

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

(1) DEPARTMENT Public Works	(2) MEETING DATE 6/7/2016	(3) CONTACT/PHONE John Diodati, Deputy Director of Public Works (805) 781-2832	
(4) SUBJECT Hearing to consider protests to a proposed sewer/waste charge increase in San Luis Obispo County Service Area No. 1 (CSA1) and consider adoption of the Ordinance if no majority protest exists. District 4.			
(5) RECOMMENDED ACTION It is recommended that the Board: <ol style="list-style-type: none"> 1. Hold a hearing to consider protests to the proposed Ordinance which amends the Sewer/Waste Disposal Service Charges in County Service Area No. 1, and upon conclusion of the hearing determine whether there is a majority protest; and 2. If there is not a majority protest, adopt the attached Ordinance, which amends the sewer/waste charges in County Services Area No. 1 (CSA 1); and 3. If adopted, the board waive the reading of the ordinance. 			
(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 type="checkbox"/> Consent <input type="checkbox"/> Presentation <input checked="" type="checkbox"/> Hearing (Time Est. 10 min) <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, A-5; 5/25/10, C-2; 4/19/16,#2	
(17) ADMINISTRATIVE OFFICE REVIEW David E. Grim			
(18) SUPERVISOR DISTRICT(S) District 4			

Reference: 16JUN07-H-1

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: 6/7/2016

SUBJECT: Hearing to consider protests to a proposed sewer/waste charge increase in San Luis Obispo County Service Area No. 1 (CSA1) and consider adoption of the Ordinance if no majority protest exists. District 4.

RECOMMENDATION

It is recommended that the Board:

1. Hold a hearing to consider protests to the proposed Ordinance which amends the Sewer/Waste Disposal Service Charges in County Service Area No. 1, and upon conclusion of the hearing determine whether there is a majority protest; and
2. If there is not a majority protest, adopt the attached Ordinance, which amends the sewer/waste charges in County Services Area No. 1 (CSA 1); and
3. If adopted, the board waive the reading of the ordinance.

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	<i>\$44.16 Monthly Equivalent</i>	\$542.10 Annual Charge	<i>\$44.47/\$45.89 Monthly Equivalent*</i>
County Collection System Operations Charge Component	\$138 Annual Charge	<i>\$11.50 Monthly Equivalent</i>	\$138 Annual Charge	<i>\$11.50 Monthly Equivalent**</i>
Total Sewer/Waste Disposal Charge	\$667.92 Annual Charge	<i>\$55.66 Monthly Equivalent</i>	\$680.10 Annual Charge	<i>\$56.68 Monthly Equivalent</i>
<p>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. ** Annual CPI adjustment to begin the following FY 2017-18.</p> <p>Pursuant to Government Code 53756, the NCSD District Sewer charge component shall be adjusted annually every July 1st by the increase charged by NCSD.</p> <p>* 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.</p>				

Staff introduced the attached Ordinance on the Board's Consent Agenda on April 19th, 2016. Notices were mailed to all property owners in CSA 1, in accordance with applicable law. Property owners were informed of the hearing date, rate increase information, and instructions for protesting the proposed increase. At the conclusion of the hearing, after tallying all written protests submitted, it will be determined if there is a majority protest. If there has been a majority protest, the Board may not adopt the ordinance. If there is not a majority protest, staff recommends the Board adopt the attached ordinance to amend sewer/waste charges and waive the reading of the ordinance.

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. Ordinance Amending the Sewer/Water Disposal Service in County Service Area No. 1 - Nipomo

File: CF 320.10.05 Districts/CSA 1

Reference: 16JUN07-H-1

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