MINUTES
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR BOARD MEETING
1350 MAIN STREET
CAMBRIA, CA 93428
Google Meet
Thursday, September 03rd, 2026
6:00 p.m.

1. CALL TO ORDER

The Special Meeting of the San Simeon Community Service District Board of Directors was called to order at **6:00 p.m.** by chair **KarinaTiwana**.

2. ROLL CALL

Present: Chair person Karina Tiwana, Director Holly Le, Director Michael Donahue

Absent: None

Staff Present: Suzanne Watkins, Primary Lead SLO County/CalWARN
Ruth Montgomery – Clerk

Public Attendees: Some community members attended both in person and virtually.

3. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was held at 06:01 p.m. by Chair Tiwana.

4. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

The Chair opened the floor for public comment on items not listed on the agenda.

Julie Tacker: Addressed the Board regarding the videotaping and recording of District meetings. She expressed concern regarding the continued availability of a Lorie Mather video on the District website and asked the Board and General Manager to clarify the status of the District's Google Meet recording process and ensure that District meeting recordings are properly maintained as public records.

No additional public comments were received.

5. NON-DISTRICT REPORTS (6:07 p.m.)

A. Sheriff's Report:

The Sheriff's representative was not present when the item was initially called. The Board agreed to move the report to later in the meeting should the representative become available.

6. DISTRICT STAFF & COMMITTEE REPORTS

A. STAFF REPORTS:

I. County of SLO CalWARN Report

Presenter: Suzy Watkins

Suzy Watkins, Staff reported that the FRM contract had been extended. The original three-year term was approaching expiration, and the District exercised the first of two available one-year extensions.

Staff also reported that no candidates had submitted for the two vacant Board seats through the election process. The Board may submit potential candidates to the County Board of Supervisors within the applicable deadline and subject to District election/division requirements. Staff agreed to confirm the applicable deadline so the information could be shared within the community.

The District received a Notice of Violation related to the wastewater treatment plant permit. The notice concerns maintenance of the outfall and required reporting that was not submitted in 2023 and 2024. A written response is due by the end of September. District staff is working with County and FRM compliance staff to prepare the response.

Staff also reported receiving a request regarding possible potable water support for the Plaskett Fire response. Additional information was being obtained from the fire response team. If water is provided, the responsible agency would compensate the District according to established rates.

During Board discussion, directors expressed support and appreciation for the firefighters and discussed whether the District should charge for water supplied for firefighting operations. Staff explained that payment to local agencies for this type of service is customary.

PUBLIC COMMENT:

Julie Tacker: commented on the Notice of Violation and noted that the reporting deficiencies and deferred repairs occurred in early 2024, when the District was focused on the dissolution process. She stated that there had been an expectation that dissolution would proceed more quickly and that the County would assume responsibility for District operations. She also

expressed concern regarding the District's limited financial ability to repair the outfall and referenced legal expenses authorized by a prior Board related to Mr. Grace.

ii. FRM Operations Report - August Activities

Brandon Jacka reported: On the water side, FRM responded to a mainline leak affecting the Castillo/Avon area. Approximately three feet of cracked mainline was removed and repaired. Staff clarified during public comment that the meter associated with the affected area is on Avon while the main is on Castillo, and that the same leak affected both streets.

The water treatment filters remained offline during August.

On the wastewater side, no additional violations or significant operational issues were reported beyond the previously discussed Notice of Violation. FRM is coordinating with County staff regarding the response.

The Board discussed commercial water meter replacements. FRM stated that, to the best of its knowledge, commercial meters requiring replacement had been replaced, with one outstanding meter remaining.

The Board also discussed differences between the amount of water pumped and water sold. FRM explained that distribution system losses can result from flushing, leaks, and other operational uses and stated that approximately 14% water loss is within a normal range for a system of this age. Questions were raised regarding historical data and months in which reported water sales exceeded water pumped. FRM explained that historical data may have been affected by nonfunctioning meters and estimated meter readings.

FRM advised that detailed questions from individual directors should be coordinated through the County and General Manager. The General Manager agreed to work with the Board to compile questions and provide them to FRM through the appropriate channels.

PUBLIC COMMENT:

Mary Margaret McGuire: asked for clarification regarding the location of the reported water main leak, noting that while FRM reported the leak on Castillo, she had observed ongoing work on Avon. Brandon Jacka: clarified that the meter is located on Avon and the water main is on Castillo, and that the same leak affected both streets. He reported that the leak had been repaired and that crews were completing the remaining site work, which was expected to be finished within the next few days.

Iii. District Financial Summary – Summary of April Financials.

Presenter: Suzy Watkins

Presented the July 31 balance sheet and Profit and Loss statement.

Ms. Watkins noted that early fiscal-year financial reports provide limited information because significant revenues, including property tax receipts, have not yet been received.

The July 31 cash position, including restricted and unrestricted funds, was approximately $8,600 lower than the same date in the prior year. Staff indicated that this reflected stabilization in District cash flow following a mid-year decline and described the overall trend as positive.

A question regarding a potential future water rate increase was deferred because the subject appeared later on the agenda.

PUBLIC COMMENT:

Julie Tacker commented that costs associated with responding to the Notice of Violation and repairing the outfall could require a budget adjustment and asked about the process and timing for addressing those potential expenditures.

