

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



BOARD PACKET

**Wednesday, January 20, 2016
Regular Meeting 6:00 pm**

**Cavalier Cove 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 20, 2016
6:00 pm

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

1. REGULAR SESSION: 6:00 PM

A. Roll Call

B. Pledge of Allegiance

2. PUBLIC COMMENT:

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

A. Sheriff's Report – Report for December.

B. Public comment on Sheriff's Report

3. BOARD PRESENTATIONS AND ANNOUNCEMENTS:

4. STAFF REPORTS

A. General Manager's Report

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

2. Update – Wellhead treatment system project.

3. Verbal Update – Integrated Regional Water Management (IRWM)/Water Resources Advisory Council (WRAC) Grant for Wellhead Treatment systems project.

4. Update – Notice of Violation from Coastal Commission regarding Wastewater Treatment Plant Rip Rap installation.

B. Superintendent's Report

1. Wastewater Treatment / Collection Systems – Summary of operations and maintenance for December.

2. Water / Distribution Systems – Distribution performance for the Month of December.

3. District Maintenance – Summary of District maintenance for December.

C. District Financial Summary – Update on Monthly Financial Status for close of business December 31, 2015.

D. District Counsel’s Report – Summary of December activities.

5. ITEMS OF BUSINESS

A. Approval of last month’s minutes – December 9, 2015.

B. Approval of Disbursements Journal – January 20, 2016.

C. Approval of USDA Grant Funds Disbursements Journal - January 20, 2016

6. DISCUSSION/ACTION ITEMS

A. Board Vote on Appointment of Board Chair and Vice Chair for the 2016 Calendar Year.

B. Board Consideration of Approval of the District’s Financial Audit of 2014-2015.

C. Board Consideration of Nomination of a Local Agency Formation Commission (LAFCO) Representative.

D. Consideration of Approval of Agreement with the County for Cross-Connection Inspection Services.

E. Board Consideration of Approval of a Professional Services Agreement with Grace Environmental Services (GES) for Management, Operation and Maintenance of the District.

7. Board Committee Reports – Oral Report from Committee Members.

8. Board Reports – Oral Report from Board Members on current issues.

9. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS- Requests from Board members to receive feedback, direct staff to prepare information, and/or request a formal agenda report be prepared and the item placed on a future agenda.

10. ADJOURNMENT

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

4A. GENERAL MANAGER'S REPORT

Charles Grace

- 1. Staff Activity** – Report on Staff activities for the month of December.
- 2. Update** – Wellhead treatment system project.
- 3. Verbal Update** - Integrated Regional Water Management (IRWM) & Water Resources Advisory Council (WRAC) Grant for Wellhead Treatment Systems Project.
- 4. Update** – Notice of Violation from Coastal Commission regarding Wastewater Treatment Plant Rip Rap installation.

4A. GENERAL MANAGER'S REPORT

January 20, 2016

- 1. Staff Activity** – Report on Staff activities for the month of December.
During the month of December, Staff sent out water and recycled water billing as well as responded to several customer calls. Staff coordinated the trimming of the dead pine trees on Pico Avenue and the trimming of the eucalyptus trees on Avonne in preparation for storm weather conditions. Staff attended a Disaster Emergency workshop with the County Emergency Services Department. Staff continued to work with the Auditors to finalize the 2014 – 2015 District financial audit.

- 2. Update** – Wellhead treatment system project.
Madonna Construction broke ground November 9 to find several obstacles in the way of the project foundation and pad. As a result the project will sit 5 feet east of the original location in turn causing the relocation of the brine storage tank and storage shed. In addition PG&E dictated an overhead electric utility drop versus the underground electric utility connection as previously discussed and designed. The design has since been updated to relocate the brine tank and re-route the brine tank drain. The RO unit and brine tank are scheduled to arrive January 19.

- 3. Verbal Update** – Integrated Regional Water Management (IRWM)/Water Resources Advisory Council (WRAC) Grant for Wellhead Treatment systems project.

(A Meeting with the County is scheduled for January 20th at 1:00 PM)

- 4. Update** – Notice of Violation from Coastal Commission regarding Wastewater Treatment Plant Rip Rap installation.
The CDP was assembled submitted during the week of December 13, 2015. The California Coastal Commission (CCC) has 30 days to respond, thus Staff anticipates hearing from the CCC soon.

4B. SUPERTINTENDENT'S REPORT
Jerry Copeland
Facilities Update for December 2015

- 1. Wastewater Treatment Plant Update**
- 2. Water Distribution System Update**
- 3. District & Equipment Maintenance Update**

4B. SUPERINTENDENT'S REPORT

Activities of December 2015

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 stand-by generators at the WWTP and the well site.
- Annual grease trap inspections were performed throughout the district.
- The application was submitted to ELAP for certification renewal for the WWTP laboratory.
- One load of sludge was hauled away this month.

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).
- Monthly water meter reading was performed.
- Chloride levels are monitored throughout the system.

3. District and Equipment Maintenance

- Staff continues with all of the scheduled preventive maintenance for all the equipment at the facilities. We are recording all of these activities.
- Pot holes were filled around the district streets

San Simeon Community Services District

Superintendent's Report

December 2015

MONTHLY DATA REPORT														
Date	Day	Wastewater Influent Daily Flow	Wastewater Effluent Daily Flow	CALCULATED Well 1 Total Pumped	CALCULATED Well 2 Total Pumped	CALCULATED Well 3 Total Pumped	CALCULATED Total Daily Water Produced	Chloride Wells		Recycled Water Distributed	Water Level Well 1	Water Level Well 2	Rainfall in Inches	INPUT State Sewer Daily Flow
								1	2					
12/01/15	Tue	66,891	72,060	0	60,438	26,500	86,938	-	878	275	12.6	12.6	0.00	3,999
12/02/15	Wed	62,368	59,040	1,047	40,317	26,700	68,064	-	-	0	12.8	12.8	0.12	5,024
12/03/15	Thu	61,394	59,310	0	39,046	26,300	65,346	1,226	956	0	12.9	12.9	0.12	1,922
12/04/15	Fri	70,023	51,500	0	39,943	24,500	64,443	-	956	0	12.9	12.9	0.00	4,879
12/05/15	Sat	70,793	65,050	0	40,242	23,300	63,542	-	956	0	12.9	12.9	0.00	6,528
12/06/15	Sun	60,597	62,560	0	42,636	25,900	68,536	-	1,039	0	12.9	12.9	0.00	4,328
12/07/15	Mon	60,485	54,710	0	37,924	26,300	64,224	-	1,039	0	13.0	12.9	0.00	4,606
12/08/15	Tue	84,464	58,910	0	14,661	23,300	37,961	-	1,129	0	12.2	12.1	0.00	5,428
12/09/15	Wed	59,805	53,850	0	29,995	25,800	55,795	-	1,330	0	11.9	11.9	0.00	6,196
12/10/15	Thu	60,920	51,710	0	12,566	31,700	44,266	-	1,444	0	11.8	11.8	0.12	4,086
12/11/15	Fri	64,465	58,600	0	28,125	31,600	59,725	-	1,330	0	11.5	11.5	0.16	5,993
12/12/15	Sat	69,896	63,490	0	44,356	31,000	75,356	-	1,703	0	10.7	10.7	0.00	3,610
12/13/15	Sun	82,406	72,140	0	36,876	31,200	68,076	-	1,703	0	10.2	10.1	0.12	7,524
12/14/15	Mon	68,250	58,250	0	37,400	28,700	66,100	-	1,703	0	10.2	10.2	0.00	5,893
12/15/15	Tue	64,835	60,140	0	37,475	28,800	66,275	-	2,012	0	10.4	10.3	0.00	5,448
12/16/15	Wed	66,630	71,760	0	32,688	36,300	68,988	-	2,191	0	10.5	10.5	0.00	5,008
12/17/15	Thu	69,889	59,940	0	30,818	31,600	62,418	-	2,038	0	10.7	10.7	0.00	5,331
12/18/15	Fri	69,756	63,160	0	0	31,600	31,600	-	2,218	0	10.9	10.9	0.00	5,805
12/19/15	Sat	81,470	74,970	0	53,930	31,600	85,530	-	1,872	0	10.9	10.9	0.04	5,928
12/20/15	Sun	79,447	79,300	0	34,109	31,500	65,609	-	-	0	11.1	11.1	0.00	7,196
12/21/15	Mon	86,308	77,720	0	32,987	37,700	70,687	-	2,038	0	11.2	11.1	0.80	7,986
12/22/15	Tue	90,826	84,960	0	35,380	37,300	72,680	-	2,218	0	11.2	11.2	0.05	11,556
12/23/15	Wed	84,454	93,250	0	65,525	34,100	99,625	-	2,218	275	11.0	11.0	0.00	8,166
12/24/15	Thu	84,050	82,210	0	16,082	49,900	65,982	-	2,417	0	10.8	10.7	0.05	8,244
12/25/15	Fri	86,117	77,930	0	27,975	47,600	75,575	-	2,640	0	10.5	10.4	0.00	7,071
12/26/15	Sat	114,064	119,970	0	104,047	42,400	146,447	-	2,640	0	10.3	10.3	0.00	4,106
12/27/15	Sun	110,222	113,920	0	52,061	63,800	115,861	-	2,417	0	-	-	0.00	23,889
12/28/15	Mon	110,910	127,170	0	44,207	47,800	92,007	-	2,889	0	10.6	10.6	0.00	27,120
12/29/15	Tue	113,140	117,170	0	86,992	42,400	129,392	-	2,640	0	10.8	10.7	0.00	28,479
12/30/15	Wed	119,870	120,760	0	32,837	60,400	93,237	-	2,889	0	11.0	10.9	0.00	19,664
12/31/15	Thu	102,913	106,560	0	31,940	79,800	111,740	-	-	0	11.0	10.9	0.00	24,758
TOTALS		2,477,658	2,372,070	1,047	1,223,578	1,117,400	2,342,025			550			1.58	275,771
Average		79,924	76,518	34	39,470	36,045	75,549	1,226	1,839	18	11.4	11.3	0.05	8,896
Minimum		59,805	51,500	0	0	23,300	31,600	1,226	878	0	10.2	10.1	0.00	1,922
Maximum		119,870	127,170	1,047	104,047	63,800	146,447	1,226	2,889	275	13.0	12.9	0.80	28,479

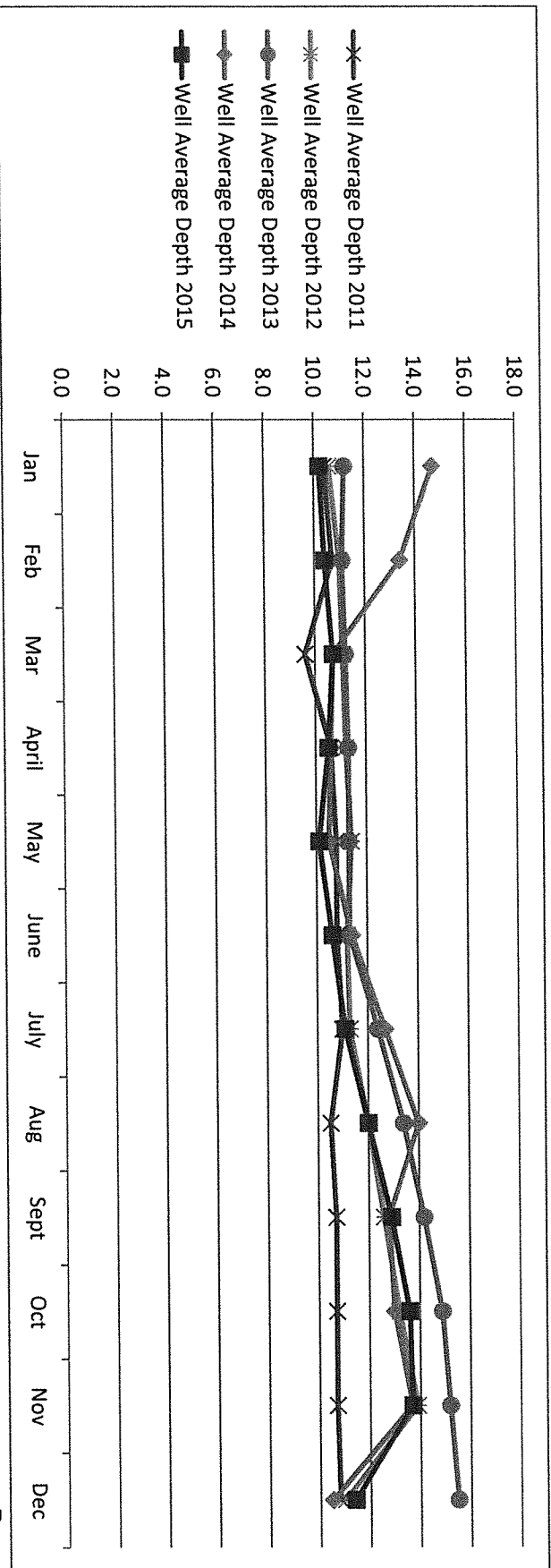
DATA SUMMARY SHEET

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Total for 2015
Wastewater Influent	2,278,607	2,137,631	2,579,655	2,698,683	2,877,973	2,736,511	3,127,790	2,938,940	2,595,828	2,571,859	2,307,432	2,477,658	31,328,567
Wastewater Final Effluent (Month Cycle)	2,078,820	2,179,270	2,419,750	2,596,880	2,551,790	2,563,570	3,045,720	2,846,890	2,488,090	2,464,150	2,283,580	2,372,070	29,890,580
Adjusted Wastewater Influent (- State Flow) *	2,129,329	2,015,656	2,386,629	2,457,477	2,602,675	2,564,762	2,918,658	2,786,097	2,401,062	2,455,246	2,142,924	2,201,887	29,062,402
Water Produced (month cycle)	1,881,724	2,054,121	2,163,830	2,273,769	2,551,727	2,550,830	2,820,558	2,737,380	2,495,573	2,597,276	2,301,928	2,342,025	28,770,740
Sewer Influent/Water Produced Ratio	1.21	1.04	1.19	1.19	1.25	1.07	1.10	1.07	1.04	0.99	1.00	1.06	N/A
Adjusted Sewer/Water Produced Ratio	1.13	0.98	1.10	1.08	1.13	1.01	1.04	1.02	0.96	1.06	0.93	0.94	N/A
Well 1 Water Pumped	446,937	991,526	1,495,126	1,192,985	1,292,469.2	1,525,022	1,519,113	1,391,205	1,311,140	1,186,248	663,103	1,047	13,015,921
Well 2 Water Pumped	772,287	1,030,395	1,048,165	1,169,722	1,259,258	1,025,807	1,301,445	1,346,175	1,184,433	1,411,027	1,514,625	1,223,578	14,286,917
Well 3 Water Pumped	662,500	32,200	0	0	0	0	0	0	0	9100*	124,200	1,117,400	1,936,300
Total Well Production	1,881,724	2,054,121	2,163,830	2,273,769	2,551,727	2,550,830	2,820,558	2,737,380	2,495,573	2,597,276	2,301,928	2,342,025	28,770,740
Water Well 1 Avg Depth to Water	10.2	10.4	10.7	10.5	10.1	10.6	11.1	12.0	12.9	13.6	13.7	13.7	N/A
Water Well 2 Avg Depth to Water	10.2	10.3	10.6	10.5	10.1	10.5	11.0	11.9	12.9	13.5	13.7	11.3	N/A
Average Depth to Water of Both Wells	10.2	10.4	10.7	10.5	10.1	10.6	11.1	12.0	12.9	13.6	13.7	11.4	N/A
Change in Average Depth to Water from 2014	-4.5	-2.9	0.0	-0.1	-0.4	-0.8	-1.6	-2.0	+0.1	+0.6	0.0	+0.9	N/A
Average Chloride mgl at the Wells	844	576	342	268	234	188	169	194	224	346	582	1533	N/A
State Wastewater Treated	149,278	121,975	193,026	241,206	275,298	171,749	209,132	152,843	194,766	116,613	164,508	275,771	2,266,165
State % of Total WW Flow	7%	6%	8%	9%	10%	6%	7%	5%	8%	4%	7%	11%	N/A
Recycled Water Sold (Gallons)	10,710	3,070	6,000	12,945	30,040	65,100	52,250	55,355	53,445	45,015	6,000	6,000	342,690
Biosolids Removal (Gallons)	0	6,000	6,000	6,000	6,000	12,000	6,000	6,000	6,000	6,000	6,000	6,000	72,000
WW Permit Limitation Exceeded	0	0	0	0	0	0	0	1	0	0	0	0	N/A
RW Permit Limitation Exceeded	0	0	0	0	0	0	0	0	0	0	0	0	N/A
Constituent Exceeded	None	None	None	None	None	None	None	Suspended Solids	None	None	None	None	N/A
Sample Limit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	30	N/A	N/A	N/A	N/A	N/A
Sample Result	N/A	N/A	N/A	N/A	N/A	N/A	N/A	36	N/A	N/A	N/A	N/A	N/A

