

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



BOARD PACKET

**Wednesday, January 10, 2018
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 10, 2018
6:00 pm

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

1. REGULAR SESSION: 6:00 PM

- A. Roll Call

- B. Pledge of Allegiance

2. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA:

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

3. SPECIAL PRESENTATIONS AND REPORTS:

A. STAFF REPORTS:

- i. **Sheriff's Report** – Report for December.
- ii. **General Manager's Report** – Summary of December Activities.
- iii. **Superintendent'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. PUBLIC COMMENTS ON SPECIAL PRESENTATIONS AND REPORTS:

Public Comment - This public comment period provide an opportunity for members of the public to address the Board on matters discussed during Agent 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 to this time, Public Comment is limited to three (3) minutes.

- A. Review and approval of Minutes for the Regular Meeting on December 13, 2017.

- B. Review and approval of Disbursements Journal.

C. Review and approval of Minutes for the Regular Meeting on November 8, 2017.

D. Review and approval of Minutes for the Special Meeting on November 8, 2017.

5. BUSINESS ITEMS:

Public Comment - 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 to this time, Public Comment is limited to three (3) minutes.

A. Consideration on Board vote on Chairperson and Vice Chairperson for the 2018 Calendar year.

B. Consideration of approval of the District Fiscal Audit for 2016-2017.

C. Discussion and Consideration of the water storage tank and water distribution system project(s) including consideration of alternative smaller tank and Water Master Plan priority task list.

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.ii GENERAL MANAGER'S REPORT
Charles Grace
Update for December 2017

4A. GENERAL MANAGER'S REPORT
January 10, 2018

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

During the month of December, staff sent out regular customer billing. Staff also completed the following items:

- Staff responded to 3 public records requests.
- Staff gathered information and conducted research for the Reservoir Project.
- Staff continued working with Phoenix Engineering on the Water Master Plan.
- Staff made updates to the Emergency Response Plan/Vulnerability Assessment for the District.
- Staff attended an Emergency Response Plan webinar.

3. A.iii. SUPERTINTENDENT'S REPORT
Jerry Copeland
Facilities Update for December 2017

4B. SUPERINTENDENT'S REPORT

Activities of December 2017

1. Wastewater Treatment Plant

- All sampling, testing and reporting at the Wastewater Treatment Plant and the Recycled Water Facility was performed as required by the RWQCB.
- 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).
- There was a power outage on 12/12/17. Staff was on site to monitor the facilities which included filling the reservoir under generator power.
- Monthly water meter reading was performed.
- Monthly repickling of the R.O. Unit 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.
- SLO County Air Pollution Control District was out for an inspection of the facilities.

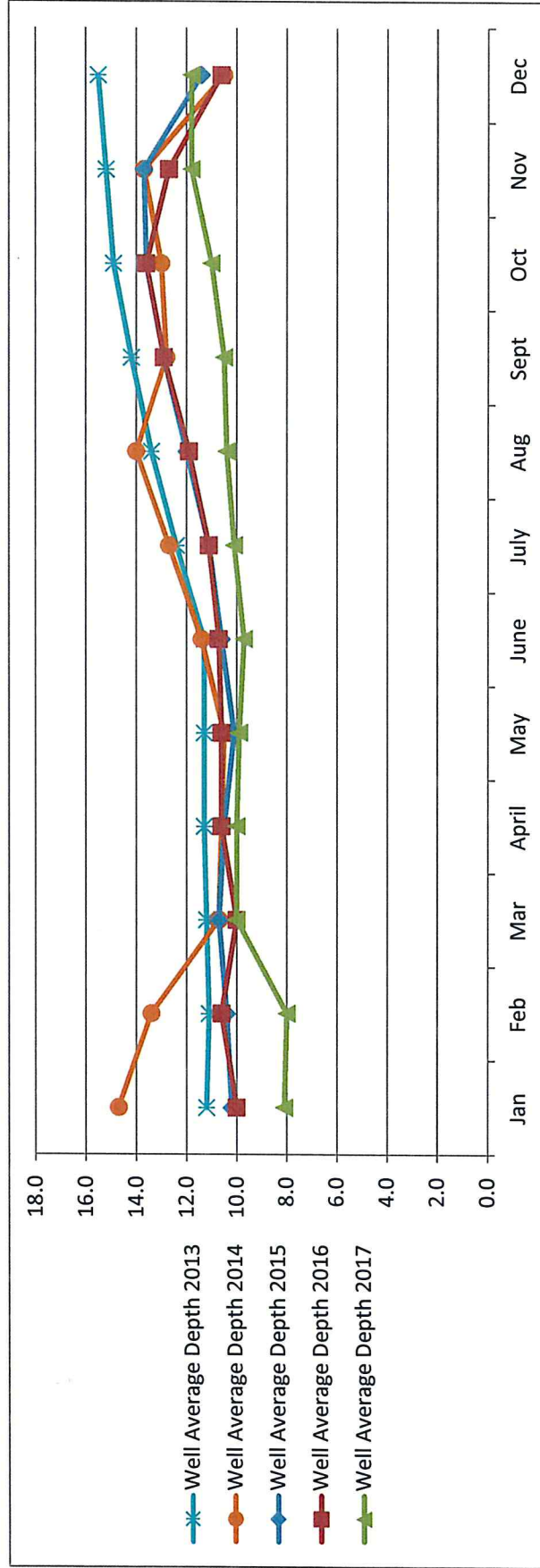
San Simeon Community Services District Superintendent's Report December 2017

MONTHLY DATA REPORT

Date	Day	Wastewater Inflow	Wastewater Effluent Daily Flow	Well 1 Total Daily Produced	Well 2 Total Daily Produced	Total Daily Water Produced	R.O. Daily Inflow	R.O. Daily Effluent Flow	R.O. Daily Brine Flow	Distribution Chloride	Chloride Wells 1	Chloride Wells 2	Recycled Water Distributed	Water Level Well 1	Water Level Well 2	Rainfall in Inches	State Inflow Daily Flow
12/01/17	Fri	57,792	49,990	40,542	0	40,542	0	0	0	-	-	-	0	11.8	12.2	0.00	10,191
12/02/17	Sat	64,106	54,110	0	53,557	53,557	0	0	0	-	-	-	0	11.7	12.1	0.00	7,023
12/03/17	Sun	54,925	58,920	52,659	0	52,659	0	0	0	-	-	-	0	11.6	12.0	0.00	10,659
12/04/17	Mon	42,547	49,220	51,238	0	51,238	0	0	0	-	-	-	0	11.6	12.0	0.00	10,744
12/05/17	Tue	47,384	45,330	0	49,966	49,966	0	0	0	39	39	32	0	11.6	12.0	0.00	6,870
12/06/17	Wed	35,623	32,000	18,102	0	18,102	0	0	0	-	-	-	0	11.4	11.8	0.00	6,869
12/07/17	Thu	45,415	51,500	35,754	0	35,754	0	0	0	-	-	-	0	11.4	11.8	0.00	3,347
12/08/17	Fri	52,600	48,300	0	52,734	52,734	0	0	0	-	-	-	0	11.4	11.8	0.00	4,023
12/09/17	Sat	61,183	52,530	54,080	0	54,080	0	0	0	-	-	-	0	11.5	11.9	0.00	5,135
12/10/17	Sun	56,359	57,940	0	54,978	54,978	0	0	0	-	-	-	0	11.5	11.9	0.00	5,398
12/11/17	Mon	48,321	48,740	54,380	0	54,380	0	0	0	-	-	-	0	11.6	12.0	0.00	2,009
12/12/17	Tue	42,718	45,180	46,002	898	46,900	0	0	0	39	32	<32	0	11.6	12.0	0.00	1,100
12/13/17	Wed	47,851	37,260	59,840	0	59,840	0	0	0	-	-	-	0	11.6	12.0	0.00	1,491
12/14/17	Thu	56,931	52,870	46,002	0	46,002	0	0	0	-	-	-	0	11.6	12.0	0.00	1,386
12/15/17	Fri	51,943	52,020	0	53,108	53,108	0	0	0	-	-	-	0	11.6	12.0	0.00	3,453
12/16/17	Sat	70,408	62,170	54,155	0	54,155	0	0	0	-	-	-	0	11.5	11.9	0.00	5,782
12/17/17	Sun	49,677	59,760	0	58,045	58,045	0	0	0	-	-	-	0	11.5	11.9	0.00	5,718
12/18/17	Mon	48,349	43,990	53,332	0	53,332	0	0	0	-	-	-	0	11.5	11.9	0.00	4,329
12/19/17	Tue	73,707	71,960	0	51,687	51,687	0	0	0	-	-	-	0	11.5	11.9	0.00	2,888
12/20/17	Wed	60,734	53,870	52,136	0	52,136	0	0	0	32	39	-	0	11.5	11.8	0.04	28,532
12/21/17	Thu	66,916	55,970	52,435	0	52,435	0	0	0	-	-	-	0	11.5	11.8	0.00	9,769
12/22/17	Fri	72,151	71,030	0	54,006	54,006	0	0	0	-	-	-	0	11.5	11.8	0.00	10,611
12/23/17	Sat	74,005	69,190	52,958	0	52,958	0	0	0	-	-	-	0	11.6	11.9	0.00	10,791
12/24/17	Sun	63,951	63,350	0	56,175	56,175	0	0	0	-	-	-	0	11.6	11.9	0.00	17,182
12/25/17	Mon	51,449	48,150	53,108	0	53,108	0	0	0	-	-	-	0	11.6	11.9	0.00	13,903
12/26/17	Tue	84,199	81,560	0	59,017	59,017	0	0	0	-	-	-	0	11.6	11.9	0.00	3,656
12/27/17	Wed	96,265	89,960	64,328	66,497	130,825	0	0	0	32	39	<32	0	11.6	12.0	0.00	19,165
12/28/17	Thu	97,913	100,390	5,685	54,978	60,663	4415	1651	1556	-	-	-	0	11.6	12.0	0.00	21,803
12/29/17	Fri	111,703	104,390	57,222	0	57,222	0	0	0	-	-	-	0	11.8	12.1	0.00	22,046
12/30/17	Sat	97,936	95,610	27,152	63,131	90,284	0	0	0	-	-	-	0	-	-	0.00	22,553
12/31/17	Sun	87,534	86,040	44,356	40,392	84,748	0	0	0	-	-	-	0	-	-	0.00	23,641
TOTALS		1,972,595	1,893,300	975,467	769,168	1,744,635	4415	1651	1556				0			0.04	302,067
Average		63,632	61,074	31,467	24,812	56,279	142	53	50	36	37	32	0	11.6	11.9	0.00	9,744
Minimum		35,623	32,000	0	0	18,102	0	0	0	32	32	32	0	11.4	11.8	0.00	1,100
Maximum		111,703	104,390	64,328	66,497	130,825	4415	1651	1556	39	39	32	0	11.8	12.2	0.04	28,532

San Simeon Community Services District Superintendent's Report December 2017

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Well Average Depth 2013	11.2	11.1	11.2	11.3	11.3	11.3	12.4	13.4	14.2	14.9	15.2	15.5
Well Average Depth 2014	14.7	13.4	10.7	10.6	10.5	11.4	12.7	14.0	12.8	13.0	13.7	10.5
Well Average Depth 2015	10.2	10.4	10.7	10.5	10.1	10.6	11.1	12.0	12.9	13.6	13.7	11.4
Well Average Depth 2016	10.0	10.6	10.0	10.6	10.6	10.7	11.1	11.9	12.9	13.6	12.7	10.6
Well Average Depth 2017	8.1	8.0	10.0	10.0	9.9	9.7	10.1	10.4	10.5	11.0	11.8	11.8



3. A.iv DISTRICT FINANCIALS
Cortney Murguia
December 31, 2017

SAN SIMEON COMMUNITY SERVICES DISTRICT

Balance Sheet

Accrual Basis

As of December 31, 2017

Dec 31, 17

ASSETS

Current Assets

Checking/Savings

1010 · Petty cash	150.00
1015 · Heritage Oaks- General Checking	139,216.91
1016 · Heritage Oaks-Wellhead	6.34
1017 · Heritage Oaks-Money Market	831,307.86
1020 · General checking	1.20
1022 · USDA checking	234.05
1040 · Cash in county treasury	108.33
1050 · LAIF - non-restricted cash	523.77

