

# Nipomo Community Services District

## NOTICE OF PUBLIC HEARING - BLACKLAKE SEWER RATE INCREASE

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

Dear Owners of Record and Customers of Record,

You are receiving this notice because the Nipomo Community Services District (NCS D) is considering a sewer (wastewater) rate increase for customers in the District’s Blacklake sewer service area. NCS D operates and manages the Blacklake sewer system (“Sewer System”) on behalf of the Blacklake community. NCS D has two wastewater service areas – the Town wastewater service area and the Blacklake wastewater service area. The two areas are distinct, are not interconnected, and have separate wastewater rates. The information in this notice only applies to Blacklake customers.

NCS D depends upon sewer user fees to fund operating and maintenance costs and to pay for rehabilitating and replacing equipment such as pipes, pumps, and treatment ponds that make up the Sewer 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. The last rate increase for customers of the Sewer System was in 2013.

### **Why must sewer rates increase?**

The Blacklake wastewater system is financially supported by the rates and charges paid by the customers who use this system to treat their wastewater. The Sewer System does not receive any additional outside revenue from NCS D, the state of California, or general taxes to operate. A rate increase is needed to:

- 1) make needed repairs and replace aging pipes, pumps, and treatment ponds,
- 2) keep pace with increases in the costs of operations and maintenance, and
- 3) build and maintain reasonable operating and emergency reserves.

Failure to increase funding to meet the financial needs expressed above exposes the Blacklake community to costly, unscheduled emergency repairs. Events such as a lift station collapse, sewer pipeline leaks and blockages, and sewage spills can result in penalties and fines imposed by the State Water Quality Control Board.

With help of a utility rate consultant approved by the Blacklake\NCS D Oversight Committee (“Committee”), NCS D developed a financial plan for the next five years. Inflation costs have not been accounted for since 2013. Going forward, Operating costs ( electricity, chemicals, repairs, staffing and regulatory compliance) are expected to increase by 3% per year due to inflation. The predominant reason for the rate increase is to pay to repair and replace aging sewer pipes, lift station-pumps, and treatment ponds.

In 2017, with help from the Committee, NCS D completed an engineering master plan for the Sewer System. The master plan identified costs for;

- 1) near-term repairs necessary to keep the Sewer System operating,
- 2) longer-term projects to retrofit the Blacklake wastewater treatment plant to make it more efficient, and
- 3) an option to regionalize (hook-up) the Blacklake sewer system with the Town sewer system.

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

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

The proposed financial plan and rate study include only the near-term repairs necessary to keep the Blacklake wastewater system operating. The cost of these repairs over the next five years is \$3.5 million and will be funded by a combination of existing cash reserves, new debt, and rate increases. Longer-term capital costs for the continued use of the Blacklake treatment plant will be reviewed in future rate studies. The regionalization option will be presented to the community in a separate presentation once estimated costs and construction schedules are established.

## Current Sewer Rates

The Blacklake sewer rates consist of bi-monthly (2 months) charges for single family residential, multi-family (condominium) residential, and commercial customers. Single family and multi family customers pay fixed charges. Commercial customers pay fixed charges based on the size of the water meter plus volume rates based on metered water use. The commercial volume rate schedule consists of low, medium, and high wastewater pollutant strength rates that are billed on a \$ per hundred cubic foot (HCF) basis. One HCF is 748 gallons. Higher strength wastewater discharge is billed at a higher rate because it costs more to treat.

## THE PROPOSED BLACKLAKE SEWER RATES

### Proposed Bi-Monthly Sewer Rates

Customer Class	Current	PROPOSED				
		April 1, 2019	April 1, 2020	April 1, 2021	April 1, 2022	April 1, 2023
<b>Bi-Monthly Residential Service Charges</b>						
Single Family	\$145.51	\$169.76	\$197.77	\$230.40	\$268.42	\$295.26
Multi Family (Condo) (per dwelling unit)	\$95.08	\$109.08	\$127.07	\$148.04	\$172.47	\$189.72
<b>Non-Residential –Commercial Accounts— Service Charges</b>						
<b>Fixed Meter Charges</b>						
Up to 1"	\$65.52	\$88.35	\$102.93	\$119.91	\$139.70	\$153.67
1.5"	\$186.50	\$233.45	\$271.97	\$316.85	\$369.13	\$406.04
2"	\$295.38	\$364.04	\$424.11	\$494.09	\$575.61	\$633.17
3"	\$549.43	\$668.75	\$779.09	\$907.64	\$1,057.40	\$1,163.14
4"	\$912.36	\$1,104.05	\$1,286.22	\$1,498.45	\$1,745.69	\$1,920.26
6"	\$1,819.68	\$2,192.30	\$2,554.03	\$2,975.44	\$3,466.39	\$3,813.03
8"	\$2,908.48	\$3,498.20	\$4,075.40	\$4,747.84	\$5,531.23	\$6,084.35
<b>Non-Residential —Commercial Accounts— Usage Rates (\$/hundred cubic feet)</b>						
Low Strength	\$3.56	\$3.97	\$4.63	\$5.39	\$6.28	\$6.91
Medium Strength	\$4.80	\$5.28	\$6.15	\$7.16	\$8.34	\$9.17
High Strength	\$7.59	\$8.22	\$9.58	\$11.16	\$13.00	\$14.30
Loan Surcharge	\$8.90	NA	NA	NA	NA	NA

## Proposed Sewer Rates

The sewer rate proposal includes a series of rate increases to take effect April 1 of each year for the next five years. If approved, single family and multi family (condominium) customers will continue to pay a fixed bi-monthly fee. Commercial customers will continue to pay a fixed bi-monthly meter charge plus volume rates. The proposed rates reflect the increased cost of repairs and replacement of aging pumps, pipes and treatment ponds, maintaining capacity in the system, and conveying and treating wastewater flow.

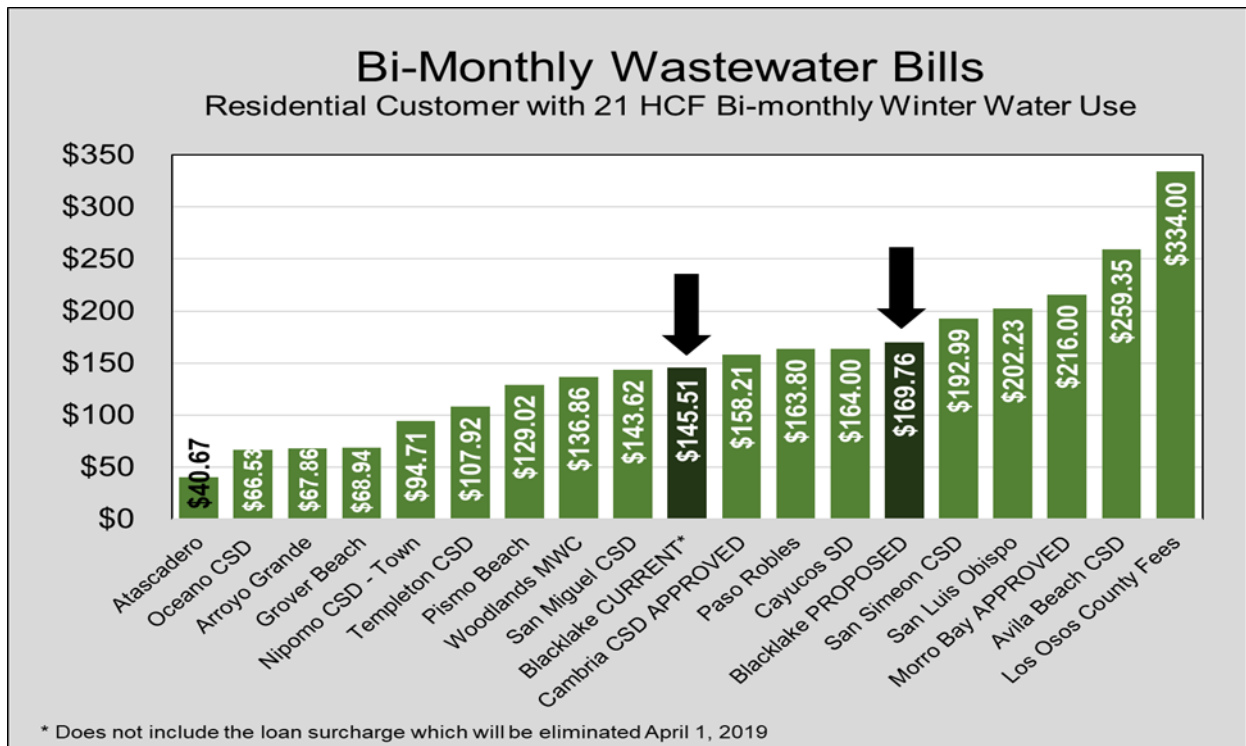
## Multi-year approach to setting rates

By taking a multi-year approach to rate-setting, 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 implement rate increases beyond those proposed in this notice without an additional Proposition 218 notice to all of its customers.

## Regionalization: Hooking up the Blacklake Sewer System to the Town Sewer System

The NCSO, the Committee, and the community have not fully vetted the regionalization option vs. continuing to operate the Blacklake sewer system as a stand-alone system. If regionalization is pursued, it is estimated that it will take at least four to five years to complete a funding plan, design and construct the pipes and pumps necessary to physically connect the two systems, and make the improvements to the Town sewer system necessary to accept Blacklake sewer flows.

## SINGLE FAMILY BILL COMPARISON WITH OTHER LOCAL AGENCIES



## AVAILABILITY OF STUDIES, REPORTS, AND INFORMATION

Additional information on the proposed sewer rate is available at [www.ncsd.ca.gov](http://www.ncsd.ca.gov). The Sewer Rate Study report and the Sewer Master Plan are available for review at the District's administrative offices located at 148 South Wilson Street, Nipomo. In addition, customers may contact the General Manager at (805) 929-1133 for further information about the proposed rates.

# NOTICE OF SEWER RATE INCREASE



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

Presorted  
First Class Mail  
U.S. Postage  
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Pismo Beach, CA  
Permit #106

## GENERAL MANAGER

**Mario Iglesias**

Mailing Label

### HOW TO PROTEST

The following persons may submit a written protest against the Proposed 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 sewer service from the NCSD Blacklake 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 sewer service;
- "Customer of record" (Tenant(s)) whose name appears on the District records as the customer of record for the corresponding parcel receiving sewer service from the NCSD.

A valid written protest must include:

1. A statement that it is a protest against the proposed sewer rate increase;
2. The name of the owner of record or customer of record;
3. The identity of the affected parcel by assessor's parcel number or service address;
4. An original signature (not photocopy, email, or fax copy) of the owner of record or customer of record of the identified parcel; **AND**
5. The date the written protest is signed.

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 sewer rate increase may be personally delivered to the NCSD Office located at 148 South Wilson Street, Nipomo during regular office hours (8a.m. - 4:30 p.m. Monday - Friday, excluding holidays), placed in the drop-box located in the parking lot of the NCSD Office, or mailed to:

**Nipomo Community Services District**

**Attn: District Clerk**

**148 South Wilson Street, Nipomo, CA 93444 or P.O. Box 326, Nipomo, CA 93444-0326**

**To be counted, the written protest, including those mailed to the District, must be received by the close of the Public Hearing on January 23, 2019.** No postmarks will be accepted; therefore, any written protest not actually received by the close of the Public Hearing, whether or not mailed prior to the Public Hearing, will not be counted.

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

If valid written protests are presented by a majority of owners of record and/or customers of record of parcels receiving sewer service within the NCSD's Blacklake Sewer System, then the NCSD will not adjust/increase the sewer rates.

### PUBLIC HEARING

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

**January 23, 2019 at 9 AM**

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

At the public hearing the Nipomo Community Services District Board of Directors will consider all public comment in support and in opposition of the Sewer Rate Increase and whether or not a Majority Protest exists. If approved, the Sewer Rate Increase would become effective April 1, 2019.