

PROPOSED RATE INCREASE FOR WATER SERVICE PROTEST FORM

DATE:

NAME:

(PLEASE PRINT)

SERVICE ADDRESS: OR APN#:

(PLEASE PRINT)

I AM PROTESTING THE PROPOSED WATER RATE (CHECK BOX)

SIGNATURE:

PROPERTY OWNER

WATER SERVICE ACCOUNT HOLDER



COUNTY
of
SAN LUIS
OBISPO

PUBLIC WORKS DEPARTMENT

County Government Center, Rm. 206
San Luis Obispo, CA 93408

NOTICE OF PUBLIC HEARING PROPOSED RATE INCREASE FOR WATER SERVICE

The County of San Luis Obispo Board of Supervisors will be holding a public hearing to consider proposed adjustment to water rates. The hearing will be held on:

DATE: **AUGUST 13, 2019**

TIME: **9:00 AM**

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

The public hearing will cover proposed rate increases from 2019-2022 for water service only. This notice is provided to all property owners and customers who currently receive water services provided by the County Service Area No. 23 (Santa Margarita). If adopted, the proposed rate increases will become effective September 13, 2019.



NOTICE OF PUBLIC HEARING PROPOSED RATE INCREASE FOR WATER SERVICE

August 13, 2019 - 9:00 AM - County of San Luis Obispo
Board of Supervisors Chambers

The Notice of Public Hearing provides information about proposed rate increases to the County's water service pursuant to the requirements of California Constitution Article XIII (commonly referred to as Proposition 218). This notice provides information on (1) the amount of the fee, (2) the reasons for the required rate increases, (3) how water rates are calculated, (4) how customers can receive more information on the effect of the proposed changes to their water bills, and (5) how to file a protest regarding the proposed rate increases.

WATER RATES

The CSA 23 water system is entirely financed by rates and fees associated with water service. Through the sales of water, CSA 23 must generate enough revenues to cover expenditures, loan payments, and maintain a reasonable operating reserve. The proposed increase to water service charges were calculated to generate additional annual revenues of approximately \$155,000 to provide for operations and maintenance (O&M), implement capital maintenance projects, and build reserves, all of which are needed to continue delivering safe drinking water to you. Without this rate increase, the needed operations and maintenance activities and capital maintenance projects cannot be accomplished, and additional loans may be needed putting the system into further debt.

It is challenging for small water systems to fund needed improvement projects because the cost of improvements is spread over a small population which can make everyone's proportional share expensive. The proposed increase will be phased over three years to reduce impact to you.

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.

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.

1. **The protest must be submitted in writing and received by the County Clerk at or before the end of the public hearing on August 13, 2019.** 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.**
2. 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.**

WHY ARE WATER RATES BEING INCREASED?

There is a need for additional annual funding to provide for increased operations and maintenance (O&M) costs due to an aging system, implement needed capital maintenance projects, and build reserves to an acceptable level.

Operations and Maintenance Needs (~\$75,000/yr)

The water system is over 60 years old with many of the components being original. As such, operators need additional time to perform routine system monitoring and sampling, exercising of valves and system flushing to continue to provide safe reliable water that meets drinking water standards. Due to the aging system, the system is experiencing more leaks requiring emergency repairs. Handling these quickly helps reduce interruptions to service and water losses. Additionally, there have been unavoidable increases in the cost of doing business, including labor rates for the required certified water system operators.

Capital Maintenance Projects (~\$60,000/yr)

There are capital maintenance projects needed such as meter replacements, tank inspections/repair, customer service line replacements, and improvements to upgrade or replace system components.

- Meter replacements improve water accounting and reduce water and revenue losses
- Tank inspections/repair maintain system assets necessary for operation
- Service line replacements reduce leaks and interruptions to you the customer
- System improvements to upgrade undersized lines, install new valves, abandon obsolete equipment, all which improve system performance and reliability and lengthen the life of the system

Build Reserves (~\$20,000/yr)

Reserves are similar to a savings account for your water system. Financially, it is critical to maintain a reasonable level of operating reserves which can be used to provide funding for unforeseen emergencies, and unplanned system needs. At the end of fiscal year 18/19, CSA 23's operating reserves will be less than \$1,000, for a system of this size it should be approximately \$250,000. Having a stable level of operating reserves increases the systems eligibility for low interest loans and grants to support significant capital projects that may be needed in the future. The proposed rate increase will generate approximately \$20,000 per year towards reaching the \$250,000 reserve goal.

HOW CAN I GET MORE INFORMATION?

Please call
Jill Ogren 805-781-5263 (jogren@co.slo.ca.us) OR
Ron Munds 805-781-5267 (rmunds@co.slo.ca.us)

Visit the website www.slocounty.ca.gov/pw/csa23

HOW ARE WATER RATES CALCULATED?

Under the CSA 23 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 only applies to the actual quantity of water used. Any water used above zero (0) is charged at this rate.

Significant factors used to calculate the proposed water rate increase are as follows:

Basic Bi-Monthly Charge = Minimum Charge + Usage Charge

MINIMUM RATE - Charge to All Customers				
Needs	Additional Annual Revenue Needed	Customers (+)	Water Bills per year (+)	Increase to Bi-Monthly Rate
Operations & Maintenance & Reserves	\$ 95,000	500	6	\$ 31.67
USAGE RATE - Charge Per Unit of Water Used			Annual Community Unit Usage*	Increase to Per Unit Charge
Capital Maintenance Projects	\$ 60,000	40,000		\$ 1.50
* 10% less than Community's Lowest Annual Usage of 44,000 units				

PROPOSED RATE INCREASE FOR THE NEXT THREE YEARS

		CURRENT BI-MONTHLY RATE	INCREASE TO CURRENT RATE	NEW BI-MONTHLY RATE
3-Yr Phased Rate Increase with equal increases each year				
FY 2019/2020	MINIMUM CHARGE	\$ 69.74	\$ 10.56	\$ 80.30
	USAGE CHARGE PER UNIT 1 Unit = 748 gallons	\$ 3.10	\$ 0.50	\$ 3.60
FY 2020/2021	MINIMUM CHARGE	\$ 80.30	\$ 10.56	\$ 90.86
	USAGE CHARGE	\$ 3.60	\$ 0.50	\$ 4.10
FY 2021/2022	MINIMUM CHARGE	\$ 90.86	\$ 10.56	\$ 101.41
	USAGE CHARGE	\$ 4.10	\$ 0.50	\$ 4.60
Average Increase to Bi-Monthly Water Bill is \$16.06 for customer using 11 units.				