



DISCUSSION ITEM STAFF REPORT

ITEM 5.A. Adoption of Resolution Accepting Funding and Authorizing Work to Proceed with Emergency Outfall Repair

Recommendations:

1. Adopt the attached Resolution accepting the California State Water Resources Control Board (State Water Board) Cleanup and Abatement Account (CAA) grant funding, approving emergency repairs to the San Simeon Community Services District (District) wastewater ocean outfall, and providing specific authorization for the District Board Chairperson and Division Manager San Luis Obispo County Public Works to complete the project.
2. Authorize budget adjustments to receive funding and account for expenditures for the Outfall Repair project.
3. Approve a Change Order with J.F. Brennan for repair work with a new not-to-exceed total of \$342,648 due to changed conditions.
4. Authorize an Agreement with Padre Associates in an amount not to exceed \$20,000 for permitting and environmental compliance support

Background:

In 2022 and 2023, the District took steps to initiate repairs to the ocean outfall, including applying for permits and awarding a contract for the work. The final project permits were in place around April 2024, one month before the District submitted the dissolution request with LAFCO. However, the repairs were not completed due to lack of funding, and on August 29, 2026, the Regional Water Quality Control Board issued a Notice of Violation (NOV) to the District for failure to complete repairs to the ocean outfall.

On September 21, 2026, Governor Newsom proclaimed a statewide State of Emergency in response to the developing El Niño storm season. The upcoming 2026-27 storm season coincides with the development of a strong and potentially historic El Niño event in the Pacific Ocean. The National Weather service Climate Prediction Center projected a 69 percent (69%) chance the event will reach historic strength during the fall and winter of 2026-27 and exceed the strength of all prior El Niño events in the historical record beginning in 1950. It is likely that parts of California will experience stronger storms, including high tides, large waves and high surf, increasing risk of damage to public and private infrastructure.

The Governor's declaration was made in recognition of the importance of procuring and

positioning resources and taking actions to prepare before severe storms arrive.

Discussion:

The District's ocean outfall needs maintenance and repair work. A contract was awarded and permits were obtained, but the project was delayed due to lack of funding.

The California State Water Resources Control Board (State Water Board) maintains a Cleanup and Abatement Account (CAA) to provide grants for projects, including emergency projects, that require immediate action to mitigate a significant threat to the environment or a threat to public health and safety. The State Water Board has approved CAA grant funding for the District's outfall repair project in the amount of \$379,148.

Multiple steps will be required to implement the emergency outfall repair project. The first steps are memorialized in the attached resolution, as required to accept the grant.

1. Adopt a resolution affirming the following:
 - Make a finding emergency conditions exist related to needed ocean outfall repairs and the approaching El Niño storm season;
 - Accept Cleanup and Abatement Account (CAA) Funding from the State Water Resources Control Board for the purpose of completing emergency repairs to the District's ocean outfall; and
 - Authorize the Board Chairperson and Division Manager to sign project reports and reimbursement requests for the grant;

Lastly, the resolution includes the following provision to enable completion of the project under existing District emergency policies and procedures.

- Authorize the Division Manager to take all steps necessary to implement the emergency outfall repair, consistent with the District's adopted Policies and Procedures, including provisions for Emergency Conditions.

Additional recommended actions serve to approve administrative actions in support of the project:

2. Approve budget adjustments to receive grant proceeds and fund the repair work.

Increase:

8044	Grant Funds	379,148
9030	Capital Projects/Improvements	379,148

3. J.F. Brennan Company was awarded the outfall repair work in 2022 through an

RFP process. Due to delays in obtaining permits and funding, a change order is necessary for changed conditions including significant increases in equipment and material costs, and a minor amendment of scope to repair a recently-identified hole in the outfall pipe. J.F. Brennan has provided an updated estimate not-to-exceed \$342,648. This amount is funded by the grant.

4. Padre Associates has provided estimates to provide permitting support and environmental compliance. Staff recommends the Board authorize a not-to-exceed amount of \$20,000 for these activities. This amount is also funded by the grant.

