

TO: BOARD OF DIRECTORS  
FROM: MARIO IGLESIAS  
GENERAL MANAGER  
DATE: April 23, 2021



## CONSIDER TOWN SEWER SYSTEM WASTEWATER RATE STUDY

### ITEM

Consider approving a Town Sewer System Wastewater Rate Study ("Rate Study"). If approved, set a hearing for adoption of schedule for recommended rate increases. [RECOMMEND BY MOTION AND ROLL CALL VOTE, APPROVE RATE STUDY, SET DATE FOR RATE ADOPTION HEARING, AND APPROVE NOTICE OF RATE HEARING]

### 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. The Rate Study evaluates and determines the cost of service; 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 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 annual bases. This manner of rate management provides a responsible approach in meeting the financial needs of the enterprise while considering the financial concerns of users.

Tuckfield & Associates ("Consultant") was retained to prepare a five-year Rate Study. The study included a review and analysis of the System's wastewater enterprise funds, user classifications, and current rate structure. The Consultant presented the Financial Needs Study to the Finance and Audit Committee ("Committee") on March 17, 2021. The Committee received and considered the Consultant's presentation and directed the Consultant to draft a Rate Study to present to the Nipomo Community Services District's ("District") Board of Directors ("Board").

On April 14, 2021, the Consultant presented a Draft Rate Study to the District's Board for review and comment. At that meeting the Board received the report, asked questions, and directed the Consultant to prepare a final draft of the Rate Study for the April 28, 2021 Board Meeting.

Date	Rate Adjustment Implementation Schedule
March 17, 2021	F&A Committee Meeting: Review Financial Needs Report
April 14, 2021	Board Meeting: Receives Rate Study Presentation
April 28, 2021	Board Meeting: Approves Rate Study, Initiate Prop. 218 Process
May 7, 2021	Last day to Mail 45-Day Prop 218 Notice
June 8, 2021	Community Outreach Meeting (Zoom Meeting)
June 21, 2021	45th day after May 7 [date Prop 218 Notice Mailed]
June 23, 2021	Board Meeting: Board Approves Rates – Public Hearing
August 1, 2021	Rate Becomes Effective

It is the Board's intention to consider adopting the Rate Study and work through the rate adjustment implementation schedule on the previous page to affect an August 1, 2021, rate adjustment.

**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. Conservative rate setting is the cornerstone of fund stability, financial fitness, and customer satisfaction. Each of the District's funds (e.g. water, sewer, and lighting) receives 100% of its funding from the customers who receive the related service. Evaluating and adjusting rates on a regularly bases is necessary to ensure the sewer system is sufficiently funded to meet customer and regulatory agency expectations. Failure to adjust rates will cause the District to utilize sewer fund reserves in order to meet operating expenses, underfund emergency reserves, and lower fund balances that can violate bond coverage ratios.

**RECOMMENDATION**

It is recommended that your Board review the Rate Study, provide any additional edits if necessary, and by motion and roll call vote:

1. Approve the Town Sewer System, Wastewater Rate Study – April 2021,
2. Approve the Proposition 218 Rate Notice and direct staff to initiate Proposition 218 proceedings,
3. Set 9:00 AM, Wednesday June 23, 2021 as the date and time for the rate hearing.

**ATTACHMENT**

- A. April 2021 Town Sewer System Wastewater Rate Study [Draft]
- B. Draft Rate Hearing Notice

APRIL 28, 2021

ITEM E-1

ATTACHMENT A



## Report on Town Sewer System

# Wastewater Rate Study

For:

**Nipomo Community Services**

**District**

148 South Wilson Street

Nipomo, CA 93444

(805) 929-1133

Submitted By:

**Tuckfield & Associates**

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FINANCIAL CONSULTING  
**TUCKFIELD & ASSOCIATES**  
MANAGEMENT CONSULTING

**DRAFT**

April 2021

# Tuckfield & Associates

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Email [ctuckfield@tuckfieldassociates.com](mailto:ctuckfield@tuckfieldassociates.com)

April 20, 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 August 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 August 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				
		Aug 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
<b>Residential Bi-monthly Fixed Charges</b>						
Single Family	\$100.87	\$104.54	\$108.51	\$112.64	\$116.92	\$121.36
Multi family	\$84.14	\$87.15	\$90.48	\$93.90	\$97.47	\$101.17
<b>Non-Residential Bi-monthly Meter Charges by Size</b>						
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
<b>Non-Residential Usage Rates (\$ per HCF)</b>						
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
<b>Mixed Use Usage Rates (\$ per HCF)</b>						
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 August 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

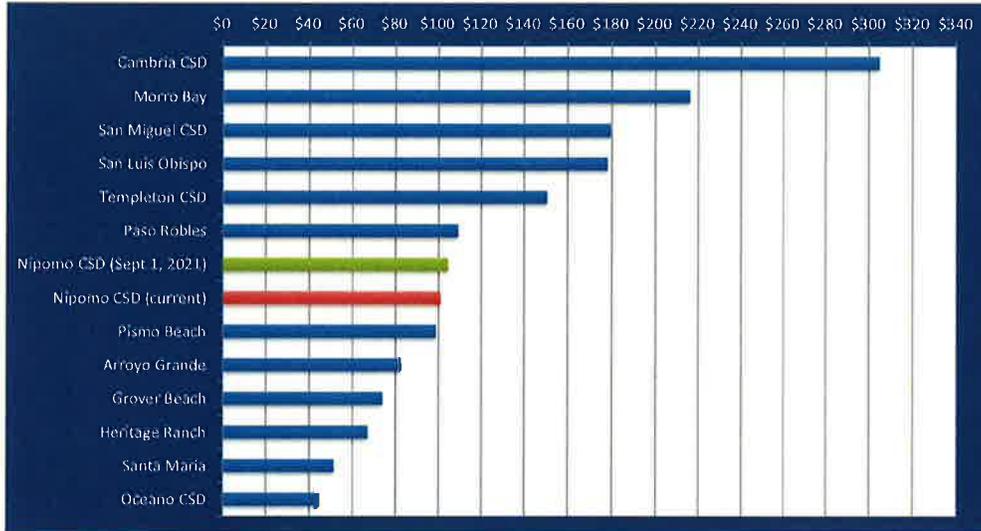
increase of \$3.67, or 3.6 percent. For multi-family residential, the bi-monthly bill will increase from \$84.14 to \$87.15 an increase of \$3.01 or 3.6 percent.

