

History of Charges Related to the Los Osos Wastewater System

1990 Assessment District

- In 1990, the County of San Luis Obispo Board of Supervisors established the Los Osos/Baywood Park Assessment District (“1990 District”). Each parcel within the district was assessed \$11,523.65.

Creation of LOCSD

- In 1998, the Los Osos Community Services District (LOCSD) was formed.

Termination of 1990 District

- In 1999, the County of San Luis Obispo Board of Supervisors:
 - Dissolved the 1990 District
 - Removed all outstanding liens
 - Refunded all cash payments, including interest

2001 LOCSD Assessment District

- In 2001, LOCSD formed a new wastewater assessment district and secured \$23 million in bond funding to partially finance a new sewer system. Each property within the LOCSD district was assessed \$3,299.06.

LOCSD Bankruptcy

- In 2006, a voter-approved ballot measure blocked the project, and after halting construction of the sewer system, LOCSD filed for bankruptcy. The State Water Resources Control Board demanded repayment of a \$6.5 million loan.

Bankruptcy Resolution

- In 2011, the bankruptcy court approved a plan allowing LOCSD to emerge from bankruptcy. The plan required continued repayment of bondholders until approximately \$17 million in outstanding bonds were paid. These funds were used to settle loans and other debts.

SLO County Wastewater Assessment District No. 1

- In 2008, the County established the San Luis Obispo County Wastewater Assessment District No. 1, securing \$127 million in bond funding for sewer construction.
- At that time, developed properties were assessed, while undeveloped properties were not assessed.
- Due to the special condition of the Coastal Development Permit (CDP) from the California Coastal Commission for the Los Osos wastewater system, vacant lots were not allowed to obtain a building permit. However, as of October 29, 2024, the special condition was satisfied and vacant lots are now able to obtain building permits, which include being subject to a connection fee.
- None of the funds from either the 1990 District or 2001 LOCSD were transferred to the County for construction of the current Los Osos Wastewater System.

- There are two items shown on the property tax bill related to the Los Osos Wastewater System: Rates and Charges (SLO CO SWR RATE/CHGS) and a Sewer Assessment (SLO LO SWR-USDA/SRF)

Rates and Charges

- The rates and charges for the Los Osos Wastewater System are used to fund the ongoing operations and maintenance costs associated with wastewater collection, treatment, disposal, and recycled water distribution.
- The current rates and charges were established with the adoption of County [Ordinance No. 3413](#) in February of 2020. Property tax bills will reflect the rates and charges for FY 2024/2025 until a new ordinance is adopted.
- The rates and charges have both a fixed component and a variable component. For example, a single-family residence using 12 billing units per year would pay both a fixed component of \$896.91 and a variable component of \$108 (12 units times \$9.00 per unit), for a total of \$1,004.91 per year.
- View your property tax bill using this link: [San Luis Obispo County Tax Collector- Information Search](#)

Sewer Assessments

- In addition to the rates and charges, property owners in Los Osos were assessed the cost for the construction of the wastewater collection, treatment and disposal system.
- For those property owners who didn't pay the full assessment amount upfront, the County obtained low interest loans to allow the assessment to be paid off over time on the property tax bill.
- Once this assessment is paid in full, it will no longer show up on the property tax bill.

Capacity Charge

- For undeveloped lots within the Los Osos Wastewater System, a capacity charge was calculated as the "buy-in" cost to connect to the existing infrastructure, in anticipation when vacant parcels would be allowed to obtain a building permit.
- Currently, vacant lots are now allowed to obtain a building permit and connect to the sewer system.
- A [Wastewater Capacity Charge Study](#) was prepared to determine the cost for the connection fee for vacant properties.
- Building permit applicants will need to pay the capacity charge in full before final notice of intent to serve letter (also known as a will serve letter) can be issued.

Contact Information

- For questions or assistance, visit our [Contact Us](#) page and select the Wastewater Utilities option.
- You can also call us at: (805) 781-5252

Additional Resources

- Low-income assistance – CARE with PG&E information:
 - [Los Osos Low Income Financial Assistance Program](#)
- Water Conservation Rebate Program:
 - [Los Osos Water Conservation Rebate Program - For Homeowner Installation](#)
- Planning & Building Department programs:
 - [Title 19 Retrofit to Build](#)