Daily Flow	Well 1 Total Daily Produced	Well 2 Total Daily Produced	Total Daily Water Produced	R.O. Daily Influent Flow	R.O. Daily Effluent Flow	R.O. Daily Brine Flow	Distribution Chloride	Chloride Wells		Recycled Water Distributed	Water Level Well 1	Water Level Well 2	Rainfall in Inches	State Flows
											1	2					
02/01/21	Monday	75,154	74,320	0	59,242	59,242	0	0	0	-	-	-	0	9.5	9.2	0.00	5,705
02/02/21	Tuesday	81,472	82,290	0	43,982	43,982	0	0	0	-	-	-	0	9.7	9.4	0.00	3,406
02/03/21	Wednesday	53,348	55,130	0	51,388	51,388	0	0	0	-	-	-	0	9.8	9.5	0.00	3,869
02/04/21	Thursday	55,586	54,500	1,571	36,802	38,372	3,280	2,177	1,103	-	-	-	0	9.9	9.6	0.00	916
02/05/21	Friday	58,788	63,400	0	58,942	58,942	0	0	0	-	-	-	0	10.0	9.7	0.00	2,028
02/06/21	Saturday	73,779	77,070	0	75,324	75,324	0	0	0	-	-	-	0	10.1	9.8	0.00	1,498
02/07/21	Sunday	58,987	54,400	0	43,085	43,085	0	0	0	-	-	-	0	10.0	9.8	0.00	3,176
02/08/21	Monday	71,308	72,950	0	46,526	46,526	0	0	0	-	-	-	0	9.9	9.6	0.00	1,883
02/09/21	Tuesday	59,021	57,980	0	53,781	53,781	0	0	0	-	-	-	0	9.9	9.6	0.00	1,077
02/10/21	Wednesday	49,805	51,510	449	52,435	52,884	0	0	0	-	-	-	0	9.8	9.5	0.00	1,562
02/11/21	Thursday	51,979	53,960	0	70,611	70,611	0	0	0	-	-	-	0	9.8	9.5	0.24	713
02/12/21	Friday	67,353	66,800	0	47,423	47,423	0	0	0	-	-	-	0	9.6	9.3	0.00	2,114
02/13/21	Saturday	82,251	83,080	0	81,233	81,233	0	0	0	-	-	176	0	9.2	9.0	0.00	1,410
02/14/21	Sunday	89,517	90,290	0	89,910	89,910	0	0	0	-	-	162	0	9.9	9.6	0.00	2,951
02/15/21	Monday	55,865	58,890	0	68,367	68,367	0	0	0	-	-	-	0	10.0	9.6	0.00	4,228
02/16/21	Tuesday	65,588	69,200	898	69,489	70,387	0	0	0	-	-	-	0	10.1	9.8	0.00	1,671
02/17/21	Wednesday	48,602	48,010	0	48,321	48,321	0	0	0	-	-	-	0	10.1	9.8	0.00	1,644
02/18/21	Thursday	49,013	52,610	0	52,659	52,659	0	0	0	-	-	-	0	10.1	9.7	0.00	1,317
02/19/21	Friday	68,286	67,480	0	63,655	63,655	0	0	0	-	-	-	0	10.0	9.7	0.00	2,196
02/20/21	Saturday	66,402	67,370	0	55,427	55,427	0	0	0	-	-	-	0	10.0	9.9	0.00	1,039
02/21/21	Sunday	67,311	68,350	0	83,402	83,402	0	0	0	-	-	-	0	10.0	10.0	0.00	3,663
02/22/21	Monday	45,891	49,910	0	55,427	55,427	0	0	0	-	-	-	0	9.8	9.6	0.00	2,598
02/23/21	Tuesday	48,147	51,280	673	56,399	57,072	0	0	0	-	-	-	0	9.8	9.5	0.00	1,291
02/24/21	Wednesday	42,857	47,090	0	50,191	50,191	0	0	0	-	-	-	0	9.7	9.4	0.00	1,946
02/25/21	Thursday	45,200	45,980	0	59,616	59,616	0	0	0	-	-	-	0	10.1	9.7	0.00	1,105
02/26/21	Friday	44,825	49,050	0	64,104	64,104	0	0	0	-	-	-	0	9.9	9.6	0.00	1,118
02/27/21	Saturday	72,866	74,910	0	58,793	58,793	0	0	0	-	-	-	0	10.1	9.9	0.00	1,466
02/28/21	Sunday	56,421	59,190	0	82,280	82,280	0	0	0	-	-	-	0	10.0	9.6	0.00	2,612
TOTALS		1,705,622	1,747,000	3,590	1,678,811	1,682,402	3,280	2,177	1,103				0			0.24	60,202
Average		60,915	62,393	128	59,958	60,086	117	78	39	-	-	169	0	9.9	9.6	0.01	2,150
Minimum		42,857	45,980	0	36,802	38,372	0	0	0	-	-	162	0	9.2	9.0	0.00	713
Maximum		89,517	90,290	1,571	89,910	89,910	3,280	2,177	1,103	-	-	176	0	10.1	10.0	0.24	5,705

DATA SUMMARY SHEET

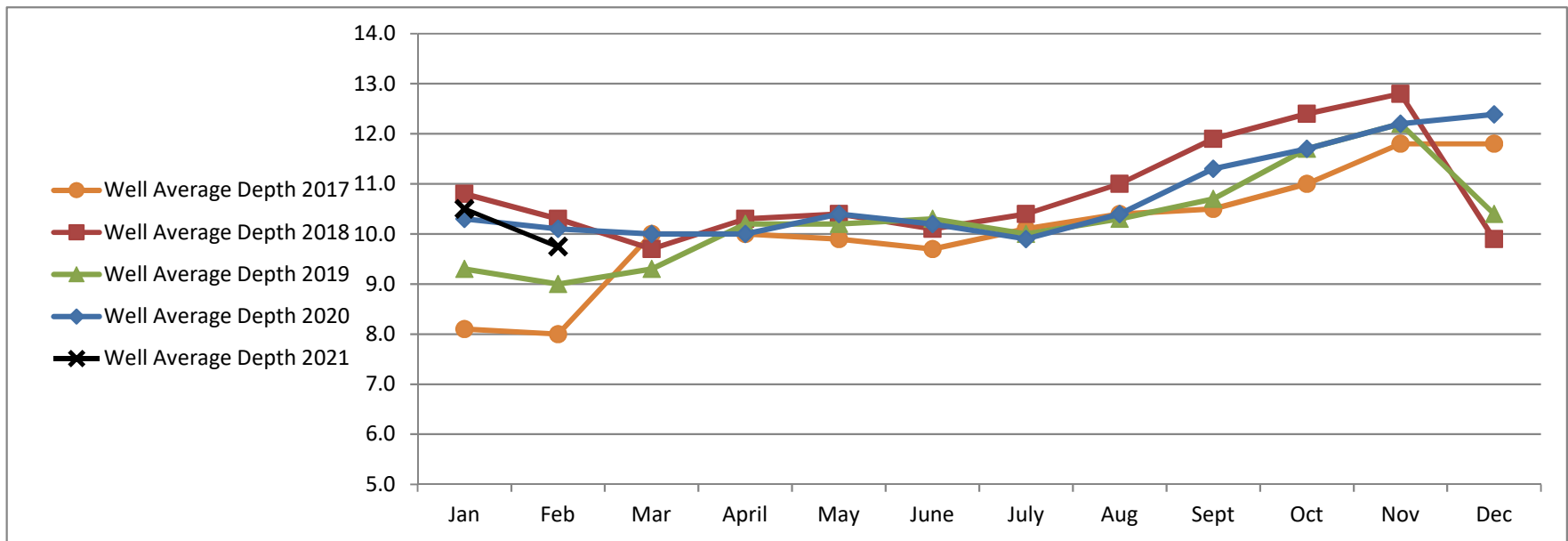
2021													
	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total for 2020
Wastewater Influent	2,399,103	1,705,622											4,104,725
Wastewater Final Effluent (Month Cycle)	2,546,130	1,747,000											4,293,130
Adjusted Wastewater Influent (- State Flow)	2,148,485	1,645,420											3,793,905
Water Produced (month cycle)	1,851,150	1,682,402											3,533,552
Sewer Influent/Water Produced Ratio	1.30	1.05											N/A
Adjusted Sewer/Water Produced Ratio	1.16	0.95											N/A
Well 1 Water Production	90,358	3,590											93,949
Well 2 Water Production	1,760,792	1,678,811											3,439,603
Total Well Production	1,851,150	1,682,402											3,533,552
Water Well 1 Avg Depth to Water	10.6	9.9											N/A
Water Well 2 Avg Depth to Water	10.4	9.6											N/A
Average Depth to Water of Both Wells	10.5	9.7											N/A
Change in Average Depth to Water from 2020	+0.2	-0.4											N/A
Average Chloride mg/L at the Wells	352	169											N/A
State Wastewater Treated	250,618	60,202											310,820
State % of Total WW Flow	10%	4%											N/A
Recycled Water Sold (Gallons)	0	0											0
Biosolids Removal (Gallons)	0	4,500											4,500
WW Permit Limitation Exceeded	0	0											0
RW Permit Limitation Exceeded	0	0											0
Constituent Exceeded	None	None											N/A
Sample Limit	N/A	N/A											N/A
Sample Result	N/A	N/A											N/A
2020													
	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total for 2020
Wastewater Influent	2,215,755	1,971,958	1,944,913	1,583,618	1,850,716	2,266,319	2,341,110	2,516,424	1,858,385	1,825,386	1,542,483	1,305,557	23,222,624
Wastewater Final Effluent (Month Cycle)	2,168,690	1,922,920	1,846,450	1,555,350	1,707,500	2,045,070	2,304,980	2,397,730	1,907,070	1,915,400	1,661,370	1,431,330	22,863,860
Adjusted Wastewater Influent(- State Flow) *	1,958,507	1,780,122	1,818,999	1,500,460	1,748,006	2,201,429	2,262,301	2,440,274	1,798,005	1,763,948	1,490,514	1,257,657	22,020,222
Water Produced (month cycle)	1,843,670	1,872,693	1,514,688	1,215,724	1,962,303	2,261,129	2,673,502	2,726,684	2,321,568	2,242,803	1,894,160	1,785,252	24,314,177
Sewer Influent/Water Produced Ratio	1.20	1.05	1.28	1.31	0.94	1.00	0.88	0.92	0.80	0.81	0.81	0.73	N/A
Adjusted Sewer/Water Ratio	0.94	0.95	1.20	1.24	0.89	0.91	0.85	0.90	0.78	0.79	0.79	0.71	N/A
Average Depth of Both Wells	10.3	10.1	10.0	10.0	10.4	10.2	9.9	10.4	11.3	12.2	12.8	12.5	N/A
Change in Average Depth to Water from 2019	+1.0	+1.1	+0.7	-0.2	+0.2	+0.1	+0.1	+0.1	+0.6	+0.5	+0.6	+1.1	N/A
Average Chloride mg/L at the Wells	32	32	32	-	-	-	-	-	-	<30	<30	55	N/A
State Wastewater Treated	257,248	191,836	125,914	83,158	102,710	64,890	78,809	76,150	60,380	61,438	51,969	47,900	1,202,402
State % of Total WW Flow	12%	10%	6%	5%	6%	3%	3%	3%	3%	3%	3%	4%	5.13%
Recycled Water Sold (Gallons)	0	0	0	0	0	0	0	0	0	0	0	0	0
Biosolids Removal (Gallons)	4,500	9,000	9,000	0	4,500	4,500	9,000	0	4,500	4,500	4,500	4,500	58,500
WW Permit Limitation Exceeded	0	0	0	0	0	0	0	0	0	0	0	0	N/A
RW Permit Limitation Exceeded	0	0	0	0	0	0	0	0	0	0	0	0	N/A
Constituent Exceeded	None	None	None	None	None	None	None	None	None	None	None	None	N/A
Sample Limit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sample Result	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

San Simeon Community Services District

Superintendent's Report

February 2021

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Well Average Depth 2017	8.1	8.0	10.0	10.0	9.9	9.7	10.1	10.4	10.5	11.0	11.8	11.8
Well Average Depth 2018	10.8	10.3	9.7	10.3	10.4	10.1	10.4	11.0	11.9	12.4	12.8	9.9
Well Average Depth 2019	9.3	9.0	9.3	10.2	10.2	10.3	10.0	10.3	10.7	11.7	12.2	10.4
Well Average Depth 2020	10.3	10.1	10.0	10.0	10.4	10.2	9.9	10.4	11.3	11.7	12.2	12.4
Well Average Depth 2021	10.5	9.7										



3. A. iii GENERAL MANAGER'S REPORT
Charles Grace
Update for February 2021



GENERAL MANAGER'S REPORT

Item 3.A.iii

Staff Activity – Report on Staff activities for the month of February 2021. Regular activities performed by District staff include:

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

Staff also attended to the following items:

- Responded to four (4) public records requests. Eight requests are still being assembled and will require additional efforts.
- Manually removed late fees from forty-three (43) utility accounts in the amount of \$3930.20.
- Coordinated uploading of historical Board meeting packets to the District website for the years 1996-1999, and 2001-2006.
- Prepared Board packets for the two special meetings that were held on February 9 and February 25, 2021.

Update on District Grants:

OPC Grant – There are no updates on this item.

