

San Simeon Community Services District

The San Simeon Acres Community Services District was formed following an election in 1961 for the purpose of providing street lighting, water, and street maintenance to the San Simeon Acres commercial strip bordering Highway 1. The CSD provides water, sewer, street lighting and road maintenance. In the early 1980's LAFCO investigated several alternatives for reorganization of the CSD which included consolidation with Cambria CSD, incorporation, formation into a County Service Area, or remain a Community Services District.

The San Simeon Community Services District provides water services to this area from wells located along Pico Creek with a permitted total production of 140 acre-feet. The wells are capable of producing over 400 acre-feet per year but would require approval from the State Water Resources Control Board and State Coastal Commission. Sewer service was added in 1964. The CSD currently provides services to the approximately 160 permanent residents and up to 1,500 transient visitors. A five-member elected board of directors manages District affairs.

The permanent population at San Simeon Acres is limited, as very little year-round residential development has occurred. Anticipated future growth would be in multiple family units to provide second homes or retirement units, or to serve those who work in the local businesses. Economic development is oriented to tourism/recreation. Motels, restaurants and specialty retail shops serving visitors to the central coast have been developed. Continued economic growth of this type is anticipated in accordance with increasing visitor demand. Expansion of attractions that would keep visitors in the Central Coast area for longer periods of time would substantially benefit the area.

Resource Management Summary. The Resource Management System (RMS) provides information to guide decisions about balancing land development with the resources necessary to sustain such development. It focuses on, 1) Collecting data, 2) Identifying resource problems and 3) Recommending solutions. The County Biennial Resource Management System report characterizes San Simeon as follows:

San Simeon is at about 38% of its population of about 1,200 per the County General Plan. Based on the projections prepared by AECOM in 2011 buildout population is not expected to be reached for several decades.

Water. The average gross per capita demand for the District is 388 gpcd. The San Simeon Community Services District provides water services to this area from two wells located along Pico Creek. Total production capability is over 200 acre-feet per year. The

San Simeon Population Projections								
2000	2005	2010	2012	2015	2020	2025	2030	2035
639	550	450	451	452	458	461	466	468

Source: AECOM for SLOCOG, July 2011

Special Districts Sphere of Influence Update Adopted August 2014 Municipal Service Review

capacity of storage facilities and peak periods of use must be monitored to insure a continuous water supply.

The CSD provides water to 209 connections from two wells located near Pico Creek. As of May 1982, the District was using 125 acre-feet of an allotted 140 acre-feet, or 89 percent of capacity. The safe yield of the Pico Creek groundwater basin is estimated to be about 90 acre-feet per year. Long-term water supply depends upon locating new sources or water. The SSCSD has studied the feasibility of supplemental water supplies, including desalination, surface storage, wastewater reclamation and a cooperative agreement with the Cambria CSD. Securing additional water supplies for this isolated coastal community remains problematic. The water system has been at a LOS III since 2002 due to ongoing issues with the community's wells in Pico Creek.

The District has received final approval for the use of recycled water from the districts recycled water equipment. The district is allowed to distribute recycled water per Ordinance 112. Ordinance 112 allows the current recycled water produced from the San Simeon Wastewater Treatment Plant to be used by customers within the service area. Per State requirements recycled water users will need to be trained by District staff for proper use of the non-potable water supply.

In 2014 California has been faced with water shortfalls in one of the driest year in recorded state history, Governor Jerry Brown declared a drought state of emergency. The declaration called for a 20 percent reduction in water use. San Luis Obispo County was one of 27 counties in the state to be declared a natural disaster by the U.S. Department of Agriculture due to the drought. The communities of San Luis Obispo County each have made local efforts to conserve water and adopted conservation measures or made declaration to assist in water savings. The following summarizes the actions taken by San Simeon CSD:

San Simeon CSD - Declared Stage II July 2013 - Stage II Conditions

1. All outdoor irrigation of vegetation with potable SSCSD water shall be prohibited.
2. The use of SSCSD water for the filling, refilling or adding of water to swimming pools, wading pools, ornamental fountains, or spas shall be limited to the amount necessary to keep the pool or fountain equipment operative and to refill for evaporative losses.
3. Restaurants are prohibited from serving SSCSD water to their customers except when specifically requested by the customer.

