

ORDINANCE NO. 2006-01

AN ORDINANCE OF THE GOVERNING BOARD OF THE SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT ESTABLISHING MONTHLY RATES FOR SERVICE CHARGES AND SETTING CONNECTION FEES.

THE BOARD OF DIRECTORS OF THE SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT DOES ORDAIN AS FOLLOWS:

**WHEREAS**, the South County Sanitation District (District) operates a waste water treatment facility and maintains trunk lines that services the Communities of Arroyo Grande, Grover Beach and the Oceano Community Services District (Oceano) and;

**WHEREAS**, the entirety of it's funding from service charges and connection fees and the District has not raised connection and service fees since 1983 and 1986 and;

**WHEREAS**, the District has determined a need based upon a short fall for overhead expenses and for capital projects and;

**WHEREAS**, the District has retained the services of Tuckfield and Associates to conduct a rates study to determine rates appropriately fund the District for capital improvements and overhead expenses into the future and;

**WHEREAS**, the Districts Board of Directors has considered The Tuckfield report and has asked for modifications based upon local knowledge regarding actual flows and;

**WHEREAS**, the District has reviewed the Report and associated information with the Utilities Staff for Arroyo Grande, Grover Beach and Oceano and has reached concurrence in regards to the data contained therein.

**WHEREAS**, based upon facts and analysis presented Tuckfield and Associates, the Rate Study, the District Engineer's analysis, and the Staff Report, the Board of Directors finds:

- A. The public meetings adopting this Ordinance have been properly noticed pursuant to Government Code Section 54954.2 (The Brown Act); and
- B. That notice has been published and Mailed as required by law; and
- C. The fees, rates and charges that are the subject of this Ordinance do not exceed the estimated reasonable cost of providing the services for which the fees and/or charges are imposed; and
- D. That the public benefits from the logical, long-range approach to the operation, maintenance and financing of public facilities:

**NOW THEREFORE**, be it resolved and judged and determined that the District Rates structure shall be as follows:

The chart attached as **Exhibit A** to this Ordinance sets forth each customer classification, the existing rates and the rates by classification.

The chart attached as **Exhibit B** sets forth the connection fees.

The Board of Directors of the District hereby determines that it is necessary for the effective operation of the District to fund all projects that are anticipated and in anticipation of overhead costs and that the charges and fees outlined in **Exhibit A** and **Exhibit B** are necessary and hereby orders these fees to be implemented as set forth in **Exhibit A** and **Exhibit B**.

**Section 3.** The Recitals to this Ordinance are true and correct and incorporated herein by reference.

#### **Section 4. Repeal of Prior Ordinances and Resolutions**

All Ordinances, sections of Ordinances and Resolutions that are inconsistent with this ordinance are hereby repealed.

#### **Section 5. Effect of Repeal on Past Actions and Obligations.**

This Ordinance does not affect prosecutions for Ordinance violations committed prior to the effective date of this Ordinance, does not waive any fee or penalty due and unpaid on the effective date of this Ordinance..

#### **Section 6. CEQA Findings**

The Board of Directors of the District finds that the fees and charges adopted by this Ordinance are exempt from the California Environmental Quality Act pursuant to Public Resources Code § 21080(b)(8) and CEQA Guidelines Section 15273. The Board of Directors further finds that the adoption of the Rules and Regulations established by this Ordinance fall within the activities described in Section 15378(b)(4) and (5) of the CEQA Guidelines which are deemed not to be "projects" for the purposes of CEQA, because it can be seen with certainty that the adoption of the Fees and Charges that are the subject of this Ordinance will not have a significant effect on the environment. The District Administrator is directed to prepare and file an appropriate notice of exemption.

#### **Section 7. Severance Clause.**

If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional, ineffective or in any manner in conflict with the laws of the United States, or the State of California, such decision shall not affect the validity of the remaining portions of this Ordinance. The Governing Board of the District hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsection, sentence, clause or phrase be declared unconstitutional, ineffective, or in any manner in conflict with the laws of the United States or the State of California.

