

**Board of Directors  
San Simeon Community Services District**



**REGULAR BOARD MEETING PACKET  
February 06, 2024**

**SAN SIMEON COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS  
SPECIAL BOARD MEETING AGENDA  
Wednesday, February 12, 2024  
1350 MAIN STREET  
(Coast Unified Board Room)  
CAMBRIA, CA 93428  
6:00 p.m.  
SSCSD Zoom Meeting**

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**SSCSD Zoom Meeting**

<https://zoom.us/j95709592475pwd=JbqHQHdLGLLt3dGmaAm2dIkm78RcUB.1>

Meeting ID: 957 0959 2475

Passcode: 650347

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**Public Comment:** The Board of Directors welcomes and encourages participation in Board meetings. Public comment will be allowed for each individual agenda item. Members of the public wishing to speak may do so when recognized by the Chairperson. **Public Comment is limited to three (3) minutes** or less per person for each agenda item, with additional time at the discretion of the Chair. Public comments should be directed to the Board as a whole and not directed to individual Board members or District staff.

**Notice regarding Americans with Disabilities Act:**



In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting or if you need the agenda or the documents in the agenda packet provided in an alternative format, please contact District staff at (805) 927-4778 at least 48 hours prior to the meeting to ensure that reasonable arrangements can be made (28CFR 35.102-35.104 ADA TITLE II).

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**1. CALL TO ORDER**

## **2. ROLL CALL**

## **3. PLEDGE OF ALLEGIANCE**

## **4. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA:**

Any member of the public may address the Board relating to any matter pertaining to District business and within the Board's authority to take action, provided the matter is not on the Board's agenda. **Comments are limited to three (3) minutes** or less with additional time at the discretion of the Chairperson. The public wishing to address the Board on items that do not appear on the agenda may do so; however, the Board will take no action other than referring the item to staff for study and analysis and may place the item on a future agenda.

## **5. NON-DISTRICT REPORTS:**

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

### **A. Sheriff's Report - Stated Verbal Report**

## **6. DISTRICT STAFF & COMMITTEE REPORTS:**

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** – Summary of December and January Activities.
- ii. Interim General Manager's Report** – Summary of December and January Activities
- iii. District Financial Summary** – Summary of November, December and January Financials.
- iv. District Counsel's Report** – Summary of December and January Activities.
- v. Reorganization Committee Report-** Summary of November, December, and January Activities

## **7. CONSENT CALENDAR ITEMS:**

All items are approved by a single action. Any item may be removed from the Consent Calendar for separate discussion upon request from a member of the public, District staff or a Director. Public comment on the Consent Calendar will take place prior to the Board's vote on the Consent Calendar items. Unless an item is pulled for separate consideration by the Board, the following items are recommended for approval without further discussion.

### **A. REVIEW AND APPROVAL OF MINUTES FOR THE MEETING ON DECEMBER 5, 2024**

**B. REVIEW AND APPROVAL OF DECEMBER 2024 AND JANUARY 2025  
DISBURSEMENTS JOURNAL**

**8. BUSINESS ACTION ITEMS**

Public comments at the conclusion of each business action item are limited to three (3) minutes per person per item.

- A. Review and Approval of the SSCSD FY 2023-2024 Audit Report.**
- B. Presentation and Discussion regarding the Proposed Prop 218 Rate Increase of 12%**
- C. Review and Discussion of San Luis Obispo County RFP for Reorganization Consultant**
- D. Discussion and Approval of the Replacement of the Broken Water Meters**

**9. CLOSED SESSION:**

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):

- A. PUBLIC EMPLOYMENT (Gov. Code, § 54957)**  
**Title:** Interim General Manager

**B. REPORT UPON CONCLUSION OF CLOSED SESSION**

Once a closed session has been completed, the legislative body must convene in open session. (§ 54957.7(b).) If the legislative body took final action in the closed session, the body may be required to make a report of the action taken and the vote thereon to the public at the open session. (§ 54957.1(a).) The report may be made either orally or in writing. (§ 54957.1(b).) In the case of a contract or settlement of a lawsuit, copies of the document also must be disclosed as soon as possible. (§ 54957.1(b) and (c).)

**C. RECONVENE AND REPORT OUT OF CLOSED SESSION**

**D. BOARD COMMENTS:**

This section is intended as an opportunity for Board members to make brief announcements, request information from staff, request future agenda item(s) and/or report on their own activities related to District business. No action is to be taken until an item is placed on a future agenda.

**10. ADJOURNMENT TO THE NEXT REGULAR MEETING TO BE HELD ON MARCH  
06, 2025.**

**MINUTES**  
**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**BOARD OF DIRECTORS REGULAR BOARD MEETING**  
**1350 MAIN STREET**  
**CAMBRIA, CA 93428**  
**Thursday, December 5, 2024**  
**6:00 p.m.**

**1. CALL TO ORDER**

The Special Meeting of the San Simeon Community Service District Council was called to order at 6:04 p.m. by Chair Le.

**2. ROLL CALL**

Present: Chair Holly Le, Director Jacqueline Diamond, Director Karina Tiwana, Director 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 6:05 p.m.

**4. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA**

- None

**5. NON-DISTRICT REPORTS (6:06 p.m. – 6:08 p.m.):**

**A. Sheriff's Report** – Stated a report summary from the month of November  
PUBLIC COMMENT FOR THIS ITEM

- None

**6. DISTRICT STAFF & COMMITTEE REPORTS (6:08 p.m. – 6:26 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:**

**vi. FRM Operations Report** – Stated a Summary of November Activities.

Director Donahue inquired if the representative from FRM could provide the Board with a status report on meter replacements.

The FRM representative stated they have been in discussions with the interim general manager regarding which meters need to be replaced and are awaiting a response from the meter vendor to finalize the number of meters to be replaced.

Director Donahue requested clarification regarding the replacement of commercial and residential meters.

Interim General Manager explained that the priority for replacement is commercial meter readers. The finalized cost will be determined to replace the high-priority meters.

San Simeon resident raised a question about the age of the meter at the cost drivers' property and expressed concern that the age of the meter is not known.

Interim General Manager clarified that the issue is being triaged, with the replacement of high-priority meters focused on commercial properties, where approximately a dozen meters are currently non-functional.

**vii. Interim General Manager's Report** – Stated a Summary of November Activities

Director Tiwana expressed concern about a fallen streetlight and asked if it could be moved or secured until it is repaired.

Director Donahue inquired if one of the streetlights currently out is located near the Pico stairway.

Interim General Manager stated that he was not aware of the additional outage near the Pico stairway but would make a note of it.

Director Tiwana noted that although PG&E has capped off electricity access to the fallen streetlight, it still poses a hazard. She further expressed concern that the orange cone placed atop the streetlight as a cautionary measure is insufficient to adequately signal the hazard.

Director Diamond asked when the last report of the light outage was submitted to PG&E and inquired about the estimated turnaround time for repairs.

Interim General Manager stated that the notice regarding the lamppost outages was reported to PG&E last week. He did not have an estimated turnaround time

but assured the Board that he would prioritize contacting PG&E to expedite repairs.

PUBLIC COMMENT

- San Simeon Citizen expressed concern about poor sidewalk conditions and lack of lighting near Castillo, noting potential liability if someone were to slip and fall. The citizen urged prioritizing the repair of the streetlights.

**viii. District Financial Summary** – Stated a Summary of November Financials.

Interim General Manager noted that the financial summaries are attached to the agenda packet and extended appreciation to Director Donahue for advocating for the CLASS account for the district.

Director Diamond pointed out that the cash disbursements journal is missing from the agenda packet.

PUBLIC COMMENT

- Hank Kruzick commented in response to the general manager's report, stating his belief that the Castillo lighting is county-owned and should therefore be the county's responsibility.

Interim General Manager stated that the responsibility for the upkeep of the Castillo lighting falls on the district.

- ix. District Counsel's Report** – Stated a Summary of November Activities.
- x. Reorganization Committee Report-** Stated a Summary of November's Activities

Interim General Manager stated that the meeting could be changed to accommodate for the County's Reorganization Board Meeting

PUBLIC COMMENT FOR THIS ITEM

- None

**7. CONSENT AGENDA ITEMS (6:26 p.m. – 6:29 p.m.)**



Director Diamond motioned to pull Item B from the agenda due to the lack of supporting documentation and move it to the next scheduled meeting. The motion also included approving Items A, C, and D. Director Le seconded the motion.

Vote was taken as follows:

AYES: Le, Diamond, Tiwana, Donahue

NOES:

ABSTAIN:

ABSENT:

PUBLIC COMMENT FOR THIS ITEM

- Steve Orellana commented a question if the disbursement journals will be approved even if it's not on the packet

**A. Review and Approval of Minutes for the Meeting on November 07, 2024**

PUBLIC COMMENT FOR THIS ITEM

- None

Director Diamond pulled the item for discussion and correction. The minutes to be corrected for item 7A. iii- the District Financial Summary to reflect correct the Interim General Managers response to state that Adam Geis is the CPA from Moss, Levy & Hartzheim LLP that the district used for the 2022-2023 and 2023-2024 FY audit.

Director Diamond made a motion to correct the Minutes from October 3, 2024, with the stated corrections to reflect the accounting firm and approve the Minutes for the October 03, 2024, Meeting. Director Donahue seconded the motion.

Vote was taken as follows:

AYES: Le, Diamond, Tiwana, Donahue

NOES:

ABSTAIN:

ABSENT:

**B. Review and approval of November Disbursements Journal**

**C. REVIEW AND APPROVAL OF THE JULY - OCTOBER P/L**

## D. REVIEW AND APPROVAL OF THE OCTOBER BALANCE SHEET

### PUBLIC COMMENT FOR THIS ITEM

- None

## **8. BUSINESS ACTION ITEMS (6:29 p.m. - 6:40 p.m.):**

### **A. Discussion of the Interim General Manager's Administrative Reset Proposal**

Director Tiwana asked District Counsel to elaborate on how items intended for closed session should be properly handled.

Chair Le clarified that at a previous meeting, she had suggested, and the board had voted to pull the item from the consent calendar, requesting it be placed in closed session for this meeting. However, she was led to believe that an item must be listed as a business action item in order for the meeting to proceed with that item.

District Counsel explained that at the last meeting, the Chair had pulled the item for discussion at the next meeting for closed session. Staff will ensure this process is followed at the next meeting. However, for tonight, there are two options: 1) Hear the staff report prepared by the Interim General Manager, with Counsel's recommendation to continue the discussion and take no action tonight, or 2) The board can choose to continue the item entirely.

Chair Le stated that she would like the Interim General Manager to present his staff report today and for the discussion to continue in closed session.

Interim General Manager read his prepared staff report.

### PUBLIC COMMENT FOR THIS ITEM

- Steve Orellana expressed concern with the Interim General Manager's proposal, citing several inconsistencies. He pointed out the inclusion of Kathy East in the proposal, despite the district paying her directly. He also questioned the request for \$15,000 per month, which totals \$180,000 annually—more than what Cambria pays their General Manager. Additionally, he raised concerns about the proposed insurance and call allowance, emphasizing that it is concerning to see such a request when no visible projects have been completed.

**9. BOARD COMMENTS:**

- None

**10. CONSIDERATION FOR SCHEDULING THE NEXT REGULAR MEETING ON JANUARY 02, 2025.**

Chair Le suggested that a motion be made to skip the first meeting of the year, scheduled for January 2, 2025, due to it being customary to do so because of the holidays.

Director Tiwana agreed, stating that this is a customary practice.

Director Diamond expressed concern about the large gap in time until the following meeting.

Director Diamond made a motion to keep the January 2, 2025, meeting. Director Donahue seconded the motion.

Vote was taken as follows:

AYES: Diamond, Donahue

NOES: Le, Tiwana

ABSTAIN:

ABSENT:

Director Tiwana made a motion to schedule the next regular board meeting for February 6, 2025. Chair Le seconded the motion.

Director Diamond inquired whether it would be possible to hold a special meeting after the County's meeting.

Director Tiwana asked the Interim General Manager if the Board Room would be available at that time.

Interim General Manager stated that he did not know.

Vote was taken as follows:

AYES: Le, Diamond, Tiwana, Donahue

NOES:  
ABSTAIN:  
ABSENT:

**10. ADJOURNMENT (6:41 p.m.):**

The Regular Meeting of the San Simeon Community Service District adjourned at 6:41 p.m.

# SAN SIMEON COMMUNITY SERVICES DISTRICT

## Balance Sheet As of January 31, 2025

	TOTAL			
	AS OF JAN 31, 2025	AS OF JAN 31, 2024 (PY)	CHANGE	% CHANGE
<b>ASSETS</b>				
Current Assets				
Bank Accounts				
1010 Petty cash	150.00	150.00	0.00	0.00 %
1015 Pac Prem Ckg-6603	21,403.91	100,438.24	-79,034.33	-78.69 %
1017 Money Market PPBI	-1,462,225.00	-127,744.79	-1,334,480.21	-1,044.65 %
1017a Pac Prem - Mon Mkt Unrestricted	-20,496.82	-20,496.82	0.00	0.00 %
1017b USDA short lived asset fund	5,000.00	5,000.00	0.00	0.00 %
1017c USDA Reserve for Annual Pymt	20,690.00	20,690.00	0.00	0.00 %
1017d Operating Reserves	340,000.00	340,000.00	0.00	0.00 %
1017e Reserves-Capital Rehab & Replac	448,076.82	448,076.82	0.00	0.00 %
1017f Capacity Fees Held	678,999.00	678,999.00	0.00	0.00 %
1017g Wait List deposits held	93,538.60	93,538.60	0.00	0.00 %
1017h Cust sec dep held (06/30/22)	8,450.00	8,450.00	0.00	0.00 %
<b>Total 1017 Money Market PPBI</b>	<b>112,032.60</b>	<b>1,446,512.81</b>	<b>-1,334,480.21</b>	<b>-92.25 %</b>
1018 California Class I	337,355.31		337,355.31	
1019 California Class II	712,610.41		712,610.41	
1040 Cash in county treasury	0.00	0.00	0.00	
1050 LAIF - non-restricted cash	571.81	571.81	0.00	0.00 %
<b>Total Bank Accounts</b>	<b>\$1,184,124.04</b>	<b>\$1,547,672.86</b>	<b>\$ -363,548.82</b>	<b>-23.49 %</b>
Accounts Receivable				
1201 - Accounts recvbl-other	19,395.20	0.00	19,395.20	
<b>Total Accounts Receivable</b>	<b>\$19,395.20</b>	<b>\$0.00</b>	<b>\$19,395.20</b>	<b>0.00%</b>
Other Current Assets				
1014 *Deposits in Transit	0.00	0.00	0.00	
1200 Accounts receivable default	73,660.34	77,509.53	-3,849.19	-4.97 %
1202 Accounts receivable - other	0.00	0.00	0.00	
1210 Undeposited funds	0.00	0.00	0.00	
1220 A/R - Hearst Castle	0.00	0.00	0.00	
1230 Interest receivable	0.00	0.00	0.00	
1300 Prepaid insurance expense	5,468.17	5,728.13	-259.96	-4.54 %
<b>Total Other Current Assets</b>	<b>\$79,128.51</b>	<b>\$83,237.66</b>	<b>\$ -4,109.15</b>	<b>-4.94 %</b>
<b>Total Current Assets</b>	<b>\$1,282,647.75</b>	<b>\$1,630,910.52</b>	<b>\$ -348,262.77</b>	<b>-21.35 %</b>
Fixed Assets				
1400 Fixed assets				
1420 Building and structures	279,580.67	279,580.67	0.00	0.00 %
1480 Earthquake 2003	0.00	0.00	0.00	
1500 Equipment	0.45	0.45	0.00	0.00 %
1500a Equip-PA System	7,591.16	7,591.16	0.00	0.00 %
1500b Equip-Muffin Monster	5,098.32	5,098.32	0.00	0.00 %

