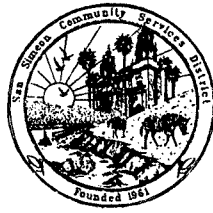


San Simeon Community Services District



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

Board of Directors

Bob McLaughlin, Loraine Mirabal-Boubion, Eric Schell, David Kiech, Carol Bailey-Wood

**NOTICE OF MEETING
DISTRICT ADVISORY COMMITTEE**

Water Committee Meeting

Has Been Moved To:

Thursday, November 7, 2002

10:30 A.M.

Cavalier Cove Room (Upstairs)
9415 Hearst Drive
San Simeon, CA 93452

Please Note: The Meeting Date & Location Have Been Changed

San Simeon Community Services District



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

Board of Directors

Bob McLaughlin, Loraine Mirabal-Boubion, Eric Schell, David Kiech, Carol Bailey-Wood

NOTICE OF MEETING
DISTRICT ADVISORY COMMITTEE

Facilities Committee Meeting

Thursday, November 7, 2002

3:00 P.M.

Cavalier Cove Room (Upstairs)
9415 Hearst Avenue
San Simeon, CA 93452

Please Note: The Meeting Location Has Been Changed

San Simeon Community Services District



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

Board of Directors
Bob McLaughlin, Loraine Mirabal-Boubion, Eric Schell, David Kiech, Carol Bailey-Wood

NOTICE OF MEETING

DISTRICT POLICY ADVISORY COMMITTEE

Monday, November 18, 2002

9:00 A.M.

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

**Board of Directors - Regular Meeting
San Simeon Community Services District
AGENDA
Wednesday, November 13, 2002 – 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 Conference with Legal Counsel Due to Significant Exposure to Litigation – Government Code Section 54956.9(b): Significant Exposure to Litigation exists based upon existing facts and the advise of legal counsel as to one matter.

3. RECONVENE IN OPEN SESSION (6:30PM)
 - 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.
 - No Person shall be permitted to make slanderous, profane or personal remarks against any elected official, committee and/or staff.
 - 4.1 Sheriff's Report
 - 4.2 Public Comment

5. STAFF REPORTS
 - 5.1 General Manager's Report
 - 5.2 Plant Superintendent's Report
 - 5.3 District Engineer's Report

6. ITEMS OF BUSINESS
 - 6.1 Approval of Minutes – October 9, 2002 & October 23, 2002
 - 6.2 Approval of Warrants – October 1 through 31, 2002

7. DISCUSSION/ACTION ITEMS
 - 7.1 Preliminary Fiscal Year 2002 – 2003 Budget
 - 7.2 General Manager's Contract
 - 7.3 Request For Conditional Will Serve Letter – Cavalier
 - 7.4 Water Rate Study
 - 7.5 Board Committees
 - 7.6 Board Reports

8. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS

9. ADJOURNMENT

SAN SIMEON COMMUNITY SERVICES DISTRICT

SUPERINTENDENT'S REPORT FOR OCTOBER 2002

FLOW COMPARISON - Water

OCT 2002 2,475,000 gallons	YTD 2002 28,711,000 gallons	MONTHLY USAGE COMPARISON: ANNUAL USAGE COMPARISON:	22% increase 3% decrease
OCT 2001 3,154,000 gallons	YTD 2001 29,648,000 gallons	GROSS WATER PRODUCTION: NET WATER PRODUCTION: MONTHLY RECOVERY RATE:	2,542,000 gallons 2,286,780 gallons 90%

RAINFALL

OCT 2002 0.00 inches	02-03 YTD 0.00 inches	MONTHLY COMPARISON: ANNUAL COMPARISON:	1.10 inches less 1.10 inches less
OCT 2001 1.10 inches	01-02 YTD 1.10 inches		

WELL DEPTH COMPARISON

OCT 2002 14.77 feet	SEP 2002 14.2 feet	OCT 2001 12.80 feet	MONTHLY COMPARISON: ANNUAL COMPARISON:	0.57 feet lower 2.0 feet lower
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CHLORIDE COMPARISON

OCT 2002 40 mg/l	SEP 2002 40 mg/l	OCT 2001 45 mg/l	MONTHLY COMPARISON: ANNUAL COMPARISON:	CONSTANT LOWER
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FLOW COMPARISON - District Wastewater Treated

OCT 2002 2,025,320 gallons	YTD 2002 20,966,800 gallons	MONTHLY USAGE COMPARISON: ANNUAL USAGE COMPARISON:	3% decrease 9% decrease
OCT 2001 2,085,770 gallons	YTD 2001 23,153,680 gallons		

FLOW COMPARISON - State Wastewater Treated

OCT 2002 285,881 gallons	YTD 2002 3,152,345 gallons	MONTHLY USAGE COMPARISON: ANNUAL USAGE COMPARISON:	7% decrease 7% decrease
OCT 2001 249,250 gallons	YTD 2001 3,375,737 gallons		

DISCHARGE REQUIREMENTS

EFFLUENT BOD:	3.9 mg/l	EFFLUENT SUSPENDED SOLIDS:	12 mg/l
INFLUENT BOD:	205 mg/l	INFLUENT SUSPENDED SOLIDS:	90 mg/l

BIO-SOLID DISPOSAL

OCTOBER:	24000 gallons	YTD:	189000 gallons
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SAN SIMEON COMMUNITY SERVICES DISTRICT**SUPERINTENDENT'S REPORT FOR OCTOBER 2002****COMMENTS**

On October 12th, Scott Phillips from the Regional Water Quality Control Board was here for a facility inspection.

Meter # 1085 was replaced with a compound meter.

The last of the chain drives for the Clarifier is scheduled to be replaced with assistance from the vendor on November 12th.

We have started operating one 30 hp Blower on weekdays.



California Regional Water Quality Control Board Central Coast Region



Winston H. Hickox
Secretary for
Environmental
Protection

Internet Address: <http://www.swrcb.ca.gov/rwqcb3>
81 Higuera Street, Suite 200, San Luis Obispo, California 93401-5411
Phone (805) 549-3147 • FAX (805) 543-0397

Gray Davis
Governor

MEMO

October 21, 2002

San Simeon Wastewater Treatment Facility
follow up to odor problems and routine inspection
Met with: Ron Head and Mike Hassett

Plant Condition:

The plant is operating much better than my last inspection. New hand rails have been installed throughout the facility and leaks in the aeration piping have been repaired. The plant is running much quieter and reportedly much more efficiently (pump operation expenses down). The effluent is clear and the EQ basin is low and odor free. There were no odors to speak of during the visit. This may also be due in part to the ferric chloride being added to the extremities of the collection system. Plans are still pending (waiting for CSD approval) to modify the EQ basin to include additional treatment and possibly limited reclamation. These plans are very encouraging. The plant effluent and overall plant condition look excellent.

Issues:

Ron had some questions about the interpretation of the permit as well as some concerns about recent lab results.

The most recent permit has coliform limits listed for the receiving water (as prescribed in the Basin Plan) rather than as it was in the previous permit (and as agreed upon by previous staff) an effluent limit. This is a mistake because the near shore waters consistently have elevated bacteria levels and it would be impossible to determine the source. Not only that the M&RP does not require receiving water testing of bacteria. This should be corrected to an effluent limit upon the next renewal. Until then, the permit has a bacteria limit for receiving water and no required testing of it in the M&RP. They will continue to routinely test effluent for bacteria however.

In testing effluent for Bacteria, Creek Laboratory has reported two results in the last few months that may be in error. In one case, all other aspects of the plant (BOD, TSS, Turbidity...) were well within the limits, yet the coliform result showed a hit. I tend to agree that this appears to be the result of lab or sampling error. In the other case the lab actually performed the wrong test on the water, rendering the results invalid. All relevant details will be included in the associated monitoring report.

Winston H. Hickox 11-7-02

S:\WB\Coastal Watershed\Staff\A.Scott\San Simeon\odor imp\folktwrcma.com.doc

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Co./Dept.	EDA	Co.	SSCSO		
Phone #		Phone #			
Fax #		Fax #			

California Environmental Protection Agency



SAN SIMEON COMMUNITY SERVICES DISTRICT

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

DATE: November 13, 2002
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. Temporary Odor Control - Status
2. Air Piping Replacement - Completed
3. Avonne-Castillo Loop - On Hold
4. Annual Road Improvements - Contract package being prepared.
5. Capital Improvement Project List/Descriptions and Estimated Costs FY 02/03 - Ongoing.
6. Pico Creek Wells - Flood proofing - Included in Proposed FY 2002-03 Budget.
7. Standby Power - Included in Facilities Plan
8. Wastewater Treatment Plant Riprap & Aeration Tank Expansion-Coastal Permit
9. State Revolving Fund Loan - Application made.
10. Facilities Plan: Final Review December 11, 2002
11. Proposition 50 Projects

DISCUSSION:

1. Odor Control;

The odor control chemical feed system continues to be used as originally installed, with chemical feed at the Hearst lift station when needed. Kennedy/Jenks Consultants has reviewed the odor control project and has included recommendations in the Draft Facilities Plan in light of the future plans for the equalization basin. There have not been any new odor complaints recently at the treatment plant.

2. Air Line Replacement Project;

Thoma Electric is analyzing the replacement of the two 30 HP blower motors and may be present at the Board's meeting to present their recommendations. Attached are the photos of the motors in question.

3. Avonne - Castillo Waterline Loop;

The Board has decided to postpone solicitation for bids on this project and to proceed with the higher priority water line project (line to storage tank). The manager for the motel has been informed of the delay.

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

Staff continues final street design in accordance with the soils engineer recommendations that identifies both reconstruction and overlay design criteria for this project. Approval of the CID budget is needed to authorize this project for bid this Fiscal Year.

5. Capital Improvement Projects Priority List;

The current budget does not yet include adoption of the Proposed Fiscal Year 2002-2003 Capital Improvement Projects.

6. Pico Creek Wells;

Improvements are to be included in the Proposed FY 2002-03 Budget. Contact is being made with the Hearst Corporation to discuss setbacks and use of the upstream Hearst well in event that we experience high chlorides in the District's wells.

7. Emergency Standby Power;

Recommendations for standby power was made by Kennedy/Jenks Consultants as part of the Draft Facilities Plan. The Board will need to consider alternatives as part of the review of the Facilities Plan.

8. Wastewater Treatment Plant Riprap & Aeration Tank Expansion-Coastal Permit;

Staff has prepared a Coastal Development Permit Application (CDP) and submitted it to the County on September 24, 2002. A field survey showing the boundary between County and State jurisdiction was previously prepared and submitted to both the County and the California Coastal Commission. The California Coastal Commission reviewed this document and is still requiring that a permit be processed through the State as well as the County. Staff is preparing a response to the Commission who had requested information regarding the completion of the conditions to the 1985 permit. New legislation has also just passed (effective 1-1-03) that will allow the Commission to accept these access easements.

9. 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 2002-03 Budget.

10. Facilities Plan;

John Jenks of Kennedy Jenks Consultants met with the Facilities Committee on November 7, 2002. Mr. Jenks will incorporate the final comments provided by the Facilities Committee and staff in the final version and make a full presentation to the Board at its December meeting.

A. Equalization Basin Conversion;

Recommendations have been incorporated into the Draft Facilities Plan.

B. Recycling Water Supply;

Refinement of an acceptable project and a determination of property owners willing to take the water should be done following the development of the Facilities Plan. The anticipated first phase of the water recycling project is included in the FY 2002-03 budget, and is being included in the higher priority projects as part of the Facilities Plan.

C. Safety Projects;

The grating replacement project was approved by the Board on October 9th. Additional projects are to be identified as part of the Facilities Plan.

D. Shop / Storage Building;

Recommendations for the storage building is part of the Facilities Plan. No further update at this time.

11. Proposition 50 Projects;

As the Board knows, Prop. 50 has passed and will make available funding for water/recycling projects, Staff is participating in the County-wide coalition of agencies to consider the District's projects.

October 2, 2002

MEMO:

From: Ron Head, Superintendent
San Simeon Community Services District

To: Mark Bloodgood
EDA

Re: Motor replacement for 30 hp blowers

Recommendation:

The District should purchase two new high efficiency, inverter duty 30 hp motors, rather than two 20 hp motors.

Rational:

The recently installed variable frequency drive makes it possible to turn the motors down to 20 hp or lower, depending on the demand in the plant.

During the installation of the variable frequency drive the motor insulation was tested and on one motor it was found to be breaking down. In speaking with a representative from Hoffman, the blower manufacturer, he said if we install a 20 hp motor (instead of the 30 hp it was designed for) the blower would require a major overhaul or it would burn out.

In order to use a 20 hp motor we would have to purchase a 20 hp blower, which Hoffman says would cost \$10,000.00. If the reason for going with a 20 hp motor is the assumption we would save a lot of money, the 30 hp motor is only \$55.00 more than a 20 hp motor.

Another thing, since electric motors are not 100% efficient, a 20 hp motor doesn't put out the 20 hp minimum requirement referred to in the Kennedy Jenks report.

It should be noted that the 20 hp and 36 hp blower requirements in the Kennedy Jenks report are based on an average for the current peak loading and doesn't include the air to the sludge holding tank and equalization tank. It also doesn't allow for additional demand when the building moratorium is eventually lifted.

The blower motor replacement was originally part of the air line project. By deleting it from the contract (contractor bid price was \$ 13,200) and installing the motors ourselves (material cost of only \$ 1,882) we will save the District over \$11,000, which more than offsets the additional cost of the 30 hp motors.

