

San Simeon Community Services District



111 Pico Avenue, San Simeon, California 93452  
(805) 927-4778 Fax (805) 927-0399

Board of Directors  
David Kiech, Loraine Mirabal-Boubion, Eric Schell, Carol Bailey-Wood, Terry Lambeth

**NOTICE OF MEETING**  
**DISTRICT POLICY ADVISORY COMMITTEE**

Monday, June 2, 2003

1:00 P.M.

Cavalier Banquet Room  
9415 Hearst Avenue  
San Simeon, CA 93452

San Simeon Community Services District



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Board of Directors

David Kiech, Loraine Mirabal-Boubion, Eric Schell, Carol Bailey-Wood, Terry Lambeth

**NOTICE OF MEETING  
DISTRICT BUDGET ADVISORY COMMITTEE**

Wednesday, June 4, 2003  
1:00 P.M.

Cavalier Corporate Offices Board Room  
9415 Hearst Avenue  
San Simeon, CA 93452

**Board of Directors - Regular Meeting**  
**San Simeon Community Services District**  
**AGENDA**  
**Wednesday, June 11, 2003 – 5:30 PM**  
**Cavalier Banquet Room**

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

1. 5:30 PM - CALL TO ORDER
  - 1.1 Roll Call
  - 1.2 Public Comment on Closed Session Items
  
2. ADJOURN TO CLOSED SESSION
  - 2.1 Personnel Issues – Government Code Section 54957: discussions regarding personnel issues, specifically;
    - Water / Wastewater Superintendent and Water / Wastewater Operator vacancies.
    - Discussing regarding two (2) contract employees, specifically the District Engineer and District Manager
    - Discussion regarding the Annual Employee Performance Review of one (1) Public Employee, specifically the Office Administrator
  - 2.2 Conference with Legal Counsel regarding Pending Litigation – Government Code Section 54956.9(a): Cavalier Inn vs. San Simeon Community Services District
  - 2.3 Conference with Legal Counsel Due to Anticipated Litigation – Government Code Section 54956.9(b): Significant exposure to litigation exists based upon existing facts and the advise of legal counsel as to one matter – CCC vs. San Simeon Community Services District
  
3. RECONVENE IN OPEN SESSION (6:30 PM)
  - 3.1 Roll Call
  - 3.2 Pledge of Allegiance
  - 3.3 Report on Closed Session
  
4. PUBLIC COMMENT:
  - Any member of the public may address and ask questions of the Board relating to any matter within the Board's jurisdiction, provided the matter is not on the Board's agenda, or pending before the Board. Presentations are limited to three (3) minutes or otherwise at the discretion of the Chair.
  - 4.1 Sheriff's Report
  - 4.2 Public Comment
  
5. STAFF REPORTS
  - 5.1 Independent Auditor's Report – Fiscal Year Ending June 30, 2002
  - 5.2 General Manager's Report
  - 5.3 Plant Superintendent's Report
  - 5.4 District Engineer's Report
  
6. ITEMS OF BUSINESS
  - 6.1 Approval of Minutes – May 14, 2003
  - 6.2 Approval of Warrants – May 1 through May 31, 2003
  - 6.3 Acceptance of Independent Auditor's Report – Fiscal Year Ending June 30, 2002
  - 6.4 Acceptance of Agreement for Distribution of the Government Access Portion of PEG Trust Funds between the San Simeon Community Services District and the Upper Salinas Las Tablas Resource Conservation District
  
7. DISCUSSION/ACTION ITEMS
  - 7.1 Board Committee Reports
  - 7.2 Fiscal Year Budget – July 1, 2003 through June 30, 2004
  - 7.3 Director's Monthly Stipend – Proposed Increase
  - 7.4 Community Outreach Day – June 21, 2003
  - 7.5 General Discussion – Authorized Powers & Duties of the District
  - 7.6 Board Reports
  
8. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS
  
9. ADJOURNMENT



**FLUID RESOURCE MANAGEMENT, INC.**  
**Design, Operation and Maintenance**

May 13, 2003

Mark Bloodgood, District Manager  
San Simeon Community Services District  
111 Pico Avenue  
San Simeon, CA 93452

Subject: Contract Operation and Maintenance Services Proposal for San Simeon Community Services District

Dear Mr. Bloodgood:

Fluid Resource Management (FRM) is pleased to submit this proposal to provide professional services for the District. With the knowledge and experience we have gained over the last five months, we believe FRM is uniquely qualified to provide these services. Our firm was first retained by the District in January 2003 to provide interim management of the wastewater treatment plant, and supervision of the remaining District operations staff. FRM was to continue to provide these services until a qualified applicant could be found to replace the previous Superintendent; or a decision made to contract for operation and maintenance of the District's facilities. At this time, we believe it is in the best interests of the District to continue contract operations and maintenance of its facilities.

**OVERVIEW OF SERVICES**

In undertaking interim services, FRM's role was to oversee operations, and direct District personnel in the day-to-day activities necessary to properly operate and maintain both the water, and wastewater facilities. It became apparent that, although the wastewater plant met discharge requirements, it was somewhat in a state of disrepair. Moreover, various alternate piping and electrical systems had been installed over the years on a "temporary basis" and then left as permanent. In addition, a recent visit by C.D.F. left the District with a list of items to be corrected.

FRM began onsite work in mid January 2003, with Mr. Chris Nally being designated as plant supervisor. He immediately instituted a plant cleanup, and through his supervision of both District staff, as well as FRM staff, has completed a substantial number of projects, both safety related and those to enhance the operations of the facility.

Mark Bloodgood  
San Simeon Community Services District  
May 13, 2003  
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Because FRM is a local company employing a staff of 11 Operators/Field staff, FRM has the flexibility to match the right individual/team to the job at hand, but if needed, any or all can be called in to respond quickly to some unforeseen event.

In addition, FRM owns a 3,300 gallon vacuum truck, a 16 yard Vactor sewer jet-rodder truck, and three fully equipped service trucks-including one with both a welder/generator, and a 5,000 pound crane. FRM maintains a fully equipped maintenance and fabrication shop in San Luis Obispo which provides staff with the necessary equipment to rebuild pumps, motors, and related equipment quickly and efficiently.

Other benefits and services afforded to our clients;

**Integrated maintenance management and work order software** - Allows FRM to track costs associated with equipment maintenance. Provides daily/weekly/monthly work orders and tracks labor and materials necessary to perform these tasks. Eventually, we believe the use of this software will enable the District to clearly identify routine work, the level of effort required for these tasks and establish maintenance records for all of the Districts' facilities.

**Computerized water meter reading/billing system** - FRM owns both the software and hardware for computerized meter reading and bill generation. The hardware which is used in the field is programmable to alert staff of over/under reads. This allows staff to read meters quickly and efficiently, and alerts the operators ( and residents) to possible water leaks, to download meter data directly to the District's computer. This eliminates clerical time to enter readings, as well as reduces time spent dealing with meter mis-reads etc. The software can then generates bills for postcard size mailing saving District postage, or as letter size, and can include other billing categories such as monthly sewer charges etc.

**Reduction in outsourced part/chemical/supplies costs** - Because FRM operates and maintains numerous facilities throughout the Central Coast, we have negotiated reduced prices with major suppliers of parts and chemicals. These reduced costs are passed along to our clients as part of FRM's negotiations on behalf of all our clients as a whole. FRM staff was recently able to negotiate favorable pricing for SSCSD with L.A. Chemical, who supplies the District's bleach and bi-sulphite used for disinfection of the plant effluent. These negotiations resulted in a 5 cent per gallon price reduction for bleach, and an 8 cent reduction in bi-sulphite. Estimated savings to the District is on the order of \$1,500 - \$2,000 annually.

**Reduction in Lab Costs** - As discussed in the Superintendent's report for the month of March, FRM's pricing with Creek Environmental Labs was extended to SSCSD resulting in a 20% discount for suspended solids and BOD testing.

**Design Build Capabilities** - Because of FRM's unique range of services, we are able to design, construct, and/or install projects in-house that most other small Districts must hire out. This was most recently evidenced by the completion of the grating project and installation of blower motors at the plant.

Based on our recent involvement with the District, and review of the documents provided to us, our firm has prepared the following Scope of Work to provide operation and maintenance services for the District.

#### **SCOPE OF WORK**

For purposes of this Proposal the following definitions shall apply:

- A. Routine/Preventative Maintenance shall mean periodic scheduled maintenance in accordance with industry standards and/or manufacturers' recommendations. To the limit of the amount approved by the Board, FRM will provide preventive maintenance and corrective maintenance or repairs consistent with industry standards and/or manufacturer's specifications. FRM on-site labor costs shall not be included when calculating such annual maintenance amounts.
- B. Corrective Maintenance or Minor Repairs shall mean any non-preventive maintenance or repair to facilities such as pump and motor rebuilding. FRM will perform corrective/minor maintenance as required or directed to do so. District will be responsible for all parts, materials, or outside vendors/repair services utilized in the rebuilding/refurbishing of District owned facilities. FRM will negotiate advantageous pricing on behalf of District for parts, materials, or outside vendors/repair services.
- C. Capital Maintenance or Major Repairs shall mean any installation of new equipment, pipelines, or extensions of District facilities, typically budgeted for, but encompasses major failures of facilities, and repairs to water and sewer mains. District will be responsible for all Capital Maintenance, Major

Repairs, and Replacement costs as defined above including FRM's costs for materials and labor to repair/replace.