Under section 19.04 of the District's Policies and Procedures, the District's standard purchasing procedures are suspended in emergency conditions. Also, professional consultant selection procedures are not applicable if it is appropriate and in the best interest of the District under the specific circumstances of the project at issue to limit the number of consultants solicited, for instance the need to take immediate action on a project. Here, emergency conditions exist and it is appropriate and in the best of the District to take immediate action without soliciting additional consultants because of the State of Emergency and need to immediately prepare to prevent and respond to potential damage from elevated coastal water levels and high-impact storms.

Financial Impacts:

The CAA grant is funded on a cost-reimbursement basis. Project expenditures are authorized for reimbursement under the grant once the award is confirmed. The grant agreement takes some time to finalize and will likely come after work is complete. Once the grant agreement is finalized, reimbursement requests may be submitted.

The delay between project completion and grant reimbursement does create a cash flow challenge. Staff is working with the County to structure temporary cash flow support secured by the grant reimbursement. The draft of the temporary loan agreement will be available at the next regular Board meeting.

At this time, staff requests Board approval of the recommended actions.

RESOLUTION NO. 26-XXX

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT
ACCEPTING CALIFORNIA ABATEMENT AND ASSISTANCE GRANT FUNDING AND AUTHORIZING
EMERGENCY REPAIRS TO THE DISTRICT WASTEWATER OCEAN OUTFALL**

WHEREAS, the San Simeon Community Services District (District) wastewater treatment system includes an ocean outfall that discharges treated effluent in compliance with operational permits; and

WHEREAS, the ocean outfall needs maintenance and repair work that has been delayed for an extended period by lack of funding; and

WHEREAS, on August 29, 2026, the Regional Water Quality Control Board issued a Notice of Violation regarding the delay to outfall repair work and requiring a plan to complete repairs; and

WHEREAS, on September 21, 2026, Governor Newsom proclaimed a statewide State of Emergency due to the strengthening El Niño event and accompanying potential for disruption and damage to infrastructure;

WHEREAS, Governor Newsom's proclamation provides for local agencies to begin preparations to prevent and respond to potential damage from elevated coastal water levels and high-impact storms; and

WHEREAS, the California State Water Resources Control Board (State Water Board) maintains a Cleanup and Abatement Account (CAA) to provide grants for projects, including emergency projects that require immediate action to mitigate a significant threat to the environment or a threat to public safety; and

WHEREAS, the State Water Board has approved grant funding in the amount of \$379,148 for the District's outfall repair under the CAA program.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Directors of the San Simeon Community Services District as follows:

1. The District Board of Directors hereby considers the condition of the District's ocean outfall, the Regional Water Board Notice of Violation and the statewide State of Emergency for El Niño storm preparations and finds that emergency conditions exist related to needed ocean outfall repairs and the approaching El Niño storm season.
2. The District Board of Directors hereby accepts CAA funding from the State Water Board for San Simeon CSD ocean outfall repairs and designates District Board Chairperson, Karina Tiwana as the Authorized Representative for the project. The District Board Chairperson, Karina Tiwana, and Suzy Watkins, Division Manager for San Luis Obispo County Public Works, are hereby authorized to sign project reports and reimbursement requests for the CAA grant.

3. The District Board of Directors hereby authorizes emergency repairs to the District's ocean outfall, and further authorizes Suzy Watkins, Division Manager for San Luis Obispo County Public Works, to take all steps necessary to implement the outfall repair project, consistent with the District's adopted Policies and Procedures, including provisions for Emergency Conditions.

Upon motion of _____, seconded by _____, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

The foregoing resolution is hereby adopted on the _____ day of _____, 2026.

Chairperson of the Board of Directors

ATTEST:

By: _____
San Simeon Community Services District

APPROVED AS TO FORM AND LEGAL EFFECT:

By: _____
District Counsel, Nubia I. Goldstein