

**Board of Directors – Regular Meeting
San Simeon Community Services District
AGENDA
Wednesday January 10, 2007 6:00 PM
Cavalier Banquet Room**

Note: All comments concerning any item on the agenda are to be directed to the Board Chairperson.

1. 6:00 PM – REGULAR SESSION
 - 1.1 Roll Call
 - 1.2 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, or pending before the Board. Presentations are limited to three (3) minutes or otherwise at the discretion of the Chair.

 - 2.1 Sheriff's Report
 - 2.2 Public Comment

3. STAFF REPORTS
 - 3.1 General Manager Report
 - 3.1.1 Current Project Report
 - ~~3.1.1.1~~ Water Master Plan
 - ~~3.1.1.2~~ WWTP Tertiary Upgrade Preliminary Design Report
Presentation by Jon Hanlon of Boyle Engineering
 - 3.1.1.3 Review of Plant Evaluation Performed by ECO
Resources Denver Operation
 - 3.1.1.4 Review of Water Revenue Recovery Old Water Meters
vs New Water Meters
 - 3.1.2 Superintendent Report
 - 3.1.2.1 Water & Wastewater Operation Report
 - 3.1.3 Other Reports
 - 3.1.3.1 District Financial Summary
 - 3.2 District Counsel Report

4. ITEMS OF BUSINESS
 - 4.1 Approval of Minutes – December 13, 2006
 - 4.3 Approval of Warrants –December 1, 2006 – December 31, 2006

5. DISCUSSION/ACTION ITEM
 - 5.1 Discussion/Action Regarding Water Bill for 540 Pico Ave. #103
 - 5.2 Discussion/Action Regarding District Counsel Rob Schultz's discussion
with RWQCB as it relates to latest Notice of Violation

5.3 Board Committee Reports.

5.4 Board Reports.

6. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA
ITEMS

7. ADJOURNMENT

General Manager's Report

January 10, 2007

3.1.1.1 Water Master Plan – The water master plan, as reported last month, is on schedule to be completed by the end of January and presented at the February meeting.

3.1.1.2 WWTP Tertiary Upgrade Preliminary Design Report – In last month's board packet the Board was presented, for their review, the Preliminary Design Report for tertiary upgrade for the wastewater treatment facility. At today's meeting, Jon Hanlon from Boyle Engineering is here to answer any questions the board may have regarding that report.

3.1.1.3 – Review of Plant Evaluation Performed by ECO Resources Denver Operation – In November 2006 ECO Resources requested that their Denver operation do a formal review of all the facilities ECO operates in California. Included in the board packet is a copy of the report as it relates to San Simeon.

3.1.1.4 - Review of Water Revenue Recovery Old Water Meters vs. New Water Meters – Last month staff was asked to supply the board with details of how the residential meter replacement project impacted the revenue the District receives for water usage. The details, based on 5 months, are as follows:

Old Meters

January 2006 through May 2006 total revenue - \$64,372

New Meters

July 2006 through November 2006 total revenue - \$103,145

Total revenue recovered over a 5 month period because of old slow reading meters is - \$38,773 or 37.5%.

It is important to note that this increase in revenue is a direct result of replacing old worn out slow reading meters with new accurate reading meters. This revenue is revenue that was being lost by the district because for years customers were actually using more water than they were being charged for.

Central California Plant Inspections, November 2006

San Simeon—San Simeon has had a history of violations including total coliform and chlorine violations for much of 2006. The current manager, Dan Daniels, has had that position for 2 years. He replaced a facility manager that had a spotty operations and compliance history. It is our understanding that this previous operator is under subpoena. In touring the plant we had no idea what to expect. Particularly with the notice that in July 2005, there was an inspection from the State that cited the plant as having > 1600 total coliform MPN and had sludge and grease leaving the outfall.

The plant has influent enter the facility and pass through a muffin monster type grinder before going to the equalization basin. The waste is then pumped from the EQ Basin to the A-Basins. During our tour, there were three A-Basin/Clarifier trains in use. The flows are low enough in the off-season that this is possible. The equalization basin has floating debris and grease that occasionally needs to be cleaned out. The flow of these trains goes to the chlorine contact basin, where 10% sodium hypochlorite is applied and then dechlorination is accomplished by the application of 25% sodium bisulfite.

The staff has been increased from only Dan Daniels and a part-time clerical help, Leah Rice, to include a second operator. They handle the collection system, distribution system, the water system, the wastewater system, meter reads, turn on and turn offs and billing. The situation had to be very stressful for Mr. Daniels as he was understaffed with many problems. He deserves congratulations for his services and for obtaining a five-year extension on the contract. ECO cleans ½ to all of the collection system as routine maintenance. Emergency services are provided by local contractors. The State has a lift station for their services, which are then pumped to the San Simeon collection system. There are routine flows of 0.2 MGD for dry season and 0.45 for rainy season. There really is the need for televising the collection system, in order to find I&I problems and repair them. San Simeon is governed by a special district that is fund limited.