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Total for 2014
Wastewater Influent	2,038,514	2,129,638	2,312,484	2,560,476	2,551,268	2,827,071	3,032,345	2,978,001	2,438,979	2,319,178	2,327,707	2,981,479	30,497,140
Wastewater Final Effluent (Month Cycle)	2,086,860	2,250,320	2,347,710	2,548,090	2,475,100	2,547,800	3,024,620	2,859,870	2,344,990	2,259,290	1,919,400	2,667,890	29,331,940
Adjusted Wastewater Influent (- State Flow) *	1,776,470	1,863,820	1,938,110	2,204,983	2,198,940	2,428,604	2,790,878	2,840,506	2,303,254	2,192,612	2,213,479	2,757,165	27,508,821
Water Produced (month cycle)	1,892,141	1,737,158	1,745,682	1,941,958	2,196,613	2,314,014	2,731,098	2,729,715	2,192,995	2,182,907	1,721,518	1,728,672	25,114,070
Sewer Influent/Water Produced Ratio	1.10	1.23	1.32	1.32	1.16	1.22	1.11	1.09	1.11	1.06	1.35	1.77	N/A
Adjusted Sewer/Water Ratio	0.94	1.10	1.10	1.14	1.00	1.04	1.02	1.04	1.05	1.01	1.29	1.60	N/A
Average Depth of Both Wells	14.7	13.3	10.7	10.6	10.5	11.4	12.7	14.0	12.8	13.0	13.7	10.5	N/A
Average Chloride mgl at the Wells									1036	1964	2776	1965	N/A
Change in Average Well Depth from 2013	+3.4	+2.2	-0.5	-0.7	-0.8	-0.1	+0.3	+0.6	-1.4	-1.9	-1.5	-5.0	N/A
State Wastewater Treated	262,044	265,818	311,282	355,493	352,328	398,467	241,467	137,495	135,725	126,566	114,228	224,314	2,925,227
State % of Total WW Flow	13%	13%	16%	14%	14%	14%	8%	5%	6%	6%	5%	8%	N/A
Recycled Water Sold (Gallons)	0	0	0	125	5785	10420	29555	44145	36080	38705	9080	0	173,895
Biosolids Removal (Gallons)	0	0	12,000	12,000	6,000	6,000	12,000	6,000	6,000	6,000	6,000	6,000	72,000
WW Permit Limitation Exceeded	0	0	0	0	0	0	0	0	0	0	0	0	0
Constituent Exceeded	None	None	None	None	None	None	None	None	None	None	None	None	N/A
Sample Limit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sample Result	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

The formula for calculation of "State % of total WW Flow" compares the State Wastewater Treated to the Wastewater Influent Flow.

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Well Average Depth 2011	10.4	10.7	9.6	10.6	10.8	10.8	11.0	10.5	10.7	10.7	10.7	10.8
Well Average Depth 2012	10.6	11.0	11.1	11.2	11.4	11.2	11.3	12.0	12.6	13.2	13.9	11.0
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



4C. DISTRICT FINANCIALS
Renee Samaniego
December 31, 2015

- **Financial Summary**
- **Balance Sheet**
- **Water Sales & Production**

SAN SIMEON COMMUNITY SERVICES DISTRICT



4C. FINANCIAL SUMMARY

BILLING
December 31, 2015

November Billing Revenue	\$ 58,666.02
December Billing Revenue	\$ 50,569.01
Past Due (31 to 60 days)	\$ 220.41
Past Due (60 days)	\$ 55.70

ENDING BANK BALANCES
December 31, 2015

RABOBANK SUMMARY:
General Checking Account

\$ 4,023.12

Well Rehab Project/USDA Checking Account

\$ 101.05

HERITAGE OAKS BANK:

Summary of Transactions:

	\$ 808,387.97
Interest for November	\$ 207.62
Money Marketing Account Closing Balance December 31, 2015	\$ 808,595.59

Reserve Fund	(\$ 250,000.00)
Hook up Deposits	(\$ 45,750.00)
Available Funds	\$ 512,845.59

General Checking Account	\$ 96,074.74
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LAIF Closing Balance December 31, 2015	\$ 520.30
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SAN SIMEON COMMUNITY SERVICES DISTRICT

Balance Sheet

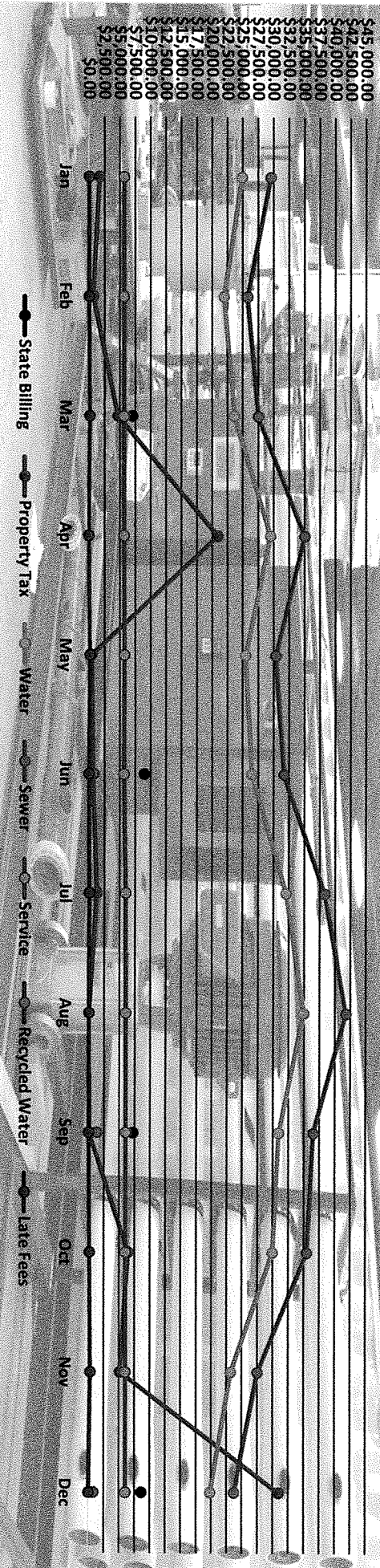
As of December 31, 2015

Dec 31, 15

ASSETS	
Current Assets	
Checking/Savings	
1010 · Petty cash	150.00
1015 · Heritage Oaks- General Checking	96,074.74
1016 · Heritage Oaks-Wellhead	7.34
1017 · Heritage Oaks-Money Market	808,595.59
1020 · General checking	542.77
1022 · USDA checking	100.05
1040 · Cash in county treasury	(3,053.68)
1050 · LAIF - non-restricted cash	520.30
Total Checking/Savings	902,937.11
Other Current Assets	
1200 · Accounts receivable	48,749.03
1300 · Prepaid expenses	3,529.91
Total Other Current Assets	52,278.94
Total Current Assets	955,216.05
Fixed Assets	
1400 · Fixed assets	
1420 · Building and structures	395,874.73
1500 · Equipment	316,747.53
1540 · Major water projects	145,068.22
1560 · Pipe bridge	12,809.71
1580 · Sewer plant	1,488,555.08
1600 · Water system	550,390.00
1620 · WWTP expansion	299,565.92
1630 · Tertiary Project	261,723.62
1640 · Wellhead project	562,969.22
Total 1400 · Fixed assets	4,033,704.03
1650 · Walkway access projects	14,799.00
1660 · RO Unit	51,622.47
1670 · Reservoir	831.50
1680 · Generator	21,319.46
1690 · Accumulated depreciation	(2,089,838.96)
Total Fixed Assets	2,032,437.50
TOTAL ASSETS	2,987,653.55
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2100 · Payroll liabilities	382.50
2500 · Customer security deposits	9,658.13
2510 · Connect hookup wait list	45,750.00
2520 · USDA Loan	572,835.00
Total Other Current Liabilities	628,625.63
Total Current Liabilities	628,625.63
Total Liabilities	628,625.63
Equity	
3200 · Fund balance	2,300,505.95
3900 · Suspense	8,231.76
Net Income	50,290.21
Total Equity	2,359,027.92
TOTAL LIABILITIES & EQUITY	2,987,653.55

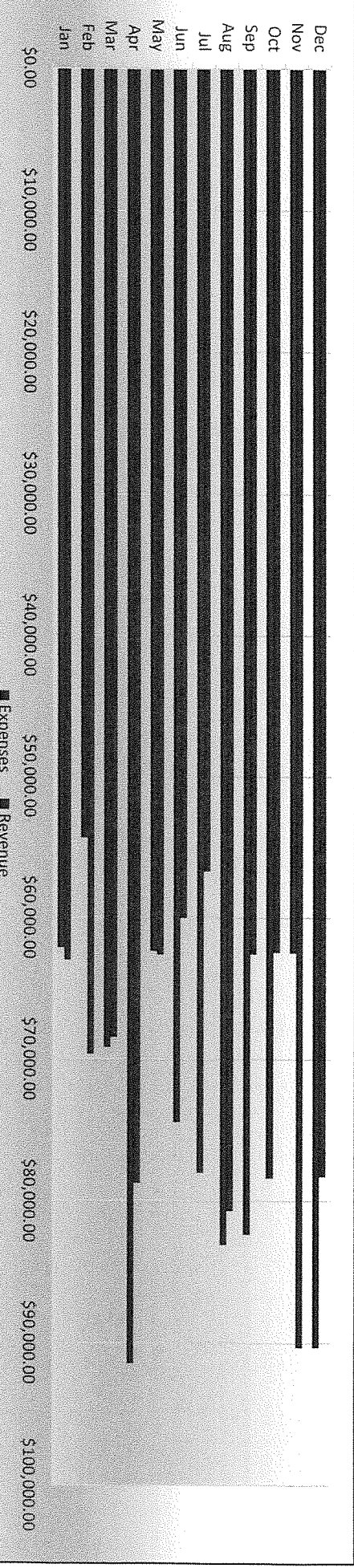
2015 DISTRICT REVENUE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
State Billing			\$7,042.78			\$8,943.33			\$7,200.02			\$8,584.90	\$31,771.03
Property Tax	\$1,698.01	\$680.91	\$4,730.41	\$20,998.8	\$444.16	\$624.12	\$1,299.10	\$78.29	\$89.78	\$6,473.88	\$5,162.73	\$8,584.90	\$73,316.09
Water	\$24,980.7	\$22,031.4	\$23,713.3	\$29,614.9	\$25,535.8	\$26,568.3	\$32,179.3	\$35,048.6	\$31,023.2	\$30,062.5	\$23,260.9	\$19,903.4	\$323,922.31
Sewer	\$29,619.7	\$25,800.7	\$27,563.4	\$35,077.2	\$30,393.1	\$31,702.7	\$38,340.3	\$41,800.7	\$36,517.9	\$35,482.6	\$27,568.6	\$23,716.4	\$383,583.28
Service	\$5,775.1	\$5,747.7	\$5,747.7	\$5,747.70	\$5,802.4	\$5,747.7	\$6,052.8	\$6,081.9	\$6,111.0	\$6,111.0	\$6,111.0	\$6,111.0	\$71,147.01
Recycled Water			\$174.3			\$798.0			\$1,359.8			\$854.1	\$3,186.11
Late Fees	\$78.2	\$106.6	\$194.3	\$19.45	\$192.3	\$47.2	\$118.8	\$71.2	\$72.3	\$239.8	\$386.6	\$99.4	\$1,626.19
Total	\$62,151.65	\$54,367.29	\$69,166.14	\$91,457.99	\$62,367.76	\$74,431.29	\$77,990.37	\$83,080.74	\$82,373.96	\$78,369.81	\$62,489.86	\$90,305.16	\$888,552.02
Water Sold Cu Ft	255324	224325	240675	300989	260697	306222	311247	338869	297896	288860	223460	191579	3240143
Water Sold Acre ft	5.86	5.15	5.53	6.91	5.98	7.03	7.15	7.78	6.84	6.63	5.13	4.40	74.38



REVENUE VS EXPENSES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Revenue	\$62,151.65	\$54,367.29	\$69,166.14	\$91,457.99	\$62,367.76	\$74,434.29	\$77,990.37	\$83,080.74	\$82,373.96	\$78,369.81	\$62,489.86	\$90,305.16	\$888,552.02
Expenses	\$62,999.58	\$69,646.10	\$68,440.42	\$78,744.51	\$62,608.05	\$60,034.80	\$56,735.48	\$80,703.14	\$62,573.67	\$62,460.00	\$90,307.21	\$78,261.91	\$833,514.87
Balance	-\$847.93	-\$15,278.81	\$725.72	\$12,713.48	-\$240.29	\$14,399.49	\$21,254.89	\$2,377.60	\$19,800.29	\$15,909.81	-\$27,817.35	\$12,043.25	\$55,040.15



**SAN SIMEON COMMUNITY SERVICES DISTRICT
DISTRICT REVENUE YEAR END TOTALS**

	2015												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YET
Water	\$24,980.7	\$22,031.4	\$23,713.3	\$29,614.9	\$25,535.8	\$26,568.3	\$32,179.3	\$35,048.6	\$31,023.2	\$30,062.5	\$23,260.9	\$19,903.4	\$323,922.3
Sewer	\$29,619.7	\$25,800.7	\$27,563.4	\$35,077.2	\$30,393.1	\$31,702.7	\$38,340.3	\$41,800.7	\$36,517.9	\$35,482.6	\$27,568.6	\$23,716.4	\$383,583.3
Service	\$5,775.1	\$5,747.7	\$5,747.7	\$5,747.70	\$5,802.4	\$5,747.7	\$6,052.8	\$6,081.9	\$6,111.0	\$6,111.0	\$6,111.0	\$6,111.0	\$71,147.0
Late Fees	\$78.2	\$106.6	\$194.3	\$19.45	\$192.3	\$47.2	\$118.8	\$71.2	\$72.3	\$239.8	\$386.6	\$99.4	\$1,626.2
Recycled Water			\$174.3			\$788.0			\$1,359.8			\$854.1	\$3,186.1
State Billing			\$7,042.78			\$8,943.33			\$7,200.02			\$8,584.90	\$31,771.0
Property Tax	\$1,698.01	\$680.91	\$4,730.41	\$20,998.8	\$444.16	\$624.12	\$1,299.10	\$78.29	\$89.78	\$6,473.88	\$5,162.73	\$31,035.95	\$73,316.1
Total	\$62,151.65	\$54,367.29	\$69,166.14	\$91,457.99	\$62,367.76	\$74,431.29	\$77,990.37	\$83,080.74	\$62,373.96	\$78,369.81	\$62,489.86	\$90,305.16	\$888,552.0

	2014												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YET
Water	\$21,971.3	\$19,076.2	\$16,337.8	\$22,890.1	\$21,881.1	\$25,417.3	\$34,524.9	\$30,347.3	\$26,979.2	\$24,551.7	\$23,063.4	\$16,542.2	\$283,582.3
Sewer	\$25,116.2	\$22,334.7	\$19,215.2	\$27,214.3	\$26,016.0	\$30,425.9	\$41,554.7	\$36,609.6	\$32,364.6	\$29,124.2	\$27,266.3	\$19,555.3	\$336,796.9
Service	\$5,366.4	\$5,366.4	\$5,366.4	\$5,366.4	\$5,392.2	\$5,392.2	\$5,773.5	\$5,747.7	\$5,747.7	\$5,747.7	\$5,775.1	\$5,747.7	\$66,789.4
Late Fees	\$155.8	\$100.4	\$93.9	\$413.6	\$896.4	\$139.2	\$124.0	\$44.8	\$94.8	\$153.1	\$221.7	\$168.2	\$2,605.8
State Billing			\$23,125.64			\$24,891.66			\$9,972.00			\$6,480.49	\$64,469.8
Prop Tax	\$1,327.66	\$1,155.60	\$2,632.24	\$21,054.41	\$912.02	\$195.04	\$1,749.86		\$170.96	\$4,304.07	\$6,305.04	\$30,755.69	\$70,562.6
TOTAL	\$53,937.3	\$48,033.3	\$66,771.3	\$76,938.8	\$55,097.7	\$86,461.2	\$83,726.9	\$72,749.4	\$75,329.2	\$63,880.8	\$62,631.5	\$79,249.6	\$824,806.7

