

# Board of Directors San Simeon Community Services District



## REGULAR BOARD MEETING PACKET

**Tuesday December 14, 2021  
Meeting Start Time 5:00 pm**

Virtual Board Meeting via Zoom Webinar  
Webinar Code: **873 0781 0050**

Prepared by:



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**AGENDA**  
**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**BOARD OF DIRECTORS REGULAR BOARD MEETING**  
**Tuesday, December 14, 2021**  
**5:00 pm**

Pursuant to San Simeon CSD Resolution 21-437 and incompliance with AB 361 this meeting shall occur as a virtual teleconference using the Zoom app.

**Internet Meeting Location – Via ZOOM**

**Join Zoom for Regular Board Session: Part One**

<https://us02web.zoom.us/j/87307810050>

**Or One tap mobile:**

**US: +16699009128, 87307810050#**

**Or Telephone:**

**Dial (for higher quality, dial a number based on your current location):**

**US: +1 669 900 9128**

**Webinar ID: 873 0781 0050**

**NOTE:** On the day of the meeting, the virtual meeting room will be open beginning at 4:30 PM. If you are unable to access the meeting please contact Cortney Murguia at (805) 927-4778 prior to the 5:00 PM meeting start time and staff can assist you in accessing the meeting. Should you have any questions related to the information on this agenda or if you wish to submit public comment in the written format you can email Cortney Murguia at [admin@sansimeoncsd.org](mailto:admin@sansimeoncsd.org). Members of the public can also contact the District office at (805) 927-4778 or (805) 400-7399 with any questions or concerns related to this agenda or accessing the meeting.

**1. REGULAR SESSION: 5:00 PM - <https://us02web.zoom.us/j/87307810050>**

A. Roll Call

**2. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA:**

**Public Comment** - Any member of the public may address the Board relating to any matter within the Board's jurisdiction, provided the matter is not on the Board's agenda.

Presentations are limited to three (3) minutes or less with additional time at the discretion of the Chair. Your comments should be directed to the Board as a whole and not directed to individual Board members. The Brown Act restricts the Board from taking formal action on matters not published on the agenda.

**3. SPECIAL PRESENTATIONS AND REPORTS:**

**A. STAFF REPORTS:**

- i. **Sheriff's Report** – Report for November.
- ii. **CHP Report** – Report for November.
- iii. **Superintendent's Report** – Summary of November Activities.

- iv. **General Manager's Report** – Summary of November Activities.
- v. **District Financial Summary** – Summary of November Financials.
- vi. **District Counsel's Report** – Summary of November Activities.
- vii. **Board Member Report** – Summary of November Activities.

**B. AD-HOC COMMITTEE REPORTS:**

- i. **Status Update** – Disbursements Journal Review Committee.
- ii. **Status Update** – Policy & Procedures Committee.
- iii. **Status Update** – Update on District Ordinance 107 Parking on District Streets and draft Ordinance 122 Parking on District Streets.
- iv. **Status Update** – Budget Committee.
- v. **Status Update** – Water Committee.

**Public Comment** – This public comment period provides an opportunity for members of the public to address the Board on matters discussed during Agenda Item #3 Special Presentations and Reports. If a member of the public wishes to speak at this time, Public Comment is limited to three (3) minutes.

**4. CONSENT AGENDA ITEMS:**

**Public Comment** – This public comment period provides an opportunity for members of the public to address the Board on matters discussed during Agenda Item #4 Consent Agenda Items. If a member of the public wishes to speak at this time, Public Comment is limited to three (3) minutes.

- A. REVIEW AND APPROVAL OF MINUTES FOR THE REGULAR MEETING ON NOVEMBER 9, 2021.**
- B. REVIEW AND APPROVAL OF MINUTES FOR THE SPECIAL MEETING ON NOVEMBER 29, 2021.**
- C. REVIEW AND APPROVAL OF DISBURSEMENTS JOURNAL.**
- D. ADOPTION OF RESOLUTION 21-438 TO CONTINUE VIRTUAL MEETINGS PURSUANT TO THE PROVISIONS OF AB-361.**
- E. APPROVAL OF A CONFLICT WAIVER REGARDING SB1383 AND SLO COUNTY INTEGRATED WASTE MANAGEMENT AUTHORITY (IWMA).**

**5. PUBLIC HEARING:**

**Public Comment** – Public comment will be allowed for each individual public hearing item. Members of the public wishing to speak on public hearing items may do so when recognized by the Presiding Officer. If a member of the public wishes to speak at this time, Public Comment is limited to three (3) minutes per person for each public hearing item.

- A. SECOND READING AND ADOPTION OF ORDINANCE NO. 123 OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT TO ADOPT MANDATORY SOLID WASTE, ORGANIC WASTE, AND RECYCLING MATERIALS RULES AND REGULATIONS AND MAKING A DETERMINATION OF EXEMPTION UNDER CEQA.**

**B. INTRODUCTION OF ORDINANCE NO. 122 OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT TO ADOPT AN ORDINANCE REGARDING PARKING REGULATIONS.**

**6. BUSINESS ACTION ITEMS:**

**Public Comment** – Public comment will be allowed for each individual business item. Members of the public wishing to speak on business items may do so when recognized by the Presiding Officer. If a member of the public wishes to speak at this time, Public Comment is limited to three (3) minutes per person for each business item.

**A. REVIEW OF THE DRAFT AUDIT FOR FISCAL YEAR 2020/2021.**

**B. APPROVAL FOR ATS, INC TO PERFORM STRUCTURAL INSPECTION OF THE PIPE BRIDGE NOT TO EXCEED THE AMOUNT OF \$4,000.00.**

**C. CONTINUED DISCUSSION REGARDING A PROPOSAL FROM COOPERATIVE STRATEGIES FOR REDISTRICTING SERVICES NOT TO EXCEED THE AMOUNT OF \$21,500.00.**

**D. ELECTION OF CHAIRPERSON AND VICE-CHAIRPERSON FOR THE 2022 CALENDAR YEAR.**

**7. CLOSED SESSION:**

This public comment period provides an opportunity for members of the public to address the Board on Closed Session Agenda Items. Public Comment is limited to three (3) minutes.

The Board will adjourn to Closed Session to address the following items:

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

Exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section §54956.9

One (1) Potential Case – Demand to Cure and Correct from Julie Tacker

**MEMBERS OF THE PUBLIC: Please Join Us for the Remainder of the Meeting - Part Two is Here:**

<https://us02web.zoom.us/j/89334961643?pwd=NWx2V3lKaUdTTmI2RmVVaGpBYk5hQT09>

**Meeting ID: 893 3496 1643**

**Passcode: 972125**

**\*\*\*\*RECONVENE TO OPEN SESSION\*\*\*\***

**Report on Closed Session**

**8. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS** – Requests from Board members to Staff to receive feedback, prepare information, and/or place an item on a future agenda(s).

**9. ADJOURNMENT** –

All staff reports or other written documentation, including any supplemental material distributed to a majority of the Board within 72 hours of a regular meeting, relating to each item of business on the agenda are available for public inspection during regular business hours in the District office, 111 Pico Avenue, San Simeon. If requested, this agenda shall be made available in appropriate alternative formats to persons with a disability, as required by the Americans with Disabilities Act. To make a request for a disability-related modification or accommodation, contact the District Administrator at 805-927-4778 as soon as possible and at least 48 hours prior to the meeting date. This agenda was prepared and posted pursuant to Government Code Section 54954.2.

**3.A.iii Special Presentations and Reports:  
Superintendent Reports  
Jerry Copeland**



## **SUPERINTENDENT'S REPORT**

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### **Item 3.A.ii**

Prepared by: Jerry Copeland

#### **1. Wastewater Treatment Plant**

- All sampling, testing, and reporting at the Wastewater Treatment Plant was performed as required by the Regional Water Quality Control Board (RWQCB).
- The monthly report was submitted to the State Water Resources Control Board (SWRCB).
- The Annual Outfall Inspection was performed.

#### **2. Water Treatment and Distribution System**

- All routine sampling, testing, and reporting was performed as required by the State Water Resources Control Board (SWRCB), Division of Drinking Water (DDW).
- The monthly report was submitted to the (SWRCB), (DDW).
- Monthly water meter reading was performed.

#### **3. District and Equipment Maintenance**

- Staff continues with the scheduled preventive maintenance for the equipment at the facilities.



**DATA SUMMARY SHEET**

<b>2021</b>													
	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total for 2021
Wastewater Influent	2,215,755	1,971,958	1,944,913	1,583,618	1,850,716	1,901,547	2,158,434	1,943,680	1,675,426	1,703,610	1,507,913		20,457,570
Wastewater Final Effluent (Month Cycle)	2,168,690	1,922,920	1,846,450	1,555,350	1,707,500	2,057,550	2,281,620	1,997,150	1,837,180	1,801,220	1,613,060		20,788,690
Adjusted Wastewater Influent (- State Flow)	1,958,507	1,780,122	1,818,999	1,500,460	1,748,006	1,825,611	2,078,540	1,854,274	1,603,573	1,644,544	1,471,062		19,283,698
Water Produced (month cycle)	1,843,670	1,872,693	1,514,688	1,215,724	1,962,303	2,385,297	2,699,083	2,171,145	2,100,384	1,955,870	1,743,588		21,464,446
Sewer Influent/Water Produced Ratio	1.20	1.05	1.28	1.31	0.94	1.00	0.88	0.92	0.80	0.87	0.87		N/A
Adjusted Sewer/Water Produced Ratio	0.94	0.95	1.20	1.24	0.89	0.91	0.85	0.90	0.78	0.84	0.84		N/A
Well 1 Water Production	1,841,426	403,172	3,665	5,685	5,535	1,793,480	2,693,847	2,169,948	2,098,963	1,152,668	837,610		13,005,999
Well 2 Water Production	2,244	1,469,521	1,511,023	1,210,040	1,956,768	591,818	5,236	1,197	1,421	803,202	905,978		8,458,447
Total Well Production	1,843,670	1,872,693	1,514,688	1,215,724	1,962,303	2,385,297	2,699,083	2,171,145	2,100,384	1,955,870	1,743,588		21,464,446
Water Well 1 Avg Depth to Water	10.3	10.1	10.0	10.0	10.4	10.2	9.9	10.5	11.3	12.8	10.8		N/A
Water Well 2 Avg Depth to Water	10.2	10.0	9.9	9.9	10.3	10.1	9.8	10.3	11.2	12.6	10.5		N/A
Average Depth to Water of Both Wells	10.3	10.1	10.0	10.0	10.4	10.2	9.9	10.4	11.3	12.7	10.6		N/A
Change in Average Depth to Water from 2019	+1.0	+1.1	+0.7	-0.2	+0.2	+0.1	+0.1	+0.1	+0.6	+0.5	-1.2		N/A
Average Chloride mg/L at the Wells	32	32	32	-	-	-	-	-	-	<30	41		N/A
State Wastewater Treated	257,248	191,836	125,914	83,158	102,710	75,936	79,894	89,406	71,853	59,066	36,851		1,173,872
State % of Total WW Flow	12%	10%	7%	5%	6%	4%	4%	3%	3%	4%	2%		N/A
Recycled Water Sold (Gallons)	0	0	0	0	0	0	0	0	0	0	0		0
Biosolids Removal (Gallons)	4,500	9,000	9,000	0	4,500	4,500	9,000	0	4,500	22,500	0		67,500
<b>WW Permit Limitation Exceeded</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>
<b>RW Permit Limitation Exceeded</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>
<b>Constituent Exceeded</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>		<b>N/A</b>
<b>Sample Limit</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>		<b>N/A</b>
<b>Sample Result</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>		<b>N/A</b>
<b>2020</b>													
	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total for 2020
Wastewater Influent	2,215,755	1,971,958	1,944,913	1,583,618	1,850,716	2,266,319	2,341,110	2,516,424	1,858,385	1,825,386	1,542,483	1,305,557	23,222,624
Wastewater Final Effluent (Month Cycle)	2,168,690	1,922,920	1,846,450	1,555,350	1,707,500	2,045,070	2,304,980	2,397,730	1,907,070	1,915,400	1,661,370	1,431,330	22,863,860
Adjusted Wastewater Influent(- State Flow) *	1,958,507	1,780,122	1,818,999	1,500,460	1,748,006	2,201,429	2,262,301	2,440,274	1,798,005	1,763,948	1,490,514	1,257,657	22,020,222
Water Produced (month cycle)	1,843,670	1,872,693	1,514,688	1,215,724	1,962,303	2,261,129	2,673,502	2,726,684	2,321,568	2,242,803	1,894,160	1,785,252	24,314,177
Sewer Influent/Water Produced Ratio	1.20	1.05	1.28	1.31	0.94	1.00	0.88	0.92	0.80	0.81	0.81	0.73	N/A
Adjusted Sewer/Water Ratio	0.94	0.95	1.20	1.24	0.89	0.91	0.85	0.90	0.78	0.79	0.79	0.71	N/A
Average Depth of Both Wells	10.3	10.1	10.0	10.0	10.4	10.2	9.9	10.4	11.3	12.2	12.8	12.5	N/A
Change in Average Depth to Water from 2019	+1.0	+1.1	+0.7	-0.2	+0.2	+0.1	+0.1	+0.1	+0.6	+0.5	+0.6	+1.1	N/A
Average Chloride mg/L at the Wells	32	32	32	-	-	-	-	-	-	<30	<30	55	N/A
State Wastewater Treated	257,248	191,836	125,914	83,158	102,710	64,890	78,809	76,150	60,380	61,438	51,969	47,900	1,202,402
State % of Total WW Flow	12%	10%	6%	5%	6%	3%	3%	3%	3%	3%	3%	4%	N/A
Recycled Water Sold (Gallons)	0	0	0	0	0	0	0	0	0	0	0	0	0
Biosolids Removal (Gallons)	4,500	9,000	9,000	0	4,500	4,500	9,000	0	4,500	4,500	4,500	4,500	58,500
<b>WW Permit Limitation Exceeded</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>
<b>RW Permit Limitation Exceeded</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>
<b>Constituent Exceeded</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>N/A</b>
<b>Sample Limit</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Sample Result</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

San Simeon Community Services District

Superintendent's Report

November 2021

**MONTHLY DATA REPORT**

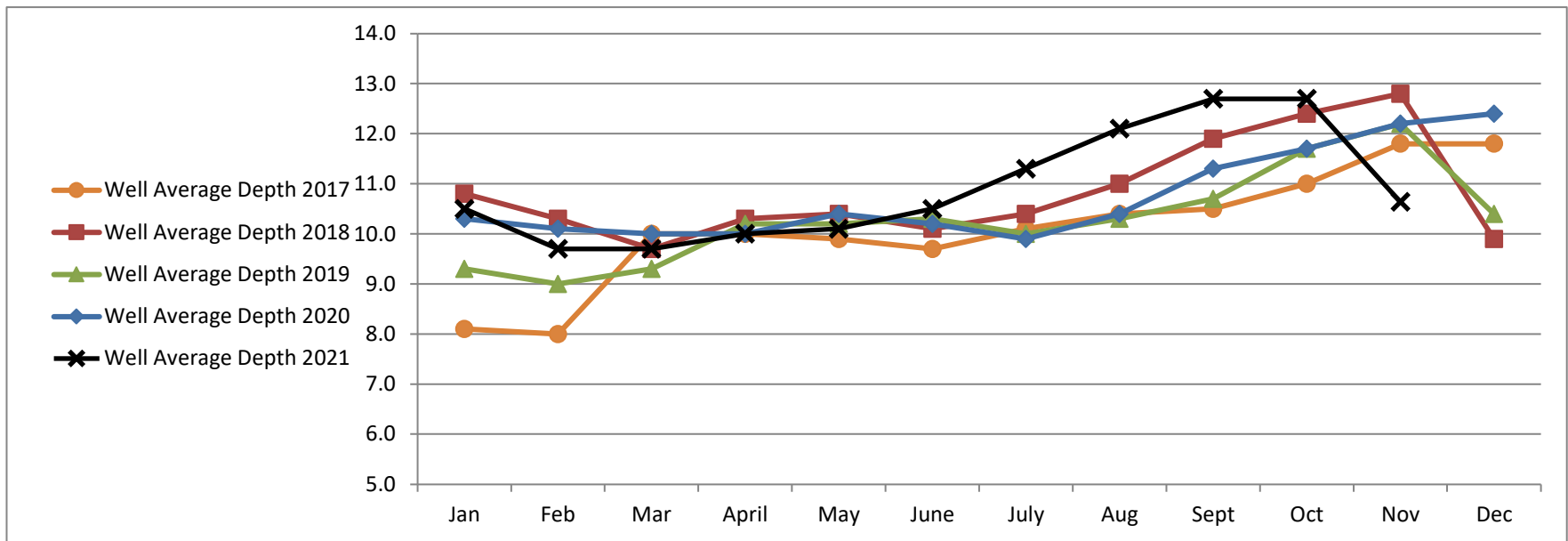
Date	Day	Wastewater Influent Daily Flow	Wastewater Effluent Daily Flow	Well 1 Total Daily Produced	Well 2 Total Daily Produced	Total Daily Water Produced	R.O. Daily Influent Flow	R.O. Daily Effluent Flow	R.O. Daily Brine Flow	Distribution Chloride	Chloride Wells 1	Chloride Wells 2	Recycled Water Distributed	Water Level Well 1	Water Level Well 2	Rainfall in Inches	State Flows
11/01/21	Monday	35,263	42,610	1,945	39,270	41,215	0	0	0	73	53	30	0	10.8	10.4	0.00	385
11/02/21	Tuesday	30,854	32,530	48,844	0	48,844	0	0	0	-	-	-	0	10.8	10.4	0.00	1,143
11/03/21	Wednesday	43,260	45,080	598	46,600	47,199	0	0	0	65	45	30	0	10.8	10.6	0.00	1,132
11/04/21	Thursday	35,902	41,200	58,494	449	58,942	0	0	0	-	-	-	0	10.8	10.6	0.00	1,410
11/05/21	Friday	38,621	53,330	47,573	0	47,573	0	0	0	65	60	30	0	10.5	10.3	0.00	1,934
11/06/21	Saturday	49,546	54,220	60,513	0	60,513	0	0	0	-	60	-	0	10.5	10.2	0.00	1,140
11/07/21	Sunday	60,655	70,030	0	71,434	71,434	0	0	0	-	-	38	0	10.2	9.9	0.00	1,515
11/08/21	Monday	49,114	48,710	51,088	898	51,986	0	0	0	57	69	32	0	10.1	9.9	0.28	1,661
11/09/21	Tuesday	56,469	58,060	1,122	49,667	50,789	0	0	0	-	-	32	0	10.1	9.8	0.28	1,437
11/10/21	Wednesday	46,520	52,120	38,522	33,361	71,883	0	0	0	-	53	-	0	10.2	9.8	0.00	1,827
11/11/21	Thursday	50,113	55,570	22,590	6,508	29,097	4,532	2,930	1,602	-	-	32	0	10.4	10.1	0.00	1,452
11/12/21	Friday	57,815	56,000	898	62,383	63,281	0	0	0	-	45	-	0	10.4	10.2	0.00	707
11/13/21	Saturday	61,096	66,250	63,206	7,106	70,312	0	0	0	-	-	-	0	10.4	10.3	0.00	1,085
11/14/21	Sunday	53,050	55,530	0	75,324	75,324	0	0	0	45	-	-	0	10.6	10.4	0.00	1,415
11/15/21	Monday	60,996	60,960	44,805	0	44,805	0	0	0	-	45	-	0	10.7	10.5	0.00	919
11/16/21	Tuesday	44,328	44,720	0	47,947	47,947	0	0	0	-	-	-	0	10.7	10.6	0.00	749
11/17/21	Wednesday	35,081	42,260	48,695	0	48,695	0	0	0	-	38	-	0	10.7	10.6	0.00	1,424
11/18/21	Thursday	37,533	41,640	0	47,423	47,423	0	0	0	-	-	-	0	10.8	10.6	0.00	722
11/19/21	Friday	36,377	41,330	46,900	17,802	64,702	0	0	0	38	38	-	0	10.8	10.6	0.00	990
11/20/21	Saturday	47,928	50,980	50,415	38,223	88,638	0	0	0	-	-	30	0	10.9	10.7	0.00	1,052
11/21/21	Sunday	57,887	60,860	5,984	47,274	53,258	0	0	0	-	53	-	0	10.9	10.7	0.00	1,098
11/22/21	Monday	64,296	64,030	30,219	35,904	66,123	0	0	0	-	-	-	0	11.1	11.0	0.00	1,047
11/23/21	Tuesday	61,539	66,020	29,770	0	29,770	0	0	0	-	53	-	0	11.1	11.0	0.00	1,024
11/24/21	Wednesday	60,429	59,700	37,699	72,631	110,330	0	0	0	38	-	-	0	11.0	10.8	0.00	666
11/25/21	Thursday	64,125	67,820	21,243	59,167	80,410	0	0	0	-	-	-	0	11.1	10.8	0.00	1,061
11/26/21	Friday	61,178	62,050	0	23,861	23,861	0	0	0	-	-	-	0	11.2	10.9	0.00	3,003
11/27/21	Saturday	63,365	65,240	77,343	0	77,343	0	0	0	38	-	-	0	11.1	10.8	0.00	1,149
11/28/21	Sunday	55,941	58,810	0	73,454	73,454	0	0	0	-	-	30	0	11.3	11.0	0.00	2,072
11/29/21	Monday	47,017	49,280	0	49,293	49,293	0	0	0	38	-	-	0	11.3	11.1	0.00	1,137
11/30/21	Tuesday	41,615	46,120	49,144	0	49,144	0	0	0	-	38	-	0	11.3	11.1	0.00	495
<b>TOTALS</b>		<b>1,507,913</b>	<b>1,613,060</b>	<b>837,610</b>	<b>905,978</b>	<b>1,743,588</b>	<b>4,532</b>	<b>2,930</b>	<b>1,602</b>				<b>0</b>			<b>0.56</b>	<b>36,851</b>
Average		50,264	53,769	27,920	30,199	58,120	151	98	53	51	50	32	0	10.8	10.5	0.02	1,228
Minimum		30,854	32,530	0	0	23,861	0	0	0	38	38	30	0	10.1	9.8	0.00	385
Maximum		64,296	70,030	77,343	75,324	110,330	4,532	2,930	1,602	73	69	38	0	11.1	11.1	0.28	3,003

**San Simeon Community Services District**

**Superintendent's Report**

**November 2021**

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
<b>Well Average Depth 2017</b>	8.1	8.0	10.0	10.0	9.9	9.7	10.1	10.4	10.5	11.0	11.8	11.8
<b>Well Average Depth 2018</b>	10.8	10.3	9.7	10.3	10.4	10.1	10.4	11.0	11.9	12.4	12.8	9.9
<b>Well Average Depth 2019</b>	9.3	9.0	9.3	10.2	10.2	10.3	10.0	10.3	10.7	11.7	12.2	10.4
<b>Well Average Depth 2020</b>	10.3	10.1	10.0	10.0	10.4	10.2	9.9	10.4	11.3	11.7	12.2	12.4
<b>Well Average Depth 2021</b>	10.5	9.7	9.7	10.0	10.1	10.5	11.3	12.1	12.7	12.7	10.6	



**3.A.iv Special Presentations and Reports:  
General Manager's Report  
Charlie Grace**



## GENERAL MANAGER'S REPORT

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### Item 3.A.iii

**GES Staff Activity** – Report on staff activities for the month of November 2021.

Regular activities performed by staff include:

Processing of utility payments, customer service duties, answering phone calls, mailing of the regular monthly utility bills. Prepared and distributed the agenda and Board packet for both a regular and special Board meeting.

GES Staff also attended to the following items:

- Responded to fifteen (15) public records requests.
- Mailed the notice of vacancy for William Maurer's position two (2) times.
- Mailed the notice of vacancy for William Carson's.

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### Update on District Grants:

**OPC Grant** – No update.

**LCP Grant** – No update.

**Prop 1 Grant** – No update.

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### Update on District Projects:

**Update on Coastal Hazard Response Plan (CHRP)** – The contract with Dudek has been finalized a CHRP kick off meeting will be scheduled.