The clarifiers have been rebuilt and repairs have been made to make the clarifiers more effective. The chain drives for the clarifiers have been rebuilt, the clarifier scrapers have been lowered and new flights and squeegees have been placed in all four clarifiers. New scum/grease airlift pumps and bag filtration systems have been fabricated in order to eliminate grease and scum getting into the chlorine contact and outfall area. (These have impressed us so much we will try to fabricate at least one of these systems in Colorado for trouble areas in facilities.)

There are screens in the chlorine contact chamber that do prevent scum and grease from making it to the outfall. The staff there does realize that there is still a short-circuiting problem in the chamber. We have suggested placing redwood in the serpentine trenches in order to make sure over and under flow maximizes the existing contact time before installing more costly baffles.

The influent flow meter is not really calibrated and working correctly. We suggest installing a sonic-style flow meter in the chlorine contact chamber giving you the effluent

flows. This would allow the chlorination pumps and the dechlorination pumps to be flow paced. The staff has decided that a chlorine count of 10-12 mg/L will provide proper effluent coliform counts. There were problems with the chlorination system caused by gasification of the chlorine mixture. These seem to have been corrected by the placement of a second chlorination pump operating in series with the current pump at the beginning of August.

The staff is currently sampling total coliform from three places in order to find the best sampling point or to see if there are differences in coliform counts based upon location.

There have been troubles with dechlorination. Currently there is a P-type plumbing apparatus to help dechlorination. We suggest slightly overdosing with Bisulfite in order to ensure dechlorination. Also, we are wondering if there could not be more mixing in the application area of the bisulfite in order to increase the chances of complete dechlorination. We have made spargers or diffusers using 1" PVC drilled with 1/8" holes. There is an end cap at one end of the tube, an elbow for carrier water followed a 1/2" tee for a bisulfite injector at the other. Currently the chlorine analyzer is not working properly. The chlorine analyzer feed pump could be used to provide carrier water. This tube could be placed in the bottom of the 12" effluent pipe weir as the effluent exits the chlorine contact chamber on the horizontal axis.

Other items we have seen at the plant will have impact on how the plant is operated. The RAS system is an air lift pump in each train. These flow too much RAS and allow the RAS to flow with too few solids. These pumps could be replaced by positive displacement pumps that are flow paced using variable frequency drives. These would really help treatment.

There have been discussions of adding tertiary treatment as part of the fines. I would prefer that the process and chlorination chamber changes outlined above be accomplished before tertiary treatment be added.

Other items are that the waste solids or biosolids are currently shipped as 3% solids at best to Santa Clara water. Are there portable sludge thickener trucks available in California as there are in Colorado? If these could be used, solids can often go up to the 16% range. It is more economical to ship this way. It is a possible growth market if ECO were to do these services ourselves.

The influent channels for each A-Basin could use a new flow control structure. There really is no effective way to measure and regulate the influent flows to each A-Basin train. There should be adjustable gate valves or weirs.

The staff uses a Royce solids meter to check MLSS. This should be run against real lab samples occasionally to determine its effectiveness and calibration. Also, in-house testing of nitrification and ammonia limits may help determine the efficacy of treatment. There is good use of lab equipment, particularly effective microscopic analysis.

Small items are the need for diesel stickers or combustible stickers on the generators for their fuel.

One item limiting growth for San Simeon is the need for more water sources. There are currently 2 wells that provide 375 gpm each. They are shallow wells near a horse pasture and may have surface water infiltration as a problem depending upon the aquifer and below ground geology. Also, I do not know if there are water rights available. The tank is a 150,000 tank. The tanks "floats" on the system, i.e. excess water produced by the system fills the tank. There should be a separate line from the wells to the tank to maximize chlorine contact time. Currently at maximum flows there still cannot be more than 20 minutes chlorine contact time, which would be marginal when new proposed ground water regulations go into effect. We did not look at monitoring or bacteriological plans. There are rodent problems in the well house as seen from the rodent droppings on the floor.

→ The plant operation could also be improved by adding a screening system to the influent this would help prevent rags and other debris from entering the system and improve operation.

→ We also discussed the possibility of sending one of the pickups from the Denver fleet that is due for rotation down as a spare vehicle for this facility. The Denver office does not get much from auction for these vehicles and they could be a benefit for this district.

There is an old sludge decant line from the digester that at one time would allow the digester to decant directly to the outfall. This pipe has been permanently plugged.

Facility Manager Dan Daniels will submit the Superintendent's Report at the next Board Meeting upon his return.

Other Reports
District Financials Summary

3.1.3.1 District Financials

November 2006 Billings	\$34,261.18
December 2006 Billings	\$31,750.36
Past Due	\$4,322.11
LAIF Account (no new statement yet)	\$900,400.64
SEP Account (no new statement yet)	\$83,758.37
	\$20,148.72
Accounts Payable	\$43,213.89
Checking Account Balance (no new statement yet)	\$39,276.61

**Board of Directors-Regular Meeting
San Simeon Community Services District
MINUTES
Wednesday December 13, 2006 6:00 PM**

*Approved AS
AMMENDS*

1. Regular Session

1.1 Roll Call: All directors in attendance. Director Kiech is succeeded by Director Ricci.

1.2 Pledge of Allegiance

2. Public Comment: None.

2.1 Sheriff's Report: No representative present.

3. Staff Reports

3.1 General Manager's Report

3.1.1.1 Water Master Plan:

Mr. O'Neill reported that the water master plan will be delayed until late January because of problems in obtaining a surveyor with the District required insurance. The plan will be presented by Boyle Engineering at the February regular meeting.

