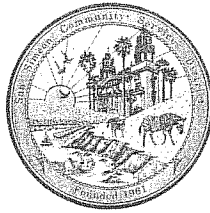


San Simeon Community Services District



2011 AUG 10 AM 8 58

RECEIVED
SLO COUNTY GRAND JURY

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

August 4, 2011

Grand Jury
P.O. Box 4910
San Luis Obispo, CA 93403

Reference: Summary and explanation of San Simone Community Services District Response to the June 8, 2011 Grand Jury Report.

Dear Mr. Stephens:

With reference to the Grand Jury's report finding number two the San Simeon CSD is coordinating with the billing and collection system programmer to add the water, sewer and service rate to the monthly bill each customer receives. This item will be added by the August customer billing.

With reference to the Grand Jury's report finding number six the San Simeon CSD water committee has considered tiered water rates on previous occasions and has concluded that our current method of water conservation, using stages of restrictions, satisfies the SSCSD's conservation efforts. A significant portion of water consumption is from commercial use (the hotel industry) therefore tiered water rates would do nothing to promote conservation.

If you have any questions regarding the above, please contact me at 805 927 4778.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles Grace", with a long horizontal flourish extending to the right.

Charles Grace
General Manager
San Simeon CSD