Total Checking/Savings 971,548.46

Other Current Assets

1200 · Accounts receivable	60,899.52
1300 · Prepaid expenses	4,594.50

Total Other Current Assets 65,494.02

Total Current Assets 1,037,042.48

Fixed Assets

1400 · Fixed assets

1420 · Building and structures	395,874.73
1500 · Equipment	316,747.53
1540 · Major water projects	180,245.06
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	825,012.64
1670 · Reservoir	37,693.50
1680 · Generator	29,101.14

Total 1400 · Fixed assets 4,886,532.38

1690 · Accumulated depreciation -2,242,788.96

Total Fixed Assets 2,643,743.42

TOTAL ASSETS 3,680,785.90

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

2000 · Accounts payable -106,954.33

Total Accounts Payable -106,954.33

SAN SIMEON COMMUNITY SERVICES DISTRICT

Balance Sheet

Accrual Basis

As of December 31, 2017

	Dec 31, 17
Other Current Liabilities	
2100 · Payroll liabilities	337.80
2500 · Customer security deposits	9,858.13
2510 · Connect hookup wait list	45,750.00
2520 · USDA Loan	417,240.00
Total Other Current Liabilities	473,185.93
Total Current Liabilities	366,231.60
Total Liabilities	366,231.60
Equity	
3200 · Fund balance	2,932,892.38
3900 · Suspense	24,537.53
Net Income	357,124.39
Total Equity	3,314,554.30
TOTAL LIABILITIES & EQUITY	<u>3,680,785.90</u>

SAN SIMEON COMMUNITY SERVICES DISTRICT



4C. FINANCIAL SUMMARY

BILLING

December 31, 2017

November Billing Revenue	\$ 63,705.91
December Billing Revenue	\$ 47,724.83

Past Due (31 to 60 days)	\$ 390.28
Past Due (60 days)	\$ 32.33

ENDING BANK BALANCES
December 31, 2017

RABOBANK SUMMARY:

Well Rehab Project/USDA Checking Account	\$ 79.00
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HERITAGE OAKS BANK:

Money Marketing Account Closing Balance November 30, 2017	\$ 831,060.78
Interest for November	\$ 247.08

Money Marketing Account Closing Balance December 31, 2017	\$ 831,307.86
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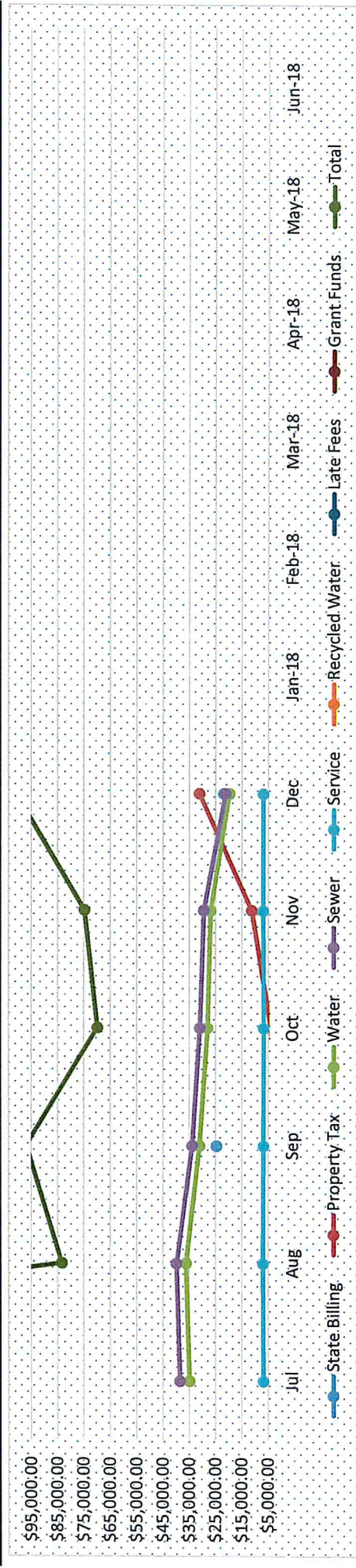
Reserve Fund	(\$ 250,000.00)
Wait-list Deposits	(\$ 45,750.00)
Customer Deposits	(\$ 9,708.00)
Available Funds	\$ 525,849.86

General Checking Account November 30, 2017	\$ 139,629.26
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LAI F Closing Balance December 31, 2017	\$ 527.40
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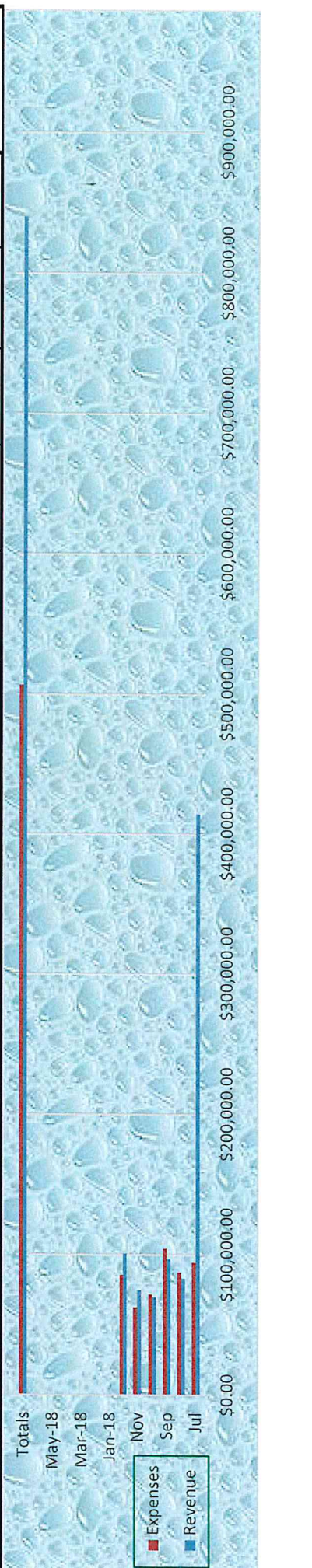
DISTRICT REVENUE FY 2017/2018

	Jul	Aug	Sep	Oct	Nov	Dec	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Totals
State Billing			\$24,606.31			\$21,914.14							\$46,520.45
Property Tax	\$1,282.43	\$0.00	\$121.78	\$3,983.38	\$11,222.22	\$31,099.09							\$47,708.90
Water	\$34,880.43	\$36,192.33	\$31,137.52	\$27,999.25	\$26,930.07	\$19,762.53							\$176,902.13
Sewer	\$38,495.46	\$39,770.86	\$33,836.96	\$30,919.58	\$29,421.68	\$21,164.32							\$193,608.86
Service	\$6,820.12	\$6,950.95	\$6,821.63	\$6,659.98	\$6,886.29	\$6,886.29							\$41,025.26
Recycled Water	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00							\$0.00
Late Fees	\$628.24	\$379.06	\$292.61	\$241.85	\$221.14	\$159.01							\$1,921.91
Grant Funds	\$332,310.87												\$332,310.87
Total	\$414,417.55	\$83,293.20	\$96,816.81	\$69,804.04	\$74,681.40	\$100,985.38							\$839,998.38
Water Sold Cu Ft	299369	310960	266284	241692	232942	169355							1520602
Water Sold Acre ft.	6.87	7.14	6.11	5.55	5.35	3.89							34.91



REVENUE VS EXPENSES

	Jul	Aug	Sep	Oct	Nov	Dec	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Totals
Revenue	\$414,417.55	\$83,293.20	\$96,816.81	\$69,804.04	\$74,681.40	\$100,985.38							\$839,998.38
Expenses	\$94,660.34	\$87,503.06	\$104,489.98	\$71,763.52	\$62,490.35	\$85,613.60							\$506,520.85
Balance	\$319,757.21	(\$4,209.86)	(\$7,673.17)	(\$1,959.48)	\$12,191.05	\$15,371.78							\$333,477.53



**SAN SIMEON COMMUNITY SERVICES
HISTORICAL FISCAL REVIEW**

Month	2014 / 2015												Fiscal Total			
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun				
State Billing			\$9,972.00			\$6,480.49			\$7,042.78				\$8,943.33			\$32,438.60
Property Tax	\$1,749.86		\$170.96	\$4,304.07	\$6,305.04	\$30,755.69	\$1,698.01	\$680.91	\$4,730.41	\$20,998.75	\$444.16	\$624.12	\$26,568.29	\$444.16		\$72,461.98
Water	\$34,524.91	\$30,347.28	\$26,979.15	\$24,551.71	\$23,063.39	\$16,542.19	\$24,980.71	\$22,031.38	\$23,713.28	\$29,614.92	\$25,535.77	\$26,568.29	\$308,452.98			\$308,452.98
Sewer	\$41,554.68	\$36,609.57	\$32,364.61	\$29,124.18	\$27,266.32	\$19,555.31	\$29,619.69	\$25,800.68	\$27,563.38	\$35,077.17	\$30,393.05	\$31,702.68	\$366,631.32			\$366,631.32
Service	\$5,773.50	\$5,747.70	\$5,747.70	\$5,747.70	\$5,775.07	\$5,747.70	\$5,775.07	\$5,747.70	\$5,747.70	\$5,747.70	\$5,802.44	\$5,747.70	\$69,107.68			\$69,107.68
Late Fees	\$123.97	\$44.80	\$94.76	\$153.10	\$221.66	\$168.17	\$78.17	\$106.62	\$194.28	\$19.45	\$192.34	\$47.19	\$1,444.51			\$1,444.51
Total Revenue	\$83,726.92	\$72,749.35	\$75,329.18	\$63,880.76	\$62,631.48	\$79,249.55	\$62,151.65	\$54,367.29	\$69,166.14	\$91,457.99	\$62,367.76	\$74,431.29	\$851,509.36			\$851,509.36
Total Expense	\$58,555.68	\$53,848.94	\$56,471.91	\$67,511.62	\$68,584.98	\$63,061.56	\$68,239.78	\$75,948.43	\$67,780.30	\$71,023.34	\$70,022.86	\$70,473.36	\$791,522.76			\$791,522.76
Water Sold Cu Ft	352622	309962	275523	250905	235552	169443	255324	224325	240675	300989	260697	306,222	3,182,239			3,182,239
Water Sold Acre ft	8.10	7.12	6.33	5.76	5.41	3.89	5.86	5.15	5.53	6.91	5.98	7.03	73.05			73.05

Month	2015 / 2016												Fiscal Total			
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun				
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	\$29,375.50	\$670.65		\$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			\$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			\$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			\$73,361.10
Recycled Water			\$1,359.75			\$854.07							\$2,213.82			\$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			\$2,927.77
Total Revenue	\$77,990.37	\$83,080.74	\$82,373.96	\$78,369.81	\$62,489.86	\$90,305.16	\$69,872.42	\$63,497.49	\$71,306.30	\$81,376.35	\$66,576.82	\$81,311.92	\$908,551.20			\$908,551.20
Total Expense	\$56,735.48	\$80,703.14	\$62,573.67	\$62,460.00	\$90,307.21	\$78,261.91	\$62,999.58	\$69,646.10	\$68,440.42	\$78,744.51	\$62,608.05	\$60,034.80	\$833,514.87			\$833,514.87
Water Sold Cu Ft	311247	338869	297896	288860	223460	191579	276707	234583	213757	239168	260907	278,453	3,155,486			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			72.44

Month	2016 / 2017												Fiscal Total			
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun				
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	\$2,986.66	\$2,421.97	\$23,540.38	\$415.92	\$1,111.78	\$77,898.37			\$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			\$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			\$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			\$78,339.28
Recycled Water						\$216.4							\$216.35			\$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			\$7,121.95
Total Revenue	\$86,361.78	\$86,506.84	\$88,365.96	\$78,637.70	\$62,074.88	\$92,476.61	\$63,964.81	\$57,560.13	\$81,358.68	\$88,831.94	\$66,160.82	\$98,685.39	\$950,985.54			\$950,985.54
Total Expense	\$127,105.89	\$72,035.48	\$114,268.09	\$71,273.31	\$75,340.87	\$66,017.87	\$71,441.43	\$72,822.48	\$152,049.21	\$62,994.78	\$77,525.44	\$71,657.28	\$1,034,532.13			\$1,034,532.13
Water Sold Cu Ft	324654	324654	281207	269907	203338	175391	232048	200704	179990	249876	249279	282352	2,973,400			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			68.26

4. CONSENT AGENDA

- A. Review & Approval of Minutes for the Regular Meeting
–December 13, 2017.**

MINUTES
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
Wednesday, January 10, 2018
6:00 pm

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

1. REGULAR SESSION: 6:02 PM

A. Roll Call

Chairperson Williams – Present	General Manager, Charles Grace
Vice-Chairperson McGuire – Present	District Counsel, Natalie Frye Laacke
Director Patel – Absent	
Director Russell – Present	
Director Kellas – Present	

B. Pledge of Allegiance

2. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Larry McGuire asked that the Board make an effort to please speak louder during discussions so that members of the audience could hear the Board members' comments.