**Update on the Instream Flow Management Plan** – In progress.

**Update on the Urban Water Management** – In progress.

**Rate Study** – Work on this project has stopped due to a complaint to the DWR from a member of the public.

**Hearst Encroachment** – This matter is pending a response from the Hearst Corporation.

**Water Tank Project Update** – No update.

**3.A.iv Special Presentations and Reports:  
District Financial Summary  
Cortney Murguia**

# SAN SIMEON COMMUNITY SERVICES DISTRICT



## 3.A.iv FINANCIAL SUMMARY

### Billing November 30, 2021

October Billing Revenue	\$	88,790.37
November Billing Revenue	\$	80,921.39
Past Due (60+ days)	\$	11,273.12

### ENDING BANK BALANCES

November 30, 2021

#### PACIFIC PREMIER BANK:

Money Market Account Closing Balance October 31, 2021	\$	1,064,464.37
Interest for November	\$	26.25
Money Market Account Closing Balance November 30, 2021	\$	1,064,490.62
Reserve Fund	(250,000.00)	
Wait-list Deposits	(80,098.60)	
Customer Deposits	(8,400.00)	
<b>Available Funds</b>	<b>\$</b>	<b>725,992.02</b>

**General Checking Account November 30, 2021** \$ 153,174.45

**LAIF Closing Balance November 30, 2021** \$ 561.30

**Interest Money Market Account 2019** \$ 22,529.11

**Interest Money Market Account 2020** \$ 12,206.44

**Interest Money Market Account 2021** \$ 1,077.79

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**Balance Sheet**  
**As of December 31, 2021**

	Dec 31, 21
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
1010 · Petty cash	150.00
1015 · Pac Prem Ckg-6603	64,556.30
1017 · Pacific Premier-Money Market	1,064,490.62
1050 · LAIF - non-restricted cash	560.96
Total Checking/Savings	1,129,757.88
Other Current Assets	
1200 · Accounts receivable	99,100.72
1300 · Prepaid insurance expense	6,879.48
Total Other Current Assets	105,980.20
Total Current Assets	1,235,738.08
Fixed Assets	
1400 · Fixed assets	
1420 · Building and structures	279,580.67
1500 · Equipment	12,689.93
1560 · Pipe bridge	29,497.00
1580 · Sewer plant	869,352.16
1590 · Sewer plant equipment	12,468.83
1600 · Water system	235,615.43
1620 · WWTP expansion	299,565.92
1630 · Tertiary Project	568,063.00
1640 · Wellhead Rehab Project	448,253.95
1650 · Walkway access projects	26,791.00
1660 · RO Unit	948,021.38
1680 · Generator	18,291.00
Total 1400 · Fixed assets	3,748,190.27
1450 · Construction in Progress	
1670 · Reservoir / Water Tanks	287,693.56
Total 1450 · Construction in Progress	287,693.56
1690 · Accumulated depreciation	(1,578,629.18)
Total Fixed Assets	2,457,254.65
<b>TOTAL ASSETS</b>	<b>3,692,992.73</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2500 · Customer security deposits	8,400.00
2510 · Connect hookup wait list	80,098.60
Total Other Current Liabilities	88,498.60
Total Current Liabilities	88,498.60
Long Term Liabilities	
2520 · USDA Loan Principal Bal	434,352.98
Total Long Term Liabilities	434,352.98
Total Liabilities	522,851.58

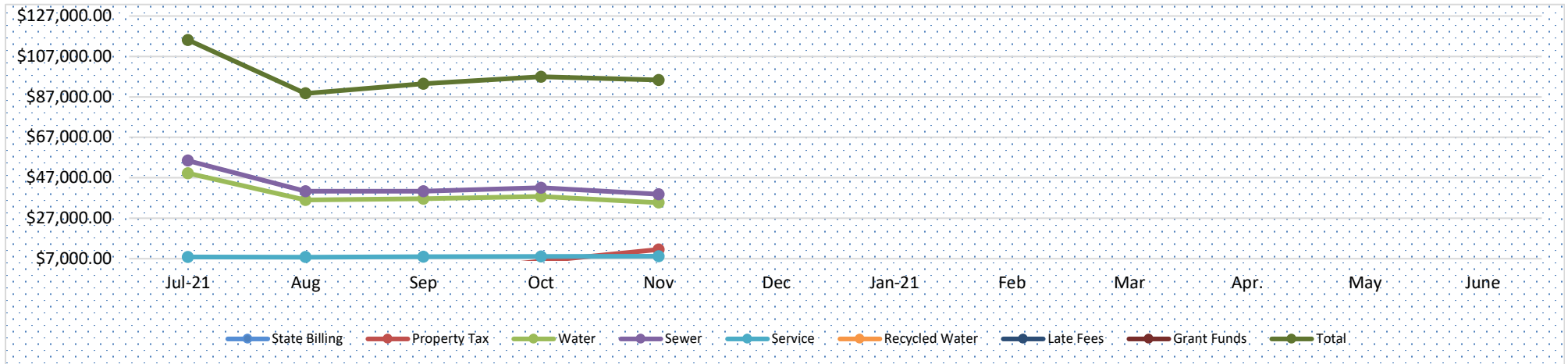


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	Dec 31, 21
Equity	
3200 · Fund balance	(143,282.78)
3201 · Net Investment in Capital Asset	2,061,612.00
3204 · Board Assigned for Water CIP	155,505.10
3205 · Board Assigned for WW CIP	155,784.69
3206 · Board Assigned for General CIP	43,295.03
3207 · BOD committed for Oper Reserves	250,000.00
3209 · Waitlist and Security Deposits	88,798.60
3210 · Unrestricted-Undesignatd Equity	602,616.56
Net Income	(44,188.05)
	<hr/>
Total Equity	3,170,141.15
TOTAL LIABILITIES & EQUITY	<hr/> <hr/>

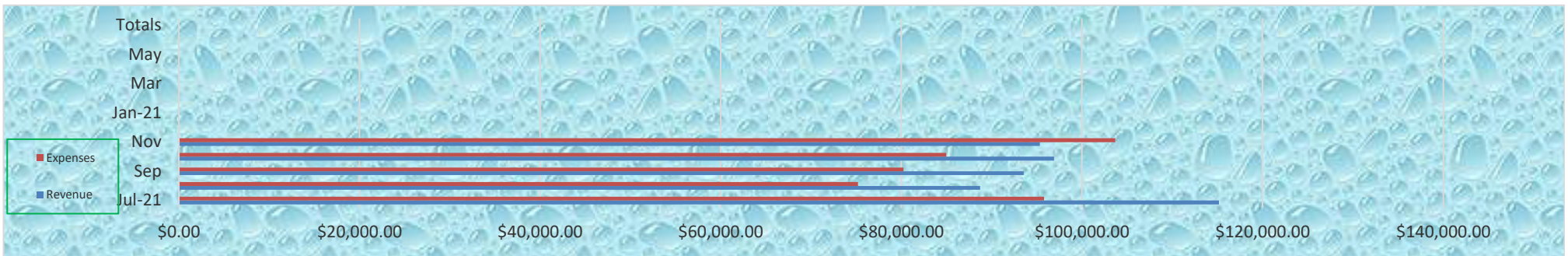
### DISTRICT REVENUE FY 2021/2022

	Jul-21	Aug	Sep	Oct	Nov	Dec	Jan-21	Feb	Mar	Apr.	May	June	Totals
State Billing			\$6,340.85										\$6,340.85
Property Tax	\$115.78	\$1,381.14	\$10.01	\$5,809.34	\$11,583.42								\$18,899.69
Water	\$49,269.78	\$36,018.10	\$36,656.78	\$37,820.36	\$34,769.42								\$194,534.44
Sewer	\$55,516.22	\$40,331.83	\$40,336.81	\$42,047.97	\$38,874.20								\$217,107.03
Service	\$7,910.24	\$7,834.18	\$7,977.48	\$8,080.85	\$8,272.49								\$40,075.24
Recycled Water													\$0.00
Late Fees	\$2,349.85	\$3,168.75	\$2,222.38	\$3,159.93	\$1,854.16								\$12,755.07
Grant Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00								\$0.00
<b>Total</b>	<b>\$115,161.87</b>	<b>\$88,734.00</b>	<b>\$93,544.31</b>	<b>\$96,918.45</b>	<b>\$95,353.69</b>								<b>\$489,712.32</b>
Water Sold Cu Ft	357524	261467	253458	262346	241618								1376413
Water Sold Acre ft	8.21	6.00	5.82	6.02	5.55								31.60



### REVENUE VS EXPENSES

	Jul-21	Aug	Sep	Oct	Nov	Dec	Jan-21	Feb	Mar	Apr.	May	June	Totals
<b>Revenue</b>	<b>\$115,161.87</b>	<b>\$88,734.00</b>	<b>\$93,544.31</b>	<b>\$96,918.45</b>	<b>\$95,353.69</b>								
<b>Expenses</b>	<b>\$95,803.89</b>	<b>\$75,209.49</b>	<b>\$80,233.53</b>	<b>\$84,995.77</b>	<b>\$103,695.19</b>								
<b>Balance</b>	<b>\$19,357.98</b>	<b>\$13,524.51</b>	<b>\$13,310.78</b>	<b>\$11,922.68</b>	<b>(\$8,341.50)</b>								



**SAN SIMEON COMMUNITY SERVICES  
HISTORICAL FISCAL REVIEW**

**FY 2018/2019**

Month	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fiscal Total
State Billing			\$26,723.91			\$20,971.00			\$19,858.71			\$19,390.52	\$86,944.14
Property Tax	\$1,288.59		\$169.19	\$7,205.82	\$8,542.19	\$33,187.58	\$1,319.32	\$4,888.55	\$2,227.01	\$22,928.34	\$3,062.24	\$1,057.02	\$85,875.85
Water	\$41,336.59	\$45,279.14	\$41,178.74	\$34,050.67	\$30,760.16	\$24,353.21	\$29,009.60	\$27,745.06	\$24,146.67	\$35,445.24	\$29,158.01	\$38,455.33	\$400,918.42
Sewer	\$47,258.33	\$53,156.35	\$47,379.43	\$39,628.31	\$35,491.84	\$28,149.21	\$34,169.78	\$32,181.86	\$27,850.19	\$41,666.62	\$33,854.74	\$44,856.07	\$465,642.73
Service	\$7,111.73	\$7,113.60	\$7,113.60	\$7,113.60	\$7,079.40	\$7,079.40	\$7,147.80	\$7,079.40	\$7,079.40	\$7,079.40	\$7,045.20	\$7,079.40	\$85,121.93
Late Fees	\$461.43	\$201.49	\$290.08	\$168.71	\$600.53	\$135.60	\$178.43	\$146.51	\$126.87	\$177.46	\$111.54	\$272.66	\$2,871.31
Grant Funds				\$11,367.00		\$18,753.05							
Revenue	\$97,456.67	\$105,750.58	\$122,854.95	\$88,167.11	\$82,474.12	\$113,876.00	\$71,824.93	\$72,041.38	\$81,288.85	\$107,297.06	\$73,231.73	\$111,111.00	\$1,127,374.38
Expense	\$81,495.91	\$74,250.58	\$102,279.81	\$104,990.12	\$111,554.79	\$92,037.25	\$94,850.91	\$94,625.06	\$71,744.58	\$105,016.25	\$89,244.32	\$98,066.81	\$1,120,156.39
Balance	\$15,960.76	\$31,500.00	\$20,575.14	(\$16,823.01)	(\$29,080.67)	\$21,838.75	(\$23,025.98)	(\$22,583.68)	\$9,544.27	\$2,280.81	(\$16,012.59)	\$13,044.19	\$7,217.99
Water Sold Cu Ft	334631	367360	332914	275609	243491	195107	236456	227602	197397	288979	236030	311046	3,246,622
Water Sold Acre f	7.68	8.43	7.64	6.33	5.59	4.48	5.43	5.23	4.53	6.63	5.42	7.14	74.53

**FY 2019/2020**

Month	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fiscal Total
State Billing			\$25,528.71			\$22,455.35			\$15,776.54			\$7,016.19	\$70,776.79
Property Tax	\$1,218.61	\$2,752.21	\$3,126.48	\$5,305.64	\$6,019.52	\$23,503.23	\$13,612.60	\$5,282.91	\$2,659.00	\$15,436.18	\$9,385.45	\$916.22	\$89,218.05
Water	\$41,718.97	\$39,623.52	\$40,324.01	\$43,808.36	\$32,208.00	\$23,432.56	\$33,732.14	\$34,067.23	\$24,268.55	\$17,909.86	\$28,582.31	\$36,460.31	\$396,135.82
Sewer	\$48,137.21	\$45,503.27	\$45,161.69	\$48,244.57	\$34,916.02	\$26,527.95	\$39,321.56	\$39,368.21	\$27,637.52	\$19,243.28	\$29,934.22	\$37,683.06	\$441,678.56
Service	\$7,113.60	\$7,045.20	\$7,079.40	\$7,451.10	\$7,489.26	\$7,344.54	\$7,525.44	\$7,453.08	\$7,489.26	\$7,489.26	\$7,489.26	\$7,453.08	\$88,422.48
Recycled Water													\$0.00
Late Fees	\$1,957.04	\$2,399.24	\$1,407.87	\$468.45	\$316.84	\$1,136.41	\$237.28	\$307.96	\$2,793.44	\$5,540.71	\$4,647.78	\$3,802.45	\$25,015.47
Grant Funds			\$8,750.00	\$167,376.61						\$1,485.90		\$8,369.50	\$185,982.01
Revenue	\$100,145.43	\$97,323.44	\$122,628.16	\$105,278.12	\$80,949.64	\$104,400.04	\$94,429.02	\$86,479.39	\$80,624.31	\$65,619.29	\$80,039.02	\$93,331.31	\$1,111,247.17
Expense	\$90,205.84	\$67,705.50	\$94,401.58	\$97,595.50	\$87,822.01	\$86,173.97	\$85,716.44	\$75,643.11	\$62,582.54	\$73,942.83	\$90,232.61	\$79,762.52	\$991,784.45
Balance	\$9,939.59	\$29,617.94	\$28,226.58	\$7,682.62	(\$6,872.37)	\$18,226.07	\$8,712.58	\$10,836.28	\$18,041.77	(\$8,323.54)	(\$10,193.59)	\$13,568.79	\$119,462.72
Water Sold Cu Ft	336845	319458	323518	329822	242893	179311	260006	261505	185972	137196	217871	274085	3,068,482
Water Sold Acre f	7.73	7.33	7.43	7.57	5.58	4.12	5.97	6.00	4.27	3.15	5.00	6.29	70.44

**FY 2020/2021**

Month	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fiscal Total
State Billing			\$4,898.26			\$4,898.26			\$9,978.14			\$5,654.87	\$25,429.53
Property Tax	\$2,336.92	\$751.11	\$11.88	\$6,945.71	\$5,461.44	\$26,458.17	\$12,827.64	\$1,063.98	\$5,505.65	\$8,582.80	\$15,086.53	\$2,262.87	\$87,294.70
Water	\$40,209.97	\$54,512.44	\$41,179.63	\$40,129.44	\$30,132.26	\$30,099.00	\$31,207.86	\$28,567.08	\$27,866.11	\$39,907.47	\$31,637.78	\$39,875.45	\$435,324.49
Sewer	\$45,546.00	\$60,488.59	\$45,320.14	\$44,227.62	\$32,486.93	\$31,269.68	\$29,285.81	\$31,276.88	\$30,546.56	\$44,784.48	\$34,717.31	\$44,261.59	\$474,211.59
Service	\$7,830.48	\$7,834.18	\$7,910.24	\$7,872.17	\$8,062.36	\$7,948.27	\$7,910.24	\$7,910.24	\$7,834.18	\$7,796.15	\$7,910.24	\$7,872.21	\$94,690.96
Recycled Water	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Late Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Grant Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Revenue	\$95,923.37	\$123,586.32	\$99,320.15	\$99,174.94	\$76,142.99	\$100,673.38	\$81,231.55	\$68,818.18	\$81,730.64	\$101,070.90	\$89,351.86	\$99,926.99	\$1,116,951.27
Expense	\$87,144.37	\$81,902.63	\$114,623.38	\$160,041.02	\$98,357.85	\$137,804.21	\$111,151.88	\$106,602.36	\$84,771.53	\$71,795.69	\$91,754.68	\$72,434.79	\$1,218,384.39
Balance	\$8,779.00	\$41,683.69	(\$15,303.23)	(\$60,866.08)	(\$22,214.86)	(\$37,130.83)	(\$29,920.33)	(\$37,784.18)	(\$3,040.89)	\$29,275.21	(\$2,372.82)	\$27,492.20	(\$101,403.12)
Water Sold Cu Ft	292033	387244	297886	291236	218802	217498	215864	209660	203888	291683	230285	288809	3,144,888
Water Sold Acre f	6.70	8.89	6.84	6.69	5.02	4.99	4.96	4.81	4.68	6.70	5.29	6.63	72.20

### **3.B.iv AD-Hoc Committee Reports:**



## ADHOC COMMITTEE REPORTS

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### List of Committee Members:

- i. **Status Update**– Disbursements Journal Review Committee members:  
Vacancy and Vice-Chairperson Giacoletti.
- ii. **Status Update** – Policy & Procedures Committee members: Chairperson  
Kellas and Vacancy.
- iii. **Status Update** – Parking on District Streets Committee members: Director  
de la Rosa and Vice-Chairperson Giacoletti.
- iv. **Status Update** – Budget Committee members:  
Michael Hanchett, Miguel Sandoval, Luz Hernandez, Vacancy (Committee  
Chairperson)
- v. **Status Update** – Water Committee members:  
John Russell, Leroy Price, Michael Hanchett, Director Daniel de la Rosa

**4.A. Consent Agenda Items:  
Approval of November 9, 2021 Regular Meeting  
Minutes**

**AGENDA**  
**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**BOARD OF DIRECTORS REGULAR BOARD MEETING**  
**Tuesday, November 9, 2021**  
**5:00 pm**

Pursuant to San Simeon CSD Resolution 21-434 and incompliance with AB 361 this meeting occurred as a virtual teleconference using the Zoom app.

**Internet Meeting Location – Via ZOOM**

**1. REGULAR SESSION: 5:01 PM -**

- A. Chairperson Kellas – Present
- Vice-Chairperson Giacoletti – Present
- Director Carson – Present
- Director de la Rosa – Present

**2. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA:**

**Public Comment –**

(4:00) Tina Dickason commented on the California Voting Rights Act related to the redistricting of the Board of Supervisors.

(7:28) Hank Krzciuk commented on the technical assistance related to the rate study and the recent contract approval of the Grace Environmental Services contract.

(10:50) Julie Tacker remarked that she had sent a complaint letter to the General Manager and that he had not responded. She requested that Chairperson Kellas be reprimanded and apologize to the District Attorney, to the community and to an unnamed member of the public.

**3. SPECIAL PRESENTATIONS AND REPORTS: (14:12)**

**A. STAFF REPORTS:**

- i. **Sheriff's Report** – No report was given.
- ii. **CHP Report** – (14:35) Lt. Chandler Stewart provided a summary of October activities.
- iii. **Superintendent's Report** – (21:40) Jerry Copeland provided a summary of October activities.
- iv. **General Manager's Report** – (22:50) Charlie Grace provided a summary of October activities.
- v. **Board Member Report** – (24:20) Chairperson Kellas provided a summary of October Activities.
- vi. **District Financial Summary** – (25:12) Charlie Grace provided a summary of the October financials.
- vii. **District Counsel's Report** – (27:09) Jeffrey Minnery provided a summary of October activities.

**B. AD-HOC COMMITTEE REPORTS:**

- i. Status Update Disbursements Journal Review Committee – No update was provided.
- ii. Status Update Policy & Procedures Committee – No update was provided.
- iii. Status Update parking on District Streets – (28:29) Director de la Rosa provided summary.
- iv. Status Update Budget & Water Committee – No update was provided.

**Public Comment –**

(29:10) Julie Tacker commented.

(31:55) Henry Krzciuk commented.

(33:50) Michael Hanchett commented.

(35:40) David Sansone commented.

**4. CONSENT AGENDA ITEMS: (37:40)**

**A. REVIEW AND APPROVAL OF MINUTES FOR THE REGULAR MEETING ON OCTOBER 12, 2021.**

(39:00) Vice-Chairperson Giacoletti noted a correction to the minutes under page 5 (1:57:18) change the word inflating to conflate.

**B. REVIEW AND APPROVAL OF DISBURSEMENTS JOURNAL.**

**C. ADOPTION OF RESOLUTION 21-435 TO CONTINUE VIRTUAL MEETINGS PURSUANT TO THE PROVISIONS OF AB 361.**

**D. ADOPTION OF RESOLUTION 21-436 TO ALLOW THE DISTRICT RENTAL OF A SAFE DEPOSIT BOX.**

**Public Comment –**

(43:00) Henry Krzciuk commented.

(45:40) Director Carson commented about payments that he received for Board member compensation. He clarified that he taken several oaths of office, some of which Mr. Krzciuk was unaware of and that he disagreed with Mr. Krzciuk's comments.

(47:30) Vice-Chairperson Giacoletti also disagreed with Mr. Krzciuk's statements.

(48:22) Julie Tacker commented.

(51:30) Miguel Sandoval commented.

(52:20) David Sansone commented.

(53:10) Michael Hanchett commented.

(53:35) Albert Barreto commented.

(54:50) A motion was made to approve the consent agenda items with the changes to the minutes provided by Chairperson Giacoletti.

Motion: Chairperson Kellas

2nd: Vice-Chairperson Giacoletti

Vote: 4/0

Absent: 0

Roll Call: Kellas: Yes

Giacoletti: Yes

Carson: Yes

de la Rosa: Yes

**5. PUBLIC HEARING:**

**A. INTRODUCTION OF ORDINANCE NO. 123 OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT TO ADOPT MANDATORY SOLID WASTE, ORGANIC WASTE, AND RECYCLING MATERIALS RULES AND REGULATIONS AND MAKING A DETERMINATION OF EXEMPTION UNDER CEQA. (55:50)**

Charlie Grace introduced the item.

**Public Comment –**

(57:40) Henry Krzciuk commented.



(59:35) A motion was made to waive the full reading and make any amendments and introduce Ordinance No. 123.

Staff was directed to place this item on the December Board meeting agenda.

Motion: Chairperson Kellas  
2nd: Vice-Chairperson Giacoletti

Vote: 4/0  
Absent: 0

Roll Call: Kellas: Yes      Giacoletti: Yes      Carson: Yes      de la Rosa: Yes

## 6. BUSINESS ACTION ITEMS:

### A. CONSIDERATION OF CANDIDATES TO REPLACE THE BOARD OF DIRECTOR VACANCY CREATED BY THE RESIGNATION OF WILLIAM MAURER AND BOARD APPOINTMENT OF THE NEW DIRECTOR. (1:01:00)

(1:01:45) Director Carson commented he would be resigning from the Board of Directors effective November 30, 2021.

(1:02:15) Chairperson Kellas commented that members of the public were unaware of the Board vacancy and suggested that this item be tabled. She went on to ask that staff re-notice the vacancy and add the notice of vacancy information to the newsletter.

#### Public Comment –

(1:03:10) Tina Dickason commented.

(1:04:20) Henry Krzciuk commented.

(1:05:28) Michael Donahue commented.

(1:06:30) Julie Tacker commented.

(1:08:57) Michael Hanchett commented.

(1:11:20) Jeff Minnery spoke and clarified the deadline dates regarding William Maurer's resignation.

(1:12:48) Miguel Sandoval commented.

(1:13:10) A motion was made to direct staff to repost the vacancy and mail the newsletter.

Motion: Chairperson Kellas  
2nd: Director de la Rosa  
Vote: 3/0  
Abstain: 1

Roll Call: Kellas: Yes      Carson: Yes      de la Rosa: Yes  
Giacoletti: Abstain

There was conversation related to the scheduling of the special meeting. The date was set for Monday November 29, 2021.

### B. APPROVAL OF A PROPOSAL FROM AKEL ENGINEERING GROUP, INC. FOR THE URBAN WATER MANAGEMENT PLAN NOT TO EXCEED THE AMOUNT OF \$25,090.00. (1:17:50)

Charlie Grace introduced this item.

(1:21:41) Vice-Chairperson Giacoletti asked about the need for this study and how it differed from the inflow stream management plan. Charlie Grace provided a response to the Vice-Chairperson.

(1:24:40) Tony Akel, Akel Engineering Group spoke and provided information related to the need for the study. There was discussion with Mr. Akel and the members of the Board regarding the study and potential work that would be performed.

**Public Comment –**

(1:40:50) Michael Hanchett commented.

(1:44:00) Henry Krzciuk commented.

(1:45:15) Michael Hanchett commented.

(1:45:44) A motion was made to approve the proposal from Akel Engineering to perform the Urban Water Management Plan not to exceed the amount of \$25,090.00.

Motion: Chairperson Kellas

2nd: Director de la Rosa

Vote: 3/0

Abstain: 1

Roll Call: Kellas: Yes Carson: Yes de la Rosa: Yes

Giacoletti: Abstain

**C. APPROVAL OF A PROPOSAL FROM STILLWATER SCIENCES FOR THE INFLOW STREAM MANAGEMENT PLAN TASKS 1 THROUGH 5 NOT TO EXCEED THE AMOUNT OF \$ 84,900.00. (1:46:35)**

Charlie Grace introduced the item.

(1:50:20) Tim Cleath, Stillwater Sciences spoke and provided information to the Board related to the work that would be performed as part of the study.

**Public Comment –**

(1:52:23) Henry Krzciuk commented.

(1:55:00) Director de la Rosa and Tim Cleath discussed environmental aspects of the study.

(1:58:09) A motion was made to approve the proposal from Still Water Sciences for the inflow stream management plan tasks 1 through 5 not to exceed the amount of \$84,900.00.

Motion: Chairperson Kellas

2nd: Vice-Chairperson Giacoletti

Vote: 4/0

Absent: 0

Roll Call: Kellas: Yes Giacoletti: Yes Carson: Yes de la Rosa: Yes

**D. APPROVAL OF A PROPOSAL FROM COOPERATIVE STRATEGIES FOR REDISTRICTING SERVICES NOT TO EXCEED THE AMOUNT OF \$21,500.00. (1:59:08)**

(1:59:10) Chairperson Kellas asked Jeff Minnery for an opinion about the price amount listed on the agenda being less than the cost of the proposal.

(2:00:05) Jeff Minnery introduced the item.

(2:01:28) Chairperson Kellas, Vice-Chairperson Giacoletti, Director Carson, Director de la Rosa, and Jeff Minnery discussed the need for redistricting to occur.

**Public Comment –**

(2:15:55) Henry Krzciuk commented.

(2:19:35) Julie Tacker commented.

(2:21:50) Michael Donahue commented.

(2:24:00) Miguel Sandoval commented.

(2:24:48) Michael Hanchett commented.

(2:26:20) Vice-Chairperson Giacoletti and Charlie Grace discussed the information in the proposals.

(2:27:40) A motion was made to approve Cooperative Strategies proposal not to exceed the amount of \$21,500.00.

Motion: Chairperson Kellas

2nd: Director Carson

Vote: 2/2

Absent: 0

Roll Call: Kellas: Yes

Giacoletti: No

Carson: Yes

de la Rosa: No

(2:28:20) Director de la Rosa asked that staff revisit this matter and look for a lower price to perform the services. Vice-Chairperson Giacoletti suggested that staff follow the advice of the public and contact the California Special District Association (CSDA) to obtain advice on behalf of the District. Director Carson asked that staff contact both the Cambria and Cayucos CSD to obtain quotes from the contractor that they used for redistricting.

**E. CONSIDERATION OF APPROVAL OF THE DRAFT POLICY ON CREDITS TO CUSTOMERS UTILITY BILLS. (2:32:40)**

Chairperson Kellas introduced the item.

There was no public comment.

(2:33:20) A motion was made to approve the draft policy on credits to customers utility bills and staff to contact the customers asking for credit.

Motion: Chairperson Kellas

2nd: Director de la Rosa

Vote: 4/0

Absent: 0

Roll Call: Kellas: Yes

Giacoletti: Yes

Carson: Yes

de la Rosa: Yes

**F. AUTHORIZE THE CHAIRPERSON TO (1) EXECUTE THE MEMORANDUM OF AGREEMENT (“MOA”) BY AND BETWEEN THE MEMBER JURISDICTIONS OF THE SAN LUIS OBISPO COUNTY INTEGRATED WASTE MANAGEMENT AUTHORITY (“IWMA”); (2) EXECUTE AMENDMENT ONE TO THE MOA; AND (3) EXECUTE A LETTER OF DESIGNATION WITH THE IWMA REGARDING SENATE BILL 1383 COMPLIANCE. (2:34:08)**

Charles Grace introduced the item.