3.1.1.2 WWTP Tertiary Upgrade Preliminary Design Report:

Included in the board packets is the Boyle Engineering PDR. The information in this report is technical and comprehensive and will require time for all to review. This report is presented now to allow the Board time to review before the open discussion which is scheduled for the January meeting. At that time staff will also be prepared to discuss an alternative to the Boyle Report.

3.1.1.3 Results of Water Meter Accuracy Test for 540 Pico Ave. Unit #103:

Included in the board packet is a letter to General Manager O'Neill from Facility Manager Dan Daniels explaining the results of the Accuracy Test. The accuracy of the original meter was determined to be 100.08% accurate, well within the guidelines of the national standards of the American Water Works Association. Staff's recommendation to the Board will be addressed in the Discussion/Action Items section.

3.1.2 Superintendent's Report:

Facility Manager Dan Daniels said that the plant performed well overall in November with one exceedance for Total Chlorine Residual due to an equipment malfunction. The chemical feed pump for the dechlorination chemical sodium bisulfate did not deliver enough to neutralize the amount of chlorine necessary to remain within specified limits. It

is assumed the source of the problem lies within the design of the Chlorine Contact Chamber and the fact that the chemical feed pumps have to be adjusted manually. Although upgrading the CCC may solve the problem, there is no guarantee that it would and it would not be cost effective at this time.

3.1.3 District Financial Summary:

November Billings	\$34,261.18
October Billings	\$41,638.26
Past Due	\$3,027.43
LAIF Account	\$900,400.64
SEP Account	\$83,758.37
	\$20,148.72
Accounts Payable	\$82,389.04
Checking Account Balance	\$39,276.61

3.2 District Counsel Report: District Counsel Schultz, besides his regular duties, sent a letter to the RWQCB requesting another extension on the hearing for the violations. He requested they be pushed to March because Facility Manager Daniels will be on leave and Mr. Schultz would like to retrieve more explanation from Mr. Daniels regarding the causes and other details of the violations. Also, Mr. Schultz wants to analyze the cost/benefit of taking legal action against the RWQCB. Further, a recent legal amendment has been made redefining small districts and their hardships which may influence the outcome of the hearing in favor of the District. A closed session at the meeting in January would allow Mr. Schultz to report his findings.

4. Items of Business

4.1 Swearing in of Elected Board Members:

An official swearing in of Chairperson Lambeth and Director Ricci was conducted by General Manager Tom O'Neill.

Motion made to elect Lambeth as Chairperson by Director Ricci
Second made by Director Fields
Approved 5-0 without exception

Motion made to elect Director Russell as Vice Chair by Chairperson Lambeth
Second made by Director Fields
Approved 5-0 without exception

4.2 Approval of Minutes- November 8, 2006:

Motion made by Director Fields
Second by Director Russell
Approved 5-0 without exception

4.3 Approval of Warrants-November 1-30, 2006:

Motion made by Director Russell
Second by Director Mirabal-Boubion
Approved 5-0 as amended

5. Discussion/Action Items

5.1 SSCSD Board Members Interaction with Local Businesses:

Director Russell requested staff supply the Board with information regarding the interaction of the Board with local businesses. District Counsel Schultz assured that it is legal for local businesses to participate in elections. Mr. Mike Hanchett commented on the importance of business involvement partially because of the fact that most District revenue is created by local business accounts and previous issues brought to the Board have encouraged business participation.

5.2 State of California Share of Costs Associated with the Wastewater Treatment Plants Repairs and Upgrades:

Seven elements make up the majority of the costs associated with the District's repairs and upgrades of the wastewater treatment plant. They are:

- 1) New Plant Security Fencing
- 2) RWQCB Mandated Emergency Backup Generator
- 3) Engineering for State Mandated Immediate and Short Term Repairs
- 4) Engineering for State Mandated Plant Tertiary Treatment Upgrade
- 5) Development of a Water Master Plan
- 6) Implementation of Plant improvements as Defined in Gant Chart
- 7) Construction Costs Associated with Items 3 and 6 above

The total District funds spent on the seven items listed above so far is \$325,000. The State of California has a 25% stake in the Wastewater Treatment capacity and along with that capacity brings the responsibility for costs associated with the maintenance, repair and required upgrades. The General Manager and Directors Lambeth and Russell have had several meetings with the State on this issue and we are now prepared to meet with the State once again and present them with our findings. As of today \$81,250 could be considered as part of the State's responsibility.

Motion made to approve and present the State with an invoice for the above mentioned amount with the addition of \$7500 for Rip Rap.