## 1.0 Water Services

- 1.1 *Maintain Reservoir-* The District at present has one reservoir on the Hearst Ranch property. Staff will provide routine maintenance of reservoir grounds, piping, valves, and exterior paint.
- 1.2 *Water Distribution System-* Water is gravity-fed from the reservoir through approximately two miles of distribution mains. FRM will provide routine maintenance of the system in accordance with State and County regulations, perform valve/hydrant maintenance on an annual basis, collect samples as set forth by County Health, and repair, or cause to be repaired, leaks on District owned facilities. FRM will notify the District Manager of major failures and repairs requiring non-routine services.
- 1.3 *Billing and Collection-* FRM will provide meter read information to administrative staff. In the event that the District wishes to contract out billing services, FRM can provide complete computerized billing and collection. In the meantime it is assured that District staff will continue to provide this service.
- 1.4 *Customer Service-* FRM shall perform all usual customer service such as monthly meter readings, service turn-offs and turn-ons, as well as turn-offs for non-payment to District for the potable water supply. FRM's base proposal price includes scheduled reading of up to 175 meters (plus any re-reads) on a regular scheduled basis in accordance with current District's practice. Should the number of meters to be read change by more than twenty-five (25) meters, the price herein shall change as mutually agreed from the then current base amount.
- 1.5 *Turn-on and Turn-off Services-* Upon request of District, FRM will perform turn-on and turn-off services directly related to the proper care and maintenance of the system. District shall pay to FRM, in addition to the other charges called for herein, \$20.00 for each ten (10) turn-on/turn-off service FRM performs in excess of fifty (50) per year. Exceptions shall be made for such services performed to facilitate any construction or repairs performed when construction or repairs are being made to the distribution lines or system. At the time of the turn-on/turn-off service, and if requested by District, FRM shall install a water line cutoff valve, with such costs being to District's account.

- 1.6 *Laboratory*- FRM will continue to utilize Creek Environmental or other competitive laboratory, but will continue to explore additional cost savings that may be realized through negotiations with other laboratories.
  - 1.7 *Capital Maintenance and Repairs*- FRM will develop recommendations and justification regarding needed projects for inclusion in future budgets.
- 2.0 Wastewater Services**
- 2.1 *Cleaning*- It is recommended that the sewer system be cleaned once every two (2) years, or 50% annually, as FRM determines necessary. Equipment utilized shall include a hydraulic cleaning machine with a vacuum debris removal system. District shall provide a site for debris disposal. Cost of cleaning is in addition to this contract and considered additional services.
  - 2.2 *Laboratory*- FRM will continue to utilize the existing onsite laboratory for process monitoring and for those tests required by the discharge permit where practical. FRM will make recommendations regarding additional equipment for purchase where a cost savings to the District would be realized by performing additional testing in-house.
  - 2.3 *Regulatory Issues*- FRM staff will operate the plant with the goal to fulfill all regulatory requirements. FRM will represent the District in routine matters relating to its regulatory responsibility.
  - 2.4 *Maintenance and Repair*- FRM will provide routine maintenance and repair of the District's facility. FRM will perform preventative maintenance in accordance with manufacturers recommendations and will assist the District by making recommendations regarding equipment replacement. FRM will notify the District Manager of major equipment failure or repairs requiring non-routine services.
  - 2.5 *Capital Maintenance and Repairs*- FRM will develop recommendations and justification regarding needed projects for inclusion in future budgets.
- 3.0 Street Services**
- 3.1 FRM will perform routine inspections of streets and repair small potholes using "cold-mix" as required.
  - 3.2 FRM will coordinate major repairs of streets with approval of District Manager.



- 3.3 FRM will perform routine maintenance on District owned storm drain system consisting of debris removal from inlet grating. Use of FRM's jet/vac truck for cleaning of the storm drain lines is not included and would be treated as additional services.
- 3.4 FRM staff sweep by hand only spills of dry material, granular in nature, causing a nuisance condition in roadways and gutters. Power sweeping of streets will be coordinated with District Manager and is considered additional services.
- 3.5 FRM will remove mud and debris on roadways by hand where practical. Mechanized removal will be coordinated with District Manager and is considered additional services.
- 3.6 *Capital Maintenance and Repairs*- FRM will develop recommendations and justification regarding needed projects for inclusion in future budgets.

#### 4.0 **Manpower and Labor**

- 4.1 *Manpower and Labor*- FRM will continue to staff the facility in accordance with State Certification regulations.

#### 5.0 **New Issues**

- 5.1 *Hearst Castle Visitor Center* - With District authorization, FRM will complete a study regarding the accuracy of the flow totalization methods currently in use at the Visitor Center, and will prepare a report detailing our findings.
- 5.2 If authorized by the Board, FRM will explore additional sources of outside revenue for the District for upgrading or augmenting District facilities.

#### 6.0 **General**

- 6.1 *Budget*- FRM will annually submit to District a recommended list of capital maintenance, repairs, or replacement expenditures for the water and wastewater facilities as well as for streets and storm drain systems. Items needed for the safety of personnel will be given first priority. FRM will submit, upon request, documentation of the cost effectiveness of "repair vs. replace" recommendations.
- 6.2 *Chemical and Materials Inventory*- FRM will negotiate competitive pricing on behalf of District. District to pay for, and maintain, an inventory of chemicals routinely used in the operation of the systems. Chemical inventories will be stored at the site in

compliance with OSHA and in quantities sufficient to assure continuous operation of the facilities.

- 6.3 *District Interaction*- Representatives of FRM shall attend scheduled meetings by the District, if requested. FRM shall respond to correspondence and/or inquiries from the District in a prompt and professional manner.
- 6.4 *Emergency Response*- FRM shall respond to emergency calls within two (2) hours from the time of notification, or when reasonably able to do so, whichever is earlier. FRM will respond to such calls twenty-four (24) hours per day, seven days per week.
- 6.5 *Biosolids Disposal*- District shall retain ownership of, and responsibility for, all wastewater biosolids. FRM's fees herein includes the labor to arrange for the loading and hauling of said sludge and byproducts by the same method currently used by the District (tanker truck). A change in handling methods shall be a change of Scope and may be a cause for a price adjustment.
- 6.6 *Reports*- FRM shall submit to District a monthly operations report including, but not limited to, the following information: total wastewater treated, maintenance and repair work conducted, maintenance costs year-to-date, effluent quality reports, compliance summary, total water produced and supplied, and product water quality reports. FRM will prepare a summary report of operation at the close of each contract year. FRM shall promptly prepare and submit operational and compliance reports as may be required by the State of California, the U.S. EPA, or other local, state, or federal agency having jurisdiction over the facilities.
- 6.7 *Management Systems*- FRM will use manual and computerized systems to manage and monitor the plant's operation.

### **DISTRICT'S RESPONSIBILITIES**

- 1.0 **Licenses**- District will maintain existing or necessary easements, access, licenses, and warranties for the mutual benefit of both parties.
- 2.0 **Insurance**- District shall purchase and ensure that standard fire and liability insurance policies are maintained including extended coverage for the replacement cost of its facilities. Such policies shall name FRM as an additional insured according to its insurable interest under these policies during the term of the Proposal.

- 3.0 Permits-** District shall remain the named permittee on any and all permits that may be required, and shall meet all regulatory requirements not specifically assumed herein by FRM as its responsibility.
- 4.0 Collection System-** District shall provide the necessary water for sewer line cleaning at no cost to FRM.

#### **INFORMATION TO BE PROVIDED BY THE DISTRICT**

- 1.0 Insurance-** Following the execution of this contract, FRM will have its insurance carrier(s) issue direct to District certificates of insurance for the following coverage:
- 1.1 Workers' Compensation as prescribed by law;
  - 1.2 Comprehensive General Liability including coverage of the following risks in amounts not less than:
    - 1.2.1 Umbrella Coverage Excess Limits of \$ 5,000,000;
    - 1.2.2 General Liability aggregate of \$ 500,000; and
    - 1.2.3 Completed Operations Aggregate (coverage for work performed) of \$500,000;
  - 1.3 Automobile Liability Coverage (for bodily injury and property damage, combined single limit) of not less than \$ 1,000,000;
  - 1.4 FRM affirms that the above referenced insurance will be maintained in force throughout the term of this Proposal.
- 2.0 Guarantees, Indemnity, and Limitations**
- 2.1 *Guarantees-* FRM shall use generally accepted business practices to procure materials and replacement equipment. FRM shall not be responsible to District for any guaranty in connection with such materials or replacement equipment. However, FRM shall assert reasonable efforts to obtain the normal guaranties applicable in the particular industry manufacturing such materials or replacement equipment, and shall assign same to District.
  - 2.2 *Damage to the District's Facilities-* FRM shall not be required to repair any portion of the District's facilities damaged due to flood, fire, explosion, riot, revolution, civil disturbance, war, or other acts of God or any other cause whatsoever beyond the control of FRM or due to the acts or omissions of any other entity or person(s) other than FRM, its employees, agents, representatives, or sub-contractors. FRM agrees to

notify the District of such damage, as soon as possible after the occurrence and knowledge of the above crisis or acts.

