

MINUTES
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS SPECIAL BOARD MEETING
1350 MAIN STREET
CAMBRIA, CA 93428
Thursday, March 06, 2025
6:00 p.m.

1. CALL TO ORDER

The Special Meeting of the San Simeon Community Service District Council was called to order at 6:01 p.m. by Chair Tiwana.

2. ROLL CALL

Present: Chair Karina Tiwana, Director Jacqueline Diamond, Director Holly Le
Director Michael Donahue

Absent: None

Staff Present: Patrick Faverty, Ed.D., Interim General Manager
Nubia Goldstein, District Counsel - White Brenner LLP

3. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was held at 6:02 p.m.

4. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

- None

5. NON-DISTRICT REPORTS (6:04 p.m. – 6:04 p.m.):

A. Sheriff's Report – Commander Abbott from the sheriff's department , he stated that he took over the sheriff's department at the beginning of January, he had been a peace officer for 18 years, he stated for the month of February the sheriff's office received 35 calls as compared to 29 calls for February the year of 2024, February s activities consisted of 3 preventative patrol activities, 3 enforcement stops and 1 suspicious circumstances call.

Chair Tiwana expressed her gratitude for the sheriff's service and requested that a monthly report be provided to the board

Director Donahue expressed his appreciation
Director Diamond expressed her appreciation

PUBLIC COMMENT FOR THIS ITEM

- None

6. DISTRICT STAFF & COMMITTEE REPORTS (6: 04 p.m. – 6:20 p.m.):

Public comments at the conclusion of District staff and committee reports are limited to three (3) minutes per person per item.

A. STAFF REPORTS:

i. FRM Operations Report –Stated a Summary of February Activities.

FRM Representative stated that staff completed maintenance and were able to clear a blockage, the water system operations were normal; and no non-essential projects were needed or completed, normal process of data to day activities with managing the filter due to the inclement weather, staff completed and filed the data to complete the monthly self-report to the California integrated water quality system, once approved they will be uploaded and certified by the San Simeon Community Services District, FRM staff also compiled the information for the annual emissions inventory for the generators on site Per the San Luis Obispo County pollution management requirements, overall, a good Month with nothing substantial to report.

ii. Interim General Manager's Report – Stated a Summary of February Activities

Interim General Manager stated that the welder for the pipe bridge has made progress and is expected to be completed in March, with the total cost for repairs is estimated to be \$8,000 which will include the repair of the whole bridge and after completion It will need to be repainted or paved, He also stated that Hearst ranch cleared a path for PGE electric poles up to the easement of the district water tanks and beyond for safety compliance, They are also removing potentially flammable underbrush from the area by bringing in herds of sheep, also Ruth Montgomery has been hired by the district as an assistant and clerk to the Interim General Manager and the Board.

iii. District Financial Summary – Stated a Summary of February Financials.

Interim General Manager stated that the financial representative was not able to attend to report out, interim general manager stated that the reports are in the packet, but he can answer any questions to the best of his ability.

Chair Tiwana stated and requested that an effort be made by the financial representative to attend the meetings

Interim General Manager stated that the financial representative Adam has expressed difficulty in attending due to time conflicts.

iv. District Counsel's Report – Stated a Summary of February Activities.

District General Counsel stated that there is nothing to report for the month of February

v. Reorganization Committee Report- Stated a Summary of February Activities.

Director Diamond stated there was a change in personnel at the district which delayed information regarding reorganization being passed to the district. She met with Lisa Howe, and Matt Pontes and they conveyed that they received more than one RFP in response to their advertisements but could not confirm the total number, she was told that a member from the district's reorganization committee would be welcome to be included in the evaluation process and director diamond stated she gave them her recommendation; But will refrain from starting her selection at this time as the board needs to confer and complete the necessary paperwork be going forward with the selection, she was assured that the personnel change will not delay the dissolution process and that everything is on schedule. The Bi-weekly meeting with the county and the reorganization committee will resume and the next meeting will be March 14th at 3:00 p.m.

Director Donahue commented on a question asking if Lisa howe is the lead and ask of director diamond feels comfortable with new changing personnel leadership.

Chair Tiwana commented on a question pertaining to director Diamond's conversation with Lisa Howe and asked about her personal opinion of the County's assurance of continuity.

Director Diamond stated that the call went well, and the continuity in the dissolution process was assured that it would not be disturbed.

Chair Tiwana requested that Director Damond refer the County's RFP submission candidates be reviewed by District Counsel.

Interim General Manager commented that he as a conversation with supervisor Gibson and that he was under the impression that supervisor Gibson and the county were in

conversation regarding the dissolution and conveyed to the Interim General Manager that the district would be included in the selection process

PUBLIC COMMENT FOR THIS ITEM

- None

7. CONSENT AGENDA ITEMS (6:20 p.m. – 6:22 p.m.)

- A. REVIEW AND APPROVAL OF MINUTES FOR THE MEETING ON FEBRUARY 20, 2024**
- B. REVIEW AND APPROVAL OF FEBRUARY DISBURSEMENTS JOURNAL**

PUBLIC COMMENT FOR THIS ITEM

- None

Director Donahue made a motion to approve the minutes from the February 20, 2025, meeting and the February disbursement journals. Director Diamond seconded the motion.

