



Nipomo Community Services District

NOTICE OF PUBLIC HEARING - RATE INCREASE FOR TOWN SEWER

This is a notice to explain proposed increases in town sewer rates for the Nipomo Community Services District (“NCSD” or the “District”) and the majority protest procedures. The proposed rate increases will be recommended for adoption by NCSD’s Board of Directors at the Public Hearing described in this Notice. See the back page of this Notice for Public Hearing date.

Dear Owners of Record and Customers of Record,

Nipomo Community Services District (District) depends upon sewer user fees to fund operating and maintenance costs, and to rehabilitate and replace equipment and infrastructure for the Town Division sewer treatment plant and collection system. The District is fully committed to serving existing and future generations of residents in the most efficient manner possible, while protecting both public health and the environment.

About the proposed rates

The proposed Town Sewer Division rate increase is needed to ensure that the District has sufficient revenues to fund operating and capital needs and provide appropriate levels of operating, capital, and emergency reserves. The Town Sewer Division has not had a sewer rate increase in over 5 years.

A major reason for rates being raised is that the annual bond payments due on the debt used to finance the sewer plant (approximately \$520,000 per year) will have to be made from current revenues once the sinking fund currently being used to make those payments is depleted. The sinking fund will be depleted in approximately 18 months.

The cost of providing sewer service to our customers varies based on the volume and strength characteristics of sewage generated by each customer classification (single-family, multi-family, and commercial). A cost of service analysis was performed to ensure that the proposed rate increases fairly reflect the costs of providing service to customers within each classification.

Multi-year approach to setting rates

By taking a multi-year approach to rate-setting in meeting long-term infrastructure repair and improvement needs as well as delivering day-to-day services, the District can better prepare for the future and avoid significant unexpected rate increases. For this reason, the District is proposing rate increases for the next five years. It is important to note that if subsequent annual reviews of revenues and expenses show that future rate increases are not needed or can be adopted at lower amounts, the Board of Directors can postpone or adopt a smaller increase. However, the Board cannot approve rate increases beyond those proposed in this notice without an additional Proposition 218 notice to all of its customers.

Proposed Town Sewer Rates

Under the proposed rates, town sewer rates for single-family residential dwellings, which represent over 97% of the customer accounts, will increase \$0.305 monthly or \$0.61 per bi-monthly period starting January 1, 2016. Subsequent year increases, and a complete breakdown of rates for other customer classes, can be found on the following page.

PLEASE CONTACT US IF YOU HAVE QUESTIONS OR COMMENTS ABOUT THE PROPOSED TOWN SEWER RATE INCREASE

(805) 929-1133 | info@ncsd.ca.gov | P.O. Box 326, Nipomo, CA 93444

THE PROPOSED TOWN SEWER RATES

Description	Current	Forecast				
		FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Residential Fixed Charges						
Single Family	\$88.32	\$88.93	\$91.77	\$94.71	\$97.74	\$100.87
Multi-family	\$67.33	\$74.18	\$76.55	\$79.00	\$81.53	\$84.14
Non-Residential Meter Charges						
Up to 1 inch	\$34.07	\$35.12	\$36.24	\$37.40	\$38.60	\$39.83
1.5	\$98.59	\$101.94	\$105.20	\$108.57	\$112.04	\$115.63
2	\$156.66	\$162.08	\$167.26	\$172.62	\$178.14	\$183.84
3	\$292.16	\$302.40	\$312.08	\$322.07	\$332.37	\$343.01
4	\$485.72	\$502.87	\$518.96	\$535.57	\$552.70	\$570.39
6	\$969.64	\$1,004.03	\$1,036.16	\$1,069.31	\$1,103.53	\$1,138.85
8	\$1,550.34	\$1,605.42	\$1,656.80	\$1,709.81	\$1,764.53	\$1,820.99
Non-Residential Usage Rates (\$ per HCF)						
Low Strength	\$2.89	\$3.43	\$3.54	\$3.66	\$3.77	\$3.89
Medium Strength	\$3.20	\$3.81	\$3.93	\$4.06	\$4.19	\$4.32
High Strength	\$4.14	\$4.93	\$5.09	\$5.25	\$5.42	\$5.59
Mixed Use Usage Rates (\$ per HCF)						
Standard Comm with 10% High Strength		\$3.60	\$3.72	\$3.83	\$3.96	\$4.08
Standard Comm with 20% High Strength		\$3.75	\$3.87	\$3.99	\$4.12	\$4.25
Standard Comm with 30% High Strength		\$3.90	\$4.02	\$4.15	\$4.29	\$4.42
Standard Comm with 40% High Strength		\$4.06	\$4.19	\$4.32	\$4.46	\$4.61
Standard Comm with 50% High Strength		\$4.21	\$4.34	\$4.48	\$4.63	\$4.78
Standard Comm with 60% High Strength		\$4.37	\$4.51	\$4.65	\$4.80	\$4.96
Standard Comm with 70% High Strength		\$4.52	\$4.66	\$4.81	\$4.97	\$5.13
Standard Comm with 80% High Strength		\$4.67	\$4.82	\$4.97	\$5.13	\$5.30
Standard Comm with 90% High Strength		\$4.83	\$4.98	\$5.14	\$5.31	\$5.48

