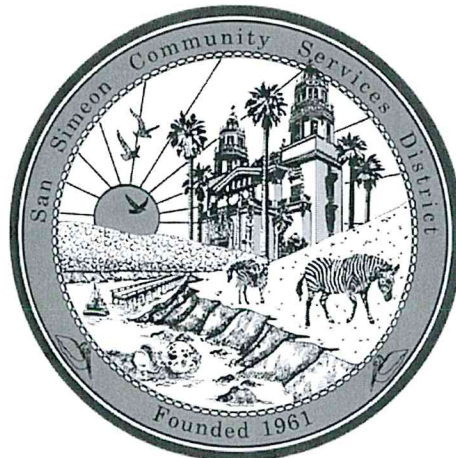


**Board of Directors
San Simeon Community Services District**



BOARD PACKET

**Wednesday, May 10, 2017
Regular Meeting 6:00 pm**

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

Prepared by:



GRACE
ENVIRONMENTAL SERVICES

AGENDA
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
Wednesday, May 10, 2017
6:00 pm

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

1. REGULAR SESSION: 6:00 PM

- A. Roll Call

- B. Pledge of Allegiance

2. PUBLIC COMMENT:

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

- A. **Sheriff's Report** – Report for April.

- B. **Public comment on Sheriff's Report.**

3. PRESENTATIONS AND ANNOUNCEMENTS FROM BOARD:

4. STAFF REPORTS

- A. **General Manager's Report** – Summary of April Activities.

- B. **Superintendent's Report** - Summary of April Activities.

- C. **District Financial Summary** – Update on Monthly Financial Status for close of business April 30, 2017.

- D. **District Counsel's Report** – Summary of April activities.

5. ITEMS OF BUSINESS

- A. **Consideration of approval of last month's minutes** – April 12, 2017.

- B. **Consideration of approval of Disbursements Journal** – May 10, 2017.

6. DISCUSSION/ACTION ITEMS

A. Review of Draft Budget for the 2017-2018 Fiscal Year.

B. Consideration and Approval for Main Line Utility Company to clean and video existing sewer lines for the amount of \$8,610.00.

7. BOARD COMMITTEE REPORTS – Oral Reports from Committee Members.

8. BOARD REPORTS – Oral Reports from Board Members on current issues.

9. 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).

10. ADJOURNMENT

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

4A. GENERAL MANAGER'S REPORT
Charles Grace

4A. GENERAL MANAGER'S REPORT

May 10, 2017

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

For the month of April, Staff sent out billing and the quarterly newsletter. Staff continues working with a consultant on preparation of the Consumer Confidence Report.

Staff continues working with Techbunnies to finalize the remaining changes on the new website.

2. Update – Reservoir / Storage tank project.

Phoenix Engineering is continuing progress toward 30% design. Arrangements for a line of sight survey are made and a date will be scheduled.

3. Update on Communication with Fair Political Practice Commission (FPPC) Regarding Grace Environmental.

The FPPC responded to the inquiry by sharing that the FPPC does not comment on issues that involve past conduct.

4. Storm Drain Repair between Avonne Avenue and Castillo Drive.

Recently during rain activity the bottom of the 48" corrugated storm drain pipe that traverses the Quality Inn parking lot from Avonne Avenue to Castillo Avenue failed creating a sink hole. Currently road plates cover the hole. An attempt to video the pipe was made during which several holes were noted near the Avonne end of the pipe as well as near the Castillo end of the pipe. Staff is reviewing options such as slip lining, insitu form as well as dig and replace. Staff will be soliciting bids for the repairs in compliance with the Uniform Public Construction Cost Accounting Act's informal bidding procedures. At the request of the public staff researched County records and worked with the County Easement Department to determine who owns the storm drain. No record of ownership or easement was found. District Council's opinion is that the SSCSD is owner of the storm drain because the storm drain runs contiguous with the SSCSD street drain system.

4B. SUPERTINTENDENT'S REPORT
Jerry Copeland
Facilities Update for April 2017

4B. SUPERINTENDENT'S REPORT

Activities for April 2017

1. Wastewater Treatment Plant

- All sampling, testing and reporting at the Wastewater Treatment Plant and the Recycled Water Facility was performed as required by the RWQCB.
- Equipment was monitored the WWTP while operating under generator power during a power outage on April 7th.
- Annual flow meter calibration was performed by J.R.'s Environmental Services.
- Annual outfall inspection was performed.
- One load of sludge was hauled away.

2. Water Distribution System

- All routine sampling and testing was performed. The monthly report was submitted to the State Water Resources Control Board (SWRCB), Division of Drinking Water (DDW).
- Annual report was completed and submitted to the DDW.
- Equipment was monitored at the reservoir and well site while operating under generator power during a power outage on April 7th.
- Another hotel compound water meter was replaced.
- Monthly water meter reading was performed.

