

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 Ekbom

Seconded by: Director Dahl

And upon Roll Call Vote:


AYES: Director Ferrara, Director Ekbom, Director Dahl

NOES: None

ABSENT: None

ABSTAINING: None

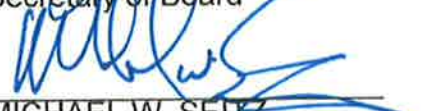
This Ordinance is hereby adopted as of November 29, 2006.



Vice Chairman



Secretary of Board



MICHAEL W. SETZ
District Legal Counsel

EXHIBIT A

South San Luis Obispo County Sanitation District Wastewater Treatment Facility

Proposed Annual Wastewater Service Rates

Customer Classification	Existing Rates	Future Rate		Future Rate		Future Rate		Future Rate	
		As of Jan 1, 2007	As of May 1, 2007	As of May 1, 2008	As of May 1, 2009	As of May 1, 2010	As of May 1, 2009	As of May 1, 2010	As of May 1, 2010
a. Residences and Apartments	\$78.00	\$107.15	\$128.46	\$147.72	\$162.27	\$178.38	\$162.27	\$178.38	\$178.38
b. Hotel Units with Kitchens	62.40	112.88	135.45	155.77	171.35	188.48	171.35	188.48	188.48
c. Motel Units without Kitchens	52.80	72.23	86.59	99.58	109.38	120.24	109.38	120.24	120.24
d. Hotel Room	54.60	74.65	89.49	102.92	113.05	124.27	113.05	124.27	124.27
e. Commercial Establishments Each add employee above 5	80.80	55.03	66.15	75.14	83.60	91.79	83.60	91.79	91.79
f. Beauty Shops Each add operator above 6	5.30	11.01	13.23	15.03	16.72	18.36	16.72	18.36	18.36
g. Eating Establishments w/o Grinders Each add 5 seats above 30	103.90	101.84	122.34	139.23	152.72	167.62	152.72	167.62	167.62
h. Restaurants w/ Grinders less than 30 seats Restaurants w/ Grinders seats over 30	10.30	16.97	20.39	23.21	25.45	27.94	25.45	27.94	27.94
i. Laundromats - per washing machine minimum charge	111.70	109.29	131.03	150.68	165.51	181.94	165.51	181.94	181.94
j. Service Stations - no wash/rack Service Stations - with wash/rack	12.10	18.22	21.85	25.12	27.60	30.34	27.60	30.34	30.34
k. Factories Each add employee above 20	177.30	260.17	310.94	365.56	422.97	467.31	422.97	467.31	467.31
l. Churches Per ADA with elementary school Per ADA with other school	219.50	257.40	307.63	361.67	418.47	462.33	418.47	462.33	462.33
m. Bottling Plants	35.50	70.00	84.12	95.72	106.16	116.58	106.16	116.58	116.58
n. Schools (Non-boarding) Per ADA with elementary school Per ADA with other school	104.50	210.01	252.35	287.16	318.49	349.73	318.49	349.73	349.73
o. Schools (Boarding) Per ADA with elementary school Per ADA with other school	94.30	279.09	334.92	382.14	409.29	448.93	409.29	448.93	448.93
p. Trailer/Mobile Home Space	149.60	410.17	492.78	558.73	595.85	652.82	595.85	652.82	652.82
q. RV Dump Stations - Less Than 50 services	149.60	160.11	192.20	219.58	240.97	264.64	240.97	264.64	264.64
r. Brine	4.60	7.98	9.58	10.94	12.01	13.19	12.01	13.19	13.19
	80.50	90.89	109.25	124.11	137.27	150.68	137.27	150.68	150.68
	2.50	2.49	2.99	3.40	3.76	4.13	3.76	4.13	4.13
	3.60	3.64	4.36	5.02	5.52	6.07	5.52	6.07	6.07
	39.00	51.21	61.55	69.92	77.34	84.89	77.34	84.89	84.89
	2.50	2.39	2.87	3.26	3.60	3.96	3.60	3.96	3.96
	3.60	3.75	4.51	5.12	5.66	6.22	5.66	6.22	6.22
	39.00	51.21	61.55	69.92	77.34	84.89	77.34	84.89	84.89
	4.60	5.11	6.14	7.06	7.76	8.54	7.76	8.54	8.54
	5.70	6.82	8.18	9.41	10.35	11.38	10.35	11.38	11.38
	78.00	30.22	36.22	41.66	45.76	50.30	45.76	50.30	50.30
	252.00	302.89	361.82	422.42	464.97	512.27	464.97	512.27	512.27
	\$0.01125	\$0.01125	\$0.01125	\$0.01125	\$0.01125	\$0.01125	\$0.01125	\$0.01125	\$0.01125

[a] 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 increase in the CPI.

[b] Rate adjustments reflect changes in capital cost allocations that change with the addition of capital improvements to fixed assets.