- 2.3 *Indemnity*- Except as otherwise set forth in this agreement, FRM hereby agrees to indemnify and hold harmless District from any liability for damages or claims for personal injury (including death) or for property damages which directly arise from its willful or gross negligent operations under this Proposal, whether such operations be conducted by FRM or any sub-contractor of FRM. FRM shall not be liable to District and District shall indemnify and hold harmless FRM, its officers, supervisors, employees, agents, and representatives from any claim, loss, liability, damage, injury, or expense, including attorneys' fees, which arise from any cause other than intentional, willful, or gross negligent operations of FRM or any sub-contractors of FRM, and any liability for consequential or incidental damages, however caused. This release and hold harmless of FRM by District shall apply whether the item to which it applies arises under proposal, tort (including active or passive negligence of FRM), or otherwise.
- 2.4 *Abnormal Conditions*- Notwithstanding any other provision of this Proposal, in the event that:
- 2.4.1 the influent to the wastewater treatment plant exceeds that plant's design parameters, or contains abnormal, toxic, or other substances which cannot be removed or treated by the plant, or
  - 2.4.2 the water supply from District wells exceeds acceptable water quality standards,
  - 2.4.3 FRM will use its best efforts to maximize performance, but shall not be responsible for associated effluent and/or product water characteristics or damages, fines, penalties, or claims resulting therefrom. FRM shall advise District of the abnormal situation and planned course of corrective action within twenty-four (24) hours of occurrence and knowledge of said problem.
- 2.5 *Force Majeure*- FRM shall not be deemed to be in default if performance of the obligations required by this Proposal is delayed, disrupted, or becomes impossible because of any act of God, war, earthquake, fire, strike, accident, civil commotion, epidemic, act of government, its agencies or offices, or any other cause beyond the control of the parties ("Force Majeure"). Upon occurrence of any such event, FRM shall operate the District's facilities on a "best reasonable effort" basis and shall not be responsible for any damages, fines, penalties, or claims resulting therefrom. If any

additional expense is incurred by FRM in such operation, those expenses shall be reimbursed to FRM by District.

- 2.6 *Fines and Penalties*- While this Proposal is in force, and so long as the facilities meets applicable regulatory or customary design criteria, and as long as District has not rejected FRM's operational recommendations which would have prevented or corrected any violation of regulations resulting in action, FRM will pay any fines or penalties successfully placed against the District as a result of enforcement actions taken by the State of California Regional Water Quality control Board, Department of Health Services, or U.S. EPA arising from FRM's sole negligent operation of the plant.
- 2.7 *Compliance with Applicable Laws / Standard of Care*- FRM agrees to obey and comply with applicable local, state, and federal laws, rules and regulations. FRM will provide its services in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances.
- 2.8 *Independent Contractor*- FRM serves the District as an independent Contractor

### 3.0 **Miscellaneous**

- 3.1 *Record Drawings*- District shall provide FRM with a complete set of record drawings of the facilities upon request. FRM shall maintain these drawings in a manner which allows their efficient and effective use in solving system problems.
- 3.2 *Modifications*- Modification of this Proposal shall be made only by a written document signed by FRM and District.
- 3.3 *Assignability*- This Proposal shall not be assigned by either party without the prior written consent of the other unless such assignment shall be to an affiliate or successor of either party.
- 3.4 *Notice*- Such notice as required under this Proposal shall be in writing and shall be sent by registered mail to the intended party's address of record. Notice shall be deemed to have been given when the notice was thus mailed to the following addresses of record:

FRM

Fluid Resource Management  
4115 Broad Street, Suite B-5  
San Luis Obispo, CA 93401

District

The San Simeon Community Services District  
111 Pico Avenue  
San Simeon, CA 93452

**4.0 Remedies for Non-Performance**

- 4.1 *Breach*- For the duration of this proposal, in the event of material breach by either party, providing that such dissatisfied party first provides written notice of such breach to the other party and such breach is not corrected within sixty (60) calendar days from the date of said notice, the dissatisfied party may terminate the Proposal. The sixty (60) calendar day correction period may be extended by mutual agreement of both parties. The party receiving such notice shall be given this time and an opportunity to correct the breach; provided, however, that if said breach is not corrected within said time period, the Proposal may be terminated and considered null and void.
- 4.2 *Payment*- In the event of termination, District shall pay FRM compensation pursuant to this Proposal up to the date of termination (pro rated for less than a full month, if necessary) and any unpaid expenses incurred by FRM pursuant to this Proposal.

**FEES**

*Basic Fee* - FRM will perform the services denoted in the proposed Scope of Work for \$10,850 per month, due on the first day of the month of service to be rendered. Late payments will be subject to a service charge of one and one-half percent (1.5%) per month. Interest shall accrue from the 31<sup>st</sup> day following the date of invoice until the payment is received by FRM.

At the request of the District, additional services to the above Scope of Work will be performed by FRM following the signature of our Revision Authorization Request (change to original proposal form) or the initiation of a new proposal. Additional services will be invoiced on a time and materials basis using the Schedule of Fees currently in use at FRM. (Exhibit A attached, is the current schedule of Fees)

Mark Bloodgood  
San Simeon Community Services District  
May 13, 2003  
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*Annual Cost Adjustment-* All rates for payment for services as contained in this proposal shall be subject to a Consumer Price Index (CPI) escalation (with a minimum of 3%) as described below commencing January 1, 2004.

Rates shall be escalated by utilizing the percentage change in the CPI of Los Angeles, California for each March 1 (and available each April). The percentage increase shall be applied to the proposal amount commencing on the anniversary date of proposal in 2004.

**TERMS AND CONDITIONS**

In order to insure a clear understanding of all matters related to our mutual responsibilities regarding this proposal, the attached Standard Terms and Conditions (Exhibit B) are considered a part of our proposal agreement. If this proposal meets with your approval, please sign where indicated and return one original to our office which will serve as our notice-to-proceed.

We want to thank you for this opportunity to present our proposal to provide professional services and trust that it adequately presents our approach to your project and exhibits our strong interest in its success. Please call me if you have any questions.

Sincerely,

**FLUID RESOURCE MANAGEMENT**



Chuck Ellison  
Operations Manager

**TERMS AND CONDITIONS ACCEPTED:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

Attachments

- Exhibit A Schedule of Fees
- Exhibit B Terms and Conditions

**THIS PROPOSAL IS VALID FOR 30 DAYS FROM THE DATE OF THIS DOCUMENT.**





# FLUID RESOURCE MANAGEMENT, INC.

*Design, Operation and Maintenance*

"Exhibit A"

## OPERATIONS SCHEDULE OF FEES

### *Personnel Hourly Compensation:*

Operations Manager .....	\$ 65.00
Systems Supervisor/Operator III .....	\$ 55.00
Operator II .....	\$ 50.00
Maintenance Technician .....	\$ 45.00
Operator I .....	\$ 40.00
Maintenance Assistant .....	\$ 25.00

### *Direct Expenses:*

Reimbursement of direct expenses incurred in connection with the project scope of work will be invoiced to the client. A handling charge of 15% may be added to the direct expenses listed below. Direct expenses include, but are not limited to the following:

- travel expenses/automobile/lodging meals
- professional subconsultants
- County/City fees
- document copies
- long distance telephone/fax
- postage/delivery service
- special materials
- photographs

### *Invoicing and Interest Charges:*

Invoices will be submitted monthly on an accrued cost basis in accordance with this Fee Schedule. A finance charge of 1.5% per month (18% per annum) will be assessed on all balances that are thirty days past due.

### *Fee Revisions:*

FRM reserves the right to revise this Schedule of Fees on a semi-annual basis, occurring in January and July.

Ops1-12-00





# FLUID RESOURCE MANAGEMENT, INC.

Design, Operation and Maintenance

Exhibit "B"

## STANDARD TERMS AND CONDITIONS

Proposal No. P003-1720

Proposal Agreement Date: May 13, 2003

Client: **SAN SIMEON COMMUNITY SERVICES DISTRICT**  
111 Pico Avenue, San Simeon, California 93452

Consultant: **FLUID RESOURCE MANAGEMENT**  
4115 Broad Street, Suite B-5, San Luis Obispo, California 93401-7963

Client and Consultant agree that the following provisions shall be a part of their agreement:

### ARTICLE I. DEFINITIONS

#### 1.1 *Salary Costs*

The direct salaries of all CONSULTANT'S personnel engaged on the project. Salary costs include the actual direct pay of personnel assigned to the Project (except for routine secretarial and accounting services) plus payroll taxes, insurance, sick leave, holidays, vacation, and other direct fringe benefits.

#### 1.2 *Direct Expenses*

Expenditures made by the CONSULTANT, its employees or its subconsultants in the interest of the Project. Applicable reimbursable Direct Expenses are defined on the attached Schedule of Fees (Exhibit A).

### ARTICLE 2. COMPENSATION

#### 2.1 *Invoicing Procedure*

CLIENT will be invoiced at the end of the first billing period following the commencement of work and at the end of each billing period thereafter. Payment in full if an invoice must be received by CONSULTANT within thirty (30) days of the date of such invoice.