3. District and Equipment Maintenance

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

San Simeon Community Services District Superintendent's Report April 2017

MONTHLY DATA REPORT

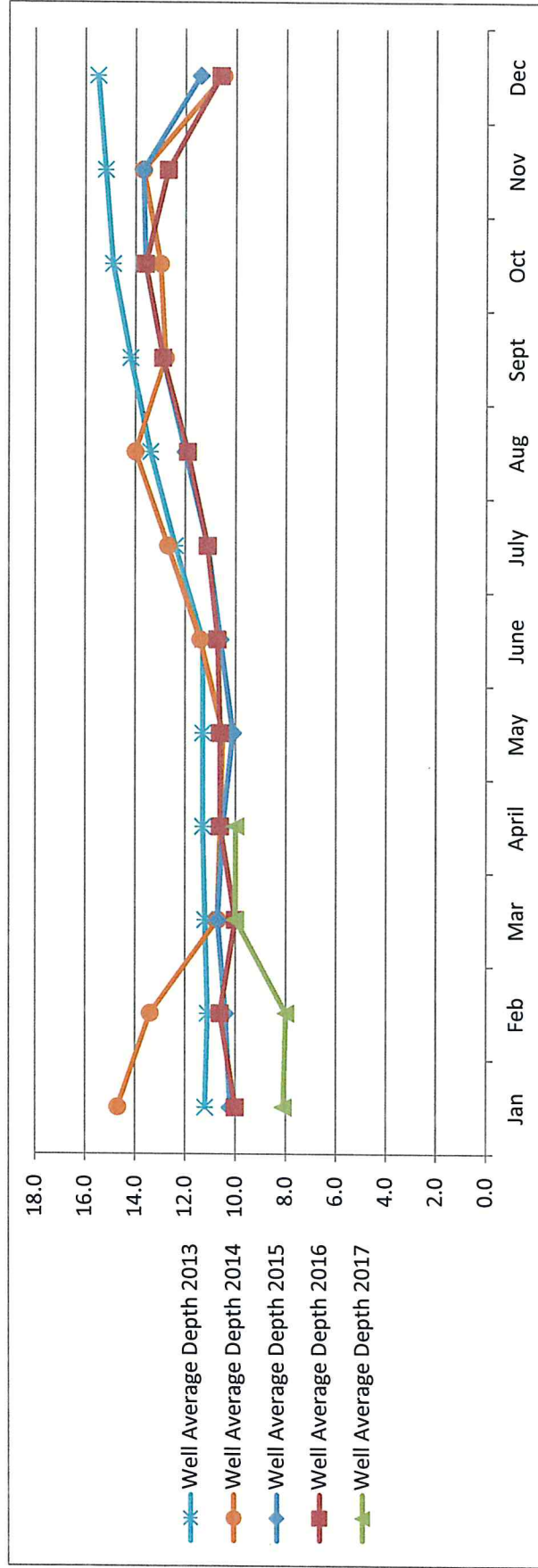
Date	Day	Wastewater Inflow	Wastewater Effluent Daily Flow	Well 1 Total Daily Produced	Well 2 Total Daily Produced	Total Daily Water Produced	R.O. Daily Inflow	R.O. Daily Effluent Flow	R.O. Daily Brine Flow	Distribution Chloride	Chloride Wells 1	Chloride Wells 2	Recycled Water Distributed	Water Level Well 1	Water Level Well 2	Rainfall in Inches	State Inflow Daily Flow
04/01/17	Sat	94,870	93,060	0	83,402	83,402	0	0	0	-	-	-	0	10.0	10.2	0.00	12,182
04/02/17	Sun	86,933	85,750	0	56,175	56,175	0	0	0	-	-	-	0	10.0	10.2	0.00	15,181
04/03/17	Mon	79,653	65,960	0	61,635	61,635	0	0	0	-	-	-	0	10.0	10.2	0.00	13,279
04/04/17	Tue	75,486	75,160	673	55,202	55,876	0	0	0	-	-	-	0	10.2	10.3	0.00	14,126
04/05/17	Wed	73,530	80,030	0	59,391	59,391	0	0	0	46	-	33	0	10.2	10.4	0.00	21,431
04/06/17	Thu	78,202	75,820	0	58,793	58,793	0	0	0	-	-	-	0	10.1	10.3	0.00	14,030
04/07/17	Fri	125,535	117,560	1,720	53,931	55,651	0	0	0	-	-	-	0	10.1	10.3	1.08	17,686
04/08/17	Sat	104,336	103,420	0	67,470	67,470	0	0	0	-	-	-	0	9.0	9.1	0.08	17,309
04/09/17	Sun	109,326	109,070	0	70,686	70,686	0	0	0	-	-	-	0	-	-	0.00	17,045
04/10/17	Mon	97,613	94,590	972	66,871	67,844	0	0	0	-	-	-	0	9.7	9.9	0.00	13,573
04/11/17	Tue	94,153	93,830	0	75,548	75,548	0	0	0	-	-	-	0	9.8	10.0	0.00	19,987
04/12/17	Wed	98,109	91,760	0	59,017	59,017	0	0	0	46	-	39	0	9.9	10.1	0.07	16,102
04/13/17	Thu	96,549	92,670	0	68,068	68,068	0	0	0	-	-	-	0	10.0	10.1	0.32	14,884
04/14/17	Fri	98,777	97,800	0	77,642	77,642	0	0	0	-	-	-	0	9.8	10.0	0.00	17,196
04/15/17	Sat	93,586	92,420	0	70,088	70,088	0	0	0	-	-	-	0	9.8	10.0	0.00	18,739
04/16/17	Sun	95,465	93,720	0	73,080	73,080	0	0	0	-	-	-	0	9.8	10.0	0.12	14,267
04/17/17	Mon	98,479	94,950	0	50,640	50,640	0	0	0	-	-	-	0	9.8	10.0	0.23	12,145
04/18/17	Tue	89,702	85,310	0	53,108	53,108	0	0	0	-	-	-	0	9.7	9.9	0.16	12,195
04/19/17	Wed	85,602	83,710	823	61,112	61,934	0	0	0	46	-	39	0	9.7	9.9	0.00	12,852
04/20/17	Thu	83,125	83,120	0	57,820	57,820	0	0	0	-	-	-	0	9.8	10.0	0.00	15,527
04/21/17	Fri	80,565	80,290	0	57,446	57,446	0	0	0	-	-	-	0	10.0	10.1	0.00	10,165
04/22/17	Sat	101,172	98,270	0	98,661	98,661	0	0	0	-	-	-	0	10.0	10.2	0.00	15,338
04/23/17	Sun	95,511	96,910	0	51,313	51,313	0	0	0	-	-	-	0	10.1	10.3	0.00	13,869
04/24/17	Mon	85,914	82,960	0	63,281	63,281	0	0	0	-	-	-	0	10.1	10.3	0.00	10,786
04/25/17	Tue	70,143	71,160	0	56,848	56,848	0	0	0	-	-	-	0	10.1	10.3	0.00	7,402
04/26/17	Wed	65,382	67,480	0	58,269	58,269	0	0	0	46	-	33	0	10.1	10.3	0.00	8,950
04/27/17	Thu	64,672	68,150	0	64,328	64,328	0	0	0	-	-	-	0	10.1	10.3	0.00	10,505
04/28/17	Fri	79,185	81,600	0	72,631	72,631	0	0	0	-	-	-	0	10.1	10.3	0.00	10,108
04/29/17	Sat	96,774	98,550	0	94,398	94,398	0	0	0	-	-	-	0	-	-	0.00	8,700
04/30/17	Sun	76,009	73,050	0	59,167	59,167	0	0	0	-	-	-	0	10.2	10.3	0.00	5,662
TOTALS		2,674,358	2,628,130	4,189	1,956,020	1,960,209	0	0	0				0			2.06	411,221
Average		89,145	87,604	140	65,201	65,340	0	0	0	46	0	36	0	9.9	10.1	0.07	13,707
Minimum		64,672	65,960	0	50,640	50,640	0	0	0	46	0	33	0	9.0	9.1	0.00	5,662
Maximum		125,535	117,560	1,720	98,661	98,661	0	0	0	46	0	39	0	10.2	10.4	1.08	21,431

San Simeon Community Services District

Superintendent's Report

March 2017

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Well Average Depth 2013	11.2	11.1	11.2	11.3	11.3	11.3	12.4	13.4	14.2	14.9	15.2	15.5
Well Average Depth 2014	14.7	13.4	10.7	10.6	10.5	11.4	12.7	14.0	12.8	13.0	13.7	10.5
Well Average Depth 2015	10.2	10.4	10.7	10.5	10.1	10.6	11.1	12.0	12.9	13.6	13.7	11.4
Well Average Depth 2016	10.0	10.6	10.0	10.6	10.6	10.7	11.1	11.9	12.9	13.6	12.7	10.6
Well Average Depth 2017	8.1	8.0	10.0	10.0								



4C. DISTRICT FINANCIALS
Renee Samaniego Osborne
April 31, 2017

SAN SIMEON COMMUNITY SERVICES DISTRICT



4C. FINANCIAL SUMMARY

BILLING
April 30, 2017

March Billing Revenue	\$ 49,467.51
April Billing Revenue	\$ 65,282.51
Past Due (31 to 60 days)	\$ 448.60
Past Due (60 days)	\$ 763.62

ENDING BANK BALANCES
April 30, 2017

RABOBANK SUMMARY:

Well Rehab Project/USDA Checking Account \$ 20.05

HERITAGE OAKS BANK:

Money Marketing Account Closing Balance March 31, 2017 \$ 507,536.58

Interest for March \$ 146.02

Money Marketing Account Closing Balance April 30, 2017 \$ 507,682.60

Reserve Fund (\$ 250,000.00)