**Table ES-2**  
**Bill Impacts with Proposed Wastewater Rates**

Classification	Current Bill	Aug 1, 2021	Percent Change
		Proposed Bill	
<b>Residential</b>			
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 August 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. NCS’s August 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
<b>Residential Bi-monthly Fixed Charges</b>	
Single Family	\$100.87
Multi-family	\$84.14
<b>Non-Residential Bi-monthly Fixed Meter Charges by Size</b>	
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
<b>Non-Residential Usage Rates (\$ per HCF)</b>	
Low Strength	\$3.89
Medium Strength	\$4.32
High Strength	\$5.59
<b>Mixed Use Usage Rates (\$ per HCF)</b>	
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
<b>Residential</b>							
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
<b>Non-Residential</b>							
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
<b>Mixed Use</b>							
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
<b>Total Accounts/Dwelling Unit</b>	<b>3,508</b>	<b>3,526</b>	<b>3,543</b>	<b>3,560</b>	<b>3,577</b>	<b>3,594</b>	<b>3,611</b>

[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
<b>Residential</b>						
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
<b>Non-Residential</b>						
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
<b>Mixed Use</b>						
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
<b>Total Projected Revenue</b>	<b>\$2,207,691</b>	<b>\$2,217,678</b>	<b>\$2,227,666</b>	<b>\$2,237,653</b>	<b>\$2,247,641</b>	<b>\$2,257,629</b>

### 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
<b>OPERATION AND MAINTENANCE</b>							
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
<b>Total O&amp;M Expense</b>	<b>\$1,084,500</b>	<b>\$1,228,800</b>	<b>\$1,265,600</b>	<b>\$1,303,800</b>	<b>\$1,343,400</b>	<b>\$1,383,800</b>	<b>\$1,425,400</b>
<b>GENERAL AND ADMINISTRATIVE</b>							
Personnel Services	\$102,866	\$82,130	\$84,800	\$87,300	\$89,800	\$92,600	\$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	5,600	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
<b>Total G&amp;A Expenses</b>	<b>\$273,398</b>	<b>\$343,679</b>	<b>\$354,500</b>	<b>\$365,200</b>	<b>\$376,200</b>	<b>\$387,600</b>	<b>\$399,100</b>
<b>Total O&amp;M Expenses</b>	<b>\$1,357,898</b>	<b>\$1,572,479</b>	<b>\$1,620,100</b>	<b>\$1,669,000</b>	<b>\$1,719,600</b>	<b>\$1,771,400</b>	<b>\$1,824,500</b>

### 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
<b>Current Capital Improvement Projects (CIP) [1]</b>						
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	-	-	-	-	-
<b>Total</b>	<b>\$750,000</b>	<b>\$2,591,000</b>	<b>\$1,955,700</b>	<b>\$201,571</b>	<b>\$207,618</b>	<b>\$763,846</b>

[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 August 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
<b>Proposed Rate Increase (Aug 1)</b>		3.8%				
<b>Proposed Rate Increase (July 1)</b>			3.8%	3.8%	3.8%	3.8%
<b>Revenues</b>						
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	70,200	165,200	257,300	353,700	454,400
Interest Earnings [2]	54,800	39,100	18,000	25,200	25,700	24,000
Miscellaneous Revenues	500	500	500	500	500	500
<b>Total Revenues</b>	<b>\$2,263,000</b>	<b>\$2,327,500</b>	<b>\$2,411,400</b>	<b>\$2,520,700</b>	<b>\$2,627,500</b>	<b>\$2,736,500</b>
<b>Revenue Requirements</b>						
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
<b>Total Revenue Requirements</b>	<b>\$2,546,689</b>	<b>\$2,639,800</b>	<b>\$2,689,000</b>	<b>\$2,742,300</b>	<b>\$2,795,700</b>	<b>\$2,849,500</b>
<b>Net Funds Available Before Capital</b>	<b>(\$283,689)</b>	<b>(\$312,300)</b>	<b>(\$277,600)</b>	<b>(\$221,600)</b>	<b>(\$168,200)</b>	<b>(\$113,000)</b>
<b>Wastewater Capital</b>						
<b>Capital Sources of Funds</b>						
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
<b>Total Uses of Funds</b>	<b>\$395,000</b>	<b>\$453,000</b>	<b>\$2,053,000</b>	<b>\$453,000</b>	<b>\$453,000</b>	<b>\$453,000</b>
<b>Capital Uses of Funds</b>						
Capital Improvement Plan [5]	\$750,000	\$2,591,000	\$1,955,700	\$201,571	\$207,618	\$763,846
<b>Total Uses of Funds</b>	<b>\$750,000</b>	<b>\$2,591,000</b>	<b>\$1,955,700</b>	<b>\$201,571</b>	<b>\$207,618</b>	<b>\$763,846</b>
<b>Net Capital Spending</b>	<b>(\$355,000)</b>	<b>(\$2,138,000)</b>	<b>\$97,300</b>	<b>\$251,429</b>	<b>\$245,382</b>	<b>(\$310,846)</b>
<b>Net Funds Available After Capital</b>	<b>(\$638,689)</b>	<b>(\$2,450,300)</b>	<b>(\$180,300)</b>	<b>\$29,829</b>	<b>\$77,182</b>	<b>(\$423,846)</b>
<b>Available Reserves (including capital funds)</b>						
FY beginning available cash [6]	\$5,803,459	\$5,164,770	\$2,714,470	\$2,534,170	\$2,563,999	\$2,641,181
Additions (reductions)	(\$638,689)	(\$2,450,300)	(\$180,300)	\$29,829	\$77,182	(\$423,846)
<b>FY ending available reserves</b>	<b>\$5,164,770</b>	<b>\$2,714,470</b>	<b>\$2,534,170</b>	<b>\$2,563,999</b>	<b>\$2,641,181</b>	<b>\$2,217,335</b>
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	\$614,470	\$394,170	\$393,999	\$451,181	(\$12,665)
<b>Debt Service Coverage</b>						
Net Revenues [8]	\$665,111	\$735,900	\$2,370,000	\$827,800	\$881,900	\$936,800
Annual Debt Service [9]	\$553,800	\$595,200	\$594,600	\$596,400	\$597,100	\$596,800
Coverage	120%	124%	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

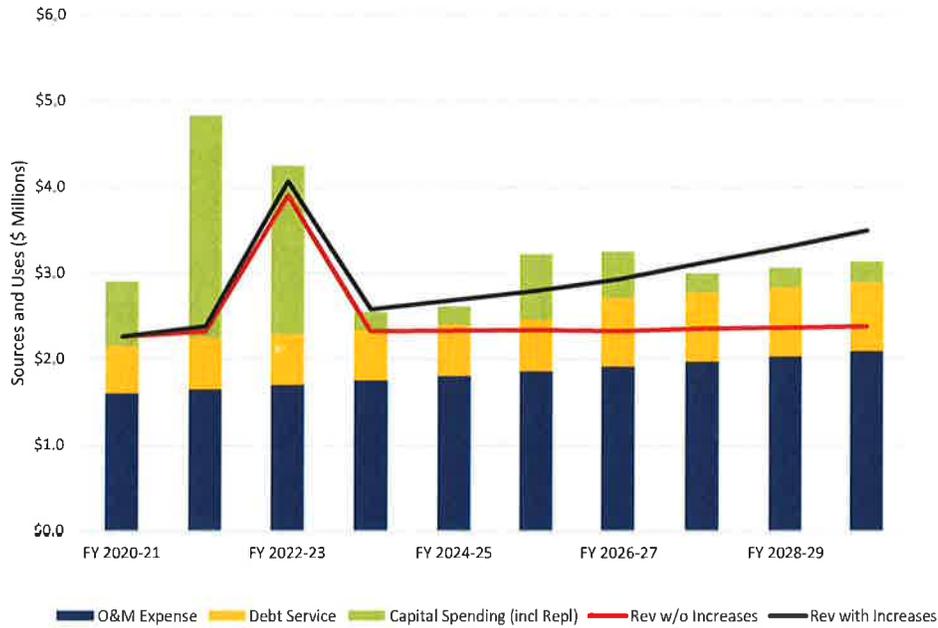
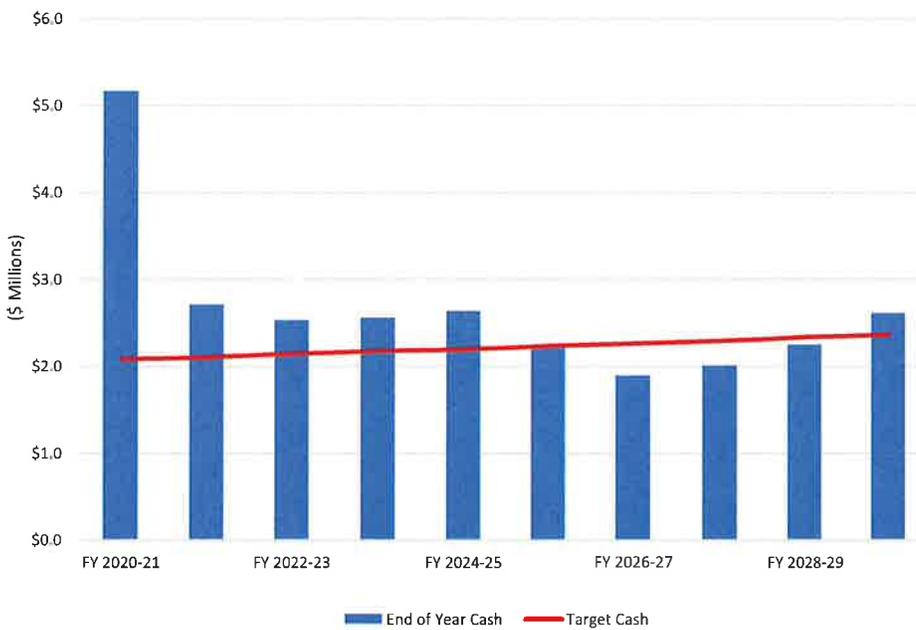


Figure 2  
Wastewater Cash Reserves versus Target Reserves



# 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		Capacity	Customer	Collection
			BOD	SS			
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 <sup>[1]</sup>	Customer <sup>[2]</sup>	Collection
	Consumption	Factor	Volume								
		%	HCF								
<b>Residential</b>											
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	
<b>Non-Residential</b>											
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	
<b>Mixed Use</b>											
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	
<b>Total System</b>	<b>774,025</b>		<b>242,111</b>			<b>633,084</b>	<b>449,441</b>	<b>3,617</b>	<b>21,258</b>	<b>663</b>	

[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			Customer	Collection
			BOD	SS	Capacity		
<b>Total Costs of Service</b>	\$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
<b>Unit Costs of Service</b>		\$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

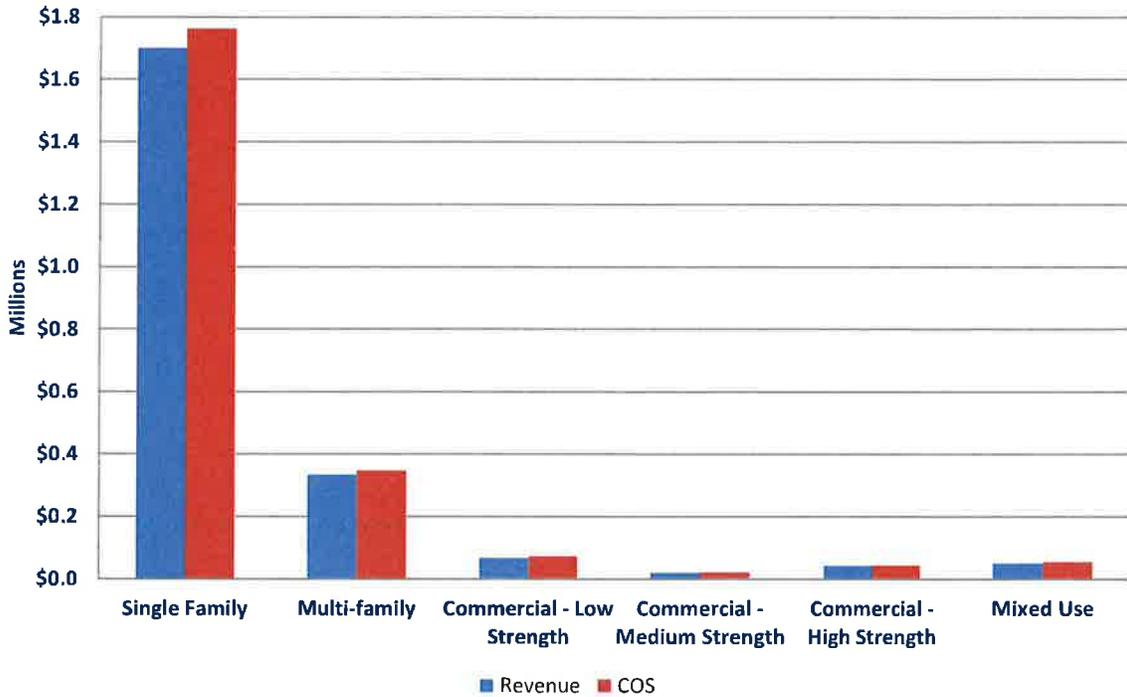
Customer Class	COS Allocation	Projected Revenue <sup>[1]</sup>	Indicated Revenue Increase	Percent Revenue Increase
<b>Residential</b>				
Single Family	\$1,763,164	\$1,701,300	\$61,864	3.6%
Multi-family	\$346,158	\$334,200	\$11,958	3.6%
<b>Non-Residential</b>				
Commercial - Low Strength	\$72,194	\$67,300	\$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%
<b>Mixed Use</b>				
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%
<b>Total System</b>	<b>\$2,302,000</b>	<b>\$2,217,700</b>	<b>\$84,300</b>	<b>3.8%</b>

<sup>[1]</sup> 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	<b>\$104.54</b>
Multi-family	\$346,158	662	<b>\$87.15</b>

## 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	Bi-monthly Capacity Charge <sup>[1]</sup>	Meter Capacity Ratio	Bi-monthly Meter Charge	Bi-monthly Customer Charge <sup>[1]</sup>	Total Bi-monthly Charge
inches					
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

<sup>[1]</sup> 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
<b>Non-Residential</b>			
Commercial - Low Strength	\$53,155	13,728	<b>\$3.87</b>
Commercial - Medium Strength	\$16,600	3,892	<b>\$4.27</b>
Commercial - High Strength	\$36,530	6,678	<b>\$5.47</b>

## 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
		\$/HCF
Standard Commercial with <b>10.0%</b> High Strength Square Footage	1.15	\$4.03
Standard Commercial with <b>20.0%</b> High Strength Square Footage	1.30	\$4.19
Standard Commercial with <b>30.0%</b> High Strength Square Footage	1.45	\$4.35
Standard Commercial with <b>40.0%</b> High Strength Square Footage	1.60	\$4.51
Standard Commercial with <b>50.0%</b> High Strength Square Footage	1.75	\$4.67
Standard Commercial with <b>60.0%</b> High Strength Square Footage	1.90	\$4.83
Standard Commercial with <b>70.0%</b> High Strength Square Footage	2.05	\$4.99
Standard Commercial with <b>80.0%</b> High Strength Square Footage	2.20	\$5.15
Standard Commercial with <b>90.0%</b> 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 <sup>[1]</sup>	Assigned BOD mg/l	Assigned SS mg/l
Multifamily Units	50%	1.00	<b>380</b>	<b>280</b>
Chamber of Commerce	10%	0.61	<b>195</b>	<b>88</b>
Bakery	20%	2.42	<b>1,500</b>	<b>660</b>
General Office	20%	0.61	<b>195</b>	<b>88</b>
Total Building Use	100%			
Standard Strength			380	280
<b>Overall Strength Factor <sup>[2]</sup></b>		<b>1.17</b>		
Cost Allocation to Parameter <sup>[3]</sup>		Flow 34.0%	BOD 33.0%	SS 33.0%
	Mixed Use Strength Factor	Standard Rate per HCF of Water Use \$/HCF <sup>[4]</sup>	Customer Charge \$/HCF <sup>[5]</sup>	Mixed Use Rate per HCF of Water Use \$/HCF <sup>[6]</sup>
Mixed Use Rate	1.17	\$ 1.06	\$ 2.81	<b>\$4.05</b>

[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 cost of service rates for implementation August 1, 2021, and future rates that escalate by the percentages identified in Table 7 of 3.8 percent annually.

**Table 17**  
**Proposed Wastewater Rates**

Description	Current	Date of Increase				
		Aug 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
<b>Residential Bi-monthly Fixed Charges</b>						
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
<b>Non-Residential Bi-monthly Meter Charges by Size</b>						
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	\$776.88	\$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
<b>Non-Residential Usage Rates (\$ per HCF)</b>						
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
<b>Mixed Use Usage Rates (\$ per HCF)</b>						
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 <sup>(1)</sup> Charge	Volume Charge	Dwelling Units	Equiv. Customer	Billable Volume		
<b>Residential</b>			\$/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%
<b>Non-Residential</b>								
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%
<b>Mixed Use</b>								
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	\$4.18		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
<b>Total System</b>	<b>\$2,302,000</b>						<b>\$2,301,988</b>	

<sup>(1)</sup> 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 August 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 August 1, 2021, both the single-family customer bill and multifamily residential bi-monthly bills will increase by 3.6 percent.

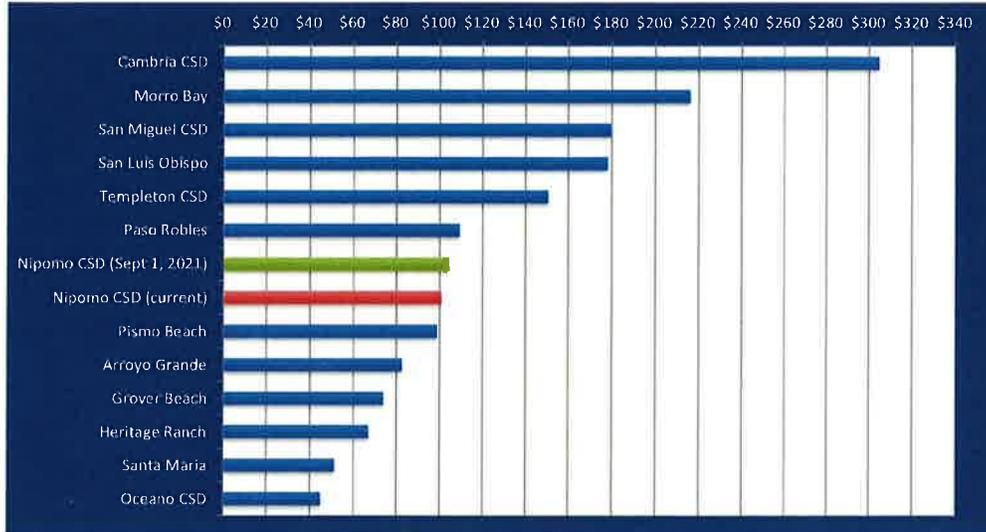
The impact to non-residential bills depends upon the meter size and strength category. Using the average water consumption of each meter size, the bi-monthly bills were calculated as shown in Table 19. For the first increase of August 1, 2021, the change in non-residential customer bills range from an increase of 3.4 percent for a 1 inch meter medium-strength customer to an increase of 10.7 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			Aug 1, 2021 Proposed Bill			Percent Change
		Service Charge	Volume Charge	Current Bill	Service Charge	Volume Charge	Proposed Bill	
<b>Residential</b>	HCF							
Single Family				\$100.87			\$104.54	3.6%
Multi-family				\$84.14			\$87.15	3.6%
<b>Non-Residential - 1" Meter</b>								
Commercial - Low Strength	50	\$39.83	\$194.50	\$234.33	\$54.88	\$193.50	\$248.38	6.0%
Commercial - Medium Strength	70	\$39.83	\$302.40	\$342.23	\$54.88	\$298.90	\$353.78	3.4%
Commercial - High Strength	35	\$39.83	\$195.65	\$235.48	\$54.88	\$191.45	\$246.33	4.6%
<b>Non-Residential - 1.5" Meter</b>								
Commercial - Low Strength	80	\$115.63	\$311.20	\$426.83	\$158.04	\$309.60	\$467.64	9.6%
Commercial - Medium Strength	65	\$115.63	\$280.80	\$396.43	\$158.04	\$277.55	\$435.59	9.9%
Commercial - High Strength	200	\$115.63	\$1,118.00	\$1,233.63	\$158.04	\$1,094.00	\$1,252.04	1.5%
<b>Non-Residential - 2" Meter</b>								
Commercial - Low Strength	170	\$183.84	\$661.30	\$845.14	\$250.88	\$657.90	\$908.78	7.5%
Commercial - Medium Strength	100	\$183.84	\$432.00	\$615.84	\$250.88	\$427.00	\$677.88	10.1%
Commercial - High Strength	200	\$183.84	\$1,118.00	\$1,301.84	\$250.88	\$1,094.00	\$1,344.88	3.3%
<b>Non-Residential - 3" Meter</b>								
Commercial - Low Strength	200	\$343.01	\$778.00	\$1,121.01	\$467.51	\$774.00	\$1,241.51	10.7%

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 August 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 August 2021 bill is based on the wastewater service charges in Table 17.

# Appendix A

## Technical Appendix

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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
<b>OPERATION AND MAINTENANCE</b>											
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
<b>Total O&amp;M Expense</b>	<b>\$1,084,500</b>	<b>\$1,228,800</b>	<b>\$1,265,600</b>	<b>\$1,303,800</b>	<b>\$1,343,400</b>	<b>\$1,383,800</b>	<b>\$1,425,400</b>	<b>\$1,468,400</b>	<b>\$1,512,600</b>	<b>\$1,558,000</b>	<b>\$1,604,500</b>
<b>GENERAL AND ADMINISTRATIVE</b>											
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
<b>Total G&amp;A Expenses</b>	<b>\$273,398</b>	<b>\$343,679</b>	<b>\$354,500</b>	<b>\$365,200</b>	<b>\$376,200</b>	<b>\$387,600</b>	<b>\$399,100</b>	<b>\$410,800</b>	<b>\$423,300</b>	<b>\$435,800</b>	<b>\$448,800</b>
<b>Total O&amp;M Expenses</b>	<b>\$1,357,898</b>	<b>\$1,572,479</b>	<b>\$1,620,100</b>	<b>\$1,669,000</b>	<b>\$1,719,600</b>	<b>\$1,771,400</b>	<b>\$1,824,500</b>	<b>\$1,879,200</b>	<b>\$1,935,900</b>	<b>\$1,993,800</b>	<b>\$2,053,300</b>

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

Description	Total Cost
<b>Revenue Requirements</b>	
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>
<b>Less Revenue Requirements Met From Other Sources</b>	
Interest Earnings	(\$39,100)
Miscellaneous Revenues	(500)
Replacement Capital	(395,000)
Capacity Charges	(58,000)
Subtotal	<u>(\$492,600)</u>
<b>Adjustments</b>	
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>
<b>Total Costs to be Recovered</b>	<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		
<b>Residential</b>						
Single Family	2,811	-	-	-	2,811	2,811.00
Multi-family	662	-	-	-	662	662.00
<b>Non-Residential</b>						
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
<b>Mixed Use</b>						
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
<b>Residential</b>							
<b>Single Family</b>							
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
<b>Multi-family</b>							
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
<b>Non-Residential</b>							
<b>Commercial - Low Strength</b>							
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
<b>Commercial - Medium Strength</b>							
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
<b>Commercial - High Strength</b>							
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
<b>Mixed Use</b>							
<b>Mixed Use - 0% High Strength</b>							
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
<b>Mixed Use - 10% High Strength</b>							
Units of Service		360	1,106	739	5	6	1
Allocated Cost of Service	\$3,203	\$160	\$183	\$172	\$1,485	\$20	\$1,182
<b>Mixed Use - 20% High Strength</b>							
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
<b>Mixed Use - 30% High Strength</b>							
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
<b>Mixed Use - 40% High Strength</b>							
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
<b>Mixed Use - 50% High Strength</b>							
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
<b>Mixed Use - 70% High Strength</b>							
Units of Service		67	485	259	1	6	0
Allocated Cost of Service	\$719	\$30	\$80	\$60	\$309	\$20	\$219
<b>Total Costs of Service</b>	<b>\$2,302,000</b>	<b>\$107,900</b>	<b>\$104,726</b>	<b>\$104,726</b>	<b>\$1,119,478</b>	<b>\$70,247</b>	<b>\$794,923</b>

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# Appendix B

## Non-residential Bill Impacts

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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	Aug 1, 2021	Percent Increase	July 1, 2022	Percent Increase
<b>Low Strength with 1"meter</b>					
25% of Avg Bill: 10 HCF	\$78.73	\$93.58	18.9%	\$97.17	3.8%
50% of Avg Bill: 30 HCF	\$156.53	\$170.98	9.2%	\$177.57	3.9%
<b>Avg Bill: 50 HCF</b>	<b>\$234.33</b>	<b>\$248.38</b>	<b>6.0%</b>	<b>\$257.97</b>	<b>3.9%</b>
125% of Avg Bill: 60 HCF	\$273.23	\$287.08	5.1%	\$298.17	3.9%
150% of Avg Bill: 80 HCF	\$351.03	\$364.48	3.8%	\$378.57	3.9%
<b>Medium Strength with 1"meter</b>					
25% of Avg Bill: 20 HCF	\$126.23	\$140.28	11.1%	\$145.57	3.8%
50% of Avg Bill: 40 HCF	\$212.63	\$225.68	6.1%	\$234.17	3.8%
<b>Avg Bill: 70 HCF</b>	<b>\$342.23</b>	<b>\$353.78</b>	<b>3.4%</b>	<b>\$367.07</b>	<b>3.8%</b>
125% of Avg Bill: 90 HCF	\$428.63	\$439.18	2.5%	\$455.67	3.8%
150% of Avg Bill: 110 HCF	\$515.03	\$524.58	1.9%	\$544.27	3.8%
<b>High Strength with 1"meter</b>					
25% of Avg Bill: 10 HCF	\$95.73	\$109.58	14.5%	\$113.77	3.8%
50% of Avg Bill: 20 HCF	\$151.63	\$164.28	8.3%	\$170.57	3.8%
<b>Avg Bill: 35 HCF</b>	<b>\$235.48</b>	<b>\$246.33</b>	<b>4.6%</b>	<b>\$255.77</b>	<b>3.8%</b>
125% of Avg Bill: 40 HCF	\$263.43	\$273.68	3.9%	\$284.17	3.8%
150% of Avg Bill: 50 HCF	\$319.33	\$328.38	2.8%	\$340.97	3.8%

## Appendix B-2

### Non-Residential Customer Bill Impacts - 2" Meter

Description	Current	Aug 1, 2021	Percent Increase	July 1, 2022	Percent Increase
<b>Low Strength with 2"meter</b>					
25% of Avg Bill: 40 HCF	\$339.44	\$405.68	19.5%	\$421.18	3.8%
50% of Avg Bill: 90 HCF	\$533.94	\$599.18	12.2%	\$622.14	3.8%
<b>Avg Bill: 170 HCF</b>	<b>\$845.14</b>	<b>\$908.78</b>	<b>7.5%</b>	<b>\$943.67</b>	<b>3.8%</b>
125% of Avg Bill: 210 HCF	\$1,000.74	\$1,063.58	6.3%	\$1,104.43	3.8%
150% of Avg Bill: 260 HCF	\$1,195.24	\$1,257.08	5.2%	\$1,305.39	3.8%
<b>Medium Strength with 2"meter</b>					
25% of Avg Bill: 30 HCF	\$313.44	\$378.98	20.9%	\$393.31	3.8%
50% of Avg Bill: 50 HCF	\$399.84	\$464.38	16.1%	\$481.91	3.8%
<b>Avg Bill: 100 HCF</b>	<b>\$615.84</b>	<b>\$677.88</b>	<b>10.1%</b>	<b>\$703.41</b>	<b>3.8%</b>
125% of Avg Bill: 130 HCF	\$745.44	\$805.98	8.1%	\$836.31	3.8%
150% of Avg Bill: 150 HCF	\$831.84	\$891.38	7.2%	\$924.91	3.8%
<b>High Strength with 2"meter</b>					
25% of Avg Bill: 50 HCF	\$463.34	\$524.38	13.2%	\$544.41	3.8%
50% of Avg Bill: 100 HCF	\$742.84	\$797.88	7.4%	\$828.41	3.8%
<b>Avg Bill: 200 HCF</b>	<b>\$1,301.84</b>	<b>\$1,344.88</b>	<b>3.3%</b>	<b>\$1,396.41</b>	<b>3.8%</b>
125% of Avg Bill: 250 HCF	\$1,581.34	\$1,618.38	2.3%	\$1,680.41	3.8%
150% of Avg Bill: 300 HCF	\$1,860.84	\$1,891.88	1.7%	\$1,964.41	3.8%

APRIL 28, 2021

ITEM E-1

ATTACHMENT B



# Nipomo Community Services District

## NOTICE OF PUBLIC HEARING - RATE INCREASE FOR TOWN SEWER

This is a notice to explain proposed increases in town sewer rates for the Nipomo Community Services District ("NCS D" or the "District") customers, and to advise you of a public hearing and the majority protest procedures. The proposed rate increases will be recommended for adoption by NCS D's Board of Directors after a public hearing on June 23, 2021.

*See the back page of this Notice for Public Hearing details.*

Dear Owners of Record and Customers of Record,

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

### **About the proposed rates**

The proposed Town Sewer Division rate increase is needed to ensure that the District has sufficient revenues to fund operating and capital needs and provide appropriate levels of operating, capital, and emergency reserves.

The proposed Town Sewer Division rate increase is needed to ensure that the District has sufficient revenues to fund operating and capital needs and provide appropriate levels of operating, capital, and emergency reserve funds. Regulatory requirements for wastewater treatment continue to increase cost for sewer services, forcing the District to spend reserve funds to pay for significant and unexpected capital expenditures for disposing of wastewater bio-solids as a result. The District's last rate increase in the Town Sewer Division became effective on January 1, 2020 and was based on a 5-year rate study adopted in August 2015.

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

### **Multi-year approach to setting rates**

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

### **Proposed Town Sewer Rates**

Under the proposed rates, town sewer rates for single-family residential dwellings, which represent over 98% of the customer accounts, will increase \$1.85 monthly or \$3.70 per bi-monthly billing period starting August 1, 2021. Rate increases for other categories of users are shown on the next page.

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

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

**THE PROPOSED TOWN SEWER RATES**

Description	Current	Date of Increase									
		Sep 1, 2021	% Incr	July 1, 2022	% Incr	July 1, 2023	% Incr	July 1, 2024	% Incr	July 1, 2025	% Incr
<b>Residential Bi-monthly Fixed Charges</b>											
Single Family	\$100.87	\$104.54	3.6%	\$108.51	3.8%	\$112.64	3.8%	\$116.92	3.8%	\$121.36	3.8%
Multi-family	\$84.14	\$87.15	3.6%	\$90.46	3.8%	\$93.90	3.8%	\$97.47	3.8%	\$101.17	3.8%
<b>Non-Residential Bi-monthly Meter Charges by Size</b>											
Up to 1 inch	\$39.83	\$54.88	37.8%	\$56.97	3.8%	\$59.13	3.8%	\$61.38	3.8%	\$63.71	3.8%
1.5 inch	\$115.63	\$158.04	36.7%	\$164.05	3.8%	\$170.28	3.8%	\$176.75	3.8%	\$183.47	3.8%
2 inch	\$183.84	\$250.88	36.5%	\$260.41	3.8%	\$270.31	3.8%	\$280.58	3.8%	\$291.24	3.8%
3 inch	\$343.01	\$467.51	36.3%	\$485.28	3.8%	\$503.72	3.8%	\$522.86	3.8%	\$542.73	3.8%
4 inch	\$570.39	\$776.98	36.2%	\$806.51	3.8%	\$837.15	3.8%	\$868.96	3.8%	\$901.99	3.8%
6 inch	\$1,138.85	\$1,550.66	36.2%	\$1,609.58	3.8%	\$1,670.75	3.8%	\$1,734.23	3.8%	\$1,800.13	3.8%
8 inch	\$1,820.99	\$2,479.07	36.1%	\$2,573.27	3.8%	\$2,671.06	3.8%	\$2,772.56	3.8%	\$2,877.91	3.8%
<b>Non-Residential Usage Rates (\$ per HCF)</b>											
Low Strength	\$3.89	\$3.87	-0.5%	\$4.02	3.8%	\$4.17	3.8%	\$4.33	3.8%	\$4.49	3.8%
Medium Strength	\$4.32	\$4.27	-1.3%	\$4.43	3.8%	\$4.60	3.8%	\$4.77	3.8%	\$4.95	3.8%
High Strength	\$5.59	\$5.47	-2.1%	\$5.68	3.8%	\$5.89	3.8%	\$6.12	3.8%	\$6.35	3.8%
<b>Mixed Use Usage Rates (\$ per HCF)</b>											
Standard Comm with 10% High Strength	\$4.08	\$4.03	-1.2%	\$4.18	3.8%	\$4.34	3.8%	\$4.51	3.8%	\$4.68	3.8%
Standard Comm with 20% High Strength	\$4.25	\$4.19	-1.4%	\$4.35	3.8%	\$4.51	3.8%	\$4.69	3.8%	\$4.86	3.8%
Standard Comm with 30% High Strength	\$4.42	\$4.35	-1.6%	\$4.52	3.8%	\$4.69	3.8%	\$4.86	3.8%	\$5.05	3.8%
Standard Comm with 40% High Strength	\$4.61	\$4.51	-2.2%	\$4.68	3.8%	\$4.86	3.8%	\$5.04	3.8%	\$5.24	3.8%
Standard Comm with 50% High Strength	\$4.78	\$4.67	-2.3%	\$4.85	3.8%	\$5.03	3.8%	\$5.22	3.8%	\$5.42	3.8%
Standard Comm with 60% High Strength	\$4.96	\$4.83	-2.6%	\$5.01	3.8%	\$5.20	3.8%	\$5.40	3.8%	\$5.61	3.8%
Standard Comm with 70% High Strength	\$5.13	\$4.99	-2.7%	\$5.18	3.8%	\$5.38	3.8%	\$5.58	3.8%	\$5.79	3.8%
Standard Comm with 80% High Strength	\$5.30	\$5.15	-2.8%	\$5.35	3.8%	\$5.55	3.8%	\$5.76	3.8%	\$5.98	3.8%
Standard Comm with 90% High Strength	\$5.48	\$5.31	-3.1%	\$5.51	3.8%	\$5.72	3.8%	\$5.94	3.8%	\$6.16	3.8%

**AVAILABILITY OF STUDIES, REPORTS, AND INFORMATION**

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

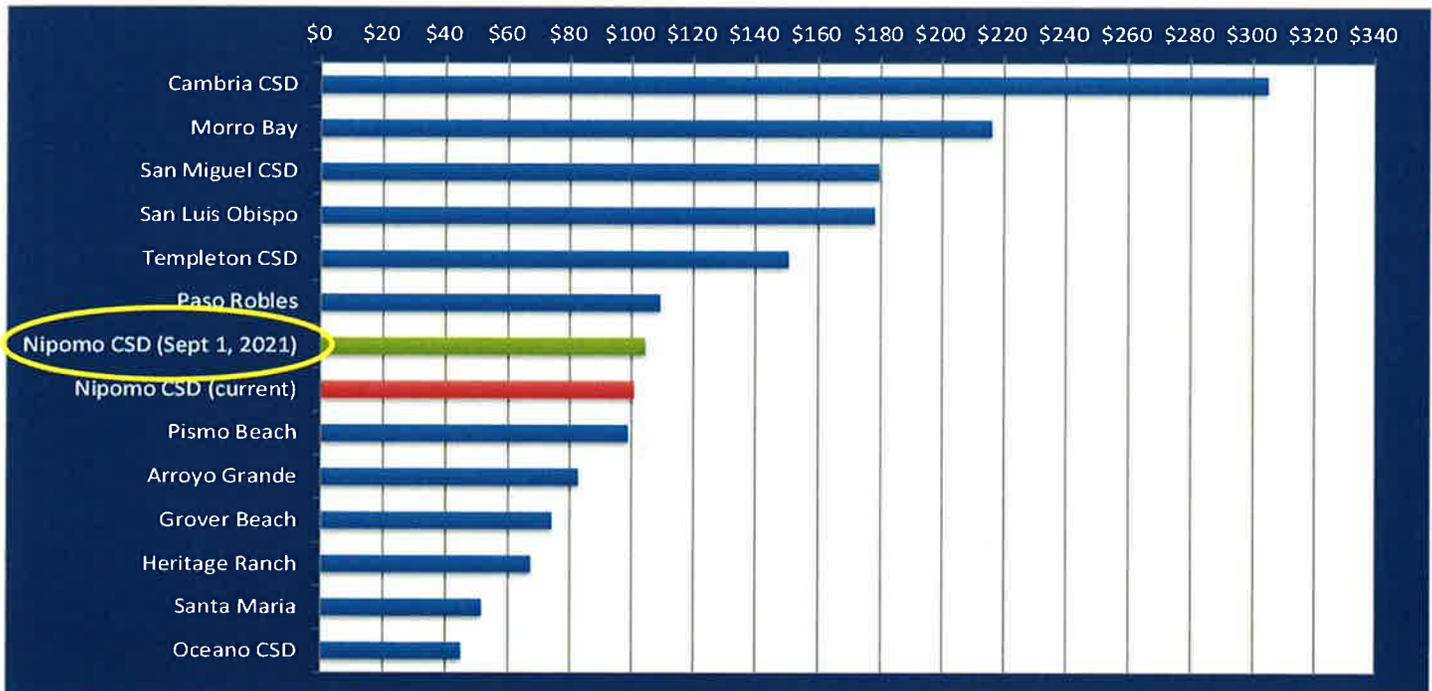
## EXAMPLE TOWN SEWER BILLS INCLUDING PROPOSED CHARGES

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

Classification	Average Bi-monthly Water Use	Current Bill			Sep 1, 2021 Proposed Bill			Percent Change
		Service Charge	Volume Charge	Current Bill	Service Charge	Volume Charge	Proposed Bill	
<b>Residential</b>	HCF							
Single Family				\$100.87			\$104.54	3.6%
Multi-family				\$84.14			\$87.15	3.6%
<b>Non-Residential - 1" Meter</b>								
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%
<b>Non-Residential - 1.5" Meter</b>								
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%
<b>Non-Residential - 2" Meter</b>								
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%
<b>Non-Residential - 3" Meter</b>								
Commercial - Low Strength	200	\$343.01	\$778.00	\$1,121.01	\$467.51	\$774.40	\$1,241.91	10.8%

HCF = hundred cubic feet (748 gallons)

### Comparison of Single-family Residential Bi-Monthly Wastewater Bills



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

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

# NOTICE OF PROPOSED TOWN SEWER RATE INCREASE



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

## GENERAL MANAGER

**Mario Iglesias**

## PUBLIC HEARING

**A Public Hearing for the Proposed Town Sewer Rate Increase will be held on: June 23, 2021 at 9 AM**

Jon S. Seitz Board Room  
Nipomo CSD  
148 South Wilson Street, Nipomo

**Limited space for in-person participation will be available and divided to enforce social distancing. Members of the public who attend in person must wear an appropriate face-covering.** At the public hearing the Nipomo Community Services District Board of Directors will consider all public comment in support and in opposition of the Town Sewer Rate Increase and whether or not a Majority Protest exists. If approved, the Town Sewer Rate Increase would become effective **August 1, 2021**.

## HOW TO PROTEST

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

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

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

Written protests regarding the town sewer rate increase must be delivered to the NCSD Office located at **148 South Wilson Street, Nipomo** during regular office hours (8 a.m. - 4:30 p.m. Monday - Friday, excluding holidays) or mailed to: **Nipomo Community Services District, Attn: District Clerk, P.O. Box 326, Nipomo, CA 93444-0326**

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

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

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

TO: BOARD OF DIRECTORS  
 FROM: MARIO IGLESIAS  
 GENERAL MANAGER   
 DATE: April 23, 2021

**AGENDA ITEM**  
**F**  
**APRIL 28, 2021**

**GENERAL MANAGER'S REPORT**

**ITEM**

Standing report to your Honorable Board -- *Period covered by this report is April 11, 2021 through April 24, 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	\$399

**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

**NCSD GW Reduction**

Table 2 below demonstrates the calculus for determining the District's adjusted groundwater pumping reduction.

**Table 2. NCSD GW Production (NCSD GW Well Production plus Purveyor Credit)**

	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	160.4	1,826.0
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.

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

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

**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](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](https://wr.slocountywater.org/site.php?site_id=2&site=878bfdbf-5c40-4398-8226-418372e4039b)

(Reported in inches)	<u>Nipomo East (Dana Hills Reservoirs)</u>	<u>Nipomo South (Southland Plant)</u>
March 2021 Total	1.19	1.30
July-2020 through June-2021 (Season Total)	7.41	6.81
Apr 1, 2021 - Apr 23, 2021	0.00	0.00
Total Rainfall to date	7.41	6.81
Average Annual Year Rainfall	18.0 <sup>1</sup>	14.0 <sup>2</sup>
2015 - 2020 Average Annual Year Rainfall*	15.39	13.30

\*Data from County website

**Safety Program**

No safety issue to report.

**Other Items**

- COVID19 NCSD Response Plan Update [Attachment A]
- Customer Update Letter
- City of Santa Maria Shifting Source of Supply

**Supplemental Water Capacity Accounting**

As of April 23, 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)	182	-96.1
<b>Total Remaining Supplemental Water Available for Allocation</b>	<b>641</b>	<b>338.5</b>

**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 (April 11 through April 24)**

*Meetings Attended (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
- Apr 19, Staff Mtg. – Admin Supervisor
- Apr 19, Phone System Vendor – Cell Service
- Apr 19, NCSD Management Team Mtg.

- *Apr 19, Customer Meeting – P. Wilson*
- *Apr 19, NCSD Board Officer Mtg.*
- *Apr 20, Finance and Audit Committee Mtg.*
- *Apr 20, Administrative Team Meeting – Planning*
- *Apr 21, Rotary*
- *Apr 21, County EOC Briefing*
- *Apr 21, CSDA Manager's Meeting*
- *Apr 22, Sedaru Asset Management Mtg.*
- *Apr 23, Staff Mtg. - Cust. Service Specialist*
- *Apr 23, NMMA Manager's Meeting*
- *Apr 23, Special Distr. Finance – BL Service Options*
- *Apr 23, SLO Co. PW – Tools Amendment Briefing*

**Meetings Scheduled (April 25 through May 1):**

*Upcoming Meetings (telephonically or in person):*

- *Apr 26, Vacation Day*
- *Apr 27, Staff Mtg. - Cust. Service Specialist*
- *Apr 27, RCAC Training; Prep. for Sanitary Survey*
- *Apr 27, Eng/Admin Coordination Meeting*
- *Apr 28, Rotary*
- *Apr 28, Regular NCSD Board Meeting*
- *Apr 28, Exec. Team After-Board Meeting*
- *Apr 30, Staff Mtg. - Cust. Service Specialist*

**Upcoming Water Resource and Other Meetings**

*Upcoming Standing Meetings:*

- *NMMA-TG: April 26<sup>th</sup> (Monday) @ 9:00 AM, Conf. Call*
- *RWMG: No Schedule Posted –*
- *WRAC: May 5<sup>th</sup> (Wednesday) @ 1:30 PM, Zoom Meeting*
- *NMMA Purveyor Meeting: April 23<sup>rd</sup> (Friday) @ 10:00 PM, Zoom Meeting*
- *NCSD Board Officer Meeting: May 3<sup>rd</sup> (Monday) @ 2:00 PM, NCSD Conf. Rm.*

**RECOMMENDATION**

Staff seeks direction and input from your Board

**ATTACHMENTS**

- A. COVID19 - NCSD Response Plan
- B. Customer Update Letter

APRIL 28, 2021

ITEM F

ATTACHMENT A

Date: April 28, 2021 Board Meeting  
Response Activities to COVID19 Health Emergency  
Prepared by: Mario Iglesias, General Manager

## DISTRICT RESPONSE TO COVID-19, Updated April 23, 2021

### New Actions

Office opened to the public (Monday, April 19, 2021)

### Personnel on Quarantine

Office Personnel:

No administrative personnel affected at this time

Operational Personnel:

No operational personnel affected at this time.

### 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 4<sup>th</sup>. 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
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.

Date: April 28, 2021 Board Meeting  
Response Activities to COVID19 Health Emergency  
Prepared by: Mario Iglesias, General Manager

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 28, 2021

ITEM F

ATTACHMENT B



# NIPOMO COMMUNITY SERVICES DISTRICT

148 SOUTH WILSON STREET POST OFFICE BOX 326 NIPOMO, CA 93444 - 0326  
(805) 929-1133 FAX (805) 929-1932 Website address: ncsd.ca.gov

April 14, 2021

JOHN DOE  
1123 EASY STREET  
NIPOMO, CA 93444

Dear Property Owner:

The District is in the process of updating its records. Below is the information the District currently has on file for your account:

SERVICE ADDRESS	1123 EASY STREET
ACCOUNT NUMBER	01-2100-04
PHONE NUMBER	805-929-1133
EMAIL ADDRESS	INFO@NCSD.CA.GOV
ACCOUNT ON AUTOMATIC DRAFT (AUTO PAY)	NO
SIGNED UP TO RECEIVE EMAIL BILLING	NO

If this information is not correct, please update your information on the form below and return to the District in the envelope provided. This information is to ensure Nipomo Community Services District has the updated information to contact the Property Owner in case of a matter involving our services. This information is securely stored and is not shared with any other entity.

Additionally, if you are interested in signing up for Auto Pay and/or Email Billing, please complete the forms attached and return to the District in the envelope provided.

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OWNER'S NAME      JOHN DOE

SERVICE ADDRESS 1123 EASY STREET      01-2100-04

CELL PHONE NUMBER \_\_\_\_\_

HOME PHONE NUMBER \_\_\_\_\_

EMAIL ADDRESS \_\_\_\_\_

OWNNER'S SIGNATURE \_\_\_\_\_