LCP Grant – This item is on the agenda under Business Action Items.

Update on District Projects:

Disadvantaged Community Survey (MHI) – The MHI survey has been completed. The final survey can be found on the District website under the Financials section. The link is here: <https://sansimeoncsd.org/financials/>

LAFCO Solid Waste Power – The Protest results will be submitted to the Commission at the March 18, 2021 LAFCO meeting. The Certificate of Completion will be filed after that.

Water Tank Project Update – No update.

3. A. iv. DISTRICT FINANCIALS
Cortney Murguia
February 28, 2021

SAN SIMEON COMMUNITY SERVICES DISTRICT



3.A.iv FINANCIAL SUMMARY

Billing February 28, 2021

January Billing Revenue	\$	68,176.34
February Billing Revenue	\$	67,954.38
Past Due (60+ days)	\$	3,300.86

ENDING BANK BALANCES

February 28, 2021

PACIFIC PREMIER BANK:

Money Market Account Closing Balance January 31, 2021	\$	1,093,598.58
Interest for January	\$	167.80
Money Market Account Closing Balance February 28, 2021	\$	1,093,766.38
Reserve Fund		(250,000.00)
Wait-list Deposits		(70,836.00)
Customer Deposits		(8,900.00)
Available Funds	\$	764,030.38
General Checking Account February 28, 2021	\$	77,243.54
LAIF Closing Balance February 28, 2021	\$	559.89
Interest Money Market Account 2019	\$	22,529.11
Interest Money Market Account 2020	\$	12,206.44
Interest Money Market Account 2021	\$	353.55

SAN SIMEON COMMUNITY SERVICES DISTRICT
Balance Sheet
As of February 28, 2021

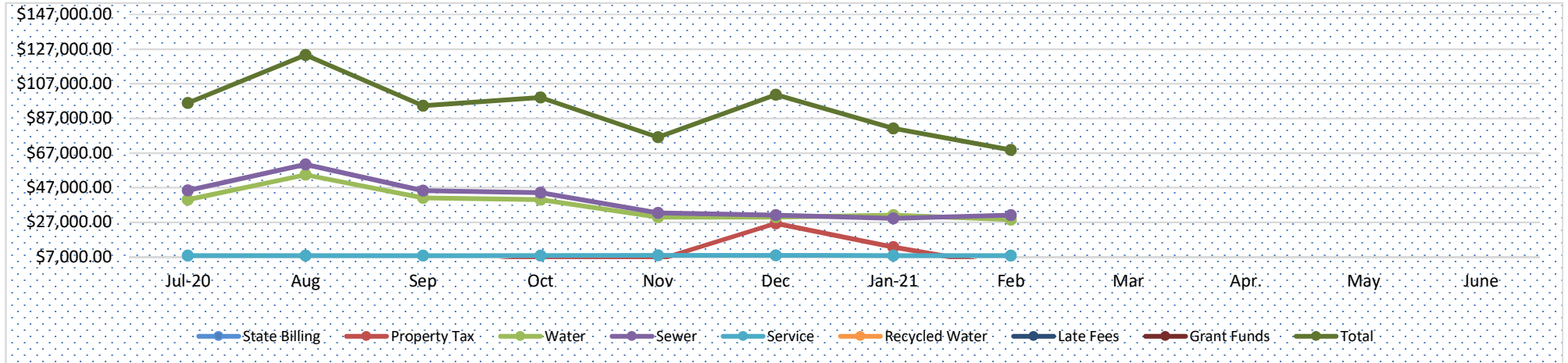
	Feb 28, 21
ASSETS	
Current Assets	
Checking/Savings	
1010 · Petty cash	150.00
1015 · Pac Prem Ckg-6603	68,099.79
1017 · Pacific Premier-Money Market	1,093,766.38
1050 · LAIF - non-restricted cash	559.89
Total Checking/Savings	1,162,576.06
Other Current Assets	
1200 · Accounts receivable	95,765.43
1300 · Prepaid expenses	4,319.75
Total Other Current Assets	100,085.18
Total Current Assets	1,262,661.24
Fixed Assets	
1400 · Fixed assets	
1420 · Building and structures	279,580.67
1500 · Equipment	12,689.93
1560 · Pipe bridge	29,497.00
1580 · Sewer plant	869,343.61
1600 · Water system	235,615.43
1620 · WWTP expansion	299,565.92
1630 · Tertiary Project	568,063.00
1640 · Wellhead Rehab Project	448,253.95
1650 · Walkway access projects	26,791.00
1660 · RO Unit	944,121.38
1680 · Generator	18,291.00
Total 1400 · Fixed assets	3,731,812.89
1450 · Construction in Progress	
1670 · Reservoir / Water Tanks	285,995.56
Total 1450 · Construction in Progress	285,995.56
1690 · Accumulated depreciation	(1,508,365.18)
Total Fixed Assets	2,509,443.27
TOTAL ASSETS	3,772,104.51
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2100 · Payroll liabilities	(30.60)
2500 · Customer security deposits	8,750.00
2510 · Connect hookup wait list	70,944.00
2520 · USDA Loan	442,920.02
Total Other Current Liabilities	522,583.42
Total Current Liabilities	522,583.42
Total Liabilities	522,583.42

SAN SIMEON COMMUNITY SERVICES DISTRICT
Balance Sheet
As of February 28, 2021

	<u>Feb 28, 21</u>
Equity	
3200 · Fund balance	2,329,133.43
3201 · BOD designated - water improve	53,618.00
3202 · BOD designated-WW improvement	53,315.00
3203 · BOD designated-gen fund improve	15,065.00
3204 · BOD designated for reserves	250,000.00
3205 · BOD designated for customer dep	80,140.00
3206 · Unrestricted net equity	576,332.00
3900 · Suspense	38.03
Net Income	(108,120.37)
	<hr/>
Total Equity	3,249,521.09
	<hr/>
TOTAL LIABILITIES & EQUITY	3,772,104.51
	<hr/> <hr/>

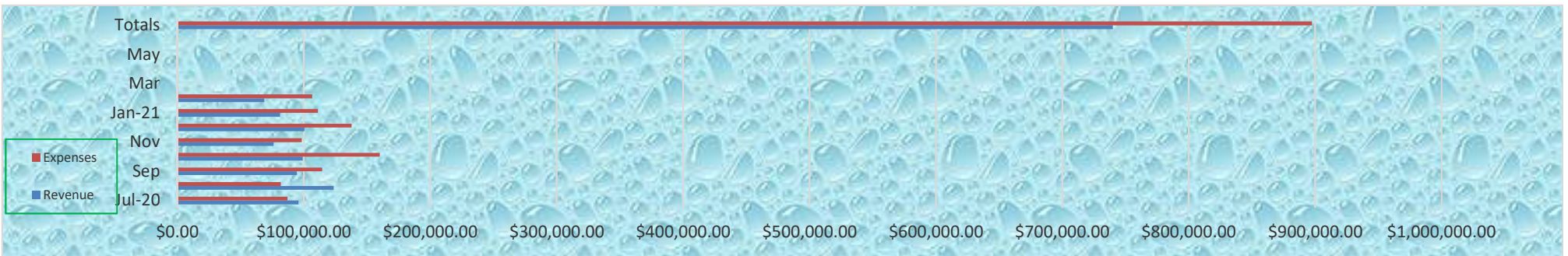
DISTRICT REVENUE FY 2020/2021

	Jul-20	Aug	Sep	Oct	Nov	Dec	Jan-21	Feb	Mar	Apr.	May	June	Totals
State Billing			\$4,898.26			\$4,898.26							\$9,796.52
Property Tax	\$2,336.92	\$751.11	\$11.88	\$6,945.71	\$5,461.44	\$26,458.17	\$12,827.64	\$1,063.98					\$55,856.85
Water	\$40,209.97	\$54,512.44	\$41,179.63	\$40,129.44	\$30,132.26	\$30,099.00	\$31,207.86	\$28,567.08					\$296,037.68
Sewer	\$45,546.00	\$60,488.59	\$45,320.14	\$44,227.62	\$32,486.93	\$31,269.68	\$29,285.81	\$31,276.88					\$319,901.65
Service	\$7,830.48	\$7,834.18	\$7,910.24	\$7,872.17	\$8,062.36	\$7,948.27	\$7,910.24	\$7,910.24					\$63,278.18
Recycled Water													\$0.00
Late Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00						\$0.00
Grant Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00						\$0.00
Total	\$95,923.37	\$123,586.32	\$94,421.89	\$99,174.94	\$76,142.99	\$100,673.38	\$81,231.55	\$68,818.18					\$739,972.62
Water Sold Cu Ft	292033	387244	297886	291236	218802	217498	215864	209660					2130223
Water Sold Acre ft	6.70	8.89	6.84	6.69	5.02	4.99	4.96	4.81					48.90



REVENUE VS EXPENSES

	Jul-20	Aug	Sep	Oct	Nov	Dec	Jan-21	Feb	Mar	Apr.	May	June	Totals
Revenue	\$95,923.37	\$123,586.32	\$94,421.89	\$99,174.94	\$76,142.99	\$100,673.38	\$81,231.55	\$68,818.18					\$739,972.62
Expenses	\$87,144.37	\$81,902.63	\$114,623.38	\$160,041.02	\$98,357.85	\$137,804.21	\$111,151.88	\$106,602.36					\$897,627.70
Balance	\$8,779.00	\$41,683.69	(\$20,201.49)	(\$60,866.08)	(\$22,214.86)	(\$37,130.83)	(\$29,920.33)	(\$37,784.18)					(\$157,655.08)



**SAN SIMEON COMMUNITY SERVICES
HISTORICAL FISCAL REVIEW**

FY 2017/2018

Month	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fiscal Total
State Billing			\$24,606.31			\$21,914.14			\$21,542.66			\$23,690.87	\$91,753.98
Property Tax	\$1,282.43		\$121.78	\$3,983.38	\$11,222.22	\$31,099.09	\$7,506.90	\$2,750.02	\$640.94	\$22,168.20	\$1,686.05	\$771.97	\$83,232.98
Water	\$34,880.43	\$36,192.33	\$31,137.52	\$27,999.25	\$26,930.07	\$19,762.53	\$22,551.64	\$25,457.70	\$16,741.07	\$28,408.76	\$27,795.23	\$36,075.95	\$333,932.48
Sewer	\$38,495.46	\$39,770.86	\$33,836.96	\$30,919.58	\$29,421.68	\$21,164.32	\$25,021.12	\$28,652.26	\$19,108.33	\$32,900.73	\$31,492.38	\$40,773.70	\$371,557.38
Service	\$6,820.12	\$6,950.95	\$6,821.63	\$6,659.98	\$6,886.29	\$6,886.29	\$6,789.30	\$6,853.96	\$6,724.64	\$6,724.64	\$6,724.64	\$6,724.64	\$81,567.08
Late Fees	\$628.24	\$379.06	\$292.61	\$241.85	\$221.14	\$159.01	\$113.69	\$197.92	\$487.09	\$284.43	\$202.63	\$179.47	\$3,387.14
Grant Funds	\$332,310.87						\$42,858.00						
Revenue	\$82,106.68	\$83,293.20	\$96,816.81	\$69,804.04	\$74,681.40	\$100,985.38	\$61,982.65	\$63,911.86	\$65,244.73	\$90,486.76	\$67,900.93	\$108,216.60	\$965,431.04
Expense	\$94,660.34	\$87,503.06	\$104,489.98	\$71,763.52	\$62,490.35	\$85,613.60	\$88,196.48	\$73,251.65	\$109,510.66	\$70,856.21	\$80,363.24	\$80,743.66	\$1,009,442.75
Balance	(\$12,553.66)	(\$4,209.86)	(\$7,673.17)	(\$1,959.48)	\$12,191.05	\$15,371.78	(\$26,213.83)	(\$9,339.79)	(\$44,265.93)	\$19,630.55	(\$12,462.31)	\$27,472.94	(\$44,011.71)
Water Sold Cu Ft	299369	310960	266284	241692	232942	169355	194345	217741	144425	244412	237414	308832	2,867,771
Water Sold Acre f	6.87	7.14	6.11	5.55	5.35	3.89	4.46	5.00	3.32	5.61	5.45	7.09	65.84