Wait-list Deposits (\$ 45,750.00)

Customer Deposits (\$ 9,708.00)

Available Funds \$ 202,246.60

General Checking Account April 30, 2017 \$ 80,653.34

LAIF Closing Balance April 30, 2017 \$ 524.77

SAN SIMEON COMMUNITY SERVICES DISTRICT

Balance Sheet

As of April 30, 2017

Apr 30, 17

ASSETS

Current Assets

Checking/Savings

1010 · Petty cash	150.00
1015 · Heritage Oaks- General Checking	80,140.43
1016 · Heritage Oaks-Wellhead	6.34
1017 · Heritage Oaks-Money Market	507,682.60
1022 · USDA checking	100.05
1040 · Cash in county treasury	108.33
1050 · LAIF - non-restricted cash	523.77

Total Checking/Savings 588,711.52

Other Current Assets

1200 · Accounts receivable	78,858.27
1220 · A/R - Hearst Castle	29,440.04
1300 · Prepaid expenses	1,287.98

Total Other Current Assets 109,586.29

Total Current Assets 698,297.81

Fixed Assets

1400 · Fixed assets

1420 · Building and structures	395,874.73
1500 · Equipment	316,747.53
1540 · Major water projects	145,068.22
1560 · Pipe bridge	28,075.58
1580 · Sewer plant	1,488,555.08
1600 · Water system	550,390.00
1620 · WWTP expansion	299,565.92
1630 · Tertiary Project	262,932.67
1640 · Wellhead Rehab Project	447,545.53
1650 · Walkway access projects	21,511.00
1660 · RO Unit	928,088.35
1680 · Generator	29,101.14

Total 1400 · Fixed assets 4,913,455.75

1690 · Accumulated depreciation (2,189,588.96)

Total Fixed Assets 2,723,866.79

TOTAL ASSETS 3,422,164.60

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Other Current Liabilities

2100 · Payroll liabilities	217.00
2500 · Customer security deposits	9,758.13
2510 · Connect hookup wait list	45,750.00
2520 · USDA Loan	427,585.00

Total Other Current Liabilities 483,310.13

Total Current Liabilities 483,310.13

Total Liabilities 483,310.13

Equity

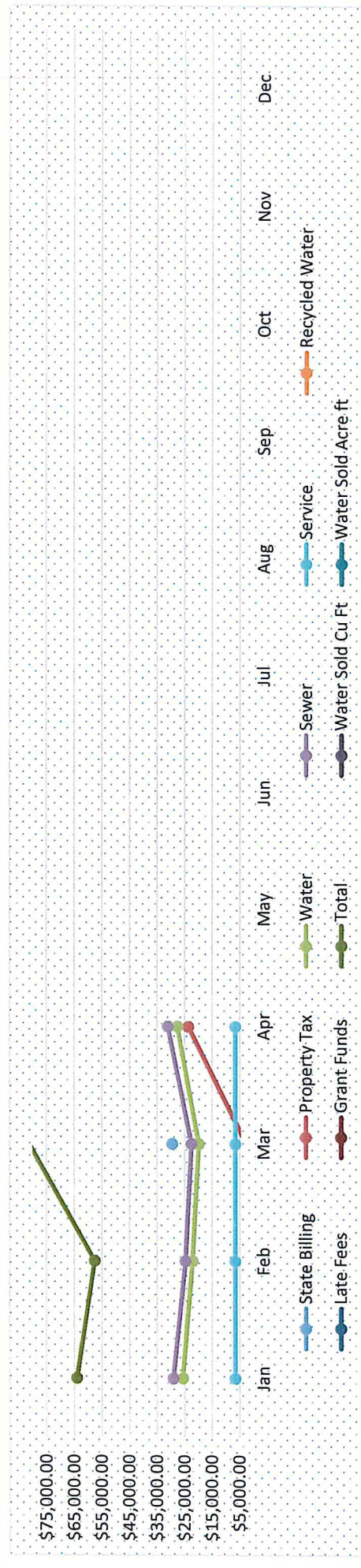
3200 · Fund balance	2,821,713.94
3900 · Suspense	24,371.68
Net Income	92,768.85

Total Equity 2,938,854.47

TOTAL LIABILITIES & EQUITY 3,422,164.60

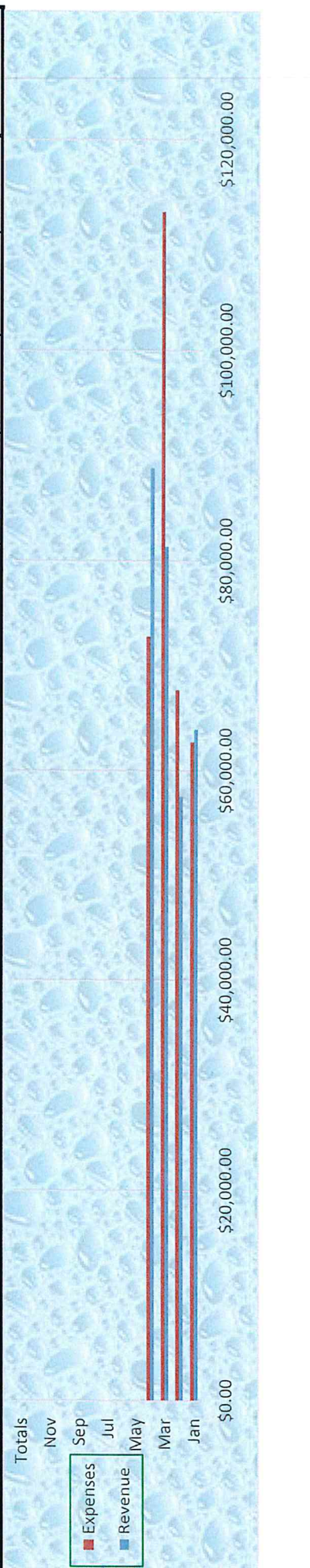
2017 DISTRICT REVENUE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
State Billing			\$29,440.40										\$29,440.40
Property Tax	\$2,456.74	\$2,966.66	\$2,421.97	\$23,540.38									\$31,385.75
Water	\$25,600.49	\$22,112.4	\$19,816.90	\$27,563.35									\$95,093.10
Sewer	\$29,037.7	\$24,590.4	\$22,440.87	\$31,022.32									\$107,091.27
Service	\$6,503.02	\$6,503.02	\$6,503.02	\$6,503.02									\$26,012.08
Recycled Water													\$0.00
Late Fees	\$366.84	\$1,387.73	\$735.52	\$202.87									\$2,692.96
Grant Funds													
Total	\$63,964.81	\$57,560.13	\$81,358.68	\$88,831.94									\$291,715.56
Water Sold Cu Ft	232048	200704	179990	249876									862618
Water Sold Acre ft	5.33	4.61	4.13	5.74									19.80



REVENUE VS EXPENSES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Revenue	\$63,964.81	\$57,560.13	\$81,358.68	\$88,831.94									
Expenses	\$62,761.73	\$67,745.25	\$113,198.05	\$72,818.66									
Balance	\$1,203.08	-\$10,185.12	-\$31,839.37	\$16,013.28									



