

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 DISSOLUTION**

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 comply with the ATF-CDP and move the wastewater treatment plant; 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 dissolve in accordance with the process set forth in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, a proposal for dissolution 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 dissolution 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 dissolves; 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 dissolution proposal; and

WHEREAS, the most logical successor agency for the District's 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 dissolution; and

WHEREAS, the District seeks to authorize District staff and the Interim General Manager to prepare the application for dissolution along with all necessary additional documents and formally seeks the County's assistance in moving forward with dissolution of the District.

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 dissolution 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 an application for dissolution.
3. The Board of Directors formally requests the County's assistance and support with the District's dissolution efforts.

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:

Vice 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