# SAN SIMEON COMMUNITY SERVICES DISTRICT

## Balance Sheet

As of January 31, 2025

	TOTAL			
	AS OF JAN 31, 2025	AS OF JAN 31, 2024 (PY)	CHANGE	% CHANGE
<b>Total 1500 Equipment</b>	<b>12,689.93</b>	<b>12,689.93</b>	<b>0.00</b>	<b>0.00 %</b>
1540 Major Water Projects	0.00	0.00	0.00	
1560 Pipe bridge	29,497.00	29,497.00	0.00	0.00 %
1580 Sewer plant	869,352.16	869,352.16	0.00	0.00 %
1590 Sewer plant equipment	12,468.83	12,468.83	0.00	0.00 %
1600 Water system	235,615.43	235,615.43	0.00	0.00 %
1620 WWTP expansion	299,565.92	299,565.92	0.00	0.00 %
1630 Tertiary Project	568,063.00	568,063.00	0.00	0.00 %
1640 Wellhead Rehab Project	448,253.95	448,253.95	0.00	0.00 %
1650 Walkway access projects	26,791.00	26,791.00	0.00	0.00 %
1660 RO Unit	950,521.38	950,521.38	0.00	0.00 %
1680 Generator	18,291.00	18,291.00	0.00	0.00 %
<b>Total 1400 Fixed assets</b>	<b>3,750,690.27</b>	<b>3,750,690.27</b>	<b>0.00</b>	<b>0.00 %</b>
1450 Construction in Progress				
1670 Reservoir / Water Tanks	287,693.56	287,693.56	0.00	0.00 %
<b>Total 1450 Construction in Progress</b>	<b>287,693.56</b>	<b>287,693.56</b>	<b>0.00</b>	<b>0.00 %</b>
1690 Accumulated depreciation	-1,855,488.28	-1,768,113.40	-87,374.88	-4.94 %
<b>Total Fixed Assets</b>	<b>\$2,182,895.55</b>	<b>\$2,270,270.43</b>	<b>\$ -87,374.88</b>	<b>-3.85 %</b>
Other Assets				
1830 Contingent liability reserve	0.00	0.00	0.00	
<b>Total Other Assets</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0.00 %</b>
<b>TOTAL ASSETS</b>	<b>\$3,465,543.30</b>	<b>\$3,901,180.95</b>	<b>\$ -435,637.65</b>	<b>-11.17 %</b>
<b>LIABILITIES AND EQUITY</b>				
Liabilities				
Current Liabilities				
Accounts Payable				
2000 Accounts payable	800.00	204,999.35	-204,199.35	-99.61 %
<b>Total Accounts Payable</b>	<b>\$800.00</b>	<b>\$204,999.35</b>	<b>\$ -204,199.35</b>	<b>-99.61 %</b>
Other Current Liabilities				
2020 Other accrued liabilities	0.00	0.00	0.00	
2100 Payroll liabilities	-29.45	142.70	-172.15	-120.64 %
2500 Customer security deposits	8,050.00	8,050.00	0.00	0.00 %
2510 Connect hookup wait list	93,538.60	93,538.60	0.00	0.00 %
2515 Unearned Revenue- Capacity Fees	678,999.00	678,999.00	0.00	0.00 %
<b>Total Other Current Liabilities</b>	<b>\$780,558.15</b>	<b>\$780,730.30</b>	<b>\$ -172.15</b>	<b>-0.02 %</b>
<b>Total Current Liabilities</b>	<b>\$781,358.15</b>	<b>\$985,729.65</b>	<b>\$ -204,371.50</b>	<b>-20.73 %</b>

# SAN SIMEON COMMUNITY SERVICES DISTRICT

## Balance Sheet As of January 31, 2025

	TOTAL			
	AS OF JAN 31, 2025	AS OF JAN 31, 2024 (PY)	CHANGE	% CHANGE
<b>Long-Term Liabilities</b>				
2520 USDA Loan Principal Bal	416,499.72	416,499.72	0.00	0.00 %
<b>Total Long-Term Liabilities</b>	<b>\$416,499.72</b>	<b>\$416,499.72</b>	<b>\$0.00</b>	<b>0.00 %</b>
<b>Total Liabilities</b>	<b>\$1,197,857.87</b>	<b>\$1,402,229.37</b>	<b>\$ -204,371.50</b>	<b>-14.57 %</b>
<b>Equity</b>				
3200 Fund balance (= PY Net Inc)	-698,212.60	-284,242.03	-413,970.57	-145.64 %
3201 Net Investment in Capital Asset	1,980,565.00	1,980,565.00	0.00	0.00 %
<b>3204 BOD Assigned-Rehab &amp; Replace</b>				
3204G Board Assigned for General CIP	50,051.03	50,051.03	0.00	0.00 %
3204S Board Assigned for WW CIP	199,047.69	199,047.69	0.00	0.00 %
3204W Board Assigned for Water CIP	198,978.10	198,978.10	0.00	0.00 %
<b>Total 3204 BOD Assigned-Rehab &amp; Replace</b>	<b>448,076.82</b>	<b>448,076.82</b>	<b>0.00</b>	<b>0.00 %</b>
<b>3207 BOD Assigned for Oper Reserves</b>				
3207G Op Reserves -Gen Fd	40,000.00	40,000.00	0.00	0.00 %
3207S Op Reserves - Sewer Fd	150,000.00	150,000.00	0.00	0.00 %
3207W Op Reserves - Water Fd	150,000.00	150,000.00	0.00	0.00 %
<b>Total 3207 BOD Assigned for Oper Reserves</b>	<b>340,000.00</b>	<b>340,000.00</b>	<b>0.00</b>	<b>0.00 %</b>
3210 Moved to acct 3220- U-U Equity	0.00	0.00	0.00	
3211 Restricted-USDA Annual Loan Pmt	20,690.00	20,690.00	0.00	0.00 %
3212 Restricted-USDA Short Liv Ass	5,000.00	5,000.00	0.00	0.00 %
3220 Unrestricted-Undesignatd Equity	271,846.27	271,846.27	0.00	0.00 %
3900 Suspense	15,441.51	-20,659.55	36,101.06	174.74 %
Net Income	-115,721.57	-262,324.93	146,603.36	55.89 %
<b>Total Equity</b>	<b>\$2,267,685.43</b>	<b>\$2,498,951.58</b>	<b>\$ -231,266.15</b>	<b>-9.25 %</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$3,465,543.30</b>	<b>\$3,901,180.95</b>	<b>\$ -435,637.65</b>	<b>-11.17 %</b>

# SAN SIMEON COMMUNITY SERVICES DISTRICT

## Profit and Loss July 2024 - January 2025

	TOTAL	
	JUL 2024 - JAN 2025	JUL 2023 - JAN 2024 (PY)
<b>Income</b>		
4000 Services		
4005 Services - waste	262,475.91	290,646.87
4010 Services - water	239,220.03	259,862.62
4012 Services - base service fee	52,490.88	60,865.87
4013 Late fees and adjustments	-1,951.69	24,202.07
4050 State of CA - H Castle WW Trmt	58,398.91	
<b>Total 4000 Services</b>	<b>610,634.04</b>	<b>635,577.43</b>
4100 Property tax income		
4110 Prop tax current secured	65,326.99	61,059.57
4120 Prop tax current supp secured	1,616.38	308.58
4130 Prop tax current unsecured	3,799.37	146.95
4140 Prop tax current supp unsec	91.90	1.30
4150 Prop tax prior secured	-150.20	-88.99
4160 Prop tax prior supp secured	-7.89	
4170 Prop tax prior unsecured	28.73	16.92
4180 Prop tax prior supp unsecured	4.41	3.97
4190 Prop tax penalties and interest	54.03	5.60
4220 Homeowners prop tax relief	263.31	268.10
4295 Prop tax - unitary	597.66	675.97
4299 Prop tax - other	751.10	
<b>Total 4100 Property tax income</b>	<b>72,375.79</b>	<b>62,397.97</b>
6080	158.26	
<b>Total Income</b>	<b>\$683,168.09</b>	<b>\$697,975.40</b>
<b>GROSS PROFIT</b>	<b>\$683,168.09</b>	<b>\$697,975.40</b>
<b>Expenses</b>		
6000 Accounting	17,875.00	
6020 Bank fees	959.19	756.22
6025 Bookkeeping	27,988.50	36,627.10
6030 Directors fee	2,400.00	2,700.00
6031 Payroll expenses-yr taxes	550.80	612.05
6035 Dues and subscriptions	5,039.99	5,045.00
6045 Electrical power		
6045A Electrical - monthly per GES C.		5,500.00
6045B Electrical - PGE bills	47,489.25	52,072.03
6045C Electrical - PGE Street Lights	18,319.64	4,303.53
<b>Total 6045 Electrical power</b>	<b>65,808.89</b>	<b>61,875.56</b>
6055 Road maintenance		18,638.00
6075 Insurance - PERS health		10.21
6076 Pension plan - PERS retirement	10,300.50	6,508.03



# SAN SIMEON COMMUNITY SERVICES DISTRICT

## Profit and Loss

July 2024 - January 2025

	TOTAL	
	JUL 2024 - JAN 2025	JUL 2023 - JAN 2024 (PY)
6080 Insurance - liability	7,655.20	8,069.20
6095 LAFCO cost apportionment		2,998.66
6100 Legal fees	61,953.49	53,107.45
6101 Legal Fees-Litigation -0 budget		85,000.00
6105 Licenses and permits	15,349.92	19,205.53
6115 Miscellaneous expenses	1,570.60	1,400.00
6120 Office expenses	17,779.23	16,078.89
6125 Operations management	440,828.99	357,298.10
6130 R&M allowance - GES Contract	14,837.50	62,419.83
6135 Weed abatement	3,796.00	720.00
6145 Professional fees	89,482.92	121,893.02
6191 Emergency water stand by		12,013.13
6192 Repair & Maint-Dist Responsibility		
6192C R&M Exp - district's portion	1,000.00	7,291.00
<b>Total 6192 Repair &amp; Maint-Dist Responsibility</b>	<b>1,000.00</b>	<b>7,291.00</b>
6195 Website	7,800.00	5,588.00
<b>Total Expenses</b>	<b>\$792,976.72</b>	<b>\$885,854.98</b>
<b>NET OPERATING INCOME</b>	<b>\$ -109,808.63</b>	<b>\$ -187,879.58</b>
Other Income		
8010 Interest income	30,327.54	
8020 Interest - money market	49.03	1,745.16
8044 Grant income	25,117.50	
<b>Total Other Income</b>	<b>\$55,494.07</b>	<b>\$1,745.16</b>
Other Expenses		
9010 Depreciation expense	50,968.68	50,968.68
9020 USDA loan repayment		
9020a USDA loan repay - interest	5,789.47	5,789.47
9020b USDA loan repay - prin	4,555.53	4,555.53
<b>Total 9020 USDA loan repayment</b>	<b>10,345.00</b>	<b>10,345.00</b>
9030 Capital proj/improve	93.33	9,633.08
9030d Capital Prj-Outfall Pipe Repair		5,243.75
<b>Total 9030 Capital proj/improve</b>	<b>93.33</b>	<b>14,876.83</b>
<b>Total Other Expenses</b>	<b>\$61,407.01</b>	<b>\$76,190.51</b>
<b>NET OTHER INCOME</b>	<b>\$ -5,912.94</b>	<b>\$ -74,445.35</b>
<b>NET INCOME</b>	<b>\$ -115,721.57</b>	<b>\$ -262,324.93</b>

# SAN SIMEON COMMUNITY SERVICES DISTRICT

## Balance Sheet Comparison

As of January 31, 2025

	TOTAL			
	AS OF JAN 31, 2025	AS OF JAN 31, 2024 (PY)	CHANGE	% CHANGE
<b>ASSETS</b>				
Current Assets				
Bank Accounts				
1010 Petty cash	150.00	150.00	0.00	0.00 %
1015 Pac Prem Ckg-6603	21,463.40	100,438.24	-78,974.84	-78.63 %
1017 Money Market PPBI	-1,462,429.75	-127,744.79	-1,334,684.96	-1,044.81 %
1017a Pac Prem - Mon Mkt Unrestricted	-20,496.82	-20,496.82	0.00	0.00 %
1017b USDA short lived asset fund	5,000.00	5,000.00	0.00	0.00 %
1017c USDA Reserve for Annual Pymt	20,690.00	20,690.00	0.00	0.00 %
1017d Operating Reserves	340,000.00	340,000.00	0.00	0.00 %
1017e Reserves-Capital Rehab & Replac	448,076.82	448,076.82	0.00	0.00 %
1017f Capacity Fees Held	678,999.00	678,999.00	0.00	0.00 %
1017g Wait List deposits held	93,538.60	93,538.60	0.00	0.00 %
1017h Cust sec dep held (06/30/22)	8,450.00	8,450.00	0.00	0.00 %
<b>Total 1017 Money Market PPBI</b>	<b>111,827.85</b>	<b>1,446,512.81</b>	<b>-1,334,684.96</b>	<b>-92.27 %</b>
1018 California Class I	336,092.49		336,092.49	
1019 California Class II	709,942.89		709,942.89	
1040 Cash in county treasury	0.00	0.00	0.00	
1050 LAIF - non-restricted cash	571.81	571.81	0.00	0.00 %
<b>Total Bank Accounts</b>	<b>\$1,180,048.44</b>	<b>\$1,547,672.86</b>	<b>\$ -367,624.42</b>	<b>-23.75 %</b>
Accounts Receivable				
1201 - Accounts recvbl-other	19,395.20	0.00	19,395.20	
<b>Total Accounts Receivable</b>	<b>\$19,395.20</b>	<b>\$0.00</b>	<b>\$19,395.20</b>	<b>0.00%</b>
Other Current Assets				
1014 *Deposits in Transit	0.00	0.00	0.00	
1200 Accounts receivable default	56,992.27	77,509.53	-20,517.26	-26.47 %
1202 Accounts receivable - other	0.00	0.00	0.00	
1210 Undeposited funds	0.00	0.00	0.00	
1220 A/R - Hearst Castle	0.00	0.00	0.00	
1230 Interest receivable	0.00	0.00	0.00	
1300 Prepaid insurance expense	6,561.77	5,728.13	833.64	14.55 %
<b>Total Other Current Assets</b>	<b>\$63,554.04</b>	<b>\$83,237.66</b>	<b>\$ -19,683.62</b>	<b>-23.65 %</b>
<b>Total Current Assets</b>	<b>\$1,262,997.68</b>	<b>\$1,630,910.52</b>	<b>\$ -367,912.84</b>	<b>-22.56 %</b>
Fixed Assets				
1400 Fixed assets				
1420 Building and structures	279,580.67	279,580.67	0.00	0.00 %
1480 Earthquake 2003	0.00	0.00	0.00	
1500 Equipment	0.45	0.45	0.00	0.00 %
1500a Equip-PA System	7,591.16	7,591.16	0.00	0.00 %
1500b Equip-Muffin Monster	5,098.32	5,098.32	0.00	0.00 %

