

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

AGENDA

Monday, November 3, 2003 – 9:30 AM

**Wastewater Treatment Plant
9245 Balboa Avenue**

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

1. 9:30 AM - CALL TO ORDER
 - 1.1 Roll Call
2. ITEMS OF BUSINESS
 - 2.1 Authorization For Immediate Repair of Hoffman Blower
3. ADJOURNMENT

San Simeon Community Services District



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

Board of Directors

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

NOTICE OF DISTRICT COMMITTEE MEETING

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

Monday, November 17, 2003

8:30 A.M.

Cavalier Banquet Room
9415 Hearst Avenue
San Simeon, CA 93452

San Simeon Community Services District



111 Pico Avenue, San Simeon, California 93452
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Board of Directors

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

NOTICE OF MEETING

DISTRICT POLICY ADVISORY COMMITTEE

Monday, November 17, 2003

9:30 A.M.

Cavalier Banquet Room
9415 Hearst Avenue
San Simeon, CA 93452

Board of Directors - Regular Meeting
San Simeon Community Services District
AGENDA
Wednesday, November 12, 2003 – 5:30 PM
Cavalier Banquet Room

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

1. 5:30 PM - CALL TO ORDER
 - 1.1 Roll Call
 - 1.2 Public Comment on Closed Session Items
2. ADJOURN TO CLOSED SESSION
 - 2.1 Personnel Issues – Government Code Section 54957: discussions regarding personnel issues:
 - Discussion regarding one (1) contract employee, specifically the District Engineer
 - Discussion regarding one (1) Public Employee, specifically the Office Administrator
3. RECONVENE IN OPEN SESSION (6:30 PM)
 - 3.1 Roll Call
 - 3.2 Pledge of Allegiance
 - 3.3 Report on Closed Session
4. PUBLIC COMMENT:
 - Any member of the public may address and ask questions of the Board relating to any matter within the Board's jurisdiction, provided the matter is not on the Board's agenda, or pending before the Board. Presentations are limited to three (3) minutes or otherwise at the discretion of the Chair.
 - 4.1 Sheriff's Report
 - 4.2 Public Comment
5. STAFF REPORTS
 - 5.1 General Manager's Report
 - 5.2 District Counsel Report
 - 5.3 Plant Superintendent's Report
 - 5.4 District Engineer's Report
6. ITEMS OF BUSINESS
 - 6.1 Approval of Minutes – October 8, 2003
 - 6.2 Approval of Warrants – October 1 through October 31, 2003
 - 6.3 Quarterly Investment Fund Report – Period Ending 9-30-03
7. DISCUSSION/ACTION ITEMS
 - 7.1 Resolution No. 03-293: A Resolution Authorizing the Chairperson, Vice-Chairperson and Board Member(s) to Order the Deposit and/or Withdrawal of Monies in LAIF
 - 7.2 Resolution No. 03-294: Grant Of Easement – Cavalier Inn for San Simeon Sanitary Sewer Pipeline Bridge
 - 7.3 Addendum to District Engineer's Contract – Effective July 1, 2003 through June 30, 2004
 - 7.4 Resignation of Office Administrator – Discussion regarding Vacancy
 - 7.5 Evaluation of Electrical System – Wastewater Treatment Plant
 - 7.6 Southwest Water Company – Default on Letter of Interest Stipulation
 - 7.7 District Committee Reports
 - 7.8 Board Reports
8. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS
9. ADJOURNMENT

San Simeon Community Services District

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

Board of Directors

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

MEMORANDUM

DATE: November 12, 2003
TO: Board of Directors
FROM: Mark A. Bloodgood, General Manager
RE: General Manager's Report

- 1. Internal Controls Program and Office Procedures** – Given the recent news regarding embezzlement issues involving other local community service districts, David Kiech requested that Staff mention some of the internal controls that our district has in place. Generally we have instituted basic control tasks of authorizing transactions, validating transactions, checking for completeness and checking for accuracy in the accounting and bookkeeping arena. These tasks are enforced or monitored via segregation of duties, custodial arrangements, supervision and internal and external auditing. An example is the handling of accounts payable and the writing of checks. Kim, our office employee, would do the posting and initial processing of a payable. The payable is then reviewed by management for authorization, validation, completeness and accuracy. Finally, as a third level, Board members review and sign the check for the vendor. So this constitutes segregation of duties, supervision and internal auditing. On top of this, an outside auditor does an annual review of our financial statements and internal controls and tests the system by reviewing selected transactions. So standard checks and balances such as these have been put in place to help mitigate various risks facing the district: These include financial risks, accounting risks, and risks to other assets.
- 2. Completion of the Action Plan** – We will be polling Board members for any changes to the draft and incorporate any necessary additions or deletions. Then, at the first Board meeting where we don't have a scheduled closed session, we will meet to grapple with our mission statement.
- 3. Hearst Ranch Agreement with American Land Conservancy.** – No Update.
- 4. Prop 50** – No update.
- 5. Grand Jury Request** – We recently received a request for information from the San Luis Obispo County Grand Jury dated October 21, 2003. The request included information about the District, Services provided, Director information and budget and contract statistics. The requested information was compiled and

delivered to the Grand Jury offices on October 31, 2003, ahead of the November 4, 2003 deadline.

6. **Solids Disposal Alternatives** –No update.
7. **Rate Study** – Staff is completing the final draft for the Requests for Proposal (RFP) for the Rate Study. This will be reviewed by the Facilities / Water Committee, Finance Committee and Board next month.
8. **Fiscal Year 2002 – 2003 Audit** – The Finance Committee discussed some of the questions from the auditor. Their responses have been forwarded to Mr. Crosby so that he may complete the final draft. Due to certain circumstances beyond his control, Mr. Crosby may not have the draft back to the Board until mid-November.
9. **Recycling in San Simeon** – No update.
10. **Pet Station Research** – No update.
11. **Meeting with C.C.S.D. Water Conservation Office** – A copy Ms. Putnam's report to the Water – Facilities Committee regarding her meeting with Ben Boer of Cambria is enclosed in the Board Packet.

November 5, 2003

RECEIVED

To: Mark Bloodgood, District Manager San Simeon CSD

NOV 06 2003

From: Chris Nally, System Supervisor for FRM

EDA

Subject: SUPERINTENDENTS REPORT OCTOBER 2003

Wastewater:

The operations staff documented vibration, noise and an increase in temperature from the 60 hp blower in operation on 10-8. Staff determined the problem resulted from bearings and the impellers and housing were damaged as a result of the failure. The Blower was removed from service and the backup blower was rewired by an electrical contractor to operate with the VFD. The Blower was removed by PC Mechanical and taken to their shop for evaluation. The board was informed that the blower was in need of a complete rebuild. The job was ordered on Monday 11-3, to be completed and installed by PC Mechanical, with the assistance of plant staff. Staff also recommends that an inspection of the backup blower be done after the rebuilt is blower on-line.

Staff also has identified a partially plugged line between the #3 plant aeration chamber and clarifier. As the #3 plant is in need of routine cleaning, maintenance and inspection, plant staff has ordered new diffusers and will perform the work when the parts arrive.

Although the plant had mechanical difficulties, staff did not allow effluent quality to suffer as the test results show.

Water:

The water system operated very well for the month of October. Staff was able to make repairs to the exterior of the well houses, including repainting the buildings.

Staff would like to take advantage of low usage periods in the fall to perform some routine maintenance on the distribution system. With the boards permission, the operations staff will flush the supply lines by opening hydrants FH-11, FH-14, FH-22 and FH-7. These hydrants are either at a dead end line or on one of the more minor use lines. Staff will flow the hydrant until the water is clear, but will be conscience of the amount of water used. Before the maintenance is performed the residents of the town must be notified either in the water bill or the newsletter. This type of maintenance is common and prevents dead spots in the system and loosens sediment in the lines.

Additional:

Staff is beginning to perform the annual maintenance work orders at the treatment plant and on the water system.

As mentioned staff will be removing the #3 plant from service, cleaning, inspecting and replacing diffusers as needed.

Staff is also planning for repairs and changes to the equalization chamber.

SAN SIMEON COMMUNITY SERVICES DISTRICT

SUPERINTENDENT'S REPORT FOR OCTOBER 2003

FLOW COMPARISON - Water

Oct-03 3,265,000 gallons	YTD 2003 31,333,000 gallons	MONTHLY USAGE COMPARISON: ANNUAL USAGE COMPARISON:	24% increase 4% increase
Oct-02 2,475,000 gallons	YTD 2002 30,017,000 gallons	GROSS WATER PRODUCTION: NET WATER PRODUCTION: MONTHLY RECOVERY RATE:	3,475,000 gallons 3,297,094 gallons 95%

RAINFALL

Oct-03 0.00 inches	03-04 YTD 0.00 inches	MONTHLY COMPARISON: ANNUAL COMPARISON:	0.00 inches less 0.00 inches less
Oct-02 0.00 inches	02-03 YTD 0.00 inches		

WELL DEPTH COMPARISON

Oct-03 13.8 feet	Sep-03 12 feet	Oct-02 14.77 feet	MONTHLY COMPARISON: ANNUAL COMPARISON:	1.8 feet lower 1.0 feet higher
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CHLORIDE COMPARISON

Oct-03 40 mg/l	Sep-03 45 mg/l	Oct-02 40 mg/l	MONTHLY COMPARISON: ANNUAL COMPARISON:	CONSTANT LOWER
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FLOW COMPARISON - District Wastewater Treated

Oct-03 2,095,537 gallons	YTD 2003 21,930,289 gallons	MONTHLY USAGE COMPARISON: ANNUAL USAGE COMPARISON:	3% increase 1% decrease
Oct-02 2,025,320 gallons	YTD 2002 22,257,210 gallons		

FLOW COMPARISON - State Wastewater Treated

Oct-03 300,423 gallons	YTD 2003 3,135,430 gallons	MONTHLY USAGE COMPARISON: ANNUAL USAGE COMPARISON:	13% decrease 1% increase
Oct-02 265,881 gallons	YTD 2002 3,104,727 gallons		

DISCHARGE REQUIREMENTS


EFFLUENT BOD:	5 mg/l	EFFLUENT SUSPENDED SOLIDS:	<5 mg/l
INFLUENT BOD:	n/a mg/l	INFLUENT SUSPENDED SOLIDS:	n/a mg/l

BIOSOLID DISPOSAL

OCTOBER:	10000 gallons	YTD:	120500 gallons
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SAN SIMEON COMMUNITY SERVICES DISTRICT

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

DATE: November 12, 2003
TO: Board of Directors
VIA: Mark Bloodgood, District Manager
FROM: John L. Wallace, District Engineer 
SUBJECT: Engineer's Report - Project Status

SUMMARY OF ACTIVE PROJECTS:

1. Combined Waterline Projects - Reservoir, Jasper Way, Castillo to Avonne Loop;
2. Annual Road Improvements - On Hold Pending Board Authorization
3. Capital Improvement Projects FY 2003-04 CIP
4. Pico Creek Wells - Flood Proofing - Included in FY 2003-04 Budget
5. Standby Power - Included in Facilities Plan
6. Wastewater Treatment Plant Rip-rap & Aeration Tank Expansion-Coastal Permit Pending
7. State Revolving Fund Loan - District is on the list.
8. Facilities Plan:, To be used as a guide for future projects.
9. Proposition 50 Projects; Funding Legislation delayed.
10. Water Reclamation - Priority 1 Improvement Proposal;
11. District Infrastructure

DISCUSSION:

1. Combined Waterline Projects - Reservoir, Jasper Way, Castillo to Avonne Loop;

An updated hydraulic model of the water distribution system identified three priority projects for better operations and fire protection. These projects include a 12-inch PVC transmission line from the reservoir to the distribution system, a 10-inch transmission line on Jasper from Pico Avonne and the Motel 6 loop. Attached are sketches showing the difference achieved in fire flow that would result from completing these projects. The Board has approved these projects as part of the FY 2003-04 Budget under Capital Improvements. Staff will bring these back as a project to be initiated through Board review and approval.

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

Minor potholes have been patched, approval of the CIP and major maintenance budget for FY 2003-04 will make further authorizations for these projects. Major water line projects listed above must be completed prior to road improvements.

3. Capital Improvement and Major Maintenance Projects Priority List;

The Board has approved the Capital Improvement and Major Maintenance Projects as part of the FY 2003-04 Budget. These projects will now be individually reviewed/approved as part of the Facilities Committee and Board approval process.

4. Pico Creek Wells;

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

5. Emergency Standby Power;

Recommendations for standby power were made as part of the Final Facilities Plan and further analysis of horsepower requirements is the subject of an RFP for electrical facilities/power review.

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

Staff is analyzing alternative methods of verifying the amount, location and what type of rock rip rap was installed in 1968 and 1983.

7. State Revolving Fund (SRF) Program;

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

8. Facilities Plan;

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

9. Proposition 50 Projects;

As previously discussed with the Board, Prop. 50 may eventually make \$650,000 of funding available to this District for water/recycling and water tank/water line projects. The projects selected will need to be included in the District's capital improvement program. Unfortunately, the State budget process seriously delayed funding for an undetermined period..

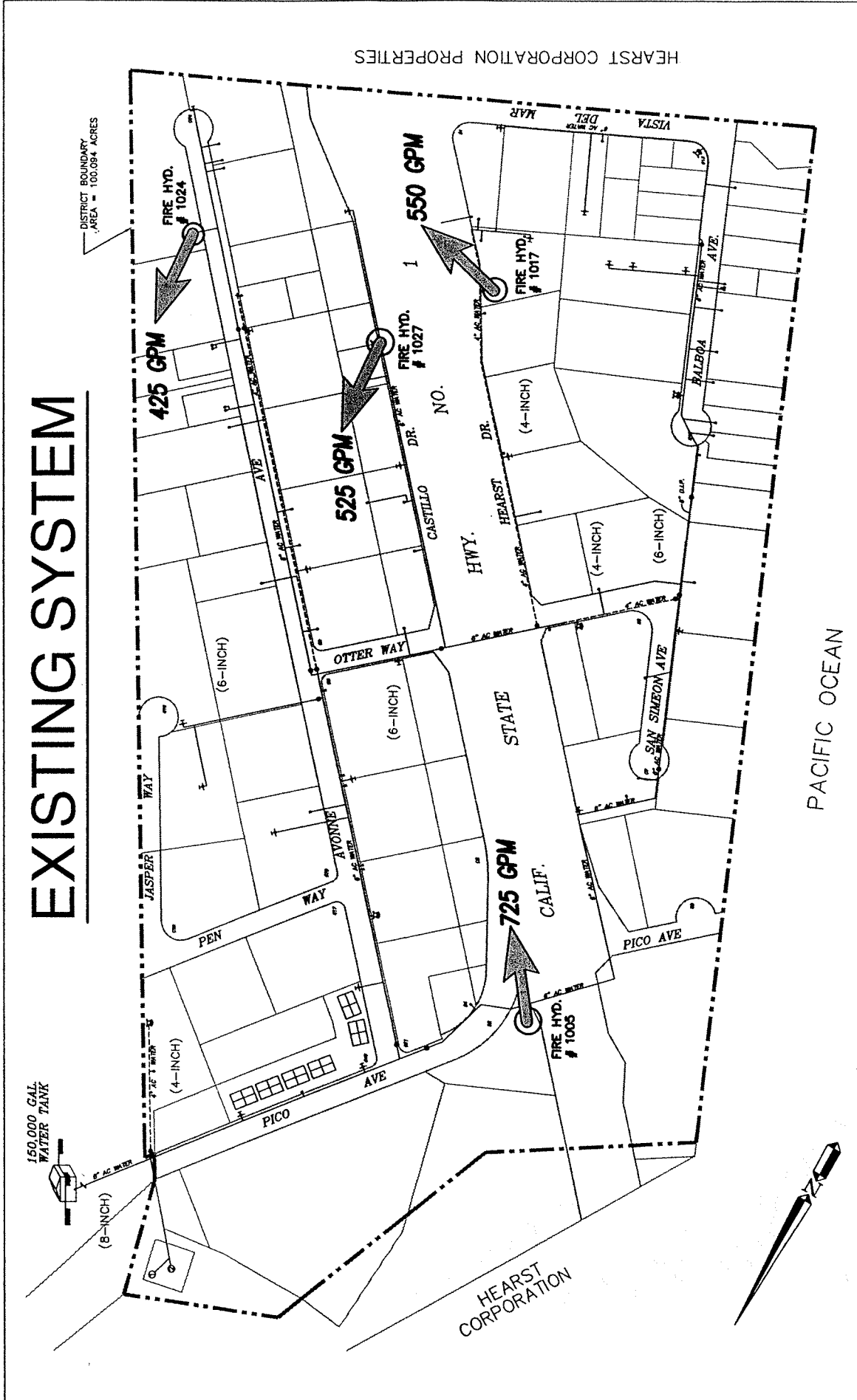
10. Water Reclamation - Priority 1 Improvements;

A Recommendation will be brought back to the Facilities Committee and Board to move forward with the design phase of the Priority 1 Project Improvement as described in the Water Recycling Study and, Facilities Plan. This project is included in the FY 2003-04 CIP.

11. Infrastructure Inventory;

Staff is assisting in finalizing the record drawings for the District's water, sewer, roads and street lighting infrastructure.

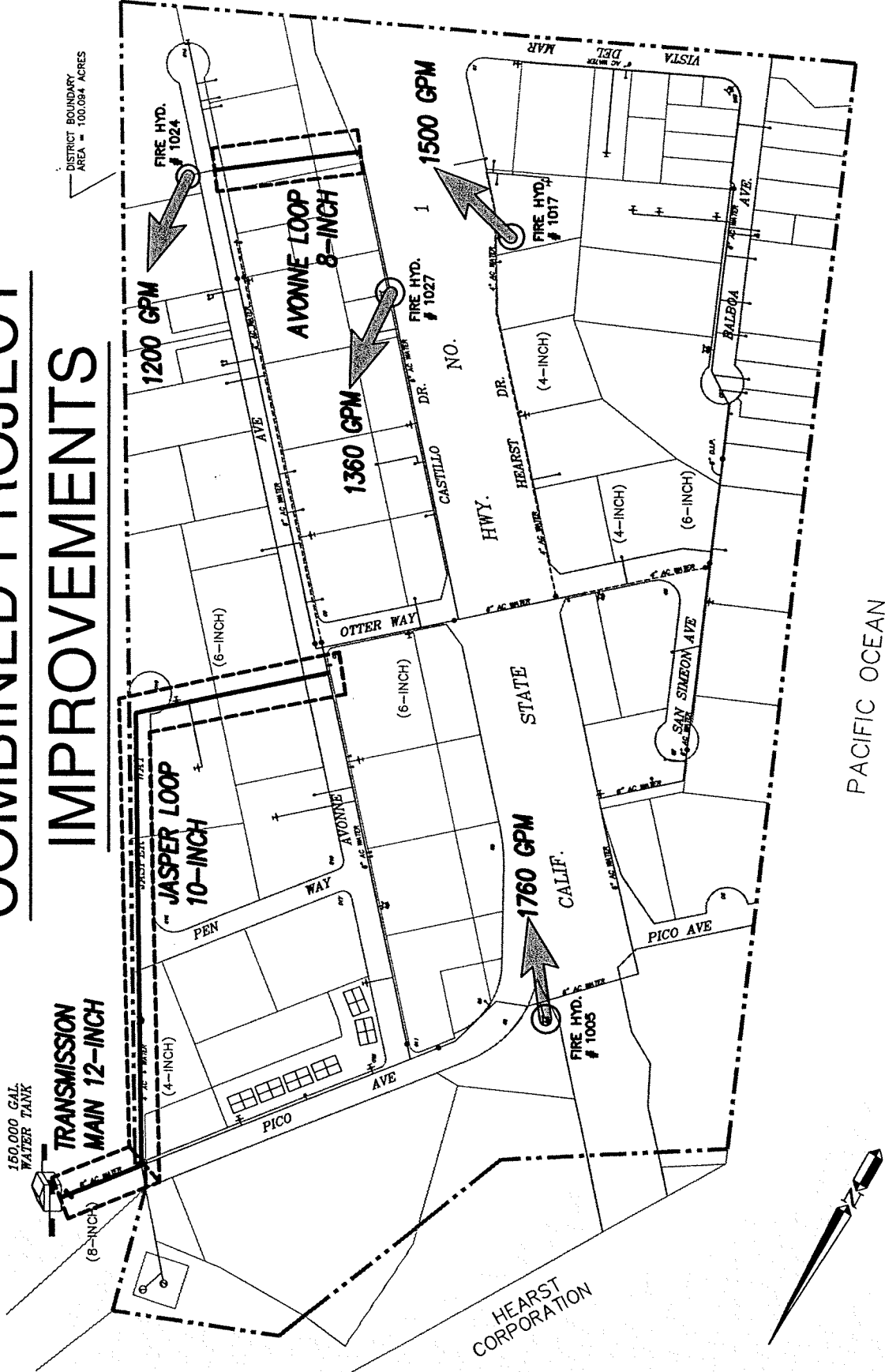
EXISTING SYSTEM



JWA
John L. Wallace & Associates
 4115 South Broad Street, Suite B5
 San Luis Obispo, California 93401
 Tel (805)544-4017 Fax (805)544-4294

Existing water supply system. (Prior to any upgrades).
 Available flow is shown for three fire hydrants within the system.

