

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS
GENERAL MANAGER



DATE: April 9, 2021

AGENDA ITEM

E-1

APRIL 14, 2021

REVIEW DRAFT TOWN SEWER SYSTEM WASTEWATER RATE STUDY

ITEM

Review draft Town Sewer Wastewater Rate Study ("Rate Study") and direct staff [RECOMMEND REVIEW RATE STUDY, EDIT IF NECESSARY, AND DIRECT STAFF TO PREPARE THE FINAL RATE STUDY]

BACKGROUND

The Town Sewer Enterprise is solely funded by rates and charges collected from users who are connected to and benefit from the use of the Town Sewer System ("System"). Funds collected from users are applied to the operations and maintenances of the System. The cost to operate and maintain the System increases over time due to inflation and system improvements/replacements. To continue a program that ensures uninterrupted operations, compliance with state regulations, and cost recovery to sustain the System is fair and equitable to all System users, the cost of service is evaluated and determined in the Rate Study.

The last Town Sewer Rate Study was completed in August 2015. It is typical and prudent to conduct rate studies on a regular bases to ensure proper and adequate funding of the enterprise. By evaluating the cost of service in a regularly scheduled rate study and adjusting rates to match an average inflationary factor, minimal adjustments can be scheduled on an annually bases. This manner of rate management provides a responsible approach in meeting the financial needs of the enterprise keeping in mind the financial concerns of users.

Tuckfield & Associates was retained to prepare the Rate Study. The study included a review and analysis of the Town wastewater enterprise funds, user classifications, and current rate structure. Mr. Clayton Tuckfield presented the Financial Needs Study to the Finance and Audit Committee ("Committee") on March 17, 2021. The Committee received and considered Mr. Tuckfield's presentation and directed him to advance to his efforts to draft the Rate Study for Board consideration.

STRATEGIC PLAN

Goal 4. Finance: Maintain conservative, long-term financial management to minimize rate impacts on customers while meeting program financial needs.

- B.1 Evaluate, plan for and maintain finances that are adequate for all needs, stable, and reliable over the long-term.

FISCAL IMPACT

The cost of the Rate Study was included in this year's budget.

RECOMMENDATION

It is recommended that your Board review the draft report and provide direction to staff.

ATTACHMENT

- A. Draft Report: Town Sewer System Wastewater Rate Study
- B. Town Sewer Rate Adjustment Implementation Schedule

APRIL 14, 2021

ITEM E-1

ATTACHMENT A



Report on Town Sewer System

Wastewater Rate Study

For:

Nipomo Community Services

District

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Nipomo, CA 93444

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Submitted By:

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DRAFT

April 2021

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April 8, 2021

Mr. Mario Iglesias
General Manager
Nipomo Community Services District
148 South Wilson Street
Nipomo, CA 93444

Dear Mr. Iglesias:

I am pleased to present this report on the Wastewater Rate Study (Study) for the Nipomo Community Services District (District) Town Sewer System. The wastewater rates presented in this report have been developed based on cost of service principles and industry methods that result in fair and equitable rates for the users of the wastewater system in accordance with Proposition 218.

The Study included a review and analysis of the Town wastewater enterprise funds, user classifications, and current rate structure. The major objectives of the Study include the following.

- Generate positive levels of income in the Study period
- Maintain operating and capital reserves at or greater than target levels
- Maintain debt service coverage ratios at or greater than the minimum required
- Meet annual capital replacement spending from the water and wastewater rates and charges

From the analyses, it is recommended that the District implement wastewater rates that achieve overall revenue increases of 3.8 percent annually beginning September 1, 2021 and annually July 1, 2022 through July 1, 2025 to fund future obligations of the wastewater system and meet debt coverage requirements. Tables and figures throughout the report are provided to demonstrate the calculations.

It has been a pleasure to work with District staff during the performance of this Study. If there are any questions, please contact me at (949) 760-9454.

Very Truly Yours,

TUCKFIELD & ASSOCIATES



G. Clayton Tuckfield
President/Project Consultant

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Town Sewer System Wastewater Rate Study

NIPOMO COMMUNITY SERVICES DISTRICT

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Town Sewer System Wastewater Rate Study

NIPOMO COMMUNITY SERVICES DISTRICT

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Town Sewer System Wastewater Rate Study

NIPOMO COMMUNITY SERVICES DISTRICT

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Executive Summary

Introduction

The Nipomo Community Services District (District) engaged Tuckfield & Associates in January of 2021 to conduct a comprehensive Wastewater Rate Study (Study) for the District's Town Wastewater System (System). The District provides wastewater collection, treatment, and disposal service to two separate service areas with independent wastewater systems. The focus of this Wastewater Rate Study (Study) is for the Town Sewer System (System).

The Town collection system consists of 10 lift stations and about 38 miles of gravity sewer pipe ranging in size from 6 to 24 inches and about 5 miles of force main ranging in size between 4 to 8 inches. The wastewater collected is treated at the District owned and operated Southland Wastewater Treatment Facility (Southland WWTF). The treatment facility was upgraded in 2014 with several improvements following a phased implementation plan of upgrades and improvements identified in the NCSO Southland WWTF Master Plan Amendment #1. Improvements related to Phase 1 have been completed and the treatment capacity provided by the plant is currently 0.9 mgd.

The current wastewater rate structure consists of fixed and variable charges to residential, non-residential, and mixed use customers. Residential customers are charged a bi-monthly fixed charge. Non-residential customers are charged a fixed bi-monthly charge by meter size and a volume charge for low, medium, or high wastewater strength of the customer using their metered water sales volume. Mixed use customers are placed into one of nine strength categories and are charged a bi-monthly fixed charge by meter size and a volume charge based on the percentage of high strength of the wastewater discharged. Wastewater rates are listed in Table ES-1.

Customers of the System are predominately residential (single-family and multi-family) representing over 98 percent of the number of accounts. Non-residential customers are separated by strength category (low, medium and high) with low-strength being the largest non-residential group. Mixed use is a new classification created within the last 5 years with customers classified by the percentage of high strength of their wastewater. The number of wastewater single-family residential (SFR) customers are projected to increase at an annual rate of 0.5 percent.

Financial Plan

A forward-looking financial plan was prepared for the wastewater enterprise that projected the revenue and revenue requirements of the System. Annual costs of the System include operation and maintenance expense (O&M), annual routine capital outlay, replacement capital, other major capital improvements, and debt service. Projected O&M expenses include the District's FY 2020-21 Budget expenses for the first year, and projection of future years' expenses through application of inflation factors while recognizing any operational changes. Appendix A presents the historical and projected O&M expense detail of the System.

An analysis was performed that compared the projected revenue using the District's current wastewater rates with projected revenue requirements (costs) of the System. The analysis indicated that the current level of revenue being received should be increased. Revenue increases of 3.8 percent annually are recommended to

adequately meet future obligations, debt coverage requirements, and financial planning criteria. The wastewater financial plan is presented in Table 7.

Proposed Wastewater Rates

The proposed wastewater rates keep the current rate structure for existing customers and are updated to reflect current cost of service. For the first rate increase September 1, 2021, wastewater rates are adjusted to bring user classifications back to cost of service levels. For future rate adjustments, the wastewater rates are increased at 3.8 percent annually, following the increases in the financial plan. Table ES-1 presents the proposed wastewater rates to System customers.

**Table ES-1
Proposed Wastewater Rates**

Description	Current	Date of Increase				
		Sep 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
Residential Bi-monthly Fixed Charges						
Single Family	\$100.87	\$104.54	\$108.51	\$112.64	\$116.92	\$121.36
Multi-family	\$84.14	\$87.15	\$90.46	\$93.90	\$97.47	\$101.17
Non-Residential Bi-monthly Meter Charges by Size						
Up to 1 inch	\$39.83	\$54.88	\$56.97	\$59.13	\$61.38	\$63.71
1.5 inch	\$115.63	\$158.04	\$164.05	\$170.28	\$176.75	\$183.47
2 inch	\$183.84	\$250.88	\$260.41	\$270.31	\$280.58	\$291.24
3 inch	\$343.01	\$467.51	\$485.28	\$503.72	\$522.86	\$542.73
4 inch	\$570.39	\$776.98	\$806.51	\$837.15	\$868.96	\$901.99
6 inch	\$1,138.85	\$1,550.66	\$1,609.58	\$1,670.75	\$1,734.23	\$1,800.13
8 inch	\$1,820.99	\$2,479.07	\$2,573.27	\$2,671.06	\$2,772.56	\$2,877.91
Non-Residential Usage Rates (\$ per HCF)						
Low Strength	\$3.89	\$3.87	\$4.02	\$4.17	\$4.33	\$4.49
Medium Strength	\$4.32	\$4.27	\$4.43	\$4.60	\$4.77	\$4.95
High Strength	\$5.59	\$5.47	\$5.68	\$5.89	\$6.12	\$6.35
Mixed Use Usage Rates (\$ per HCF)						
Standard Comm with 10% High Strength	\$4.08	\$4.03	\$4.18	\$4.34	\$4.51	\$4.68
Standard Comm with 20% High Strength	\$4.25	\$4.19	\$4.35	\$4.51	\$4.69	\$4.86
Standard Comm with 30% High Strength	\$4.42	\$4.35	\$4.52	\$4.69	\$4.86	\$5.05
Standard Comm with 40% High Strength	\$4.61	\$4.51	\$4.68	\$4.86	\$5.04	\$5.24
Standard Comm with 50% High Strength	\$4.78	\$4.67	\$4.85	\$5.03	\$5.22	\$5.42
Standard Comm with 60% High Strength	\$4.96	\$4.83	\$5.01	\$5.20	\$5.40	\$5.61
Standard Comm with 70% High Strength	\$5.13	\$4.99	\$5.18	\$5.38	\$5.58	\$5.79
Standard Comm with 80% High Strength	\$5.30	\$5.15	\$5.35	\$5.55	\$5.76	\$5.98
Standard Comm with 90% High Strength	\$5.48	\$5.31	\$5.51	\$5.72	\$5.94	\$6.16

Customer Bill Impacts

Table ES-2 presents the impacts to residential bills for the proposed September 1, 2021 wastewater rates. The table shows that the single-family residential customer's bi-monthly bill will increase from \$100.87 to \$104.54,

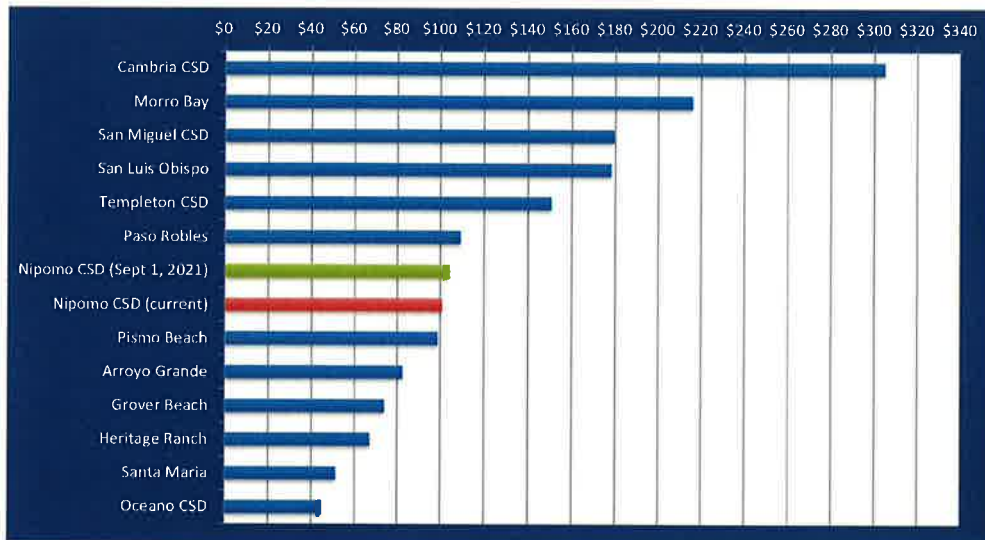
an increase of \$3.67, or 3.6 percent. For multi-family residential, the bi-monthly bill will increase from \$84.14 to \$87.15 an increase of \$3.01 or 3.6 percent.

Table ES-2
Bill Impacts with Proposed Wastewater Rates

Classification	Current	Sep 1, 2021	Percent Change
	Bill	Proposed Bill	
Residential			
Single Family	\$100.87	\$104.54	3.6%
Multi-family	\$84.14	\$87.15	3.6%

Chart ES-1 has been prepared to compare the District’s SFR wastewater bill with those of other communities at the same consumption. The chart indicates that comparing the District’s September 2021 charges to other communities, a SFR customer will experience a bill that is in the mid-range of the communities listed.

Chart ES-1
Comparison of Single-family Residential Bi-Monthly Wastewater Bills
For Rates in Effect February 2021



Note: Above table uses wastewater rates in effect February 2021. Chart does not include any other charges than those published on each agency’s website. Arroyo Grande, Grover Beach, and Oceano CSD include wastewater treatment charge from South San Luis Obispo County Sanitation District. Arroyo Grande and Cambria CSD assume 40 HCF bi-monthly. San Luis Obispo assumes 16 HCF bi-monthly. Paso Robles assumes 14 HCF bi-monthly. NCSDD’s September 2021 bill is based on the wastewater service charges in Table ES-1.

Introduction

The Nipomo Community Services District (District) engaged Tuckfield & Associates in January of 2021 to conduct a comprehensive Wastewater Rate Study (Study) for the District's Town Wastewater System (System). This Study includes development of a pro forma statement of revenues and expenses of the Town wastewater enterprise, analyses to determine the cost of service of each customer class, and design of new wastewater rates and charges.