Motion made by Director Fields
Second made by Director Russell
Approved 5-0 without exception

5.3 Discussion with SLO County Supervisor's Representative Regarding Funding for San Simeon Community Services District Capital Improvement Projects:

General Manager O'Neill and Directors Lambeth and Russell have engaged in conversation with Mr. Greg Haas, District Representative for Lois Capps, regarding assistance for acquiring funding for the District's needed capital improvements. The list

DISCUSS A CONCERNING
THE ATTACHED LETTER
FROM LOIS CAPP
BOUBION

below outlines the capital improvements needed and the estimated costs associated with those improvements:

1) Pipe Line Improvements	\$3,831,000
2) Wellhead Rehabilitation – Two Pumps	\$320,000
3) Additional Reservoir (750,000 gal)	\$1,450,000
4) Collection System Repair	\$1,250,000
5) District Road Improvements	\$750,000
6) Well Field Security	\$200,000
7) RWQCB Required Plant Upgrade (Tertiary Upgrade)	\$1,250,000
8) General Plan Implementation	\$150,000
9) State of California Collection System Upgrade	\$50,000
10) Contingencies and Escalation	\$1,350,000

These nine capital improvement projects, plus contingencies and escalation costs, are estimated at \$10.5M to the District. Staff is requesting the Board to review and comment on these projects so that we can finalize our project list to present to Mr. Haas. Details on each of these projects are available either in the Preliminary Design Report that is in the board packets or in the Water Master Plan which will be presented to the board in February. Mr. Haas has asked that the District present him with our Capital Improvements Project Requirements before the end of the year. Motion is to approve the list of projects for presentation to Mr. Haas.

Motion made by Director Ricci
Second by Director Russell
Approved 5-0 without exception

5.4 Direction from the Board Regarding Item 3.1.1.3 of the General Manager's Report:

Based on the findings of the accuracy test performed on the water meter located at 540 Pico Ave. Unit #103, it is staff's opinion that the new meter has been reading correctly from the beginning and therefore all charges to the above referenced location are correct. Staff recommends reissuing the bill with all current and past due charges (minus late fees) to be due on or before January 25, 2007. Board directed staff to return with 12 months' billing history on the account and District policies regarding disputes.

5.5 Board Committee Reports: None

5.6 Board Reports: None

6. Board/Staff General Discussions and Proposed Agenda Items: None

7. Adjournment 7:37 pm

**San Simeon Community Services District
WARRANT REPORT
January 1-31, 2007**

	Type	Date	Open Balance	Warrant #	Check #
Fields, Alan	Bill	1/5/2007	\$ 100.00	0501-001	5572
DeeDee Ricci	Bill	1/5/2007	\$ 100.00	0501-002	5586
Lambeth, Terry	Bill	1/5/2007	\$ 100.00	0501-003	5581
Mirabal-Boubion, Loraine	Bill	1/5/2007	\$ 100.00	0501-004	5578
Russell, John	Bill	1/5/2007	\$ 100.00	0501-005	5577
Schultz, Rob	Bill	1/5/2007	\$ 1,575.00	0501-006	5580
ECO Resources	Bill	1/5/2007	\$ 35,052.51	0501-007	5576
PERS Health	Bill	1/5/2007	\$ 200.21	0501-008	5573
Donald McDonald	Bill	1/5/2007	\$ 50.00	0501-009	5575
USA Bluebook	Bill	1/5/2007	\$ 165.23	0501-010	5582
Bytes and Sites	Bill	1/5/2007	\$ 600.00	0501-011	5585
PG and E	Bill	1/5/2007	\$ 1,275.41	0501-012	5579
GBP AND B	Bill	1/5/2007	\$ 2,400.00	0501-013	5583
Air Pollution Control	Bill	1/5/2007	\$ 1,395.53	0501-014	5587

Total: \$ 43,213.89

Discussion/Action Items January 10, 2007

3 to 1
Approved

5.1 – Discussion/Action Regarding Water Bill for 540 Pico Ave. #103 – At the December board meeting the board asked that staff return in January with details as to why the board should accept staffs report that the meter at 540 Pico Ave. #103 was reading accurately, the billing for July was correct, and that a bill should be sent to the resident for July charges minus any late fees. That detail is included in the board packet and summarized here.

5/25/06 old meter read was 681
6/8/06 old meter read was 683

Total usage for 5/25/06 to 6/8/06 was 2 units

2 units times water rate \$4.82 equals \$9.64
2 units times sewer rate \$2.91 equals \$5.82
1 service fee of \$13.50

Total fees for 5/25/06 through 6/8/06 is \$28.96

June's bills were estimated to be the same as previous months \$28.42*

6/8/06 new meter read was 0
7/26/06 new meter read was 8

Total usage for 6/8/06 through 7/26/06 was 9 units 8

8 units times water rate \$4.82 equals \$43.38 38.56
8 units times sewer rate \$2.91 equals \$26.19 23.28
1 service fee of \$13.50

Total fees for 6/8/06 through 7/26/06 is \$83.07 75.34

Total fees for ~~5/25/06~~ through 7/26/06 is ~~\$112.03~~ (\$82.08 + \$28.74)

Minus Junes estimated fees of \$28.42

Total due district should be for two months utilities is \$83.61 82.40 75.66

It is staff's recommendation that the customer be billed for the \$83.61 for utilities from June 8, 2006 through July 26, 2006

5.2 - Discussion/Action Regarding District Counsel Rob Schultz's discussion with RWQCB as it relates to latest Notice of Violation – Rob Schultz will address this issue.

