



COUNTY OF SAN LUIS OBISPO

CSA 10A Water Rates



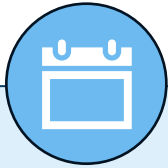
CCAC
May 6, 2026



COUNTY OF SAN LUIS OBISPO

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Water Rate Adjustment



Current Situation

- Revenues below O&M budget
- Parent Loan Payment
- Reserves below target after major capital projects



Community Feedback

- Keep 14 units included in base rate
- Accept lower reserves

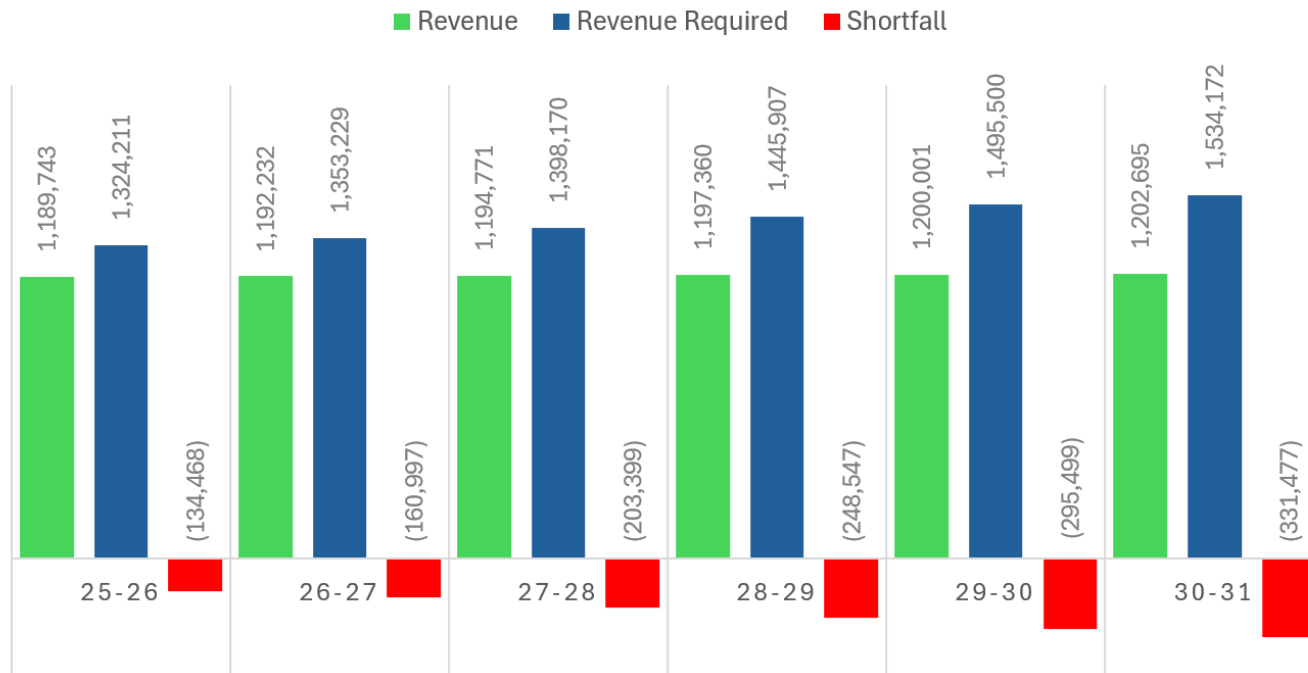


Proposed Solution

- Covers costs without cutting usage
- 15% increase (Yr 1)
 - 5% increase (Yrs 2-5)

Current Outlook

CURRENT 5 YEAR OUTLOOK



Why are rates being increased?

Increased Annual Costs	Annual Shortfall
Parent Loan Payment	\$50,000
Labor Rates	\$55,000
Water Treatment Cost	\$45,000
Vendor CPI	\$10,000
TOTALS	\$160,000



How are increased rates calculated?

BASE RATE – Minimum Charge to All Customers			
	Annual Revenue Needed	Customers (÷)	Increase to Bi Monthly Rate
Parent Loan Payments Labor Rates Water Treatment Costs Vendor CPI	\$153,000	782	\$32.66

USAGE RATE – Per Unit Charge for High Water Use			
	Annual Revenue Needed	1 Unit 748 Gallons (÷)	Increase Per Unit Over 14
Peak Use Operation & Maintenance	\$7,000	3,600	\$1.81



Proposed Rates (Bi-Monthly)

(Includes 14 units of water)

	Current	Year 1	Year 2	Year 3	Year 4	Year 5
Base Rate	\$217.79	\$250.45	\$262.97	\$276.12	\$289.93	\$304.42
Variable	\$12.07	\$13.88	\$14.57	\$15.30	\$16.07	\$16.87

CSA 10A customers are billed bi-monthly
Unit = CON = CCF (Hundred Cubic Feet) = 748 gallons.



