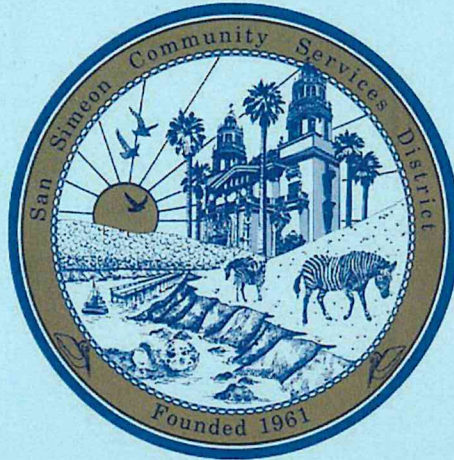


**Board of Directors  
San Simeon Community Services District**



**BOARD PACKET**

**Wednesday, January 9, 2019  
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, January 9, 2019**  
**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
  
- C. Swear in new Board member

**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 December.
- ii. **Superintendent's Report** - Summary of December Activities.
- iii. **General Manager's Report** – Summary of December Activities.
- iv. **District Financial Summary** – Update on Monthly Financial Status.
- v. **District Counsel's Report** – Summary of December Activities.

**B. BOARD OF DIRECTORS AND COMMITTEE REPORTS:**

**C. SPECIAL PRESENTATION:**

**D. 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 to 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 December 12, 2018.



B. Review and approval of Disbursements Journal.

**5. BUSINESS 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 for each business item.

A. Approval of the District Fiscal Audit for 2017-2018.

B. Election of Chairperson and Vice Chairperson for the 2019 Calendar year.

C. Adoption of Resolution 19-405. A resolution authorizing signatures for banking services on behalf of the District.

D. Adoption of Resolution 19-406. A resolution authorizing signatures for the Local Agency Investment Fund (LAIF) on behalf of the District.

E. Discussion regarding appointment of members to the standing committee.

**6. 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).

**7. 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. iii. SUPERINTENDENT'S REPORT**  
**Jerry Copeland**  
**Facilities Update for December 2018**





## SUPERINTENDENT'S REPORT

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### Item 3.A.iii

Prepared by: Jerry Copeland

#### 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.
- The County Air Pollution Control District performed the annual inspection of the WWTP and stand-by generator.
- The annual HAZMAT report and certification was submitted.
- 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).
- Filter operations began on 12/19/18 due to flow in Pico Creek.
- Monthly maintenance on the R.O. unit was performed.
- The annual HAZMAT report and certification was submitted.
- 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.



San Simeon Community Services District

Superintendent's Report

December 2018

MONTHLY DATA REPORT

Date	Day	Wastewater Inflow	Wastewater Inflow Daily	Wastewater Effluent Daily	Wastewater Effluent Daily	Well 1 Total Daily Produced	Well 2 Total Daily Produced	Total Daily Water Produced	R.O. Inflow	R.O. 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
12/01/18	Sat	69,420	64,840	64,840	71,733	0	71,733	71,733	0	0	0	39	74	-	0	10.6	11.1	0.00	6,872
12/02/18	Sun	63,087	62,620	62,620	70,162	0	70,162	70,162	0	0	0	-	-	-	0	10.7	11.2	0.00	9,041
12/03/18	Mon	56,800	61,980	61,980	62,159	0	62,159	62,159	0	0	0	39	-	47	0	10.8	11.3	0.00	6,216
12/04/18	Tue	56,638	50,030	50,030	0	0	0	0	0	0	0	74	84	-	0	10.8	11.3	0.00	5,309
12/05/18	Wed	60,053	52,610	52,610	0	0	0	66,273	0	0	0	-	-	47	0	10.8	11.3	0.15	5,401
12/06/18	Thu	50,372	48,090	48,090	61,710	0	61,710	61,710	0	0	0	-	-	-	0	10.5	10.9	0.24	5,673
12/07/18	Fri	62,222	51,230	51,230	0	0	0	0	0	0	0	65	84	-	0	10.0	10.5	0.00	4,627
12/08/18	Sat	70,464	70,050	70,050	0	0	0	75,623	0	0	0	-	-	-	0	10.0	10.5	0.00	5,931
12/09/18	Sun	57,964	57,450	57,450	66,422	0	66,422	66,422	0	0	0	-	74	-	0	9.8	10.3	0.00	8,813
12/10/18	Mon	55,052	54,840	54,840	0	0	0	63,655	0	0	0	74	95	-	0	10.0	10.5	0.00	7,078
12/11/18	Tue	47,568	45,620	45,620	0	0	0	0	0	0	0	-	-	47	0	10.0	10.4	0.00	4,553
12/12/18	Wed	51,905	47,300	47,300	63,655	0	63,655	63,655	0	0	0	-	65	-	0	9.8	10.3	0.00	5,253
12/13/18	Thu	52,889	45,860	45,860	0	0	0	65,824	0	0	0	-	-	-	0	9.8	10.3	0.00	5,096
12/14/18	Fri	55,367	46,410	46,410	26,030	0	26,030	26,030	0	0	0	-	-	-	0	9.8	10.3	0.00	4,679
12/15/18	Sat	65,718	53,930	53,930	47,348	0	47,348	47,348	0	0	0	-	-	39	0	9.8	10.3	0.00	6,203
12/16/18	Sun	78,621	71,080	71,080	75	75	69,190	69,265	0	0	0	-	65	-	0	-	-	0.00	8,721
12/17/18	Mon	65,107	75,110	75,110	63,954	0	63,954	63,954	0	0	0	-	-	-	0	9.9	10.4	0.55	8,721
12/18/18	Tue	68,129	62,360	62,360	5,909	5,909	24,235	30,144	14122	10226	3896	-	-	47	0	9.5	10.0	0.20	10,660
12/19/18	Wed	62,043	55,290	55,290	0	0	49,218	49,218	0	0	0	-	-	-	0	9.2	9.7	0.00	7,938
12/20/18	Thu	64,922	64,750	64,750	150	150	56,399	56,549	0	0	0	-	47	-	0	9.1	9.5	0.00	8,907
12/21/18	Fri	72,138	59,030	59,030	0	0	50,864	50,864	0	0	0	-	-	-	0	9.0	9.4	0.00	7,750
12/22/18	Sat	93,673	91,500	91,500	0	0	83,178	83,178	0	0	0	-	-	-	0	9.0	9.3	0.00	9,600
12/23/18	Sun	103,209	98,130	98,130	0	0	82,579	82,579	0	0	0	-	-	65	0	8.9	9.4	0.00	14,187
12/24/18	Mon	78,409	95,290	95,290	0	0	86,992	86,992	0	0	0	-	-	58	0	8.9	9.4	0.00	15,821
12/25/18	Tue	58,143	62,570	62,570	0	0	53,632	53,632	0	0	0	-	-	65	0	8.7	9.2	0.00	12,167
12/26/18	Wed	94,840	80,590	80,590	972	972	64,926	65,899	0	0	0	-	65	58	0	8.7	9.2	0.00	2,124
12/27/18	Thu	106,471	100,980	100,980	0	0	97,315	97,315	0	0	0	-	-	-	0	8.8	9.3	0.00	18,049
12/28/18	Fri	111,236	111,040	111,040	0	0	92,976	92,976	0	0	0	-	-	73	0	8.8	9.3	0.00	16,997
12/29/18	Sat	107,152	107,870	107,870	0	0	97,090	97,090	0	0	0	-	-	-	0	8.9	9.4	0.00	20,510
12/30/18	Sun	92,296	101,550	101,550	0	0	89,162	89,162	0	0	0	-	-	82	0	9.1	9.6	0.00	16,700
12/31/18	Mon	95,925	94,640	94,640	0	0	78,465	78,465	0	0	0	-	-	-	0	9.1	9.5	0.00	18,263
TOTALS		2,227,833	2,144,640	2,144,640	470,118	470,118	1,417,759	1,887,877	14122	10226	3896				0			1.14	286,307
Average		71,866	69,182	69,182	15,165	15,165	45,734	60,899	456	330	126	58	73	57	0	9.6	10.1	0.04	9236
Minimum		47,568	45,620	45,620	0	0	0	0	0	0	0	39	47	39	0	8.7	9.2	0.00	2124
Maximum		111,236	111,040	111,040	71,733	71,733	97,315	97,315	14122	10226	3896	74	95	82	0	10.8	11.3	0.55	20510