Henry Krzciuk inquired about the change in the agenda format.

Natalie Fry Laacke responded that the agenda was updated to be more efficient and comply with the Brown Act. She also provided information on how consent agenda items work.

Leroy Price referenced policy number 6060.425 and stated that there were items missing from the minutes per the policy manual.

3. SPECIAL PRESENTATIONS AND REPORTS

NONE

A. STAFF REPORTS:

i. Sheriff's Report for December

None

ii. General Manager's Report Summary of December Activities

During the month of December, staff sent out regular customer billing. Staff also completed the following items:

- Staff responded to 3 public records requests.
- Staff gathered information and conducted research for the Reservoir Project.
- Staff continued working with Phoenix Engineering on the Water Master Plan.
- Staff made updates to the Emergency Response Plan/Vulnerability Assessment for the District.

- Staff attended an Emergency Response Plan webinar.

Charlie Grace mentioned that staff continued to work with the California Coastal Commission on the special conditions for the Coastal Development Permit. He spoke about three specific changes and stated that there may be a need for a special meeting.

Director Russell stated that the staff activity under the General Manager’s report should include items such as office hours, phone calls, visitors, mail, etc.

Director Kellas asked for a copy of the changes that had been made to the Emergency Response Plan/Vulnerability Assessment.

iii. Superintendent’s Report Summary of December Activities

1. Wastewater Treatment Plant

- All sampling, testing and reporting at the Wastewater Treatment Plant and the Recycled Water Facility was performed as required by the RWQCB.
- 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).
- There was a power outage on 12/12/17. Staff was on site to monitor the facilities which included filling the reservoir under generator power.
- Monthly water meter reading was performed.
- Monthly repickling of the R.O. Unit 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.
- SLO County Air Pollution Control District was out for an inspection of the facilities.

Director Russell inquired about numbers on page 2 of the superintendent report that stated N/A.

Jerry Copeland responded to his questions.

iv. District Financial Summary

November Billing Revenue	\$ 63,705.91
December Billing Revenue	\$ 47,724.83

Past Due (31 to 60 days)	\$ 390.28
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Past Due (60 days)	\$ 32.33
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ENDING BANK BALANCES

December 31, 2017

RABOBANK SUMMARY:

Well Rehab Project/USDA Checking Account	\$ 79.00
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HERITAGE OAKS BANK:

Money Marketing Account Closing Balance November 30, 2017	\$ 831,060.78
--	----------------------

Interest for November	\$	247.08
Money Marketing Account Closing Balance December 31, 2017	\$	831,307.86
	Reserve Fund	(\$ 250,000.00)
	Wait-list Deposits	(\$ 45,750.00)
	Customer Deposits	(\$ 9,708.00)
	Available Funds	\$ 525,849.86
General Checking Account November 30, 2017	\$	139,629.26
LAIF Closing Balance December 31, 2017	\$	527.40

Director Russell inquired about the increase of the billing amount to the State of California.

Charlie Grace responded that he believed it was correlated to the reopening of the public restrooms.

v. District Counsel's Report Summary of December activities

Natalie Frye Laacke reported that counsel had worked with District staff to streamline the agenda, and she followed up on questions regarding minutes for a closed session special meeting.

C. BOARD OF DIRECTORS AND COMMITTEE REPORTS

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 December 13, 2017.

B. Review and approval of Disbursements Journal.

C. Review and approval of Minutes for the Regular Meeting on November 8, 2017.

D. Review and approval of Minutes for the Special Meeting on November 8, 2017.

Director McGuire recommended several grammatical changes to the December 13, 2017 minutes.

Director Russell asked about the correct process for approving the consent agenda items and how to go about pulling an item from this agenda if he had questions.

A motion was made to approve consent agenda items 4A-4D.

Motion by: Vice-Chairperson McGuire

2nd: Director Kellas

All in: 4 / 0 (Director Patel absent)

5. BUSINESS ITEMS:

Public Comment:

Bob Hather commented about item 5C (water storage tank project). He proposed ideas for the alternative suggestions for the reservoir project. He suggested the District come up with an impact water fee for the people on the waitlist in order to raise money for the project. He also suggested a change to the proposed 12 inch line on the plan. He also suggested reviewing fire sprinkler installation on existing buildings. Mr. Hather also stated that the District needed to work towards creating enough water storage for all projects, not just the current residents, in order to avoid the potential for a lawsuit.

Chairperson Williams asked Bob Hather to please provide copies of his notes, so that the Board could reference them in the future.

Director Russell asked Bob Hather for clarification about the impact fee item.

Bob Hather responded to the question.

A. Consideration on Board vote on Chairperson and Vice Chairperson for the 2018 Calendar year.

A motion was made to nominate Dan Williams as Board Chairperson.

Motion by: Director Russell

2nd: Vice-Chairperson McGuire

All in: 4 / 0 (Director Patel Absent)

A motion was made to nominate Mary Margaret McGuire as Board Vice-Chairperson.

Motion by: Chairperson Williams

2nd: Director Russell

All in: 4 / 0 (Director Patel Absent)

B. Consideration of approval of the District Fiscal Audit for 2016-2017.

Director Russell inquired about any potential red flags outlined in the audit.

General Manager Charlie Grace responded no.

Director Kellas stated that there were typos that needed correction. One was listed on page 2 of the audit letter and used the language "of the of the" two times. The second typo was listed on pg. 11. The language was a partial reference to custodial credit risk and was not relevant to our audit.

A motion was made to approve the District Audit for fiscal year 2016-2017 as amended with changes from Director Kellas.

Motion by: Director Kellas

2nd: Vice-Chairperson McGuire

All in: 4 / 0 (Director Patel Absent)

C. Discussion and Consideration of the water storage tank and water distribution system project(s) including consideration of alternative smaller tank and Water Master Plan priority task list.

Director Kellas provided a handout and spoke about different phases for the project outlined in her handout. She asked Charlie Grace about an 8" pipeline being left off of his diagram.

Charlie Grace stated that costs will increase under the change that Director Kellas pointed out.

Julia Stanert asked a question.

Hank Krzciuk asked a question.

Charlie Grace responded to their questions.

Director Kellas asked a question.

Parts of Director Kellas's comments are inaudible.

Charlie Grace summarized Director Kellas's comments so that the audience could be involved.

Charlie Grace mentioned that the idea of coupling the storage tanks needed to be reviewed by an engineer.

Vice-Chairperson McGuire inquired about what agencies would need to sign off on the phased project idea.

Director Kellas replied to her question. She also addressed that her plan would provide fire coverage.

Chairperson Williams asked Director Kellas for clarification on her handout. Stating that staff had provided correspondence from two fire officials that recommended a larger volume of storage that was in line with the fire code.

Vice-Chairperson McGuire asked about the District's ability to create a plan that did not meet fire code.

Natalie Frye Laacke replied that if a project was phased that Cal Fire may be amenable to this approach.

Director Kellas referenced the portion of fire code that allowed for a variance to be applied.

Vice-Chairperson McGuire suggested that perhaps both plans could be presented to the District Engineer to see which one he would recommend.

Charlie Grace replied that Cal Fire had advised him that the requirement was 1.4 million gallons. He also explained that staff was looking for direction from the Board about the idea of a phased project.

Director Kellas stated “Can you do a corrected or new schematic that shows the new tank placement at 400,000 in series with the existing, both pipelines coming down with the size so that we have an actual correct drawing, get feedback from Jon to find out what the best points of advantage would be to increase the pipeline for the maximum amount of fire coverage. Then ask the fire department this is what we can put as far as the money that we have and provide the greatest possibility as far as fire protection. Phase 2 would come if we get the grant to increase the pipelines and then we would have fire protection”.

Chairperson Williams asked Director Kellas if this was her motion.

Director Kellas replied yes, that it was what she had explained on her handout.

Charlie Grace reiterated that the motion was to update the schematic and move forward with a 400,000 gallon tank coupled with the existing storage, show the updated pipe size, and then return to Cal Fire with this approach to Phase 1 of the project.

A motion to do a corrected or new schematic that shows the new tank placement at 400,000 in series with the existing, both pipelines coming down with the size so that we have an actual correct drawing, get feedback from Jon to find out what the best points of advantage would be to increase the pipeline for the maximum amount of fire coverage. Then ask the fire department this is what we can put as far as the money that we have and provide the greatest possibility as far as fire protection. Phase 2 would come if we get the grant to increase the pipelines and then we would have fire protection

Motion by: Director Kellas

2nd: Director Russell

All in: 4 / 0 (Director Patel Absent)

6. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS

Director Kellas requested that information be provided about the fire-hydrants cost, location and fire flow.

Chairperson Williams asked for a consensus. None was reached. No action was taken.

7. ADJOURNMENT @ 7:40 PM

4. CONSENT AGENDA

- B. Consideration of approval of Disbursements Journal**

SAN SIMEON COMMUNITY SERVICES DISTRICT
Disbursements Journal

January 1, 2018

Type	Date	Num	Name	Memo	Paid Amount	Balance
Paycheck	01/01/2018	1514	Gwen Kellas	Board Service January 2018	\$ 92.35	\$ 139,629.26
Paycheck	01/01/2018	1515	John K Russell	Board Service January 2018	\$ 92.35	\$ 139,536.91
Paycheck	01/01/2018	1517	Mary M McGuire	Board Service January 2018	\$ 92.35	\$ 139,444.56
Paycheck	01/01/2018	1513	Daniel Williams	Board Service January 2018	\$ 92.35	\$ 139,352.21
Paycheck	01/01/2018	1516	Ken Patel	Board Service January 2018	\$ 92.35	\$ 139,259.86
Check	01/01/2018	ET	CalPERS	Unfunded Accrued Liability & Health Premium for February 2018	\$ 1,287.33	\$ 137,880.18
Check	01/01/2018	1500	United States Treasury	95-2755743	\$ 198.90	\$ 137,681.28
Bill Pmt -Check	01/01/2018	1501	County of San Luis Obispo	Environmental Health Services Invoice - Cross Connection	\$ 92.00	\$ 137,589.28
Bill Pmt -Check	01/01/2018	1502	eMaint Enterprises, LLC	Software Renewal	\$ 780.00	\$ 136,809.28
Bill Pmt -Check	01/01/2018	1503	Grace Environmental	Operations Management January 2018	\$ 50,025.00	\$ 86,784.28
Bill Pmt -Check	01/01/2018	1504	Harrington Plastics	Water Filter Part	\$ 1,661.26	\$ 85,123.02
Bill Pmt -Check	01/01/2018	1505	Moss, Levy & Hartzheim, LLP	Final Payment for FY 2016-2017 Auditing Services	\$ 7,125.00	\$ 77,998.02
Bill Pmt -Check	01/01/2018	1506	Nossaman, LLP	Legal Services October	\$ 875.00	\$ 77,123.02
Bill Pmt -Check	01/01/2018	1507	Phoenix Civil Engineering, Inc	Water Master Plan Update	\$ 5,567.00	\$ 71,556.02
Bill Pmt -Check	01/01/2018	1508	San Luis Obispo Air Pollution District	Annual Equipment Renewal Fee	\$ 1,900.70	\$ 69,655.32
Bill Pmt -Check	01/01/2018	1509	Steve Siebuhr	Consult on integration of filter system into existing SCADA system Final Payment	\$ 1,000.00	\$ 68,655.32
Bill Pmt -Check	01/01/2018	1510	SWRCB	Annual Permit Fee, WD# 0130551	\$ 2,088.00	\$ 66,567.32
Bill Pmt -Check	01/01/2018	1511	Grace Environmental	Reimburse Parts for Filter Project	\$ 7,648.66	\$ 58,918.66
Bill Pmt -Check	01/01/2018	1512	SWRCB	Annual Permit Fee, WD# 0126952	\$ 3,703.00	\$ 55,215.66
Bill Pmt -Check	01/01/2018	1518	Robert Stilts, CPA	December Bookkeeping	\$ 1,200.00	\$ 54,015.66
					\$ 85,613.60	\$ 31,597.94

4. CONSENT AGENDA

- C. Review & Approval of Minutes for the Regular Meeting
November 8, 2017**

MINUTES
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
Wednesday, November 8, 2017
6:00 pm

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

1. REGULAR SESSION: 6:00 PM

A. Roll Call:

Chairperson Williams – Present	General Manager, Charles Grace
Vice-Chairperson McGuire – Present	District Counsel, David Hirsch
Director Patel – Present	Sheriff Representative, Commander Voge
Director Russell – Present	
Director Kellas – Present	

B. Pledge of Allegiance

2. PUBLIC COMMENT:

Henry Krzciuk provided a handout to the Board members. He stated that the tank location and design was a continued conversation. He also explained the content of the handout. He also mentioned super hydrants and gave thanks to the Cambria Fire Chief Bill Hollingsworth. He asked that the Board please make decisions and provide direction.

