



LOS OSOS COMMUNITY SERVICES DISTRICT FOR IMMEDIATE RELEASE

Date: July 19, 2019

The Decision to Not Increase Water Rates Addresses Affordability in Los Osos:

President
Marshall E. Ochylski

When was the last time a government agency did not enact a previously approved fee or rate increase? That is precisely what the Los Osos Community Services District (LOCS D) did at its June 6, 2019 meeting.

Vice President
Charles L. Cesena

Directors
Matthew D. Fourcroy
Vicki L. Milledge
Christine M. Womack

The Basin Management Plan (BMP), a court approved collaboration between the three water companies in the community of Los Osos and the County of San Luis Obispo, details the specific steps that each entity must take to further efforts to ensure the Los Osos community has an adequate groundwater supply, which is the only source of water for the community of Los Osos. In 2017, it became clear the revenue being generated through water sales would not be enough to allow the LOCS D to meet its commitment to manage the groundwater basin. After a successful Prop 218 vote, a three phased increase in water rates was planned to start on July 1 each year from 2017-2019.

General Manager
Renee Osborne

District Accountant
Robert Stilts, CPA

This past spring (2019) the LOCS D examined the status of its capital improvement program, which is the specific plan to achieve the commitments in the BMP as well as any specific needs of the LOCS D, and realized that revenue had exceeded expectations after the first two rate increases. Even though the community did a great job conserving water, the community did not conserve as much as anticipated. Revenues were above expectations. The LOCS D also received a State grant for \$240,000 toward its new 8th Street well project.

Unit Chief
Scott M. Jalbert

Battalion Chief
George Hung

The decision not to implement the rate increase will save the average household with the LOCS D as their water purveyor approximately \$100 per year. The Board of Directors of the LOCS D (Board) understands that this community has been hit especially hard not only by the sewer assessment but with increased utility bills over the past 5 years. The Board decided that not implementing the 2019 rate increase would financially benefit its water customers. Further, this is not the first time that the LOCS D has not enacted a previously approved tax increase. The Special Fire Tax, which brought CalFire to the community of Los Osos in 2005, has an optional annual inflation adjustment which is not always enacted.

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The LOCS D has come a long way since its bankruptcy which was filed in 2006 and resolved in 2014. The Emergency Services level of service is second to none in the County, the LOCS D pays cash for its vehicles, thereby reducing costs; the water rates of the LOCS D are among the lowest in the County; and the reserve accounts of the LOCS D are adequately funded. The LOCS D has great employees, both in its administrative office as well as in the field.

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One last recognition is in order and that would be to thank the LOCS D Rate Study Committee: Rob Miller, the LOCS D District Engineer; Ron Munds, a member of the LOCS D Utilities Advisory Committee and its incoming General Manager; and

Richard Margetson, a community advocate. They have completed the last two rate studies for the LOCSD. Completing the rate studies in-house saved the LOCSD approximately \$40,000 every three or four years. The LOCSD expresses its sincere appreciation to them.

Marshall Ochylski, President of the LOCSD Board of Directors said, "I greatly appreciate the diligent efforts of our District staff and the Rate Study Committee for this important decision made by our Board. Our District team has worked tirelessly to address affordability in our community and this action helps to keep our water rates among the lowest in the County of San Luis Obispo."

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