Background

The District was formed in 1965 and covers an area of approximately 4,650 acres. The District is located in the central coastal region of the state of California in San Luis Obispo County, north of Los Angeles by approximately 175 miles. The District provides wastewater service to the Town and Blacklake service areas, each served by independent wastewater systems. Revenues and revenue requirements are accounted for in enterprise funds of the District and each relies upon user charges to meet all financial obligations.

The System consists of wastewater collection, treatment, and disposal facilities to approximately 2,700 service connections. The collection system consists of 10 lift stations and about 38 miles of gravity sewer pipe ranging in size from 6 to 24 inches and about 5 miles of force main ranging in size between 4 to 8 inches. The wastewater collected is treated at the District owned and operated Southland Wastewater Treatment Facility (Southland WWTF). The treatment capacity provided by the plant is currently 0.9 mgd.

Objectives

The objectives of this Study are to (1) review the current and future financial status of the Town wastewater enterprise funds, (2) make any adjustments to the revenue being received to ensure that the financial obligations are being met now and in the future, including adequate reserves and debt service coverage, and (3) design rates that generate the required revenue while being fair and equitable for its customers. Within these broad objectives, the Study further sought to provide the following.

- Revenue sufficiency to fund operating and capital needs
- Appropriate levels of operating, capital, emergency, and rate stabilization reserves
- Cost of service allocations following appropriate standards, regulations, and guidelines
- Rates that are consistent with industry practice
- Stable revenue stream similar to existing rate structure
- Ease of understanding and administration

Scope of the Study

This Study includes the results of analyzing the wastewater enterprise funds related to the System. Historical trends were analyzed from data supplied by the District showing the number of customers, water consumption volumes, revenue, and revenue requirements.

Revenue requirements of the System include operation and maintenance expense, routine capital outlays, replacement transfers, debt service, and additions to reserves. Changing conditions such as additional facilities,

system growth, employee additions/reductions, and non-recurring maintenance expenditures are recognized. Inflation for ongoing expenditures is included to reflect cost escalation.

The financial plan and rates developed herein are based on funding of the capital improvement plan as stated as well as estimates of operation and maintenance expenses developed from information provided by the District. Deviation from the financial plans, construction cost estimates and funding requirements, major operational changes, or other financial policy changes that were not foreseen, may result in the need for lower or higher revenue than anticipated. It is suggested that the District conduct an update to the Study at least every three years for prudent rate planning.

Financial Planning

Financial planning for the wastewater enterprise includes identifying and projecting revenues and revenue requirements of the System for a five-year planning period. Estimates of revenue from various sources are compared with the projected revenue requirements. This comparison allows the review of the adequacy of existing revenue to meet annual System obligations and provide the basis for rate adjustments. New wastewater rates and charges are created to recover all of the District's annual operating and capital costs associated with the System. This section discusses District reserves, current wastewater rates, user classifications, revenues and revenue requirements, planned capital improvement expenditures and financing sources, and proposed revenue adjustments.

Assumptions

Several assumptions were used to conduct the Study for the period FY 2020-21 to FY 2025-26. The assumptions included growth rates in customer accounts, interest earnings on fund reserves, and expense inflation factors. The financial planning factors are provided in Table 1.

Table 1
Assumptions and Planning Factors

Description	Value
Residential Annual Account & Demand growth [1]	0.5%
Interest earnings on fund reserves (annual)	1.00%
Expense Escalation	
Personnel Services [annual, 2]	3.0%
Electrical Power	3.0%
Chemicals	3.0%
All Other Operations and Maintenance	3.0%

[1] Annualized growth in water accounts is based on historical information provided by staff.

[2] Personnel Services growth in staffing, promotions and inflation are three percent annually.

Reserve Policy

The District's reserve policy goals provide a means to meet unanticipated reductions in revenues, meet changes in the costs of providing services, provide for fixed asset repair and replacement, natural disaster needs, and other issues. The reserves also provide guidelines to maintain the financial health and stability of the wastewater enterprise. The reserve types and the dollar amount of reserves used in this Study are discussed below.

Operating Reserve

The purpose of the Operating Reserve is to provide working capital to meet cash flow needs during normal operations and support the operation, maintenance and administration of the utility. This reserve ensures that operations can continue should there be significant events that impact cash flows. The target balance to be maintained is 180 days (50 percent) of the current annual operating expense budget.

Capital Replacement Reserve

The purpose of the Replacement Capital Reserve is to fund future replacement of assets and CIP projects. The Capital reserves are used to fund the construction of the projects as the projects progress and the funds are expended. A reserve amount equal to the ten-year average of annual CIP spending has been used for this Study.

Rate Stabilization Reserve

The purpose of the Rate Stabilization Reserve is to serve as a buffer to wastewater rates during any period where there are unexpected increases in operating costs or decreases in revenue and absorb revenue losses. The reserve may be drawn into Fund 130 to stabilize wastewater rates and may provide level increases to wastewater rates. The target reserve is established at \$300,000 plus interest that has accrued on the reserves.

All of the reserves listed above are used in developing the financial plan for the wastewater enterprise. The reserve amounts as of June 30, 2020 serve as the initial cash position to meet future obligations of the financial plan.

Current Wastewater Rates

Residential customers are charged a fixed bi-monthly charge while non-residential and mixed-use customers are charged a fixed bi-monthly charge by meter size and volume charges for their respective wastewater strength classification. The current wastewater rates are presented in Table 2.

Table 2
Current Wastewater Rates

Description	Current Jan 2020
Residential Bi-monthly Fixed Charges	
Single Family	\$100.87
Multi-family	\$84.14
Non-Residential Bi-monthly Fixed Meter Charges by Size	
Up to 1 inch	\$39.83
1 1/2	\$115.63
2	\$183.84
3	\$343.01
4	\$570.39
6	\$1,138.85
8	\$1,820.99
Non-Residential Usage Rates (\$ per HCF)	
Low Strength	\$3.89
Medium Strength	\$4.32
High Strength	\$5.59
Mixed Use Usage Rates (\$ per HCF)	
Mixed Use - 0% High Strength	\$3.89
Mixed Use - 10% High Strength	\$4.08
Mixed Use - 20% High Strength	\$4.25
Mixed Use - 30% High Strength	\$4.42
Mixed Use - 40% High Strength	\$4.61
Mixed Use - 50% High Strength	\$4.78
Mixed Use - 60% High Strength	\$4.96
Mixed Use - 70% High Strength	\$5.13
Mixed Use - 80% High Strength	\$5.30
Mixed Use - 90% High Strength	\$5.48

Wastewater User Classification

Existing User Classification

The District currently classifies customers as residential, non-residential, and mixed-use. Residential is further classified as single-family residential (SFR) or multi-family residential (MFR), and non-residential customers are further classified according to their discharge strength of low, medium, and high and mixed-use. Mixed use is classified into one of nine categories that reflect increasing strength of the wastewater. Table 3 shows the current number of dwelling units for SFR and MFR customers and the number of accounts for non-residential customers. For purposes of this Study, one dwelling unit is considered to be one account. The table illustrates that about 98 percent of the District's customers are residential (SFR and MFR).

Table 3
Historical and Projected Wastewater Accounts by Classification

Customer Class	Historical	Estimated	Projected [1]				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Residential							
Single Family [2]	2,783	2,797	2,811	2,825	2,839	2,853	2,867
Multi-family [2]	656	659	662	665	668	671	674
Non-Residential							
Commercial - Low Strength	30	30	30	30	30	30	30
Commercial - Medium Strength	8	8	8	8	8	8	8
Commercial - High Strength	11	11	11	11	11	11	11
Mixed Use							
Mixed Use - 0% High Strength	11	11	11	11	11	11	11
Mixed Use - 10% High Strength	1	1	1	1	1	1	1
Mixed Use - 20% High Strength	3	3	3	3	3	3	3
Mixed Use - 30% High Strength	2	2	2	2	2	2	2
Mixed Use - 40% High Strength	2	2	2	2	2	2	2
Mixed Use - 50% High Strength	1	1	1	1	1	1	1
Mixed Use - 60% High Strength	0	0	0	0	0	0	0
Mixed Use - 70% High Strength	1	1	1	1	1	1	1
Mixed Use - 80% High Strength	0	0	0	0	0	0	0
Mixed Use - 90% High Strength	0	0	0	0	0	0	0
Total Accounts/Dwelling Unit	3,508	3,526	3,543	3,560	3,577	3,594	3,611

[1] Accounts and dwelling units are forecast to increase based on the assumed growth rate of 0.5% annually.

[2] Number of dwelling units.

Growth Assumptions

Historical growth in the number of single-family customers between FY 2013-14 to FY 2018-19 indicates an average annual growth rate of about 0.8 percent annually with multifamily growth at about 0.4 percent. Commercial customer growth has had a growth rate of about 0.8 percent annually though has remained constant the last 3 years. Based on the review, the increase in the number of single-family and multifamily residential customers is projected at 0.5 percent annually with no increase in commercial customers.

Wastewater Financial Plan

The District accounts for the revenue and revenue requirements of the System in three funds. Fund 130 accounts for the operations of the System while Fund 710 and Fund 810 relate to capital expansion and replacement respectively.

Wastewater Revenues

The District receives operating and capital revenue from several sources. Operating revenue is received into Fund 130 from rates and charges for wastewater service, interest income, and miscellaneous sources. Capital revenue sources include sewer capacity charges received into Fund 710.

Table 4 presents the projected revenue from current wastewater rates for the System. The revenue is projected by applying the current wastewater rates from Table 3 to the projected number of dwelling units or accounts and commercial volume.

Table 4
Projected Wastewater Revenues Using Current Rates

Customer Classification	Forecast					
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Residential						
Single Family	\$1,692,800	\$1,701,273	\$1,709,747	\$1,718,220	\$1,726,693	\$1,735,166
Multi-family	\$332,690	\$334,204	\$335,719	\$337,233	\$338,748	\$340,262
Non-Residential						
Commercial - Low Strength	67,302	67,302	67,302	67,302	67,302	67,302
Commercial - Medium Strength	20,499	20,499	20,499	20,499	20,499	20,499
Commercial - High Strength	43,051	43,051	43,051	43,051	43,051	43,051
Mixed Use						
Mixed Use - 0% High Strength	13,408	13,408	13,408	13,408	13,408	13,408
Mixed Use - 10% High Strength	2,821	2,821	2,821	2,821	2,821	2,821
Mixed Use - 20% High Strength	5,974	5,974	5,974	5,974	5,974	5,974
Mixed Use - 30% High Strength	3,607	3,607	3,607	3,607	3,607	3,607
Mixed Use - 40% High Strength	3,883	3,883	3,883	3,883	3,883	3,883
Mixed Use - 50% High Strength	21,017	21,017	21,017	21,017	21,017	21,017
Mixed Use - 60% High Strength	0	0	0	0	0	0
Mixed Use - 70% High Strength	639	639	639	639	639	639
Mixed Use - 80% High Strength	0	0	0	0	0	0
Mixed Use - 90% High Strength	0	0	0	0	0	0
Total Projected Revenue	\$2,207,691	\$2,217,678	\$2,227,666	\$2,237,653	\$2,247,641	\$2,257,629

Wastewater Revenue Requirements

Revenue requirements of the System include operation and maintenance expense and capital outlay, replacement capital, capital improvement program spending, and annual debt service.

Operation and Maintenance Expense

Operation and maintenance expenses (O&M) are an on-going obligation of the wastewater system and such costs are normally met from wastewater service revenue. O&M includes the personnel, operating, and material costs to operate and maintain the wastewater collection, treatment, and disposal facilities. Costs also include technical services, laboratory services, and other general and administrative expenses.

O&M has been projected recognizing the major expense categories of personnel services, electrical power, chemicals, and all other expenses. A review of historical expenses and expectations for future expenses indicates that annual increases of 3 percent in these major categories are reasonable. Table 5 provides the detailed projections of future O&M expense. Appendix A-1 provides additional detail.

Table 5
Historical and Projected Operation and Maintenance Expense

Description	Historical	Budget	Projected				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
OPERATION AND MAINTENANCE							
Personnel Services	\$579,867	\$688,300	\$708,800	\$730,400	\$752,800	\$775,600	\$799,200
Electricity - Pumps and Blowers	166,131	172,000	177,200	182,500	188,000	193,600	199,400
Chemicals	19,281	19,000	19,600	20,200	20,800	21,400	22,000
Lab Tests and Sampling	27,022	30,000	30,900	31,800	32,800	33,800	34,800
Operating Supplies	66,640	90,000	92,700	95,500	98,400	101,400	104,400
Outside Services	90,912	76,000	78,300	80,600	83,000	85,500	88,100
Permits and Operating Fees	14,362	12,000	12,400	12,800	13,200	13,600	14,000
Repairs and Maintenance	103,495	125,000	128,800	132,700	136,700	140,800	145,000
Other Operations and Maintenance Exp	16,789	16,500	16,900	17,300	17,700	18,100	18,500
Total O&M Expense	\$1,084,500	\$1,228,800	\$1,265,600	\$1,303,800	\$1,343,400	\$1,383,800	\$1,425,400
GENERAL AND ADMINISTRATIVE							
Personnel Services	\$102,866	\$82,130	\$84,800	\$87,300	\$89,800	\$92,500	\$95,200
Computer Expense	23,415	34,000	35,000	36,100	37,200	38,300	39,400
Newsletters and Mailers	0	680	700	700	700	700	700
Postage	5,252	5,500	5,700	5,900	6,100	6,300	6,500
Other General and Administrative	47,893	97,010	100,200	103,300	106,500	109,800	113,100
Transfers - Administration	93,972	124,359	128,100	131,900	135,900	140,000	144,200
Total G&A Expenses	\$273,398	\$343,679	\$354,500	\$365,200	\$376,200	\$387,600	\$399,100
Total O&M Expenses	\$1,357,898	\$1,572,479	\$1,620,100	\$1,669,000	\$1,719,600	\$1,771,400	\$1,824,500

Capital Outlay

The District provides for capital outlay annually for equipment, small hand tools, and other miscellaneous routine capital. The District budgeted capital outlay of about \$25,000 in FY 2020-21. This amount is projected to be the average of the previous 5 years for FY 2021-22 and then increases by 3 percent annually.