Note: Adj on board based on decision re: June/July billing

$$\begin{array}{r} 126.95 \\ - 75.88 \\ \hline = 51.07 \end{array}$$

for June & July

$$\begin{array}{r} 75.88 \\ \hline \end{array}$$

0150
0153

6/8/06

37/20

San Simeon Community Services Dist

Customer Detail

Hartnett, Yvonne

Account Number

189

Hartnett, Yvonne
540 Pico Ave. #103

San Simeon CA
93452 (805)927-2431
Service Address: 540 Pico Ave. #103

Date Turned On 5/26/2004
Date Turned Off
Meter Check Date 12/29/2006
Rate Code 1
Pump/Well Number 1
Last Reading 65
Previous Reading 62
Usage 300

of Units 1
account ID 05774089

Months On System 32
Total Usage 112,602,900
Average Usage 3,518,841
Sequence Number 1740
Meter Serial Number 05774089
Route Number 1
Last Read Date 12/27/2006
12 Month Average 433
Last Year Average 700
Previous Year Average 700
Last 'Paid On Time' Date 1/5/2007
Last Late Charge Date 12/27/2006
Number Of Late Months 29
Next Due Date 1/25/2007
Year To Date Charges \$1,600.60

Deposit Information

Deposit Amount	\$50.00	Deposit Date	10/6/2004	Certificate Number	0
Deposit Amount 2	\$0.00	Deposit 2 Date		Services	Current Balance
	Usage	Charges	Read Date	Reading	
January	700	81.54	1/25/2006	664	L
February	1,000	111.34	2/24/2006	674	L
March	300	51.53	3/25/2006	678	L
April	100	24.02	4/28/2006	679	
May	100	28.42	5/25/2006	681	
June	100	28.42 Est	6/27/2006	0	
July	1,100	98.53	7/26/2006	8	
August	500	61.72	8/28/2006	13	
September	300	36.69	9/25/2006	16	
October	300	20.95	10/25/2006	19	L
November	400	62.26	11/27/2006	2	L
December	300	36.69	12/27/2006	65	
Last Payment	1/5/2007	\$45.42	Check Number	1811	
Age 1	\$36.69	Age 2	\$62.26	Age 3	\$96.25

Previous Charges	\$240.62
Paid This Month	\$45.42
Account Balance	195.20

San Simeon Utility District Water Meter Replacement Record

DATE: 5, 8, 06
ADDRESS: 540 Pied Ave. #103 (Act # 189) *OKW*
REASON: _____
CHANGED BY: BH/WC

NEW METER NO: 05123838
SIZE: 5/8"
NEW METER MAKE: Hewley
NEW READING: 0

OLD METER NO: 38740492
SIZE: 5/8"
OLD METER MAKE: Rockwell
OLD READING: 083

COMMENTS: _____

#40

JAN 10 2007

pub com

Doc Doc

- PENWAY & JASPAR

- make will provide LIST OF LIGHTS

3.1.1.2 John Russel - WWTTP RETIRED UPDATE

- WHAT QUESTIONS WERE ASKED IN THE TIRE
22 Survey.

- WAS THERE A LIMIT

* - QUESTIONS THE VALIDITY OF THE SURVEY

~~###~~

JR - THINKS THERE IS MORE WORK TO DO
REGARDING SURVEY

JH - WENT THROUGH SURVEY PROCEED

JR - SPT COVERS TWO KINDS OF TREATMENT BEOS
WHAT ARE THE DIFFERENCES

JH -

JR - WHEN BEOS WERE REQUESTED DO WE DISCUSS
THE SALT AER ENVIRONMENT,

JR - WHAT IS LIFE CYCLE OF EQUIPMENT

JR - HAVE WE DONE SPT COST ELEC ETC.,

JH: NO

JR - WHAT KIND OF REPLACEMENT SUPPLIES

JH: REPLACEMENT CLOTH & FILTERS

JR - ARE THEY SELF CLEANING

- JH: YES

JR - NOISE (TALK ABOUT IT)

JH: AIR COMP WOULD BE IN EXHAUSTING
BUILDING

JR: COORS?

JH: NO

J

TL: WHAT DO YOU PREFER

CG; DESK FILTERS

* AF: IF WE WENT TITLE 22 WOULD WE BE
ELIGIBLE FOR GRANT MONEY

RS: NOT SURE WHERE TO GO IS WITH GRANT
TYPES, THEY ARE NOT MUCH LIKE SAN SEM
MAY BE DIFFERENT, THERE ARE LOW INTEREST
LOANS AVAILABLE.

MIXE: DUAL PUMPING

: FREE FLOW FOR NEW HOUSES

Sherrif rpt

TL: ? GUNT BEING SHAR OFF BELTIN PING. IT
IS OOO THAT NO REPORT WAS FILED

* - BOXING GLOVES HANGING FROM POWER LINE ON OCEAN.
HOW CAN WE GET THEM REMOVED.

* - NEED PLAN OF ATTACK FOR TREATY TREATMENT
UPDATES, IN CONJUNCTION W/ OTHER IMPROVEMENTS
~~AND~~ LISTED IN DENVER (ECO) RPT.