COMBINED PROJECT IMPROVEMENTS



HEARST CORPORATION PROPERTIES

JLWA
John L. Wallace & Associates
 4118 South Beach Street, Suite 88
 San Luis Obispo, California 93401
 Tel (805)544-4011 Fax (805)544-4294

Water system with following upgrades: 12" Transmission Main, 10" Jasper Loop, and 8" Avonne Loop.
 Expected available flow is shown for three fire hydrants within the system.

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

Date: Wednesday, October 8, 2003

Place: Cavalier Banquet Room

MINUTES

1.0 CALL TO ORDER

The Board convened at 5:30 p.m.

1.1 Roll Call:

Directors Present: Loraine Mirabal-Boubion, David Kiech, Eric Schell and Carol Bailey-Wood. Director Terry Lambeth connected via teleconference at 6:15PM.

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

1.2 Public Comment on Closed Session:

Michael R. Hanchett stated that both he and his son, Michael C. Hanchett would be available next door if there were any questions.

2.0 ADJOURN TO CLOSED SESSION

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

2.1 Conference with Legal Counsel regarding existing Litigation – Gov't Code Section 54956.9(a): Cavalier Inn vs. San Simeon Community Services District

3.0 RECONVENE IN OPEN SESSION/CALL TO ORDER

The Board re-convened in open session at approximately 6:43 p.m.

3.1 Roll Call:

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

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

3.2 Pledge of Allegiance – Chairperson Kiech led the Pledge of Allegiance.

3.3 Report on Closed Session:

District Counsel Schultz reported that the Board had met in closed session regarding several topics, including:

2.1 Pending Litigation involving the cross complaint by the Cavalier Inn. No action was taken in closed session. Following the Public Hearing on the matter, the Board will take action.

4.0 PUBLIC COMMENT

4.1 Sheriff's Report:

Deputy Todd Steeb gave the Sheriff's Report. Five individuals, part of a credit card fraud ring from Monterey were arrested. Additional incidents included a stolen /

recovered vehicle with one arrest made, and an arrest at the Piedras Blancas lighthouse, during which the Sheriff's patrol car sustained damage. A burglary ring, suspected of auto break-ins on Avonne and Santa Rosa Creek Road, has been broken up and arrests have been made. Finally, Deputy Steeb indicated that while violations of the District's 72 hour parking limit is actually a C.H.P. jurisdictional issue, they have supplied the local Sheriff's Department with "tags" so that the removal of violators can be expedited.

4.2 Public Comment:

There were no comments from the public.

5.0 **PUBLIC HEARING:** Proposed Settlement Agreement and Release between Cavalier Inn, Inc. Cavalier Acres, Inc., Cavalier Investments, Inc., and V&H Holdings, LLC ("Cavalier") and San Simeon Community Services District ("S.S.C.S.D.")

Prior to opening the public hearing, Chairperson Kiech asked District Counsel Schultz to give an overview of the lawsuit. The Cavalier has been sued by Carolyn Martin on the alleged basis of non-ADA compliance issues. On October 21, 2002, the Cavalier defendants filed a cross complaint against the District, alleging the District wrongfully refused to issue a will serve letter to the Cavalier so that they could perform renovations to their restaurant bathroom facilities. The District adamantly denied these allegations and retained legal counsel to defend its position as litigation is excluded from the District Counsel's contractual obligations. Extensive research has supported the District's position, as there is nothing to substantiate the Cavalier's claim, either in the way of documentation, nor formal action taken by previous boards. The District's insurance carrier SDRMA denied coverage for legal representation, stating that the complaint did not fall within any area listed in the memorandum of coverage. Their decision is being appealed. Since no budgetary provisions had been made, in August 2003, the Board authorized funding of \$25,000 to cover legal expenses in defense against the allegations. Legal Counsel filed for dismissal of the cross complaint against the District. In mid-September, Cavalier contacted the District, stating they wished to negotiate a settlement agreement. The settlement does not involve any payment of funds by the District. Indeed, many of the items included in the agreement are things that the District had already begun addressing. Negotiations involved developing realistic timelines for completion of the tasks. These tasks include:

1. Creation and adoption of procedures for requesting new water and sewer services and potential transferring of existing services through the review and amending of Ordinance 66.
2. Holding a public hearing by February 2004 regarding the Hook Up and Deposit Waiting List. Cavalier contends that it should be in the first position on the list, since they had purchased the former Dalton property. The purpose of the public hearing will be to make findings of fact and to establish and certify the Priority List.
3. The District will prepare and accurately record the easement granted to the District by the Cavalier for construction of the sewer and water bridge to the District's wastewater treatment plant. The District will also satisfy its existing obligation to return to Cavalier the old easement replaced by the project. This obligation should be completed by January 14, 2004.
4. The District will determine whether or not a survey of the wastewater treatment plant, including the riprap, exists and is complete. If not, one will be done in order to determine boundaries. If any improvements, including riprap, encroach on Cavalier property, the District will prepare and record an easement granted to the District by the Cavalier. This obligation should be completed by January 14, 2004.

5. The District will agree to continue work on a water conservation program, with completion and final submittal to the Board slated for June 9, 2004.
6. The District will continue with its plans to review and potentially revise the District's water and sewer rate structure and collection procedures. This will include the rate study, which the District has been discussing. This should be completed by August 11, 2004.
7. Finally, the District will continue to maintain a separate reserve account for water projects through the end of the moratorium. This account was established during the 2002-2003 fiscal year.

The Cavalier agrees to grant a license to the District for access to repair and maintain the riprap surrounding the wastewater treatment plant. This will include use of the pathway north of the Arroyo del Padre Juan Creek, and for lateral beach access on the Cavalier property in front of the creek. In addition, the Cavalier agrees to allow the District the opportunity to improve the pathway north of the creek on the Cavalier property if it so desires. Also, the Cavalier et al, agrees to release the District from their claims for indemnity and declaratory relief as specified in the lawsuit and state that no other claims will be made as a result of the lawsuit. (A copy of the Final Agreement will be attached to the official minutes.)

Bob McLaughlin asked why the suit had come about since it was never proven that the Cavalier ever requested, nor that it was ever denied by the District. Mr. Schultz reiterated the history of the ADA complaint against the Cavalier and that, on advice from their legal counsel, the Cavalier had filed the cross complaint. He stated that the parties disagree on the interpretation of what happened. Mr. Schultz also stated that attorneys often recommend that their clients file a cross complaint in an attempt to garner monies for fees. A discussion followed regarding the merits of the cross complaint. Mr. McLaughlin asked if the suit could be proven to be frivolous. Mr. Schultz stated that it would be hard to prove and that it was without merit.

Following comments from the public, Chairperson Kiech opened the floor to members of the Board. Director Mirabel-Boubion stated that ethically, she was conflicted. She feels that most of the items in the settlement agreement have nothing to do with the cross complaint against the District. However, out of her duty to provide fiscal responsibility to the District, and on the advice of staff, she would vote in favor of the agreement, with reservations. Chairperson Kiech concurred, stating that Director Mirabel-Boubion had summed up his feelings as well. Director Bailey-Wood indicated that she too felt that the agreement had nothing to do with ADA issues nor the Cavalier's complaint against the District. While it grates her to go against her ethical principals, she too would follow the advise of staff and vote to accept the agreement, with reservations. Directors Schell and Lambeth indicated that out of fiscal responsibility, they too would accept the agreement. All of the board members agreed that this was the most difficult decision they have ever been asked to make as it goes against what they believe. Most of the items in the agreement have already been initiated by the District. The decision has to be based on what is in the best interest of the community and what is fiscally prudent. Following the comments of the Board, a motion was made by Director Mirabel-Boubion to accept, with reservation, the proposed settlement agreement and release between the Cavalier and the S.S.C.S.D. Director Schell seconded the motion. A roll call vote was held, with Directors Kiech, Mirabel-Boubion, Bailey-Wood, Schell and Lambeth all voting in the affirmative. The motion carried unanimously.

6.0 STAFF REPORTS

6.1 General Manager Report

Mr. Bloodgood and Ms. Putnam gave the General Managers Report. A copy is attached to the official minutes. The Board was asked to review the draft of the Strategic Planning Workshop minutes and forward any changes or comments to the General Manager. It was noted that many of the items outlined in that workshop have begun being addressed by the District.

6.2 District Counsel Report

Mr. Schultz stated that most of his time had been focused on the settlement negotiations.

6.3 Plant Superintendent Report

Chris Nally of Fluid Resource Management, Inc. gave the Superintendent Report. A copy is attached to the official minutes. A discussion was held regarding the monthly recovery rate and what may have accounted for the drop. The control valve got stuck and had to be repaired. Still, if it was stuck from the 15th through the 22nd when the alarm was triggered, that could account for the lower recovery rate. Staff is monitoring the situation.

6.4 District Engineer Report

Mr. Wallace gave the District Engineer Report, a copy of which is attached to the official minutes.

7.0 ITEMS OF BUSINESS

7.1 Approval of Minutes – September 10, 2003 and October 1, 2003

A motion was made by Director Mirabal-Boubion, and seconded by Director Kiech, to approve the minutes of September 10, 2003. Directors Kiech, Mirabal-Boubion and Schell all voted in favor. Director Bailey-Wood (absent from the meeting) and Director Lambeth (who did not have a chance to review the minutes) abstained. The motion carried.

A motion was made by Director Bailey-Wood and seconded by Director Schell, to approve the minutes of the October 1, 2003 special meeting. Directors Kiech, Bailey-Wood and Schell voted in the affirmative. Director Mirabal-Boubion (who was absent from the meeting) and Director Lambeth (did not have the minutes) abstained. The motion carried.

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

A motion was made by Director Mirabal-Boubion and seconded by Director Bailey-Wood to approve the warrants of September 1, 2003 through September 30, 2003 in the amount of \$57,590.11. The motion carried four / zero with Director Lambeth abstaining.

8.0 DISCUSSION / ACTION ITEMS

8.1 Settlement Agreement and Release between “Cavalier” and “S.S.C.S.D.”

8.2 Renewal of District Counsel Contract – September 1, 2003 through June 30, 2004

A motion was made by Director Bailey-Wood, and seconded by Director Mirabal-Boubion, to renew the contract between S.S.C.S.D. and Robert W. Schultz for the ten month period, September 1, 2003 through June 30, 2004. The monthly stipend will continue to be \$1,500 per month. Directors Bailey-Wood, Mirabal-Boubion, Schell and Kiech voted in the affirmative. Director Lambeth abstained because he did not have a

copy of the renewal with him. He did, however, extend gratitude to Mr. Schultz for his work on behalf of the District.

8.3 Board Committee Reports

Finance Committee: Will hold their first meeting on Monday, October 20th. The agenda includes review of the first quarter, discussion relating to the audit and quarterly investment report, and planning for the 2004-2005 Fiscal Year budgeting process.

Policy Committee: Will meet on October 20th to continue their review of the new district policy draft. At the last meeting, the input from members of the Board of Directors, staff and community members were incorporated. The committee also looked at several current district policies that need to be incorporated into the document. In order to qualify for credit on our annual insurance premium, the new policy book must be adopted prior to March 1st. Dee Dee Ricci offered to review the draft when it is ready.

Water-Facilities Committee: Will meet on October 16th. The committee will continue its work on a template for recommendations for dealing with restrictions during water emergencies. Once complete, these will be forwarded to the Board of Directors for final approval.

Ad-Hoc Ordinance No. 66 Review Committee: Will meet on Monday, October 20th.

8.4 Board Reports

There were no board reports.

9.0 BOARD / STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS

Director Mirabal-Boubion inquired as to the status of the District Engineer contract. Mr. Schultz indicated that he had been working on the language, putting it in a format similar to that of the other contracted staff, including the General Manager, District Counsel and Operations Manager. He will bring this back to the November meeting. A brief discussion was also held relative to annual performance evaluations for contract staff. As a rule, the Board has conducted their evaluations during the months of April/May. It was suggested that all evaluations must include a written evaluation. Mr. Bloodgood reminded board members that during the last round of evaluations, only two board members had completed the written forms, but had not turned them in to District staff. In order to streamline the process, a more standardized evaluation form will be developed. Staff, in conjunction with the Board, will set dates for completion of the annual evaluation process.

Mr. Wallace initiated a discussion relative to the Transient Occupancy Tax (T.O.T.), collected by the County and allocated to their General Fund. Contributions from San Simeon are considerable, and yet no benefit is realized in the community itself. The purpose of these funds is to maintain infrastructure, including roads, in tourist areas. The local chapter of CSDA is interested in forming a coalition to work on negotiations with the County, in an attempt to have some sort of re-allocation that will benefit local tourist areas, including San Simeon. Ms. Putnam indicated that a commitment of staff time will need to be authorized by the Board, as the SLO – CSDA projects approximately 15 hours of staff time for this project. A formal proposal will be forthcoming.

10.0 ADJOURNMENT

On a motion made by Director Mirabal-Boubion and seconded by Director Schell, the meeting was adjourned at 7:50 PM

SAN SIMEON COMMUNITY SERVICES DISTRICT
WARRANT REPORT
 October 1 through October 31, 2003

<u>DATE</u>	<u>NUM</u>	<u>NAME</u>	<u>WARRANT#</u>	<u>MEMO</u>	<u>AMOUNT</u>
10/14/2003	4629	AMERPRIDE	0310-001	MATS, WET MOP	\$ 41.50
10/14/2003	4630	AT&T	0310-002	TELEPHONE	\$ 38.73
10/14/2003	4631	CAMBRIA AUTO PARTS	0310-003	JUMPER CABLES	\$ 34.19
10/14/2003	4632	CAMBRIA HARWARE	0310-004	LUMBER, CONDUIT, PVC, SEALANT, TROWEL	\$ 446.40
10/14/2003	4633	CAROL BAILEY-WOOD	0310-005	MONTHLY BOARD SERVICE FOR OCT. 2003	\$ 100.00
10/14/2003	4634	CREEK ENVIRONMENTAL LAB	0310-006	INFLUENT & EFFLUENT ANALYSIS	\$ 416.00
10/14/2003	4635	CREEK ENVIRONMENTAL LAB	0310-007	TOTAL COLIFORM ANALYSIS	\$ 80.00
10/14/2003	4636	CRYSTAL SPRINGS WATER	0310-008	WATER DELIVERY	\$ 10.00
10/14/2003	4637	DAVID KIECH	0310-009	MONTHLY BOARD SERVICE FOR OCT. 2003	\$ 100.00
10/14/2003	4638	EDA, INC.	0310-010	GEN. MGMT. SERVICES FOR JULY 2003	\$ 7,028.50
10/14/2003	4639	ERIC SCHELL	0310-011	MONTHLY BOARD SERVICE FOR OCT. 2003	\$ 100.00
10/14/2003	4640	GREAT WESTERN ALARM	0310-012	SERVICE CALL	\$ 173.23
10/14/2003	4641	JOHN WALLACE & ASSOC.	0310-013	MAJOR PROJECTS FOR AUGUST 2003	\$ 1,557.50
10/14/2003	4642	JOHN WALLACE & ASSOC.	0310-014	DISTRICT ENGINEERING FOR AUGUST 2003	\$ 1,513.87
10/14/2003	4643	LA CHEMICAL	0310-015	CHEMCLOR & SODIUM BISULFITE	\$ 1,365.44
10/14/2003	4644	LORAIN MIRABAL-BOUBION	0310-016	MONTHLY BOARD SERVICE FOR OCT. 2003	\$ 100.00
10/14/2003	4645	PACIFIC BELL	0310-017	TELEPHONE	\$ 179.53
10/14/2003	4646	PLATINUM PLUS FOR BUSINESS	0310-018	GAS & OIL	\$ 85.74
10/14/2003	4646	PLATINUM PLUS FOR BUSINESS	0310-018	CARPET FOR DISTRICT OFFICE	\$ 628.00
10/14/2003	4646	PLATINUM PLUS FOR BUSINESS	0310-018	ENVELOPES, POSTAGE, INTERNET FOR WWTP	\$ 729.64
10/14/2003	4647	RMA COMPUTER SOLUTIONS	0310-019	WEBSITE UPDATES FOR OCTOBER 2003	\$ 25.00
10/14/2003	4648	SAN LUIS SECURITY SYSTEMS	0310-020	ALARM FOR OCT., NOV. & DEC. 2003	\$ 81.00
10/14/2003	4649	TERRY LAMBETH	0310-021	MONTHLY BOARD SERVICE FOR OCT. 2003	\$ 100.00
10/14/2003	4650	VIKING OFFICE PRODUCTS	0310-022	FAX CARTRIDGES	\$ 57.33
10/14/2003	4651	FLUID RESOURCE MGMT., INC.	0310-023	WWTP OPERATIONS FOR SEPTEMBER 2003	\$ 10,850.00
10/15/2003	4652	KIMBERLY ALLISON	0310-024	PAYROLL 10/1/03-10/15/03	\$ 586.51
10/22/2003	4653	AMERPRIDE	0310-025	MATS, WET MOP	\$ 41.50
10/22/2003	4654	FERGUSON ENTERPRISES, INC.	0310-026	WATER METERS	\$ 382.88
10/22/2003	4655	GROENIGER & COMPANY	0310-027	CLAVAL REPAIR KIT	\$ 246.68
10/22/2003	4656	LA CHEMICAL	0310-028	CHEMCLOR & SODIUM BISULFITE	\$ 888.18
10/22/2003	4657	MISSION COUNTRY DISPOSAL	0310-029	RUBBISH	\$ 125.34
10/22/2003	4658	PUBLIC EMP. RET. SYSTEM	0310-030	HEALTH INSURANCE FOR NOVEMBER 2003	\$ 398.31
10/22/2003	4659	PG&E	0310-031	ELECTRICITY	\$ 6,403.78
10/22/2003	4660	ROBERT SCHULTZ, ESQ.	0310-032	LEGAL SERVICES FOR SEPTEMBER 2003	\$ 1,500.00
10/22/2003	4661	STATE COMP. INS. FUND	0310-033	WORKER'S COMP FOR 9/20/03-10/20/03	\$ 28.07
10/22/2003	4662	SUN PACIFIC	0310-034	REPLACED WIRING ON BLOWER	\$ 957.08
10/22/2003	4663	U.S.A. TRANSPORT, INC.	0310-035	SLUDGE DISPOSAL	\$ 1,056.78
10/30/2003	4664	KIMBERLY ALLISON	0310-036	PAYROLL 10/16/03-10/31/03	\$ 610.82
10/30/2003	4665	AMERPRIDE	0310-037	MATS, WET MOP	\$ 20.75
10/30/2003	4666	CREEK ENVIRONMENTAL LAB	0310-038	TOTAL COLIFORM ANALYSIS	\$ 160.00
10/30/2003	4667	EMPLOYMENT DEV. DEPT.	0310-039	PAYROLL TAXES FOR OCTOBER 2003	\$ 28.14
10/30/2003	4668	GREAT WESTERN ALARM	0310-040	MONTHLY ALARM MONITORING	\$ 25.00
10/30/2003	4669	LA CHEMICAL	0310-041	CHEMCLOR & SODIUM BISULFITE	\$ 659.04
10/30/2003	4670	MID-STATE BANK	0310-042	PAYROLL TAXES FOR OCTOBER 2003	\$ 123.88
10/30/2003	4671	PUBLIC EMP. RET. SYSTEM	0310-043	RETIREMENT FOR OCTOBER 2003	\$ 106.46
10/30/2003	4672	PETTY CASH	0310-044	POSTAGE & KEY	\$ 82.31
10/30/2003	4673	PLATINUM PLUS FOR BUSINESS	0310-045	GAS & OIL	\$ 40.10
10/30/2003	4673	PLATINUM PLUS FOR BUSINESS	0310-045	WEBSITE HOSTING, INTERNET FOR WWTP	\$ 112.75
10/30/2003	4674	ROBERT SCHULTZ, ESQ.	0310-046	LEGAL SERVICES FOR OCTOBER 2003	\$ 1,500.00
10/30/2003	4675	SUN PACIFIC	0310-047	EMERGENCY WIRING & OP OF 60HP BLOWER	\$ 382.50
10/30/2003	4676	U.S.A. TRANSPORT, INC.	0310-048	SLUDGE DISPOSAL	\$ 692.73