Replacement Capital

The District provides for capital replacement annually in the amount of \$395,000. This amount is spent towards capital improvements or is accumulated in Fund 810.

Wastewater Capital Improvement Program

The District has prepared a wastewater capital improvement program (CIP) spending plan for years FY 2020-21 through FY 2025-26 shown in Table 6. The CIP includes those improvements at the Southland WWTF and improvements to lift stations. All of the improvements are funded by District revenues and reserves. The Southland Sewer System Pipeline Replacement project construction is subject to funding and/or contribution in aid of construction by developer(s).

Table 6
Capital Improvement Program

Description	Budget		Fiscal Year			
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Current Capital Improvement Projects (CIP) [1]						
Nipomo Palms Lift Station-Fund #810	\$0	\$1,250,000	\$0	\$0	\$0	\$0
Southland WWTF Biosolids Dewatering-Fund #810	450,000	801,000	-	-	-	-
Southland WWTF Influent Pump Station-Fund #810	-	150,000	-	-	-	-
Manhole Rehabilitation-Fund #810	-	150,000	154,500	159,135	163,909	168,826
Southland Sewer System Pipeline Replacement [2]	-	200,000	1,600,000	-	-	-
Lift Station Pump Replacements-Fund #810	-	40,000	41,200	42,436	43,709	45,020
Lift Station Rehabilitation - Tejas Fund #810	-	-	-	-	-	250,000
Sewer System Master Plan-Fund #710	-	-	160,000	-	-	-
Southland WWTF Improvements-Fund #710	-	-	-	-	-	300,000
Southland WWTF Blower-Fund #710	300,000	-	-	-	-	-
Total	\$750,000	\$2,591,000	\$1,955,700	\$201,571	\$207,618	\$763,846

[1] CIP Source: FY 2020-21 Budget provided by the District.

[2] Project construction subject to funding and/or contribution in aid of construction by developer(s).

Debt Service Requirements

The District has outstanding debt related to the Series 2012 Certificates of Participation (COPs) debt issue. The COPs issued in 2012 financed upgrades to the Southland WWTF and have a term of 30 years. The 2012 COPs have an annual debt service payment of about \$553,800 in FY 2020-21 and increasing to \$595,000 for years thereafter. The 2012 COPs will be retired in June 2042.

Wastewater Financial Plan

A wastewater financial plan has been prepared that includes revenues and revenue requirements identified for System operations. The financial plan includes all revenue and expenses from Fund 130, Fund 135, Fund 710, and Fund 810. Additionally, the statement incorporates specific financial planning criteria to provide guidance to maintain the health of the fund on an on-going basis. The criteria include maintaining an operating reserve balance and maintaining required debt service coverage ratios required by the Series 2012 COPs debt covenants.

Proposed Revenue Adjustments

To meet the annual obligations and the financial planning criteria set for the financial plan, it is proposed that revenue be increased by 3.8 percent annually beginning September 1, 2021 and then each July 1 of the Study period. The financial plan for the System is presented in Table 7.

Table 7
Wastewater Financial Plan
 Includes Fund 130, Fund 135, Fund, 710, and Fund 810

Description	Projected					
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Proposed Rate Increase (Sep 1)		3.8%				
Proposed Rate Increase (July 1)			3.8%	3.8%	3.8%	3.8%
Revenues						
Sewer Revenues, Existing Rates [1]	\$2,207,700	\$2,217,700	\$2,227,700	\$2,237,700	\$2,247,600	\$2,257,600
Total Additional Sewer Rate Revenue	0	63,200	165,200	257,300	353,700	454,400
Interest Earnings [2]	54,800	39,100	17,900	25,100	25,700	23,900
Miscellaneous Revenues	500	500	500	500	500	500
Total Revenues	\$2,263,000	\$2,320,500	\$2,411,300	\$2,520,600	\$2,627,500	\$2,736,400
Revenue Requirements						
Operation and Maintenance Expense	\$1,572,479	\$1,620,100	\$1,669,000	\$1,719,600	\$1,771,400	\$1,824,500
Replacement Capital	395,000	395,000	395,000	395,000	395,000	395,000
Capital Outlay	25,410	29,500	30,400	31,300	32,200	33,200
Existing Debt Service [3]	553,800	595,200	594,600	596,400	597,100	596,800
Total Revenue Requirements	\$2,546,689	\$2,639,800	\$2,689,000	\$2,742,300	\$2,795,700	\$2,849,500
Net Funds Available Before Capital	(\$283,689)	(\$319,300)	(\$277,700)	(\$221,700)	(\$168,200)	(\$113,100)
Wastewater Capital						
Capital Sources of Funds						
Replacement Capital	\$395,000	\$395,000	\$395,000	\$395,000	\$395,000	\$395,000
Capacity Charges [4]	0	58,000	1,658,000	58,000	58,000	58,000
Total Uses of Funds	\$395,000	\$453,000	\$2,053,000	\$453,000	\$453,000	\$453,000
Capital Uses of Funds						
Capital Improvement Plan [5]	\$750,000	\$2,591,000	\$1,955,700	\$201,571	\$207,618	\$763,846
Total Uses of Funds	\$750,000	\$2,591,000	\$1,955,700	\$201,571	\$207,618	\$763,846
Net Capital Spending	(\$355,000)	(\$2,138,000)	\$97,300	\$251,429	\$245,382	(\$310,846)
Net Funds Available After Capital	(\$638,689)	(\$2,457,300)	(\$180,400)	\$29,729	\$77,182	(\$423,946)
Available Reserves (including capital funds)						
FY beginning available cash [6]	\$5,803,459	\$5,164,770	\$2,707,470	\$2,527,070	\$2,556,799	\$2,633,981
Additions (reductions)	(\$638,689)	(\$2,457,300)	(\$180,400)	\$29,729	\$77,182	(\$423,946)
FY ending available reserves	\$5,164,770	\$2,707,470	\$2,527,070	\$2,556,799	\$2,633,981	\$2,210,035
Target Reserves [7]	\$2,080,000	\$2,100,000	\$2,140,000	\$2,170,000	\$2,190,000	\$2,230,000
Above (below) Target	\$3,084,770	\$607,470	\$387,070	\$386,799	\$443,981	(\$19,965)
Debt Service Coverage						
Net Revenues [8]	\$665,111	\$728,900	\$2,369,900	\$827,700	\$881,900	\$936,700
Annual Debt Service [9]	\$553,800	\$595,200	\$594,600	\$596,400	\$597,100	\$596,800
Coverage	120%	122%	399%	139%	148%	157%

[1] Projected using the existing rates. Changes in rate based revenues is due to customer and demand growth.
 [2] Interest earnings on the average fund balance calculated at 1.00%.
 [3] Debt service on the 2012 Certificates of Participation.
 [4] Assumes \$1,600,000 in funding or contributions in aid of construction from developer(s) in FY 2022-23.
 [5] From Table 6.
 [6] The available FY 2020-21 cash balance includes Fund 130, Fund 135, Fund 710, and Fund 810.
 [7] Target reserve includes Operating, Capital Replacement, and Rate Stabilization reserves.
 [8] Includes capacity charge revenue and interest income on all wastewater funds less O&M and capital outlay.
 [9] Includes 2012 COPS.

A graphical depiction of the financial plan is presented in Figure 1 below, expanded for a 10-year period. The figure shows that capital spending exceeds revenue in some years and there is a corresponding draw down in cash as shown in Figure 2. However, with the proposed revenue increases the cash reserves return to their target level at the end of the 10-year period.

Figure 1
Wastewater Financial Plan

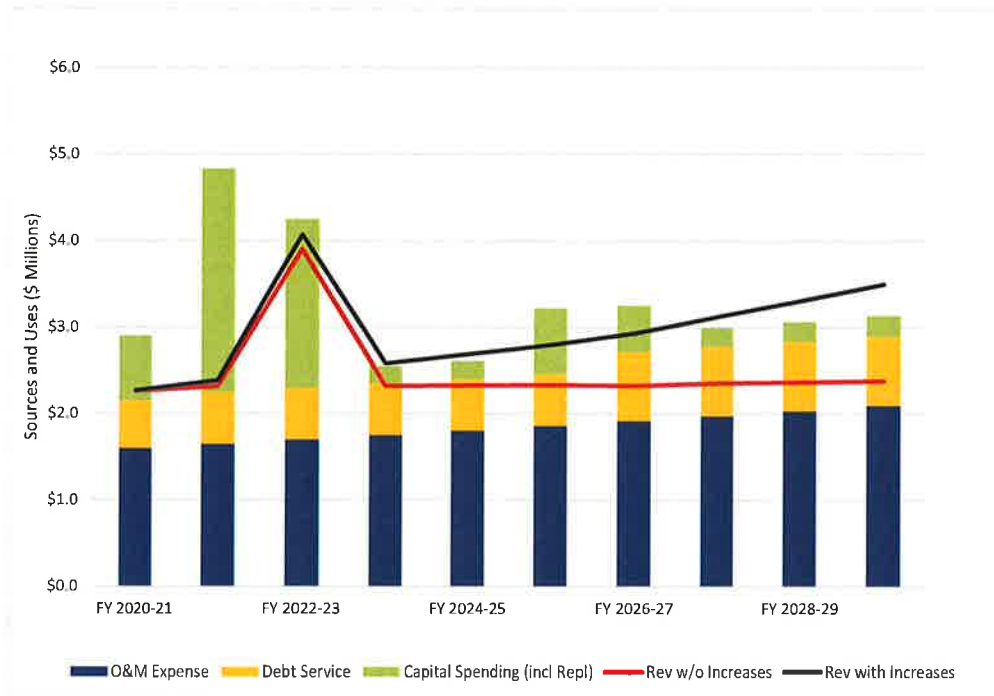
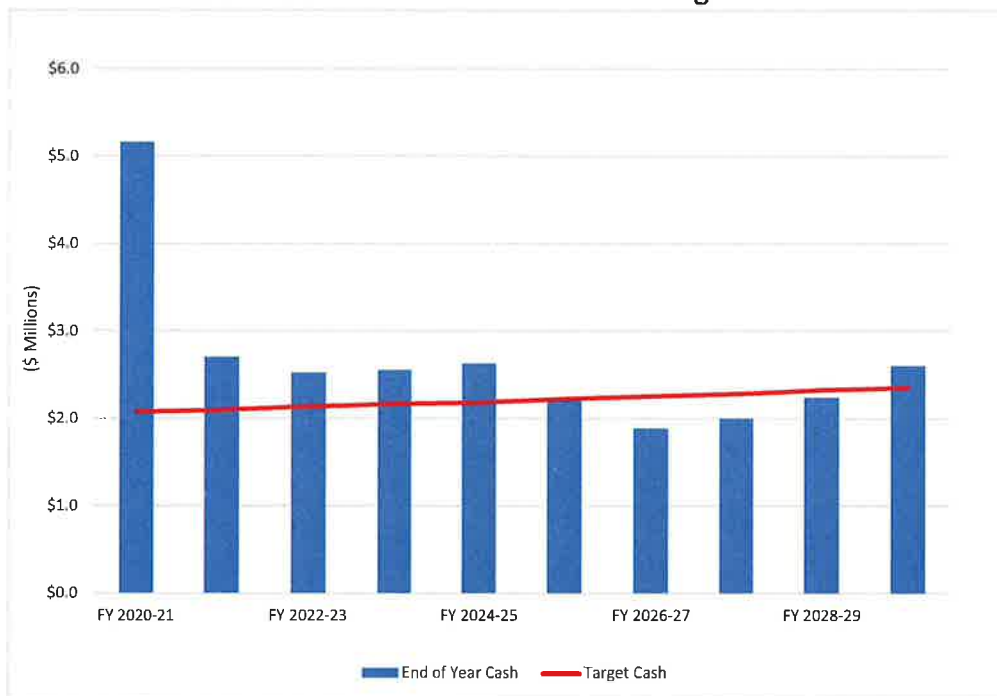


Figure 2
Wastewater Cash Reserves versus Target Reserves



Cost of Service

This section of the report discusses the allocation of the System’s operating and capital costs to the users of the wastewater system. Once cost responsibility is assigned to each customer classification, the current revenue received from each classification can be compared with its cost of service to evaluate any inequities of the current rate structure and rates, which provides the basis for proposed rate adjustments.

Costs of Service to be Allocated

The annual revenue requirement for a representative year in the Study period is called the Test Year, and the annual costs for this year are defined as the cost of providing service. For this Study the Test Year is FY 2021-22, and the annual costs of the wastewater system for this year will be used to evaluate the fairness and equity of the current wastewater rates and will form the basis for the proposed rates.

The cost of service consists of O&M expense, costs associated with annual replacement, and other capital costs. To allocate the costs of providing service to the users of the wastewater system, costs need to first be allocated to wastewater parameters.

Cost Allocation to Wastewater Parameters

The cost allocation parameters for wastewater service are wastewater flow, BOD (bio-chemical oxygen demand), and SS (suspended solids), capacity, customer, and collection costs. Test Year operating and capital costs are assigned to each parameter based on the functional operation and design of the facilities.

The total cost to be recovered in FY 2021-22 from the users of the wastewater system is presented in Table 8. The annual revenue requirement for FY 2021-22 is allocated to each wastewater parameter based on the percentage of annual costs allocated to each parameter from a detailed review of expenses. The allocation of Test Year revenue requirement is used in calculating the unit costs of service. Appendix A-2 provides additional detail for the FY 21-22 total revenue requirement.