**DATA SUMMARY SHEET**

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total for 2018
Wastewater Influent	1,762,514	1,707,154	2,752,139	2,188,423	2,254,636	2,475,142	3,200,941	3,139,374	2,539,174	2,339,012	2,096,790	2,227,833	28,683,132
Wastewater Final Effluent (Month Cycle)	1,718,650	1,748,894	2,796,460	2,287,640	2,303,330	2,485,760	3,156,580	3,158,998	2,479,999	2,286,320	2,004,920	2,144,640	28,572,191
Adjusted Wastewater Influent (- State Flow)	1,516,601	1,459,319	2,320,828	1,819,468	1,901,248	2,082,826	2,641,403	2,500,033	2,107,514	1,951,269	1,800,530	1,941,526	24,042,565
Water Produced (month cycle)	1,464,210	1,578,354	1,677,091	1,845,614	2,252,051	2,539,202	2,954,183	2,975,092	2,423,071	2,187,526	1,858,930	1,887,877	25,643,203
Sewer Influent/Water Produced Ratio	1.20	1.08	1.64	1.19	1.00	0.99	1.08	1.05	1.05	1.07	1.13	1.18	N/A
Adjusted Sewer/Water Produced Ratio	1.04	0.92	1.38	0.99	0.84	0.82	0.89	0.84	0.87	0.89	0.97	0.97	N/A
Well 1 Water Production	314,983	582,542	40,691	885,332	1,122,301	1,233,003	1,648,293	1,475,355	1,277,659	1,248,188	915,851	470,118	11,214,317
Well 2 Water Production	1,149,227	995,812	1,636,400	960,282	1,129,750	1,306,199	1,305,891	1,499,737	1,145,412	939,338	943,078	1,417,759	14,428,887
Total Well Production	1,464,210	1,578,354	1,677,091	1,845,614	2,252,051	2,539,202	2,954,183	2,975,092	2,423,071	2,187,526	1,858,930	1,887,877	25,643,204
Water Well 1 Avg Depth to Water	10.6	10.1	9.5	10.1	10.2	9.9	10.2	10.8	11.6	12.2	12.6	9.6	N/A
Water Well 2 Avg Depth to Water	11.0	10.5	9.9	10.5	10.5	10.3	10.6	11.2	12.1	12.6	13.0	10.1	N/A
Average Depth to Water of Both Wells	10.8	10.3	9.7	10.3	10.4	10.1	10.4	11.0	11.9	12.4	12.8	9.9	N/A
Change in Average Depth to Water from 2017	+2.7	+2.3	-0.3	+0.3	+0.5	+0.4	+0.3	+0.6	+1.4	+1.4	+1.0	-1.9	N/A
Average Chloride mg/L at the Wells	34.5	35.5	32	35.5	35.5	32	32	32	32	34.5	45	65	N/A
State Wastewater Treated	245,913	247,835	431,311	368,955	353,388	392,298	559,538	639,341	431,660	387,743	269,260	286,307	4,613,549
State % of Total WW Flow	14%	15%	16%	17%	16%	16%	18%	20%	17%	17%	13%	13%	N/A
Recycled Water Sold (Gallons)	0	0	0	0	0	0	0	0	0	0	0	0	0
Biosolids Removal (Gallons)	9,600	0	4,800	9,600	4,800	4,800	13,500	13,500	9,000	4,500	4,500	4,500	83,100
<b>WW Permit Limitation Exceeded</b>	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>RW Permit Limitation Exceeded</b>	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Constituent Exceeded</b>	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
<b>Sample Limit</b>	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
<b>Sample Result</b>	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

**2017**

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total for 2017
Wastewater Influent	4,686,295	4,225,605	2,454,810	2,674,358	2,408,421	2,400,006	3,248,977	2,976,582	2,314,982	2,167,268	1,852,863	1,972,595	33,382,762
Wastewater Final Effluent (Month Cycle)	4,621,950	4,185,250	2,372,800	2,628,130	2,496,660	2,398,120	2,953,830	2,648,061	2,259,220	2,140,520	1,816,710	1,893,300	32,414,551
Adjusted Wastewater Influent (- State Flow) *	3,757,902	3,410,095	2,084,624	2,263,137	2,035,569	2,008,272	2,675,674	2,492,452	1,942,728	1,840,359	1,577,793	1,670,528	27,759,133
Water Produced (month cycle)	1,602,216	1,806,869	1,773,957	1,960,209	2,111,454	2,153,118	2,598,851	2,392,456	2,060,913	1,943,827	1,706,552	1,744,635	23,855,056
Sewer Influent/Water Produced Ratio	2.90	2.34	1.38	1.36	1.14	1.12	1.25	1.24	1.10	1.10	1.08	1.13	N/A
Adjusted Sewer/Water Ratio	2.50	1.89	1.18	1.16	0.96	0.93	1.03	1.04	0.94	0.95	0.92	0.92	N/A
Average Depth of Both Wells	8.1	8.0	10.0	10.0	9.9	9.7	10.1	10.4	10.5	11.0	11.8	11.8	N/A
Change in Average Depth to Water from 2016	-2.0	-2.6	0.0	-0.6	-0.7	-1.0	-1.0	-1.5	-2.4	-2.6	-0.9	+1.2	N/A
Average Chloride mg/L at the Wells	66	65	46	36	53	69	60	51	40	37	36	35	N/A
State Wastewater Treated	928,393	815,510	370,186	411,221	372,852	391,734	573,303	484,130	372,254	326,909	275,070	302,067	5,623,629
State % of Total WW Flow	20%	19%	15%	15%	16%	16%	18%	16%	16%	15%	15%	15%	N/A
Recycled Water Sold (Gallons)	0	0	0	0	0	0	0	0	0	0	0	0	0
Biosolids Removal (Gallons)	9,600	4,800	4,800	9,600	9,600	9,600	0	9,600	4,800	4,800	4,500	4,800	72,000
<b>WW Permit Limitation Exceeded</b>	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>RW Permit Limitation Exceeded</b>	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Constituent Exceeded</b>	None	None	None	None	None	None	None	None	None	None	None	None	None
<b>Sample Limit</b>	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
<b>Sample Result</b>	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

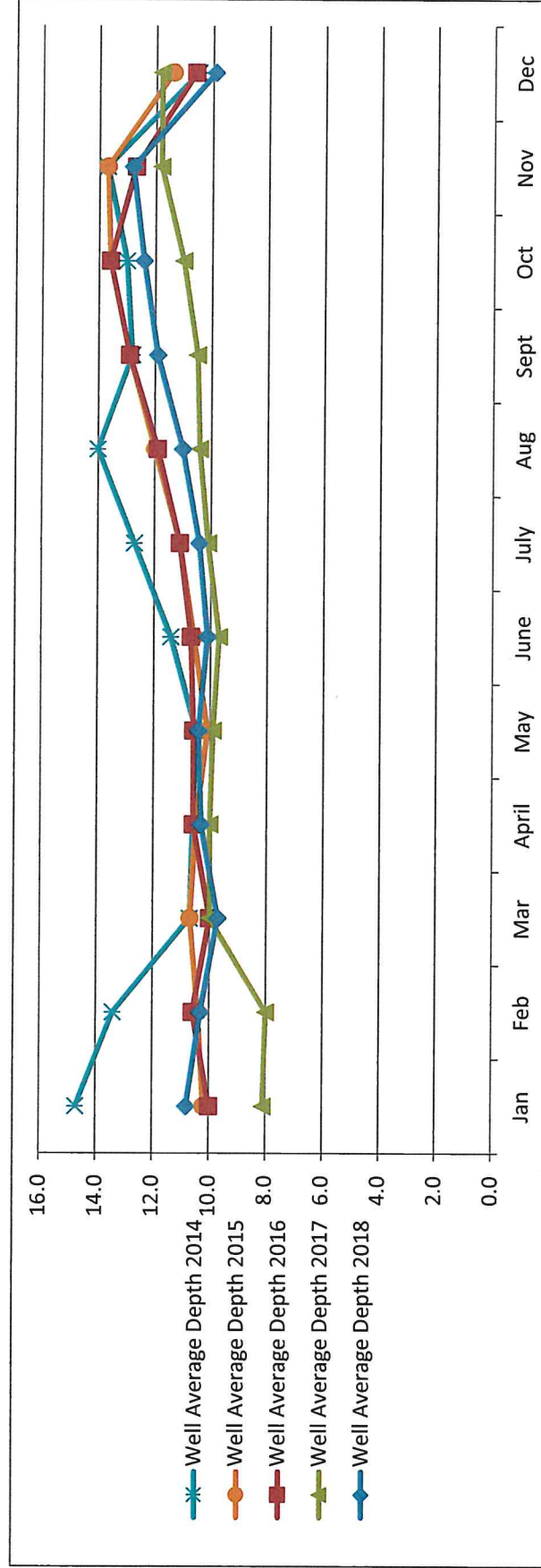


**San Simeon Community Services District**

**Superintendent's Report**

**December 2018**

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
<b>Well Average Depth 2014</b>	14.7	13.4	10.7	10.6	10.5	11.4	12.7	14.0	12.8	13.0	13.7	10.5
<b>Well Average Depth 2015</b>	10.2	10.4	10.7	10.5	10.1	10.6	11.1	12.0	12.9	13.6	13.7	11.4
<b>Well Average Depth 2016</b>	10.0	10.6	10.0	10.6	10.6	10.7	11.1	11.9	12.9	13.6	12.7	10.6
<b>Well Average Depth 2017</b>	8.1	8.0	10.0	10.0	9.9	9.7	10.1	10.4	10.5	11.0	11.8	11.8
<b>Well Average Depth 2018</b>	10.8	10.3	9.7	10.3	10.4	10.1	10.4	11.0	11.9	12.4	12.8	9.9



**3. A. ii GENERAL MANAGER'S REPORT**  
**Charles Grace**  
**Update for December 2018**





## GENERAL MANAGER'S REPORT

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### Item 3.A.ii

**Staff Activity** – Report on Staff activities for the month of December.

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.

During the month of December, staff also attended to the following items:

- Responded to two (2) public records requests.
- Submitted paperwork to the SLO County Clerk Recorder related to the appointment of Hunter Smith.

**Update on the Beautification Grant** – Staff continued working with representatives from the Business Improvement District and the Chamber of Commerce. At this time, staff is unsure if the District will be unable to meet the January 14, 2019 application deadline.

