

**MINUTES**  
**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**BOARD OF DIRECTORS SPECIAL BOARD MEETING**  
**1350 MAIN STREET**  
**CAMBRIA, CA 93428**  
**Thursday, August 29, 2024**  
**6:00 p.m.**

**REGULAR MEETING OF THE SAN SIMEON COMMUNITY SERVICE DISTRICT**  
**COUNCIL – MINUTES**

**1. CALL TO ORDER**

The Special Meeting of the San Simeon Community Service District Council was called to order at 6:00 p.m. by Chair Donahue.

**2. ROLL CALL**

Present: Chair Michael Donahue, Director Jacqueline Diamond, Director Karina Tiwana, Director Holly Le,

Absent: None

Staff Present: Patrick Faverty, Ed.D., Interim General Manager  
Nubia Goldstein, White Brenner LLP

**3. PLEDGE OF ALLEGIANCE**

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

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

- None

**5. CONSENT AGENDA ITEMS (6:02 p.m. – 6:56 p.m.)**

**A. Review and Approval of Minutes for the Meeting on August 08, 2024**

PUBLIC COMMENT FOR THIS ITEM

- None

Director Diamond made a motion to approve the Minutes for the August 08, 2024, Meeting. Chair Donahue seconded the motion.

Vote was taken as follows:

AYES: Donahue, Diamond, Tiwana, Le

NOES:

ABSTAIN:

ABSENT:

**6. BUSINESS ACTION ITEMS (6:17 p.m. - 6:51 p.m.):**

**A. Review and Approval of a Resolution Adopting the SSCSD FY 2024-2025 Budget.**

Director Tiwana Asked if the District has a Reserve Policy.

Interim General Manager Confirmed the District has a Reserve Policy with criteria for different amounts.

Director Tiwana Inquired about the reserve amount needed if the budget were approved with a negative balance.

Interim General Manager Noted major expenditures are for the Bridge Project and Outfall Line Repair; if grants are not secured, budget adjustments will be necessary.

Director Tiwana Asked which accounts will be used to cover negative budget balances.

Director Diamond Suggested that a copy of the reserve bank account balance would be useful.

Chair Donahue Mentioned the loan requires an additional reserve.

Interim General Manager Stated the total reserve amount is approximately \$4.7 million.

Director Tiwana Asked where funds would come from in case of a shortfall.

Interim General Manager Could not answer; mentioned that project costs are included in the budget estimates.

Director Tiwana Inquired about the process if the budget is not approved.

District Counsel Explained that an unapproved budget would lead to significant issues, including inability to pay bills and conduct business.

Director Le Expressed confusion and concern over the proposed budget.

Interim General Manager Provided clarification on income and expense percentages.

Chair Donahue Asked about the historical financial trend of the District.

Interim General Manager Explained that the District has experienced a financial downward trend, with budget numbers predicting a slight increase.

Chair Donahue Inquired if the log jam project or outfall pipe will be completed before winter.

Interim General Manager Stated that the log jam project cannot proceed until it is approved by the necessary committees.

PUBLIC COMMENT FOR THIS ITEM

- Hank Kruzick commented that he was unable to hear District Counsel and requested the statement be repeated
- Director Tiwana restated District Counsel's statement
- Julie Tacker commented her support for adopting the budget and making adjustments as needed and to defer projects while the District is in a dissolution process.

Chair Donahue made a motion to approve the SSCSD FY 2024-2025 Budget. Director Diamond seconded the motion.

Vote was taken as follows:

AYES: Donahue, Diamond, Tiwana, Le

NOES:

ABSTAIN:

ABSENT:

**B. Discussion, Review, and Approval of a Resolution of the Board of Directors of the San Simeon Community Services District Approving the Chairperson Appointment to the Reorganization Committee.**

Chair Donahue Announced that SSCSD Citizen Hank Krzuick has agreed to join the committee, following discussions with Director Diamond and the Interim General Manager.

Director Tiwana Proposed adjusting the committee's parameters to include a neutral third party for oversight, recommending hiring RGS and making the board chair a

mandatory member. Suggested the committee include the Chairperson of the Board, a Board member, a member of the public, and a professional oversight and advisory resource.

Chair Donahue Expressed concern about continuity with the chairperson's rotation.

Director Le Agreed with Chair Donahue's concern about continuity.

Director Tiwana Believed that rotating the chairperson helps all board members understand the dissolution's severity and improve Board communication.