Table 8
Summary of Revenue Requirement Allocation

Description	Total	Flow	Strength			Customer	Collection
			BOD	SS	Capacity		
Revenue Requirement Allocation	100.0%	4.7%	4.5%	4.5%	48.6%	3.1%	34.5%
FY 2021-22	\$2,302,000	\$107,900	\$104,726	\$104,726	\$1,119,478	\$70,247	\$794,923

Unit Costs of Service

Each customer classification’s responsibility for a portion of cost of service is established through developing unit costs of service for each of the wastewater parameters identified above. Costs of service are then distributed to

each user classification by identifying how each group uses the wastewater system. Use of the wastewater system by each customer classification is determined by developing units of service.

The units of service for each customer classification are provided in Table 9 below. The units of service for wastewater flow were projected from an analysis of the wastewater treatment plant influent flow information for FY 2019-20. The table does not describe any responsibility for infiltration/inflow (I/I) because the AECOM Southland Wastewater Treatment Master Plan Amendment #1 found that there was no indication of significant I/I influence on the WWTF flows.

Table 9
FY 2021-22 Units of Service

Customer Class	Water	Return	Contributed		BOD	SS	BOD	SS	Capacity ^[1]	Customer ^[2]	Collection
	Consumption	Factor	Volume	HCF							
		%									
Residential											
Single Family	688,262	27%	185,708	380	280	430,143	316,948	2,811	16,866	509	
Multi-family	52,217	53%	27,720	380	280	73,548	54,193	662	3,972	76	
Non-Residential											
Commercial - Low Strength	13,728	86%	11,737	380	280	27,842	20,515	60	180	32	
Commercial - Medium Strength	3,892	86%	3,328	600	440	12,463	9,140	16	48	9	
Commercial - High Strength	6,678	86%	5,710	1,500	770	53,463	27,444	25	66	16	
Mixed Use											
Mixed Use - 0% High Strength	2,315	86%	1,979	380	280	4,695	3,460	19	66	5	
Mixed Use - 10% High Strength	421	86%	360	492	329	1,106	739	5	6	1	
Mixed Use - 20% High Strength	1,023	86%	875	604	378	3,298	2,064	7	18	2	
Mixed Use - 30% High Strength	605	86%	517	716	427	2,312	1,379	4	12	1	
Mixed Use - 40% High Strength	640	86%	547	828	476	2,828	1,626	4	12	1	
Mixed Use - 50% High Strength	4,166	86%	3,562	940	525	20,901	11,673	5	6	10	
Mixed Use - 60% High Strength	0	n/a	0	1,052	574	0	0	0	0	0	
Mixed Use - 70% High Strength	78	86%	67	1,164	623	485	259	1	6	0	
Mixed Use - 80% High Strength	0	n/a	0	1,276	672	0	0	0	0	0	
Mixed Use - 90% High Strength	0	n/a	0	1,388	721	0	0	0	0	0	
Total System	774,025		242,111			633,084	449,441	3,617	21,258	663	

[1] Appendix A-3 provides detail on the calculation of Equivalent Meters.

[2] Number of accounts from Table 3 multiplied by 6 bills per year.

Table 10 presents the unit costs of providing service for the System. Unit costs are determined by taking the operating and capital costs allocated to each parameter from Table 8 and dividing those costs by the units of service from Table 9.

Table 10
FY 2021-22 Development of Unit Costs

Description	Total	Flow	Strength		Capacity	Customer	Collection
			BOD	SS			
Total Costs of Service	\$2,302,000	\$107,900	\$104,726	\$104,726	\$1,119,478	\$70,247	\$794,923
Units of Service		242,111	633,084	449,441	3,617	21,258	663
Unit Costs of Service		\$0.4457	\$0.1654	\$0.2330	\$309.47	\$3.30	\$1,198.41
Units of Measure		HCF	lbs	lbs	Eq. Meters	Eq. Bills	HCF/Day

User Class Costs

The unit costs from Table 10 are applied to each customer classifications' flow, strength, and customer units of service from Table 9 to establish user class costs. The cost responsibility of each class is summarized in Table 11 below. A detailed cost assignment is provided in Appendix A-3.

Table 11
Comparison of FY 2021-22 Cost of Service with
Projected Revenue Using Current Rates

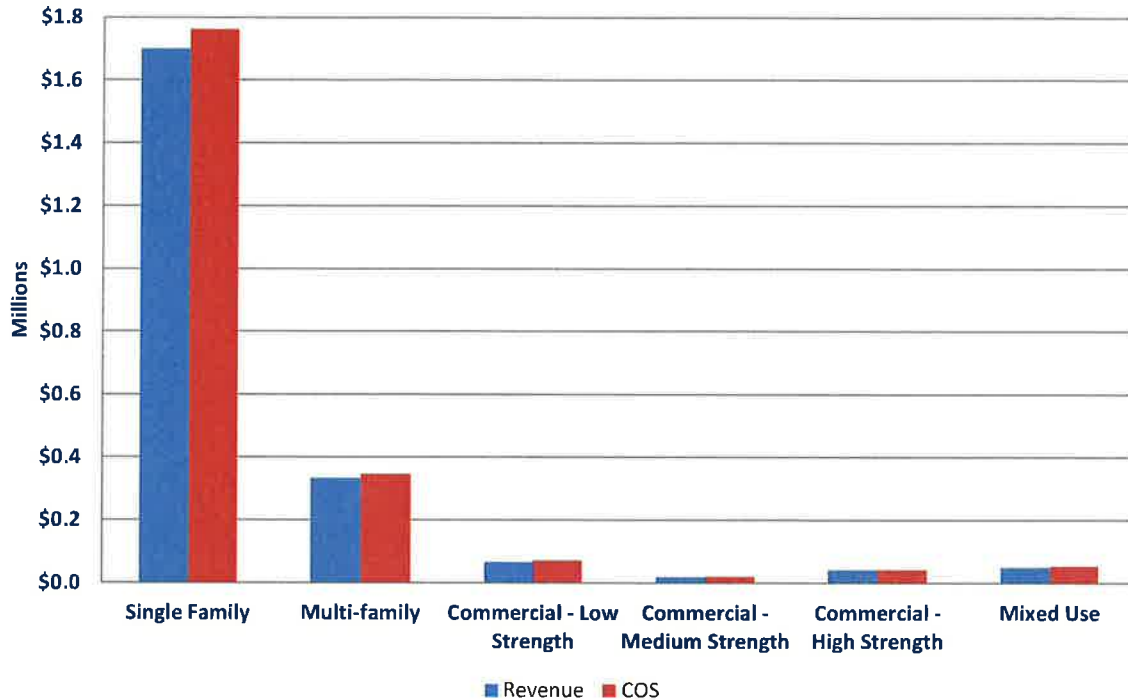
Customer Class	COS Allocation	Projected Revenue ⁽¹⁾	Indicated Revenue Increase	Percent Revenue Increase
Residential				
Single Family	\$1,763,164	\$1,701,300	\$61,864	3.6%
Multi-family	\$346,158	\$334,200	\$11,958	3.6%
Non-Residential				
Commercial - Low Strength	\$72,194	\$67,300	\$4,894	7.3%
Commercial - Medium Strength	\$21,648	\$20,500	\$1,148	5.6%
Commercial - High Strength	\$44,361	\$43,100	\$1,261	2.9%
Mixed Use				
Mixed Use - 0% High Strength	\$15,000	\$13,400	\$1,600	11.9%
Mixed Use - 10% High Strength	\$3,203	\$2,800	\$403	14.4%
Mixed Use - 20% High Strength	\$6,514	\$6,000	\$514	8.6%
Mixed Use - 30% High Strength	\$3,910	\$3,600	\$310	8.6%
Mixed Use - 40% High Strength	\$4,165	\$3,900	\$265	6.8%
Mixed Use - 50% High Strength	\$20,965	\$21,000	(\$35)	-0.2%
Mixed Use - 60% High Strength	\$0	\$0	\$0	0.0%
Mixed Use - 70% High Strength	\$719	\$600	\$119	19.8%
Mixed Use - 80% High Strength	\$0	\$0	\$0	0.0%
Mixed Use - 90% High Strength	\$0	\$0	\$0	0.0%
Total System	\$2,302,000	\$2,217,700	\$84,300	3.8%

⁽¹⁾ Projected revenue using the existing rates.

From inspection of Table 11, the residential classifications have the largest assignment of costs and are responsible for about 92 percent of the total cost of service. Additionally, the table shows the overall increase in revenue required of 3.8 percent, to be derived from the user classes in varying percentages.

Figure 3 compares the current revenue received from each user class with the allocated cost of service from Table 11. As shown in the figure, residential customers dominate the responsibility for the cost of providing service. The difference in the column heights between revenue and cost of service (blue vs. red) indicates how well a user classification's current rates are recovering the cost of service.

Figure 3
Comparison of Projected Revenue Using the Current Rates with
Allocated FY 2021-22 Test Year Cost of Service



Rate Design

The cost of service analyses described in the previous section provides the basis for wastewater rate design. The emphasis on the design of rates is to achieve fairness, and ensuring that each customer class pays its fair share of costs. Rates should be simple to administer, easy to understand, and comply with regulatory requirements.

The inequities in the current wastewater rates, shown in Table 11, are corrected with the design of the proposed wastewater rates. This section describes how wastewater rates and charges are designed and also includes the proposed schedule of wastewater rates for implementation.

Residential Customers

The current rate structure for single-family and multi-family customers is bi-monthly flat charges. This rate structure provides a stable revenue stream for the wastewater enterprise. As noted in the cost of service analyses, the residential classes are responsible for about 92 percent of the cost of service.

The proposed wastewater rates for residential customers maintain the current rate structure and are designed as bi-monthly flat rates charged to each dwelling unit. Table 12 provides the calculations of the bi-monthly fixed

charge for the Test Year cost of service. The total cost of service of each residential class is divided by the number of projected dwelling units for FY 2021-22.

Table 12
Design of Residential Bi-monthly Fixed Charge
 FY 2021-22

Customer Classification	Total Cost of Service	Number of Dwelling Units	Bi-monthly Fixed Charge
Single Family	\$1,763,164	2,811	\$104.54
Multi-family	\$346,158	662	\$87.15

Non-residential Customers

The current non-residential rate structures consists of bi-monthly fixed charges by meter size and uniform volume rates by strength category. The design of proposed non-residential wastewater rates follows similar rate setting practices as the current rate structure.

The proposed fixed charges recover the capacity and customer costs of service. Capacity costs are recovered based on the demand placed on the System from non-residential customers, which is reflected by the meter size installed at the customer location. Customer costs are recovered based on the number of bills issued. Table 13 presents the design of the proposed bi-monthly fixed charges for non-residential customers for FY 2021-22.

Non-residential volume rates are designed to recover the costs of service related to flow, BOD, SS, and collection wastewater parameters. These costs of service are recovered through a uniform volume charge unique to each strength category. The costs are divided by the projected FY 2021-22 water sales volume (billable volume) of each classification to yield a charge per hundred cubic feet (\$/HCF). The volume charges increase with higher strength user classes because the cost to treat wastewater from those customers is greater due to their higher strength loadings, defined in Table 9. The design of the proposed non-residential volume rates for FY 2021-22 are presented in Table 14.

Table 13
Design of Bi-monthly Non-Residential Fixed Charges

FY 2021-22

Meter Size inches	Bi-monthly Capacity Charge ^[1]	Meter Capacity Ratio	Bi-monthly Meter Charge	Bi-monthly Customer Charge ^[1]	Total Bi-monthly Charge
Up to 1 inch	\$51.58	1.0	\$51.58	\$3.30	\$54.88
1.5	\$51.58	3.0	\$154.74	\$3.30	\$158.04
2.0	\$51.58	4.8	\$247.58	\$3.30	\$250.88
3.0	\$51.58	9.0	\$464.21	\$3.30	\$467.51
4.0	\$51.58	15.0	\$773.68	\$3.30	\$776.98
6.0	\$51.58	30.0	\$1,547.35	\$3.30	\$1,550.66
8.0	\$51.58	48.0	\$2,475.76	\$3.30	\$2,479.07

[1] From Table 10.

Table 14
Design of Non-Residential Volume Rates

FY 2021-22

Customer Classification	Flow, BOD SS, & Coll Costs	Billable Volume HCF	Commodity Rate \$/HCF
Non-Residential			
Commercial - Low Strength	\$53,155	13,728	\$3.87
Commercial - Medium Strength	\$16,600	3,892	\$4.27
Commercial - High Strength	\$36,530	6,678	\$5.47

Mixed Use Customers

All non-residential users of the System are billed based upon their proportional use of the wastewater system as measured by their metered water use and strength category as determined by the District Engineer. Where residential and commercial users share a water meter and a common sewer connection, the connection is classified as a Mixed Use customer. The Mixed Use customer has wastewater flows and strengths that are a combination of the residential and commercial customers using the common sewer. The Mixed Use rate was developed for the District in the previous rate study to better reflect the cost of serving these mixed use connections.

The wastewater from a Mixed Use customer has strengths that range from standard commercial strength (Low Strength, similar to residential strengths) to strength concentrations reflecting restaurants and bakeries (High

Strength). The Strength Factor accounts for the proportion of the commercial square footage that is occupied by a High Strength customer as a percentage of the total square footage being served by the sewer connection.

Table 15 below presents the proposed Mixed Use customer volume rates. A Mixed Use customer is charged a rate per HCF for the water consumption read through the meter plus the bi-monthly fixed charge based on the meter size.