**SAN SIMEON COMMUNITY SERVICES
HISTORICAL FISCAL REVIEW**

2013 / 2014													
Month	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fiscal Total
State Billing			\$27,981.20			\$21,530.45			\$23,125.60			\$21,530.45	\$94,167.70
Property Tax	\$8,069.77	\$51.86	\$1,503.31	\$3,859.65	\$5,718.15	\$25,445.32	\$1,327.66	\$1,155.63	\$2,632.24	\$21,054.41	\$912.02	\$195.04	\$71,925.06
Water	\$36,628.91	\$36,833.30	\$28,053.50	\$24,908.87	\$20,549.44	\$17,417.02	\$21,971.26	\$19,076.18	\$16,337.84	\$22,890.07	\$21,881.07	\$25,417.26	\$291,964.72
Sewer	\$40,084.93	\$43,613.30	\$33,179.74	\$29,636.09	\$23,946.33	\$20,191.07	\$25,116.19	\$22,334.72	\$19,215.19	\$27,214.26	\$26,016.01	\$30,425.87	\$340,973.70
Service	\$5,436.90	\$5,366.40	\$5,366.40	\$5,366.40	\$5,366.40	\$5,366.40	\$5,366.40	\$5,366.40	\$5,366.40	\$5,366.40	\$5,392.20	\$5,392.20	\$64,518.90
Late Fees	\$59.78	\$110.43	\$120.55	\$71.38	\$117.38	\$101.12	\$155.79	\$100.38	\$93.94	\$413.64	\$896.41	\$139.15	\$2,379.95
Total	\$90,280.29	\$85,975.29	\$96,204.70	\$63,842.39	\$55,697.70	\$90,051.38	\$53,937.30	\$48,033.31	\$66,771.21	\$76,938.78	\$55,097.71	\$83,099.97	\$865,930.03
Water Sold Cu Ft	373741	396714	303256	269689	222002	188500	223200	206900	177200	248063	236917	275338	3,121,520
Water Sold Acre ft	8.58	9.11	6.96	6.19	5.10	4.33	5.12	4.75	4.07	5.69	5.44	6.32	71.66

2014 / 2015													
Month	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fiscal Total
State Billing			\$9,972.00			\$6,480.49			\$7,042.78			\$8,943.33	\$32,438.60
Property Tax	\$1,749.86		\$170.96	\$4,304.07	\$6,305.04	\$30,755.69	\$1,698.01	\$680.91	\$4,730.41	\$20,998.75	\$444.16	\$624.12	\$72,461.98
Water	\$34,524.91	\$30,347.28	\$26,979.15	\$24,551.71	\$23,063.39	\$16,542.19	\$24,980.71	\$22,031.38	\$23,713.28	\$29,614.92	\$25,535.77	\$26,568.29	\$308,452.98
Sewer	\$41,554.68	\$36,609.57	\$32,364.61	\$29,124.18	\$27,266.32	\$19,555.31	\$29,619.69	\$25,800.68	\$27,563.38	\$35,077.17	\$30,393.05	\$31,702.68	\$366,631.32
Service	\$5,773.50	\$5,747.70	\$5,747.70	\$5,747.70	\$5,775.07	\$5,747.70	\$5,775.07	\$5,747.70	\$5,747.70	\$5,747.70	\$5,802.44	\$5,747.70	\$69,107.68
Late Fees	\$123.97	\$44.80	\$94.76	\$153.10	\$221.66	\$168.17	\$78.17	\$106.62	\$194.28	\$19.45	\$192.34	\$47.19	\$1,444.51
Total	\$83,726.92	\$72,749.35	\$75,329.18	\$63,880.76	\$62,631.48	\$79,249.55	\$62,151.65	\$54,367.29	\$69,166.14	\$91,457.99	\$62,367.76	\$74,431.29	\$851,509.36
Water Sold Cu Ft	352622	309962	275523	250905	235552	169443	255324	224325	240675	300989	260697	306,222	3,182,239
Water Sold Acre ft	8.10	7.12	6.33	5.76	5.41	3.89	5.86	5.15	5.53	6.91	5.98	7.03	73.05

2015 / 2016													
Month	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fiscal Total
State Billing			\$7,200.02			\$8,584.90			\$11,992.94			\$10,529.30	\$38,307.16
Property Tax	\$1,299.10	\$78.29	\$89.78	\$6,473.88	\$5,162.73	\$31,035.95	\$732.82	\$3,907.74	\$4,380.61	\$20,311.05	\$670.65	\$812.49	\$74,955.09
Water	\$32,179.33	\$35,048.63	\$31,023.24	\$30,062.47	\$23,260.87	\$19,903.42	\$28,833.61	\$24,410.65	\$22,300.83	\$24,943.58	\$27,395.80	\$29,375.50	\$328,737.93
Sewer	\$38,340.31	\$41,800.72	\$36,517.90	\$35,482.63	\$27,568.63	\$23,716.44	\$33,983.50	\$28,929.28	\$26,405.46	\$29,496.09	\$31,742.13	\$34,065.24	\$388,048.33
Service	\$6,052.80	\$6,081.90	\$6,111.00	\$6,111.00	\$6,111.00	\$6,111.00	\$6,169.20	\$6,111.00	\$6,140.10	\$6,140.10	\$6,111.00	\$6,111.00	\$73,361.10
Recycled Water			\$1,359.75			\$854.07							\$2,213.82
Late Fees	\$118.83	\$71.20	\$72.27	\$239.83	\$386.63	\$99.38	\$153.29	\$138.82	\$86.36	\$485.53	\$657.24	\$418.39	\$2,927.77
Total	\$77,990.37	\$83,080.74	\$82,373.96	\$78,369.81	\$62,489.86	\$90,305.16	\$69,872.42	\$63,497.49	\$71,306.30	\$81,376.35	\$66,576.82	\$81,311.92	\$908,551.20
Water Sold Cu Ft	311247	338869	297896	288860	223460	191579	276707	234583	213757	239168	260907	278,453	3,155,486
Water Sold Acre ft	7.15	7.78	6.84	6.63	5.13	4.40	6.35	5.39	4.91	5.49	5.99	6.39	72.44

2016 / 2017													
Month	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fiscal Total
State Billing			\$12,485.00			\$13,996.07			\$29,440.40				\$55,921.47
Property Tax	\$1,161.69		\$1,184.42	\$6,789.01	\$6,970.82	\$28,878.98	\$2,456.74	\$2,966.66	\$2,421.97	\$23,540.38			\$76,370.67
Water	\$36,292.1	\$36,746.52	\$31,241.74	\$29,953.03	\$22,549.49	\$19,445.8	\$25,600.5	\$22,112.36	\$19,816.90	\$27,563.35			\$271,321.76
Sewer	\$41,862.8	\$43,190.60	\$36,386.89	\$35,106.74	\$25,574.57	\$21,817.9	\$29,037.7	\$24,590.36	\$22,440.87	\$31,022.32			\$311,030.78
Service	\$6,559.5	\$6,472.20	\$6,472.20	\$6,472.20	\$6,626.30	\$6,533.8	\$6,503.0	\$6,503.02	\$6,503.02	\$6,503.02			\$65,148.32
Recycled Water						\$216.4							\$216.35
Late Fees	\$485.7	\$97.52	\$595.71	\$316.72	\$353.70	\$1,587.7	\$366.8	\$1,387.73	\$735.52	\$202.87			\$6,129.98
Total	\$86,361.78	\$86,506.84	\$88,365.96	\$78,637.70	\$62,074.88	\$92,476.61	\$63,964.81	\$57,560.13	\$81,358.68	\$88,831.94			\$786,139.33
Water Sold Cu Ft	324654	324654	281207	269907	203338	175391	232048	200704	179990	249876			2,441,769
Water Sold Acre ft	7.45	7.45	6.46	6.20	4.67	4.03	5.33	4.61	4.13	5.74			56.06