**Public Comment –**

(2:35:30) Henry Krzciuk commented.

(2:36:48) A motion was made to authorize the Chairperson to execute the memorandum of agreement (“moa”) by and between the member jurisdictions of the San Luis Obispo county IWMA , execute amendment one to the moa, and execute a letter of designation with the IWMA regarding senate bill 1383.

Motion: Chairperson Kellas

2nd: Director Carson

Vote: 4/0

Absent: 0

Roll Call: Kellas: Yes

Giacoletti: Yes

Carson: Yes

de la Rosa: Yes

**G. DIRECTION TO STAFF TO SEND A LETTER OF INTENT NOTIFYING THE COUNTY OF SAN LUIS OBISPO THAT THE CSD INTENDS TO ASSUME SOLID WASTE AUTHORITY. (2:37:35)**

Charlie Grace introduced the item.

**Public Comment –**

(2:38:30) Henry Krzciuk commented.

(2:39:25) A motion was made to direct staff to send a letter of intent to the County notifying them of the Districts intent to assume solid waste authority.

Motion: Chairperson Kellas

2nd: Director Carson

Vote: 4/0

Absent: 0

Roll Call: Kellas: Yes

Giacoletti: Yes

Carson: Yes

de la Rosa: Yes

**H. APPROVAL OF LIMITED TERM ENCROACHMENT EASEMENT AND AGREEMENT BETWEEN HEARST HOLDINGS, LLC AND THE SAN SIMEON CSD. (2:40:00)**

Charlie Grace introduced the item.

(2:43:50) There was discussion between Director de la Rosa, Vice-Chairperson Giacioletti, Director Carson Jeffrey Minnery, and Charlie Grace regarding the agreement and the legal description of the property and the District ability to negotiate with the Hearst corporation in the future.

**Public Comment –**

(2:53:39) Michael Hanchett commented.

(2:54:21) Julie Tacker commented.

(2:58:05) Henry Krzciuk commented.

(3:00:20) Chairperson Kellas asked Jeff Minnery if the contract included a clause that allowed the District to renegotiate the contract. Her and Jeff Minnery further discussed this matter.

(3:04:20) A motion was made to approve the limited term encroachment agreement between Hearst Holdings and the San Simeon CSD conditioned upon on the legal description conforming to the actual encroachment area.

Motion: Director Carson  
2nd: Director de la Rosa  
Vote: 3/0  
Absent: 0

Roll Call: Giacoletti: Yes      Carson: Yes      de la Rosa: Yes  
Kellas: Abstain

**7. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS – (3:06:30)**

Vice-Chairperson Giacoletti asked if the District holds closed session that it occur at the end of the meeting to avoid confusion. Director de la Rosa asked if there was a way to survey the community to gather information about the needs of community members.

**8. ADJOURNMENT – 8:13 PM**

**4.B. Consent Agenda Items:  
Approval of November 29, 2021 Special Meeting  
Minutes**

**November 29, 2021**  
**SPECIAL MEETING MINUTES:**  
**San Simeon Community Services**



Pursuant to San Simeon CSD Resolution 21-435 and in compliance with AB 361 this meeting occurred as a virtual teleconference using the Zoom app.

**1. REGULAR SESSION @ 3:03**

- A. Chairperson Kellas – Present
- Vice-Chairperson Giacoletti – Present
- Director de la Rosa - Present

**2. CONSENT AGENDA ITEMS:**

**A. ADOPTION OF RESOLUTION 21-437 TO CONTINUE VIRTUAL MEETINGS PURSUANT TO THE PROVISIONS OF AB 361.**

Public Comment –  
(1:42) Julie Tacker commented.

(3:14) A motion was made to approve Resolution 21-437.

Motion: Chairperson Kellas  
2nd: Vice-Chairperson Giacoletti  
Vote: 3/0  
Absent: 0

Roll Call: Kellas: Yes                      Giacoletti: Yes                      de la Rosa: Yes

**3. BUSINESS ACTION ITEMS:**

**A. CONSIDERATION OF CANDIDATES TO REPLACE THE BOARD OF DIRECTOR VACANCY CREATED BY THE RESIGNATION OF WILLIAM MAURER AND BOARD APPOINTMENT OF THE NEW DIRECTOR.**

(3.55)

Public Comment –  
(4.39) Henry Krzciuk commented.  
(7:14) Julie Tacker commented.  
(8:00) April Dury commented.  
(9:22) Michael Hanchett commented.

(10:29) Director de la Rosa commented about Michael Donahue's absence from the meeting and he stated that the Board and public had not been allowed enough time to review the other candidate application. Vice-Chairperson Giacoletti asked for clarification on the appointment process.

(13:25) A motion was made to appoint Michael Donahue to fill the Board vacancy.

Motion: Chairperson Kellas  
2nd: Vice-Chairperson Giacoletti  
Vote: 3/0  
Absent: 0

Roll Call: Kellas: Yes          Giacoletti: Yes          de la Rosa: Yes

**B. DISCUSSION ON PROCEDURE TO FILL THE VACANCY ON THE SAN SIMEON COMMUNITY SERVICES DISTRICT CREATED BY THE RESIGNATION OF DIRECTOR WILLIAM CARSON; DIRECTION TO STAFF TO POST NOTICE OF VACANCY PURSUANT TO GOV'T CODE 1780; SCHEDULE A MEETING AT WHICH CANDIDATES WILL BE CONSIDERED AND THE APPOINTMENT MADE. (14:00)**

Chairperson Kellas introduced the item.

Public Comment –  
(14:40) Julie Tacker commented.

(18:20) A motion was made to proceed with filling William Carson's vacancy pursuant to the Government Code.

Motion: Chairperson Kellas  
2nd: Director de la Rosa  
Vote: 3/0  
Absent: 0

Roll Call: Kellas: Yes          Giacoletti: Yes          de la Rosa:

**C. APPROVAL OF A PROPOSAL FROM COOPERATIVE STRATEGIES FOR REDISTRICTING SERVICES NOT TO EXCEED THE AMOUNT OF \$21,500.00. (20:02)**

Chairperson Kellas introduced David Lopez from Cooperative Strategies.

(21:15) David Lopez and Director de la Rosa discussed the proposal and the itemized costs of the services.

Public Comment –  
(30:05) Michael Cruz commented.

(33:00) Jeffrey Minnery and David Lopez discussed potential legal costs.

(34:18) Henry Krzciuk commented.

(38:40) Julie Tacker commented.

(40:40) A motion was made to approve the proposal from Cooperative Strategies not to exceed the amount of \$21,500.00.

(41:00) There was additional conversation between the Chair, Vice-Chairperson, and Jeffrey Minnery about the CVRA.

(44:50) A motion was made to approve the proposal from Cooperative Strategies not to exceed the amount of \$21,500.00.



Motion: Chairperson Kellas  
2nd: Director de la Rosa  
Vote: 2/1  
Absent: 0

Roll Call: Kellas: Yes          Giacoletti: No          de la Rosa: Yes

**D. RATIFICATION OF THE TECHNICAL ASSISTANCE PROGRAM PROPOSAL FOR A FREE RATE STUDY ANALYSIS FOR THE COMMUNITY OF SAN SIMEON. (46:30)**

Chairperson Kellas introduced the item.

Public Comment –

(47:54) Julie Tacker commented.  
(51:40) Henry Krzciuk commented.  
(54:35) April Dury commented.  
(58:05) Jaqueline Diamond commented.  
(1:00:00) Michael Hanchett commented.

(1:02:30) A motion was made to approve the ratification of the technical assistance program proposal for a free rate study.

Motion: Chairperson Kellas  
2nd: Vice-Chairperson Giacoletti  
Vote: 3/0  
Absent: 0

Roll Call: Kellas: Yes          Giacoletti: Yes          de la Rosa: Yes

**4. CLOSED SESSION: (1:03:15)**

**A. CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION**

Pursuant to Government Code §54956.9(d)(2)  
Title: Grace Environmental Services, LLC – Request for indemnity

Public Comment –

(1:03:37) Julie Tacker commented.  
(1:07:08) Henry Krzciuk commented.  
(1:10:00) April Dury commented.  
(1:11:19) Michael Hanchett commented.

(1:13:38) Jeffrey Minnery read the Government Code for closed session.

**\*\*\*\*RECONVENE TO OPEN SESSION\*\*\*\*  
(39 minutes)**

**Report on Closed Session:**

(1:15:29) Jeffrey Minnery reported that the Board met in closed session and determined by a unanimous vote to indemnify Grace Environmental Services for costs related to the FPPC action with a request to Mr. Grace to bring forward in a regular meeting in open session costs that he seeks reimbursement for.

**5. ADJOURNMENT @ 4:57 PM**

**4.C. Consent Agenda Items:  
Review and Approval of Disbursements Journal**

# SAN SIMEON COMMUNITY SERVICES DISTRICT

## Disbursements Journal

Type	Date	Num	Name	December 2021	Memo	Paid Amount
<b>Additional Payment issued in November after BOD Meeting</b>						
Bill Pmt -Check	11/22/2021	2487	Simply Clear Marketing		Website-annual maintenance for ADA Compliance Sept 2021 - Aug 2022. Inv. 40187 dated 11/19/21.	-1,200.00
<b>December 2021 Disbursements</b>						
Paycheck	12/14/2021	2321	GWEN KELLAS		Board Service November 2 through December 1, 2021.	-92.35
Paycheck	12/14/2021	2322	MARY P GIACOLETTI		Board Service November 2 through December 1, 2021.	-92.35
Bill Pmt -Check	12/14/2021	2323	Adamski Moroski Madden Cumberland & Green		Legal fees through 10/31/21. Inv 55932 dated 11/30/21.	-9,376.04
Bill Pmt -Check	12/14/2021	2324	Adamski Moroski Madden Cumberland & Green		Legal fees re: Hather litigation through 10/31/21. Inv 55933 dated 11/30/21.	-9,811.50
Bill Pmt -Check	12/14/2021	2325	Harbor Offshore Inc.		Ocean outfall inspection. Inv 2021-024-01 date 11/30/2021.	-11,586.00
Bill Pmt -Check	12/14/2021	2326	Kathleen Fry Bookkeeping Services		Bookkeeping services November 2021. Inv CSD-2021-11 dated 11/30/21.	-1,320.00
Bill Pmt -Check	12/14/2021	2327	Kathleen Fry Bookkeeping Services		Assist with audit process for FYE'21. Inv# Special-Audit'21 dated 11/30/21.	-500.00
Bill Pmt -Check	12/14/2021	2328	Lori Mather Video Services		Video services for regular board meeting held on 12/14/2021 and special meeting 11/29/21. Invoi...	-600.00
Bill Pmt -Check	12/14/2021	2329	McClatchy Company LLC		Public notice of BOD vacancy 11/14-11/21 issues of Tribune. Inv 77088 dated 11/30/21.	-110.76
Bill Pmt -Check	12/14/2021	2330	Moss, Levy & Hartzheim, LLP		Audit to Date for FYE 6/30/2021. Inv 29267 dated 10/31/2021.	-2,000.00
Bill Pmt -Check	12/14/2021	2331	New Times		Public notice of BOD vacancy. Inv 333091 dated 11/11/21.	-54.00
Bill Pmt -Check	12/14/2021	2332	New Times		Public notice of BOD vacancy. Inv 333297 dated 11/18/21.	-54.00
Bill Pmt -Check	12/14/2021	2333	New Times		Public notice of BOD vacancy and Ord No 123. Inv 333917 dated 12/2/21.	-108.00
Bill Pmt -Check	12/14/2021	2334	Oliveira Environmental Consulting LLC		Prof Svcs related to CHRP-Coastal hazard response plan, LCP to move WWTP, Pipe Bridge, and other... Sept 3 - November 29, 2021	-3,277.50
Bill Pmt -Check	12/14/2021	2335	rrm design group		Solid waste authority planning services, coordinate with LAFCO. Inv 0440-02-0521 dated 6/9/21.	-475.00
Bill Pmt -Check	12/14/2021	2336	San Simeon Community Services District		Customer security deposit on account 74 to be applied to outstanding balance due on utility acc...	-50.00
Bill Pmt -Check	12/14/2021	2337	San Simeon Community Services District		Customer security deposit on account 419 to be applied to outstanding balance due on utility ac...	-50.00
Bill Pmt -Check	12/14/2021	2338	Simply Clear Marketing & Media		Monthly Website Service and Mgt fee service period Nov 21 - Dec 20, 2021. Inv 40184 dated 11/1...	-400.00
Bill Pmt -Check	12/14/2021	2339	SLO County - Environmental Health		Hazmat Disclosure Program for WWTP Facility ID FA0001537. Inv 0132951 dated 11/17/21.	-512.00
Bill Pmt -Check	12/14/2021	2340	SLO County - Environmental Health		Hazmat Disclosure Program for Water Facility ID FA0012591. Inv 0133400 dated 11/17/2021.	-512.00
Bill Pmt -Check	12/14/2021	2341	SWRCB--ELAP State Water Resource Ctrl Bd		Annual ELAP fee - Environmental Laboratory Accreditation Program for WW Trmt Plant Facility. Ren...	-3,550.00
Bill Pmt -Check	12/14/2021	2342	Grace Environmental Services		Operations Management December 2021. Inv 1497 dated 12/1/21.	-56,231.95
Check	12/25/2021	Elec Pymt	CalPERS Fiscal Svcs Div		Retiree Health monthly premium.	-351.72
Check	December 14, 2021 Board Meeting Packet 12/25/2021	Elec Pymt	CalPers Fiscal Svcs Divn		Monthly Unfunded Accrued Liability payment. Cust. ID # 7226734344.	-1,349.42

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**Disbursements Journal**

December 2021

Type	Date	Num	Name	Memo	Paid Amount
Liability Check	12/27/2021	Elec Pymt	United States Treasury (US Treasury)	Payroll tax payment for paychecks dated 12/14/21.	-30.60
<b>TOTAL</b>					<b>-103,695.19</b>

**4.D. Consent Agenda Items:  
Adoption of Resolution 21-438**



## CONSENT AGENDA ITEM STAFF REPORT

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### ITEM 4.D. ADOPTION OF RESOLUTION 21-438 TO CONTINUE VIRTUAL MEETINGS PURSUANT TO THE PROVISIONS AB 361.

#### Summary

At a Special Meeting on September 30, 2021, the Board approved District Resolution 21-433 to continue virtual meetings of the Board of Directors and District committees pursuant to AB 361. AB 361 requires periodic review of the determination for a legislative body to continue to meet via teleconference, and if a state of emergency remains active, then no later than 30 days after meeting via teleconference, the body must make a subsequent finding that it “has reconsidered the circumstances of the state of emergency” and determined that in-person meetings continue to pose a risk to public health. During the November 29, 2021 special meeting, the Board approved Resolution 21-437 which extended the “state of emergency” for an additional 30 days. Resolution 21-438 extends the “state of emergency” for an additional 30 days to allow continued virtual meetings.

#### Possible Options:

- 1) The Board may direct the meetings be held in person.
- 2) The Board may direct that the meetings remain being held via teleconference.

Enc: Resolution 21-438

**RESOLUTION NO. 21-438**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT PROCLAIMING A LOCAL EMERGENCY PERSISTS, RE-RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY THE GOVERNOR ISSUED ON MARCH 4, 2020, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODIES OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT FOR THE PERIOD OF DECEMBER 14, 2021 TO JANUARY 13, 2022, PURSUANT TO BROWN ACT PROVISIONS**

**Recitals**

WHEREAS, the San Simeon Community Services District ("District") is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of the District's legislative bodies are open and public, as required by the Ralph M. Brown Act (Gov. Code, §§ 54950 – 54963), so that any member of the public may attend, participate, and watch the District's legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provision for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District's boundaries, caused by natural, technological or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, the Board of Directors previously adopted a Resolution, Number 21-433 on October 12, 2021, finding that the requisite conditions exist for the legislative bodies of the District to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, as a condition of extending the use of the provisions found in section 54953(e), the Board of Directors must reconsider the circumstances of the state of emergency that exists in the District, and the Board of Directors has done so; and

WHEREAS, emergency conditions persist in the District, specifically, the State of Emergency declared by Governor Newsom on March 4, 2020, due to COVID-19, and the Proclamation of Local Emergency declared by the County of San Luis Obispo on March 13, 2020; and

WHEREAS, on September 1, 2021, the San Luis Obispo County Health Officer issued Order Number 6 requiring face coverings in all public indoor settings attributable to the rise in SARS-CoV-2 Delta Variant; and

WHEREAS, the Board of Directors does hereby find that the rise in SARS-CoV-2 Delta Variant has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District, and desires to affirm a local emergency exists and re-ratify the proclamation of state of emergency by the Governor of the State of California and the San Luis Obispo County Health Officer's Order Number 6; and

WHEREAS, as a consequence of the local emergency persisting, the Board of Directors does hereby find that the legislative bodies of the District shall continue to conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall continue to comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, the Board of Directors will ensure that the public has access to meetings and the opportunity to participate in meetings in the interest of transparency and as required by AB 361.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Directors of the San Simeon Community Services District, as follows:

1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.
2. Affirmation that Local Emergency Persists. The Board of Directors hereby considers the conditions of the state of emergency in the District and proclaims that a local emergency persists throughout the District, and COVID-19 has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District.
3. Re-ratification of Governor's Proclamation of a State of Emergency. The Board hereby ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020.



4. Remote Teleconference Meetings. The General Manager and Staff of the District are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, continuing to conduct open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.
  
5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) January 12, 2022 or such time the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of the District may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

**ADOPTED** by the Board of Directors of the San Simeon Community Services District on December 14, 2021 by the following roll call votes:

AYES:  
NOES:  
ABSENT:  
ABSTAINED:

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

**ATTEST:**

\_\_\_\_\_  
Charles Grace, General Manager of the  
San Simeon Community Services District

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Jeffrey A. Minnery, District Counsel

**4.E. Consent Agenda Items:  
Conflict Waiver**



## CONSENT AGENDA ITEM STAFF REPORT

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### ITEM 4.E. APPROVAL OF A CONFLICT WAIVER REGARDING SB1383 AND SLO COUNTY INTEGRATED WASTE MANAGEMENT AUTHORITY (IWMA).

#### Summary

Attached please find correspondence from Adamski, Moroski, Madden, Cumberland, & Green related to Solid Waste Authority and a request for the Board to approve a conflict-of-interest waiver agreement.

#### Recommendation:

Staff recommends that the Board review and approve the Conflict Waiver and authorize the Chairperson to sign it.

Enc: Conflict of Waiver Request

**ADAMSKI MOROSKI MADDEN  
CUMBERLAND & GREEN LLP**

ATTORNEYS AT LAW

Post Office Box 3835 • San Luis Obispo, California 93403-3835  
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December 9, 2021

San Simeon Community Services District  
Attn: Board of Directors  
111 Pico Avenue  
San Simeon, CA 93452

**Re: Conflict Waiver**

Dear Directors of the Board:

As you are aware, the San Luis Obispo County Integrated Waste Management Authority (“IWMA”) has prioritized the amending of the Joint Powers Agreement (“JPA”) and issues related to SB 1383 compliance and implementation. As you are also aware, our office represents the IWMA and a number of other local government agencies, including the California Valley Community Services District, Heritage Ranch Community Services District, Los Osos Community Services District, and Oceano Community Services District, which are all participants in the IWMA alongside San Simeon Community Services District (“SSCSD”).

While the efforts of the SSCSD and the IWMA are cooperative in nature, there is a close enough connection between the agencies that I find it prudent to draw your attention to even an appearance of conflict. For example, the IWMA is currently proposing amendments to the JPA. These amendments will be considered and ultimately approved by both SSCSD and the IWMA. In addition, SSCSD is in the process of adopting an ordinance related to SB 1383. Although the ordinance is necessary to comply with SB 1383, I have worked with the IWMA and its consultants to assist SSCSD with this ordinance to ensure compliance with CalRecycle requirements. In both instances, SSCSD and the IWMA are working toward a common objective, yet even where no actual conflict exists, there may be an appearance of conflict which I would rather address than avoid.

The California Rules of Professional Conduct prevent an attorney from representing a party in one matter where that attorney represents a different client in the same matter adverse to the first client *unless* both clients provide informed written consent. The following are the pertinent Rules of Professional Conduct related to this engagement:

**RULES OF PROFESSIONAL CONDUCT**

Rule 1.7 of the California Rules of Professional Conduct provides in pertinent part:

(a) A lawyer shall not, without informed written consent\* from each client and compliance with paragraph (d), represent a client if the representation is directly adverse to another client in the same or a separate matter.

(b) A lawyer shall not, without informed written consent\* from each affected client and compliance with paragraph (d), represent a client if there is a significant risk the lawyer's representation of the client will be materially limited by the lawyer's responsibilities to or relationships with another client, a former client or a third person,\* or by the lawyer's own interests.

(c) Even when a significant risk requiring a lawyer to comply with paragraph (b) is not present, a lawyer shall not represent a client without written disclosure of the relationship to the client and compliance with paragraph (d) where:

- (1) the lawyer has, or knows that another lawyer in the lawyer's firm has, a legal, business, financial, professional, or personal relationship with or responsibility to a party or witness in the same matter; or
- (2) the lawyer knows or reasonably should know that another party's lawyer is a spouse, parent, child, or sibling of the lawyer, lives with the lawyer, is a client of the lawyer or another lawyer in the lawyer's firm, or has an intimate personal relationship with the lawyer. *See Exhibit A* (a complete copy of Rule 1.7 of the California Rules of Professional Conduct)

Here, because the matters are cooperative in nature, I am confident that I am able to provide you competent and diligent representation in all matters even if I simultaneously represent the IWMA regarding the same matters. Nevertheless, I am obliged to inform you of any actual or reasonably foreseeable adverse effects of this representation. At this time, it is foreseeable that the Your Board could perceive my representation of the IWMA as a breach of loyalty.

### **YOUR CONSENT**

It is understood that this consent will not waive any protection that you may have with regard to attorney-client communications with me in this matter. Those communications will remain confidential and will not be disclosed to any third party without your consent.

I believe that the SSCSD Board is familiar with the factual background relevant to the content of this letter, and that I have given you a sufficiently detailed description for obtaining informed written consent. However, if you believe that there is any other information that you or I need to have before such consent can be granted, please let me know immediately or such matters

San Simeon Community Services District  
December 9, 2021  
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can be discussed at the December 14, 2021 meeting of the Board. You are advised of your right to seek independent legal advice related to the conflict represented by this waiver.

In the event that circumstances change or I become aware of new information that may affect your consent, you will be notified of that fact immediately, and continued representation will be subject to the informed written consent of involved parties.

Your execution of this consent form will constitute an acknowledgment of full disclosure in compliance with the requirements of Rule 1.7 of the California Rules of Professional Conduct previously quoted in this letter.

Very truly yours,

ADAMSKI MOROSKI MADDEN  
CUMBERLAND & GREEN LLP



JEFFREY A. MINNERY

JAM:jbg

San Simeon Community Services District

\_\_\_\_\_  
Gwen Kellas, President

Date: \_\_\_\_\_



# The State Bar of California

## Rule 1.7 Conflict of Interest: Current Clients (Rule Approved by the Supreme Court, Effective November 1, 2018)

- (a) A lawyer shall not, without informed written consent\* from each client and compliance with paragraph (d), represent a client if the representation is directly adverse to another client in the same or a separate matter.
- (b) A lawyer shall not, without informed written consent\* from each affected client and compliance with paragraph (d), represent a client if there is a significant risk the lawyer's representation of the client will be materially limited by the lawyer's responsibilities to or relationships with another client, a former client or a third person,\* or by the lawyer's own interests.
- (c) Even when a significant risk requiring a lawyer to comply with paragraph (b) is not present, a lawyer shall not represent a client without written\* disclosure of the relationship to the client and compliance with paragraph (d) where:
  - (1) the lawyer has, or knows\* that another lawyer in the lawyer's firm\* has, a legal, business, financial, professional, or personal relationship with or responsibility to a party or witness in the same matter; or
  - (2) the lawyer knows\* or reasonably should know\* that another party's lawyer is a spouse, parent, child, or sibling of the lawyer, lives with the lawyer, is a client of the lawyer or another lawyer in the lawyer's firm,\* or has an intimate personal relationship with the lawyer.
- (d) Representation is permitted under this rule only if the lawyer complies with paragraphs (a), (b), and (c), and:
  - (1) the lawyer reasonably believes\* that the lawyer will be able to provide competent and diligent representation to each affected client;
  - (2) the representation is not prohibited by law; and
  - (3) the representation does not involve the assertion of a claim by one client against another client represented by the lawyer in the same litigation or other proceeding before a tribunal.
- (e) For purposes of this rule, "matter" includes any judicial or other proceeding, application, request for a ruling or other determination, contract, transaction, claim, controversy, investigation, charge, accusation, arrest, or other deliberation, decision, or action that is focused on the interests of specific persons,\* or a discrete and identifiable class of persons.\*

### Comment

[1] Loyalty and independent judgment are essential elements in the lawyer's relationship to a client. The duty of undivided loyalty to a current client prohibits

undertaking representation directly adverse to that client without that client's informed written consent.\* Thus, absent consent, a lawyer may not act as an advocate in one matter against a person\* the lawyer represents in some other matter, even when the matters are wholly unrelated. (See *Flatt v. Superior Court* (1994) 9 Cal.4th 275 [36 Cal.Rptr.2d 537].) A directly adverse conflict under paragraph (a) can arise in a number of ways, for example, when: (i) a lawyer accepts representation of more than one client in a matter in which the interests of the clients actually conflict; (ii) a lawyer, while representing a client, accepts in another matter the representation of a person\* who, in the first matter, is directly adverse to the lawyer's client; or (iii) a lawyer accepts representation of a person\* in a matter in which an opposing party is a client of the lawyer or the lawyer's law firm.\* Similarly, direct adversity can arise when a lawyer cross-examines a non-party witness who is the lawyer's client in another matter, if the examination is likely to harm or embarrass the witness. On the other hand, simultaneous representation in unrelated matters of clients whose interests are only economically adverse, such as representation of competing economic enterprises in unrelated litigation, does not ordinarily constitute a conflict of interest and thus may not require informed written consent\* of the respective clients.