	2013												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YET
Water	\$18,102.6	\$20,631.4	\$17,394.1	\$23,008.4	\$23,384.4	\$29,603.5	\$36,628.9	\$36,833.3	\$28,053.5	\$24,908.9	\$20,549.4	\$17,417.0	\$296,515.5
Sewer	\$20,172.8	\$21,705.5	\$18,903.2	\$25,168.5	\$24,914.3	\$32,350.8	\$40,084.9	\$43,613.3	\$33,179.7	\$29,636.1	\$23,946.3	\$20,191.1	\$333,866.5
Service	\$4,792.3	\$4,769.3	\$4,769.3	\$4,792.3	\$4,815.4	\$4,792.3	\$5,436.9	\$5,366.4	\$5,366.4	\$5,366.4	\$5,366.4	\$5,366.4	\$60,999.8
Late Fees	\$80.3	\$163.5	\$95.6	\$58.8	\$51.7	\$88.3	\$59.8	\$110.4	\$120.6	\$71.4	\$117.4	\$101.1	\$1,118.7
State Billing			\$15,874.60			\$21,090.32			\$27,981.20			\$21,530.45	\$86,476.6
Prop Tax	\$757.44	\$1,473.36	\$3,935.20	\$18,534.56	\$1,963.98	\$141.38	\$8,069.77	\$51.86	\$1,503.31	\$3,859.65	\$5,718.15	\$25,445.32	\$71,454.0
TOTAL	\$43,905.44	\$48,742.98	\$60,971.99	\$71,562.56	\$55,129.68	\$88,066.63	\$90,280.29	\$85,975.29	\$96,204.70	\$63,842.39	\$55,697.70	\$90,051.38	\$850,431.0

	2012												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YET
Water	\$18,368.8	\$17,712.9	\$14,752.5	\$20,943.1	\$19,569.8	\$24,471.6	\$30,164.0	\$31,860.6	\$27,236.4	\$23,180.2	\$19,172.8	\$13,606.3	\$261,038.8
Sewer	\$19,403.2	\$16,370.8	\$15,243.1	\$22,112.6	\$20,266.8	\$25,270.9	\$32,911.6	\$34,733.9	\$29,563.0	\$25,730.9	\$21,158.5	\$14,923.0	\$277,688.4
Service	\$4,251.5	\$4,272.0	\$4,251.5	\$4,251.5	\$4,251.5	\$4,292.4	\$4,792.3	\$4,792.3	\$4,815.4	\$4,815.4	\$4,792.3	\$4,815.4	\$54,393.5
Late Fees	\$509.5	\$66.6	\$177.6	\$204.2	\$268.6	\$195.6	\$106.6	\$170.8	\$131.8	\$94.7	\$1,113.9	\$99.0	\$3,138.8
State Billing			\$12,350.99			\$14,482.23			\$21,846.13			\$18,453.99	\$67,133.34
Prop Tax	\$619.54	\$1,594.90	\$5,291.08	\$18,294.18	\$765.20	\$349.85	\$528.42	\$1,346.94	\$1,576.52	\$3,775.02	\$6,279.23	\$25,525.47	\$65,946.35
TOTAL	\$43,152.57	\$40,017.17	\$52,066.87	\$65,805.54	\$45,121.80	\$69,062.60	\$68,502.96	\$72,904.50	\$85,169.16	\$57,596.18	\$52,516.73	\$77,423.13	\$729,339.21

Historical Water Production and Sales

2015

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year End Total
Water	\$24,980.7	\$22,031.4	\$23,713.3	\$29,614.9	\$25,535.8	\$26,568.3	\$32,179.3	\$35,048.6	\$31,023.2	\$30,062.5	\$23,260.9	\$19,903.4	\$323,922.31
Sewer	\$29,619.7	\$25,800.7	\$27,563.4	\$35,077.2	\$30,393.1	\$31,702.7	\$38,340.3	\$41,800.7	\$36,517.9	\$35,482.6	\$27,568.6	\$23,716.4	\$383,583.28
Service	\$5,775.1	\$5,747.7	\$5,747.7	\$5,747.70	\$5,802.4	\$5,747.7	\$6,052.8	\$6,081.9	\$6,111.0	\$6,111.0	\$6,111.0	\$6,111.0	\$71,147.01
Total	\$60,375.5	\$53,579.8	\$57,024.4	\$70,439.8	\$61,731.3	\$64,018.7	\$76,572.4	\$82,931.3	\$73,652.1	\$71,656.1	\$56,940.5	\$49,730.9	\$778,652.60
Water Sold Cu Ft	255324	224325	240675	300989	260697	306222	311247	338869	297896	288860	223460	191579	3,240,143
Water Sold Acre ft	5.86	5.15	5.53	6.91	5.98	7.03	7.15	7.78	6.84	6.63	5.13	4.40	74.38

2014

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year End Total
Water	\$21,971.3	\$19,076.2	\$16,337.8	\$22,890.1	\$21,881.1	\$25,417.3	\$34,524.9	\$30,347.3	\$26,979.2	\$24,551.7	\$23,063.4	\$16,542.2	\$283,582.31
Sewer	\$25,116.2	\$22,334.7	\$19,215.2	\$27,214.3	\$26,016.0	\$30,425.9	\$41,554.7	\$36,609.6	\$32,364.6	\$29,124.2	\$27,266.3	\$19,555.3	\$336,796.91
Service	\$5,366.4	\$5,366.4	\$5,366.4	\$5,366.4	\$5,392.2	\$5,392.2	\$5,773.5	\$5,747.7	\$5,747.7	\$5,747.7	\$5,775.1	\$5,747.7	\$66,789.37
Total	\$52,453.9	\$46,777.3	\$40,919.4	\$55,470.7	\$53,289.3	\$61,235.3	\$81,853.1	\$72,704.6	\$65,091.5	\$59,423.6	\$56,104.8	\$41,845.2	\$687,168.6
Water Sold Cu Ft	223200	206900	177200	248063	236917	275338	352622	309962	275523	250905	235552	169443	2,961,625
Water Sold Acre ft	5.12	4.75	4.07	5.69	5.44	6.32	8.10	7.12	6.33	5.76	5.41	3.89	67.99

2013

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year End Total
Water	\$18,102.6	\$20,631.4	\$17,394.1	\$23,008.4	\$23,384.4	\$29,603.5	\$36,628.9	\$36,833.3	\$28,053.5	\$24,908.9	\$20,549.4	\$17,417.0	\$296,515.50
Sewer	\$20,172.8	\$21,705.5	\$18,903.2	\$25,168.5	\$24,914.3	\$32,350.8	\$40,084.9	\$43,613.3	\$33,179.7	\$29,636.1	\$23,946.3	\$20,191.1	\$333,866.47
Service	\$4,792.3	\$4,769.3	\$4,769.3	\$4,792.3	\$4,815.4	\$4,792.3	\$5,436.9	\$5,366.4	\$5,366.4	\$5,366.4	\$5,366.4	\$5,366.4	\$60,999.78
Total	\$43,067.8	\$47,106.2	\$41,066.6	\$52,969.2	\$53,114.0	\$66,746.6	\$82,150.7	\$85,813.0	\$66,599.6	\$59,911.4	\$49,862.2	\$42,974.5	\$691,381.8
Water Sold Cu Ft	220059	216680	209256	285145	279529	354134	373741	396714	303256	269689	222002	188500	3,318,705
Water Sold Acre ft	5.05	4.97	4.80	6.55	6.42	8.13	8.58	9.11	6.96	6.19	5.10	4.33	76.19

2012

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year End Total
Water	\$18,368.8	\$17,712.9	\$14,752.5	\$20,943.1	\$19,569.8	\$24,471.6	\$30,164.0	\$31,860.6	\$27,236.4	\$23,180.2	\$19,172.8	\$13,606.3	\$261,038.80
Sewer	\$19,403.2	\$16,370.8	\$15,243.1	\$22,112.6	\$20,266.8	\$25,270.9	\$32,911.6	\$34,733.9	\$29,563.0	\$25,730.9	\$21,158.5	\$14,923.0	\$277,688.41
Service	\$4,251.5	\$4,272.0	\$4,251.5	\$4,251.5	\$4,251.5	\$4,292.4	\$4,792.3	\$4,792.3	\$4,815.4	\$4,815.4	\$4,792.3	\$4,815.4	\$54,393.48
Total	\$42,023.5	\$38,355.7	\$34,247.2	\$47,307.2	\$44,088.1	\$54,034.9	\$67,867.9	\$71,386.8	\$61,614.7	\$53,726.5	\$45,123.6	\$33,344.7	\$593,120.7
Water Sold Cu Ft	248582	228987	201323	285397	264824	329516	361479	380540	324880	279621	232827	166658	3,300,634
Water Sold Acre ft	5.71	5.19	4.62	6.55	6.08	7.56	8.30	8.74	7.46	6.42	5.34	3.80	75.77

2011

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year End Total
Water	\$14,079.9	\$14,436.8	\$14,580.3	\$15,978.4	\$17,181.9	\$20,045.1	\$29,080.9	\$30,541.4	\$24,905.3	\$23,664.7	\$18,603.5	\$18,224.2	\$241,322.4
Sewer	\$14,010.9	\$14,599.5	\$13,759.0	\$16,248.7	\$17,077.0	\$20,232.7	\$30,694.0	\$32,170.1	\$26,341.4	\$24,926.1	\$19,583.4	\$19,169.6	\$248,812.4
Service	\$3,820.5	\$3,838.8	\$3,802.2	\$3,802.2	\$3,820.5	\$3,802.2	\$4,272.0	\$4,231.1	\$4,251.5	\$4,251.5	\$4,272.0	\$4,272.0	\$48,416.1
Total	\$31,911.3	\$32,875.1	\$32,141.5	\$36,029.3	\$38,079.4	\$44,080.0	\$64,046.8	\$66,942.6	\$55,498.2	\$52,842.4	\$42,438.4	\$41,665.8	\$558,550.8
Water Sold Cu Ft	216577	220129	214084	243460	269171	304596	394069	413435	337511	319681	252605	247832	3,433,150
Water Sold In acre	4.97	5.05	4.91	5.59	6.18	6.99	9.05	9.49	7.75	7.34	5.80	5.69	78.81

Historical Water Production and Sales

Month	2010												Year End Total
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Water	\$14,655.9	\$12,301.9	\$12,308.1	\$17,354.2	\$16,361.6	\$23,235.2	\$23,422.1	\$24,495.2	\$24,323.5	\$18,281.7	\$17,712.1	\$13,309.5	\$217,760.9
Sewer	\$14,474.7	\$12,023.6	\$11,960.2	\$17,100.5	\$15,949.3	\$22,296.5	\$21,589.4	\$22,706.9	\$22,330.6	\$16,837.1	\$17,839.7	\$13,259.2	\$208,367.6
Service	\$3,498.7	\$3,498.7	\$3,481.9	\$3,498.7	\$3,498.7	\$3,481.9	\$3,835.7	\$3,820.5	\$3,802.2	\$3,802.2	\$3,802.2	\$3,857.1	\$43,878.5
Total	\$32,629.3	\$27,824.2	\$27,750.2	\$37,953.3	\$35,809.5	\$49,013.6	\$48,847.2	\$51,022.6	\$50,456.4	\$38,921.0	\$39,354.1	\$30,425.7	\$470,007.0
Water Sold Cu Ft	245098	206476	206159	292035	272744	384783	370034	403035	381961	302816	275704	203414	3544259
Water Sold in acre	5.63	4.74	4.73	6.70	6.26	8.83	8.49	9.25	8.77	6.95	6.33	4.67	81.37

2009

Month	2009												Year End Total
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Water	\$12,916.2	\$11,164.3	\$10,891.2	\$14,675.1	\$15,113.9	\$15,565.2	\$18,173.0	\$18,627.8	\$16,595.1	\$15,204.0	\$11,089.7	\$11,820.6	\$171,836.0
Sewer	\$12,090.7	\$10,358.4	\$10,180.4	\$13,537.1	\$13,664.3	\$14,237.7	\$17,131.8	\$17,715.1	\$16,373.1	\$15,130.5	\$10,808.6	\$11,430.7	\$162,658.4
Service	\$3,027.0	\$3,012.3	\$3,012.3	\$3,056.4	\$3,041.7	\$3,041.7	\$3,208.9	\$3,210.2	\$3,495.9	\$3,465.2	\$3,481.9	\$3,515.4	\$38,569.0
Total	\$28,033.9	\$24,535.0	\$24,083.8	\$31,268.5	\$31,819.9	\$32,844.6	\$38,513.8	\$39,553.2	\$36,464.1	\$33,799.7	\$25,380.2	\$26,766.7	\$373,063.3
Water Sold Cu Ft	246690	223112	207332	288896	289767	293166	338115	340942	280448	254487	185365	200865	3149185
Water Sold in acre	5.66	5.12	4.76	6.63	6.65	6.73	7.76	7.83	6.44	5.84	4.26	4.61	72.30

5. ITEMS OF BUSINESS

A. Approval of last month's minutes – December 09, 2015.

B. Approval of Disbursements Journal(s) – January 20, 2016.

- General Checking Account
- USDA Grant Account

MINUTES
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
Wednesday, December 09, 2015
6:00 pm

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

1. REGULAR SESSION: @ 6:03 PM

A. Roll Call:

Chairperson McAdams -present
Vice-Chair Fields - present
Director Williams - present
Director Patel – present
Director Price - present

General Manager, Charles Grace
District Counsel, Heather Whitham
Commander Taylor
Travis Hole from Moss, Levy & Hartzheim

B. Pledge of Allegiance

2. PUBLIC COMMENT: None

A. Sheriff's Report for November.

There were 56 calls for service during the month of November. Such calls were 27 traffic stops by deputies, 1 pedestrian contact, 2 incomplete 911 calls, and 5 arrests. The arrests were; 1 woman refusing to leave the San Simeon Bar and Grill during closing, 1 stolen vehicle, 2 possession of methamphetamines, and 1 drunk in public.

B. Is there any Public comment on Sheriff's Report: None

3. BOARD PRESENTATIONS AND ANNOUNCEMENTS: None

4. STAFF REPORTS

A. General Manager's Report

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

During the month of November, Staff performed meter reading, prepared the District Newsletter and distributed water billing. Staff responded to several residential calls regarding falling trees and street gutter clearing during the rain event. District staff and Phoenix Engineering have been working with Madonna Construction on the Wellhead Treatment Project.

2. Wellhead Treatment system project update.

Madonna Construction broke ground November 9 to find several obstacles in the way of the project foundation and pad. As a result, the project will sit 5 feet east of the original location in turn causing the relocation of the brine storage tank and storage shed. In addition, PG&E dictated an overhead electric utility drop versus the underground electric utility connection as previously discussed and designed.

3. Integrated Regional Water Management (IRWM)/Water Resources Advisory Council (WRAC) Grant for Wellhead Treatment systems project update.

Staff attended the December IRWM meeting regarding the grant that the District has received. At this time, the Department of Water Resource Agency (DWR) had not updated the County on the Grant. The amount the District is to receive will be determined later on this month. As described during last month's meeting, only 75% of the amount requested was awarded to San Luis Obispo County, therefore no grant recipient will receive the full amount requested.

As per the agreement between the District and Carollo Associates regarding the grant writing costs, there is a possibility that the State will absorb the costs. The County is currently looking into that matter. At this time, Carollo has not submitted their final costs for their portion of the County grant writing.

4. Notice of Violation from California Coastal Commission (CCC) regarding Wastewater Treatment Plant Rip Rap installation update.

The CCC requested submittal of the "After the Fact" Coastal Development Permit (CDP) with existing studies. The CCC also requested information on the public access projects (San Simeon Avenue Pathway and Pico Avenue Stairs) to be included in the submittal. The CDP has been assembled and will be submitted during the week of December 13.