# SAN SIMEON COMMUNITY SERVICES DISTRICT

## Balance Sheet Comparison

As of January 31, 2025

	TOTAL			
	AS OF JAN 31, 2025	AS OF JAN 31, 2024 (PY)	CHANGE	% CHANGE
<b>Total 1500 Equipment</b>	<b>12,689.93</b>	<b>12,689.93</b>	<b>0.00</b>	<b>0.00 %</b>
1540 Major Water Projects	0.00	0.00	0.00	
1560 Pipe bridge	29,497.00	29,497.00	0.00	0.00 %
1580 Sewer plant	869,352.16	869,352.16	0.00	0.00 %
1590 Sewer plant equipment	12,468.83	12,468.83	0.00	0.00 %
1600 Water system	235,615.43	235,615.43	0.00	0.00 %
1620 WWTP expansion	299,565.92	299,565.92	0.00	0.00 %
1630 Tertiary Project	568,063.00	568,063.00	0.00	0.00 %
1640 Wellhead Rehab Project	448,253.95	448,253.95	0.00	0.00 %
1650 Walkway access projects	26,791.00	26,791.00	0.00	0.00 %
1660 RO Unit	950,521.38	950,521.38	0.00	0.00 %
1680 Generator	18,291.00	18,291.00	0.00	0.00 %
<b>Total 1400 Fixed assets</b>	<b>3,750,690.27</b>	<b>3,750,690.27</b>	<b>0.00</b>	<b>0.00 %</b>
1450 Construction in Progress				
1670 Reservoir / Water Tanks	287,693.56	287,693.56	0.00	0.00 %
<b>Total 1450 Construction in Progress</b>	<b>287,693.56</b>	<b>287,693.56</b>	<b>0.00</b>	<b>0.00 %</b>
1690 Accumulated depreciation	-1,848,207.04	-1,768,113.40	-80,093.64	-4.53 %
<b>Total Fixed Assets</b>	<b>\$2,190,176.79</b>	<b>\$2,270,270.43</b>	<b>\$ -80,093.64</b>	<b>-3.53 %</b>
Other Assets				
1830 Contingent liability reserve	0.00	0.00	0.00	
<b>Total Other Assets</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0.00%</b>
<b>TOTAL ASSETS</b>	<b>\$3,453,174.47</b>	<b>\$3,901,180.95</b>	<b>\$ -448,006.48</b>	<b>-11.48 %</b>
<b>LIABILITIES AND EQUITY</b>				
Liabilities				
Current Liabilities				
Accounts Payable				
2000 Accounts payable	0.00	204,999.35	-204,999.35	-100.00 %
<b>Total Accounts Payable</b>	<b>\$0.00</b>	<b>\$204,999.35</b>	<b>\$ -204,999.35</b>	<b>-100.00 %</b>
Other Current Liabilities				
2020 Other accrued liabilities	0.00	0.00	0.00	
2100 Payroll liabilities	-29.45	142.70	-172.15	-120.64 %
2500 Customer security deposits	8,050.00	8,050.00	0.00	0.00 %
2510 Connect hookup wait list	93,538.60	93,538.60	0.00	0.00 %
2515 Unearned Revenue- Capacity Fees	678,999.00	678,999.00	0.00	0.00 %
<b>Total Other Current Liabilities</b>	<b>\$780,558.15</b>	<b>\$780,730.30</b>	<b>\$ -172.15</b>	<b>-0.02 %</b>
<b>Total Current Liabilities</b>	<b>\$780,558.15</b>	<b>\$985,729.65</b>	<b>\$ -205,171.50</b>	<b>-20.81 %</b>

# SAN SIMEON COMMUNITY SERVICES DISTRICT

## Balance Sheet Comparison

As of January 31, 2025

	TOTAL			
	AS OF JAN 31, 2025	AS OF JAN 31, 2024 (PY)	CHANGE	% CHANGE
Long-Term Liabilities				
2520 USDA Loan Principal Bal	416,499.72	416,499.72	0.00	0.00 %
<b>Total Long-Term Liabilities</b>	<b>\$416,499.72</b>	<b>\$416,499.72</b>	<b>\$0.00</b>	<b>0.00 %</b>
<b>Total Liabilities</b>	<b>\$1,197,057.87</b>	<b>\$1,402,229.37</b>	<b>\$ -205,171.50</b>	<b>-14.63 %</b>
Equity				
3200 Fund balance (= PY Net Inc)	-698,212.60	-284,242.03	-413,970.57	-145.64 %
3201 Net Investment in Capital Asset	1,980,565.00	1,980,565.00	0.00	0.00 %
3204 BOD Assigned-Rehab & Replace				
3204G Board Assigned for General CIP	50,051.03	50,051.03	0.00	0.00 %
3204S Board Assigned for WW CIP	199,047.69	199,047.69	0.00	0.00 %
3204W Board Assigned for Water CIP	198,978.10	198,978.10	0.00	0.00 %
<b>Total 3204 BOD Assigned-Rehab &amp; Replace</b>	<b>448,076.82</b>	<b>448,076.82</b>	<b>0.00</b>	<b>0.00 %</b>
3207 BOD Assigned for Oper Reserves				
3207G Op Reserves -Gen Fd	40,000.00	40,000.00	0.00	0.00 %
3207S Op Reserves - Sewer Fd	150,000.00	150,000.00	0.00	0.00 %
3207W Op Reserves - Water Fd	150,000.00	150,000.00	0.00	0.00 %
<b>Total 3207 BOD Assigned for Oper Reserves</b>	<b>340,000.00</b>	<b>340,000.00</b>	<b>0.00</b>	<b>0.00 %</b>
3210 Moved to acct 3220- U-U Equity	0.00	0.00	0.00	
3211 Restricted-USDA Annual Loan Pmt	20,690.00	20,690.00	0.00	0.00 %
3212 Restricted-USDA Short Liv Ass	5,000.00	5,000.00	0.00	0.00 %
3220 Unrestricted-Undesignatd Equity	271,846.27	271,846.27	0.00	0.00 %
3900 Suspense	77,778.01	-20,659.55	98,437.56	476.47 %
Net Income	-189,626.90	-262,324.93	72,698.03	27.71 %
<b>Total Equity</b>	<b>\$2,256,116.60</b>	<b>\$2,498,951.58</b>	<b>\$ -242,834.98</b>	<b>-9.72 %</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$3,453,174.47</b>	<b>\$3,901,180.95</b>	<b>\$ -448,006.48</b>	<b>-11.48 %</b>

**SAN SIMEON COMMUNITY SERVICES DISTRICT**

**Disbursements List**

January 1-31, 2025

<b>Date</b>	<b>Check No.</b>	<b>Vendor or Payee</b>	<b>Amount</b>	<b>Due</b>	<b>Notes</b>
12/31/24	2721	United States Treasury	183.60	01/31/25	
12/18/25	2722	Air Pollution Control District San Luis Obispo County	2,344.32	01/17/25	
12/05/24	2723	Brenntag Pacific, Inc.	1,695.16	01/04/25	
01/16/25	2724	East, Kathy	1,620.00	01/16/25	
01/01/25	2725	Great Western Alarm & Communications	320.00	01/10/25	
12/17/24	2726	Hay Printing	377.52	01/17/25	
01/01/25	2727	Mission Country Disposal	401.07	01/20/25	
12/26/24	2728	Pacific Gas & Electric	8,547.53	01/13/25	
12/09/24	2729	Padre Associates, Inc.	195.00	01/09/25	
12/31/24	2730	Speedy Coastal Messinger, Inc.	2,340.00	01/20/25	
12/20/24	2731	Stillwater Sciences	761.00	01/17/25	
12/31/25	2732	Employment Development Department	72.00	01/31/25	
01/17/25	2733	Portable Welding	200.00	01/17/25	
01/04/25	2734	AT & T	1,843.03	01/27/25	
01/02/25	2735	Brenntag Pacific, Inc.	1,951.90	02/01/25	
01/01/25	2736	CalPERS	1,471.50	01/31/25	
12/30/24	2737	Coastal Copy	536.68	01/31/25	
12/30/25	2738	East. Kathy	1,668.25	01/30/25	
01/03/25	2739	Fluid Resource Management	63,427.49	01/31/25	
01/31/25	2740	Green Gardener	2,500.00	11/04/06	
12/31/24	2741	Moss, Levy & Hartzheim LLP	2,000.00	01/31/25	
12/31.24	2742	Oilfield Environmental & Compliance, Inc.	2,965.00	01/31/25	
01/14/25	2743	Pacific Gas & Electric	865.35	01/31/25	
12/29/24	2744	Pitney Bowes Global Financial Services, Inc.	652.74	01/30/25	Qtrly Lease
11/01/24	2745	Precision Construction Services	2,200.00	11/30/24	
01/01/25	2746	San Simeon Community Cable	105.00	01/25/25	
12/31/24	2747	Speed's Oil Tool Service, Inc.	2,772.00	01/31/25	
12/31/24	2748	Synagro	4,757.82	01/31/25	
01/13/25	2749	White Brenner	6,200.85	01/31/25	
01/31/25	2750	Dr. Patrick Faverty	9,100.00	01/31/25	
			<b>124,074.81</b>		

# SAN SIMEON COMMUNITY SERVICES DISTRICT

## Profit and Loss July 2024 - January 2025

	TOTAL	
	JUL 2024 - JAN 2025	JUL 2023 - JAN 2024 (PY)
<b>Income</b>		
4000 Services		
4005 Services - waste	226,040.12	290,646.87
4010 Services - water	206,116.22	259,862.62
4012 Services - base service fee	43,742.40	60,865.87
4013 Late fees and adjustments	-2,968.18	24,202.07
4050 State of CA - H Castle WW Trmt	58,398.91	
<b>Total 4000 Services</b>	<b>531,329.47</b>	<b>635,577.43</b>
4100 Property tax income		
4110 Prop tax current secured	65,326.99	61,059.57
4120 Prop tax current supp secured	1,616.38	308.58
4130 Prop tax current unsecured	3,799.37	146.95
4140 Prop tax current supp unsec	91.90	1.30
4150 Prop tax prior secured	-150.20	-88.99
4160 Prop tax prior supp secured	-7.89	
4170 Prop tax prior unsecured	28.73	16.92
4180 Prop tax prior supp unsecured	4.41	3.97
4190 Prop tax penalties and interest	54.03	5.60
4220 Homeowners prop tax relief	263.31	268.10
4295 Prop tax - unitary	597.66	675.97
4299 Prop tax - other	751.10	
<b>Total 4100 Property tax income</b>	<b>72,375.79</b>	<b>62,397.97</b>
6080	158.26	
<b>Total Income</b>	<b>\$603,863.52</b>	<b>\$697,975.40</b>
<b>GROSS PROFIT</b>	<b>\$603,863.52</b>	<b>\$697,975.40</b>
<b>Expenses</b>		
6000 Accounting	17,875.00	
6020 Bank fees	799.70	756.22
6025 Bookkeeping	27,988.50	36,627.10
6030 Directors fee	2,400.00	2,700.00
6031 Payroll expenses-yr taxes	550.80	612.05
6035 Dues and subscriptions	5,039.99	5,045.00
6045 Electrical power		
6045A Electrical - monthly per GES C.		5,500.00
6045B Electrical - PGE bills	47,489.25	52,072.03
6045C Electrical - PGE Street Lights	18,319.64	4,303.53
<b>Total 6045 Electrical power</b>	<b>65,808.89</b>	<b>61,875.56</b>
6055 Road maintenance		18,638.00
6075 Insurance - PERS health		10.21
6076 Pension plan - PERS retirement	10,300.50	6,508.03

# SAN SIMEON COMMUNITY SERVICES DISTRICT

## Profit and Loss July 2024 - January 2025

	TOTAL	
	JUL 2024 - JAN 2025	JUL 2023 - JAN 2024 (PY)
6080 Insurance - liability	6,561.60	8,069.20
6095 LAFCO cost apportionment		2,998.66
6100 Legal fees	61,953.49	53,107.45
6101 Legal Fees-Litigation -0 budget		85,000.00
6105 Licenses and permits	15,349.92	19,205.53
6115 Miscellaneous expenses	1,570.60	1,400.00
6120 Office expenses	17,779.23	16,078.89
6125 Operations management	440,828.99	357,298.10
6130 R&M allowance - GES Contract	14,837.50	62,419.83
6135 Weed abatement	3,796.00	720.00
6145 Professional fees	89,482.92	121,893.02
6191 Emergency water stand by		12,013.13
6192 Repair & Maint-Dist Responsblty		
6192C R&M Exp - district's portion	200.00	7,291.00
<b>Total 6192 Repair &amp; Maint-Dist Responsblty</b>	<b>200.00</b>	<b>7,291.00</b>
6195 Website	7,800.00	5,588.00
<b>Total Expenses</b>	<b>\$790,923.63</b>	<b>\$885,854.98</b>
<b>NET OPERATING INCOME</b>	<b>\$ -187,060.11</b>	<b>\$ -187,879.58</b>
Other Income		
8010 Interest income	26,397.20	
8020 Interest - money market	44.28	1,745.16
8044 Grant income	25,117.50	
<b>Total Other Income</b>	<b>\$51,558.98</b>	<b>\$1,745.16</b>
Other Expenses		
9010 Depreciation expense	43,687.44	50,968.68
9020 USDA loan repayment		
9020a USDA loan repay - interest	5,789.47	5,789.47
9020b USDA loan repay - prin	4,555.53	4,555.53
<b>Total 9020 USDA loan repayment</b>	<b>10,345.00</b>	<b>10,345.00</b>
9030 Capital proj/improve	93.33	9,633.08
9030d Capital Prj-Outfall Pipe Repair		5,243.75
<b>Total 9030 Capital proj/improve</b>	<b>93.33</b>	<b>14,876.83</b>
<b>Total Other Expenses</b>	<b>\$54,125.77</b>	<b>\$76,190.51</b>
<b>NET OTHER INCOME</b>	<b>\$ -2,566.79</b>	<b>\$ -74,445.35</b>
<b>NET INCOME</b>	<b>\$ -189,626.90</b>	<b>\$ -262,324.93</b>

# Accounts Summary



Display Options



Balances

## Checking

Balances as of 02/04/2025	Available Balance
Checking Acc***6573 ABA/TRC - 322285781 6573	<u>\$111,832.60</u>
Checking Acc***6603 ABA/TRC - 322285781 6603	<u>\$131,929.02</u>
<b>Total Selected Checking Balance</b>	<b>\$243,761.62</b>
<b>Total of Selected Deposit Accounts</b>	<b>\$243,761.62</b>



## San Simeon Community Services District (CA-01-0155)

Total Balance As Of 02/03/25: \$1,049,965.72

### California CLASS

As of 02/03/25

**\$1,049,965.72**

[Detail →](#)

#### Subaccounts

Account #	Name	Avail. Balance
CA-01-0155-0001	Water/Wastewater	\$337,355.31
CA-01-0155-0002	Unearned Revenue; Capacity Fees	\$712,610.41

**Agenda Item 8 A: 23-24 Audit**

**SAN SIMEON COMMUNITY SERVICES DISTRICT**

**FINANCIAL STATEMENTS  
June 30, 2024**

Copy

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
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June 30, 2024

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THE UNIVERSITY OF CHICAGO  
DEPARTMENT OF CHEMISTRY  
5408 S. UNIVERSITY AVENUE  
CHICAGO, ILLINOIS 60637

INTRODUCTORY SECTION

**INTRODUCTORY SECTION**

Copy

**Board of Directors**

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Jacqueline Diamond	First Chair	2026
Karina Tiwana	Director	2026
Holly Le	Director	2024
Michael Donahue	Director	2026

FINANCIAL PERFORMANCE

Revenue

Operating Profit

Profit Before Tax

Profit After Tax

The Group's revenue for the year ended 31st March 2020 was £1,234 million, an increase of 12% on the previous year. This was primarily due to an increase in sales volume and a slight increase in average selling prices.

Operating profit for the year ended 31st March 2020 was £234 million, an increase of 15% on the previous year. This was primarily due to an increase in sales volume and a slight increase in average selling prices.

FINANCIAL SECTION

Profit After Tax

Profit after tax for the year ended 31st March 2020 was £185 million, an increase of 18% on the previous year. This was primarily due to an increase in sales volume and a slight increase in average selling prices.

The Group's operating profit for the year ended 31st March 2020 was £234 million, an increase of 15% on the previous year. This was primarily due to an increase in sales volume and a slight increase in average selling prices.

The Group's profit before tax for the year ended 31st March 2020 was £210 million, an increase of 14% on the previous year. This was primarily due to an increase in sales volume and a slight increase in average selling prices.

The Group's profit after tax for the year ended 31st March 2020 was £185 million, an increase of 18% on the previous year. This was primarily due to an increase in sales volume and a slight increase in average selling prices.

The Group's revenue for the year ended 31st March 2020 was £1,234 million, an increase of 12% on the previous year. This was primarily due to an increase in sales volume and a slight increase in average selling prices.