5. ITEMS OF BUSINESS

A. Consideration of approval of last month's minutes – April 12, 2017.

B. Consideration of approval of Disbursements Journal – April 31, 2017.

MINUTES
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
Wednesday, May 10, 2017
6:00 pm

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

1. REGULAR SESSION: 6:05 PM

A. Roll Call

Chairperson Williams – Present
Vice-Chair Fields – Present
Director Patel – Present
Director Russell – Present
Director McGuire – Present

General Manager, Charles Grace
District Counsel, Tim Carmel
Sheriff Representative, Commander Voge

B. Pledge of Allegiance

2. PUBLIC COMMENT

Leroy Price inquired about the Pico Ave Stairs hand railing.

Charlie Grace responded that the work will be completed in the next couple of the months. He believes that the handrail will probably be a long term maintenance item.

Mike Hanchett provided information about the construction of the San Simeon Community Sign that is being installed on Highway 1. He stated that construction will be complete by the end of June.

A. Sheriff's Report for April

There were a total of 34 calls in San Simeon. Commander Voge explained that once they reviewed the calls and pulled an actual case number, they were able to reduce that number to a total of 4 complete calls.

- 1) San Simeon Liquor turned in 3 wallets and a credit card that patrons had left.
- 2) Found credit card in cash machine.
- 3) A visitor from LA was camping on the beach. Deputies made contact and the visitor decided to go elsewhere.
- 4) There was report of credit card fraud. A television set was sent to Georgia.

Tip a Cop is Thursday June 1st in Cambria. All proceeds got to Special Olympics.

B. Public comment on Sheriff's Report

None

3. PRESENTATIONS AND ANNOUNCEMENTS FROM BOARD

None

4. STAFF REPORTS

A. General Manager's Report

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

For the month of April, Staff sent out billing and the quarterly newsletter. Staff continues working with a consultant on preparation of the Consumer Confidence Report.

Staff continues working with Techbunnies to finalize the remaining changes on the new website.

2. Update – Reservoir/Storage tank project.

Phoenix Engineering is continuing progress toward 30% design. Arrangements for a line of sight survey are made and a date will be scheduled.

3. Update on Communication with Fair Political Practice Commission (FPPC) Regarding Grace Environmental.

The FPPC responded to the inquiry by stating that the FPPC does not comment on issues that involve past conduct.

4. Storm Drain Repair between Avonne Avenue and Castillo Drive.

Recently during rain activity the bottom of the 48" corrugated storm drain pipe that traverses the Quality Inn parking lot from Avonne Avenue to Castillo Avenue failed, creating a sink hole. Currently road plates cover the hole. An attempt to video the pipe was made during which several holes were noted near the Avonne end of the pipe as well as near the Castillo end of the pipe. Staff is reviewing options such as slip lining, insitu form, as well as dig and replace. Staff will be soliciting bids for the repairs in compliance with the Uniform Public Construction Cost Accounting Act's informal bidding procedures. At the request of the public, staff researched County records and worked with the County Easement Department to determine who owns the storm drain. No record of ownership or easement was found. District Council's opinion is that the SSCSD is owner of the storm drain because the storm drain runs contiguous with the SSCSD street drain system.

Tim Carmel commented that Counsel would be making a determination about the ownership of the storm drain in the next week or so.

Ken Patel recused himself so that he could ask a question about how to fill out the Special District Risk Management Authority (SDRMA) insurance form for the collapsed storm drain.

Charlie Grace responded that the SDRMA would review the form and then access the information.

B. Superintendent's Report–Summary of April Activities

1. Wastewater Treatment Plant

- All sampling, testing and reporting at the Wastewater Treatment Plant and the Recycled Water Facility was performed as required by the RWQCB.
- Equipment was monitored at the WWTP while operating under generator power during a power outage on April 7th.
- Annual flow meter calibration was performed by J.R.'s Environmental Services.
- Annual outfall inspection was performed.
- Two loads of sludge were hauled away.

2. Water Distribution System

- All routine sampling and testing was performed. The monthly report was submitted to the State Water Resources Control Board (SWRCB), Division of Drinking Water (DDW).
- Annual report was completed and submitted to the DDW.
- Equipment was monitored at the reservoir and well site while operating under generator power during a power outage on April 7th.
- Another hotel compound water meter was replaced.
- Monthly water meter reading was performed.

3. District and Equipment Maintenance

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

C. District Financial Summary

March Billing Revenue	\$ 49,467.51
April Billing Revenue	\$ 65,282.51
Past Due (31 to 60 days)	\$ 448.60
Past Due (60 days)	\$ 763.62
ENDING BANK BALANCES	
April 30, 2017	
RABOBANK SUMMARY:	
Well Rehab Project/USDA Checking Account	\$ 20.05
HERITAGE OAKS BANK:	
Money Marketing Account Closing Balance March 31, 2017	\$ 507,536.58
Interest for March	\$ 146.02
Money Marketing Account Closing Balance April 30, 2017	\$ 507,682.60
Reserve Fund	(\$ 250,000.00)
Wait-list Deposits	(\$ 45,750.00)
Customer Deposits	(\$ 9,708.00)
Available Funds	\$ 202,246.60
General Checking Account April 30, 2017	\$ 80,653.34
LAIF Closing Balance April 30, 2017	\$ 524.77

D. District Counsel's Report Summary of April activities

Tim Carmel stated that counsel worked with staff on a variety of issues. They responded to citizen concerns and created written responses to these concerns.

5. ITEMS OF BUSINESS

A. Consideration of approval of last month's minutes – April 12, 2017.

Director McGuire commented that the statement made by Julia Stanert during public comment at the April 12, 2017 Board meeting was incorrect because there actually is a sidewalk in front of the Motel 6.

A motion was made to approve the minutes.

Motion by: Director Patel
2nd by: Chairperson Williams
All in: 5 / 0

B. Consideration of approval of Disbursements Journal – May 10, 2017.

A motion was made to accept the Disbursements Journal.

Motion by: Vice-Chair Fields
2nd by: Chairperson Russell
All in: 5 / 0

6. DISCUSSION/ACTION ITEMS

A. Review of Draft Budget for the 2017-2018 Fiscal Year.

Mike Hanchett presented an overview of the budget and discussed three changes that had been made.

- 1) The first change related to an increase in the amount of 10% for the cost of Special District Risk Management Agency (SDRMA) insurance.
- 2) The second change related to road maintenance. The fund had been previously underfunded so this amount was adjusted.
- 3) The third change related to the removal of the election expense cost. There are no election costs this year.

The committee also discussed recommending that the rate increase to take effect on July 1, 2017 be for 3% rather than the already approved 5%, resulting in a 2% reduction in the increase.