#### 2.2 *Effect of Invoice*

The work performed shall be deemed approved and accepted by CLIENT as and when invoiced unless CLIENT objects within fifteen (15) days of invoice date by written notice specifically stating the details in which CLIENT believes such work is incomplete or defective, and the invoice amount(s) in dispute. CLIENT shall pay undisputed amounts per this article.

#### 2.3 *Interest : Suspension of Work*

Failure of CLIENT to make full payment of an invoice so that it is received by CONSULTANT within said thirty (30) days of the date thereof subjects the amount overdue to a delinquent account interest rate of one and one half percent (1.5%) per month compounded monthly. Failure of CLIENT to submit full payment of an invoice within thirty (30) days of the date thereof subjects this agreement and the work therein contemplated to suspension or termination at

CONSULTANT'S discretion.

#### 2.4 *Advance Payment : Withholding Work Product*

CONSULTANT reserves the right to require payment in advance for work estimated to be done during a given billing period. CONSULTANT, without any liability to CLIENT, reserves the right to withhold any services and work products herein contemplated pending payment of CLIENT'S outstanding indebtedness or advance payment as required by CONSULTANT. Where work is performed on a reimbursable basis, budget may be increased by amendment to complete the Scope of Work. CONSULTANT is not obligated to provide services in excess of the authorized budget.

### ARTICLE 3. SERVICES, ADDITIONAL SERVICES AND AMENDMENTS

#### 3.1 *Definitions*

Services and work products not expressly or implicitly included with those specified in this agreement, as determined by CONSULTANT, are not covered by this agreement. Such services and work products will be provided only upon compliance with the procedures set forth in paragraphs 3.5 and 3.6 below.

#### 3.2 *Services During Construction*

Any construction inspection or testing provided by CONSULTANT is for the purpose of determining the contractor's compliance with the functional provisions of the Project specifications only. CONSULTANT in no way guarantees or insures contractor's work nor assumes responsibility for methods or appliances used by the contractor for job site safety or for contractor's compliance with laws and regulations. CLIENT agrees that in accordance with generally accepted construction practices the construction contractor will be required to assume sole and complete responsibility for job site conditions during the course of construction of the Project including safety of all persons and property and that this responsibility shall be continuous and not limited to normal working hours.

#### 3.3 *Soil Testing*

CONSULTANT makes no representations concerning soil conditions

unless specifically included in writing in this agreement, and he is not responsible for any liability that may arise out of the making or failure to make soil surveys, or sub-surface soil tests, or general soil testing.

### 3.4 *Cost Estimates*

Any statements of opinions of probable cost furnished by CONSULTANT are predicted costs and are based on professional opinions and judgement. CONSULTANT cannot be held responsible for fluctuations in construction costs due to bidding conditions and other factors which could not be anticipated at the time of preparation of the particular estimate.

### 3.5 *Adjustment*

Additional services or work products resulting in an adjustment of CONSULTANT'S original estimated budget or fixed fee will be provided at CLIENT'S request upon execution of a written amendment to this agreement expressly referring to the same and signed by both parties.

## ARTICLE 4. TERMINATION OF AGREEMENT

### 4.1 *Due to Default*

This agreement may be terminated by either party upon seven (7) days written notice should the other party fail substantially to perform in accordance with this agreement though no fault of the party initiating the termination.

### 4.2 *Without Cause*

This agreement may be terminated by CLIENT upon at least fourteen (14) days written notice to CONSULTANT in the event that the Project is abandoned.

### 4.3 *Termination Adjustment : Payment*

If this agreement is terminated through no fault of the CONSULTANT, CONSULTANT shall be paid for services performed and costs incurred to the termination notice date, including Reimbursable Expenses due, plus an additional amount not to exceed ten percent (10%) of charges incurred to the termination notice date to cover services to orderly close the work and prepare Project files and documentation, plus any additional direct expenses incurred by CONSULTANT including but not limited to cancellation fees and charges. CONSULTANT will use reasonable efforts to minimize such additional charges.

## ARTICLE 5. LIMITATION OF LIABILITY : WAIVER : WARRANTY

### 5.1 *Limitation of Liability*

CLIENT limits CONSULTANT'S liability to CLIENT, CLIENT'S contractors, subcontractors and their agents, employees and subconsultants, and to all other third parties, which may arise from or be due directly or indirectly to the negligent acts, errors and/or omissions of CONSULTANT, its agents, employees or consultants such that CONSULTANT'S total aggregate liability does not exceed \$50,000.

### 5.2 *Warranty*

CONSULTANT makes no warranty, either express or implied, as to his

findings, recommendations, specifications, or professional advice, except that the work was performed pursuant to generally accepted standards of practice in effect at the time of performance. CLIENT acknowledges that the design services performed pursuant to this agreement are based upon field and other conditions existing at the time of preparation of CONSULTANT'S services. CLIENT further acknowledges that field and other conditions may change by the time Project construction occurs and clarification, adjustments, modifications, discrepancies or other changes may be necessary to reflect changed field or other conditions. If the scope of services pursuant to this agreement does not include on-site construction review, construction management, supervision of construction of engineering structures, or other construction supervision for this Project, or if subsequent to this agreement CLIENT retains other persons or entities to provide such services, CLIENT acknowledges that such services will be performed by others and CLIENT will defend, indemnify and hold CONSULTANT harmless from any and all such claims arising from or resulting from the performance of such services by other persons or entities except claims cause by the sole negligence or willful misconduct of CONSULTANT.

## ARTICLE 6. HAZARDOUS WASTE MATERIALS

### 6.1 *Liability*

CONSULTANT hereby states and CLIENT hereby acknowledges that CONSULTANT has no professional liability insurance for claims arising out of the performance of or failure to perform professional services, including, but not limited to the preparation of reports, designs, drawings and specifications, related to the investigation, detection, abatement, replacement, use or specification, or removal of products, materials or processes containing asbestos, asbestos cement pipe and/or other hazardous waste materials. Accordingly, the CLIENT hereby agrees to bring no claim for negligence, breach of contract indemnity or otherwise against the CONSULTANT, its principals, employees, and agents if such claim in any way, would involve the CONSULTANT'S services for the investigation, detection, abatement, replacement, use or specification, or removal of products, materials or processes containing asbestos, asbestos cement pipe, and or hazardous waste materials. CLIENT further agrees to defend, indemnify and hold harmless CONSULTANT, its officers, directors, principals, employees and agents from any asbestos and/or hazardous waste material related claims that may be brought by third parties as a result of the services provided by the CONSULTANT pursuant to this agreement except claims caused by the sole negligence or willful misconduct of the CONSULTANT.

## ARTICLE 7. OWNERSHIP AND REUSE OF DOCUMENTS

### 7.1 *Consultant Ownership*

All original papers, documents, drawings, electronic media and other work product of CONSULTANT, and copies thereof, produced by CONSULTANT pursuant to this agreement shall remain the property of CONSULTANT and may be used by CONSULTANT without the consent of CLIENT. Upon request and payment of the costs involved, CLIENT is entitled to a copy of all papers, documents and drawings provided CLIENT'S account is paid current.

### 7.2 *Document Reuse*

CLIENT shall not reuse CONSULTANT'S drawings, specifications, or other

related documents without CONSULTANT's written consent, and shall indemnify and hold harmless CONSULTANT, its employees and agents with respect to all liabilities, costs and expenses arising out of such reuse.

### 1.3 *Electronic Media Alteration and Reuse*

Because CADD information stored in electronic form can be modified by other parties, intentionally or otherwise, without notice or indication of said modifications, CONSULTANT reserves the right to remove all indications of its ownership and/or involvement in the material from each electronic medium not held in its possession. CLIENT shall retain copies of the work performed by CONSULTANT in CADD form only for information and use by CLIENT for the specific purpose for which CONSULTANT was engaged. Said materials shall not be used by CLIENT, or transferred to any other party, for use in other projects, additions to the current project, or any other purpose for which the material was not strictly intended by CONSULTANT without CONSULTANT's express written permission. Unauthorized modification or reuse of the materials shall be at CLIENT's sole risk, and CLIENT agrees to defend, indemnify, and hold CONSULTANT harmless, from all claims, injuries, damages, losses, expenses, and attorney's fees arising out of the unauthorized modification or use of these materials.

## ARTICLE 8. GENERAL PROVISIONS

### 8.1 *Applicable Law*

This agreement shall be interpreted and enforced according to the laws of the State of California, unless agreed otherwise.

### 8.2 *Precedence of Conditions*

Should any conflict exist between the terms herein and the form of any purchase order or confirmation issued, the Terms and Conditions herein shall prevail in the absence of CONSULTANT's express written agreement.

### 8.3 *Assignment : Subcontracting*

Neither CLIENT nor CONSULTANT shall assign its interest in this agreement without the written consent of the other. CONSULTANT may subcontract any portion of the work to be performed hereunder without such consent.

### 8.4 *Disputes*

(a) Notwithstanding any other provision of this Agreement and except for the provisions of (b) and (c), if a dispute arises regarding CONSULTANT's fees pursuant to this contract, and if the fee dispute cannot be settled by discussions between CLIENT and CONSULTANT, both the CLIENT and CONSULTANT agree to attempt to settle the fee dispute by mediation through the American Arbitration Association (or other mediation service) before recourse to arbitration. If mediation does not resolve the fee dispute, such dispute shall be settled by binding arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association, and judgement upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

Subdivision (a) does not preclude or limit CONSULTANT's right to

elect to file an action for the collection of fees if the amount in dispute is within the jurisdiction of the small claims court.

