

## Julianna Contreras

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**From:** Henry Krzciuk  
**Sent:** Monday, August 14, 2023 10:26 AM  
**To:** CommAsst  
**Cc:** Kenneth Jorgensen; Dan Dow  
**Subject:** Update for FPPC Commissioners re: San Simeon CSD General Manager Charles Graces and Company Grace Environmental Services  
**Attachments:** Grace Stipulation Agreement 21CV-0536-Stipulation-Filed.pdf; Judgement and Order 21CV-0536-Entry-of-Judgment-and-Order-June-12-2023.pdf; Civil Complaint DA 21CV-0536-Complaint-Filed-September-28-2021.pdf

### EXTERNAL EMAIL

Please forward this to the Commissioners

During 2021-2022, FPPC Staff invested a considerable amount of time working with the San Luis Obispo District Attorney's Office investigating Charles Grace and his company Grace Environmental Services LLC. This led to the FPPC issuing the first Section 1090 Conflict of Interest, Self Dealing violation.

The District Attorney's investigation continued into conflict of interest, illegal business practices, and more ultimately leading to a settlement on June 12, 2023. The press release link is provided below along with the key settlement documents and civil suit filing. Links to local news articles are also provided.

Change is underway in San Simeon CSD. Within 36 hours of the DA's settlement press release the new San Simeon CSD board majority (post November 2022 elections) relieved Charles Grace of his General Manager duties. His company's water and wastewater operations contract will be ended shortly. This month an interim General Manager was appointed.

Please note that in 2022, the former San Simeon CSD board majority paid over \$200,000 of Grace's legal costs through June 30, 2022, to fight the FPPC and SLO DA. He used an expensive, well-connected LA law firm with hourly rates of \$550 to \$750/hour. The district paid his legal fees despite him admitting doing harm to the San Simeon community. Fortunately the DA looked out for our community in their settlement agreement preventing Grace from attempting to obtain more reimbursement for legal costs associated with his wrongdoing.

The following press release has made by the SLO County DA's Office on June 12, 2023:



# District Attorney settles civil lawsuit with San Simeon Community Services District's private-party manager and operator

June 12, 2023  
[slocounty.ca.gov/DA](http://slocounty.ca.gov/DA)

<https://www.slocounty.ca.gov/Departments/District-Attorney/Latest-News/2023/June/District-Attorney-settles-civil-lawsuit-with-San-S.aspx>

Attached are the key documents. The stipulation agreement and judgement and order are worth a read. They are not that long.

Articles from CalCoastNews:

## **San Simeon official agrees to pay civil penalties, leave job**

<https://calcoastnews.com/2023/06/san-simeon-official-agrees-to-pay-civil-penalties-leave-job/>

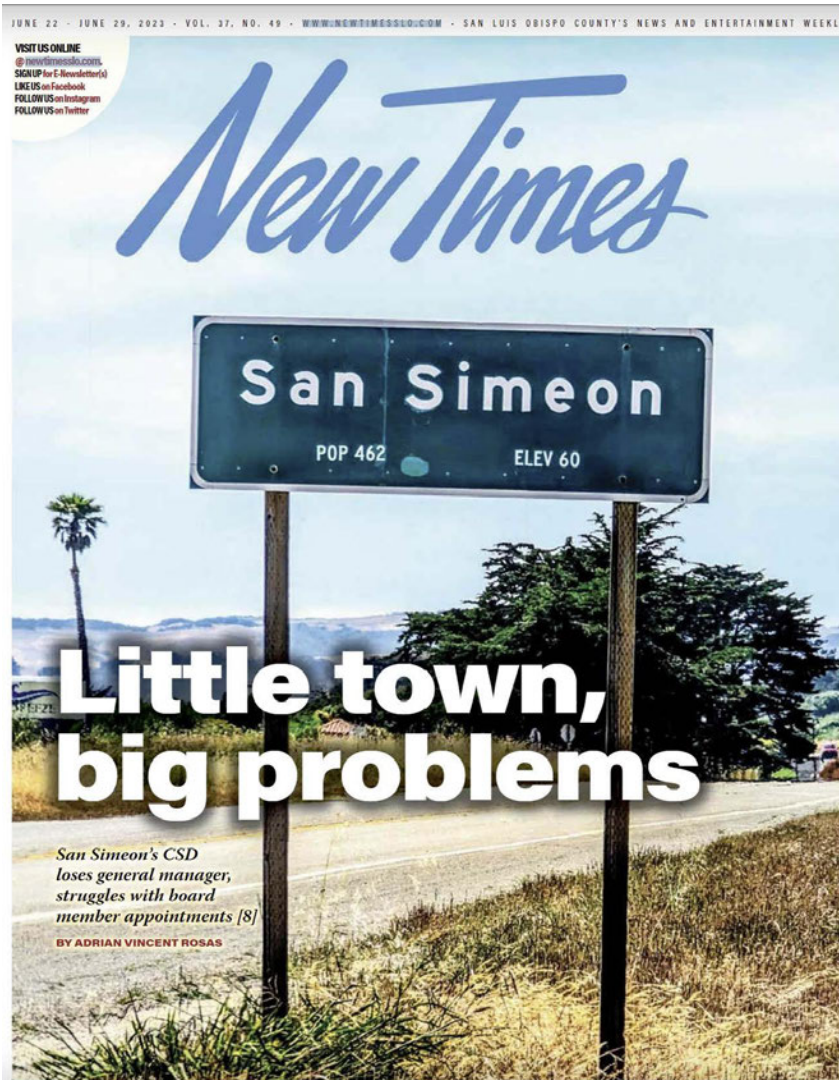
## **San Simeon board fires general manager**

<https://calcoastnews.com/2023/06/san-simeon-board-fires-general-manager/>

Here was is an early article in the Tribune:

[https://www.sanluisobispo.com/news/local/article276341996.html?ac\\_cid=DM810411&ac\\_bid=-1132568677](https://www.sanluisobispo.com/news/local/article276341996.html?ac_cid=DM810411&ac_bid=-1132568677)

More recent articles from New Times SLO



<https://www.newtimeslo.com/news/little-town-big-problems-san-simeons-csd-loses-general-manager-struggles-with-board-member-appointments-14025452>

**San Simeon CSD appoints acting general manager**

<https://www.newtimeslo.com/news/san-simeon-csd-appoints-acting-general-manager-14047617>

A community thanks!

Hank Krzciuk

San Simeon Resident

[www.coastcentralphoto.com](http://www.coastcentralphoto.com)