Invoice



3250 El Camino Real, Unit F3
 P.O. Box 3092
 Atascadero, CA 93423
 Office (805) 461-6800 Fax (805) 461-6810

DATE	INVOICE #
10/31/2002	1224

BILL TO
San Simeon CSD Ron Head 9245 Balboa Ave. San Simeon, CA 93452

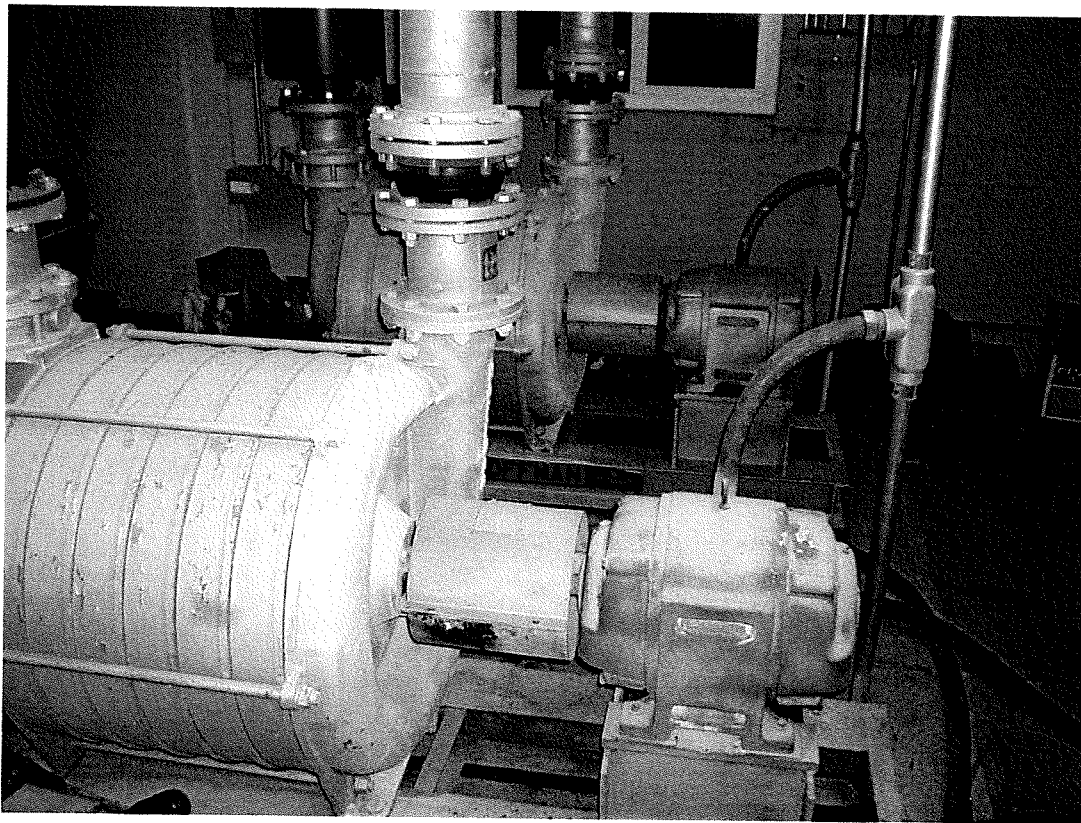
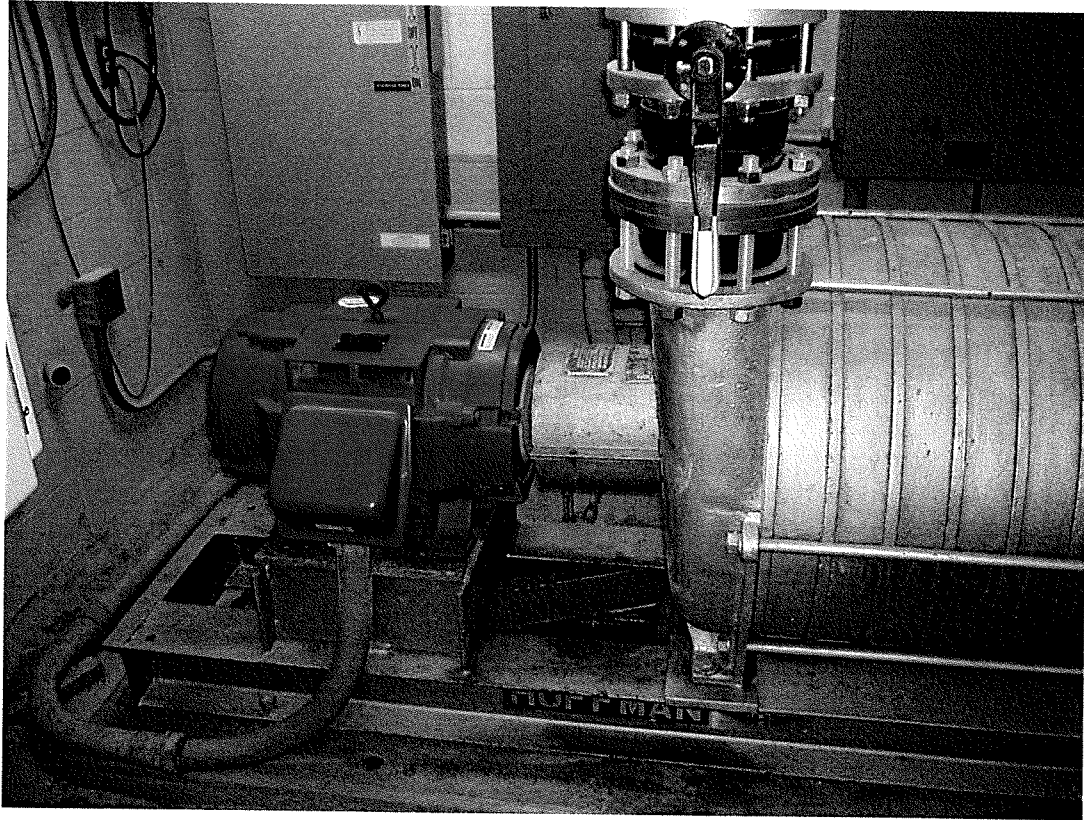
P.O. NO.	TERMS	REP	PROJECT	JOB NAME/LOCATION
verbal	Net 15	KTS	1153	30hp Blower Troubleshoot
ITEM	DESCRIPTION	QTY	RATE	AMOUNT
VFD Service	VFD Service Call Called out to troubleshoot VFD trip on overcurrent while running the #6 blower. Found VFD to also trip on "Motor Phase" fault. #6 blower motor cannot be run due to phase loss. #7 blower motor megohmmeter readings below 1 megohm. Recommend replacing both 30hp motors. CA Sales Tax	4	75.00	300.00
			7.25%	0.00
Total				\$300.00

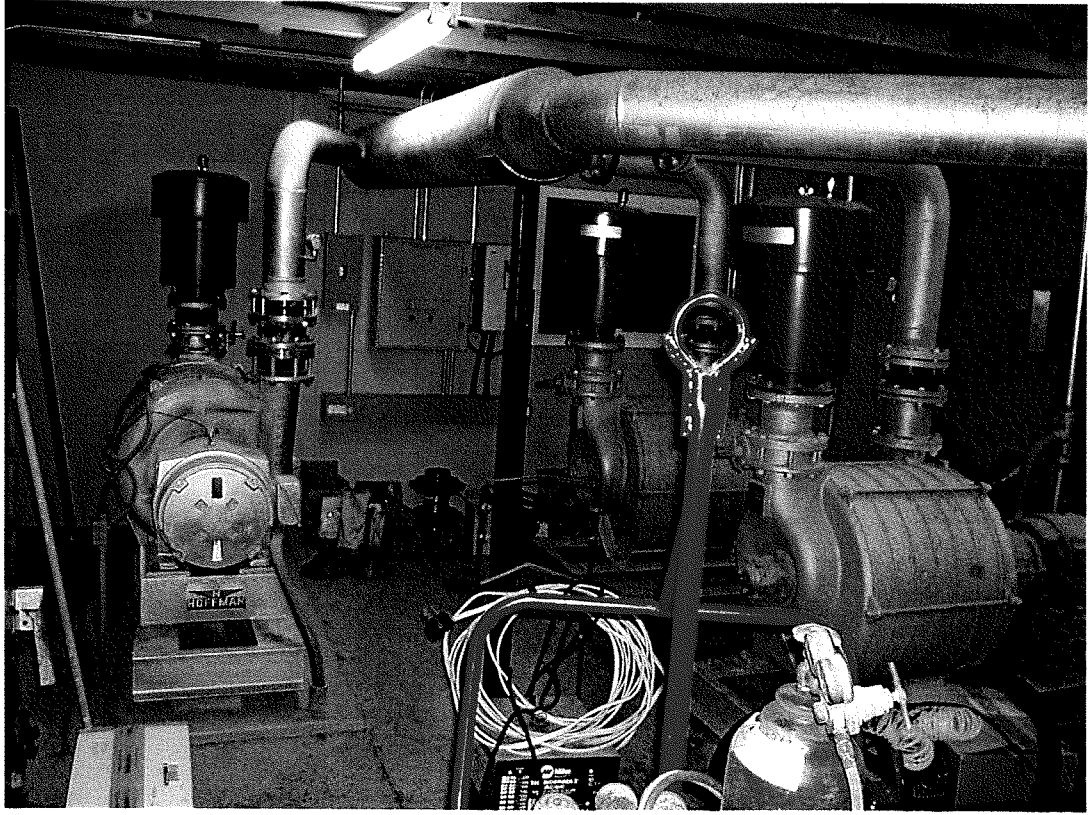
EC
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 SAN SIMEON
 COMMUNITY SERVICES DISTRICT

WASTE
 RH

A service charge of 1 1/2% of this invoice total will be charged to your account every 30 days after the invoice date until paid in full.

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Co./Dept.		Co.	
Phone #		Phone #	





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

Date: Wednesday, October 9, 2002

Place: Cavalier Banquet Room

MINUTES

1.0 CALL TO ORDER

The Board convened at 5:30 p.m.

1.1 Roll Call:

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

Staff Present: District Manager Mark Bloodgood and Assistant District Manager Eileen Putnam

1.2 Public Comment on Closed Session:

Mike Hanchett Jr. encouraged the Board to look at setting a policy regarding an automatic COLA for continuity. He felt it would keep the pay scale competitive. Mr. Hanchett also stated that it should be an automatic process whereby the District selects an index and sticks with it. Terry Lambeth recommended that the Board consider the review process prior to awarding a compensation package. Michael Hanchett Sr. recommended that the Board consider extending its contract with **eda** for management services.

2.0 ADJOURN TO CLOSED SESSION

A motion was made by Director Mirabal-Boubion and seconded by Director McLaughlin to adjourn to closed session for Personnel/General Manager Discussion – Government Code 54957 – Discussion regarding the General Manager Contract and Conference with the General Manager, the District's Designated Representative, for the purpose of reviewing the District's position regarding the terms and compensation paid to the un-represented employees and giving instruction to the Designated Representative. Motion carried unanimously.

3.0 RECONVENE IN OPEN SESSION/CALL TO ORDER

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

3.1 Roll Call:

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

Staff Present: District Manager Mark Bloodgood, Assistant District Manager Eileen Putnam, Plant Superintendent Ron Head, District Engineer John Wallace and District Counsel Robert Schultz.

3.2 Pledge of Allegiance – Led by Chairperson Bailey-Wood

3.3 Report on Closed Session:

District Counsel Schultz reported that the Board met in closed session for the purpose of discussing the General Manager's Contract and for conferencing with the General Manager, who serves as the Designated District Representative, to review the District's position regarding the terms and compensation paid to the un-represented employees and giving instructions to the Designated Representative. No action was taken.

4.0 PUBLIC COMMENT

4.1 Public Comment:

There were no comments from the public.

4.2 Sheriff's Report:

Lt. Martin Basti introduced Sgt. Jim Taylor, the new evening supervisor who joined the office in September. The Sheriff's office is patrolling the Courtesy Inn area every night. A meeting was recently held at the Courtesy Inn, with Supervisor Bianchi, County staff, advocacy representatives and San Simeon residents. The County agreed to review permits, including those relative to occupancy, in order to verify compliance. Overall, it was a very productive meeting and things have been quiet. Both Directors Schell and McLaughlin thanked the Sheriff's Department for their efforts, and indicated that the situation had improved.

5.0 STAFF REPORTS

5.1 General Manager's Report

Mr. Bloodgood stated that the October 7th Strategic Planning Session had been cancelled since two of the Board Members were unable to attend. This meeting should be re-scheduled as soon as possible. Mr. Bloodgood and Mr. Reichardt met with Roger Lyon, legal counsel for Hearst Corp., regarding the potential for the District to use the Hearst Ranch well as an emergency backup, fencing requirements around our existing wells, and other topics related to the District. Mr. Lyons will discuss our needs with Marty Cepkauskas and others at Hearst Corp, and will report back to us. The annual financial audit of the District is currently underway. This audit is being done by Crosby & Cindrich, which is in the final year of its three (3) year contract with the District. The Quarterly Investment Report for the period ending 6/30/02 will be presented under Items of Business. Mr. Bloodgood reported back to the Board regarding questions from the last Board meeting about not submitting a claim to the District's insurance carrier for a recent accident involving the District truck and a staff member's vehicle. All contacts were made regarding the incident conferred that, under the circumstances, it was best not to submit a claim for the small amount involved due to a potential for higher premiums and an increased risk rating. Finally, Mr. Bloodgood had looked into concerns voiced by Director Kiech regarding the potentially improper use of the District's truck. In reviewing current District policy, Mr. Bloodgood indicated that it appeared staff was in compliance. Management recommends that the Policy Committee make their review of this policy a high priority and that the committee solicits input from the Board and make any desired changes to current policy.

5.2 Plant Superintendent's Report

Mr. Head reported that the well levels continued to drop, with the last reading at 14.2 feet, close to the same level at this point last year. The blowers have been connected to an automatic dialer alarm system. Staff ordered a new splitter box for the treatment plant to control flow to each plant. No. 4 treatment plant was drained, cleaned and inspected. The meter replacement project has resumed now that the peak tourist season has passed. A new supplier is being utilized for purchasing sodium hypochlorite and sodium bi-sulfite, which should result in a savings of approximately \$5,000 over what the former supplier would have charged. A discussion was held regarding the well depth situation, and how critical the situation was. Mr. Head and Mr. Wallace explained that the current readings are indeed quite low, but that the chloride levels are still good at this time. We still have nearly a foot to go before we hit sea level, but that the narrow watershed usually results in a quick fill once we get some precipitation. The risk of saltwater intrusion was also discussed. Director Mirabal-Boubion stated the District needed a plan in case we don't get any rain. Mr. Wallace indicated that when the District had been negotiating on a de-sal plant, a contingency plan was one of the requirements of the project. It was suggested that this plan be located and given to the Water Committee for review, and that Mr. Wallace would work with Mr. Head and Mr. Bloodgood on formulating a contingency plan.

The Investment Report for the period ending June 30, 2002 was presented. A copy is attached to the official minutes. Director Kiech asked what the total monies withdrawn from the LAIF account were during Fiscal Year 2001 – 02. The actual totals withdrawn for major district projects will be tallied and distributed to the Board so that accurate information is disseminated.

7 DISCUSSION/ACTION ITEMS

7.1 Request for Authorization Letter to Proceed with Improvements (Russel)

Ms. Putnam stated that the District had received a request from David Brown, on behalf of his client John Russel, regarding proposed renovations on the property located at 555 Pico Avenue in San Simeon. Prior to issuing a permit, the County of San Luis Obispo requires a letter from the District, affirming that this project meets the District's approval and is in compliance with the current moratorium relative to water and sewer connections. Staff requested that Mr. Brown submit copies of existing and proposed floor plans. Having reviewed the information, it is staff's opinion that the Board could direct staff to draft a letter, outlining approval contingent upon full compliance with the District's moratorium on issuance of water and sewer connections within the District; and, submittal of three (3) full sets and one reduced set of construction documents for staff review and determination of compliance with District Ordinances. Mr. Brown was present, and gave an overview of the project and responded to questions from the Board. District Counsel stressed the need for staff to inspect the property and to count fixtures and assure that no additional fixtures will be added. A motion was made by Director Bailey-Wood and seconded by Director Mirabal-Boubion to direct staff to conduct an inspection of the premises and, to draft an authorization letter contingent upon full compliance with the District's moratorium on water and sewer connections and the submittal of three (3) full sets and one (1) reduced set of construction documents for staff review and determination of compliance. Motion carried unanimously.

7.2 Resolution – Support of Proposition 50 – Water Bond Initiative

A motion was made by Director McLaughlin and seconded by Director Mirabal-Boubion to adopt Resolution No. 02-382 supporting legislation and the activities of a cooperative coalition to allocate funding from future water bond initiatives for projects that will benefit the San Simeon community, San Luis Obispo County and other counties in Northern and Coastal California. The motion carried unanimously. If it is passed on the November 5, 2002 general election, Proposition 50 will fund a variety of water projects.

7.3 Preliminary Fiscal Year 2002-2003 Budget

Mr. Bloodgood gave a general presentation, recapping the District's three funds. In past budgets, no provisions for Depreciation were made. This is the first time a proposed budget reflects a line item for Depreciation. This inclusion has resulted in deficit of approximately \$15,061. This proposed budget does not include any monies for Capital Improvements. Over the course of time, better information has become available and adjustments have been made. The Board might want to consider not completely funding Depreciation this year, opting instead to fund only a portion. Staff is requesting additional direction from the Board. Rates have not been adjusted since 1996 and there are inequities between the funds. The Sewer Fund is not self-sufficient at this time. A Rate Study should be done. Kendra Watson, San Simeon resident expressed concern about the rate increase of 1996 which was supposed to towards a water project. Mr. Schultz clarified that no resolution was passed that stipulated that the monies from the increase were to be segregated as a separate fund, and that although the perception is that the rate increase was for a specific water project, it is incorrect thinking. From a legal standpoint, the rate increase was not earmarked. Mr. Bloodgood indicated that this matter is being discussed with the auditor. He also indicated that water projects have been completed since 1996. The discussion continued, encompassing the desalination plant and pipeline studies, funding of depreciation and the \$15,000 shortfall. Director Kiech expressed concern about accepting an unbalance budget. Mr. Schultz interjected that nothing prevents loaning of monies between funds. Mike Hanchett Sr. brought up his concern regarding tracking

of water revenue monies and Proposition 218. A motion was made by Director Kiech and seconded by Director McLaughlin to direct staff to return with a balanced budget. Motion carried unanimously.