(c) Subdivision (a) does not preclude or limit CONSULTANT's right to elect to perfect or enforce applicable mechanics lien remedies.

### 8.5 *Attorney Fees*

Should either party hereto bring suit in court to enforce any term of this agreement, it is agreed that the prevailing party shall be entitled to recover his costs, expenses, and reasonable attorney fees.

### 8.6 *Merger : Waiver : Survival*

Except as set forth in Article 3.6 above, this agreement constitutes the entire integrated agreement between the parties hereto and supercedes all prior negotiations, representations, and/or agreement, written or oral. One or more waiver of any term, condition, or other provision of this agreement by either party shall not be construed as a waiver of a subsequent breach of the same or any other provisions. Any provision hereof which is legally deemed void or unenforceable shall not void this entire agreement and all remaining provisions shall survive and be enforceable.

### 8.7 *Services by Client*

CLIENT will provide access to site of work, obtain all permits, provide all legal services in connection with the Project and provide environmental impact reports and energy assessments unless specifically included in the Scope of Work. CLIENT shall pay the costs of checking and inspection fees, zoning application fees, soil engineering fees, testing fees, surveying fees and all other fees, permits, bond premiums and all other changes not specifically covered by the terms of this agreement.

**REGULAR BOARD OF DIRECTORS MEETING  
SAN SIMEON COMMUNITY SERVICES DISTRICT**

Date: Wednesday, May 14, 2003

Place: Cavalier Banquet Room

**MINUTES**

**1.0 CALL TO ORDER**

The Board convened at 6:00 p.m.

**1.1 Roll Call:**

Directors Present: Loraine Mirabal-Boubion, David Kiech, Terry Lambeth, Eric Schell and Carol Bailey-Wood

Staff Present: District Manager Mark Bloodgood and Assistant District Manager Eileen Putnam, District Counsel Rob Schultz and District Engineer John Wallace

**1.2 Public Comment on Closed Session:**

There was no public comment.

**2.0 ADJOURN TO CLOSED SESSION**

A motion was made by Director Mirabal-Boubion and seconded by Director Lambeth and carried unanimously, to adjourn to closed session for conference with the General Manager, District Counsel and District Engineer, regarding:

2.1 Personnel Issues – GCS 54957: Discussions regarding personnel issues, specifically, Water / Wastewater Superintendent and Water / Wastewater Operator Vacancies

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**3.0 RECONVENE IN OPEN SESSION/CALL TO ORDER**

The Board re-convened in open session at approximately 6:30 p.m.

**3.1 Roll Call:**

Directors Present: Loraine Mirabal-Boubion, David Kiech, Carol Bailey-Wood, Terry Lambeth and Eric Schell.

Staff Present: District Manager Mark Bloodgood, Assistant District Manager Eileen Putnam, District Engineer John Wallace, District Counsel Rob Schultz and Chuck Ellison – Fluid Resource Management (FRM) – acting Water / Wastewater Operations Supervisor

**3.2 Pledge of Allegiance – Led by Chairperson Kiech**

**3.3 Report on Closed Session:**

District Counsel Schultz reported that the Board of Directors had met in closed session to conference with management staff, District Counsel and the District Engineer regarding personnel issues relating to the Water / Wastewater Superintendent and Water / Wastewater Operator positions. No action was taken.

**4.0 PUBLIC COMMENT**

**4.1 Sheriff's Report:**

Deputy Steeb reported that officers had an incident of road rage, which resulted in an arrest. The patrol bikes are once again in operation and will be in the area. Three (3) new deputies have joined the sheriff's department and are currently working days and getting familiar with the area. The Sheriff's Department

will be raising money for Special Olympics by hosting a Dunking Booth at the Ralph's Parking Lot in Los Osos on May 24<sup>th</sup> and 25<sup>th</sup>. Lt. Basti will be in the booth from 2PM to 3PM. Director Schell asked about the ongoing problem with junior and senior high school students. Deputy Steeb stated that the department are on the situation and are aware of eight (8) specific individuals.

- 4.2 Public Comment:  
There was no public comment.

5.0 STAFF REPORTS

5.1 General Manager's Report

A copy of the General Manager's Report is attached to the official minutes. In addition to this report, plans for a Community Outreach Day were discussed. The event will be held on Saturday, June 21, 2003 from 11AM to 2PM at the Cavalier Plaza. The event, held in conjunction with the Chamber of Commerce, will offer an opportunity for the public to review the budget, new policy handbook, tour the plant and have some food and fun. The Sheriff's Department, CDF, Upper Salinas Las Tablas RCD, local road club and other entities affiliated with the District, will be invited to participate.

5.2 Plant Superintendent's Report

Chuck Ellison of FRM gave the Superintendent's Report, a copy of which is attached to the official minutes. The wells are holding constant and the treatment plant is running very well.

5.3 District Engineer's Report

Mr. Wallace gave an update on various projects within the District. A copy of the Engineer's Report is attached to the official minutes. A telephone conference with the Coastal Commission has been scheduled for May 23<sup>rd</sup>, in an attempt to resolve issues surrounding jurisdiction for the riprap permit. With regards to the Proposition 50 timelines, Mr. Wallace reported that the schedule had been relaxed a bit and that staff will continue to monitor the situation.

6.0 PUBLIC HEARING – WEED ABATEMENT

Prior to opening the public hearing on weed abatement, staff recommended that, due to the additional precipitation, the board extend the deadline for clearing of the weeds to June 30, 2003. Chairperson Kiech opened the floor for public comment on the weed abatement. There being no comments, a motion was made by Director Mirabel-Boubion and seconded by Director Schell to close the public hearing on weed abatement and to extend the deadline for clearing of the weeds to June 30, 2003. The motion carried unanimously

7.0 ITEMS OF BUSINESS

7.1 Approval of Minutes – April 9, 2003

A motion was made by Director Bailey-Wood and seconded by Director Lambeth, to approve the minutes of April 9, 2003. Motion carried unanimously.

7.2 Approval of Warrants – April 1, 2003 through April 30, 2003

A motion was made by Director Bailey-Wood and seconded by Director Mirabel-Boubion to approve the warrants of April 1, 2003 through April 30, 2003 in the amount of \$43,322.45. The motion carried unanimously.

7.3 Quarterly Investment Report – Period Ending March 31, 2003

Staff reported that the interest earned for the quarter ending March 31, 2003 on LAIF funds was \$6,869.06. The interest rate for that quarter was 1.98%. In response to speculation that monies from LAIF were being used to cover operational costs, staff re-iterated that the two (2) transfers made from LAIF in the current fiscal year were allocated to the airline replacement project and outfall line repair in

July, and the Kennedy Jenks study and release of the final retention on the airline project. Staff also reported that a \$6000.00 transfer was made back to LAIF and the goal is to do an additional transfer.

- 7.4 Interim Contract / Contract for Water – Wastewater Operations – Fluid Resource Management, Inc.  
A motion was made by Director Bailey-Wood and seconded by Director Lambeth to award an interim contract for water and wastewater operations to Fluid Resource Management, Inc. for the scope of services as outlined in their proposal dated April 25, 2003. Total monthly fees for this scope, exclusive of direct expense reimbursables, will not exceed an estimated fee of \$8,500.00 without receiving authorization from the District. A clarification on the emergency services clause was clarified, with emergencies call-outs defined as those occurring before 8AM or after 5PM. The motion carried unanimously.

- 7.5 Award of Bids – Fire Hydrant / Meter Replacement Projects and Reservoir Inspection  
A motion was made by Director Mirabel-Boubion and seconded by Director Lambeth, to award the Fire Hydrant / Meter Replacement Projects to D-Kal Engineering and to authorize staff to issue a *Notice to Proceed* for this work. D-Kal's quote for the replacement of three wharf hydrants, twelve (12) large meters and the adjustment of two gate valves came in at \$13,627. The motion carried unanimously.

A motion was made by Director Mirabel-Boubion, and seconded by Director Lambeth, to accept the quote from Advantage Technical Services, Inc. in the amount of \$1,810.00 and issue a *Notice to Proceed* with the inspection of the District's reservoir, contingent upon their agreement to remove bottom sediments greater than one inch if necessary. The motion carried unanimously.

- 7.6 Capital Improvement Projects / Major Maintenance Budget – Facilities – Water Committee Recommendations for Approval  
Discussion was held regarding the Capital Improvement Projects / Maintenance Budget that had been reviewed by the Facilities – Water Committee. The budget reflects the priorities identified by the Committee, and will be used as a guideline by the District. Because the review was completed so late in the current fiscal year, projects and work identified for completion in the current fiscal year will be shifted to the next fiscal year, with subsequent years also shifting forward. Several maintenance projects were authorized this year, on a case by case basis, including the meter and fire hydrant replacement projects.