[2] Paragraphs (a) and (b) apply to all types of legal representations, including the concurrent representation of multiple parties in litigation or in a single transaction or in some other common enterprise or legal relationship. Examples of the latter include the formation of a partnership for several partners\* or a corporation for several shareholders, the preparation of a pre-nuptial agreement, or joint or reciprocal wills for a husband and wife, or the resolution of an "uncontested" marital dissolution. If a lawyer initially represents multiple clients with the informed written consent\* as required under paragraph (b), and circumstances later develop indicating that direct adversity exists between the clients, the lawyer must obtain further informed written consent\* of the clients under paragraph (a).

[3] In *State Farm Mutual Automobile Insurance Company v. Federal Insurance Company* (1999) 72 Cal.App.4th 1422 [86 Cal.Rptr.2d 20], the court held that paragraph (C)(3) of predecessor rule 3-310 was violated when a lawyer, retained by an insurer to defend one suit, and while that suit was still pending, filed a direct action against the same insurer in an unrelated action without securing the insurer's consent. Notwithstanding *State Farm*, paragraph (a) does not apply with respect to the relationship between an insurer and a lawyer when, in each matter, the insurer's interest is only as an indemnity provider and not as a direct party to the action.

[4] Even where there is no direct adversity, a conflict of interest requiring informed written consent\* under paragraph (b) exists if there is a significant risk that a lawyer's ability to consider, recommend or carry out an appropriate course of action for the client will be materially limited as a result of the lawyer's other responsibilities, interests, or relationships, whether legal, business, financial, professional, or personal. For example, a lawyer's obligations to two or more clients in the same matter, such as several individuals seeking to form a joint venture, may materially limit the lawyer's ability to recommend or advocate all possible positions that each might take because of the lawyer's duty of loyalty to the other clients. The risk is that the lawyer may not be



able to offer alternatives that would otherwise be available to each of the clients. The mere possibility of subsequent harm does not itself require disclosure and informed written consent.\* The critical questions are the likelihood that a difference in interests exists or will eventuate and, if it does, whether it will materially interfere with the lawyer's independent professional judgment in considering alternatives or foreclose courses of action that reasonably\* should be pursued on behalf of each client. The risk that the lawyer's representation may be materially limited may also arise from present or past relationships between the lawyer, or another member of the lawyer's firm\*, with a party, a witness, or another person\* who may be affected substantially by the resolution of the matter.

[5] Paragraph (c) requires written\* disclosure of any of the specified relationships even if there is not a significant risk the relationship will materially limit the lawyer's representation of the client. However, if the particular circumstances present a significant risk the relationship will materially limit the lawyer's representation of the client, informed written consent\* is required under paragraph (b).

[6] Ordinarily paragraphs (a) and (b) will not require informed written consent\* simply because a lawyer takes inconsistent legal positions in different tribunals\* at different times on behalf of different clients. Advocating a legal position on behalf of a client that might create precedent adverse to the interests of another client represented by a lawyer in an unrelated matter is not sufficient, standing alone, to create a conflict of interest requiring informed written consent.\* Informed written consent\* may be required, however, if there is a significant risk that: (i) the lawyer may temper the lawyer's advocacy on behalf of one client out of concern about creating precedent adverse to the interest of another client; or (ii) the lawyer's action on behalf of one client will materially limit the lawyer's effectiveness in representing another client in a different case, for example, when a decision favoring one client will create a precedent likely to seriously weaken the position taken on behalf of the other client. Factors relevant in determining whether the clients' informed written consent\* is required include: the courts and jurisdictions where the different cases are pending, whether a ruling in one case would have a precedential effect on the other case, whether the legal question is substantive or procedural, the temporal relationship between the matters, the significance of the legal question to the immediate and long-term interests of the clients involved, and the clients' reasonable\* expectations in retaining the lawyer.

[7] Other rules and laws may preclude the disclosures necessary to obtain the informed written consent\* or provide the information required to permit representation under this rule. (See, e.g., Bus. & Prof. Code, § 6068, subd. (e)(1) and rule 1.6.) If such disclosure is precluded, representation subject to paragraph (a), (b), or (c) of this rule is likewise precluded.

[8] Paragraph (d) imposes conditions that must be satisfied even if informed written consent\* is obtained as required by paragraphs (a) or (b) or the lawyer has informed the client in writing\* as required by paragraph (c). There are some matters in which the conflicts are such that even informed written consent\* may not suffice to permit representation. (See *Woods v. Superior Court* (1983) 149 Cal.App.3d 931 [197 Cal.Rptr.

185]; *Klemm v. Superior Court* (1977) 75 Cal.App.3d 893 [142 Cal.Rptr. 509]; *Ishmael v. Millington* (1966) 241 Cal.App.2d 520 [50 Cal.Rptr. 592].)

[9] This rule does not preclude an informed written consent\* to a future conflict in compliance with applicable case law. The effectiveness of an advance consent is generally determined by the extent to which the client reasonably\* understands the material risks that the consent entails. The more comprehensive the explanation of the types of future representations that might arise and the actual and reasonably\* foreseeable adverse consequences to the client of those representations, the greater the likelihood that the client will have the requisite understanding. The experience and sophistication of the client giving consent, as well as whether the client is independently represented in connection with giving consent, are also relevant in determining whether the client reasonably\* understands the risks involved in giving consent. An advance consent cannot be effective if the circumstances that materialize in the future make the conflict nonconsentable under paragraph (d). A lawyer who obtains from a client an advance consent that complies with this rule will have all the duties of a lawyer to that client except as expressly limited by the consent. A lawyer cannot obtain an advance consent to incompetent representation. (See rule 1.8.8.)

[10] A material change in circumstances relevant to application of this rule may trigger a requirement to make new disclosures and, where applicable, obtain new informed written consents.\* In the absence of such consents, depending on the circumstances, the lawyer may have the option to withdraw from one or more of the representations in order to avoid the conflict. The lawyer must seek court approval where necessary and take steps to minimize harm to the clients. See rule 1.16. The lawyer must continue to protect the confidences of the clients from whose representation the lawyer has withdrawn. (See rule 1.9(c).)

[11] For special rules governing membership in a legal service organization, see rule 6.3; and for work in conjunction with certain limited legal services programs, see rule 6.5.

## **5.A. Public Hearing Item**



## PUBLIC HEARING ITEM STAFF REPORT

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### **ITEM 5.A. SECOND READING AND ADOPTION OF ORDINANCE NO. 123 OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT TO ADOPT MANDATORY SOLID WASTE, ORGANIC WASTE, AND RECYCLING MATERIALS RULES AND REGULATIONS AND MAKING A DETERMINATION OF EXEMPTION UNDER CEQA.**

**To:** Board of Directors  
**FROM:** General Manager  
**DATE:** December 8, 2021  
**SUBJECT:** Second Reading and Adoption of Ordinance No. 123 Regarding Solid Waste, Organic Waste, and Recycling Materials

#### **RECOMMENDATION**

Staff recommends that the Board of Directors:

1. Hold a second public hearing and receive public testimony on Ordinance No. 123.
2. Waive full second reading and adopt Ordinance No. 123 by title:

#### ORDINANCE NO. 123

AN ORDINANCE OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT TO ADOPT MANDATORY SOLID WASTE, ORGANIC WASTE, AND RECYCLING MATERIALS RULES AND REGULATIONS AND MAKING A DETERMINATION OF EXEMPTION UNDER CEQA

3. Direct that the proposed ordinance be published in accordance with applicable statutes.

## **BACKGROUND**

On March 19, 2021, a LAFCO Certificate of Completion was recorded which officially activated the solid waste latent power to the San Simeon Community Services District (SSCSD). This power awards the SSCSD the authority to provide for the collection and disposal of garbage and refuse matter directly with Mission Country Disposal, the franchisee. Solid waste service for the community of San Simeon is currently provided by San Luis Obispo County through a franchise agreement with Mission Country Disposal. The District, through LAFCO, established solid waste power, primarily a move to keep franchise fees within the San Simeon community. Conditions of LAFCO approval regarding the solid waste power transition require the District to participate in the San Luis Obispo Integrated Waste Management Authority (IWMA) and comply with all policies and ordinances of the IWMA. To make the transition from the County of San Luis Obispo to the SSCSD for the direct oversight of solid waste services, the Board needs to adopt rules and regulations pertaining to the collection of solid waste within the District.

Senate Bill No. 1383 (SB 1383) was signed into law on September 19, 2016, to reduce organic waste disposal by 75% and increase edible food recovery by 20%, by 2025. SB 1383 is the most significant waste reduction mandate to be adopted in the State of California in the last 30 years and requires all jurisdictions to implement a mandatory organic recycling ordinance by January 1, 2022. This Legislation requires all businesses, residents, and multi-family apartments to have access to recycling programs that capture food scraps, landscaping waste, among other organic waste materials.

As a result of SB 1383, the California Department of Resources Recycling and Recovery (CalRecycle), which is the state department tasked with administering California's waste and recycling programs, developed prescriptive regulations to achieve the State's outlined organic waste disposal goals by 2025. Over the last two years, CalRecycle conducted informal hearings with local governments and stakeholders to develop regulations to achieve the State's organic waste reduction mandates. In November 2020, CalRecycle released the final regulations for SB 1383.

The adoption of Ordinance 123 will meet the requirements of SB 1383 and provide necessary rules and regulations for the disposal and collection of waste materials within the District.

## **ANALYSIS**

### **Requirements of Senate Bill 1383**

As a result of SB 1383 and the regulations established by CalRecycle, the District will have to implement the following practices to be considered compliant:

- Provide organic waste recycling services;
- Inspect and enforce compliance with SB 1383 by adopting an enforcement ordinance;

- Implement an edible food recovery program that recovers edible food from the waste stream;
- Conduct outreach and education to all affected parties, including generators, haulers, facilities, and edible food recovery organizations;
- Procure recycled organic waste products like compost, mulch, and renewable natural gas; and
- Maintain accurate and timely records of SB 1383 compliance for annual reporting requirements.

Education, outreach, inspection, monitoring, and reporting will be handled by the IWMA for the benefit of San Simeon Community Services District if so designated.

### **Ordinance Adoption**

As described in this staff report, the District is required to adopt an enforceable ordinance to compel businesses and residents to sort, recycle, and properly dispose of waste and to comply with other requirements of SB 1383. The adoption of Ordinance 123 will also provide necessary rules and regulations for the disposal and collection of waste materials within the District as directed by LAFCO.

The attached ordinance (Attachment A) includes the following required provisions:

- Section 1. Title of Ordinance
- Section 2. Purpose of the Ordinance
- Section 3. Definitions
- Section 4. Requirements for Single-Family Premises
- Section 5. Requirements for Multi-Family Residential Dwellings
- Section 6. Requirements for Commercial Businesses
- Section 7. Waivers for Multi-Family Premises and Commercial Premises
- Section 8. Requirements for Commercial Edible Food Generators
- Section 9. Requirements for Food Recovery Organizations and Services
- Section 10. Requirements for Haulers and Facility Operators
- Section 11. Self-Hauler Requirements
- Section 12. Inspections and Investigations
- Section 13. Collection Rates and Collection Of Delinquent Fees And Charges
- Section 14. Franchise for Collection - Authorization
- Section 15. Regulations For Accumulation Of Solid Waste, Cast Offs, Rubble, And Refuse
- Section 16. Clearing Of Accumulated Solid Waste And Rubble
- Section 17. Storage And Placement Of Standard Containers For Pick-Up
- Section 18. Unlawful Collection
- Section 19. Condition of Collection Trucks
- Section 20. Exceptions
- Section 21. Enforcement
- Section 22. CalRecycle Issued Waivers
- Section 23. CEQA

Section 24. Severability  
Section 25. Effective Date

### **ALTERNATIVES CONSIDERED**

The District may:

1. Decide not to adopt Ordinance No. 123; however, staff does not recommend this as an adoption of an ordinance is a requirement of SB 1383.
2. Direct staff to return with a revised ordinance to be presented at a future Board of Directors meeting.

### **CALIFORNIA ENVIRONMENTAL QUALITY ACT**

District legal counsel has evaluated proposed Ordinance No. 123 to determine whether it will have a significant effect on the environment. Legal counsel has determined that the proposed Ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Sections 15061(b)(3) and 15308, on the grounds that it can be seen with certainty that the enhanced solid waste regulations, as provided for in Ordinance No. 123 will not have a significant effect on the environment and that the new requirements, which strengthen requirements for the handling of all waste materials, represent actions by a regulatory agency for the protection of the environment.

### **FISCAL REVIEW**

None at this time.

### **CONCLUSION**

Staff recommends that the Board of Directors:

1. Hold a public hearing and receive public testimony on Ordinance No. 123.
2. Waive full reading, make any amendments to, and introduce Ordinance No. 123 by title:

## ORDINANCE NO. 123

AN ORDINANCE OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT  
TO ADOPT MANDATORY SOLID WASTE, ORGANIC WASTE, AND  
RECYCLING MATERIALS RULES AND REGULATIONS AND MAKING A  
DETERMINATION OF EXEMPTION UNDER CEQA

3. Direct that the proposed ordinance, be placed on the agenda for the December \_\_\_\_, 2021, Board of Directors Meeting for adoption.

**Attachment A:** Draft Ordinance 123 Mandatory Solid Waste, Organic Waste, and Recycling Materials Ordinance



**AN ORDINANCE OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT TO  
ADOPT MANDATORY SOLID WASTE, ORGANIC WASTE, AND RECYCLING  
MATERIALS RULES AND REGULATIONS**

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**ORDINANCE No. 123**

**AN ORDINANCE OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT TO ADOPT MANDATORY SOLID WASTE, ORGANIC WASTE, AND RECYCLING MATERIALS RULES AND REGULATIONS AND MAKING A DETERMINATION OF EXEMPTION UNDER CEQA**

**WHEREAS**, the San Simeon Community Services District (“District”) is a community services district duly formed under Government Code Section 61000 et seq. to provide community services within the District’s service area; and

**WHEREAS**, Government Code Section 61600(c) authorizes Community Services Districts to provide the collection and disposal of solid waste; and

**WHEREAS**, Assembly Bill 939 of 1989, the California Integrated Waste Management Act of 1989 (California Public Resources Code Section 40000, et seq., as amended, supplemented, superseded, and replaced from time to time), requires jurisdictions to reduce, reuse, and recycle (including composting) Solid Waste generated to the maximum extent feasible before any incineration or landfill disposal of waste, to conserve water, energy, and other natural resources, and to protect the environment; and

**WHEREAS**, Assembly Bill 341 of 2011 places requirements on Commercial Businesses and Multi-Family Premises that generate a specified threshold amount of Solid Waste to arrange for recycling services and requires jurisdictions to implement a mandatory Commercial recycling program; and

**WHEREAS**, Assembly Bill 1826 of 2014 requires Commercial Businesses and Multi-Family Premises that generate a specified threshold amount of Solid Waste, Recyclable Materials, and Organic Materials per week to arrange for recycling services for that waste, requires jurisdictions to implement a recycling program to divert Organic Materials from Commercial Businesses and Multi-Family Premises subject to the law, and requires jurisdictions to implement a mandatory Commercial Organic Materials recycling program; and

**WHEREAS**, SB 1383, the Short-lived Climate Pollutant Reduction Act of 2016, requires CalRecycle to develop regulations to reduce Organic Waste in landfills as a source of methane. The regulations place requirements on multiple entities including jurisdictions, residential households, Multi-Family Premises, Commercial Businesses, Commercial Edible Food Generators, haulers, Self-Haulers, Food Recovery Organizations, and Food Recovery Services to support achievement of the SB 1383 statewide Organic Waste disposal reduction targets; and

**WHEREAS**, SB 1383, the Short-lived Climate Pollutant Reduction Act of 2016, requires jurisdictions to adopt and enforce an ordinance or enforceable mechanism to implement relevant provisions of SB 1383 Regulations; and

**WHEREAS**, this Ordinance implements rules, regulations, and the requirements of AB 341, AB 1826, and SB 1383.

**THE SAN SIMEON COMMUNITY SERVICES DISTRICT DOES HEARBY ORDAIN AS FOLLOWS:**

## Section 1. Title of Ordinance

This chapter shall be entitled “Mandatory Solid Waste, Organic Waste, and Recycling Materials Ordinance.”

## Section 2. Purpose of the Ordinance

The Purpose of the Ordinance is to assure the continuance of a collection and disposal of Solid Waste, Recyclable Materials, and Organic Waste for the benefit all citizens of the District. It is necessary that rules, regulations, and procedures be established for the health and safety of all residents and guests of the community. Procedures related to the disposal and collection of Solid Waste, Organic Waste, and Recyclable Materials and are established by the Franchisee and all parties subject to this Ordinance are directed to the Franchisee to access general information and to start, change, or verify service.

## Section 3. Definitions

The following words, terms, phrases, and their derivations have the meanings given herein. When consistent with the context, words used in the present tense include the future tense, and words in the singular number include the plural number.

- (a) “Alternative Daily Cover (ADC)” has the same meaning as in Section 20690 of Title 27 of the California Code of Regulations.
- (b) “Alternative Intermediate Cover (AIC)” has the same meaning as in Section 20700 of Title 27 of the California Code of Regulations.
- (c) “Bulky Item” means discarded appliances (including refrigerators), furniture, tires, carpets, mattresses, Yard Trimmings and/or wood waste, and similar large items which can be handled by two (2) people, weigh no more than two hundred (200) pounds, and require special collection due to their size or nature, but can be collected without the assistance of special loading equipment (such as forklifts or cranes) and without violating vehicle load limits. Bulky Items must be generated by the customer and at the service address wherein the Bulky Items are collected. Bulky Items do not include abandoned automobiles, large auto parts, trees, construction and demolition debris, or items herein defined as Excluded Waste.
- (d) “CalRecycle” means California's Department of Resources Recycling and Recovery, which is the Department designated with responsibility for developing, implementing, and enforcing SB 1383 Regulations on jurisdictions (and others).
- (e) “California Code of Regulations” or “CCR” means the State of California Code of Regulations. CCR references in this Ordinance are preceded with a number that refers to the relevant Title of the CCR (e.g., “14 CCR” refers to Title 14 of CCR).

- (f) “Cast Offs” means discarded mattresses, couches, chairs, and other household furniture, but does not include rubble or Solid Waste.
- (g) “District Enforcement Official” means the District General Manager, authorized person(s), or the District Designee(s) who is/are partially or whole responsible for enforcing the Ordinance.
- (h) “Commercial Business” or “Commercial” means a firm, partnership, proprietorship, joint-stock company, corporation, or association, whether for-profit or nonprofit, strip mall, or industrial facility.
- (i) “Commercial Edible Food Generator” includes a Tier One or a Tier Two Commercial Edible Food Generator as defined in this Section 3 or as otherwise defined in 14 CCR Section 18982(a)(73) and (a)(74). For the purposes of this definition, Food Recovery Organizations and Food Recovery Services are not Commercial Edible Food Generators pursuant to 14 CCR Section 18982(a)(7).
- (j) “Community Composting” means any activity that Composts green material, agricultural material, food material, and vegetative food material, alone or in combination, and the total amount of feedstock and Compost on-site at any one time does not exceed 100 cubic yards and 750 square feet, as specified in 14 CCR Section 17855(a)(4); or, as otherwise defined by 14 CCR Section 18982(a)(8).
- (k) “Compliance Review” means a review of records by the District to determine compliance with this Ordinance.
- (l) “Compost” has the same meaning as in 14 CCR Section 17896.2(a)(4), (or any variation thereof) includes a controlled biological decomposition of Organic Materials yielding a safe and nuisance free Compost product.
- (m) “Contractor” means franchisee, organized and operating under the laws of the State and its officers, directors, employees, agents, companies, related-parties, affiliates, subsidiaries, and subcontractors.
- (n) “County Enforcement Official” means a county agency enforcement official, if so if designated for enforcing the Ordinance in conjunction or consultation with District Enforcement Official.
- (o) “Customer” means the Person whom Contractor submits its billing invoice to and collects payment from for Collection services provided to a Premises. The Customer may be either the Occupant or Owner of the Premises.
- (p) “C&D” means construction and demolition debris.
- (q) “County” means the County of San Luis Obispo, a political subdivision of the State of California.

- (r) “Designated Waste” means non-Hazardous Waste which may pose special Disposal problems because of its potential to contaminate the environment, and which may be Disposed of only in Class II Disposal sites or Class III Disposal sites pursuant to a variance issued by the California Department of Health Services. Designated Waste consists of those substances classified as Designated Waste by the State, in California Code of Regulations Title 23, Section 2522 as may be amended from time to time.
- (s) “Designee” means a person or entity that the District contracts with or otherwise agrees and arranges to carry out any of the District’s responsibilities of this Ordinance as authorized in 14 CCR Section 18981.2. A Designee may be an individual person, a government entity, a hauler, a private entity, or a combination of those entities.
- (t) “Discarded Materials” means Recyclable Materials, Organic Materials, and Solid Waste placed by a Generator in a collection container and/or at a location for the purposes of collection excluding Excluded Waste.
- (u) “District” means the San Simeon Community Services District, which is a California Special District, a form of local government created by a local community to meet a specific need or needs, and all the territory lying within its boundaries as presently existing or as such boundaries may be modified from time to time.
- (v) “Edible Food” means food intended for human consumption, or as otherwise defined in 14 CCR Section 18982(a)(18). For the purposes of this Ordinance or as otherwise defined in 14 CCR Section 18982(a)(18), “Edible Food” is not Solid Waste if it is recovered and not discarded. Nothing in this Ordinance or in 14 CCR, Division 7, Chapter 12 requires or authorizes the Recovery of Edible Food that does not meet the food safety requirements of the California Health and Safety Code, including the California Retail Food Code.
- (w) “Enforcement Action” means an action of District or its Designee to address non-compliance with this Ordinance including, but not limited to, issuing administrative citations, fines, penalties, or using other remedies.
- (x) “Excluded Waste” means Hazardous Substance, Hazardous Waste, Infectious Waste, Designated Waste, volatile, corrosive, medical waste, infectious, regulated radioactive waste, and toxic substances or material that facility operator(s), which receive materials from the District and its Generators, reasonably believe(s) would, as a result of or upon acceptance, transfer, processing, or disposal, be a violation of local, State, or Federal law, regulation, or Ordinance, including: land use restrictions or conditions, waste that cannot be disposed of in Class III landfills or accepted at the facility by permit conditions, waste that in District, or its Designee’s reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose District, or its Designee, to potential liability; but

not including de minimis volumes or concentrations of waste of a type and amount normally found in Single-Family or Multi-Family Solid Waste after implementation of programs for the safe collection, processing, recycling, treatment, and disposal of batteries and paint in compliance with Sections 41500 and 41802 of the California Public Resources Code.

- (y) “Food Distributor” means a company that distributes food to entities including, but not limited to, Supermarkets and Grocery Stores, or as otherwise defined in 14 CCR Section 18982(a)(22).
- (z) “Food Facility” has the same meaning as in Section 113789 of the Health and Safety Code.
- (aa) “Food Recovery” means actions to collect and distribute food for human consumption that otherwise would be disposed, or as otherwise defined in 14 CCR Section 18982(a)(24).
- (bb) “Food Recovery Organization” means an entity that engages in the collection or receipt of Edible Food from Commercial Edible Food Generators and distributes that Edible Food to the public for Food Recovery either directly or through other entities or as otherwise defined in 14 CCR Section 18982(a)(25), including, but not limited to:
  - (1) A food bank as defined in Section 113783 of the Health and Safety Code;
  - (2) A nonprofit charitable organization as defined in Section 113841 of the Health and Safety code; and,
  - (3) A nonprofit charitable temporary Food Facility as defined in Section 113842 of the Health and Safety Code.

A Food Recovery Organization is not a Commercial Edible Food Generator for the purposes of this Ordinance and implementation of 14 CCR, Division 7, Chapter 12 pursuant to 14 CCR Section 18982(a)(7).

If the definition in 14 CCR Section 18982(a)(25) for Food Recovery Organization differs from this definition, the definition in 14 CCR Section 18982(a)(25) shall apply to this Ordinance.

- (cc) “Food Recovery Service” means a person or entity that collects and transports Edible Food from a Commercial Edible Food Generator to a Food Recovery Organization or other entities for Food Recovery, or as otherwise defined in 14 CCR Section 18982(a)(26). A Food Recovery Service is not a Commercial Edible Food Generator for the purposes of this Ordinance and implementation of 14 CCR, Division 7, Chapter 12 pursuant to 14 CCR Section 18982(a)(7).

- (dd) “Food Scraps” means those Discarded Materials that will decompose and/or putrefy including: (i) all kitchen and table Food Waste; (ii) animal or vegetable waste that is generated during or results from the storage, preparation, cooking or handling of food stuffs; (iii) fruit waste, grain waste, dairy waste, meat, and fish waste; and, (iv) vegetable trimmings, houseplant trimmings and other Compostable Organic Waste common to the occupancy of Residential dwellings. Food Scraps are a subset of Food Waste. Food Scraps excludes fats, oils, and grease when such materials are Source Separated from other Food Scraps.
- (ee) “Food Service Provider” means an entity primarily engaged in providing food services to institutional, governmental, Commercial, or industrial locations of others based on contractual arrangements with these types of organizations, or as otherwise defined in 14 CCR Section 18982(a)(27).
- (ff) “Food-Soiled Paper” is compostable paper material that has come in contact with Food Scraps or liquid, such as, but not limited to, compostable paper plates, napkins, and pizza boxes.
- (gg) “Food Waste” means Source Separated Food Scraps and Food-Soiled Paper.
- (hh) “Food Waste Self-Hauler” means a Self-Hauler who generates and hauls, utilizing their own employees and equipment, an average of one cubic yard or more per week, or 6,500 pounds or more per quarter of their own Food Waste to a location or facility that is not owned and operated by that Self-Hauler. Food Waste Self-Haulers are a subset of Self-Haulers.
- (ii) “Franchisee” means the person, entity, or Company with a Franchise Agreement to collect, receive, carry, haul or transport Discarded Materials within the District and shall include the agents or employees of the Franchisee.
- (jj) “Franchise Agreement” means an agreement with a Franchisee.
- (kk) “Generator” means a person or entity that is responsible for the initial creation of one or more types of Discarded Materials.
- (ll) “Grocery Store” means a store primarily engaged in the retail sale of canned food; dry goods; fresh fruits and vegetables; fresh meats, fish, and poultry; and any area that is not separately owned within the store where the food is prepared and served, including a bakery, deli, and meat and seafood departments, or as otherwise defined in 14 CCR Section 18982(a)(30).
- (mm) “Hauler Route” means the designated itinerary or sequence of stops for each segment of the District’s collection service area, or as otherwise defined in 14 CCR Section 18982(a)(31.5).
- (nn) “Hazardous Substance” means any of the following: (a) any substances defined, regulated or listed (directly or by reference) as "Hazardous

Substances", "hazardous materials", "Hazardous Wastes", "toxic waste", "pollutant", or "toxic substances", or similarly identified as hazardous to human health or the environment, in or pursuant to: (i) the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) of 1980, 42 USC §9601 et seq. (CERCLA); (ii) the Hazardous Materials Transportation Act, 49 USC §1802, et seq.; (iii) the Resource Conservation and Recovery Act, 42 USC §6901 et seq.; (iv) the Clean Water Act, 33 USC §1251 et seq.; (v) California Health and Safety Code §§25115-25117, 25249.8, 25281, and 25316; (vi) the Clean Air Act, 42 USC §7901 et seq.; and, (vii) California Water Code §13050; (b) any amendments, rules or regulations promulgated thereunder to such enumerated statutes or acts currently existing or hereafter enacted; and, (c) any other hazardous or toxic substance, material, chemical, waste or pollutant identified as hazardous or toxic or regulated under any other Applicable Law currently existing or hereinafter enacted, including, without limitation, friable asbestos, polychlorinated biphenyl's (PCBs), petroleum, natural gas, and synthetic fuel products, and by-products.