7.4 General Manager Contract

Since this item is a budgetary issue and must be incorporated into the FY 02-03 Budget, negotiations will continue and action will be postponed until the November meeting.

7.5 Purchase Order No. 1247 – Fiberglass Safety Grating

Mr. Wallace stated that all quotes had been received for reinforced safety grating materials for the Equalization Basin, with the best quote coming from Harrington International. There was \$5,000 originally allocated in the FY 02-03 Proposed Budget for Safety Improvements – Grating. A motion was made by Director Bailey-Wood and seconded by Director Mirabal-Boubion authorizing approval of Purchase Order 1247 in the amount of \$3,479.36 for the purchase of fiberglass safety grating from Harrington Industrial Plastics. The motion carried unanimously.

7.6 Outfall Line Repair – Payment Authorization

Due to the heavy surf encountered while repairing the Outfall Line Diffusers, there was additional cost associated with services provided by Underwater Resources, Inc. The Board had originally approved payment not to exceed \$10,000 for their services. The actual cost was \$13,958.05. A motion was made by Director Bailey-Wood and seconded by Director Mirabal-Boubion to authorize payment of the additional \$3,958.05 to Underwater Resources. The motion carried unanimously.

7.7 Authorization to Solicit Proposals for Water Rate Study

Mr. Bloodgood gave a general overview of the District's historical approach to rate increases. He went on to explain that staff felt it was necessary to solicit proposals for a rate study, particularly in light of the inequities between the different funds. A rate study could address the funding of projects and assist in identifying optional money sources and alternative ways to fund upcoming District projects. A discussion followed, encompassing needs assessments, timelines and the possibility of rewording staff's request. Director Mirabal-Boubion requested that the matter be tabled until the November meeting. Other board members and staff agreed.

7.8 Board Committees

Water Committee: Met on October 2, 2002 and focused on Proposition 50 and a proposed Rate Study. The Committee recommendations are: 1) The Board adopt a Resolution supporting Proposition 50; 2) the Board support staff's recommendations on projects aimed for funding by Proposition 50, with recycled water project being a top priority, and; 3) before a rate study is undertaken, a needs assessment of the District's Water Facilities be completed. The next meeting is scheduled for November 6, 2002 at 4PM.

Policy Committee: Did not meet last week due to scheduling conflicts. The Committee continues to focus on updating the Personnel Policies. The next meeting is tentatively scheduled for October 21, 2002 at 9AM. Mike Hanchett Sr. requested that the Policy Committee consider changing its meeting location to somewhere other than the District Office. Doing so will afford individuals interested in attending the meeting a place to sit.

Budget Committee: The Budget was discussed earlier in the meeting. The next meeting of the committee will be scheduled and announced in the near future.

Facilities Committee: The committee had not met because they were awaiting the final draft from Kennedy/Jenks. Director McLaughlin stated that a meeting would be scheduled in the near future.

7.9 Board Reports

There were no board reports.

8 BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS

Director Kiech inquired as to the status of the Stop Notice issued by Ben's Electric. Mr. Schultz explained that the dispute was between Ben's Electric and D-Kal Engineering and that the District is not directly involved, other than to honor the Stop Notice and hold back 125% of the disputed amount. Settlement of the issue is between Ben's and D-Kal.

9. ADJOURNMENT

The meeting was adjourned at 8:30 P.M.

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

Date: Wednesday, October 23, 2002
Place: Cavalier Banquet Room

MINUTES

1.0 CALL TO ORDER:

The Board convened at 5:30 p.m.

1.1 Roll Call:

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

Staff Present: Mark Bloodgood, District Manager

1.2 Public Comment on Closed Session Items:

Michael Hanchett encouraged the Board to select a specific index and use that to as the basis for an annual cost of living for the District's employees.

Concern was also voiced by members of the public that, given the current financial state of the District and economy, the Board should be cautious about giving away an overly rich compensation package. Another member of the audience inquired about the current fiscal year's budget.

2.0 ADJOURN TO CLOSED SESSION:

The Board adjourned to closed session for the purpose of one item:

1. Conference with the District Manager, the Districts Designated Representative, for the purpose of reviewing the District's position regarding the terms and compensation paid to the unrepresentative employees and giving instructions to the Designated Representative, GC Section 54957.6
-

3.0 RECONVENE IN OPEN SESSION/CALL TO ORDER:

The Board reconvened in open session at 6:40 p.m.

3.1 Report on Closed Session

General Manager Bloodgood reported that the Board met in closed session to discuss the Personnel/Employee Compensation Package for Fiscal Year 2002 - 2003, Government Code Section No. 54957.6. No action was taken.

4.0 ADJOURNMENT

The meeting was adjourned at 6:45 p.m.

SAN SIMEON COMMUNITY SERVICES DISTRICT

WARRANT REPORT

October 1 through October 31, 2002

<u>DATE</u>	<u>NUM</u>	<u>NAME</u>	<u>WARRANT#</u>	<u>MEMO</u>	<u>AMOUNT</u>
10/9/2002	4020	CRYSTAL SPRINGS WATER	0210-001	WATER DELIVERY	\$ 45.00
10/9/2002	4021	A BETTER BEEP	0210-002	PAGER	\$ 29.45
10/9/2002	4022	RMA COMPUTER SOLUTIONS	0210-003	WEBSITE UPDATES FOR OCTOBER 2002	\$ 25.00
10/9/2002	4023	AT&T	0210-004	TELEPHONE	\$ 42.85
10/9/2002	4024	SWRCB	0210-005	WASTEWATER OPERATOR CERTIF-HASSETT	\$ 70.00
10/9/2002	4025	SCHULTZ TRANSPORTATION	0210-006	MONTHLY CONTAINER RENTAL	\$ 80.00
10/9/2002	4026	JOAN MILLER	0210-007	SEC. DEP. REFUND LESS FINAL BILL #1173	\$ 26.99
10/9/2002	4027	MISSION UNIFORM SERVICE	0210-008	TOWELS & COVERALLS	\$ 118.76
10/9/2002	4028	LA CHEMICAL	0210-009	SODIUM BISULFITE	\$ 395.79
10/9/2002	4029	CREEK ENVIRONMENTAL LAB.	0210-010	TOTAL COLIFORM ANALYSIS	\$ 140.00
10/9/2002	4030	GROENIGER & COMPANY	0210-011	METER BOX, LID, ADAPTOR & COUPLING	\$ 229.42
10/9/2002	4031	CAMBRIA HARDWARE	0210-012	CAULKING GUN, SEAL, PIPE, PAINT SUPPLIES	\$ 108.56
10/9/2002	4032	PACIFIC BELL	0210-013	TELEPHONE	\$ 197.31
10/9/2002	4033	JOHN WALACE & ASSOCIATES	0210-014	RIP RAP, FACILITIES PLAN, AIR PIPING, ROADS	\$ 3,937.40
10/9/2002	4034	JOHN WALACE & ASSOCIATES	0210-015	DISTRICT ENGINEERING FOR JULY 2002	\$ 1,241.08
10/9/2002	4035	ROBERT W. SCHULTZ ESQ.	0210-016	ATTORNEY FEES FOR SEPTEMBER 2002	\$ 1,500.00
10/15/2002	4036	AWWA	0210-017	MEMBERSHIP RENEWAL	\$ 131.00
10/15/2002	4037	BASIC CHEMICAL SOLUTIONS	0210-018	SODIUM HYPOCHLORITE	\$ 192.99
10/15/2002	4038	CAROL BAILEY-WOOD	0210-019	MONTHLY BOARD SERVICE FOR OCT. 2002	\$ 75.00
10/15/2002	4039	DAVID KIECH	0210-020	MONTHLY BOARD SERVICE FOR OCT. 2002	\$ 75.00
10/15/2002	4040	ROBERT MCLAUGHLIN	0210-021	MONTHLY BOARD SERVICE FOR OCT. 2002	\$ 75.00
10/15/2002	4041	LORAIN MIRABAL-BOUBION	0210-022	MONTHLY BOARD SERVICE FOR OCT. 2002	\$ 75.00
10/15/2002	4042	ERIC SCHELL	0210-023	MONTHLY BOARD SERVICE FOR OCT. 2002	\$ 75.00
10/15/2002	4043	FGL ENVIRONMENTAL	0210-024	INORGANIC ANALYSIS	\$ 61.00
10/15/2002	4044	MISSION COUNTRY DISPOSAL	0210-025	RUBBISH	\$ 218.33
10/15/2002	4045	UNDERWATER RESOURCES	0210-026	RED VALVE INSTALLATION	\$ 3,958.05
10/15/2002	4046	KIMBERLY ALLISON	0210-027	PAYROLL 10/1/02-10/15/02	\$ 595.15
10/15/2002	4047	MICHAEL HASSETT	0210-028	PAYROLL 10/1/02-10/15/02	\$ 1,246.29
10/15/2002	4048	RONALD HEAD	0210-029	PAYROLL 10/1/02-10/15/02	\$ 1,806.92
10/15/2002	4049	PG&E	0210-030	ELECTRICITY	\$ 6,557.98
10/23/2002	4050	PUBLIC EMP. RET. SYSTEM	0210-031	HEALTH INSURANCE FOR NOVEMBER	\$ 818.13
10/23/2002	4051	CELLULAR ONE	0210-032	CELL PHONE	\$ 54.09
10/23/2002	4052	AMERICAN INDUSTRIAL SUPPLY	0210-033	SPRING NUT	\$ 13.08
10/23/2002	4053	CREEK ENVIRONMENTAL LAB.	0210-034	TOTAL COLIFORM ANALYSIS	\$ 180.00
10/23/2002	4054	EDA, INC.	0210-035	GEN. MGMT. SERVICES FOR AUGUST 2002	\$ 7,214.50
10/31/2002	4055	A BETTER BEEP	0210-036	PAGER	\$ 29.45
10/31/2002	4056	CREEK ENVIRONMENTAL LAB.	0210-037	TOTAL COLIFORM ANALYSIS	\$ 80.00
10/31/2002	4057	FGL ENVIRONMENTAL	0210-038	INORGANIC ANALYSIS	\$ 122.00
10/31/2002	4058	GROENIGER & COMPANY	0210-039	CAST IRON LID MARKED "WATER"	\$ 81.08
10/31/2002	4059	MID-STATE BANK	0210-040	GAS & OIL	\$ 225.04
10/31/2002	4059	MID-STATE BANK	0210-040	WORK BOOTS, DIESEL, WEBSITE HOSTING	\$ 189.06
10/31/2002	4060	PETTY CASH	0210-041	MILEAGE REIMBURSEMENT	\$ 78.71
10/31/2002	4061	U.S.A. TRANSPORT INC.	0210-042	SLUDGE DISPOSAL	\$ 1,064.11
10/31/2002	4062	KIMBERLY ALLISON	0210-043	PAYROLL 10/16/02-10/31/02	\$ 629.91
10/31/2002	4063	MICHAEL HASSETT	0210-044	PAYROLL 10/16/02-10/31/02	\$ 1,246.30
10/31/2002	4064	RONALD HEAD	0210-045	PAYROLL 10/16/02-10/31/02	\$ 1,756.00
10/31/2002	4065	EMPLOYMENT DEV. DEPT.	0210-046	PAYROLL TAXES	\$ 375.48
10/31/2002	4066	MID-STATE BANK	0210-047	PAYROLL TAXES	\$ 1,708.10
10/31/2002	4067	STATE COMENSATION FUND	0210-048	WORKERS COMP. INS. FOR 9/20/02-10/20/02	\$ 1,038.53
10/31/2002	4068	PUBLIC EMP. RET. SYSTEM	0210-049	RETIREMENT FOR OCTOBER 2002	\$ 1,300.77
10/31/2002		TOTAL			\$ 41,534.66

**EXTENSION AND AMENDMENT TO AGREEMENT WITH
GENERAL MANAGER ENGINEERING DEVELOPMENT ASSOCIATES**

In accordance with the Agreement for General Manager services by and between the SAN SIMEON COMMUNITY SERVICES DISTRICT ("SSCSD") and ENGINEERING DEVELOPMENT ASSOCIATES ("EDA") entered into and dated August 1 2001, and as approved and authorized by the District Board of Directors at its regular meeting held November 13, 2002, the afore-mentioned agreement is extended for an additional period beginning August 1, 2002 and concluding July 31, 2003, under the same terms and conditions except for compensation which shall be amended as follows:

4. **Compensation.**

EDA shall be compensated for its services according to the attached rate schedule. In no event shall SSCSD be liable for paying more than Seventy-Three Thousand Dollars (\$73,000.00) per year for EDA's services rendered per this Agreement. This amount shall not be exceeded without the prior written approval of the Board of Directors.

District and EDA herewith accept and approve said extension and amendment this ____ day of _____, 2002.

Carol Bailey-Wood, Chairperson
Board of Directors
San Simeon Community Services District

Mark Bloodgood, EDA
General Manager

SAN SIMEON COMMUNITY SERVICES DISTRICT

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

DATE: November 8, 2002
TO: Board of Directors
VIA: Mark Bloodgood, General Manager
FROM: Eileen M. Putnam, Assistant General Manager
SUBJECT: Request for Conditional Will Serve Letter

RECOMMENDATIONS:

Staff recommends the Board;

1. Review the attached request from Michael R. Hanchett, Cavalier.
2. Provide Staff with direction regarding the Board's Response to this request.

DISCUSSION:

The General Manager has received a letter from Michael R. Hanchett, President of the Best Western Cavalier, requesting a Conditional Will Serve Letter from the District.

The Cavalier is attempting to comply with American Disabilities Act (ADA) requirements, specifically bathroom access issues in the Cavalier Restaurant. Accordingly, their request specifies the need to "add sufficient square footage" to their structure in order to construct ADA compliant bathrooms. This project will not require additional plumbing fixtures, and, therefore, would not be in violation of the District's Ordinance No. 66 - relative to the moratorium on the issuance of Water and Sewer connections within the District.

Staff requests direction from the Board on this matter. If this request is approved, the Letter of Conditional Will Serve should specify that final approval is contingent upon:

1. Full Compliance with all District Ordinances, including No. 66 relative to the moratorium on issuance of water and sewer connections within the District.
2. No additional plumbing fixtures, seating or other demands which may adversely affect the District.
3. Submittal of three (3) full sets and one (1) reduced set of construction documents which will allow staff to review the scope of improvements and determine whether the project is in full compliance with District Ordinances.



November 6, 2002

Mark Bloodgood, General Manager
San Simeon Community Services District
Route 1, Box S-17
San Simeon, CA 93452

Dear Mr. Bloodgood:

As per our phone discussion today, I understand that no formal application exists to request District services and that this letter will suffice.

As we discussed, we are continuing to try to add ADA compliant bathrooms to our restaurant. I am therefore again, requesting a "conditional will server letter" to allow us to add sufficient square footage to our structure to construct ADA compliant bathrooms. As we previously indicated, this will not require additional plumbing fixtures, simply bathroom and access space. No additional seating or other demands will be included.

Historically, applicants have furnished plans only to be denied consideration after substantial design and plan expense. As you are aware, we were faced with a similar scenario and delay during our previous exterior façade permitting process and simply wish to avoid unnecessary costs, if the Board's decision is to continue to interpret it's ordinance as in the past.

If the Board issues a "conditional will server letter" we will proceed with the architectural and engineering work necessary to acquire the appropriate permits, including the District's final approval.

I request that you place this request on your November 13, 2002 agenda for consideration and I will be present to answer any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael R. Hanchett".

Michael R. Hanchett
President

The logo for Cavalier, featuring the word "Cavalier" in a large, stylized, cursive font.