## 8.0 DISCUSSION / ACTION ITEMS

- 8.1 Board Committee Reports  
**Facilities – Water Committee Report:** Director Mirabel-Boubion reported that, at the April 17<sup>th</sup>, meeting, the committee completed their review of the budgets for both CIP's and Major Maintenance projects and voted to approve them. An independent review of the district roads was conducted by PEI, and their findings agreed with JLWA's assessment of the roads. An offer was made to have PEI prepare a complete report of the roads, however, the committee felt this was not necessary.  
**Policy Committee:** Next meeting will be June 2, 2003 at 11A.M. It is anticipated that the review of the Policy manual will be completed at that time and the draft will then be available for public review at the Community Outreach Day.  
**Adhoc Committee Ordinance No. 66 Review:** Scheduled to meet on June 2, 2003 at 1PM  
**Budget Committee:** Continues work on the preliminary Fiscal Year 2003-2004 budget. Mr. Bloodgood presented an overview of the water rate revenues since the last rate increase in 1996, which the committee had reviewed in order to determine an allocation for water projects. Total additional revenues, available for water projects, was \$324,721. Previous water projects totaling \$182,982, as identified in the audited financial statements, were then deducted from the total revenues, leaving a balance of \$141, 739 to be designated as reserve for major water projects. This balance is the amount the committee recommends be reserved. A motion was made by Director Bailey-Wood and seconded by Director Mirabel-Boubion, to

accept the Budget Committee's recommendation that \$141,739 be designated as a reserve for major water project. The motion carried unanimously.

8.2 Board Reports

Discussion was held regarding representation on the North Coast Advisory Committee. No one has expressed interest in serving on the committee as a representative of San Simeon.

8.3 General Discussion – Pet Restriction Postings on State Beach

Director Lambeth opened the discussion, stating that concerns have been raised about the restrictions on dogs at the San Simeon State Park Beach, which has resulted in an increased number of unleashed dogs on the beach in San Simeon, particularly in the residential area. In addition to the mess they often leave behind, some dogs have intimidated residents. Local residents have been in touch with members of the board to inquire about what can be done. The discussion continued regarding whose jurisdiction this matter falls into. Director Bailey-Wood stated her opposition to this topic being addressed by the Board of Directors, indicating that it was out of the District's scope. District Counsel Schultz indicated that, while Director Bailey-Wood is correct that this is not within the Board's jurisdiction, the Board can request enforcement of the County's leash law. Discussion followed, regarding enforcement on beachfront, which falls on private property, especially along Balboa Avenue. Staff will continue looking into the matter.

9.0 BOARD / STAFF GENERAL DISCUSSIONS

A recommendation came from the public to consider raising the director's monthly stipend an additional \$25.00 per month. This topic will be discussed during the upcoming budget discussions.

10.0 ADJOURNMENT

A motion was made by Director Bailey-Wood and seconded by Director Lambeth to adjourn the meeting at 7:55PM. The motion carried unanimously.

# SAN SIMEON COMMUNITY SERVICES DISTRICT

## SUPERINTENDENT'S REPORT FOR MAY 2003

### FLOW COMPARISON - Water

May-03 3,225,000 gallons	YTD 2003 13,521,000 gallons	MONTHLY USAGE COMPARISON: ANNUAL USAGE COMPARISON:	9.0% increase 3% increase
May-02 2,958,000 gallons	YTD 2002 13,111,000 gallons	GROSS WATER PRODUCTION: NET WATER PRODUCTION: MONTHLY RECOVERY RATE:	2,901,000 gallons 2,376,000 gallons 82%

### RAINFALL

May-03 1.60 inches	2002-2003 18.40 inches	MONTHLY COMPARISON: ANNUAL COMPARISON:	1.20 inches more 3.60 inches more
May-02 0.40 inches	2001-2002 14.80 inches		

### WELL DEPTH COMPARISON

May-03 10.91 feet	Apr-03 10.61 feet	May-02 10.85 feet	MONTHLY COMPARISON: ANNUAL COMPARISON:	0.3 feet higher 0.1 feet higher
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### CHLORIDE COMPARISON

May-03 45 mg/l	Apr-03 45 mg/l	May-02 45 mg/l	MONTHLY COMPARISON: ANNUAL COMPARISON:	CONSTANT HIGHER
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### FLOW COMPARISON - District Wastewater Treated

May-03 2,346,470 gallons	YTD 2003 9,545,464 gallons	MONTHLY USAGE COMPARISON: ANNUAL USAGE COMPARISON:	26% increase 5% decrease
May-02 1,855,920 gallons	YTD 2002 9,054,914 gallons		

### FLOW COMPARISON - State Wastewater Treated

May-03 270,864 gallons	YTD 2003 1,199,222 gallons	MONTHLY USAGE COMPARISON: ANNUAL USAGE COMPARISON:	8% decrease 2% decrease
May-02 294,960 gallons	YTD 2002 1,223,318 gallons		

### DISCHARGE REQUIREMENTS

\* SAMPLE RESULTS TO BE REPORTED AT BOARD MTG.

EFFLUENT BOD:	mg/l	EFFLUENT SUSPENDED SOLIDS:	mg/l
INFLUENT BOD:	mg/l	INFLUENT SUSPENDED SOLIDS:	mg/l

### BIOSOLIDS DISPOSAL

MAY:	0 gallons	YTD:	50000 gallons
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June 4, 2003

To: Mark Bloodgood, District Manager  
Chuck Ellison, Operations Manager

From: Chris Nally, Systems Supervisor

SUBJECT: Superintendents Report for May 2003

### Wastewater

The treatment plant continues to operate well and without violation. Staff continues to fine tune the chemical usage to gain maximum performance along with conserving District dollars.

Staff is currently looking into the feasibility of installing flow paced pumps at the District facility similar to those FRM installed at Avila Beach. This system uses the flowmeter to pace the pumps so as to provide a linear pump speed adjustment. This allows the pumps to slow down during the night when the flows drop off, and regulate the chemical usage.

FRM has assigned a new operator for the District's treatment plant. Mr. Bill Callahan is a Grade II Operator and received his training from the City of Morro Bay's wastewater plant. Bill's laboratory skills and attention to detail are reflected by the treatment plant's increased performance and effluent quality. Bill also lives in Cayucos, decreasing emergency response time to 30 minutes.

Staff began noticing a reduction in the volume of return activated sludge to plants 2 and 3, and blockages began occurring in these lines. After several days of maintenance, staff determined the problem to be lack of air. Staff returned to the 60 hp blower and the problems stopped. Staff will continue to experiment with operation to hoping to return the 30 hp to service this month.

Staff was able to postpone solids disposal for the month of May.

### Water

The distribution system had a busy month. The compound meter project was completed by D-Kal Construction prior to Memorial Day. As with any large project there were a few difficulties. The Courtesy Inn was without water for several hours on the 19<sup>th</sup>. A valve closed earlier in the day during preparation work broke free and closed itself later in the evening due to a failed valve stem. Staff from FRM and D-Kal responded and restored water to the hotel until the meter was

replaced early the next morning. The remaining difficulties occurred during the day when FRM staff was available to respond immediately. D-Kal also replaced 3 wharf heads with fire hydrants as provided for in the contract.. Staff will paint the hydrants in the month of June.

FRM staff also began cleanup of the water system in May in preparation for the annual County Health inspection due in the next couple months.

### Projects

The meter project as discussed above, daily operations and training new staff consumed the majority of time in May. However Staff continues to organize and prepare for future summer projects. Exterior painting, landscaping, street signs, and cleanup of the district office are just a few of the short term projects slated for completion in the upcoming months.

**SAN SIMEON COMMUNITY SERVICES DISTRICT**

111 Pico Avenue  
San Simeon, California 93452  
(805) 927-4778

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**DATE:** June 11, 2003  
**TO:** Board of Directors  
**VIA:** Mark Bloodgood, District Manager  
**FROM:** John L. Wallace, District Engineer  
**SUBJECT:** Engineer's Report - Project Status

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**SUMMARY OF ACTIVE PROJECTS:**

1. Avonne-Castillo Waterline Loop - On Hold Pending FY 2002-03 CIP
2. Annual Road Improvements - On Hold; pending proposed FY 2002-03 CIP
3. Capital Improvement Projects FY 02/03 - On Hold Pending FY 2002-0 CIP
4. Pico Creek Wells - Flood proofing - Included in Proposed FY 2002-03
5. Standby Power - Included in Facilities Plan
6. Wastewater Treatment Plant Rip-rap & Aeration Tank Expansion-Coastal Permit Pending
7. State Revolving Fund Loan - District is on the list.
8. Facilities Plan:, Plan forwarded to RWQCB on February 17, 2003.
9. Proposition 50 Projects; Funding Legislation in progress.
10. Recycled Water Pipeline in San Simeon Avenue; On Hold pending FY 2002-03 CIP
11. Recruitment of District Water and Wastewater Superintendent - Status
12. Meter and Fire Hydrant Replacement (Project Complete).
13. 150,000 Gallon Reservoir Underwater Inspection (Award Bid).

**DISCUSSION:**

**1. Avonne - Castillo Waterline Loop;**

An updated hydraulic model of the water distribution system confirmed the priority of projects for better operations and fire protection. Approval of the CIP and major maintenance budget is needed to authorize this project.