**Prop 84 Grant Update** – There is no update at this time.

**Capacity Fee Study Progress Report** – Tuckfield and Associates continues working on the capacity fee study for the District. Staff anticipates that the final study will be completed later this month and that this item will be on the February meeting agenda.

**Phase 1 Tank Project Environmental Review** – Oliveira Consulting provided a progress report.

**Phase 1 Tank Project Engineering Report** – Phoenix Engineering provided a progress report.

Enc: Oliveira Environmental Consulting progress report.  
Phoenix Engineering progress report.



# Phoenix Civil Engineering, Inc.

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535 East Main Street Santa Paula, California 93060 805.658.6800  
info@phoenixcivil.com www.phoenixcivil.com

## Memorandum – Project Design Status Water Systems Improvement Project Phase 1 San Simeon Community Services District January 2, 2019

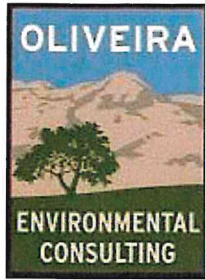
This memo is providing you a project status update. The following activities have been performed to date:

- Electrical Engineer site visit.
- Phase 1 Pipeline Improvements design has been completed to 75% level. Electrical system and Instrumentation designs are currently underway to a 50% level.
- Reservoir site grading and pipeline design plans are completed to a 75% level and will be provided for the District to review. A list of technical specifications has been prepared along with the front-end document.

Anticipated Activities for the Month of January:

- Submission of 75% level plans and specifications to the District for review.
- Bid phase advertising to tank manufacturer's for design (75% level set of plans).
- Submission of OPCC to the District for review.





3155 Rose Avenue  
San Luis Obispo, CA 93401  
805.234.7393; jeffo@olive-env.com  
www.olive-env.com

January 2, 2019

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

**Subject: Project Update – January 2019. San Simeon Community Services District Water Tank Project CEQA Review and Permitting**

SSCSD Board:

Thank you for the opportunity to submit the following update for the San Simeon Community Services District (SSCSD) Water Tank Project CEQA review and permitting process. This memo is intended as a follow-up to the environmental review process and project permitting update presented to the SSCSD Board of Directors at the December 2018 hearing.

As you recall, the SSCSD Water Tank project is considered a “project” under the California Environmental Quality Act (CEQA). After a preliminary review of the potential project environmental impacts and discussion with County staff, it was determined that the preparation of a Mitigated Negative Declaration (MND) would be the appropriate level of environmental review.

Please see attached for a chart depicting the timing and completion schedule of each of the major milestones in the CEQA review and permitting process. The following is a brief update for each of the identified milestones.

**Prepare Technical Reports (Archaeological, Biological Resource Assessment, Visual Simulations)**

The archaeological report is complete and no pre-historic resources were discovered. The visual simulations have been finalized as of December. As a follow up to the presentation at the November SSCSD Board hearing, it has been confirmed that the proposed water tanks would be almost completely blocked from views along Highway 1 by intervening topography and vegetation. The biological assessment has been completed as of last week, confirming the presence of native coastal terrace habitat and identifying mitigation measures to address any impacts. These reports will be synthesized into the project MND.

**Issue Tribal Consultation Invitation per the Requirements of AB 52**

As required by State law, a notice has been sent to the Tribal Representatives in the project area identified by the Native American Heritage Commission. This is a requirement for all CEQA

projects, with the exception of CEQA Exemptions. Tribes have 30 days to request consultation on the project if they have any concerns. The comment period ends next week (January 7, 2019), no requests for consultation have been received as of this date.

**Prepare Draft MND**

Preparation of the Draft MND has begun. With the technical reports prepared for the project, we anticipate a fairly smooth report. Once reviewed, a Final MND will be printed and published through the State Clearinghouse for the required 30-day public review period. Any comments received will be noted and presented to the SSCSD Board during the hearing for Certification and Adoption of the MND. Please note that the timing for this task is subject to change.

**Prepare Final MND**

To be initiated upon final review of the Draft MND.

**Publish MND and Notice of Availability**

To be completed upon preparation of the Final MND. The Final MND will be printed and published with the State Clearinghouse for the 30-day public review period.

**Public Review (30 Days)**

To be initiated upon publication of the Final MND.

**Consideration of MND for Certification by SSCSD Board**

Once the public review period is complete, the MND will be considered for Certification and Adoption by the SSCSD Board.

**File Notice of Determination with County Clerk**

To be completed within 5 working days after Board Certification.

**Submit Permit Application to County**

To be completed upon filing of the NOD with the County. It is expected that the project will trigger the need for a Conditional Use Permit from the County. We will work with the County to waive any project permit fees possible. CEQA review will have been completed already, which should speed up the County's review process.

**County Permit Hearing**

The project Land Use Permit will require a public hearing, to be scheduled by the County, for project approval.

Thank you for the opportunity to provide a brief project update. Please feel free to contact me if you have any questions.

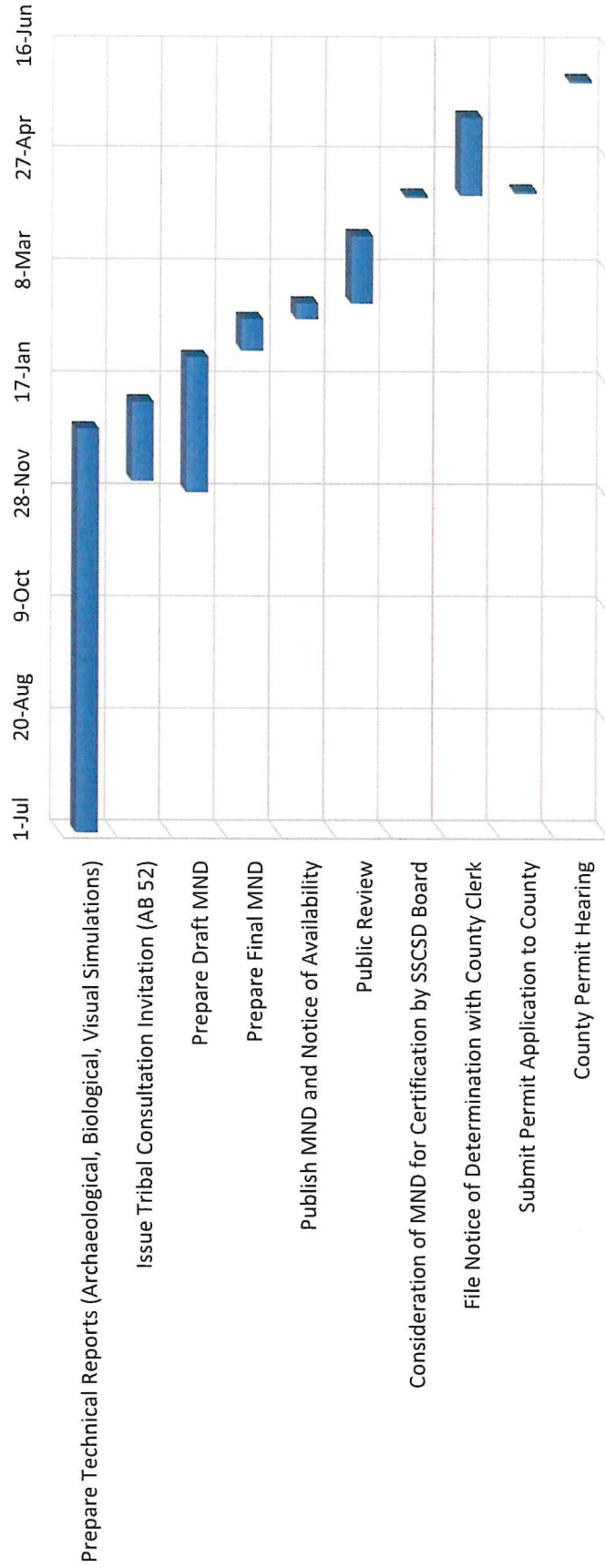
Sincerely,



**Jeff Oliveira, Principal Environmental Planner**  
Oliveira Environmental Consulting LLC



## SSCSD Water Tank Project MND and Permitting Milestones



**Note:** Milestone start dates and completion times subject to change.

**3. A. iv. DISTRICT FINANCIALS**  
**Cortney Murguia**  
**December 31, 2018**



# SAN SIMEON COMMUNITY SERVICES DISTRICT



## 3.A.iv FINANCIAL SUMMARY

### Billing December 31, 2018

November Billing Revenue	\$ 76,876.69
December Billing Revenue	\$ 60,542.76
Past Due (31 to 60 days)	\$ 325.32
Past Due (60 days)	\$ 185.20

---

### ENDING BANK BALANCES

December 31, 2018

#### RABOBANK SUMMARY:

Well Rehab Project/USDA Checking Account \$ 99.00

#### PACIFIC PREMIER BANK:

Money Market Account Closing Balance November 30, 2018 \$ 894,762.93

Interest for December 2018 \$ 1,670.03

Money Market Account Closing Balance December 31, 2018 \$ 896,432.96

Reserve Fund (250,000.00)

Wait-list Deposits (69,750.00)

Customer Deposits (9,500.00)