Iv. District Counsel's Report - Summary of August Activities

District Counsel reported that there were no items to report for the month.

7. CONSENT CALENDAR ITEMS (06:23 p.m.)

Items presented for approval

- **A.** Review and Approval of Minutes for the Meeting on August 06, 2026.
- **B.** Review and Approval of July Disbursements Journal.
- **C.** Review and Approval of Resolution Establishing a New Schedule for the Board of Directors Regular Meeting.
- **D.** Receive and File Correction to Clerical Error on Adopted Budget

Public Comment

No public comments were received.

Motion

Director Donahue makes a motion to approve consent calendar items A through D.
Director Le seconded the motion.

AYES: Chair Tiwana, Director Le, Director Donahue
NOES: 0
ABSTAIN: 0
ABSENT: 0

Motion to approve the Consent Calendar carried unanimously (3-0).

8. BUSINESS ACTION ITEMS

8.A. Receive and File Oral Report on Board of Supervisor September 1, 202y meeting

Suzy Watkins: provided an oral report regarding the September 1, 2026 County Board of Supervisors meeting concerning the NBS analysis of the District's assets, liabilities, and other information associated with the LAFCO dissolution application.

The County Board of Supervisors considered four alternatives:

1. Pursue consideration of a County Service Area (CSA).
2. Collaborate with other agencies, including LAFCO and Cambria Community Services District.
3. Seek additional State involvement, potentially including legislation and financial support.
4. Take no action at this time.

Following discussion, the Board of Supervisors directed County staff to pursue the first three alternatives in parallel.

Staff stated that possible funding sources were also discussed and would require further investigation. It was made clear during the County discussion that County General Fund resources would not be available for these purposes.

Board members expressed appreciation for the County's continued work and viewed the unanimous direction from the five County Supervisors as a positive development in the dissolution process.

Public Comment

Julie Tacker: commented positively on the outcome of the Board of Supervisors meeting and suggested that special State legislation could potentially facilitate the transfer of District services to the County. She suggested that a community letter-writing campaign could support such legislation and offered assistance with that effort. She also reiterated concerns regarding the Notice of Violation and the District's response.

Motion

No action was taken.

8.B. Review and Discussion of Potential Rate Increase

Suzy Watkins, presented the potential rate increase for Board discussion following direction provided at the August meeting.

Staff advised that each 10% increase in rate would generate approximately $145,000 in additional annual revenue.

The Board discussed the financial needs of the District, the recent rate increase, impacts on residents and businesses, the Notice of Violation, needed outfall repairs, the pipe bridge, and possible outside funding opportunities.

Chair Tiwana: expressed concern that another immediate increase would place an additional burden on residents, particularly those living on fixed incomes, and could negatively affect community support during the ongoing dissolution process.

Director Donahue: advocated for considering a modest rate increase to help address critical infrastructure needs and potentially position the District to obtain outside funding for projects such as the pipe bridge and outfall repairs.

Director Le: expressed the view that other funding sources should be explored before considering another rate increase because customers had recently experienced a significant increase.

Public Comment

Mary Margaret McGuire: acknowledged that a future rate increase may be inevitable but expressed opposition to implementing an additional increase at this time. She noted that residents had recently experienced a rate increase and that local businesses were facing economic challenges due to the ongoing fire, road closure, and reduced business activity. She stated that, under the current circumstances, another rate increase would place an additional burden on the community.

Henry Krzciuk: commented that the previous significant rate increase resulted, in part, from rates not being increased for approximately two years. The speaker expressed concern that delaying another adjustment could result in the need for a substantially larger increase in the future.

The speaker referenced County reports and stated that additional rate adjustments may be necessary to support the dissolution process. The speaker encouraged the Board to consider a modest increase, such as 8% to 10%, and to return to a practice of smaller, regular annual rate adjustments rather than deferring increases and later imposing larger increases on customers.

Julie Tacker: encouraged the Board to direct staff to develop potential rate scenarios for future consideration, citing the District's infrastructure needs, Notice of Violation, and financial sustainability.

Director Donahue: Recommended reconsidering a potential rate increase at the November meeting.

Chair Tiwana: clarified that the issue was not permanently foreclosed but that the majority of the Board was not prepared to move forward with an increase at the present time.

No formal action was taken.

9. Closed Session

The Board adjourned to Closed Session regarding:

Conference with Legal Counsel – Anticipated Litigation
Significant exposure to litigation pursuant to Government Code Section 54956.9(d) – One Case.

Members of the public participating remotely were removed from the meeting connection prior to commencement of Closed Session.

Report from Closed Session:

Nubia Goldstein: Directions have been provided to staff on the closed session item.

10. Board Comments

Director Donahue requested that the potential rate increase be brought back for discussion at the November 5 meeting. The Board member also requested that staff investigate potential funding opportunities through PG&E and explore whether the U.S. Army Corps of Engineers could assist with the removal of silt and driftwood beneath the pipe bridge. Staff was asked to return with additional information regarding available funding, requirements, and the steps necessary to pursue these options.

No additional Board action was taken.

11. ADJOURNMENT

The next meeting is scheduled for November 5th, 2026.