**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
San Simeon Community Services District  
San Simeon, California

***Opinions***

We have audited the accompanying financial statements of the business-type activities and the major fund of the San Simeon Community Services District, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the San Simeon Community Services District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the major fund of the San Simeon Community Services District, as of June 30, 2024, and the respective changes in financial position and cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the San Simeon Community Services District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the San Simeon Community Services District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the San Simeon Community Services District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the San Simeon Community Services District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**Required Supplementary Information**

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

**Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The introductory section and the schedules of revenues, expenses, and changes in net position by function on pages 1, 15, and 16 are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The schedules of revenues, expenses, and changes in net position by function is the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of revenues, expenses, and changes in net position by function are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December XX, 2024, on our consideration of the San Simeon Community Services District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

**Report on Summarized Comparative Information**

We have previously audited the San Simeon Community Services District's 2023 financial statements, and our report dated August 21, 2024 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Santa Maria, California  
December XX, 2024



**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**STATEMENT OF NET POSITION - PROPRIETARY FUND**  
June 30, 2024  
with Comparative Totals for June 30, 2023

	2024	2023
<b>ASSETS</b>		
Current Assets:		
Petty cash	\$ 150	\$ 150
Cash and investments	1,282,912	1,713,064
Accounts receivable	165,933	119,863
Total current assets	<u>1,448,995</u>	<u>1,833,077</u>
Capital Assets:		
Non-depreciable:		
Construction in progress	331,172	287,694
Depreciable:		
Sewer plant	1,797,238	1,797,238
Water plant	1,634,391	1,634,391
Building	279,580	279,580
Equipment	12,690	12,690
Land improvements	26,791	26,791
Less: Accumulated depreciation	<u>(1,804,702)</u>	<u>(1,717,160)</u>
Net capital assets	<u>2,277,160</u>	<u>2,321,224</u>
Total assets	<u>3,726,155</u>	<u>4,154,301</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	198,830	175,192
Customer deposits	101,589	101,689
Unearned revenue	678,999	678,999
Legal settlement payable		85,000
Current portion of loan payable	<u>9,557</u>	<u>9,300</u>
Total current liabilities	<u>988,975</u>	<u>1,050,180</u>
Long-Term Liabilities		
Long-term portion of loan payable	<u>397,642</u>	<u>407,199</u>
Total long-term liabilities	<u>397,642</u>	<u>407,199</u>
Total Liabilities	<u>1,386,617</u>	<u>1,457,379</u>
<b>NET POSITION</b>		
Net investment in capital assets	1,869,961	1,904,725
Restricted for:		
USDA loan reserve	25,690	25,690
Unrestricted:		
Board assigned for water capital improvements	198,978	198,978
Board assigned for wastewater capital improvements	199,048	199,048
Board assigned for general capital improvements	50,051	50,051
Board committed for operating reserves	340,000	340,000
Undesignated	<u>(344,190)</u>	<u>(21,570)</u>
Total net position	<u>\$ 2,339,538</u>	<u>\$ 2,696,922</u>

See accompanying notes to basic financial statements.

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUND**  
For the Fiscal Year Ended June 30, 2024  
With Comparative Totals for the Fiscal Year Ended June 30, 2023

	2024	2023
<b>Operating Revenues:</b>		
Services-waste	\$ 502,561	\$ 499,165
Services-water	451,437	447,407
State of CA-Hearst Castle		38,707
Services-other	104,901	105,517
Late fees and adjustments	25,233	5,618
	<u>1,084,132</u>	<u>1,096,414</u>
<b>Operating Expenses:</b>		
Accounting		9,775
Bank fees	1,373	934
Bookkeeping	55,825	27,478
Directors' fees	4,700	5,400
Payroll expenses	1,093	413
Dues and subscriptions	5,858	6,644
Road maintenance	53,588	
Insurance-health	10	(385)
PERS Retirement	12,994	17,203
Insurance-liability	13,797	11,768
LAFCO budget allocation	6,327	3,023
Legal fees	100,974	258,884
Legal settlement		85,000
Licenses and permits	19,519	15,219
Miscellaneous	24,570	2,071
Depreciation	87,542	87,390
Office expenses	28,602	611
Operations management	723,895	620,825
Repairs and maintenance allowance - GES contract	64,381	40,000
Professional fees	198,394	231,974
Emergency stand by	27,113	25,226
Repairs	13,221	105,157
Utilities	114,337	94,239
Website	5,588	5,400
Weed abatement	5,090	
	<u>1,568,791</u>	<u>1,654,249</u>
Total operating expenses	<u>1,568,791</u>	<u>1,654,249</u>
Net operating income (loss)	<u>(484,659)</u>	<u>(557,835)</u>
<b>Non-Operating Revenues (Expenses):</b>		
Property taxes	91,861	100,772
Interest expense	(11,390)	(11,641)
Interest income	21,686	2,745
	<u>102,157</u>	<u>91,876</u>
Total non-operating revenues (expenses)	<u>102,157</u>	<u>91,876</u>
<b>Capital Contributions:</b>		
Grant income	25,118	96,647
	<u>25,118</u>	<u>96,647</u>
Total capital contributions	<u>25,118</u>	<u>96,647</u>
Changes in net position	(357,384)	(369,312)
Net position - beginning of fiscal year	<u>2,696,922</u>	<u>3,066,234</u>
Net position - end of fiscal year	<u>\$ 2,339,538</u>	<u>\$ 2,696,922</u>

See accompanying notes to basic financial statements.

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND**  
For the Fiscal Year Ended June 30, 2024  
With Comparative Totals for the Fiscal Year Ended June 30, 2023

	2024	2023
<b>Cash Flows From Operating Activities:</b>		
Receipts from customers and users	\$ 1,037,962	\$ 1,780,173
Payments to suppliers	(1,536,808)	(1,388,234)
Payments to employees	(5,803)	(5,428)
Net cash provided (used) by operating activities	<u>(504,649)</u>	<u>386,511</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Purchase of capital assets	(43,478)	(2,500)
Capital grants	25,118	96,647
Interest payments	(11,390)	(11,641)
Principal loan payments	(9,300)	(9,050)
Net cash provided (used) by capital and related financing activities	<u>(39,050)</u>	<u>73,456</u>
<b>Cash Flows from Noncapital Financing Activities:</b>		
Property taxes	91,861	100,772
Net cash provided by noncapital and related financing activities	<u>91,861</u>	<u>100,772</u>
<b>Cash Flows from Investing Activities:</b>		
Investment income	21,686	2,745
Net cash provided by investing activities	<u>21,686</u>	<u>2,745</u>
Net increase (decrease) in cash and cash equivalents	(430,152)	563,484
Cash and cash equivalents, beginning of fiscal year	1,713,214	1,149,730
Cash and cash equivalents, end of fiscal year	<u>\$ 1,283,062</u>	<u>\$ 1,713,214</u>
<b>Reconciliation to Statement of Net Position</b>		
Petty cash	\$ 150	\$ 150
Cash and investments	1,282,912	1,713,064
	<u>\$ 1,283,062</u>	<u>\$ 1,713,214</u>
<b>Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities:</b>		
Operating loss	\$ (484,659)	\$ (557,835)
Adjustments to reconcile operating loss to net cash provided (used)		
by operating activities:		
Depreciation	87,542	87,390
Change in Operating Assets and Liabilities:		
(Increase) decrease in accounts receivable	(46,070)	5,670
Increase (decrease) in accounts payable	23,638	88,197
Increase (decrease) in customer deposits	(100)	(910)
Increase (decrease) in unearned revenue		678,999
Increase (decrease) in legal settlement payable	(85,000)	85,000
Net cash provided (used) by operating activities	<u>\$ (504,649)</u>	<u>\$ 386,511</u>

See accompanying notes to basic financial statements.

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 1 - NATURE OF DISTRICT**

San Simeon Community Services District (the "District") is a political subdivision of the State of California. The District administers the following community services as provided by its charter: water, sanitation, streets, lighting, weed abatement, and general and administrative services.

The District is a Community Services District as defined under State Code Section: 61000. A Community Services District is a public agency (State Code Section: 12463.1) which is a State instrumentality (State Code Section: 23706). State instrumentalities are exempt from federal and state income taxes.

There are no component units included in this report which meet the criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39, No. 61, No. 80, and No. 90.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. Accounting Policies - The accounting policies of the District conform with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).
- B. Basis of Accounting - The District is organized as an Enterprise Fund and follows the accrual method of accounting, whereby revenues are recorded as earned, and expenses are recorded when incurred.
- C. Budget - Although a budget is adopted annually, it is used primarily as a guideline for the Board in regulating expenditures. There is no legal requirement to stay within the adopted budget in the payment or classification of expenditures.
- D. Cash and Cash Equivalents - Cash and cash equivalents consist of cash on hand and in banks and short-term, highly liquid investments with a maturity of three months or less, which include money market funds, cash management pools in County Treasury and the state Local Agency Investment Fund (LAIF). Cash held in the county and state pooled funds is carried at cost, which approximates fair value. Interest earned is deposited quarterly into the participant's fund. Any investment losses are proportionately shared by all funds in the pool. The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the County are either secured by federal depository insurance or are collateralized.
- E. Property, Plant and Equipment - Capital assets purchased by the District are recorded at cost. Contributed or donated capital assets are recorded at fair value when acquired.
- F. Depreciation - Capital assets purchased by the District are depreciated over their estimated useful lives (ranging from 5-50 years) under the straight-line method of depreciation.
- G. Receivables - The District did not experience any significant bad debt losses; accordingly, no provision has been made for doubtful accounts, and accounts receivable is shown at full value.
- H. Encumbrances - Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized by the District.
- I. Customer Deposits - Customer deposits are recorded as a liability of the District. The District requires an advance deposit of \$50 for new customers.
- J. Net Position - GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2024

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- J. Net Position (Continued) - Net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position is the net position that has external constraints placed on them by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.
- K. Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the AICPA, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- L. Comparative Data/Total Only - Comparative total data for the prior fiscal year has been presented in certain accompanying financial statements in order to provide an understanding of the changes in the District’s financial position, operations, and cash flows. Also, certain prior fiscal amounts may have been reclassified to conform to the current fiscal year financial statements presentation.
- M. Property Taxes - The County levies, bills, and collects property taxes and special assessments for the District. Property taxes levied are recorded as revenue in the fiscal year of levy, due to the adoption of the “alternate method of property tax distribution,” known as the Teeter Plan, by the District and the County. The Teeter Plan authorizes the Auditor/Controller of the County to allocate 100% of the secured property taxes billed, excluding unitary tax (whether paid or unpaid). The County remits tax monies to the District every month and twice a month in December and April. The final amount which is “teetered” is remitted in August each year.

Tax collections are the responsibility of the County Tax Collector. Taxes and assessments on secured and utility rolls, which constitute a lien against the property, may be paid in two installments; the first is due November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the tax becomes delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payment.

Property valuations are established by the Assessor of the County for the secured and unsecured property tax rolls. Under the provisions of Article XIII A of the State Constitution, properties are assessed at 100% of purchase price or value in 1978 whichever is later. From this base assessment, subsequent annual increases in valuation are limited to a maximum of 2 percent. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations and is subject to annual reappraisal.

Tax levy dates are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property, as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

M. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements:

Statement No. 101	"Compensated Absences"	The provisions of this statement are effective for fiscal years beginning after December 15, 2023.
Statement No. 102	"Certain Risk Disclosures"	The provisions of this statement are effective for fiscal years beginning after June 15, 2024.
Statement No. 103	"Financial Reporting Model Improvements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2025.
Statement No. 104	"Disclosure of Certain Capital Assets"	The provisions of this statement are effective for fiscal years beginning after June 15, 2025.

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2024

**NOTE 3 - CASH AND INVESTMENTS**

Investments are carried at fair value. On June 30, 2024, the District had the following cash and temporary investments on hand:

Deposits:	
Cash on hand	\$ 150
Cash in banks	85,886
	<u>86,036</u>
Investments:	
Money market funds	176,784
California CLASS	1,019,648
State of California Local Agency Investment Fund (LAIF)	594
	<u>1,197,026</u>
Total Cash and Investments	<u>\$1,283,062</u>

Cash and investments are presented on the accompanying basic financial statements, as follows:

Petty cash	\$ 150
Cash and investments	1,282,912
Total cash and investments	<u>\$1,283,062</u>

The District categorizes its fair value measurements within the fair value hierarchy established by U.S. Generally Accepted Accounting Principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. There are no investments measured under Levels 1, 2, or 3.

Investments Authorized by the District's Investment Policy

The following table identifies the investment types that are authorized for the District by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
Federal Agency Securities	N/A	None	None
Banker's Acceptances	180 days	40%	None
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase and Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	20%	None
Mutual Funds	N/A	20%	None
Money Market Mutual Funds	N/A	None	None
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Fund	N/A	None	None
California CLASS	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$75,000,000
State Registered Warrants, Notes or Bonds	N/A	None	None
Notes and Bonds for other Local California Agencies	5 years	None	None

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months or Less</u>	<u>13-24 Months</u>	<u>25-60 Months</u>	<u>More than 60 Months</u>
Money market funds	\$ 176,784	\$ 176,784	\$ -	\$ -	\$ -
California CLASS	1,019,648	1,019,648			
LAIF	594	594			
<b>Total</b>	<b>\$ 1,283,062</b>	<b>\$ 1,283,062</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. Presented below, is the minimum rating required by (where applicable) the California Government Code and the actual rating as of fiscal year end for each investment type.

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Fiscal Year End</u>		
				<u>AAA</u>	<u>Aa</u>	<u>Not Rated</u>
Money market funds	\$ 176,784	N/A	\$ -	\$ -	\$ -	\$ 176,784
California CLASS	1,019,648					1,019,648
LAIF	594	N/A				594
<b>Total</b>	<b>\$1,283,062</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$1,283,062</b>

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of total District's investments that are required to be reported.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

None of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2024

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

Custodial Credit Risk (Continued)

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government’s indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District’s investment in this pool is reported in the accompanying basic financial statements at the amounts based upon the District’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**NOTE 4 – SCHEDULE OF CAPITAL ASSETS**

A schedule of changes in capital assets and depreciation for the fiscal years ended June 30, 2024, and June 30, 2023, are shown below and on the following page:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
<b>Non-depreciable capital assets:</b>				
Construction in progress	\$ 287,694	\$ 43,478	\$ -	\$ 331,172
Total non-depreciable capital assets	<u>\$ 287,694</u>	<u>\$ 43,478</u>	<u>\$ -</u>	<u>\$ 331,172</u>
<b>Depreciable capital assets:</b>				
Sewer plant	\$ 1,797,238	\$ -	\$ -	\$ 1,797,238
Water plant	1,634,391			1,634,391
Building	279,580			279,580
Land improvements	26,791			26,791
Equipment	12,690			12,690
	<u>3,750,690</u>			<u>3,750,690</u>
Accumulated depreciation	1,717,160	87,542		1,804,702
Total depreciable capital assets	<u>\$ 2,033,530</u>	<u>\$ (87,542)</u>	<u>\$ -</u>	<u>\$ 1,945,988</u>
Net capital assets	<u>\$ 2,321,224</u>	<u>\$ (44,064)</u>	<u>\$ -</u>	<u>\$ 2,277,160</u>



**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2024

**NOTE 4 – SCHEDULE OF CAPITAL ASSETS (Continued)**

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Non-depreciable capital assets:				
Construction in progress	\$ 287,694	\$ -	\$ -	\$ 287,694
Total non-depreciable capital assets	<u>\$ 287,694</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 287,694</u>
Depreciable capital assets:				
Sewer plant	\$ 1,797,238	\$ -	\$ -	\$ 1,797,238
Water plant	1,631,891	2,500		1,634,391
Building	279,580			279,580
Land improvements	26,791			26,791
Equipment	12,690			12,690
	<u>3,748,190</u>	<u>2,500</u>		<u>3,750,690</u>
Accumulated depreciation	1,629,770	87,390		1,717,160
Total depreciable capital assets	<u>\$ 2,118,420</u>	<u>\$ (84,890)</u>	<u>\$ -</u>	<u>\$ 2,033,530</u>
Net capital assets	<u>\$ 2,406,114</u>	<u>\$ (84,890)</u>	<u>\$ -</u>	<u>\$ 2,321,224</u>

Depreciation expense for the fiscal years ended June 30, 2024 and 2023 was \$87,542 and \$87,390 respectively.