Vote was taken as follows:

AYES: Tiwana, Diamond, Le, Donahue

NOES:

ABSTAIN:

ABSENT:

8. BUSINESS ACTION ITEMS (6:22 p.m. - 6: 36p.m.):

A. Discussion and Update on Prop 218 process for Water Rate increase

Interim General Manager provided a continuation of the discussion from the previous meeting regarding a potential water rate increase. Included in the board packet were the original water rate increase study and documentation outlining how the rates could be raised. The purpose of this meeting was to determine whether to vote on a resolution amending the proposed 12% increase. The Interim General Manager explained that the board had previously requested a review to determine if a vote for a water rate increase had been made. After reviewing, it was found that no documentation from the past two years indicated a vote had taken place. He noted that in order to implement an increase, the board must provide 45-day notice to property owners, including a public hearing notice, and the district must post supporting evidence for the rate increase on the district website and mail it to property owners upon request. The process will not begin until the board approves the notice, which could be as early as next week.

Chair Tiwana stated that during the previous meeting, the board was not opposed to a rate increase, but the concern was the amount of the increase. Chair Tiwana then referenced Director Diamond's reminder that the board had voted in the previous meeting to approve the rate increase and asked Director Diamond to read aloud the meeting minutes.

Director Diamond read the minutes aloud, confirming that the motion to approve the Prop 218 rate increase of 8% was based on the previously approved rate increase from the 2023 budget committee. The motion was seconded and unanimously approved, with Director Donahue absent.

Director Tiwana confirmed that the board had voted to approve the rate increase. The district must now proceed with the required steps for compliance with Prop 218. The previous board had approved the 8% increase, but it was never implemented. Now, it is appropriate to adopt and move forward with it.

Director Donahue requested that district counsel be directed to assist with initiating the 45-day Prop 218 window.

Chair Tiwana stated that the record reflects the board's support for the rate increase, emphasizing that increased revenue is necessary, and it has been more than two years since the rate increase was approved but not implemented.

District Counsel stated that, based on the direction from the previous meeting, counsel would assist staff in preparing the required evidence for the rate increase. While it may be challenging to gather concrete evidence, the plan is to rely on the last rate study without conducting a new one. District Counsel will work with the Interim General Manager to ensure compliance with Prop 218 and prepare the necessary notices and protest ballots to be sent to property owners. An update will be provided at the next meeting.

Director Le requested that, for the record, the Interim General Manager had originally suggested a 12% increase, which was reduced to 8%. She asked that residents who submit objections keep the original proposed increase in mind.

PUBLIC COMMENT

- None

B. Discussion regarding why the 2024 San Simeon CSD 2024 Balance Sheet did not include Accounts Receivable

Director Diamond stated that she requested this item be included on the agenda because there was an amount of \$0.00 showing for 2024, which had been separated to reflect the Hearst amount that was due. She further explained that the clarification provided sufficiently addressed her concern, and she no longer has any objections.

Director Le mentioned an email she received regarding a loss of over \$1,000 in the market value of the money market account.

Chair Tiwana clarified that Director Le's question falls outside the scope of the agenda item. She suggested that Director Le either have the issue added to a future agenda or reach out directly to the financial representative for clarification.

PUBLIC COMMENT

- Jane Barreto asked for clarification regarding Director Diamond's statement, where she mentioned receiving a sufficient explanation to address her concern. Jane requested that the information be shared with the public, specifically regarding the purpose of the amounts being separated. She expressed concerns about transparency and requested more detailed information on what funds are being spent on and what charges are being applied.

Director Diamond explained that several accounts receivable appear on the financial balance sheet and that the amounts were separated under the guidance of the district's accountant. She clarified that this separation was due to the Hearst amounts in the accounts receivable.

1. CLOSED SESSION (6:36 p.m. – 7: 14 p.m.):

Public comments on the closed session agenda are limited to three (3) minutes per person per item. The Board will adjourn to Closed Session to address the following item(s):

PUBLIC COMMENT

- San Simeon citizen inquired whether this agenda item pertains to the hiring of a new general manager or a discussion of the current interim general manager's employment, stating that insufficient information has been provided to the public.
- District Counsel clarified that the item is to discuss the position of the interim general manager and is not expected to result in any employment decisions. Any decisions involving hiring, firing,

promotions, or similar actions would require specific language under the Brown Act for proper noticing. This item is for general discussion, and if any reportable action is taken, it will be reported after the closed session. Tonight, the only topic is the interim general manager position.

- Mary Margret McQuire expressed concern over rumors circulating from a newspaper announcement that the interim general manager would be resigning, and questioned how the replacement process would unfold, with rumors suggesting a new general manager would be selected at this meeting.
- Chair Tiwana clarified that the interim general manager had stated he would assist in the transition to a new selected interim or permanent general manager and that the search is ongoing. The closed session is being held to discuss the position.
- Director Le emphasized that the reliability of the newspaper article should not be assumed just because it was published.

Chair Tiwana reported out of closed session that the Board has developed a plan of action to move forward with selecting a new Interim General Manager to replace the current Interim General Manager. The Board is actively seeking candidates and encourages all recommended candidates to be referred to District Counsel.

9. BOARD COMMENTS

Director Diamond noted that the comment would be addressed under the financial reports

Director Le mentioned her concerns would also be addressed under the financial report but would require the financial representative present to answer questions.

Director Donahue requested an update to the Akel report, as the current data on the RO unit usage is misleading and does not reflect true residential water usage. He suggested an addendum to the report.

Chair Tiwana clarified that Director Donahue's request directs staff to address his concerns with the Akel report and have those concerns reflected in the updated report.

Chair Tiwana proposed adding the progress on implementing automatic banking payments with Pacific Premier Bank to the agenda, as it would significantly reduce billing processing costs. She requested an update on the process, timeline, and costs.

Interim General Manager confirmed an update would be provided at the next meeting, noting that Pacific Premier Bank is compatible with QuickBooks.

10. ADJOURNMENT (7: 20 p.m.)