

MINUTES
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR BOARD MEETING
1350 MAIN STREET
CAMBRIA, CA 93428
Google Meet
Thursday, August 06, 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 **6:01 p.m.** by chair **Karina Tiwana**.

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 : expressed concern regarding the discontinuation of Lori Matter's video recording services without formal Board discussion or action. The speaker noted that recordings of the May and June meetings were not initially posted on the District website and were later obtained following a Public Records Act request. Concerns were also raised regarding the quality and accessibility of the current Google Meet format for remote participation. The speaker requested that the District formally agendaize the matter to discuss and establish a clear policy regarding the recording of Board meetings.

Michael Donahue : echoed Ms. Tacker's concerns, stating that the decision to discontinue Lori Matter's recording services should have been brought before the Board for consideration, regardless of whether he agreed with the decision. He thanked Mike for covering the cost of recording the meetings and expressed hope that the new Google Meet recording system would work effectively.

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

A. Sheriff's Report:

Commander Abass reported:

- 44 calls for service during July, down from 51 calls the previous month.
- 5 new deputy sheriffs graduated from the Allan Hancock Law Enforcement Academy and will begin field training, resulting in 2 new deputies in the area

No public comments followed the report.

6. DISTRICT STAFF & COMMITTEE REPORTS

A. STAFF REPORTS:

I. County of SLO CalWARN Report

Presenter: Suzy Watkins

Suzy Watkins, reported that routine District operations during June and July were minimally eventful, with water and wastewater services continuing as normal.

Significant staff efforts during the reporting period included providing information and documentation to the consultant for revisions to the dissolution analysis following comments received at the June Board meeting.

Ms. Watkins also reported that the prior-year audit had been substantially completed. A draft had been prepared; however, the auditor had submitted additional questions to staff before issuing the final report. The completed audit is anticipated to be presented to the Board at a future meeting.

During Board discussion, clarification was requested regarding the approximately \$160,000 budgeted for CalWARN support. Ms. Watkins explained that the amount represented a conservative estimate based on approximately ten months of support at an estimated maximum of \$16,000 per month, including potential assistance from other County Public Works staff. Actual expenditures have been lower than the budgeted amount.

ii. FRM Operations Report - June & July Activities

Brandon Jacka reported:

- No water or wastewater violations during June or July. During July, a vendor visited the District to provide a quote for clarifier rehabilitation work, and another vendor completed an inspection of the ocean outfall and provided an inspection report.
- On July 26, a blockage occurred in the gravity sewer line at the Cavalier Resort. FRM responded and hydrojetted the line to clear the blockage.
- The water system filters were shut down for the summer and will remain offline until next year.

The Board discussed differences between water pumped, water sold, wastewater flows, and historical meter readings. Mr. Jacka explained that some historical meter readings had been estimated because certain meters were not operational. He stated that all meters are currently functional except for one 5/8-inch meter on Avon that requires a street shutdown for replacement. FRM will continue working with District staff to review the available data and identify any billing or meter-reading anomalies.

No public comments were received.

iii. District Financial Summary – Summary of April Financials.

Presenter: Suzy Watkins

Discussion focused on June as the most recent available reporting period and the end of the fiscal year.

The June financial statements were identified as preliminary and unadjusted.

Staff reported that revenue from fees for services improved by approximately \$146,000 compared with the prior year. The improvement was attributed to the mid-year rate increase and improved hotel occupancy.

The District continued to cover its monthly operating costs, and financial performance showed improvement compared with both the prior year and projections made at the beginning of the fiscal year.

No public comments were received.

IV. District Counsel's Report - Summary of June & July Activities

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

PUBLIC COMMENT FOR THIS SECTION

No public comments were made.

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

Items presented for approval

- A.** Review and Approval of Minutes for the Meeting on June 10, 2026.
- B.** Review and Approval of May & June Disbursements Journal.
- C.** Review and Approval of Resolution Approving the Appropriation Limit for FY2026-27

Public Comment

No public comments were received.

Motion

Director Donahue makes a motion to approve consent calendar items.

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 (06:26 p.m.)

8.A. Receive and Discuss the NBS Analysis of San Simeon Community Services District

County Presentation

John Diodati, Director of Public Works, presented an update regarding the final draft of the NBS analysis.

Mr. Diodati explained that the revised report addresses comments received during the prior review and meets the needs of LAFCO and the County Administrative Office to allow the dissolution process to move forward.

Revisions to the report included:

- Clarification of the purpose and scope of the analysis;
- A rewritten Executive Summary;
- Clarification that the projects and associated costs identified in the report represent potential alternatives and that selection of a specific project or rate structure would be the responsibility of a successor agency;
- Streamlining and clarification of summary findings;
- Expanded discussion of potential successor agencies;
- Additional discussion regarding the analysis and costs associated with dissolution; and
- Additional discussion and exhibits regarding prior studies and reports, including the Alkil Engineering and Dudek studies.

Mr. Diodati stated that the report is ready to be finalized and presented to the San Luis Obispo County Board of Supervisors. The County continues to anticipate presentation of the matter to the Board of Supervisors in September, with the LAFCO dissolution process and related work expected to continue into 2027.