Leroy Price asked about the attorney and his comments at the previous meeting.

General Manager Grace responded to Leroy Price stating that staff had mailed out a request for proposal (RFP) and Carmel and Naccasha had chosen not to respond.

A. Sheriff's Report October

There were a total of 6 calls for San Simeon for the period of October 12 – November 8, 2017. There was one suspicious subject call, one call for burglary, one for robbery, one petty theft call, one press pass, and one welfare check. There were also two incidents at the elephant seal viewing area that involved robbery calls. On October 16, an elderly female was standing in the street, screaming at deputies that happened to be passing by. On October 23, deputies responded to a call at the Motel 6 regarding a man with a gun. There was a miscommunication with dispatch resulting in a code 3 tactical response.

B. Public comment on Sheriff's Report

None

3. PRESENTATIONS AND ANNOUNCEMENTS FROM BOARD

None

4. STAFF REPORTS

A. General Manager's Report

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

During the month of October, staff sent out regular customer billing and the quarterly newsletter. In addition to preparation of the regular board meeting agenda, staff prepared agendas for a Water Committee meeting, a special meeting workshop, and a special meeting. Staff also completed the following items:

- Prepared paperwork associated with the appointment of Director Kellas.
- Responded to 3 public records requests.
- Sent notification to restaurants regarding the annual inspection for fats, oils, and grease (F.O.G.).
- Prepared & mailed the quarterly billing for the State of California.
- Prepared additional items for F.E.M.A. as part of the grant process.
- Prepared invoices for submittal as part of the Prop. 1 Grant process.

2. Reservoir Expansion/Potable Water Project Tank Installation 30% Design –

As follow up to the special meeting workshop, staff researched several items associated with the reservoir expansion project. Staff had phone calls with Cal FIRE's Fire Marshall and Division Chief for Fire Prevention to gather more information regarding the amount of community water storage necessary for firefighting. In addition, Staff researched a potential funding option provided by the State Water Resource Revolving Fund and contacted SDRMA to discuss Government Code 850 and 850.2.

Julia Stanert commented about the reservoir expansion water project. She inquired as to how the public could move forward with participating in project involvement. She also inquired about the high capacity fire hydrants.

Chairperson Williams responded that staff is moving forward on the 750,000 gallon storage project.

Henry Krzciuk asked about when the project would include public feedback.

Charlie Grace responded that Cal Fire had provided feedback about the idea of super hydrants and that the capacity would not work with their hoses.

Director Patel remarked that it might best to compare Henry Krzciuk's proposal with the existing proposal from Boyle Engineering.

Director Russell commented that this item was not on the agenda, and asked for a point of order.

David Hirsch responded and provided information about when the appropriate time would be to discuss this item.

B. Superintendent's Report - Summary of October Activities.

1. Wastewater Treatment Plant

- All sampling, testing and reporting at the Wastewater Treatment Plant and the Recycled Water Facility was performed as required by the RWQCB.
- Quarterly maintenance was performed on the blowers.
- 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).
- Staff completed construction of the Water Filter Project.
- 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.
- On Monday, October 16, 2017 PG&E had a scheduled a planned power outage between the hours of 12:15 AM and 6:00 AM. Staff was on site to monitor the facilities during those hours.

Henry Krzciuk asked about the water filter.

Jerry Copeland responded that we were waiting for the State to come out and inspect the filter.

C. District Financial Summary

September Billing Revenue	\$ 72,188.87
October Billing Revenue	\$ 65,876.76

Past Due (31 to 60 days)	\$ 721.29
Past Due (60 days)	\$ 0.00

ENDING BANK BALANCES

October 31, 2017

RABOBANK SUMMARY:

Well Rehab Project/USDA Checking Account	\$ 99.00
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HERITAGE OAKS BANK:

Money Marketing Account Closing Balance September 30, 2017	\$ 830,574.81
Interest for October	\$ 246.93

Money Marketing Account Closing Balance October 31, 2017	\$ 830,821.74
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Reserve Fund	(\$ 250,000.00)
Wait-list Deposits	(\$ 45,750.00)
Customer Deposits	(\$ 9,708.00)

General Checking Account October 31, 2017	\$ 71,647.26
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LAIF Closing Balance October 31, 2017	\$ 527.40
--	------------------

D. District Counsel's Report Summary of October activities

David Hirsch clarified that the report out was for the October time period. He reported that he and Tim Carmel reviewed documents for the special meetings, and that he had worked with staff on the preparation of the November Agenda.

5. ITEMS OF BUSINESS

A. Consideration of approval of last month's minutes – October 11, 2017.

A motion was made to approve the minutes with the Changes recommended by Vice-Chairperson McGuire.

Motion by: Director Russell
2nd: Vice-Chairperson McGuire
All in: 5 / 0

B. Consideration of approval of Disbursements Journal – November 8, 2017.

A motion was made to accept the Disbursements Journal.

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

C. Consideration of approval of Special Meeting minutes – October 11, 2017.

A motion was made to approve the special meeting minutes.

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

6. PUBLIC HEARING

A. Consideration of Adoption of Resolution NO. 17-393 requesting weed abatement authority of vacant unimproved parcels from LAFCO.

David Hirsch commented that the Board had been given the revised version of the Resolution prior to the meeting.

A motion was made to adopt Resolution No. 17-393.

Motion by: Director Russell
2nd: Vice-Chairperson McGuire
Roll Call: Chairperson Williams: YES Vice-Chairperson McGuire: YES Director Russell: YES
Director Patel: YES Director Kellas: YES

7. DISCUSSION/ACTION ITEMS

A. Consideration of approval of Board Resolution Honoring Alan Fields for His Service on the Board – NO. 17-392.

Chairperson Williams asked that although Director Fields was not present that the item be introduced. He then read the resolution aloud and thanked Alan for his service to the community.

A motion was made to approve Resolution No. 17-392.

Motion by: Chairperson Williams
2nd: Vice-Chairperson McGuire
All in: 5 / 0

B. Consideration of Approval of Board Resolution 17-394 designating the applicant's agent for Disaster Assistance for Non-State Agencies.

A motion was made to approve Resolution No. 17-394.

Motion by: Director Russell

2nd: Director Patel

All in: 5 / 0

C. Consideration of approval of Board Resolution 17-395 authorization signatures for banking services on behalf of the District.

A motion was made to approve Resolution No. 17-395.

Motion by: Director Russell

2nd: Director Patel

All in: 5 / 0

D. Consideration of approval of Board Resolution 17-396 authorization for Office Manager, Cortney Murguia, to have Web Site Access (read only) to the District Bank Accounts.

A motion was made to approve Resolution No. 17-396.

Motion by: Chairperson Williams

2nd: Vice-Chairperson McGuire.

All in: 5 / 0

8. BOARD COMMITTEE REPORTS

None

9. BOARD REPORTS

Chairperson Williams reminded the Board that the election for Chairperson and Vice-Chairperson was coming up and asked that the Board keep this in mind.

10. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS

Director Kellas said that she needed explanation as to the easement coverage and California Environmental Quality Act (CEQA) requirements for the water storage and Reservoir Project and to the California Environmental Quality Act (CEQA).

Charlie Grace responded to her that the existing easement was not subject to CEQA.

Director Kellas asked about the water data that had been supplied to Phoenix Engineering for the Water Master Plan.

Charlie Grace stated that he would ask Phoenix Engineering to present supporting documents as part of the draft presentation of the Water Master Plan. He also stated that he would provide a progress report on the status of this item.

Director Kellas requested that during the January Board meeting that there be an agenda item allowing for a comparison or analysis of the information that Henry Krzciuk had presented and the current information that staff was currently working on.

A consensus was reached to add this item to the January agenda. (4/1 Chairperson Williams No)

11. ADJOURNMENT @ 7:00 PM

4. CONSENT AGENDA

- D. Review & Approval of Minutes for the Special Meeting -
November 8, 2017**

**SPECIAL MEETING
MINUTES
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
Wednesday, November 8, 2017
3:30 pm**

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

1. REGULAR SESSION CALLED TO ORDER @ 3:30 PM

A. Roll Call

Chairperson Williams – Present General Manager, Charles Grace
Vice-Chairperson McGuire – Present
Director Patel – Present
Director Russell – Present
Director Kellas – Present

2. PUBLIC COMMENT ON CLOSED SESSION ITEM:

None

**3. CONVENE TO CLOSED SESSION
PUBLIC EMPLOYMENT**

Pursuant to Government Code Section 54957
Title: District Counsel

4. RECONVENE TO OPEN SESSION

Closed Session reportable action (Government Code Section 54957.1(a)(5)) - The Board decided to engage the services of the law firm of Adamski Moroski Madden Cumberland & Green LLP as District Counsel.

5. ADJOURNMENT @ 5:30 PM

5. BUSINESS ITEMS

- A. Consideration on Board vote on Chairperson and Vice Chairperson for the 2018 Calendar year.**

5. BUSINESS ITEMS
January 10, 2018

A. Consideration of Board vote for Chairperson and Vice Chairperson for the 2018 calendar year.

The Chairperson and Vice Chairperson terms have expired. Staff is requesting nominations and acceptance from the SSCSD Board for the position of Chairperson for the 2018 calendar year.

Note: With the resignation of Alan Fields, the Vice Chairperson position was filled by Director McGuire in October.

5. BUSINESS ITEMS
January 10, 2018

B. Consideration of approval of the District Fiscal Audit for 2016-2017.

Attached is the final copy of the 2016-2017 Fiscal Audit for the San Simeon Community Services District. A draft copy was presented to the board at the December meeting for comments. There were no recommended changes. Attached is the final version. Staff is asking for Board approval of the 2016-2017 Audit.

SAN SIMEON COMMUNITY SERVICES DISTRICT

FINANCIAL STATEMENTS

June 30, 2017

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SAN SIMEON COMMUNITY SERVICES DISTRICT
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June 30, 2017

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INTRODUCTORY SECTION
DRAFT

Board of Directors

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Daniel Williams	Chairperson	2020
Alan Fields	Vice-Chairperson	2020
John Russell	Director	2018
Mary Margaret McGuire	Director	2020
Ken Patel	Director	2018

FINANCIAL SECTION

DRAFT



Moss, Levy & Hartzheim LLP

Certified Public Accountants

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, 2017, 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 respective financial position of the of the San Simeon Community Services District, as of June 30, 2017, 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 basic 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 November XX, 2017, 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, 2016, and our report dated January 20, 2017, 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, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Santa Maria, California
November XX, 2017

SAN SIMEON COMMUNITY SERVICES DISTRICT
STATEMENT OF NET POSITION-PROPRIETARY FUND
 June 30, 2017
 with Comparative Totals for June 30, 2016

	2017	2016
ASSETS		
Current Assets:		
Petty cash	\$ 150	\$ 150
Cash and investments	595,607	660,412
Restricted cash and investments	35	35
Accounts receivable	115,216	83,677
Prepaid expenses	47	47
Total current assets	<u>711,055</u>	<u>744,321</u>
Capital Assets:		
Non-depreciable:		
Construction in progress	62,208	922,452
Depreciable:		
Sewer plant	2,086,929	2,086,929
Water plant	2,091,540	1,140,431
Building	395,874	395,874
Equipment	316,748	316,748
Less: Accumulated depreciation	<u>(2,226,265)</u>	<u>(2,109,789)</u>
Net capital assets	<u>2,727,034</u>	<u>2,752,645</u>
Total assets	<u>3,438,089</u>	<u>3,496,966</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	17,987	171,740
Customer deposits	55,708	55,608
Long-Term Liabilities		
Current portion of loan payable	<u>7,690</u>	<u>7,483</u>
Total current liabilities	<u>81,385</u>	<u>234,831</u>
Long-Term Liabilities		
Loan payable	<u>461,480</u>	<u>469,170</u>
Total long-term liabilities	<u>461,480</u>	<u>469,170</u>
Total Liabilities	<u>542,865</u>	<u>704,001</u>
NET POSITION		
Net investment in capital assets	2,257,864	2,275,992
Restricted for:		
Capital projects	35	35
Debt service		
Unrestricted	<u>637,325</u>	<u>516,938</u>
Total net position	<u>\$ 2,895,224</u>	<u>\$ 2,792,965</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, 2017
With Comparative Totals for the Fiscal Year Ended June 30, 2016