Rates effective Jan 1 of fiscal year.

AVAILABILITY OF STUDIES, REPORTS, AND INFORMATION

Additional information on the proposed Town Sewer rates is available in the Report on Town Sewer System Sewer Rate Study and the Staff Report. These reports are available for review at the District's administrative offices located at 148 South Wilson Street, Nipomo and on the District's website at www.ncsd.ca.gov. In addition, customers may contact the General Manager at (805) 929-1133 for further information about the proposed rates.

EXAMPLE TOWN SEWER BILLS INCLUDING PROPOSED CHARGES

The table below provides examples of bi-monthly bills that are expected as a result of implementing the proposed Town Sewer Charge.

Classification	Average Bi-monthly Water Use	Current Bill	Jan 1, 2016	Percent Change	Jan 1, 2017	Percent Change	Jan 1, 2018	Percent Change
			Proposed Bill		Proposed Bill		Proposed Bill	
Residential	HCF							
Single Family	N/A	\$88.32	\$88.93	0.7%	\$91.77	3.2%	\$94.71	3.2%
Multi-family	N/A	\$67.33	\$74.18	10.2%	\$76.55	3.2%	\$79.00	3.2%
Non-Residential - 1" Meter								
Commercial - Low Strength	50	\$178.57	\$206.80	15.8%	\$213.42	3.2%	\$220.25	3.2%
Commercial - Medium Strength	70	\$258.07	\$301.88	17.0%	\$311.54	3.2%	\$321.51	3.2%
Commercial - High Strength	35	\$178.97	\$207.73	16.1%	\$214.37	3.2%	\$221.23	3.2%
Non-Residential - 1.5" Meter								
Commercial - Low Strength	80	\$329.79	\$376.63	14.2%	\$388.68	3.2%	\$401.12	3.2%
Commercial - Medium Strength	65	\$306.59	\$349.64	14.0%	\$360.83	3.2%	\$372.38	3.2%
Commercial - High Strength	200	\$926.59	\$1,088.28	17.4%	\$1,123.10	3.2%	\$1,159.04	3.2%
Non-Residential - 2" Meter								
Commercial - Low Strength	170	\$647.96	\$745.80	15.1%	\$769.66	3.2%	\$794.29	3.2%
Commercial - Medium Strength	100	\$476.66	\$543.16	14.0%	\$560.55	3.2%	\$578.48	3.2%
Commercial - High Strength	200	\$984.66	\$1,148.42	16.6%	\$1,185.17	3.2%	\$1,223.09	3.2%
Non-Residential - 3" Meter								
Commercial - Low Strength	200	\$870.16	\$989.13	13.7%	\$1,020.79	3.2%	\$1,053.45	3.2%

