

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 4/19/2016	(3) CONTACT/PHONE John Diodati, Deputy Director of Public Works (805) 788-2832	
(4) SUBJECT Introduction of an Ordinance amending sewer/waste disposal service charges in San Luis Obispo County Service Area No. 1 (CSA 1), Nipomo. Hearing date set for June 7, 2016. District 4.			
(5) RECOMMENDED ACTION It is recommended that the Board: <ol style="list-style-type: none"> 1. Introduce the attached Ordinance, which amends the Sewer/Waste Disposal Service Charges in County Service Area No. 1; and 2. Schedule a Public Hearing for June 7, 2016, to consider the attached Ordinance; and consider all valid protests to the proposed increase in sewer/ disposal service charges; and 3. Direct the Director of Public Works, or his designee, to mail notice of the public hearing in accordance with applicable law. 			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT N/A	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: 4/6/2010, #A-5; 5/25/10, #C-2	
(17) ADMINISTRATIVE OFFICE REVIEW David E. Grim			
(18) SUPERVISOR DISTRICT(S) District 4			

Reference: 16APR19-C-4

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works
John Diodati, Deputy Director of Public Works
Wade Horton, Director of Public Works

DATE: 4/19/2016

SUBJECT: Introduction of an Ordinance amending sewer/waste disposal service charges in San Luis Obispo County Service Area No. 1 (CSA 1), Nipomo. Hearing date set for June 7, 2016. District 4.

RECOMMENDATION

It is recommended that the Board:

1. Introduce the attached Ordinance, which amends the Sewer/Waste Disposal Service Charges in County Service Area No. 1; and
2. Schedule a Public Hearing for June 7, 2016, to consider the attached Ordinance and consider all valid protests to the proposed increase in sewer/disposal service charges; and
3. Direct the Director of Public Works, or his designee, to mail notice of the public hearing in accordance with applicable law.

DISCUSSION

County Service Area 1 (CSA 1) provides sewer/waste disposal service to approximately 150 homes in the Galaxy Park Area of Nipomo. CSA 1 operates the sewer collection system connected to each home, and the CSA 1 system then connects to the Nipomo Community Services District (NCSD) sewer system. The wastewater is treated and disposed by the NCSD. Effective January 1, 2016, the NCSD increased rates from \$529.92 to \$533.58 annually to CSA 1 for each home connected to the sewer system. This amount will continue to increase over the next several years through a series of rate increases. The NCSD agenda item from November 12, 2015, describes the need for the most recent rate increase (see attachment 2).

CSA 1 funds the charges from NCSD for sewer service as a pass through to the property owners in the district. Charges for the County's operation and maintenance of the collection system, separate from NCSD's system, are not proposed to be increased this fiscal year but would be increased by the Consumer Price Index for subsequent years through fiscal year 2020/21.

Sewer/waste disposal charges are computed annually and placed as a separate charge on property tax bills. This rate schedule will be effective for fiscal year 2016/17 through 2020/21. The following table illustrates the proposed annual rate change to CSA 1 property owners:

Annual Charge for Sewer/Waste Disposal Service (Fiscal years 2015/16 through 2016/17)				
Rate Component	Current Rate		New Rate	
Nipomo Community Services District Sewer Charge Component	\$529.92 Annual Charge	\$44.16 Monthly Equivalent	\$542.10 Annual Charge	\$44.47/ \$45.89 Monthly Equivalent*
County Collection System Operations Charge Component	\$138 Annual Charge	\$11.50 Monthly Equivalent	\$138 Annual Charge	\$11.50 Monthly Equivalent
Total Sewer/Waste Disposal Charge	\$667.92 Annual Charge	\$55.66 Monthly Equivalent	\$680.10 Annual Charge	\$56.68 Monthly Equivalent

The County Collection System Operations Charge component shown above shall be automatically adjusted annually every July 1st by the Consumer Price Index (CPI) to reflect increases in the cost of County operations.

Pursuant to Government Code 53756, the NCSD District Sewer charge component shall be adjusted annually every July 1st by the increase charged by NCSD.

*NCSD rates change on a calendar year, effective Jan 1st. County rates are charged on a fiscal year of July 1 to June 30th. NCSD monthly rate is \$44.47 for the first 6 months from July to December, and \$45.89 for the second six months, from January to June.

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel has reviewed the subject Ordinance and approved it as to legal form and effect. The County Clerk receives written protests and tallies them at the Public Hearing.

FINANCIAL CONSIDERATIONS

During the first fiscal year of the rate increase, the change to the Annual Charge for Sewer/Waste Disposal Service represents \$12.18 per residential property. The adjustment will generate additional revenues of approximately \$1,900 per fiscal year. This amount will all go toward the payment of sewer charges from the NCSD, which totals approximately \$83,000 per fiscal year for CSA 1. The recommendation includes an annual adjustment to the NCSD portion of the charge for NCSD increases (see attachment 2) and an annual adjustment of the County operations portion of the charge to reflect any changes to the Consumer Price Index (CPI). Rates have not been increased in CSA 1 since 2010.

RESULTS

Adjusting sewer/waste disposal rates in CSA 1 will ensure sufficient revenue to pay NCSD for the use of their facilities, which will contribute to a safe, healthy, livable, and well governed community in CSA 1, Nipomo.

ATTACHMENTS

1. Vicinity Map
2. NCSD Agenda Item E-1, November 12, 2015
3. Notice of Public Hearing on Ordinance to Amend the Sewer/Water Disposal Service in County Service Area No. 1
4. Ordinance Amending the Sewer/Water Disposal Service in County Service Area No. 1 - Nipomo

File: CF 320.10.05 Districts/CSA 1

Reference: 16APR19-C-4

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