	2017	2016
Operating Revenues:		
Services-waste	\$ 383,792	\$ 395,248
Services-water	335,481	328,018
Meter charge-water		
Effluent water	1,014	3,004
State of CA-Hearst Castle	80,549	31,107
Services-other	77,949	73,397
Late fees and adjustments	6,628	3,076
	<u>885,413</u>	<u>833,850</u>
Total operating revenues		
	<u>885,413</u>	<u>833,850</u>
Operating Expenses:		
Accounting	8,815	8,535
Bank fees	184	169
Bookkeeping	14,400	14,400
Directors' fees	5,700	5,800
Payroll Expenses	440	444
Dues and subscriptions	5,546	3,664
Election expense	1,007	
Road maintenance	21,963	18,056
Riprap engineering	14,806	30,534
Insurance-health	12,003	10,991
Insurance-liability	7,449	6,967
LAFCO budget allocation	3,015	2,742
Legal fees	22,736	22,841
Legal fees-litigation		1,184
Licenses and permits	13,914	12,262
Miscellaneous	162	106
Depreciation	116,476	73,150
Office expenses	799	
Operations management	619,220	579,074
Professional fees	38,685	17,985
SS Ave project	4,570	
Pico project	3,456	4,907
Emergency stand by	10,000	12,607
Repairs	10,019	13,220
Website	15,920	3,840
	<u>951,285</u>	<u>843,478</u>
Total operating expenses		
	<u>951,285</u>	<u>843,478</u>
Net operating gain (loss)	<u>(65,872)</u>	<u>(9,628)</u>
Non-Operating Revenues (Expenses):		
Property taxes	78,839	77,109
Interest expense	(13,207)	(13,409)
Interest income	1,947	2,266
	<u>67,579</u>	<u>65,966</u>
Total non-operating revenues (expenses)		
	<u>67,579</u>	<u>65,966</u>
Capital and Financing Revenues		
Grant income	100,552	419,448
	<u>100,552</u>	<u>419,448</u>
Total capital and financing revenues (expenses)		
	<u>100,552</u>	<u>419,448</u>
Changes in net position	<u>102,259</u>	<u>475,786</u>
Net position - beginning of fiscal year	2,792,965	2,295,860
Prior period adjustment		21,319
Net position - beginning of fiscal year-restated	<u>2,792,965</u>	<u>2,317,179</u>
Net position - end of fiscal year	<u>\$ 2,895,224</u>	<u>\$ 2,792,965</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, 2017
With Comparative Totals for the Fiscal Year Ended June 30, 2016

	2017	2016
Cash Flows From Operating Activities:		
Receipts from customers and users	\$ 853,974	\$ 820,528
Payments to suppliers	(970,419)	(581,581)
Payments to employees	(18,143)	(17,235)
Net cash provided (used) by operating activities	<u>(134,588)</u>	<u>221,712</u>
Cash Flows from Capital and Related Financing Activities:		
Purchase of capital assets	(90,865)	(900,189)
Grants	100,552	419,448
Interest payments	(13,207)	(13,409)
Principal loan payments	(7,483)	(7,281)
Net cash provided (used) by capital and related financing activities	<u>(11,003)</u>	<u>(501,431)</u>
Cash Flows from Noncapital Financing Activities:		
Property taxes	78,839	77,109
Net cash provided (used) by noncapital and related financing activities	<u>78,839</u>	<u>77,109</u>
Cash Flows from Investing Activities:		
Investment income	1,947	2,266
Net cash provided (used) by investing activities	<u>1,947</u>	<u>2,266</u>
Net increase (decrease) in cash and cash equivalents	(64,805)	(200,344)
Cash and cash equivalents, beginning of fiscal year	660,597	860,941
Cash and cash equivalents, end of fiscal year	<u>\$ 595,792</u>	<u>\$ 660,597</u>
Reconciliation to Statement of Net Position		
Petty cash	\$ 150	\$ 150
Cash and investments	595,607	660,412
Restricted cash and investments	35	35
	<u>\$ 595,792</u>	<u>\$ 660,597</u>
Reconciliation of Operating (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating loss	\$ (65,872)	\$ (9,628)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	116,476	73,150
Change in Operating Assets and Liabilities:		
(Increase) decrease in accounts receivable	(31,539)	(13,322)
(Increase) decrease in prepaid expenses	-	109
Increase (decrease) in accounts payable	(153,753)	171,403
Increase (decrease) in customer deposits	100	
Net cash provided (used) by operating activities	<u>\$ (134,588)</u>	<u>\$ 221,712</u>

See accompanying notes to basic financial statements.

SAN SIMEON COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

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.

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

Statement No. 75	"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"	The provisions of this statement are effective for fiscal years beginning after June 15, 2017.
Statement No. 81	"Irrevocable Split-Interest Agreements"	The provisions of this statement are effective for fiscal years beginning after December 15, 2016.
Statement No. 82	"Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73"	The provisions of this statement are effective for fiscal years beginning after June 15, 2017.
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. 85	"Omnibus 2017"	The provisions of this statement are effective for fiscal years beginning after June 15, 2017.
Statement No. 86	"Certain Debt Extinguishment Issues"	The provisions of this statement are effective for fiscal years beginning after June 15, 2017.
Statement No. 87	"Leases"	The provisions of this statement are effective for fiscal years beginning after December 15, 2019.

SAN SIMEON COMMUNITY SERVICES DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 3 - CASH AND INVESTMENTS

Investments are carried at fair value. On June 30, 2017, the District had the following cash and temporary investments on hand:

Deposits:		
Cash on hand		\$ 150
Cash in banks		<u>595,010</u>
		<u>595,160</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>524</u>
		<u>632</u>
Total Cash and Investments		<u>\$ 595,792</u>

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

Petty cash	\$ 150
Cash and investments	<u>595,607</u>
Restricted cash and investments	<u>35</u>
Total cash and investments	<u>\$ 595,792</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, 2017

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>12 Months or Less</u>	<u>Remaining Maturity (in Months)</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	524	524			
Total	<u>\$ 632</u>	<u>\$ 632</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	524	N/A				524
Total	<u>\$ 632</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 632</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, 2017

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

Custodial Credit Risk (Continued)

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).

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, 2017, and June 30, 2016, are shown below:

	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	\$ 922,452	\$ 71,627	\$ -	\$ (931,871)	\$ 62,208
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
	3,939,982	19,238		931,871	4,891,091
Accumulated depreciation	2,109,789	116,476			2,226,265
Total depreciable capital assets	\$ 1,830,193	\$ (97,238)	\$ -	\$ 931,871	\$ 2,664,826
Net capital assets	\$ 2,752,645	\$ (25,611)	\$ -	\$ -	\$ 2,727,034

SAN SIMEON COMMUNITY SERVICES DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 4 - SCHEDULE OF CAPITAL ASSETS (Continued)

	Balance July 1, 2015	Additions	Deletions	Prior Period Adjustments	Balance June 30, 2016
Non-depreciable capital assets:					
Construction in progress	\$ 31,254	\$ 891,198	\$ -	\$ -	\$ 922,452
Total non-depreciable capital assets	<u>\$ 31,254</u>	<u>\$ 891,198</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 922,452</u>
Depreciable capital assets:					
Sewer plant	\$ 2,056,619	\$ 8,991	\$ -	\$ 21,319	\$ 2,086,929
Water plant	1,140,431				1,140,431
Building	395,874				395,874
Equipment	316,748				316,748
	<u>3,909,672</u>	<u>-</u>		<u>21,319</u>	<u>3,939,982</u>
Accumulated depreciation	2,036,639	73,150			2,109,789
Total depreciable capital assets	<u>\$ 1,873,033</u>	<u>\$ (73,150)</u>	<u>\$ -</u>	<u>\$ 21,319</u>	<u>\$ 1,830,193</u>
Net capital assets	<u>\$ 1,904,287</u>	<u>\$ 818,048</u>	<u>\$ -</u>	<u>\$ 21,319</u>	<u>\$ 2,752,645</u>

Depreciation expense for the fiscal years ended June 30, 2017 and 2016 was \$116,476 and \$73,150, respectively. Additions to construction in progress for the year ended June 30, 2017 consisted of expenses related to the RO unit and the Pico Slope Project.

NOTE 5 – CUSTOMER DEPOSITS

The liability for customer deposits consists of the following as of June 30, 2017 and 2016:

	2017	2016
Hook-Up deposits	\$ 45,750	\$ 45,750
Customer meter deposits	9,958	9,858
	<u>\$ 55,708</u>	<u>\$ 55,608</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, 2017

NOTE 6 – LOAN PAYABLE (Continued)

Fiscal year Ended June 30,	Principal	Interest	Total
2018	\$ 7,690	\$ 13,000	\$ 20,690
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
2023-2027	46,578	56,872	103,450
2028-2032	53,393	50,057	103,450
2033-2037	61,206	42,244	103,450
2038-2042	70,162	33,288	103,450
2043-2047	80,429	23,021	103,450
2048-2052	92,198	11,252	103,450
2053	24,567	830	25,397
Total	\$ 469,170	\$ 280,377	\$ 749,547

NOTE 7 – LONG TERM DEBT – SCHEDULE OF CHANGES

A schedule of changes in long-term debt for the fiscal year ended June 30, 2017, is shown below:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due within one year
Loan payable	\$ 476,653	\$ -	\$ 7,483	\$ 469,170	\$ 7,690
Totals	\$ 476,653	\$ -	\$ 7,483	\$ 469,170	\$ 7,690

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, 2016 through June 30, 2017.

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.

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 \$619,220 for their services during the 16/17 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.

DRAFT

SUPPLEMENTARY INFORMATION
DRAFT

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

	Sanitation Fund	Water Fund	General	Total
Operating Revenues:				
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
Total operating revenues	464,341	336,495	84,577	885,413
Operating Expenses:				
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
Total operating expenses	506,278	290,190	154,817	951,285
Net operating gain (loss)	(41,937)	46,305	(70,240)	(65,872)
Non-Operating Revenues (Expenses):				
Property taxes			78,839	78,839
Interest expense			(13,207)	(13,207)
Interest income			1,947	1,947
Total non-operating revenues (expenses)			67,579	67,579
Capital and Financing Revenues				
Grant income			100,552	100,552
Total capital and financing revenues			100,552	100,552
Change in net position	\$ (41,937)	\$ 46,305	\$ 97,891	\$ 102,259

SAN SIMEON COMMUNITY SERVICES DISTRICT
SCHEDULE OF REVENUES AND EXPENSES BY FUNCTION
For the Fiscal Year Ended June 30, 2016

	<u>Sanitation Fund</u>	<u>Water Fund</u>	<u>General</u>	<u>Total</u>
Operating Revenues:				
Utility sales	\$ 395,248	\$ 328,018	\$ 3,076	\$ 726,342
Service charges		3,004	73,397	76,401
State of CA-Dept of Parks and Recreation	31,107			31,107
	<u>426,355</u>	<u>331,022</u>	<u>76,473</u>	<u>833,850</u>
Operating Expenses:				
Accounting	2,838	2,838	2,859	8,535
Bank fees		10	159	169
Bookkeeping	4,800	4,800	4,800	14,400
Directors' fees	1,944	2,232	1,624	5,800
Payroll expenses	148	148	148	444
Dues and subscriptions	650	381	2,633	3,664
Road maintenance			18,056	18,056
Riprap engineering	30,534			30,534
Insurance-Health			10,991	10,991
Insurance-Liability	697	3,832	2,438	6,967
LAFCO budget allocation	686	686	1,370	2,742
Legal fees	7,614	7,614	7,613	22,841
Legal fees-litigation	67	67	1,050	1,184
Licenses and permits	9,959	2,303		12,262
Miscellaenous			106	106
Depreciation	35,112	22,676	15,362	73,150
Operations management	364,457	185,663	28,954	579,074
Professional fees	11,682	4,303	2,000	17,985
Pico project			4,907	4,907
Emergency water stand-by		12,607		12,607
Repairs	13,220			13,220
Website			3,840	3,840
	<u>484,408</u>	<u>250,160</u>	<u>108,910</u>	<u>843,478</u>
Total operating expenses	<u>484,408</u>	<u>250,160</u>	<u>108,910</u>	<u>843,478</u>
Net operating gain (loss)	<u>(58,053)</u>	<u>80,862</u>	<u>(32,437)</u>	<u>(9,628)</u>
Non-Operating Revenues (Expenses):				
Property taxes			77,109	77,109
Interest expense			(13,409)	(13,409)
Interest income			2,266	2,266
			<u>65,966</u>	<u>65,966</u>
Total non-operating revenues (expenses)			<u>65,966</u>	<u>65,966</u>
Capital and Financing Revenues				
Grant income			419,448	419,448
			<u>419,448</u>	<u>419,448</u>
Total capital and financing revenues			<u>419,448</u>	<u>419,448</u>
Change in net position	<u>\$ (58,053)</u>	<u>\$ 80,862</u>	<u>\$ 452,977</u>	<u>\$ 475,786</u>

5. BUSINESS ITEMS

January 10, 2018

C. Discussion and Consideration of the water storage tank and water distribution system project(s) including consideration of alternative smaller tank and Water Master Plan priority task list.