FY 2018/2019

Month	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fiscal Total
State Billing			\$26,723.91			\$20,971.00			\$19,858.71			\$19,390.52	\$86,944.14
Property Tax	\$1,288.59		\$169.19	\$7,205.82	\$8,542.19	\$33,187.58	\$1,319.32	\$4,888.55	\$2,227.01	\$22,928.34	\$3,062.24	\$1,057.02	\$85,875.85
Water	\$41,336.59	\$45,279.14	\$41,178.74	\$34,050.67	\$30,760.16	\$24,353.21	\$29,009.60	\$27,745.06	\$24,146.67	\$35,445.24	\$29,158.01	\$38,455.33	\$400,918.42
Sewer	\$47,258.33	\$53,156.35	\$47,379.43	\$39,628.31	\$35,491.84	\$28,149.21	\$34,169.78	\$32,181.86	\$27,850.19	\$41,666.62	\$33,854.74	\$44,856.07	\$465,642.73
Service	\$7,111.73	\$7,113.60	\$7,113.60	\$7,113.60	\$7,079.40	\$7,079.40	\$7,147.80	\$7,079.40	\$7,079.40	\$7,079.40	\$7,045.20	\$7,079.40	\$85,121.93
Late Fees	\$461.43	\$201.49	\$290.08	\$168.71	\$600.53	\$135.60	\$178.43	\$146.51	\$126.87	\$177.46	\$111.54	\$272.66	\$2,871.31
Grant Funds				\$11,367.00		\$18,753.05							
Revenue	\$97,456.67	\$105,750.58	\$122,854.95	\$88,167.11	\$82,474.12	\$113,876.00	\$71,824.93	\$72,041.38	\$81,288.85	\$107,297.06	\$73,231.73	\$111,111.00	\$1,127,374.38
Expense	\$81,495.91	\$74,250.58	\$102,279.81	\$104,990.12	\$111,554.79	\$92,037.25	\$94,850.91	\$94,625.06	\$71,744.58	\$105,016.25	\$89,244.32	\$98,066.81	\$1,120,156.39
Balance	\$15,960.76	\$31,500.00	\$20,575.14	(\$16,823.01)	(\$29,080.67)	\$21,838.75	(\$23,025.98)	(\$22,583.68)	\$9,544.27	\$2,280.81	(\$16,012.59)	\$13,044.19	\$7,217.99
Water Sold Cu Ft	334631	367360	332914	275609	243491	195107	236456	227602	197397	288979	236030	311046	3,246,622
Water Sold Acre f	7.68	8.43	7.64	6.33	5.59	4.48	5.43	5.23	4.53	6.63	5.42	7.14	74.53

FY 2019/2020

Month	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fiscal Total
State Billing			\$25,528.71			\$22,455.35			\$15,776.54			\$7,016.19	\$70,776.79
Property Tax	\$1,218.61	\$2,752.21	\$3,126.48	\$5,305.64	\$6,019.52	\$23,503.23	\$13,612.60	\$5,282.91	\$2,659.00	\$15,436.18	\$9,385.45	\$916.22	\$89,218.05
Water	\$41,718.97	\$39,623.52	\$40,324.01	\$43,808.36	\$32,208.00	\$23,432.56	\$33,732.14	\$34,067.23	\$24,268.55	\$17,909.86	\$28,582.31	\$36,460.31	\$396,135.82
Sewer	\$48,137.21	\$45,503.27	\$45,161.69	\$48,244.57	\$34,916.02	\$26,527.95	\$39,321.56	\$39,368.21	\$27,637.52	\$19,243.28	\$29,934.22	\$37,683.06	\$441,678.56
Service	\$7,113.60	\$7,045.20	\$7,079.40	\$7,451.10	\$7,489.26	\$7,344.54	\$7,525.44	\$7,453.08	\$7,489.26	\$7,489.26	\$7,489.26	\$7,453.08	\$88,422.48
Recycled Water													\$0.00
Late Fees	\$1,957.04	\$2,399.24	\$1,407.87	\$468.45	\$316.84	\$1,136.41	\$237.28	\$307.96	\$2,793.44	\$5,540.71	\$4,647.78	\$3,802.45	\$25,015.47
Grant Funds			\$8,750.00	\$167,376.61						\$1,485.90		\$8,369.50	\$185,982.01
Revenue	\$100,145.43	\$97,323.44	\$122,628.16	\$105,278.12	\$80,949.64	\$104,400.04	\$94,429.02	\$86,479.39	\$80,624.31	\$65,619.29	\$80,039.02	\$93,331.31	\$1,111,247.17
Expense	\$90,205.84	\$67,705.50	\$94,401.58	\$97,595.50	\$87,822.01	\$86,173.97	\$85,716.44	\$75,643.11	\$62,582.54	\$73,942.83	\$90,232.61	\$79,762.52	\$991,784.45
Balance	\$9,939.59	\$29,617.94	\$28,226.58	\$7,682.62	(\$6,872.37)	\$18,226.07	\$8,712.58	\$10,836.28	\$18,041.77	(\$8,323.54)	(\$10,193.59)	\$13,568.79	\$119,462.72
Water Sold Cu Ft	336845	319458	323518	329822	242893	179311	260006	261505	185972	137196	217871	274085	3,068,482
Water Sold Acre f	7.73	7.33	7.43	7.57	5.58	4.12	5.97	6.00	4.27	3.15	5.00	6.29	70.44

4. CONSENT AGENDA

- A. Review and approval of Minutes for the Regular Meeting on February 11, 2021.**

MINUTES
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
Thursday, February 11, 2021
6:00 pm

Internet Meeting Location- ZOOM

1. REGULAR SESSION: 6:01 PM

- A.** Chairperson Kellas – Present
- Director Carson – Present
- Director Maurer – Present
- Director de la Rosa – Present
- Director Giacoletti – Present (arrived late)

2. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA:

Public Comment – (1:51)

- Julie Tacker commented.
- Henry Krzciuk commented.
- Michael Donahue commented.

3. SPECIAL PRESENTATIONS AND REPORTS:

A. STAFF REPORTS:

- i. Sheriff’s Report** – Sergeant Langton provided the report for January.
- ii. Superintendent’s Report** – (13:45) Jerry Copeland provided a summary of January activities.
- iii. General Manager’s Report** – (15:37) Chairperson Kellas provided a summary of January activities.
- iv. District Financial Summary** – (18:00) Cortney Murguia provided a summary of the January financials.
- v. District Counsel’s Report** – (18:50) Jeffrey Minnery provided a summary of January activities which includes items related to the moratorium.

B. PUBLIC COMMENTS ON SPECIAL PRESENTATIONS AND REPORTS:

Public Comment – (20:00)

- Henry Krzciuk commented.
- Julie Tacker commented.
- Michael Donahue commented.

4. CONSENT AGENDA ITEMS (28:48)

- A. Review and approval of Minutes for the Regular Meeting on January 14, 2021.**

B. Review and approval of Disbursements Journal.

C. Review of authorization of powers to the General Manager awarded under Resolution 20-419.

D. Adoption of Resolution 21-430 regarding the Voter's Right Act.

(33:00) Director Carson asked about the Voter's Right Act.

Public Comment – (35:05)

Julie Tacker commented.

Henry Krzciuk commented.

A motion was made to approve the consent agenda.

Motion: Chairperson Kellas

2nd: Director Carson

Vote: 4/1

Abstain:

Roll Call:

Kellas: Yes

Carson: Yes

Maurer: Yes

de la Rosa: Yes

Giacoletti: No

5. BUSINESS ACTION ITEMS:

A. Consideration of Review of Draft District Audit 2019-2020 presented Adam Guise from Moss, Levy & Hartzheim, LLP. (45:58)

Adam Guise presented the audit for FY 19/20.

Public Comment – (54:15)

April Dury commented.

Julie Tacker commented.

Henry Krzciuk commented.

A motion was made to accept the draft audit for FY 19/20. (1:06:45)

Motion: Chairperson Kellas

2nd: Director Carson

Vote: 4/1

Abstain: Giacioletti

Roll Call:

Kellas: Yes

Carson: Yes

Maurer: Yes

de la Rosa: Yes

Giacoletti: Abstain

B. Consideration of updates to the policy & procedures manual. (1:07:50)

Chairperson Kellas introduced the item.

(1:08:49) Chairperson Kellas asked that on page eleven (11) the language be updated: Committee members must be registered San Simeon voters, or reside in San Simeon, or property owners, or own a business that operates within the District boundary.

Public Comment (1:10:57)

Henry Krzciuk commented.

Julie Tacker commented.

April Dury commented.

A motion was made to accept the Policy & Procedures manual with the proposed changes and the updated language on page eleven (11). (1:24:10)

Motion: Chairperson Kellas

2nd: Director Carson

Vote: 4/1

Abstain:

Roll Call:

Kellas: Yes

Carson: Yes

Maurer: Yes

de la Rosa: Yes

Giacoletti: No

C. Chair appointment of standing committee members per District policy # 13.00.02.

(1:25:45)

Chairperson Kellas introduced this item.

Water Committee Members (1:28:19)

John Russell

Leroy Price

Michael Hanchett

Daniel de la Rosa

Budget Committee Members (1:28:33)

Kathy Fry (later removed)

Bill Maurer

Luz Hernandez

Michael Hanchett

Miguel Sandoval

Public Comment (1:29:10)

Julie Tacker commented.

Henry Krzciuk commented.

April Dury commented.

(1:35:35) Director Maurer asked District Counsel a question related to requirements that establish proof of operating a business within San Simeon.

(1:38:24) Public Comment

Julie Tacker commented.

(1:41:00) Public Comment

April Dury commented.

Henry Krzciuk commented.

Miguel Sandoval commented. He volunteered for the Budget Committee.

Michael Hanchett commented.

A motion was made to accept the following committee members. (1:45:32)

Water- Russell, Price, Hanchett, De la Rosa

Budget – Sandoval, Hanchett, Maurer, Hernandez

Motion: Chairperson Kellas

2nd: Director Carson

Vote: 4/1

Abstain:

Roll Call:

Kellas: Yes

Carson: Yes

Maurer: Yes

de la Rosa: Abstain

Giacoletti: Yes

D. Direction to staff regarding the responses from the request for proposal related to the Coastal Hazard Response Plan (CHRP). (1:47:10)

(1:50:19) Director Maurer inquired about the selection process.

(1:52:00) Director Carson asked a question about the timeline related to the contract.

(1:54:00) Public Comment

Hank Krzciuk commented.

Julie Tacker commented.

Michael Hanchett commented.

A consensus was made to schedule interviews for both the applicants in February.
(2:04:25)

E. Authorization for District Staff to obtain Alpha Electric to install a new Blower Variable Feed Drive (VFD) not to exceed the amount of \$8,000.00. (2:11:55)

Chairperson Kellas introduced the item.

A motion was made to approve the installation of a new blower variable feed drive not to exceed the amount of \$8,000.00. (2:13:10)

(2:13:40) Public Comment
Hank Krzciuk commented.

Motion: Chairperson Kellas

2nd: Director Maurer

Vote: 4/1

Abstain: Giacoletti

Roll Call:

Kellas: Yes

Carson: Yes

Maurer: Yes

de la Rosa: Yes

Giacoletti: Abstain

F. Discussion and direction to staff repair or replacement of Waste Water Treatment Plant (WWTP) blower 5 motor. (2:15:33)

Chairperson Kellas introduced the item.

A motion was made to replace blower 5 motor in amount of \$9,340.04 not to exceed amount of \$10,000. (2:16:55)

Motion: Chairperson Kellas

2nd: Director Carson

Vote: 4/1

Abstain: Giacoletti

Roll Call:

Kellas: Yes

Carson: Yes

Maurer: Yes

de la Rosa: Yes

Giacoletti: Abstain

G. Consideration of request from Robert Hather for an intent to serve letter 013-091-027. (2:18:57)

Chairperson Kellas introduced the item.

Chairperson Kellas made a recommendation to continue this item for a future board meeting based on inability to provide findings on performance with moratorium. (2:19:30)

(2:21:14) Public Comment

Robert Hather commented

Michael Hanchett commented

Hank Krzciuk commented

Jeff Stolberg commented

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

A motion was made to have a closed session to discuss the pros and cons of Robert Hather's intent to serve letter before voting on approval (3:11:56)

Director Carson commented to have an "up or down" vote on Robert Hather intent to serve letter before having a closed session. (3:12:41)

No action was taken

7. ADJOURNMENT @ 9:18 PM

4. CONSENT AGENDA

B. Review and approval of Minutes for the Special Meeting on February 9, 2021.

SPECIAL MEETING MINUTES
February 9, 2021
Meeting held via Zoom



1. REGULAR SESSION @ 6:00 PM

- A.** Chairperson Kellas – Present
- Vice-Chairperson Giacoletti – Present
- Director Carson – Present
- Director Maurer – Present
- Director de la Rosa – Present

2. PUBLIC COMMENT (2:12)

Henry Krzciuk commented.
David Sansone commented.
Michael Hanchett commented.
MC (name was not provided) commented.
Julie Tacker commented.

3. BUSINESS ITEMS

A. Adoption of Resolution 21-429 Adopting the San Luis Obispo County Multi-Jurisdictional Local Hazard Mitigation Plan. (14:00)

Chairperson Kellas introduced the item.

A motion was made to adopt Resolution 21-429.

Motion: Chairperson Kellas

2nd: Director: Director Carson

Vote: 5/0

Abstain:

Roll Call:

Kellas: Yes

Carson: Yes

Maurer: Yes

de la Rosa: Yes

Giacoletti: Yes

B. Update on Efforts to Modify the Moratorium and Direction to Staff and Legal Counsel to obtain proposals to update the Master Plan (2018) for Water Service Reliability and related provisions included in the guidebook for preparing 2020 Urban Water Management Plans by the California State Department of Water Resources. (17:00)

Paavo Ogren was present and presented a PowerPoint presentation related to this item.

(34:50) Director Carson asked about members of the public and how they could communicate concerns about the need for CEQA.

(40:30) Director de la Rosa inquired about CEQA and lifting the moratorium.

(45:05) Vice-Chairperson Giacoletti remarked about the potential variants that could influence the decision to lift the moratorium.

(1:00:00) Director Maurer asked about the RO set up and if this equipment could sustain new development.

(1:02:10) Director de la Rosa asked about which residents would cover the costs of building a new RO set up, should one be needed.

