

**RESOLUTION NO. 24-XXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN SIMEON  
COMMUNITY SERVICES DISTRICT DIRECTING STAFF TO PREPARE A  
RESOLUTION OF APPLICATION FOR DIVESTITURE**

**WHEREAS**, the San Simeon Community Services District ("District"), formed in 1961, provides water, sewer, road maintenance, street lighting, and weed abatement to approximately four hundred (400) permanent residents as well as for transient visitors; and

**WHEREAS**, establishing a long-term, stable, and capable governance structure to continue providing critical services to address the District's health and safety priorities and disadvantaged communities is critical; and

**WHEREAS**, recently, the District has experienced staffing and administrative challenges, frustrating the District's ability to provide those critical services; and

**WHEREAS**, an After-the-Fact Coastal Development Permit ("ATF-CDP") from the California Coastal Commission requires the District to move its wastewater treatment plant away from the ocean where it is currently located, which has become an increasingly urgent task due to rising tide levels; and

**WHEREAS**, the District only has approximately two hundred (200) residential and commercial ratepayers and an annual budget of approximately One Million Two Hundred Thousand Dollars (\$1,200,000); and

**WHEREAS**, the costs associated with complying with the ATF-CDP are estimated to be around Twenty Million Dollars (\$20,000,000), far exceeding the District's current One Million Two Hundred Thousand Dollar (\$1,200,000) annual budget; and

**WHEREAS**, the District has been unable to secure grants that are necessary to move the wastewater treatment plant and provide the pedestrian bridge; and

**WHEREAS**, the District does not have the resources to move the wastewater treatment plant, manage development after a forty (40) year moratorium, and provide water, sewer, road maintenance, street lighting, and weed abatement services to the District's residents and visitors; and

**WHEREAS**, the District may divest itself of a power that it exercises in accordance with the process set forth in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

**WHEREAS**, a proposal for divestiture must be made by a Resolution of Application from the District, and once the application is submitted to the San Luis Obispo Local Agency Formation Commission ("LAFCO"), processing the application can take nine to twelve months or longer; and

**WHEREAS**, the divestiture application must include a plan for services prepared pursuant to Government Code section 56653, and the plan for services must provide a proposal for how services would continue if the District divests; and

**WHEREAS**, the District's proposed successor agency would have to agree to take over providing the services before LAFCO can take action to approve the divestiture proposal; and

**WHEREAS**, the most logical successor agency for the District's water and sewer services is the County of San Luis Obispo ("County"); and

**WHEREAS**, the District needs the County's assistance in order for the District to urgently move forward with divestiture of its water and sewer services; and

**WHEREAS**, the District Board of Directors seeks to authorize District staff and the Interim General Manager to prepare an application for divestiture of the water and sewer powers from the District and formally request the County's assistance in its divestiture efforts.

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

1. District staff is directed to prepare an application for divestiture of water and sewer authority from the District, along with all necessary associated documents for that application.
2. The Interim General Manager is hereby authorized to take all necessary and proper actions to prepare the application for divestiture of water and sewer authority from the District.
3. The Board of Directors formally requests the County's assistance and support with the District's efforts to seek divestiture of water and sewer authority.

**ADOPTED** by the Board of Directors of the **SAN SIMEON COMMUNITY SERVICES DISTRICT** on [REDACTED], 2024, by the following roll call votes:

AYES:  
NOES:  
ABSENT:  
ABSTAINED:

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Vice Chairperson, Board of Directors of  
the San Simeon Community Services

District

**ATTEST:**

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

**APPROVED AS TO FORM:**

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District Legal Counsel, Nubia I. Goldstein