MINUTES

DD: LETTER THAT MEXI RFD ENCLOSED ~~IS~~
IN THE MINUTES OR NAME OF
DELETED IN THE MINUTES

MORSON ~~IS~~ DD 2ND FILES TO AMEND
MINUTES 5.1. AMEND
3-2 JR Oppon

BASE

WANT TO GET SOMEONE IN ON COLLECT

Specim
MIC 2:30pm Thursday The 18th Acceptance presentation
AND PRESENT TO START + CLOSING DATES.

WACCENAS

MORSON W UNANIMOUSLY APPROVED

~~APRIL HAVE SAT TO THE SAME~~

~~LOW FLOW~~

RS:

- 5.2 - INSTRUCT ECO TO GET PLANNERS TO PASS
MOVE TOWARD A SEP WITH CURRENT FERR MONEY.
- MOTION TO WAIVE THE HEARING DATE w/ RWQCB AND
NEGOTIATE Sep JR MOTIONS
90 SECONDS - UNANIMOUS - VERIFY WITH
TAPE AUDIO TAP!
- STATE DOUBLES EXT SAMPLING FREQUENCY IN AUG 2005

**Board of Directors-Regular Meeting
San Simeon Community Services District
MINUTES
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1. Regular Session

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1.2 Pledge of Allegiance

2. Public Comment: None.

2.1 Sheriff's Report: No representative present.

3. Staff Reports

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Accounts Payable	\$82,389.04
Checking Account Balance	\$39,276.61

3.2 District Counsel Report: District Counsel Schultz, besides his regular duties, sent a letter to the RWQCB requesting another extension on the hearing for the violations. He requested they be pushed to March because Facility Manager Daniels will be on leave and Mr. Schultz would like to retrieve more explanation from Mr. Daniels regarding the causes and other details of the violations. Also, Mr. Schultz wants to analyze the cost/benefit of taking legal action against the RWQCB. Further, a recent legal amendment has been made redefining small districts and their hardships which may influence the outcome of the hearing in favor of the District. A closed session at the meeting in January would allow Mr. Schultz to report his findings.

4. Items of Business

4.1 Swearing in of Elected Board Members:

An official swearing in of Chairperson Lambeth and Director Ricci was conducted by General Manager Tom O'Neill.

Motion made to elect Lambeth as Chairperson by Director Ricci

Second made by Director Fields

Approved 5-0 without exception

Motion made to elect Director Russell as Vice Chair by Chairperson Lambeth

Second made by Director Fields

Approved 5-0 without exception

4.2 Approval of Minutes- November 8, 2006:

Motion made by Director Fields

Second by Director Russell

Approved 5-0 without exception

4.3 Approval of Warrants-November 1-30, 2006:

Motion made by Director Russell
Second by Director Mirabal-Boubion
Approved 5-0 as amended

5. Discussion/Action Items

5.1 SSCSD Board Members Interaction with Local Businesses:

Director Russell requested staff supply the Board with information regarding the interaction of the Board with local businesses. District Counsel Schultz assured that it is legal for local businesses to participate in elections. Discussion occurred concerning the attached letter from Loraine Mirabal-Boubion. Mr. Mike Hanchett commented on the importance of business involvement partially because of the fact that most District revenue is created by local business accounts and previous issues brought to the Board have encouraged business participation.

5.2 State of California Share of Costs Associated with the Wastewater Treatment Plants Repairs and Upgrades:

Seven elements make up the majority of the costs associated with the District's repairs and upgrades of the wastewater treatment plant. They are:

- 1) New Plant Security Fencing
- 2) RWQCB Mandated Emergency Backup Generator
- 3) Engineering for State Mandated Immediate and Short Term Repairs
- 4) Engineering for State Mandated Plant Tertiary Treatment Upgrade
- 5) Development of a Water Master Plan
- 6) Implementation of Plant improvements as Defined in Gant Chart
- 7) Construction Costs Associated with Items 3 and 6 above

The total District funds spent on the seven items listed above so far is \$325,000. The State of California has a 25% stake in the Wastewater Treatment capacity and along with that capacity brings the responsibility for costs associated with the maintenance, repair and required upgrades. The General Manager and Directors Lambeth and Russell have had several meetings with the State on this issue and we are now prepared to meet with the State once again and present them with our findings. As of today \$81,250 could be considered as part of the State's responsibility.

Motion made to approve and present the State with an invoice for the above mentioned amount with the addition of \$7500 for Rip Rap.

Motion made by Director Fields
Second made by Director Russell
Approved 5-0 without exception

5.3 Discussion with SLO County Supervisor's Representative Regarding Funding for San Simeon Community Services District Capital Improvement Projects:

General Manager O'Neill and Directors Lambeth and Russell have engaged in conversation with Mr. Greg Haas, District Representative for Lois Capps, regarding

assistance for acquiring funding for the District's needed capital improvements. The list below outlines the capital improvements needed and the estimated costs associated with those improvements:

1) Pipe Line Improvements	\$3,831,000
2) Wellhead Rehabilitation – Two Pumps	\$320,000
3) Additional Reservoir (750,000 gal)	\$1,450,000
4) Collection System Repair	\$1,250,000
5) District Road Improvements	\$750,000
6) Well Field Security	\$200,000
7) RWQCB Required Plant Upgrade (Tertiary Upgrade)	\$1,250,000
8) General Plan Implementation	\$150,000
9) State of California Collection System Upgrade	\$50,000
10) Contingencies and Escalation	\$1,350,000

These nine capital improvement projects, plus contingencies and escalation costs, are estimated at \$10.5M to the District. Staff is requesting the Board to review and comment on these projects so that we can finalize our project list to present to Mr. Haas. Details on each of these projects are available either in the Preliminary Design Report that is in the board packets or in the Water Master Plan which will be presented to the board in February. Mr. Haas has asked that the District present him with our Capital Improvements Project Requirements before the end of the year. Motion is to approve the list of projects for presentation to Mr. Haas.