Monthly Impact to Customers

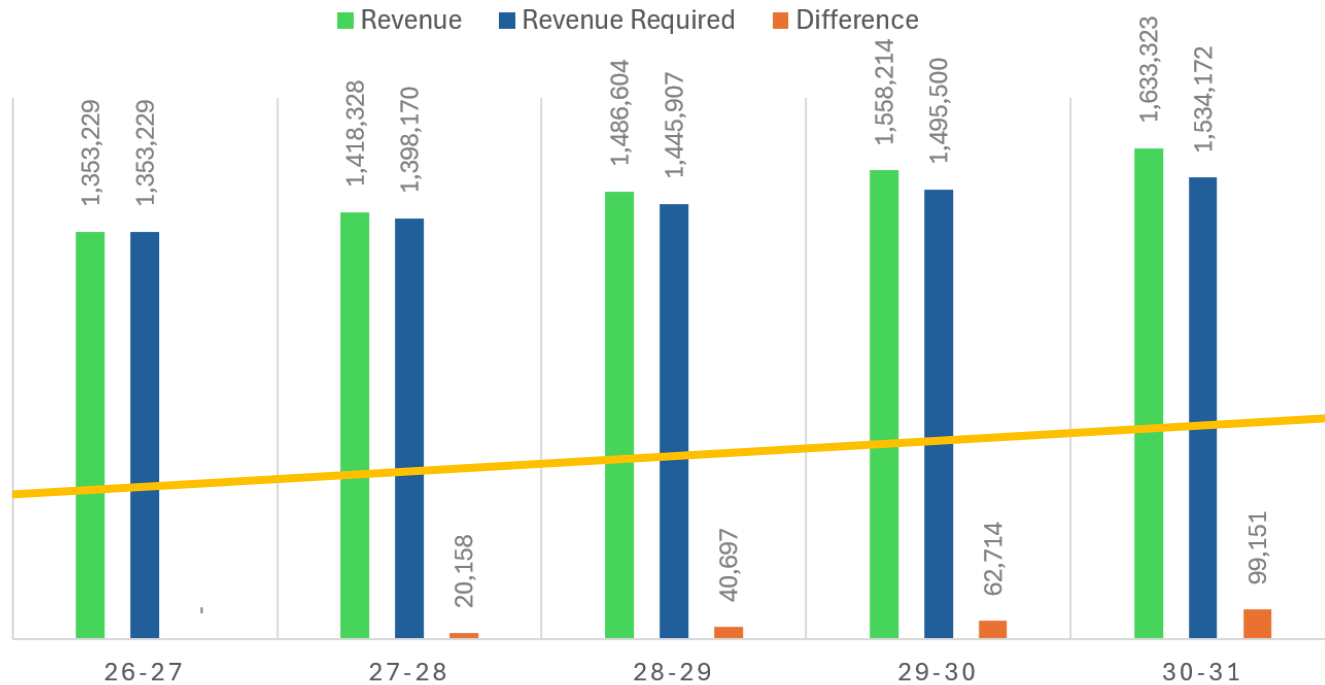
YEAR		CURRENT MONTHLY RATE	INCREASE TO CURRENT RATE	NEW MONTHLY RATE
1	MINIMUM CHARGE (0 CCF TO 14 UNITS)	\$ 108.90 /month	\$ 16.33	\$ 125.23 /month
	USAGE CHARGE (EACH UNIT GREATER THAN 14)	\$ 12.07 /unit	\$ 1.81	\$ 13.88 /unit
2	MINIMUM CHARGE (0 CCF TO 14 UNITS)	\$ 125.23 /month	\$ 6.26	\$131.49 /month
	USAGE CHARGE (EACH UNIT GREATER THAN 14)	\$ 13.88 /unit	\$0.69	\$ 14.57 /unit
3	MINIMUM CHARGE (0 CCF TO 14 UNITS)	\$ 131.49 /month	\$ 6.57	\$ 138.06 /month
	USAGE CHARGE (EACH UNIT GREATER THAN 14)	\$ 14.57 /unit	\$ 0.73	\$ 15.30 /unit
4	MINIMUM CHARGE (0 CCF TO 14 UNITS)	\$ 138.06 /month	\$ 6.90	\$ 144.96 /month
	USAGE CHARGE (EACH UNIT GREATER THAN 14)	\$ 15.30 /unit	\$ 0.77	\$ 16.07 /unit
5	MINIMUM CHARGE (0 CCF TO 14 UNITS)	\$ 144.96 /month	\$ 7.25	\$ 152.21 /month
	USAGE CHARGE (EACH UNIT GREATER THAN 14)	\$ 16.07 /unit	\$ 0.80	\$ 16.87 /unit

CSA 10A customers are billed bi-monthly
 Con = Unit = CCF (Hundred Cubic Feet) = 748 gallons.



Proposed Outlook

PROPOSED 5 YEAR OUTLOOK



Proposition 218 Protest Requirement

- Requires a majority protest (50% + 1) to overturn
- CSA 10A has 950 lots
- $50\% + 1 = 476$ Protests necessary for majority protest
- Minimum 45 day protest period
- **June 16 – BOS Introduces Ordinance and Notices Mailed**



Next Steps

- June 16 - Board of Supervisors – Introduce ordinance
- June 17 - Mail notices to customers
- August 4 - Board of Supervisors – Public Hearing to review and consider approval of proposed rate increase



Questions?

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