Table 15
Mixed Use Customer Wastewater Rates FY 2021-22

Mixed Use Customer Classification (Definition)	Mixed Use Strength Factor	Mixed Use Rate per HCF of Water Use
Standard Commercial with 10.0% High Strength Square Footage	1.15	\$4.03
Standard Commercial with 20.0% High Strength Square Footage	1.30	\$4.19
Standard Commercial with 30.0% High Strength Square Footage	1.45	\$4.35
Standard Commercial with 40.0% High Strength Square Footage	1.60	\$4.51
Standard Commercial with 50.0% High Strength Square Footage	1.75	\$4.67
Standard Commercial with 60.0% High Strength Square Footage	1.90	\$4.83
Standard Commercial with 70.0% High Strength Square Footage	2.05	\$4.99
Standard Commercial with 80.0% High Strength Square Footage	2.20	\$5.15
Standard Commercial with 90.0% High Strength Square Footage	2.35	\$5.31

Note: District Engineer to estimate the percentage of square footage that is occupied by the High Strength customer(s).

Example Mixed Use Commercial Calculation

An example calculation of a bi-monthly charge for a 2-inch meter Mixed Use connection is provided below.

Characteristics: Mixed Use Commercial, 2-inch meter, 100 HCF bi-monthly water consumption

Commercial Customer A - Professional Office, 3,000 sf

Commercial Customer B - Bakery, 2,000 sf

Percent High Strength = 2,000 sf / 5,000 sf = 40%

Mixed Use Bi-monthly Charge = 100 HCF * \$4.51/HCF + \$250.88 (2-inch meter charge) = \$701.88 bi-monthly

Strength Factor

Where there are questions regarding the percentage of the commercial square footage that is occupied by a High Strength customer(s), the District Engineer may make a direct calculation of the Strength Factor and the associated Mixed Use rate. However, it is preferred that once the calculation is made that the Mixed Use customer will be assigned to a classification provided in Table 15. Table 16 below provides the method to directly perform the calculation, however the Overall Strength Factor should not be less than 1.0.

Table 16
Example Direct Calculation of Strength Factor and
Mixed Use Customer Wastewater Rate FY 2021-22

Tenant Mix (Description)	Sq. Ft. Allocation	Strength Factor ^[1]	Assigned BOD	Assigned SS
			mg/l	mg/l
Multifamily Units	50%	1.00	380	280
Chamber of Commerce	10%	0.61	195	88
Bakery	20%	2.42	1,500	660
General Office	20%	0.61	195	88
Total Building Use	<u>100%</u>			
Standard Strength			380	280
Overall Strength Factor ^[2]		1.17		
Cost Allocation to Parameter ^[3]		<u>Flow</u>	<u>BOD</u>	<u>SS</u>
		34.0%	33.0%	33.0%
	<u>Mixed Use Strength Factor</u>	<u>Standard Rate per HCF of Water Use</u>	<u>Customer Charge</u>	<u>Mixed Use Rate per HCF of Water Use</u>
		\$/HCF ^[4]	\$/HCF ^[5]	\$/HCF ^[6]
Mixed Use Rate	1.17	\$ 1.06	\$ 2.81	\$4.05

[1] Flow % + BOD% * Assigned BOD/Standard BOD + SS% * Assigned SS/Standard SS.

[2] Weighted average of square footage allocation multiplied by Strength Factor.

[3] From Table 8 of Wastewater Rate Study for Flow, BOD, and SS only.

[4] Rate per HCF using standard BOD and SS strengths adjusted to charge on water use.

[5] Unit Customer cost from Table 10 of Wastewater Rate Study adjusted to charge on water use.

[6] Strength Factor * Standard Rate per HCF of Water Use + Customer Charge.

Proposed Wastewater Rates

Table 17 presents the proposed wastewater rates for the System for the next five years. The table presents the current rates, the costs of service rates for implementation September 1, 2021, and future rates that escalate by the percentages identified in Table 4 of 3.8 percent annually.

Table 17
Proposed Wastewater Rates

Description	Current	Date of Increase				
		Sep 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
Residential Bi-monthly Fixed Charges						
Single Family	\$100.87	\$104.54	\$108.51	\$112.64	\$116.92	\$121.36
Multi-family	\$84.14	\$87.15	\$90.46	\$93.90	\$97.47	\$101.17
Non-Residential Bi-monthly Meter Charges by Size						
Up to 1 inch	\$39.83	\$54.88	\$56.97	\$59.13	\$61.38	\$63.71
1.5 inch	\$115.63	\$158.04	\$164.05	\$170.28	\$176.75	\$183.47
2 inch	\$183.84	\$250.88	\$260.41	\$270.31	\$280.58	\$291.24
3 inch	\$343.01	\$467.51	\$485.26	\$503.72	\$522.86	\$542.73
4 inch	\$570.39	\$776.98	\$806.51	\$837.15	\$868.96	\$901.99
6 inch	\$1,138.85	\$1,550.66	\$1,609.58	\$1,670.75	\$1,734.23	\$1,800.13
8 inch	\$1,820.99	\$2,479.07	\$2,573.27	\$2,671.06	\$2,772.56	\$2,877.91
Non-Residential Usage Rates (\$ per HCF)						
Low Strength	\$3.89	\$3.87	\$4.02	\$4.17	\$4.33	\$4.49
Medium Strength	\$4.32	\$4.27	\$4.43	\$4.60	\$4.77	\$4.95
High Strength	\$5.59	\$5.47	\$5.68	\$5.89	\$6.12	\$6.35
Mixed Use Usage Rates (\$ per HCF)						
Standard Comm with 10% High Strength	\$4.08	\$4.03	\$4.18	\$4.34	\$4.51	\$4.68
Standard Comm with 20% High Strength	\$4.25	\$4.19	\$4.35	\$4.51	\$4.69	\$4.86
Standard Comm with 30% High Strength	\$4.42	\$4.35	\$4.52	\$4.69	\$4.86	\$5.05
Standard Comm with 40% High Strength	\$4.61	\$4.51	\$4.68	\$4.86	\$5.04	\$5.24
Standard Comm with 50% High Strength	\$4.78	\$4.67	\$4.85	\$5.03	\$5.22	\$5.42
Standard Comm with 60% High Strength	\$4.96	\$4.83	\$5.01	\$5.20	\$5.40	\$5.61
Standard Comm with 70% High Strength	\$5.13	\$4.99	\$5.18	\$5.38	\$5.58	\$5.79
Standard Comm with 80% High Strength	\$5.30	\$5.15	\$5.35	\$5.55	\$5.76	\$5.98
Standard Comm with 90% High Strength	\$5.48	\$5.31	\$5.51	\$5.72	\$5.94	\$6.16

Table 18 demonstrates that if the proposed rates for FY 2021-22 were applied to the projected number of dwelling units, customers, and water sales volume, that 100 percent cost recovery would be achieved.

Table 18
Comparison of FY 2021-22 Cost of Service with Revenue Using Proposed Rates

Customer Class	COS Allocation	Proposed Rates		Units of Service			Total Revenue	Percent Cost Recovery
		Fixed ⁽¹⁾ Charge	Volume Charge	Dwelling Units	Equiv. Customer	Billable Volume		
Residential			\$/HCF			HCF		
Single Family	\$1,763,164	\$104.54		2,811			\$1,763,164	100.0%
Multi-family	\$346,158	\$87.15		662			\$346,158	100.0%
Non-Residential								
Commercial - Low Strength	\$72,194	\$54.88	\$3.87		346.9	13,728	\$72,194	100.0%
Commercial - Medium Strength	\$21,648	\$54.88	\$4.27		92.0	3,892	\$21,648	100.0%
Commercial - High Strength	\$44,361	\$54.88	\$5.47		142.7	6,678	\$44,361	100.0%
Mixed Use								
Mixed Use - 10% High Strength	\$3,203	\$54.88	\$4.03		27.4	421	\$3,202	100.0%
Mixed Use - 20% High Strength	\$6,514	\$54.88	\$4.19		40.6	1,023	\$6,513	100.0%
Mixed Use - 30% High Strength	\$3,910	\$54.88	\$4.35		23.3	605	\$3,909	100.0%
Mixed Use - 40% High Strength	\$4,165	\$54.88	\$4.51		23.3	640	\$4,164	100.0%
Mixed Use - 50% High Strength	\$20,965	\$54.88	\$4.67		27.4	4,166	\$20,961	100.0%
Mixed Use - 60% High Strength	\$0	\$54.88	\$4.83		0.0	0	\$0	na
Mixed Use - 70% High Strength	\$719	\$54.88	\$4.99		6.0	78	\$719	100.0%
Mixed Use - 80% High Strength	\$0	\$54.88	\$5.15		0.0	0	\$0	na
Mixed Use - 90% High Strength	\$0	\$54.88	\$5.31		0.0	0	\$0	na
Total System	\$2,302,000						\$2,301,988	

⁽¹⁾ Charge is bi-monthly.

Impact Analysis

An impact analysis was performed to evaluate the change in customer bills that would occur from the implementation of the proposed September 1, 2021 wastewater rates. The impact to bills of each customer classification is provided in Table 19. For residential customers, the bills shown in Table 19 are readily identified from the schedule of proposed wastewater rates because they are flat rates. For the first increase of September 1, 2021, both the single-family customer bill and multifamily residential bi-monthly bills will increase by 3.6 percent.

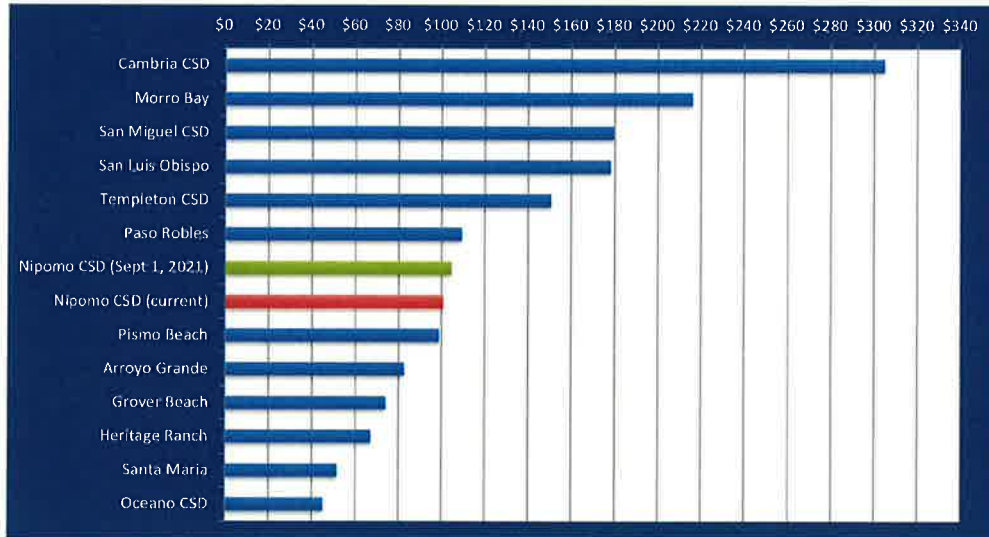
The impact to non-residential bills depends upon the meter size and strength category. Using the average water consumption of each meter size, the bi-monthly bills were calculated as shown in Table 19. For the first increase of September 1, 2021, the change in non-residential customer bills range from an increase of 3.3 percent for a 1 inch meter medium-strength customer to an increase of 10.8 percent for a 3.0 inch low-strength customer. Appendix B provides additional example non-residential bill calculations at various consumption levels for 1 inch and 2 inch meter sizes, with 1 inch being the most common.

Table 19
Bill Impacts with Proposed Wastewater Rates

Classification	Average Bi-monthly Water Use	Current Bill			Sep 1, 2021 Proposed Bill			Percent Change
		Service Charge	Volume Charge	Current Bill	Service Charge	Volume Charge	Proposed Bill	
Residential	HCF							
Single Family				\$100.87			\$104.54	3.6%
Multi-family				\$84.14			\$87.15	3.6%
Non-Residential - 1" Meter								
Commercial - Low Strength	50	\$39.83	\$194.50	\$234.33	\$54.88	\$193.60	\$248.48	6.0%
Commercial - Medium Strength	70	\$39.83	\$302.40	\$342.23	\$54.88	\$298.56	\$353.45	3.3%
Commercial - High Strength	35	\$39.83	\$195.65	\$235.48	\$54.88	\$191.46	\$246.34	4.6%
Non-Residential - 1.5" Meter								
Commercial - Low Strength	80	\$115.63	\$311.20	\$426.83	\$158.04	\$309.76	\$467.80	9.6%
Commercial - Medium Strength	65	\$115.63	\$280.80	\$396.43	\$158.04	\$277.24	\$435.28	9.8%
Commercial - High Strength	200	\$115.63	\$1,118.00	\$1,233.63	\$158.04	\$1,094.04	\$1,252.08	1.5%
Non-Residential - 2" Meter								
Commercial - Low Strength	170	\$183.84	\$661.30	\$845.14	\$250.88	\$658.24	\$909.12	7.6%
Commercial - Medium Strength	100	\$183.84	\$432.00	\$615.84	\$250.88	\$426.52	\$677.40	10.0%
Commercial - High Strength	200	\$183.84	\$1,118.00	\$1,301.84	\$250.88	\$1,094.04	\$1,344.92	3.3%
Non-Residential - 3" Meter								
Commercial - Low Strength	200	\$343.01	\$778.00	\$1,121.01	\$467.51	\$774.40	\$1,241.91	10.8%

Chart 1 has been prepared to compare the District’s SFR wastewater bill with those of other communities at the same consumption. The chart indicates that comparing the District’s September 2021 charges to other communities, a SFR customer will experience a bill that is in the mid-range of the communities listed.