**NOTE 5 – CUSTOMER DEPOSITS**

The liability for customer deposits consists of the following as of June 30, 2024 and 2023:

	2024	2023
Hook-up deposits	\$ 93,539	\$ 93,539
Customer meter deposits	8,050	8,150
	<u>\$ 101,589</u>	<u>\$ 101,689</u>

The hook-up deposits are from customers on a waiting list to connect into the system. Each deposit represents total hook-up fees owed by the customer based on the fee schedule in place at the time of the payment. Additional fees may be required from the customer, based on the current fee schedule, when the utility connection is completed.

Customer meter deposits consist of a \$50 refundable deposit required for each metered customer before any service can be provided by the District.

**NOTE 6 – LOAN PAYABLE**

On July 11, 2011, the District applied for a \$500,000 loan from the United States Department of Agriculture. The loan was approved, and the District began to draw on the loan during the 13/14 fiscal year. The District is required to make semi-annual payments of \$10,345. The agreement is secured by a first lien and a pledge of revenues from the water system. In the event of a default by the District, the remaining amount of the note shall become due. Future minimum payments are as follows on the next page:

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2024

**NOTE 6 – LOAN PAYABLE (Continued)**

Fiscal year Ended June 30,	Principal	Interest	Total
2025	\$ 9,557	\$ 11,133	\$ 20,690
2026	9,822	10,868	20,690
2027	10,094	10,596	20,690
2028	10,374	10,316	20,690
2029	10,661	10,029	20,690
2030-2034	57,898	45,552	103,450
2035-2039	66,370	37,080	103,450
2040-2044	76,082	27,368	103,450
2045-2049	87,215	16,235	103,450
2050-2053	69,126	34,324	103,450
Total	<u>\$ 407,199</u>	<u>\$ 213,501</u>	<u>\$ 620,700</u>

**NOTE 7 – LONG TERM LIABILITIES – SCHEDULE OF CHANGES**

A schedule of changes in long-term liabilities for the fiscal years ended June 30, 2024 and June 30, 2023, are shown below:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due within one year
Loan payable (Direct Borrowing)	\$ 416,499	\$ -	\$ 9,300	\$ 407,199	\$ 9,557
Totals	<u>\$ 416,499</u>	<u>\$ -</u>	<u>\$ 9,300</u>	<u>\$ 407,199</u>	<u>\$ 9,557</u>
	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due within one year
Loan payable (Direct Borrowing)	\$ 425,549	\$ -	\$ 9,050	\$ 416,499	\$ 9,300
Totals	<u>\$ 425,549</u>	<u>\$ -</u>	<u>\$ 9,050</u>	<u>\$ 416,499</u>	<u>\$ 9,300</u>

**NOTE 8 – JOINT POWERS AUTHORITY**

The District is a member of the Special District Risk Management Authority (S.D.R.M.A.), an intergovernmental risk sharing joint powers authority, created pursuant to California Government Code Sections 6500 et. Seq. In becoming a member of the S.D.R.M.A., the District elected to participate in the risk financing programs listed below for the program period July 1, 2023 through June 30, 2024.

General and Auto Liability, Public Officials' and Employees' Errors, and Employment Practices Liability and Employee Benefits Liability: Special District Risk Management Authority, coverage number LCA SDRMA 201112. This covers \$2,500,000 per occurrence, subject to policy deductibles.

Employee Dishonesty Coverage: Special District Risk Management Authority, coverage number EDC SDRMA 201112. This policy includes a \$400,000 Public Employee Dishonesty Blanket Coverage.

Property Loss: Special District Risk Management Authority, coverage number PPC SDRMA 201112. This policy covers the replacement cost for property on file, \$1,000,000,000 per occurrence, subject to policy deductibles.

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2024

---

**NOTE 8 – JOINT POWERS AUTHORITY (Continued)**

Boiler and Machinery: Special District Risk Management Authority, coverage number BMC SDRMA 201112. This covers \$100,000,000 per occurrence, subject to policy deductibles.

The District also participated in the elective comprehensive/collision coverage on selected vehicles, subject to policy deductibles.

Personal Liability Coverage for Board Members: This policy covers \$500,000 per occurrence, coverage number LCA SDRMA 201112, annual segregate per each selected/appointed official, subject to policy deductibles.

Members are subject to dividends and/or assessments, in accordance with Second Amended Joint Powers Agreement and amendments thereto, on file with the District. No such dividends have been declared, nor have any assessments been levied.

**NOTE 9 – RELATED PARTY TRANSACTION**

The District has an agreement with Grace Environmental Services to oversee the daily operations of the District with the President of Grace Environmental Services, Charles Grace, serving as the General Manager. San Simeon Community Services District paid \$870,686 for their services including \$97,573 for operations which includes staffing, \$5,500 for electricity, and \$49,431 for preventative maintenance during the 2023/24 fiscal year. The relationship was ended in August 2023.

**NOTE 10 – CONTINGENCIES AND SUBSEQUENT EVENTS**

The District sent a Resolution of Application for Dissolution to LAFCO in late May 2024 identifying the District request for the County to take over District operations. The response letter from LAFCO identified how the County and the District need to collaborate to a successful dissolution. The District formed a re-organization Board in October 2024 to address the process and have scheduled monthly meetings with the County. The dissolution process is quite complicated in identifying how finances, property, property taxes, water and wastewater operations, administrative functions, as well as necessary physical upgrades to District functions and equipment will be transferred to the County and the process is currently ongoing.

**SUPPLEMENTARY INFORMATION**

Copy

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**SCHEDULE OF REVENUES AND EXPENSES BY FUNCTION**  
For the Fiscal Year Ended June 30, 2024

	<u>Sanitation Fund</u>	<u>Water Fund</u>	<u>General</u>	<u>Total</u>
<b>Operating Revenues:</b>				
Utility sales	\$ 502,561	\$ 451,437	\$ -	\$ 953,998
Service charges			104,901	104,901
Late fees and adjustments			25,233	25,233
	<u>502,561</u>	<u>451,437</u>	<u>130,134</u>	<u>1,084,132</u>
<b>Operating Expenses:</b>				
Bank fees			1,373	1,373
Bookkeeping	8,460	8,460	38,905	55,825
Directors' fees	1,734	1,733	1,233	4,700
Payroll expenses	120	120	853	1,093
Dues and subscriptions	2,572	3,086	200	5,858
Road maintenance			53,588	53,588
Insurance-health	5	5		10
PERS Retirement	6,497	6,497		12,994
Insurance-liability	2,928	3,660	7,209	13,797
LAFCO budget allocation	2,109	2,109	2,109	6,327
Legal fees	30,799	32,536	37,639	100,974
Licenses and permits		16,195	3,324	19,519
Miscellaneous	656	656	23,258	24,570
Depreciation	39,350	43,835	4,357	87,542
Office expenses	6,195	6,195	16,212	28,602
Operations management	397,260	315,468	11,167	723,895
Repairs and maintenance allowance - GES contract	39,251	20,187	4,943	64,381
Professional fees	79,398	64,411	54,585	198,394
Emergency stand by		27,113		27,113
Repairs	9,482	3,646	93	13,221
Utilities	52,782	52,231	9,324	114,337
Website	2,361	2,361	866	5,588
Weed abatement	5,090			5,090
	<u>687,049</u>	<u>610,504</u>	<u>271,238</u>	<u>1,568,791</u>
Total operating expenses				
Net operating income (loss)	<u>(184,488)</u>	<u>(159,067)</u>	<u>(141,104)</u>	<u>(484,659)</u>
<b>Non-Operating Revenues (Expenses):</b>				
Property taxes			91,861	91,861
Interest expense		(11,390)		(11,390)
Interest income			21,686	21,686
		<u>(11,390)</u>	<u>113,547</u>	<u>102,157</u>
Total non-operating revenues (expenses)				
<b>Capital Contributions</b>				
Grant income	25,118			25,118
	<u>25,118</u>			<u>25,118</u>
Total capital contributions				
Change in net position	<u>\$ (159,370)</u>	<u>\$ (170,457)</u>	<u>\$ (27,557)</u>	<u>\$ (357,384)</u>

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**SCHEDULE OF REVENUES AND EXPENSES BY FUNCTION**  
For the Fiscal Year Ended June 30, 2023

	<u>Sanitation Fund</u>	<u>Water Fund</u>	<u>General</u>	<u>Total</u>
<b>Operating Revenues:</b>				
Utility sales	\$ 499,165	\$ 447,407	\$ -	\$ 946,572
Service charges			105,517	105,517
State of CA-Dept. of Parks and Recreation	38,707			38,707
Late fees and adjustments	464	(866)	6,020	5,618
	<u>538,336</u>	<u>446,541</u>	<u>111,537</u>	<u>1,096,414</u>
<b>Total operating revenues</b>				
<b>Operating Expenses:</b>				
Accounting	3,258	3,258	3,259	9,775
Bank fees			934	934
Bookkeeping	9,159	9,159	9,160	27,478
Directors' fees	1,600	1,600	2,200	5,400
Payroll expenses	130	130	153	413
Dues and subscriptions	708	1,196	4,740	6,644
Insurance-health	(193)	(192)		(385)
PERS Retirement	8,602	8,601		17,203
Insurance-liability	5,197	5,394	1,177	11,768
LAFCO budget allocation	756	756	1,511	3,023
Legal fees	77,744	92,372	88,768	258,884
Licenses and permits		85,000		85,000
Miscellaneous	11,484	3,735		15,219
Depreciation	2,071			2,071
Office expenses	38,331	43,682	5,377	87,390
Operations management			611	611
Repairs and maintenance allowance - GES contract	308,849	250,206	61,770	620,825
Professional fees	20,000	16,000	4,000	40,000
Emergency stand by	132,555	55,879	43,540	231,974
Repairs		25,226		25,226
Utilities	52,222	47,770	5,165	105,157
Website	5,362	70,362	18,515	94,239
Weed abatement	1,800	1,800	1,800	5,400
	<u>679,635</u>	<u>721,934</u>	<u>252,680</u>	<u>1,654,249</u>
<b>Total operating expenses</b>				
<b>Net operating income (loss)</b>	<u>(141,299)</u>	<u>(275,393)</u>	<u>(141,143)</u>	<u>(557,835)</u>
<b>Non-Operating Revenues (Expenses):</b>				
Property taxes			100,772	100,772
Interest expense		(11,641)		(11,641)
Interest income			2,745	2,745
		<u>(11,641)</u>	<u>103,517</u>	<u>91,876</u>
<b>Total non-operating revenues (expenses)</b>				
<b>Capital Contributions</b>				
Grant income	96,647			96,647
	<u>96,647</u>			<u>96,647</u>
<b>Total capital contributions</b>				
<b>Change in net position</b>	<u>\$ (44,652)</u>	<u>\$ (287,034)</u>	<u>\$ (37,626)</u>	<u>\$ (369,312)</u>



## **BUSINESS ACTION ITEM STAFF REPORT**

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### **ITEM 8 B. ADOPTION OF RESOLUTION 25-477. DISCUSS, REVIEW, AND ADOPT A RESOLUTION AUTHORIZING STAFF TO PREPARE AND DELIVER A NOTICE OF PUBLIC HEARING REGARDING PROPOSED WATER, WASTEWATER, AND SERVICE RATE INCREASES**

#### Summary:

The San Simeon Community Services District (“District”) provides water and wastewater services to District residents and businesses. The fees paid by the District’s customers have not increased since 2022 and are insufficient to cover the cost of the services.

The District adopted Ordinance No. 121 in 2019 to authorize an increase in water, wastewater, and service rates for five years beginning with the 2019-2020 fiscal year. The Ordinance authorized a 5.8% increase for the 2019-2020 fiscal year and CPI (Consumer Price Index) + 3% increases each year for the following four fiscal years. Although the District was authorized to implement a CPI + 3% increase for the 2023-2024 fiscal year, the District only implemented the authorized increases through the 2022-2023 fiscal year. The District has not implemented a rate increase since 2022 despite rising costs and the District’s inability to cover the cost of services under the current rates.

The District proposes a 12% rate increase, which corresponds to a CPI increase for the years since the rates were last increased in 2022. The proposed increase is directly related to increased operating expenses, and the proposed increase raises rates to cover increased operating costs. The District has compared the proposed rates with the cost of providing water and wastewater services, and the District has determined that a 12% rate increase would not exceed the cost of providing water and wastewater services to District customers.

Proposition 218 established substantive and procedural requirements for a public agency increasing property-related fees and charges. A “fee” under Proposition 218 means “any levy other than an ad valorem tax, a special tax, or an assessment, imposed by an agency upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service.”<sup>1</sup> Proposition 218’s requirements apply to fees charged by a local government to provide water services, and voter approval is not

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<sup>1</sup> Cal. Const., art. 13D, § 2.

required for increased water service fees.<sup>2</sup>

Property-related fees must comply with the following substantive provisions of Proposition 218:

1. Revenues derived from the fee must not exceed the funds required to provide the property-related service;
2. Revenues derived from the fee must not be used for any purpose other than that for which the fee is imposed;
3. The amount of a fee imposed upon any parcel or person as an incident of property ownership must not exceed the proportional cost of the service attributable to the parcel;
4. The fee may not be imposed for a service unless the service is actually used by, or immediately available to, the owner of the property subject to the fee;
5. No fee or charge may be imposed for general governmental services, such as police, fire, ambulance, or libraries, where the service is available to the public in substantially the same manner as it is to property owners.

To begin the Proposition 218 process, the District must first provide notice of the proposed increase to the affected customers by mail. The notice must state the amount of the fee to be imposed; the basis upon which the fees were calculated; a statement regarding the reason for the increase; and the date, time and location of the public hearing where the Board will consider the increase. The notice must be sent, in this case, to the customers of record. Pursuant to Government Code section 53755, the notice may be given by including it in the District's regular billing statement. The proposed resolution authorizes the District to prepare and deliver the required Proposition 218 notice of proposed increase to District customers.

Board Actions:

1. The Board may approve the Resolution Authorizing Staff to Prepare and Deliver a Notice of Public Hearing Regarding Proposed Water, Wastewater, and Service Rate Increases;
2. The Board may approve the Resolution Authorizing Staff to Prepare and Deliver a Notice of Public Hearing Regarding Proposed Water, Wastewater, and Service Rate Increases, subject to any changes as directed by the Board; or
3. The Board may reject the Resolution Authorizing Staff to Prepare and Deliver a Notice

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<sup>2</sup> Cal. Const., art. 13D, § 6(c).



of Public Hearing Regarding Proposed Water, Wastewater, and Service Rate Increase in its entirety.

Attachments:

1. Resolution 25-477.
2. Notice of Public Hearing Regarding Proposed Water, Wastewater, and Service Rate Increases
3. Interim General Manager Recommended rate increase

**RESOLUTION NO. 25-477**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN SIMEON  
COMMUNITY SERVICES DISTRICT AUTHORIZING STAFF TO PREPARE AND  
DELIVER A NOTICE OF PUBLIC HEARING REGARDING PROPOSED WATER,  
WASTEWATER, AND SERVICE RATE INCREASES**

**WHEREAS**, the San Simeon Community Services District (“District”) provides water and wastewater services to residents and businesses of the District; and

**WHEREAS**, the water, wastewater, and service fees are insufficient to cover the cost of providing services; and

**WHEREAS**, a 12% rate increase would not exceed the funds required to provide water and wastewater services to District customers; and

**WHEREAS**, the District must comply with the substantive and procedural requirements of Proposition 218 when increasing water, wastewater, and service fees; and

**WHEREAS**, the District must deliver notice of the proposed fee increase to customers of record; and

**WHEREAS**, customers receiving the notice will be provided an opportunity to protest the increase, and if a majority protest is received, state law prohibits the District from implementing the proposed rate increase.

**NOW, THEREFORE, IT IS HEREBY RESOLVED** by the Board of Directors of the **SAN SIMEON COMMUNITY SERVICES DISTRICT** that District staff is authorized to prepare and send notice of a public hearing, pursuant to Proposition 218, to consider increasing water, wastewater, and service rates by 12%.