EXHIBIT B

SEWER CONNECTION CHARGES

No connection shall be made to the sewerage system until there shall have been paid to said District a connection charge based upon the following schedule, such amounts to be in addition to charges for service, permits, inspections, and the requirements of any other rule, regulation or ordinance of the District. Schedule for computing the amount of each individual connection charge shall be as follows:

(a) All new sewer connections made after the effective date of this ordinance within the South San Luis Obispo County Sanitation District and any future expansion inside shall be charged in accordance with the schedule set forth in this paragraph for the purpose of maintaining a sinking fund for treatment plant expansion and sewer line enlargement. Said rates shall be as follows:

- (1) **Single Family Dwelling Unit** - \$2,475 hookup fee.
- (2) **Apartment Complex** (Bachelor, one or two bedrooms) - \$1,856 per dwelling unit.
- (3) **Apartment Complex** (three or more bedrooms) - \$2,475 per dwelling unit.
- (4) **Motel or Hotel** - \$1,237 per individual room within the hotel or motel, plus charge for the residential facilities for the hotel or motel.
- (5) **Hybrid Use** - \$1,856 per dwelling unit characterized by ownership of individual dwelling units within a complex with right to limited time usage.

Optional Method of Determination of Fee: As an option to the above required fee, a Hybrid Use project may utilize a capacity-based approach to the calculation of impact fees for connection to the wastewater treatment facilities as further described in this Section. Fees are to be determined after calculating the per-capita flow to be generated by the project at full occupancy, for each type of unit within the project; then comparing that calculated flow to the typical average wastewater flows generated by residential sources as described below as "units of capacity" in gallons per capita per day (GPCD).

MOTEL/HOTEL U.O.C. 50 GPCD

CONDOMINIUM U.O.C. 70 GPCD

Determination for an Adjustment of Charges: The Applicant will submit a Determination for an Adjustment of Charges including flow calculations by a Registered Civil Engineer utilizing local wastewater flow rates, and references from the latest edition of Metcalf & Eddy's text: Wastewater Engineering—Treatment/Disposal/Reuse. After review and approval of the Determination for an Adjustment of charges by the District Engineer, connection charges will be based on the following:

If the "anticipated units of capacity" are equal to or less than one hundred and ten percent (110%) of the Motel or Hotel units of capacity, the charge shall be the Motel or Hotel usage charge: \$1,237 per unit.

If the "anticipated units of capacity" are equal to or greater than ninety percent (90%) of the Condominium units of capacity, the charge shall be the Condominium usage charge: \$2,475 per unit.

If the "anticipated units of capacity" are between the two ranges above, the charge shall be \$1,856 per unit.

If there is a change of occupancy for owners so as to allow full time usage, the full Condominium rate shall be charged.

- (6) **Condominiums** and similar type structures that are privately owned units - \$2,475 hookup fee per dwelling unit.
- (7) **Mobile Home Parks** - \$2,475 per unit plus \$2,475 for each washroom and restroom.
- (8) **Travel Trailer or Recreational Vehicle Park** - \$1,237 per space plus \$2,475 for each residential unit at the park and \$2,475 for each washroom and restroom.
- (9) **Commercial establishments**, schools, manufacturing, industrial or any similar use – charge to be based on the capacity of the meters, the square or the meter size and the ratio of the meter:

5 /8 Inch Meter	-	\$ 2,475.00
3 /4 Inch Meter	-	3,712.00
1 Inch Meter	-	6,187.00
1 to 1 1 /2 Inch Meter	-	13,612.00
2 Inch Meter	-	24,131.00
3 Inch Meter	-	54,450.00

Larger size to be determined on ratio of size of meter.

(b) Requests for Relief: The Board of Directors may consider requests for relief from payment of Sewer Connection Charges. Applicants shall present written evidence that establishes the following as a part of the application:

- (1) That they are a charitable non-profit organization and have received 501(c)3 status from the Internal Revenue Service.
- (2) That the Applicant's project relates to the Arts or recreation and has a broad District wide base of support and anticipated participation.
- (3) That the Applicant does not have the present financial resources to pay the sewer connection charge.

If the Applicant establishes the above criteria to the Board of Directors' satisfaction, the Board of Directors shall have the following options:

(A) If the Applicant's financial inability to pay the fee is anticipated to be resolved within one year, the Board of Directors may approve

an agreement with Applicant to hold the fee in abeyance for a one year term from the date of application on such terms and conditions as the Board of Directors deems appropriate.

(B) If the Applicant's financial inability to pay the fee is not anticipated to be resolved within one year but is anticipated to be resolved within five years, the Board of Directors may authorize payment by way of promissory note, or other agreement, for a term of up to five years from the date of application on such terms as the Board of Directors deems appropriate.