B. Consideration and Approval for Main Line Utility Company to clean and video existing sewer lines for the amount of \$8,610.00.

A motion was made for Main Line Utility Company to video the existing sewer lines.

Motion by: Vice-Chair Fields
2nd by: Director McGuire
All in: 5 / 0

7. BOARD COMMITTEE REPORTS

None

8. BOARD REPORTS

Director McGuire presented information about the California Special District Association (CSDA) conference that she attended in San Luis Obispo in April. The funding for the attendance fee was paid through a scholarship for small districts. She provided a handout that highlighted information about best practices for small districts.

9. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS

None

10. ADJOURNMENT @ 7:13 PM

SAN SIMEON COMMUNITY SERVICES DISTRICT
Disbursements Journal

May 1, 2017

Type	Date	Num	Name	Memo	Paid Amount	Balance
Paycheck	05/01/2017	1354	John K Russell		\$ 92.35	\$ 80,140.43
Paycheck	05/01/2017	1356	Mary M McGuire		\$ 92.35	\$ 80,048.08
Paycheck	05/01/2017	1352	ALAN FIELDS		\$ 92.35	\$ 79,955.73
Paycheck	05/01/2017	1353	DAN WILLIAMS		\$ 92.35	\$ 79,863.38
Paycheck	05/01/2017	1355	KAUSHIK S PATEL		\$ 92.35	\$ 79,771.03
Bill Pmt -Check	05/01/2017	1357	Carmel & Nacassha. LLP	Legal Services April 2017/Balance Forward \$431.65 from March 2017	\$ 2,301.65	\$ 77,377.03
Bill Pmt -Check	05/01/2017	1358	ERA A Water Company	Testing	\$ 199.86	\$ 77,177.17
Bill Pmt -Check	05/01/2017	1359	Grace Environmental	Operations and Management Services for May 2017	\$ 48,948.00	\$ 28,229.17
Bill Pmt -Check	05/01/2017	1360	Marine Diving Solutions, LLC	Inv. # 1490, Inspection of outfall pipe out of San Simeon	\$ 7,950.00	\$ 20,279.17
Bill Pmt -Check	05/01/2017	1361	OLIVEIRA ENVIRONMENTAL CONSULTING	SSCSD Public assistance Grant review, # OEC_2017_011	\$ 1,045.00	\$ 19,234.17
Bill Pmt -Check	05/01/2017	1362	Phoenix Civil Engineering, Inc	Professional Services-Pico Stairs, RO Filtration, Tank Research	\$ 7,318.00	\$ 11,916.17
Bill Pmt -Check	05/01/2017	1363	Robert Stilts, CPA	April Bookkeeping	\$ 1,200.00	\$ 10,716.17
Bill Pmt -Check	05/01/2017	1364	Tech Bunnies IT Svcs & Web Design	4/13/17 IT Service	\$ 900.00	\$ 9,816.17
Bill Pmt -Check	05/01/2017	1365	Grace Environmental	State Mandated Additional Sampling due to Rain Events	\$ 2,956.15	\$ 6,860.02
					\$ 73,280.41	\$ 6,860.02

6. DISCUSSION & ACTION ITEMS

A. Review of Draft Budget for the 2017-2018 Fiscal Year.

B. Consideration and Approval for Main Line Utility Company to clean and video existing sewer lines for the amount of \$8,610.00.

6. DISCUSSION/ACTION ITEMS

May 10, 2017

A. Draft 2017-2018 Fiscal Budget Review.

Attached is the draft budget for the 2017-2018 Fiscal Year for Board review and discussion. No comments about the budget have been received from Board members or members of the public at the time of this publication.

B. Consideration and Approval for Mainline Utility Company to video existing sewer lines in the amount of \$ 8,610.00.

Best Management Practices include routine video monitoring of collection systems. Given that the system was last videoed during the development of the current Master Plan and the large amount of inflow / infiltration during this year's rain events staff is recommending the approximately 10,000 feet of sewer collection system to be videoed.

Staff contacted Al Septic's, National Plant, and Pro Pipe. Local resources are limited. Al's Septic declined to bid and referred our office to Mainline Utility. Pro Pipe also declined to bid. National Plant provided a bid. The cost difference between Mainline Utility and National Plant has an \$1110.00 difference. However, based on the location of Mainline Utility, staff recommends approval of the Mainline Utility quote.

Mainline Bid = \$ 8,610.00 (Located in Lompoc)