**ADOPTED** by the Board of Directors of the **SAN SIMEON COMMUNITY SERVICES DISTRICT** on [REDACTED], 2025, by the following roll call votes:

AYES:

NOES:

ABSENT:

ABSTAINED:

\_\_\_\_\_  
Chairperson, Board of Directors of the  
San Simeon Community Services District

**ATTEST:**

\_\_\_\_\_  
Patrick Faverty, Ed.D., Interim General Manager  
San Simeon Community Services District

**APPROVED AS TO FORM:**

\_\_\_\_\_  
District Legal Counsel, Nubia I. Goldstein

The Board has the choice to raise rates as they see fit, as Interim GM, I'm recommending a single rate increase of 12% based on the CPI, which is allowed under Prop 218. The Board can decree to lower the proposal % or recommend offering a contract for a rate study.

A rate study typically includes rate increases for up to five years to warrant the cost of the study. An annual rate increase typically uses the CPI plus 3%. CPI over the last three years has been 9% in '22, 6% in '23, and 3.3% in '24. A further rate study would take time and money and would be public.

Here are my figures for the need for the 12% rate increase

Please note in the 23-24 audit, net operating losses of (\$141,299.00) for wastewater, (\$275,393.00) for water, and General fund of (141,104.99).

Current fees: wastewater = \$17.77 / 100 cf of water used  
(12% increase of \$2.13 for \$19.90 / 100 cf of water used )  
water = \$14.55 / 100 cf of water used (12% increase = \$16.30)  
(12% increase of \$1.75 for \$16.30 / 100 cf of water used )  
service fee = \$40.72. (12% increase of \$4.89 for total \$45.60)

Thus one unit of 100 cf water and wastewater is currently \$32.32 plus fees, \$40.72. A 12% increase/one unit of 100 cf water/waste used would be \$36.20 plus \$45.60

Water and wastewater a monthly 12% total increase (w & ww) would be \$3.88,  
Fee increase = \$4.88

Based on 2023 - 2024 audit total wastewater income was \$499,165. A 12% increase would be \$59,900.

2023-2024 Water income was \$447,407. A 12% increase would be \$53,689.

2023-2024 fees were \$105,517. A fee increase of 12% would represent \$118,179.

The approximate annual increase of 12% = \$231,768.00 would not approach covering the current district operating costs.



**REQUEST FOR PROPOSAL #1881**  
**San Simeon Community Services District Governmental Assessment**

**January 3, 2025**

The County of San Luis Obispo (County) is currently soliciting proposals for professional services to conduct a comprehensive analysis identifying the entirety of the San Simeon Community Services District's (SSCSD)'s current challenges, regulatory issues and future obligations, potential benefits, potential impacts to its rate payers, etc. The analysis shall include an evaluation of the formation of a County Service Area, as well as all other available options that takes over the SSCSD. It is important for the community of San Simeon to have a complete picture of these options and associated costs.

Each proposal shall specify each and every item as set forth in the attached specifications. Any and all exceptions must be clearly stated in the proposal. Failure to set forth any item in the specifications without taking exception may be grounds for rejection. The County reserves the right to reject any and all proposals and to waive any irregularity or informality in any proposal or in the RFP process, as long as, in the judgment of the County, such action will not negate fair competition and will permit proper comparative evaluation of the proposals submitted.

This RFP is posted on the County's Purchasing website at <http://www.slocounty.ca.gov/Departments/Central-Services/Purchasing-Services/Services/Bid-RFP-Opportunities.aspx>. Any changes, additions, or deletions to this RFP will be in the form of written addenda issued by the County. Any addenda will be posted on the website. Prospective proposers must check the website for addenda or other relevant new information during the response period. The County is not responsible for the failure of any prospective proposer to receive such addenda. All addenda so issued shall become a part of this RFP.

If you or your firm is interested and qualified, please submit one (1) electronic copy of your proposal, in Adobe Acrobat Portable Data Format (pdf), through the County's Purchasing website at the address listed above, by **3:00 p.m. on February 11, 2025**.

If you have any questions about the proposal process, please contact the Buyer directly.

Taylor Mejia  
Senior Buyer – Central Services Purchasing  
[tmejia@co.slo.ca.us](mailto:tmejia@co.slo.ca.us)

San Simeon Community Services District Governmental Assessment

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**San Simeon Community Services District Governmental Assessment*****I. INTRODUCTION*****A. PURPOSE**

The purpose of this Request for Proposal (RFP) is to solicit offers from firms specializing in governmental services to conduct a comprehensive analysis identifying the entirety of the San Simeon Community Services District's (SSCSD)'s current challenges, regulatory issues and future obligations, potential benefits, potential impacts to its rate payers, and any other potential areas of focus as proposed to the County. The analysis shall include an evaluation of the formation of a County Service Area, as well as all other available options that takes over the SSCSD. It is important for the community of San Simeon to have a complete picture of these options and associated costs.

**B. BACKGROUND**

The San Simeon Community Services District ("SSCSD"), formed in 1961, provides water, sewer, road maintenance, street lighting, and weed abatement to approximately four hundred (400) residents and transient visitors. The SSCSD has had ongoing challenges in providing these services as a consequence of staffing and administrative difficulties.

The SSCSD Board of Directors approved a Resolution of Application for Dissolution on May 2, 2024. The SSCSD submitted the dissolution application to the San Luis Obispo Local Agency Formation Commission ("LAFCO") on May 16, 2024. LAFCO received an application for the proposed dissolution from the SSCSD in three parts on May 24, May 28, and May 30, 2024. LAFCO staff completed an initial 30-day review of the application submittal and found that the application was incomplete and not sufficient for filing. The application remains on hold until several items requested by LAFCO are submitted with the application. Once all the items requested have been submitted and the application is deemed complete, then a Certificate of Filing will be issued with a specified LAFCO hearing date.

As part of LAFCO's formal 30-day review of the application, a letter dated June 26, 2024 from LAFCO, requested and outlined a list of items for the SSCSD to submit with its application (June 26, 2024 LAFCO Letter - Attachment One). A summary of those items requested are as follows:

1. A comprehensive analysis of existing and future governance structures and services to be provided. An analysis should be comprehensive that encompasses the entirety of current challenges, regulatory issues and future obligations, potential benefits, reduced costs, etc. that must be considered by all agencies impacted to make a fully informed decision when considering the dissolution.
2. LAFCO will need clarification of whether the dissolution will include the formation of a County Service Area (CSA). If the County wishes to pursue the formation of a CSA concurrently with the proposed dissolution, then the SSCSD would need to be modify their application to LAFCO to include both the dissolution of SSCSD and the formation of a CSA. In this case, the proposal would be considered a reorganization as defined in Government Code Section 56073. SSCSD and the County would need to provide LAFCO with a revised

**San Simeon Community Services District Governmental Assessment**

Resolution of Application that includes, but is not limited to, a revised resolution from each applicable Board, Plan for Services, and a map and legal description of the proposed CSA.

3. Depending on the outcome of the dissolution application and whether this ultimately becomes a reorganization, the Plan for Services document will need to be updated accordingly. The costs, assets, liabilities, etc. that would be transferred/born to the County will need to be identified, and future rates to the existing community will need to be projected. If a CSA is proposed, analysis related to costs, time and staffing will need to be projected.

4. The SSCSD had a legacy "Outside User Agreement" of 50 years with State Parks. This agreement has since expired. SSCSD's proposal states that the service area being transferred to the County would only consist of the existing CSD boundary. Clarification is needed as to how State Parks would continue to obtain service, as they are an existing customer of SSCSD. If a CSA is formed, the affected State Parks area currently served by SSCSD would need to be included in its boundary. Due to regulatory changes, an outside user agreement would no longer be a feasible option, so any future boundary change or formation will need to address this issue.

5. A Property Tax Agreement will need to be approved by resolution by the Board of Supervisors to transfer property tax revenues and annual tax increment from SSCSD. Once details are identified and resolved, the appropriate path for the tax exchange process will be identified.

6. As this process moves forward early coordination and community involvement is highly recommended. If LAFCO approves the dissolution, a protest period would follow as required under Government Code Section 57092. SSCSD registered voters and landowners will have an opportunity to protest any action of LAFCO, and if certain thresholds are met, it could affect the overall outcome. If at least 25% of landowners who own at least 25% of assessed value within SSCSD protest during the protest proceedings OR if at least 25% of registered voters file a protest during protest proceedings, then the item goes to an election. If LAFCO receives 50% or more protests from the registered voters residing in SSCSD, then the action shall be terminated pursuant to Government Code Section 57078, without an election.

7. The proposed dissolution will require discretionary action of the LAFCO Commission. As such, the proposed dissolution is subject to environmental review under the California Environmental Quality Act. Based on the status of the proposed dissolution at this time it is not possible to make an environmental determination. Once sufficient details of the proposed dissolution are known, LAFCO will be able to make a determination as to how the California Environmental Quality Act will be complied with.

## **II. SCHEDULE AND SUBMITTAL**

### **A. RFP SCHEDULE**

The following represents the tentative schedule for this RFP. Any change in the scheduled dates for the Deadline for Final Questions, Proposal Submission Deadline, and/or



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Interviews (if needed) will be advertised in the form of an addendum to this RFP. The schedule for other milestones dates may be adjusted without notice.

<b>RFP Schedule</b>	<b>Date</b>
Issued	January 3, 2025
Deadline for Questions	January 29, 2025
Proposal Submission Date	February 11, 2025
Evaluation of Proposals	February-March 2025
Interviews (if needed)	March 2025
Contract Negotiations	March-April 2025
Intent to Award Issued	April 2025
Award by Board of Supervisors	April 2025
Notice to Proceed	1 day from award by BOS

**B. QUESTIONS**

All questions (requests for interpretations or corrections) pertaining to the content of this RFP must be made in writing through the County's Purchasing website by **3:00 p.m. on January 29, 2025**. Requests submitted after said date may not be considered. Questions will receive a response within five (5) business days. Questions and responses will be posted (anonymously) on the Purchasing website and can be viewed by accessing the RFP. The County reserves the right to determine the appropriateness of comments/questions that will be posted on the website.

**C. PROPOSAL SUBMITTAL**

If you or your firm is interested and qualified, please submit one (1) electronic copy of your proposal, in Adobe Acrobat Portable Data Format (pdf), through the County's Purchasing website at the address listed on the title page by **3:00 p.m. on February 11, 2025**.

**III. GENERAL INSTRUCTIONS**

**A. COUNTY RIGHTS & OPTIONS**

1. All proposals must be submitted to the County's Purchasing website in Adobe PDF format no later than **3:00 p.m. on February 11, 2025**. Late proposals will not be considered.
2. The County reserves the right to request any missing information in a proposal submitted in response to this RFP. Proposer shall have 24 hours to provide the information to the requesting Buyer.
3. All costs incurred in the preparation and submission of proposals and related

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documentation will be borne solely by the proposer.

4. This RFP does not constitute an offer of employment or to contract for services.
5. The County may, in its sole and absolute discretion, accept or reject any and all proposals, in whole or in part, with or without cause, in response to this RFP and to make more than one award, or no award, or postpone or cancel, at any time, this RFP process, as which the County determines to be in its best interests.
6. The County reserves the right to remedy technical errors, modify the published scope of services and approve or disapprove the use of all sub-consultants.
7. The issuance of this RFP does not constitute an agreement by the County that any subsequent selection process will occur, or that any contract will be entered into by the County. Proposals and other materials will not be returned.
8. The County has the right to use any or all ideas or concepts presented in any proposal or interview without restriction, without conversation to all applicants.
9. All documents submitted to the County in response to this RFP will become the exclusive property of the County.
10. All proposals shall remain firm for NINETY (90) days following closing date for receipt of proposals.
11. The County reserves the right to award the contract to the firms who present the proposal which, in the judgment of the County, best accomplishes the desired results.
12. The term of the contract will be approximately SIX (6) months from date of award. Pricing will remain unchanged throughout the term of contract.
13. Any contract awarded pursuant to this RFP will incorporate the requirements and specifications contained in this RFP. All information presented in a proposer's proposal will be considered binding upon selection of the successful proposer, unless otherwise modified and agreed to by the County during subsequent negotiations.
14. Under the provisions of the California Public Records Act (the "Act"), Government Code section 6252 et seq., the County may be obligated to provide a copy of any and all records that the proposer provides County relating to this RFP (hereafter "Records from Proposer"), including those records which the proposer believes constitute confidential information. If the County determines (in its sole discretion) that (i) a person/entity has requested a copy of records that would include Records from Proposer , and (ii) the County does not have sufficient direct, first-hand knowledge to independently conclude that such Records from Proposer are exempt from disclosure under the Act, and (iii) the requester is not willing to accept the proposer's claim that the Records from Proposer are exempt from disclosure under the Act, the County will provide the proposer written notice thereof (via mail and/or email). If the proposer does not, within seven court business days thereof, file the appropriate papers in San Luis Obispo County Superior Court ("Court") seeking a court order preventing the County from disclosing any such Records from Proposer to the requester, and have its request heard by the Court within 30 days thereof, the proposer shall be deemed to have waived any claim that the Records from Proposer are exempt under the Act. (The County reserves the right to

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issue a written extension of time if it determines (in its sole discretion) that one is appropriate.) Under no circumstances shall the proposer be entitled to recover from County any of its court costs, attorney's fees or other litigation expenses that are related in any way to whether any Records from Proposer are exempt under the Act. If any proposer believes that information contained in its response to this RFP should be protected from disclosure, the proposer MUST specifically identify the pages of the response that contains the information by properly marking the applicable pages and inserting the following notice in the front of its response:

**NOTICE:** *The data on pages \_ of this response identified by an asterisk (\*) contain technical or financial information, which are trade secrets, or information for which disclosure would result in substantial injury to the proposer's competitive position. Proposer requests that such data be used only for the evaluation of the response, but understands that the disclosure will be limited to the extent the County considers proper under the law. If an agreement is entered into with the proposer, the County shall have the right to use or disclose the data as provided in the agreement, unless otherwise obligated by law.*

The County will not honor any attempt by proposer to designate its entire proposal as proprietary. If there is any dispute, lawsuit, claim or demand as to whether information within the response to the RFP is protected from disclosure under the Act, proposer shall indemnify, defend, and hold harmless, the County arising out of such dispute, lawsuit, claim or demand.

15. The proposer warrants that no official or employee of the County has an interest, has been employed or retained to solicit or aid in the procuring of any contract resulting from this RFP, if any, and further warrants that such person will not be employed in the performance of the contract without immediate written notice to the County.
16. Firms submitting proposals shall warrant that their offer is made without any previous understanding, agreement or connection with any person, firm or corporation submitting a separate proposal for the same project and is in all respects fair, without outside control, collusion, fraud or otherwise illegal action. This condition shall not apply to proposals which are submitted by firms who have partnered with others to submit a cooperative proposal that clearly identifies a primary contractor and the associated subcontractors.
17. Contractor shall comply with all laws and regulations governing nondiscrimination in employment, including the Americans with Disabilities Act of 1990, the Fair Employment and Housing Act (California Government Code §§ 12900, et seq.), and the applicable regulations promulgated thereunder (2 California Code of Regulations §§ 7285, et seq.).
  - 17.1. **Nondiscrimination:** The Contractor, with regard to the work performed by them during the Contract, shall not discriminate on the grounds of race, color or national

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origin or other legally protected criteria in employment or the selection and retention of subcontractors, including procurement of materials and leases of equipment. The Contractor shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices when the Contract covers a program set forth in Appendix B of the Regulation.

17.2. **Solicitation for Subcontracts, Including Procurement of Materials and Equipment.** In all solicitation, either by competitive bidding or negotiation, made by the Contractor for work to be performed under a subcontract, including procurement of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the Contractor of the Contractor's obligations under this Contract and the regulations.

18. Unforeseen additional items and/or services may be required. The County therefore reserves the right to negotiate with the successful proposer for additional items and/or services beyond what is described in Appendix A to be added to the final contract.

19. **Executive Order N-6-22 – Russia Sanctions:** On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. By submitting a bid or proposal, Contractor represents that it is not a target of Economic Sanctions. Should the State or County determine Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for rejection of the Contractor's bid/proposal any time prior to contract execution, or, if determined after contract execution, shall be grounds for termination by the County.

