

MINUTES
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS SPECIAL BOARD MEETING
1350 MAIN STREET
CAMBRIA, CA 93428
Thursday, November 13, 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 6:00 p.m. by Chair Tiwana.

2. ROLL CALL

Present: Chairperson Karina Tiwana, Director Holly Le, Director Michael Donahue

Absent: None

Staff Present: Suzanne Watkins: Primary Lead SLO County/CalWARN
Ruth Montgomery - Clerk
Nubia Goldstein – District Legal Counsel - White Brenner LLP
Brandon Jacka, FRM operations

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

3. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was held at 6:00 p.m.

4. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA (6: 01p.m. – 6:03 p.m.)

- **Albert Barreto**, co-owner of a local business, spoke regarding staffing shortages due to the closure of Highway 1, which has significantly impacted his business's revenue.

No additional in-person or online comments were submitted.
Public comment was closed.

5. NON-DISTRICT REPORTS (6:03 p.m. – 6:04 p.m.)

Public comments at the conclusion of non-district reports are limited to three (3) minutes per person per item.

A. Sheriff's Report – stated a verbal report

Commander H. Abbas reported the call statistics for October 2025:

- 36 calls for service, down from 44 during the same period in the prior year
- 7 preventive patrol activities
- 5 enforcement stops
- 0 vandalism cases

The report was received, with no public comments.

6. DISTRICT STAFF & COMMITTEE REPORTS (6:04 p.m. - 6:12p.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. County of SLO CalWARN Report – Update on CalWARN Response

Ms. Watkins provided updates on County support activities:

- Priority tasks from the previous meeting continue, including meter replacements.
- The Cross-Connection Control Plan, a required filing, will be on next month's agenda.
- NBS is progressing on assessments and billing data review for inclusion in its report.
- Proposition 218 work has been the primary focus.
- District expenses are being reviewed, and billing accounts are being brought up to date.
- A new meter read for State Parks has been completed and will be invoiced.
- Due to declining cash balances and increased costs, an operating reserve transfer is required as anticipated in the adopted budget.
- Bank signature updates are nearly complete to enable this transfer.

ii. FRM Operations Report – Stated a Summary of October Activities.

Mr. Jacka reported:

- Response to a power outage on October 26; the generator functioned properly.
- 2025 Lead and Copper Rule Report was submitted; all required notices sent.
- Cross-Connection Control Plan extension granted through December 31.
- The water filtration system was turned on the morning of the meeting after calibration and testing.
- The District has six sets of spare filters; each set lasts at least one week.
- No violations were reported for water or wastewater operations.

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

Ms. Watkins reviewed the financial statements for the first quarter:

- Financials are tracking as expected.
- Staff are monitoring cash flow closely.
- A mid-year financial report will be brought forward, with budget adjustment recommendations and options to reduce expenses.
- Staff are reviewing expenditures to determine necessary vs. optional costs.

iv. District Counsel's Report – Summary of October Activities.

Counsel Goldstein reported:

- No updates for October.
- Although a placeholder existed, **no closed session items** required discussion.

PUBLIC COMMENT FOR THIS SECTION

- no comments were received in person or online.

7. CONSENT AGENDA ITEMS (6:12 p.m. – 6:14 p.m.)

A. Review and Approval of minutes for the Meeting on October 9, 2025.

Item Removed from Consent

Item B – Proposition 218: Introduction of Ordinance Amending Water and Wastewater Service Rates; Set Public Hearing; Adopt Protest Procedure Resolution

Chair Tiwana (presiding) requested that this item be removed from Consent for complete discussion. There were no objections.

Motion: Approve remaining consent calendar items.

Vote:

- Chair Tiwana – Yes
- Director Lee – Yes
- Director Donhue – Yes

Motion Passed: 3–0

8. BUSINESS ACTION ITEMS (6:14 p.m. - 6:33 p.m.):

A. DISCUSSION PROP 218: INTRODUCTION OF ORDINANCE AMENDING WATER AND WASTEWATER SERVICE RATES; SET A PUBLIC HEARING TO ADOPT THE ORDINANCE; AND SUBMITTAL OF A RESOLUTION ESTABLISHING A PROCEDURE FOR OBJECTIONS TO PROPOSED WATER AND WASTEWATER SERVICE FEES. HEARING DATE SET FOR JANUARY 7, 2026

Ms. Watkins explained:

- The proposal is an **interim rate analysis** designed to generate near-term cash flow while the district proceeds through the dissolution study.
- Rates have **not increased since 2022**, and prior recommended increases were not implemented.
- The adopted budget identifies the need for:
 - **\$463,000+** in additional **wastewater revenue**, and
 - **\$170,000+** in additional **water revenue** (00:36:11).
- The analysis complies with **Proposition 218**, maintaining cost-of-service and proportionality requirements.
- Proposed increases:
 - **36% for Wastewater**
 - **32% for Water**
 - Based on a **20/80 fixed–variable split** (00:41:01)

- Estimated monthly bill impacts range from **19% (restaurants)** to **45% (average residential customer)**.

Ms. Watkins noted that, although difficult for customers, the increases are **necessary to sustain essential water and wastewater operations**.

PUBLIC COMMENT

- Concerns regarding the financial impact of a 45% residential rate increase, especially on low-income and fixed-income residents (00:49:06).
- A comment that approximately 100 individuals are on a waiting list for water connections, suggesting that allowing development could increase revenue (00:50:36).
- The Board discussed the operational and financial necessity of moving forward with Prop 218 process.

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Motion: To direct staff to initiate the Proposition 218 process for proposed water and wastewater rate increases, including mailing notices, publishing requirements, and setting the public hearing for **January 7, 2026**. “Accept this 7b as discussed.”

Roll-Call Vote:

AYES: Tiwana, Le, Donahue

NOES:

ABSTAIN:

ABSENT:

Motion Passed: 3–0

9. CLOSED SESSION (6:33 p.m. – 6:34 p.m.)

District Counsel Nubia Goldstein reported no updates; therefore, the scheduled closed session was not held.

10. BOARD COMMENTS (6:34 p.m.- 6:34 p.m.)

None

11. ADJOURNMENT (6:34 p.m.)