

October 20, 2021

To: Fair Political Practices Commission

Subject: FPPC Case No. 2020-00416 Charles Grace, Stipulation Decision and Order

Comment Submission for October 21, 2021 FPPC Meeting Consent Agenda Item - Charles Grace

In the FPPC Case No. 2020-00416 STIPULATION, DECISION AND ORDER, the following statement is made:

“Here, Grace is not a member of the deciding body, but an independent contractor subject to 1090. According to Grace, **GES has earned approximately \$393,734** under the contract executed in 2016, which is significantly higher than the contract amount at issue in Fowler.” [Emphasis added]

Based on publicly available records and estimates, my calculations would indicate Charles Grace has been earning approximately \$200,000 per year. Over the period of the multi-year GES contract period, this would represent \$1 million+ in earnings vs. the \$393,734 stated in the stipulation order.

The basis for my estimate is attached.

It must be noted that repeated requests were made to do a formal and independent cost analysis of the services provided by Charles Grace and his Company Grace Environmental Services (GES). GES services make up approximately 50% of the District’s expense budget. Multiple requests to do such an analysis were made before the two-year extension of his GES contract in late 2020. As “General Manager”, Charles Grace could have easily added an independent cost analysis to a Board meeting agenda for discussion and action. All such requests were ignored or denied. Further, his contract was never put out for competitive bidding.

Suggest that a correction to the record here should be made according to review of GES supporting detail documentation. The commission should, at least, check the math and make sure that the cited dollar value is accurate and that Grace did not make a mistake about the facts.

Respectfully,



Henry Krzciuk

San Simeon Resident

9540 Avonne Ave. SPC 46

San Simeon, CA 93452

Attachment: Grace-GES Cost and Revenue Estimate for San Simeon CSD

Grace Environmental Services							
Service Cost Estimate							
(Computed Basis October 2020)							
GES Fixed Price Contract +							
Revenue:							
Monthly			Inflation				20-21
\$ 54,197.38	12						Annual
							\$ 650,368.56
Less Maintenance + Electric Pass Through							
							\$ (106,000.00)
			Gross GES Revenue				\$ 544,368.56
Additional Labors Charges October 2020							
							\$ 5,141.32
						Total Revenue	\$ 549,509.88
Expenses:							
			Base	Total w/Benefits	Annual	Ragged Point	Annual
			Median Monthly	Median Monthly*	Full Benefits	Adjustment %	w/adjustment
Labor with Benefits							
Level 3 Operator - Utility Manager			\$ 8,899.00	\$ 10,583.00	\$ 126,996.00	25%	\$ 95,247.00
Trainee			\$ 4,851.90	\$ 6,515.10	\$ 78,181.20		\$ 78,181.20
(Using Utility Operator Level 1)							
Office Manager (assumes full-time, may not be)			\$ 4,781.00	\$ 6,218.00	\$ 74,616.00		\$ 74,616.00
(Equivalent to Accounting Technician II)							\$ -
						Total Labor	\$ 248,044.20
Other Expenses							
Truck* + Insurance + Fuel Etc							
							\$ 12,000.00
Sampling \$1,600 to \$2,000 per month + \$3,000 in house testing							
							\$ 27,000.00
Chemicals							
							\$ 12,000.00
Sludge Hauling 16 loads of approx 20 tons - \$1,000 load based on South County							
							\$ 16,000.00
Office Supplies							
							\$ 3,000.00
Business Insurance (Depends on Other Business for prorating)							
							\$ 6,000.00
Other Misc.							
							\$ 25,000.00
						Total Expenses	\$ 101,000.00
						*GES/Grace Annual Net (with Ragged Point adjustment)	\$ 200,465.68
Ragged Point Inn Adjustment							
Citizen Discovery that GES had contract with Ragged Point Inn and GES staff was also responsible for their water and sewer services							
Lead GES Operator must travel to Ragged Point Inn twice a week for sample collection, walking effluent drip line and all reporting similar to San Simeon							
Always led to believe that San Simeon CSD contract with GES included to full-time operators based on prior public records							
Truck and certain other expenses may also require adjustment for Ragged Point Inn related use							
Labor Rates Based on Templeton CSD Compensation Study 2020 - Prepared by Regional Government Services							
*Benefits Include Medical, Dental, Vision							
Other Notes:							
Weed Abatement should be paid by GES but paid by District							
Water/Sewer Connections - 229							
Annual District Budget = \$1 million							