Classification	Average Bi-monthly Water Use	Jan 1, 2019	Percent Change	Jan 1, 2020	Percent Change
		Proposed Bill		Proposed Bill	
Residential	HCF				
Single Family	N/A	\$97.74	3.2%	\$100.87	3.2%
Multi-family	N/A	\$81.53	3.2%	\$84.14	3.2%
Non-Residential - 1" Meter					
Commercial - Low Strength	50	\$227.29	3.2%	\$234.57	3.2%
Commercial - Medium Strength	70	\$331.79	3.2%	\$342.41	3.2%
Commercial - High Strength	35	\$228.31	3.2%	\$235.62	3.2%
Non-Residential - 1.5" Meter					
Commercial - Low Strength	80	\$413.96	3.2%	\$427.20	3.2%
Commercial - Medium Strength	65	\$384.30	3.2%	\$396.59	3.2%
Commercial - High Strength	200	\$1,196.13	3.2%	\$1,234.41	3.2%
Non-Residential - 2" Meter					
Commercial - Low Strength	170	\$819.71	3.2%	\$845.94	3.2%
Commercial - Medium Strength	100	\$596.99	3.2%	\$616.10	3.2%
Commercial - High Strength	200	\$1,262.23	3.2%	\$1,302.62	3.2%
Non-Residential - 3" Meter					
Commercial - Low Strength	200	\$1,087.16	3.2%	\$1,121.95	3.2%

HCF = hundred cubic feet

N/A = not applicable

PLEASE CONTACT US IF YOU HAVE QUESTIONS OR COMMENTS ABOUT THE PROPOSED TOWN SEWER RATE INCREASE

(805) 929-1133 | info@ncsd.ca.gov | P.O. Box 326, Nipomo, CA 93444

NOTICE OF TOWN SEWER RATE INCREASE



Nipomo Community Services District
148 S. Wilson Ave.
PO Box 326
Nipomo, CA 93444
(805) 929-1133
www.ncsd.ca.gov

Presort First Class
US Postage Paid
PRP Companies
93401

GENERAL MANAGER

Michael S. LeBrun

HOW TO PROTEST

The following persons may submit a written protest against the Proposed Town Sewer Rate Increase to the District's Clerk before the close of the Public Hearing.

- An owner(s) of property (parcel(s)) ("owner of record") receiving town sewer service from the NCS D Town Sewer System. If the person(s) signing the protest, as an owner, is not shown on the last equalized assessment roll as the owner of the parcel(s) then the protest must contain or be accompanied by written evidence that such person signing the protest is the owner of the parcel(s) receiving town sewer service;
- "Customer of record" (Tenant(s)) whose name appears on the District records as the customer of record for the corresponding parcel receiving town sewer service from the NCS D.

A valid written protest must contain a statement that you protest the increase in town sewer rates, the address or Assessor's Parcel Number (APN) of the parcel or parcels which receive town sewer service and must be signed and dated, with original signature, by the owner of record, the customer of record, or a representative of an owner of record or a customer of record, for the parcel or parcels receiving town sewer service. One written protest per parcel shall be counted in calculating a majority protest. Written protests will not be accepted by email or by facsimile. Verbal protests will not be counted in determining the existence of a majority protest.

Written protests regarding the town sewer rate increase may be personally delivered to the NCS D Office located at 148 South Wilson Street, Nipomo during regular office hours (8 a.m. - 4:30 p.m. Monday - Friday, excluding holidays) or mailed to:

Nipomo Community Services District
Attn: District Clerk
P.O. Box 326, Nipomo, CA 93444-0326

To be counted, the written protest must be received by the close of the Public Hearing, including those mailed to the District. No postmarks will be accepted; therefore, any written protest not actually received by the close of the Public Hearing, whether or not mailed prior to the Public Hearing, will not be counted.

A representative may sign the written protest on behalf of an owner of record or a customer of record provided the representative attaches to the written protest, written documentation/authorization, with original signature, to act in such capacity.

If valid written protests are presented by a majority of owners of record and/or customers of record of parcels receiving town sewer service within the NCS D's Town Sewer System, then the NCS D will not adjust/increase the town sewer rates. Only one protest per parcel will be counted in determining whether or not a majority protest exists.

PUBLIC HEARING

A Public Hearing for the Proposed Town Sewer Rate Increase will be held on:

November 12, 2015 at 9 AM
Jon S. Seitz Board Room
Nipomo CSD
148 South Wilson Street, Nipomo

At the public hearing the Nipomo Community Services District Board of Directors will consider all public comment in support and in opposition of the Town Sewer Rate Increase and whether or not a Majority Protest exists. If approved, the Town Sewer Rate Increase would become effective January 1, 2016.