20. **Advanced Clean Fleets.**

20.1. Vehicles with a GVWR greater than 8,500 lbs. and light-duty package delivery vehicles operated in California may be subject to the California Air Resources Board Advanced Clean Fleets regulations. Such vehicles may therefore be subject to requirements to reduce emissions of air pollutants. For more information, please visit the CARB Advanced Clean Fleets webpage at: <https://ww2.arb.ca.gov/our-work/programs/advanced-clean-fleets>.

20.2. All fleets hired by the County shall be listed on the CARB Advanced Clean Fleets webpage as a compliant fleet or the fleet owner must provide a signed statement that its fleet is not subject to the High Priority and Federal Fleets regulations in title 13, CCR, sections 2015 through 2015.6 and the State and Local Government Fleets regulations in title 13, CCR, sections 2013 through 2013.4.

**B. CHANGES TO THE RFP**

This RFP is posted on the County's Purchasing website at <http://www.slocounty.ca.gov/Departments/Central-Services/Purchasing->

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[Services/Services/Bid-RFP-Opportunities.aspx](#). Any changes, additions, or deletions to this RFP will be in the form of written addenda issued by the County. Any addenda will be posted on the website. Prospective proposers must check the website for addenda or other relevant new information during the response period. The County is not responsible for the failure of any prospective proposer to receive such addenda. All addenda so issued shall become a part of this RFP. Any proposer who has already submitted their proposal and desires to make corrections, may remove and replace their proposal on the Purchasing website up to the date and time for which this RFP closes.

**C. COMMUNICATIONS**

All communications concerning this RFP shall be directed to Taylor Mejia, [tmejia@co.slo.ca.us](mailto:tmejia@co.slo.ca.us). All other communication is not binding and shall in no way modify the RFP or the obligations of the County.

The proceedings of the Selection Committee are confidential, and members of the Selection Committee are not to be contacted by the proposers. After the solicitation has closed, proposers can view the RFP on the Purchasing website where any available award information will be posted and updated within the solicitation. Any questions and requests for information must be addressed to the Buyer.

**D. INSURANCE**

The selected proposer will be required to provide insurance coverage in the amount of Two Million Dollars (\$2,000,000) Commercial General Liability (CGL) Insurance and Two Million Dollars (\$2,000,000) Professional Liability Insurance. See **Appendix B – Sample Contract** for complete insurance and indemnification requirements.

<b>INSURANCE REQUIRED</b>	<b>AMOUNT</b>
CGL & Property Damage	\$ 2.0 Million per occurrence
Professional Liability	\$ 2.0 Million per occurrence / \$ 4.0 Million aggregate
Auto Liability /Property Damage/Bodily Injury	\$ 1.0 Million per occurrence
Workers Compensation & Disability Benefits	\$ 1.0 Million per occurrence

The selected proposer shall provide within five (5) days after the Notice of Award is issued a certificate of liability insurance naming the County of San Luis Obispo and its employees and officers as additionally named insured. This shall be maintained in full force and effect for the duration of the contract and must be in an amount and format satisfactory to the County.

**San Simeon Community Services District Governmental Assessment****E. EXCEPTIONS & DEVIATIONS**

Any exceptions to or deviations from the requirements set forth in this RFP must be declared in the proposal submitted by the proposer. Such exceptions or deviations must be segregated as a separate element of the proposal under the heading "Exceptions and Deviations" as instructed below in section IV. The County may waive any immaterial deviation or defect in a proposal.

**F. AWARD AND STANDARD AGREEMENT**

The County reserves the right to make awards within NINETY (90) days after the date of the RFP closing. The successful proposer is expected to execute a contract similar to the contract in Appendix B. This sample contract is for reference to the anticipated terms and conditions governing the County and the successful proposer. The proposer must take exception in their proposal to any section of the attached contract they do not agree with. Failing to do so will be deemed as acceptance by the proposer to the terms spelled out in the sample contract. The County reserves the right, in its sole discretion, to add, delete, or modify, or negotiate additional terms and conditions to the attached contract. BEFORE BEGINNING ANY WORK OR SUBMITTING A PROPOSAL IT IS ADVISED THAT PROPOSERS READ THE COUNTY INSURANCE AND INDEMNIFICATION REQUIREMENTS IN THE ATTACHED SAMPLE CONTRACT. The selected proposer will be asked to provide evidence that County insurance requirements have been met.

**San Simeon Community Services District Governmental Assessment*****IV. PROPOSAL FORMAT***

A qualifying proposal must address all of the following points and shall be in the format outlined in this section:

**A. Project Title****B. Applicant or Firm Name****C. Format and Firm Qualifications**

To respond to the RFP, a proposer must submit a proposal on or before the deadline. The proposal must be signed by a person authorized to bind the proposing firm to the representations, commitments and statements contained in the proposal. The proposal must contain the following information and documents:

- a. A cover letter summarizing the key points of the proposal (2 pages max.)
- b. **Description of Firm.** A description of the firm's organizational structure, the jurisdiction in which the firm is organized and date of such organization. In addition, provide a brief description of the firm's qualifications and experience on projects of similar nature to those described in the proposal as well as projects/clients where consultant has performed as an extension of staff.
- c. **Authorized representative of the proposer.** The name, address, telephone number, and email address of the person authorized to represent the proposer with respect to all notices, negotiations, discussions, and other communications relating to this proposal, to any negotiation relating to the contract.
- d. **Staffing.** Provide an organizational chart identifying: 1) the project manager for the work; 2) each key person who would be assigned to carry out the work, and their respective roles in performing the work. Provide a separate description of the experience and qualifications of such manager and key persons, including a summary of experience on similar projects to those described in this proposal. Resumes should be included for all key individuals as an appendix to the submittal.
- e. **References.** A list of no more than three references for the proposer and no more than three references for the subconsultants, (if any), including the names, addresses and telephone numbers of recent clients, preferably other public agencies and a listing of the specific projects and key individuals that have participated in them. Include the dollar amount related to the participation. Identify how much experience the firm and sub consultant has had with public agencies.

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- f. **Scope.** A clear concise statement of the proposer's understanding of the nature and extent of the services required and a specific outline to demonstrate how personnel would be organized to handle these services.

**D. Work Plan/Technical Services**

- a. This section should establish that the proposer understands the County's objectives and requirements, demonstrate the proposer's ability to meet those requirements and outline clearly and concisely the plan for accomplishing the specified work as outlined in Appendix A - Scope of Services.
- b. Indication of information and participation the proposer will require from County staff.

**E. Required Attachments Appendix**

- a. Resumes. In the Appendix, proposer shall include resumes for all key personnel, the specific projects and roles of the individuals, specialty licenses, certificates or relevant training. List all similar work.

**F. Fees**

Propose total fixed fees as described under Project Scope. Fees shall detail the billing rates for each firm's key individuals, other position's overhead rates and other costs. Include any and all other costs for office, vehicle, cell phones, per diem, etc. Travel cost reimbursement rates must conform to the County's Travel Policy reimbursements; costs above these rates are not allowed. See Appendix E – County Travel Policy.

**V. PROPOSAL SELECTION & CONTRACT AWARD****A. SELECTION PROCEDURES**

Proposals will be evaluated by a Selection Committee comprised of one or more County departments and stakeholders. The Selection Committee will consider the completeness of a proposal and how well the proposal meets the needs of the County, Port San Luis, Cal Poly, and the City of Morro Bay. Evaluations will be based on criteria as outlined in **Section B (Selection Criteria)** below. All proposals in response to this RFP will be evaluated using the same criteria.

The sole purpose of the selection procedure is to determine, from among the responses received, which one is best suited to meet the needs of the County, Port San Luis, Cal Poly, and the City of Morro Bay. Any final analysis or weighted score does not imply that one proposer is superior to another, but simply that, in the Selection Committee's judgment, the selected proposer appears to offer the best overall solution for the County's current and anticipated needs.

The County may require the proposers who receive top rankings during the initial



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evaluation phase to conduct an on-site interview or oral presentation of their proposal on the date specified in **RFP Schedule**. The County will provide a required agenda, for those proposers, specifying the items to be covered during the proposer’s presentation.

The County may use a Best and Final Offer option. This allows all the proposers with potentially acceptable proposals the opportunity to supplement their original proposal. All the proposers with potentially acceptable proposals will be contacted in writing by the County requesting the submission of the proposer’s Best and Final Offer (“BAFO”). The BAFO must include all discussed and negotiated changes.

**B. SELECTION CRITERIA**

The County will evaluate the proposals based on, but not limited to, the following criteria. The objective is to choose the proposal that offers the highest quality services and will achieve the project’s goals and objectives within a reasonable budget. While cost is important, other factors are also significant and the County may not select the lowest cost proposal.

<b>Selection Criteria – RFP (Phase One)</b>	<b>Points Available</b>
<b>Understanding of scope of work</b>	<b>25</b>
<b>Demonstrated expertise in performing similar work</b>	<b>20</b>
<b>Qualifications and experience of key staff</b>	<b>20</b>
<b>Demonstrated technical ability</b>	<b>20</b>
<b>Cost</b>	<b>15</b>
<b>Total Points Available Per Contractor</b>	<b>100</b>
<b>Selection Criteria – Interviews (Phase Two)</b>	<b>Points Available</b>
<b>Oral Interview (Agenda) (Optional)</b>	<b>50</b>
<b>Best and Final Offer (Optional)</b>	<b>50</b>
<b>Total Points Available Per Contractor</b>	<b>50</b>

**C. FINAL SELECTION**

The Selection Committee will formulate its recommendation for award of the Contract and forward its selection to the appropriate parties for approval.

**D. CONTRACT AWARD AND EXECUTION**

The County reserves the right to enter into a contract without further discussion of the submitted proposal. Therefore, the proposal should be initially submitted on the most favorable terms the proposer can offer.

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The County reserves the right to withdraw the RFP in whole or in part, at any time and for any reason. Submission of a proposal confers no rights upon a proposer and does not obligate the County in any manner. The County reserves the right to award no contract and to solicit additional offers at a later date.

Each proposer, by submitting a proposal, agrees that if the County accepts its proposal, such proposer will furnish all items and services upon the terms and conditions in this RFP and subsequent contract. Proposals that do not meet the mandatory requirements set forth in this RFP will be considered non-compliant. Proposers may be disqualified and the proposal may be rejected by the County for any of, but not limited to, the following reasons:

- Failure to properly respond to the RFP;
- Evidence of collusion among the proposers submitting the proposals;
- Failure to comply with the specification requirements of the RFP.

Terms, conditions, prices, methodology, or other features of the Contractor's proposal may be subject to negotiation and subsequent revision. As part of the negotiations, the Contractor may be required to submit additional financial information and other data to allow for a detailed evaluation of the feasibility, reasonableness, and acceptability of the proposal.

The RFP document and the successful proposer's proposal response, as amended by agreement between the County and the successful Contractor, including e-mail or written correspondence relative to the RFP, may become part of the contract documents. Additionally, the County may verify the successful proposer's representations that appear in the proposal. Failure of the successful proposer to perform as represented may result in elimination of the successful proposer from competition or in contract cancellation or termination.

The requirements listed in this RFP are not negotiable and will remain unchanged unless the County determines that a change in such requirements is in the best interest of the County.

The County expressly reserves the right, in its sole judgment, to accept or reject any or all proposals, with or without cause, modify, alter, waive any technicalities or provisions, or to accept the proposal which, in its sole judgment, is determined to be the best evaluated offer resulting from negotiation and taking into consideration other evaluation factors set forth in the RFP. The successful proposer will be expected to enter into a contract with the County. If the successful proposer fails to sign a contract within fifteen (15) business days, unless the County grants an extension, following the delivery of the contract documents, the County may elect to negotiate a contract with the next-highest ranked proposer.

The County shall not be bound, or in any way obligated, until both parties have executed a contract. The selected proposer may not incur any chargeable costs prior to final contract

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execution. The foregoing should not be interpreted to prohibit either party from proposing additional contract terms and conditions during the negotiation of the final Contract.

The supplies and services are to be provided in compliance with all applicable state and federal standards, rules and regulations. The County reserves the right to request additional written and/or oral information from proposers at any time before contract award, in order to obtain clarification of their responses.

**E. PROTEST OF AWARD**

Any objection to the County's final decision will be handled according to applicable state and local procurement laws.

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**Response:** The written, signed and sealed complete document submitted according to the proposal instructions. Response does not include any verbal or documentary interaction apart from submittal of a formal Response.

**Request/Proposal/Bid:** The completed and released document, including all subsequent addenda, made publicly available to all prospective proposers.

**We/Us/Our:** Terms that refer to the County of San Luis Obispo, a duly organized public entity. They may also be used as pronouns for various subsets of the County organization, including, as the context will indicate.

**Purchasing:** The Contracts and Purchasing Services Division of the Department of Central Services.

**Department/Division:** The department or division requesting the goods or services contained in this request, for which this PROPOSAL is prepared and which will be the end user of the requested goods or services.

**You/Your:** Terms that refer to businesses/individuals submitting a response. The term may apply differently as the context will indicate.

**Supplier:** A business entity engaged in the business of providing services.

**Proposer:** A business entity submitting a Response to this proposal. Suppliers which may express interest in this proposal, but who do not submit a Response, have no obligations with respect to the proposal requirements.

**Contractor:** The proposer(s) whose Response to this proposal is evaluated as meeting the needs of the County. Contractor(s) will be selected for award, and will enter into a contract(s) for provision of the services described in this proposal.

**Contractor's Employee:** All persons who can be offered to provide the services described in the proposal. All employees of the Contractor shall be covered by the insurance programs normally provided to persons employed by a company (ex: Worker's Comp, SDI, etc.).

**Mandatory:** A required element of this request/proposal/bid. Failure to satisfy any element of this request/proposal/bid defined as "mandatory" will disqualify the particular response.

**Default:** A failure to act as required by any contract resulting from this request, which may trigger the right to sue or may excuse the other party's obligation to perform under the contract.

**Cancellation/Termination:** A unilateral or mutual decision to not complete an exchange or perform an obligation under any contract resulting from this request.

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**“Or Equal”:** A statement used for reference to indicate the character or quality desired in a requested product or service. When specified in a proposal document, equal items will be considered, provided the response clearly describes the article. Offers of equal items must state the brand and number, or level of quality. When brand, number, or level of quality is not stated by proposer, the offer will be considered exactly as specified. The determination of the Purchasing Agent as to what items are equal is final and conclusive.

**San Simeon Community Services District Governmental Assessment****APPENDIX A – SCOPE OF SERVICES**

The County of San Luis Obispo (County) is currently soliciting proposals for professional services to conduct a comprehensive analysis of the San Simeon Community Services District's (SSCSD)'s existing and future governance structures and services to be provided related to SSCSD's dissolution application submitted to LAFCO. The proposed analysis is intended to address LAFCO's request for information response to SSCSD.

The dissolution application, materials submitted to LAFCO by SSCSD, and other related information can be found here: <https://slo.lafco.ca.gov/lafco-no-2-r-24-dissolution-of-san-simeon-community-service-district>. LAFCO's response to the SSCSD about their application can be found here: <https://slo.lafco.ca.gov/files/ab8dee924/30-Day+Review+of+Application+2-R-24.pdf>.

The analysis should identify the entirety of SSCSD's current challenges, regulatory issues and future obligations, potential benefits, potential impacts to its rate payers, etc. The analysis shall include evaluating the formation of a County Service Area as well as all other available options (consolidation, etc.) to administer, manage, and operate all the current services and future obligations of the SSCSD. It is important to identify and analyze all potential options to be considered by all agencies impacted as well as for the community of San Simeon to have a complete picture of these options and associated costs.

The analysis should attempt to conclude or recommend the most appropriate plan for service for all existing and future obligations of the SSCSD should a dissolution be approved. The consultant should develop applicable criteria for evaluating each option such as feasibility, long-term viability, cost (capital and annual operation and maintenance), timeliness, and political impact. The analysis process will require agency coordination and potential community involvement, to understand organizational, operational and political impacts of potential reorganization or consolidation options for the plan for services.