B. Superintendent's Report

1. Wastewater Treatment Plant

- All sampling, testing and reporting at the wastewater treatment plant and the recycled water facility was performed as required by the RWQCB.
- The Return Activated Sludge and Waste Activated Sludge piping at the WWTP was resurfaced and the same epoxy and polyurethane that is used on the pipe bridge was applied.
- One load of sludge was hauled away this month.

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).
- Monthly water meter reading was performed.
- Well #3 was put into production on November 27th to blend down the rising chloride content in the aquifer. High tides and high surf contributed to the sudden rise of chloride in the last week of the month.
- Chloride levels are monitored throughout the system.

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.

C. Update on Monthly Financial Status for close of business November 30, 2015.

October Billing Revenue	\$ 71,895.93
November Billing Revenue	\$ 58,666.02
Past Due (31 to 60 days)	\$ 228.78
Past Due (60 days)	\$ 0.00

ENDING BANK BALANCES: November 30, 2015

RABOBANK SUMMARY:

General Checking Account	\$ 4,223.12
Well Rehab Project/USDA Checking Account	\$ 101.05

HERITAGE OAKS BANK:

Summary of Transactions:

	\$ 808,221.88
Interest for November	\$ 166.09
Money Marketing Account Closing Balance November 30, 2015	\$ 808,387.97

Reserve Fund	(\$ 250,000.00)
Hook up Deposits	(\$ 45,750.00)
Available Funds	\$ 512,637.97

General Checking Account	\$ 95,051.38
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LAIF Closing Balance November 30, 2015	\$ 520.30
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D. District Counsel's Report – Summary of November activities

- District Counsel provided the District with the Ultura Litigation Memo.
- Discussions and review of Grace Environmental contract have begun.
- Staff was assisted with preparation of this month's agenda.

5. ITEMS OF BUSINESS

A. Approval of last month's minutes – November 11, 2015.

A motion was made to approve the November regular meeting minutes as presented.

Motion by: Vice-Chair Fields

Second By: Director Williams

All in favor: 5 / 0

B. Approval of General Checking Disbursements Journal– December 09, 2015.

A motion was made to approve the disbursements journal from the District's general checking account.

Motion by: Director Price

Second By: Chairperson McAdams

All in favor: 5 / 0

Note; change Nossaman check memo to: CCC Rip Rap NOV.

C. Approval of USDA Grants Funds Disbursements Journal – December 09, 2015.

A motion was made to approve the disbursements journal from the USDA Grant checking account.

Motion by: Director Williams

Second By: Director Patel

All in favor: 4 Approved, 1 Opposed; Director Fields

6. DISCUSSION/ACTION ITEMS

A. Board discussion/review of Draft Audit 2014-2015 presented by Travis Hole from Moss, Levy & Hartzheim, LLP.

The 2014-2015 Draft Audit was distributed for review during the month of November. There are still a few items that the General Manager and Travis Hole are working on to improve the document. At this time, the Auditor Travis Hole, and Staff would like to hear any comments, questions or corrections the Board or the Public may have prior to potentially finalizing the Audit during the January Board Meeting.

There was no public comment or questions. Director Williams asked about the difference in interest payments made in 2014 to 2015. Difference was that only one payment was made towards the USDA loan in 2014, whereas there were two payments in 2015.

The final draft will be brought back to the Board for approval at the January 2016 meeting.

B. Consideration of approval of additional funds to Phoenix Civil Engineering for Wellhead Treatment Project Design and Construction, increasing the original contracted amount of \$24,011.25 to \$31,734.

In consideration of the impact of the reverse osmosis unit (RO) official submittal drawings, the increase in SCADA equipment needs, the building being made a definitive part of the project, and PG&E changing from an underground service to an overhead service, additional engineering and construction observation are necessary. Staff recommends approval of the attached Phoenix Engineering Additional Services Proposal.

A motion was made to approve the additional funds to Phoenix Civil Engineering for Wellhead Treatment Project Design and Construction, increasing the original contracted amount of \$24,011.25 to \$31,734.

Motion by: Chairperson McAdams

Second By: Vice-Chair Fields

All in favor: 5 / 0

C. Consideration of approval of additional funds to IRJ Engineering for Wellhead Treatment Project Electrical Design, increasing the original contracted amount of \$8,500 to \$13,850.

Given the impact of the RO official submittal drawings and the change by PG&E from underground electric utility service to an overhead electrical utility service, IRJ Engineering is requesting a revision in their scope of work to include the tasks identified on the attached added services proposal. Staff recommends approval of the attached IRJ added services proposal.

A motion was made to approve the additional funds to IRJ Engineering for Wellhead Treatment Project Electrical Design, increasing the original contracted amount of \$8,500 to \$13,850.

Motion by: Director Price

Second By: Chairperson McAdams

All in favor: 5 / 0

7. Oral Reports from Committee Members. None

8. Oral Reports from Board Members on current issues. None

9. Requests from Board members to receive feedback, direct staff to prepare information, and/or request a formal agenda report be prepared and the item placed on a future agenda.

Vice-Chair Fields requested the Staff contact PG&E regarding a street light outage on Castillo Drive, pole #10.

10. ADJOURNMENT @6:52 PM

SAN SIMEON COMMUNITY SERVICES DISTRICT
General Checking Disbursements Journal
January 20, 2016

Type	Date	Num	Name	Memo	Amount	Balance
				Beginning Balance		\$96,074.74
Paycheck	01/01/2016	1052	ALAN FIELDS	Monthly Board Service	\$92.35	\$95,982.39
Paycheck	01/01/2016	1053	DAN WILLIAMS	Monthly Board Service	\$92.35	\$95,890.04
Paycheck	01/01/2016	1054	KAUSHIK S PATEL	Monthly Board Service	\$92.35	\$95,797.69
Paycheck	01/01/2016	1055	LEROY E PRICE	Monthly Board Service	\$92.35	\$95,705.34
Paycheck	01/01/2016	1056	RALPH N MCADAMS	Monthly Board Service	\$92.35	\$95,612.99
Bill Pmt	01/01/2016	1040	CALPERS	Health Premium Jan, Feb Mar 2016	\$996.16	\$94,616.83
Bill Pmt	01/01/2016	1041	Carmel & Nacassha. LLP	December Legal Services	\$1,800.00	\$92,816.83
Bill Pmt	01/01/2016	1042	Earth Systems Pacific, Inc.	RO Project. (soil testing, monitoring)	\$1,686.50	\$91,130.33
Bill Pmt	01/01/2016	1043	Grace Environmental	Operations & Management Jan 2016	\$47,762.00	\$43,368.33
Bill Pmt	01/01/2016	1044	I.R.J. Engineers Inc.	RO Electric Eng. Design	\$3,812.50	\$39,555.83
Bill Pmt	01/01/2016	1045	MICHAEL O'NEILL	Monthly maintenance fee	\$320.00	\$39,235.83
Bill Pmt	01/01/2016	1046	North Coast Tree Service	Pico Ave Pines, Avonne Eucalyptus	\$2,000.00	\$37,235.83
Bill Pmt	01/01/2016	1047	Nossaman LLP	Rip Rap Litigation	\$6,658.53	\$30,577.30
Bill Pmt	01/01/2016	1048	OLIVEIRA ENVIRONMENTAL	Rip Rap	\$2,932.50	\$27,644.80
Bill Pmt	01/01/2016	1049	Phoenix Civil Engineering, Inc	RO System Construction Mgmt.	\$5,045.75	\$22,599.05
Bill Pmt	01/01/2016	1050	Robert Stilts, CPA	December Bookkeeping	\$1,200.00	\$21,399.05
Bill Pmt	01/01/2016	1051	San Simeon Ranch	Well 3 Water Usage, November	\$320.66	\$21,078.39
Bill Pmt	01/01/2016	1057	CALPERS	Unfunded Liability (Dec. remaining)	\$7.75	\$21,070.64
Bill Pmt	01/01/2016	1058	County of San Luis Obispo	Cross Connection Adm.	\$180.70	\$20,889.94
Bill Pmt	01/01/2016	1059	SLO Air Pollution Control District	Permits for Generators (Wells and Plant)	\$1,832.00	\$19,057.94
Bill Pmt	01/01/2016	1060	San Simeon Ranch	Well 3 Water Usage, December	\$1,076.81	\$17,981.13
Bill Pmt	01/01/2016	1061	SWRCB	Recycled Water Permit 2016	\$168.30	\$17,812.83
Total					\$78,261.91	\$17,812.83

SAN SIMEON COMMUNITY SERVICES DISTRICT
 USDA GRANT CHECKING
 Account Disbursements Journal
 January 20, 2016

Type	Date	Num	Name	Memo	Amount	Balance
					Beginning Balance	\$250,726.34
Payment	1/20/2016	8003	Wigen Water Technologies	2nd progress payment	\$157,753.71	\$92,972.63
Payment	1/20/2016	8004	John Madonna Construction	Nov 10 to Dec 20 Const.	\$92,965.31	\$7.32
					\$250,719.02	\$7.32

6. DISCUSSION & ACTION ITEMS

- A. Board Vote on Appointment of Board Chair and Vice Chair for the 2016 Calendar Year.**
- B. Board Consideration of Approval of the District's Financial Audit of 2014-2015.**
- C. Board Consideration of Nomination of a Local Agency Formation Commission (LAFCO) Representative.**
- D. Consideration of Approval of Agreement with the County for Cross-Connection Inspection Services.**
- E. Board Consideration of Approval of a Professional Services Agreement with Grace Environmental Services (GES) for Management, Operation and Maintenance of the District.**

6. DISCUSSION/ACTION ITEMS

January 20, 2016

A. Board Vote on Appointment of Board Chair and Vice Chair for the 2016 Calendar Year.

The Chairperson and Vice Chairperson terms have expired. Staff is requesting nominations and acceptance from the SSCSD Board for the positions of Chairperson and Vice Chairperson for the 2016 calendar year.

B. Board Consideration of Approval of the District's Financial Audit of 2014-2015.

Staff attached the Draft 2014-2015 District Audit to the December Board packet for Board review and comment. Travis Hole, from Moss, Levy & Hartzheim was present at the December meeting to address any questions Staff or the Board may have had prior to finalizing the Audit. Comments were noted and given to the Auditors for review/response.

Staff has worked with the Auditors regarding all comments. Attached is the updated final version of the 2014-2015 Audit. Staff recommends approval of the attached 2014-2015 final Audit from Moss, Levy & Hartzheim.

C. Board Consideration of Nomination of a Local Agency Formation Commission (LAFCO) Representative.

At this time LAFCO is looking for one new member. This is a non-paid position from LAFCO or the SSCSD. There is reimbursement for travel and a small per diem per meeting from LAFCO. There is one meeting a month that must be attended in SLO plus preparation for and attendance of one annual conference. The LAFCO representative represents the whole County and not the District. Nomination forms and statement of qualifications need to be turned in by January 29th. If the Board is interested in nominating a Board Member as a LAFCO Representative, a motion should be made at this time.

It should also be mentioned that there is a current Alternate Representative in place that has the option to fill the seat. The Board will also need to nominate a board member or District Staff member to represent the District at the next Annual LAFCO meeting on February 19, at 5:00 PM to vote on the nominees. Attendance is not mandatory but requested.

D. Board Consideration of Approval of Agreement with the County for Cross-Connection Inspection Services.

Attached in the Board packet is the County Cross Connection contract for yearly services. Staff has looked into alternate possibilities for maintaining the Cross Connection program. Per the State, the responsible party must have over 3 years of experience in servicing backflow devices and also must be backflow certified. Because of the high costs of testing provided by certified entities, the County initiated the program such that one person oversees the whole County to keep all Districts' and City costs to a minimum.

Staff recommends approval of the County Cross Connection Inspection Services contract.

E. Board Consideration of Approval of a Professional Services Agreement with Grace Environmental Services (GES) for Management, Operation and Maintenance of the District.

Attached is the Professional Services Agreement outlining terms and conditions of professional services to be delivered by Grace Environmental Services, LLC. The terms and conditions replicate the current and actual services typically provided to the San Simeon CSD.

SAN SIMEON COMMUNITY SERVICES DISTRICT

FINANCIAL STATEMENTS

June 30, 2015

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SAN SIMEON COMMUNITY SERVICES DISTRICT
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June 30, 2015

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Schedule of Revenues and Expenses by Function for the Fiscal Year Ended June 30, 201415

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INTRODUCTORY SECTION

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Board of Directors

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Ralph McAdams	Chairperson	2018
Alan Fields	Vice-Chairperson	2016
Daniel Williams	Director	2016
Leroy Price	Director	2016
Ken Patel	Director	2018

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FINANCIAL SECTION

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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, 2015, 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 San Simeon Community Services District, as of June 30, 2015, and the respective 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 14 and 15 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of revenues, expenses, and changes in net position by function is the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of revenues, expenses, and changes in net position by function are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated XXXXXX, 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, 2014, and our report dated February 1, 2015, 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, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Santa Maria, California
XXXXXX

SAN SIMEON COMMUNITY SERVICES DISTRICT
STATEMENT OF NET POSITION-PROPRIETARY FUND
 June 30, 2015
 with Comparative Totals for June 30, 2014

ASSETS	2015	2014
Current Assets:		
Petty cash	\$ 150	\$ 150
Cash and investments	860,691	785,526
Restricted cash and investments	100	20,266
Cash in escrow		72,264
Accounts receivable	70,355	85,822
Prepaid expenses	156	7,123
Total current assets	931,452	971,151
Capital Assets:		
Non-depreciable:		
Construction in progress	31,254	11,511
Depreciable:		
Sewer plant	2,056,619	2,030,781
Water plant	1,140,431	1,118,700
Building	395,874	395,874
Equipment	316,748	316,748
Less: Accumulated depreciation	(2,036,639)	(1,956,839)
Net capital assets	-1,904,287	1,916,775
Total assets	2,835,739	2,887,926
LIABILITIES		
Current Liabilities:		
Accounts payable	337	17,350
Customer deposits	55,608	53,828
Long-Term Liabilities		
Current portion of long term payable	7,281	7,085
Total current liabilities	63,226	78,263
Long-Term Liabilities		
Loan payable	476,653	483,934
Total long-term liabilities	476,653	483,934
Total Liabilities	539,879	562,197
NET POSITION		
Net investment in capital assets	1,420,353	1,498,020
Restricted for:		
Capital projects	100	20,266
Debt service	21,000	2,069
Depreciation reserve		5,000
Unrestricted	854,407	800,374
Total net position	\$ 2,295,860	\$ 2,325,729

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, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

	2015	2014
Operating Revenues:		
Utility sales	\$ 685,986	\$ 633,309
Service charges	79,546	64,519
State of CA-Dept of Parks and Recreation	23,495	97,529
	<u>789,027</u>	<u>795,357</u>
Operating Expenses:		
Contract labor	600,097	503,866
Depreciation	79,800	86,859
Legal and professional	98,081	90,818
Repairs and maintenance	20,818	10,604
Emergency water stand-by	21,962	
Utilities and telephone		2,409
Bookkeeping	14,400	16,434
Licenses and permits	13,865	20,877
Insurance	6,967	6,350
Directors' fees	5,500	5,800
Health insurance	8,262	9,763
Website	3,570	3,025
Dues and subscriptions	2,693	1,968
Office expenses	1,421	306
Election expense	250	
Bank fees	20	349
Interest expense	13,605	1,364
Other expense	100	56
	<u>891,411</u>	<u>760,848</u>
Net operating gain (loss)	<u>(102,384)</u>	<u>34,509</u>
Non-Operating Revenues (Expenses):		
Property taxes	74,721	69,764
Interest income	1,687	1,633
Tax administration fee	(1,414)	(1,606)
LAFCO budget allocation	(2,479)	
Miscellaneous income		518
	<u>72,515</u>	<u>70,309</u>
Changes in net position	<u>(29,869)</u>	<u>104,818</u>
Net position - beginning of fiscal year	<u>2,325,729</u>	<u>2,220,911</u>
Net position - end of fiscal year	<u>\$ 2,295,860</u>	<u>\$ 2,325,729</u>

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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, 2015

With Comparative Totals for the Fiscal Year Ended June 30, 2014

	<u>2015</u>	<u>2014</u>
Cash Flows From Operating Activities:		
Receipts from customers and users	\$ 806,274	\$ 794,876
Payments to suppliers	(807,895)	(670,662)
Payments to employees	(13,762)	(15,563)
Net cash provided (used) by operating activities	<u>(15,383)</u>	<u>108,651</u>
Cash Flows from Capital and Related Financing Activities:		
Purchase of capital assets	(67,312)	(408,198)
Proceeds from borrowing		500,000
Repayment of loan	(7,085)	(8,981)
Net cash provided (used) by capital and related financing activities	<u>(74,397)</u>	<u>82,821</u>
Cash Flows from Noncapital Financing Activities:		
Property taxes	74,721	69,764
Miscellaneous revenues		518
Tax administration fee	(1,414)	(1,606)
LAFCO budget allocation	(2,479)	
	<u>70,828</u>	<u>68,676</u>
Cash Flows from Investing Activities:		
Investment income	1,687	1,633
Net cash provided (used) by investing activities	<u>1,687</u>	<u>1,633</u>
Net increase (decrease) in cash and cash activities	(17,265)	261,781
Cash and cash equivalents, beginning of fiscal year	878,206	616,425
Cash and cash equivalents, end of fiscal year	<u>\$ 860,941</u>	<u>\$ 878,206</u>
Reconciliation to Statement of Net Position		
Petty cash	\$ 150	\$ 150
Cash and investments	860,691	785,526
Restricted cash and investments	100	20,266
Cash in escrow		72,264
	<u>\$ 860,941</u>	<u>\$ 878,206</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating gain/(loss)	\$ (102,384)	\$ 34,509
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	79,800	86,859
Change in Operating Assets and Liabilities:		
(Increase) decrease in accounts receivable	15,467	(381)
(Increase) decrease in prepaid expenses	6,967	(616)
Increase (decrease) in accounts payable	(17,013)	13,380
Increase (decrease) in customer deposits	1,780	(100)
Increase (decrease) in contingency		(25,000)
Net cash provided (used) by operating activities	<u>\$ (15,383)</u>	<u>\$ 108,651</u>

See accompanying notes to basic financial statements.