National Plant Bid = \$ 7500.00 (Located in Long Beach)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
SAN SIMEON COMMUNITY SERVICES DISTRICT														
Profit and Loss by Fund														
July 2017-June 2018														
4/12/17 @ 13:26														
	Ordinary Income/Expenses						General		Waste		Water			Total
	Income	Rate Increase = CPI +Plus					1.90%		1.90%		1.90%			
	4000 Operating Revenues						5.00%		5.00%		5.00%			
5	4005 Utility fees-waste		\$0.00			\$447,540.06			\$447,540.06		\$0.00			\$447,540.06
10	4010 Utility fees-water		\$0.00			\$371,690.23			\$0.00		\$371,690.23			\$371,690.23
11	4025 Service fees		\$83,054.89			\$0.00			\$0.00		\$0.00			\$83,054.89
12	4050 State of Calif utility fees-waste		\$0.00			\$26,397.26			\$26,397.26		\$0.00			\$26,397.26
13	4000 Total Operating Revenue		\$83,054.89			\$473,937.31			\$473,937.31		\$371,690.23			\$928,682.43
14														
15	4100 Property Taxes													
16	4110 Prop Tax current secured		\$73,200.84			\$0.00			\$0.00		\$0.00			\$73,200.84
17	4120 Prop Tax current secured supp		\$1,530.81			\$0.00			\$0.00		\$0.00			\$1,530.81
18	4130 Prop Tax current unsecured		\$1,847.23			\$0.00			\$0.00		\$0.00			\$1,847.23
19	4140 Prop Tax current unsecured supp		\$0.00			\$0.00			\$0.00		\$0.00			\$0.00
20	4150 Prop Tax prior secured		\$0.00			\$0.00			\$0.00		\$0.00			\$0.00
21	4160 Prop Tax prior secured supp		\$0.00			\$0.00			\$0.00		\$0.00			\$0.00
22	4170 Prop Tax prior unsecured		\$60.93			\$0.00			\$0.00		\$0.00			\$60.93
23	4180 Prop Tax prior unsecured supp		\$10.69			\$0.00			\$0.00		\$0.00			\$10.69
24	4190 Penalties and interest prop tax		\$3.21			\$0.00			\$0.00		\$0.00			\$3.21
25	4220 Homeowners prop tax relief		\$290.77			\$0.00			\$0.00		\$0.00			\$290.77
26	4230 Prop tax admin fee SB 2557		\$0.00			\$0.00			\$0.00		\$0.00			\$0.00
27	4270 Current utility tax		\$0.00			\$0.00			\$0.00		\$0.00			\$0.00
28	4280 State aid-homeowners		\$1,885.72			\$0.00			\$0.00		\$0.00			\$1,885.72
29	4290 Educator Rev Augmentation		\$1,331.97			\$0.00			\$0.00		\$0.00			\$1,331.97
30	4100-4299 Total Property taxes		\$80,162.17			\$0.00			\$0.00		\$0.00			\$80,162.17
31														
32	4750 Fema-storm damage funds		\$0.00			\$0.00			\$0.00		\$0.00			\$0.00
33	4800 Miscellaneous Income		\$0.00			\$0.00			\$0.00		\$0.00			\$0.00
34	4900 Late fees & adjustments		\$0.00			\$0.00			\$0.00		\$0.00			\$0.00
35	Total Income		\$163,217.06			\$473,937.31			\$473,937.31		\$371,690.23			\$1,008,844.60
36														
37														
38	Expense													
39	6000 Accounting	*	\$3,665.60			\$3,469.70			\$3,468.68		\$0.00			\$10,603.97
40	6015 Auto Expenses		\$0.00			\$0.00			\$0.00		\$0.00			\$0.00
41	6017 Bad Debts		\$0.00			\$0.00			\$0.00		\$0.00			\$0.00
42	6020 Bank Fees		\$117.59			\$0.00			\$0.00		\$0.00			\$117.59
43	6025 Bookkeeping	*	\$4,848.98			\$4,828.48			\$5,135.76		\$14,813.22			\$14,813.22
44	6030 Directors Fees	*	\$1,759.57			\$1,980.94			\$1,980.94		\$2,332.49			\$6,073.00
45	6031 Payroll Expense		\$160.35			\$152.85			\$152.85		\$466.05			\$466.05
46	6035 Dues and subscriptions	*	\$4,211.86			\$1,433.73			\$1,433.73		\$687.83			\$6,333.42
47	6045 Electrical power		\$0.00			\$0.00			\$0.00		\$0.00			\$0.00
48	6050 Election Expenses		\$1,122.45			\$0.00			\$0.00		\$0.00			\$1,122.45
49	6055 Road Maintenance		\$12,236.35			\$0.00			\$0.00		\$0.00			\$12,236.35
50	6060 Riprap engineering	*	\$0.00			\$28,532.00			\$28,532.00		\$0.00			\$28,532.00
51	6065 Equipment rental	*	\$0.00			\$0.00			\$0.00		\$0.00			\$0.00
52	6075 Insurance-health		\$14,110.80			\$0.00			\$0.00		\$0.00			\$14,110.80
53	6080 Insurance-liability	*	\$716.23			\$3,407.54			\$3,407.54		\$2,484.32			\$6,608.09
54	6095 LAFCO Cost Apportionment	*	\$1,589.84			\$757.73			\$757.73		\$3,105.29			\$3,105.29
55	6100 Legal fees	*	\$9,514.10			\$6,776.35			\$6,776.35		\$23,066.80			\$23,066.80
56	6105 Licenses and permits	*	\$0.00			\$15,285.00			\$15,285.00		\$6,114.00			\$21,399.00
57	6110 Memberships and seminars		\$0.00			\$203.80			\$203.80		\$0.00			\$203.80
58	6115 Miscellaneous expenses		\$427.60			\$50.95			\$50.95		\$682.35			\$682.35
59	6120 Office Expenses		\$1,069.00			\$0.00			\$0.00		\$0.00			\$1,069.00
60	6125 Operations Management	*	\$36,730.84			\$351,637.54			\$351,637.54		\$216,078.95			\$604,447.33
61	6130 Operating supplies		\$0.00			\$15,285.00			\$15,285.00		\$0.00			\$15,285.00
62	6145 Professional Fees		\$3,207.00			\$0.00			\$0.00		\$15,285.00			\$18,492.00
63	6150 Contingency	*	\$0.00			\$0.00			\$0.00		\$0.00			\$0.00
64	6180 Street lights		\$0.00			\$0.00			\$0.00		\$0.00			\$0.00
65	6191 Emergency Water Standby		\$0.00			\$0.00			\$0.00		\$14,266.00			\$14,266.00
66	6195 Website Support		\$750.00			\$0.00			\$0.00		\$0.00			\$750.00
67	6200 Violations		\$0.00			\$0.00			\$0.00		\$0.00			\$0.00
68	Total Expense		\$96,238.17			\$434,107.86			\$434,107.86		\$273,488.44			\$803,834.47
69														
70	Net Ordinary Income(Loss)		\$66,978.89			\$39,829.45			\$39,829.45		\$98,201.79			\$205,010.13
71														
72	Other Income/Expenses													
73	Other Income													
74	8010 Interest Income		\$2,038.00			\$0.00			\$0.00		\$0.00			\$2,038.00
75	8015 Dividend		\$0.00			\$0.00			\$0.00		\$0.00			\$0.00
76	8020 Interest-Money Market		\$0.00			\$0.00			\$0.00		\$0.00			\$0.00
77	8030 Interest - LAIF		\$0.00			\$0.00			\$0.00		\$0.00			\$0.00
78	CPI Rate Increase		\$0.00			\$0.00			\$0.00		\$0.00			\$0.00
79	State Payment for WWTP Cap Imprv		\$0.00			\$0.00			\$0.00		\$0.00			\$0.00
80	Total Other Income		\$2,038.00			\$0.00			\$0.00		\$0.00			\$2,038.00
81														
82	Other Expenses													
83	9010 Depreciation Expense		\$15,386.90			\$36,684.00			\$36,684.00		\$23,437.00			\$75,507.90
84	Water Loan Repayment		\$0.00			\$0.00			\$0.00		\$20,730.00			\$20,730.00
85	9030 Capital Projects/improvements		\$0.00			\$0.00			\$0.00		\$0.00			\$0.00
86	Total Other Expenses		\$15,386.90			\$36,684.00			\$36,684.00		\$44,167.00			\$96,237.90
87														
88	Net Other Income (Loss)		-\$13,348.90			-\$36,684.00			-\$36,684.00		-\$44,167.00			-\$94,199.90
89														
90	Net Income (Loss)		\$53,629.99			\$3,145.45			\$3,145.45		\$54,034.79			\$110,810.23

MAINLINE UTILITY CO.

LIC # 907024
1305 North H. St. Suite A, P.M.B. # 316
Lompoc, Ca. 93436
(805) 434-5015 Fax (805) 735-1252
mainlineutility@msn.com

To: Charles Grace
3/21/17
Company:
805.927.0399
Email:
Hydro-vac/CCTV

Date:

Fax:

Job:

ESTIMATE/CONTRACT

MAINLINE agrees to construct and complete in a good workmanlike and substantial manner, upon the real property hereinafter. MAINLINE will furnish all labor, tools, machinery, equipment, material, transportation as needed on the following work.

We will clean and video inspect approximately 10,000 feet of existing, various size sewer main lines. The district will need to provide water for cleaning and dump site for all materials removed from the system. All recordings will be on DVD, with written reports included. POSM software with NASSCO will be used.

**Hydro-jet: \$.75 per foot.
Mobilization: \$250.00
CCTV: \$.75 per foot
Mobilization: \$250.00
Per Diem: \$215.00 X 4 days, per person = \$1,720.00**

ANYTHING DUE TO UNFORESEEN PROBLEMS OR CHANGES BY AGENT/OWNER WILL BE CHARGED TIME AND MATERIAL OVER AND ABOVE ORIGINAL ESTIMATED PRICE. ANY PROBLEMS DUE TO DIGGING THROUGH ROCK OR UNUSUALLY HARDENED MATERIAL WILL ALSO BE CHARGED TIME & MATERIAL OVER AND ABOVE THE ORIGINAL ESTIMATED PRICE. EVERYTHING POSSIBLE WILL BE DONE TO PROTECT EXISTING LANDSCAPING. MAINLINE WILL NOT BE RESPONSIBLE FOR DAMAGE TO LANDSCAPING.