(1:11:30) Director de la Rosa inquired about the number of proposed units and how it correlates with the water availability figures.

(1:16:50) Director Maurer asked about the number of units that could be built each year.

(1:26:15) Public Comment
Jeff Stolberg commented.
Tina Dickinson commented.
Henry Krzciuk commented.
Julie Tacker commented.

(1:40:51) A motion was made to direct staff to update the master plan for water service reliability and a water shortage contingency plan.

Motion: Chairperson Kellas
2nd: Director de la Rosa
Vote: 5/0
Abstain:

Roll Call:

Kellas: Yes Carson: Yes Maurer: Yes de la Rosa: Yes Giacoletti: Yes

4. ADJOURNMENT @ 7:42 PM

4. CONSENT AGENDA

C. Review and approval of Disbursements Journal.

SAN SIMEON COMMUNITY SERVICES DISTRICT
Disbursements Journal
March 2021

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Paid Amount</u>
Paycheck	03/11/2021	2181	GWEN KELLAS	Board Service February 2 through March 1, 2021.	-92.35
Paycheck	03/11/2021	2182	MARY P GIACOLETTI	Board Service February 2 through March 1, 2021.	-92.35
Paycheck	03/11/2021	2183	WILLIAM E MAURER	Board Service February 2 through March 1, 2021.	-92.35
Paycheck	03/11/2021	2184	WILLIAM J CARSON	Board Service February 2 through March 1, 2021.	-92.35
Bill Pmt -Check	03/11/2021	2185	Adamski Moroski Madden Cumberland & Green	General legal fees through 01/31/2021. Includes charges for Paavo Ogren \$6500.00 Inv 53317 2/28/21	-16,069.50
Bill Pmt -Check	03/11/2021	2186	Alpha Electrical Service Inc.	Replace 60 HP Blower VFD (Variable Frequency Drive) at Sewer Plant. Inv 9581 2/24/21.	-6,997.96
Bill Pmt -Check	03/11/2021	2187	ASAP Reprographics	Scan in Board Packets for electronic retention for years: 1996-1999, 2001-2006. Inv 69671 2/2/21.	-1,297.03
Bill Pmt -Check	03/11/2021	2188	Harrington Industrial Plastics, LLC	12 filters for turbidity filter Inv. 013B6891 1/29/2021	-3,255.50
Bill Pmt -Check	03/11/2021	2189	Harrington Industrial Plastics, LLC	9 cartridges for bacteria filters. Inv 013B7139 2/17/2021	-5,229.76
Bill Pmt -Check	03/11/2021	2190	Kathleen Fry Bookkeeping Services	Bookkeeping services Feb 2021. Inv CSD-2021-02 2/28/21.	-1,320.00
Bill Pmt -Check	03/11/2021	2191	Lori Mather Video Services	Video services for Special Zoom meeting held on 2/9/21. Invoice dated 2/12/21.	-300.00
Bill Pmt -Check	03/11/2021	2192	Moss, Levy & Hartzheim, LLP	Audit to Date for FYE 6/30/2020. Inv 25606 1/31/21.	-775.00
Bill Pmt -Check	03/11/2021	2193	rrm design group	Solid waste authority planning services, coordinate with LAFCO. Inv 0440-02-0121 2/9/21.	-370.00
Bill Pmt -Check	03/11/2021	2194	RVS Software	Annual software maintenance and updates 3/21/2021 to 3/20/2022. Inv. 170156 2/1/21.	-710.00
Bill Pmt -Check	03/11/2021	2195	Simply Clear Marketing & Media	Monthly Website Service and Mgt fee service period Mar 21 - Apr 20, 2021. Inv 31288 2/23/2021.	-400.00
Bill Pmt -Check	03/11/2021	2196	Simply Clear Marketing & Media	Website Modifications.Upload Board packets and patial redesign of Distrifct website to include Board Packets 1996-1999 and 2001-2006.	-3,125.00
Bill Pmt -Check	03/11/2021	2197	SUSP - Specialized Utility Svcs Pgm	Median Household Income (MHI) Survey for Disadvantaged Community (DAC) Status through Regional W...	-9,750.00
Bill Pmt -Check	03/11/2021	2198	SWRCB--ELAP State Water Resource Ctrl Bd	VOID CHECK: Annual ELAP fee - Environmental Laboratory Accreditation Program for Certificate #2880.	0.00
Bill Pmt -Check	03/11/2021	2199	Wood Environment & Infrastructure Solutio	On-Call Grant Support Services through 11/2020. Inv S498342741 12/21/20.	-705.00
Bill Pmt -Check	03/11/2021	2200	Grace Environmental Services	Operations Management, Electrical and Maintenance Fees Mar 2021 Inv # 1437 3/1/21.	-54,197.39
Check	03/25/2021	Elec Pymt	CalPERS Fiscal Svcs Div	Retiree Health monthly premium for April 2021.	-351.65
Check	03/25/2021	Elec Pymt	CalPers Fiscal Svcs Divn	Unfunded Accrued Liability only - prepayment for April 2021. Cust. ID # 7226734344.	-1,317.97
Liability Check	03/25/2021	Elec Pymt	United States Treasury	Payroll tax payment for paychecks dated 03/11/21.	-61.20
TOTAL					-106,602.36

4. CONSENT AGENDA

D. Review of authorization of powers to the General Manager awarded under Resolution 20-419.



CONSENT AGENDA ITEM STAFF REPORT

Item 4.C. Review of authorization of powers to the General Manager awarded under Resolution 20-419.

Summary:

On April 22, 2020, District Resolution 20-419 was adopted by the Board. A copy of this resolution is included with this staff report. Within this resolution item number six (6) requires that the authority vested in the General Manager by this resolution will be reviewed during each regularly scheduled Board meeting.

Enc: Resolution 20-419

RESOLUTION NO. 20-419

**RESOLUTION OF THE SAN SIMEON COMMUNITY SERVICES
DISTRICT TO TEMPORARILY AUTHORIZE INCREASED
AUTHORITY OF THE GENERAL MANAGER AND TEMPORARY
RELIEF FOR NONPAYMENT OF WATER/SEWER BILLS**

Recitals

WHEREAS, on March 4, 2020, the Governor of the State of California declared a State of Emergency to exist in California as a result of the threat of Novel Coronavirus 2019 (“COVID-19”); and

WHEREAS, on March 12, 2020, the Governor issued Executive Order N-25-20 in further response to the spread of COVID-19, mandating compliance with state and local public health officials as pertains to measures to control the spread of COVID-19; and

WHEREAS, on March 13, 2020, the San Luis Obispo County Health Officer declared a public health emergency and the County Emergency Services Director also proclaimed a local emergency due to the COVID-19 pandemic; and

WHEREAS, on March 14, 2020, the San Luis Obispo County Public Health Department announced the first confirmed case of COVID-19 in San Luis Obispo County, and additional cases have since been confirmed; and

WHEREAS, the health, safety and welfare of San Simeon Community Services District (“District”) residents, businesses, visitors and staff are of utmost importance to the Board of Directors (“Board”), and additional future measures may be needed to protect the community; and

WHEREAS, preparing for, responding to, mitigating, and recovering from the spread of COVID-19 may require the District to divert resources from normal day-to-day operations and it may impose extraordinary requirements on and expenses to the District; and

WHEREAS, the District General Manager (“General Manager”) currently has spending authority up to \$5,000.00, without prior Board approval in addition to limited authority related to personnel matters; and

WHEREAS, in the absence of Board action, strict compliance with certain District rules and ordinances could prevent, hinder, or delay appropriate actions to prevent and mitigate the effects of COVID-19; and

WHEREAS, after consideration of all the facts reasonably available for review at the present time, the Board of Directors finds it in the best interest of the District to authorize the increase in General Manager spending authority to \$10,000, and up to \$15,000 upon authorization

from the President of the Board, and approves all acts necessary and appropriate to ensure the operation of the District.

WHEREAS, the Board understands that the closures of schools and other businesses due to COVID-19 is causing or may cause a financial hardship for many of its ratepayers and therefore will suspend discontinuation of services and make other accommodations for ratepayers experiencing a hardship during this emergency.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Directors of the San Simeon Community Services District, as follows:

1. The Board of Directors authorizes an increase in the General Manager's spending authority to \$10,000, and up to \$15,000 upon authorization from the President of the Board.
2. The Board of Directors orders that the process to discontinue water or sewer service for nonpayment shall be suspended. Ratepayers experiencing a financial hardship should contact the District office.
3. The Board of Directors orders that all late fees for nonpayment of water or sewer service shall be waived. Ratepayers experiencing a financial hardship should contact the District office.
4. The Board of Directors orders that for ratepayers experiencing a financial hardship due to COVID-19, the General Manager is authorized to work with the ratepayer on an alternative payment schedule, or a deferral or reduction in payment plan for delinquent charges.
5. The General Manager may take all actions necessary, proper, and appropriate in his/her reasonable discretion to ensure the operation of the District, the safety of employees, and the safety of the public, including, but not limited to reasonable deviations from Board adopted Ordinances, Resolutions, Policies, and Procedures.
6. The authority vested in the General Manager by this resolution will be reviewed during each regularly scheduled Board meeting and otherwise terminate upon a declaration by the Governor that the State of Emergency has ended and the County Health Officer that the Public Health Emergency has ended and the County Emergency Services Director that the Local Emergency has ended.

ADOPTED by the Board of Directors of the San Simeon Community Services District on April 22, 2020, by the following roll call votes:

AYES: Carson, Kellas, Maurer

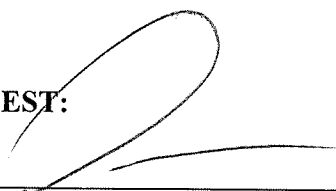
NOES: Russell
ABSENT: 0
ABSTAINED: 0

The foregoing Resolution is hereby adopted this 22 day of April, 2020.



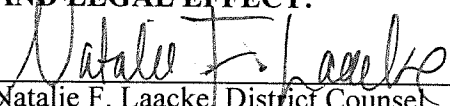
Gwen Kellas, acting Chairperson of the
Board of Directors

ATTEST:



Charles Grace, General Manager and
Secretary for the Board of Directors

**APPROVED AS TO FORM
AND LEGAL EFFECT:**



Natalie F. Laacke, District Counsel

5. A. Business Items



CONSENT AGENDA ITEM STAFF REPORT

Item 5.A. Consideration of Approval of the District Fiscal Audit for 2019-2020.

Summary:

At the February Board meeting Adam Guise from Moss, Levy & Hartzheim presented a draft version of the District audit for FY 2019/2020. No changes or edits were recommended at that time, the final version is presented for approval.

Enc: Draft version of the 19/20 FY audit

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SAN SIMEON COMMUNITY SERVICES DISTRICT

FINANCIAL STATEMENTS

June 30, 2020

SAN SIMEON COMMUNITY SERVICES DISTRICT
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June 30, 2020

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INTRODUCTORY SECTION

Board of Directors

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Gwen Kellas	Chairperson	2022
John Russell	Vice-Chairperson	2022
Daniel de la Rosa	Director	2020
William Carson	Director	2020
Bill Maurer	Director	2020

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
San Simeon Community Services District
San Simeon, CA

Report on the Financial Statements

We have audited the accompanying basic financial statements of San Simeon Community Services District (District) as of and for the fiscal year ended June 30, 2020, and the related notes to the basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the San Simeon Community Services District, as of June 30, 2020, and the changes in financial position and cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial

statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The introductory section and the schedules of revenues, expenses, and changes in net position by function on pages 15 and 16 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of revenues, expenses, and changes in net position by function is the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of revenues, expenses, and changes in net position by function are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2021, on our consideration of the San Simeon Community Services District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the District's basic financial statements as of and for the fiscal year ended June 30, 2019, and our report dated March 11, 2020, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Moss, Kelly & Halgren LLP

Santa Maria, California
January 28, 2021

SAN SIMEON COMMUNITY SERVICES DISTRICT
STATEMENT OF NET POSITION - PROPRIETARY FUND

June 30, 2020

with Comparative Totals for June 30, 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets:		
Petty cash	\$ 150	\$ 150
Cash and investments	1,248,894	1,001,073
Restricted cash and investments		34
Accounts receivable	128,375	110,145
Prepaid expenses	12,959	10,163
Total current assets	<u>1,390,378</u>	<u>1,121,565</u>
Capital Assets:		
Non-depreciable:		
Construction in progress	223,206	
Depreciable:		
Sewer plant	1,784,769	2,086,929
Water plant	1,627,991	2,322,338
Building	279,580	395,874
Equipment	12,690	329,437
Land improvements	26,791	26,791
Less: Accumulated depreciation	<u>(1,446,427)</u>	<u>(2,444,252)</u>
Net capital assets	<u>2,508,600</u>	<u>2,717,117</u>
Total assets	<u>3,898,978</u>	<u>3,838,682</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	18,306	15,301
Customer deposits	80,140	78,950
Long-Term Liabilities:		
Current portion of loan payable	<u>8,568</u>	<u>8,121</u>
Total current liabilities	<u>107,014</u>	<u>102,372</u>
Long-Term Liabilities		
Loan payable	<u>434,352</u>	<u>450,968</u>
Total long-term liabilities	<u>434,352</u>	<u>450,968</u>
Total Liabilities	<u>541,366</u>	<u>553,340</u>
NET POSITION		
Net investment in capital assets	2,065,680	2,258,028
Restricted for:		
Capital projects		34
Unrestricted:		
Board assigned for water capital improvements	55,655	53,618
Board assigned for wastewater capital improvements	55,341	53,315
Board assigned for general capital improvements	15,637	15,065
Board committed for operating reserves	250,000	250,000
Undesignated	915,299	655,282
Total net position	<u>\$ 3,357,612</u>	<u>\$ 3,285,342</u>

See accompanying notes to basic financial statements.