SAN SIMEON COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

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 and No. 61.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Accounting Policies - The accounting policies of the District conform with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).
- B. Basis of Accounting - The District is organized as an Enterprise Fund and follows the accrual method of accounting, whereby revenues are recorded as earned, and expenses are recorded when incurred.
- C. Budget - Although a budget is adopted annually, it is used primarily as a guideline for the Board in regulating expenditures. There is no legal requirement to stay within the adopted budget in the payment or classification of expenditures.
- D. Cash and Cash Equivalents - Cash and cash equivalents consist of cash on hand and in banks and short-term, highly liquid investments with a maturity of three months or less, which include money market funds, cash management pools in County Treasury and the state Local Agency Investment Fund (LAIF). Cash held in the county and state pooled funds is carried at cost, which approximates fair value. Interest earned is deposited quarterly into the participant's fund. Any investment losses are proportionately shared by all funds in the pool. The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the County are either secured by federal depository insurance or are collateralized.
- E. Property, Plant and Equipment - Capital assets purchased by the District are recorded at cost. Contributed or donated capital assets are recorded at fair value when acquired.
- F. Depreciation - Capital assets purchased by the District are depreciated over their estimated useful lives (ranging from 5-50 years) under the straight-line method of depreciation.
- G. Receivables - The District did not experience any significant bad debt losses; accordingly, no provision has been made for doubtful accounts, and accounts receivable is shown at full value.
- H. Encumbrances - Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized by the District.
- I. Customer Deposits - Customer deposits are recorded as a liability of the District. The District requires an advance deposit of \$50 for new customers.
- J. Net Position - GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

SAN SIMEON COMMUNITY SERVICES DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2015

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.

NOTE 3 - CASH AND INVESTMENTS

Investments are carried at fair value. On June 30, 2015, the District had the following cash and temporary investments on hand:

Petty cash	\$	150
Cash in bank		860,273
Investments		518
Total cash and investments	\$	860,941

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.

SAN SIMEON COMMUNITY SERVICES DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2015

NOTE 3 – CASH AND INVESTMENTS (Continued)

<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
County Pooled Investment Fund	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
State Registered Warrants, Notes or Bonds	N/A	None	None
Notes and Bonds for other Local California Agencies	5 years	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months Or Less</u>	<u>13-24 Months</u>	<u>25-60 Months</u>	<u>More than 60 Months</u>
LAIF	\$ 518	\$ 518	\$ -	\$ -	\$ -
Total	\$ 518	\$ 518	\$ -	\$ -	\$ -

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 on the next page, 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>
LAIF	\$ 518	N/A	\$ -	\$ -	\$ -	\$ 518
Total	\$ 518		\$ -	\$ -	\$ -	\$ 518

SAN SIMEON COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 3 – CASH AND INVESTMENTS (Continued)

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 be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

None of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

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.

SAN SIMEON COMMUNITY SERVICES DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2015

NOTE 4 - SCHEDULE OF CAPITAL ASSETS

A schedule of changes in capital assets and depreciation for the fiscal years ended June 30, 2015, and June 30, 2014, are shown below:

	Balance July 1, 2014	Additions	Deletions	Transfers	Balance June 30, 2015
Non-depreciable capital assets:					
Construction in progress	\$ 11,511	\$ 19,743	\$ -	\$ -	\$ 31,254
Total non-depreciable capital assets	\$ 11,511	\$ 19,743	\$ -	\$ -	\$ 31,254
Depreciable capital assets:					
Sewer plant	\$ 2,030,781	\$ 25,838	\$ -	\$ -	\$ 2,056,619
Water plant	1,118,700	21,731			1,140,431
Building	395,874				395,874
Equipment	316,748				316,748
	3,862,103	47,569			3,909,672
Accumulated depreciation	1,956,839	79,800			2,036,639
Total depreciable capital assets	\$ 1,905,264	\$ (32,231)	\$ -	\$ -	\$ 1,873,033
Net capital assets	\$ 1,916,775	\$ (12,488)	\$ -	\$ -	\$ 1,904,287
DRAFT					
	Balance July 1, 2013	Additions	Deletions	Transfers	Balance June 30, 2014
Non-depreciable capital assets:					
Construction in progress	\$ 26,555	\$ 408,198	\$ -	\$ (423,242)	\$ 11,511
Total non-depreciable capital assets	\$ 26,555	\$ 408,198	\$ -	\$ (423,242)	\$ 11,511
Depreciable capital assets:					
Sewer plant	\$ 2,030,781	\$ -	\$ -	\$ -	\$ 2,030,781
Water plant	695,458			423,242	1,118,700
Building	395,874				395,874
Equipment	316,748				316,748
	3,438,861			423,242	3,862,103
Accumulated depreciation	1,869,980	86,859			1,956,839
Total depreciable capital assets	\$ 1,568,881	\$ (86,859)	\$ -	\$ 423,242	\$ 1,905,264
Net capital assets	\$ 1,595,436	\$ 321,339	\$ -	\$ -	\$ 1,916,775

Depreciation expense for the fiscal years ended June 30, 2015 and 2014 was \$79,800 and \$86,859, respectively. Additions to construction in progress for the year ended June 30, 2015 consisted mainly of expenses related to the RO unit.

NOTE 5 - CUSTOMER DEPOSITS

The liability for customer deposits consists of the following as of June 30, 2015 and 2014:

	2015	2014
Hook-Up deposits	\$ 45,750	\$ 43,520
Customer meter deposits	9,858	10,308
	\$ 55,608	\$ 53,828

SAN SIMEON COMMUNITY SERVICES DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2015

NOTE 5 – CUSTOMER DEPOSITS (Continued)

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 – LOANS 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. As of June 30, 2015, the remaining \$72,264 was drawn out, and the District is required to make semi-yearly payments of \$10,345. Future minimum payments are as follows:

Fiscal year Ended June 30,	Principal	Interest	Total
2016	\$ 7,281	\$ 13,409	\$ 20,690
2017	7,483	13,207	20,690
2018	7,690	13,000	20,690
2019	7,902	12,788	20,690
2020	8,121	12,569	20,690
2021-2025	44,108	59,342	103,450
2026-2030	50,564	52,886	103,450
2031-2035	57,959	45,491	103,450
2036-2040	66,441	37,009	103,450
2041-2045	76,164	27,286	103,450
2046-2050	87,308	16,142	103,450
2051-2053	62,913	9,314	72,227
Total	<u>\$ 483,934</u>	<u>\$ 312,443</u>	<u>\$ 796,377</u>

NOTE 7 – LONG TERM DEBT – SCHEDULE OF CHANGES

A schedule of changes in long-term debt for the fiscal year ended June 30, 2015, is shown below:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015	Due within one year
Loans payable	\$ 491,019	\$ -	\$ 7,085	\$ 483,934	\$ 7,281
Totals	<u>\$ 491,019</u>	<u>\$ -</u>	<u>\$ 7,085</u>	<u>\$ 483,934</u>	<u>\$ 7,281</u>

NOTE 8 – JOINT POWERS AUTHORITY

The District is a member of the Special District Risk Management Authority (S.D.R.M.A.), an intergovernmental risk sharing joint powers authority, created pursuant to California Government Code Sections 6500 et. Seq. In becoming a member of the S.D.R.M.A., the District elected to participate in the risk financing program(s) listed below for the program period July 1, 2014 through June 30, 2015.

SAN SIMEON COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 – JOINT POWERS AUTHORITY (Continued)

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.

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 had an agreement with Ultura Water, previously named APTwater, to oversee the daily operations of the District. San Simeon Community Services District paid \$28,753 during the 14/15 fiscal year to Ultura Water for these services. The District entered into a new contract with Grace Environmental Services in August of 2014 and paid \$525,382 for their services during the 14/15 fiscal year.

SUPPLEMENTARY INFORMATION

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SAN SIMEON COMMUNITY SERVICES DISTRICT
SCHEDULE OF REVENUES AND EXPENSES BY FUNCTION
For the Fiscal Year Ended June 30, 2015

	<u>Sanitation Fund</u>	<u>Water Fund</u>	<u>General</u>	<u>Total</u>
Operating Revenues:				
Utility sales	\$ 370,212	\$ 311,700	\$ 4,074	\$ 685,986
Service charges	8,943	13,016	57,587	79,546
State of CA-Dept of Parks and Recreation		23,495		23,495
Total operating revenues	<u>379,155</u>	<u>348,211</u>	<u>61,661</u>	<u>789,027</u>
Operating Expenses:				
Contract labor	370,435	198,627	31,035	600,097
Depreciation	38,304	24,738	16,758	79,800
Legal and professional	33,167	49,185	15,729	98,081
Repairs and maintenance	20,612	206		20,818
Emergency water stand-by		21,962		21,962
Bookkeeping	5,000	4,820	4,580	14,400
Office expenses	79	75	1,267	1,421
Health insurance			8,262	8,262
Licenses and permits	9,496	4,287	82	13,865
Directors' fees	2,260	2,710	530	5,500
Insurance	4,180	2,090	697	6,967
Website			3,570	3,570
Election Expense			250	250
Bank fees			20	20
Other expense	50	50		100
Interest expense			13,605	13,605
Dues and subscriptions	503	201	1,989	2,693
Total operating expenses	<u>484,086</u>	<u>308,951</u>	<u>98,374</u>	<u>891,411</u>
Net operating gain (loss)	<u>(104,931)</u>	<u>39,260</u>	<u>(36,713)</u>	<u>(102,384)</u>
Non-Operating Revenues (Expenses):				
Property taxes			74,721	74,721
Interest income			1,687	1,687
Tax administration fee			(1,414)	(1,414)
LAFCO budget allocatoin			(2,479)	(2,479)
Total non-operating revenues (expenses)			<u>72,515</u>	<u>72,515</u>
Change in net position	<u>\$ (104,931)</u>	<u>\$ 39,260</u>	<u>\$ 35,802</u>	<u>\$ (29,869)</u>

SAN SIMEON COMMUNITY SERVICES DISTRICT
SCHEDULE OF REVENUES AND EXPENSES BY FUNCTION
For the Fiscal Year Ended June 30, 2014

	<u>Sanitation Fund</u>	<u>Water Fund</u>	<u>General</u>	<u>Total</u>
Operating Revenues:				
Utility sales	\$ 341,180	\$ 292,129	\$ -	\$ 633,309
Service charges		53,716	10,803	64,519
State of CA-Dept of Parks and Recreation	97,529			97,529
Total operating revenues	<u>438,709</u>	<u>345,845</u>	<u>10,803</u>	<u>795,357</u>
Operating Expenses:				
Contract labor	307,832	171,653	24,381	503,866
Repairs and maintenance		10,604		10,604
Depreciation	41,693	26,926	18,240	86,859
Legal and professional	37,724	35,500	17,594	90,818
Utilities and telephone	2,409			2,409
Bookkeeping	6,769	5,194	4,471	16,434
Office expenses			306	306
Health insurance			9,763	9,763
Licenses and permits	16,116	4,761		20,877
Directors' fees	2,655	2,655	490	5,800
Insurance	3,810	751	1,789	6,350
Website			3,025	3,025
Bank fees			349	349
Other expense		5	51	56
Interest expense			1,364	1,364
Dues and subscriptions	303	302	1,363	1,968
Total operating expenses	<u>419,311</u>	<u>258,351</u>	<u>83,186</u>	<u>760,848</u>
Net operating gain (loss)	<u>19,398</u>	<u>87,494</u>	<u>(72,383)</u>	<u>34,509</u>
Non-Operating Revenues (Expenses):				
Property taxes			69,764	69,764
Interest income			1,633	1,633
Tax administration fee			(1,606)	(1,606)
Miscellaneous income			518	518
Total non-operating revenues (expenses)			<u>70,309</u>	<u>70,309</u>
Change in net position	<u>\$ 19,398</u>	<u>\$ 87,494</u>	<u>\$ (2,074)</u>	<u>\$ 104,818</u>

DRAFT

AGREEMENT FOR CROSS-CONNECTION INSPECTION SERVICES

This Agreement for Cross-Connection Inspection Services (“Agreement”) is made and entered into by and between the County of San Luis Obispo, a public entity in the State of California, (“County”) and San Simeon Community Services District (“Contractor”) (collectively, “Parties”).

WITNESSETH:

WHEREAS, Contractor, within its jurisdictional boundaries or area of responsibility, is in need of special services; to wit, cross-connection inspection services; and

WHEREAS, County has qualified staff who are trained, experienced, expert and competent to provide cross-connection inspection services for the appropriate fees and pursuant to the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the covenants, conditions, agreements and stipulations set forth herein, the Parties hereby mutually agree as follows:

1. **Services.** The Parties agree to perform the services described in Exhibit A, attached hereto and incorporated herein by this reference.
2. **Compensation.** The Parties agree to the compensation described in Exhibit B, attached hereto and incorporated herein by this reference.
3. **Duration.** The Parties agree to the duration described in Exhibit C, attached hereto and incorporated herein by this reference.
4. **General Conditions.** The Parties agree to the general conditions described in Exhibit D, attached hereto and incorporated herein by this reference.
5. **Special Conditions.** The Parties agree to the special conditions described in Exhibit E (if any), attached hereto and incorporated herein by this reference. To the extent that there are conflicts between the general conditions in Exhibit D and the special conditions in Exhibit E, the terms and conditions of the special conditions in Exhibit E shall be controlling.
6. **Notices.** Notices required under this Agreement shall be provided to:

COUNTY OF SAN LUIS OBISPO
Richard J. Lichtenfels, R.E.H.S., M.P. H.
Supervising Environmental Health Specialist
2156 Sierra Way
San Luis Obispo, CA 93406

SAN SIMEON COMMUNITY SERVICES DISTRICT
Charles Grace, General Manager
P.O. Box 180
San Miguel, CA 93451-0180

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date set forth below.

