August 6, 2026

BUSINESS ACTION ITEM STAFF REPORT

ITEM 8.B. Review and Approval of a Resolution Adopting the SSCSD Budget for Fiscal Year 2026-2027

Recommendation:

1. Adopt a Resolution adopting the 2026-2027 San Simeon Community Services District budget

Discussion:

On May 14, 2026, the Board adopted a preliminary budget and directed publication of a notice as required by Government Code section 61110. During the hearing to adopt the final budget, any person may appear and be heard regarding any item in the budget or regarding the addition of other items.

The preliminary budget (Attachment 2) includes a revenue shortfall of $83,046, resulting in a corresponding use of reserves.

Due to limited availability of revenue and reserves, the preliminary budget does not recommend any capital or deferred maintenance projects. There is a budget item for required maintenance of water and wastewater systems to maintain these services.

Staff requests the board discuss the item and approve the recommended action. Following budget adoption, a copy of the final budget will be forwarded to the San Luis Obispo County Auditor as required by Government Code section 61110.

Attachments:

1. Resolution
2. FY2026-2027 Preliminary Budget adopted by the Board on May 14, 2026

<u>RESOLUTION NO. 26-XXX</u>

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT ADOPTING THE FISCAL YEAR 2026-2027 BUDGET

WHEREAS, the San Simeon Community Services District ("District") Policies and Procedures require the Board of Directors ("Board") to adopt budgets on an annual basis; and

WHEREAS, Government Code section 61110 requires the District Board to adopt a final fiscal budget that conforms to generally accepted accounting and budgeting procedures for special districts; and

WHEREAS, Government Code section 61110 also requires the District Board to publish notice at least two weeks before the hearing to adopt the final budget in at least one newspaper of general circulation in the District; and

WHEREAS, Government Code section 61110 further requires the general manager to forward a copy of the final budget to the auditor of each county in which the District is located; and

WHEREAS, the proposed final fiscal budget conforms to generally accepted accounting and budgeting procedures for special districts; and

WHEREAS, on July 17, 2026, the District Board published notice of the hearing scheduled for August 6, 2026, to adopt the final fiscal budget in The Tribune, a newspaper of general circulation in San Luis Obispo County; and

WHEREAS, the District held a noticed, public meeting on August 6, 2026, to receive public comment on the proposed final fiscal budget.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Directors of the **SAN SIMEON COMMUNITY SERVICES DISTRICT** as follows:

1. The attached proposed 2026-2027 Fiscal Budget is hereby adopted.

2. The Board directs District staff to forward a copy of the 2026-2027 Fiscal Budget to the San Luis Obispo County Auditor.

ADOPTED by the Board of Directors of the **SAN SIMEON COMMUNITY SERVICES DISTRICT** on August 6, 2026, by the following roll call votes:

AYES:
NOES:
ABSENT:
ABSTAINED:

____
Chairperson, Board of Directors of the San Simeon Community Services District

ATTEST:

____
San Simeon Community Services District

APPROVED AS TO FORM:

____
District Legal Counsel, Nubia I. Goldstein

San Simeon Community Services District
Preliminary Budget
Fiscal Year 2026-2027

	Fund Accounts	Wastewater Fund	Water Fund	Roads, Lighting, Weed Abatement	Total Preliminary Budget	FY25-26 Adj	Variance
Allocations		**65%**	**30%**	**5%**	**100%**	**100%**	
4000	**Operating Revenues**						
4005	Utility fees-waste Anticipated revenue- wastewater	$ 665,900	$0	$0	$ 665,900	$ 575,914	$ 89,986
4010	Utility fees-water Anticipated revenue- water	$0	$587,400	$0	$ 587,400	$ 524,862	$ 62,538
4012	Meter/Service fees Anticipated revenue- other	$0	$132,500	$0	$ 132,500	$ 127,491	$ 5,009
4050	State Parks-wastewater	$67,100	$0	$0	$ 67,100	$ 60,500	$ 6,600
	Total Operating Revenue	$733,000	$719,900	$0	$1,452,900	$1,288,767	$164,133
	Property Taxes						
4100	Prop Tax Income	$0	$0	$121,400.00	$ 121,400	$ 119,029	$ 2,371
	Total Property Taxes	$0	$0	$121,400.00	$121,400	$119,029	$2,371
	Other Income						
8010	Interest Income - CLASS	$26,000	$12,000	$2,000	$40,000	$ 50,000	$ (10,000)
8020	Interest- money market	$20	$9	$2	$30	$ 28	$ 2
8044	Grant Funds	$0	$0	$0	$0	$ -	$ -
4013	Late fees & adjustments	$0	$0	$0	$0	$2,332	($2,332)
	Total other Income	$26,020	$12,009	$2,002	$40,030	$52,360	($12,330)
	Total Income	**$759,020**	**$731,909**	**$123,402**	**$1,614,330**	**$1,460,156**	**$154,174**
	Expense						
6000	Accounting	$12,903	$5,955	$993	$ 19,850	$ 19,850	$ -
6020	Bank Fees	$1,098	$507	$84	$ 1,689	$ 1,689	$ -
6025	Bookkeeping	$29,368	$13,554	$2,259	$ 45,181	$ 45,181	$ -
6030	Director Fees	$2,340	$1,080	$180	$ 3,600	$ 3,600	$ -
6031	Payroll Expense	$179	$83	$14	$ 275	$ 275	$ -
6035	Dues and Subscriptions	$3,276	$1,512	$252	$ 5,040	$ 5,040	$ -
6045	Electrical Power	$59,632	$25,557	$0	$125,000	$ 125,000	$ -
6050	Election Expenses	$263	$122	$20	$ 405	$ 405	$ -
6055	Road Maintenance	$0	$0	$0	$0	$ 15,000	$ (15,000)
6060	RipRap Engineering	$0	$0	$0	$0	$ -	$ -
6065	Equipment Rental	$0	$0	$0	$0	$ -	$ -
6075	Insurance-PERS Health	$0	$0	$0	$0	$ -	$ -
6076	Pension Plan - PERS Retirement	$11,478	$5,297	$883	$17,658	$ 17,658	$ -
6080	Insurance - Liability	$8,427	$3,890	$648	$12,965	$ 12,965	$ -
6095	LAFCO Costs Apportionment	$2,265	$1,045	$174	$3,484	$ 3,484	$ -
6100	Legal Fees	$54,600	$25,200	$4,200	$84,000	$ 108,515	$ (24,515)
6105	Licenses and permits	$11,493	$5,305	$884	$17,682	$ 17,682	$ -
6110	Memberships and seminars	$0	$0	$0	$0	$ -	$ -
6115	Miscellaneous expenses	$0	$0	$0	$0	$ 2,330	$ (2,330)
6120	Office Expenses	$29,246	$13,498	$2,250	$ 44,994	$ 66,994	$ (22,000)
6125	O & M operations	$467,147	$251,540	$0	$ 718,687	$ 718,687	$ -
6130	Operating Repairs & Supplies	$0	$0	$0	$0	$ -	$ -
6135	Weed Abatement	$0	$0	$6,000	$6,000	$ 6,252	$ (252)
6145	Professional Fees	$26,000	$12,000	$2,000	$40,000	$ 34,000	$ 6,000
6191	Emergency Water Standby	$0	$15,202	$0	$15,202	$ 15,202	$ -
6192	Excess Repairs	$65,000	$30,000	$5,000	$100,000	$ 100,000	$ -

San Simeon Community Services District
Preliminary Budget
Fiscal Year 2026-2027

	Fund Accounts	Wastewater Fund	Water Fund	Roads, Lighting, Weed Abatement	Total Preliminary Budget	FY25-26 Adj	Variance
6195	Website Support	$4,290	$1,980	$330	$6,600	$ 6,600	$ -
6200	Violations					$ 3,000	$ (3,000)
		$789,003	$413,327	$26,171	$1,268,312	$1,329,409	($61,097)
	Other Expenses						
9010	Depreciation Expense	$56,793	$26,212	$4,369	$ 87,374	$ 87,374	$ -
9030	Capital Projects/Improvements	$0	$0	$0	$0	$ -	$ -
9020a	Water Well Loan Interest	$0	$10,525	$0	$10,525	$ 11,025	$ (500)
9020b	Water Well Loan Repayment	$0	$10,165	$0	$10,165	$ 9,665	$ 500
	Capital Project - Pipe Bridge Painting	$0	$0	$0	$0	$ 10,000	$ (10,000)
	Capital Proj- Outfall Line Repair	$0	$0	$0	$0	$ -	$ -
	Reorg Study	$74,100	$34,200	$5,700	$114,000	$ 121,000	$ (7,000)
	Reorg County & LAFCO Labor	$9,750	$4,500	$750	$15,000	$ 20,000	$ (5,000)
	County CalWARN Response	$124,800	$57,600	$9,600	$192,000	$ 160,000	$ 32,000
	Total Other Expenses	265,443	$143,202	$20,419	$429,064	$419,064	$ 10,000
	Total Expense	**$1,054,446**	**$556,529**	**$46,590**	**$1,697,376**	**$1,748,473**	**($51,097)**
	Net Operating Income(Loss)	**($295,427)**	**$175,380**	**$76,812**	**($83,046)**	**($288,317)**	**$205,271**
	Use of Reserves				**$83,046**		