10/30/2003	4677	VIKING OFFICE PRODUCTS	0310-049	COPIER/PRINTER CARTRIDGE, PAPER TOWELS	\$	224.05
10/30/2003	4678	EDA, INC.	0310-050	PHASE II FACILITIES INVENTORY	\$	1,000.00
10/30/2003	4679	FLUID RESOURCE MGMT., INC.	0310-051	SPLITTER BOX INSTALLATION	\$	1,260.00
10/31/2003		TOTAL				\$ 45,485.24

San Simeon Community Services District



111 Pico Avenue, San Simeon, California 93452

(805) 927-4778 Fax (805) 927-0399

Board of Directors

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

San Simeon Investment Report As of September 30, 2003 (Unaudited)

ASSETS

September 30, 2003

Current Assets

Checking/Savings

1010- Petty Cash	\$	100.00
1022- General Checking	\$	4,158.83
1120- Cash In County Treasury	\$	1,529.53
1200- LAIF - Non Restricted Cash	\$	<u>1,058,559.65</u>

Total Checking/Savings

\$ 1,064,348.01

Other Current Assets

1201 Non Current Restricted Cash

1201.5 - Restricted Cash Reserves	\$ 440,650.28
1202.0 - Contingent Liability Reserves	\$ 250,000.00
1210.0 - Customer Security Deposits	\$ 9,250.00
1212.0 - Connect Hookup Wait Deposits	\$ 43,470.00
1215.0 - Reserve for Major Water Projects	<u>\$ 141,739.00</u>

Total 1201.5 Restricted Cash Reserves \$ 885,109.28

Total 1201 Non Current Restricted Cash

\$ 885,109.28

Total Other Current Assets

\$ 885,109.28

TOTAL ASSETS

\$ 1,949,457.29

Accounts Receivables are not reflected on the Investment Report

The District has the ability to meet the next 3 months cash flow requirements

Market Valuation is stated as of the 9/30/03 LAIF Statement

Investments are in compliance with current district policies

SAN SIMEON COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 03-293

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN SIMEON COMMUNITY SERVICES DISTRICT
AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL
AGENCY INVESTMENT FUND**

WHEREAS, Pursuant to Chapter 730 of the statutes of 1976 Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for the purposes of investment by the State Treasurer; and

WHEREAS, the Board of Directors does hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein as in the best interests of the San Simeon Community Services District.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors does hereby authorize the deposit and withdrawal of San Simeon Community Services District monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein, and verification by the State Treasurer's Office of all banking information provided in that regard.

BE IT FURTHER RESOLVED, THAT THE FOLLOWING San Simeon Community Services District officers or their successors in office shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund:

_____ (NAME)	_____ (NAME)	_____ (NAME)
_____ (TITLE)	_____ (TITLE)	_____ (TITLE)
_____ (SIGNATURE)	_____ (SIGNATURE)	_____ (SIGNATURE)

PASSED AND ADOPTED, by the Board of Directors of San Simeon
Community Services District of State of California on November 12, 2003.

PASSED AND ADOPTED this 12th day of November, 2003 by the following vote:

AYES:

NOES:

ABSENT:

David Kiech, Chairperson

Mark A. Bloodgood, District Secretary

RESOLUTION OF _____ (CITY/DISTRICT) _____

AGENCY ADDRESS _____

AGENCY PHONE NUMBER _____

**AUTHORIZING INVESTMENT OF MONIES
IN THE LOCAL AGENCY INVESTMENT FUND**

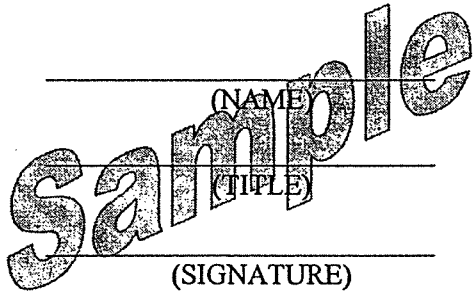
WHEREAS, Pursuant to Chapter 730 of the statutes of 1976 Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the City Council/Board of Directors does hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein as in the best interests of the _____ (CITY/DISTRICT) _____.

NOW THEREFORE, BE IT RESOLVED, that the City Council/Board of Directors does hereby authorize the deposit and withdrawal of _____ (CITY/DISTRICT) _____ monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein, and verification by the State Treasurer's Office of all banking information provided in that regard.

BE IT FURTHER RESOLVED, that the following _____ (CITY/DISTRICT) _____ officers or their successors in office shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund:

_____ (NAME)	_____ (NAME)	_____ (NAME)
_____ (TITLE)	_____ (TITLE)	_____ (TITLE)
_____ (SIGNATURE)	_____ (SIGNATURE)	_____ (SIGNATURE)



PASSED AND ADOPTED, by the City Council/Board of Directors of _____ (CITY/DISTRICT) _____ (COUNTY) of State of California on _____ (DATE) _____.

Note: Resolution must be adopted by the governing body. New resolution supersedes previous ones and deletes current authorizations. If you want to retain any currently authorized person, please re-certify the name and title on the new resolution. Please submit a certified copy of the resolution to LAIF. A certified copy is 1) a copy of the resolution affixed with the seal of the agency or 2) a copy of the resolution attested by the City Clerk/Board Secretary with his/her original signature.

OFFICE OF THE TREASURERP. O. BOX 942809
SACRAMENTO, CA 94209-0001**To Local Agency Investment Fund (LAIF) Participants**

We are returning your 2003 LAIF Annual Information Update Form because the signers on the form are not authorized per your agency's resolution on file with us. Therefore, no changes were made to your LAIF account. **Please have your governing board adopt a new resolution to re-certify the current authorization, plus any additions,** and submit a certified copy of the new resolution. We have attached a sample resolution for your convenience.

If you have any questions, please call LAIF staff after the end of window, 10 a.m., at (916) 653-3001.

Sincerely,

A handwritten signature in cursive script that reads "Eileen L. Park".

Eileen L. Park
LAIF Administrator

OFFICE OF THE TREASURER

LOCAL AGENCY INVESTMENT FUND
 P.O. BOX 942809
 SACRAMENTO, CA 94209-0001



2003 LAIF ANNUAL INFORMATION UPDATE

The following information is on your LAIF account. Please verify the information and indicate any needed changes. Complete and return all original forms to LAIF no later than July 31st, 2003, whether you have changes or not.

LAIF Account Number: 16-40-003

Apr. 15, 2003

SAN SIMEON COMMUNITY SERVICES DISTRICT

ATTN: CHAIRMAN
 111 PICO AVENUE
 SAN SIMEON

CA 93452

Phone Number(s)

Office: (805) 927-4778

Fax: (805) 9270399

BANKING INFORMATION

Please indicate additions, deletions or changes

Bank Name	Bank Account Number	ABA/Routing Number
MIDSTATE BANK	12029594-01	122221686
Wire Instructions:		
MIDSTATE BANK Delete	12029594-03	122221686
Wire Instructions:		

RECEIVED STATE
 TREASURER'S OFFICE
 INVESTMENT DIVISION
 2003 MAY 19 PM 12: 28

RECEIVED
 OCT - 6 2003
 SAN SIMEON
 COMMUNITY SERVICES DISTRICT

OFFICE OF THE TREASURER

LOCAL AGENCY INVESTMENT FUND
 P.O. BOX 942809
 SACRAMENTO, CA 94209-0001



LAIF Account Number: 16-40-003

Apr. 15, 2003

Please indicate with a check mark below whether each person authorized is per agency's resolution or delegation. "Authorized by resolution" means that the person is mentioned either by name or by title on the agency's resolution on file with LAIF. "Authorized by delegation" means that local agency staff was delegated responsibility for day-to-day LAIF business by those authorized on the resolution on file with LAIF. Delegated individuals may not make changes to the LAIF account, but may only request transactions and information.

AUTHORIZED PERSON(S)

Please indicate additions, deletions or changes

Name	Title (Required)	Please Check Authorized By	
		Resolution	Delegation
BOB MCLAUGHLIN TERRY Lambeth	DIRECTOR	✓	
CAROL BAILEY-WOOD	DIRECTOR, BOARD CHAIRPERSON	✓	
DAVID KEICH	DIRECTOR, Board Chairperson	✓	✓
EILEEN M. PUTNAM	ASSISTANT GENERAL MANAGER		
ERIC SCHELL	DIRECTOR		
LORAIN MIRABAL-BOUBION	DIRECTOR, VICE CHAIRPERSON	✓	X
MARK A. BLOODGOOD	GENERAL MANAGER/SECRETARY		

Please return original form whether or not changes are necessary. Requires signatures of two persons currently authorized on LAIF account per agency's resolution on file with LAIF. Person cannot sign if being added. LAIF participants are responsible for notifying LAIF immediately in writing whenever there are changes to the agency's LAIF account. All changes are subject to verification by the State Treasurer's Office. Return form to LAIF, P.O. Box 942809, Sacramento, CA 94209-0001 no later than July 31, 2003. Please call LAIF staff at (916) 653-3901 if you have any questions.

Carol Bailey-Wood
 Authorized Signature

(Must be currently authorized on account per resolution on file with LAIF)

CAROL BAILEY-WOOD
 Print Name

DIRECTOR
 Title

David Keich
 Authorized Signature

(Must be currently authorized on account per resolution on file with LAIF)

DAVID KIECH
 Print Name

DIRECTOR-CHAIRPERSON
 Title

Resolution dated 3/9/88 auth ① Director of Bd ② Chairman of Bd and ③ Vice Chairman of Bd.
 call to clarify above - All Directors are authorized ?? Rest are delegated. cly.

SAN SIMEON COMMUNITY SERVICE DISTRICT
111 Pico Avenue, San Simeon, CA 93452
(805) 927-4778

Date: November 12, 2003

To: Board of Directors

From: District Counsel

Subject: Resolution accepting a Public Utility Easement.

INTRODUCTION:

This report requests that the Board of Directors approve resolution 03-294 accepting a Public Utility Easement.

DISCUSSION:

As you are aware, the District completed construction of a new sewer and water bridge to the District's wastewater treatment plant. As part of the construction, Staff received approval from Cavalier Acres, Incorporated for a Public utility easement for the purpose of construction, reconstruction and maintenance of a sanitary sewer pipeline, water line, and reclaimed water line.

Unfortunately, the paperwork was never completed and this was one of the items the District agreed to complete as part of the settlement agreement between the District and Cavalier. Staff is requesting that the Board approve the Public Utility Easement and adopt Resolution 03-294 accepting the Easement and authorize the District Manager to execute the necessary documents for acceptance of the easement.

RWS

RESOLUTION NO. 03-294

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN SIMEON
COMMUNITY ACCEPTING A PUBLIC UTILITY EASEMENT.

WHEREAS, in order to provide sewer and water services to the community an easement for sanitary sewer pipeline, water line, and reclaimed water line purposes and incidental uses is needed from Cavalier Acres, Incorporated; and

WHEREAS, the owner of the property from which the easement is required, Cavalier Acres, Incorporated, has executed an Easement Deed granting the required easement to the San Simeon Community Service District; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the San Simeon Community Service District hereby:

1. Accepts the subject public utility easement as indicated on Exhibit A attached.
2. Authorizes the City Manager to execute any documentation to finalize the acceptance of the easement.

PASSED, APPROVED, AND ADOPTED, by the Board of Directors of the San Simeon Community Services District on the 12th day of November, 2003, by the following vote to wit:

AYES:

NOES:

ABSENT:

David Kiech, Chairperson
Board of Directors

ATTEST:

District Secretary

RECORDING REQUESTED BY
SAN SIMEON COMMUNITY SERVICES DISTRICT

WHEN RECORDED RETURN TO:
San Simeon Community Services District
111 Pico Avenue
San Simeon, California 93452
Attn: _____

GRANT OF EASEMENT

APN: 013-031-047

The undersigned grantor(s) declare(s):

THIS GRANT OF EASEMENT, made this ____ day of _____, _____, by CAVALIER ACRES, INCORPORATED, a California Corporation, County of San Luis Obispo, State of California, hereinafter termed Grantor:

WHEREAS, said Grantor desires to make a grant of easement, irrevocably, to the San Simeon Community Services District for sanitary sewer pipeline, water line, and reclaimed water line purposes, which grant of easement may be accepted at any time by the San Simeon Community Services District.

NOW, THEREFORE, said Grantor covenants and promises as follows:

1. That said Grantor is the owner of the following interest described below:

Those portions of Lot A of the partition of the San Simeon Rancho, County of San Luis Obispo, State of California, according to the map filed July 27, 1899 in Book B, Page 108 of Maps in the County Records Office of said County, described in Parcels 1, 2, and 3 of the document recorded on August 10, 1972 as Document No. 25930 in Book 1683, Page 71 of Official Records in the County Records Office of said County.

2. That said Grantor does hereby irrevocably and in perpetuity offer to the San Simeon Community Services District an easement for sanitary sewer pipeline, water line, and reclaimed water line purposes and incidental uses upon the following described property:

See attached Exhibit "A"

3. The said Grantor agrees that this irrevocable and perpetual Grant of Easement is and shall be binding on their heirs, legates, successors and assignees.

4. The purpose of said Grant of Easement is for installing, operating, inspecting, repairing, maintaining, replacing, improving and removing sanitary sewer pipeline, water line, and reclaimed water line improvements and appurtenances thereto.
5. That said Grantor does hereby grant the right of ingress to and egress from said easement and to deposit tools, implements, and other materials thereto, by said San Simeon Community Services District, whenever and wherever necessary for the purposes as stated above.
6. The San Simeon Community Services District shall indemnify, defend and hold the said Grantor and its affiliated entities, successors and assignees free and harmless from and against any and all claims, demands, liabilities, suits, actions and judgments of every kind and nature whatsoever, including, but not limited to, any claim, demand, liability, suit, action and judgment alleged by, prosecuted or received by any member of the general public or any other person or entity arising from or related to this Grant of Easement, the use and physical condition of the easement area granted by this Grant of Easement, or activities conducted by the San Simeon Community Services District on or related to said easement area.
7. In any action or proceeding brought to enforce any provision(s) of this Grant of Easement, the prevailing party shall be entitled to receive from the losing party reasonable attorney's and expert witness fees and costs incurred in such action or proceeding, whether or not such action or proceeding is prosecuted to judgment, and in any appeals, in such amount as the court or an arbitrator determines is reasonable.

IN WITNESS WHEREOF, the said Grantor hereby executes this Grant of Easement on the day and year first above written.

Grantor

Grantor

Grantor

Exhibit "A"

Grant of Easement

File no: 084.02.1 (19)

September 29, 2003

The westerly 10.00 feet of the land described in Parcel 2 of the Deed dated July 26, 1972 and recorded in Book 1683, Page 71 of Official Records in the County Recorders Office of the County of San Luis Obispo, State of California.