**2. Annual Road Improvements (Avonne Avenue and Otter Way);**

Minor potholes have been patched, approval of the CIP and major maintenance budget for FY 2003-04 will make further authorizations for these projects.

**3. Capital Improvement and Major Maintenance Projects Priority List;**

Staff has refined the proposed projects for Fiscal Year 2002-2003 Capital Improvement and Major Maintenance Projects; these projects will now be carried forward and included in the FY 2003-04 Budget.

**4. Pico Creek Wells;**

Improvements are to be included in the Proposed FY 2003-04 Budget.

**5. Emergency Standby Power;**

Recommendations for standby power were made as part of the Final Facilities Plan.

**6. Wastewater Treatment Plant Rip-rap & Aeration Tank Expansion-Coastal Permit;**

Wastewater Treatment Plant Rip-rap

Staff conferenced with the Coastal Staff to discuss jurisdictional requirements and responsibilities regarding the rock rip rap Land Use Coastal Development Permit, which was submitted to the County on September 24, 2002. The Commission's staff continues to assert that the project does fall within their jurisdiction and a formal application is required to be submitted to the Commission.

Aeration Tank Expansion-Coastal Permit

No further action at this time pending Coastal Commission response to our letter of December 13, 2002.

**7. State Revolving Fund (SRF) Program;**

Staff investigated potential loan funding for wastewater projects through the State Revolving Fund which provides loans at a low interest rate (approximately 2.5 to 3%). Because of the potential to construct several different improvements with SRF funds, a "general project" application was submitted as a "place holder" for the SWRCB to consider. As a result, San Simeon has been placed on the draft State-wide priority list for funding. A project application will be submitted in accordance with the final Facilities Plan recommendations and the Proposed FY 2003-04 Budget.

**8. Facilities Plan;**

The plan was approved for use as a guide in formulating future projects. The proposed FY 2003-04 Budget will address projects being recommended in the first phase.

**9. Proposition 50 Projects;**

As previously discussed with the Board, Prop. 50 will most likely make \$650,000 of funding available to this District for water/recycling and water tank/water line projects. Our resolution of support has been submitted to the state for inclusion in the state allocation process. The projects selected will need to be included in the District's capital improvement program for the FY 2003-04 Budget in order to meet the time requirements of the proposition.

**10. Recycled Water Line in San Simeon Avenue;**

This project will be included in the FY 2003-04 CIP with funding anticipated from Proposition 50.

**11. Recruitment of District Water and Wastewater Superintendent;**

Recruiting for the District's Water and Wastewater Superintendent began January 14, 2003. A total of 24 potential applicants submitted inquiries, resumes, and applications and 7 finalists were interviewed. Interim operations services are being performed by FRM pending a decision on staffing/contract operations.

**12. Meter and Fire Hydrant Replacement Project:**

Three fire hydrants, and 12 compound meters have been replaced and are fully functional.

**13. 150,000 Gallon Reservoir Underwater Inspection Quotations/Results:**

Staff was directed to investigate the actual depth of sediment in the bottom of the tank to compare bid results. This work has been awarded and is scheduled to be completed in June.

**SAN SIMEON COMMUNITY SERVICES DISTRICT**

**WARRANT REPORT**

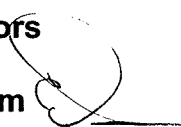
May 1 through May 31, 2003

<u>DATE</u>	<u>NUM</u>	<u>NAME</u>	<u>WARRANT#</u>	<u>MEMO</u>	<u>AMOUNT</u>
5/12/2003	4390	A BETTER BEEP	0305-001	PAGER	\$ 34.45
5/12/2003	4391	AT&T	0305-002	TELEPHONE	\$ 40.22
5/12/2013	4392	BREZDEN PEST CONTROL	0305-003	SPRAY FOR SPIDERS	\$ 88.00
5/12/2003	4393	CAMBRIA HARDWARE CENTER	0305-004	SHELVES, BRACKETS, LUMBER, PAINT SUPP.	\$ 406.80
5/12/2003	4394	CREEK ENVIRONMENTAL LAB	0305-005	TOTAL COLIFORM ANALYSIS	\$ 120.00
5/12/2003	4395	CRYSTAL SPRINGS WATER	0305-006	WATER DELIVERY	\$ 17.25
5/12/2003	4396	HALL & HIEATT	0305-007	PROFESSIONAL LEGAL SERVICES	\$ 172.00
5/12/2003	4397	LA CHEMICAL	0305-008	CHEMCLOR & SODIUM BISULFITE	\$ 729.48
5/12/2003	4398	MEL'S LOCK & KEY	0305-009	NEW LOCKS FOR WWTP	\$ 86.13
5/12/2003	4399	MISSION COUNTRY DISPOSAL	0305-010	RUBBISH	\$ 218.33
5/12/2003	4400	MISSION UNIFORM SERVICE	0305-011	TOWELS & COVERALLS	\$ 172.40
5/12/2003	4401	PACIFIC BELL	0305-012	TELEPHONE	\$ 184.75
5/12/2003	4402	RMA COMPUTER SOLUTIONS	0305-013	WEBSITE UPDATES FOR MAY 2003	\$ 25.00
5/12/2003	4403	SLO CO. ENVIRON. HEALTH	0305-014	CROSS CONNECTION	\$ 46.00
5/12/2003	4404	SCHULTZ TRANSPORTATION	0305-015	MONTHLY CONTAINER RENTAL	\$ 80.00
5/12/2003	4405	U.S.A. TRANSPORT, INC.	0305-016	SLUDGE DISPOSAL	\$ 527.47
5/12/2003	4406	VIKING OFFICE PRODUCTS	0305-017	PAPER TOWELS, DISPENSERS, MOP BUCKET...	\$ 264.55
5/12/2003	4407	KIMBERLY ALLISON	0305-018	MILEAGE REIMBURSEMENT	\$ 44.28
5/12/2003	4408	JOHN WALLACE & ASSOCIATES	0305-019	MAJOR PROJECTS FOR MARCH 2003	\$ 137.31
5/12/2003	4409	JOHN WALLACE & ASSOCIATES	0305-020	DISTRICT ENGINEERING FOR MARCH 2003	\$ 3,400.17
5/15/2003	4410	KIMBERLY ALLISON	0305-021	PAYROLL 5/1/03-5/15/03	\$ 587.27
5/27/2003	4411	CAROL BAILEY-WOOD	0305-022	MONTHLY BOARD SERVICE FOR MAY 2003	\$ 75.00
5/27/2003	4412	CREEK ENVIRONMENTAL LAB	0305-023	TOTAL COLIFORM ANALYSIS	\$ 195.00
5/27/2003	4413	DAVID KIECH	0305-024	MONTHLY BOARD SERVICE FOR MAY 2003	\$ 75.00
5/27/2003	4414	ERIC SCHELL	0305-025	MONTHLY BOARD SERVICE FOR MAY 2003	\$ 75.00
5/27/2003	4415	LORAIN MIRABAL-BOUBION	0305-026	MONTHLY BOARD SERVICE FOR MAY 2003	\$ 75.00
5/27/2003	4416	PUBLIC EMP. RET. SYSTEM	0305-027	HEALTH INSURANCE FOR JUNE 2003	\$ 396.18
5/27/2003	4417	PG&E	0305-028	ELECTRICITY	\$ 4,912.29
5/27/2003	4418	TERRY LAMBETH	0305-029	MONTHLY BOARD SERVICE FOR MAY 2003	\$ 75.00
5/28/2003	4419	CREEK ENVIRONMENTAL LAB	0305-030	TOTAL COLIFORM ANALYSIS	\$ 60.00
5/28/2003	4420	EDA, INC.	0305-031	GEN. MGMT. SERVICES FOR MARCH 2003	\$ 8,737.89
5/28/2003	4421	EMPLOYMENT DEV. DEPT.	0305-032	PAYROLL TAXES	\$ 84.16
5/28/2003	4422	FLUID RESOURCE MGMT., INC.	0305-033	ADD. SERV/EMERGENCIES-BREAK, HYDRANTS	\$ 6,260.00
5/28/2003	4423	FLUID RESOURCE MGMT., INC.	0305-034	INTERIM WWTP OPS FOR MARCH 2003	\$ 8,157.43
5/28/2003	4424	GREAT WESTERN ALARM	0305-035	MONTHLY ALARM MONITORING	\$ 25.00
5/28/2003	4425	LA CHEMICAL	0305-036	CHEMCLOR & SODIUM BISULFITE	\$ 639.61
5/28/2003	4426	MID-STATE BANK	0305-037	PAYROLL TAXES	\$ 122.88
5/28/2003	4427	PUBLIC EMP. RET. SYSTEM	0305-038	RETIREMENT FOR MAY 2003	\$ 162.85
5/28/2003	4428	PLATINUM PLUS FOR BUSINESS	0305-039	GAS & OIL	\$ 59.40
5/28/2003	4428	PLATINUM PLUS FOR BUSINESS	0305-039	BANKERS BOXES, VACUUM	\$ 85.79
5/28/2003	4429	STATE COMPENSATION FUND	0305-040	WORKERS COMP FOR 4/20/03-5/20/03	\$ 394.19
5/31/2003	4430	KIMBERLY ALLISON	0305-041	PAYROLL 5/16/03-5/31/03	\$ 516.76
5/31/2003		TOTAL			<u>\$ 38,566.29</u>

# San Simeon Community Services District

111 Pico Avenue, San Simeon, California 93452  
Telephone: (805) 927-4778 Fax (805) 927-0399

## MEMORANDUM

**DATE:** June 6, 2003  
**TO:** Board of Directors  
**FROM:** Eileen M. Putnam   
**VIA:** Mark A. Bloodgood, District Manager  
**RE:** Distribution of the Government Access Portion of the PEG Access Trust Funds- Agreement

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### RECOMMENDATION:

Accept the Agreement between the San Simeon Community Services District and the Upper Salinas / Las Tablas Resource Conservation District regarding the utilization and distribution of the Government Access Portion of the PEG Access Trust Funds

### DISCUSSION:

In January 2003, the District received notification from the San Luis Obispo County Department of Public Works regarding the allocation and distribution of PEG Access Trust Funds collected as part of the cable TV franchise agreement associated with San Simeon Cable. Prior to distributing these funds, the County required those districts servicing a particular area to come to a consensus on how the funds would be shared. In the case of the San Simeon Community, this required staff to conduct negotiations with the Upper Salinas / Las Tablas Resource Conservation District.