- (oo) "Hazardous Waste" means all substances defined as Hazardous Waste, acutely Hazardous Waste, or extremely Hazardous Waste by the State in Health and Safety Code §25110.02, §25115, and §25117 or in the future amendments to or recodifications of such statutes or identified and listed as solar panels from residential premises, and Hazardous Waste by the U.S. Environmental Protection Agency (EPA), pursuant to the Federal Resource Conservation and Recovery Act (42 USC §6901 et seq.), all future amendments thereto, and all rules and regulations promulgated thereunder.
- (pp) "High Diversion Organic Waste Processing Facility" means a facility that is in compliance with the reporting requirements of 14 CCR Section 18815.5(d) and meets or exceeds an annual average Mixed Waste organic content Recovery rate of 50 percent between January 1, 2022 and December 31, 2024, and 75 percent after January 1, 2025, as calculated pursuant to 14 CCR Section 18815.5(e) for Organic Waste received from the "Mixed waste organic collection stream" as defined in 14 CCR Section 17402(a)(11.5); or, as otherwise defined in 14 CCR Section 18982(a)(33).
- (qq) "Infectious Waste" means (a) equipment, instruments, utensils and other fomites of a disposable nature from the rooms of patients who are suspected to have or have been diagnosed as having a communicable disease and must, therefore, be isolated as required by public health agencies; (b) laboratory wastes, including pathological specimens (i.e., all tissues, specimens of blood elements, excreta and secretions obtained from patients or laboratory animals) and disposable fomites (any substance that may harbor or transmit pathogenic organisms) attendant thereto; and/or (c) surgical operating room pathologic specimens - including recognizable anatomical parts, human tissue, anatomical human remains and disposable materials from hospitals, clinics, outpatient areas and emergency rooms, as defined in 14 CCR Section 17225.36.



- (rr) “Inspection” means a site visit where a District reviews records, containers, and an entity’s collection, handling, recycling, or landfill disposal of Recyclable Materials, Organic Waste, Solid Waste or Edible Food handling to determine if the entity is complying with requirements set forth in this Ordinance, or as otherwise defined in 14 CCR Section 18982(a)(35).
- (ss) “Large Event” means an event, including, but not limited to, a sporting event or a flea market, that charges an admission price, or is operated by a local agency, and serves an average of more than 2,000 individuals per day of operation of the event, at a location that includes, but is not limited to, a public, nonprofit, or privately owned park, parking lot, golf course, street system, or other open space when being used for an event. If the definition in 14 CCR Section 18982(a)(38) differs from this definition, the definition in 14 CCR Section 18982(a)(38) shall apply to this Ordinance.
- (tt) “Large Venue” means a permanent venue facility that annually seats or serves an average of more than 2,000 individuals within the grounds of the facility per day of operation of the venue facility. For purposes of this Ordinance and implementation of 14 CCR, Division 7, Chapter 12, a venue facility includes, but is not limited to, a public, nonprofit, or privately owned or operated stadium, amphitheater, arena, hall, amusement park, conference or civic center, zoo, aquarium, airport, racetrack, horse track, performing arts center, fairground, museum, theater, or other public attraction facility. For purposes of this Ordinance and implementation of 14 CCR, Division 7, Chapter 12, a site under common ownership or control that includes more than one Large Venue that is contiguous with other Large Venues in the site, is a single Large Venue. If the definition in 14 CCR Section 18982(a)(39) differs from this definition, the definition in 14 CCR Section 18982(a)(39) shall apply to this Ordinance.
- (uu) “Local Education Agency” means a school district, charter school, or county office of education that is not subject to the control of District or county regulations related to Solid Waste, or as otherwise defined in 14 CCR Section 18982(a)(40).
- (vv) “Multi-Family Residential Dwelling” or “Multi-Family” or “MFD” means of, from, or pertaining to residential Premises with five (5) or more dwelling units including such Premises when combined in the same building with Commercial establishments, that receive centralized, shared, Collection service for all units on the Premises which are billed to one (1) Customer at one (1) address. Customers residing in Townhouses, mobile homes, condominiums, or other structures with five (5) or more dwelling units who receive individual service and are billed separately shall not be considered Multi-Family. Multi-Family Premises do not include hotels, motels, or other transient occupancy facilities, which are considered Commercial Businesses.
- (ww) “Notice of Violation (NOV)” means a notice that a violation has occurred that includes a compliance date to avoid an action to seek penalties, or as otherwise

defined in 14 CCR Section 18982(a)(45) or further explained in 14 CCR Section 18995.4.

- (xx) “Occupant” means the Person who occupies a Premises.
- (yy) “Organic Materials” means Yard Trimmings and Food Waste, individually or collectively that are set aside, handled, packaged, or offered for collection in a manner different from Solid Waste for the purpose of processing. No Discarded Material shall be considered to be Organic Materials, however, unless it is separated from Recyclable Material and Solid Waste. Organic Materials are a subset of Organic Waste.
- (zz) “Organic Materials Container” shall be used for the purpose of storage and collection of Source Separated Organic Materials.
- (aaa) “Organic Waste” means wastes containing material originated from living organisms and their metabolic waste products, including but not limited to food, green material, landscape and pruning waste, organic textiles and carpets, lumber, wood, Paper Products, Printing and Writing Paper, manure, biosolids, digestate, and sludges or as otherwise defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as defined by 14 CCR Section 18982(a).
- (bbb) “Owner” means the Person(s) holding legal title to real property and/or any improvements thereon and shall include the Person(s) listed on the latest equalized assessment roll of the County Assessor.
- (ccc) “Paper Products” include, but are not limited to, paper janitorial supplies, cartons, wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and toweling, or as otherwise defined in 14 CCR Section 18982(a)(51).
- (ddd) “Printing and Writing Papers” include, but are not limited to, copy, xerographic, watermark, cotton fiber, offset, forms, computer printout paper, white wove envelopes, manila envelopes, book paper, note pads, writing tablets, newsprint, and other uncoated writing papers, posters, index cards, calendars, brochures, reports, magazines, and publications, or as otherwise defined in 14 CCR Section 18982(a)(54).
- (eee) “Premises” means and includes any land, building and/or structure, or portion thereof, in the District where Discarded Materials are produced, generated, or accumulated. All structures on the same legal parcel, which are owned by the same person shall be considered as one Premises.
- (fff) “Prohibited Container Contaminants” means the following: (i) Discarded Materials placed in the Recyclable Materials Container that are not identified as acceptable Source Separated Recyclable Materials for the District’s Recyclable Materials Container; (ii) Discarded Materials placed in the Organic Materials Container that are not identified as acceptable Source Separated

Organic Materials for the the District's Organic Materials Container; (iii) Discarded Materials placed in the Solid Waste Container that are acceptable Source Separated Recyclable Materials and/or Source Separated Organic Materials to be placed in the District's Organic Materials Container and/or Recyclable Materials Container; and, (iv) Excluded Waste placed in any container.

- (ggg) "Recovery" means any activity or process described in 14 CCR Section 18983.1(b), or as otherwise defined in 14 CCR Section 18982(a)(49).
- (hhh) "Recyclable Materials" means those Discarded Materials that the Generators set out in Recyclables Containers for Collection for the purpose of Recycling by the Service Provider and that exclude Excluded Waste. No Discarded Materials shall be considered Recyclable Materials unless such material is separated from Organic Materials, and Solid Waste. Recyclable Materials shall include, but not be limited to by-products or discards set aside, handled, packaged or offered for Collection from Residential, Commercial, governmental or industrial customers in a manner different from Solid Waste. Including, but not limited to, aluminum, newspaper, clear and colored glass, tin and bi-metal, all plastic containers (except polystyrene), cardboard, chipboard, magazines, mixed paper (including magazines, phone books and junk mail) and motor oil and filters.. For the purpose of collection of Recyclable Materials through contractor's collection services, recyclable materials shall be limited to those materials identified by the collection contractor as acceptable recyclable materials.
- (iii) "Recyclable Materials Container" shall be used for the purpose of storage and collection of Source Separated Recyclable Materials.
- (jjj) "Recycled-Content Paper" means Paper Products and Printing and Writing Paper that consists of at least 30 percent, by fiber weight, postconsumer fiber, or as otherwise defined in 14 CCR Section 18982(a)(61).
- (kkk) "Refuse" includes garbage, recyclables, green waste, Cast Offs, and/or Rubble.
- (III) "Residential" shall mean of, from, or pertaining to a Single-Family Premises or Multi-Family Premises including Single-Family homes, apartments, condominiums, Townhouse complexes, mobile home parks, and cooperative apartments.
- (mmm) "Responsible Party" means the Owner, property manager, tenant, lessee, Occupant, or other designee that subscribes to and pays for Recyclable Materials, Organic Materials, and/or Solid Waste collection services for a Premises in the District, or, if there is no such subscriber, the Owner or property manager of a Single-Family Premises, Multi-Family Premises, or Commercial Premises. In instances of dispute or uncertainty regarding who is the

Responsible Party for a Premises, Responsible Party shall mean the Owner of a Single-Family Premises, Multi-Family Premises, or Commercial Premises.

- (nnn) “Restaurant” means an establishment primarily engaged in the retail sale of food and drinks for on-Premises or immediate consumption, or as otherwise defined in 14 CCR Section 18982(a)(64).
- (ooo) “Route Review” means a visual Inspection of containers along a Hauler Route for the purpose of determining Container Contamination and may include mechanical Inspection methods such as the use of cameras, or as otherwise defined in 14 CCR Section 18982(a)(65).
- (ppp) “Rubble” means and includes all debris from the construction, demolition or alteration of buildings, earth, rocks or incinerator ashes, brick, mortar, concrete and similar solid material.
- (qqq) “SB 1383” means Senate Bill 1383 of 2016 approved by the Governor on September 19, 2016, which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the Public Resources Code, establishing methane emissions reduction targets in a Statewide effort to reduce emissions of short-lived climate pollutants as amended, supplemented, superseded, and replaced from time to time.
- (rrr) “SB 1383 Regulations” or “SB 1383 Regulatory” means or refers to, for the purposes of this Ordinance, the Short-Lived Climate Pollutants: Organic Waste Reduction regulations developed by CalRecycle and adopted in 2020 that created 14 CCR, Division 7, Chapter 12 and amended portions of regulations of 14 CCR and 27 CCR.
- (sss) “Self-Haul” means to act as a Self-Hauler.
- (ttt) “Self-Hauler” means a person, who hauls Solid Waste, Organic Waste or Recyclable Material they have generated to another person. Self-hauler also includes a landscaper, or a person who back-hauls waste. Back-haul means generating and transporting Recyclable Materials or Organic Waste to a destination owned and operated by the Generator or Responsible Party using the Generator’s or Responsible Party’s own employees and equipment.
- (uuu) “Service Level” refers to the size of a Customer’s Container and the frequency of Collection service.
- (vvv) “Single-Family” or “SFD” refers to any detached or attached house or residence of four (4) units or less designed or used for occupancy by one (1) family, provided that Collection service feasibly can be provided to such Premises as an independent unit, and the Owner or Occupant of such independent unit is billed directly for the Collection service. Single-Family includes Townhouses, and each independent unit of duplex, tri-plex, or four-plex Residential

structures, regardless of whether each unit is separately billed for their specific Service Level.

(www) "Solid Waste" has the same meaning as defined in State Public Resources Code Section 40191, which defines Solid Waste as all putrescible and non-putrescible solid, semisolid, and liquid wastes, including garbage, trash, refuse, paper, rubbish, ashes, industrial wastes, demolition and construction wastes, abandoned vehicles and parts thereof, discarded home and industrial appliances, dewatered, treated, or chemically fixed sewage sludge which is not hazardous waste, manure, vegetable or animal solid and semi-solid wastes, and other discarded solid and semisolid wastes, with the exception that Solid Waste does not include any of the following wastes:

- (1) Hazardous waste, as defined in the State Public Resources Code Section 40141.
- (2) Radioactive waste regulated pursuant to the State Radiation Control Law (Chapter 8 (commencing with Section 114960) of Part 9 of Division 104 of the State Health and Safety Code).
- (3) Medical waste regulated pursuant to the State Medical Waste Management Act (Part 14 (commencing with Section 117600) of Division 104 of the State Health and Safety Code). Untreated medical waste shall not be disposed of in a Solid Waste landfill, as defined in State Public Resources Code Section 40195.1. Medical waste that has been treated and deemed to be Solid Waste shall be regulated pursuant to Division 30 of the State Public Resources Code.
- (4) Recyclable Materials, Organic Materials, and Construction and Demolition Debris when such materials are Source Separated.

Notwithstanding any provision to the contrary, Solid Waste may include de minimis volumes or concentrations of waste of a type and amount normally found in Residential Solid Waste after implementation of programs for the safe Collection, Recycling, treatment, and Disposal of household hazardous waste in compliance with Section 41500 and 41802 of the California Public Resources Code as may be amended from time to time. Solid Waste includes salvageable materials only when such materials are included for Collection in a Solid Waste Container not Source Separated from Solid Waste at the site of generation.

(xxx) "Solid Waste Container" shall be used for the purpose of storage and collection of Solid Waste.

(yyy) "Source Separated" or "Source-Separated (materials)" means materials, including commingled Recyclable Materials and Organic Materials, that have been separated or kept separate from the Solid Waste stream, at the point of generation, for the purpose of additional sorting or processing those materials for recycling or reuse in order to return them to the economic mainstream in the

form of raw material for new, reused, or reconstituted products, which meet the quality standards necessary to be used in the marketplace, or as otherwise defined in 14 CCR Section 17402.5(b)(4). For the purposes of the Ordinance, Source Separated shall include separation of materials by the Generator, Responsible Party, or Responsible Party's employee, into different containers for the purpose of collection such that Source-Separated materials are separated from Solid Waste for the purposes of collection and processing.

- (zzz) "Source Separated Organic Materials" means Organic Materials that are Source Separated and placed in an Organic Materials Container.
- (aaaa) "Source Separated Recyclable Materials" means Recyclable Materials that are Source Separated and placed in a Recyclable Materials Container.
- (bbbb) "Standard Container" means Organic Waste Containers, Recyclable Materials Containers, and Organic Waste Containers approved by the District and/or the Franchisee.
- (cccc) "State" means the State of California.
- (dddd) "Supermarket" means a full-line, self-service retail store with gross annual sales of two million dollars (\$2,000,000), or more, and which sells a line of dry grocery, canned goods, or nonfood items and some perishable items, or as otherwise defined in 14 CCR Section 18982(a)(71).
- (eeee) "Tier One Commercial Edible Food Generator" means a Commercial Edible Food Generator that is one of the following:
  - (1) Supermarket.
  - (2) Grocery Store with a total facility size equal to or greater than 10,000 square feet.
  - (3) Food Service Provider.
  - (4) Food Distributor.
  - (5) Wholesale Food Vendor.

If the definition in 14 CCR Section 18982(a)(73) of Tier One Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(73) shall apply to this Ordinance.

- (ffff) "Tier Two Commercial Edible Food Generator" means a Commercial Edible Food Generator that is one of the following:
  - (1) Restaurant with 250 or more seats, or a total facility size equal to or greater than 5,000 square feet.

- (2) Hotel with an on-site Food Facility and 200 or more rooms.
- (3) Health facility with an on-site Food Facility and 100 or more beds.
- (4) Large Venue.
- (5) Large Event.
- (6) A State agency with a cafeteria with 250 or more seats or total cafeteria facility size equal to or greater than 5,000 square feet.
- (7) A Local Education Agency facility with an on-site Food Facility.

If the definition in 14 CCR Section 18982(a)(74) of Tier Two Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(74) shall apply to this Ordinance.

- (gggg) “Ton” or “Tonnage” means a unit of measure for weight equivalent to two thousand (2,000) standard pounds where each pound contains sixteen (16) ounces.
- (hhhh) “Wholesale Food Vendor” means a business or establishment engaged in the merchant wholesale distribution of food, where food (including fruits and vegetables) is received, shipped, stored, prepared for distribution to a retailer, warehouse, distributor, or other destination, or as otherwise defined in 14 CCR Section 189852(a)(76).
- (iiii) “Yard Trimmings” or “Green Waste” means those Discarded Materials that will decompose and/or putrefy, including, but not limited to, green trimmings, grass, weeds, leaves, prunings, branches, dead plants, brush, tree trimmings, dead trees, small pieces of unpainted and untreated wood, and other types of Organic Materials resulting from normal yard and landscaping maintenance that may be specified in District Legislation for Collection and Processing as Organic Materials under this Agreement. Yard Trimmings does not include items herein defined as Excluded Waste. Yard Trimmings are a subset of Organic Materials. Yard Trimmings placed for Collection may not exceed six (6) inches in diameter and three (3) feet in length and must fit within the Contractor-provided Container. Acceptable Yard Trimmings may be added to or removed from this list from time to time by mutual consent or at the sole discretion of the District.

#### **Section 4. Requirements for Single-Family Premises**

- (a) Except Responsible Parties of Single-Family Premises that meet the Self-Hauler requirements in Section 11 of this Ordinance, Responsible Parties of Single-Family Premises shall comply with the following requirements:

- (1) Subscribe to and pay for District's three-container collection services for weekly collection of Recyclable Materials, Organic Materials, and Solid Waste generated by the Single-Family Premises and comply with requirements of those services as described below in Section 4(a)(2). District and its Designee(s) shall have the right to review the number and size of a Generator's containers to evaluate adequacy of capacity provided for each type of collection service for proper separation of materials and containment of materials. The Responsible Parties for Single-Family Premises shall adjust their Service Level for their collection services as requested by the District.
- (2) Participate in the District's three-container collection service(s) in the manner described below.
  - (i) Place, or, if Responsible Party is not an occupant of the Single-Family Premises, direct its Generators to place, Source Separated Organic Materials, including Food Waste, in the Organic Materials Container; Source Separated Recyclable Materials in the Recyclable Materials Container; and Solid Waste in the Solid Waste Container.
  - (ii) Not place, or, if Responsible Party is not an occupant of the Single-Family Premises, direct its Generators to not place Prohibited Container Contaminants in collection containers and not place materials designated for the Organic Materials Containers or Recyclable Materials Containers in the Solid Waste Containers.
- (b) Nothing in this Section prohibits a Responsible Party or Generator of a Single-Family Premises from preventing or reducing Discarded Materials generation, managing Organic Waste on site, and/or using a Community Composting site pursuant to 14 CCR Section 18984.9(c).
- (c) The requirements of this Section 4 may be subject to a low-population waiver pursuant to Article 3 in Title 14 of the California Code of Regulations, Sections 18984 through 18984.13. Please contact the District for verification.

### **Section 5. Requirements for Multi-Family Residential Dwellings**

- (a) Responsible Parties of Multi-Family Premises shall provide or arrange for Recyclable Materials, Organic Materials, and Solid Waste collection services consistent with this Ordinance and for employees, contractors, and tenants. Responsible Parties of Multi-Family Premises may receive waivers pursuant to Section 7 for some requirements of this Section.
- (b) Except for Responsible Parties of Multi-Family Premises that meet the Self-Hauler requirements in Section 11 of this Ordinance, including hauling services



arranged through a landscaper, Responsible Parties of Multi-Family Premises shall:

- (1) Subscribe to and pay for the District's three or more-container collection services and comply with requirements of those services for all Recyclable Materials, Organic Materials, and Solid Waste generated at the Multi-Family Premises as further described below in this Section. The District and its Designee(s) shall have the right to review the number and size of the Multi-Family Premises' collection containers and frequency of collection to evaluate adequacy of capacity provided for each type of collection service for proper separation of materials and containment of materials. The Responsible Party of a Multi-Family Premises shall adjust their Service Level for their collection services as requested by the District or its Designee.
  - (2) Participate in the District's three or more-container collection service(s) for at least weekly collection of Recyclable Materials, Organic Materials, and Solid Waste in the manner described below.
- (c) Place and/or direct its Generators to place Source Separated Organic Materials, including Food Waste, in the Organic Materials Container; Source Separated Recyclable Materials in the Recyclable Materials Container; and Solid Waste in the Solid Waste Container.
- (d) Not place and/or direct its Generators to not place Prohibited Container Contaminants in collection containers and to not place materials designated for the Organic Materials Containers or Recyclable Materials Containers in the Solid Waste Containers.
- (1) Supply and allow access to adequate number, size and location of collection containers with sufficient labels or colors for employees, contractors, tenants, and customers, consistent with the District's Recyclable Materials Container, Organic Materials Container, and Solid Waste Container collection service or, if Self-Hauling, consistent with the Multi-Family Premises' approach to complying with Self-Hauler requirements in Section 11 of this Ordinance.
  - (2) Annually provide information to employees, contractors, tenants, and customers about Recyclable Materials and Organic Waste Recovery requirements and about proper sorting of Recyclable Materials, Organic Materials, and Solid Waste.
  - (3) Provide education information before or within fourteen (14) days of occupation of the Premises to new tenants that describes requirements to Source Separate Recyclable Materials and Organic Materials and to keep Source Separated Organic Materials and Source Separated Recyclable Materials separate from each other and from Solid Waste

(when applicable) and the location of containers and the rules governing their use at each property.

- (4) Provide or arrange access for the District and/or its Designee(s) to their properties during all Inspections conducted in accordance with this Ordinance to confirm compliance with the requirements of this Ordinance.
- (e) If the Responsible Party of a Multi-Family Premises wants to Self-Haul, meet the Self-Hauler requirements in Section 11 of this Ordinance.
- (f) Multi-family Premises that generate two (2) cubic yards or more of total Solid Waste, Recyclable Materials, and Organic Materials per week (or other threshold defined by the State) that arrange for gardening or landscaping services shall require that the contract or work agreement between the Owner, Occupant, or operator of a Multi-Family Premises and a gardening or landscaping service specifies that the designated organic materials generated by those services be managed in compliance with this chapter.
- (g) Nothing in this Section prohibits a Responsible Party or Generator of a Multi-Family Premises from preventing or reducing Discarded Materials generation, managing Organic Waste on site, or using a Community Composting site pursuant to 14 CCR Section 18984.9(c).

## **Section 6. Requirements for Commercial Businesses**

- (a) Responsible Parties of Commercial Businesses shall provide or arrange for Recyclable Materials, Organic Materials, and Solid Waste collection services consistent with this Ordinance and for employees, contractors, tenants, and customers. Responsible Parties of Commercial Premises may receive waivers pursuant to Section 7 for some requirements of this Section.
- (b) Except Responsible Parties of Commercial Businesses that meet the Self-Hauler requirements in Section 11 of this Ordinance, including hauling services arranged through a landscaper, Responsible Parties of Commercial Premises shall:
  - (1) Subscribe to and pay for the District's three or more-container collection services and comply with requirements of those services for all Recyclable Materials, Organic Materials, and Solid Waste generated at the Commercial Premises as further described below in this Section. The District and its Designee(s) shall have the right to review the number and size of a Commercial Premises' containers and frequency of collection to evaluate adequacy of capacity provided for each type of collection service for proper separation of materials and containment of materials. The Responsible Party of the Commercial Business shall adjust their Service Level for their collection services as requested by the District or its Designee.

- (2) Participate in the District's three or more-container collection service(s) for at least weekly collection of Recyclable Materials, Organic Materials, and Solid Waste in the manner described below.
  - (i) Place and/or direct its Generators to place Source Separated Organic Materials, including Food Waste, in the Organic Materials Container; Source Separated Recyclable Materials in the Recyclable Materials Container; and Solid Waste in the Solid Waste Container.
  - (ii) Not place and/or direct its Generators to not place Prohibited Container Contaminants in collection containers and to not place materials designated for the Organic Materials Containers or Recyclable Materials Containers in the Solid Waste Containers.
- (3) Supply and allow access to adequate number, size and location of collection containers with sufficient labels or colors (conforming with Sections 6(b)(4)(A)) and 6(b)(4)(B) below) for employees, contractors, tenants, and customers, consistent with the District's Recyclable Materials Container, Organic Materials Container, and Solid Waste Container collection service or, if Self-Hauling, consistent with the Commercial Premises' approach to complying with Self-Hauler requirements in Section 11 of this Ordinance.
- (4) Provide containers for customers for the collection of Source Separated Recyclable Materials and Source Separated Organic Materials in all indoor and outdoor areas where Solid Waste containers are provided for customers, for materials generated by that Commercial Business. Such containers shall be visible and easily accessible. Such containers do not need to be provided in restrooms. If a Commercial Business does not generate any of the materials that would be collected in one type of container, as demonstrated through an approved de minimis waiver per Section 7(a), then the Responsible Party of the Commercial Business does not have to provide that particular container in all areas where Solid Waste containers are provided for customers. Pursuant to 14 CCR Section 18984.9(b), the containers provided by the Responsible Party of the Commercial Business shall have either:
  - (i) A body or lid that conforms with the container colors provided through the collection service provided by the District, with either lids conforming to the color requirements or bodies conforming to the color requirements or both lids and bodies conforming to color requirements. The Responsible Party of the Commercial Business is not required to replace functional containers that do not comply with the requirements of this subsection prior to whichever of the following comes first: (i) the end of the useful life of those containers, or (ii) January 1, 2036.