9415 Hearst Drive
San Simeon, CA 93452
805/927-3688 • Fax 805/927-6472
Reservations: 1-800-826-8168

**Northern and Coastal Water Bond Coalition Project Summary
Year 2007 Funding Needs for California Counties**

County: **San Luis Obispo**

Entity Applying: **San Simeon Community Services District
c/o John L. Wallace & Associates (805) 544-4011**

Project Title: **Project No. 1 - Recycled Water Project**

Project category (drinking water, wastewater, fisheries, wetlands, water reuse, non-point source, flood control):

Wastewater -- Recycling Augmentation of Potable Water Supply

Project goal and benefit (purpose, significance, importance, and relevance):

- **Provide an alternative water supply to the community**
- **Defer the use of potable water currently being used for irrigation**
- **Landscape areas including Caltrans Freeway to enhance the community and eliminate need to truck water for landscape irrigation.**
- **Study cooperative project with State Parks for further expansion of use of recycled water for Hearst Monument Visitor's Center**

(see attached excerpts from adopted Water Recycling Planning Study)

Project Summary (brief description in bulleted format, identifying key elements of the project):

- **Phase – 1 Secondary Reuse System;**
subsurface irrigation; freeway landscape irrigation **\$100,000**
- **Expansion of District wide use of recycled water** **\$600,000**
\$700,000

Project Status (feasibility study? planning? design? construction? other?):

**Continuation of Feasibility Studies,
Design and Construction**

Collaborative partners: **State Parks, Caltrans, San Simeon
Chamber of Commerce, State DWR,
Office of Recycling**

Project timeline: **Two Years**

Water bond funding request: **\$300,000**

Local/other funding committed: **San Simeon CSD; other participating
agencies to fund remaining project costs
to complete project**

Total cost: **Water Bond and CSD Funding \$700,000**

Water Recycling Planning Study

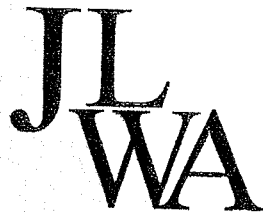
Prepared for

San Simeon Community Services District
Grant Contract No. 8-835-550-0



Prepared by

John L. Wallace & Associates
4115 Broad Street, Suite B-5
San Luis Obispo, CA 93401
jlwacorp@jlwa.com



December 2000

December 6, 2000

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

Board Members:

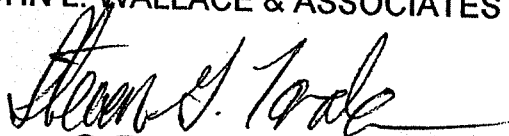
In accordance with the Plan of Study dated January 1998, JLWA has prepared this report delineating the conclusions reached as a result of the recently completed Water Recycling Facilities Planning Study. The study presents a review of the following items:

- Study Area Characteristics;
- Water Supply Characteristics & Facilities;
- Waste Water Characteristics & Facilities;
- Treatment Requirements for Discharge and Reuse;
- Recycled Water Market;
- Project Alternatives Analysis;
- Recommended Plan; and
- Construction Finance & Revenue Program.

If you have any questions, or require additional information, please contact me at (805) 544-4011.

Sincerely,

JOHN L. WALLACE & ASSOCIATES



Steven G. Tanaka, P.E.
Senior Engineer

cdm:084.02.1h2oltr2

Executive Summary

Background

The San Simeon Community Services District (District) serves the customers within its 100-acre community. The District provides water and sewer services to its estimated 250 permanent residents, up to 460 combined permanent and seasonal residents, and to local motels and businesses that support the community and tourism in the area. For the last 12 years, there has been a moratorium on building due to the unavailability of additional water in the service area.

Water Demand

In 1999, the District pumped and distributed approximate 97 acre-feet of water to customers within its service area. Water allocation for the local Pico Creek aquifer is 148 AFY. However, prior studies have indicated that safe annual yield of the Pico Creek aquifer is approximately 120 AFY. Furthermore, the quality of this water in drought years has tended to decline at a production rate of 75 AFY.

Water Quality

The District's well water supply is of good mineral quality, with a total dissolved solids (TDS) concentration of around 400 mg/L. From an agronomic standpoint, the District's wastewater quality is considered good to moderate, and suitable for landscape irrigation purposes.

Wastewater Quality and Quantity

The District currently treats approximately 84 AFY of wastewater, all of which is essentially available for reuse. The District's effluent currently meets the criteria for "Secondary - 23 Recycled Water", with a TDS concentration of around 1,100 mg/L. Acceptable uses within the District service area, with the current effluent quality, include irrigation of freeway landscaping, and subsurface irrigation of landscaping.

Wastewater Treatment Plant Upgrade

A tertiary upgrade to the District's existing treatment plant will be required in order to allow un-restricted use of treated wastewater. The treatment plant has sufficient room to accomplish the upgrade, and the associated cost for the upgrade will be approximately \$200,000.

Secondary Recycled Water Market

The secondary effluent quality recycled water market in the District's service area includes landscape irrigation of Caltrans right-of-way, and subsurface irrigation of landscaping at

local condominiums and commercial establishments. This demand is estimated to be 6 AFY, or 6 percent of the current water demand.

Tertiary Recycled Water Market

If tertiary recycled water quality is achieved, the market will expand to surface spray irrigation of lawns within the District service area, irrigation at the Hearst State Monument and Beach Park, toilet flushing, and groundwater recharge of the Pico Creek aquifer. This demand is estimated to be as high as 69 AFY for all irrigation including Hearst Monument/State Park, and 81 AFY for all irrigation demands, and including groundwater recharge.

Alternatives Considered

The alternatives are developed based on implementation of Phase 1 and Phase 2 projects. Phase 1 includes identified demands for secondary effluent reuse, that will not require further treatment at the District's wastewater plant. Phase 2 alternatives include the use of tertiary effluent and the required necessary wastewater treatment plant improvements. These alternatives are described as follows:

1. Phase 1 (Secondary effluent) Alternatives:

Alternative 1-1. Subsurface Irrigation of Existing Cavalier Motel Landscaping.

Alternative 1-2. Subsurface Irrigation of Existing Cavalier Motel Landscaping, plus Caltrans median only.

2. Phase 2 (Tertiary effluent) Alternatives:

Alternative 2-1. Landscape Irrigation of San Simeon, including irrigation (unrestricted use) of all motels and condominium complexes.

Alternative 2-2. Alternative 2-1 Demands, plus Toilet Flushing at New Motels.

Alternative 2-3. Alternative 2-2 Demands, plus Hearst Monument and State Beach Park.

Alternative 2-4. Groundwater Recharge and Augmentation of Pico Creek aquifer.

The costs of the various alternatives considered are summarized in the following table:

Summary of Recycled Water Alternative Costs

Project Phase	Alternative	Capital Cost, \$ ^b	Cost, \$/AFY
Phase 1, Secondary Reuse Water	1-1. Cavalier Motel	\$ 72,000	\$ 4,600
	1-2. Cavalier Motel and Caltrans	\$ 74,000	\$ 1,600
Phase 2, Tertiary Reuse Water	2-1. Entire District Service Area	\$ 680,000	\$ 5,400
	2-2. Alt. 2-1 plus toilet flushing ^a	\$ 820,000	\$ 2,500
	2-3. Alt. 2-2 Plus Hearst Monument	\$ 1,875,000	\$ 3,400
	2-4. Alt. 2-1 plus GW Recharge	\$ 930,000	\$ 7,900

^a Costs do not include dual plumbing costs.

^b Year 2000 dollars.

Recommendations

The recommended plan for San Simeon is a two-step development plan for water recycling in the area. San Simeon recognizes the need for a water recycling project, and as such, has already installed some of the required infrastructure for the recycled water distribution system to serve the District.

Phase 1 Implementation Plan

The first phase of the recommended project should include the implementation of recycled water irrigation with secondary treated wastewater from the current wastewater treatment plant. This is referred to as Alternative No. 1-2 in Chapter 6, which involves recycled water irrigation at the Cavalier Motel, and the Caltrans right-of-way. The design of the required distribution system and pumping station will be relatively easy and quick to complete, and there are no treatment plant improvements needed as part of this first phase of the project. Thus, this plan can be fully implemented within 15 months from project inception. The project should be implemented for start-up by spring to summer of 2002, to take advantage of the summer 2002 irrigation season.

Phase 2 Implementation Plan

The Phase 2 implementation of this overall recycled water plan should include a tertiary upgrade of the wastewater treatment plant, and expansion of recycled water service to the District service area, including toilet flushing of any new motel development in San Simeon. Further detailed studies should be performed at existing motels to determine if Owners are willing to participate in a retrofit program, and to determine if it is economically viable to serve any of these existing establishments with recycled water for toilet flushing. This Phase 2 component of the overall project should commence in the winter of 2002, for project implementation by the spring of 2004.

A conceptual implementation schedule for Phase 2 is as follows:

Prepare Project Report for tertiary treatment plant upgrade and Distribution System Expansion for SRF Funding:	6 months
Design tertiary treatment plant upgrade and Distribution System Expansion (includes permitting) including SRF Loan Approval:	10 months
Construct Tertiary Treatment Plant and Distribution System Expansion (including on-site retrofits):	7 months
System Startup and User Orientation and Training:	1 month
TOTAL PHASE 2 PROJECT SCHEDULE:	24 months

Future Considerations

Once the second phase of the recycled water project is implemented, further study should be conducted at that time to verify if groundwater recharge to the Pico Creek aquifer is viable. Additional evaluation and funding options to serve Hearst State Park should also be re-evaluated in the future. Although the economic analysis indicates that recycled water service to Hearst Monument is costly at this time, with the continued limited water resources available in the area, service to Hearst Monument and the State Beach Park may soon become economically viable, and very attractive from a non-economic standpoint.

Financial Plan and Revenue Program

The financial plan assumes that the initial Phase 1 debt service is retired within 3 years, since the capital expenditure is minimal. After the third year, when Phase 2 of the project is implemented, that debt service for the treatment plant expansion and distribution system improvements, are retired over a 20 year period. Based on this plan, cash flow will be negative until such time that the debt service for the Phase 2 project is retired in Year

2024. In Years 2001 through 2023, the negative cash flow must be funded through other District funds, presumably from potable water revenues.

Chapter 1 - Study Area Characteristics

A. History

The San Simeon Community Services District (District) is a community services district organized under Section 61600 of the Government Code of the State of California. Historical records indicate that the District is comprised of land officially known as San Simeon Acres, and as such, was part of the Rancho San Simeon (see Figure 1-1 Location Map) later sub-divided in 1952 by approval of the San Luis Obispo Planning Commission. The sub-division streets were "red-rocked" and water lines serving the parcels were installed soon thereafter.

Building commenced and continued through the years and by 1961 the District was formed and a wastewater treatment plant constructed. Refer to Figure 1-1 for a Location Map showing the San Simeon area.

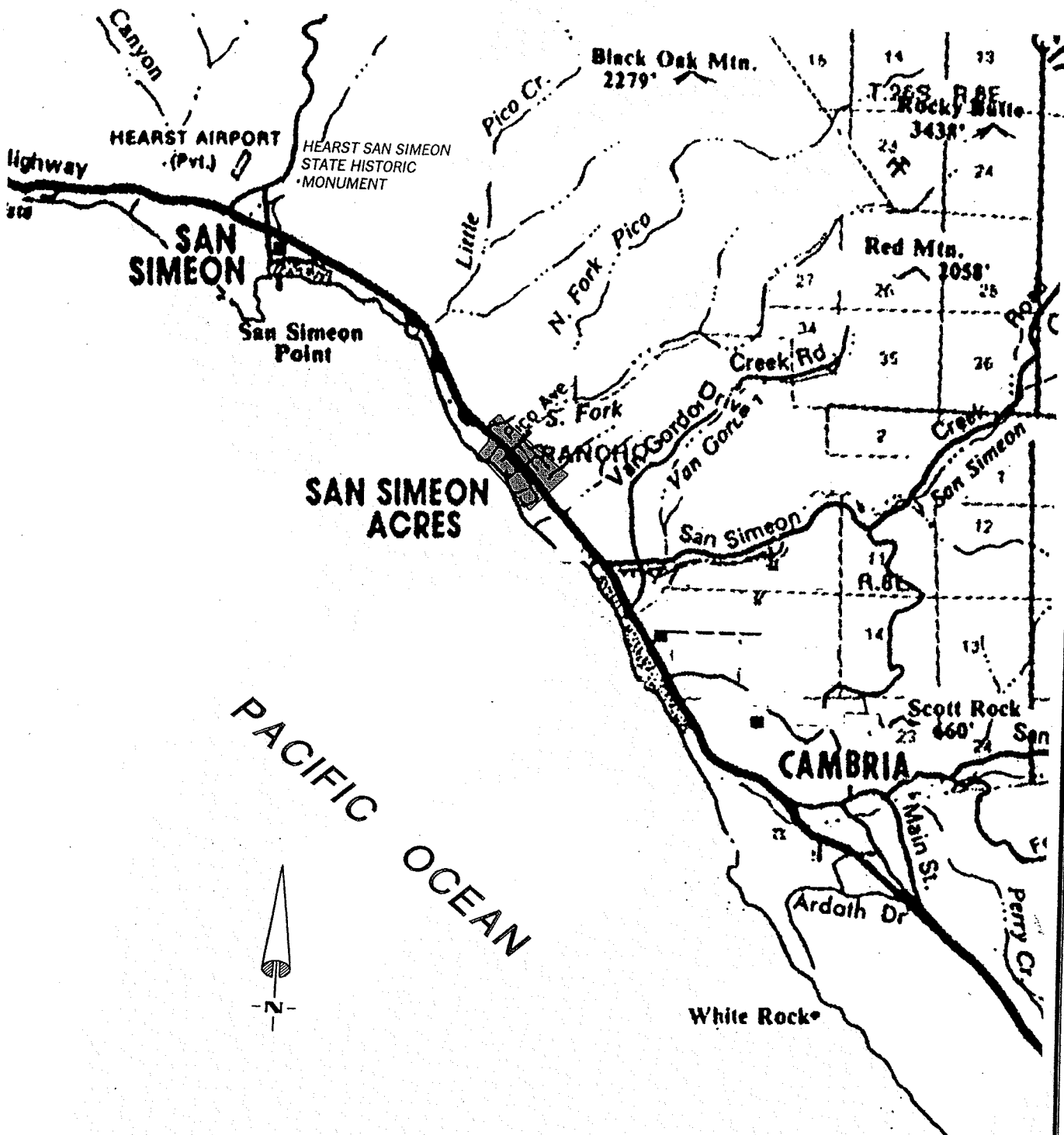
Development continued to its present level in the years following; however, for the last 12 years, there has been a moratorium on building due to the unavailability of additional water.

B. Community Character

San Simeon is situated on the Pacific Ocean approximately 65 miles south of Big Sur and 8 miles north of Cambria. It is an approximately 100 acre site that has only three zoning categories: 1) commercial; 2) public facilities; and 3) multi-family (see Figure 1-2, Potential Build-out Map). It is closely contained geographically on both sides of U.S. Highway 1 as it heads north to Big Sur and eventually Monterey. The Highway divides the area approximately in half. Both halves are similar in land use and composition.

The primary economic engine in the village is tourism. There are numerous gift and curio shops along with several motels and restaurants located in the area. The primary tourist attraction is Hearst Castle which lies several miles to the north. Residences are relatively limited in number and vary from single family residences to apartments and small multi-unit residential resorts.

