

**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) 781-2832	
(4) SUBJECT Introduction of an Ordinance amending sewer/waste disposal service charges in San Luis Obispo County Service Area No. 1F (CSA 1F), 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"> <li>1. Introduce the attached Ordinance amending the Sewer/Waste Disposal Service Charges in County Service Area No. 1F; and</li> <li>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/waste disposal service charges; and</li> <li>3. Direct the Director of Public Works, or his designee, to mail notice of the public hearing in accordance with applicable law.</li> </ol>			
(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 checked="" type="checkbox"/> Ordinances <input 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: 4/6/10, A3; 5/25/10, C4	
(17) ADMINISTRATIVE OFFICE REVIEW David E. Grim			
(18) SUPERVISOR DISTRICT(S) District 4			

Reference:      16APR19-C-5

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works

John Diodati, Deputy Director of Public Works

VIA: 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. 1F (CSA 1F), Nipomo. Hearing date set for June 7, 2016. District 4.

## **RECOMMENDATION**

It is recommended that the Board:

1. Introduce the attached Ordinance amending the Sewer/Waste Disposal Service Charges in County Service Area No. 1F; 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/waste 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**

CSA 1F provides sewer/waste disposal service to approximately 70 homes in the Galaxy Park Area of Nipomo. CSA 1F operates the sewer collection system connected to each home, and the CSA 1F 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 1F 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 1F 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 1F 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 <i>Monthly Equivalent</i>	\$542.10 Annual Charge	\$44.47/\$45.89 <i>Monthly Equivalent*</i>
County Collection System Operations Charge Component	\$117 Annual Charge	\$9.75 <i>Monthly Equivalent</i>	\$117 Annual Charge	\$9.75 <i>Monthly Equivalent</i>
<b>Total Sewer/Waste Disposal Charge</b>	<b>\$646.92 Annual Charge</b>	<b>\$53.91 Monthly Equivalent</b>	<b>\$659.10 Annual Charge</b>	<b>\$54.93 Monthly Equivalent</b>
<p>The County Collection System Operations Charge shown above shall be automatically adjusted annually every July 1<sup>st</sup> by the Consumer Price Index (CPI) to reflect increases in the cost of County operations.</p> <p>Pursuant to Government Code 53756, the NCS D District Sewer charge component shall be adjusted annually every July 1st by the increase charged by NCS D.</p> <p>* NCS D rates change on a calendar year, effective Jan 1st. County rates are charged on a fiscal year of July 1 to June 30<sup>th</sup>. NCS D 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.</p>				

## 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 \$865 per fiscal year. This amount will all go toward the payment of sewer charges from the NCS D, which totals approximately \$38,500 per fiscal year for CSA 1F. The recommendation includes an annual adjustment to the NCS D portion of the charge for NCS D 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 1F since 2010.

## RESULTS

Adjusting sewer/waste disposal rates in CSA 1F will ensure sufficient revenue to pay NCS D for the use of their facilities which will contribute to a Safe, Healthy, Livable, and Well Governed Community in CSA 1F Nipomo.

## ATTACHMENTS

1. Vicinity Map
2. NCS D Agenda Item E-1, November 12, 2015
3. Notice of Public Hearing On Ordinance to Increase Sewer/Waste Disposal Rate in County Service Area No. 1 (CSA 1F) in Nipomo
4. Ordinance Amending Sewer/Waste Disposal Service Charges for San Luis Obispo County Service Area No. 1F - Nipomo

File: Districts/CSA 1F  
Reference: 16APR19-C-5

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