- (ii) Container labels that include language or graphic images, or both, indicating the primary material accepted and the primary materials prohibited in that container, or containers with imprinted text or graphic images that indicate the primary materials accepted and primary materials prohibited in the container. Pursuant 14 CCR Section 18984.8, the container labeling requirements are required on new containers commencing January 1, 2022.
- (5) To the extent practical through education, training, Inspection, and/or other measures, prohibit employees from placing materials in a container not designated for those materials per the District's Recyclable Materials Container, Organic Materials Container, and Solid Waste collection service or, if Self-Hauling, per the instructions of the Commercial Business's Responsible Party to support its compliance with Self-Hauler requirements in Section 11 of this Ordinance.
  - (6) Periodically inspect Recyclable Materials Containers, Organic Materials Containers, and Solid Waste Containers for contamination and inform employees if containers are contaminated and of the requirements to keep contaminants out of those containers pursuant to 14 CCR Section 18984.9(b)(3).
  - (7) Annually provide information to employees, contractors, tenants, and customers about Recyclable Materials and Organic Waste Recovery requirements and about proper sorting of Recyclable Materials, Organic Materials, and Solid Waste.
  - (8) Provide education information before or within fourteen (14) days of occupation of the Premises to new tenants that describes requirements to Source Separate Recyclable Materials and Organic Materials and to keep Source Separated Organic Materials and Source Separated Recyclable Materials separate from each other and from other Solid Waste (when applicable) and the location of containers and the rules governing their use at each property.
  - (9) Provide or arrange access for the District or its Designee to their properties during all Inspections conducted in accordance with this Ordinance to confirm compliance with the requirements of this Ordinance.
- (c) If the Responsible Party of a Commercial Business wants to Self-Haul, meet the Self-Hauler requirements in Section 11 of this Ordinance.
  - (d) Nothing in this Section prohibits a Responsible Party or a Generator of a Commercial Business from preventing or reducing Discarded Materials

generation, managing Organic Waste on site, or using a Community Composting site pursuant to 14 CCR Section 18984.9(c).

- (e) Responsible Parties of Commercial Businesses that are Tier One or Tier Two Commercial Edible Food Generators shall comply with Food Recovery requirements, pursuant to Section 8 of this Ordinance.

## **Section 7. Waivers for Multi-Family Premises and Commercial Premises**

- (a) De Minimis Waivers for Multi-Family Premises and Commercial Premises. The District and/or its Designee, may waive a Responsible Party's obligation to comply with some or all Recyclable Materials and Organic Waste requirements of this Ordinance if the Responsible Party of the Commercial Business or Multi-Family Premises provides documentation that the Commercial Business or Multi-Family Premises meets one of the criteria in subsections (1) and (2) below. For the purposes of subsections (1) and (2), the total Solid Waste shall be the sum of weekly container capacity measured in cubic yards for Solid Waste, Recyclable Materials, and Organic Materials collection service. Hauling through paper shredding service providers or other incidental services may be considered in granting a de minimis waiver.
  - (1) The Commercial Business's or Multi-Family Premises' total Solid Waste collection service is two (2) cubic yards or more per week and Recyclable Materials and Organic Materials subject to collection in Recyclable Materials Container(s) or Organic Materials Container(s) comprises less than twenty (20) gallons per week per applicable material stream of the Multi-family Premises' or Commercial Business's total waste (i.e., Recyclable Materials in the Recyclable Materials stream are less than twenty (20) gallons per week or Organic Materials in the Organic Materials stream are less than twenty (20) gallons per week); or,
  - (2) The Commercial Business's or Multi-Family Premises' total Solid Waste collection service is less than two (2) cubic yards per week and Recyclable Materials and Organic Materials subject to collection in a Recyclable Materials Container(s) or Organic Materials Container(s) comprises less than ten (10) gallons per week per applicable material stream of the Multi-family Premises' or Commercial Business's total waste (i.e., Recyclable Materials in the Recyclable Materials stream are less than ten (10) gallons per week or Organic Materials in the Organic Materials stream are less than ten (10) gallons per week).
- (b) Physical Space Waivers. The District and/or District's Designee may waive a Commercial Business's or Multi-Family Premises' obligation to comply with some or all of the Recyclable Materials and/or Organic Waste collection service requirements if the District or its Designee has evidence from its own staff, a hauler, licensed architect, or licensed engineer demonstrating that the Premises lacks adequate space for Recyclable Materials Containers and/or

Organic Materials Containers required for compliance with the Recyclable Materials and Organic Materials collection requirements of Section 5 or 6 as applicable.

- (c) Review and Approval of Waivers. Waivers shall be granted to Responsible Parties by the District's Designee, or the District if there is no Designee, according to the following process:
- (1) Responsible Parties of Premises seeking waivers shall submit a completed application form to the District and/or its Designee for a waiver. The waiver shall be considered based upon the following criteria: (1) the waiver type requested; (2) type(s) of collection services for which the party is requesting a waiver; (3) the reason(s) for such waiver; (4) documentation supporting the request for a waiver; (5) any pertinent facts or circumstances; (6) harmony with the intent of this Ordinance; and (7) any other factors deemed relevant by the District and/or its Designee. The District or its Designee shall have sole discretion in determining to grant or not grant a waiver.
  - (2) Upon waiver approval, the District and/or its shall specify that the waiver is valid for the following duration:
    - (i) For Commercial Premises, five (5) years, or if property ownership changes, or if occupancy changes, whichever occurs first.
    - (ii) For Multi-Family Premises, five (5) years, or if property ownership changes, or if the property manager changes, whichever occurs first.
  - (3) Waiver holder shall notify the District's Designee, or the District if there is no Designee, if circumstances change such that Commercial Business's or Multi-Family Premises' may no longer qualify for the waiver granted, in which case waiver will be rescinded.
  - (4) Any waiver holder must cooperate with the District and/or its Designee for any on-site assessment of the appropriateness of the waiver.
  - (5) Waiver holder shall reapply to the District's Designee, or the District if there is no Designee, for a waiver upon the expiration of the waiver period and shall submit any required documentation, and/or fees/payments as required by the District and/or its Designee. Failure to submit a completed application shall equate to an automatic denial of said application.
  - (6) The District's Designee, or the District if there is no Designee, may revoke a waiver upon a determination that any of the circumstances justifying a waiver are no longer applicable.

- (7) If the District's Designee does not approve a waiver application or revokes a waiver, the applicant may appeal the decision for additional review to the District General Manager. The District may, after meeting and conferring with its Designee, direct the Designee to approve the waiver application and/or repeal the revocation of the waiver.

### **Section 8. Requirements for Commercial Edible Food Generators**

- (a) Tier One Commercial Edible Food Generators must comply with the requirements of this Section commencing January 1, 2022, and Tier Two Commercial Edible Food Generators must comply commencing January 1, 2024, pursuant to 14 CCR Section 18991.3.
- (b) Large Venue or Large Event operators not providing food services, but allowing for food to be provided by others, shall require Food Facilities operating at the Large Venue or Large Event to comply with the requirements of this Section, commencing January 1, 2024.
- (c) Commercial Edible Food Generators shall comply with the following requirements:
  - (1) Arrange to recover the maximum amount of Edible Food that would otherwise be disposed. Food that is donated shall be free from adulteration, spoilage, and meet the food safety standards of the California Health and Safety Code. Food cannot be donated if it is not in compliance with the food safety standards of the California Health and Safety Code, including food that is returned by a customer, has been served or sold and in the possession of a consumer, or is the subject of a recall.
  - (2) Contract with or enter into a written agreement with Food Recovery Organizations or Food Recovery Services for: (i) the collection of Edible Food for Food Recovery; or, (ii) acceptance of the Edible Food that the Commercial Edible Food Generator Self-Hauls to the Food Recovery Organization for Food Recovery.
  - (3) Not intentionally spoil Edible Food that is capable of being recovered by a Food Recovery Organization or a Food Recovery Service.
  - (4) Allow the District, its agents, or the District's designated enforcement entity or designated third party enforcement entity to access the Premises and review records pursuant to 14 CCR Section 18991.4.
  - (5) Keep records that include the following information, or as otherwise specified in 14 CCR Section 18991.4:

- (i) A list of each Food Recovery Service or organization that collects or receives its Edible Food pursuant to a contract or written agreement established under 14 CCR Section 18991.3(b).
  - (ii) A copy of all contracts or written agreements established under 14 CCR Section 18991.3(b).
  - (iii) A record of the following information for each of those Food Recovery Services or Food Recovery Organizations:
    - (A) The name, address and contact information of the Food Recovery Service or Food Recovery Organization.
    - (B) The types of food that will be collected by or Self-Hauled to the Food Recovery Service or Food Recovery Organization.
    - (C) The established frequency that food will be collected or Self-Hauled.
    - (D) The quantity of food, measured in pounds recovered per month, collected or Self-Hauled to a Food Recovery Service or Food Recovery Organization for Food Recovery.
- (6) Maintain records required by this Section for five (5) years.
- (7) No later than January 31 of each year commencing no later than January 31, 2023, for Tier One Commercial Edible Food Generators and January 31, 2025, for Tier Two Commercial Edible Food Generators, provide an annual Food Recovery report to the District or its Designee that includes the following information:
- (i) The amount, in pounds, of edible food donated to a Food Recovery Service or Food Recovery Organization annually; and,
  - (ii) The amount, in pounds of edible food rejected by a Food Recovery Service or Food Recovery Organization annually.
  - (iii) Any additional information required by the District Manager or their Designee.
- (d) Nothing in this Ordinance shall be construed to limit or conflict with the protections provided by the California Good Samaritan Food Donation Act of 2017, the Federal Good Samaritan Act, or share table and school food donation guidance pursuant to Senate Bill 557 of 2017 (approved by the Governor of the State of California on September 25, 2017, which added Article 13 [commencing with Section 49580] to Chapter 9 of Part 27 of Division 4 of Title 2 of the Education Code, and to amend Section 114079 of the Health and



Safety Code, relating to food safety, as amended, supplemented, superseded and replaced from time to time).

### **Section 9. Requirements for Food Recovery Organizations and Services**

- (a) Food Recovery Services collecting or receiving Edible Food directly from Commercial Edible Food Generators, via a contract or written agreement established under 14 CCR Section 18991.3(b), shall maintain the following records, or as otherwise specified by 14 CCR Section 18991.5(a)(1):
  - (1) The name, address, and contact information for each Commercial Edible Food Generator from which the service collects Edible Food.
  - (2) The quantity in pounds of Edible Food collected from each Commercial Edible Food Generator per month.
  - (3) The quantity in pounds of Edible Food transported to each Food Recovery Organization per month.
  - (4) The name, address, and contact information for each Food Recovery Organization that the Food Recovery Service transports Edible Food to for Food Recovery.
  
- (b) Food Recovery Organizations collecting or receiving Edible Food directly from Commercial Edible Food Generators, via a contract or written agreement established under 14 CCR Section 18991.3(b), shall maintain the following records, or as otherwise specified by 14 CCR Section 18991.5(a)(2):
  - (1) The name, address, and contact information for each Commercial Edible Food Generator from which the organization receives Edible Food.
  - (2) The quantity in pounds of Edible Food received from each Commercial Edible Food Generator per month.
  - (3) The name, address, and contact information for each Food Recovery Service that the organization receives Edible Food from for Food Recovery.
  
- (c) Maintain records required by this Section for five years.
  
- (d) Food Recovery Organizations and Food Recovery Services that have their primary address physically located in the District and contract with or have written agreements with one or more Commercial Edible Food Generators pursuant to 14 CCR Section 18991.3(b) shall report to the District it is located in and the District's Designee, if applicable, the total pounds of Edible Food recovered in the previous calendar year from the Tier One and Tier Two Commercial Edible Food Generators they have established a contract or

written agreement with pursuant to 14 CCR Section 18991.3(b). The annual report shall be submitted to the District and the District's Designee, if applicable, no later than January 31 of each year.

- (e) In order to support Edible Food Recovery capacity planning assessments or other studies conducted by the District that provides Solid Waste collection services, or its designated entity, Food Recovery Services and Food Recovery Organizations operating in the District shall provide information and consultation to the District and District's Designee, if applicable, upon request, regarding existing, or proposed new or expanded, Food Recovery capacity that could be accessed by the District and its Commercial Edible Food Generators. A Food Recovery Service or Food Recovery Organization contacted by the District and/or its Designee shall respond to such request for information within 60 days, unless a shorter timeframe is otherwise specified by the District.
- (f) Food Recovery Organizations and Food Recovery Services that have their primary address physically located in the District and contract with or have written agreements with one or more Commercial Edible Food Generators shall include language in all agreements with Tier 1 and Tier 2 edible food generators located in the District identifying and describing the California Good Samaritan Act of 2017.
- (g) Nothing in this chapter prohibits a Food Recovery Organization or Food Recovery Service from refusing to accept Edible Food from a Commercial Edible Food Generator.

## **Section 10. Requirements for Haulers and Facility Operators**

- (a) Requirements for Haulers
  - (1) Franchise hauler(s) providing Recyclable Materials, Organic Waste, and/or Solid Waste collection services to Generators within the District's boundaries shall meet the following requirements and standards as a condition of approval of its contract, agreement, permit, or other authorization with the District to collect Recyclable Materials, Organic Materials, and/or Solid Waste:
    - (i) Through written notice to the District annually on or before January 1 of each year, identify the facilities to which they will transport Discarded Materials, including facilities for Source Separated Recyclable Materials, Source Separated Organic Materials, and Solid Waste unless otherwise stated in the franchise agreement, contract, permit, or license, or other authorization with the District.
    - (ii) Transport Source Separated Recyclable Materials to a facility that recovers those materials; transport Source Separated Organic Materials to a facility, operation, activity, or property that

recovers Organic Waste as defined in 14 CCR, Division 7, Chapter 12, Article 2; transport Solid Waste to a disposal facility or transfer facility or operation that processes or disposes of Solid Waste; and transport manure to a facility that manages manure in conformance with 14 CCR Article 12 and such that the manure is not landfilled, used as Alternative Daily Cover (ADC), or used as Alternative Intermediate Cover (AIC).

(iii) Obtain approval from the District to haul Organic Waste, unless it is transporting Source Separated Organic Waste to a Community Composting site or lawfully transporting C&D in a manner that complies with 14 CCR Section 18989.1, and Section 11 of this Ordinance.

(2) Franchise hauler(s) authorized to collect Recyclable Materials, Organic Materials, and/or Solid Waste shall comply with education, equipment, signage, container labeling, container color, contamination monitoring, reporting, and other requirements contained within its franchise agreement, permit, or other agreement entered into with the District.

(b) Requirements for Facility Operators and Community Composting Operations

(1) Owners of facilities, operations, and activities located in the District's boundaries that recover Organic Waste, including, but not limited to, Compost facilities, in-vessel digestion facilities, and publicly-owned treatment works shall, upon District request, provide information regarding available and potential new or expanded capacity at their facilities, operations, and activities, including information about throughput and permitted capacity necessary for planning purposes. Entities contacted by the District shall respond within 60 days.

(2) Community Composting operators with operations located in the District's boundaries, upon District request, shall provide information to the District to support Organic Waste capacity planning, including, but not limited to, an estimate of the amount of Organic Waste anticipated to be handled at the Community Composting operation. Entities contacted by the District shall respond within 60 days.

(3) Owners of facilities, operations, and activities located in the District's boundaries that receive Recyclable Materials, Organic Materials, and/or Solid Waste shall provide to the District, on a quarterly basis, copies of all reports they are required to report to CalRecycle under 14 CCR.

### Section 11. Self-Hauler Requirements

(a) Every Self-Hauler shall Source Separate its Recyclable Materials and Organic Materials (materials that District otherwise requires Generators or Responsible Parties to separate for collection in the District's Recyclable Materials and

Organic Materials collection program) generated on-site from Solid Waste in a manner consistent with 14 CCR Section 18984.1 and the District's collection program. Self-Haulers shall deliver their materials to facilities described in subsection (b) below. Alternatively, Self-Haulers may or choose not to Source Separate Recyclable Materials and Organic Materials and shall haul its Solid Waste (that includes Recyclable Materials and Organic Materials) to a High Diversion Organic Waste Processing Facility subject to advance written approval by the District.

- (b) Self-Haulers that Source Separate their Recyclable Materials and Organic Materials shall haul their Source Separated Recyclable Materials to a facility that recovers those materials; haul their Source Separated Organic Waste to a facility, operation, activity, or property that processes or recovers Source Separated Organic Waste; and haul their Solid Waste to a disposal facility or transfer facility or operation that processes or disposes of Solid Waste.
- (c) Self-Haulers that are Responsible Parties of Commercial Businesses or Multi-Family Premises shall keep records of the amount of Recyclable Materials, Organic Waste, and Solid Waste delivered to each facility, operation, activity, or property that processes or recovers Recyclable Materials and Organic Waste and processes or disposes of Solid Waste or shall keep records of Solid Waste delivered to High Diversion Organic Waste Processing Facilities. These records shall be subject to review by the District and/or its Designee(s). The records shall include the following information:
  - (1) Delivery receipts and weight tickets from the entity accepting the Recyclable Materials, Organic Materials, and Solid Waste.
  - (2) The amount of material in cubic yards or Tons transported by the Generator or Responsible Party to each entity.
  - (3) If the material is transported to an entity that does not have scales on-site or employs scales incapable of weighing the Self-Hauler's vehicle in a manner that allows it to determine the weight of materials received, the Self-Hauler is not required to record the weight of material but shall keep a record of the entities that received the Recyclable Materials, Organic Materials, and Solid Waste.
- (d) Self-Haulers shall retain all records and data required to be maintained by this Section for no less than five (5) years after the Recyclable Materials, Organic Materials, and/or Solid Waste was first delivered to the facility accepting the material.
- (e) Self-Haulers that are Commercial Businesses or Multi-Family Premises shall provide copies of records required by this Section to the District if requested by the District General Manager and shall provide the records at the frequency requested by the District Manager.

- (f) A Single-Family Generator or Single-Family Responsible Party that Self-Hauls Recyclable Materials, Organic Waste, or Solid Waste is not required to record or report information in Section 11(c) and (d).
- (g) Pursuant to 14 CCR Section 18815.9, Food Waste Self-Haulers are required to maintain records and report to CalRecycle information on the Tons of Food Waste Self-Hauled and the facilities or each use of such material. Food Waste Self-Haulers shall provide to the District, on a quarterly basis, copies of all reports they are required to report to CalRecycle.

## **Section 12. Inspections and Investigations**

- (a) The District representatives or its Designee(s) are authorized to conduct Inspections and investigations, at random or otherwise, of any collection container, collection vehicle loads, or transfer, processing, or disposal facility for materials collected from Generators, or Source Separated materials to confirm compliance with this Ordinance by Generators, Responsible Parties of Single-Family Premises, Responsible Parties of Commercial Businesses, Responsible Parties of Multi-Family Premises, Commercial Edible Food Generators, haulers, Self-Haulers, Food Recovery Services, and Food Recovery Organizations, subject to applicable laws. This Section does not allow District or its Designee to enter the interior of a private residential property for Inspection.
- (b) Entities regulated by this Ordinance shall provide or arrange for access during all Inspections (with the exception of residential property interiors) and shall cooperate with the District's representative or its Designee during such Inspections and investigations. Such Inspections and investigations may include confirmation of proper placement of materials in containers, inspection of Edible Food Recovery activities, review of required records, or other verification or Inspection to confirm compliance with any other requirement of this Ordinance. Failure of a Responsible Party to provide or arrange for: (i) access to an entity's Premises; or (ii) access to records for any Inspection or investigation is a violation of this Ordinance and may result in penalties described in Section 21.
- (c) Any records obtained by the District or its Designee during its Inspections, and other reviews shall be subject to the requirements and applicable disclosure exemptions of the Public Records Act as set forth in Government Code Section 6250 et seq.
- (d) The District representatives or their Designee are authorized to conduct any Inspections, or other investigations as reasonably necessary to further the goals of this Ordinance, subject to applicable laws.
- (e) The District or its Designee shall receive written complaints from persons regarding an entity that may be potentially non-compliant with SB 1383 Regulations, including receipt of anonymous complaints.

- (f) The District representatives and/or their Designee are authorized to provide informational notices to entities regulated by this Ordinance regarding compliance with this Ordinance.

### **Section 13. Collection Rates and Collection Of Delinquent Fees And Charges**

- (a) Collection rates, fees and charges for solid waste collection and disposal shall be established pursuant to the California Constitution Article XIID and set by the Franchisee.
- (b) Once each year, prior to a date established by the District, the Franchisee shall take the following actions to collect delinquent solid waste collection and disposal accounts:
  - (1) Present to the District a list of Responsible Parties and/or Owners (with corresponding parcel numbers) within the District whose accounts are more than one hundred twenty days past due;
  - (2) Send a certified letter requesting payment to each Responsible Party and/or Owner with a delinquent account;
  - (3) At least thirty days after receiving delivery certification for payment requests, present to the District a list of Responsible Parties and/or Owners (with corresponding parcel numbers) whose accounts are still past due.
- (c) After the Franchisee has completed all of the actions listed in Paragraph (a), the District Board of Directors will adopt a resolution authorizing the County Auditor to place the delinquent accounts upon the tax roll. The Franchisee shall bear the full cost of any fees charged by the County Auditor to place the delinquent accounts on the tax roll.

### **Section 14. Franchise for Collection - Authorization**

- (a) A Franchise, exclusive or nonexclusive, for the collection and disposal of solid waste may be granted and/or authorized by the District or its Designee.
- (b) No person shall collect, or enter into an agreement to collect, or provide for the collection or disposal of Discarded Materials, unless such person is authorized by the District to operate within the District by means of a Franchise Agreement.

### **Section 15. Regulations For Accumulation Of Solid Waste, Cast Offs, Rubble, And Refuse**

- (a) No Responsible Party, Generator, or Owner of property shall allow the following to be accumulated on any property, lot, parcel, or Premises:
  - (1) Solid waste of any kind, unless the same shall be in a Solid Waste Container.

- (2) Discarded mattresses, couches, chairs, and other household furniture.
  - (3) Construction material, demolition material, Rubble, Refuse, and/or debris.
  - (4) Hazardous Materials of any kind.
  - (5) Bulky Items and Cast Offs.
- (b) No Responsible Party, Generator, or Owner shall dispose of Solid Waste, Recyclable Materials, or Organic Waste by:
- (1) Causing it to be placed on another's lot, parcel, or Premises.
  - (2) Causing it to be deposited in or near litter receptacles placed by the District in public places for incidental use by pedestrians or vehicular traffic;
  - (3) Causing it to be deposited on any public or private place, street, lane, alley, or drive.
  - (4) Causing it to be placed into any standard container other than those in possession of such Responsible Party or Generator unless permission for such use is granted by the Commercial or Residential Customer in possession of the Standard Container(s).
- (c) The Responsible Party and/or Owner of a developed or non-developed (vacant) lot or parcel of land shall be liable for paying the costs, including administrative costs and attorneys' fees for the removal of Solid Waste, Refuse, Cast Offs, and Rubble that accumulates on his/her property in violation of this section, if said waste is not removed after notice, as provided in Section 16.

**Section 16. Clearing Of Accumulated Solid Waste And Rubble**

- (a) The accumulation of Solid Waste, Refuse, Cast Offs, and/or Rubble in violation of this Ordinance is hereby declared to be a public nuisance.
- (b) The District or its Designee is authorized and empowered to notify the Owner, his or her agent, or person in control of any lot, parcel, or Premises within the District, and direct them to dispose of Solid Waste, Refuse, Cast Offs, and/or Rubble that has accumulated in violation of this Section 16. Such notice shall be given by posting the lot, parcel, or Premises and by certified mail addressed to the Responsible Party and/or Owner, his or her agent, at his or her last known address, or by personal service on the owner, agent, person in control or occupant of the property or Premises.
- (c) The notice shall describe the work to be done and shall state that if the work is not commenced within ten calendar days after receipt of notice and diligently prosecuted to completion without interruption, the District and/or its Designee

shall notify the County Environmental Health Department to commence abatement proceedings. Cost of said abatement, including administrative costs and attorneys' fees, shall be a lien on the property. The notice shall be substantially in the following form:

**NOTICE TO REMOVE  
SOLID WASTE REFUSE, CAST OFFS, AND/OR RUBBLE**

The owner of the property commonly known as: \_\_\_\_\_ is hereby ordered to properly dispose of the solid waste matter, refuse, cast offs, and/or rubble located on the property, to wit: (type of waste matter to be disposed of) within ten calendar days from the date hereof. If the disposal of the solid waste matter, cast-offs, and/or rubble herein described is not commenced and diligently prosecuted to completion within the time fixed herein, the District Operations Supervisor will apply to the County of San Luis Obispo Environmental Health Department for an order to abate said nuisance, and the costs of such abatement shall become a charge against the property, and shall be made a special assessment against the property. Said special assessment may be collected at the same time and in the same manner as is provided for the collection of ordinary County taxes, and shall be subject to the same procedures as foreclosure and sale in the case of delinquency as is provided for ordinary County taxes.

If you should have any questions, please contact the undersigned at (805) 927-4778.

Date: \_\_\_\_\_

\_\_\_\_\_  
District General Manager

cc: San Luis Obispo County Environmental Health Department

- (d) The District shall cause to be kept in his/her office a permanent record containing:
- (1) a description of each parcel, property, or Premises for which notice to dispose of waste matter has been given;
  - (2) the name of the Owner, if known;
  - (3) the date the matter was referred to the San Luis Obispo County Department of Environmental Health;
  - (4) action taken by the County Department of Environmental Health. Each such entry shall be made as soon as practicable after completion of such



act.

- (e) The County of San Luis Obispo Environmental Health Department is hereby authorized to enforce all abatement proceedings authorized by this section.