Motion made by Director Ricci
Second by Director Russell
Approved 5-0 without exception

5.4 Direction from the Board Regarding Item 3.1.1.3 of the General Manager's Report:

Based on the findings of the accuracy test performed on the water meter located at 540 Pico Ave. Unit #103, it is staff's opinion that the new meter has been reading correctly from the beginning and therefore all charges to the above referenced location are correct. Staff recommends reissuing the bill with all current and past due charges (minus late fees) to be due on or before January 25, 2007. Board directed staff to return with 12 months' billing history on the account and District policies regarding disputes.

5.5 Board Committee Reports: None

5.6 Board Reports: None

6. Board/Staff General Discussions and Proposed Agenda Items: None

7. Adjournment 7:37 pm

Corporate Headquarters
Best Western International, Inc.
6201 N. 24th Parkway
Phoenix, Az.85016
Attn: Mr. Raymond Johnston

October 20, 2006

Dear Sir:

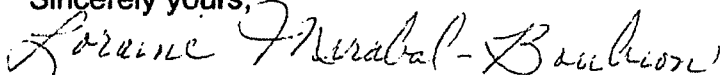
Every member in our community recently received a political endorsement for two candidates running in our local elections. The endorsement was sent on a Best Western letterhead making it appear as if your corporation was supporting the candidates.

If indeed this is the case, I and many members of our community resent Best Western's intrusion into our local politics. If the letterhead was used without your consent, I feel it is incumbent upon you to notify the members of our community, prior to the election, that you are not endorsing any candidate. This can be done through our local newspaper listed below.

The Cambrian
2442 Main St.
Cambrian, Ca. 93248
c/o Burt Etling
phn # (805) 927-8895

I am enclosing the "political endorsement" with your letterhead for your perusal. I look forward to hearing from you in response to this issue.

Sincerely yours,



Loraine Mirabal-Boubion
9213 Balboa Ave.
San Simeon, Ca. 93452
Phn # (805) 927-1436

cc AAA/CAA

Discussion/Action Items

December 13, 2006

5.1 – SSCSD Board Members Interaction with Local Businesses – Director Russell requested staff supply the Board with information regarding the interaction of the Board with local business. Specifically staff was requested to submit answers to the following questions:

- 1) **What proportion of monies received by the District comes from local businesses?** Based on utility billing records revenue to the District is broken down as follows :

Residential Billings \$153,000
Commercial Billings \$357,000

- 2) **How many local business owners can vote in SSCSD elections?**
Based on an unofficial survey it is estimated that approximately 3% to 4% of local business owners are eligible to vote in SSCSD elections.

- 3) **Is it appropriate for local business to participate in SSCSD elections**
a) **Contribute funds to candidates**
b) **Sponsor voters' meetings**
c) **Sponsor mailings**

District Counsel will address this question.

5.1 – State of California Share of Costs Associated with the Wastewater Treatment Plants Repairs and Upgrades – There are seven elements that makeup the majority of the costs associated with the District's repairs and upgrades of the wastewater treatment plant. They are:

- 1) New Plant Security Fencing 20,550
- 2) RWQCB Mandated Emergency Backup Generator 49,396
- 3) Engineering for State Mandated Immediate and Short Term Repairs 22,475
- 4) Engineering for State Mandated Plant Tertiary Treatment Upgrade 84,205
- 5) Development of a Water Master Plan 78,927
- 6) Implementation of Plant improvements as Defined in Gant Chart
- 7) Construction Costs Associated with Items 3 and 6 above 147,850

The total District funds spent on the seven items listed above so far is \$325,000. The State of California has 25% stake in the Wastewater Treatment capacity and along with that capacity comes the responsibility for costs associated with the maintenance, repair and required upgrades. The General Manager and Directors Lambeth and Russell have had several meetings with the State on this

issue and we are now prepared to meet with the State once again and present them with our findings. As of today \$81,250 could be considered as part of the State's responsibility. Staff requests direction and approval to present the State with an invoice for the above mentioned amount.

