



NOTICE OF PUBLIC HEARING

PROPOSED WATER RATE INCREASE FOR CSA 16 - SHANDON

MARCH 24, 2020 - 9:00 AM

COUNTY OF SAN LUIS OBISPO, BOARD OF SUPERVISORS CHAMBERS
 1055 MONTEREY STREET
 SAN LUIS OBISPO, CA 93408

This Notice of Public Hearing provides information about the proposed water rate increase for County Service Area 16 (CSA 16) Shandon pursuant to the requirements of California Constitution Article XIII (Proposition 218). This notice provides information on (1) why the proposed rate increase is needed, (2) how the rates were calculated, (3) the amount of the rate increase, (4) how customers can receive more information, and (5) how to file a protest regarding the proposed rate increase. **If you agree with the need for the proposed water service charges, no action on your part is required.** If you oppose the proposed water service charges your protest must be submitted in writing, see below.

WHY ARE WATER RATES ARE BEING INCREASED?

The CSA 16 water system is entirely financed by rates and fees associated with water service. Through the sales of water, CSA 16 must generate enough revenues to cover expenditures, loan payments, and maintain a reasonable operating reserve. The proposed increase to water service charges was calculated to generate additional annual revenues of approximately \$180,000. This will provide for increased operations and maintenance (O&M) due to an aging system, provide for the increasing costs of State Water, and to pay existing loan debt. With this proposed rate increase the County will be able to continue to provide you with clean drinking water right to your tap.

Operations and Maintenance Needs (~\$107,500)

The water system is nearly 50 years old with many of the components being original. The only significant improvements since 1972 have been a new tank in 2001, a new well drilled in 2002, and a State Water Turnout in 2017 but most of the distribution piping is original material. As such, operators need additional time to perform routine maintenance, preventative maintenance, and emergency maintenance. As the system ages emergency maintenance costs associated with line breaks increase as well as the need to do more preventative maintenance to lengthen the life of the system.

State Water Needs (~\$60,000)

State Water Project costs have increased significantly since 2015 and were not anticipated to this extent. Costs associated with the Oroville Dam disaster as well as the State Water Projects aging infrastructure are several reasons for the increased costs, these increases are then passed onto the State Water Contractors such as CSA 16.

Loan Payments (~\$12,500)

Financially, it is important that CSA 16 continue to pay its loan obligations to be eligible for future grants and low interest loans. In 2016, a total of \$179,000 in loans were approved by the Board of Supervisors for CSA 16 from the District for additional costs associated with the State Water Turnout construction that could not be funded through existing funds. With this rate increase it is anticipated that the District loans will be paid off in 2031.

For more information, please contact County of San Luis Obispo Department of Public Works:
 Jill Ogren at 805-781-5263
 (jogren@co.slo.ca.us) or
 Visit the website:
www.slocounty.ca.gov/pw/csa16

HOW WAS THE PROPOSED WATER RATE CALCULATED?

Under the CSA 16 rate structure, customers are charged a Basic Bi-Monthly Charge made up of a minimum charge and a usage charge. The minimum charge is applied to all customers regardless of quantity of water used. The usage charge is based on a three-tiered rate structure; 0-10 units, 11-16 units and greater than 16 units, each charged at a defined rate. Significant factors used to calculate the proposed water rate increase are as follows:

Basic Bi-Monthly Charge = Minimum Charge + Usage Charge

MINIMUM CHARGE - Charge to All Customers				
Needs	Additional Annual Revenue Needed	Customers (+)	Water Bills per year (+)	Increase to Bi-Monthly Rate
70% of Operations & Maintenance, State Water, & Loan Payments	\$ 126,652	343	6	\$ 61.54
USAGE CHARGE - Charge Per Unit of Water Used 1 Unit = 1 CCF = 748 gallons		Annual Community Water Usage in Units*	Increase to each Tier Per Unit Charge	
30% of Operations & Maintenance, State Water, & Loan Payments	\$ 54,280	34,833	\$ 1.56	
* Lowest Usage in the last 5 years				

Proposed Rate Increase			
	Current Bi-Monthly Rate	Increase to Current Rate	New Bi-Monthly Rate
Minimum Charge	\$ 71.67	\$ 61.54	\$ 133.21
Usage Charge per Unit of water used*			
0-10 Units	\$ 0.00	\$ 1.56	\$ 1.56
11-16 Units	\$ 4.30	\$ 1.56	\$ 5.86
Greater than 16 Units	\$ 5.74	\$ 1.56	\$ 7.30
*1 Unit = 1CCF=748 gal			

HOW DO I PROTEST THE PROPOSED WATER RATE?

Under Proposition 218, if you are the owner of record of a parcel or parcels or a tenant directly responsible for payment of the water bill, you may submit a written protest against the proposed changes to the water rates presented in this notice. Only one written protest per affected property will be counted towards the majority protest. If written protests are filed by a majority of the affected parcel owners and/or customers, the proposed rate increases will not be imposed. Although oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest, the Board of Supervisors welcome input from the community during the public hearing.

It is important that you follow these instructions in order for your protest to be valid:

- The protest must be submitted in writing and received by the County Clerk at or before the end of the public hearing on March 24, 2020.** Written protests may be mailed or personally delivered to the Clerk of the Board of Supervisors at 1055 Monterey Street Suite D430, San Luis Obispo, CA 93408. Email and fax protests will not be valid.
- Protests must contain:
 - Printed name and signature of the protester;
 - Service address (or the Assessor's Parcel Number) of the affected property; and
 - Statement that it is the water service charge increase that is being protested

A protest form is provided on the back of this notice for your convenience. It must be *filled out completely* in order to be valid. It can either be mailed or personally delivered to the **Clerk of the Board of Supervisors** at **1055 Monterey Street Suite D430, San Luis Obispo, CA 93408.**



PROPOSED WATER RATE INCREASE FOR CSA 16 - SHANDON - PROTEST FORM

DATE: NAME:
 (PLEASE PRINT)

SERVICE ADDRESS IN SHANDON: APN OF PROPERTY:
 (PLEASE PRINT)

I AM PROTESTING THE PROPOSED WATER RATE (CHECK BOX) SIGNATURE:

PROPERTY OWNER ACCOUNT HOLDER