Chart 1
Comparison of Single-family Residential Bi-Monthly Wastewater Bills
For Rates in Effect February 2021



Note: Above table uses wastewater rates in effect February 2021. Chart does not include any other charges than those published on each agency’s website. Arroyo Grande, Grover Beach, and Oceano CSD include wastewater treatment charge from South San Luis Obispo County Sanitation District. Arroyo Grande and Cambria CSD assume 40 HCF bi-monthly. San Luis Obispo assumes 16 HCF bi-monthly. Paso Robles assumes 14 HCF bi-monthly. NCS’s September 2021 bill is based on the wastewater service charges in Table 17.

Appendix A

Technical Appendix

Detailed O&M projections and Cost of Service Allocation tables are provided in Appendix A.

Appendix A-1
 Historical and Projected Operation and Maintenance Expense

Description	Historical	Budget	Projected								
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
OPERATION AND MAINTENANCE											
Personnel Services	\$579,867	\$688,300	\$708,800	\$730,400	\$752,800	\$775,600	\$799,200	\$823,600	\$848,400	\$874,000	\$900,000
Electricity - Pumps and Blowers	166,131	172,000	177,200	182,500	188,000	193,600	199,400	205,400	211,600	217,900	224,400
Chemicals	19,281	19,000	19,600	20,200	20,800	21,400	22,000	22,700	23,400	24,100	24,800
Lab Tests and Sampling	27,022	30,000	30,900	31,800	32,800	33,800	34,800	35,800	36,900	38,000	39,100
Operating Supplies	66,640	90,000	92,700	95,500	98,400	101,400	104,400	107,500	110,700	114,000	117,400
Outside Services	90,912	76,000	78,300	80,600	83,000	85,500	88,100	90,700	93,400	96,200	99,100
Permits and Operating Fees	14,362	12,000	12,400	12,800	13,200	13,600	14,000	14,400	14,800	15,200	15,700
Repairs and Maintenance	103,495	125,000	128,800	132,700	136,700	140,800	145,000	149,400	153,900	158,500	163,300
Other Operations and Maintenance Exp	16,789	16,500	16,900	17,300	17,700	18,100	18,500	18,900	19,500	20,100	20,700
Total O&M Expense	\$1,084,500	\$1,228,800	\$1,265,600	\$1,303,800	\$1,343,400	\$1,383,800	\$1,425,400	\$1,468,400	\$1,512,600	\$1,558,000	\$1,604,500
GENERAL AND ADMINISTRATIVE											
Personnel Services	\$102,866	\$82,130	\$84,800	\$87,300	\$89,800	\$92,500	\$95,200	\$97,900	\$101,000	\$103,900	\$107,200
Computer Expense	23,415	34,000	35,000	36,100	37,200	38,300	39,400	40,600	41,800	43,100	44,400
Newsletters and Mailers	0	680	700	700	700	700	700	700	700	700	700
Postage	5,252	5,500	5,700	5,900	6,100	6,300	6,500	6,700	6,900	7,100	7,300
Other General and Administrative	47,893	97,010	100,200	103,300	106,500	109,800	113,100	116,400	119,900	123,400	126,900
Transfers - Administration	93,972	124,359	128,100	131,900	135,900	140,000	144,200	148,500	153,000	157,600	162,300
Total G&A Expenses	\$273,398	\$343,679	\$354,500	\$365,200	\$376,200	\$387,600	\$399,100	\$410,800	\$423,300	\$435,800	\$448,800
Total O&M Expenses	\$1,357,898	\$1,572,479	\$1,620,100	\$1,669,000	\$1,719,600	\$1,771,400	\$1,824,500	\$1,879,200	\$1,935,900	\$1,993,800	\$2,053,300

Appendix A-2
 Costs to be Recovered From Rates for FY 2021-22

Description	Total Cost
Revenue Requirements	
Operation and Maintenance Expense	\$1,620,100
Replacement Capital	395,000
Existing Debt	595,200
Capital Outlay	29,500
Subtotal	<u>\$2,639,800</u>
Less Revenue Requirements Met From Other Sources	
Interest Earnings	(\$39,100)
Miscellaneous Revenues	(500)
Replacement Capital	(395,000)
Capacity Charges	(58,000)
Subtotal	<u>(\$492,600)</u>
Adjustments	
Adjustments for Annual Cash Balance	(\$2,457,300)
Capital Improvement Funding	2,591,000
Adjustments to Annualize Rate Increase	21,100
Subtotal	<u>\$154,800</u>
Total Costs to be Recovered	<u><u>\$2,302,000</u></u>

Appendix A-3
 Calculation of Equivalent Meters

Customer Classification	Meter Size				Total Meters	Equivalent Meters [1]
	1	1 1/2	2	3		
Residential						
Single Family	2,811	-	-	-	2,811	2,811.00
Multi-family	662	-	-	-	662	662.00
Non-Residential						
Commercial - Low Strength	23	3	2	2	30	59.60
Commercial - Medium Strength	5	2	1	-	8	15.80
Commercial - High Strength	6	3	2	-	11	24.60
Mixed Use						
Mixed Use - 0% High Strength	8	2	1	-	11	18.80
Mixed Use - 10% High Strength	-	-	1	-	1	4.80
Mixed Use - 20% High Strength	1	2	-	-	3	7.00
Mixed Use - 30% High Strength	1	1	-	-	2	4.00
Mixed Use - 40% High Strength	1	1	-	-	2	4.00
Mixed Use - 50% High Strength	-	-	1	-	1	4.80
Mixed Use - 60% High Strength	-	-	-	-	-	-
Mixed Use - 70% High Strength	1	-	-	-	1	1.00
Mixed Use - 80% High Strength	-	-	-	-	-	-
Mixed Use - 90% High Strength	-	-	-	-	-	-
Total Accounts/Dwelling Units	3,519	14	8	2	3,543	3,617.40
Meter Capacity Ratios	1.0	3.0	4.8	9.0		

[1] Sum of number of meters by size multiplied by respective meter size capacity ratio.

Appendix A-4

Allocation of FY 2021-22 Costs to Customer Classes

Description	Allocated	Strength					
	Total Cost	Flow	BOD	SS	Capacity	Customer	Collection
Unit Costs of Service		\$0.4457	\$0.1654	\$0.2330	\$309.47	\$3.30	\$1,198.41
Units of Measure		HCF	lbs	lbs	Eq. Meters	Eq. Bills	HCF/Day
Residential							
Single Family							
Units of Service		185,708	430,143	316,948	2,811	16,866	509
Allocated Cost of Service	\$1,763,164	\$82,764	\$71,155	\$73,853	\$869,921	\$55,734	\$609,737
Multi-family							
Units of Service		27,720	73,548	54,193	662	3,972	76
Allocated Cost of Service	\$346,158	\$12,354	\$12,166	\$12,628	\$204,869	\$13,125	\$91,015
Non-Residential							
Commercial - Low Strength							
Units of Service		11,737	27,842	20,515	60	180	32
Allocated Cost of Service	\$72,194	\$5,231	\$4,606	\$4,780	\$18,444	\$595	\$38,538
Commercial - Medium Strength							
Units of Service		3,328	12,463	9,140	16	48	9
Allocated Cost of Service	\$21,648	\$1,483	\$2,062	\$2,130	\$4,890	\$159	\$10,926
Commercial - High Strength							
Units of Service		5,710	53,463	27,444	25	66	16
Allocated Cost of Service	\$44,361	\$2,545	\$8,844	\$6,395	\$7,613	\$218	\$18,747
Mixed Use							
Mixed Use - 0% High Strength							
Units of Service		1,979	4,695	3,460	19	66	5
Allocated Cost of Service	\$15,000	\$882	\$777	\$806	\$5,818	\$218	\$6,499
Mixed Use - 10% High Strength							
Units of Service		360	1,106	739	5	6	1
Allocated Cost of Service	\$3,203	\$160	\$183	\$172	\$1,485	\$20	\$1,182
Mixed Use - 20% High Strength							
Units of Service		875	3,298	2,064	7	18	2
Allocated Cost of Service	\$6,514	\$390	\$546	\$481	\$2,166	\$59	\$2,872
Mixed Use - 30% High Strength							
Units of Service		517	2,312	1,379	4	12	1
Allocated Cost of Service	\$3,910	\$231	\$382	\$321	\$1,238	\$40	\$1,698
Mixed Use - 40% High Strength							
Units of Service		547	2,828	1,626	4	12	1
Allocated Cost of Service	\$4,165	\$244	\$468	\$379	\$1,238	\$40	\$1,797
Mixed Use - 50% High Strength							
Units of Service		3,562	20,901	11,673	5	6	10
Allocated Cost of Service	\$20,965	\$1,587	\$3,457	\$2,720	\$1,485	\$20	\$11,695
Mixed Use - 70% High Strength							
Units of Service		67	485	259	1	6	0
Allocated Cost of Service	\$719	\$30	\$80	\$60	\$309	\$20	\$219
Total Costs of Service	\$2,302,000	\$107,900	\$104,726	\$104,726	\$1,119,478	\$70,247	\$794,923

Appendix B

Non-residential Bill Impacts

This section provides additional calculations of Non-residential customer bills at various water volumes.

Appendix B-1

Non-Residential Customer Bill Impacts - 1" Meter

Description	Current	Sep 1 FY 2020-21	Percent Increase	Sep 1 FY 2021-22	Percent Increase
Low Strength with 1"meter					
25% of Avg Bill: 10 HCF	\$78.73	\$93.60	18.9%	\$97.16	3.8%
50% of Avg Bill: 30 HCF	\$156.53	\$171.04	9.3%	\$177.54	3.8%
Avg Bill: 50 HCF	\$234.33	\$248.48	6.0%	\$257.92	3.8%
125% of Avg Bill: 60 HCF	\$273.23	\$287.20	5.1%	\$298.12	3.8%
150% of Avg Bill: 80 HCF	\$351.03	\$364.64	3.9%	\$378.50	3.8%
Medium Strength with 1"meter					
25% of Avg Bill: 20 HCF	\$126.23	\$140.19	11.1%	\$145.51	3.8%
50% of Avg Bill: 40 HCF	\$212.63	\$225.49	6.0%	\$234.06	3.8%
Avg Bill: 70 HCF	\$342.23	\$353.45	3.3%	\$366.88	3.8%
125% of Avg Bill: 90 HCF	\$428.63	\$438.75	2.4%	\$455.42	3.8%
150% of Avg Bill: 110 HCF	\$515.03	\$524.06	1.8%	\$543.97	3.8%
High Strength with 1"meter					
25% of Avg Bill: 10 HCF	\$95.73	\$109.59	14.5%	\$113.75	3.8%
50% of Avg Bill: 20 HCF	\$151.63	\$164.29	8.3%	\$170.53	3.8%
Avg Bill: 35 HCF	\$235.48	\$246.34	4.6%	\$255.70	3.8%
125% of Avg Bill: 40 HCF	\$263.43	\$273.69	3.9%	\$284.09	3.8%
150% of Avg Bill: 50 HCF	\$319.33	\$328.39	2.8%	\$340.87	3.8%

Appendix B-2

Non-Residential Customer Bill Impacts - 2" Meter

Description	Current	Sep 1 FY 2020-21	Percent Increase	Sep 1 FY 2021-22	Percent Increase
Low Strength with 2"meter					
25% of Avg Bill: 40 HCF	\$339.44	\$405.76	19.5%	\$421.18	3.8%
50% of Avg Bill: 90 HCF	\$533.94	\$599.36	12.3%	\$622.14	3.8%
Avg Bill: 170 HCF	\$845.14	\$909.12	7.6%	\$943.67	3.8%
125% of Avg Bill: 210 HCF	\$1,000.74	\$1,064.00	6.3%	\$1,104.43	3.8%
150% of Avg Bill: 260 HCF	\$1,195.24	\$1,257.60	5.2%	\$1,305.39	3.8%
Medium Strength with 2"meter					
25% of Avg Bill: 30 HCF	\$313.44	\$378.84	20.9%	\$393.23	3.8%
50% of Avg Bill: 50 HCF	\$399.84	\$464.14	16.1%	\$481.78	3.8%
Avg Bill: 100 HCF	\$615.84	\$677.40	10.0%	\$703.14	3.8%
125% of Avg Bill: 130 HCF	\$745.44	\$805.36	8.0%	\$835.96	3.8%
150% of Avg Bill: 150 HCF	\$831.84	\$890.66	7.1%	\$924.51	3.8%
High Strength with 2"meter					
25% of Avg Bill: 50 HCF	\$463.34	\$524.39	13.2%	\$544.32	3.8%
50% of Avg Bill: 100 HCF	\$742.84	\$797.90	7.4%	\$828.22	3.8%
Avg Bill: 200 HCF	\$1,301.84	\$1,344.92	3.3%	\$1,396.03	3.8%
125% of Avg Bill: 250 HCF	\$1,581.34	\$1,618.43	2.3%	\$1,679.93	3.8%
150% of Avg Bill: 300 HCF	\$1,860.84	\$1,891.94	1.7%	\$1,963.84	3.8%

APRIL 14, 2021

ITEM E-1

ATTACHMENT B

NCSD Sewer Rate Adjustment Schedule

2021

JANUARY							FEBRUARY							MARCH							APRIL							
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	
					1	2		1	2	3	4	5	6		1	2	3	4	5	6		4	5	6	7	8	9	10
3	4	5	6	7	8	9	7	8	9	10	11	12	13	7	8	9	10	11	12	13	11	12	13	14	15	16	17	
10	11	12	13	14	15	16	14	15	16	17	18	19	20	14	15	16	17	18	19	20	18	19	20	21	22	23	24	
17	18	19	20	21	22	23	21	22	23	24	25	26	27	21	22	23	24	25	26	27	25	26	27	28	29	30		
24	25	26	27	28	29	30	28							28	29	30	31											
31																												