Available Funds \$ 567,182.96

General Checking Account November 30, 2018 \$ 162,564.10

LAIF Closing Balance December 31, 2018 \$ 536.39

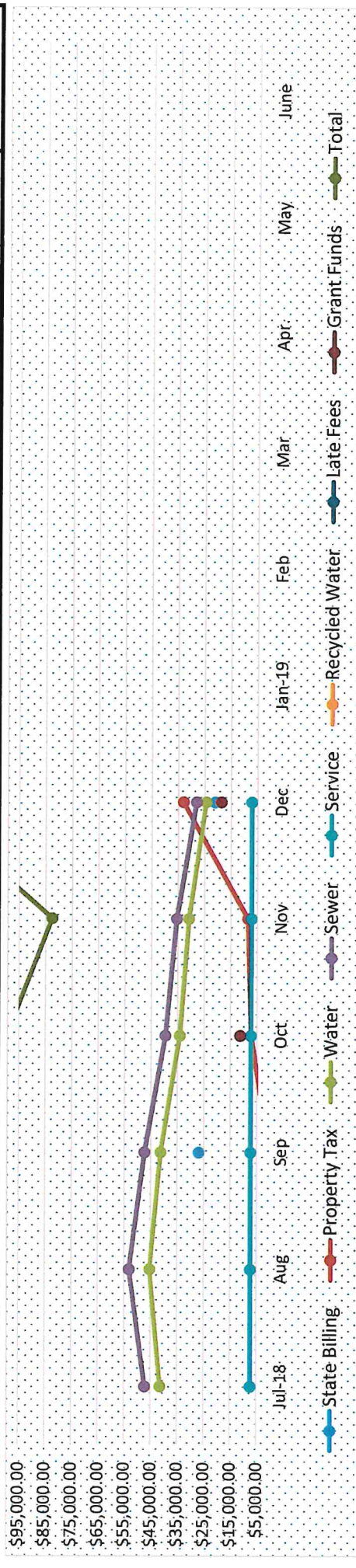
**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**Balance Sheet**  
**As of December 31, 2018**

	Dec 31, 18
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
1010 · Petty cash	150.00
1015 · Pacific Prem - General Checking	157,529.40
1017 · Pacific Premier-Money Market	896,432.96
1022 · USDA checking	164.00
1040 · Cash in county treasury	108.33
1050 · LAIF - non-restricted cash	536.39
Total Checking/Savings	1,054,921.08
Other Current Assets	
1200 · Accounts receivable	60,928.57
1300 · Prepaid expenses	4,121.13
Total Other Current Assets	65,049.70
Total Current Assets	1,119,970.78
Fixed Assets	
1400 · Fixed assets	
1420 · Building and structures	395,874.73
1500 · Equipment	316,747.53
1540 · Major Water Projects	190,360.90
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	450,827.53
1650 · Walkway access projects	21,511.00
1660 · RO Unit	931,966.97
1670 · Reservoir	120,178.53
1680 · Generator	29,101.14
Total 1400 · Fixed assets	5,086,087.58
1690 · Accumulated depreciation	(2,388,080.17)
Total Fixed Assets	2,698,007.41
<b>TOTAL ASSETS</b>	<b>3,817,978.19</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2100 · Payroll liabilities	149.94
2500 · Customer security deposits	9,300.00
2510 · Connect hookup wait list	69,750.00
2520 · USDA Loan	396,550.00
Total Other Current Liabilities	475,749.94
Total Current Liabilities	475,749.94
Total Liabilities	475,749.94
Equity	
3200 · Fund balance	3,238,681.99
Net Income	103,546.26
Total Equity	3,342,228.25
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>3,817,978.19</b>



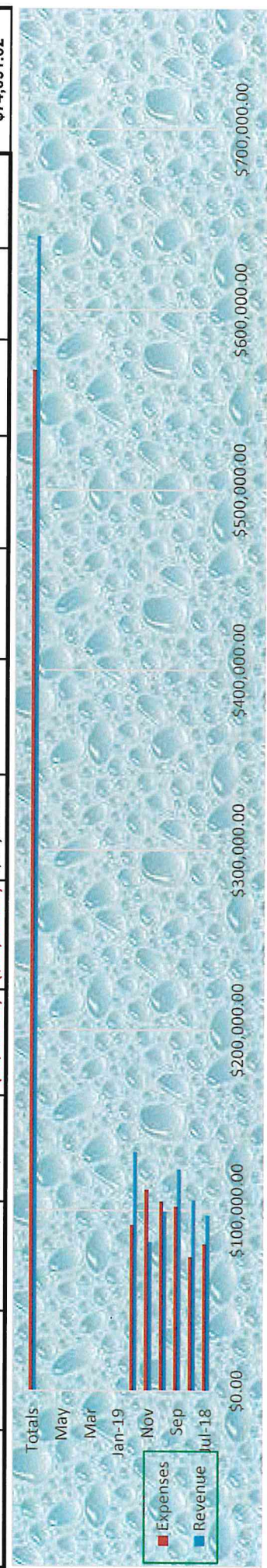
DISTRICT REVENUE FY 2018/2019

	Jul-18	Aug	Sep	Oct	Nov	Dec	Jan-19	Feb	Mar	Apr.	May	June	Totals
State Billing			\$26,723.91			\$20,971.00							\$47,694.91
Property Tax	\$1,288.59	\$0.00	\$169.19	\$7,205.82	\$8,542.19	\$33,187.58							\$50,393.37
Water	\$41,336.59	\$45,279.14	\$41,178.74	\$34,050.67	\$30,760.16	\$24,353.21							\$216,958.51
Sewer	\$47,258.33	\$53,156.35	\$47,379.43	\$39,628.31	\$35,491.84	\$28,149.21							\$251,063.47
Service	\$7,111.73	\$7,113.60	\$7,113.60	\$7,113.60	\$7,079.40	\$7,079.40							\$42,611.33
Recycled Water													\$0.00
Late Fees	\$461.43	\$201.49	\$290.08	\$168.71	\$600.53	\$135.60							\$1,857.84
Grant Funds				\$11,367.00		\$18,753.05							\$30,120.05
<b>Total</b>	<b>\$97,456.67</b>	<b>\$105,750.58</b>	<b>\$122,854.95</b>	<b>\$99,534.11</b>	<b>\$82,474.12</b>	<b>\$132,629.05</b>							<b>\$640,699.48</b>
Water Sold Cu Ft	334631	367360	332914	275609	243491	195107							1749112
Water Sold Acre ft	7.68	8.43	7.64	6.33	5.59	4.48	0.00	0.00	0.00	0.00	0.00	0.00	40.15



REVENUE VS EXPENSES

	Jul-18	Aug	Sep	Oct	Nov	Dec	Jan-19	Feb	Mar	Apr.	May	June	Totals
Revenue	\$97,456.67	\$105,750.58	\$122,854.95	\$99,534.11	\$82,474.12	\$132,629.05							\$640,699.48
Expenses	\$81,495.91	\$74,250.58	\$102,279.81	\$104,990.12	\$111,554.79	\$92,037.25							\$566,608.46
Balance	\$15,960.76	\$31,500.00	\$20,575.14	(\$5,456.01)	(\$29,080.67)	\$40,591.80							\$74,091.02





**SAN SIMEON COMMUNITY SERVICES  
HISTORICAL FISCAL REVIEW**

**FY 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
<b>Total Revenue</b>	<b>\$77,990.37</b>	<b>\$83,080.74</b>	<b>\$82,373.96</b>	<b>\$78,369.81</b>	<b>\$62,489.86</b>	<b>\$90,305.16</b>	<b>\$69,872.42</b>	<b>\$63,497.49</b>	<b>\$71,306.30</b>	<b>\$81,376.35</b>	<b>\$66,576.82</b>	<b>\$81,311.92</b>	<b>\$908,551.20</b>
<b>Total Expense</b>	<b>\$56,735.48</b>	<b>\$80,703.14</b>	<b>\$82,573.67</b>	<b>\$62,460.00</b>	<b>\$90,307.21</b>	<b>\$78,261.91</b>	<b>\$62,999.58</b>	<b>\$69,646.10</b>	<b>\$68,440.42</b>	<b>\$78,744.51</b>	<b>\$62,608.05</b>	<b>\$60,034.80</b>	<b>\$833,514.87</b>
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

**FY 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			\$23,960.29	\$79,881.76
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	\$415.92	\$1,111.78	\$77,898.37
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	\$27,763.55	\$31,331.40	\$330,416.71
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	\$31,228.75	\$34,851.59	\$377,111.12
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	\$6,564.66	\$6,626.30	\$78,339.28
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	\$187.94	\$804.03	\$7,121.95
<b>Total Revenue</b>	<b>\$86,361.78</b>	<b>\$86,506.84</b>	<b>\$88,365.96</b>	<b>\$78,637.70</b>	<b>\$62,074.88</b>	<b>\$92,476.61</b>	<b>\$63,984.81</b>	<b>\$57,560.13</b>	<b>\$81,358.68</b>	<b>\$88,831.94</b>	<b>\$66,160.82</b>	<b>\$98,685.39</b>	<b>\$950,985.54</b>
<b>Total Expense</b>	<b>\$127,105.89</b>	<b>\$72,035.48</b>	<b>\$114,268.09</b>	<b>\$71,273.31</b>	<b>\$75,340.87</b>	<b>\$66,017.87</b>	<b>\$71,441.43</b>	<b>\$72,822.48</b>	<b>\$152,049.21</b>	<b>\$62,994.78</b>	<b>\$77,625.44</b>	<b>\$71,667.28</b>	<b>\$1,034,832.13</b>
Water Sold Cu Ft	324654	324654	281207	269907	203338	175391	232048	200704	179990	249876	249279	282352	2,973,400
Water Sold Acre ft	7.45	7.45	6.46	6.20	4.67	4.03	5.33	4.61	4.13	5.74	5.72	6.48	68.26