#### **Section 8. Effect of Headings in Ordinance.**

Title, division, part, chapter, article, and section headings contained herein do not in any manner affect the scope, meaning, or intent of the provisions of this Ordinance.

**Section 9. Effective Date.**

The Connection fees established by this Ordinance shall take effect sixty (60) days after passage. The Service Charges established by this Ordinance shall take effect thirty (30) days after passage. Before the expiration of fifteen (15) days after passage it shall be posted in three (3) public places with the names of the members voting for and against the Ordinance and shall remain posted thereafter for at least one (1) week. The Ordinance shall be published once with the names of the members of the Board of Directors voting for and against the Ordinance in a newspaper of general circulation within the District.

Based upon motion made by: Director Ekbohm

Seconded by: Director Dahl

And upon Roll Call Vote:


AYES: Director Ferrara, Director Ekbohm, Director Dahl

NOES: None

ABSENT: None

ABSTAINING: None

This Ordinance is hereby adopted as of November 29, 2006.

  
\_\_\_\_\_  
Vice Chairman

  
\_\_\_\_\_  
Secretary of Board

  
\_\_\_\_\_  
MICHAEL W. SEITZ  
District Legal Counsel

**South San Luis Obispo County Sanitation District**

**NOTICE OF PROPOSED SERVICE CHARGE AND CONNECTION FEE INCREASE**

Dear Property Owner:

This is a notice to explain the proposed increases in service charges and connection fees for the South San Luis Obispo County Sanitation District (SCSD). This notice is being sent to all property owners within the District or who currently receive service outside the District. The proposed rate increases will be recommended for adoption by the SCSD's Board of Directors at a public hearing described in this notice.

**NOTICE OF PUBLIC HEARING**

At a public hearing the SCSD will consider proposed increases for service charges and connection fees. The proposed changes are listed in this notice. The public hearing will be held on November 29<sup>th</sup>, 2006 at 6 o'clock p.m. at the Oceano Community Services District office building located at : 1655 Front Street Oceano, CA.

Annual rate increases beginning in January 2007 through May 1<sup>st</sup>, 2010 with subsequent inflationary adjustments will be recommended for adoption by the Board of Directors at the November 29<sup>th</sup>, 2006 public hearing. If approved, these rate increases will take effect January 1<sup>st</sup>, 2007.

Customers may voice their support or opposition to the proposed rate changes during the public hearing. In addition, customers may support or protest the proposed rates by filing a written statement with the District's secretary at or before the time set for the public hearing. A written statement of support or protest should include the property owner's name and address and which portion of the rate changes are being supported or protested and mailed to SCSD P.O. Box 339 Oceano, CA 93445.

The SCSD Board of Directors will be discussing the proposed rates on November 1<sup>st</sup> at the Board's regular meeting at 6 P.M. at 1655 Front Street Oceano, CA. The public will also have the opportunity to ask questions of the District Staff and make comments to the Board at that meeting.

**WHY CHANGE THE SEWER RATES**

Providing reliable and affordable sewer service is the mission of the District. The District is required to provide service primarily through user rates. It receives no other funding by property taxes or otherwise for the provision of sewer service. The proposed sewer rate increases are needed to:

1. Provide sufficient funds for ongoing operation and maintenance.
2. Support rehabilitation and upgrade of the facilities, which provide service and to comply with governmental regulations.
3. To maintain reserves to reduce risk and prudently manage Districts' resources.

What follows is additional information for your consideration. First you will see the current and proposed service charges. Following you will see a comparison of current and proposed connection fees.