### **Section 17. Storage And Placement Of Standard Containers For Pick-Up**

- (a) All residential Standard Containers shall be placed for collection along the street in front of the premises or the rear alley, when applicable, only on the date established for the collection of solid waste on the particular route, or after 5:30 P.M. on the day immediately prior to such collection, and shall not remain thereon for more than twelve (12) hours after it has been emptied unless special in yard service has been contracted for.
- (b) Any Container placed for collection along a street or roadway shall be placed within three feet of the edge of the street or roadway, without causing a safety hazard. In the event that automated service is provided in the District, Containers shall be placed in accordance with guidelines established by the Franchisee and approved by the District.
- (c) Upon collection, the Franchisee shall place all Standard Containers approximately 3 feet from the edge of the street or roadway, to avoid creating a safety hazard.
- (d) No person other than a Franchisee or Customer shall interfere in any manner with any Standard Container or the contents thereof, or remove any Discarded Materials from the location where it was placed by the Customer or Franchisee, nor remove the contents of any Standard Container.

### **Section 18. Unlawful Collection**

- (a) A Franchisee shall not be required to collect Hazardous Waste, or dangerous materials as part of its regular collection activity. Liquid and dry caustics, acids, biohazardous, flammable, explosive materials, insecticides, and similar substances shall not be deposited in Standard Containers. Any person collecting such substances shall store, handle and dispose of such materials in accordance with local, state and federal law and shall obtain all necessary local, state and federal permits therefor.
- (b) A Franchisee shall not be required to collect Infectious Waste (as defined in California Health and Safety Code section 7054.4, as amended from time to time, or any successor provision or provisions thereto) as part of its regular collection activity. Anyone producing such wastes shall store, handle and dispose of such materials only in the manner approved by the County health officer or designated deputy, and in accordance with local, state and federal law and with all necessary local, state and federal permits.

## **Section 19. Condition of Collection Trucks**

Every truck used by a Franchisee in the collection and removal of Discarded Materials shall be kept well painted, clean, and in good operating condition.

## **Section 20. Exceptions**

- (a) Nothing in this Ordinance shall be deemed to prohibit the removal and hauling by a licensed person pursuant to the terms and conditions of this Ordinance.
- (b) Nothing in this Ordinance shall be construed to prohibit any producer of Solid Waste, Cast Offs, Rubble, or Refuse from hauling the same to a permitted disposal site pursuant to the terms and conditions of this Ordinance.
- (c) Nothing in this Ordinance shall be construed to prohibit the collection and removal of Yard Trimmings or Green Waste by individual residents and by individuals doing business as professional landscapers, when the collection is directly related to their work and done pursuant to the terms and conditions of this Ordinance.
- (d) Nothing in this Ordinance shall limit the right of Generator, Responsible Party, Owner, or Commercial Business, or other entity to donate, sell or otherwise dispose of Solid Waste provided that any such disposal is in accordance with the provisions of this Ordinance.

## **Section 21. Enforcement**

- (a) Violation of any provision of this Ordinance shall constitute grounds for issuance of a Notice of Violation and assessment of a fine by the District or its Designee.
- (b) Other remedies allowed by law may be used, including civil action or prosecution as a misdemeanor or infraction. The District may pursue civil actions in the California courts to seek recovery of unpaid administrative citations. The District may, at its option, choose to delay court action until such time as a sufficiently large number of violations, or cumulative size of violations exist such that court action is a reasonable use of the District's staff and resources.
- (c) Responsible Entity for Enforcement
  - (1) Enforcement pursuant to this Ordinance may be undertaken by the District General Manager or its Designee, agent, legal counsel, or combination thereof.
  - (2) Enforcement may also be undertaken by a County Enforcement Official if so designated by the District.

- (3) The District General Manager and/or its Designee may issue Notices of Violation(s).

(d) Process for Enforcement

- (1) The District General Manager and/or its Designee will monitor compliance with the Ordinance through Compliance Reviews, Route Reviews, investigation of complaints, and an Inspection program. The District General Manager and/or the County Enforcement Officials and/or its designee may also monitor compliance with the Ordinance randomly.
- (2) The District may issue an official notification to notify regulated entities of its obligations under the Ordinance.
- (3) For incidences of Prohibited Container Contaminants found in containers, the District or its Designee will issue an informational notice of contamination to any Generator or Responsible Party found to have Prohibited Container Contaminants in a container. Such notice will be provided via a cart tag or other communication immediately upon identification of the Prohibited Container Contaminants or within seven (7) days after determining that a violation has occurred. If the District, the County or their designee observes Prohibited Container Contaminants in a Responsible Party's containers on more than three (3) consecutive occasion(s), the District/County may assess contamination processing fees or contamination penalties on the Generator.
- (4) With the exception of violations of contamination of container contents addressed under Section 21(k), the District shall issue a Notice of Violation requiring compliance within 60 days of issuance of the notice.
- (5) Absent compliance by the respondent within the deadline set forth in the Notice of Violation, the District shall commence an action to impose penalties, via an administrative citation and fine, pursuant to Section 21(k), Table 1, List of Example Violations.
- (6) Notices shall be sent to "Owner" at the official address of the owner maintained by the tax collector for the County Assessor or if no such address is available, to the owner at the address of the Multi-Family Premises or Commercial Premises or to the Responsible Party for the collection services, depending upon available information.

(e) Penalty Amounts for Types of Violations

The penalty levels are as follows, as prescribed by 14 CCR Section 18997.2 and any other applicable code or regulation:

- (1) For a first violation, the amount of the base penalty shall be \$50 to \$100 per violation.
- (2) For a second violation, the amount of the base penalty shall be \$100 to \$200 per violation.
- (3) For a third or subsequent violation, the amount of the base penalty shall be \$250 to \$500 per violation.

(f) Factors Considered in Determining Penalty Amount

The following factors shall be used to determine the amount of the penalty for each violation within the appropriate penalty amount range:

- (1) The nature, circumstances, and severity of the violation(s).
- (2) The violator's ability to pay.
- (3) The willfulness of the violator's misconduct.
- (4) Whether the violator took measures to avoid or mitigate violations of this chapter.
- (5) Evidence of any economic benefit resulting from the violation(s).
- (6) The deterrent effect of the penalty on the violator.
- (7) Whether the violation(s) were due to conditions outside the control of the violator.

(g) Compliance Deadline Extension Considerations

The District may extend the compliance deadlines set forth in a Notice of Violation issued in accordance with this Section if it finds that there are extenuating circumstances beyond the control of the respondent that make compliance within the deadlines impracticable, including the following:

- (1) Acts of God such as earthquakes, wildfires, flooding, and other emergencies or natural disasters;
- (2) Delays in obtaining discretionary permits or other government agency approvals; or,
- (3) Deficiencies in Organic Waste recycling infrastructure or Edible Food Recovery capacity and the City/County is under a corrective action plan with CalRecycle pursuant to 14 CCR Section 18996.2 due to those deficiencies.

(h) Appeals Process

Persons receiving an administrative citation containing a penalty for an uncorrected violation may request a hearing to appeal the citation. A hearing will be held only if it is requested within the time prescribed and consistent with the Districts formal or informal procedures for appeals of administrative citations. Evidence may be presented at the hearing. The District will appoint a hearing officer who shall conduct the hearing and issue a final written order.

(i) Education Period for Non-Compliance

Beginning January 1, 2022 and through December 31, 2023, the District or its Designee will conduct Inspections, Route Reviews or waste evaluations, and Compliance Reviews, depending upon the type of regulated entity, to determine compliance, and if the District or its Designee determines that Generator, Responsible Party, Self-Hauler, hauler, Tier One Commercial Edible Food Generator, Food Recovery Organization, Food Recovery Service, or other entity is not in compliance, it shall provide educational materials to the entity describing its obligations under this Ordinance and a notice that compliance is required by January 1, 2022, and that violations may be subject to administrative civil penalties starting on January 1, 2024.

(j) Civil Penalties for Non-Compliance

Beginning January 1, 2024, if the District determines that a Generator, Responsible Party, Self-Hauler, hauler, Tier One or Tier Two Commercial Edible Food Generator, Food Recovery Organization, Food Recovery Service, or other entity is not in compliance with this Ordinance, it shall document the noncompliance or violation, issue a Notice of Violation, and take Enforcement Action pursuant to this Section, as needed.

(k) Enforcement Table

**Table 1. List of Example Violations**

Requirement	Description of Violation
Commercial Business Multi-Family Premises Responsibility Requirement Sections 5 and 6	Responsible Party for a Commercial Business or Multi-Family Premises fails to provide or arrange for Organic Waste collection services consistent with District requirements and as outlined in this Ordinance, for employees, contractors, tenants, and customers, including supplying and allowing access to adequate numbers, size, and location of containers and sufficient signage and container color.

Requirement	Description of Violation
Organic Waste Generator or Responsible Party Requirement Section 4, 5, and 6	Organic Waste Generator or Responsible Party fails to comply with requirements pursuant to this Ordinance.
Hauler Requirement Section 10	A hauler providing Single-Family, Multi-Family or Commercial collection service fails to transport Discarded Materials to a facility, operation, activity, or property that recovers Organic Waste, as prescribed by this Ordinance.
Hauler Requirement Section 10	A hauler providing Single-Family, Multi-Family or Commercial Recyclable Materials, Organic Materials, or Solid Waste collection service fails to obtain applicable approval issued by the District to haul Recyclable Materials, Organic Materials, or Solid Waste as prescribed by this Ordinance.
Hauler Requirement Section 10	A hauler fails to keep a record of the applicable documentation of its approval by the District, as prescribed by this Ordinance.
Self-Hauler Requirement Section 11	A Generator or Responsible Party who is a Self-Hauler fails to comply with the requirements of this Ordinance.
Commercial Edible Food Generator Requirement Section 8	Tier One Commercial Edible Food Generator fails to arrange to recover the maximum amount of its Edible Food that would otherwise be disposed by establishing a contract or written agreement with a Food Recovery Organization or Food Recovery Service and/or fails to comply with other requirements of this Ordinance commencing Jan. 1, 2022.
Commercial Edible Food Generator Requirement Section 8	Tier Two Commercial Edible Food Generator fails to arrange to recover the maximum amount of its Edible Food that would otherwise be disposed by establishing a contract or written agreement with a Food Recovery Organization or Food Recovery Service and/or fails to

Requirement	Description of Violation
	comply with other requirements of this Ordinance commencing Jan. 1, 2024.
Commercial Business Responsible Party, Multi-Family Premises Responsible Party, Commercial Edible Food Generator, Food Recovery Organization or Food Recovery Service Sections 5, 6, 8, 9, and 12	Failure to provide or arrange for access to an entity's Premises for any Inspection or investigation.
Recordkeeping Requirements for Commercial Edible Food Generator Section 8	Tier One or Tier Two Commercial Edible Food Generator fails to keep records, as prescribed by Section 8 of this Ordinance.
Recordkeeping Requirements for Food Recovery Services and Food Recovery Organizations Section 9	A Food Recovery Organization or Food Recovery Service that has established a contract or written agreement to collect or receive Edible Food directly from a Commercial Edible Food Generator pursuant to 14 CCR Section 18991.3(b) fails to keep records, as prescribed by Section 9 of this Ordinance.

**Section 22. CalRecycle Issued Waivers**

Certain provisions of this Ordinance may be subject to a low-population waiver pursuant to Article 3 in Title 14 of the California Code of Regulations, Sections 18984 through 18984.13. Please contact the District for verification.

**Section 23. CEQA**

The District finds that this Ordinance is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Sections 15061(b)(3) and 15308 on the grounds that it can be seen with certainty that the enhanced waste disposal regulations, as provided for in this Ordinance will not have a significant effect on the environment and that the new requirements, which strengthen requirements for the handling of waste materials, represent actions by a regulatory agency for the protection of the environment.

#### **Section 24. Severability**

If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance for any reason is held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The District hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

#### **Section 25. Effective Date**

This Ordinance shall be effective commencing on January 1, 2022.



## **5.B. Public Hearing Item**



## PUBLIC HEARING ITEM STAFF REPORT

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### **ITEM 5.B. INTRODUCTION OF ORDINANCE NO. 122 OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT TO ADOPT AN ORDINANCE REGARDING PARKING REGULATIONS.**

**To:** Board of Directors  
**FROM:** General Manager  
**DATE:** December 8, 2021  
**SUBJECT:** Introduction of Ordinance No. 122 Regarding Parking Regulations

#### **RECOMMENDATION**

Staff recommends that the Board of Directors:

1. Hold a public hearing and receive public testimony on Ordinance No. 122.
2. Waive full reading, make any amendments to, and introduce Ordinance No. 122 by title:

ORDINANCE NO. 122

AN ORDINANCE OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT  
REGARDING PARKING REGULATIONS

3. Direct that the proposed ordinance, be placed on the agenda for the January \_\_\_\_, 2022, Board of Directors meeting for adoption.

#### **BACKGROUND AND ANALYSIS**

The streets and public areas within the District should be readily accessible and available to residents and the public at large. The use of these areas for camping purposes, sleeping, and overnight vehicular parking interferes with the rights of others to use the

areas for which they were intended. Such activity can constitute a public health and safety hazard which adversely impacts the community. The purpose of this Ordinance is to maintain public areas within the District in a clean, sanitary, and accessible condition and to adequately protect the health, safety, and public welfare of the community. Nothing in this Ordinance is intended to interfere with otherwise lawful and ordinary uses of public property.

On April 14, 2010, the Board of Directors of the San Simeon Community Services District adopted Ordinance 107 which, among other things, prohibits parking a motor vehicles in the same place for 72 hours, prohibits sleeping in vehicles during the hours of 10:00 p.m. and 6:00 a.m., and prohibits recreational vehicles from being parked or left standing upon any street within the District between midnight and 6:00 a.m. (unless a permit is obtained).

On June 10, 2020, your Board considered amending Ordinance No. 107 but chose not to adopt the amendments as presented. Instead, the Board voted to create an ad-hoc committee to consider changes to the language of the ordinance.

The proposed ordinance includes and expands upon provisions brought forward in June of 2020, related to the sleeping or camping of homeless individuals. To address concerns raised by the Board in June 2020, this version also clarifies the District's right to tow vehicles in violation of the Ordinance.

### **ALTERNATIVES CONSIDERED**

The District may:

1. Decide not to adopt Ordinance No. 122. Ordinance No. 107 will remain in effect.
2. Direct staff to return with a revised ordinance to be presented at a future Board of Directors meeting.

### **FISCAL REVIEW**

None at this time.

### **CONCLUSION**

Staff recommends that the Board of Directors:

1. Hold a public hearing and receive public testimony on Ordinance No. 122.
2. Waive full reading, make any amendments to, and introduce Ordinance No. 122 by title:

ORDINANCE NO. 122

AN ORDINANCE OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT

## REGARDING PARKING REGULATIONS

3. Direct that the proposed ordinance, be placed on the agenda for the January \_\_\_\_, 2022, Board of Directors meeting for adoption.

### **Attachment A:** Draft Ordinance 122 Regarding Parking Regulations

**ORDINANCE NO. 122**  
**AN ORDINANCE OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**REGARDING PARKING REGULATIONS**

**WHEREAS**, unauthorized camping, sleeping, and overnight parking of vehicles on public property by individuals has caused, and continues to cause, a disturbance of the peace, health, safety for the general welfare of the community; and

**WHEREAS**, by this Ordinance, the San Simeon Community Services District (“District”) desires to establish uniform rules regarding camping, sleeping, and overnight vehicular parking within District boundaries; and

**WHEREAS**, the District finds that the use of District streets, rights of way, and other similar property for overnight camping, sleeping, and vehicular parking, especially when used on a long-term basis, is inappropriate and incompatible with the intended purpose of such facilities (i.e. such use interferes with the public’s use).

**NOW, THEREFORE, BE IT ORDAINED** by the San Simeon Community Services District that the District does hereby repeal Ordinance 107 and adopts the following Ordinance 122:

**SECTION 1: REPEAL and ADOPT**

Ordinance 107 is hereby repealed, and this Ordinance 122 is adopted.

**SECTION 2: PURPOSE**

The streets and public areas within the District should be readily accessible and available to residents and the public at large. The use of these areas for camping purposes, sleeping, and overnight vehicular parking interferes with the rights of others to use the areas for which they were intended. Such activity can constitute a public health and safety hazard which adversely impacts the community. The purpose of this chapter is to maintain public areas within the District in a clean, sanitary, and accessible condition and to adequately protect the health, safety, and public welfare of the community. Nothing in this Ordinance is intended to interfere with otherwise lawful and ordinary uses of public property.

**SECTION 3: DEFINITIONS**

As used in this Ordinance, the following words and phrases have the meanings set forth in this section, unless the context in which any such word or phrase is used clearly requires another meaning:

- A. “Camp” or “Camping” means to place, pitch or occupy camp facilities for, in light of all the circumstances, the apparent purpose of overnight occupancy of public property in a Vehicle, Recreational Vehicle, or otherwise. Apparent overnight occupancy includes sleeping activities or making preparations to sleep (including the laying down of bedding for the purpose of sleeping). The act of sleeping on its own does not constitute camping.

B. “Camp Facilities” include, but are not limited to Vehicles, Recreational Vehicles, tents, or temporary shelters.

C. “District Public Property” means any publicly owned property within the District, including but not limited to Streets (as defined).

D. “Recreational Vehicle” means recreational vehicle as defined in Health and Safety Code section 18010, semi-trailer as defined in Vehicle Code section 550, trailer as defined in Vehicle Code section 630, trailer coach as defined in Vehicle Code section 635, trailer bus as defined in Vehicle Code section 636, a truck tractor as defined in Vehicle Code section 655, or any of the following:

1. “Travel trailer” means a vehicular portable structure built on a chassis designed to be used as a temporary dwelling for camping, travel, recreational, and vacation uses permanently identified as a travel trailer by the manufacturer;

2. “Camper” means a structure designed primarily to be mounted upon a motor vehicle and with sufficient facilities to render as suitable for use as a temporary dwelling for camping, travel, recreational, and vacation purposes;

3. “Motorized home” means a portable, self-contained dwelling designed and constructed as an integral part of a self-propelled vehicle; and

4. “Full tent trailer” means a canvas folding structure mounted on wheels and designed for camping, travel, recreational, and vacation use.

E. “Street(s)” means the following streets within the District: Jasper Way, Penn Way, Avonne Avenue, Balboa Avenue, Pico Avenue, Vista Del Mar, Otter Way, and any other public roads, alleys, or rights-of-way of the District.

F. “Trailer” means a structure or similar conveyance designed to be drawn, carried or towed by a Vehicle or required to be registered with the State of California.

G. “Vehicle” means a device by which any person or property may be propelled, moved, or drawn upon a highway, except a device moved by human power or used exclusively upon stationary rails or tracks.

#### **SECTION 4: POSTING OF NOTICE**

Appropriate signs or markings giving adequate notice of the restrictions provided for in this Ordinance shall be placed upon the affected Streets and District Public Property. Notice of removal of Vehicles, Recreational Vehicles, and Trailers for violation of this Ordinance shall also be provided.

#### **SECTION 5: NO VEHICLE PARKING FOR MORE THAN SEVENTY-TWO HOURS**

Pursuant to California Vehicle Code section 22507, no motor Vehicle or Trailer, whether operational or non-operational for any reason, shall be parked or left standing upon any Street or District Public Property for seventy-two or more consecutive hours. When a Vehicle or

Trailer is parked or left standing upon a Street or District Public Property for seventy-two or more consecutive hours, the District may remove such Vehicle or Trailer or cause the same to be removed without notice. Any such Vehicle or Trailer left standing for such period shall be deemed to have been abandoned by the registered owner.

#### **SECTION 6: PARKING OF BROKEN DOWN, WRECKED, AND UNREGISTERED VEHICLES**

No person shall park or stand or permit to remain for a longer period than two (2) hours on any Street or District Public Property, any motor vehicle that is wrecked, broken down, or incapable of operating under its own power, or any Vehicle or Recreational Vehicle unless it is registered and appropriate fees have been paid under the California Vehicle Code.

#### **SECTION 7: UNLAWFUL CAMPING**

It is unlawful and a public nuisance for any person to Camp or set up Camp Facilities on any District Street. It is also a violation of this section to set up provisions for the purpose of Camping, whether or not a full night is actually spent at the location. The prohibition of this section shall not apply in the event of an emergency, including a declared emergency or natural disaster (such as a flood or earthquake), or as specifically exempted pursuant to this Ordinance.

#### **SECTION 8: PARKING OF RECREATIONAL VEHICLES**

No Recreational Vehicle shall be parked or left standing between the hours of midnight and 6:00 a.m. upon any Street unless a permit has first been issued therefor by the General Manager of the District or an authorized representative of the District.

#### **SECTION 9: PERMITS FOR RECREATIONAL VEHICLES**

Notwithstanding Section 8, a Recreational Vehicle may be parked on any Street if a 72-hour parking permit is issued pursuant to this section. The purpose of a parking permit is to allow users of a Recreational Vehicle to park adjacent to their residences or businesses to load and unload and to allow out-of-town visitors to park in front of the residence which they are visiting for a limited period of time. The provisions of this section shall not supersede any covenants, conditions and restrictions or other private agreements. The terms of such parking permit shall be as follows:

A. Issuance of Permit. Parking Permits shall be issued by the General Manager, or designee, upon receipt of an application on a form the District shall establish for that purpose. Any resident of the District may obtain a parking permit authorizing such a Recreational Vehicle to park in front of their residence or place of business. Any out-of-town visitor of a residence may obtain a parking permit authorizing the visitor to park such Recreational Vehicle in front of such residence, but may not reside in that Recreational Vehicle overnight while it is so parked, or run water, waste or power lines to the Recreational Vehicle over a public right of way. For purposes of this section, "out-of-town visitor" means any person who does not reside in the District.

B. Description of Permit; display. The parking permit shall include the license number of the Recreational Vehicle authorized to be parked, the date of issuance, the time period the parking permit is valid, and the telephone number of the applicant. Such permit shall be taped

to the Recreational Vehicle on the inside of driver's side window and be clearly visible to District staff and the public.

C. Duration and renewal. The parking permit shall be valid for 72 hours. Upon expiration of a parking permit issued under this section, the applicant may apply for and be granted a parking permit if the applicant still qualifies under the conditions set forth herein. In no event shall more than two (2) parking permits be issued to an applicant within a thirty-day period.

#### **SECTION 10: VIOLATIONS AND PENALTIES**

Any person who is in violation of any provision of this Ordinance shall be issued a citation by the General Manager, or designee, in the following amounts:

- A. A fine not exceeding fifty dollars (\$50) for a first violation;
- B. A fine not exceeding one hundred dollars (\$100) for a second violation of this Ordinance within one year;
- C. A fine not exceeding two hundred fifty dollars (\$250) for each additional violation of this Ordinance within one year.

Furthermore, pursuant to section 22651 of the California Vehicle Code, any Vehicle, Trailer, or Recreational Vehicle left standing on any Street in violation of this Ordinance may be removed from the Street. Any person whose Vehicle, Recreational Vehicle, or Trailer has been towed away under this Ordinance will be responsible for paying any District costs and/or towing costs directly to the towing company in order to reclaim the Vehicle, Recreational Vehicle, or Trailer.

No citation or enforcement of this ordinance shall be issued to any person for Camping unless, at the time in question, the enforcement officer in their reasonable discretion, is able to make an affirmative determination that (i) there is a sleeping space practically available to such person in a shelter within the County of San Luis Obispo, or (ii) there is a parking space practically and legally available for such person's Vehicle or as part of a "safe parking program" or similar vehicular sheltering program.

#### **SECTION 11: SEVERABILITY**

If any subdivision, paragraph, sentence, clause, or phrase of this Ordinance is, for any reason, held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforcement of the remaining portions of this Ordinance, or of any other provisions of other ordinances of the District. It is the District's express intent that each remaining portion would have been adopted irrespective of the fact that one or more subdivisions, paragraphs, sentences, clauses, or phrases be declared invalid or unenforceable.

#### **SECTION 12: EFFECTIVE DATE**

This Ordinance shall become effective thirty (30) days after adoption.



**SECTION 13: PUBLICATION**

A summary of this Ordinance shall be published in a newspaper of general circulation and a certified copy of the full text of the proposed Ordinance shall be posted in the office of the District at least five days prior to the meeting at which the proposed Ordinance is to be adopted. Within fifteen days after adoption of the Ordinance, the governing body shall publish a summary of the Ordinance with the names of those members voting for and against the ordinance and shall post in the office of the district a certified copy of the full text of the adopted Ordinance along with the names of those members voting for and against the Ordinance.

This Ordinance was passed and adopted at a meeting of the Board of Directors of the San Simeon Community Services District on \_\_\_\_\_, 2022, upon motion by Director \_\_\_\_\_ and seconded by Director \_\_\_\_\_, by the following roll call vote:

Chairperson Kellas:                      Director De La Rosa:                      Director Giacoletti:

Director Donahue:                      Director \_\_\_\_\_:

\_\_\_\_\_  
Gwen Kellas, Chairperson

ATTEST:

\_\_\_\_\_  
Charles Grace  
Secretary/General Manager

APPROVED AS TO FORM:

\_\_\_\_\_  
Jeffrey A. Minnery  
District Counsel

## **6.A. Business Action Item**



## **BUSINESS ACTION ITEM STAFF REPORT**

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### **ITEM 6.A. REVIEW OF THE DRAFT AUDIT FOR FISCAL YEAR 2020/2021.**

#### Summary:

Adam Guise will be presenting a draft version of the District audit for FY 2020/2021.

#### Recommendation:

Staff is asking for the Board's feedback on this document.

Enc: Audit for Fiscal Year 2020/2021

November 16, 2021

Board of Directors  
San Simeon Community Services District  
111 Pico Avenue  
San Simeon, CA 93452

We have audited the basic financial statements of San Simeon Community Services District as of and for the fiscal year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 19, 2021. Professional standards also require that we communicate to you the following information related to our audit.

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by San Simeon Community Services District are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2021. We noted no transactions entered into by the governmental unit during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Management's estimate of the useful lives of capital assets is based on experience with other capital assets and on their standard table of useful lives. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosures of Capital Assets in Note 4 and Long-Term Liabilities in Note 7.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Some of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 16, 2021.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each fiscal year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

*Adjustments:* We assisted the District staff with moving equipment expenditures to capital assets accounts since the equipment gives the District a long-term benefit. We also assisted District staff with adjusting ending accruals for payables to ensure that expenses were recorded in the proper fiscal period to match when they were actually earned or incurred.