**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
Recycled Water													\$0.00
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
<b>Total Revenue</b>	<b>\$82,106.68</b>	<b>\$83,293.20</b>	<b>\$96,816.81</b>	<b>\$69,804.04</b>	<b>\$74,681.40</b>	<b>\$100,985.38</b>	<b>\$61,982.65</b>	<b>\$63,911.86</b>	<b>\$65,244.73</b>	<b>\$90,486.76</b>	<b>\$67,900.93</b>	<b>\$108,216.60</b>	<b>\$965,431.04</b>
<b>Total Expense</b>	<b>\$94,660.34</b>	<b>\$87,503.06</b>	<b>\$104,489.98</b>	<b>\$71,763.52</b>	<b>\$62,490.35</b>	<b>\$85,613.60</b>	<b>\$88,196.48</b>	<b>\$73,251.65</b>	<b>\$109,510.66</b>	<b>\$70,856.21</b>	<b>\$80,363.24</b>	<b>\$89,743.66</b>	<b>\$1,009,442.75</b>
Water Sold Cu Ft	299369	310960	266284	241692	232942	169355	194345	217741	144425	244412	237414	308832	2,867,771
Water Sold Acre	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



## **4. CONSENT AGENDA**

- A. Review & Approval of Minutes for the Regular Meeting  
– December 12, 2018**

**MINUTES**  
**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**BOARD OF DIRECTORS REGULAR MEETING**  
**Wednesday, December 14, 2018**  
**6:00 pm**

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

**1. REGULAR SESSION @ 6:02 PM**

- A. (Acting) Chairperson McGuire – present                      General Manager, Charles Grace  
Director Russell – present                                              District Counsel, Natalie Frye Laacke  
Director Kellas – present  
Director Stanert – present

**2. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA:**

Supervisor Bruce Gibson was present. He commented that he had been working with District staff and consultants on the Coastal Development Permit (CDP) resubmittal application. He suggested the importance of working with Coastal Commission staff on the resubmittal application.

**3. SPECIAL PRESENTATIONS AND REPORTS:**

**A. STAFF REPORTS:**

**i. Sheriff's Report – Report for November.**

Commander Odom provided the report for the community from November 1 – 30, 2018. There were fifty-one (51) calls for service and six generated reports. He also emphasized the importance of keeping vehicles locked.

**ii. General Manager's Report –**

Charlie Grace provided a summary of November activities.

Jeff Oliveira from Oliveira Environmental Consulting (OEC) was present. There were no questions regarding his progress report.

**iii. Superintendent's Report –**

Jerry Copeland provided a summary of November activities.

**iv. District Financial Summary –**

Cortney Murguia provided a summary of the District Financials for November.

**v. District Counsel's Report –**

Natalie Frye Laacke provided a summary of November activities.

**B. BOARD OF DIRECTORS AND COMMITTEE REPORTS: None**

**C. SPECIAL PRESENTATION: None**



**D. PUBLIC COMMENTS ON SPECIAL PRESENTATIONS AND REPORTS:**

None

**4. CONSENT AGENDA ITEMS:**

**Public Comment - None**

A. Review and approval of Minutes for the Regular Meeting on November 14, 2018.

B. Review and approval of Disbursements Journal.

A motion was made to approve items 4A – 4B with the changes recommended by Chairperson McGuire.

Motion by: Director Russell

2<sup>nd</sup>: Director Kellas

All in: 4/0

**5. BUSINESS ITEMS:**

**Public Comment – None**

**A. Consideration of Review of Draft District Audit 2017-2018 presented by Travis Hole from Moss, Levy & Hartzheim, LLP.**

Travis Hole presented the audit.

Director Russell commented that the list of the Board of Directors needed to be updated to reflect who the Directors were as of June 30, 2018.

Travis Hole commended the Board and staff for the hiring of Kathy Fry as the bookkeeper.

A motion was made to approve the Draft audit.

Motion by: Director Russell

2<sup>nd</sup>: Director Kellas

All in: 4/0

**B. Consideration of candidates to replace the Board of Director Vacancy created by the Resignation of Daniel Williams and Board Appointment of the new Director.**

Chairperson McGuire introduced the item.

Hunter Smith introduced himself and explained why he had applied for the position.

Eileen Goodman introduced herself explained why she had applied for the position.

Leroy Price introduced himself and explained why he had applied for the position.

Chairperson McGuire asked for public comment.

There was no public comment on this item.

A motion was made to appoint Eileen Goodman to fill the Board vacancy.

Motion by: Director Kellas

2<sup>nd</sup>: Director Russell

A motion was made to appoint Hunter Smith to fill the Board vacancy.

Motion by: Chairperson McGuire

2<sup>nd</sup>: Director Stanert

Natalie Frye Laacke suggested that the Board may wish to further discuss this matter. She also explained the timeline for the appointment process.

Chairperson McGuire explained why she had nominated Hunter Smith. Stating that she was impressed with his resume, his previous experience, and that she thought his age demographic needed representation.

Director Russell withdrew his second for the motion to appoint Elaine Goodman.

A motion was made to appoint Hunter Smith to fill the Board vacancy.

Motion by: Chairperson McGuire

2<sup>nd</sup>: Director Stanert

All in: 3/1

Abstained: Director Kellas

**C. Discussion regarding the revised Coastal Development Permit (CDP) application for the rip rap at the Waste Water Treatment Plant (WWTP).**

Chairperson McGuire introduced the item.

Jeff Oliveira reviewed the proposed conditions and provided information about the changes in the proposed items for mitigation.

Director Russell commented about moving the location of the plant and dropping the construction of the pipe bridge as mitigation. He also inquired about working with the Cambria CSD and that language being part of the special conditions.

Director Kellas suggested building a "splash wall" behind the existing riprap instead of adding to the existing riprap. The wall would be located inside of the existing property lines at the WWTP. She also proposed the idea of a wetlands project.

Charles Grace remarked about page 5 item 4 of the special conditions and the mitigation requirements.

Chairperson McGuire stated that it would be almost impossible to add to the existing riprap based on the location.

Jeff Oliveira agreed with Chairperson McGuire calling the exercise onerous. He provided information regarding various scenarios that he had worked on and explained possible issues that the District might come across in trying to add to the riprap.

Charlie Grace commented about the Coastal Hazard Response Plan and the idea of a wetlands project being evaluated as part of this plan.

Director Stanert remarked about the potential trauma in having to access the beach and that building a splash wall would be the least invasive to the beach. She also suggested the possibility of installing a French drain to help with the staging area.

Chairperson McGuire asked if the other Board members had any further suggestions or comments.

Director Stanert asked about a seawall being on the table and asked why the District was spending time on a mitigation idea that had proven negative effects on the environment.

Jeff Oliveira replied that the Coastal Commission required all possible scenarios to be discussed as part of the process.

Director Kellas also remarked about the dates on page 4 being updated and she requested that the donation requirement listed on page 11 be changed to Pacific Wildlife Care.

Natalie Frye Laacke responded that the date would actually be based on five years from when the special conditions are approved.

There was no public comment on this item.

There was no action taken regarding this item.