Since last September staff has been working to advance the 30% design phase for the Reservoir Project toward 100% design. At a Special Meeting / 30% design workshop held in October, members of the community proposed a project alternate with regard to water storage and the distribution system. At the November meeting staff was directed to place this item on the agenda for the January meeting.

Staff has prepared both a grant funding project plan as well as a loan funding project plan for Board review. Additionally, staff has included the alternate plan that was prepared by Henry Krzciuk (community member) and previously given to the Board during the October 2017 Special Meeting / 30% design Workshop. These proposals are attached as part of the packet.

Staff recommends that the District use the current storage volume being recommended by Cal Fire, and that the District pursues 9.9 million in grant funding to complete all the Master Plan projects, collection system upgrades and streets improvements. If a lack of grant funding occurs or the District desires to expedite a water storage project, staff recommends that the District pursues a loan through the USDA for 2.2 million to complete loan phase 1 projects.

Letter from Cal Fire Captain Tony Gomes



CAL FIRE
San Luis Obispo
County Fire Department

635 N. Santa Rosa • San Luis Obispo, CA 93405
Phone: 805.543.4244 • Fax: 805.543.4248
www.calfireslo.org

Scott M. Jalbert, Unit Chief

December 15, 2017

Cortney Upthegrove-Murguia
San Simeon Community Services District
111 Pico Avenue
San Simeon, CA 93452

Dear Ms. Upthegrove-Murguia,

I would like to address the questions you had regarding response to fire in your community and the water requirements for fire suppression.

The responding fire department to a fire in San Simeon would be CALFIRE/San Luis Obispo County Fire Department. The station is located at 6126 Coventry Lane in Cambria. We would also receive automatic aid from the Cambria Fire Department for a fire dispatch.

Super hydrants placed through the middle of town is not a feasible idea because super hydrants do not exist. This term is not recognized by any fire code or NFPA standard, fire hydrants are rated by class code. Therefore, a super hydrant shall not be an accepted fire hydrant for fire suppression. We have a maximum of a 1000 feet of supply line on our fire engines, we would be very limited on how we could use any fire hydrants located in the middle of the community. CAL FIRE would never require something that does not exist, in this case super hydrants.

Water storage requirements are determined through California Fire Code. CAL FIRE/San Luis Obispo County Fire will not support any project that asks for less water storage than deemed acceptable through California Fire Code. We emphatically support those guidelines for fire and life safety.

Breaking up the project into three or four phases would require having a plan of the entire project and a reasonable time line for completion. I will have to speak with our Fire Marshal, Travis Craig, and our Fire Chief, Scott Jalbert, when they return from assignment on the Thomas Fire. I am not sure a phased project would be possible.

If I may be of additional assistance, please do not hesitate to contact me at (805) 543-4244, ext.3429.

Sincerely,

Tony Gomes
Fire Captain /Inspector

Loan Funding Project Plan

**Prepared by
Charlie Grace**

LOAN phase 1 2.4 m

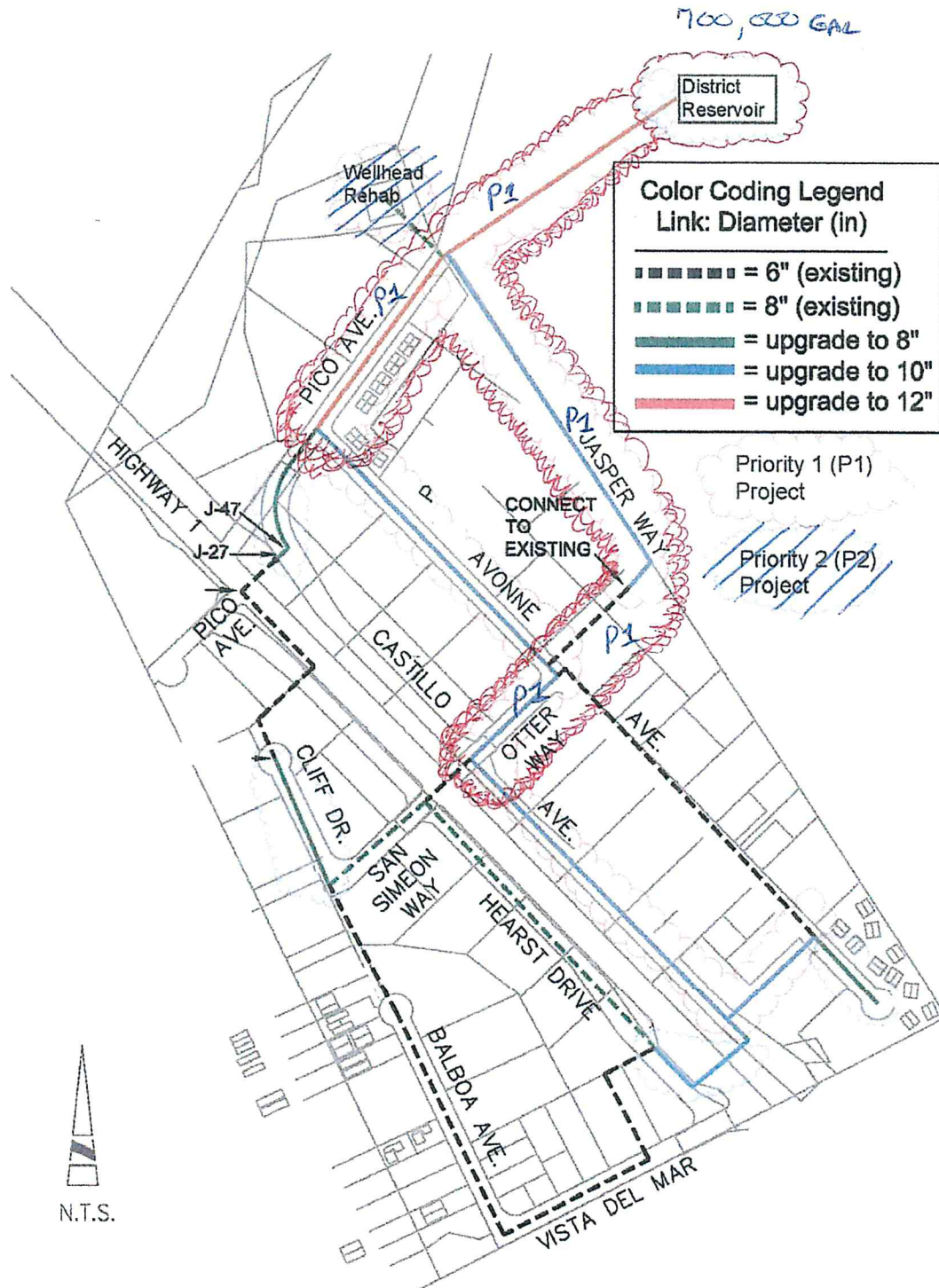


Figure 7-2: Pipeline Upgrades Recommended to Improve Existing Deficiencies

**Table 9-3
Engineer's Opinion of Probable Cost for Recommended Improvements**

Priority	Project	Exist. Size (in)	New Size (in)	Linear Feet of Pipeline for Project (ft)	Estimated Cost (\$)
P1	Wellhead Rehabilitation	NA	NA	NA	Completed 1,250,000 \$276,000 \$208,000 1,000' \$336,000 \$97,000 \$56,000 \$163,000 Total \$2,386,000
	District Reservoir	150,000 gal	700,000 gal		
	Tank Outlet and Pico	8" ACP	12" PVC	850'	
		8" ACP	12" PVC	640'	
	Avonne Avenue	6" ACP	10" PVC	1,000'	
	Loop from Pico through	none	10" PVC	1,150'	
	Otter Way	6" ACP	10" PVC	330'	
	Castillo Avenue, and Avonne Ave Sewer Otter Way Road Pico & Otter	6" ACP	10" PVC	1,110' in 330'	
P2	Piping at south end of Cliff Drive cul de sac	6" ACP 6" ACP	8" ACP 10" PVC	270' 470'	
	Highway crossing at Vista	none	10" DIP with casing		
	Pico Ave from Avonne Ave to Hwy 1	6" ACP	8" PVC		
P3	Upgrade pipe from end of "Cliff Drive" cul-de-sac to Pico (this section of pipe runs along the west side of the Cavalier Inn)	6" ACP	8" PVC	650'	
P4	Replace all remaining 6" water mains with minimum pipe size of 8" per CDF recommendation (Otter easement, Avonne,	6" ACP	8" PVC	3500'	