Sewer. Based on the projected increase in residential units and tourist facilities and a corresponding increase in sewage flow from the Hearst Castle Visitors' Center, it is estimated that average dry-weather flow at buildout would equal or exceed the current capacity of the treatment plant. An increase in the rate of flow per capita or per motel room could result in peak flows 25 percent higher than the plant's capacity. To handle these peak flows, expansion will be necessary. With modifications and upgrades, the current system could handle 400,000 gpd. The buildout flow could be accommodated by a plant of this size. If a larger plant should be needed in the future, the Master Water and Sewerage Plan identifies two alternatives: first, 1) a new plant designed to serve

San Simeon Acres (within the Village Reserve Line); and, 2) joint use and expansion of the Cambria wastewater treatment plant. Final sizing of plant expansion should be limited to that needed to serve San Simeon Acres, Hearst Castle, and Department of Parks and Recreation staging area facilities.

Fire Protection. Fire protection in San Simeon Acres is provided through a contract with CalFire in Cambria. Equipment is maintained at the California State Department of Forestry CalFire Station in Cambria. San Simeon CSD does not provide fire services and this is a latent power of the District.

Future Growth. The following is an excerpt from the County's North Coast Area Plan characterizing the land use and potential for future growth within the San Simeon Acres Village reserve line. The General Plan does not envision intensified land uses in the areas surrounding San Simeon Acres:

San Simeon Acres is a small commercial village developed to provide tourist/recreation services along the central coast. It provides food and lodging facilities for Hearst Castle visitors as well as tourists driving the scenic Highway 1 route between San Luis Obispo and the Monterey Peninsula. San Simeon Acres evolved from a 1940 sale of the area by W.R. Hearst to permit recreation development. Present uses are concentrated on the frontage roads along Highway 1. The village reserve line encompasses approximately 100 acres. The surrounding areas are devoted to grazing. Future development can occur within the presently subdivided area. The Service Area Boundary and Sphere of Influence are the same as the County's Village Reserve line.

Residential Multi-Family. The areas beyond the commercial frontage are designated for multiple-family residential uses. These include the existing mobile home park and scattered multiple-family units. It is anticipated that expansion of multiple-family units will include triplex, apartments and townhouse developments. In addition, expansion of commercial uses such as motels beyond the frontage may be appropriate following developmental review.

Commercial Retail. Commercial development in San Simeon Acres is oriented to the traveling public using Highway 1 in visiting the central coast. The village provides the nearest accommodations for the more than 950,000 persons that visit Hearst San Simeon Historical Monument annually. Frontage roads to the east and west of Highway 1 provide access to the commercial areas. Peak visiting periods occur in the summer months; however, visitor use throughout the year is expected to increase.

In-filling on the vacant lots located on the immediate frontage will occur as demand continues to grow. Of concern to the appropriate development of San Simeon Acres is the present proliferation of signs. Future development should use single sign advertising. Mixed architectural styles are also quite evident. Landscaping the highway frontage with trees and shrubs would provide an attractive unifying element to the area.

Public Facilities. The only public use in San Simeon Acres is the existing sewage treatment plant. No additional public facilities are anticipated.

The District operates a sewage treatment plant located on the ocean front at the dead- end of Balboa Avenue. The plant has a capacity of 200,000 gallons per day of which 25,000 gallons capacity is earmarked to serve Hearst San Simeon State Historical Monument. As of February 1985, the system was operating at 66 percent capacity. The CSD expanded its system with a new 50,000 gallon treatment basin.

Fire protection is provided by an all-volunteer company operated and dispatched by California Department of Forestry from its station in Cambria. Recent developments of commercial uses in the area are creating adverse cumulative impact on the ability of CDF and the volunteers to provide adequate protection.

The CSD maintains approximately 1-1/2 miles of local roadways, within its service area.

Annual Audit Report. The District has submitted independent Audit Reports to the County Auditor pursuant to State Law. These reports have been reviewed by a qualified firm of Certified Public Accountants. The 2011 and 2012 reports have been reviewed for this analysis. The audits find that the District's financial reports are presented consistent with accepted accounting principles. The District also adopts an Annual Budget and has a variety of accounting policies that are summarized in the audits. The District's operations are funded by water and sewer charges. The District also receives property taxes, interest income, and grant income. These funds can be used for other non-operational activities such as capital improvements.