**6. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS – None**

**7. ADJOURNMENT @ 7:09 PM**



## **4. CONSENT AGENDA**

### **B. Consideration of approval of Disbursements Journal**

# SAN SIMEON COMMUNITY SERVICES DISTRICT Disbursements Journal

January 2019

Type	Date	Num	Name	Memo	Paid Amount
Check	01/25/2019	Elec Pymt	CalPERS Fiscal Services Division	Retiree Health monthly premium pre-paid for February 2019.	-347.56
Check	01/25/2019	Elec Pymt	CalPERS Fiscal Services Division	Unfunded Accrued Liability only - pre-paid for February 2019. Cust. ID # 7226734344.	-1,132.64
Liability Check	01/28/2019	Elec Pymt	United States Treasury (US Treasury)	Payroll tax payment for paychecks dated 01/01/2019.	-76.50
Paycheck	01/01/2019	1708	GWEN KELLAS	Board Service December 2, 2018 through January 1, 2019.	-92.35
Paycheck	01/01/2019	1709	JOHN K RUSSELL	Board Service December 2, 2018 through January 1, 2019.	-92.35
Paycheck	01/01/2019	1710	JULIA A GREENAN	Board Service December 2, 2018 through January 1, 2019.	-92.35
Paycheck	01/01/2019	1711	MARY M MCGUIRE	Board Service December 2, 2018 through January 1, 2019.	-92.35
Bill Pmt -Check	01/09/2019	1712	Abbey Lucas	Customer security deposit refund account #288.	-50.00
Bill Pmt -Check	01/09/2019	1713	Daniel Williams	Customer security deposit refund account #427.	-50.00
Bill Pmt -Check	01/09/2019	1714	Justin Robillard	Customer security deposit refund account #375.	-50.00
Bill Pmt -Check	01/09/2019	1715	Adamski Moroski Madden Cumberland & Green	Legal services through November 30 re: rip-rap, policy manuals, and general legal services. Invs 45937-45939 dated 12/20/2018.	-3,173.75
Bill Pmt -Check	01/09/2019	1716	Bunyon Brothers Tree Service	Grind 18 tree stumps. Inv 19337 dated 12/07/2018.	-2,800.00
Bill Pmt -Check	01/09/2019	1717	County of SLO - Environmental Health	Cross Connection Costs for chargeable report by Jon Williams. Facility ID FA0004646. Inv 0119736 dated 12/05/2018.	-136.90
Bill Pmt -Check	01/09/2019	1718	Jontronics	Portable Public Address System for Board Meetings. Invs 19-1172 1/3/2019.	-5,362.50
			Jontronics	Portable Public Address System for Board Meetings. 19-1773 dated 1/3/2019.	-1,769.63
Bill Pmt -Check	01/09/2019	1719	Kathleen Fry Bookkeeping Services	Bookkeeping Services December 2018. Inv 2018-12 dated 12/31/2018.	-1,200.00
Bill Pmt -Check	01/09/2019	1720	Moss, Levy & Hartzheim, LLP	Audit to Date for FYE 6/30/2018. Inv 16732 dated 11/30/2018.	-1,000.00
Bill Pmt -Check	01/09/2019	1721	Nossaman LLP	Legal services re: Rip Rap matter through 11/30/2018. Inv 489808 dated 12/10/2018.	-1,000.00
Bill Pmt -Check	01/09/2019	1722	Oliveira Environmental Consulting LLC	Professional consulting services re: Rip-rap project, reservoir project, Highway 1 fence project, and AT&T easement. Inv OEC_2018_036 & 037 dated 12/19/2018.	-9,230.00
Bill Pmt -Check	01/09/2019	1723	Sage Designs, Inc.	Annual Renewal Software Maint & Support - Scada & Security License WIN-911. Inv 1812543 dated 12/18/2018.	-495.00
Bill Pmt -Check	01/09/2019	1724	San Simeon Ranch	Water Usage January - December 2019. Inv # Water Usage dated 1/1/2019.	-10,000.00
Bill Pmt -Check	01/09/2019	1725	SLO County Air Pollution Control District	Annual Renewal of Equipment Operating Fees. WWTP @ 9245 Balboa & Wellsite @ 111 Pico ; Acct 3947. Inv 19513 dated 12/18/18.	-1,900.70
Bill Pmt -Check	01/09/2019	1726	Grace Environmental	Operations Management and Maintenance Fees January 2019. Inv #1253 dated 01/01/2019.	-51,892.67
<b>TOTAL</b>					<b>-92,037.25</b>



**5. A. BUSINESS ITEMS**



## **BUSINESS ACTION ITEM STAFF REPORT**

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### **Item 5.A. Approval of the District Fiscal Audit for 2017-2018.**

Attached is the final copy of the 2017-2018 Fiscal Audit for the San Simeon Community Services District. A draft copy was presented to the board at the December meeting for comments. The only recommended change was related to the names of the current Board members as of June 30, 2018. This list has been updated. Attached is the final version of the audit. Staff is asking for Board approval of the 2017-2018 Audit.

Enc; Audit for 2017/2018 Fiscal Year

**SAN SIMEON COMMUNITY SERVICES DISTRICT**

**FINANCIAL STATEMENTS**

**June 30, 2018**



**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
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June 30, 2018

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**INTRODUCTORY SECTION**

**SAN SIMEON COMMUNITY SERVICES DISTRICT  
ORGANIZATION  
June 30, 2018**

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**Board of Directors**

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Mary Margaret McGuire	Vice-Chairperson	2020
Gwen Kellas	Director	2022
John Russell	Director	2022
Hunter Smith	Director	2020
Julia Stanert	Director	2022



**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, 2018, 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, 2018, 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 2, 2019, 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, 2017, and our report dated January 24, 2018, 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, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Moss, Remy & Halperin LLP*

Santa Maria, California  
January 2, 2019



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

June 30, 2018

with Comparative Totals for June 30, 2017

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Current Assets:		
Petty cash	\$ 150	\$ 150
Cash and investments	922,809	595,607
Restricted cash and investments	14	35
Accounts receivable	107,242	115,216
Prepaid expenses	<u>9,726</u>	<u>47</u>
Total current assets	<u>1,039,941</u>	<u>711,055</u>
Capital Assets:		
Non-depreciable:		
Construction in progress		62,208
Depreciable:		
Sewer plant	2,086,929	2,086,929
Water plant	2,198,617	2,091,540
Building	395,874	395,874
Equipment	316,748	316,748
Land improvements	21,511	
Less: Accumulated depreciation	<u>(2,346,085)</u>	<u>(2,226,265)</u>
Net capital assets	<u>2,673,594</u>	<u>2,727,034</u>
Total assets	<u>3,713,535</u>	<u>3,438,089</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	31,009	17,987
Customer deposits	55,250	55,708
Long-Term Liabilities		
Current portion of loan payable	<u>7,902</u>	<u>7,690</u>
Total current liabilities	<u>94,161</u>	<u>81,385</u>
Long-Term Liabilities		
Loan payable	<u>453,530</u>	<u>461,480</u>
Total long-term liabilities	<u>453,530</u>	<u>461,480</u>
Total Liabilities	<u>547,691</u>	<u>542,865</u>
<b>NET POSITION</b>		
Net investment in capital assets	2,212,162	2,257,864
Restricted for:		
Capital projects	14	35
Unrestricted	<u>953,668</u>	<u>637,325</u>
Total net position	<u>\$ 3,165,844</u>	<u>\$ 2,895,224</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, 2018  
With Comparative Totals for the Fiscal Year Ended June 30, 2017

	<u>2018</u>	<u>2017</u>
<b>Operating Revenues:</b>		
Services-waste	\$ 374,154	\$ 383,792
Services-water	333,668	335,481
Effluent water		1,014
State of CA-Hearst Castle	91,754	80,549
Services-other	81,567	77,949
Late fees and adjustments	<u>6,318</u>	<u>6,628</u>
Total operating revenues	<u>887,461</u>	<u>885,413</u>
<b>Operating Expenses:</b>		
Accounting	9,125	8,815
Bank fees	265	184
Bookkeeping	14,669	14,400
Directors' fees	5,200	5,700
Payroll expenses	398	440
Dues and subscriptions	6,601	5,546
Election expense		1,007
Road maintenance	10,365	21,963
Riprap engineering	67,237	14,806
Insurance-health	15,758	12,003
Insurance-liability	10,642	7,449
LAFCO budget allocation	6,241	3,015
Legal fees	25,596	22,736
Licenses and permits	15,793	13,914
Miscellaneous	1,871	162
Depreciation	119,820	116,476
Office expenses	276	799
Operations management	652,976	619,220
Professional fees	49,870	38,685
SS Ave project		4,570
Pico project		3,456
Emergency stand by	10,000	10,000
Repairs	36,032	10,019
Utilities	4,912	
Website	<u>1,550</u>	<u>15,920</u>
Total operating expenses	<u>1,065,197</u>	<u>951,285</u>
Net operating gain (loss)	<u>(177,736)</u>	<u>(65,872)</u>
<b>Non-Operating Revenues (Expenses):</b>		
Property taxes	83,231	78,839
Interest expense	(12,952)	(13,207)
Interest income	<u>2,908</u>	<u>1,947</u>
Total non-operating revenues (expenses)	<u>73,187</u>	<u>67,579</u>
<b>Capital Contributions</b>		
Grant income	<u>375,169</u>	<u>100,552</u>
Total capital contributions	<u>375,169</u>	<u>100,552</u>
Changes in net position	270,620	102,259
Net position - beginning of fiscal year	<u>2,895,224</u>	<u>2,792,965</u>
Net position - end of fiscal year	<u>\$ 3,165,844</u>	<u>\$ 2,895,224</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, 2018  
With Comparative Totals for the Fiscal Year Ended June 30, 2017

	<u>2018</u>	<u>2017</u>
<b>Cash Flows From Operating Activities:</b>		
Receipts from customers and users	\$ 894,977	\$ 853,974
Payments to suppliers	(920,678)	(970,419)
Payments to employees	(21,356)	(18,143)
Net cash provided (used) by operating activities	<u>(47,057)</u>	<u>(134,588)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Purchase of capital assets	(66,380)	(90,865)
Grants	375,169	100,552
Interest payments	(12,952)	(13,207)
Principal loan payments	(7,738)	(7,483)
Net cash provided (used) by capital and related financing activities	<u>288,099</u>	<u>(11,003)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>		
Property taxes	83,231	78,839
Net cash provided (used) by noncapital and related financing activities	<u>83,231</u>	<u>78,839</u>
<b>Cash Flows from Investing Activities:</b>		
Investment income	2,908	1,947
Net cash provided (used) by investing activities	<u>2,908</u>	<u>1,947</u>
 Net increase (decrease) in cash and cash equivalents	 327,181	 (64,805)
Cash and cash equivalents, beginning of fiscal year	595,792	660,597
Cash and cash equivalents, end of fiscal year	<u>\$ 922,973</u>	<u>\$ 595,792</u>
<b>Reconciliation to Statement of Net Position</b>		
Petty cash	\$ 150	\$ 150
Cash and investments	922,809	595,607
Restricted cash and investments	14	35
	<u>\$ 922,973</u>	<u>\$ 595,792</u>
<b>Reconciliation of Operating (Loss) to Net Cash Provided (Used) by Operating Activities:</b>		
Operating loss	\$ (177,736)	\$ (65,872)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	119,820	116,476
Change in Operating Assets and Liabilities:		
(Increase) decrease in accounts receivable	7,974	(31,539)
(Increase) decrease in prepaid expenses	(9,679)	
Increase (decrease) in accounts payable	13,022	(153,753)
Increase (decrease) in customer deposits	(458)	100
Net cash provided (used) by operating activities	<u>\$ (47,057)</u>	<u>\$ (134,588)</u>

See accompanying notes to basic financial statements.