Grant Funding Project Plan

**Prepared by
Charlie Grace**

GRANT 9.9m

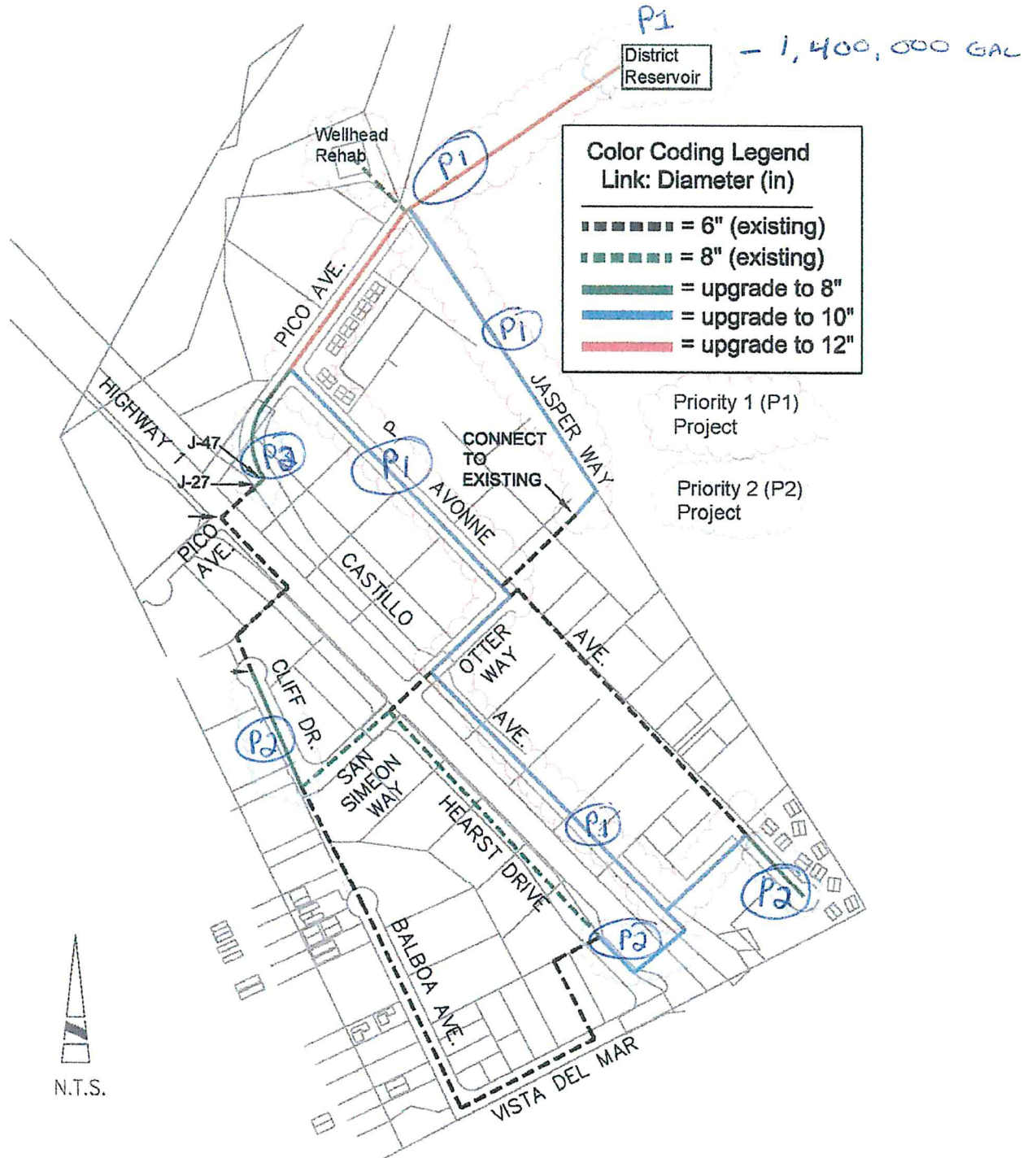


Figure 7-2: Pipeline Upgrades Recommended to Improve Existing Deficiencies

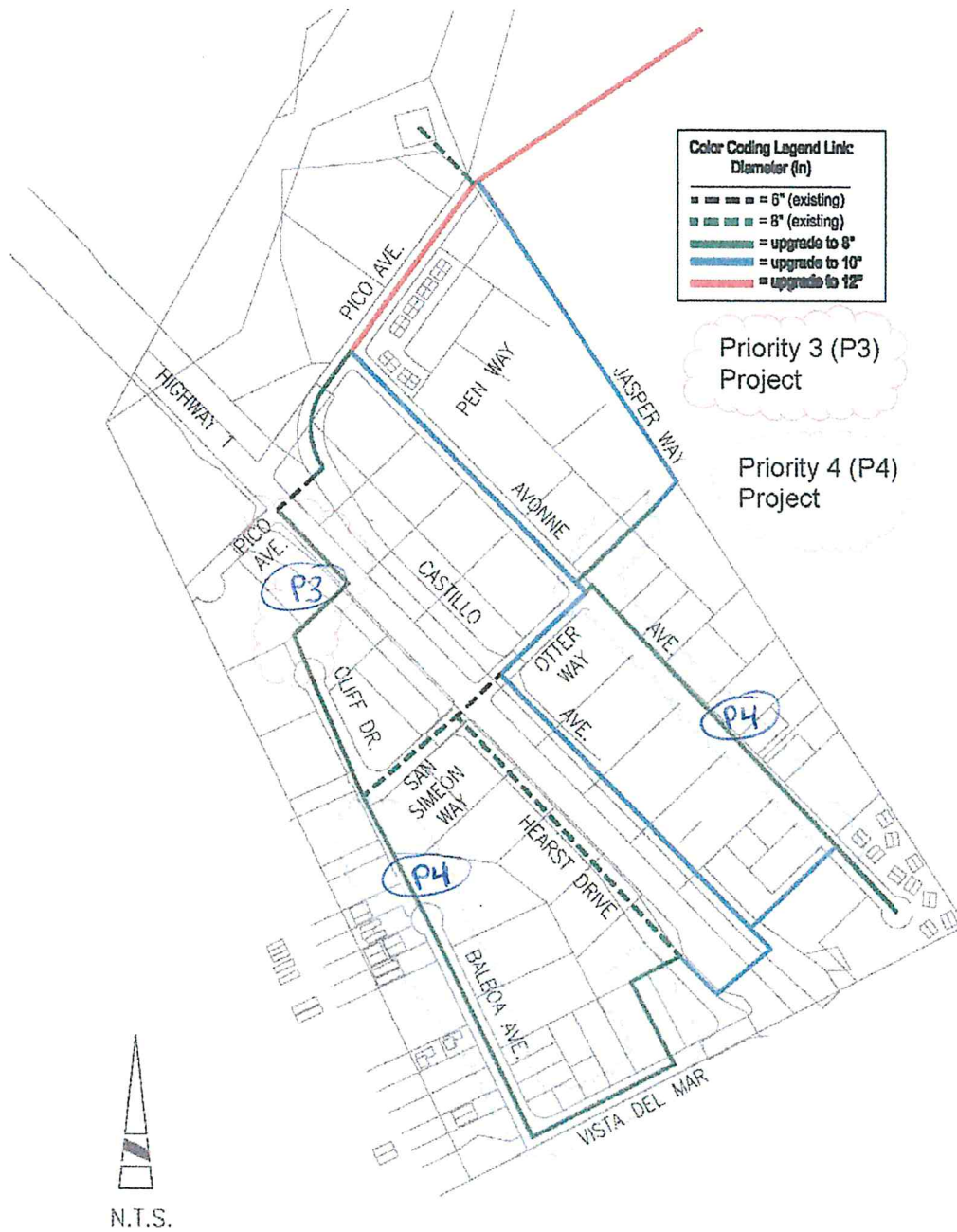
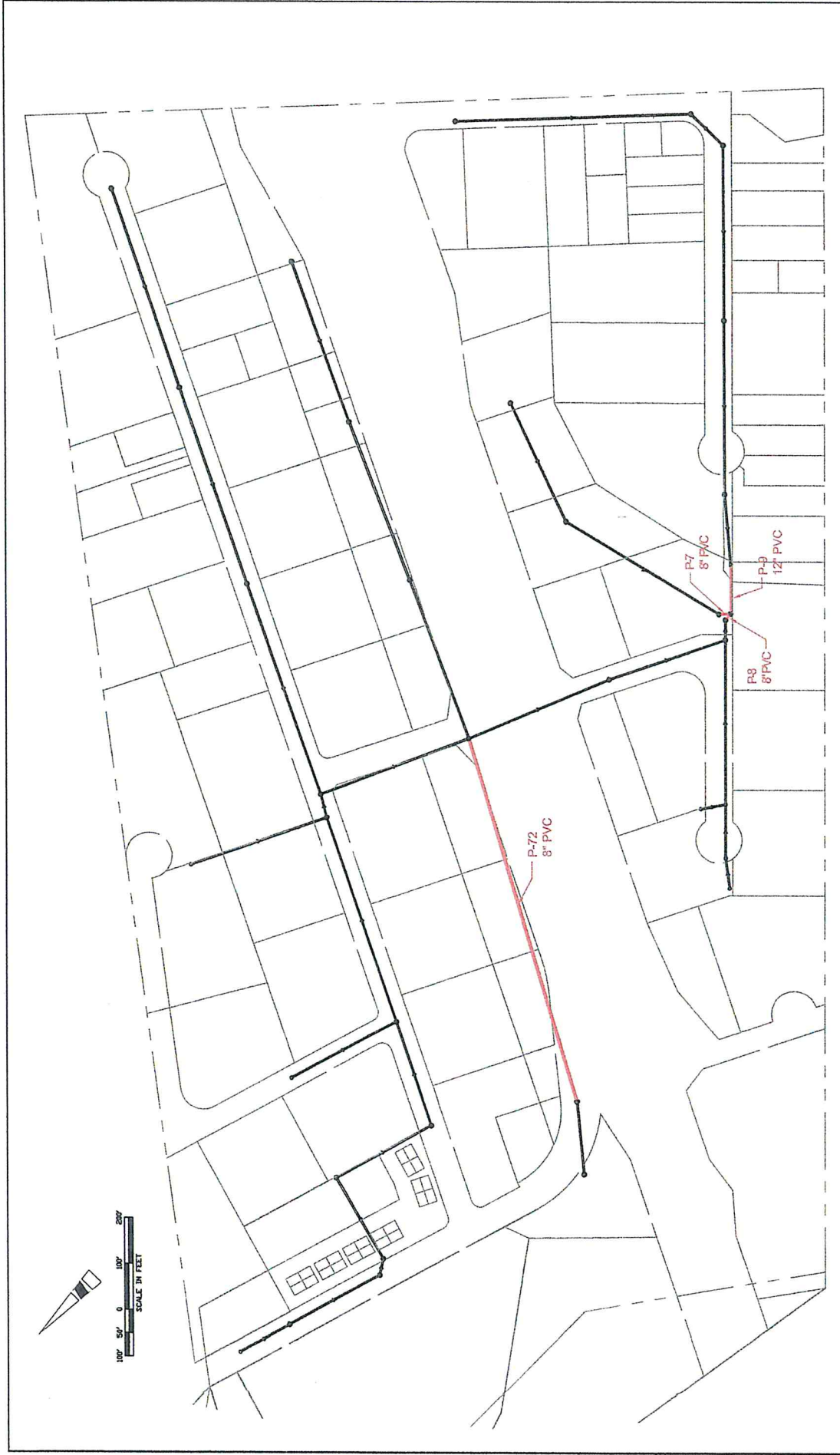


Figure 8-1: Pipeline Upgrades Recommended to Improve Build-Out Deficiencies (P3 and P4 Projects) (Assumes P1 and P2 projects are complete)



DATE: Dec 07, 2007 10:13am XREFS: slopes lot lines IMAGES: DWG: W:\San Simeon CSD (20020.XX) \S4310007 (San Simeon Water Master Plan) \CAD\Figures\SEWER IMPROVEMENTS.dwg USER: jfroelcher

Legend
 ——— = 6" VCP (existing)
 ——— size" PVC = Recommended Upgrade



SAN SIMEON COMMUNITY SERVICES DISTRICT
 RECOMMENDED SEWER PIPELINE IMPROVEMENTS

BEC PROJECT NO. 20020.03

FIGURE 10-2

**Table 9-3
Engineer's Opinion of Probable Cost for Recommended Improvements**

Priority	Project	Exist. Size (in)	New Size (in)	Linear Feet of Pipeline for Project (ft)	Estimated Cost (\$)
P1	Wellhead Rehabilitation	NA	NA	NA	complete
	Tank Outlet and Pico Ave	8" ACP	12" PVC	□ 850'	\$276,000
		8" ACP	12" PVC	□ 640'	\$208,000
	Avonne Avenue	6" ACP	10" PVC	□ 1,000'	\$293,000
	Loop from Pico through Jasper Way	none	10" PVC	□ 1,150'	\$336,000
	Otter Way	6" ACP	10" PVC	□ 330'	\$97,000
	Castillo Avenue, and loop Castillo to Avonne Ave	6" ACP	10" PVC	□ 1,110' + 380'	\$325,000
\$111,000					
	SECOND TANK FEED LINE			500,000	
				Total \$2,146,000	
P2	Piping at south end of Avonne	6" ACP	8" ACP	□ 270'	\$75,000
	Cliff Drive cul de sac	6" ACP	10" PVC	□ 470'	\$137,000
	Highway crossing at Vista Del Mar	none	10" DIP with casing	□ 300' in casing and 400' in Hearst and Castillo	\$361,000
	Pico Ave from Avonne Ave to Hwy 1	6" ACP	8" PVC	□ 400'	\$111,000
	District Reservoir	150,000 gal	1,400,000 gal		\$ 2,500,000
				Total \$3,184,000	
P3	Upgrade pipe from end of "Cliff Drive" cul-de-sac to Pico (this section of pipe runs along the west side of the Cavalier Inn)	6" ACP	8" PVC	□ 650'	\$180,000
				Total \$180,000	
P4	Replace all remaining 6" water mains with minimum pipe size of 8" per CDF recommendation (Otter easement, Avonne, Balboa, Vista del Mar)	6" ACP	8" PVC	□ 3500'	\$967,000
				Total \$967,000	

Costs include contingency, engineering, and administration

WATER \$ 6,477,000
 SEWER 2,430,000
 STREETS 1,031,411
 \$9,938,411

RECYCLED WATER PIPE?