Any alteration or deviation from the above specifications involving extra cost of material or labor will become an extra charge over the sum mentioned as described below.

THE OWNER/AGENT WILL BE RESPONSIBLE FOR ANY PERMITS, SURVEYING COSTS, AND COMPACTION TEST.

***MATERIAL COST TO BE PAID PRIOR TO COMMENCEMENT OF WORK ALONG WITH 10% OF TOTAL AMOUNT. FINAL PAYMENT TO BE MADE NO LATER OR UPON COMPLETION OF EACH PHASE OF WORK COMPLETED AS PER CONTRACT.

INVOICES NOT PAID WITHIN 10 DAYS FROM COMPLETION OF WORK WILL BE SUBJECT TO A FINANCE CHARGE OF 1.5% PER MONTH. ANY COSTS FOR COLLECTIONS OR ATTORNEYS FEES WILL BE YOUR RESPONSIBILITY AND WILL BE ADDED TO THE AMOUNT DUE.

Estimate is only valid for 30 days from the above mentioned dated.

Please sign and return.

Accepted by: _____
~~17,220.00~~

\$8610.00
for CCTV only

Date:

Price: \$

Respectfully Submitted By: Mike MacEachern



NATIONAL PLANT SERVICES, INC.

Specializing in today's needs for environmental protection.

1461 Harbor Avenue ■ Long Beach, CA 90813-2741 ■ 562-436-7600 ■ Fax: 562-495-1528

March 7, 2017

Grace Environmental Services LLC

████████████████████
Attention: Mr. Charles Grace

Re: Sewer and Storm Drain Cleaning – San Simeon

In accordance with your request, we are pleased to submit the following proposal:

Scope of Work: To clean and inspect approximately 5000 LF of 6" diameter sanitary sewer and inspect approximately 340 LF of 48" diameter storm drain located in San Simeon, CA. Sewers will be cleaned using high-velocity jetting equipment; debris generated from cleaning will be vacuum removed. Sewers and storm drain will be inspected using tractor-mounted CCTV inspection equipment; inspections will be recorded and data collected. Video files and log sheets will be provided.

National Plant Services Will Furnish: A Jet/Vac Unit, CCTV inspection truck and mini-cam system with a two (2) person crew to work at the direction of Grace Environmental Services.

Grace Environmental Services Will Furnish: Complete access, openings and rights-of-way to the work areas; any local licenses or permits that may be required; any traffic control equipment and/or personnel necessary to provide traffic control; authorization/approval from property owner & local agencies; an unlimited water supply from the nearest available hydrant with water meter; an on-site disposal area for any and all wastewater and debris collected during the performance of this work; any and all mechanical work that may be required;

Price: The following rates and charges will apply to the performance of this project.

1. Jet/Vac Unit w/Operator @ \$190.00/Hr ST \$230.00/Hr OT
2. CCTV Inspection Unit & Mini-Cam w/Operator @ \$175.00/Hr ST \$215.00/Hr OT
3. Out-of-Town Expenses @ \$250.00/Day (for 2 Operators)
 - There will be a six (6) hour minimum daily jobsite charge.
 - Travel will be charged on a portal to portal basis from Long Beach at applicable hourly rates;
 - Rates are based on performing this work during regular working hours, Monday – Friday.
 - OT rates apply to any hours worked in excess of eight (8) per day and Saturdays.

Terms: National Plant Services' Terms and Conditions are attached and incorporated into this Proposal.

Respectfully submitted,

Dennis R. Keene

Dennis Keene
President

Accepted by: _____

Company: _____

Date: _____



NATIONAL PLANT SERVICES, INC.

Specializing in today's needs for environmental protection.
1461 Harbor Avenue ■ Long Beach, CA 90813-2741 ■ 562-436-7600 ■ Fax: 562-495-1528

GENERAL TERMS AND CONDITIONS

01. General Conditions: These general conditions are incorporated by reference into the proposal and are part of the Agreement under which services are to be performed by the Contractor for the Customer. Contractor will follow Customer's instructions, both verbal and written at all times.

02. Customer Provided Labor: When the Customer provides labor for the Contractor, the Customer will indemnify the Contractor for liability, loss or expense for work related injuries to those laborers not provided by the Contractor. The Customer agrees to waive all rights of subrogation against the Contractor arising out of the work in this Agreement. The customer agrees to comply with all local, state and federal regulations, including regulations governing issues pertaining to the environment, employee safety and health, public safety, and vehicular safety, such as those regulations enforced by the United States Occupational Safety and Health Administration, Environmental Protection Agency, Mine Safety and Health Administration and Department of Transportation. This includes all training of customer's employees and provision of suitable and safe equipment, as required by the applicable governmental regulations.

03. Customers Responsibilities: Customer will provide mechanical services. Operation and control of Customer's equipment is the Customer's responsibility. If Contractor cannot continue its work due to circumstance caused or allowed by Customer and of which Contractor was not apprised prior to starting the work, an hourly fee will be charged.

04. Damage Limitations: Under no circumstances will the Contractor be responsible for indirect, incidental or consequential damages. The Contractor also is not responsible for the rendering of or failure to render architectural, engineering or surveying professional services.

05. Pre-existing Conditions: The Contractor will not be responsible for liability, loss or expense (including damage caused by the backup of basement sewers) where the primary cause of the claim or damage is pre-existing conditions, including faulty, inadequate or defective design, construction, maintenance or repair of property or contamination of the subsurface where the condition existed prior to the start of the Contractor's work. Customer is responsible for loss of service equipment caused by the pre-existing conditions at the job site.

06. Environmental Conditions: The Customer holds clear title to all waste debris or other materials that the Contractor might handle, process or transport and Customer agrees to supply all necessary manifests. The Customer will indemnify the Contractor for liability, loss and expense caused by discharge, escape, release of liquids, gases or any other material, contaminant or pollutant into the atmosphere or into or onto land, water or property, except to the extent that the Contractor is negligent in performing work.

07. Indemnification: The Customer and Contractor will each indemnify the other in proportion to relative fault for liability, loss and expense incurred by the other party resulting from a negligent act or omission in performance of work under this Agreement. The Customer also will indemnify Contractor for liability, loss and expense resulting from Contractor services if the Contractor is acting at the direction or instruction of the Customer, or where the primary cause of any damages is due to information provided by the Customer.

08. Credit Policy: Regular Terms are C.O.D. If credit is extended, terms are Net 30 Days. The company may charge interest at the rate of 1-1/2% per month on all invoices outstanding 30 days past invoice date. Payment for services will not be contingent in any way on receipt of payment from other parties. No retention shall be withheld from payments.

09. Entire Agreement: This proposal together with any written documents, which maybe incorporated by specific reference herein, constitutes the entire agreement between the parties and supersedes all previous communications between them, either oral or written. The waiver by Contractor of any term, condition or provision herein stated shall not be construed to be a waiver of any other term, condition or provision hereof.

Accepted and Agreed by: _____

Customer: _____

Date: _____