**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2018

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**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 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, 2018

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- J. Net Position (Continued) - Net investment in capital assets consist 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. 83	"Certain Asset Retirement Obligations"	The provisions of this statement are effective for fiscal years beginning after June 15, 2018.
Statement No. 84	"Fiduciary Activities"	The provisions of this statement are effective for fiscal years beginning after December 15, 2018.
Statement No. 87	"Leases"	The provisions of this statement are effective for fiscal years beginning after December 15, 2019.
Statement No. 88	"Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2018.
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, 2019.
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, 2018.

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2018

**NOTE 3 - CASH AND INVESTMENTS**

Investments are carried at fair value. On June 30, 2018, the District had the following cash and temporary investments on hand:

Deposits:		
Cash on hand		\$ 150
Cash in banks		<u>922,184</u>
		<u>922,334</u>
Pooled Investment Funds:		
Cash and investments in San Luis Obispo County Treasurer		
County Treasurer		108
State of California Local Agency Investment Fund (LAIF)		<u>531</u>
		<u>639</u>
Total Cash and Investments		<u>\$ 922,973</u>

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

Petty cash	\$ 150
Cash and investments	922,809
Restricted cash and investments	<u>14</u>
Total cash and investments	<u>\$ 922,973</u>

The District categorizes its fair value measurements within the fair value hierarchy established by 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 District had investments in the San Luis Obispo County Investment Pool and the Local Agency Investment Fund (LAIF), however, these external pools are not measured under Level 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 table on the following page 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

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2018

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

Investments Authorized by the District's Investment Policy (Continued)

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

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>
San Luis Obispo County					
Treasury	\$ 108	\$ 108	\$ -	\$ -	\$ -
LAIF	<u>531</u>	<u>531</u>			
<b>Total</b>	<u>\$ 639</u>	<u>\$ 639</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>
San Luis Obispo County						
Treasury	\$ 108	N/A	\$ -	\$ -	\$ -	\$ 108
LAIF	<u>531</u>	N/A				<u>531</u>
<b>Total</b>	<u>\$ 639</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 639</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



**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

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.

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 and San Luis Obispo County Treasurer).

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, 2018, and June 30, 2017, are shown below:

	Balance July 1, 2017	Additions	Deletions	Transfers	Balance June 30, 2018
Non-depreciable capital assets:					
Construction in progress	\$ 62,208	\$ -	\$ -	\$ (62,208)	\$ -
Total non-depreciable capital assets	<u>\$ 62,208</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (62,208)</u>	<u>\$ -</u>
Depreciable capital assets:					
Sewer plant	\$ 2,086,929	\$ -	\$ -	\$ -	\$ 2,086,929
Water plant	2,091,540	66,380		40,697	2,198,617
Building	395,874				395,874
Land improvements				21,511	21,511
Equipment	316,748				316,748
	<u>4,891,091</u>	<u>66,380</u>		<u>62,208</u>	<u>5,019,679</u>
Accumulated depreciation	2,226,265	119,820			2,346,085
Total depreciable capital assets	<u>\$ 2,664,826</u>	<u>\$ (53,440)</u>	<u>\$ -</u>	<u>\$ 62,208</u>	<u>\$ 2,673,594</u>
Net capital assets	<u>\$ 2,727,034</u>	<u>\$ (53,440)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,673,594</u>

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2018

**NOTE 4 - SCHEDULE OF CAPITAL ASSETS (Continued)**

	Balance July 1, 2016	Additions	Deletions	Transfers	Balance June 30, 2017
Non-depreciable capital assets:					
Construction in progress	\$ 922,452	\$ 71,627	\$ -	\$ (931,871)	\$ 62,208
Total non-depreciable capital assets	<u>\$ 922,452</u>	<u>\$ 71,627</u>	<u>\$ -</u>	<u>\$ (931,871)</u>	<u>\$ 62,208</u>
Depreciable capital assets:					
Sewer plant	\$ 2,086,929	\$ -	\$ -	\$ -	\$ 2,086,929
Water plant	1,140,431	19,238		931,871	2,091,540
Building	395,874				395,874
Equipment	316,748				316,748
	<u>3,939,982</u>	<u>19,238</u>		<u>931,871</u>	<u>4,891,091</u>
Accumulated depreciation	<u>2,109,789</u>	<u>116,476</u>			<u>2,226,265</u>
Total depreciable capital assets	<u>\$ 1,830,193</u>	<u>\$ (97,238)</u>	<u>\$ -</u>	<u>\$ 931,871</u>	<u>\$ 2,664,826</u>
Net capital assets	<u>\$ 2,752,645</u>	<u>\$ (25,611)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,727,034</u>

Depreciation expense for the fiscal years ended June 30, 2018 and 2017 was \$119,820 and \$116,476, respectively.

**NOTE 5 – CUSTOMER DEPOSITS**

The liability for customer deposits consists of the following as of June 30, 2018 and 2017:

	2018	2017
Hook-Up deposits	\$ 45,750	\$ 45,750
Customer meter deposits	<u>9,500</u>	<u>9,958</u>
	<u>\$ 55,250</u>	<u>\$ 55,708</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. Future minimum payments are as follows on the next page:

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2018

**NOTE 6 – LOAN PAYABLE (Continued)**

Fiscal year Ended June 30,	Principal	Interest	Total
2019	\$ 7,902	\$ 12,788	\$ 20,690
2020	8,121	12,569	20,690
2021	8,347	12,343	20,690
2022	8,577	12,113	20,690
2023	8,815	11,875	20,690
2024-2028	47,856	55,594	103,450
2029-2033	54,859	48,591	103,450
2034-2038	62,886	40,564	103,450
2039-2043	72,088	31,362	103,450
2044-2048	82,636	20,814	103,450
2049-2053	99,345	4,105	103,450
Total	<u>\$ 461,432</u>	<u>\$ 262,718</u>	<u>\$ 724,150</u>

**NOTE 7 – LONG TERM DEBT – SCHEDULE OF CHANGES**

A schedule of changes in long-term debt for the fiscal year ended June 30, 2018, is shown below:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2017	Due within one year
Loan payable	\$ 469,170	\$ -	\$ 7,738	\$ 461,432	\$ 7,902
Totals	<u>\$ 469,170</u>	<u>\$ -</u>	<u>\$ 7,738</u>	<u>\$ 461,432</u>	<u>\$ 7,902</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 program(s) 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.

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

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2018**

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**NOTE 8 – JOINT POWERS AUTHORITY (Continued)**

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. San Simeon Community Services District paid \$573,994 for their services during the 17/18 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.



**SUPPLEMENTARY INFORMATION**

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**SCHEDULE OF REVENUES AND EXPENSES BY FUNCTION**  
For the Fiscal Year Ended June 30, 2018

	<u>Sanitation Fund</u>	<u>Water Fund</u>	<u>General</u>	<u>Total</u>
<b>Operating Revenues:</b>				
Utility sales	\$ 374,154	\$ 333,668	\$ 6,318	\$ 714,140
Service charges			81,567	81,567
State of CA-Dept of Parks and Recreation	91,754			91,754
	<u>465,908</u>	<u>333,668</u>	<u>87,885</u>	<u>887,461</u>
Total operating revenues				
<b>Operating Expenses:</b>				
Accounting	3,042	3,042	3,041	9,125
Bank fees		20	245	265
Bookkeeping	4,890	4,890	4,889	14,669
Directors' fees	1,801	1,801	1,598	5,200
Payroll expenses	135	135	128	398
Dues and subscriptions	1,528	2,023	3,050	6,601
Road maintenance			10,365	10,365
Riprap engineering	67,237			67,237
Insurance-Health			15,758	15,758
Insurance-Liability	5,957	3,729	956	10,642
LAFCO budget allocation	810	810	4,621	6,241
Legal fees	7,758	9,450	8,388	25,596
Licenses and permits	13,261	2,532		15,793
Miscellaenous			1,871	1,871
Depreciation	57,514	37,144	25,162	119,820
Office expenses			276	276
Operations management	423,476	199,665	29,835	652,976
Professional fees	10,722	33,544	5,604	49,870
Emergency water stand-by			10,000	10,000
Repairs	6,908	29,124		36,032
Utilities	4,912			4,912
Website			1,550	1,550
	<u>609,951</u>	<u>327,909</u>	<u>127,337</u>	<u>1,065,197</u>
Total operating expenses				
Net operating gain (loss)	<u>(144,043)</u>	<u>5,759</u>	<u>(39,452)</u>	<u>(177,736)</u>
<b>Non-Operating Revenues (Expenses):</b>				
Property taxes			83,231	83,231
Interest expense			(12,952)	(12,952)
Interest income			2,908	2,908
			<u>73,187</u>	<u>73,187</u>
Total non-operating revenues (expenses)				
<b>Capital Contributions</b>				
Grant income			375,169	375,169
			<u>375,169</u>	<u>375,169</u>
Total capital contributions				
Change in net position	<u>\$ (144,043)</u>	<u>\$ 5,759</u>	<u>\$ 408,904</u>	<u>\$ 270,620</u>

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**SCHEDULE OF REVENUES AND EXPENSES BY FUNCTION**  
For the Fiscal Year Ended June 30, 2017