Fiscal Trend Analysis. The following charts show the fiscal trend analysis for the past five years for key fiscal indicators that represents an early warning system for an agencies fiscal health. The key indicators are overall operating budget, property tax revenues, and fund balance for each year. The information was derived from the District's fiscal documents for each year.

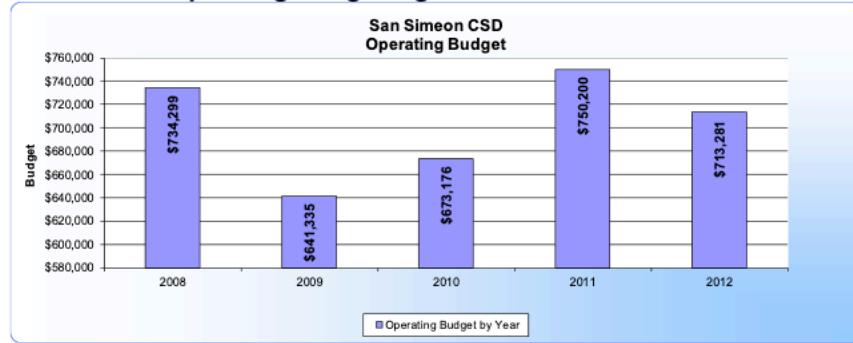
Formula:
Consolidated
Expenditures /
Fiscal year

Trend Analysis:
Monitor expenditures
over time.

Source:
Financial Statements:



Operating Budget Figure 2-16



Description:
This indicator refers to the overall operating budget and expenditures including enterprise funds. It shows the expenditure pattern for a jurisdiction over a period of several years.

Property Tax Revenues Figure 2-17

Formula:
Property tax revenue /
Fiscal year

Trend Analysis:
Monitor property tax
revenues over time.

Source:
Annual Financial
Statements:



Description:
This indicator will have more importance for those agencies heavily reliant upon property tax revenues. As these revenues are closely tied to market conditions, this indicator can depict the ability of an agency to respond to economic fluctuations. The property taxes are distributed based on the calendar year and the years indicated in the chart are the ending years for each calendar year.

Changes in Fund Balance Figure 2-18

Formula:
General fund operating
deficit or surplus / Fund
operating revenue

Trend Analysis:
Monitor general fund
operating deficit or
surplus as a percentage
of net operating
revenues.

Source:
Annual Financial
Statements:



Description:
This indicator is especially important because a pattern of operating deficits of the general fund can be one of the first signs of an imbalance between revenue structure and expenditures. It should be noted that it would not indicate a problem if the agency had planned the operating deficits and was deliberately drawing down reserve fund balances or using extra revenues from another fund for temporary needs.

Property Tax Revenues Figure 2-17

This indicator will have more importance for those agencies heavily reliant upon property tax revenues. As these revenues are closely tied to market conditions, this indicator can depict the ability of an agency to respond to economic fluctuations. The property taxes are distributed based on the calendar year and the years indicated in the chart are the ending years for each calendar year.

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The District conducts regular monthly Board of Director meetings that are open to the public and held on the second Wednesday of the month at 6:00 P.M. at the Cavalier Banquet Room, 250 San Simeon Avenue, San Simeon, CA 93452.

According to section 56425(e)(1-4) of the Cortese/Knox/Hertzberg Act, the following written determinations must be addressed when updating a Sphere of Influence:

The present and planned land uses in the area are expected to remain Residential and Commercial as designated in the General Plan;

The present and probable need for public facilities and services related to the CSD remain unchanged;

Fund Balance

Revenue

- The present capacity of the public facilities are adequate to provide services to the existing residents;
- Social or economic communities of interest that exist in the area benefit from the District's services because these services allow the Community to function and grow as is deemed appropriate through the County's General Plan and other policies.
- Present and Probable need for Public Facilities and Services of Disadvantaged Unincorporated Communities is not present at this time.

Sphere of Influence. In 1982 LAFCO adopted a sphere of influence for the district coterminous with the existing CSD boundaries with the exception of a small area north of the district. In 2007 LAFCO adopted to maintain a coterminous Sphere of Influence. The small area to the north was determined to be within the district service area.

Recommendation. The Sphere of Influence for the San Simeon CSD remains unchanged as shown in Figure 2-19.

Figure 2-19

San Simeon Community Services District Service Area & Sphere of Influence Recommended 2014



Legend

- San Simeon CSD
- San Simeon CSD SOI
(Same as Service Area)
- Roads



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