(C) Subject the paragraph below; if the Applicant's financial inability to pay the fee is determined to be longer than five years, the Board of Directors may consider additional options including a waiver of the fee. The Board of Directors may waive the sewer connection fee based upon the findings required by this ordinance and based upon a finding that the impact of Applicant's connection will have a de minimis impact upon the District's capacity to provide services and connections for other Applicants.

An agreement to waive or otherwise reduce any fee shall be in writing and require the Applicant to indemnify and hold the District harmless for attorney's fees and costs associated with the defense of any action challenging the waiver or reduction of the sewer connection fee.

(c) Outside Users:

- (1) **Single Family Dwelling Unit** - \$3,292.00.
- (2) **Apartment Complex** (Bachelor, one or two bedrooms) - \$2,468.00 per dwelling unit.
- (3) **Apartment Complex** (three or more bedrooms) - \$3,292.00 per dwelling unit.
- (4) **Motel or Hotel** - \$1,645.00 per individual room within the hotel or motel, plus charge for the residential facilities for the hotel or motel.
- (5) **Hybrid Use** - \$2,468.00 per dwelling unit characterized by ownership of individual dwelling units within a complex with right to limited time usage.

Optional Method of Determination of Fee: As an option to the above required fee, a Hybrid Use project may utilize a capacity-based approach to the calculation of impact fees for connection to the wastewater treatment facilities as further described in this Section. Fees are to be determined after calculating the per-capita flow to be generated by the project at full occupancy, for each type of unit within the project; then comparing that calculated flow to the typical average wastewater flows generated by residential sources as described below as "units of capacity" in gallons per capita per day (GPCD).

MOTEL/HOTEL U.O.C.	50 GPCD
CONDOMINIUM U.O.C.	70 GPCD

Determination for an Adjustment of Charges: The Applicant will submit a Determination for an Adjustment of Charges including flow calculations by a Registered Civil Engineer utilizing local

wastewater flow rates, and references from the latest edition of Metcalf & Eddy's text: Wastewater Engineering— Treatment/Disposal/Reuse. After review and approval of the Determination for an Adjustment of charges by the District Engineer, connection charges will be based on the following:

If the "anticipated units of capacity" are equal to or less than one hundred and ten percent (110%) of the Motel or Hotel units of capacity, the charge shall be the Motel or Hotel usage charge: \$1,645.00 per unit.

If the "anticipated units of capacity" are equal to or greater than ninety percent (90%) of the Condominium units of capacity, the charge shall be the Condominium usage charge: \$3,292.00 per unit.

If the "anticipated units of capacity" are between the two ranges above, the charge shall be \$2,468.00 per unit.

If there is a change of occupancy for owners so as to allow full time usage, the full Condominium rate shall be charged.

- (6) **Condominiums** and similar type structures that are privately owned units - \$3,292.00 hookup fee per dwelling unit.
- (7) **Mobile Home Parks** - \$3,292.00 per unit plus \$3,292.00 for each washroom and restroom.
- (8) **Travel Trailer or Recreational Vehicle Park** - \$1,645.00 per space plus \$3,292.00 for each residential unit at the park and \$3,292.00 for each washroom and restroom.
- (9) **Commercial establishments**, schools, manufacturing, industrial or any similar use – charge to be based on the capacity of the meters, the square or the meter size and the ratio of the meter:

5 /8 Inch Meter	-	\$ 3,292.00
3 /4 Inch Meter	-	4,937.00
1 Inch Meter	-	8,229.00
1 to 1 1 /2 Inch Meter	-	18,104.00
2 Inch Meter	-	32,094.00
3 Inch Meter	-	72,419.00

Larger size to be determined on ratio of size of meter.

Effect of Heading 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.

Effective Date:

This Ordinance shall take effect and be in full force and effect thirty (30) days after its passage. Before the expiration of fifteen (15) days after the 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 the Five Cities Times Press Recorder.

Comparison of Existing Rates to Proposed Rates

Dwelling Unit or Meter Size	Existing	Proposed	Percent Increase
	Connection Charges	Connection Charges <small>(As of Jan. 01, 2007)</small>	
<u>Residential</u>			
Single Family Dwelling Unit	\$2,000	\$2,475	24%
Apartment Complex (Bachelor, 1, or 2 bedroom)	\$1,500	\$1,856	24%
Apartment Complex (3 or more bedrooms)	\$2,000	\$2,475	24%
Motel/Hotel (per room)	\$1,000	\$1,237	24%
Hybrid Use	\$1,500	\$1,856	24%
Condominium	\$2,000	\$2,475	24%
Mobile Home Parks	\$2,000	\$2,475	24%
Travel trailer	\$1,000	\$1,237	24%
<u>Commercial</u>			
5/8 inch	\$2,000	\$2,475	24%
3/4 inch	\$2,800	\$3,712	33%
1 inch	\$4,900	\$6,187	26%
1 to 1 1/2 inch	\$11,000	\$13,612	24%
2 inch	\$19,500	\$24,131	24%
3 inch	\$44,000	\$54,450	24%