Alternate Project Proposal

Henry Krzciuk

Handout from Henry K
10/11/17
Special
workshop

Water Distribution System & Fire Protection Proposal

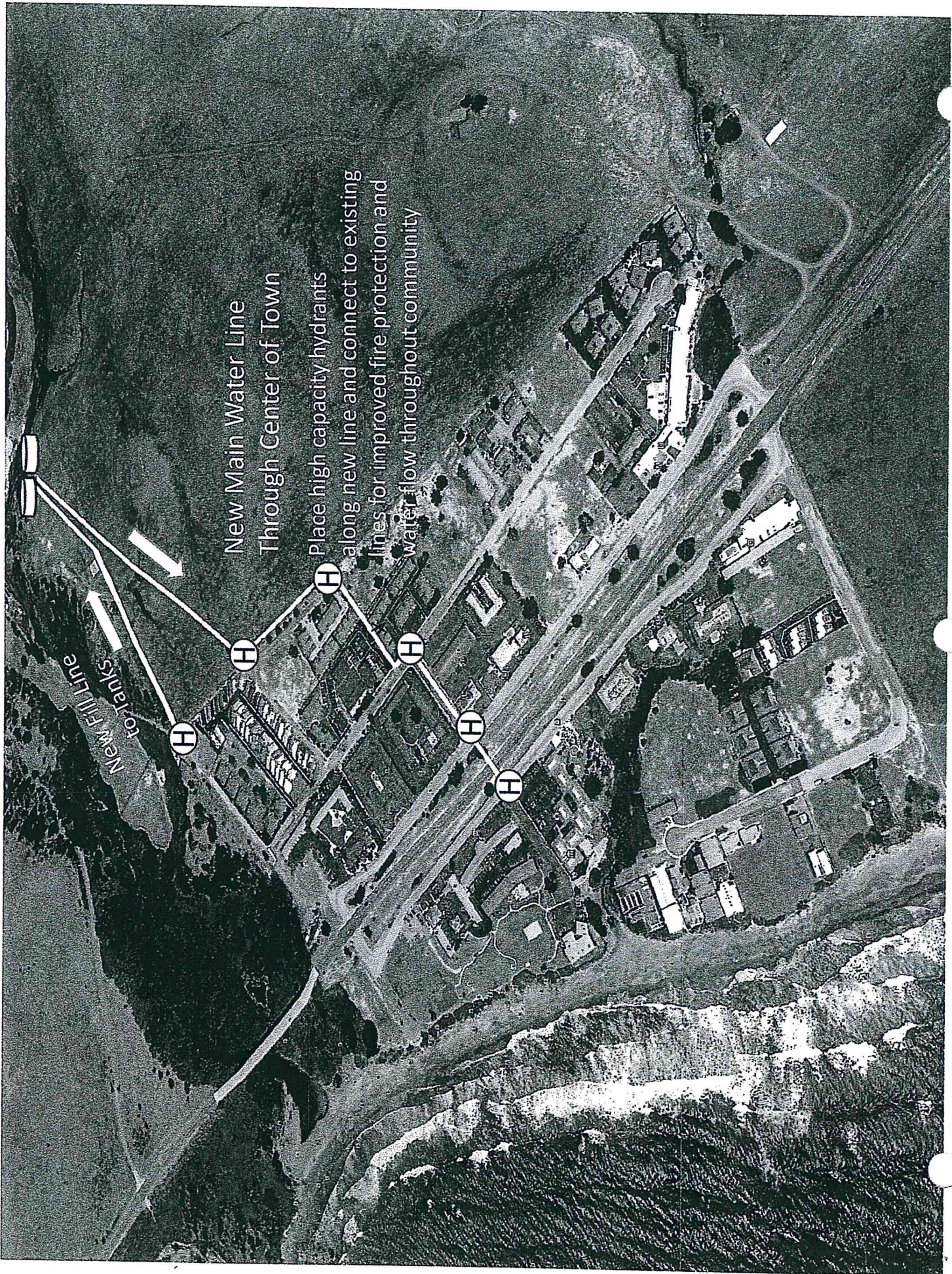
1. New Main Water Line (12") downstream from tanks and through center of town
 - a. Place high-capacity, "super-hydrants" along new line and connect to existing lines for improved fire protection and water flow throughout community
 - b. From the new Mainline high capacity hydrants, one or two additional fire trucks can be attached as pump relays. The entire community can be covered during a major fire event.

2. New dedicated upstream line (12") sending processed/finished water to new tanks
 - a. Replaces old 8" upstream/downstream main water line
 - b. Provides time for chlorination to work
 - c. Provides backup for new mainline (for emergency downstream use only)

3. Do the two new water lines and "super-hydrants" concurrent with new tank.
 - a. We get community-wide major fire protection improvements which alleviates a serious concern for many residents
 - b. Lines would be installed via directional boring minimizing Hearst, District property and road impacts.
 - c. If we do the lines and tank(s) now, our community will be protected for years to come.

4. This approach will NOT support development but will protect our present community
 - a. The many older, small tributary lines throughout the District will still need to be replaced and loops added for development to be considered sometime in the future.

5. The new Mainline portion that goes through town including the Super-Hydrants is affordable. It will take four to six weeks for construction.
 - a. With an available low interest forty (40) year loan, the payments would be about \$21,000 annually.
 - b. Think of it like major fire insurance for our entire community.



New Main Water Line
Through Center of Town

Place high capacity hydrants
along new line and connect to existing
lines for improved fire protection and
water flow throughout community

New fill line
to tanks

H

H

H

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Fire Protection -- Fire Flow Basics

- Fire Truck
 - 1 ¾ inch attack line /fire hose - 125-150 GPM – Standard Line
 - 2 ½ inch attack line – 250 GPM
 - Deck Gun (top of truck) – 1,000 GPM
 - Total fire/pumper truck capacity 1,500 GPM
 - Truck can be used as a relay pump station with 800 feet of 4 inch line
- House Fire and/or Single Room Fire
 - Two 1 ¾ inch attack lines = 250-300 GPM
 - Connection to one fire hydrant
- Example from local hotel fire – very involved structure
 - Three 1 ¾ inch attack lines – 450 GPM
 - One 2 ½ inch attack line – 250 GPM
 - Deck Gun (top of fire truck) – 1,000 GPM
 - Maximum Total Flow = 1,700 GPM
- **San Simeon – Avg. Fire Hydrant Flow 500 GPM**

Water Storage Requirements

Fire Code
360,000 Gallons

Water Code
280,000 Gallons

360,000 Gallons

(1,500 GPM* 60min/hr*4hrs)
California Fire Code Appendix B
w/sprinklers and existing largest
buildings of 40,000 to 50,000
sq.ft. constructed with least fire
resistant materials (Type V)

New construction and future
major remodels of hotels install
sprinklers

280,000 Gallons

(46,000,000 gals per yr / 365 days
* 2.25 water code factor)

California Water Code
§ 64554

at full growth "build-out"
withdrawing max allowed of 140
Acre Feet Year (46 million gal.)
from Pico Creek basin

Handout from Henry K.
10/11/17
Special workshop

Note: Larger of Water Code
or Fire Code storage requirements to be
used for storage; they are not additive

Alternative Tank Location & Design

"Community fire protection is always a balance of requirements and resources"

Proposal (Modified Option 1C):

1. Locate new tank behind existing reservoir on present easement
2. One new tank
 - a. Approx. volume – 200,000 to 250,000 gallons
 - i. total volume old and new = 350,000 to 400,000 gallons
 - b. Low profile tank design in berm so near or equal in height to reservoir
3. New tank and old reservoir both active handling finished water
4. In twenty plus years, replace old reservoir as it reaches end-of-life

Benefits:

1. Lower cost – Estimated savings \$1.1-\$1.4 million – cutting costs by as much as 50%
 - a. Less tank construction direct and indirect costs plus 1,200 feet less of new 12" water line
2. District will finally have two finished water tanks for emergencies and maintenance
 - a. Removes critical single point of failure
3. Makes use of existing easement and much less intrusive to Hearst operations during construction and for on-going operations
4. Can complete the permitting and construction sooner
5. Savings easily pays for the new super-hydrant mainline through the center of town giving us critically needed fire protection in the event of a major fire.

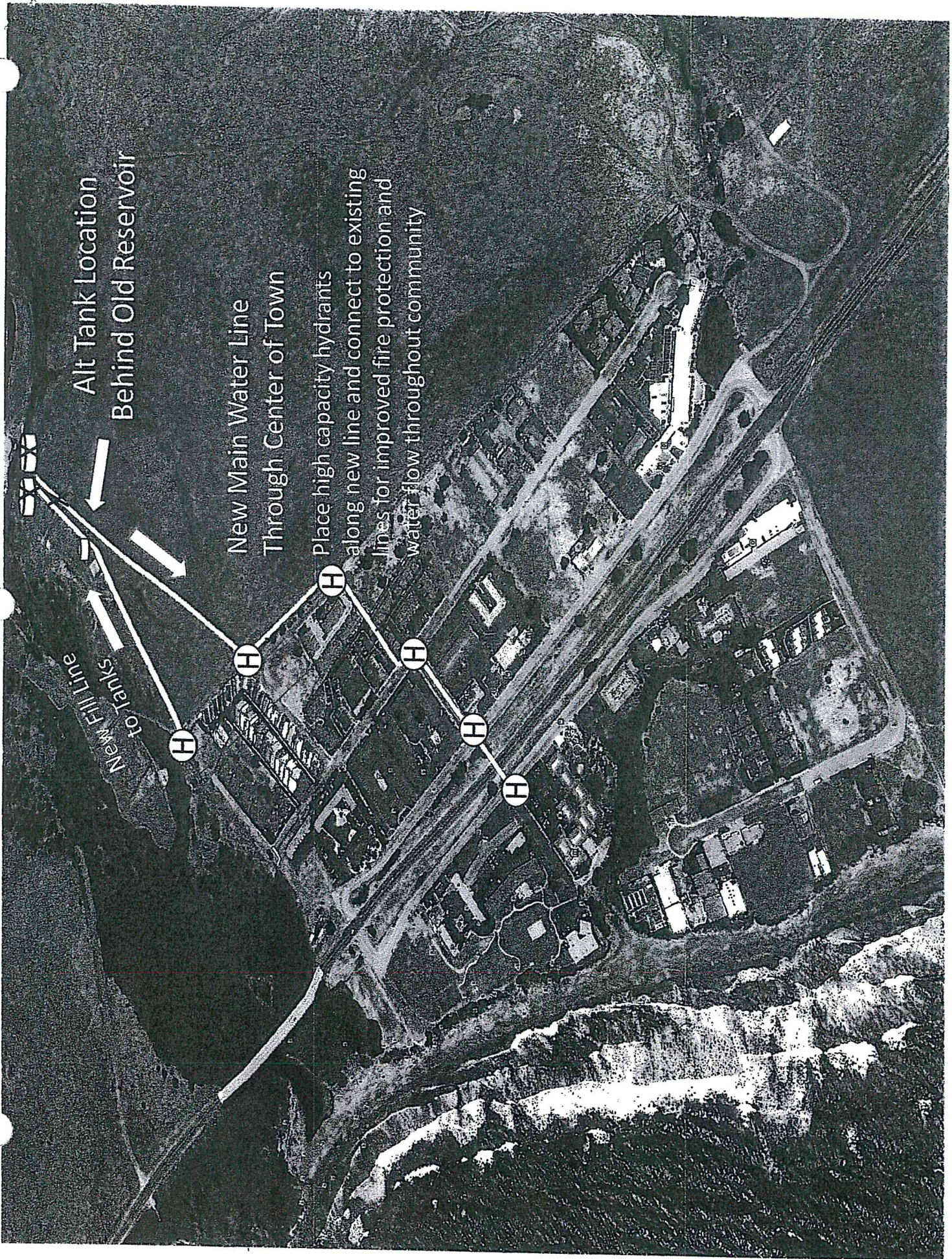
Offsets:

1. Will not see a natural increase in water pressure with new tank at same height as old; will need pressure boost for Pineview Mobile Home Park

Fire Flow and Water Storage Requirements

General:

1. A fire truck and crew can use up to 1,500 gallons per minute of water with deck gun active
2. Today, our average fire hydrant provides 500 gallons per minute – dangerously low
3. The proposed super hydrant mainline will be able to provide a total of 6,000 gallons per minute
 - a. Meaning four fire trucks and associated crews could be connected to the new mainline and running at full capacity
4. At 360,000 gallons of storage our community (without wells running) can support a fire truck and crew running full tilt for four hours – most all fires are knocked down in short order with hot spots taking longer but requiring far less water.
5. CalFire will only be reviewing new construction during permitting for adequate fire flow availability and all new commercial construction will require sprinkler systems.
6. **The proposed new mainline and super-hydrants are the key to improving our community's fire protection.**



Alt Tank Location
Behind Old Reservoir

New Main Water Line
Through Center of Town

Place high capacity hydrants
along new line and connect to existing
lines for improved fire protection and
water flow throughout community

New Fill Line
to Tanks

H

H

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H