Director Le Suggested having a backup person if the Chairperson cannot attend or facilitate the meeting.

Chair Donahue Raised concerns about continuity and inquired about a potential ombudsman.

Interim General Manager Recommended hiring a project manager, possibly RGS, for the reorganization committee, though they do not need to serve on the committee itself.

District Counsel Noted that the board must approve any agreement for services.

Interim General Manager Supported hiring a third-party advisor such as RGS, which has experience in dissolution processes.

Director Tiwana Stressed the need for the third-party advisor to have appropriate resources, authority, and funding, and requested District Counsel to amend the resolution wording.

Chair Donahue Suggested determining the number of Board members to serve on the advisory committee.

District Counsel Provided guidance on appropriate wording and voting for the resolution.

Director Tiwana Nominated Director Diamond to be the advisory board member on the committee.

Director Le Voiced concerns about the rotating chairperson amendment.

Director Diamond Requested appointing another willing director if needed.

District Counsel Warned that a floating member might violate the Brown Act and suggested having a backup if a director cannot attend. Emphasized that the committee is advisory, not legislative.

Chair Donahue Finalized the reorganization committee composition as Director Diamond, a rotating chairperson, Mr. Kruzick (member of the public), and the Interim General Manager with the supportive services advisor.

District Counsel Mentioned that the supportive services position would be filled later.

#### PUBLIC COMMENT FOR THIS ITEM

- Julie Tacker commented her support for other candidates for outside help or advisory with the dissolution product
- Hank Kruzick asked if the committee will be formed and voted on during the meeting so that work can begin immediately.

Chair Donahue made a motion to approve the amended reorganization committee resolution, including Director Diamond, a rotating Chairperson, the Interim General Manager, Mr. Hank Kruzick, and an open seat for supportive services to be filled later. Director Le seconded the motion.

Vote was taken as follows:

AYES: Donahue, Diamond, Tiwana, Le

NOES:

ABSTAIN:

ABSENT:

### **C. Discussion and Action to change the September 05, 2024, Board Meeting**

Chair Donahue Announced he cannot attend the meeting.

Director Le Requested to skip the September meeting due to two meetings being held in August.

Interim General Manager Noted that audits typically don't require extensive discussion and suggested holding a special meeting if needed; stated the next regular meeting is October 3rd.

Director Diamond Confirmed the next regular meeting is October 3rd and suggested voting on the audit and reorganization committee members at that meeting.

Interim General Manager Confirmed that the 2022-2023 and 2023-2024 audits will be presented at the October 3rd meeting.

Director Tiwana Supported rescheduling the meeting to October 3rd.

Director Le Also supported rescheduling the meeting to October 3rd.

PUBLIC COMMENT FOR THIS ITEM

- None

Director Diamond made a motion to eliminate the September 05, 2024, regular meeting and have the next regular meeting held on October 03, 2024. Chair Donahue seconded the motion.

Vote was taken as follows:

AYES: Donahue, Diamond, Tiwana, Le

NOES:

ABSTAIN:

ABSENT:

## **7. DISTRICT STAFF & COMMITTEE REPORTS (6:56 p.m. – 7:07 p.m.)**

### **A. STAFF REPORTS:**

**i. FRM Operations Report** – Interim General Manager Stated that the representative from FRM is unable at the time to state the Summary of August Activities.

**ii. Interim General Manager’s Report** – Stated a Summary of August Activities.

**iii. District Financial Summary** – Interim General Manager provided a summary of August Financials.

**iv. District Counsel’s Report** – Stated a Summary of August Activities.

PUBLIC COMMENT FOR THIS ITEM

- None

## **8. NON-DISTRICT REPORTS (7:08 p.m. – 7:09 p.m.):**

**A. Sheriff’s Report** – Not present at the meeting to state a report

PUBLIC COMMENT FOR THIS ITEM

- None

## **9. CLOSED SESSION (7:09 p.m. - 7:36 p.m.)**

PUBLIC COMMENT FOR THIS ITEM

- None

**A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code § 54956.9: Three (3) Potential Cases

**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).)

District Counsel reported direction has been presented to staff regarding all closed session items

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

**D. BOARD COMMENTS:**

PUBLIC COMMENT OPEN TO FUTURE AGENDA ITEMS

- None

**10. ADJOURNMENT (7:37 p.m.):**

The Special Meeting of the San Simeon Community Service District adjourned at 7:37 p.m.