MAY							JUNE							JULY							AUGUST						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
						1			1	2	3	4	5					1	2	3	1	2	3	4	5	6	7
2	3	4	5	6	7	8	6	7	8	9	10	11	12	4	5	6	7	8	9	10	8	9	10	11	12	13	14
9	10	11	12	13	14	15	13	14	15	16	17	18	19	11	12	13	14	15	16	17	15	16	17	18	19	20	21
16	17	18	19	20	21	22	20	21	22	23	24	25	26	18	19	20	21	22	23	24	22	23	24	25	26	27	28
23	24	25	26	27	28	29	27	28	29	30				25	26	27	28	29	30	31	29	30	31				
30	31																										

SEPTEMBER							OCTOBER							NOVEMBER							DECEMBER						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4					1	2		1	2	3	4	5	6				1	2	3	4	
5	6	7	8	9	10	11	3	4	5	6	7	8	9	7	8	9	10	11	12	13	5	6	7	8	9	10	11
12	13	14	15	16	17	18	10	11	12	13	14	15	16	14	15	16	17	18	19	20	12	13	14	15	16	17	18
19	20	21	22	23	24	25	17	18	19	20	21	22	23	21	22	23	24	25	26	27	19	20	21	22	23	24	25
26	27	28	29	30			24	25	26	27	28	29	30	28	29	30				26	27	28	29	30	31		
							31																				

Rate Setting Schedule

Date	Description
March 17, 2021	F&A Committee Meeting: Review Financial Needs Report
April 14, 2021	Board Meeting: Receives Rate Study Presentation
May 12, 2021	Board Meeting: Approves Rate Study, Initiate Prop. 218 Process
May 26, 2021	Last day to Mail 45-Day Prop 218 Notice
June 8, 2021	Community Outreach Meeting (Zoom Meeting)
July 10, 2021	45 th day after May 26 [date Prop 218 Notice Mailed]
July 14, 2021	Board Meeting: Board Approves Rates – Public Hearing
September 1, 2021	Rate Becomes Effective

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS
GENERAL MANAGER



DATE: APRIL 8, 2021

AGENDA ITEM
E-2
APRIL 14, 2021

ADOPT RESOLUTION AMENDING FY 2020-21 BUDGET FOR SOFTWARE INTEGRATION COSTS ASSOCIATED WITH NIPOMO COMMUNITY SERVICES DISTRICT'S CUSTOMER SERVICE AND PROGRAM MAINTENANCE MANAGEMENT SOFTWARE

ITEM

Consider adopting a resolution to amend the current fiscal year budget in the amount of \$15,840, with a project contingency of \$2,000 to Fund #125 to be applied to a project that will integrate the Customer Information System (CIS) with the Program Maintenance Management system (PMM) to increase customer service workflow efficiency [RECOMMEND ADOPT BUDGET ADJUSTMENT RESOLUTION AND APPROVE CONTRACT INCREASE OF \$15,840 WITH A CONTINGENCY OF \$2,000 FOR EXPANDED SERVICES WITH TYLER TECHNOLOGIES TO INTEGRATE SOFTWARE SYSTEMS]

BACKGROUND

The Nipomo Community Services District (District) is updating and integrating software platforms to improve customer service through more accurate and efficient workflows. The District has several software platforms, each providing specific services and support to District staff. Specific to the requested budget amendment, two software platforms that are currently independent of one another, CIS and PMM, can be integrated so that common data sets are available to field staff, so then field staff can transmit accurate data to administrative staff members. Having the most current customer information available to field staff and providing real-time field information back to administrative staff will support the District's ability to provide superior customer service.

The District's CIS provider is Tyler Technology and the PMM provider is Sedaru. The integration of these two platforms will provide two-way information transfer between the administration Billing Clerks, the Customer Service Specialist (CSS), and Utility Operators. One example of the many benefits of integrating these two platforms is demonstrated during water meter change-out operations. Under the current workflow, the two systems are not able to transfer data automatically. Information is gathered in the field by District personnel using the PMM system, then emailed to the Billing Clerks who must reenter the data manually into the CIS platform. There is a greater potential for transposition errors when data has to be entered twice. The integration of these systems will eliminate the transposition errors and accelerate the workflow processes for water meter change-outs.

FISCAL IMPACT

There is sufficient funds in water reserves to draw upon to amend Fund #125 to meet the funding request.

STRATEGIC PLAN

Goal 2. FACILITIES THAT ARE RELIABLE, ENVIRONMENTALLY SENSIBLE AND EFFICIENT. Plan, provide for and maintain District facilities and other physical assets to achieve reliable, environmentally sensible, and efficient District operations.

- B.1 NCSD shall maintain long-range infrastructure management, upgrade and replacement planning.

Goal 5. OPERATIONS. Maintain a proactive program to ensure readiness of systems and cost-effectiveness of operations.

- B.1 Continue to improve maintenance management programs for both water and wastewater systems to ensure quality and reliability of services, to maintain warranties, and protect investment in new facilities (maintenance management).

Goal 6. GOVERNANCE AND ADMINISTRATION. Conduct District activities in an efficient, equitable and cost-effective manner.

- B.2 Provide excellent customer service.

RECOMMENDATION

Staff recommends that your Honorable Board adopt the resolution authorize a budget adjustment of \$17,840 to Fund #125 and award Tyler Technology the contract in the amount of \$15,840, with a project contingency of \$2,000 to integrate the District's CIS and PMM software platforms.

ATTACHMENT

- A. Resolution 2021-XXXX, Customer Information Software Integration Project
- B. Tyler Technology Proposal

APRIL 14, 2021

ITEM E-2

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2021-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT AUTHORIZING EXPANSION OF
CONTRACT SERVICES WITH TYLER TECHNOLOGY TO INTEGRATE
WITH SEDARU SOFTWARE IN THE AMOUNT OF \$15,840, AUTHORIZING
CONTINGENCY OF \$2,000, AND AMEND FY 2020/2021 BUDGET**

WHEREAS, the Nipomo Community Services District (District) utilizes multiple computer software platforms, such as Customer Information System (CIS) and Program Maintenance Management (PMM) system software, to manage customer billing and infrastructure data in order to provide for and manage over 4,500 customer accounts; and

WHEREAS, there is a clear benefit to having software systems that are integrated with one another and can transfer information automatically; and

WHEREAS, Tyler Technology is the sole source provider of the District's CIS software platform and has provided a cost to integrating the CIS and PMM system software platforms; and

WHEREAS, the cost of integrating the CIS and PMM system software platforms is reasonable for the return on investment but was not included in the Fiscal Year 2020-21 budget; and

WHEREAS, based on the staff report, staff presentation and public comment, the Board makes the following findings:

1. The District received a reasonable cost from the vendor for the project.
2. Staff has reviewed the project cost and has determined that Tyler Technology, the sole source provider, submitted a responsive cost proposal and is a responsible service provider.

**NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE
NIPOMO COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS AS FOLLOWS:**

1. The task of integrating the Customer Service Information and Program Maintenance Management system software integration is hereby authorized and assigned to Tyler Technology in the amount of \$15,840, and the General Manager is authorized to increase the contract amount of the existing agreement with Tyler Technology in this amount.
2. The General Manager is authorized to increase the existing contract amount to integrate the CIS and PMM system software and issue Change Orders for the integration project with an aggregate total amount not to exceed \$2,000.
3. The Board authorizes transfer of \$17,840 to Fund #125, Water Fund, to provide additional funding for the project in the FY 2020-2021 Budget.
4. The above recitals and findings are incorporated herein by this reference.

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2021-1590**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT EXPANDING CONTRACT SERVICES WITH
TYLER TECHNOLOGY TO INTEGRATE WITH SEDARU SOFTWARE IN THE AMOUNT OF
\$15,840 AUTHORIZING CONTINGENCY OF \$2,000, AND AMEND FY 2020/2021 BUDGET**

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

**AYES:
NOES:
ABSENT:
CONFLICTS:**

The foregoing resolution is hereby adopted this _____ day of April 2021.

ED EBY
President, Board of Directors

ATTEST:

APPROVED AS TO FORM AND
LEGAL EFFECT:

MARIO IGLESIAS
General Manager and
Secretary to the Board

CRAIG A. STEELE
District Legal Counsel

APRIL 14, 2021

ITEM E-2

ATTACHMENT B



Quoted By: Robin Reeves
 Quote Expiration: 9/22/2021
 Quote Name: Nipomo Community Services District-LGD-Sensus Analytics
 Quote Number: 2021-125562
 Quote Description: Sensus Analytics

Sales Quotation For

Mario Iglesias
 Nipomo Community Services District
 PO Box 326
 Nipomo, CA 93444-0326
 Phone: +1 (805) 929-1133
 Email: miglesias@ncsd.ca.gov

Tyler Software and Related Services

Description	License	Impl Hours	Impl Cost	Data Conversion	Module Total	Maintenance
Customer Relationship Management Suite						
Additional Utility Meter-Reader Interface	\$3,000	4	\$420	\$0	\$3,420	\$750
Meter Data Sync with Scheduler	\$9,000	4	\$420	\$0	\$9,420	\$2,250
<i>Sub-Total:</i>	<i>\$12,000</i>		<i>\$840</i>	<i>\$0</i>	<i>\$12,840</i>	<i>\$3,000</i>
TOTAL:	\$12,000	8	\$840	\$0	\$12,840	\$3,000

Summary

	One Time Fees	Recurring Fees
Total Tyler Software	\$12,000	\$3,000
Total Tyler Services	\$840	\$0
Total Third Party Hardware, Software and Services	\$0	\$0
Summary Total	\$12,840	\$3,000
Contract Total	\$15,840	

Optional Other Services

Description	Quantity	Unit Price	Extended Price	Maintenance
Mass Meter Swap - Water	1	\$2	\$2	\$0
TOTAL:			\$2	\$0

Unless otherwise indicated in the contract or amendment thereto, pricing for optional items will be held for six (6) months from the Quote date or the Effective Date of the contract, whichever is later.

Client Approval: *Mario Iglesias* Date: *3/30/2021*
 Print Name: *M. Iglesias* P.O.#: _____

Comments

Client agrees that items in this sales quotation are, upon Client's signature or approval of same, hereby added to the existing agreement ("Agreement") between the parties and subject to its terms. Additionally, payment for said items, as applicable but subject to any listed assumptions herein, shall conform to the following terms:

- License fees for Tyler and third party software are invoiced upon the earlier of (i) deliver of the license key or (ii) when Tyler makes such software available for download by the Client;
 - Fees for hardware are invoiced upon delivery;
 - Fees for year one of hardware maintenance are invoiced upon delivery of the hardware;
 - Annual Maintenance and Support fees, SaaS fees, Hosting fees, and Subscription fees are first payable when Tyler makes the software available for download by the Client (for Maintenance) or on the first day of the month following the date this quotation was signed (for SaaS, Hosting, and Subscription), and any such fees are prorated to align with the applicable term under the Agreement, with renewals invoiced annually thereafter in accord with the Agreement.
 - Fees for services included in this sales quotation shall be invoiced as indicated below.
 - Implementation and other professional services fees shall be invoiced as delivered.
 - Fixed-fee Business Process Consulting services shall be invoiced 50% upon delivery of the Best Practice Recommendations, by module, and 50% upon delivery of custom desktop procedures, by module.
 - Fixed-fee conversions are invoiced 50% upon initial delivery of the converted data, by conversion option, and 50% upon Client acceptance to load the converted data into Live/Production environment, by conversion option. Where conversions are quoted as estimated, Tyler will invoice Client the actual services delivered on a time and materials basis.
 - Except as otherwise provided, other fixed price services are invoiced upon complete delivery of the service. For the avoidance of doubt, where "Project Planning Services" are provided, payment shall be invoiced upon delivery of the Implementation Planning document. Dedicated Project Management services, if any, will be invoiced monthly in arrears, beginning on the first day of the month immediately following initiation of project planning.
 - If Client has purchased any change management services, those services will be invoiced in accordance with the Agreement.
 - Notwithstanding anything to the contrary stated above, the following payment terms shall apply to services fees specifically for migrations: Tyler will invoice Client 50% of any Migration Fees listed above upon Client approval of the product suite migration schedule. The remaining 50%, by line item, will be billed upon the go-live of the applicable product suite. Tyler will invoice Client for any Project Management Fees listed above upon the go-live of the first product suite.
 - Expenses associated with onsite services are invoiced as incurred.
- All services quoted herein are assumed to be delivered remote unless otherwise indicated.

TO: BOARD OF DIRECTORS
 FROM: MARIO IGLESIAS
 GENERAL MANAGER
 DATE: April 16, 2021



**AGENDA ITEM
 F
 APRIL 14, 2021**

GENERAL MANAGER'S REPORT

ITEM

Standing report to your Honorable Board -- *Period covered by this report is March 21, 2021 through April 10, 2021.*

DISTRICT BUSINESS

Administrative

OFFICE ACTIVITIES

	Mar 21	Jan 21 - Mar 21
Official Payment (Count March-June)	14	57
Official Payments cost to District	\$55	\$225

Water Resources

Table 1. Total Production Acre Feet (AF)

	Mar-21	Jul 20 - Mar 21
Groundwater Production	70.7	740.8
Supplemental Water Imported	<u>75.4</u>	<u>788.2</u>
Total Production	146.1	1,529.0

The District's total combined production, including groundwater production wells and supplemental water imported through the Joshua Road Pump Station, registered 146.1 AF for the month of March.

NCSD imported 70.7 AF of water over the 31 day period in March, averaging 516 gallons per minute for an average total of 0.74 million gallons per day. For fiscal year 2020-21 the District must import at least 1,000 AF (84 AF per month on average) of supplemental water to meet the contractual obligation it has with the City of Santa Maria. The District has imported 788 AF of water for the nine month period July through March. Compared to our required 588 AF [9 months x 84 AF = 756 AF] the District is 32 AF over the minimum for the seven month period.