SAN SIMEON COMMUNITY SERVICES DISTRICT
A California Special Services District

Ralph Mc Adams, Chairperson
Board of Directors

Date

Charles Grace, General Manager

Date

Heather Whitham
COUNTY OF SAN LUIS OBISPO:

Date

By: _____
Jeff Hamm, Health Agency Director

Date

APPROVED AS TO FORM AND LEGAL EFFECT:

Rita L. Neal
County Counsel

By:  _____
Deputy County Counsel

11-2-2016
Date

AGREEMENT FOR CROSS-CONNECTION INSPECTION SERVICES

EXHIBIT A

SCOPE OF SERVICES

1. Contractor Obligations. The Contractor shall perform the following duties:
 - A. Contractor will prepare, adopt and furnish all appropriate ordinances, resolutions or policies.
 - B. Contractor may include in any will-serve letters to water users a contractual obligation to comply with ordinances, resolutions and policies pertaining to cross-connections. Notice shall be given in a will-serve letter that violations of the cross-connection ordinances, resolutions or policies may result in a later termination of water service to the extent allowed by law.
 - C. Contractor may pursue appropriate enforcement, including, but not limited to, contract remedies.
2. County Obligations. The County, acting through the Public Health Department, Environmental Health Division, shall perform the following duties within the Contractor's areas of responsibility:
 - A. County will conduct a survey by performing a thorough inspection of all water uses for cross-connections. County will prioritize surveys of special hazard facilities. If corrections are necessary or if other need arises, County will conduct additional surveys as needed to confirm compliance, follow-up on corrections or identify newly created cross-connections.
 - B. County will prepare and maintain written survey reports, water user notices, correction notices and follow-up reports.
 - 1) Water User Notices.
 - a. County will provide a written survey report to a water user listing cross-connections found on the user's premises. County will notify the water user of corrective action required, if any, and the required compliance date.
 - b. County will follow-up with the water user to confirm that corrective action was performed in a timely manner and compliance has been achieved or if non-compliance continues. County will inform the water user of further corrective action and required compliance dates as needed. County will re-inspect as needed until compliance is accomplished.

- 2) Contractor Notices. County will provide a copy of the survey report and letter to the water user to the Contractor. County will provide a copy of the follow-up letters(s) to the user confirming compliance or notifying the water user of further corrective action and compliance dates.
- C. County will perform the following enforcement measures.
- 1) To the extent the County would normally prosecute San Luis Obispo County Code violations, County may prosecute violations of any County ordinances related to cross-connections.
 - 2) County will also cite any State laws, non-County ordinances, Contractor resolutions or policies in a correction letter to a water user.
 - 3) Contractor may pursue enforcement as appropriate. In the event of litigation in any tribunal with the power to issue subpoenas, and provided a subpoena is issued for a County employee with the appropriate fees tendered as per Government Code, section 68096.1, County employees, if still in County service, shall appear and testify as a witness regarding cross-connections. County employees may be interviewed or deposed to prepare for litigation.
- D. Backflow Prevention Devices.
- 1) County will determine the necessity of backflow prevention devices at the water service connection for the protection of the water main where internal protection does not solve the total cross-connection problem.
 - 2) County will maintain a list of known backflow devices and the known location of the devices in service in the Contractor's service area.
 - 3) County will provide a diagram for the proper installation of approved backflow prevention devices. If a manufacturer's installation instructions, diagrams or both are available, providing the manufacturer's material shall satisfy this obligation.
- E. County will perform plan checks of water usage when requested by the water purveyor/district when necessary to supplement Building Department plan reviews.
- F. Testing. Testing of backflow devices is required as per California Code of Regulation, Title 17, as hereafter amended. At present, testing is required annually.
- 1) County will notify the water user when testing is due.
 - 2) County will supply a list of qualified backflow prevention device testers.
 - 3) County will follow-up on delinquent reporting of test results.

AGREEMENT FOR CROSS-CONNECTION INSPECTION SERVICES

EXHIBIT B

COMPENSATION

1. Time and Costs. This is a time and costs Agreement. The cross-connection inspection services shall be charged hourly. Additional costs shall include, but not be limited to, "out-of-pocket" costs.
 - A. Hourly Rate. The hourly rate shall include compensation for the County's inspector staff, departmental overhead, and clerical support and office supplies. The hourly rate as of July 1, 2015 is \$102.00 per hour.
 - 1) The San Luis Obispo County Board of Supervisors establishes, amends and modifies the hourly rates at least annually and at other times as necessary. The rate establishment and amendments are "events of independent significance" and are subject to public review and are part of the public record. These rates are specific, identifiable and enforceable.
 - 2) There is a public notice of the Board's proposed action and action to amend the rates through the process of the Board's regularly scheduled meetings. Therefore, the rates will change by the public, unilateral action of the Board of Supervisors without further agreement or action by Contractor.
 - 3) The duly adopted current rates and subsequent amendments to the rates shall be binding in this Agreement without additional written amendments to this Agreement. Upon the effective date of the rate change, all services provided on or after that date shall be charged at the new rates.
 - B. Costs. Additional costs shall be itemized. Additional costs shall include, but not be limited to, out-of-pocket expenses.
 - C. Administrative Costs. Administrative costs are charges to water purveyors based on the number of their service connections, which compensates the County of San Luis Obispo for time that benefits the Cross Connection Program but cannot be attributed to an individual water purveyor.
2. Billing. County shall submit an itemized statement to Contractor on or before the 15th day of every other month for all services rendered during the previous two calendar months. Contractor shall remit to the County of San Luis Obispo all uncontested amounts listed on the itemized statement not later than thirty (30) days after it is received by the Contractor.

AGREEMENT FOR CROSS-CONNECTION INSPECTION SERVICES

EXHIBIT C

DURATION

1. Effective Date. The effective date of this Agreement shall be July 1, 2015.
2. Service Date. Services shall commence on or after the Effective Date and shall end upon the Duration Date.
3. Duration Date. This Agreement shall terminate on June 30, 2025. This Agreement may be terminated prior to the Duration Date in accordance with the termination provisions in Exhibit D of this Agreement.
4. Termination. The San Luis Obispo County Board of Supervisors specifically delegates to the Director of the San Luis Obispo County Health Agency the authority to terminate this Agreement in accordance with the provisions in Exhibit D without further need for action, approval or ratification by the Board of Supervisors.

AGREEMENT FOR CROSS-CONNECTION INSPECTION SERVICES

EXHIBIT D

GENERAL CONDITIONS

1. Termination for Convenience. Either Party may terminate this Agreement at any time by giving the other Party thirty (30) days written notice of termination. Termination for convenience shall have no effect upon the rights and obligations of the Parties arising out of any services provided prior to the effective date of such termination. County shall be paid for all work satisfactorily completed prior to the effective date of termination.
2. Termination for Cause. If any of the following occur, either Party shall have the right to terminate this Agreement effective immediately upon giving written notice to the other Party. Rights or obligations of either Party for services satisfactorily performed prior to the termination shall not be affected.
 - A. Either Party fails to perform its duties in a timely and professional manner.
 - B. Funds intended for use for compensation in this Agreement become unavailable for use for the purposes of this Agreement.
3. Status of the Parties' Officers / Employees / Agents. Neither Party's officers, employees, agents, partners, other contractors or subcontractors shall be deemed to be employees of the other Party at any time. Nothing in this Agreement shall be construed as creating a civil service employer-employee relationship or a joint venture relationship. No officer, employee, agent, partner, other contractor or subcontractor of the other Party shall be eligible for membership in or any benefits from any County group plan for hospital, surgical, or medical insurance, or for membership in any County group plan for hospital, surgical, or medical insurance, or for membership in any County retirement program, paid vacation, paid sick leave, other leave, with or without pay, collective bargaining rights, grievance procedures, appeals to the Civil Service Commission or any other benefits which inures to or accrues to a County civil service employee. County employees shall not have those rights in Contractor's benefits and programs. The only performance and rights due to the other Party are those specifically stated in this Agreement.
4. Warranty of Professional Service. Each Party warrants that professional staff is necessary to perform this Agreement and that staff members will at all times be properly trained, certified and licensed under the laws and regulations of the State of California to provide the special services herein described. If for any reason staff members are required to provide professional services and all reasonably available staff are not qualified, this Agreement is automatically canceled effective the same date.

5. Authority. Any individual executing this Agreement on behalf of Contractor represents and warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of the Contractor, and that this Agreement is binding upon Contractor in accordance with its terms.
6. No Assignment of Agreement. Neither Party may delegate its rights or obligations under this Agreement and shall not assign or otherwise transfer its rights or obligations or any interest herein without the express prior written consent of the other Party. Any attempted assignment, transfer, delegation, hypothecation or subletting without the other Party's prior written consent shall be null and void.
7. Applicable Law and Venue. This Agreement has been executed and delivered in the State of California and covers services to be performed in California. The Parties agree that issues of validity, interpretation and enforcement shall be governed and determined by the laws of the State of California. All of the Parties' rights and obligations created hereunder shall be performed in the County of San Luis Obispo, State of California and such County shall be the venue for any action or proceeding arising out of this Agreement.
8. Severability. The invalidity of any provision of this Agreement shall not affect the validity or enforcement of any other provision of this Agreement.
9. Entire Agreement and Modifications. This Agreement supersedes all previous Agreements on the same subject and constitutes the entire understanding of the Parties hereto. No changes, amendments or alterations shall be effective or binding unless in writing and signed in advance of the effective date by both Parties.

AGREEMENT FOR CROSS-CONNECTION INSPECTION SERVICES

EXHIBIT E

SPECIAL CONDITIONS

The records required by this Agreement shall be retained for a minimum period of:

- A. Three (3) years in accordance with California Code of Regulations, Title 17, Section 7605(f), and as hereafter amended.
- B. All surveys noticed and all correspondence with a water user, County or Contractor shall be maintained for a minimum of five (5) years after compliance has been certified by the County or the longest statutory period cited above, whichever is longer. After five (5) years, the records may continue to be maintained in hardcopy, microfiche or electronic form, if needed, at the sole option of the County.

PROFESSIONAL SERVICES AGREEMENT

This Professional Services AGREEMENT (“AGREEMENT”) is entered into as of the 20th day of January, 2016 (“Commencement Date”) by and between San Simeon Community Services District (“SSCSD”) and Grace Environmental Services, LLC, a California limited liability corporation (“GES”).

I. RECITALS

The SSCSD owns and has all applicable permits for:

- (a) a wastewater collection and treatment system located in and around San Simeon, CA, generally consisting of less than 5 miles of sewer lines, headworks, biological wastewater treatment, disinfection, effluent disposal via ocean outfall, and related equipment; and
- (b) a water supply, storage, and distribution system located in and around San Simeon, generally consisting of 2 wells, 1 emergency well, 1 storage tank, up to 250 connections, less than 5 miles of distribution lines, and related equipment; and
- (c) local two-lane roads (less than 5 miles) maintained by the SSCSD; and
- (d) a street lighting system with approximately 50 active streetlights; and
- (e) the District office building.

The foregoing shall be collectively known and referred to hereinafter as “FACILITY”. The SSCSD affirms that all such facilities (“FACILITY”) are built in accordance with all applicable local, state and federal regulations and that FACILITY is in compliance with applicable, state and federal regulation, does not contain any known regulatory violations or defective equipment, and is suitable and adequate for the reasonable needs of its present and expected future operations.

II. STATEMENT OF PURPOSE

This AGREEMENT provides for GES to furnish to SSCSD certain services for the management, maintenance and operation of FACILITY, and to receive compensation from SSCSD for those services rendered in accordance with the below presented terms and conditions.

III. TERM OF AGREEMENT

This AGREEMENT shall remain in effect from the Commencement Date for a Five (5) year period, subject to the right of either party to terminate as set forth in Article VIII. This AGREEMENT shall automatically extend for an additional period of two (2) years unless notice to cancel is received sixty (60) days prior to AGREEMENT termination.

IV. SCOPE OF SERVICES

Unless otherwise specifically stated, all direct operational costs for the below listed operation and maintenance services are included in GES's costs and included as part of the base AGREEMENT price.

- A. Scope. GES shall furnish all necessary labor, materials, equipment, and supplies necessary for the management, operations and maintenance of the FACILITY. This shall include the day-to-day physical tasks of operating the FACILITY, performing routine water and wastewater quality monitoring, physically performing the routine maintenance of the FACILITY, and maintaining the daily operational records of the FACILITY.
- B. Definitions. For the purposes of this AGREEMENT the following definitions shall apply:
 - 1. "Preventive Maintenance" shall mean periodic scheduled maintenance including valve exercising and line flushing.
 - 2. "Corrective Maintenance or Repair" shall mean any non-preventive maintenance or repair of the machinery, equipment, structures or improvements constituting a part of the FACILITY and having a cost (excluding overhead, profit and all costs associated with the labor of GES or its employees, agents or subcontractors), up to two thousand five hundred dollars (\$2,500.00).
 - 3. "Capital Maintenance, Repairs, or Replacements" shall mean means any renewal, repair or replacement of the machinery, equipment, structures or improvements constituting a part of the FACILITY and having a cost (excluding overhead, profit and all costs associated with the labor of GES or its employees, agents or subcontractors) equal to or greater than two thousand five hundred dollars (\$2,500.00).
 - 4. "Change in the Scope of Services" means those events or services which either change the basis of cost or add additional scope to the services provided in this AGREEMENT. Any change in scope increasing the cost to GES shall result in an increase in cost to SSCSD.

- C. Facility Maintenance. To the limit of \$40,000 annually, GES shall provide Preventive and Corrective Maintenance or Repairs for FACILITY, consistent with good preventive maintenance practice or manufacturer's specifications. GES employees' on-site labor cost shall not be included when calculating such annual FACILITY maintenance amounts. GES shall not add any markup, such as for profit or overhead, to the costs for outside contractors it uses for Preventive or Corrective Maintenance or Repair work herein. SSCSD shall be responsible for and pay all Capital Maintenance, Repair and Replacement costs as defined above.
- D. Facility Maintenance Rebates. If, in any fiscal year, the above limit is not exceeded, GES will, at SSCSD's option: (a) rebate to SSCSD, within sixty (60) days of the end of said year, the difference between such annual limit and the amount expended by GES, or (b) add the difference to the subsequent year's maintenance fund. SSCSD shall be responsible for and pay all Preventive and Corrective Maintenance or Repair costs exceeding said annual limit, but GES shall not make said excess expenditures without SSCSD's approval. SSCSD shall not unreasonably withhold such approval.
- E. Payment of Expenses. All vendors and subcontractors retained by GES to assist GES in providing FACILITY management, maintenance and operation, will be timely paid by GES. Should GES fail to timely pay such invoices, SSCSD may, but is not required to, pay the invoices and withhold such payments from GES' monthly compensation.
- F. Repairs Accounting. GES shall on a monthly basis provide SSCSD with copies of all repairs provided pursuant to this AGREEMENT.
- G. Emergency Maintenance. GES shall have the right to make reasonable emergency capital expenditures up to two thousand five hundred dollars (\$2,500.00) with the approval from one of the Board of Directors if: (a) SSCSD is not available for prior approval of such action; and (b) if such expenditures are necessary to continue operation of FACILITY in order to provide for public safety and environmental protection; and (c) GES notifies SSCSD as soon as reasonably possible of its actions. SSCSD shall reimburse GES within forty five (45) days of such expenditure by GES.
- H. Operational Testing. Sample collection and analyses required for governmental reporting on FACILITY as of the effective date of this AGREEMENT shall be performed by GES, which shall be included in the AGREEMENT price.
- I. Chemical and Materials Inventory. GES shall purchase and maintain an inventory of chemicals routinely used in the operation of FACILITY. Chemical inventories shall be stored at the site in compliance with OSHA and in quantities sufficient for the continuous operation of FACILITY.
- J. Sludge Disposal. SSCSD shall retain ownership of all FACILITY water and wastewater

sludge and byproducts; GES shall dispose of same in a manner approved by State of California regulatory agencies. GES's price herein includes the cost of disposing of wastewater sludge. Any change in that method, quantity, or its cost caused solely by third parties shall be a change of scope and cause for a price adjustment.