This analysis will not develop the plan for service, and is limited to reviewing, evaluating, and recommending the best approach for reorganizing or consolidating the government services of the SSCSD should a dissolution proceed in the future. The plan of service may differ for each of the services to be provided. Pending an agreeable plan of service, a separate and future effort will be undertaken to fully develop each plan of service.

The existing SSCSD services that need to be reviewed, evaluated and considered for potential plan for service, include: Water, Wastewater Collection and Treatment, Weed Abatement, Street Lighting, and Roads.

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The following sections will describe the requested scope of services for the feasibility analysis for each plan for service.

**WATER**

1. Assessment of Physical Assets. The consultant shall collect data related to the water system as needed to evaluate the existing water supply, treatment, storage, and distribution assets, conditions, and needs. The consultant shall summarize the existing condition of the water supply, treatment, storage, and distribution system and shall identify major system deficiencies, if any, and major upcoming repairs or replacements required. A cost estimate shall be assigned to each deficiency, repair and/or replacement.
2. High Level Water Distribution System Hydraulic Connections and Considerations. The consultant shall review existing data and system maps to estimate the potential benefits of merging and the costs of interties to nearby water systems. A detailed hydraulic model is not requested as part of this effort, but if such modeling is required to solidify the plan for service then these costs should be included and considered in the feasibility analysis of proposed options.
  - a. Consultant shall meet with and interview applicable stakeholders/agency staff to identify potential options for reorganization or consolidation of systems, as well as identify benefits and any anticipated impacts because of reorganization or consolidation of systems.
3. Assessment of Managerial/Governance Structures and Capability. The consultant shall review stakeholder provided data to understand and assess the management and operations of each of the identified project stakeholders as related to taking over the existing and future water service needs. Water system stakeholders as identified by LAFCO include SSCSD, County of San Luis Obispo. The consultant shall identify any other applicable agencies that should be considered stakeholders. Assessment of governance structures and capability of each identified stakeholder as specified below:
  - a. Existing service area governance, management and staffing
  - b. Existing service area maps, population and demographics
  - c. Existing service area rates
  - d. Existing service area policies and procedures
4. Assessment of Financial Assets. The consultant shall review the financial condition of the project stakeholders as existing and post reorganization or consolidation. The consultant should consider the following, and identify any other pertinent considerations, as part of their assessment of the financial situation for each stakeholder:
  - a. Existing rate structures
  - b. Current and planned debt
  - c. Current and future capital improvement/infrastructure needs
  - d. Post reorganization or consolidation rate estimation, assuming the deficiencies, repairs or replacements identified in task 1 are constructed or implemented

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5. Water System Feasibility Analysis. The consultant shall evaluate the pros and cons for each feasible potential plan for service and make conclusions and recommendations based on identified criteria, such as feasibility, long-term viability, cost (capital and annual operation and maintenance), timeliness, and political impact of pursuing identified plan for service. The water system feasibility analysis shall only be complete if it includes conclusions (potential reorganized or consolidated services description), recommendations (including further study recommendations), cost impacts (post consolidation rate estimate), and local governmental accessibility improvements (i.e. management strategy and staffing considerations).

**WASTEWATER COLLECTION AND TREATMENT**

1. Assessment of Physical Assets. The consultant shall collect data related to the wastewater system as needed to evaluate the existing wastewater collection system, treatment system, disposal system, and recycled water distribution system assets, conditions, and needs. The consultant shall summarize the existing condition of the wastewater collection, treatment, disposal, and recycled water system and shall identify major system deficiencies, if any, and major upcoming repairs or replacements required. A cost estimate shall be assigned to each deficiency, repair and/or replacement.
2. Wastewater System Connections and Considerations. The consultant shall review existing data and system maps to estimate the potential benefits of merging or consolidating wastewater services, and the costs of interties to nearby wastewater systems. A detailed hydraulic model is not requested as part of this effort, but if such modeling is required to solidify the plan for service, then these costs should be included and considered in the feasibility analysis of proposed options.
  - a. The consultant shall consider any current or legacy agreements for wastewater collection and treatment service between SSCSD, State Parks Hearst Castle, Hearst Corporation, or other entities. Clarification is needed as to how State Parks, Hearst Corporation, etc. would continue to obtain service, as they are an existing customer of SSCSD. If a CSA is formed, the affected State Parks and/or Hearst Corporation flows currently served by SSCSD would need to be included in its boundary. Evaluate the feasibility of maintaining an outside user agreement in light of regulatory requirements and the impact on any potential boundary change or formation needed to address this issue.
  - b. Evaluate the permit conditions of the existing Waste Discharge Requirements (WDR) Order No. R3-2022-0003 issued by the Central Coast Regional Water Quality Control Board (RWQCB), including the historical flows, effluent concentration limits, and design capacity. The evaluation shall include a review of the current and potential/anticipated regulatory limits for flows, effluent treatment quality, and other factors impacting the ability of the existing wastewater system to meet permit requirements.



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- c. Evaluate the permit conditions of the Coastal Development Permit (CDP) 3-19-0020, dated July 18, 2019, which requires the existing wastewater collection, treatment, and disposal system to relocate facilities and meet timeline and progress reviews terms and conditions. Assess the preliminary costs required to meet the CDP requirements including local planning issues, regulatory considerations, and financial impacts related to wastewater system relocation.
    - d. Consultant shall meet with and interview applicable stakeholders/agency staff to identify potential options for reorganization or consolidation of systems and evaluate the risks and benefits of the potential options.
3. Assessment of Managerial/Governance Structures and Capability. The consultant shall review stakeholder provided data to understand and assess the management and operations of each of the identified project stakeholders as related to taking over the existing and future water service needs. Wastewater system stakeholders as identified by LAFCO include SSCSD, County of San Luis Obispo, California State Parks, and Hearst Corporation. The consultant shall identify any other applicable agencies that should be considered stakeholders. Assessment of governance structures and capability of each identified stakeholder as specified below:
  - a. Existing service area governance, management and staffing
  - b. Existing service area maps, population and demographics
  - c. Existing service area rates
  - d. Existing service area policies and procedures
  - e. Post reorganization or consolidation rate estimation, assuming the deficiencies, repairs or replacements identified in task 1 are constructed or implemented
4. Wastewater System Feasibility Analysis. The consultant shall evaluate the pros and cons for each feasible potential plan for service and make conclusions and recommendations based on identified criteria, such as feasibility, long-term viability, cost (capital and annual operation and maintenance), timeliness, and political impact of pursuing identified plan for service. The wastewater system feasibility analysis shall only be complete if it includes conclusions (potential reorganized or consolidated services description), recommendations (including further study recommendations), cost impacts (post consolidation rate estimate), and local governmental accessibility improvements (i.e. management strategy and staffing considerations).

**REORGANIZATION OR CONSOLIDATION RATE ESTIMATES**

The consultant shall tabulate and consolidate all identified water and wastewater costs and develop a rate impact sheet using the current loan terms of the USDA Rural Development Rural Utilities program.

**San Simeon Community Services District Governmental Assessment****WEED ABATEMENT**

The consultant shall evaluate weed abatement requirements and provide a report and plan to meet the minimum requirements set forth.

**STREET LIGHTING**

The consultant shall evaluate what processes are in place and provide a report of what activities would need to be transferred to a new entity.

**ROADS**

The Consultant shall:

1. Identify the unmaintained County roads and categorize by name, length and Pavement Condition Index.
2. Establish an inventory of road related infrastructure such as, but not limited to culverts, drainage inlets and outlets, signs, street lights and bridges, with an estimated condition of each asset.
3. Identify any known American with Disabilities Act barriers to travel.
4. Estimate the cost of bringing the unmaintained County roads into the County road system, and calculate the amount of linear feet the unmaintained roads front private parcels that would be subject to an assessment.

**OTHER ISSUES**

Investigate and report on the Pico Stairway reconstruction project, including an estimated cost.

During the course of their report, should the consultant discover any other related issues or areas of concern, the consultant shall list them in an appendix entitled "Other Issues". No further analysis is needed unless directed by the County.

**Comprehensive Analysis Report**

The consultant shall develop each potential plan for service as specified above and incorporate developments into a comprehensive analysis of the SSCSD, summarizing potential governance options. The consultant will prepare a comprehensive analysis report that will generally follow the anticipated outline below; however, the consultant shall propose an improved scope of services and/or outline that meets the intended purpose of this work effort which is to summarize, analyze and recommend most appropriate governing options so that all impacted agencies and the community may make a fully informed decision when considering the proposed dissolution of SSCSD.

**San Simeon Community Services District Governmental Assessment**

Report Outline

1. Introduction and Purpose
2. Existing Service Area Descriptions (Water, Wastewater Collection and Treatment, Weed Abatement, Street Lighting, and Roads)
3. Potential Reorganized or Consolidated Services Description
4. Technical Governance, Managerial and Staffing Considerations
5. Technical Managerial Financial Considerations
6. Post Reorganization or Consolidation Rate Estimates
7. Other Issues (if any)
8. Conclusions and Recommendations

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**APPENDIX B – SAMPLE CONTRACT**

(Attached as a separate document.)

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**APPENDIX C – LOCAL VENDOR PREFERENCE**

The County has established a local vendor preference. When quality, service, and other relevant factors are equal, responses to Requests for Proposals will be evaluated with a preference for local vendors. Note the following exceptions:

1. Those contracts which State Law or, other law or regulation precludes this local preference.
2. Public works construction projects.

A "local" vendor preference will be approved as such when, 1) The vendor conducts business in a fully staffed office with a physical address within the County of San Luis Obispo; 2) The vendor holds a valid business license issued by the County or a city within the County; and 3) The vendor has conducted business at the local address for not less than six (6) months prior to the due date of this Request for Proposal.

Proposals received in response to this Request for Proposal will be evaluated by the Selection Committee considering the local vendor preference described above when quality, service and other relevant factors are equal. The burden of proof will lie with proposers relative to verification of "local" vendor preference. Should any questions arise, please contact a buyer at (805) 781-5200.

	YES	NO
Do you claim local vendor preference?		
Do you conduct business in an office with a physical location within the County of San Luis Obispo?		
Business Address: _____		
Years at this Address:		
Does your business hold a valid business license issued by the County or a City within the County?		
Name of Local Agency which issued license: _____		

Business Name: \_\_\_\_\_

Authorized Individual: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Dated: \_\_\_\_\_

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**APPENDIX D – RISK ASSESSMENT QUESTIONNAIRE**  
**(Required Submittal)**

- 1. List the full names of any partners, owners, officers or other persons occupying a position of authority or responsibility in your organization, as well as their Unique Entity ID (SAM) number.

Unique Entity ID (SAM) Number	Organization

NOTE: A Unique Entity ID (SAM) number is not required but must be listed if the entity has one.

- 2. Have the individual(s) in item #1 been subject to bankruptcy, insolvency or receivership proceedings in the last five (5) years? Yes  No  If yes, please enclose details.
- 3. Has your business/company/organization filed for bankruptcy within the last five (5) years? Yes  No  If so, please enclose details.
- 4. Has your business/company/organization/individual(s) in item #1 ever had a contract for the general type of services/product sought by the County terminated for non-compliance or inadequate performance? Yes  No  If yes, please enclose details.
- 5. Has your business/company/organization/individual(s) in item #1 ever defaulted on a contract for the general type of services/product being sought by the County? Yes  No  If yes, please enclose details.

**San Simeon Community Services District Governmental Assessment**

6. Has there been, in the last five (5) years, or is there now pending or threatened, any litigation, arbitration, governmental proceeding or regulatory proceeding involving claims in excess of \$100,000 with respect to the performance of any services or the provision of any product by your business/company/organization/individual(s) in item #1? Yes  No  If yes, please enclose details.
  
7. Has your business/company/organization/individual(s) in item #1 ever defaulted in fulfilling all of its obligations relating to the payment of county taxes, fees, or other obligations?  
Yes  No  If yes, please enclose details.
  
8. In the last five (5) years, has your business/company/organization/individual(s) in item #1, been or currently involved in any action, audit or investigation brought by any federal government agency or authority or by any state or local governmental agency? Yes  No  If yes, please enclose details.
  
9. In the last five (5) years, has your business/company/organization/individual(s) in item #1 been debarred or suspended for any reason by any federal, state or local government or refrained from bidding on a project due to an agreement with such governmental agency? Yes  No  If yes, please attach a full explanation.
  
10. In the past five (5) years, has your business/company/organization/individual(s) in item #1 had its surety called upon to complete any contract, whether government or private sector? Yes  No  If yes, please enclose details.
  
11. In the past five (5) years, has your business/company/organization/individual(s) in item #1 had a revocation, suspension or disbarment of any business or professional permit and/or license? Yes  No  If yes, please enclose details.
  
12. Has your firm or any of its owners, officers or partners ever been convicted of a federal or state crime of fraud, theft, or any other act of dishonesty?  
Yes  No  If "yes," identify on a separate signed page the person or persons convicted, the court (the county if a state court, the district or location of the federal court), the year and the criminal conduct.

**San Simeon Community Services District Governmental Assessment**

**Signature**

THE UNDERSIGNED HEREBY CERTIFIES THAT THE RESPONSES PROVIDED ARE CORRECT AND TRUTHFUL TO THE BEST OF MY KNOWLEDGE AND FOR THOSE RESPONSES GIVEN WHICH ARE BASED ON INFORMATION AND BELIEF, THOSE RESPONSES ARE TRUE AND CORRECT BASED ON MY PRESENT BELIEF AND INFORMATION.

Dated this \_\_\_\_ day of \_\_\_\_\_ of the year \_\_\_\_\_

Name of organization: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name and title: \_\_\_\_\_



San Simeon Community Services District Governmental Assessment

**APPENDIX F – PROPOSER CHECKLIST**

Please check to ensure all documents listed below are included with your submittal.

**Technical Proposal (Required)**.....   
(Including resumes)

**Local Vendor Preference**.....

**Risk Assessment Questionnaire (Required)**.....

## 8 D. Discussion and Approval of the Replacement of the Broken Water Meters

### Key Conditions for Meter Replacement:

1. **Age:** Most meters have a lifespan of 15-20 years. Replacing them once this timeframe has been exceeded is crucial for accurate readings.
2. **Inaccurate Readings:** If the water bill is unusually high or low without an obvious cause, this may indicate a malfunctioning meter.
3. **Visible Damage:** Any physical damage to the meter body or register can affect its functionality, requiring a replacement.
4. **Leaks Around the Meter:** Leaks near the meter housing might point to issues with the meter or its connections.
5. **Outdated Technology:** Older meters might not be compatible with modern billing systems or lack advanced features.
6. **High Error Rate:** Meters exceeding a 1.5% error rate (per the American Water Works Association standard) need replacing.

### Meters Identified for Replacement:

#### **Acct#s. 4, 126, 211 (9065 Hearst Dr. - Sea Breeze Inn)**

- **Meter Type:** 2"
- **Issue:** Frequent rereads requested by the customer/District, with often erratic readings

#### **Acct#s. 291, 292, 293, 418 (9390 Castillo - Silver Surf Motel)**

- **Meter Type:** 2"
- **Issue:** Frequent rereads requested by the customer/District, with often erratic reading

#### ● **Acct# 432 (432 Pico - Liquor Store).**

- **Meter Type:** 5/8" Digital
- **Issue:** Frequent rereads

#### ● **Acct# 492 (532 Casa Del Mar - Individual Condo)**

- **Meter Type:** 5/8" Digital
- **Issue:** Digital reading capability is broken and cannot be read manually.

#### ● **Acct#s 495, 496, 497 (9070 Castillo Dr - Motel 6)**

- **Meter Type:** 2"
- **Issue:** Frequent rereads requested by the customer/District, with often erratic readings.

#### **For 10 Commercial and two single meter replacements**

**TOTAL = \$23,310.00 + 5 % contingency = \$24,475.00**

**Meters = \$21,210.00**

**Labor = each meter, +/-90 minutes = \$175.00 each X 12 = \$2100.00**

**Contingency = \$1165.00**

### Inventory of Meters to be Replaced:

- **5/8" Meter (1)**
- **2" Meters (11)**

### Meter Prices:

- **5/8" Sensus iPearl Meter: \$330.00**
- **1.5" Sensus C2 Meter: \$2055.00**