NCSD GW Reduction

The District's purveyor customers, Golden State Water Company and Woodlands Mutual Water Company, each claim 16.66% (cumulatively 33.33%) of the imported water NCSD brings onto the basin through the NSWP. Of the 1,000 AF minimum imported water from the City of Santa Maria, 333 AF or 33.33% of the total imported water – whichever is greater – will be credited to these two purveyor customers. The credited amount must be added to the District's groundwater

pumping total every month to reflect the groundwater pumped by these customers in-lieu of taking imported water from the District. Table 2 below demonstrates the calculus for determining the District's adjusted groundwater pumping reduction.

	Mar-21	Jul 20 - Mar 21
NCSD GW Well Production	70.7	740.8
Purveyor Customer Credit (33.3% of Import Water)	<u>25.1</u>	<u>262.6</u>
NCSD Total Calculated GW Production	95.9	1,003.5
Average GW Production for 2009-2013	<u>160.4</u>	<u>1,826.0</u>
NCSD Percentage of GW Reduction	40%	45%

2021 Fiscal Year Groundwater Pumping Forecast

Table 3 projects the District's groundwater pumping reduction for the Fiscal Year 2021. Under the current Stage 4 of the NMMA Water Shortage Response Stages, the targeted groundwater pumping reduction is 1,266 AFY (50% of 2009-2013 average District GW Pumping). At the current usage rate through the first seven months of the fiscal year, the District is predicted to reach its pumping reduction goals for fiscal year 2021 by making up the deficient in the last three months of the fiscal year.

	Mar-21	Year-to-Date Jul-Jun 2021	Target	Over/(Under)	
NCSD GW Well Production	70.7	940.8			
Purveyor Customer Credit (33.3% of Import Water)	<u>26.0</u>	<u>339.7</u>			
NCSD Total Calculated GW Production	96.8	1,280.5	1,266.0	(14.48)	AcFt
Average GW Production for 2009-2013	<u>160.4</u>	<u>2,533.4</u>	<u>2,533.4</u>		
NCSD Percentage of GW Reduction	40%	49%	50.0%		

Table 4 compares the previous year's groundwater pumping with the current year's groundwater pumping for the same period.

	Mar-21	Jul 20 - Jun 21	Mar-20	Jul 19-Jun 20
NCSD GW Well Production	70.7	940.8	43.0	1,026.0
Purveyor Customer Credit (33.3% of Import Water)	<u>26.0</u>	<u>339.7</u>	<u>26.0</u>	<u>323.1</u>
NCSD Total Calculated GW Production	96.8	1,280.5	69.1	1,349.1
Average GW Production for 2009-2013	<u>160.4</u>	<u>2,533.4</u>	<u>160.4</u>	<u>2,533.4</u>
NCSD Percentage of GW Reduction	39.7%	49.5%	56.9%	46.7%

The District is required to import 8% more water in Fiscal Year 2021 from the City of Santa Maria than it imported in Fiscal Year 2020. This increase is a requirement found in the water purchase agreement between the two parties. It is anticipated that with the additional 8% import water, the District will continue to reduce groundwater pumping to the 50% self-imposed restriction.

Rainfall Gauge – (gathered from the following websites)

Note 1: SLO County Website
https://wr.slocountywater.org/site.php?site_id=3&site=935e7af7-0e94-4042-bc11-e02906d5ba44

Note 2: SLO County Website
https://wr.slocountywater.org/site.php?site_id=2&site=878bfdbf-5c40-4398-8226-418372e4039b

(Reported in inches)	Nipomo East (Dana Hills Reservoirs)	Nipomo South (Southland Plant)
March 2021 Total	1.19	1.30
July-2020 through June-2021 (Season Total)	7.41	6.81
Mar 1, 2021 - Mar 19, 2021	0.00	0.00
Total Rainfall to date	7.41	6.81
Average Annual Year Rainfall	18.0 ¹	14.0 ²

Safety Program

No safety issue to report.

Other Items

- COVID19 NCSD Response Plan Update [Attachment A]
- San Luis Obispo APCD – Notice of Release and Discharge

Supplemental Water Capacity Accounting

As of April 5, 2021

Summary Since January 25, 2008	Number of Equivalent Meters	AFY
Supplemental Water Available for Allocation	947	500
Supplemental Water Reserved (Will Serve Letter Issued)	124	-65.5
Subtotal Net Supplemental Water Available for Allocation	823	434.5
Supplemental Water Assigned (Intent-to-Serve Issued)	177	-93.4
Total Remaining Supplemental Water Available for Allocation	646	341.1

Connection Report

Nipomo Community Services District
Water and Sewer Connections

END OF MONTH REPORT

	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Water Connections (Total)	4476	4477	4485									
Sewer Connections (Total)	3243	3243	3250									
New Water Connections	1	1	8									
New Sewer Connection	1	0	7									
Galaxy & PSHH at Orchard and Division Sewer Connections billed to the County	477	477	477									

The Connection Report is current through April 5, 2021.

Meetings (March 21 through April 10)

Meetings Attended (telephonically or in person):

- Mar 22, Staff Mtg. – Cust. Service Specialist
- Mar 22, Staff Mtg. – Admin Supervisor
- Mar 23, Asset Management Mtg (Tyler & Sedaru)
- Mar 23, Eng/Admin Coordination Meeting
- Mar 23, ECOSLO – Nipomo Clean Streets Project
- Mar 24, Rotary
- Mar 24, Regular NCSD Board Meeting
- Mar 24, Exec. Team After-Board Meeting
- Mar 25, BLWCSD Oversight Committee Mtg.
- Mar 25, Asset Management – Sedaru Mtg.
- Mar 26, Staff Mtg. – Cust. Service Specialist
- Mar 29, Vacation Day
- Mar 30, Quad Tank Site Property Negotiations
- Mar 31, Rotary
- Mar 31, County EOC Update
- Mar 31, SLO Co. Planning – Dana Reserve Mtg.
- Mar 31, RWG Legal Team Mtg.
- Apr 1, Staff Mtg. - Cust. Service Specialist
- Apr 1, RCAC Seminar – Employee Development
- Apr 1, Standpipe Cell Tower Lease Mtg. (Melschau)
- Apr 1, Countywide Water Action Team Mtg.
- Apr 2, NCSD Management Team Mtg.
- Apr 2, NMMA-TG Meeting
- Apr 5, Staff Mtg. – Admin Supervisor
- Apr 5, NCSD Board Officer Mtg.
- Apr 6, Tuckfield Consultants – Swr Rate Study
- Apr 6, AMI Planning Mtg – Admin Staff
- Apr 6, Staff Mtg. – Public Relations Planning
- Apr 6, BLMA Mtg.
- Apr 6, Tuckfield Consultants & Admin Staff Mtg.
- Apr 7, Rotary
- Apr 7, SLO Co. EOC Update
- Apr 7, SLO Co. CSDA General Managers Mtg.
- Apr 8, ECOSLO – Nipomo Clean Streets Program
- Mar 9, Eng/Admin Coordination Meeting
- Mar 9, Asset Management – Sedaru Mtg.
- Mar 10, NCSD Regular Board Meeting
- Mar 10, Exec. Team After-Board Meeting
- Mar 10, Staff Mtg. – Admin Supervisor
- Mar 11, AWWA Seminar – Cyber Security
- Mar 11, NMMA-TG Meeting
- Mar 11, SB 91 Utility Assistance Program Seminar
- Mar 11, Harassment Prevention Training
- Mar 12, Staff Mtg. - Cust. Service Specialist
- Mar 12, Harassment Prevention Training
- Mar 12, GLM – Southland WWTF Screening
- Mar 15, NCSD Management Team Meeting

- *Mar 15, NCSD Board Officer Meeting*
- *Mar 16, Staff Mtg. – Admin Supervisor Community Outreach*
- *Mar 16, DWR Landscape Area Measurement Training*
- *Mar 17, SLO County EOC update*
- *Mar 17, CSDA Manager's Meeting*
- *Mar 17, Finance & Audit Committee, Swr Rate Finance Plan*
- *Mar 18, NMMA Manager's Meeting*
- *Mar 18, DWR Water Loss Webinar*
- *Mar 19, Staff Mtg. - Cust. Service Specialist*

Meetings Scheduled (April 11 through April 17):

Upcoming Meetings (telephonically or in person):

- *Apr 12, Developer Mtg. – S. Frontage Road*
- *Apr 12, Admin Supervisor Mtg.*
- *Apr 12, SLO Co. P.W. – Planning Mtg.*
- *Apr 13, Staff Mtg. - Cust. Service Specialist*
- *Apr 13, Eng/Admin Coordination Meeting*
- *Apr 14, Rotary*
- *Apr 14, Regular NCSD Board Meeting*
- *Apr 14, Exec. Team After-Board Meeting*
- *Apr 15, Developer Mtg. – 170 S. Frontage*
- *Apr 15, DWR Monthly Water Loss Session*
- *Apr 16, Staff Mtg. - Cust. Service Specialist*

Upcoming Water Resource and Other Meetings

Upcoming Standing Meetings:

- *NMMA-TG: April 26th (Monday) @ 9:00 AM, Conf. Call*
- *RWMG: No Schedule Posted –*
- *WRAC: May 5th (Wednesday) @ 1:30 PM, Zoom Meeting*
- *NMMA Purveyor Meeting: April 23rd (Friday) @ 10:00 PM, Zoom Meeting*
- *NCSD Board Officer Meeting: April 19th (Monday) @ 2:00 PM, NCSD Conf. Rm.*

RECOMMENDATION

Staff seeks direction and input from your Board

ATTACHMENTS

- A. COVID19 - NCSD Response Plan:
- B. APCD – Notice of Release and Discharge

APRIL 14, 2021

ITEM F

ATTACHMENT A

Date: April 14, 2021 Board Meeting
Response Activities to COVID19 Health Emergency
Prepared by: Mario Iglesias, General Manager

DISTRICT RESPONSE TO COVID-19, Updated April 9, 2021

New Actions

Set up Office Kiosk for Customer Payments

Personnel on Quarantine

Office Personnel:

No administrative personnel affected at this time

Operational Personnel:

No operational personnel affected at this time.

Vaccine Update:

- 15 District Personnel received their second dose of the vaccine.
- 1 employee out (non-COVID related) and unavailable for vaccine
- 4 employees declined vaccination

Administrative Office will open to the Public on April 19, 2021.

Ongoing Actions

1. Participate in SLO County EOC Briefings
2. Review SLO County Daily EOC Status Report
3. Practicing Social Distancing
4. Face coverings are required when employees are in District Buildings when they are away from their work stations

Previous Actions

1. NCSB Board Passes Resolution Declaring Emergency in District [Res. 2020-1550, Mar. 24, 2020]
2. Admin Office Closed to the Public
 - a. Meetings are virtual – Conference Calls
3. Discontinued: Split staff into two teams
 - a. See schedule on Response Plan
4. Received directions for FEMA Public Assistance – Cost Tracking Guidance
5. Governor’s Executive Order – No Water Turn-offs
 - a. District instituted this policy as well as a No Late Fee – No Penalty Fees
6. Wipe-down between shifts
7. Each operator in separate designated vehicle.
8. Received additional PPE. Administration Staff will be on normal schedule 8-4:30 starting Monday May 18th
9. Operations Staff are on normal 7:00 am to 3:30 pm work schedule as of Monday, May 4th. County opened up construction sites.
10. Expanded Customer Service Work to include site visits for investigations (high bills, meter issues) week of May 11
11. Trailers for quarantine have been returned – May 1

Date: April 14, 2021 Board Meeting
Response Activities to COVID19 Health Emergency
Prepared by: Mario Iglesias, General Manager

12. District to begin wastewater sampling in conjunction with County effort to determine presence of COVID19 in communities – May 11
13. Temporary Admin Support Workers brought back to Office (Provider incentivized due to PPP Funds) – June 1
14. Lobby Modifications: Glass is equipped with speaker plates to allow the communication between customer and clerk without opening the sliding window.
15. Board Meetings open to the public.
16. County Offices Continued Closed with Appointments provided to some departments as needed.
17. June 18, 2020, Governor Order issued requiring face masks be worn in public places. District management purchased disposable face masks for staff, Board Members, and any public that attends District Board Meetings and lack a face mask.
18. The customer counter window modifications at the office are completed.
19. Capital Improvement Projects continue to be impacted and schedules for completion continue to be pushed back due to material delivery delays.

APRIL 14, 2021

ITEM F

ATTACHMENT B



Air Pollution Control District
San Luis Obispo County

March 17, 2021

Peter Sevcik
Director of Engineering and Operations
Nipomo Community Services District
P.O. Box 326
Nipomo, CA 93444

RECEIVED

MAR 22 2021

NIPOMO COMMUNITY
SERVICES DISTRICT

SUBJECT: San Luis Obispo County Air Pollution Control District Notice of Violation
Number 3041; Site ID: 1086

Dear Peter Sevcik:

Based upon the most recent submittal of the Authority to Construct application for the mechanical de-watering system, the Nipomo Community Services District has completed the conditions of the mutual settlement agreement letter of May 16, 2018.

The undersigned hereby certifies on behalf of the San Luis Obispo County Air Pollution Control District that Nipomo Community Services District is released and discharged from any and all claims for civil penalties arising out of the incident referred to in the subject Notice of Violation.

Thank you for your cooperation and courtesy in bringing this matter to a close.

Very truly yours,

A handwritten signature in cursive script that reads 'Dora K. Drexler'.

DORA K. DREXLER
Manager, Engineering and Compliance

DKD/TJF/lmg

H:\OIS\ENFORCE\MS\3041_RELEASE LETTER.DOCX