- K. Electricity. The cost for electricity (including the electric power for operating the street lights) needed to operate the FACILITY are included in GES's scope of work.
- L. K. Unit Cost Increase/Decrease for Electric Power. The parties acknowledge that the total electrical costs for SSCSD from August 2014 through August 2015 were \$68,216. GES agrees to pay the electrical cost of the SSCSD up to an amount of \$66,000 per fiscal year. Any overage shall be paid for by the CLIENT. If at the end of the fiscal year the electrical cost to the SSCSD is less than \$66,000, GES will rebate the client the difference.
- M. SSCSD Interaction. Representatives of GES shall attend scheduled meetings by SSCSD where the scope of its services is involved, as reasonably requested. GES shall respond to scope related correspondence and/or inquiries from SSCSD in a prompt and professional manner.
- N. Staffing. GES shall staff the FACILITY eight (8) hours per day, five (5) days per week. Staffing shall be reviewed and approved by SSCSD. GES shall respond to after-hours emergency calls for service within sixty (60) minutes. GES shall provide weekend and holiday coverage as necessary for permit compliance.
- O. Emergency Response. GES shall respond to emergency calls regarding FACILITY within sixty (60) minutes from the time of notification. GES shall respond to such calls twenty-four (24) hours per day, seven (7) days per week. Such emergency response calls are included in GES's price for services listed herein.
- P. General Management. GES further agrees to provide, on behalf of the SSCSD, the following services associated with the District General Manager / Administrator positions:
- 1) Maintaining District files, Board Ordinances, Resolutions and Minutes
 - 2) District customer billing and collection
 - 3) Preparation and mailing of customers' water bills
 - 4) Depositing of collected funds
 - 5) Maintaining records of deposits for auditing
 - 6) Respond to customer inquiries
 - 7) Coordinate with the District's accountant
 - 8) Process accounts receivable, accounts payable and aged receivables
 - 9) Attend Board of Director meetings and Sub-Committee meetings
 - 10) Prepare and post Board packets and prepare minutes of meetings
 - 11) Respond to records request

- 12) Participate in annual budget preparation with District's Budget Sub-Committee
 - 13) Prepare and distribute quarterly newsletter
 - 14) Staff and operate the District office. Schedule regular hours, answer telephones, respond to mail
 - 15) Oversee the maintenance of District's permits and licenses as required by regulatory agencies
- Q. Reports. GES shall promptly prepare and submit regular monthly and/or yearly compliance reports as may be required by the Regional Water Quality Control Board, or any other local, state, or federal agency having jurisdiction over FACILITY. All regulatory reports shall be approved and signed by the operator of record. Copies of all regulatory reports and communications (if such are required) shall be sent to SSCSD each month and made available at the District Office for review.
- R. Water Customer Service. GES shall perform meter readings for FACILITY and supply the data to SSCSD. GES's base AGREEMENT price includes reading the meters for up to two hundred and fifty (250) connections on a scheduled monthly basis. Should connections exceed 250, GES shall receive an additional \$250 per meter.
- S. Turn-on and Turn-off Services. As necessary, GES shall perform turn-on and turn-off services directly related to the proper care and maintenance of the FACILITY. The AGREEMENT price includes all turn-on and/or turn-off service up to twenty four (24) meters per year. GES shall receive \$250 per meter when the number of turn-on/turn-off services GES performed is more than twenty four (24) per year.
- T. Billing and Collection. GES shall bill each SSCSD customer for water in accordance with SSCSD's then current Rate Structure and for sewer services in accordance with SSCSD's current rate. GES shall deposit all money received for both water and sewer into an account at a bank or other qualified depository designated by SSCSD. GES shall provide these services out of the San Simeon Community Services District Office, and all inquiries, communications and services shall be provided from/to that point. Normal and reasonable response to account inquiries by SSCSD customers to the Billing and Collection staff are included in the fee. The billing and collection duties of GES in this AGREEMENT include the following:
- 1) Initiating service orders for billing-related fieldwork.
 - 2) Proofing deposits and refunds prior to distribution.
 - 3) Preparing, printing, and mailing accurate bills on time.
 - 4) Maintaining and preparing aged receivables for SSCSD for resolution according to SSCSD's policy or Board directives.
 - 5) Researching and responding to customer inquiries and,
 - 6) Working with SSCSD's accountant for maintenance of the SSCSD's books.

- U. Sewer Collection Calls. GES shall promptly respond to all collection system call-out to assess initial GES, SSCSD or property owner responsibility. If the problem is a clearable blockage within the SSCSD's sanitary sewer lines and not within property owner's line(s), GES shall clear the sewer blockage. If the blockage cannot be cleared using available equipment, GES's on-scene coordinator shall exercise best professional judgment to contact a subcontractor or to rent necessary and appropriate equipment for use by GES personnel. The SSCSD shall be billed the direct costs for any third party costs to clear blockages to its sanitary sewer lines, and repair.
- V. Sewer Collection Cleaning. The collection system shall be cleaned approximately 50% each year. SSCSD shall provide the necessary water for sewer line cleaning at no cost to GES. During the annual line cleaning, GES shall inspect and report on manholes, noting where repairs are needed.
- W. Street Sweeping and flushing. GES shall provide semi-annual street sweeping and regular system flushing through fire hydrants and exercising of all system valves.
- X. Weed Abatement. GES shall provide for Facility weed abatement.

V. THE SSCSD'S RESPONSIBILITIES

- A. Payment. SSCSD shall pay to GES compensation for the services specifically described herein the lump sum payment of \$48,948 per month. Payment is due on the second Wednesday of the month that service is to be rendered. Late payments shall be subject to a service charge of one and one-half percent (1.5%) per month or the maximum legal rate, whichever is less. Interest shall accrue from the last day of the month following the date of invoice until the payment is received by GES. SSCSD is responsible for all "Capital Maintenance, Repairs, or Replacements".
- B. General Provision for Adjustments. If any changes in the scope of operations under this AGREEMENT should occur, including, but not limited to, changes in government regulations, reporting requirements and water supply conditions or standards that change the cost of contract operations, at no fault of GES, GES shall receive from SSCSD an AGREEMENT compensation adjustment for the additional scope. Such compensation adjustment shall be negotiated in good faith by SSCSD and GES within sixty (60) days of receiving such request.
- C. Annual Adjustment. At the start of each new SSCSD fiscal year (July 1 through June 30), the monthly invoiced amount shall increase by the most recent July Consumer Price Index as published by the U.S. Bureau of Labor Statistics (CPI-U) for the Los Angeles-Riverside-Orange Co. (CA) Region.

- D. Licenses. SSCSD shall remain the named licensee on any and all licenses that may be required, shall pay for all costs, and shall meet all regulatory requirements not specifically assumed herein by GES as its responsibility.
- E. Permits. SSCSD shall remain the named permittee on any and all permits that may be required, shall pay for all costs, and shall meet all regulatory requirements not specifically assumed herein by GES as its responsibility.
- F. Record Drawings and Data. SSCSD shall provide GES with the available set of record drawings of FACILITY upon commencement of the AGREEMENT. GES shall maintain these drawings in a manner which allows their efficient and effective use in solving system problems. Both parties agree that operating data from the FACILITY is and remains the property of SSCSD.
- G. Equipment. SSCSD shall provide its equipment onsite for use in the operation and maintenance of FACILITY at no cost to GES. GES shall maintain said equipment and use it with reasonable care, according to manufacturer's recommendation.
- H. Accounting. SSCSD shall provide for all bookkeeping, accounting, and audit services not otherwise provided by GES herein.
- I. Capital Cost. SSCSD is responsible for paying for all "Capital Maintenance, Repairs, or Replacements", as defined above, for the project.

VI. INSURANCE

- A. Following execution of this AGREEMENT, GES shall have its insurance carrier(s) issue direct to SSCSD certificates of insurance for the following coverage:
 - 1. Worker's Compensation as prescribed by law;
 - 2. Comprehensive General Liability, including umbrella coverage of \$2,000,000;
 - 3. Vehicle Liability Coverage (for bodily injury and property damage, combined single limit) of not less than \$1,000,000;
 - 4. Employer's Liability (covers criminal or fraudulent acts of employees) of \$2,000,000.
- B. GES affirms that above referenced insurance shall be maintained in force throughout the term of this AGREEMENT.

- C. The insurance provided by GES will be primary and noncontributory.
- D. SSCSD, its Board members, agents and attorneys, must be named as additional insureds under the General Liability, Vehicle Liability and Employer's Liability policies.
- E. Each insurance policy required by this AGREEMENT must contain a provision that no termination, cancellation or change of coverage can be made without thirty (3) days notice to SSCSD.
- F. Insurance required by this AGREEMENT will be satisfactory only if issued by companies admitted to do business in California, rated "B+" or better in the most recent edition of Best's Key Rating Guide, and only if they are of a financial category Class VII or better.

VII. GUARANTEES, INDEMNITY AND LIMITATIONS

- A. Standard of Skill. GES affirms that GES staff is skilled in the professional calling necessary to perform the work agreed to be done pursuant to this AGREEMENT. SSCSD relies upon the skill of GES staff to do and perform such work in a skillful manner. The acceptance of GES's work by the SSCSD shall not operate as a release of GES from such standard of care and workmanship.
- B. Certified Personnel. GES affirms that FACILITY shall be operated under the supervision of personnel who possess valid and current water operator certification as and if required by the State of California and shall provide uninterrupted, safe, timely professional and reliable management of the FACILITY in a cost effective and businesslike manner and in accordance with this AGREEMENT.
- C. GES General Manager. GES shall appoint a full-time manager of the FACILITY (the "General Manager") who shall be experienced and proficient in the management and operation of a Special District including water and wastewater treatment systems comparable to the FACILITY and be otherwise appropriately certified under Applicable Law. GES acknowledges that the performance of the individual serving from time to time as the General Manager will have a material bearing on the quality of service provided hereunder, and that effective cooperation between the SSCSD and the General Manager will be essential to effectuating the intent and purposes of this AGREEMENT. Accordingly, not fewer than sixty (60) days prior to the date on which any candidate for General Manager from time to time during the Term is proposed by GES to assume managerial responsibility for the Facility, GES shall: (1) provide SSCSD with a comprehensive resume of the candidate's licenses, training, experience, skills and approach to management and customer relations; and (2) afford the SSCSD an opportunity to interview the candidate with respect to such matters. The SSCSD shall

have the right within thirty (30) days following such interview to disapprove the hiring of the proposed candidate, which right of disapproval shall not be exercised unreasonably. The initial General Manager, Charles Grace, shall not be replaced, unless otherwise approved by the SSCSD in its sole discretion, for a period of two years after the Commencement Date absent retirement, death, disability, resignation or cessation of employment with GES

- D. Safety Requirement. GES affirms that all work under this AGREEMENT shall be performed in such a manner as to provide safety to the public and to meet or exceed the safety standards outlined by CAL OSHA with respect to all matters within GES's responsibility and control.
- E. Guarantees. GES shall use generally accepted business practices to procure materials and replacement equipment. GES shall not be responsible to SSCSD for any guaranty in connection with such materials or replacement equipment. GES 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 SSCSD.
- F. Damage to FACILITY. GES shall not be required to repair any portion of FACILITY 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 GES or due to the acts or omissions of any other entity or person(s) other than GES, its employees, agents, representatives, or subcontractors. GES agrees to notify SSCSD of such damage, both orally and in writing, as soon as possible after the occurrence of the above crises or acts.
- G. Ownership. Each and every report, draft, work product, map, record and other document reproduced, prepared, or caused to be prepared by GES pursuant to the business of the SSCSD shall be the exclusive property of the SSCSD.
- H. Indemnity. GES hereby agrees to indemnify and hold harmless SSCSD, its Board members, agents, servants, and attorneys, from any liability for damages or claims for personal injury (including death) or for property damages which directly arise from its willful or negligent operations under this AGREEMENT, whether such operations be conducted by GES or any of its employees, agents or subcontractors. GES shall not be liable to SSCSD and SSCSD shall indemnify and hold harmless GES, its officers, supervisors, employees, agents and representatives from any claim, loss, liability, damage, injury, or expense, including attorney's fees which arise from any cause other than intentional, willful, or negligent operations of GES or any of its employees, agents or subcontractors.
- I. Force Majeure. GES shall not be deemed to be in default if performance of the obligations required by this AGREEMENT 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, GES shall operate FACILITY on a “best reasonable effort” basis and shall not be responsible for damages, fines, penalties, or claims resulting therefrom. If any additional expense is incurred by GES in such operation, those expenses shall be reimbursed to GES by SSCSD.

- J. Prior Experience. GES has trained personnel who shall be assigned to perform the Services required under this AGREEMENT, and such GES personnel have experience operating and maintaining facilities similar to the FACILITY in accordance with Prudent Industry Practices. GES has planned and budgeted for providing experienced personnel that shall be available to ensure compliance with this AGREEMENT.
- K. Fines and Penalties. GES shall pay any and all fines or penalties against SSCSD as a result of actions taken by the California Department of Health, Regional Water Quality Control Board or U.S. EPA arising from the negligent operation of the FACILITY. In other cases beyond GES’ control, such as, force majeure, SSCSD shall be responsible for paying any and all fines and penalties levied by the California Department of Health, Regional Water Quality Control Board or U.S.EPA or other organization.
- L. Independent Contractor. GES is retained and employed by SSCSD only to the extent set forth in this AGREEMENT, and GES’ and all of its employees’, agents’ and subcontractors’ relationship to the SSCSD is that of independent contractor.
- M. Invalid Provisions. The parties agree that in the event any covenant, condition, or provision herein contained is held to be invalid by any court of competent jurisdiction, the invalidity thereof shall in no way affect any other provision in this AGREEMENT unless it materially affects either SSCSD or GES in their respective rights and obligation hereunder.
- N. Interest of GES. GES covenants that it presently has no interest, (and shall not acquire any such interest without prompt notification to SSCSD), direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the services hereunder. GES further covenants that, in the performance of this AGREEMENT, no subcontractor or person having such an interest shall be employed. GES certifies that no one who has or shall have any financial interest under this AGREEMENT is an officer or employee of SSCSD, respectively. It is expressly agreed that, in the performance of the services hereunder, GES shall at all times be deemed an independent contractor and not an agent or employee of SSCSD, respectively.

VIII. TERMINATION OF AGREEMENT

- A. Notwithstanding any other provision of this AGREEMENT, SSCSD may terminate this AGREEMENT, at any time, without cause by giving at least thirty (30) days prior written

notice to GES.

- B. If either party fails to perform any term, covenant or condition in this AGREEMENT and that failure continues for fifteen (15) calendar days after the nondefaulting party gives the defaulting party written notice of the failure to perform, this AGREEMENT may be terminated for cause.
- C. In the event of termination, SSCSD shall pay GES compensation pursuant to this AGREEMENT up to the date of termination (pro-rated for less than a full month, if necessary) and any unpaid expenses incurred by GES pursuant to this AGREEMENT.

IX. MISCELLANEOUS

- A. Integration; Amendment. This AGREEMENT represents the entire understanding of SSCSD and GES as to those matters contained in it. No prior oral or written understanding will be of any force or effect with respect to the terms of this AGREEMENT. The AGREEMENT may not be modified or altered except in writing signed by both parties.
- B. Assignability. This AGREEMENT shall not be assigned by either party without the prior written consent of the other.
- C. Flow rate. Both parties agree that this AGREEMENT is based on FACILITY; (a) treating an annual average of 100,000 gal/day, 200 lbs/day BOD₅ and 250 lbs/day TSS₅ at the wastewater treatment plant and (b) treating and supplying an annual average of 100,000 gal/day of potable water. Should the actual flows or loadings treated change from any of these levels by more than ten percent (10%) the price differential for such operation shall be agreed to by the parties per the General Provision for Adjustment within Section V. of this AGREEMENT.
- D. Attorney fees. In the event of any controversy, claim or dispute between the parties hereto, arising out of or relating to this AGREEMENT, or the breach thereof, the prevailing party shall be entitled, in addition to other such relief as may be granted, to a reasonable sum as and for attorney fees.
- E. Notice. Such notice as required under this AGREEMENT shall be in writing and shall be sent by certified or registered mail, return receipt requested, overnight courier, or personal delivery to the intended party's address of record. Notice shall be deemed to have been given when the notice was mailed to the following addresses of record:

GES

Grace Environmental Services, LLC.
2060 E. Avenida De Los Arboles
Thousand Oaks CA. 91362

SSCSD

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

- F. Governing Law; Jurisdiction. This AGREEMENT will be administered and interpreted under the laws of the State of California. Jurisdiction of any litigation arising from the AGREEMENT will be in San Luis Obispo County, California.
- G. Severability. If any part of this AGREEMENT is found to be in conflict with applicable laws, that part will be inoperative, null and void insofar as it is in conflict with any applicable laws, but the remainder of the AGREEMENT will remain in full force and effect.
- H. Waiver of Breach. No delay or omission in the exercise of any right or remedy by a nondefaulting party on any default will impair the right or remedy or be construed as a waiver. A party's consent or approval of any act by the other party requiring the party's consent or approval will not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and will not be a waiver of any other default concerning the same or any other provision of this AGREEMENT.

In witness whereof, GES and SSCSD have caused this AGREEMENT to be executed by their duly authorized officers.

FOR SSCSD

San Simeon Community Services District

Name

Signature

DATE: _____

FOR GES

Grace Environmental Services, LLC.

