



SAN LUIS OBISPO COUNTY  
**DEPARTMENT OF PUBLIC WORKS**

Wade Horton, Director

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October 27, 2015

**APN  
NAME  
ADDRESS  
SANTA MARGARITA, CA 93453**

**Subject: Notice of Public Hearing On Ordinance To Increase Water Service Charges in County Service Area No. 23 (CSA 23) in Santa Margarita**

Dear Property Owner and/or Water Customer within CSA 23:

The County of San Luis Obispo ("the County") is considering adopting an ordinance that would increase water service charges within CSA 23. In compliance with Article XIII D of the California Constitution, a part of what is commonly called Proposition 218; this notice letter provides important information for affected landowners and tenants. Specifically, this notice provides information on the water service charge increase proposal and the procedures for protesting the proposal.

**Accordingly, a public hearing will be held on Tuesday, December 15, 2015, in the San Luis Obispo County Board of Supervisors Chambers, 1055 Monterey Street, San Luis Obispo, CA 93408, for the purpose of considering a proposed ordinance that would increase water service charges within CSA 23 in Santa Margarita.**

All hearing items are scheduled for 9:00 a.m. To determine the placement of this item on the agenda, the agenda can be viewed the Wednesday afternoon before the scheduled hearing date on the internet at [www.slocounty.ca.gov](http://www.slocounty.ca.gov) or in paper form in Room D430 of the County Government Center.

At this hearing, landowners and tenants may submit written and oral protests and comments or questions to the Board regarding the proposed water service charge increase. County staff will be at the hearing and will be available to answer questions regarding the proposed water service charge increase. At the close of this hearing, any written protests will be tallied by the County Clerk. The discussion below is organized based on questions we anticipate you may have.

**WHY AM I RECEIVING THIS NOTICE LETTER?**

Proposition 218 requires that notices be mailed to the owners and tenants of property upon which the water service charge is proposed to be increased. Our records indicate that you are an owner or tenant of land within CSA 23 in Santa Margarita that will be subject to the

proposed water service charge increase. As a result, the County is providing you notice about the proposed water service charge increase and the public hearing.

**WHEN WILL THE WATER SERVICE CHARGE BE INCREASED?**

The proposed water service charge increase will be effective the first billing period after January 14, 2016.

**WHAT IS THE AMOUNT OF THE PROPOSED WATER SERVICE CHARGE INCREASE?**

The current average bi-monthly basic water rate for CSA 23 is \$88.36 (\$44.18 per month). The proposed rate increase would raise the average bi-monthly basic water rate by \$30.58 (\$15.29 per month) to \$118.94 (\$59.47 per month). The proposed rate structure is being changed to eliminate the tiered rates and replace it with a uniform volumetric usage charge per unit for all water used. In addition, the minimum charge will not include an allowable quantity of water and the existing annual CPI adjustment is being eliminated. The proposed changes to the basic bi-monthly water service charge rate schedule is shown below:

Basic Bi-Monthly Charge for Water Service	
Allowable Quantity	Present Rate
0 CCF to 10 CCF *	\$61.41 Minimum Charge
11 CCF to 16 CCF	\$2.93 Per CCF
Greater than 16 CCF	\$3.76 Per CCF
Allowable Quantity	New Rate
0 CCF	\$69.74 Minimum Charge
Greater than 0 CCF	\$3.10 Per CCF
* (CCF is Hundred Cubic Feet or 748 gallons)	

**WHAT IS THE PURPOSE OF THE PROPOSED WATER SERVICE CHARGE INCREASE?**

To fund ongoing capital replacement, debt service, operations and maintenance costs of the CSA 23 water system in Santa Margarita.

For additional information regarding the proposed water rate increase and CSA 23 water system costs, please see the “County Service Area 23 – Santa Margarita Water Rate

Analysis” report. This report will be available for review both in person and electronically as follows:

In person -  
County of San Luis Obispo Public Works Department  
County Government Center, Room 206  
San Luis Obispo, CA 93408

Electronically -  
[www.slocountywater.org](http://www.slocountywater.org) See link titled “News and Information”

### **HOW WAS THE PROPOSED WATER SERVICE CHARGE CALCULATED?**

The Bi-monthly Minimum Charge is calculated to generate the revenue needed to cover the annual debt service and fixed operating costs of the system ( $\$225,530 / 539 / 6 = \$69.74$ ). The Bi-Monthly volumetric usage charge is calculated to generate the revenue needed to cover the annual cost of variable operations and maintenance and capital replacement less other revenue sources ( $(\$167,500 - \$8,400) / 51,310 \text{ units} = \$3.10 \text{ per unit}$ ). The entire increase is necessary to cover the ongoing capital replacement, debt service, operations and maintenance cost of the CSA 23 water system.

### **HOW DO I PROTEST?**

Submit a Written Protest. If you oppose the proposed water service charge increase, your protest must be submitted in writing to be considered, even if you plan to attend the public hearing. The written protest should clearly state that you are protesting the proposed water service charge increase scheduled to be effective the first billing period after January 14, 2016. Electronic mail protests will not be formally considered in calculating a majority protest. Protests must be signed by the protester, contain the address and the Assessor’s Parcel Number of the affected property, and state the date the protest was signed. If written protests are submitted by landowners or tenants of a majority of the affected parcels, the proposed water service charge increase cannot be imposed. (Only one written protest per parcel will be counted in calculating a majority.)

Landowners or tenants may mail or deliver their written protests to the County at County Clerk/Recorder’s Office, Attn: Clerk of the Board, 1055 Monterey St. Suite D120, San Luis Obispo, CA 93408 in a manner that ensures receipt by the County no later than the close of the public hearing on December 15, 2015. Landowners or tenants may also present or withdraw written protests at the hearing on December 15, 2015. Only those written protests that are actually received by the County prior to the close of the December 15, 2015 hearing will be considered. If any person wishing to protest has a disability that would prevent them from complying with the requirements of this paragraph, please contact Kristi Smith at (805) 781-5298.

If you agree with the need for the proposed water service charges, no action on your part is required.

## **WHAT WILL HAPPEN IF THERE IS MAJORITY PROTEST?**

If landowners or tenants of a majority of the parcels upon which the water service charge increase is proposed for imposition submit written protests on a timely basis, then the Board of Supervisors will not be able to adopt the proposed water service charge increase. Therefore, water service charge revenues would be insufficient to cover current and ongoing capital replacement, debt service, operations and maintenance expenditures. The Board of Supervisors would need to consider whether to continue to loan money to the system to cover these system costs, allow the system to default on its debt obligations, or trigger the maximum usage limit clause of the existing Ordinance which includes a \$6 per CCF charge for usage over this limit.

## **HOW CAN I GET MORE INFORMATION?**

An informational meeting will be held on November 18, 2015 at 7 PM in the Community Center on the corner of Murphy Ave. and I Street in Santa Margarita. The purpose of the presentation and discussion will be to provide information on the water service charge increase and answer questions from the public. If you are unable to attend, you may also contact Kristi Smith at (805) 781-5298 or [kmsmith@co.slo.ca.us](mailto:kmsmith@co.slo.ca.us).

Sincerely,

WILL CLEMENS  
Public Works Finance Manager

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