

TO: BOARD OF DIRECTORS

FROM: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER

DATE: OCTOBER 17, 2014

**AGENDA ITEM
E-5
OCTOBER 22, 2014**

**CONSIDER SOLID WASTE RESERVE EXPENDITURE
DISCOUNT TO CUSTOMER SOLID WASTE BILL**

ITEM

Consider providing District solid waste customers a discount to spend down solid waste reserves [RECOMMEND CONSIDER PROPOSAL AND DIRECT STAFF]

BACKGROUND

The District holds a Franchise Agreement with South County Sanitation for providing solid waste collection services within the District. The Agreement generates a fee paid to the District as a proportion of the fees collected by the Sanitation Company from customers within NCSD.

District solid waste funds collected as a result of the franchise fee are accounted for in a separate solid waste account and restricted for use on solid waste related activities that directly benefit District customers.

Current solid waste fund accounting is as follows:

Budgeted Income 2014-2015 Fiscal Year	\$143,000
Fund Balance (as of June 30, 2014)	\$404,000
Budgeted Operational Expenditures 14-15 FY	<\$50,000>
Budgeted Administrative Expenditures 14-15 FY	<\$25,000>
Fund Reserve Goal	\$115,000

Currently funded solid waste programs include the following:

	Annual Budget
Chamber/Achievement House Clean Up Grant	\$25,000
Chamber Adopt a Highway Grant	\$2,000
Olde Towne Garbage Collection	\$2,500
Creek Clean Up Support	\$500
Other Projects per Board Direction (Not currently defined)	\$20,000

The annual administrative expenditure funds staff time related to supporting the District's requirements under the Franchise Agreement, including facilitation of past due garbage bills through property lien, insurance, and advertising.

Approximately half of the annual fund income is currently budgeted for expenditure. Fund income can vary year to year if/when the Board chooses to off-set solid waste rate increases requested by the service provider.

On September 3, 2014, your Board's Solid Waste Committee met and considered options for spending down solid waste reserves. The Committee directed staff to review solid waste fund reserve basis and research the possibility of providing a direct 50% subsidy to customer solid waste bills.

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District customers, residential and commercial, collectively pay \$239,324.64 bi-monthly for solid waste service.

The District's solid waste reserve fund goal is set to "... provide assurance that solid waste services remain uninterrupted during an extended disruption to the service provider."

Solid waste reserves are projected to reach approximately \$472,000 by the end of the current fiscal year.

A one-time 50% underwriting of two months of solid waste bills for District customers would expend approximately \$120,000.

FISCAL IMPACT

Offsetting customer solid waste bills with solid waste reserves funds will expend fund reserves.

RECOMMENDATION

By motion and roll call vote:

Direct staff to work with South County Sanitary to provide District customers with a one-time 50% reduction in bi-monthly solid waste bills for the months of January and February 2015; and

Consider increasing solid waste reserve fund goal to \$240,000 to cover the cost of two full months of solid waste services in the event of a service disruption.

ATTACHMENTS

None

TO: BOARD OF DIRECTORS
FROM: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER
DATE: OCTOBER 17, 2014

**AGENDA ITEM
E-6
OCTOBER 22, 2014**

**CONSIDER LOCAL AREA FORMATION COMMISSION
SPECIAL DISTRICT SEAT NOMINATION**

ITEM

Consider making a nomination for LAFCO's special district seat [RECOMMEND CONSIDER NOMINATION AND DIRECT STAFF]

BACKGROUND

The term for the Special District seat currently held by LAFCO Commissioner Marshall Ochylski expires on December 2014.

Your Board may nominate a candidate to fill the seat. Should more than one nominee be forwarded to LAFCO, an election will be held.

FISCAL IMPACT

LAFCO oversees and approves changes in the District's services and service boundaries.

STRATEGIC PLAN

Goal 7. COMMUNICATION. Use public outreach to communicate effectively with the public to obtain their input and build understanding and support for the District.

7.2 Maintain productive communication and relationships with key stakeholders, such as city, County, State and Federal legislators, service clubs, etc. As appropriate, plan and assign for this role.

RECOMMENDATION

Consider information and provide direction to staff.

ATTACHMENTS

- A. October 13, 2014 LAFCO Request for Nominees

October 22, 2014

ITEM E-6

ATTACHMENT A



LAFCO - San Luis Obispo - Local Agency Formation Commission
SLO LAFCO - Serving the Area of San Luis Obispo County

COMMISSIONERS

Chairperson
Roberta Fonzl
City Member

Vice-Chairman
TOM MURRAY
Public Member

MURIL CLIFT
Special District Member

BRUCE GIBSON
County Member

FRANK MECHAM
County Member

MARSHALL OCHYLSKI
Special District Member

DUANE PICANCO
City Member

ALTERNATES

DAVID BROOKS
Public Member

ROBERT ENNS
Special District Member

ADAM HILL
County Member

KRIS VARDAS
City Member

STAFF

DAVID CHURCH
Executive Officer

RAYMOND A. BIERING
Legal Counsel

MIKE PRATER
Analyst

DONNA J. BLOYD
Commission Clerk

TO: EACH INDEPENDENT SPECIAL DISTRICT
FROM: DAVID CHURCH, LAFCO EXECUTIVE OFFICER
DATE: OCTOBER 13, 2014
RE: LAFCO SPECIAL DISTRICT MEMBER

The term of the Special District seat currently held by LAFCO Commissioner Marshall Ochylski expires in December 2014. Please note that if no nominations are submitted, Mr. Ochylski will be re-appointed to the position.

Background. The appointment could not be completed by the Independent Special District Selection Committee due to the difficulty in gathering a quorum. In the event that a meeting of the Selection Committee is not feasible, the Government Code allows the LAFCO Executive Officer to conduct the business of the committee in writing or via e-mail. If only one candidate is nominated, that nominee shall be appointed, with no further proceeding.

Instructions. If you would like to nominate a candidate please schedule this item on an agenda for a meeting of your Board of Directors and obtain consent from the Director you intend to nominate. Nominations are required to be submitted by 5:00 p.m. November 26, 2014. Late nominations will not be considered. A nomination must be approved by the District's governing body. The completed and signed nomination form may be submitted to the LAFCO office via Mail, Fax-788-2072, or e-mail to DChurch@slolafco.com and Dbloyd@slolafco.com. The form must be signed by the General Manager or Board President, and the Nominee. If more than one nomination is received, the Executive Officer shall prepare a ballot and send by electronic mail to each independent special district with voting instructions.

A nomination form is attached to assist you. Also, the LAFCO website (www.slolafco.com) has additional information about LAFCO. Please call me at 781-5795 if you have any questions.

cc: Members, Formation Commission



**NOMINATION FOR LAFCO
SPECIAL DISTRICT MEMBER**

The _____
(Insert Name of Special District)

Hereby nominates _____ to serve as the
(Insert Name of Nominee)

Special District Member on the San Luis Obispo Local Agency Formation Commission (LAFCO).

Board of Director's action in the nomination was taken on:

Insert Date of Board Action

General Manager or Chairman/President

Consent of the Nominee - Signature