### *Other Matters*

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of San Simeon Community Services District and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

*Moss, Keny & Halgren LLP*

Santa Maria, California



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the 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, the basic financial statements of San Simeon Community Services District, which comprise the statement of net position as of June 30, 2021, and the related statements of revenues, expenses, and changes in net position, and cash flows for the fiscal year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 16, 2021.

**Internal Control Over Financial Reporting**

In connection with our engagement to audit the financial statements of the District, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did not identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider to be significant deficiencies.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether San Simeon Community Services District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Moss, Levy & Hartzheim LLP*  
Santa Maria, California  
November 16, 2021

**SAN SIMEON COMMUNITY SERVICES DISTRICT**

**FINANCIAL STATEMENTS**

June 30, 2021





**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
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**INTRODUCTORY SECTION**



**Board of Directors**

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Gwen Kellas	Chairperson	2024
Mary Giacoletti	Vice-Chairperson	2022
Daniel de la Rosa	Director	2024
William Carson	Director	2024
Bill Maurer	Director	2022



**FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying basic financial statements of San Simeon Community Services District (District) as of and for the fiscal year ended June 30, 2021, and the related notes to the basic financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the San Simeon Community Services District, as of June 30, 2021, and the 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.

### Other Matters

#### *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 15 and 16 are presented for purposes of additional analysis and are not a required part 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 November 16, 2021, 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 District's internal control over financial reporting and compliance.

**Report on Summarized Comparative Information**

We have previously audited the District's basic financial statements as of and for the fiscal year ended June 30, 2020, and our report dated January 28, 2021, 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, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Moss, Remy & Halgren LLP*

Santa Maria, California  
November 16, 2021

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**STATEMENT OF NET POSITION - PROPRIETARY FUND**

June 30, 2021

with Comparative Totals for June 30, 2020

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Current Assets:		
Petty cash	\$ 150	\$ 150
Cash and investments	1,155,515	1,248,894
Accounts receivable	122,234	128,375
Prepaid expenses		12,959
Total current assets	<u>1,277,899</u>	<u>1,390,378</u>
Capital Assets:		
Non-depreciable:		
Construction in progress	287,694	223,206
Depreciable:		
Sewer plant	1,797,238	1,784,769
Water plant	1,631,891	1,627,991
Building	279,580	279,580
Equipment	12,690	12,690
Land improvements	26,791	26,791
Less: Accumulated depreciation	<u>(1,539,919)</u>	<u>(1,446,427)</u>
Net capital assets	<u>2,495,965</u>	<u>2,508,600</u>
Total assets	<u>3,773,864</u>	<u>3,898,978</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	36,278	18,306
Customer deposits	88,799	80,140
Long-Term Liabilities:		
Current portion of loan payable	<u>8,805</u>	<u>8,567</u>
Total current liabilities	<u>133,882</u>	<u>107,013</u>
Long-Term Liabilities		
Loan payable	<u>425,548</u>	<u>434,353</u>
Total long-term liabilities	<u>425,548</u>	<u>434,353</u>
Total Liabilities	<u>559,430</u>	<u>541,366</u>
<b>NET POSITION</b>		
Net investment in capital assets	2,061,612	2,065,680
Unrestricted:		
Board assigned for water capital improvements	155,505	55,655
Board assigned for wastewater capital improvements	155,785	55,341
Board assigned for general capital improvements	43,295	15,637
Board committed for operating reserves	250,000	250,000
Undesignated	<u>548,237</u>	<u>915,299</u>
Total net position	<u>\$ 3,214,434</u>	<u>\$ 3,357,612</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, 2021  
With Comparative Totals for the Fiscal Year Ended June 30, 2020

	2021	2020
<b>Operating Revenues:</b>		
Services-waste	\$ 471,529	\$ 444,391
Services-water	432,805	396,043
State of CA-Hearst Castle	25,430	70,777
Services-other	94,691	88,422
Late fees and adjustments	(27,990)	2,514
	<u>996,465</u>	<u>1,002,147</u>
Total operating revenues		
<b>Operating Expenses:</b>		
Accounting	5,775	9,775
Bank fees	1,033	166
Bookkeeping	15,720	14,560
Directors' fees	4,500	5,100
Payroll expenses	344	397
Dues and subscriptions	2,985	4,732
Road maintenance	29,800	
Riprap engineering	4,273	21,958
Insurance-health	4,227	4,285
PERS Retirement	15,816	13,199
Insurance-liability	12,959	10,163
LAFCO budget allocation	2,637	3,386
Legal fees	117,212	64,363
Licenses and permits	19,784	16,936
Miscellaneous	6,590	1,524
Depreciation	93,492	97,102
Office expenses	958	
Operations management	600,510	653,031
Professional fees	108,636	40,922
Emergency stand by	10,000	10,000
Repairs	69,846	34,280
Utilities	82,332	7,695
Website	14,300	13,700
Weed abatement	2,175	3,885
	<u>1,225,904</u>	<u>1,031,159</u>
Total operating expenses		
Net operating income (loss)	<u>(229,439)</u>	<u>(29,012)</u>
<b>Non-Operating Revenues (Expenses):</b>		
Property taxes	90,912	87,860
Interest expense	(12,123)	(12,354)
Interest income	7,472	21,979
	<u>86,261</u>	<u>97,485</u>
Total non-operating revenues (expenses)		
<b>Capital Contributions:</b>		
Grant income		178,482
		<u>178,482</u>
Total capital contributions		
Changes in net position	<u>(143,178)</u>	<u>246,955</u>
Net position - beginning of fiscal year	3,357,612	3,285,342
Prior-period adjustment		(174,685)
Net position - beginning of fiscal year, restated	<u>3,357,612</u>	<u>3,110,657</u>
Net position - end of fiscal year	<u>\$ 3,214,434</u>	<u>\$ 3,357,612</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, 2021  
With Comparative Totals for the Fiscal Year Ended June 30, 2020

	<u>2021</u>	<u>2020</u>
<b>Cash Flows From Operating Activities:</b>		
Receipts from customers and users	\$ 1,011,265	\$ 985,107
Payments to suppliers	(1,092,410)	(924,066)
Payments to employees	(9,071)	(9,782)
Net cash provided (used) by operating activities	<u>(90,216)</u>	<u>51,259</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Purchase of capital assets	(80,857)	(71,103)
Grants		178,482
Interest payments	(12,123)	(12,354)
Principal loan payments	(8,567)	(8,336)
Net cash provided (used) by capital and related financing activities	<u>(101,547)</u>	<u>86,689</u>
<b>Cash Flows from Noncapital Financing Activities:</b>		
Property taxes	90,912	87,860
Net cash provided by noncapital and related financing activities	<u>90,912</u>	<u>87,860</u>
<b>Cash Flows from Investing Activities:</b>		
Investment income	7,472	21,979
Net cash provided by investing activities	<u>7,472</u>	<u>21,979</u>
Net increase (decrease) in cash and cash equivalents	(93,379)	247,787
Cash and cash equivalents, beginning of fiscal year	1,249,044	1,001,257
Cash and cash equivalents, end of fiscal year	<u>\$ 1,155,665</u>	<u>\$ 1,249,044</u>
Reconciliation to Statement of Net Position		
Petty cash	\$ 150	\$ 150
Cash and investments	1,155,515	1,248,894
	<u>\$ 1,155,665</u>	<u>\$ 1,249,044</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>		
Operating income (loss)	\$ (229,439)	\$ (29,012)
Adjustments to reconcile operating income (loss) to net cash provided (used)		
by operating activities:		
Depreciation	93,492	97,102
Change in Operating Assets and Liabilities:		
(Increase) decrease in accounts receivable	6,141	(18,230)
(Increase) decrease in prepaid expenses	12,959	(2,796)
Increase (decrease) in accounts payable	17,972	3,005
Increase (decrease) in customer deposits	8,659	1,190
Net cash provided (used) by operating activities	<u>\$ (90,216)</u>	<u>\$ 51,259</u>

See accompanying notes to basic financial statements.

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2021

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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, and No. 80.

**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, 2021

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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 have been reclassified to conform to the current fiscal year financial statements presentation.

M. Future Accounting Pronouncements

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

Statement No. 87	"Leases"	The provisions of this statement are effective for fiscal years beginning after June 15, 2021.
Statement No. 89	"Accounting for Interest Cost Incurred before the End of a Construction Period"	The provisions of this statement are effective for fiscal years beginning after December 15, 2020.
Statement No. 91	"Conduit Debt Obligations"	The provisions of this statement are effective for fiscal years beginning after December 15, 2021.
Statement No. 92	"Omnibus 2020"	The provisions of this statement are effective for fiscal years beginning after June 15, 2021.
Statement No. 93	"Replacement of Interbank Offered Rates"	The provision of this statement except for paragraphs 11b, 13, and 14 are effective for fiscal years beginning after June 15, 2020. Paragraph 11b is effective for fiscal years beginning after December 31, 2021. Paragraphs 13 and 14 are effective for fiscal years beginning after June 15, 2021.
Statement No. 94	"Public-Private and Public-Public Partnerships and Availability Payment Arrangements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2022.
Statement No. 96	"Subscription-Based Information Technology Arrangements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2022.
Statement No. 97	"Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32"	The provision of this statement except for paragraphs 6-9 are effective for fiscal years beginning after December 15, 2019. Paragraph 6-9 is effective for fiscal years beginning after June 15, 2021.

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2021

**NOTE 3 - CASH AND INVESTMENTS**

Investments are carried at fair value. On June 30, 2021, the District had the following cash and temporary investments on hand:

Deposits:	
Cash on hand	\$ 150
Cash in banks	140,677
	<u>140,827</u>
Investments:	
Money market	1,014,277
State of California Local Agency Investment Fund (LAIF)	561
	<u>1,014,838</u>
Total Cash and Investments	<u>\$1,155,665</u>

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

Petty cash	\$ 150
Cash and investments	1,155,515
Total cash and investments	<u>\$1,155,665</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. The Local Agency Investment Fund (LAIF) is measured under Level 2. The money market account is not measured under Levels 1, 2, or 3.

Restricted cash

Restricted cash consists of funds that are set aside for well refurbishment as well as appurtenant equipment and structures.

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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
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
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, 2021

**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	\$ 1,014,277	\$ 1,014,277	\$ -	\$ -	\$ -
LAIF	561	561			
<b>Total</b>	<b>\$ 1,014,838</b>	<b>\$ 1,014,838</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	\$1,014,277	N/A	\$ -	\$ -	\$ -	\$1,014,277
LAIF	561	N/A				561
<b>Total</b>	<b>\$1,014,838</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$1,014,838</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.

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.

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2021

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

Custodial Credit Risk (continued)

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

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, 2021, and June 30, 2020, are shown below and on the following page:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Non-depreciable capital assets:				
Construction in progress	\$ 223,206	\$ 64,488	\$ -	\$ 287,694
Total non-depreciable capital assets	<u>\$ 223,206</u>	<u>\$ 64,488</u>	<u>\$ -</u>	<u>\$ 287,694</u>
Depreciable capital assets:				
Sewer plant	\$ 1,784,769	\$ 12,469	\$ -	\$ 1,797,238
Water plant	1,627,991	3,900		1,631,891
Building	279,580			279,580
Land improvements	26,791			26,791
Equipment	12,690			12,690
	<u>3,731,821</u>	<u>16,369</u>	<u>-</u>	<u>3,748,190</u>
Accumulated depreciation	1,446,427	93,492		1,539,919
Total depreciable capital assets	<u>\$ 2,285,394</u>	<u>\$ (77,123)</u>	<u>\$ -</u>	<u>\$ 2,208,271</u>
Net capital assets	<u>\$ 2,508,600</u>	<u>\$ (12,635)</u>	<u>\$ -</u>	<u>\$ 2,495,965</u>

**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2021

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

	Balance July 1, 2019	Additions	Deletions	Prior-period Adjustment	Balance June 30, 2020
Non-depreciable capital assets:					
Construction in progress	\$ -	\$ 62,538	\$ -	\$ 160,668	\$ 223,206
Total non-depreciable capital assets	<u>\$ -</u>	<u>\$ 62,538</u>	<u>\$ -</u>	<u>\$ 160,668</u>	<u>\$ 223,206</u>
Depreciable capital assets:					
Sewer plant	\$ 2,086,929	\$ 8,565	\$ (280,413)	\$ (30,312)	\$ 1,784,769
Water plant	2,322,338		(387,047)	(307,300)	1,627,991
Building	395,874		(116,294)		279,580
Land improvements	26,791				26,791
Equipment	329,437		(316,747)		12,690
	<u>5,161,369</u>	<u>8,565</u>	<u>(1,100,501)</u>	<u>(337,612)</u>	<u>3,731,821</u>
Accumulated depreciation	2,444,252	97,102	(1,100,501)	5,574	1,446,427
Total depreciable capital assets	<u>\$ 2,717,117</u>	<u>\$ (88,537)</u>	<u>\$ -</u>	<u>\$ (343,186)</u>	<u>\$ 2,285,394</u>
Net capital assets	<u>\$ 2,717,117</u>	<u>\$ (25,999)</u>	<u>\$ -</u>	<u>\$ (182,518)</u>	<u>\$ 2,508,600</u>

Depreciation expense for the fiscal years ended June 30, 2021 and 2020 was \$93,492 and \$97,102, respectively.

**NOTE 5 – CUSTOMER DEPOSITS**

The liability for customer deposits consists of the following as of June 30, 2021 and 2020:

	2021	2020
Hook-up deposits	\$ 80,099	\$ 70,890
Customer meter deposits	8,700	9,250
	<u>\$ 88,799</u>	<u>\$ 80,140</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, 2021

**NOTE 6 – LOAN PAYABLE (Continued)**

Fiscal year Ended June 30,	Principal	Interest	Total
2022	\$ 8,805	\$ 11,885	\$ 20,690
2023	9,049	11,641	20,690
2024	9,300	11,390	20,690
2025	9,557	11,133	20,690
2026	9,822	10,868	20,690
2027-2031	53,343	50,107	103,450
2032-2036	61,149	42,301	103,450
2037-2041	70,096	33,354	103,450
2042-2046	80,353	23,097	103,450
2047-2051	92,111	11,339	103,450
2052-2053	30,768	866	31,634
Total	<u>\$ 434,353</u>	<u>\$ 217,981</u>	<u>\$ 652,334</u>

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

A schedule of changes in long-term debt for the fiscal years ended June 30, 2021 and June 30, 2020, are shown below:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due within one year
Loan payable (Direct Borrowing)	\$ 442,920	\$ -	\$ 8,567	\$ 434,353	\$ 8,805
Totals	<u>\$ 442,920</u>	<u>\$ -</u>	<u>\$ 8,567</u>	<u>\$ 434,353</u>	<u>\$ 8,805</u>

	Balance July 1, 2019	Additions	Deletions	Prior-period Adjustment	Balance June 30, 2020	Due within one year
Loan payable (Direct Borrowing)	\$ 459,089	\$ -	\$ 8,336	\$ (7,833)	\$ 442,920	\$ 8,567
Totals	<u>\$ 459,089</u>	<u>\$ -</u>	<u>\$ 8,336</u>	<u>\$ (7,833)</u>	<u>\$ 442,920</u>	<u>\$ 8,567</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, 2017 through June 30, 2018.

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, 2021

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**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 \$692,964 for their services including \$560,510 for operations which includes staffing, \$82,332 for electricity, \$40,000 for preventative maintenance, and \$10,122 for additional consulting, maintenance, and repairs during the 2020/21 fiscal year.

**NOTE 10 – CONTINGENCIES**

According to the District's staff and attorney, no contingent liabilities are outstanding and no lawsuits are pending of any significant financial consequence.

**SUPPLEMENTARY INFORMATION**



**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**SCHEDULE OF REVENUES AND EXPENSES BY FUNCTION**  
For the Fiscal Year Ended June 30, 2021

	Sanitation Fund	Water Fund	General	Total
<b>Operating Revenues:</b>				
Utility sales	\$ 454,502	\$ 418,508	\$ 3,334	\$ 876,344
Service charges			94,691	94,691
State of CA-Dept. of Parks and Recreation	25,430			25,430
<b>Total operating revenues</b>	<b>479,932</b>	<b>418,508</b>	<b>98,025</b>	<b>996,465</b>
<b>Operating Expenses:</b>				
Accounting	1,925	1,925	1,925	5,775
Bank fees		1	1,032	1,033
Bookkeeping	5,240	5,240	5,240	15,720
Directors' fees	1,600	1,600	1,300	4,500
Payroll expenses	122	122	100	344
Dues and subscriptions	1,795	910	280	2,985
Road maintenance			29,800	29,800
Riprap engineering	4,273			4,273
Insurance-health			4,227	4,227
PERS Retirement			15,816	15,816
Insurance-liability	7,775	3,888	1,296	12,959
LAFCO budget allocation	659	659	1,319	2,637
Legal fees	37,447	53,615	26,150	117,212
Licenses and permits	15,600	3,884	300	19,784
Miscellaneous	36	2,561	3,993	6,590
Depreciation	7,342	42,744	43,406	93,492
Office expenses	409	458	91	958
Operations management	338,292	232,449	29,769	600,510
Professional fees	16,637	78,349	13,650	108,636
Emergency stand by		10,000		10,000
Repairs	33,116	29,741	6,989	69,846
Utilities	45,282	32,934	4,116	82,332
Website	4,767	4,767	4,766	14,300
Weed abatement			2,175	2,175
<b>Total operating expenses</b>	<b>522,317</b>	<b>505,847</b>	<b>197,740</b>	<b>1,225,904</b>
<b>Net operating income (loss)</b>	<b>(42,385)</b>	<b>(87,339)</b>	<b>(99,715)</b>	<b>(229,439)</b>
<b>Non-Operating Revenues (Expenses):</b>				
Property taxes			90,912	90,912
Interest expense		(12,123)		(12,123)
Interest income		4,732	2,740	7,472
<b>Total non-operating revenues (expenses)</b>		<b>(7,391)</b>	<b>93,652</b>	<b>86,261</b>
<b>Change in net position</b>	<b>\$ (42,385)</b>	<b>\$ (94,730)</b>	<b>\$ (6,063)</b>	<b>\$ (143,178)</b>



**SAN SIMEON COMMUNITY SERVICES DISTRICT**  
**SCHEDULE OF REVENUES AND EXPENSES BY FUNCTION**  
For the Fiscal Year Ended June 30, 2020

	Sanitation Fund	Water Fund	General	Total
<b>Operating Revenues:</b>				
Utility sales	\$ 444,391	\$ 396,043	\$ 2,514	\$ 842,948
Service charges			88,422	88,422
State of CA-Dept. of Parks and Recreation	70,777			70,777
	<u>515,168</u>	<u>396,043</u>	<u>90,936</u>	<u>1,002,147</u>
<b>Total operating revenues</b>				
<b>Operating Expenses:</b>				
Accounting	3,258	3,258	3,259	9,775
Bank fees			166	166
Bookkeeping	4,853	4,854	4,853	14,560
Directors' fees	1,734	1,733	1,633	5,100
Payroll expenses	132	133	132	397
Dues and subscriptions	891	891	2,950	4,732
Riprap engineering	21,958			21,958
Insurance-health			4,285	4,285
PERS Retirement			13,199	13,199
Insurance-liability	6,098	3,049	1,016	10,163
LAFCO budget allocation	847	846	1,693	3,386
Legal fees	21,204	21,204	21,955	64,363
Licenses and permits	14,589	2,347		16,936
Miscellaneous	281	439	804	1,524
Depreciation	38,198	43,408	15,496	97,102
Operations management	417,262	200,446	35,323	653,031
Professional fees	25,215	11,582	4,125	40,922
Emergency stand by		10,000		10,000
Repairs	18,641	15,639		34,280
Utilities	2,565	2,565	2,565	7,695
Website	4,567	4,567	4,566	13,700
Weed abatement			3,885	3,885
	<u>582,293</u>	<u>326,961</u>	<u>121,905</u>	<u>1,031,159</u>
<b>Total operating expenses</b>				
<b>Net operating income (loss)</b>	<u>(67,125)</u>	<u>69,082</u>	<u>(30,969)</u>	<u>(29,012)</u>
<b>Non-Operating Revenues (Expenses):</b>				
Property taxes			87,860	87,860
Interest expense		(12,354)		(12,354)
Interest income		15	21,964	21,979
		<u>(12,339)</u>	<u>109,824</u>	<u>97,485</u>
<b>Total non-operating revenues (expenses)</b>				
<b>Capital Contributions</b>				
Grant income			178,482	178,482
			<u>178,482</u>	<u>178,482</u>
<b>Total capital contributions</b>				
<b>Change in net position</b>	<u>\$ (67,125)</u>	<u>\$ 56,743</u>	<u>\$ 257,337</u>	<u>\$ 246,955</u>

## **6.B. Business Action Item**



## **BUSINESS ACTION ITEM STAFF REPORT**

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### **ITEM 6.B. APPROVAL FOR ATS, INC TO PERFORM STRUCTURAL INSPECTION OF THE PIPE BRIDGE NOT TO EXCEED THE AMOUNT OF \$4,000.00.**

#### Summary:

The Board approved Raider Painting to paint the pipe bridge in the amount of \$41,500. Staff is working with the California Department of Fish and Wildlife (CDFW) to determine permit requirements, if any. While coordinating with the CDFW staff has since contacted ATS to perform a first phase structural inspection of the pipe bridge their quote is attached.

#### Recommendation:

Staff recommends approval of this item.

Enc: Special Inspection & Non Destructive Testing Project Estimate

**SPECIAL INSPECTION & NONDESTRUCTIVE TESTING PROJECT ESTIMATE**

Date:

Project: San Simeon Pipe Bridge

Desc.	Qty.	Unit		Rate (\$/hr)	
AWS CWI		hr	special inspection	\$ 115.00	\$ -
NDE I		hr	inspection support	\$ 95.00	\$ -
ASNT NDE III		hr	procedure dev.	\$ 145.00	\$ -
NDE II UT	8	hr	testing	\$ 125.00	\$ 1,000.00
NDE II MT or PT		hr	testing	\$ 115.00	\$ -
NACE III Coating			inspection support	\$ 135.00	
Sr. Engineer	13	hr	proj. mgr, & final letter	\$ 175.00	\$ 2,275.00
Consumables NDE	4			\$ 15.00	\$ 60.00
Administration	2			\$ 85.00	\$ 170.00
Travel	50	mi		\$ 0.75	\$ 37.50
Outside Services:			radiography		
Special Equip.:					
Other:			shipping & handling		
Materials and consumables:			couplant Equipment: Ultrasonic flaw scanner, calibration blocks, portable sander, Canon S95, fall protection, crew vehicle		N/C
Contingency:					\$ -
			<b>Total:</b>		\$ 3,542.50

This project will be billed on a "time and materials" basis. This is only an estimate based on typical project conditions for this type of work.

## **6.C. Business Action Item**



## **BUSINESS ACTION ITEM STAFF REPORT**

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### **ITEM 6.C. CONTINUED DISCUSSION REGARDING A PROPOSAL FROM COOPERATIVE STRATEGIES FOR REDISTRICTING SERVICES NOT TO EXCEED THE AMOUNT OF \$21,500.00.**

#### Discussion:

During the November 29, 2021 special Board meeting the Board voted not to approve a proposal from Cooperative Strategies to perform districting services for the SSCSD. However, all Board members acknowledged that this work did need to be performed.

Director Donahue sent an email to the General Manager and Chairperson Kellas on December 5, 2021 asking that the Board authorize him to contact the California Citizens Redistricting Commission (CRC) and state representatives tasked with redistricting to gather additional information.

#### Recommendation:

GES Staff suggests that the Board may wish to consider that Director Donahue contacts the CRC and local representatives to obtain additional information about this matter. This information can be brought to the Board at a subsequent Board meeting.

Enc: Proposal - Cooperative Strategies

## **6.D. Business Action Item**



## BUSINESS ACTION ITEM STAFF REPORT

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### ITEM 6.D. ELECTION OF CHAIRPERSON AND VICE-CHAIRPERSON FOR THE 2022 CALENDAR YEAR.

#### Background:

As of January 1, 2022, the Chairpersons term will have expired. Staff is requesting nominations and acceptance from the SSCSD Board for the position of Chairperson and Vice-Chairperson for the 2022 calendar year. A section of the Policy & Procedures manual pertaining to the Chair and Vice-Chairperson duties has been included in the report.

#### **SECTION 3.00 Duties of the Board of Directors**

**3.01 Presiding Officer.** The Chairperson shall preside at all meetings of the Board. The Vice-Chairperson shall preside at all meetings of the Board in the absence of the Chairperson. If both the Chairperson and Vice-Chairperson are absent, the Directors in attendance shall select a Director to preside over the meeting.

**3.02 Duties of the Chairperson.** The Chairperson of the Board shall preserve order and decorum and shall decide questions of order subject to appeal to the Board of Directors. The Chairperson from the chair may place a motion before the Board, second a motion, and vote irrespective of the existence of an otherwise tie vote.

The Chairperson shall act as spokesperson for the Board with respect to its actions and policies and those of the District. This provision, however, shall not preclude any other member of the Board from making appropriate comments within the scope of his or her position.

The Chairperson, or any member of the Board or staff person so designated, shall represent the Board where it is appropriate or desirable for the District to appear at meetings of other public agencies, private entities, before public or private groups, or on other public or private occasions. However, this provision shall not limit the attendance of any Director or authorized officer or staff member of the District at other public gatherings or meetings. Prior to attending such a gathering or meeting, Directors are encouraged to review Government Code Section 54952.2(c) and ensure their attendance is in conformance with the requirements of the Brown Act. (Please refer to Section 3.04)



To obtain such information as may be necessary and appropriate to assist the Board in its deliberations, the Chairperson shall work with the General Manager, District Counsel, or other staff member of the District. The Chairperson may also direct staff to implement the policies and decisions of the Board. Individual members of the Board shall not act independently to direct staff in the performance of their duties unless specifically provided for in these policies or as approved by the Board.

**3.03 Duties of the Vice-Chairperson.** The Vice-Chairperson shall act if the Chairperson is absent or unable to act and shall exercise all of the powers of the Chairperson on such occasions.

Recommendation:

It is recommended that the Board appoint a Chairperson and Vice-Chairperson for the 2022 calendar year.