	<u>Sanitation Fund</u>	<u>Water Fund</u>	<u>General</u>	<u>Total</u>
<b>Operating Revenues:</b>				
Utility sales	\$ 383,792	\$ 336,495	\$ -	\$ 720,287
Service charges			84,577	84,577
State of CA-Dept. of Parks and Recreation	80,549			80,549
	<u>464,341</u>	<u>336,495</u>	<u>84,577</u>	<u>885,413</u>
<b>Operating Expenses:</b>				
Accounting	2,938	2,938	2,939	8,815
Bank fees			184	184
Bookkeeping	4,800	4,800	4,800	14,400
Directors' fees	2,052	2,052	1,596	5,700
Payroll expenses	145	145	150	440
Dues and subscriptions	545	1,481	3,520	5,546
Election expense			1,007	1,007
Road maintenance			21,963	21,963
Riprap engineering	14,806			14,806
Insurance-Health			12,003	12,003
Insurance-Liability	4,469	2,235	745	7,449
LAFCO budget allocation			3,015	3,015
Legal fees	7,426	7,426	7,884	22,736
Licenses and permits	12,945	969		13,914
Miscellaneous			162	162
Depreciation	50,896	51,185	14,395	116,476
Office expenses			799	799
Operations management	381,794	198,814	38,612	619,220
Professional fees	23,462	8,145	7,078	38,685
Emergency water stand-by		10,000		10,000
SS Ave project			4,570	4,570
Pico project			3,456	3,456
Repairs			10,019	10,019
Website			15,920	15,920
	<u>506,278</u>	<u>290,190</u>	<u>154,817</u>	<u>951,285</u>
Total operating expenses	<u>506,278</u>	<u>290,190</u>	<u>154,817</u>	<u>951,285</u>
Net operating gain (loss)	<u>(41,937)</u>	<u>46,305</u>	<u>(70,240)</u>	<u>(65,872)</u>
<b>Non-Operating Revenues (Expenses):</b>				
Property taxes			78,839	78,839
Interest expense			(13,207)	(13,207)
Interest income			1,947	1,947
			<u>67,579</u>	<u>67,579</u>
Total non-operating revenues (expenses)			<u>67,579</u>	<u>67,579</u>
<b>Capital Contributions</b>				
Grant income			100,552	100,552
			<u>100,552</u>	<u>100,552</u>
Total capital contributions			<u>100,552</u>	<u>100,552</u>
Change in net position	<u>\$ (41,937)</u>	<u>\$ 46,305</u>	<u>\$ 97,891</u>	<u>\$ 102,259</u>

**5.B. BUSINESS ITEMS**





## **BUSINESS ACTION ITEM STAFF REPORT**

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### **Item 5.B. Election of Chairperson and Vice Chairperson for the 2019 Calendar year.**

During the November Board meeting there was discussing regarding the appointment of a new Chairperson and Vice-Chairperson. This item was tabled until after the Board appointed a replacement for the vacancy left by the resignation of Chairperson Daniel Williams.

At this time the Chairperson and Vice Chairperson terms have expired. Staff is requesting nominations and acceptance from the SSCSD Board for the position of Chairperson and Vice-Chairperson for the 2019 calendar year.

**5.C. BUSINESS ITEMS**



## **BUSINESS ACTION ITEM STAFF REPORT**

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### **Item 5.C. Adoption of Resolution 19-405. A resolution authorizing signatures for banking services on behalf of the District.**

Attached for Board review and approval is Resolution 19-405. This Resolution grants signing authority to Director Hunter Smith for District bank accounts. Daniel Williams is also being removed from having signing authority.

Staff recommends approval of Resolution 19-405.

**RESOLUTION NO. 19-405**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT AUTHORIZING SIGNATURES, INCLUDING FACSIMILE SIGNATURES, FOR BANKING SERVICES ON BEHALF OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT AT PACIFIC PREMIERE BANK**

**WHEREAS**, the San Simeon Community Services District's ("District") priorities as to its investments are, in the following order, preservation of principal, liquidity of principal and return on investment; and

**WHEREAS**, the establishment of a general checking account and a money market account is consistent with these priorities; and

**WHEREAS**, based upon changes to the composition of the District Board of Directors, a change in authorized signatories is being requested by Pacific Premiere Bank, and

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

**Section 1:** The following persons are authorized to sign on behalf of the District, orders for payment or withdrawal of money: **Charles Grace, Mary Margaret McGuire, John Russell, Gwen Kellas, Julia Greenan (Stanert) and Hunter Smith** with further powers as set forth in Exhibit A, attached hereto and incorporated herein by this reference.

**Section 2:** Any such authority shall remain in force until revoked by written notice to the affected bank of the action taken by the Board of Directors of the District. All prior authorizations are superseded.

**Section 3:** Any designated depository ("Bank") of the District is authorized and directed to honor and pay any checks, drafts, or other orders for the payment of money withdrawing funds from any account of the District when bearing or purporting to bear the signatures of TWO persons listed in the attached Resolution as having signatory authority. The Bank is authorized and directed to honor and to charge the District whom such actual or purported signatures were made, provided they resemble the signatures duly certified to and filed with the Bank by the District.

Passed and adopted this 9th day of January 2019 on a motion made by Director \_\_\_\_\_ and seconded by **Director** \_\_\_\_\_, and on the following roll call vote to wit:

Vice-Chair McGuire:

Director Russell:

Director Kellas:

Director Stanert:

Director Smith:

The foregoing Resolution is hereby adopted this 9th day of January 2019.

\_\_\_\_\_  
Mary Margaret McGuire, Vice-Chairperson  
Board of Directors

ATTEST:

\_\_\_\_\_  
Charles Grace  
Secretary/General Manager

**EXHIBIT A  
POWERS & AUTHORITY  
RESOLUTION 18-401**

<b>NAME</b>	<b>TITLE</b>	<b>POWERS</b>
Hunter Smith	Board of Director	Signatory
Julia Greenan (Stanert)	Board of Director	Signatory
Gwen Kellas	Board of Director	Signatory
Mary Margaret McGuire	Board of Director	Signatory
John Russell	Board of Director	Signatory
Kathy Fry	Bookkeeper	Web Access Deposit of Funds
Charles Grace	General Manager	Signatory Web Access Exercise instructions to bank
Renee Samaniego Osborne	Administrator	Web Access Deposit of Funds Exercise instructions to bank
Cortney Murguia	Administrator	Web Access Deposit of Funds



**5.D. BUSINESS ITEMS**



## **BUSINESS ACTION ITEM STAFF REPORT**

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**Item 5.D. Adoption of Resolution 19-406. A resolution authorizing signatures for the Local Agency Investment Fund (LAIF) on behalf of the District.**

As a matter of procedure the District needs to update the authorized signatures on the account with LAIF.

Staff recommends approval of Resolution 19-406.

**RESOLUTION NO. 19-406**

**RESOLUTION OF THE BOARD OF DIRECTORS FOR THE SAN SIMEON  
COMMUNITY SERVICES DISTRICT AUTHORIZING SIGNATURES, INCLUDING  
FACSIMILE SIGNATURES, FOR THE LOCAL AGENCY INVESTMENT FUNDS ON  
BEHALF OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT**

**WHEREAS,** The Local Agency Investment Fund is established in the State Treasury under Government Code section 16429.1 et. seq. for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

**WHEREAS,** such authority shall remain in force until revoked by written notice to the affected bank of the action taken by the Board of Directors of the San Simeon Community Services District. All prior authorizations are superseded.

**NOW THEREFORE, BE IT RESOLVED,** as follows:

Section 1. The following District officers holding the title(s) specified herein below **or their successors in office** are each hereby authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund and may execute and deliver any and all documents necessary or advisable in order to effectuate the purposes of this resolution and the transactions contemplated hereby:

**BE IT FURTHER RESOLVED,** that the San Simeon Community Services District Board of Directors does hereby authorize **Mary Margaret McGuire, John Russell, Gwen Kellas, Julia Greenan, Hunter Smith AND Charles Grace** to deposit and withdraw San Simeon Community Services District monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein, and verification by the State Treasurer's office of all banking information provided in that regard.

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

AYES:  
ABSTAIN:

NOES:  
ABSENT:

The foregoing Resolution is hereby adopted this 9th day of January 2019.

\_\_\_\_\_  
Mary Margaret McGuire, Vice-Chairperson  
Board of Directors

ATTEST:

\_\_\_\_\_  
Charles Grace  
Secretary/General Manager

**5.E. BUSINESS ITEMS**





## **BUSINESS ACTION ITEM STAFF REPORT**

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### **Item 5.E. Discussion regarding appointment of members to the standing committees.**

Each January, the Board Chairperson appoints members to the Budget and Water committees. This year, the appointment process for the Chairperson and Vice-Chairperson was moved from the December meeting to January at the request of the Board. The next water & budget committee meetings will be held on February 13, 2019.

At this time the Board Chairperson and Board would like to hear from anyone interested in being on the either the Water or Budget Committee (3 minute max). Following introductions, the Board Chairperson will appointment committee members to fill any vacancy.

The current Budget Committee members are Michael Hanchett, Charlie Grace, Travis Holes (District Auditor), Kathleen Fry (District Bookkeeper), and Daniel Williams.

The current Water Committee members are Mary Margaret McGuire, Gwen Kellas, Leroy Price and Michael Hanchett.

Staff is suggesting that the newly elected Chairperson may wish to determine the members of the committees and bring this item back for approval at the February meeting.