SAN SIMEON COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUND
For the Fiscal Year Ended June 30, 2020
With Comparative Totals for the Fiscal Year Ended June 30, 2019

	2020	2019
Operating Revenues:		
Services-waste	\$ 444,391	\$ 473,434
Services-water	396,043	400,918
State of CA-Hearst Castle	70,777	86,944
Services-other	88,422	85,122
Late fees and adjustments	2,514	3,133
	<u>1,002,147</u>	<u>1,049,551</u>
Operating Expenses:		
Accounting	9,775	9,445
Bank fees	166	220
Bookkeeping	14,560	14,400
Directors' fees	5,100	5,100
Payroll expenses	397	257
Dues and subscriptions	4,732	5,034
Election expense		549
Road maintenance		3,838
Riprap engineering	21,958	56,736
Insurance-health	4,285	7,738
PERS Retirement	13,199	11,326
Insurance-liability	10,163	9,889
LAFCO budget allocation	3,386	3,168
Legal fees	64,363	34,039
Licenses and permits	16,936	14,991
Miscellaneous	1,524	
Depreciation	97,102	98,167
Office expenses		207
Operations management	653,031	732,148
Professional fees	40,922	18,140
Emergency stand by	10,000	10,000
Repairs	34,280	7,130
Utilities	7,695	960
Website	13,700	
Weed abatement	3,885	
	<u>1,031,159</u>	<u>1,043,482</u>
Total operating expenses		
Net operating income (loss)	<u>(29,012)</u>	<u>6,069</u>
Non-Operating Revenues (Expenses):		
Property taxes	87,860	86,705
Interest expense	(12,354)	(18,347)
Interest income	21,979	14,951
	<u>97,485</u>	<u>83,309</u>
Total non-operating revenues (expenses)		
Capital Contributions		
Grant income	178,482	30,120
	<u>178,482</u>	<u>30,120</u>
Total capital contributions		
Changes in net position	<u>246,955</u>	<u>119,498</u>
Net position - beginning of fiscal year	3,285,342	3,165,844
Prior-period adjustment	(174,685)	
Net position - beginning of fiscal year, restated	<u>3,110,657</u>	<u>3,165,844</u>
Net position - end of fiscal year	<u>\$ 3,357,612</u>	<u>\$ 3,285,342</u>

See accompanying notes to basic financial statements.

SAN SIMEON COMMUNITY SERVICES DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
For the Fiscal Year Ended June 30, 2020
With Comparative Totals for the Fiscal Year Ended June 30, 2019

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities:		
Receipts from customers and users	\$ 985,107	\$ 1,070,348
Payments to suppliers	(924,066)	(937,039)
Payments to employees	(9,782)	(24,421)
Net cash provided by operating activities	<u>51,259</u>	<u>108,888</u>
Cash Flows from Capital and Related Financing Activities:		
Purchase of capital assets	(71,103)	(141,690)
Grants	178,482	30,120
Interest payments	(12,354)	(18,347)
Principal loan payments	(8,336)	(2,343)
Net cash provided (used) by capital and related financing activities	<u>86,689</u>	<u>(132,260)</u>
Cash Flows from Noncapital Financing Activities:		
Property taxes	87,860	86,705
Net cash provided by noncapital and related financing activities	<u>87,860</u>	<u>86,705</u>
Cash Flows from Investing Activities:		
Investment income	21,979	14,951
Net cash provided by investing activities	<u>21,979</u>	<u>14,951</u>
Net increase in cash and cash equivalents	247,787	78,284
Cash and cash equivalents, beginning of fiscal year	1,001,257	922,973
Cash and cash equivalents, end of fiscal year	<u>\$ 1,249,044</u>	<u>\$ 1,001,257</u>
Reconciliation to Statement of Net Position		
Petty cash	\$ 150	\$ 150
Cash and investments	1,248,894	1,001,073
Restricted cash and investments	34	34
	<u>\$ 1,249,044</u>	<u>\$ 1,001,257</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Operating income (loss)	\$ (29,012)	\$ 6,069
Adjustments to reconcile operating income (loss) to net cash provided (used)		
by operating activities:		
Depreciation	97,102	98,167
Change in Operating Assets and Liabilities:		
(Increase) decrease in accounts receivable	(18,230)	(2,903)
(Increase) decrease in prepaid expenses	(2,796)	(437)
Increase (decrease) in accounts payable	3,005	(15,708)
Increase (decrease) in customer deposits	1,190	23,700
Net cash provided by operating activities	<u>\$ 51,259</u>	<u>\$ 108,888</u>

See accompanying notes to basic financial statements.

SAN SIMEON COMMUNITY SERVICES DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

NOTE 1 - NATURE OF DISTRICT

San Simeon Community Services District (the "District") is a political subdivision of the State of California and operates under a council form of government. The District administers the following community services as provided by its charter: water, sanitation, streets, lighting, weed abatement, and general and administrative services.

The District is a Community Services District as defined under State Code Section: 61000. A Community Services District is a public agency (State Code Section: 12463.1) which is a State instrumentality (State Code Section: 23706). State instrumentalities are exempt from federal and state income taxes.

There are no component units included in this report which meet the criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39, No. 61, and No. 80.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Accounting Policies - The accounting policies of the District conform with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).
- B. Basis of Accounting - The District is organized as an Enterprise Fund and follows the accrual method of accounting, whereby revenues are recorded as earned, and expenses are recorded when incurred.
- C. Budget - Although a budget is adopted annually, it is used primarily as a guideline for the Board in regulating expenditures. There is no legal requirement to stay within the adopted budget in the payment or classification of expenditures.
- D. Cash and Cash Equivalents - Cash and cash equivalents consist of cash on hand and in banks and short-term, highly liquid investments with a maturity of three months or less, which include money market funds, cash management pools in County Treasury and the state Local Agency Investment Fund (LAIF). Cash held in the county and state pooled funds is carried at cost, which approximates fair value. Interest earned is deposited quarterly into the participant's fund. Any investment losses are proportionately shared by all funds in the pool. The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the County are either secured by federal depository insurance or are collateralized.
- E. Property, Plant and Equipment - Capital assets purchased by the District are recorded at cost. Contributed or donated capital assets are recorded at fair value when acquired.
- F. Depreciation - Capital assets purchased by the District are depreciated over their estimated useful lives (ranging from 5-50 years) under the straight-line method of depreciation.
- G. Receivables - The District did not experience any significant bad debt losses; accordingly, no provision has been made for doubtful accounts, and accounts receivable is shown at full value.
- H. Encumbrances - Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized by the District.
- I. Customer Deposits - Customer deposits are recorded as a liability of the District. The District requires an advance deposit of \$50 for new customers.
- J. Net Position - GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

SAN SIMEON COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- J. Net Position (Continued) - Net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position is the net position that has external constraints placed on them by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.
- K. Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the AICPA, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- L. Comparative Data/Total Only - Comparative total data for the prior fiscal year has been presented in certain accompanying financial statements in order to provide an understanding of the changes in the District's financial position, operations, and cash flows. Also, certain prior fiscal amounts have been reclassified to conform to the current fiscal year financial statements presentation.

M. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements:

Statement No. 84	"Fiduciary Activities"	The provisions of this statement are effective for fiscal years beginning after December 15, 2019.
Statement No. 87	"Leases"	The provisions of this statement are effective for fiscal years beginning after June 15, 2021.
Statement No. 89	"Accounting for Interest Cost Incurred before the End of a Construction Period"	The provisions of this statement are effective for fiscal years beginning after December 15, 2020.
Statement No. 90	"Majority Equity Interests-an Amendment of GASB Statements No. 14 and No. 61"	The provisions of this statement are effective for fiscal years beginning after December 15, 2019.
Statement No. 91	"Conduit Debt Obligations"	The provisions of this statement are effective for fiscal years beginning after December 15, 2021.
Statement No. 92	"Omnibus 2020"	The provisions of this statement are effective for fiscal years beginning after June 15, 2021.
Statement No. 93	"Replacement of Interbank Offered Rates"	The provision of this statement except for paragraphs 11b, 13, and 14 are effective for fiscal years beginning after June 15, 2020. Paragraph 11b is effective for fiscal years beginning after December 31, 2021. Paragraphs 13 and 14 are effective for fiscal years beginning after June 15, 2021.
Statement No. 94	"Public-Private and Public-Public Partnerships and Availability Payment Arrangements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2022.
Statement No. 96	"Subscription-Based Information Technology Arrangements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2022.
Statement No. 97	"Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32"	The provisions of this statement are effective for fiscal years beginning December 15, 2019.

SAN SIMEON COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

NOTE 3 - CASH AND INVESTMENTS

Investments are carried at fair value. On June 30, 2020, the District had the following cash and temporary investments on hand:

Deposits:		
Cash on hand		\$ 150
Cash in banks		81,850
		<u>82,000</u>
Investments:		
Money market		1,166,488
State of California Local Agency Investment Fund (LAIF)		556
		<u>1,167,044</u>
Total Cash and Investments		<u>\$1,249,044</u>

Cash and investments are presented on the accompanying basic financial statements, as follows:

Petty cash	\$ 150
Cash and investments	1,248,894
Total cash and investments	<u>\$1,249,044</u>

The District categorizes its fair value measurements within the fair value hierarchy established by U.S. Generally Accepted Accounting Principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Local Agency Investment Fund (LAIF) is measured under Level 2. The money market account is not measured under Levels 1, 2, or 3.

Restricted cash

Restricted cash consists of funds that are set aside for well refurbishment as well as appurtenant equipment and structure.

Investments Authorized by the District's Investment Policy

The following table identifies the investment types that are authorized for the District by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
Federal Agency Securities	N/A	None	None
Banker's Acceptances	180 days	40%	None
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase and Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	20%	None
Mutual Funds	N/A	20%	None
Money Market Mutual Funds	N/A	None	None
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Fund	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
State Registered Warrants, Notes or Bonds	N/A	None	None
Notes and Bonds for other Local California Agencies	5 years	None	None

SAN SIMEON COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

NOTE 3 - CASH AND INVESTMENTS (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months or Less</u>	<u>13-24 Months</u>	<u>25-60 Months</u>	<u>More than 60 Months</u>
Money market funds	\$ 1,166,488	\$ 1,116,488	\$ -	\$ -	\$ -
LAIF	<u>556</u>	<u>556</u>			
Total	<u>\$ 1,167,044</u>	<u>\$ 1,167,044</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. Presented below, is the minimum rating required by (where applicable) the California Government Code and the actual rating as of fiscal year end for each investment type.

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Fiscal Year End</u>		
				<u>AAA</u>	<u>Aa</u>	<u>Not Rated</u>
Money market funds	\$1,166,488	N/A	\$ -	\$ -	\$ -	\$1,166,488
LAIF	<u>556</u>	N/A				<u>556</u>
Total	<u>\$1,167,044</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,167,044</u>

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of total District's investments.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

SAN SIMEON COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

NOTE 3 - CASH AND INVESTMENTS (Continued)

Custodial Credit Risk (continued)

None of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying basic financial statements at the amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

NOTE 4 - SCHEDULE OF CAPITAL ASSETS

A schedule of changes in capital assets and depreciation for the fiscal years ended June 30, 2020, and June 30, 2019, are shown below and on the following page:

	Balance July 1, 2019	Additions	Deletions	Prior-period Adjustment	Balance June 30, 2020
Non-depreciable capital assets:					
Construction in progress	\$ -	\$ 62,538	\$ -	\$ 160,668	\$ 223,206
Total non-depreciable capital assets	<u>\$ -</u>	<u>\$ 62,538</u>	<u>\$ -</u>	<u>\$ 160,668</u>	<u>\$ 223,206</u>
Depreciable capital assets:					
Sewer plant	\$ 2,086,929	\$ 8,565	\$ (280,413)	\$ (30,312)	\$ 1,784,769
Water plant	2,322,338		(387,047)	(307,300)	1,627,991
Building	395,874		(116,294)		279,580
Land improvements	26,791				26,791
Equipment	329,437		(316,747)		12,690
	<u>5,161,369</u>	<u>8,565</u>	<u>(1,100,501)</u>	<u>(337,612)</u>	<u>3,731,821</u>
Accumulated depreciation	2,444,252	97,102	(1,100,501)	5,574	1,446,427
Total depreciable capital assets	<u>\$ 2,717,117</u>	<u>\$ (88,537)</u>	<u>\$ -</u>	<u>\$ (343,186)</u>	<u>\$ 2,285,394</u>
Net capital assets	<u>\$ 2,717,117</u>	<u>\$ (25,999)</u>	<u>\$ -</u>	<u>\$ (182,518)</u>	<u>\$ 2,508,600</u>

SAN SIMEON COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

NOTE 4 - SCHEDULE OF CAPITAL ASSETS (Continued)

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Non-depreciable capital assets:				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Total non-depreciable capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Depreciable capital assets:				
Sewer plant	\$ 2,086,929	\$ -	\$ -	\$ 2,086,929
Water plant	2,198,617	123,721		2,322,338
Building	395,874			395,874
Land improvements	21,511	5,280		26,791
Equipment	316,748	12,689		329,437
	<u>5,019,679</u>	<u>141,690</u>		<u>5,161,369</u>
Accumulated depreciation	2,346,085	98,167		2,444,252
Total depreciable capital assets	<u>\$ 2,673,594</u>	<u>\$ 43,523</u>	<u>\$ -</u>	<u>\$ 2,717,117</u>
Net capital assets	<u>\$ 2,673,594</u>	<u>\$ 43,523</u>	<u>\$ -</u>	<u>\$ 2,717,117</u>

Depreciation expense for the fiscal years ended June 30, 2020 and 2019 was \$97,102 and \$98,167, respectively.