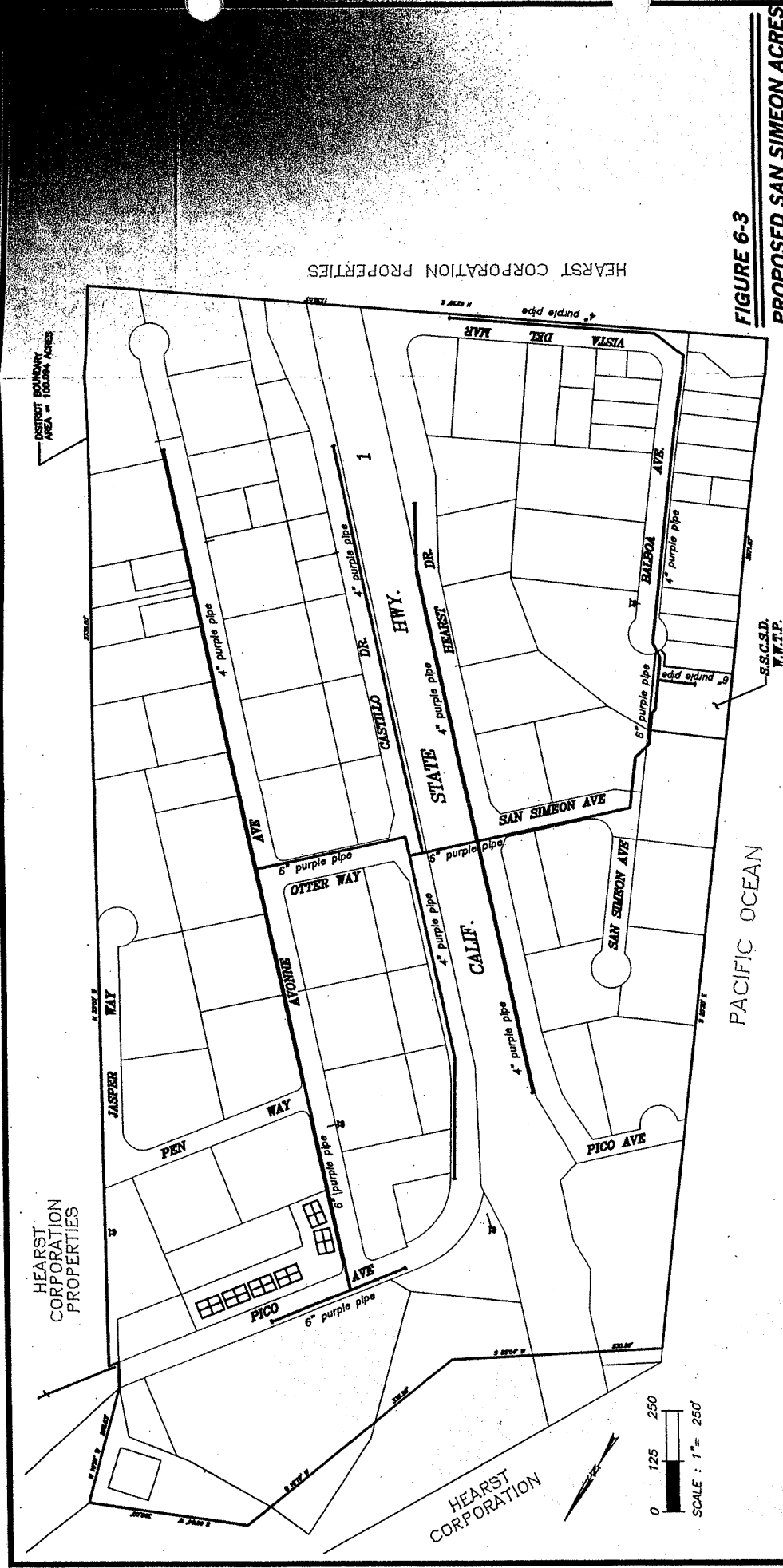
San Simeon is not an incorporated city, rather it is an urbanized area within the County of San Luis Obispo. The area is defined by the County as being within the San Simeon Village Reserve Line. Related County regulations are in effect within the area.



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

LOCATION MAP
 SAN SIMEON
 COMMUNITY SERVICE DISTRICT

FIGURE
 1-1



HEARST CORPORATION PROPERTIES

FIGURE 6-3

**PROPOSED SAN SIMEON ACRES
RECYCLED WATER
DISTRIBUTION SYSTEM**

JLWA
 John L. Wallace & Associates
 Civil Engineering - Surveying - Planning
 415 So. Broad St. San Luis Obispo, Ca
 (805)544-4011 FAX 544-4284

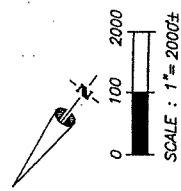
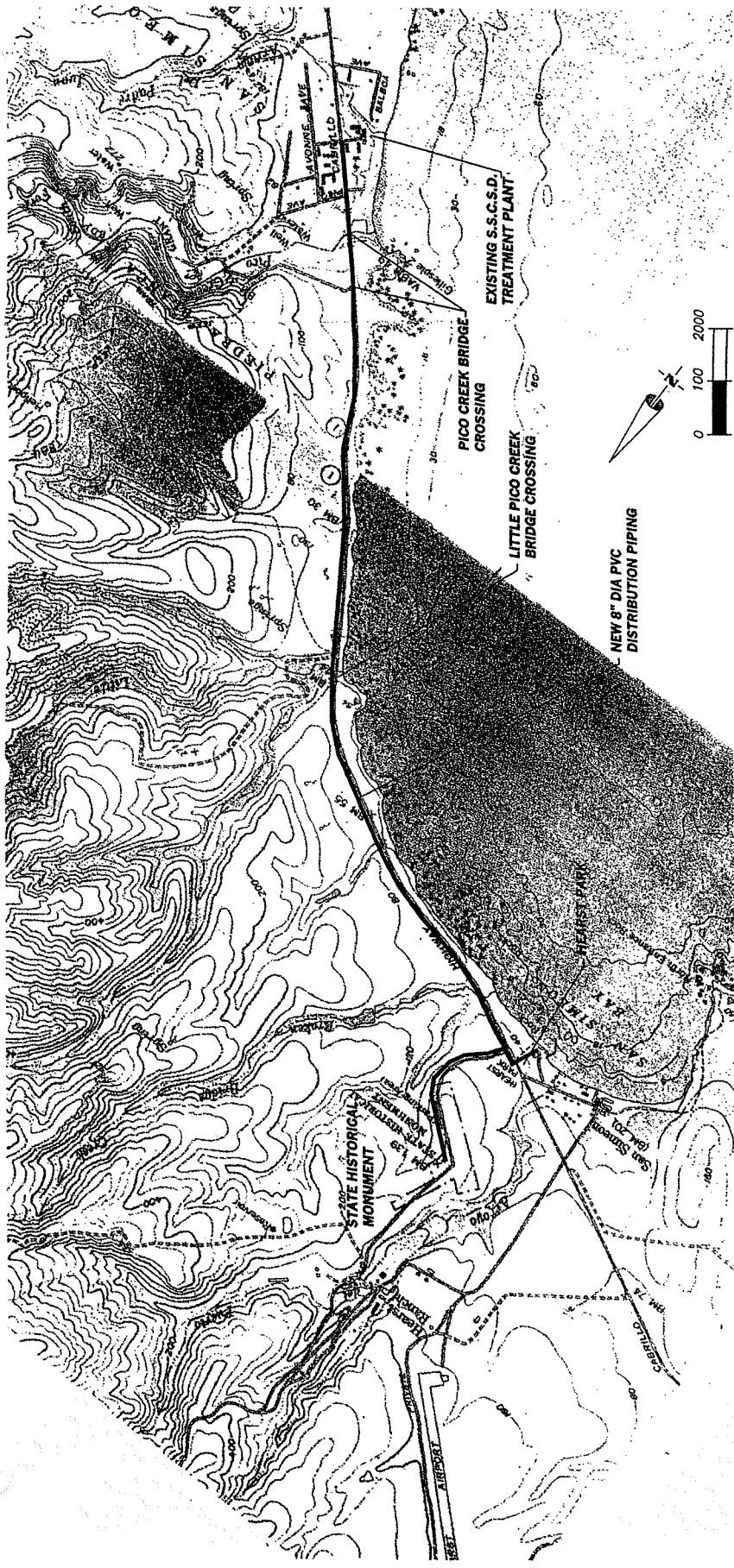
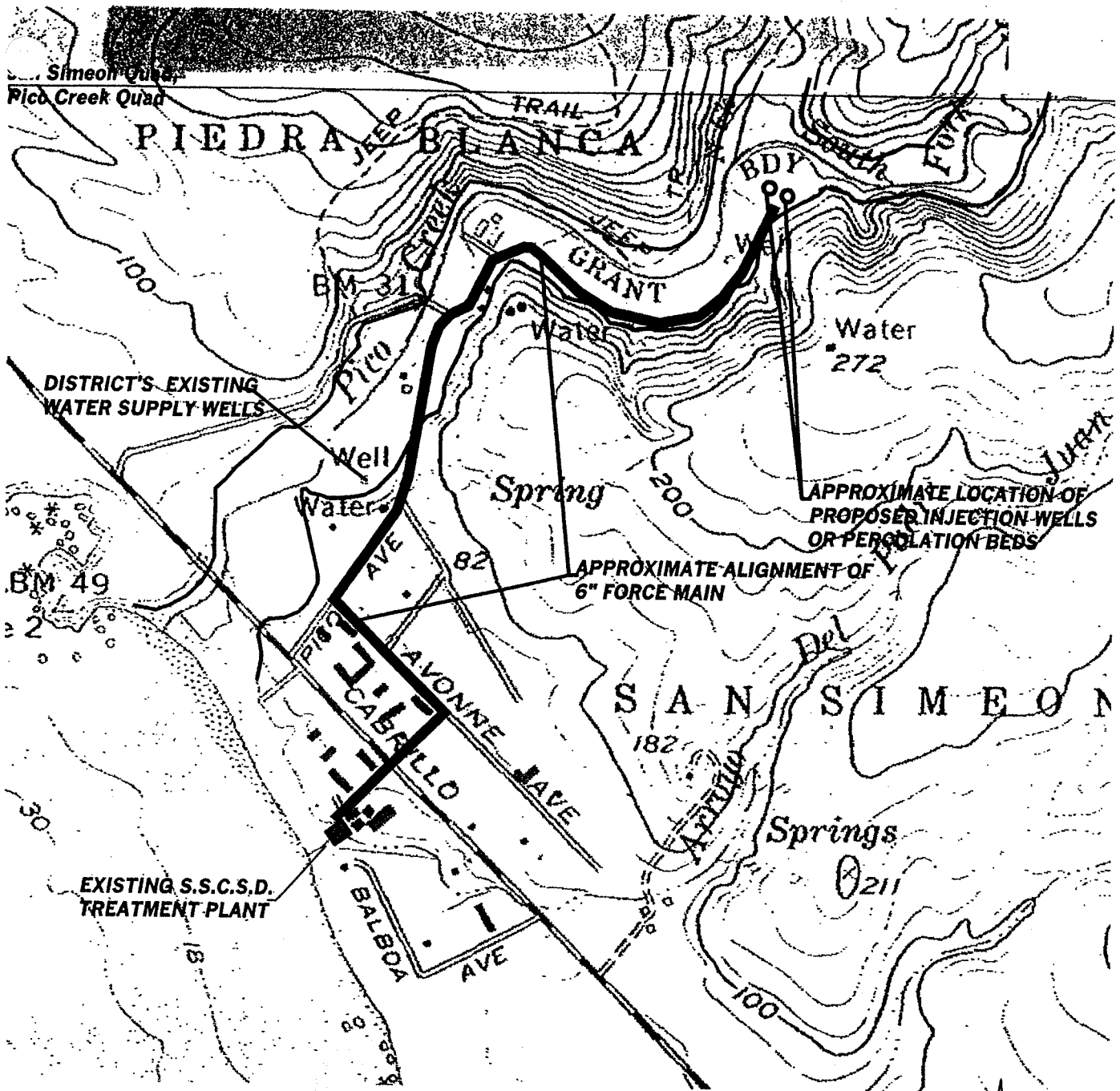
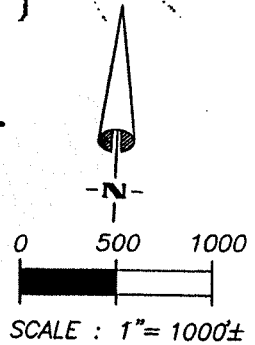


FIGURE 6-4
ALTERNATE 2-3 TO SERVE
HEARST STATE PARK AND
MONUMENT

JLWA John L. Wallace & Associates
 Civil Engineering • Surveying • Planning
 4115 So. Broad St. San Luis Obispo, Ca
 (805)544-4011 FAX 544-4294



GROUNDWATER RECHARGE OF PICO CREEK



B. Evaluation of Alternatives

This subsection discusses the evaluation of each of the alternatives considered. Refer to Appendix C for cost backup information. The cost of potable water without depreciation is approximately \$1,700/AF. When factoring in annual capitol expenses and depreciation, the cost can range from \$3,200/AF to \$4,000/AF. It is estimated that secondary and tertiary effluent will realize \$1,900/AF in revenue from the users, which is approximately 90 percent of the potable water rate. This is considered the "break-even" cost for potable water in the service area. Also, present worth and annualized costs are based on a discount rate of 5 percent, and a project life of 20 years.

Alternative 1-1. This alternative involves serving Cavalier Motel using secondary effluent. Thus, there will be no need to upgrade the treatment facilities to provide tertiary water. New PVC distribution and irrigation piping will be required from the treatment plant, to the Cavalier Motel. However, the existing pipe bridge has a recycled water pipeline already installed in it. Peak hourly flow is expected to be much lower than conventional turf irrigation, given that irrigation will be accomplished by subsurface drip. Thus, a 10 to 20 gpm pump should be sufficient to serve this customer. It is assumed that costs to the User for retrofit of the subsurface irrigation system are to be borne by the User. The Cavalier Motel irrigated area is assumed to be no larger than 2 acres, and annual demand is estimated to be 2 AFY/acre.

Advantages:

- The existing treatment plant will not require upgrade to meet tertiary water quality standards.

Disadvantages:

- The estimated annual usage of recycled water is estimated to only be approximately 2 AFY, or only 2 percent of the current annual demand.
- The estimated cost to deliver secondary recycled water to the Cavalier Motel is estimated to be approximate \$4,600/AF.

Alternative 1-2. This alternative involves serving Cavalier Motel and the Caltrans median strip, using secondary effluent. Thus, there will be no requirement for upgrading the treatment facilities to provide tertiary water. New PVC irrigation piping will be required from the treatment plant, to the Cavalier Motel. It is believed that some piping has been installed in the Caltrans right-of-way. The alternative will require the installation of a 150 gpm pump station to be located at the treatment plant. It is assumed that costs to the User for retrofit of the subsurface irrigation system are to be borne by the User. The Cavalier Motel irrigated area is assumed to be no larger than 2 acres, and annual demand is estimated to be 2 AF/AY. Caltrans demand is also estimated to be 2 AFY.

Advantages:

- The existing treatment plant will not require upgrade to meet tertiary water quality standards.
- The estimated cost to deliver secondary recycled water to the Cavalier Motel and Caltrans is attractive, at approximately \$1,600/AF.

Disadvantages:

**Northern and Coastal Water Bond Coalition Project Summary
Year 2002 Funding Needs for California Counties**

County: **San Luis Obispo**

Entity Applying: **San Simeon Community Services District
c/o John L. Wallace & Associates (805) 544-4011**

Project Title: **Project No. 2 Correct Water System Deficiencies**

Project category (drinking water, wastewater, fisheries, wetlands, water reuse, non-point source, flood control)

Drinking Water

Project goal and benefit (purpose, significance, importance, and relevance)

- **Increase fire flow and pressure to meet current fire code.**
- **Provide safe water by elimination dead ends.**
- **Replace Substandard Waterlines**

Project Summary (brief description in bulleted format, identifying key elements of the project):

- **Design System Upgrades \$50,000**
 - **Construction of New Waterlines \$395,000**
- \$445,000**

Project Status (feasibility study? planning? design? Construction? Other?):

Design and Construction

Collaborative partners: **N/A**

Project timeline: **Two Years**

Water bond funding request: **\$150,000**

Local/other funding committed: **San Simeon CSD \$295,000**

Total cost: **Water Bond and CSD Funding \$445,000**

Proposition 50 Project Considerations

**The San Simeon Community Services Board unanimously passed a resolution supporting Proposition 50 on October 9, 2002
Project Two**

Public Health Issue: Project Two will correct the water distribution system deficiencies of the San Simeon Community Services District (District). The water line upgrades will increase flows and looping will provide safe water to the community.