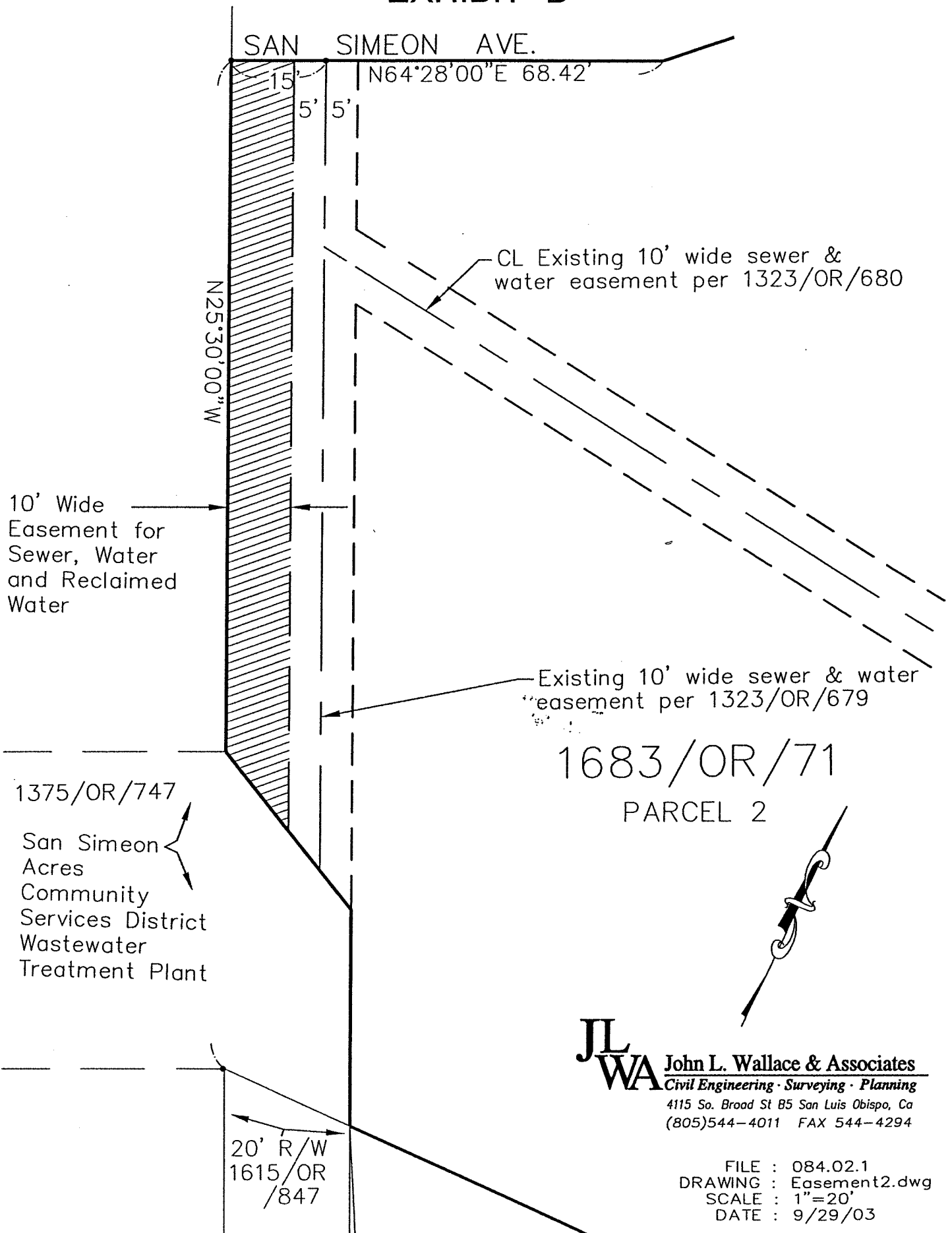
Bounded on the east by the westerly line of that 10 foot wide strip of land described in document recorded in Book 1323, Page 679 of Official Records of said County.

The above described parcel of land is graphically shown on Exhibit "B" attached hereto and made a part hereof.


Joseph T. Morris L.S. 6192 exp 3/31/2006



EXHIBIT "B"



RECORDING REQUESTED BY
SAN SIMEON COMMUNITY SERVICES DISTRICT

WHEN RECORDED, RETURN TO:

Mark Bloodgood, General Manager
San Simeon Community Services District
Route 1, Box S-17
San Simeon, California 93452
APN(s): 013-031-047

QUIT CLAIM DEED



FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledge,
San Simeon Community Service District,
hereby REMISE(S), RELEASE(S) AND FOREVER QUIT CLAIM(S) to
CAVALIER ACRES, INCORPORATED, a California Corporation, all of their right,
title and interest in and to the following described real property in the County of
San Luis Obispo, State of California:

That portion of land described in document recorded in Book 1323, Page 679 of Official Records in the County Recorder's Office of San Luis Obispo County, lying southerly and southeasterly of the following described line:

Commencing at a point on the westerly right of way of San Simeon Avenue bearing north 25°30'00" west 120.11 feet from the intersection of the southerly and westerly right of way of said Avenue as shown on the map filed in Book 6, Page 49 of Licensed Surveys in the Office of said County Recorder, said point being marked by a 3/4 inch iron pipe with wood plug and nail in concrete;

Thence along said westerly right of way and the southeasterly extension thereof south 25°30'00" east 179.70 feet;

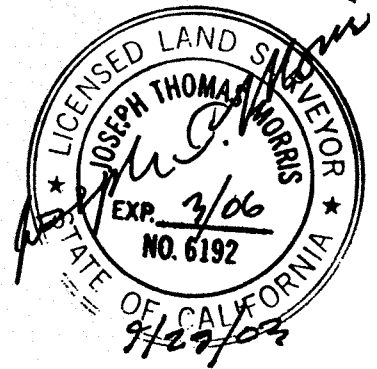
*Thence at a right angle north 64°30'00" east 10.00 feet to a point lying on the westerly line of a 10 foot wide sewer and water easement described in first said document, said point being the **TRUE POINT OF BEGINNING**;*

Thence leaving said westerly line north 04°26'38" east 20.03 feet to a point lying on the easterly line of said 10 foot wide sewer and water easement.

The above described land is graphically shown on Exhibit "A" attached hereto and made a part hereof.

END DESCRIPTION

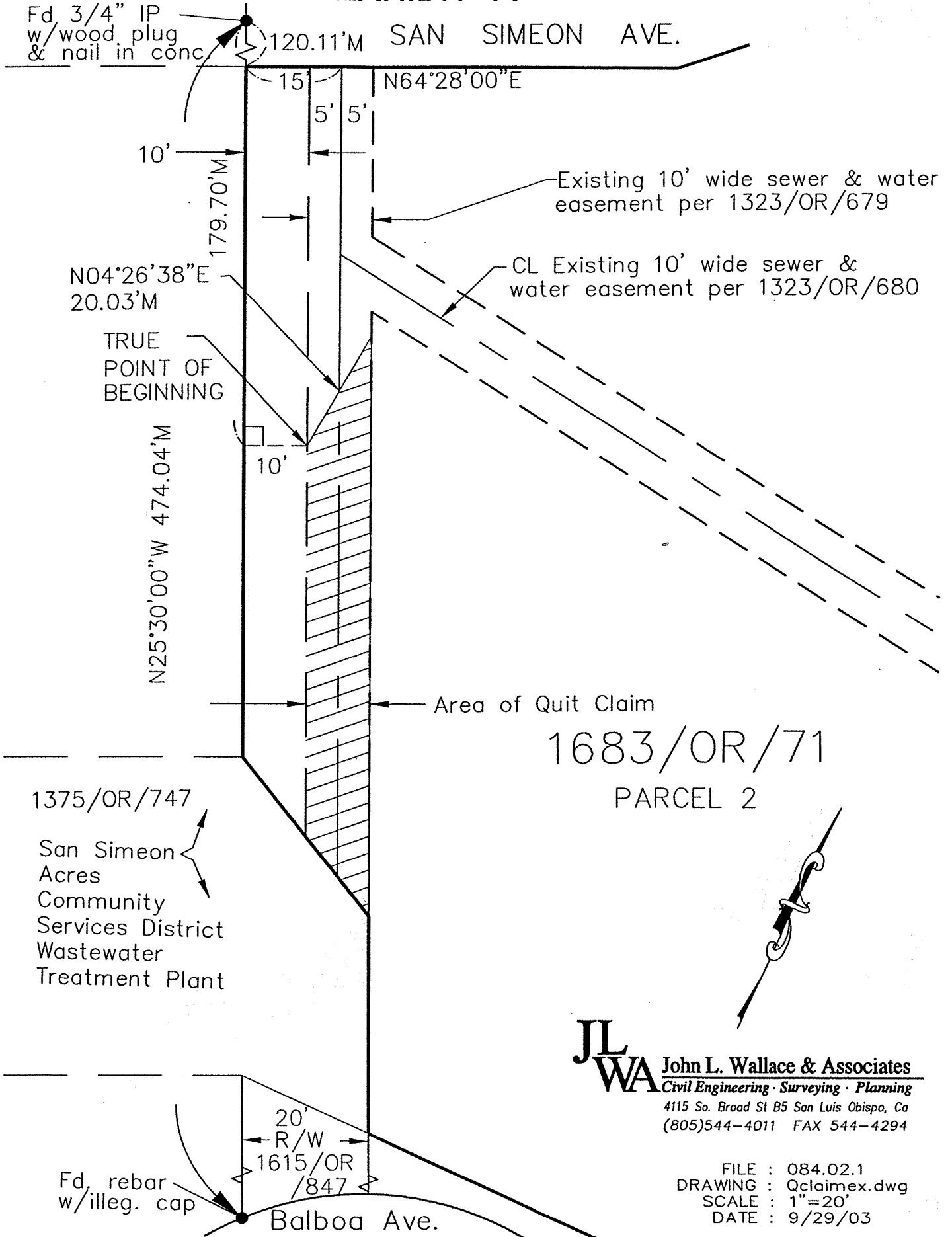
SAN SIMEON COMMUNITY SERVICES DISTRICT



General Manager

Date

EXHIBIT "A"



JL
WA **John L. Wallace & Associates**
Civil Engineering · Surveying · Planning

4115 So. Broad St B5 San Luis Obispo, Ca
(805)544-4011 FAX 544-4294

FILE : 084.02.1
DRAWING : Qclaimex.dwg
SCALE : 1"=20'
DATE : 9/29/03

Eileen Putnam

From: Sanders, Greg [GSanders@Nossaman.com]
Sent: Friday, October 24, 2003 1:40 PM
To: Eileen Putnam
Subject: RE: Easement / Quit Claim Status

Eileen: We have reviewed the Quitclaim Deed and Grant of Easement you forwarded to us. We would like to have the following two sections added to the Grant of Easement:

6. The San Simeon Community Services District shall indemnify, defend and hold the said Grantor and its affiliated entities, successors and assigns free and harmless from and against any and all claims, demands, liabilities, suits, actions and judgements of every kind and nature whatsoever, including, but not limited to, any claim, demand, liability, suit, action and judgement alleged by, prosecuted or received by any member of the general public or any other person or entity arising from or related to this Grant of Easement, the use and physical condition of the easement area granted by this Grant of Easement, or activities conducted by the San Simeon Community Services District on or related to said easement area.

7. In any action or proceeding brought to enforce any provision(s) of this Grant of Easement, the prevailing party shall be entitled to receive from the losing party reasonable attorney's and expert witness fees and costs incurred in such action or proceeding, whether or not such action or proceeding is prosecuted to judgement, and in any appeals, in such amount as the court or an arbitrator determines is reasonable.

The Quitclaim Deed is acceptable as presented. Please let me know if you have any questions or need additional information regarding this matter.

-----Original Message-----

From: Eileen Putnam [mailto:eileenh@edainc.com]
Sent: Wednesday, October 22, 2003 12:18 PM
To: Sanders, Greg
Cc: Michael C. Hanchett (E-mail); Schultz Robert (E-mail)
Subject: Easement / Quit Claim Status

Hi Greg,

Just checking in with you to see where we are on the pipeline easement and quit claim. I'd like to get this wrapped up before the end of the month. As always, your feedback is appreciated.

Eileen

-----Original Message-----

From: Sanders, Greg [mailto:GSanders@Nossaman.com]
Sent: Wednesday, October 15, 2003 4:00 PM
To: Eileen Putnam
Cc: EiHgn@aol.com
Subject: RE: Email is back up - I hope!!

Eileen. I have the quitclaim deed. I need to speak with the Hanchetts about it. I should be able to get back to you early next week. Thanks for getting and staying on top of this.

-----Original Message-----

From: Eileen Putnam [mailto:eileenh@edainc.com]
Sent: Wednesday, October 15, 2003 3:35 PM
To: Sanders, Greg
Cc: Schultz Robert (E-mail)
Subject: Email is back up - I hope!!

10/29/2003

**AGREEMENT BETWEEN SAN SIMEON COMMUNITY SERVICES DISTRICT
AND JOHN WALLACE & ASSOCIATES FOR CONSULTANT SERVICES**

THIS AGREEMENT is made and entered into this 15th day of November 2003, by and between the SAN SIMEON COMMUNITY SERVICES, a community services district, hereinafter referred to as "SSCSD", and JOHN WALLACE & ASSOCIATES, INC., a California Corporation, hereinafter referred to as "JWA."

RECITALS

WHEREAS, Government Code Section 37103 authorizes SSCSD to engage specially trained and experienced persons or firms for special services and advice in financial, economic, accounting, engineering, legal, or administrative matters; and

WHEREAS, SSCSD requires the services of JWA by providing special services and advice of a type authorized by Section 37103; and

WHEREAS, JWA is specially trained and possesses special skills, education, experience, and competency to perform the services and provide the advice needed; and

WHEREAS, SSCSD has chosen JWA to perform the work as required in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, SSCSD and JWA agree as follow:

1. The above recitals are true and correct.

2. **Services and Scope of Work To Be Provided By JWA.**

(a) JWA shall act in a professional capacity to assist SSCSD. JWA's work shall conform to all applicable statutes, laws, regulations, and professional standards for such work.

(b) JWA shall serve as its District Engineer. Its duties and responsibility shall include all matters set forth herein and in SSCSD policy as defined and delineated by ordinance, resolution, minute order, job description, or other written policies adopted by the Board.

(c) JWA shall serve as the professional engineering expert for District management staff;

(d) JWA shall be responsible, professional and technical engineering duties that may be difficult and complex, as required for a water system which supplies irrigation, domestic, commercial and industrial users;

(e) JWA shall conduct and direct comprehensive civil engineering studies, prepares plans, specifications, reports, contracts, environmental assessments, hydraulic and economic analyses of water systems;

(f) JWA shall design pipelines, canals, pumping facilities, and buildings;

(g) JWA shall review and coordinate the work of consultants;

(h) JWA shall review plan proposals from consulting engineers for compliance with District standards and policies;

(i) JWA shall supervise and performs a variety of duties relating to the drafting of detailed construction drawings and related maps and specifications used in planning, maintenance and construction;

(j) JWA shall participates in public meetings to effectively communicate requested information to the Board of Directors and the public;

(k) JWA shall effectively works as a member of a problem-solving team to resolve, within set time schedules, a variety of engineering and administration tasks in support of the General Manager.

(l) JWA shall perform other duties, for which it is qualified, as directed by the Board of Directors of SSCSD.

3. **Performance of Services.**

JWA shall determine the manner in which the services are to be performed and the specific hours to be worked in consultation with the Board of Directors of SSCSD. The parties agree that the SSCSD business is seasonal and that the hours may vary and are flexible.

4. **Compensation.**

JWA shall be compensated for its services according to the attached rate schedule. In no event shall SSCSD be liable for paying more than forty Thousand (\$40,000.00) per fiscal year for JWA's services rendered per this Agreement. This amount shall not be exceeded without the prior written approval of the Board of Directors.

SSCSD will evaluate JWA's performance during the month of June, 2004, and annually thereafter. JWA shall be provided a copy of the evaluation and an opportunity to respond to it. If such an evaluation warrants, the SSCSD, may in its discretion increase or decrease the compensation and number of work hours per week as set forth in Section 3 and Section 4.

5. **Payment of Additional Expenses**

In addition to the compensation referenced in Section 4 of this Agreement, SSCSD agrees as follows:

SSCSD agrees to reimburse JWA for SSCSD related out-of-pocket expenses upon presentation of receipt.

SSCSD agrees to budget and to pay the professional dues and subscriptions of JWA necessary for its continuation and full participation in national, regional, state and local associations and organizations as deemed by SSCSD to be necessary and desirable for its continued professional participation, growth, and advancement, and for the good of SSCSD.

6. **Term and Termination of Agreement.**

Subject to the provisions of this Section, this Agreement shall remain in effect until June 30, 2003, and may be extended from year to year thereafter by mutual agreement.

JWA serves SSCSD "at-will" and serves at the pleasure of the Board of Directors, pursuant to Government Code Section 61242. As such, SSCSD may terminate this Agreement at any time, with or without cause, with or without advance notice.

JWA may voluntarily resign its position with SSCSD before expiration of the term of this Agreement by giving SSCSD sixty (60) days prior written notice.

If any terminating event occurs, or upon request of the SSCSD, JWA shall assemble all SSCSD documents in JWA's possession and put them in order for proper filing and closing, and deliver said documents to SSCSD.

7. **Changes in Scope of Work.**

The parties hereto may extend and/or modify the terms of this Agreement by mutual written consent.

8. **Indemnification.**

During all phases of this agreement, JWA agrees to indemnify and save harmless SSCSD, its officers, agents, and employees from any and all claims, demands, losses, or expenses including attorney fees which the SSCSD, its officers, agents, and employees may sustain or incur or which may be imposed upon them for injury to or death of persons, or damage to property as a result of, arising out of, or connected with JWA's alleged negligent acts or omissions under the terms of this Agreement, excepting, however, any such claims and demands which are the result of the sole negligence or willful misconduct of SSCSD, its officers, agents, or employees.

9. **Insurance Requirements**

(a) Without limiting JWA's responsibility to defend and indemnify SSCSD, it is agreed that JWA shall maintain in full force and effect, at all times during the performance of this Agreement, the following policy or policies of insurance covering its operations:

(1) Comprehensive General Liability, including contractual liability, business automobile liability, broad form property damage, and products and completed operations, all of which shall include coverage for both bodily injury and property damage, with a combined single limit of one million dollars (\$1,000,000) per occurrence. JWA's comprehensive general liability insurance policy shall contain the following clauses:

- a) "SSCSD" is named as an additional insured as respects operations of the named insured performed under contract with the SSCSD."
- b) "It is agreed that any insurance maintained by the SSCSD shall apply in excess of, and not contribute with insurance provided by this policy."

(2) Workers' Compensation coverage at statutory limits.

(b) All insurance policies required by this section shall not be canceled, limited or non-renewed without first giving thirty (30) days written notice to the SSCSD. Additionally, the policy shall specifically contain the following clause:

"This insurance shall not be canceled until after thirty (30) days written notice has been given to the SSCSD."

c) Certificates of insurance evidencing the coverages required by the clauses set forth above shall be filed with SSCSD prior to the effective date of this Agreement. This is a condition precedent to the formation of any obligation by SSCSD to compensate JWA under this Agreement.

(d) Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under subdivision (b) of section 2782 of the California Civil Code.

10. **Ownership Of Documents**

All plans, studies, sketches, drawings, reports, and specifications as herein required are the property of the SSCSD, whether the work for which they are made be executed or not. In the event this Agreement is terminated, and at the end of the term of this Agreement, all such plans, studies, sketches, drawings, reports, and specifications shall be delivered

immediately to the SSCSD. JWA may retain one (1) copy of each document for its records, but shall have no proprietary rights to them.

11. Status Of JWA

(a) JWA shall perform the services provided for herein in JWA's own way as an independent contractor and in pursuit of JWA's independent calling. JWA is not to be considered an employee of the SSCSD, nor shall any employees of JWA be considered employees of the SSCSD, for any purpose. JWA shall be under the direction and control of SSCSD Board only as to the results to be accomplished. JWA shall be free to pursue its calling excepting only to the extent contained in this Agreement and not in conflict with same.

(b) Conflicts of Interest. The parties understand and agree that JWA is a for-profit corporation which is in the business of providing engineering and related real property consulting services to a diverse and numerous clientele. Some of JWA's past and/or present clients may at some time have potential or pending matters before the SSCSD which would require some form of approval from the SSCSD (hereafter individually and/or collectively referred to as "JWA's Clients"). It is also possible that some of JWA's Clients might proceed in processing their matters before the SSCSD without the knowledge or consent of JWA.

