



May 3, 2021

TO: Finance Advisory Committee

FROM: Margaret Falkner, Utility Systems Manager
Ron Munds, General Manager

SUBJECT: **Agenda Item 7 – 05/03/21 FAC Meeting**
Review Resolution 2021-10 to update the LOCSD Fee Schedule and make recommendation to the Board

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DESCRIPTION

The LOCSD Fee Schedule has not been modified for many years. Per Government Code statutes, staff conducted a cost analysis of time spent on each item listed in Exhibit A of the attached resolution. In order to assess the reasonableness of the updated fees, other similar sized special district's fee schedules were reviewed for comparison.

SUMMARY OF STAFF RECOMMENDATION

Motion: I move to recommend to the Board of Directors that the Board adopt Resolution 2021-10 to update the LOCSD Fee Schedule as proposed in Exhibit A.

DISCUSSION

As stated above, these fees have not been updated for many years. Per Government Code Chapter 8. Procedures for Adopting Various Fees [66016 - 66019], *no local agency shall levy a new fee or service charge or increase an existing fee or service charge to an amount which exceeds the estimated amount required to provide the service for which the fee or service charge is levied. Additionally, any action by a local agency to levy a new fee or service charge or to approve an increase in an existing fee or service charge shall be taken only by ordinance or resolution.*

To that end, staff has conducted a cost analysis of time spent on each item in Exhibit A to the attached resolution. Three new fees are being proposed, those being:

- **Owner Application Penalty Fee:** this fee is a penalty for, mainly, property management companies that are non-responsive to staff's request for current property owner information when a property changes ownership.
- **Lien Fee:** this fee will recoup the cost of staff time to process the paperwork required to have delinquent water bill balances added to the property tax assessment by the County.
- **Collection Fee:** similar to the Lien Fee, this fee will recoup the cost to process the paperwork for unpaid accounts sent to a collection agency for partial payment recovery.

Fees that we will increase are indicated in the table below.

| Fee | Current | Proposed |
|--|----------------|-----------------|
| Lock Out/Reactivation | \$75.00 | \$80.00 |
| Cut Lock Charge | \$110.00 | \$180.00 |
| Water Meter Flow Test | \$75.00 | \$275.00 |
| Meter Set Fee | \$68.50 | \$80.00 |
| Trouble Call-after business hours | \$80.00 | \$160.00 |
| Backhoe/Mini Excavator hourly fee | \$40.00 | \$90.00 |
| 72 Hour Notice – Door Hanger | \$10.00 | \$20.00 |

Staff reduced the Fire Flow Test fee because staff now uses the information in the Geographic Information System (GIS) database instead of having to provide field verification. Staff will continue to review this schedule annually. Any modifications to this fee schedule will be brought to the Board for adoption by resolution. Fees related to new development are scheduled to be updated during fiscal year 2021-22 and were not part of this fee schedule analysis.

FINANCIAL IMPACT

The fee updates will support the overall District’s schedule of fees to recover the District’s costs to render services as prescribed by state law. In the future, review of the fee schedule will be conducted annually as part of the annual budget process.

Attachment

RESOLUTION NO. 2021-10

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LOS OSOS COMMUNITY SERVICES DISTRICT UPDATING FEES FOR SPECIAL SERVICES

WHEREAS, the Board desires to establish fees for special services that reimburse LOCSD's actual costs to perform such services; and

WHEREAS, the Board determines that the fees set forth in the attachments approximate the actual cost for providing the respective services;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE LOS OSOS COMMUNITY SERVICES DISTRICT DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER THAT:

1. The fees set forth in the Exhibit A and incorporated into this resolution are hereby effective immediately.

On the motion of Director _____, seconded by Director _____, and on the following roll call vote, to wit:

Ayes: _____

Noes: _____

Absent: _____

Abstain _____

The foregoing resolution is hereby passed, approved, and adopted by the Board of Directors of the Los Osos Community Services District this 6th Day of May 2021.

Christine M. Womack
President, Board of Directors
Los Osos Community Services District

ATTEST:

APPROVED AS TO FORM:

Ron Munds
General Manager and Secretary to the Board

Jeffery A. Minnery
District Legal Counsel

LOCSD SCHEDULE OF FEES 2021

Last Schedule Fee Increase was in FY 02-03

| WATER SERVICE ACTIVITY | | | |
|--|----------------|---------|-------------|
| | | | Fee |
| Service Activation/Account Set-Up Fee | | | \$ 50.00 |
| Lock Out/Reactivation | | | \$ 80.00 |
| Cut Lock Charge | | | \$ 180.00 |
| Fire Flow Test | Non-refundable | | \$ 50.00 |
| Water Meter Flow Test | Deposit | | \$ 275.00 |
| Meter Box Relocation (<i>Time and Materials- T&M</i>) | Deposit | | \$ 500.00 |
| Water Service Line Upgrade (<i>T&M</i>) | Deposit | | \$ 1,000.00 |
| Meter Set Fee | | | \$ 80.00 |
| Trouble Call- After Business Hours (<i>After hours response</i>) | Flat Rate | | \$ 160.00 |
| Backhoe/Mini Excavator | Per Hour | | \$ 90.00 |
| BILLING PAYMENTS | | | |
| Owner Application Penalty Fee | | | \$ 35.00 |
| Lien Fee | | | \$ 25.00 |
| Late Notice Fee | Highest | \$10.00 | 10% |
| Collection Fee | Highest | \$25.00 | 20% |
| 72 Hour Notice- Door Hanger | | | \$ 20.00 |
| Returned Check or ACH (First Time) | | | \$ 25.00 |
| Returned Check or ACH (Per each additional time) | | | \$ 30.00 |