Name

Signature

DATE: _____

For Release: Tuesday, December 15, 2015

15-2404-SAN

WESTERN INFORMATION OFFICE: San Francisco, Calif.

Technical information: (415) 625-2270 • BLSinfoSF@bls.gov • www.bls.gov/regions/west

Media contact: (415) 625-2270

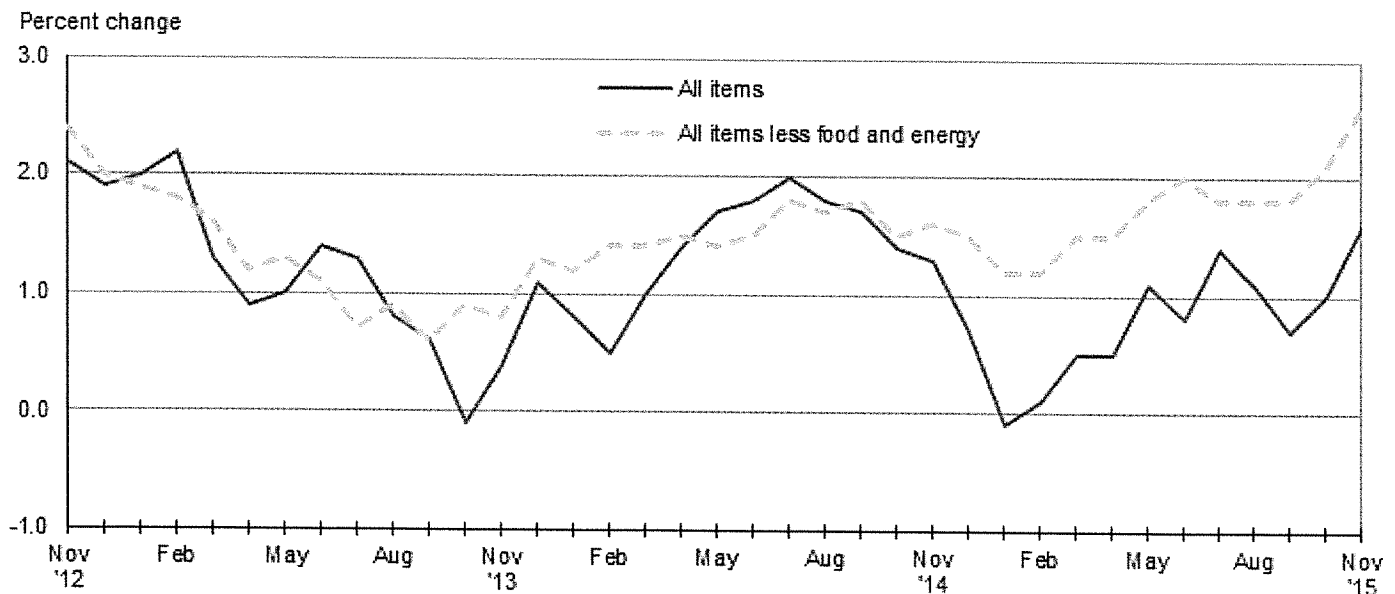
Consumer Price Index, Los Angeles area — November 2015

Area prices were unchanged over the past month, up 1.6 percent from a year ago

Prices in the Los Angeles area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), were unchanged in November, the U.S. Bureau of Labor Statistics reported today. (See [table A.](#)) Regional Commissioner Richard J. Holden noted that in November higher prices for medical care and shelter were offset by lower prices for gasoline and apparel. (Data in this report are not seasonally adjusted. Accordingly, month-to-month changes may reflect seasonal influences.)

Over the last 12 months, the CPI-U advanced 1.6 percent. (See [chart 1.](#)) Energy prices declined 8.6 percent, largely the result of a decrease in the price of gasoline. The index for all items less food and energy advanced 2.6 percent over the year. (See [table 1.](#))

Chart 1. Over-the-year percent change in CPI-U, Los Angeles, November 2012–November 2015



Source: U.S. Bureau of Labor Statistics.

Food

Food prices inched up 0.1 percent for the month of November. (See [table 1.](#)) Prices for food away from home moved up 0.7 percent, but prices for food at home moved down 0.3 percent for the same period.

Over the year, food prices rose 1.5 percent. Prices for food away from home advanced 2.7 percent since a year ago, and prices for food at home rose 0.7 percent.

Energy

The energy index declined 3.7 percent over the month. The decrease was mainly due to lower prices for gasoline (-3.9 percent). Prices for natural gas service dropped 11.9 percent, while prices for electricity were unchanged for the same period.

Energy prices declined 8.6 percent over the year, largely due to lower prices for gasoline (-11.1 percent). Prices paid for natural gas service decreased 5.8 percent, and prices for electricity declined 4.4 percent during the past year.

All items less food and energy

The index for all items less food and energy increased 0.2 percent in November. Higher prices for medical care (2.3 percent) and shelter (0.3 percent) were partially offset by lower prices for apparel (-2.4 percent) and household furnishings and operations (-0.9 percent).

Over the year, the index for all items less food and energy advanced 2.6 percent. Components contributing to the increase included medical care (5.2 percent) and shelter (3.6 percent). Partly offsetting the increases were price declines in household furnishings and operations (-1.9 percent).

Table A. Los Angeles-Riverside-Orange County CPI-U monthly and annual percent changes (not seasonally adjusted)

Month	2010		2011		2012		2013		2014		2015	
	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual
January.....	0.4	1.8	0.9	1.8	0.8	2.1	0.8	2.0	0.5	0.8	-0.3	-0.1
February.....	0.0	1.4	0.5	2.3	0.5	2.1	0.7	2.2	0.5	0.5	0.7	0.1
March.....	0.4	1.9	1.1	3.0	1.0	2.0	0.1	1.3	0.6	1.0	1.0	0.5
April.....	0.2	1.9	0.5	3.3	0.0	1.5	-0.4	0.9	0.0	1.4	-0.1	0.5
May.....	0.2	1.8	0.0	3.1	0.1	1.6	0.1	1.0	0.4	1.7	1.0	1.1
June.....	-0.2	0.9	-0.4	2.9	-0.4	1.6	-0.1	1.4	0.1	1.8	-0.3	0.8
July.....	0.1	0.9	-0.4	2.4	-0.1	1.9	-0.1	1.3	0.1	2.0	0.7	1.4
August.....	0.2	0.8	0.2	2.4	0.6	2.3	0.1	0.8	-0.1	1.8	-0.3	1.1
September.....	-0.1	0.4	0.5	3.1	0.4	2.2	0.2	0.6	0.0	1.7	-0.4	0.7
October.....	0.3	0.7	0.0	2.8	0.8	3.0	0.1	-0.1	-0.1	1.4	0.2	1.0
November.....	-0.4	0.7	-0.1	3.0	-1.0	2.1	-0.5	0.4	-0.7	1.3	0.0	1.6
December.....	0.3	1.3	-0.5	2.2	-0.7	1.9	0.0	1.1	-0.5	0.7		

The December 2015 Consumer Price Index for the Los Angeles-Riverside-Orange County is scheduled to be released on January 20, 2016.

Technical Note

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 89 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 28 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 87 urban areas across the country from about 6,000 housing units and approximately 24,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

The index measures price changes from a designated reference date (1982-84) that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65. For further details see the CPI home page on the Internet at www.bls.gov/cpi and the BLS Handbook of Methods, Chapter 17, The Consumer Price Index, available on the Internet at www.bls.gov/opub/hom/homch17_a.htm.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar. **NOTE:Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.**

The Los Angeles-Riverside-Orange County, CA. metropolitan area covered in this release is comprised of Los Angeles, Orange, Riverside, San Bernardino, and Ventura Counties in the State of California.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: (202) 691-5200; Federal Relay Service: (800) 877-8339.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods Los Angeles-Riverside-Orange County, CA (1982-84=100 unless otherwise noted)

Item and Group	Indexes			Percent change from-		
	Sep. 2015	Oct. 2015	Nov. 2015	Nov. 2014	Sep. 2015	Oct. 2015
Expenditure category						
All items.....	245.431	245.812	245.711	1.6	0.1	0.0
All items (1967=100).....	725.112	726.237	725.941	-	-	-
Food and beverages.....	249.965	251.272	251.700	1.5	0.7	0.2
Food.....	250.499	251.648	251.968	1.5	0.6	0.1
Food at home.....	259.351	260.999	260.238	0.7	0.3	-0.3
Food away from home.....	235.732	236.232	237.921	2.7	0.9	0.7
Alcoholic beverages.....	228.488	231.621	233.316	1.3	2.1	0.7
Housing.....	268.534	269.317	269.198	2.5	0.2	0.0
Shelter.....	304.641	305.625	306.503	3.6	0.6	0.3
Rent of primary residence ⁽¹⁾	318.925	320.343	321.865	4.0	0.9	0.5
Owners' equiv. rent of residences ^{(1) (2)}	316.537	317.784	318.506	3.3	0.6	0.2
Owners' equiv. rent of primary residence ^{(1) (2)}	316.513	317.756	318.482	3.3	0.6	0.2
Fuels and utilities.....	295.078	297.508	291.090	-3.0	-1.4	-2.2
Household energy.....	259.239	265.167	256.173	-4.9	-1.2	-3.4
Energy services ⁽¹⁾	258.159	264.044	254.962	-4.8	-1.2	-3.4
Electricity ⁽¹⁾	290.671	300.925	300.925	-4.4	3.5	0.0
Utility (piped) gas service ⁽¹⁾	224.068	222.585	196.124	-5.8	-12.5	-11.9
Household furnishings and operations.....	115.943	115.363	114.359	-1.9	-1.4	-0.9
Apparel.....	114.341	113.500	110.747	0.4	-3.1	-2.4
Transportation.....	198.005	194.011	192.619	-2.4	-2.7	-0.7
Private transportation.....	193.629	188.820	186.873	-2.4	-3.5	-1.0
Motor fuel.....	246.755	228.651	219.830	-11.2	-10.9	-3.9
Gasoline (all types).....	241.579	223.802	215.129	-11.1	-10.9	-3.9
Gasoline, unleaded regular ⁽³⁾	242.193	224.227	215.431	-11.3	-11.0	-3.9
Gasoline, unleaded midgrade ^{(3) (4)}	233.497	214.672	206.756	-10.5	-11.5	-3.7
Gasoline, unleaded premium ⁽³⁾	229.035	213.374	205.609	-10.3	-10.2	-3.6
Medical care.....	426.277	433.038	443.047	5.2	3.9	2.3
Recreation ⁽⁵⁾	103.544	106.169	106.536	3.4	2.9	0.3
Education and communication ⁽⁵⁾	147.006	147.283	147.079	0.7	0.0	-0.1
Other goods and services.....	388.613	391.837	391.758	2.7	0.8	0.0
Commodity and service group						
All items.....	245.431	245.812	245.711	1.6	0.1	0.0
Commodities.....	177.301	175.708	174.412	-0.9	-1.6	-0.7
Commodities less food & beverages.....	138.788	136.021	134.043	-2.8	-3.4	-1.5
Nondurables less food & beverages.....	181.951	176.352	173.450	-3.8	-4.7	-1.6
Durables.....	96.637	96.558	95.469	-1.0	-1.2	-1.1
Services.....	305.665	307.972	309.048	3.1	1.1	0.3
Special aggregate indexes						
All items less medical care.....	237.382	237.547	237.112	1.4	-0.1	-0.2
All items less shelter.....	219.652	219.771	219.247	0.5	-0.2	-0.2
Commodities less food.....	142.790	140.190	138.314	-2.6	-3.1	-1.3
Nondurables.....	217.102	214.695	213.329	-0.9	-1.7	-0.6
Nondurables less food.....	186.764	181.667	179.029	-3.4	-4.1	-1.5
Services less rent of shelter ⁽²⁾	315.800	320.088	321.475	2.4	1.8	0.4
Services less medical care services.....	295.050	296.875	297.471	2.9	0.8	0.2
Energy.....	252.521	243.522	234.598	-8.6	-7.1	-3.7

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods Los Angeles-Riverside-Orange County, CA (1982-84=100 unless otherwise noted) - Continued

Item and Group	Indexes			Percent change from-		
	Sep. 2015	Oct. 2015	Nov. 2015	Nov. 2014	Sep. 2015	Oct. 2015
All items less energy.....	246.813	247.878	248.417	2.4	0.6	0.2
All items less food and energy.....	246.488	247.539	248.120	2.6	0.7	0.2

(1) This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.

(2) Index is on a December 1982=100 base.

(3) Special index based on a substantially smaller sample.

(4) Indexes on a December 1993=100 base.

(5) Indexes on a December 1997=100 base.

- Data not available

NOTE: Index applies to a month as a whole, not to any specific date.

Grace Environmental Services
August 2014 through August 2015

	Type	Date	Num	Name	Memo	Debit
5510 - Utilities/Electric	Bill	08/29/2014	3179514655-9	PG&E	WWTP	5,552.22
	Bill	09/02/2014	4010616689-1	PG&E	Wells	918.94
	Bill	09/03/2014	1274026630-4	PG&E	Dist./Res	34.59
	Bill	09/30/2014		PG&E	WWTP	4,699.28
	Bill	10/01/2014		PG&E	Street Lights	660.62
	Bill	10/01/2014		PG&E	Wells	630.11
	Bill	10/02/2014		PG&E	Dist./Res	36.86
	Bill	10/16/2014	7190979697-2	PG&E	Street Lights	665.45
	Bill	10/29/2014		PG&E	WWTP	4,054.86
	Bill	10/30/2014		PG&E	Wells	345.82
	Bill	10/31/2014		PG&E	Dist Res	38.20
	Bill	11/17/2014		PG&E	Street Lights	669.56
	Bill	12/01/2014		PG&E	WWTP	3,227.67
	Bill	12/02/2014		PG&E	Dist./Res	33.72
	Bill	12/02/2014		PG&E	Wells	226.01
	Bill	01/17/2015		PG&E	Street Lights	669.47
	Bill	01/28/2015		PG&E	WWTP	2,976.38
	Bill	01/28/2015		PG&E	Dist./Res	54.06
	Bill	01/28/2015	EFT	PG&E	Wells	221.05
	Bill	01/28/2015	EFT	PG&E	Street Lights	672.37
	Bill	01/28/2015	EFT	PG&E	Wells	231.39
	Bill	01/28/2015	EFT	PG&E	Dist./Res	29.15
	Bill	02/16/2015		PG&E	Dist./Res	65.24
	Bill	02/16/2015		PG&E	WWTP	2,918.12
	Bill	02/16/2015		PG&E	Wells	359.27
	Bill	03/14/2015		PG&E	WWTP	3,038.98
	Bill	03/14/2015		PG&E	Street Lights	550.51
	Bill	03/14/2015		PG&E	Dist./Res	38.78
	Bill	03/14/2015		PG&E	Wells	414.73
	Bill	03/18/2015		PG&E	Street Lights	674.77
	Bill	04/09/2015		PG&E	WWTP	2,666.33
	Bill	04/09/2015		PG&E	Dist./Res	30.32
	Bill	04/09/2015		PG&E	Wells	569.12
	Bill	04/17/2015		PG&E	Street Lights	674.52
	Bill	04/30/2015		PG&E	WWTP	3,055.74
	Bill	05/01/2015		PG&E	Wells	608.52
	Bill	05/01/2015		PG&E	Dist./Res	39.26
	Bill	06/17/2015		PG&E	Street Lights	674.52
	Bill	06/27/2015		PG&E	Street Lights	674.56
	Bill	06/27/2015		PG&E	Wells	945.41
	Bill	06/27/2015		PG&E	WWTP	4,551.72
	Bill	06/30/2015		PG&E	WWTP	4,403.75
	Bill	07/01/2015		PG&E	Wells	872.85
	Bill	07/17/2015		PG&E	Street Lights	674.47
	Bill	07/29/2015		PG&E	WWTP	5,321.03
	Bill	07/30/2015		PG&E	Wells	873.54
	Bill	07/30/2015		PG&E	Dist./Res	40.29
	Bill	08/17/2015		PG&E	Street Lights	674.57
	Bill	08/28/2015	Sep2015	PG&E	WWTP	5,222.26
	Bill	08/31/2015		PG&E	Wells	935.19
Total 5510 - Utilities/Electric						<u>68,216.15</u>
TOTAL						<u>68,216.15</u>