**HOW THE TYPICAL SEWER BILL BE AFFECTED**

**Current and Proposed Monthly Wastewater Service Rates**

<b>Customer Classification</b>		<b>Existing Rates</b>	<b>Future Rate As of Jan 1, 2007</b>	<b>Future Rate As of May 1, 2007</b>	<b>Future Rate As of May 1, 2008</b>	<b>Future Rate As of May 1, 2009</b>	<b>Future Rate As of May 1, 2010</b>
a.	Residences and Apartments	\$6.50	\$8.93	\$10.70	\$12.31	\$13.52	\$14.86
b.	Hotel Units with Kitchens	5.20	9.41	11.29	12.98	14.28	15.71
c.	Motel Units without Kitchens	4.40	6.02	7.22	8.30	9.12	10.02
d.	Hotel Room	4.55	6.22	7.46	8.58	9.42	10.36
e.	Commercial Establishments	6.73	4.59	5.51	6.26	6.97	7.65
	Each additional employee above 5	0.44	0.92	1.10	1.25	1.39	1.53
f.	Beauty Shops	8.66	8.49	10.19	11.60	12.73	13.97
	Each additional operator above 6	0.86	1.41	1.70	1.93	2.12	2.33
g.	Eating Establishments w/o Grinders	9.31	9.11	10.92	12.56	13.79	15.16
	Each additional 5 seats above 30	1.01	1.52	1.82	2.09	2.30	2.53
h.	Restaurants (w/ Grinders) less than 30 seats	14.78	17.30	20.67	24.31	28.12	31.07
	Restaurants (w/ Grinders) seats over 30	18.29	22.18	26.51	31.17	36.06	39.84
i.	Laundromats - per washing machine	2.96	5.83	7.01	7.98	8.85	9.71
	minimum charge	8.71	17.50	21.03	23.93	26.54	29.14
j.	Service Stations - no wash/rack	7.86	23.26	27.91	31.84	34.11	37.41
	Service Stations - with wash/rack	12.47	34.18	41.06	46.56	49.65	54.40
k.	Factories	12.47	13.34	16.02	18.30	20.08	22.05
	Each additional employee above 20	0.38	0.66	0.80	0.91	1.00	1.10
l.	Churches	6.71	7.57	9.10	10.34	11.44	12.56
	Per ADA with elementary school	0.21	0.21	0.25	0.28	0.31	0.34
	Per ADA with other school	0.30	0.30	0.36	0.42	0.46	0.51
m.	Bottling Plants	12.47	13.34	16.02	18.30	20.08	22.05
n.	Schools (Non-boarding)	3.25	4.27	5.13	5.83	6.44	7.07
	Per ADA with elementary school	0.21	0.20	0.24	0.27	0.30	0.33
	Per ADA with other school	0.30	0.31	0.38	0.43	0.47	0.52
o.	Schools (Boarding)	3.25	4.27	5.13	5.83	6.44	7.07
	Per ADA with elementary school	0.38	0.43	0.51	0.59	0.65	0.71
	Per ADA with other school	0.48	0.57	0.68	0.78	0.86	0.95
p.	Trailer/Mobile Home Space	6.50	2.52	3.02	3.47	3.81	4.19
q.	RV Dump Stations - Less Than 50 services	21.00	25.22	30.15	35.20	38.75	42.69
r.	Brine (per gallon)	\$0.01125	\$0.01125	\$0.01125	\$0.01125	\$0.01125	\$0.01125

FY 2006-07 rates to be implemented January 1. All other rates to be implemented May 1 of fiscal year. After FY 2010-11, rates increase by the change in CPI. Rate adjustments reflect changes in capital cost allocations with the addition of capital improvements to fixed assets.

**Comparison of Existing and Proposed Connection Fees**

<b>Dwelling Unit or Meter Size</b>	<b>Existing Connection Fee</b>	<b>Proposed Connection Fee</b>
Single Family Dwelling unit	\$2,000	\$2,475
Apartment Complex (Bachelor, 1 or 2 bedrooms)	\$1,500	\$1,856
Apartment Complex (3 or more bedrooms)	\$2,000	\$2,475
Motel/Hotel (per room)	\$1,000	\$1,237
Hybrid Use	\$1,500	\$1,856
Condominium (per unit)	\$2,000	\$2,475
Mobile Home Parks (per space)	\$2,000	\$2,475
Travel Trailer (per space)	\$1,000	\$1,237
5 / 8 inch (meter)	\$2,000	\$2,475
3 / 4 inch (meter)	\$2,800	\$3,712
1 inch (meter)	\$4,900	\$6,187
1 to 1 1 / 2 inch (meter)	\$11,000	\$13,612
2 inch (meter)	\$19,500	\$24,131
3 inch (meter)	\$44,000	\$54,450