The Board discussed potential wastewater alternatives and the level of engineering analysis included in the NBS report. Mr. Diodati emphasized that selection and detailed analysis of a specific wastewater project would occur later under the successor agency and were beyond the scope of the current report.

The Board also discussed potential challenges associated with the next phase of dissolution. Mr. Diodati identified funding for the substantial amount of work required during the LAFCO process as a significant issue that may need to be addressed by the County Board of Supervisors.

Public Comment

Hank Krzciuk: commented that the revised report incorporated community comments and prior documents in a balanced manner. He stated that, in his opinion, the report now provides a professional and comprehensive representation of the District's current circumstances, future challenges, and alternatives and it is ready for consideration by the Board of Supervisors and LAFCO.

Julie Tacker commented regarding the expanded references to the Dudek study and prior community involvement in evaluating wastewater treatment alternatives. She also encouraged the Board members to consider attending the upcoming County Board of Supervisors meeting and advocating for continuation of the dissolution process.

Following public comment, the Board discussed the potential value of Board participation or advocacy when the matter is presented to the County Board of Supervisors.

Motion

No action was taken.

8.B. Review and Approval of a Resolution Adopting the SSCSD FY2026-2027 Budget.

Suzy Watkins, presented the proposed Fiscal Year 2026–2027 budget, which reflected the preliminary budget previously considered by the Board.

Explained that projected revenues from fees were based on currently available information and represented a realistic estimate given fluctuations in revenues from year to year and month to month.

Operating expenses were generally maintained at levels similar to the prior fiscal year. The budget for legal expenses was reduced based on lower legal costs experienced during the previous year.

CalWARN expenses were budgeted based on the County's estimated monthly cost; however, staff stated that actual expenses may be lower if the District is able to continue limiting the amount of County staff support required.

The proposed budget projected approximately \$83,000 in use of reserves. Staff stated that the goal would be to actively manage expenses throughout the fiscal year and reduce the use of reserves as much as possible, with the objective of achieving a net-zero or positive result.

The Board discussed anticipated capital needs, including approximately \$25,000 in repair work to maintain the integrity of the District's reservoir. Staff explained that the work had been identified in a Division of Drinking Water report and could potentially be funded from the budgeted capital repair allocation once sufficient funding was available.

The Board also discussed potential future infrastructure costs, the District's revenue needs, and the possibility of considering an additional water and wastewater rate increase.

Public Comment

Hank Krzciuk: commented regarding anticipated additional costs associated with the dissolution and LAFCO process, including surveys, legal descriptions, tax-transfer documentation, and other professional services. He encouraged the Board to consider an additional rate increase to provide funding for these and other anticipated District expenses.

Following Board and public discussion, staff clarified that any future rate increase would require a separate process and could not appropriately be included as current revenue in the adopted

budget before approval. Staff also noted that the District is statutorily required to adopt its budget no later than September 1.

Staff confirmed that rate alternatives could be updated using the model developed during the prior year and presented to the Board for discussion at the September meeting.

Motion

Michal Donahue makes a motion to adopt the Fiscal Year 2026–2027 budget as presented, with a rate increase discussion to be agendized for the September Board meeting.

Chair Tiwana 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.C. Review and Discussion of Board of Directors Meeting Schedule.

The Board discussed whether to modify its regular meeting schedule from monthly meetings to a less frequent schedule.

Board members discussed the administrative burden and public uncertainty created when monthly meetings are scheduled and subsequently canceled, as well as the ability to call special meetings when necessary.

Following discussion, the Board reached consensus on a proposed schedule that would:

- Hold the September 2026 regular meeting;
- Not hold a regular meeting in October;
- Hold a regular meeting in November;
- Not hold regular meetings in December 2026 and January 2027;
- Hold a regular meeting in February 2027; and
- Thereafter generally continue with meetings every other month.

Motion

Michal Donahue makes a motion to adopt proposed schedule

Director Le seconded the motion.

AYES: Chair Tiwana, Director Le, Director Donahue

NOES: 0
ABSTAIN: 0
ABSENT: 0

Motion to approve the proposed schedule carried unanimously (3-0).

Suzy Watkins confirmed that a resolution establishing the revised regular meeting schedule would be brought back to the Board for formal consideration.

8.D. Review and approval of Resolution amending the Conflict of Interest Code

Suzy Watkins explained that the District is periodically required by statute to review its Conflict of Interest Code.

The current review identified the position of Office Manager as a position no longer used by the District. The proposed amendment therefore removes that position from the applicable schedule.

Public Comment

There was no public comment.

Motion

Director Le makes a motion to approve the item 8.D.

Michael Donahue 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).

9. Closed Session (07:06 p.m.)

The closed session item was removed because District Counsel was not available.

10. Board Comments (07:07 p.m.)

During Board comments, Director Donahue requested confirmation that discussion of a potential rate increase would be included on the September agenda.

Suzy Watkins confirmed that the item would be carried forward for the September meeting.

No additional Board action was taken.

11. ADJOURNMENT

The next meeting is scheduled for September 3rd, 2026.