5.3 – Discussion with SLO County Supervisor's Representative Regarding Funding for San Simeon Community Services District Capital Improvement Projects – The General Manager and Directors Lambeth and Russell have engaged in conversation with Mr. Greg Haas, District Representative for Lois Capps, regarding assistance for acquiring funding for the District's needed capital improvements. The list below outlines the capital improvements needed and the estimated costs associated with those improvements:

1) Pipe Line Improvements -	\$3,831,000
2) Wellhead Rehabilitation – Two Pumps	\$320,000
3) Additional Reservoir (750,000 gal)	\$1,450,000
4) Collection System Repair	\$1,250,000
5) District Road Improvements	\$750,000
6) Well Field Security	\$200,000
7) RWQCB Required Plant Upgrade (Tertiary Upgrade)	\$1,250,000
8) General Plan Implementation	\$150,000
9) State of California Collection System Upgrade	\$50,000
10) Contingencies and Escalation	\$1,350,000

These nine capital improvement projects plus contingencies and escalation costs are estimated at \$10.5M to the District. Staff is requesting the Board to review and comment on these projects so that we can finalize our project list to present to Mr. Haas. Details on each of these projects are available either in the Preliminary Design Report that is in the board packets or in the Water Master Plan which will be presented to the board in February. Mr. Haas has asked that the District present him with our Capital Improvements Project Requirements before the end of the year, therefore staff is requesting the Board to approve the list of projects for presentation to Mr. Haas.

5.4 - Direction from the Board Regarding Item 3.1.1.3 of the General Manager's Report – Based on the findings of the accuracy test performed on the water meter located at 540 Pico Ave. Unit #103, it is staff's opinion that the new meter has been reading correctly from the beginning and therefore all charges to the above referenced location are correct. Staff recommends reissuing the bill with all current and past due charges (minus late fees) to be due on or before January 25, 2007.

January 10, 2007

Mr. Terry Lambeth, Chairperson
San Simeon Community Service District

I am writing to you today to officially tender my resignation from the SSCSD board effective Wednesday, January 10, 2007.

My tenure with the SSCSD has been an opportunity to both learn and contribute to my community.

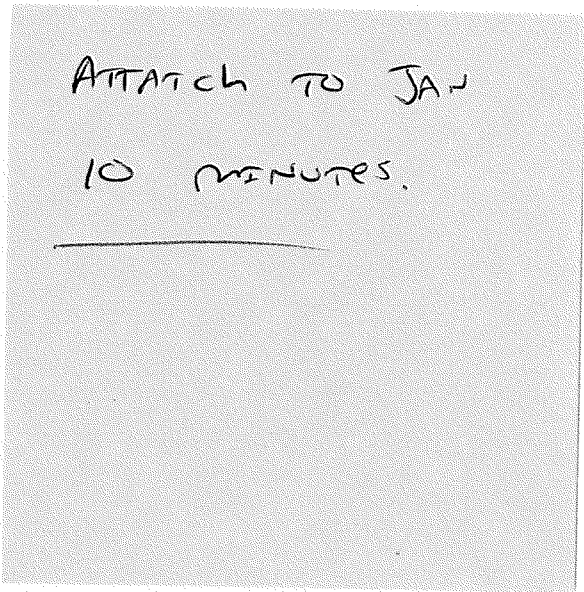
I firmly believe that the District's board exists for only one reason - to serve the community. However, when directors use the agenda to berate fellow board members (as evidenced at our last board meeting); meetings become unproductive.

My decision to resign was difficult and took much consideration. I am confident, however, that I can be more effective working for my community as a private citizen rather than as a member of the board.

Respectfully submitted,



Loraine Mirabal-Boubion



ATTATCH TO JAN
10 MINUTES.

**Board of Directors – Regular Meeting
San Simeon Community Services District
AGENDA**

**Wednesday January 10, 2007 6:00 PM
Cavalier Banquet Room**

Note: All comments concerning any item on the agenda are to be directed to the Board Chairperson.

1. 6:00 PM – REGULAR SESSION
 - 1.1 Roll Call = Alan, Dee, John, Lori (nothere), Terry
 - 1.2 Pledge of Allegiance
2. PUBLIC COMMENT: Yvonne Hartnett wanted to make ^{comment} _{about b}
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, or pending before the Board. Presentations are limited to three (3) minutes or otherwise at the discretion of the Chair. *Dee - light out on corner of Penn & Jax*
 - 2.1 Sheriff's Report
 - 2.2 Public Comment
3. STAFF REPORTS
 - 3.1 General Manager Report - *Charlie*
 - 3.1.1 Current Project Report
 - 3.1.1.1 Water Master Plan - *by end of Jan (Feb mtg.)*
 - 3.1.1.2 WWTP Tertiary Upgrade Preliminary Design Report
→ Presentation by Jon Hanlon of Boyle Engineering
 - 3.1.1.3 Review of Plant Evaluation Performed by ECO Resources Denver Operation
 - 3.1.1.4 Review of Water Revenue Recovery Old Water Meters vs New Water Meters
 - 3.1.2 Superintendent Report
 - 3.1.2.1 Water & Wastewater Operation Report
 - 3.1.3 Other Reports
 - 3.1.3.1 District Financial Summary
 - 3.2 District Counsel Report
4. ITEMS OF BUSINESS
 - 4.1 Approval of Minutes – December 13, 2006
 - 4.3 Approval of Warrants – December 1, 2006 – December 31, 2006
5. DISCUSSION/ACTION ITEM
 - 5.1 Discussion/Action Regarding Water Bill for 540 Pico Ave. #103
 - 5.2 Discussion/Action Regarding District Counsel Rob Schultz's discussion with RWQCB as it relates to latest Notice of Violation

5.3 Board Committee Reports.

5.4 Board Reports.

6. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA
ITEMS

7. ADJOURNMENT