Staff has reached a consensus with the US / LTRCD whereby San Simeon will administer the PEG Access Trust Funds, reserving \$500.00 for the US / LT RCD's use and involvement in Government Access programming. Therefore, it is recommended that the Board accept this agreement and authorize staff to coordinate with US/ LT RCD to execute the necessary signatures and submit the agreement to the County for Supervisors.

UPPER SALINAS LAS TABLAS  
RESOURCE CONSERVATION DISTRICT  
65 Main street, Suite 108  
Templeton, CA 93465  
805 434 2312

5/8/003

Reg. PEG Grant

Dear Eilleen.

The US/LT RCD would like to make the following suggestion for the use of the available PEG Grant fund in the San Simeon community:

The San Simeon Community Service District should administer the fund and make use of the combined portions of the US/LT RCD and SSCSD, holding in reserve the amount of \$ 500.00 for the US/LT RCD's involvement.

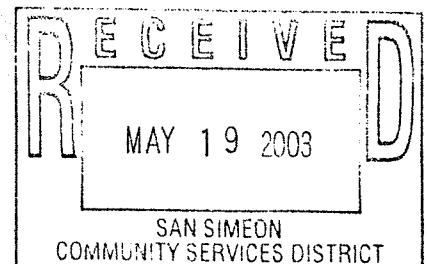
The RCD hopes to engage the Hearst Corporation in providing matching funds for outreach/demonstrations projects showing the functions of watersheds and their relationship to ground water recharge. The Hearst Ranch includes the watersheds of Pico Creek which help recharge San Simeon's ground water supply and would be the targeted watersheds for demonstration work.

Please let us know if you concur with the grant funding arrangement and how you wish to proceed with the signature requirement.

Sincerely,



Gidi Pullen, RCD Director





**AGREEMENT FOR COUNTY PEG GRANT**  
**San Simeon Area**

This Agreement is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2003, by and between the County of San Luis Obispo, a body corporate and politic, hereinafter referred to as "County", and the San Simeon Community Service District, and the Upper Salinas/Las Tablas Resource Conservation District, hereinafter referred to as "Grantees".

**WHEREAS**, on June 18, 2002, the Board of Supervisors directed staff to administer the disbursement of existing PEG Trust funds equally between public, education and government; and

**WHEREAS**, the Board directed that the government portion be distributed using the following criteria: 1) The Government Access portion of the PEG Trust Funds be allocated to the Special District(s) in the communities from which the funds were collected, 2) If a particular community has multiple Special Districts, then those districts must build a consensus on how to share or utilize the funds before the money is distributed, and 3) Where possible, partnerships with the educational community and public access should be developed for joint benefit; and

**NOW, THEREFORE**, it is mutually agreed between the parties hereto, as follows:

1. County agrees to pay over, as a grant of County funds, the sum of \$4,308.72 from Budget Unit #2829 to Grantees at the following address: \_\_\_\_\_

2. Each Grantee agrees that it shall not use any portion of the County funds for any purpose other than the funding of cable TV related project(s) designed to enhance government cable TV access.

3. Grantees agrees that the grant funds are not intended to supplant existing funding sources and acknowledges that the grant funds should not be viewed as on-going or yearly source of funding.

4. Each Grantee agrees to allow the County Administrative Officer, or their agent, to inspect and audit all records pertaining in any way to this grant, including, but not limited to, Grantee's use of the County funds granted herewith. The costs of any such inspection or audit shall be equally shared by the County and Grantee.

5. Neither County nor any officer or employee thereof is responsible for any damage or liability occurring by reason of anything done or omitted to be done by Grantees under or in connection with this Agreement. It is understood and agreed that, pursuant to Government Code Section 895.4, each Grantee shall fully defend, indemnify and save

harmless County and all its officers and employees from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by Grantee under or in connection with this Agreement.

**IN WITNESS WHEREOF** the parties have executed this Agreement as of the day and year first above written.

COUNTY OF SAN LUIS OBISPO

\_\_\_\_\_  
Chairperson of the Board of Supervisors  
County of San Luis Obispo  
State of California

ATTEST:

\_\_\_\_\_  
County Clerk and Ex-Officio Clerk  
of the Board of Supervisors,  
County of San Luis Obispo,  
State of California

APPROVED AS TO FORM AND LEGAL EFFECT:  
JAMES B. LINDHOLM, JR. County Counsel

By: \_\_\_\_\_  
Deputy County Counsel

Grantee: San Simeon Community Service  
District

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Dated: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Grantee: Upper Salinas/Las Tablas  
Resource Conservation  
District

By: \_\_\_\_\_

Dated: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

## **San Luis Obispo County PEG Trust Funds**

### **Policies on the Utilization of the Education and Government Portions of the PEG Trust Funds**

#### **Policy on the Utilization of the Education Portion of the PEG Trust Funds**

The San Luis Obispo County Office of Education shall be utilized for the Educational Access portion of the PEG Trust Funds under the following criteria:

- A. The funds must be used for specific cable TV access/telecommunications purposes that promote educational needs programs.
- B. These funds shall not be used to supplant existing funding.
- C. Where possible, partnerships with the government and public access constituents should be developed for joint benefit.
- D. Specific use of the PEG Trust Funds must be reviewed by an appropriate education advisory committee before the annual budgeting of these funds is considered by the County Board of Education.

#### **Policy on the Utilization of the Government Portion of the PEG Trust Funds**

The Special Districts shall be utilized for the Governmental Access portion of the PEG Trust Funds with the following criteria:

- A. The Government Access portion of the PEG Trust Funds be allocated to the Special District(s) in the communities from which the funds were collected.
- B. If a particular community has multiple Special Districts, then those districts must build a consensus on how to share or utilize the funds before the money is distributed.
- C. Where possible, partnerships with the educational community and public access should be developed for joint benefit.

San Simeon Community Services District



111 Pico Avenue, San Simeon, California 93452  
(805) 927-4778 Fax (805) 927-0399

Board of Directors

David Kiech, Loraine Mirabal-Boubion, Eric Schell, Carol Bailey-Wood, Terry Lambeth

**NOTICE OF MEETING  
DISTRICT BUDGET ADVISORY COMMITTEE**

Tuesday, June 10, 2003  
1:00 P.M.

Cavalier Corporate Offices Board Room  
9415 Hearst Avenue  
San Simeon, CA 93452

San Simeon Community Services District



111 Pico Avenue, San Simeon, California 93452  
(805) 927-4778 Fax (805) 927-0399

Board of Directors  
Terry Lambeth, Loraine Mirabal-Boubion, Eric Schell, David Kiech, Carol Bailey-Wood

**NOTICE OF DISTRICT COMMITTEE MEETING**

**Ad-Hoc Committee Meeting**  
To Review of Ordinance No. 66

**Wednesday, June 11, 2003**

**4 P.M.**

Cavalier Banquet Room  
9415 Hearst Avenue  
San Simeon, CA 93452

**San Simeon Community Services District  
Board of Directors Special  
Board Workshop Meeting**

**In Conjunction With**

**The District Water – Facilities Committee**

**Thursday, June 12, 2003 – 4PM  
Cavalier Banquet Room**

1. 4:00 PM – Water – Facilities Meeting Call To Order
2. Presentation by South West Water Company
  - ***Proposal for Turnkey R/O Desal Water Project***
3. Questions and Answers
4. Close

*Note: This session is for a Board of Directors workshop, intended solely for discussion and long term planning. It should be noted that no formal actions will be taken by the Board during the workshop.*

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

**Budget Workshop**

**Thursday, June 19, 2003 – 5:30 P.M.  
Cavalier Banquet Room**

1. 5:30 PM – WORKSHOP OPENING
  - 1.1 Roll Call
  - 1.2 Pledge of Allegiance
2. FISCAL YEAR 2003 – 2004 BUDGET WORKSHOP
3. PUBLIC COMMENTS
4. WORKSHOP CLOSE

*Note: This agenda is for a Board of Directors workshop, intended solely for discussion and budget planning. No formal actions will be taken by the Board during the workshop.*