Public Safety: Public safety will be assured by replacing unsafe and inadequate water lines. Dead end lines will be looped which will increase water flow rates and circulation, decreasing potential for bacteria growth in dead end lines.

Regulatory Compliance: The funding of this project will enable the District to continue to provide clean water of good quality and maintain compliance with government regulations.

Match for another source of funding: The District has established a list of capital improvement projects which have been budgeted in the upcoming years. These funds can be matched with bond funding for maximum effectiveness.

Small Community: The community of San Simeon has a population of less than 500 full time residents. However, visitor population can reach 4,000 on peak weekends. The District is a "visitor serving" community with a very modest tax base.

Multiple Organizations: The District maintains a close relationship with its neighbors including the Chamber of Commerce and State Parks, and maintains an emergency water source agreement.

Enhances Wildlife Habitat: San Simeon is an one hundred acre community located on the Pacific Ocean. It is surrounded by environmentally sensitive areas both on and off shore. The most effective way of maintaining the environment of our pristine location is by maintaining an adequate and safe water system for benefit of county residents and visitors.

Improves Water Quality: This project will allow our District to maintain its water system to meet modern standards. The new water lines will provide a clean and adequate water source for the community for years to come.

System Reliability: Low fire flows, inadequate pressure, and substandard pipelines are a source of high maintenance costs and health risks. These deficiencies will be reduced with the improvements allowed by this project.

Part of an Adopted Plan: For years the District has been anxious to study and improve its water system. Funds have been set aside each year to maintain the system, but resources are limited. Grant funds can be used immediately and effectively because the District has adopted annual capital improvement and budget plans.

PROJECT TITLE Avonne & Castillo Loop Water Line - Master Plan Stage 1A **PROJECT NO.** W-5

TOTAL PROJECT COST \$40,000

PROJECT DESCRIPTION

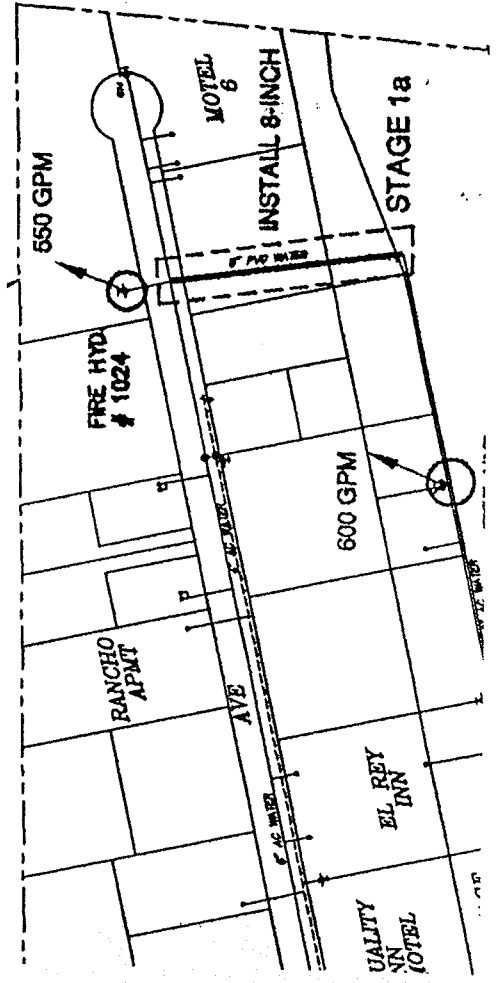
Construction of an 8-inch waterline between Avonne Avenue and Castillo Avenue in order to expand the water distribution grid and increase fire flow.

REVENUE

Source	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	Funding to Complete
Water Fund	40,000	0	0	0	0	0
Total	40,000	0	0	0	0	0

EXPENDITURES

Activity	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	Costs to Complete
Design	1,500	0	0	0	0	0
Construction	36,000	0	0	0	0	0
Administration	2,500	0	0	0	0	0
Total	40,000	0	0	0	0	0



PROJECT TITLE New Water Line-Jasper/Avonne Loop - Master Plan Stage 3 **PROJECT NO.** W-7

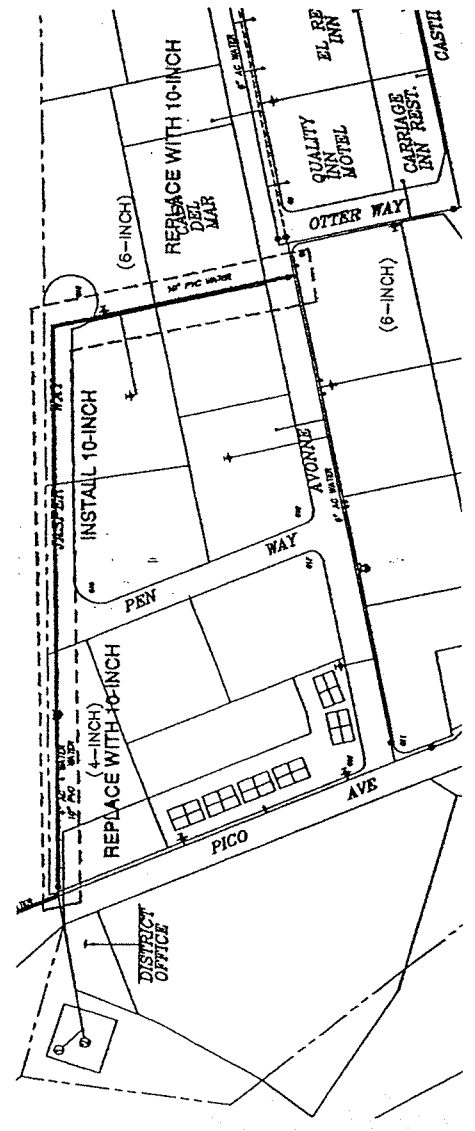
PROJECT DESCRIPTION Construction of 1,550 linear feet of 10-inch PVC water line from Pico Avenue to Jasper to Avonne Avenue. **TOTAL PROJECT COST** \$95,000

REVENUE

Source	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	Funding to Complete
Water Fund	10,000	85,000	0	0	0	0
Total	10,000	85,000	0	0	0	0

EXPENDITURES

Activity	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	Costs to Complete
Design/Right-of-Way Ac	15,000	0	0	0	0	0
Construction	0	80,000	0	0	0	0
Administration	0	5,000	0	0	0	0
Total	15,000	85,000	0	0	0	0



PROJECT TITLE New Water Line-Castillo/Hearst Loop - Master Plan Stage 3 **PROJECT NO.** W-8

TOTAL PROJECT COST \$100,000

PROJECT DESCRIPTION

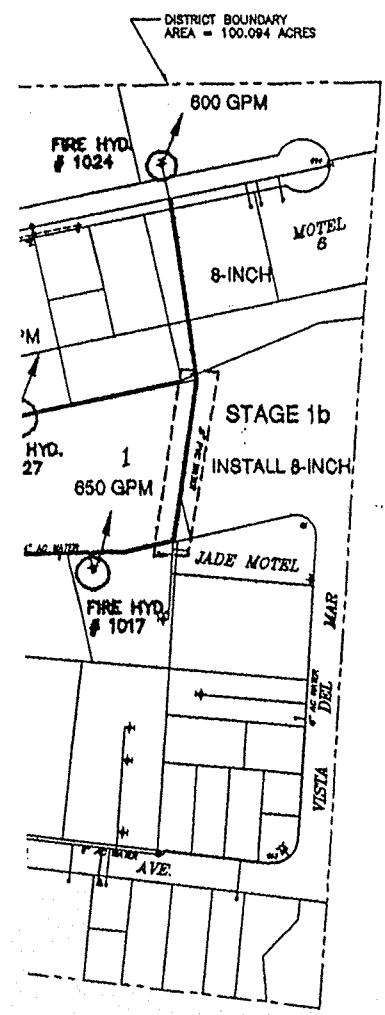
Construction of an 8-inch water line crossing Highway 1 to complete distribution grid.

REVENUE

Source	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	Funding to Complete
Water Fund	100,000	0	0	0	0	0
Total	100,000	0	0	0	0	0

EXPENDITURES

Activity	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	Costs to Complete
Design	7,000	0	0	0	0	0
Construction	89,000	0	0	0	0	0
Administration	4,000	0	0	0	0	0
Total	100,000	0	0	0	0	0



HEARST CORPORATION PROPERTIES

PROJECT TITLE New Water Line-Otter Way to Hearst Drive - Master Plan Stage 4 **PROJECT NO.** W-16

TOTAL PROJECT COST \$125,000

PROJECT DESCRIPTION

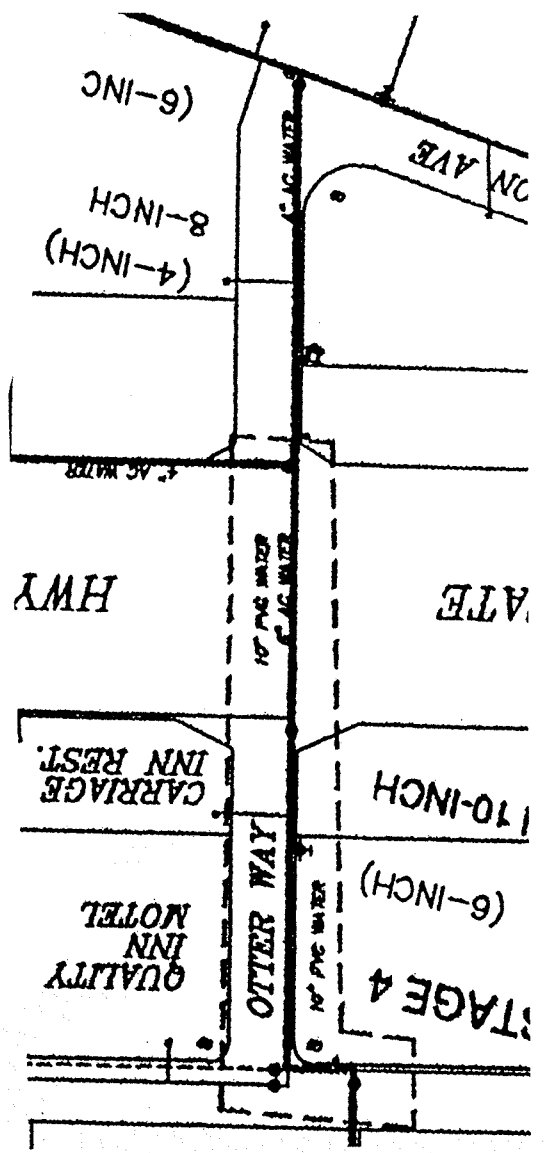
Construction a new 10-inch water line for increased fire flow capacities.

REVENUE

Source	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	Funding to Complete
Water Fund	0	0	20,000	105,000	0	0
Total	0	0	20,000	105,000	0	0

EXPENDITURES

Activity	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	Costs to Complete
Design	0	0	20,000	0	0	0
Construction	0	0	0	100,000	0	0
Administration	0	0	0	5,000	0	0
Total	0	0	20,000	105,000	0	0



**Northern and Coastal Water Bond Coalition Project Summary
Year 2002 Funding Needs for California Counties**

County: **San Luis Obispo**

Entity Applying: **San Simeon CSD
C/o John L. Wallace & Associates (805) 544-4011**

Project Title: **Project No 3 Water Master Plan and Water Tank Replacement**

Project category (drinking water, wastewater, fisheries, wetlands, water reuse, non-point source, flood control):

Drinking Water

Project goal and benefit (purpose, significance, importance, and relevance):

The Water Master Plan will define San Simeon's deficiencies with the existing water distribution system and future storage needs. The District will use it as a tool to prioritize projects and upgrades. The water tank and pipeline replacement will assure safe and adequate water delivery to the community.

Project Summary (brief description in bulleted format, identifying key elements of the project):

- **Develop Water Master Plan \$25,000**
 - **Water Tank & Pipeline Replacement \$425,000**
- \$450,000

Project Status (feasibility study? planning? design? construction? other?):

System Analysis and Construction

Collaborative partners: **N/A**

Project timeline: **Two Years**

Water bond funding request: **\$200,0000**

Local/other funding committed: **San Simeon CSD Funding \$250,000**

Total cost: **Water Bond and CSD Funding \$450,000**

Proposition 50 Project Considerations

The San Simeon Community Services Board unanimously passed a resolution supporting Proposition 50 on October 9, 2002

Project Three

Public Health Issue: Project Three will identify and correct the water storage and distribution system deficiencies of the San Simeon Community Services District (District). The upgrades will increase flows and storage to provide safe water to the community.

Public Safety: Public safety will be assured by replacing an inadequate water tank. Current storage is inadequate to meet CDF standards.

Regulatory Compliance: The funding of this project will enable the District to continue to provide clean water of good quality and maintain compliance with government regulations.

Match for another source of funding: The District has established a list of capital improvement projects which have been budgeted in the upcoming years. These funds can be matched with bond funding for maximum effectiveness.

Small Community: The community of San Simeon has a population of less than 500 full time residents. However, visitor population can reach 4,000 on peak weekends. The District is a "visitor serving" community with a very modest tax base.

Multiple Organizations: The District maintains a close relationship with its neighbors including the Chamber of Commerce and State Parks, and maintains an emergency water source agreement.

Enhances Wildlife Habitat: San Simeon is an one hundred acre community located on the Pacific Ocean. It is surrounded by environmentally sensitive areas both on and off shore. The most effective way of maintaining the environment of our pristine location is by maintaining an adequate and safe water system for benefit of county residents and visitors.

Improves Water Quality: This project will allow our District to maintain its water system to meet modern standards. The new water tank will provide adequate water storage for the community for years to come.

System Reliability: Low fire flows, inadequate pressure, and substandard pipelines are a source of high maintenance costs and health risks. These deficiencies will be reduced with the improvements allowed by this project.

Part of an Adopted Plan: For years the District has been anxious to study and improve its water system. Funds have been set aside each year to maintain the system, but resources are limited. Grant funds can be used immediately and effectively because the District has adopted annual capital improvement and budget plans.

PROJECT TITLE Water Tank Replacement **PROJECT NO.** W-9

TOTAL PROJECT COST \$400,000

PROJECT DESCRIPTION

Preliminary engineering design, environmental review right of way investigation and coordination in order site a replacement water tank to increase the current storage capacity of 150,000 gallons to 750,000 gallons.

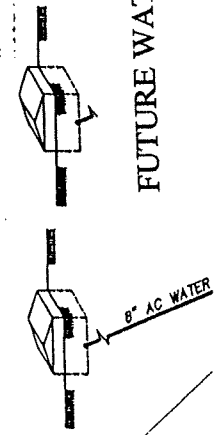
REVENUE

Source	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	Funding to Complete
Water Fund	25,000	375,000	0	0	0	0
Total	25,000	375,000	0	0	0	0

EXPENDITURES

Activity	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	Costs to Complete
Design/Right-of-Way Ac	25,000	0	0	0	0	0
Construction	0	350,000	0	0	0	0
Administration	0	25,000	0	0	0	0
Total	25,000	375,000	0	0	0	0

EXISTING WATER TANK (150,000 GAL.)



FUTURE WATER TANK (600,000 GAL.)