NOTE 5 – CUSTOMER DEPOSITS

The liability for customer deposits consists of the following as of June 30, 2020 and 2019:

	2020	2019
Hook-up deposits	\$ 70,890	\$ 69,750
Customer meter deposits	9,250	9,200
	<u>\$ 80,140</u>	<u>\$ 78,950</u>

The hook-up deposits are from customers on a waiting list to connect into the system. Each deposit represents total hook-up fees owed by the customer based on the fee schedule in place at the time of the payment. Additional fees may be required from the customer, based on the current fee schedule, when the utility connection is completed.

Customer meter deposits consist of a \$50 refundable deposit required for each metered customer before any service can be provided by the District.

NOTE 6 – LOAN PAYABLE

On July 11, 2011, the District applied for a \$500,000 loan from the United States Department of Agriculture. The loan was approved, and the District began to draw on the loan during the 13/14 fiscal year. The District is required to make semi-yearly payments of \$10,345. The agreement is secured by a first lien and a pledge of revenues from the water system. In the event of a default by the District, the remaining amount of the note shall become due. Future minimum payments are as follows on the next page:

SAN SIMEON COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

NOTE 6 – LOAN PAYABLE (Continued)

Fiscal year Ended June 30,	Principal	Interest	Total
2021	\$ 8,568	\$ 12,122	\$ 20,690
2022	8,805	11,885	20,690
2023	9,049	11,641	20,690
2024	9,300	11,390	20,690
2025	9,557	11,133	20,690
2026-2030	51,906	51,544	103,450
2031-2035	59,501	43,949	103,450
2036-2040	68,208	35,242	103,450
2041-2045	78,188	25,262	103,450
2046-2050	89,629	13,821	103,450
2051-2053	50,209	2,114	52,323
Total	<u>\$ 442,920</u>	<u>\$ 230,103</u>	<u>\$ 673,023</u>

NOTE 7 – LONG TERM DEBT – SCHEDULE OF CHANGES

A schedule of changes in long-term debt for the fiscal years ended June 30, 2020 and June 30, 2019, are shown below:

	Balance July 1, 2019	Additions	Deletions	Prior-period Adjustment	Balance June 30, 2020	Due within one year
Loan payable (Direct Borrowing)	\$ 459,089	\$ -	\$ 8,336	\$ (7,833)	\$ 442,920	\$ 8,568
Totals	<u>\$ 459,089</u>	<u>\$ -</u>	<u>\$ 8,336</u>	<u>\$ (7,833)</u>	<u>\$ 442,920</u>	<u>\$ 8,568</u>

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due within one year
Loan payable (Direct Borrowing)	\$ 461,432	\$ -	\$ 2,343	\$ 459,089	\$ 8,121
Totals	<u>\$ 461,432</u>	<u>\$ -</u>	<u>\$ 2,343</u>	<u>\$ 459,089</u>	<u>\$ 8,121</u>

NOTE 8 – JOINT POWERS AUTHORITY

The District is a member of the Special District Risk Management Authority (S.D.R.M.A.), an intergovernmental risk sharing joint powers authority, created pursuant to California Government Code Sections 6500 et. Seq. In becoming a member of the S.D.R.M.A., the District elected to participate in the risk financing programs listed below for the program period July 1, 2017 through June 30, 2018.

General and Auto Liability, Public Officials’ and Employees’ Errors, and Employment Practices Liability and Employee Benefits Liability: Special District Risk Management Authority, coverage number LCA SDRMA 201112. This covers \$2,500,000 per occurrence, subject to policy deductibles.

Employee Dishonesty Coverage: Special District Risk Management Authority, coverage number EDC SDRMA 201112. This policy includes a \$400,000 Public Employee Dishonesty Blanket Coverage.

Property Loss: Special District Risk Management Authority, coverage number PPC SDRMA 201112. This policy covers the replacement cost for property on file, \$1,000,000,000 per occurrence, subject to policy deductibles.

SAN SIMEON COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 8 – JOINT POWERS AUTHORITY (Continued)

Boiler and Machinery: Special District Risk Management Authority, coverage number BMC SDRMA 201112. This covers \$100,000,000 per occurrence, subject to policy deductibles.

The District also participated in the elective comprehension/collision coverage on selected vehicles, subject to policy deductibles.

Personal Liability Coverage for Board Members: This policy covers \$500,000 per occurrence, coverage number LCA SDRMA 201112, annual segregate per each selected/appointed official, subject to policy deductibles.

Members are subject to dividends and/or assessments, in accordance with Second Amended Joint Powers Agreement and amendments thereto, on file with the District. No such dividends have been declared, nor have any assessments been levied.

NOTE 9 – RELATED PARTY TRANSACTION

The District has an agreement with Grace Environmental Services to oversee the daily operations of the District with the President of Grace Environmental Services, Charles Grace, serving as the District's General Manager. San Simeon Community Services District paid \$643,134 for their services including \$601,941 for operations including staffing and \$41,193 for additional consulting, maintenance, and repairs during the 19/20 fiscal year.

NOTE 10 – CONTINGENCIES

According to the District's staff and attorney, no contingent liabilities are outstanding and no lawsuits are pending of any real financial consequence.

NOTE 11 – SUBSEQUENT EVENTS

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity as of the date of issuance of these financial statements.

NOTE 12 – PRIOR-PERIOD ADJUSTMENTS

Prior-period adjustments were made to the Statement of Revenues, Expenses, and Changes in Net Position of \$7,833 of loan payments made in a prior fiscal year and for (\$182,518) to match the capital accounts with the District's depreciation schedule and asset records for a net adjustment of (\$174,685).

SUPPLEMENTARY INFORMATION

SAN SIMEON COMMUNITY SERVICES DISTRICT
SCHEDULE OF REVENUES AND EXPENSES BY FUNCTION
For the Fiscal Year Ended June 30, 2020

	Sanitation Fund	Water Fund	General	Total
Operating Revenues:				
Utility sales	\$ 444,391	\$ 396,043	\$ 2,514	\$ 842,948
Service charges			88,422	88,422
State of CA-Dept. of Parks and Recreation	70,777			70,777
Total operating revenues	515,168	396,043	90,936	1,002,147
Operating Expenses:				
Accounting	3,258	3,258	3,259	9,775
Bank fees			166	166
Bookkeeping	4,853	4,854	4,853	14,560
Directors' fees	1,734	1,733	1,633	5,100
Payroll expenses	132	133	132	397
Dues and subscriptions	891	891	2,950	4,732
Riprap engineering	21,958			21,958
Insurance-health			4,285	4,285
PERS Retirement			13,199	13,199
Insurance-liability	6,098	3,049	1,016	10,163
LAFCO budget allocation	847	846	1,693	3,386
Legal fees	21,204	21,204	21,955	64,363
Licenses and permits	14,589	2,347		16,936
Miscellaneous	281	439	804	1,524
Depreciation	38,198	43,408	15,496	97,102
Operations management	417,262	200,446	35,323	653,031
Professional fees	25,215	11,582	4,125	40,922
Emergency stand by		10,000		10,000
Repairs	18,641	15,639		34,280
Utilities	2,565	2,565	2,565	7,695
Website	4,567	4,567	4,566	13,700
Weed abatement			3,885	3,885
Total operating expenses	582,293	326,961	121,905	1,031,159
Net operating income (loss)	(67,125)	69,082	(30,969)	(29,012)
Non-Operating Revenues (Expenses):				
Property taxes			87,860	87,860
Interest expense		(12,354)		(12,354)
Interest income		15	21,964	21,979
Total non-operating revenues (expenses)		(12,339)	109,824	97,485
Capital Contributions				
Grant income			178,482	178,482
Total capital contributions			178,482	178,482
Change in net position	\$ (67,125)	\$ 56,743	\$ 257,337	\$ 246,955

SAN SIMEON COMMUNITY SERVICES DISTRICT
SCHEDULE OF REVENUES AND EXPENSES BY FUNCTION
For the Fiscal Year Ended June 30, 2019

	Sanitation Fund	Water Fund	General	Total
Operating Revenues:				
Utility sales	\$ 473,434	\$ 400,918	\$ 3,133	\$ 877,485
Service charges			85,122	85,122
State of CA-Dept of Parks and Recreation	86,944			86,944
	<u>560,378</u>	<u>400,918</u>	<u>88,255</u>	<u>1,049,551</u>
Operating Expenses:				
Accounting	3,148	3,148	3,149	9,445
Bank fees		50	170	220
Bookkeeping	4,800	4,800	4,800	14,400
Directors' fees	1,800	1,800	1,500	5,100
Payroll expenses	133	132	(8)	257
Dues and subscriptions	705	1,127	3,202	5,034
Election expense			549	549
Road maintenance			3,838	3,838
Riprap engineering	56,736			56,736
Insurance-Health			7,738	7,738
PERS Retirement			11,326	11,326
Insurance-Liability	5,933	2,967	989	9,889
LAFCO budget allocation	792	792	1,584	3,168
Legal fees	14,006	10,017	10,016	34,039
Licenses and permits	13,062	1,929		14,991
Depreciation	43,200	43,200	11,767	98,167
Office expenses			207	207
Operations management	443,051	249,446	39,651	732,148
Professional fees	3,666	8,303	6,171	18,140
Emergency water stand-by		10,000		10,000
Repairs	2,377	2,377	2,376	7,130
Utilities	320	320	320	960
	<u>593,729</u>	<u>340,408</u>	<u>109,345</u>	<u>1,043,482</u>
Net operating income (loss)	<u>(33,351)</u>	<u>60,510</u>	<u>(21,090)</u>	<u>6,069</u>
Non-Operating Revenues (Expenses):				
Property taxes			86,705	86,705
Interest expense			(18,347)	(18,347)
Interest income			14,951	14,951
			<u>83,309</u>	<u>83,309</u>
Capital Contributions				
Grant income			30,120	30,120
			<u>30,120</u>	<u>30,120</u>
Change in net position	<u>\$ (33,351)</u>	<u>\$ 60,510</u>	<u>\$ 92,339</u>	<u>\$ 119,498</u>

5. B. Business Items



BUSINESS ACTION ITEM STAFF REPORT

Item 5.B. Review draft sub-recipient agreement between the District and the County of San Luis Obispo regarding the Local Coastal Plan (LCP).

Summary

During a call between the County and Oliveira Environmental Consulting on January 13, 2021 for the purpose of reviewing the status of the LCP Amendment Grant, the County requested that the District enter into a Sub-recipient Agreement. The purpose of the agreement is to document the roles of the County and the District with respect to administration of the grant and management of the CHRP.

In the interest of time, a special meeting was called for March 5, 2021 but was cancelled due to out of service phone lines at the District office. This matter was added to the agenda for the regular Board meeting for Board review and input on the draft version of the agreement. The County will review and a potential final version of the agreement will be returned to the Board for final approval.

Enc: Draft version of the sub-recipient agreement
Pages from the LCP 1, 2, 8, & 9

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**AGREEMENT BETWEEN THE COUNTY OF SAN LUIS OBISPO AND
THE SAN SIMEON COMMUNITY SERVICES DISTRICT TO PROVIDE MANAGEMENT
OF THE CALIFORNIA COASTAL COMMISSION LOCAL COASTAL PROGRAM
PLANNING PROGRAM ROUND 6 GRANT FOR THE SAN SIMEON COASTAL
HAZARDS RESPONSE PLAN**

THIS CONTRACT is made and entered into this _____ day of _____, 2021 by and between the San Simeon Community Services District, a California Special District (hereinafter referred to as (“SSCSD” or “Subrecipient”), and the County of San Luis Obispo, a political subdivision of the State of California (hereinafter referred to as “the County”).

WITNESSETH:

WHEREAS, on August 28, 2019, the San Simeon Community Services District discussed with the County the availability of California Coastal Commission Local Coastal Program Round 6 Grant funding (hereinafter referred to as “LCP Grant”) and the Subrecipient’s efforts to apply for and pursue funding for completion of the Coastal Hazard Response Plan (hereinafter referred to as “CHRP”) which is a conditional requirement for the Subrecipient’s Coastal Development Plan Application Number 3-19-0020; and

WHEREAS, the County sees a need to pursue additional funding to support vital coastal hazard planning in the county; and

WHEREAS, the LCP Grant funding is limited to those coastal jurisdictions with land use authority and a Local Coastal Program approved by the California Coastal Commission; and

WHEREAS, the County has agreed to be the primary applicant for the LCP Grant with the Subrecipient being responsible for the management of the grant administration per the requirements of the California Coastal Commission; and

WHEREAS, the County was awarded by the California Coastal Commission the LCP Grant in the amount of \$130,000 at their regular hearing on October 31, 2019; and

WHEREAS, the Subrecipient will receive the full grant funds minus a County administrative fee to be determined by the County and the Subrecipient; and

WHEREAS, the SSCSD is a “Subrecipient” of the LCP Grant; and

WHEREAS, the Grant Agreement establishes the rights and responsibilities of the Subrecipient and the County.

NOW, THEREFORE in consideration of the mutual promises, recitals and other provisions hereof, the parties agree as follows:

1. **Scope of Activities**. The project subject to the LCP Grant (“Project”) shall consist of the activities described in Exhibit A, which consists of the Grant Application and Attachments as submitted to and approved by the California Coastal Commission.
2. **District Compliance**. The Subrecipient agrees to comply with all terms and conditions of the Grant Application and Attachments in the implementation of the Project.
3. **Compensation**. The County will pay Subrecipient a maximum amount of \$_____ for carrying out the Project to the satisfaction of the County. The County will pay Subrecipient in staged payments throughout the performance of this Contract. The timing of these payments is tied to services provided by Subrecipient and approved and accepted by County.
4. **Relationship to Grant Agreement**. Subrecipient acknowledges and agrees that this Contract is subject to the obligations and limitations imposed on the County by the Grant Agreement and all future amendments to the Grant Agreement and is intended to be in conformance and harmony with it. Subrecipient hereby expressly agrees to the provisions of the Grant Agreement and further expressly agrees that nothing in this Contract shall be deemed to require the County to perform an obligation in conflict with the Grant Agreement. Subrecipient further agrees that the County's rights to enter into amendments to the Grant Agreement are not, and shall not be, restricted or impaired in any way by this Contract.
5. **Termination of Agreement for Cause**. If County determines that Subrecipient has incurred obligations or made expenditures for purposes which are not permitted or are prohibited under the terms and provisions of this Contract, or if County determines that Subrecipient has failed to fulfill its obligations under this Contract in a timely and professional manner, or if Subrecipient is in violation of any of the terms or provisions of this Contract, or if Subrecipient should be adjudged to be bankrupt, or if Subrecipient

makes a general assignment for the benefit of Subrecipient creditors, or if a receiver should be appointed in the event of Subrecipient insolvency, then County shall have the right to terminate this Contract effective immediately upon giving written notice thereof to Subrecipient. Termination shall have no effect upon the rights and obligations of the parties arising out of any transaction occurring prior to effective date of such termination.

6. **Employment Status**. Subrecipient shall, during the entire term of this Contract, be construed as an independent contractor, and nothing in this Contract is intended nor shall be construed to create an employer-employee relationship or a joint venture relationship. Neither Subrecipient nor any of Subrecipient's agents, employees or contractors are or shall be considered to be agents or employees of the County in connection with the performance of Subrecipient's obligations under this Contract. Nothing in this Contract authorizes, or permits, the County to exercise discretion or control over the professional manner in which Subrecipient performs the services which are the subject of this Contract provided always, however, that the services to be provided by Subrecipient shall be provided in a manner consistent with all applicable standards and regulations governing such services.

- a. All records, accounts, documentation and other materials deemed to be relevant to the Project by the County shall be accessible at any time to the authorized representatives of the County for the purpose of examination or audit.
- b. An expenditure which is not authorized by this Contract or which cannot be adequately documented shall be disallowed and must be reimbursed to the County or its designee by Subrecipient. Expenditures for work not described in paragraph one (1) of this Contract shall be deemed authorized if the performance of such work is approved in writing by the County prior to the commencement of such work.
- c. Absent fraud or mistake on the part of the County, the determination by the County of allowance of any expenditure shall be final.

7. **Indemnification**. To the fullest extent permitted by law, Contractor shall hold harmless, defend and indemnify the County and its officers, officials, employees and authorized volunteers from and against any and all liability, loss, damage, expense, costs (including without limitation costs and fees of litigation with counsel acceptable to County) of every nature arising or alleged to arise out of or in connection with Contractor's performance of work hereunder or its failure to comply with any of its obligations contained in the agreement, except such loss or damage which was caused by sole negligence or willful misconduct of the County.

8. **Insurance.** Subrecipient shall procure and maintain for the duration of the Contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Subrecipient, its agents, representatives, or employees.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as the following. No claims made insurance is allowed:

1. **Commercial General Liability (CGL):** Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis for bodily injury and property damage, including products-completed operations, personal injury and advertising injury, with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.

Notice of Cancellation

Each insurance policy required above shall be endorsed to state that coverage shall not be canceled, except after thirty (30) days' prior written notice (10 days for non-payment) has been given to the County.

Failure to Maintain Insurance

Subrecipient's failure to maintain or to provide acceptable evidence that it maintains the required insurance shall constitute a material breach of the Contract, upon which the County immediately may withhold payments due to Subrecipient, and/or suspend or terminate this Contract. The County, at its sole discretion, may obtain damages from Subrecipient resulting from said breach.

Waiver of Subrogation

Subrecipient hereby grants to County a waiver of any right to subrogation which any insurer of said Subrecipient may acquire against the County by virtue of the payment of any loss under such insurance. Subrecipient agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.

9. **Entire Agreement and Modification.** This Contract sets forth the full and entire understanding of the parties regarding the matter set forth herein, and any other prior or existing understandings or contracts by the parties, whether formal or informal, regarding any matters are hereby superseded or terminated in their entirety. No changes, amendments, or alterations shall be effective unless in writing and signed by all parties hereto. Subrecipient specifically acknowledges that in entering into and executing this Contract, Subrecipient relies solely upon the provisions contained in this Contract and no others.

10. **Funding for Additional Services.** Funding of any programs, projects, or services beyond the term of this Contract, by any new contract or amendment or extension of this Contract, have not been authorized and will depend upon County's determination of satisfactory performance of this Contract by Subrecipient and upon the availability to County of additional grant funds allocated for such purposes. Neither County nor any employee of County has made any promise or commitment, express or implied, that any additional funds will be paid or made available to Subrecipient for the purpose of this Contract over and above the funds expressly allocated under the terms of this Contract.

11. **No Assignment Without Consent.** Inasmuch as this Contract is intended to secure the specialized services of Subrecipient, Subrecipient shall not have the right to assign or transfer this Contract, or any part hereof or monies payable hereunder, without the prior written consent of County, and any such assignment or transfer without the County's prior written consent shall be considered null and void.

12. **Binding on Successors in Interest.** All provisions of this Contract shall be binding on the parties and their heirs, assigns and successors in interest.

13. **Compliance with County and State Laws and Regulations.** Subrecipient agrees to comply with all city, county and state laws and regulations that pertain to construction, health and safety, labor, fair employment practices, equal opportunity and all other matters applicable to Subrecipient, its subcontractors, and the Project.

14. **Equal Employment Opportunity.** During the performance of this Contract, Subrecipient agrees that it will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.

15. **Law Governing and Forum Selection.** This Contract has been executed and

delivered in the State of California, and the validity, enforceability and interpretation of any of the clauses of this Contract shall be determined and governed by the law of the State of California. All duties and obligations of the parties created hereunder are performable in San Luis Obispo County, and a state court in such County shall be that forum for any action, or proceeding that may be brought, or arise out of, in connection with or by reason of this Contract.

16. **Enforceability**. If any term, covenant, condition or provision of this Contract is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

17. **Effect of Waiver**. County's waiver of a breach of any one term, covenant or other provision of this Contract shall not be a waiver of a subsequent breach of the same term, covenant or provision of this Contract or of the breach of any other term, covenant or provision of this Contract.

18. **Equipment and Supplies**. Subrecipient will provide all the equipment and supplies that are necessary to fulfill the requirements and obligations this Contract.

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the day and year first above written.

SAN SIMEON COMMUNITY SERVICES DISTRICT

By: _____

By: _____

Dated: _____

Dated: _____

COUNTY OF SAN LUIS OBISPO

By: _____

Dated: _____

APPROVED AS TO FORM AND LEGAL EFFECT:

RITA L. NEAL
County Counsel

By: _____

Deputy County Counsel

Dated: _____

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Pages from LCP-19-02

Pages 1 & 2

Exhibit B

BUDGET

<i>San Luis Obispo County</i>	CCC Grant Total	Match/Other Funds (SSCSD)	Total (LCP Grant Funds + Match/ Other Funds)
LABOR COSTS¹			
County Staff Labor			
Task 1 – Project Initiation	\$2,500	--	\$2,500
Task 2 – Agency & Stakeholder Coordination	\$5,000	--	\$5,000
Task 3 – Coastal Hazards Response Plan	--	--	\$0
Task 4 – Draft LCP Amendments	\$25,000	--	\$25,000
Task 5 – Hearings and Adoption	\$8,000	--	\$8,000
Task 6 – Project Management & Administration	\$2,500	--	\$2,500
Total Labor Costs	\$43,000	\$0	\$43,000
DIRECT COSTS			
San Simeon Community Services District & Consultants²			
<i>San Simeon CSD</i>	--	--	\$0
Task 1 – Project Initiation	\$2,500	--	\$2,500
Task 2 – Agency & Stakeholder Coordination	\$15,000	--	\$15,000
Task 3 – Coastal Hazards Response Plan	\$67,000	\$33,000	\$100,000
Task 4 – Draft LCP Amendment Package	--	--	\$0
Task 5 – Hearings and Adoption	--	--	\$0
Task 6 – Project Management & Administration	\$2,500	--	\$2,500
Total Direct Costs	\$87,000	\$33,000	\$120,000
OVERHEAD/INDIRECT COSTS³			
Total County Staff Overhead/ Indirect Costs	--	--	\$0

¹ Amount requested should include total for salary and benefits.

² All consultants must be selected pursuant to a bidding and procurement process that complies with all applicable laws.

³ Indirect costs include, for example, a pro rata share of rent, utilities, and salaries for certain positions indirectly supporting the proposed project but not directly staffing it. Amount requested for indirect costs should be capped at 10% of amount requested for "Total Labor."

<i>San Luis Obispo County</i>	<i>CCC Grant Total</i>	<i>Match/Other Funds (SSCSD)</i>	<i>Total (LCP Grant Funds + Match/ Other Funds)</i>
TOTAL PROJECT COST	\$130,000	\$33,000	\$163,000

Pages from LCP-19-02

Pages 8 & 9

Exhibit A

- LCP Amendment Submittal to the CCC

Task 6: Project Management and Administration

The County and SSCSD will carry out essential project management tasks throughout the life of the Project, including progress reporting and grant administration, and procurement of any needed subconsultants.

Outcomes/Deliverables:

- Quarterly Progress Reports

C. SCHEDULE

Project start/end dates: 3/1/2020 or grant agreement execution date – 3/31/2022

Task 1: Project Initiation and Kickoff	3/1/2020 – 3/31/2020
Outcomes/Deliverables:	
a. Kickoff Meeting Materials (<i>e.g.</i> , Agenda, Minutes, Communication Protocols, and Action Items)	3/31/2020
Task 2. Agency & Stakeholder Coordination	3/1/2020 – 3/31/2022
2.1: Coordination with CCC	3/1/2020 – 3/31/2022
2.2: Project Coordination between the County and SSCSD	3/1/2020 – 3/31/2022
2.3: Stakeholder Identification	3/1/2020 – 3/31/2020
2.4: Stakeholder Meetings	4/1/2020 – 9/30/2021
2.5: Public Outreach	3/1/2020 – 3/31/2022
Outcomes/Deliverables:	
a. Stakeholder List	a. 3/31/2020
b. Coordination/Stakeholder Meeting Materials (<i>e.g.</i> , agendas, minutes, action items)	b. 3/1/2022
Task 3. Coastal Hazards Response Plan	3/1/2020 – 10/1/2021
3.1: Evaluate Existing Conditions and Identify Constraints	3/1/2020 – 3/31/2020
3.2: Alternatives Analysis	3/1/2020 – 9/30/2020
3.3: Identification of a Preferred Site or Alternative	10/1/2020 – 1/31/2021
3.4 Develop Schedule for Potential Major Relocation Events	10/1/2020 – 4/31/2021
3.5 Conduct economic analysis	10/1/2020 – 4/31/2021
3.6 Prepare Draft Coastal Hazards Response Plan	4/1/2021 – 6/30/2021
3.7 Stakeholder Review of the Draft Coastal Hazards Response Plan	7/1/2021 – 8/13/2021
3.8 Final Coastal Hazards Response Plan	8/16/2021 – 10/1/2021
Outcomes/Deliverables:	
a. Draft Coastal Hazard Response Plan	a. 6/30/2021
b. PowerPoint Presentation and Materials	b. 8/13/2021
c. Final Coastal Hazard Response Plan	c. 10/1/2021

Task 4: Draft LCP Amendments	2/1/2021 – 9/30/2021
4.1: Develop Work Plan and Policy Framework	2/1/2021 – 3/1/2021
4.2: Develop Admin Draft LCP Amendments	3/2/2021 – 6/30/2021
4.3: Circulate Draft LCP Amendments	7/1/2021 – 8/13/2021
4.4: Prepare Revised Draft LCP Amendment Package	8/16/2021 – 10/1/2021
Outcomes/Deliverables: a. Work Plan b. Administrative Draft LCP Amendments c. Public Draft LCP Amendments d. Revised Draft LCP Amendments	a. 3/1/2021 b. 6/30/2021 c. 7/1/2021 d. 10/1/2021
Task 5: Hearings and Adoption	10/1/2021 – 3/31/2022
5.1: Planning Commission Hearings	10/5/2021 – 12/31/2021
5.2: Board of Supervisors Hearings	1/2/2022 – 2/4/2022
5.3: Submit locally approved LCP Amendment to CCC	2/7/2022 – 3/31/2022
Outcomes/Deliverables: a. Planning Commission Staff Reports and Exhibits b. Board of Supervisors Staff Reports and Exhibits c. LCP Amendment Submittal to the CCC	a. 12/31/2021 b. 2/4/2022 c. 3/31/2022
Task 6: Project Management and Administration	3/1/2020 – 3/31/2022
Outcomes/Deliverables: a. Quarterly Progress Reports	a. 3/31/2022

D. BENCHMARK SCHEDULE

ACTIVITY	COMPLETION DATE
Kickoff Meeting & Identification of Stakeholders	3/31/2020
Draft Coastal Hazards Response Plan & Draft LCP Amendments	6/30/2021
Presentation at Public Hearing(s) & Circulation of Draft LCP Amendments	7/1/2021 – 8/13/2021
Final Coastal Hazards Response Plan & LCP Amendments	10/1/2021
Local Adoption & Submittal to CCC	3/31/2022

5. C. Business Items



BUSINESS ACTION ITEM STAFF REPORT

Item 5.C. Direction to staff regarding the responses from the request for proposal related to the Coastal Hazard Response Plan (CHRP).

Summary:

At a special meeting of the Board held on February 25, 2021 two potential candidates for the CHRP were interviewed. No determination or award was made during the meeting. The County (official LCP grant recipient) and the SSCSD (official LCP project proponent) are continuing to formalize a sub-recipient agreement between the two agencies. This Agreement is not a requirement under the Coastal Commission Grant; the Agreement will make official the District's role as the manager of the CHRP and as the administrator of the LCP grant i.e. SSCSD would be responsible for managing the grant reporting, cost tracking etc. while the County's role will be fairly limited in scope, with their primary responsibility being to manage any actual amendments to the LCP.

The Coastal Hazards Response Plan (CHRP) must be completed by no later than February 1, 2022. The County is recommending for the Board to not choose a CHRP consultant until the Sub-recipient agreement with the County is finalized.

5. D. Business Items



BUSINESS ACTION ITEM STAFF REPORT

Item 5.D. Discussion regarding the CSDA District of Distinction process.

Summary

This item was placed on the agenda at the request of Chairperson Kellas. The District is a member of the California Special District Association (CSDA). The CSDA provides valuable resources to the District via education and training opportunities, insurance programs, legislative advocacy, information about industry wide litigation, and potential funding opportunities to name a few. This agency offers a District of Distinction accreditation program that enables districts to demonstrate to their community members and other key stakeholders their commitment to operate in a sound, responsible manner. Districts apply by submitting financial audits, policies and procedures, and proof of training received by directors and executive staff. In order to obtain this distinction all directors, general manager, and executive staff must complete three mandatory training modules.

- 1) The first module involves attending both an AB 1234 Ethics Compliance Training and a Sexual Harassment Prevention Training. These trainings are already mandatory for all new elected Board members. Typically, our Board members have had free access to these trainings via the CSDA.
- 2) The second module involves completing two on-demand webinars. The time commitment is approximately two hours.
- 3) The final module requires six hours of governance training. There are currently three virtual training options available via the CSDA that would help fulfill this requirement. The cost of this training is \$175 per person.

Discussion

There would need to be a commitment from the Board that each member is willing to fulfill the required trainings. In addition to the time commitment, Board members would need to pay out of pocket to cover the cost of module three. The SSCSD Policy and Procedures allow for training reimbursement after the fact. The CSDA also offers scholarships for members to attend these trainings. In the past, our District was awarded one of these scholarships. However, the scholarship also has a provision in the language about reimbursements. It should also be noted that the insurance carrier

for the District, SDRMA offers a small reduction in the annual insurance premium when Board members complete these trainings.

At this time, the Board may wish to discuss this matter and provide direction to staff.

5. E. Business Items



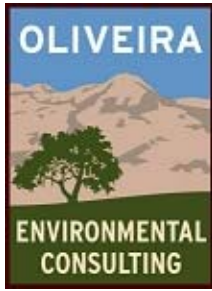
BUSINESS ACTION ITEM STAFF REPORT

Item 5.E. Discussion regarding Oliveira Environmental Consulting general service proposal.

To provide permitting support, regulatory and jurisdictional agency coordination, environmental services, project management and support on an as-needed basis.

Enc: March 1, 2021 proposal from Oliveira Consulting to provide general services.

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3155 Rose Avenue
San Luis Obispo, CA 93401
(805) 234-7393
jeffo@olive-env.com
www.olive-env.com

March 1, 2021

Gwen Kellas, Chairperson
San Simeon Community Services District
Board of Directors
111 Pico Avenue
San Simeon, CA 93452

Subject: Agreement for Providing Permitting Support, Regulatory and Jurisdictional Agency Coordination, Environmental Services, Project Management and Support on an As-Needed Basis

Dear Mrs. Kellas:

Thank you for the opportunity to assist the San Simeon Community Services District (SSCSD) with on-call project permitting support, regulatory and jurisdictional agency coordination, environmental services, project management and general support services for SSCSD projects on an as-needed basis. In response to your request, Oliveira Environmental Consulting LLC (OEC) is pleased to submit this proposal for providing on-call support services for SSCSD projects.

With over 20 years of experience which includes regulatory agency permitting coordination and environmental impact analysis for local agency projects, as well as technical reporting and multi-agency coordination for projects in multiple jurisdictions and coastal communities, including multiple years of service with the SSCSD, we look forward to the opportunity to continue applying our experience by bringing value-added assistance in support of ongoing SSCSD project management efforts. OEC would be pleased to provide further information regarding our qualifications, including professional resumes, upon request.

Organization and Subcontractors: Although Oliveira Environmental Consulting LLC proposes to work independently, OEC is in a position to assemble a multi-disciplinary team of highly qualified professionals who are accomplished experts in a variety of planning and environmental issues as any particular project might demand. OEC has excellent working relationships with many consulting firms in the region. We believe this capability provides OEC with the flexibility needed to meet any need depending on the project. Although the majority of projects are not likely to require the use of subcontractors, we feel that if the need should arise for project-specific assistance, we could apply additional assistance on an as-needed basis.

Jeff Oliveira will be the principal manager of any contracts initiated on behalf of OEC. SSCSD staff would continue to work directly with Jeff, ensuring the highest quality management and experience is applied to a given project.

Scope of Services: In accordance with your request, Oliveira Environmental Consulting LLC is pleased to assist SSCSD staff with the management of project permitting and regulatory coordination,

environmental services, project management and staff support services for various projects on an as-needed basis.

The tasks below are intended to provide the initial steps necessary for meeting project requirement tasks associated with SSCSD projects (including but not limited to projects such as the SSCSD Wastewater Treatment Facility Riprap Notice of Violation). The following is an example of the on-call services likely requested based on our experience working with the SSCSD over the years. However, it should be noted that additional tasks in accordance with OEC expertise will be available for SSCSD staff assistance as well.

- Review of existing documents prepared for a given project and research necessary to address information needs (including, but not limited to company project permit applications, staff reports, project maps, digital and GIS files, exemplary projects, applicable agency regulations, etc.);
- Coordination and communication between other agencies, consultants and organizations involved in any given project to ensure timely completion of project milestones, information requests, facilitating and coordinating project approvals through multiple agencies, ongoing efforts before and after submittal of the permit application packages. This task includes the time for continued support and coordination with project team members and the agencies to address questions and requests for clarifications and additional information. This task is also intended to cover meetings with the project team. Project management includes client and project team communications, meetings, and contract administration.
- Project permitting management (includes coordination and communication with the local lead agencies to determine any needs for environmental determinations and land use permits, assistance with any permit applications needed, and the review of applicable ordinances, General Plans, policies and codes for project consistency and permit needs);
- Project management duties. This includes attendance at meetings and hearings to support the project permitting process, communication with SSCSD staff, response to comments and questions as applicable, site visits to assess any environmental constraints, establishing timetables for milestone completion, coordination of multi-disciplinary subcontractor teams to ensure completion of technical reports, etc.;
- Grant Application and Implementation Support. This task includes continuing to support SSCSD staff with various grant funding applications, information requests from funding agencies, communications, environmental report preparation as required, application coordination, and coordination of condition compliance requirements for approved projects;
- Additional Tasks. This includes the creation of original technical reports needed for local lead agency and regulatory agency permitting, synthesis of existing studies and reports into succinct documents to meet agency permit application needs, preparation of environmental constraints analysis to assist PXP staff and regulatory agencies with project planning and efficient environmental review.

Pricing and Invoicing: Oliveira Environmental Consulting LLC understands that some projects would involve preparation of specific proposals on a project-by-project basis, the costs and scope of such projects would be verified through the SSCSD prior to project initiation. However, certain SSCSD tasks (especially time-sensitive tasks) would benefit from our ability to start assisting staff right away. As

such, the purpose of this proposal is to provide the SSCSD with the ability to engage OEC services quickly, on a time and materials basis as stipulated herein.

Under this agreement, work orders would typically be invoiced on a time and materials basis and/or deliverables with a not-to-exceed agreement and submitted on a monthly basis as needed. OEC's Fee Schedule is as follows: Principal Environmental Planner \$115/hour; Senior Project Manager \$95/hour; Assistant Project Manager \$85/hour, GIS Specialist and Administrative Staff \$65/hour. However, it is important to know that this rate is flexible based on the needs of the SSCSD and can be lowered to meet the demands of a given project or budget (especially long-term projects with extended time frames). Any use of subcontractors or reimbursable expenses would be billed at a cost plus 15%.

Document production costs are estimated in advance of production on a per unit basis. Vehicle mileage will be reimbursable consistent with the Federal rate allowable by the IRS in the current year. OEC invites any comments on this proposal and will make changes as requested.

Thank you for considering Oliveira Environmental Consulting LLC for your staff support needs. If you have any questions about this scope of services, please feel free to contact me anytime at 805-234-7393 (jeffo@olive-env.com). To authorize this proposal, please sign and return a copy of this letter to Oliveira Environmental Consulting LLC.

Sincerely,



Jeff Oliveira, Principal Environmental Planner
Oliveira Environmental Consulting

Proposal Authorized by:

Name, Title

Date

5. F. Business Items



BUSINESS ACTION ITEM STAFF REPORT

Item 5.F. Direction to staff regarding real property offer for A.P.N. 013-091-027.

Summary

At the March 11, 2020 Board meeting staff was directed to get an appraisal for this property and obtain additional information related to the 27 feet of easement located on the east perimeter of property. The following week a mandatory shelter in place was issued for our state. This item was revisited during the July 2020 Board meeting but was tabled at the suggestion of District Counsel.

The owner of this property recently submitted correspondence modifying the offer to the District.

Recommendation

Staff is asking that the Board provide direction regarding this item.

Enc: Email from Ron Hurlbert regarding real property offer.



Cortney Murguia <cmurguia@graceenviro.com>

Fwd: SSSD Pico lot lease proposal

Grace enviro <cgrace@graceenviro.com>

Tue, Jun 23, 2020 at 7:28 AM

To: Cortney Murguia <cmurguia@graceenviro.com>

Please add this to the agenda and include in the packet

Charles Grace
GES
805 431 6253

Begin forwarded message:

From: Ron Hurlbert <[REDACTED]>
Date: June 22, 2020 at 7:24:20 PM PDT
To: Charles Grace <cgrace@graceenviro.com>
Subject: SSSD Pico lot lease proposal

6/22/2020

Honorable Board of Directors
San Simeon Services District

Re: Proposal for lease of Parcel 1 and 2 being a portion of Lot A as shown in Book B Page 108 of maps San Luis Obispo County.

The Owner of the above lots, Ronald Orlen Hurlbert Rev Trust, proposes a ground lease for the property under the following terms.

1. Initial term of lease 35 years. Tenant will also be given two options to renew for 10 years each under the same terms and conditions as outlined the initial term.
2. Rent in year one to be \$1,375 per month. \$16,500.
3. Beginning in year two of the initial term and in each option period rent will increase by two percent annually.
4. San Simeon Services District will be granted an exclusive option to purchase the property at any time during the initial lease term and options for the base price of \$275,000 cash.
The base price will be adjusted upward by 2% annually during the initial term and any options. Seller to be notified of Districts intent to purchase by giving seller 90 day written notice
to exercise option to purchase.
5. San Simeon Services District will be responsible for all property taxes on both the vacant land and on any structures placed upon the property during the period of the lease.

Taxes for first year to be prorated.

6. San Simeon Services will be responsible for maintaining the vacant land as well as any structures placed upon the property during the period of the lease.

7. San Simeon Services District will maintain liability insurance coverage naming the landlord as additional insured in the minimum amount of two million dollars during the period of the lease.

8. Legal fees for drafting final lease to be split between the parties.

Thank you for your consideration.

Ron Hurlbert

[Redacted]

[Redacted]