(1) Potential Conflicts. While JWA is performing services under this Agreement it will necessarily have a potential conflict of interest with respect to the relationship between the SSCSD and JWA's Clients. For example, JWA has and/or will obtain confidential information which, if disclosed, could be detrimental to the interests of the SSCSD and/or JWA's Clients. It is also certainly possible that the interests of the SSCSD and JWA's Clients may or will differ from each other. For those reasons it is agreed that:

A. Non-disclosure of Confidential Information. JWA shall not disclose any confidential information of JWA's Clients to the SSCSD or of the SSCSD to JWA's Clients; and

B. Waiver of Potential Conflicts. In reliance upon the representations made in this Agreement by JWA, the SSCSD hereby waives any potential conflict which JWA may have hereunder.

(2) Actual Conflicts. It is always possible that a potential conflict of interest may become an actual conflict of interest, such that the interests of the SSCSD would be contrary to the interests of an JWA Client. An actual conflict of interest is not waived by the SSCSD and shall constitute a breach of this Agreement by JWA. For purposes of this Agreement, an actual conflict of interest is defined as the representation by JWA of a client who has a matter pending before the SSCSD which requires approval(s) by the SSCSD and in which JWA is actively consulting with their client and/or providing other professional services directly or indirectly relating to the matter(s) for which approval(s) are being sought or for which it is contemplated that approvals will be sought in the future.

(3) Required Disclosures. JWA shall not be required to disclose potential conflicts of interest to the SSCSD. However, in the event that a potential conflict reasonably appears to be developing into an actual conflict of interest then JWA shall disclose the same to the Board of the SSCSD forthwith. The Board shall have the right under this Agreement to direct JWA to sever its relationship with its client so as to avoid the actual conflict, or the Board may in its discretion waive the actual conflict.

12. **Assignment And Subcontracting.**

(a) JWA is being retained due to its special qualifications to perform services as described herein. Therefore, JWA shall not assign this Agreement, any part thereof, or any compensation due thereunder without the written consent of the SSCSD.

(b) All terms, conditions, and provisions hereof shall inure to and bind each of the parties hereto, and each of their respective heirs, executors, administrators, successors, and assigns.

13. **Agreement Contains All Understandings.**

(a) This document (including all exhibits referred to above and attached hereto) represents the entire and integrated Agreement between SSCSD and JWA and supersedes all prior negotiations, representations, or Agreements, either written or oral. This document may be amended only by written instrument, signed by both SSCSD and JWA. The body of this Agreement shall supersede any discrepancy that may exist with respect to any attached exhibits or documents incorporated by reference.

(b) No oral agreement or representation by any officer, agent, or employee of either party made during or after the execution of this Agreement shall become a part of this Agreement except to the extent such oral agreement or representation is expressly reflected in this written Agreement or a written amendment to this Agreement.

14. **Disputes.**

If a dispute should arise regarding the performance of this Agreement or compensation for work performed under this Agreement, the parties hereby agree to make good faith and reasonable attempts to settle the dispute through subsequent agreement between JWA's principal and SSCSD. In the event that a dispute continues, JWA is required to continue performing under this Agreement pending resolution of the dispute. Nothing in this procedure shall prohibit the parties from seeking remedies available to them at law after they have made a good faith and reasonable attempt to resolve the dispute pursuant to the provisions of this section. In the event of litigation arising out of the interpretation and/or the performance of the obligations of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys fees and other litigation expenses.

15. **Nonexclusivity.**

It is understood and agreed that JWA will be engaged in the practice of providing consulting services to other clients and may continue such practice during the period of this Agreement.

16. **Interpretation.**

The terms and conditions of this Agreement shall be construed pursuant to their plain and ordinary meaning and shall not be interpreted against the maker by virtue of that party having drafted the Agreement.

17. **Professional Skill.**

It is further mutually understood and agreed by and between the parties hereto that JWA is skilled in the professional calling necessary to perform the work agreed to be done under this Agreement, and that SSCSD, not being skilled in such matters, relies upon the skill of JWA to do and perform its work in the most skillful manner in accordance with generally accepted professional practice and JWA agrees to thus perform its work, and the acceptance of its work by the SSCSD shall not operate as a release of JWA from said Agreement.

18. **Notices.**

All notices shall be in writing and given either by personal service or delivery by the United States Postal Service, or its successor, postage prepaid by registered or certified mail to the specifically named person(s) or the holder(s) of a designated position. Notices shall become effective insofar as service is concerned on the date of personal service and five days following postmark from the United States Postal Service. Notices/communications between the parties to this Agreement may be sent to the last known address of a party which is now as follows:

SSCSD: SAN SIMEON COMMUNITY SERVICE
111 Pico Ave.
San Simeon, CA 93452
(805) 927-4778

JWA: John Wallace & Associates
4115 Broad Street
SLO, CA 93401

IN WITNESS WHEREOF, we have hereunto set our hands and seals.

**SAN SIMEON COMMUNITY
SERVICES DISTRICT**

JWA

By: _____
Carol Bailey Wood, Chairperson

By: _____
John Wallace

October 24, 2003

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

Dear Mark,

This letter is intended to serve as my formal resignation from my position as Office Administrator for the San Simeon Community Services District. In accordance with the District's current policy regarding resignations, which state that an employee must give two weeks notice, I am hereby giving my formal resignation effective today, October 24, 2003. This would make my last day of employment with the District November 7, 2003.

While I am saddened to leave a job I have enjoyed for more than six years, I have been offered a position with another District. I am sorry I won't be working with the District and its current staff for very much longer. I have enjoyed working with everyone.

Sincerely,

Kim Allison

Kim Allison

San Simeon Community Services District

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

MEMORANDUM

DATE: November 6, 2003
TO: Board of Directors
FROM: Robert W. Carnes, eda Construction Inspector
VIA: Mark Bloodgood, General Manager
RE: Request for Proposals – Evaluation of Plant Electrical System

Recommendations:

Due to the electrical problems experienced during the last power outage at the Wastewater Treatment Plant the staff recommend that the electrical systems at both the wastewater treatment plant and the well field be reviewed for existing inadequacies and future functionality. An RFP for this work has been prepared and is attached for your review.

Discussion:

As a result of the recent power outage at the plant, many electrical issues were discovered pertaining specifically to the operation of the blowers and generally to the overall wiring and electrical needs and capabilities of the plant. After a brief investigation into the existing electrical system it became apparent that the entire system needs to be reviewed in depth by an experienced electrical consultant capable of making recommendations for both the immediate and longer range electrical requirements of the plant. Therefore, the attached RFP has been provided for approval by the Board.

REQUEST FOR PROPOSALS

ELECTRICAL SYSTEM ANALYSIS

for

San Simeon Community Services District Waste Water Treatment Plant

INTRODUCTION

The San Simeon Community Services District is soliciting proposals from interested and qualified Consultants to provide Electrical System Analysis for the Waste Water Treatment Plant.

PROJECT DESCRIPTION

The scope of the project is to perform a survey of the existing electrical system for the waste water treatment plant to determine its current status and make recommendations for corrective action and future needs as described further in the scope of consultant services below.

SCOPE OF CONSULTANT SERVICES

Perform a survey of the existing electrical systems to determine the needs. The consultant shall examine the Kennedy Jenks report for the "Waste Water Treatment Plant" for electrical needs and concerns and incorporate them into the report. The consultant shall prepare a written report suitable for presentation to the Board of Directors including photos, explanations of existing conditions and needs assessment and recommendation for current conditions and future needs. The duties will include but not be limited to the following:

1. Determine, using both existing conditions and future equipment requirements discussed in the *Wastewater Facility Plan* prepared by Kennedy Jenks Consultants, the appropriate size of a standby power generation source. This study should take into account the possibility of one or more blower VFD's being rendered inoperable by either over or under voltage conditions during storms etc, address diesel vs. natural gas and decibels, permits. It should also include past history as well as a risk evaluation.
2. Determine to what extent high voltage is used for operator controls. Prepare a list of recommendations to convert those units, which currently utilize 277 - 480 volts for control power to 110 volts or lower as typically found in industrial controls.
3. Prepare recommendations on providing VFD by-pass equipment to allow existing equipment to be run "across-the-line" independently of one another, allowing for the V.F.D. service/repairs to be removed from the controlled circuit.
4. Prepare a list of recommendations to bring electrical equipment throughout the plant including but not limited to, controls, and appurtenances into compliance with National Electrical Code as well as Federal, State and Local Electrical Codes.
5. Work with FRM and SSCSD staff and Board in at least 2 meetings to discuss general plant electrical function and specifically to develop a means to control EQ Basin levels and provide for

delayed pumping back to plant during low flow conditions in order to minimize electrical costs to the District, and odors created during long-term storage (2-3 days) of the wastewater.

6. Develop a plan for reorganization of the panel room.
7. Review existing equipment and include recommendations for retrofitting worn and outdated units with energy efficient replacements.
8. *Evaluate the well field electrical system, including recommendations.*

TIME SCHEDULE FOR CONSULTANT SERVICES

The report will be ready for review by the District with in 45 days of award of the contract.

TECHNICAL QUESTIONS

Please direct all technical questions to the Construction Manager:

Robert W. Carnes
Eda design professionals
1998 Santa Barbara Street
San Luis Obispo, Ca 93401

PROPOSAL SUBMITTAL AND SELECTION PROCEDURE

A. PROPOSAL REQUIREMENTS

Applicants must follow the attached Proposal Format.

B. SELECTION PROCESS

The District shall review the qualifications for the Electrical Engineer or Company proposed for this project to determine his/her competency to perform the required service. The qualification review shall include an appraisal of the candidate's education, similar project experience, project successes and may include a personal interview.

C. SELECTION SCHEDULE

December 1, 2003	Proposals due to General Manager
December 4, 2003	Selection Committee Convenes if necessary
December 15, 2003	Notice to Proceed

PROPOSAL FORMAT

The purpose of this proposal is to demonstrate your firm's ability to provide the required Services. A major consideration will be expertise in Public Works Electrical projects. Consultants are urged to submit concise proposals, appropriate to the scale of the project and only include items that are relevant to this

specific project. Also, for the selection committee's ease in reviewing proposals, please index and number all pages.

A qualifying proposal must address all of the following points:

1. **Project Title**
2. **Applicant or Firm Name**
3. **Firm Qualifications**
 - A. Type of organization, size, professional registration, certifications, and affiliations.
 - B. Outline of recent projects completed that are directly related to this project. Consultant is required to demonstrate specific project expertise relating to the requirements of the Project Description and Scope of Services.
 - C. Names and qualifications of personnel to be assigned to this project.
 - D. Qualifications of consultants, subconsultants, or joint venture firms, if appropriate.
 - E. Client references from recent related projects, including the name, address and phone number of the individual to contact for referral.
4. **Understanding of the Approach to the Project**
 - A. Summary of approach to be taken.
 - B. Prepare a definitive work program as it relates to this proposal.
 - C. Provide a description of the organizational structure and staffing to be used for the Project. Identify the specific individual who will interface with the District.
 - D. List the required information expected from the District.
5. **Fees, Insurance and Indemnification**
 - A. **Fees:**
 1. Propose hourly rates to perform related services, as specified under the Scope of Services section, and a total estimated fee based the duration indicated in the Time Schedule section.
 2. Provide a listing of costs for other expenses such as mileage, per diem, weekend and holiday work,
 3. Submit an itemized fee schedule as the basis for extra services
 4. The Consultant shall comply with Labor Code Section 1720, as amended in 1999, which requires employees engaged in certain specific work classifications be paid the prevailing wage rate found by the State of California Director of Industrial Relations.
 - B. **Insurance:** The Consultant shall procure the following required insurance coverage's at its sole cost and expense and maintain in full force and effect for the period covered by the Contract such insurance. All insurance coverage's are to be placed with insurers

which (1) have a Best's rating of not less than B+VIII and are admitted insurance companies in the State of California, or (2) insurers of equivalent documented quality which the District Risk Manager has approved in writing.

1. **Professional Liability Insurance:** Contract shall maintain in full force and effect during the entire term of this Contract, professional liability "errors and omissions" insurance with limits of liability of not less than \$1,000,000 per claim or occurrence to cover all services rendered by Consultant pursuant to this Contract.

If coverage is on Claims Made basis, Consultant promises to maintain such coverage for four (4) years following completion of construction of project designed hereunder. (Note that District cannot be named additional insured in E&O policy).

2. **Commercial General Liability (CGL):**

Coverage's: Consultant shall maintain in full force and effect, for the period covered by this Contract, Commercial General Liability insurance including the following coverage's.

- a. Personal Injury and Bodily Injury, including death resulting there from.
- b. Property Damage.
- c. Automobile coverage which shall include owned, non-owned and hired vehicles.

The amount of insurance shall not be less than the following: single limit coverage applying to bodily and personal injury, including death resulting there from, property damage, and automobile coverage in the total amount of \$1,000,000.

Endorsements: The following endorsements must be provided in the CGL policy:

- a. If the insurance policy covers an "accident" basis, it must be changed to "occurrence".
- b. The policy must cover personal injury as well as bodily injury.
- c. Blanket contractual liability must be afforded and the policy must contain a cross liability or severability of interest endorsement.
- d. The San Simeon Community Services District, its officers, employees and agents shall be named as additional insured under the policy. The policy shall provide that the insurance will operate as primary insurance. No other insurance effected by the District, whether commercial or self-insurance, will be called upon to contribute to a loss hereunder. Nothing contained in this contract shall be construed to require Consultant's insurance to indemnify District in contravention of Insurance Code 11580.04.

3. **Worker's Compensation Insurance:** In accordance with the provisions of Labor Code Section 3700, Consultant, if Consultant has any employees, is required to be insured against liability for Worker's Compensation or to undertake self-insurance. Consultant agrees to comply with such provisions before commencing the performance of the work of this Contract.

4. **Other Requirements:** The following requirements apply to all insurance to be provided by Consultant:

- a. A Certificate of Insurance shall be furnished to District prior to commencement of work. Upon request by the District, Consultant shall provide a certified copy of any insurance policy to the District within ten (10) working days.
- b. Certificates and policies shall state that the policies not be canceled or reduced in coverage or changed in any other material aspect without thirty (30) days prior written notice to District.

5. Approval of the insurance by District shall not relieve or decrease the extent to which the Contractor may be held responsible for payment of damages resulting from Consultant's services or operations pursuant to this contract.

C. **Indemnification:** Except as otherwise provided in subparagraphs (b) and (c) below, Consultant shall defend, indemnify and save harmless the District, its officers and employees, from any and all claims, demands, damages, costs, expenses, judgments, attorney fees or any liability arising out of this contract or attempted performance of the provisions hereof predicated upon theories set forth below in subparagraph (a) below:

1. The theories referred to above are theories based on any of the following committed by the Consultant, or its agents, employees or other independent Consultants directly responsible to Consultant.

- a. Violation of statute, ordinance or regulation.
- b. Professional malpractice.
- c. Willful, intentional or other wrongful acts, or failures to act.
- d. Negligence or recklessness.
- e. Furnishing of defective or dangerous products.
- f. Completed operations.
- g. Premises liability.
- h. Violation of civil rights.
- i. Violation of any federal or state statute, regulation, or ruling resulting in a determination by the Internal Revenue Service, California Franchise Tax Board, or any other California public entity responsible for collecting payroll taxes, when the Contractor is not an independent contractor.

2. Nothing contained in the foregoing indemnity provision shall be construed to require indemnification for claims resulting from the sole or active negligence or willful misconduct of the District, provided however, this exception shall not apply to claims, demands, damages, costs, expenses, judgments, or attorney fees arising from any design defects.

3. Nothing contained in the foregoing indemnity provisions shall be construed to require Consultant to indemnify District, against any responsibility or liability in contravention of Civil Code 2782.

D. The parties expressly agree that the indemnification and insurance clauses in this contract are an integral part of the performance exchanged in this contract. The compensation stated in this contract includes compensation for the risks transferred to Consultant by the indemnification and insurance clauses.

- E. Unless otherwise stated succinctly in the Consultant's proposal, the District will assume that the Consultant will enter into a District-Consultant Contract (Sample attached) that includes the insurance and indemnification provisions as presented in this Request for Proposal.

PROPOSAL SUBMITTAL AND SELECTION

1. All proposals shall consist of six (6) copies and must be received by mail, recognized carrier, or hand delivered not later than close of business on **Monday, December 1, 2003**. Late proposals will not be considered.
2. All correspondence should be directed to:

eda design professionals
1998 Santa Barbara Street
San Luis Obispo, Ca. 93401
Attention: Robert W. Carnes
Telephone: (805) 549-8658
3. Cost of preparation of the proposal shall be borne by the proposer.
4. Selection of qualified proposers will be by an approved District procedure for awarding professional contracts.
5. This request does not constitute an offer of employment or to contract for services.
6. The District reserves the option to reject any or all proposals, wholly or in part, received by reason of this request.
7. The District reserves the option to retain all proposals, whether selected or rejected.
8. All proposals shall remain firm for ninety (90) days following closing date for receipt of proposals.
9. The District reserves the right to award the contract to the firm who presents the proposal which in the judgment of the District, best accomplishes the desired results, and shall include, but not be limited to, a consideration of the professional service fee.
10. Selection will be made on the basis of the proposals as submitted. The Selection Committee may deem it necessary to interview applicants. The District retains the right to interview applicants as part of the selection process.
11. The proceedings of the Selection Committee are confidential. Members of the Selection Committee are not to be contacted by the proposers.

San Simeon Community Services District



111 Pico Avenue, San Simeon, California 93452

(805) 927-4778 Fax (805) 927-0399

Board of Directors

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

August 7, 2003

Maurice W. Gallarda, PE
Vice President, New Business
Southwest Water Company
225 North Barranca Avenue, Suite 200
West Covina, CA 91791

Re: Letter of Interest

Dear Mr. Gallarda:

San Simeon Community Services District (SSCSD) is providing this Letter of Interest (LOI) outlining our desire to allow Southwest Water Company to further explore the design, build, finance, and operations (D/B/F/O) of a new reverse osmosis plant, along with upgrades to the existing wastewater plant. We understand this LOI is non-binding and that either party is free to withdraw from pursuing a project without financial liability to the other party.

Notwithstanding the foregoing, SSCSD may, after review of all potential water sources, enter into negotiations with Southwest Water Company to provide a turnkey D/B/F/O project to the District. Conceptually, the project will be in accordance with previous discussions including the information shared during our recent meeting in San Simeon on June 12th. The project is anticipated to include one of two (2) scenarios. The options are as follows:

1. The D/B/F/O for a 2 million gallon per day (mgd) reverse osmosis (RO) plant and upgrade program for the existing SSCSD wastewater plant. Water is to be used by both SSCSD and Cambria Community Services District (CCSD) in meeting their respective needs. A pipeline will be constructed to connect the RO plant to the CCSD line, approximately 2.5 miles to the south of San Simeon. Additionally, a pipeline with an additional water storage tank will be constructed at the existing SSCSD storage site for fire suppressant needs.
2. The D/B/F/O for a 0.2 million gallon per day (mgd) reverse osmosis (RO) plant and upgrade program for the existing SSCSD wastewater plant. The intention is that all water will be used by SSCSD in meeting the District's own needs. Additionally, a pipeline with an additional water storage tank will be constructed at the existing SSCSD storage site for fire suppressant needs.

SSCSD understands that *all* potential projects are in early research and development stages and that a potential selection of one of the Southwest Water Company projects will not be determined until after a meeting with both SSCSD and CCSD in attendance. Furthermore, it is understood that financing terms and pricing for any Southwest Water Company project will be evaluated by and presented to SSCSD following the District's selection of the design option and completion of appropriate due diligence efforts. It is anticipated that water and wastewater charges to SSCSD consumers will be at or below existing rates with either project scenario selected.

Again, the above discussion is based on the conversations we have had to date, however, Southwest and SSCSD will not be liable for any expenses to the other party during this on-going evaluation period.

Southwest Water Company
August 7, 2003
Page 2 of 2

We look forward to working with Southwest Water Company in bringing a potential solution to the water challenge facing our community.

Sincerely,

San Simeon Community Services District

David Kiech
District Board Chairperson

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

Date: Wednesday, August 13, 2003

Place: Cavalier Banquet Room

MINUTES

1.0 CALL TO ORDER

The Board convened at 5:30 p.m.

1.1 Roll Call:

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

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

1.2 Public Comment on Closed Session:

There was no public comment.

2.0 ADJOURN TO CLOSED SESSION

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

2.1 Conference with Legal Counsel regarding Pending Litigation – Gov't Code Section 54956.9(a): Cavalier Inn vs. San Simeon Community Services District

2.2 Conference with Legal Counsel due to Anticipated Litigation – Gov't Code Section 54956.9(b): Significant exposure to litigation exists based upon existing facts and the advise of legal counsel on two (2) matters:

- California Coastal Commission vs. San Simeon Community Services District, and
- San Simeon Community Services District vs. Courtesy Inn

3.0 RECONVENE IN OPEN SESSION/CALL TO ORDER

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

3.1 Roll Call:

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

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

3.2 Pledge of Allegiance – Chairperson Kiech led the Pledge of Allegiance.

3.3 Report on Closed Session:

District Counsel Schultz reported that the Board had met in closed session regarding several topics, including:

- 2.1 Pending Litigation involving the cross complaint by the Cavalier Inn. No action, reportable under the Brown Act, was taken.
- 2.2 Anticipated litigation on two items – the first dealing with the Coastal Commission and the riprap at the wastewater plant. The second item involved the Courtesy Inn and proceedings against the previous owners, who left water and sewer service bills in excess of \$15,000 unpaid. No action, reportable under the Brown Act was taken on either item.

4.0 PUBLIC COMMENT

4.1 Sheriff's Report:

Lt. Basti reported that there had recently been two (2) burglaries in the Cavalier Plaza. Similar burglaries occurred in Cayucos and that in each case, the offenders had stolen cash rather than property. The Sheriff's department believes these were professional jobs. Lt. Basti also reported that the abatement of the vehicles located in public areas was a team effort, working with District staff and CHP. When vehicles are abandoned on private property, the involvement of the property owner is necessary.

4.2 Public Comment:

Dee Dee Ricci commented on how nice the water conservation sign and the new street signs looked. She expressed gratitude for staff's diligence in seeing that the trailer on Avonne and the abandoned car on Castillo were removed. Finally, Mrs. Ricci asked why the agenda for this evening's meeting was not on the District's website. Ms. Putnam apologized for the oversight.

5.0 STAFF REPORTS

(In order to consolidate Mr. Reichardt's reports on several issues, Chairperson Kiech requested that Mr. Reichardt present his reports first. The details of his reports are incorporated within the scope of these minutes in the respective agenda categories.)

5.1 General Manager's Report

Mr. Bloodgood and Ms. Putnam gave the General Manager's Report, a copy of which is attached to the official minutes.

5.2 Plant Superintendent's Report

Chuck Ellison of FRM gave the Superintendent's Report (copy attached) and also reported on the power outage of July 10, 2003 and problems with the electrical system related to the aeration blowers. An electrician (Sun Pacific) has been retained to identify and repair the system. Throughout the recent problems, the plant has not violated or exceeded the permit limitation. The power outage occurred during the time when PG&E was changing out power poles in the region. Contact with PG&E reps prior to July 10th indicated that San Simeon was not to be affected by the service interruption. Although the power was off for approximately 50 minutes, plant staff encountered problems with the blowers and VFD's. A generator was rented, but did not afford enough power to operate all necessary operations. PG&E has forwarded the District the necessary paperwork to file a claim. All costs associated with the July 10th power outage are being included in the formal complaint to PG&E. In regards to the VFD Blower failure in late July, the air loss resulted in a "die-off" of bacteria in the plant. While the problem is being repaired, the failure occurred after staff had left on Saturday afternoon, and was not discovered until Sunday morning. Staff is recommending that, in order to avoid such a

plant upset in the future, a pressure switch be installed in the main air line, which would signal Great Western Alarm equipment and trigger an "alarm condition". This would cause GWA to immediately contact the on call operator of a "low air" condition. Following Mr. Ellison's report, an extensive discussion regarding generators, and the power needs in the event of power failures, and how adverse effects to plant operations could be avoided, followed. Chairperson Kiech indicated that, although prior to the outage, PG&E had stated that San Simeon would not be affected, plant staff should have planned for it anyway. He also indicated that, rather than contacting rental yards, staff should consider contacting generator suppliers directly, to investigate renting units from them directly as they would be better able to supply a unit of sufficient size. The discussion continued, and the consensus of Board and staff was to prepare a Request for Proposals to solicit an independent review of the power needs of the plant and exactly what size generator is necessary to operate the facility in emergency situations.

5.3 District Engineer's Report

Mr. Wallace presented the Superintendent's Report. Now that the District Inventory is complete, a review of the Capital Improvement Projects is underway. Mr. Wallace also reported that staff had met with representatives of Coastal staff on July 31, 2003 to determine jurisdiction authority between the Coastal Commission and San Luis Obispo County in regards to the rip rap at the plant. Coastal staff has requested additional information from district staff, so that they can complete their determination. This information includes core samplings of the rock rip rap as well as information which has already been compiled by staff in regards to accepted and pending coastal accessways and dedications along the beach fronting the property, and a review of the need for the rip rap (this report was completed by Cleath & Associates). They would also like us to provide documentation as to the amount, location and type of rock rip rap that was installed in 1968 and in 1983. In regards to Proposition 50, Mr. Wallace added to the District Manager's report on the current situation on the state level, stating that the author of the original bill was quite upset about the turn of events and how the money was being diverted away from its original intent and used to pay state staff members. Mr. Wallace distributed a recent L.A. Times article on the matter, and encouraged all to contact their legislators to express their dissatisfaction with the delay in Prop 50 grants.

5.4 District Inventory Report

Mr. Reichardt reported that the inventory of the District's "wet" utilities was completed. He presented a pictorial depiction to the Board, showing the aerial photograph with enhanced auto-cad overlay, of the various district utilities. He referred to this as the Master Utility Plan for the District. Mr. Reichardt went on to explain how every utility item in the district, including hydrants, meter, light poles, manhole covers, etc., had been itemized and catalogued, then downloaded into a database. This information was then depicted on the aerial photo, and can be layered and/or manipulated to meet the needs of staff. The graphic representation makes identification for any proposed actions quite easy to identify. Maintenance staff will find this information quite useful and can maintain an atlas of the utilities in the truck and at the plant. Now that the inventory is complete, the committee plans to re-review the priorities previously identified in the Capital Improvement program. A discussion regarding the usefulness of the inventory, and the recorded information followed. The option of loading this information onto the District web-site will also be looked at.

6.0 ITEMS OF BUSINESS

6.1 Approval of Minutes – July 9, 2003

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

6.2 Approval of Warrants – July 1, 2003 through July 31, 2003

A motion was made by Director Bailey-Wood and seconded by Director Mirabel-Boubion, to approve the warrants of July 1, 2003 through July 31, 2003 in the amount of \$ 74,484.13. The motion carried unanimously.

7.0 DISCUSSION / ACTION ITEMS

7.1 Approval of Water – Wastewater Operations Contract with Fluid Resource Management, Inc.

Members of the Board reviewed the contract language with staff and District Counsel. With the exception of a correction to the header on Page 1, all corrections and revisions previously requested have been made. It was also requested that Exhibit A (page 7) be included in the final contract. A motion was made by Director Mirabel-Boubion and seconded by Director Bailey-Wood to approve the contract for Water – Wastewater Operations with Fluid Resource Management, Inc., with the above mentioned corrections. The motion passed unanimously.

7.2 Renewal of General Manager's Contract – August 1, 2003 through June 30, 2004

Mr. Schultz stated that the renewal of the District Manager's contract was in accordance with the Board's desire to have all contracts run within the fiscal year. He reiterated that each contract has a termination clause. This year, the District Manager contract is slated for the period of August 1, 2003 through June 30, 2004. A motion was made by Director Bailey-Wood and seconded by Director Mirabel-Boubion, to renew EDA's contract for General Management services. The motion carried unanimously.

7.3 Addendum to District Engineer's Contract – Effective July 1, 2003 through June 30, 2004

Mr. Schultz stated that the purpose of this addendum was to set a limit for District Engineering services, specifically that they not exceed \$40,000 without prior approval of the Board. The original contract for District Engineering services was approved in 1997. The majority of the Board felt that they were not familiar enough with the terms and conditions of that contract, and discussed the need to review the scope of services prior to approving an addendum. Mr. Bloodgood pointed out that the Board had reviewed all the consultants' contracts in the past. The consensus of the Board was that a review of the current contract would be beneficial. There is no adverse effect, since the contract is currently in force, and the budget has \$40,000 allocated for District Engineering services.

7.4 Appointment of Auditor for the 2002 – 2003 Fiscal Year Audit

Mr. Bloodgood reported that staff had solicited proposals from four (4) CPA firms. Based on the submittals received, staff's recommendation is that the Board award the contract to Crosby & Cindrich, whose bid remained \$3,200, as quoted to the District last year. A discussion followed, regarding the firm's assistance with several items, including the establishment of a reserve for water projects and the review of the billings for the

State Parks. It was pointed out that the dates on the proposed contract would have to be amended to reflect Fiscal Years 2002-03, 2003-04 and 2004-05. A motion was made by Director Bailey-Wood, and seconded by Director Mirabel-Boubion to award a three (3) year contract for auditing services to Crosby & Cindrich. The motion passed unanimously.

7.5 Report on Reservoir Dive - Inspection

The reservoir tank was inspected by Advantage Technical Services on June 10, 2003. All underwater inspection procedures were performed pursuant to the American Water Works Standards for Disinfection of Water Storage Facilities (ANSI/AWWA C652-02). The exterior of the tank was visually inspected from the ground to the wood roof. The interior of the wood roof appears to be in good condition. The interior lining (over the concrete) appeared to be intact. Heavy sediment was removed from the bottom of the tank. Several small openings were observed above the water line. Staff has repaired these openings, as recommended. Other recommendations include more frequent cleanings and that the carbon steel surfaces, such as the piping in the reservoir, be blasted and coated, that a new roof latch be installed, reservoir security be reviewed, and that some method of egress from the water, such as a portable ladder, be considered.

7.6 Letter of Interest – Southwest Water Company

Mr. Reichardt gave a brief overview of the draft letter of interest for Southwest Water Company. There are no financial obligations or commitment associated with this letter. It simply advises Southwest that the District is interested in exploring options for a desal plant. The position of the San Simeon is that, in any discussions Southwest Water may have with representatives of Cambria Community Services District regarding some form of joint water project, appointed representatives of San Simeon must be in attendance. Southwest Water may not represent the interests of San Simeon on their own. (For additional information related to discussion on this letter of intent, please refer to Item No. 7.8 – District Committee Reports – Facilities – Water Committee below.)

7.7 Authorization For Funding To Defend Lawsuit entitled *Cavalier Inn v. SSCSD*

Mr. Schultz presented a brief history of events leading up to the Cavalier filing of a cross complaint against the SSCSD on October 21, 2002. The suit arises out of the District's alleged wrongful refusal to issue a will serve letter to Cavalier Inn, Inc. allegedly resulting in Cavalier's inability to reconstruct a restaurant bathroom to comply with laws designed to provide access to disabled persons. The District adamantly denies the allegations. Pursuant to Board direction, the District retained the firm of Hall & Hieatt to defend the District in this lawsuit. The District has filed a response, denying all of the allegations asserted by the Cavalier Inn and the position that this is a frivolous lawsuit. The District has filed a Motion to Sever the Cross Complaint, and we are awaiting a ruling from the Judge. The District's insurance carrier, SDRMA, has determined that the above matter does not trigger any potential covered liability falling within the memorandum of coverages, and, therefore, will not afford coverage for this case. We are appealing this decision. To date, the District has received invoices for legal fees in excess of \$14,000. Since this is not budgeted for, nor covered by insurance, the Board needs to make a motion to approve payment to Hall & Hieatt for legal services to defend the District's position. At this time, the recommendation is to authorize funding of \$25,000. A motion was made by Director Lambeth, and seconded by Director Mirabel-Boubion, to authorize funding of \$25,000 to defend the lawsuit entitled *Cavalier Inn v. SSCSD*. The motion carried unanimously.

7.8 Board Committee Reports

Facilities – Water Committee Report:

Mr. Reichardt reported that the Facilities – Water Committee had met on June 12th. At that meeting, representatives of Southwest Water Company gave a presentation on various desal plant models. For the purposes of San Simeon, two (2) different project types have been proposed. The first proposes a collaborative project with Cambria, whereby San Simeon's needs would be fulfilled, but the overflow would be provided to Cambria. The second proposal would be a plant that would service only the needs of San Simeon. In the first model, Southwest would operate only the water plant. In the second, however, they would assume responsibility for all operations within the district, including management. A discussion followed, regarding other kinds of options. Mr. Wallace distributed information from the Coastal Commission regarding de-sal plants. Staff is also reseaching SKID Plants, and provided board members with some information on how they operate. Mr. Reichardt indicated that these are the proposals of only one firm, and that there are other vendors who offer desal/reverse osmosis technology. Questions regarding how the City of Morro Bay operates its desal plant were discussed – that plant operates on a back-up basis and looks more like the Vivendi units, but there is more than one unit onsite. Electricity is a major cost involved with desal. Mr. Schultz offered to arrange of tour for members of the board. The issues of permit processing and the requirements for discharging were also discussed. Regarding the latter, the San Simeon coastline slopes out gradually rather than dropping off – this could be a problem for brine discharge. The discussion continued, including the status of permits issued when the previous proposed joint desal plant with Cambria was active. The encroachment permit is still alive, but the other has expired. In regards to the letter of interest for Southwest Water, Mr. Reichardt reported that this was necessary in order for Southwest to continue exploring options for San Simeon. There is no financial commitment by the Board / District. Director Bailey-Wood asked about Southwest's proposal to supply only the needs of the District and if this included operations. Mr. Reichardt explained that this option is a 20 year project, in which Soutwest Water would fund the project via bonds, and would, therefore, operate and maintain the operation, incorporating all district functions, including the wastewater plant and general management. At the end of 20 years, the District would re-assume responsibility. Mr. Reichardt also reported that the committee is strategizing a "staging" program for water restrictions. This would include "buffers" and a multi-tiered restriction program. Dissemination of information to the public is necessary as well as determining how to deal with enforcement issues. One of the topics discussed was rewarding conservation through incentive programs. The feeling is that a positive approach to conservation is more effective. At this time, the water levels are such that severe restrictions are not necessary. Staff continues to monitor the water levels. The next Facilities – Water Committee meeting is scheduled for October 16, 2003 at 4PM in the Cavalier Community Room.

Policy Committee:

The committee plans to meet in September with the date to be determined.

Adhoc Committee Ordinance No. 66 Review:

The ad-hoc committee will meet immediately following the Policy Committee, with the date and time to be determined.

Finance Committee:

The Finance Committee plans to reconvene following the end of the first quarter of the new fiscal year.

7.9 Board Reports:
There were no board reports.

8.0 BOARD / STAFF GENERAL DISCUSSIONS
Director Bailey-Wood asked if there was any update on potential recycling services for the District. She asked that staff follow-up on the matter.

9.0 ADJOURNMENT
On a motion from Director Mirabel-Boubion and seconded by Director Bailey-Wood, the meeting was adjourned at approximately 8:30PM.



MEMORANDUM

DATE: October 16, 2003
TO: San Simeon CSD; Facilities Committee
FROM: John L. Wallace, District Engineer *JW*
SUBJECT: Water Conservation, Water Restrictions Triggering Events

Background:

The District has been in a water connection moratorium since the late 1980's. The Pico Creek groundwater basin which supplies all of the District's water, has been judged to have a safe annual yield of approximately 120 acre feet per year (AFY). However, we have experienced problems with low production and deteriorated water quality even when pumpage is less than 120 AFY. It is important to note that other wells (i.e., the Hearst Horse Ranch) also draw from this groundwater basin. The District has been faced with water shortages and water quality problems especially in drought situations. During these periods of time, the water supply in general has dwindled and the quality of the water being supplied to the District's customers has deteriorated. For example, in 1985, the District produced approximately 135 acre feet of water for its customers, but also in 1984 and 1985, the District's wells were pumping from below sea level. As a result, chlorides (high mineral content) characterized by either sea water intrusion or by withdrawal of surface water from Pico Creek that may have been contaminated by high tide run up, soared to almost 1,000 parts per million (PPM).

Although chlorides are not a primary health standard, the State recommended maximum limit for a public drinking water supplies is 500 PPM. Motels and restaurants in the area incurred many complaints from their customers while the high chlorides were experienced. This led the District with recommendation from the community's water advisory committee to enact severe water conservation measures, and ultimately in 1990, to initiate a project to retrofit all of the toilet fixtures within the District, (approximately 1,200 toilets). As a result, water consumption dropped to almost one half of the District's peak usage of 149 AFY in 1986 and 1987. In 1991, the total water consumption was approximately 79 acre feet per year. Later, with a combination of increased rainfall and decreased well production from the Pico Creek groundwater basin, chloride levels fell to below 50 PPM. The District has continued to monitor the well depths, well production, and the chloride levels in the Districts wells.

Water Restrictions:

Several times, and as late as 1998, the District would periodically implement strict water conservation measures limiting all landscape irrigation, car washing, and prohibiting the installation of any additional water using fixtures throughout the District as part of the water connection moratorium.

When rainfall was plentiful, and the District's wells were in good shape, the water conservation restrictions were lifted. Because the District's actions to protect its water supplies were not as predictable as they might be, the Board has asked staff to develop appropriate indicators that might more automatically implement water conservation measures at varying degrees.

Data Analysis:

Therefore, staff has analyzed data from the District's files, (although some years data were incomplete) from 1979 to 2003, reviewing the wells depths the production of water from the wells, rainfall, and the chloride levels experienced in the water supply. Although, there are some aberrations, it is apparent that well levels tend to best forecast the impact on the Districts water quality probably as good as any other indicator. This is also affected by the rate of withdrawal from Pico Creek, the rainfall amount and pattern of rainfall, and other unusual events such as storm events that breach the sand bar at the mouth of Pico Creek, causing high tide events to run up Pico Creek, infiltrating into the groundwater basin and into District wells.

It is apparent that any water conservation "triggers" for implementing water restrictions must be relatively simple to understand but allow for some discretion by the District in its efforts to protect the District's water supply. Several graphs are presented for the Boards review including the rainfall experienced over a period of time from 1982 through 1999, as well as well depth corresponding to these years, the amount of production extracted from District's wells, and chloride levels. Because not all of the information for all years was available from the District records without substantial research, the primary indicators were examined and correlated, referencing past reports by the District's consultants including the District's "Conjunctive Use Water Management Plan" conducted by Tim Cleath in 1996 when the District was entertaining the possibility of entering into an agreement with Cambria for a de-sal project.

Correlating production data to the rise in chlorides in the District's wells, it is apparent that high production coupled with moderate or low rainfall at a time when the well levels are approaching sea level contributes to the worst case scenario. It is also apparent that after the District's retrofit program in the early 1990's chlorides remain at a relatively low level with decreased water usage. However, in more recent times, water production levels have again climbed to over 100 acre feet per year from the District's low of approximately 79 acre feet per year in 1992 (and a high of approximately 150 acre feet per year in 1986). Because water usage also varies as landscaping restrictions are imposed, it is difficult to assess the impact of all of these factors.

Water Restriction "Triggers":

However, in correlating the data and in referencing some of the previous studies, a simplified chart has been prepared indicating when restrictions might be imposed and lifted. Soon after the rain begins, with January and February predictably the heaviest months of rainfall, it is assumed that the wells will be at its highest level in March of each year. Subsequently, as water is withdrawn and rainfall ceases, if water levels fall below the two foot above sea level mark by mid August, customers are advised that, restrictions may be enforced if water levels continue to fall. Therefore, the first stage would be an advisory level asking customers to conserve water and refrain from outside use where possible (Stage 1). If by mid September, well levels have fallen to one foot above

sea level, the District should automatically impose the restrictions calling for no landscape irrigation (Stage 2). If well levels continue to fall to sea level (approximately 15.7 feet in depth), there should be mandatory enforcement of all water conservation measures including restrictions of serving water in restaurants, no outside use of District water, and monetary penalties established for violations of the ordinance (Stage 3). These penalties should be discussed with legal counsel.

If rain occurs in the fall as predicted and well levels begin to rise, these restrictions can automatically come off as the well levels continue to rise above the "trigger" levels for each stage.

It is also recommended that the District include a simplified version of the chart on the District's website to show the well levels in a display such as a "thermometer type of display" so that the customers can be advised of trends and impending restrictions before they are imposed. An example graphic demonstrating this concept is attached for the Committee's consideration.

M:\084-SSCSD\084-001 District Engr\Memo to Fac Comm re Water Conservation.wpd



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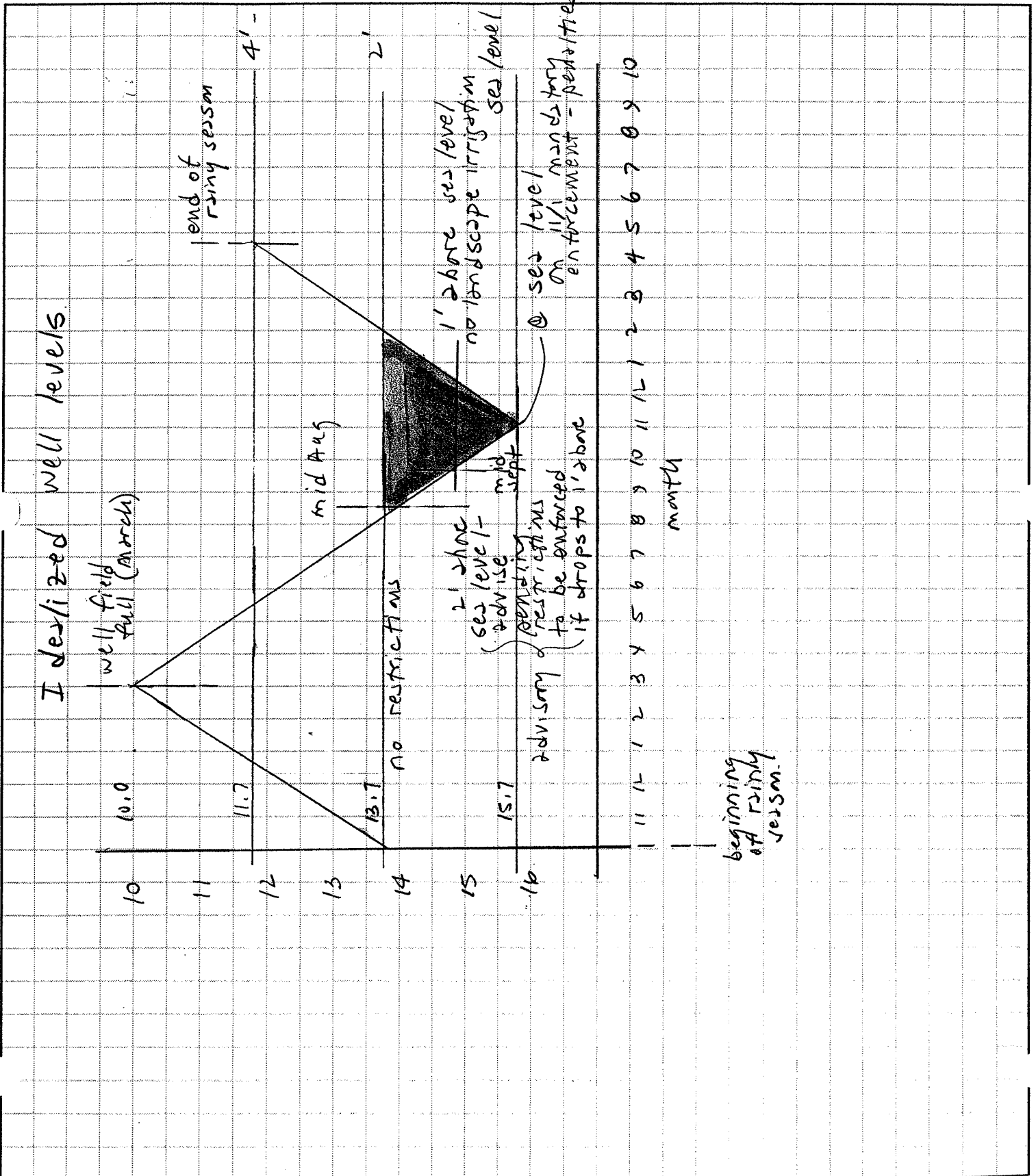
JOB SSCSD Wat. Cons. Triggers

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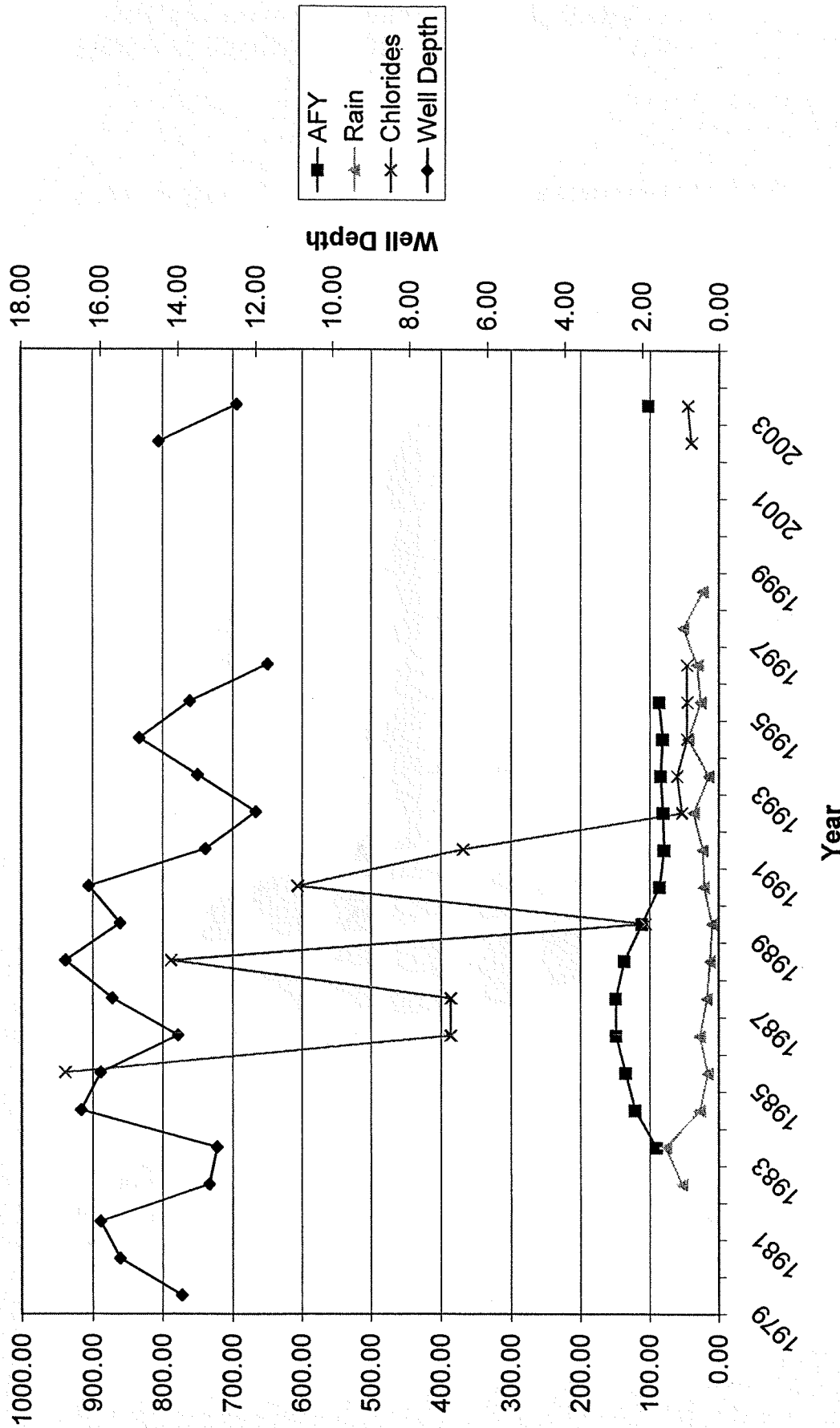
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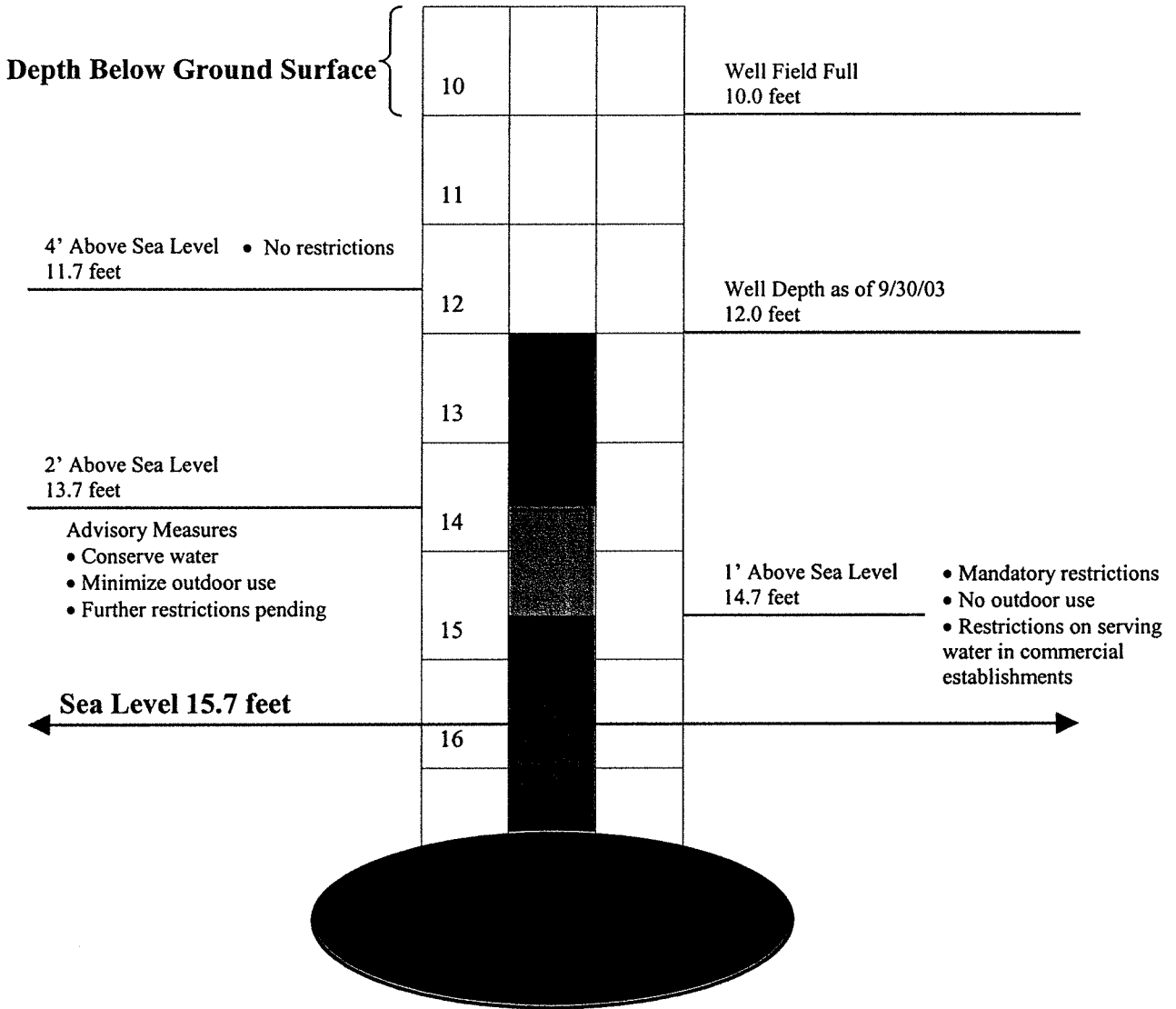
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Water Triggers



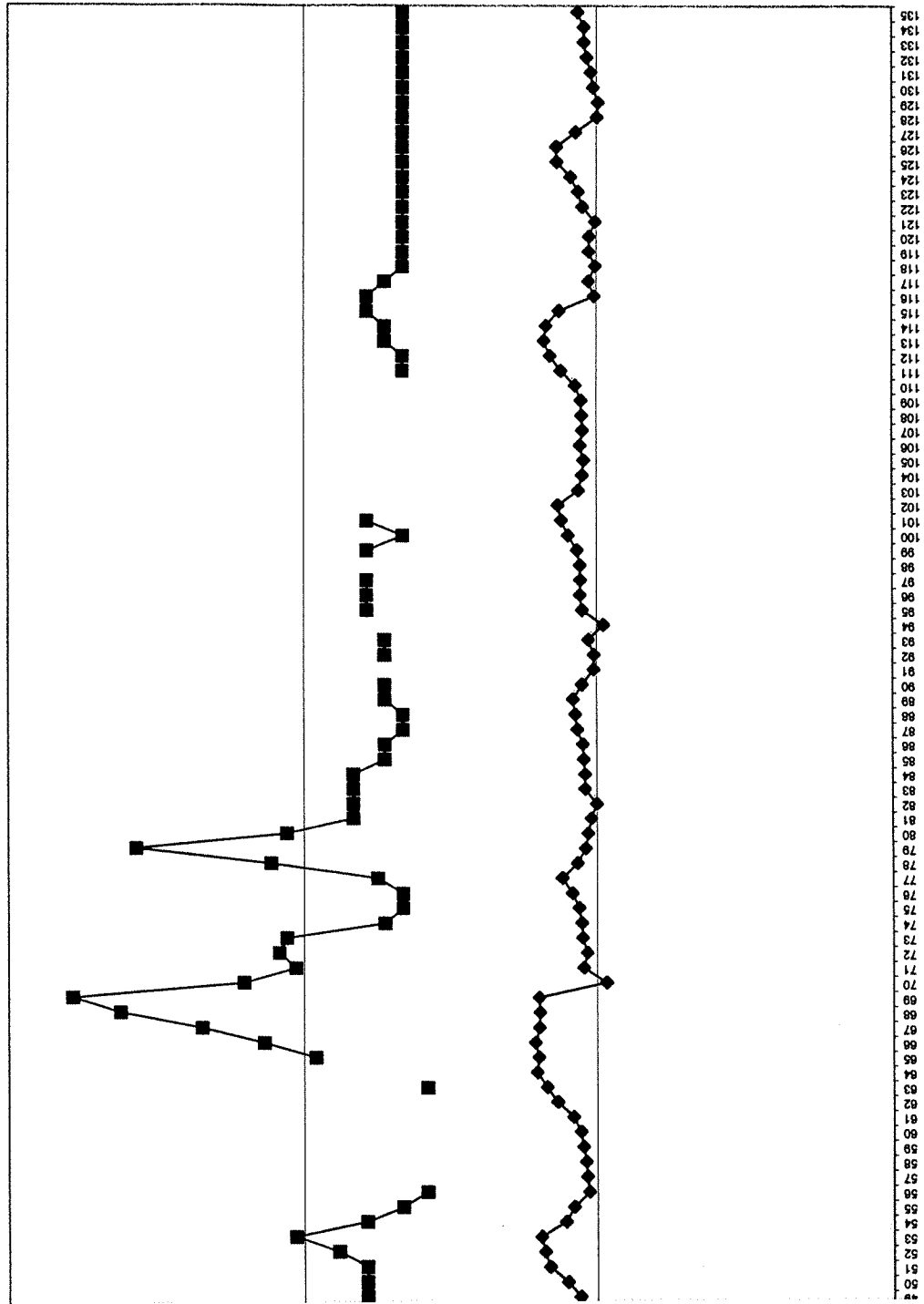
San Simeon Community Services District WATER CONSERVATION TRIGGER EVENTS (Well Depths)



Depth of Water in District Wells

KEY		
DESCRIPTION	FEET	
As of 9/30/03	Current Level Well Field	12.0
—————	Well Field Full	10.0
←————→	Sea Level (SL)	15.7
Water Conservation Trigger Levels	1 ft above SL	14.7
	2 ft above SL	13.7
	4 ft above SL	11.7

SSCSD Well Data



DATE

■— Chloride (mg/l) ◆— Actual Production (million gallons)

1935
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1928
1927
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SSCSD Well Data

Date	Level (feet)	Chloride (mg/l)	Actual Production (million gallons)
Jun-85	11.42		4.3
Jul-85	12.08		4.7
Aug-85	14.67	45	5.7
Sep-85	15.5	45	4.6
Oct-85	16	83	4.2
Nov-85	14.75	939	2.9
Dec-85	10.67	144	2.4
Jan-86	10.83	68	3.2
Feb-86	10	61	2.3
Mar-86	10.5	61	2.6
Apr-86	10.83	61	3.8
May-86	10.17	61	4.1
Jun-86	11.17	61	5.5
Jul-86	11.5	46	5.3
Aug-86	12.5	46	5.9
Sep-86	13.58	46	4.8
Oct-86	14.08	46	4.4
Nov-86	14	46	3.6
Dec-86	12.58	386	3.2
Jan-87	10.92	348	3
Feb-87	10.75	144	3.2
Mar-87	10.75	114	2.8
Apr-87	11	83	4.4
May-87	11.08	68	4.3
Jun-87	11.33	83	4.6
Jul-87	12.67	76	5.9
Aug-87	14.5	76	5.8
Sep-87	15.83	129	5.4
Oct-87	15.75	227	3.7
Nov-87	15.5	386	2.6
Dec-87	10.7	273	2.8
Jan-88	10.5	76	2.5
Feb-88	10.67	121	2.9
Mar-88	11.08	76	3.4
Apr-88	10.42	53	3.2
May-88	11.17	46	3.8
Jun-88	11.75	53	4.5
Jul-88	13.83	61	4.9

Aug-88	16.08	106	5
Sep-88	16.83	210	5.4
Oct-88	16.58		3.9
Nov-88	16.67	788	3.1
Dec-88	10.48	636	1.9
Jan-89	11.04	182	2.3
Feb-89	11.03	129	2.8
Mar-89	10.17	76	2.8
Apr-89	11.36	61	3.3
May-89	11.11	61	3.1
Jun-89	11.44	61	3.7
Jul-89	12.62	61	3.9
Aug-89	14.5	61	4.6
Sep-89	15.1	76	3.2
Oct-89	15.55	106	2.8
Nov-89	12.81	61	2.7
Dec-89	12.03	46	1.4
Jan-90	10.67	38	1.8
Feb-90	10.84		2.2
Mar-90	10.94		1.7
Apr-90	11.16		2.4
May-90	11.41		2.1
Jun-90	12.08		2.6
Jul-90	13.68		2.9
Aug-90	14.85	38	3.4
Sep-90	16.1		2.7
Oct-90	15.86	91	2.3
Nov-90	16.33	136	2
Dec-90	15.79	220	1.5
Jan-91	15.71	416	1.9
Feb-91	15.83	606	1.6
Mar-91	9.3	159	1.6
Apr-91	11.12	106	2.2
May-91	10.82	121	1.9
Jun-91	11.23	114	2.6
Jul-91	11.31	53	2.6
Aug-91	11.55	46	3.2
Sep-91	12.16	46	2.6
Oct-91	13.16	56	2.5
Nov-91	11.66	129	1.6
Dec-91	10.95	368	1.4
Jan-92	10.72	114	1.9
Feb-92	10.46	68	1.5

Mar-92	10	68	1.6
Apr-92	11	68	2.3
May-92	11	68	2.3
Jun-92	11.1	53	2.2
Jul-92	11.16	53	2.4
Aug-92	11.66	46	2.7
Sep-92	11.86	46	2.9
Oct-92	12.08	53	2.1
Nov-92	11.25	53	1.7
Dec-92	10.23		1.7
Jan-93	10.22	53	1.4
Feb-93	10.67	53	1.5
Mar-93	9.49		1.6
Apr-93	11.22	61	2.2
May-93	11.41	61	2.3
Jun-93	11.38	61	2.6
Jul-93	11.4		3
Aug-93	11.67	61	3.4
Sep-93	12.54	46	3
Oct-93	13.2	61	2.4
Nov-93	13.56		2.3
Dec-93	11.54		1.4
Jan-94	11.2		1.4
Feb-94	11.07		2
Mar-94	11.37		1.7
Apr-94	11.18		2.2
May-94	11.26		2.1
Jun-94	11.29		2.8
Jul-94	11.82		3
Aug-94	13.23	46	3.4
Sep-94	14.41	46	3.1
Oct-94	15.11	53	2.4
Nov-94	14.88	53	2
Dec-94	13.43	61	1.3
Jan-95	10.2	61	1.7
Feb-95	10.64	53	1.7
Mar-95	10.1	46	1.5
Apr-95	10.63	46	2.4
May-95	10.6	46	2.5
Jun-95	10.11	46	2.8
Jul-95	11.17	46	3
Aug-95	11.56	46	3.5
Sep-95	12.27	46	2.7

Oct-95	13.68	46	2.5
Nov-95	13.7	46	2.4
Dec-95	11.77	46	1.5
Jan-96	9.96	46	1.8
Feb-96	9.88	46	2
Mar-96	10.27	46	2.2
Apr-96	10.45	46	2.5
May-96	10.8	46	2.6
Jun-96	11.04	46	2.8
Jul-96	11.04	46	3.8
Aug-96	11.58	46	3.1

San Simeon Community Services District




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

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

MEMORANDUM

DATE: October 16, 2003

TO: Water - Facilities Committee

FROM: Eileen M. Putnam, Assistant General Manager 

SUBJECT: Meeting with Ben Boer - Cambria C.S.D. Water Conservation Officer

On September 30, 2003, I had the pleasure of meeting with Ben Boer, Water Conservation Officer for Cambria Community Services District. The purpose of this meeting was to discuss various water conservation measures and see if there might be any ideas and/or recommendations that would be useful for San Simeon.

San Simeon has already enlisted a retrofit program for toilets. In addition to toilets, Cambria has also utilized a showerhead retrofit program. They have also offered rebates for energy saving appliances from time to time, including washing machines and dishwashers. A good way to make this beneficial to the homeowner is to offer such rebates on the same floating schedule that PG&E does theirs. Very often, manufacturers cycle their rebates with PG&E, resulting in a considerable savings for consumers. For example, an individual purchases a water saving washer, on sale for \$750. They then apply for a \$75 rebate from the manufacturer, a \$100 rebate from PG&E, and a \$75 rebate from the District. The net cost of the washer would drop to \$500 (\$250 in rebates back to the consumer).

Another water savings effort was undertaken with regards to the motels and their washing machines. Older machines consume considerable amounts of water. Replacement with more water efficient units can cost upwards of \$15,000. CCSD encouraged motels to send their linens out, but for those businesses interested in replacing their machines, the District offered a \$5000 rebate.

For any retrofit or rebate program, the District can choose to offer it to everyone or, limit it to the first X number of consumers. A showerhead retrofit could be costly if all the motels participated, not only from the perspective of retrofit reimbursement, but also reduced revenues due to decreased consumption.

The Water Conservation Officer in Cambria does require inspection of all new homes, resales and remodels in order to assure compliance with District Water Conservation measures. This was enacted via District Ordinance.

Another idea is to conduct inspections of water softeners, particularly in the commercial arena. The older units are water intensive, while newer units are not. Culligan will come in and analyze water softeners free of charge and make recommendations. Morro Bay paid for this inspection, while other communities split the cost

Water Cisterns are now mandatory for all new construction in Cambria. While the minimum requirement is for 3000 gallons, the consensus is that this will need to be increased. The amount of water that can be stored from a 2 inch rainfall is phenomenal. CDF has also bought into the concept and special fittings are being incorporated so that, in the event of a fire, CDF can tap into these water sources.

We also discussed re-cycled water and the benefits of such a program, particularly for irrigation within the community.

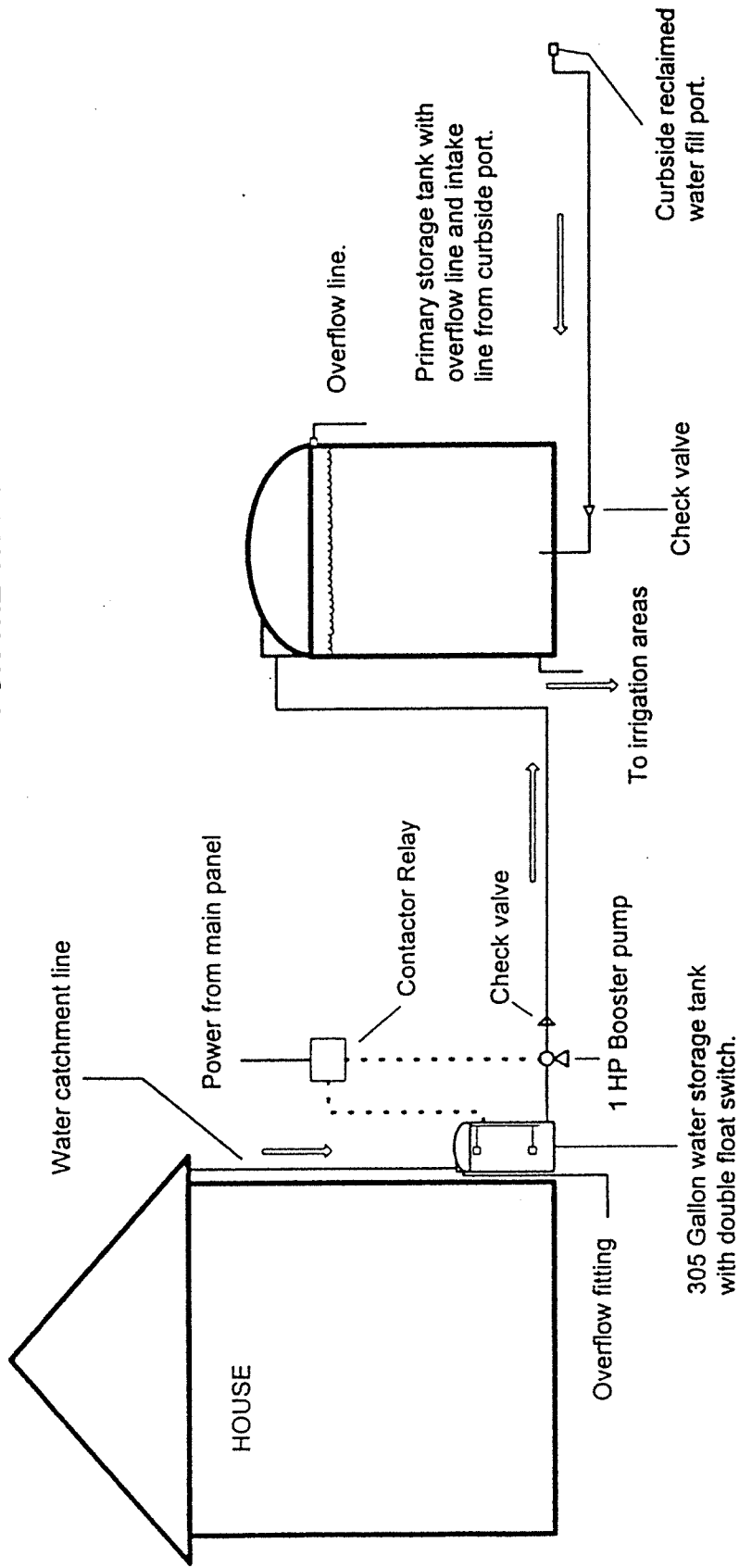
Finally, with the moratorium in place in Cambria, the Coastal Commission is keeping a watchful eye. What they're looking for essentially equates to:

Water Consumption Savings at Point A = That Savings Transferred For New Development at Point B.

The first proposal I would recommend is that we conduct a written survey of the local businesses to evaluate their water consumption. We can then tabulate the information and submit it to the Water - Facilities Committee for review. In this way, the committee can consider whether or not it would be feasible to over some sort of rebate / retrofit program.

The final point to keep in mind - *Reduced Consumption will mean Reduced Revenues.*

PROPOSED RAINWATER HARVESTING SYSTEM FOR THE CITY OF CAMBRIA



MATERIAL LIST

- 1) 305 Gallon water storage tank with double float switch to power on booster pump when tank is full and shut pump off before tank is empty to protect pump from burn out and maintain flooded suction.
- 2) 1HP Booster pump with approximate 25 GPM flow rate to "dump" water into primary tank in 10 - 12 minutes with 1 1/2" fill line.
- 3) Contactor relay connected to main power, float switches in both tanks, and booster pump.
- 4) 3,000 Gallon primary water storage tank with over flow fitting and 2" receiving line from curbside fill port.

Prepared for: Benjamin Boer
Cambria Community Services District

Date: June 22, 1999

By: David Hauser
American Tank Company
(800) 655-9100

American Tank Co.

TANKS & FLUID HANDLING EQUIPMENT



Corporate Offices:
7450 Conde Lane
P.O. Box 340
Windsor, CA 95492

Toll-Free: (800) 655-9100
(707) 838-1616
Fax: (707) 838-1968

Submitted To: Benjamin Boer Cambria Community Services District City of Cambria Cambria, California 93428	Phone: 805-927-6239	Date: June 24, 1999
	Job Name: Rainwater Harvesting Project	
	Job Location:	
	Fax: 805-927-6242	Pager/Mobile:

QTY	DESCRIPTION	UNIT PRICE	TOTAL
1	RE: 3,000 Gallon ATC Freshwater Storage Tank DIMENSIONS: 95" in Diameter X 107" in Over-all Height WEIGHT: 400 LBS. MATERIAL: FDA & NSF Approved Polyethelene COLOR: Black WALL RATING: 8.5 lb/gal SERVICE: Water MAXIMUM TEMP.: Ambient SEISMIC RATING: Not Applicable MANWAY: 16" Threaded Manway With 5" Vented Inspection Port WARRANTY: 3-Year Manufacture's Warranty FITTINGS: 1 - 1½" PolyPro Inlet Fitting, 3 - 2" Polypro Fittings		\$1,601.00
1	ACCESSORIES: Gravel Foundation Ring		\$140.00

Notes: Off loading by others. FOB to Cambria, California

SUBTOTAL	\$1,741.00
SUBTOTAL (PAGE 2)	\$1,156.00
SHIPPING & HANDLING	\$193.50
SALES TAX	\$231.79
TOTAL	\$3,322.29

Authorized Signature: _____	This proposal may be withdrawn by us if not accepted within <u>30</u> days.
Sales Representative: David Hauser 1-800-655-9100	TERMS: Prepaid * See attached Terms and Conditions sheet.
ACCEPTANCE OF PROPOSAL The above prices, specifications and conditions are satisfactory and are hereby accepted. Building permits, foundations, if required are not included in this proposal. Any products or services not mentioned in this proposal shall be the responsibility of others.	Signature _____ Signature _____ Date of Acceptance _____

QUALITY TANKS & FLUID HANDLING EQUIPMENT, SINCE 1975

(Cont'd)

QTY	DESCRIPTION	UNIT PRICE	TOTAL
1	RE: 305 Gallon ATC Water Storage Tank DIMENSIONS: 46" Diameter X 49" Over-all Height WEIGHT: 70 LBS. MATERIAL: NSF & FDA Approved Polyethylene COLOR: Black WALL RATING: 8.5 LB/Gal SERVICE: Water MAXIMUM TEMP: Ambient SEISMIC RATING: N/A MANWAY: 16" Threaded Manway With 5" Vented Inspection Port WARRANTY: 3 - Year Warranty FITTINGS: 1 - 1½" Intake, 1 - 2" Outlet		\$366.00
1	ACCESSORIES: Gravel Foundation Ring		\$50.00
1	GOULDS J10\$ 1 HP BOOSTER PUMP CONSTRUCTION: Jet Assembly, Pressure Switch, & Cast Iron Housing FLOW RATE: Approximate 25 GPM @ 0 PSI IMPELLERS: FDA Approved 20% glass-filled thermoplastic precision molded. MOTOR: NEMA Standard, 60 Hz, Single Phase, 3500 RPM WARRANTY: 1- Year Manufacture's Warranty		\$473.00
1	Double Float Switch-PD, Max 1HP/110V		\$130.00
2	Float Switch Weight	\$12.00	\$24.00
1	Contact/Relay 115v/5HP Max		\$67.00
1	2" PVC Check Valve - SxS		\$20.00
1	1½" PVC Check Valve - SxS		\$20.00
1	2"x1½" PVC Bushing - MPTxFPT		\$3.00
1	1½"x1" PVC Bushing - MPTxFPT		\$3.00
SUBTOTAL			\$1,156.00

NOTES:

The Press Democrat: Print a Story

http://www.pressdemocrat.com/local/news/13fee_b1empireb.html

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Rural homeowners to pay CDF fire fee

September 13, 2003

By LORI A. CARTER THE PRESS DEMOCRAT

State legislators have quietly passed a \$77 million bill that would charge thousands of rural property owners a first-ever state fee for fire protection.

The bill, intended in part to offset \$50 million in cuts the Department of Forestry and Fire Protection absorbed in this year's state budget, is expected to raise \$52.5 million annually from a \$35-a-parcel fee on 1.5 million properties statewide.

It's unknown exactly how many rural parcels in Sonoma County would be affected, but the number could be as high as 70,000, Sonoma County Tax Collector Tom Ford said.

A similar fee has been proposed more than once in the past but never made it out of the Legislature, CDF spokeswoman Karen Terrill said.

"These are extraordinary times," she said, noting that the fees would account for 12 percent of the department's fire protection budget.

Ford hustled to Sacramento Friday as the bill headed to Gov. Gray Davis' desk to try to halt its approval, arguing that it violates state law requiring voter approval of such taxes.

"This has been done in the dark of the night," Ford said by cell phone from the state Capitol as he sought answers from North Bay legislators. "I feel that the public should have the right to a hearing and the public should have the right to vote before this is added to their property taxes."

Last month, after legislators agreed to a spending plan following a grueling 29-hour session, Davis signed a \$98 billion budget with a projected deficit of \$8 billion next year.

The \$77 million in new fees was part of a bill passed by the Assembly on Wednesday and the Senate on Thursday as part of a so-called "budget trailer" that ties up loose ends left after the Legislature took its summer recess in late August.

North Bay legislators were mixed in their assessment of the bill, which also includes fee increases on hunting and fishing licenses, pesticide sales, water rights applications and dam owners.

Assembly members Patty Berg, D-Eureka, and Joe Nation, D-Marin, voted for it; Pat Wiggins, D-Santa Rosa, was opposed.

State Sen. Wes Chesbro, D-Arcata, whose budget committee originated the bill, didn't vote. State Sen. John Burton, D-San Francisco, voted aye.

http://www.pressdemocrat.com/efriend/eprint.cfm?eprint=/local/news/13fee_b1empireb.html

10/2/2003

He declined to comment Friday.

Wiggins said she opposed the bill because it charges the same fire-protection fee regardless of parcel size.

Saying it was a choice "between paying for fire services or putting lives at risk," Berg voted in favor. "I think it does put weight on rural families but we had a \$38 billion deficit, and it costs money to provide fire protection in those areas."

Though Nation also voted in favor of the new fees, he suggested retooling the fees next year to account for parcel size.

If approved, residents would receive a \$70 charge on next year's tax bill for this and next year's taxes. Following bills would be \$35 annually.

The bill also would raise the price of resident sport fishing licenses from \$29.25 to \$31.25, and resident hunting licenses from \$29.50 to \$31.25. Those increases and dozens of other Fish and Game increases would bring in \$4.2 million.

Ford, whose office will be required to collect the fee along with property taxes, said he just recently learned about the new fees and has several concerns. "We don't have a problem with whether the fee is worthwhile or not. Our problems are that the imposition of a parcel-related fee is in violation of Proposition 218, which calls for voters to vote on it," he said. "And I resent them imposing on us to collect it for them."

He said the bill doesn't take into account the thousands of parcels that are of such low value that it's not worth sending out a tax bill. He estimated there could be 40,000 such parcels in Sonoma County's rural areas covered by state fire protection agencies.

The bill also could double-tax some parcels that are in the state's fire-protection area and one of the many local fire protection districts, Ford said.

Others closely involved with the fees also were unclear on the details Friday.

CDF spokeswoman Terrill said her department didn't even know what the fee amount would be until Thursday. CDF Unit Chief Byron Carniglia said he didn't know how many parcels the fees would involve in the Sonoma-Lake-Napa division, which covers 2.6 million acres and is the CDF's largest unit.

"There are a lot of fire districts that are also in state responsibility areas that collect taxes, too," he said. "They're going to have to work that out. Whether we're going to have to share the tax, I don't know. It's going to be truly interesting."

Staff Writer Kerry Benefield contributed to this report. You can reach Staff Writer Lori A. Carter at 521-5205 or lcarter@pressdemocrat.com.

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