PROJECT TITLE Reservoir Line Replacement-8" to 12" - Master Plan Stage 2 **PROJECT NO.** W-15

TOTAL PROJECT COST \$150,000

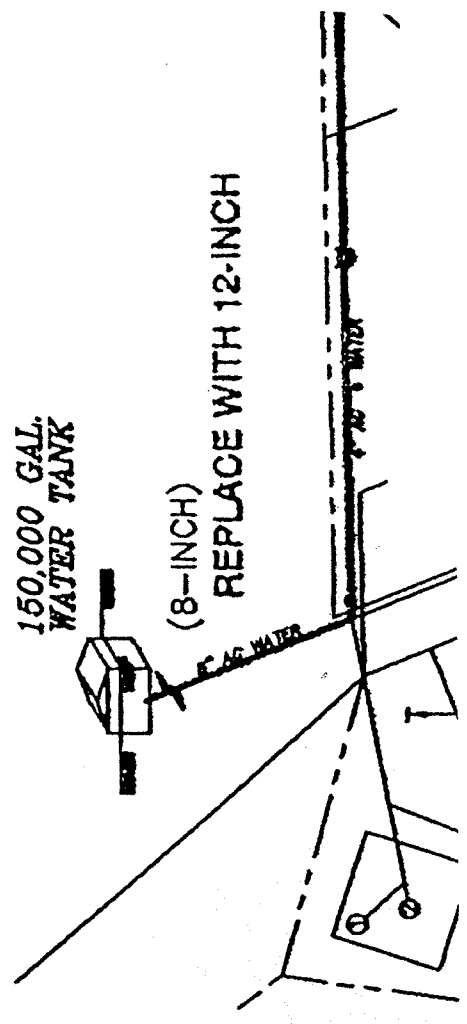
PROJECT DESCRIPTION
Construction a 12-inch water line for increased fire flow capacities.

REVENUE

Source	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	Funding to Complete
Water Fund	150,000	0	0	0	0	0
Total	150,000	0	0	0	0	0

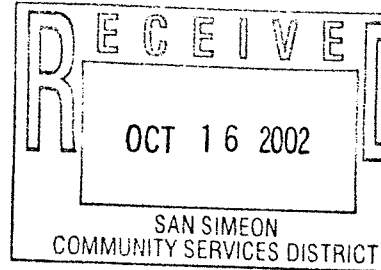
EXPENDITURES

Activity	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	Costs to Complete
Design	5,000	0	0	0	0	0
Construction	140,000	0	0	0	0	0
Administration	5,000	0	0	0	0	0
Total	150,000	0	0	0	0	0



LAFCO • The Local Agency Formation Commission

Serving the Area of San Luis Obispo County



TO: MEMBERS, FORMATION COMMISSION
FROM: PAUL L. HOOD, EXECUTIVE OFFICER
DATE: OCTOBER 17, 2002
SUBJECT: CONSIDERATION OF REPEAL OF REGULATIONS AFFECTING THE FUNCTIONS AND SERVICES OF SPECIAL DISTRICTS WITHIN THE COUNTY

COMMISSIONERS

RICHARD ROBERTS, Chair
Public Member

CAROLYN MOFFATT, Vice Chair
Special District Member

RAY JOHNSON
City Member

BARBARA MANN
Special District Member

DUANE PICANCO
City Member

SHIRLEY BIANCHI
County Member

MICHAEL P. RYAN
County Member

ALTERNATES

KATCHO ACHADJIAN
County Member

HELEN MAY
Special District Member

TOM MURRAY
Public Member

ALLEN SETTLE
City Member

STAFF

PAUL L. HOOD
Executive Officer

RAY BIERING
Legal Counsel

DAVID CHURCH
LAFCO Analyst

LEAHA K. MAGEE
Clerk to the Commission

Recommendation: It is respectfully recommended that the Commission approve the repeal of its regulations affecting the functions and services without reference to the special district advisory committee.

Discussion: This matter was initially discussed at the Commission's July 18, 2002, at the request of the SLO Chapter of the California, Special Districts. In 1994, when the Commission seated special districts, it was required to adopt rules and regulation concerning the exercise of latent powers. Since the passage of the Cortese-Knox-Hertzberg (CKH) Act, this is no longer the case. In fact, an amendment to the Act supercedes locally adopted rules and regulations and replaces them with a uniform process for requesting the Commission to approve the exercise of latent powers

As required by the CKH Act, staff has mailed a copy of the notice of the hearing to every independent special district and others required by law, as well as published and posted the notice. Staff had previously sent a letter to every independent special district in July advising them of the Commission's intention to initiate the repeal process at the September meeting.

At the hearing the Commission has three options: 1). Disapprove the repeal, 2). Approve the repeal without referring it to the special district advisory committee, or 3). Order the proposed repeal referred to the special district advisory committee.

Although staff has received a number of phone calls in the past couple of months requesting additional information, there have been no adverse comments regarding repeal of the rules and regulations. In fact, the Local Special District Chapter voted to support the repeal last month. Therefore, staff would recommend that the Commission

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B-1-1

**ADOPTED RULES AND REGULATIONS GOVERNING
SPECIAL DISTRICT REPRESENTATION ON LAFCO**

Section 1 - AUTHORIZATION - As provided in Government Code Section 56450, et seq., the Commission adopts these Rules and Regulations governing Special Districts' representation on the San Luis Obispo County Local Agency Formation Commission (Government Code 56451) and orders the representation upon the Commission of Independent Special Districts, as provided in Government Code Section 56332.

Section 2 - DEFINITIONS - The following definitions shall apply herein.

- (a) "Commission" means the San Luis Obispo County Local Agency Formation Commission.
- (b) "District" means an agency of the State as defined by Section 56036 of the Government Code for which the County of San Luis Obispo is its principal county as defined by Section 56066 of the Government Code.
- (c) "Executive Officer" means the executive officer of the Commission.
- (d) "Function" means any power granted by law to a local agency or a county to provide designated governmental or proprietary services or facilities for the use, benefit or protection of persons or property (Government Code 56040).
- (e) "Independent Special District Selection Committee" means a committee consisting of the presiding officer of the legislative body of each independent special district or another member of the legislative body appointed to serve in the absence of the presiding officer (Government Code 56332(b)).
- (f) "Legislative Body" means the legislative body or the governing board of a district.
- (g) "Proceedings" means proceedings taken pursuant to these "Rules and Regulations".
- (h) "Proposal" means a request or statement of intention made by a resolution from a special district's governing board to the Commission proposing proceedings for the provision of additional function/services.
- (i) "Service" means a class established within, and as a part of a single function, as hereinafter provided by these rules and regulations of the Commission (Government Code 56074).

Section 3 - DESIGNATION BY TYPE AND PRINCIPAL ACT (GOVERNMENT CODE 56451)

The type of districts to be included in representation along with the principal act under which they were organized is located in Exhibit "A".

Section 4 - POWER OF THE COMMISSION - The commission shall:

- (a) Classify the various types of service which customarily are or can be provided within a single function of a special district (Government Code 56451(a)).

Hospitals

Solid Waste

Pest Control

Vector Control

Libraries

Weed Abatement

Planning

Soil Conservation

Roads, Streets, and Highways

Harbors

Section 7 - REQUIREMENTS OF SPECIAL DISTRICTS - Upon the adoption of these rules and regulations, each special district shall, at the request of the Executive Officer, provide, to the satisfaction of the Commission, the following materials within 60 days of such request:

- I. (a) A statement of which functions/services are currently being provided by that district including mutual aid agreements, out of district contracts, or any other agreement relating to services, as classified herein, being provided by the district prior to the date of the adoption of these rules and regulations.
- (b) A statement of the enabling legal provisions authorizing the rendering of such functions and services.
- (c) A map, showing the boundaries of the district and the location(s) where functions and services are provided.

Factors to be considered in a determination of whether a district is actually exercising its powers to provide such function/service may include, but not be limited to:

- II. (a) The existence of authorized but unsold bonds or the existence of actual bonded indebtedness where such bonds were authorized or sold in order to generate funds for the provision of such function/service.

Section 9 - At such time as the Commission has identified the nature, location and extent of the functions/services of any district, such district shall not provide any new or different function/class of service except as authorized herein, provided that this rule shall not apply to the extension or enlargement, within the boundaries of an existing special district, of function/service which the Commission has determined is currently being provided by such special district.

Section 10 - PROVISION OF ADDITIONAL FUNCTIONS/SERVICES - Any district wishing to make a proposal for the establishment of any new or different function/class of service shall file with the Executive Officer of the Commission a resolution of application in such form as the Commission may prescribe. The resolution shall be accompanied by:

- (a) A statement of the nature of the proposal and the reasons therefor;
- (b) A description of the territory which is the subject of the proposal;
- (c) Such additional data and information as may be required by the Executive Officer, pertaining to any of the matters or factors which may be considered by the Commission;
- (d) The names of the officers or persons, not to exceed five, who are to be given mailed notices of hearing.

The Executive Officer shall not accept the proposal for filing until the district has satisfied each of the foregoing requirements.

Section 11 - HEARING ON APPLICATION - Upon the filing of a resolution of application the Executive Officer shall set the matter for a public hearing by the Commission.

- (a) The date of the hearing shall be not more than 70 days after such filing.
- (b) The Executive Officer shall cause notice of hearing to be published in a newspaper of general circulation within the area for which the provision of additional functions/services are proposed, as specified in Government Code Section 56153.
- (c) The Executive Officer shall also cause notice of such hearing to be mailed at least 15 days prior to the date of hearing to (1) the district adopting the resolution of application, (2) each city or district within three miles of the subject district, and (3) each person who is designated in the application to receive notice or any person who has filed a written request for special notice with the Executive Officer.
- (d) Such hearing may be continued from time-to-time for a period not to exceed 70 days from the original date of such hearing. The conduct of such hearing shall be governed by appropriate provisions of the Cortese-Knox Local Government Reorganization Act and by the Rules of the Commission. At any time not later than 35 days after the conclusion of the hearing, the Commission shall adopt a resolution making determinations approving or disapproving the provision of the additional functions/services by the district.

Rules and Regulations
November 17, 1994
Page 7

THE FOREGOING RULES AND REGULATIONS governing special districts was passed and adopted by the Special District Advisory Committee, by a vote of 3 Ayes, 0 Noes, at a regular meeting this 11 day of November, 1994, to Wit:

AYES: Chairman Picanco, Commissioner Delany, Commissioner Pritchard

NOES: None

ABSENT: Commissioner Blakely, Commissioner Laurent, Commissioner Gallagher

Rules

DEE DEE RICCI
9540 Avonne - No. 14
San Simeon, CA 93452

October 7, 2002

San Simeon Community Services District/EDA
111 Pico
San Simeon, CA 93452

Dear Directors and EDA:

As you may or may not be aware, we have a serious problem in San Simeon with regard to the Courtesy Inn. A number of residents and business owners met (along with the Manager of the Courtesy Inn) to express their concerns. I took minutes at the meeting and am enclosing a copy for your information.

Many residents have expressed a desire to have another meeting and as soon as I have a set date, I will let you know.

Very truly yours,

A handwritten signature in cursive script that reads "Dee Dee Ricci".

NOTES OF SAN SIMEON COMMUNITY MEETING

Copies: Trustees, Courtesy Inn
Board of Supervisors
The Cambrian
Code Enforcement
Health Department
Sheriff (Lt. Martin Basti)
Social Services
Housing
San Simeon Chamber of Commerce
San Simeon Community Services District

Many residents and business owners in the community have become quite concerned as to what is happening in San Simeon and what can be done to help correct the situation. Most of the problems being encountered have occurred as a direct result of the Courtesy Inn (hereinafter "INN") turning their back property into long term rental units. Problems that have been occurring have been addressed to the Manager of the INN but no resolution has been forthcoming and therefore a meeting was put together to address the problems and to seek a resolution to them.

On August 26, 2002 at approximately 9:00 A.M. 36 residents and/or business owners attended an informal, round table, town hall (discussion) meeting. This may not seem like a significant number but considering that there is a district meeting once a month where no more than 10-20 people attend and 5 of them are Board members, along with the district's attorney, engineer, plant manager, and office manager, this was a large turnout. The Chamber of Commerce meets once a month and there are even less in attendance at those meetings.

Also in attendance : Todd Steed, sheriff's department, Mr. William Roof (Manager, Courtesy Inn) and his head of housekeeping. (Mr. Steed was going to meet that afternoon with Shirley Bianchi, Lt. Basti and a representative of the code enforcement department and present to them the problems that were addressed at this meeting.)

The meeting was not just about problems with the INN, but the entire community of San Simeon. The majority of problems that were addressed are directly related to the INN. Therefore, we will address only those issues which we feel are associated with the INN.

Problems

Tremendous increase of traffic. Speeding, along with loud music from cars and trucks. While these speeders are not 100% from the INN, the majority of them do reside there.

The outside conditions of the INN are becoming increasingly disgraceful. Bikes thrown on the bushes, clothes hanging outside all over the place, garbage all over.

The 2 dumpsters which the INN has are not adequate enough to handle the amount of garbage generated by the residents. There are no doors on the outside to keep the garbage that has fallen on the ground from blowing outside and all over. The dumpsters are so full that the tops cannot be closed and when the wind comes up (which it does every day) garbage is blown all over the place.

The dumpster area has also been used by one of the tenants, on at least two occasions, to change his oil and work on his car. (Question: where is he disposing of this oil?)

Groups of teenagers numbering anywhere from 10-20 have been observed and intimidating residents and/or visitors driving on Avonne. They congregate in the evening hours - i.e., after 6:00 P.M. and have been observed there as late as 11:00 P.M. Calls have been placed to the INN and someone will come out and ask them to leave - which they do - but are back in a few minutes or move down the street to another area. Most of them reside at the INN .

Mr. Roof has indicated that he has a security guard? No one has observed this "guard". Does he wear a special shirt, who is this mystery person so that we know who he/she is and can recognize the guard and seek help to the situation.

There is/are produce trucks coming to the INN to sell their wares to the residents of the INN. They arrive at times that range from early afternoon to 1:00 A.M. in the morning, tooting horns to let residents know they have arrived.

The Cambrian met with Mr. Roof and quoted him as saying that they were renting about 30 of the 57 units in back. There are only 55 units in back with 27 of those units having "kitchen facilities" - i.e., a small cooktop stove and small refrigerator. Some of these residents have moved in full size refrigerators. If other than, or more than these 27 units are rented on a long term basis, we question as to what type of equipment is being used to cook with? Mr. Roof indicated they are probably using a microwave. We all know there is only so much you can do with a microwave, and cooking meals on it 7 days a week for a family just doesn't work. He said no more than 4 adults occupy a room (what about the children of these adults?). If the residents who are renting rooms without cooking facilities are in fact using a hot plate or other form of cooking, it then becomes a fire hazard and a code violation. We do not have a fire department in San Simeon, we are serviced by Cambria. If a fire should break out, we will all be in trouble and would have to look to the source of the fire to recover our losses

There has been an increase in the number of broken beer and other glass bottles in the area - generally where the group of teenagers hang out. We do not have the luxury of a street sweeper, so concerned residents are the ones going out and cleaning up the street and bushes of debris.

Children are being watched by other children and some of them are running into the street. There is a picnic table on the INN's back property where they seem to congregate.

One resident reported there was a break in at one of the condominium units in her area and it was traced to the Courtesy Inn (we have no facts to back up this report).

The INN has a conference room which they rent out for parties. The noise and traffic is greatly increased during these celebrations - vehicles racing up and down the street, trash in the area after some of the parties - paper plates, beer and soda pop cans thrown in the street, etc.

Graffiti has been observed in the area. It was brought to the INN's attention two weeks ago that graffiti was noted on one of the walls to the area surrounding the dumpsters. (The graffiti has since been painted over.)

Two INN residents were observed walking their dogs - unleashed - to throw garbage in the INN's dumpsters. Then these animals are left to run wild in the field behind the INN, which is private property. In addition to the increase in the number of residents, we will soon be encountering an animal problem.

Abandoned cars on Avonne. This was a great problem earlier in the year and most of the vehicles have been removed. They are parking on private property where the owner does not reside in San Simeon

Possible Solutions

It was suggested that perhaps speed bumps could be installed to help curb the speeding problem. This may help somewhat but it only means that those persons driving their vehicles and playing loud music will be heard for a longer period of time as they slow down - if they do - for the bumps.

The INN needs to have rules and regulations for their residents. At least 90% of the residents in San Simeon live in apartments, condominiums or the mobile home park. Each of these places has rules and regulations. (If you fail to observe and obey them, you can be evicted.)

The INN needs to implement rules for "living" conditions. They are acting as landlords and as such have the final word.

If children are going to be watched by other children, this needs to happen in a safe place, on the INN's property, and not near the street where an accident can and will someday occur.

The INN needs to purchase more dumpsters. Two are not adequate enough. Doors to the entrance of the dumpster need to be installed (they have been broken and gone for months) making the area unsightly.

The guard needs to "police" the area more often to get rid of the gangs that hang in and around the INN's facilities and if the guard cannot handle the situation, then law enforcement needs to be contacted.

The INN needs to inform the produce trucks that if they want to do business with the tenants, they need to set a day and time, taking into consideration the disturbance of other residents in the area. If the trucks are not willing to do this, then they should be prohibited from selling their wares. This can be done because they are parking in the INN's parking lot and not on the public streets.

The INN needs to have set rules for renting of the hall for parties. They need to keep the noise level down, not have vehicles racing up and down the street, and clean up not only in the hall, but also on the outside of the property. If in fact the INN does have a security guard, he/she should be checking on the festivities on a frequent basis.

The rental of these units has almost doubled the population of San Simeon. The INN was not built as a long term rental unit but it has become a unit of "low income" housing without going through the proper channels.

While we are aware that these residents need a place to live, we are also concerned about the deterioration of our community. Some of these residents work in San Simeon, but not all of them. If we continue to lose business because of this deterioration, there won't be any jobs for those who work here, and therefore no place to live.

It's been reported that the Coastal Commission is quite concerned with the deterioration of San Simeon.

Several homeowner's have indicated a desire to look into and have a Neighborhood Watch formed for their particular units. We are hoping to look into this and accomplish this in the near future.

Mr. Roof is not on the premises during the evening hours when most of the problems occur. The INN needs to address these problems before they become worse than they are, and before other problems occur. A strict set of rules and regulations should be implemented immediately.

Residents and business owners are encouraged to call the agency or agencies responsible for handling particular situations and not assume that others will place the call.

received
11-4-02

Bd

LOS OSOS CSD

Memo

To: Managers of San Luis Obispo County Special Districts
From: Bruce Buel
CC: File, Jon Seitz @ Shipsey & Seitz, Paul Hood @ LAFCO
Date: 11/1/02
Re: Notice of Board Member Training Seminar

The SLO CSDA Chapter will hold a training seminar for Special District Board Members on Saturday January 11, 2003 at the Templeton Community Center, located at 601 South Main Street, Templeton. The Seminar will start at 9am and run through approximately 3pm to cover the topics described in the attached Agenda. The cost for the seminar including lunch is \$20 PER DISTRICT whether you send one or more directors. Please RSVP with the names of your attendees to LOCSD by January 3, 2003 at 805-528-9370.

This seminar is intended to help Directors with the nuts and bolts issues of governance. It will be extremely beneficial to newly elected Board Members, but it would also serve as a refresher for incumbents.

Please note that the Chapter will also hold an election at noon to select a LAFCO alternate to replace Helen May, who chose not to run for re-election on 11/5/02. We have sent a separate notice in regards to the mechanics of this election.

Feel free to call me at 805-528-9370 or e-mail me at bbuel@losososcscsd.org. LOCSD's mailing address is P.O. Box 6064, Los Osos, CA 93412

CC: SLO County Board of Supervisors

SLO COUNTY CSDA CHAPTER PRESENTS:

BOARD MEMBER TRAINING SEMINAR 2003

Saturday 1/11/03 at the Community Center, 601 So. Main Street, Templeton

- 9:00 AM Welcome and Introductions
- 9:15 AM Fair Political Practices Act & Conflict of Interest – FPPC Staff
- 10:30 AM Break
- 10:45 AM The Roles of the Board and Staff – Bill Van Orden (TCSD)
- 11:30 AM SLO LAFCO RESPONSIBILITIES – Paul Hood (SLO LAFCO)
- NOON ELECTION OF LAFCO ALTERNATE
- 12:15 PM LUNCH (provided as part of fee)
- 12:30 PM LUNCHEON PRESENTATION – John Hand from SLO County
Planning re Resource Management Program
- 1:15 PM THE BROWN ACT – Jon Seitz (Shipsey and Seitz)
- 2:30 PM LAFCO COST ALLOCATION (Bruce Buel)

* * * * *

OPTIONAL

- 3:00 PM Chapter Board Meeting

November

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
					1	2
3	4	5 Election Day	6	7	8	9
10	11 Veteran's Day	12	13 SSCSD Board Mtg	14 Checks To Sign	15	16
17	18	19	20 Mexican Revolution Day	21	22	23
24	25	26	27 Checks To Sign	28 Thanksgiving Holiday	29 Hanukkah	30

2002

December

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
1	2	3	4	5	6	7 Pearl Harbor Remembrance Day
8	9	10	11 SSCSD Board Mtg Election of Officers	12 Checks to Sign	13	14
15	16	17	18	19	20	21
22 First Day of Winter	23	24 Christmas Eve	25 Christmas Day	26 Kwanzaa	27	28
29	30 Checks to Sign	31 New Year's Eve				

2002

Water Committee Meeting Minutes

October 2, 2002

Cavalier Banquet Room

Page 1 of 2

Attending:

Loraine Mirabal-Boubion	Director
Paul Reichardt	Facilitator
Mike Hanchett	Cavalier/Chamber of Commerce
David Kiech	Director
Eve Redwood	Property Owner
Dan Leonard	John Wallace & Assoc.
Ray Long	Property Owner

Call to Order:

Loraine Mirabal-Boubion called the meeting to order at 4:00 p.m.

Introductions of those present were made.

Public Comment:

There were no comments.

Paul Reichardt began the meeting by reporting the progress that has been made relating to Old Business

1. A first offence warning notice was sent out to members of the Community violating Water Restriction Ordinance number 96.
 - Discussion was held on how much time, money and effort should go into finding violators.
 - Consensus was that historically a warning is effective.
2. Paul Reichardt proposed the need for a rate study which would look into inconsistencies or inequities in water rates.
 - Mike Hanchett stated that rather than just look at rates we needed a financial model.
 - Consensus was that we complete our needs assessment of water facilities and prioritize our needs.
3. Mr. Reichardt indicated that location of existing well/easement has been identified.
4. Since existing easement on our well does not satisfy health standards, discussions are underway with Hearst Ranch on the possibility of extending easement. Mr. Reichardt and General Manager will have continuing discussion with the Ranch on how we can reciprocate with our needs.

New Business Discussed

1. Paul Reichardt and staff will continue working with the Department of Water Resources, State Resource Control Board and State Health Department on obtaining funds for water recycling projects.
2. Water facility inventory is on going. Paul Reichardt, John Wallace and Ron Head will do a final run-through of the District. The goal is to come up with a separate map of each utility.
3. Mr. Dan Leonard gave a presentation on Proposition 50, which if passed, would fund a variety of water projects.
 - Projects must be submitted by staff for funding requests by October 16, 2002.
4. Well levels during the month of October were at 14'2", which is the lowest in 4 years.

Recommendations for the Board

1. Ask the Board to adopt a Resolution supporting Proposition 50.
2. Ask the Board to support staff's recommendations on projects submitted for funding by Proposition 50 and aimed at recycled water.
3. In lieu of a rate study complete a needs assessment of water facilities.

The meeting was adjourned at 6:30 p.m.

The next meeting will be held on November 6, 2002 at 4:00 p.m. The location is still to be determined.

Meeting Minutes
San Simeon Community Services District
Facilities Committee Meeting
October 22, 2002 / 3:00 PM

OK
VPC
10/30/02

Meeting Called to Order (Bob McLaughlin) **Called to Order @ 3:05 PM**

Facilitators: Paul Reichardt & Robert Carnes; **eda design professionals**

Regular Facilities Committee Meeting:

Attendees: **See attached attendance sheet**

Agenda: **Approved**

Introductions: **Around the room**

Public Comment: **None**

Review of Previous Meeting Minutes: **Approved**

Next Meeting Location and Time: **TBD**

Discussion and Action Items:

1. Kennedy Jenks Draft Report August 29, 2002 plus additional sheets provided by KJ the morning of the meeting: **Steve Tanaka with Wallace Eng. Reviewed the final draft report dated September 2002 page by page and made several notes pertaining to his own comments as well as comments from SSCSD staff and eda design professionals. These comments in the format to be sent to Kennedy Jenks for incorporation are hereby added to the meeting minutes. In addition some of the comments from the meeting attendees are as follows: The amount of effluent from the Castle, its flow rate and pump run time is still an issue that Mike Hanchett is interested in. Steve T. said that the Castles contribution to the overall effluent is small but it is concentrated and would be interesting to know.**

The report utilizes a build out flow 171K GPD with a 1.9 factor on current flow it also uses the same 1.9 factor on the Castle flow this is probably not accurate.

Does KJ's contract include some mapping of alternatives for build out of improvements to the plant?? If plan is not in scope maybe SSCSD should pay KJ to provide documentation.

Recycled water needs a little more detail of how and where facilities could be implemented. Discussion of "Zenon" Membrane Filter mid process and locations.

JW, eda and committee agree with the subdivision of the existing EQ basin.

Ron Head should be involved with overall plant design plan.

More information and substantiation of the KW etc for generator. Should it be pertinent if so where should it go etc.

- 2. Proposition 50 Possibilities: Paul R. gave a fairly brief discussion of the Prop 50 issues. This bill would provide 10 – 15 Mil. over 2 years for agencies to use for water improvement projects. These projects need to be viable and have public support. Every 2 years the funding would be by legislative action and therefore we would have as good a shot for \$'s as any other area in the state. We submitted 3 projects: Second line to the water tanks; recycled water and water retrofit for fire standards. We have the opportunity to provide more projects by November 16th.**
- 3. Review of Committee Objectives: Paul R. spent a moment to review the Facilities Committee objectives; mainly discussing the fact the committee reviews not only the sewage treatment plant but also the water systems, street lighting and streets. After the sewage treatment plant plan is reviewed other issues will be dealt with.**

EDA
P.O. 1829
SAN LUIS OBISPO, CALIFORNIA 93406
(805) 549-8658 FAX (805) 549-8704

JOB SSCSD MEETING
SHEET NO. _____ OF _____
CALCULATED BY _____ DATE 10/22
CHECKED BY _____ DATE _____
SCALE _____

SIGN IN SHEET

NAME	COMPANY	PHONE	FAX
BOB McLAUGHAN	SSCSB	927-581	
RON HEAD	SSCSO	927-4918	1484
MICHAEL HANZLERT	Caroline	927-4441	4653
Eleanor Eubank	Parade Mntc HOA	927-5685	
Ralph & Lana McDaniel	SSHDA	927-2590	
Bob Morales	El Hospital	927-3272	927-5873
WALT BLANKENSHIP	PAST CHMN SSCSO	927-1300	
DAVE KIECH	DIRECTOR	927-5162	
PAUL R. EVITT		927 549-8658	
ROB CORNDS		549-8658	



John L. Wallace & Associates
Civil Engineering • Surveying • Planning

DATE: October 20, 2002
TO: John Wallace
FROM: Steve Tanaka
SUBJECT: Review of Final Draft Wastewater Facilities Plan by Kennedy Jenks for San Simeon Community Services District Wastewater Treatment Plant

John, this memorandum provides my final comments to the subject draft report prepared by Kennedy Jenks Consultants:

1. Report Cover. Replace "County" with "Community", so the District's name is correctly stated as "San Simeon Community Services District".
2. Executive Summary. Once the report is final, an executive summary would be helpful. It may be helpful to provide this executive summary as an attachment to the staff report that will propose final adoption of this report by the Board.
3. Page 1-2, Purpose of Study. Reference is made to the "prior wastewater treatment facilities plan". This plan should be referred to as a draft document, as it was never an adopted plan by the Board.
4. Page 2-2, Second Bulleted Item. The calculation of water use versus wastewater flow should be relative to only that portion of wastewater contributed by SSCSD service area, excluding the Hearst component of flow. Thus, wastewater generated is 62,000 gpd on average, and water usage on average is 97,000 gpd. The resulting ratio of wastewater generated compared with water used is 64%, making the percentage even lower.
5. Page 2-3, Last Paragraph. The summary of sludge haul for Year 2002 may be a little mis-leading, given that Year 2002 is not over yet. The reference to date may have been Year 2001, and should be confirmed.
6. Page 2-4, Wastewater Parameters. Table 2-1 provides results of average BOD and SS, and these numbers do not match up to those numbers proposed. The first paragraph on this page indicates that more conservative numbers are warranted, but the basis for derivation of these parameters is not clear. Regarding the parameters

under "Remainder Seasons of Year", the average SS concentration of 147 mg/L seems to be in error, or the calculation of pounds per day (165) is in error. I believe the concentration is stated in error.

7. Page 2-5, Fourth and Fifth Paragraph. The assumption that future flows may be in proportion to the 1.9 factor of projected water use may be conservative. The 1.9 factor was relative to water demands at build-out for the community of San Simeon only. This factor is reasonable for future growth within the service area. Being that this assumption is also conservative, it may be best to leave this assumption as is, for the purposes of planning.
8. Page 2-5, Bottom of Page. Again, these wastewater parameters should be explained, as they don't match up to any of the other numbers.
9. Appendices. The appendices should be labeled with fly sheets for Appendix A and Appendix B. The appendices are out of order of how they are referenced in the report.
10. Page 3-2, Discharge Prohibitions. The way the last sentence is worded, it could be interpreted to say that it is OK to discharge untreated wastewater to the designated discharge point. This should be modified to indicate that bypass of partially untreated or untreated wastewater is prohibited, and that discharge of treated wastewater is permitted only in the designated discharge location specified in the permit.
11. Page 4-3, Second Paragraph. The inadequacy of the air piping network at the bottom of the EQ basin should include a discussion that part of the reason it is inadequate is that the piping is difficult to maintain, and continually plugs, thus resulting in very uneven dispersion of air. This installation was a temporary remedy to the EQ basin for odor control.
12. Page 4-11, Second Paragraph. To the last sentence, it should also be stated that part of the problem with the Draimad bag system is that there is nowhere to adequately store/drain the bags, and access to the solids handling area by forklift is not possible.
13. Page 4-13, First Text Paragraph. A statement should be made in regards to whether there is even room for a chlorine contact tank to provide 90-minute detention time. If not, that adds more basis to consider UV disinfection.
14. Page 4-14, Standby Power. Standby power recommendations for existing and future needs should be addressed.
15. Page 4-15, Additional Buildings. An estimated building footprint, and discussion and/or site plan of where the building should go would be helpful.
16. Page 5-2, Equalization Tank. As part of our scope, we asked that interim recommendations be made in regards to odor control. This urgency may have

diminished with the improved conditions and fewer odor complaints this past year. The Appendix B study discusses the existing ferric chloride system, and recommends that further study be done to determine its effectiveness. More specific recommendations should be made in regards to whether to continue this feed system, if KJ believes it really is effective, whether consideration should be given to feeding ferric chloride directly at the discharge to the EQ basin (at stoichiometric rates to account for all of the free sulfates in the SSCSD service area wastewater), and/or at least general recommendations on what we should focus on to do the further study that is recommended by KJ's odor control memorandum. In regards to the overall recommendations for the EQ basin, I concur with the direction of compartmentalizing the basin for multi-use purposes.

17. Page 5-5, New Sedimentation Tank. A statement should be made relative to the feasibility of physically fitting this new sedimentation tank on the plant site.
18. Page 5-7 and 5-8, Evaluation (of EQ Tank). It should be clarified that the recommendations for modification of the EQ tank for conversion to aerobic digestion do or do not include consideration of covering the tank.
19. Page 5-8, Solids Disposal Alternatives. In general, I concur with the write up. It is very technical and involved, and a brief summary table of the alternatives, pros and cons, and costs, would be helpful to the reader.
20. Page 5-16, Evaluation (of chlorine contact chamber). A statement should be made relative to the ability to accommodate a parallel unit given the plant site constraints.

SGT: