Report on

Water Rate Study

August 2020

For:

Nipomo Community Services District
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Submitted By:

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August 27, 2020

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

Dear Mr. Iglesias:

Tuckfield & Associates is pleased to provide this Water Rate Study (Study) report to the Nipomo Community Services District (District). This Study reviewed records and documents of the District and performed various analyses for the purpose of reducing the impact of the currently scheduled 14.7 percent revenue increase scheduled for December 1, 2020 while recognizing the effects of Corona Virus COVID-19 and its financial impacts on the community.

The Study develops a five-year financial plan that provides a pathway forward to reduce financial impacts to customers as well as present two water rate structure alternatives. The first alternative is the current uniform volume rate structure that is currently used by the District. The second is a tiered rate structure that would move the District toward the rate structure discussed in AB 1669 and SB 606 and is provided for the District's consideration. This legislation requires the Department of Water Resources and State Water Resources Control Board to develop standards for indoor and outdoor water use by June 30, 2022 and requires water suppliers to calculate their water use objective by November 2023.

The water rates developed in this Study are based on cost of service principles and follow industry trade guidelines of the American Water Works Association as well as state legislation. The report outlines the approach, methodology, and findings for the District's water rates. Tables and discussion throughout the report provide the documentation necessary to support defensible water rates for the District.

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
Principal Consultant

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Water Rate Study

Nipomo Community Services District

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Executive Summary

The Nipomo Community Services District (District) engaged Tuckfield & Associates in November 2019 to conduct a Water Rate Study (Study) for its water enterprise. The previous water rate study for the District was completed in July 2017 and included a revenue increase of 14.7 percent effective December 1, 2020. The purpose of this Study is to reduce the financial impact of the December 1, 2020 increase as well as reduce any financial hardship caused by the Corona virus COVID-19 on customers within the District's service area.

This Study includes development of a financial plan of revenues and revenue requirements of the District's water system and supplemental water system (together the "System"), analyses to determine the costs of providing water service to its customers, and proposed water rates and charges for implementation.

Financial Plan

The revenue and revenue requirements of the System were identified and projected to create a forward-looking financial plan of the water enterprise. Annual costs of the System include operation and maintenance expense (O&M), supplemental water purchases, debt service, and annual capital replacement.

The District's FY 2020-21 budget expenses are included in the financial plan and future expenses were projected through application of inflation factors to the budgeted expenses to complete a five-year plan. Annual replacement capital related to both the water system and supplemental water system is an annual financial obligation and is included in the financial plan. Debt service payments of the 2013 and 2013A Certificates of Participation (COPs) are also included in the financial plan which are partially offset by property taxes received by the District.

The District has prepared a Capital Improvement Program (CIP) for FY 2019-20 through FY 2024-25. Costs for projects in this five-year CIP, and costs for projects awarded in the current year, total about $13.8 million. The District anticipates that all CIP improvements can be funded with reserves and replacement transfers received into the Water Replacement Fund (Fund 805), Water Capacity Fund (700), and Supplemental Water Capacity Fund (Fund 500) funds.

The District combined the water system (Fund 125) and the supplemental water system (Fund 126) on July 1, 2017 and Fund 125 was used to evaluate the sufficiency of revenue, using the District's current water rates to meet the projected revenue requirements (costs) of the System. The analyses indicated that the currently scheduled revenue increases could be modified to reduce the 14.7 percent December 1, 2020 increase to a near inflationary level and implement equal annual increases that would meet the additional take-or-pay Supplemental Water expense that the District will face in FY 25-26 while also meeting Target reserve levels and debt service coverage ratios for the System. Increases in revenue consisting of a 4.5 percent increase beginning January 1, 2021, followed by 8.9 percent annual increases January 1, 2022 through January 1, 2025 should meet the District's purpose and objectives of this Study. The financial plan is presented in Table 12.

Current Water Rates

The current water rates for the District's customers consist of fixed charges and variable charges. Current fixed charges consist of bi-monthly charges by meter size applicable to all customers. Variable charges include a

uniform volume charge where all water consumed by the District's customers are charged at the same re. The current water rates are summarized in Table 3.

Recent Legislation

In 2018, AB 1668 and SB 6060 were passed to provide a pathway to ensure that the state has enough water to supply future water needs. The legislation directs the Department of Water Resources (DWR) and the State Water Resources Control Board (SWRCB) to develop and adopt standards for indoor and outdoor residential water use as well as Commercial/Industrial/Institutional (CII) landscape water use with dedicated meters. The goals are efficient water use statewide and to better prepare for longer and more severe droughts.

The DWR and SWRCB agencies prepared a handbook titled "Making Conservation a California Way of Life" which outlines the timeline and responsibilities for the agencies and water suppliers while promoting a water budget rate structure. The handbook states that the SWRCB will develop and adopt water use standards by June 30, 2022. Each water supplier will need to calculate its water "objective" for water needed in its service area based on the standards by November 2023. Water suppliers not meeting its "objective" will be subject to enforcement.

Proposed Water Rate Structures and Rates

Two water rate structure and rate alternatives have been designed for this Study. The first is the uniform volume rate structure which is currently employed by the District, and the second is a tiered water rate structure.

Uniform Volume Rate Structure Alternative

The proposed uniform volume rate structure alternative is the same as is currently used by the District. The fixed charges consist of bi-monthly fixed charges based on meter size installed at the customers premise. Detail of the design of the fixed charges can be found in the section of this Water Rate Study Report (Report) titled Proposed Fixed Charges on page 19. The proposed fixed charges generate about 25 percent of the revenue received from water rates. The uniform volume variable rate is a charge to all water consumed and applicable to all customer classes and details may be found on page 21. Table ES-1 presents the proposed uniform volume rate structure fixed and variable charges for the System.

Table ES-1
Proposed Bi-Monthly Fixed and Variable Charges with Uniform Volume Rate Structure

	Current Rate	January 1, 2021	January 1, 2022	January 1, 2023	January 1, 2024	January 1, 2025
Meter Size	Fixed Charge ($ per bi-month)					
5/8 thru 1 inch	$51.59	$53.70	$60.72	$67.73	$75.25	$83.12
1-1/2 inch	$60.87	$75.76	$84.84	$94.06	$103.97	$114.39
2 inch	$78.43	$106.42	$118.65	$131.20	$144.69	$158.90
3 inch	$178.85	$223.04	$249.29	$276.41	$305.33	$335.75
4 inch	$228.44	$312.99	$348.36	$385.16	$424.45	$465.89
6 inch	$372.90	$631.28	$697.07	$766.35	$840.66	$919.47
8 inch	$538.01	$995.04	$1,095.60	$1,202.00	$1,316.33	$1,437.85
	Variable Charge ($ per HCF)					
All Consumption	$5.95	$6.21	$6.68	$7.21	$7.80	$8.45

Residential Bill Impacts with Uniform Volume Rate Structure

Table ES-2 presents the impacts to District single-family residential bills from the proposed uniform volume rate structure using the January 1, 2021 rates. The table shows that the water bill of an average single-family residential customer using 24 hundred cubic feet (HCF) bi-monthly will increase from $194.39 to $202.74, an increase of $8.35, or 4.3 percent.

Table ES-2
Comparison of District Single-family Residential Current Bi-Monthly Bill with Proposed Bi-Monthly Bill Using January 2021 Uniform Volume Rate Structure and Rates

		Current Bill			Proposed FY 20-21 Bill				
Description	Use (HCF)	Service Charge	Volume Charge	Current Bill	Service Charge	Volume Charge	Proposed Bill	Dollar Difference	Percent Change
	0	$51.59	$0.00	$51.59	$53.70	$0.00	$53.70	$2.11	4.1%
Very Low	5	$51.59	$29.75	$81.34	$53.70	$31.05	$84.75	$3.41	4.2%
Low	10	$51.59	$59.50	$111.09	$53.70	$62.10	$115.80	$4.71	4.2%
Median	17	$51.59	$101.15	$152.74	$53.70	$105.57	$159.27	$6.53	4.3%
Average	24	$51.59	$142.80	$194.39	$53.70	$149.04	$202.74	$8.35	4.3%
High	40	$51.59	$238.00	$289.59	$53.70	$248.40	$302.10	$12.51	4.3%
Very High	50	$51.59	$297.50	$349.09	$53.70	$310.50	$364.20	$15.11	4.3%

Tiered Rate Structure Alternative

The proposed tiered rate structure alternative designed in this Study is intended to move the District toward the water budget rate structure that is likely to occur from the legislation discussed above. Tier definitions have been developed and consist of the following.

Tier 1 is defined as consumption to provide basic indoor water use. For Single-family Residential (SFR) customers, Tier 1 is based on 3.08 persons per household (pph) (from Census.gov for Nipomo CDP for years 2014-2018) using 55 gallons per capita per day (gcpd) resulting in a Tier 1 breakpoint of 14 HCF. This calculation is provided below.

$$Tier\ 1\ =\ 3.08\ pph * 55\ gpcd * \frac{365\ days}{year} * \frac{1\ HCF}{748\ gal} * \frac{1\ year}{6\ bills} = \sim 14\ HCF$$

pph = persons per household
gpcd = gallons per capita per day
HCF = hundred cubic feet
gal = gallons

Tier 2 is defined as consumption related to outdoor water use. The outdoor water use for a water budget rate structure depends upon the size of the irrigated area, climate, and other factors. The District does not currently have the information available needed to determine water budgets for the outdoor water use by parcel, nor is the billing system capable to implement the water budget rate structure.

For this Study, Tier 2 is further defined as water consumption up to the average bi-monthly SFR summer peak demand which was determined from billing information to be 32 HCF. Tier 3 is defined as water use above Tier 2. The SFR Tier structure is provided in Table ES-3 below.

Table ES-3
Single-family Residential Tiered Rate Structure

Tier	Current	Proposed Tiers
Tier 1	No Tier	0 to 14 units
Tier 2	No Tier	15 to 32 units
Tier 3	No Tier	Over 32 units

The District's annual costs for FY 20-21 were allocated according to American Water Works Association (AWWA) industry methods while also following Proposition 218 and the recent San Juan Capistrano court decision. The cost allocation is the same for each water rate alternative and therefore the fixed charges are identical for either alternative. The method used to design the tired rates for the sing-family residential class as well as the other District classes are provided in the Report section title Tiered Rate Structure Alternative on page 23. Table ES-4 provides the proposed tiered water rate structure fixed and variable charges.

Table ES-4
Proposed Bi-Monthly Fixed and Variable Charges with Tiered Rate Structure

	Current Rate	January 1, 2021	January 1, 2022	January 1, 2023	January 1, 2024	January 1, 2025
Meter Size	Fixed Charge ($ per bi-month)					
5/8 thru 1 inch	$51.59	$53.70	$60.72	$67.73	$75.25	$83.12
1-1/2 inch	$60.87	$75.76	$84.84	$94.06	$103.97	$114.39
2 inch	$78.43	$106.42	$118.65	$131.20	$144.69	$158.90
3 inch	$178.85	$223.04	$249.29	$276.41	$305.33	$335.75
4 inch	$228.44	$312.99	$348.36	$385.16	$424.45	$465.89
6 inch	$372.90	$631.28	$697.07	$766.35	$840.66	$919.47
8 inch	$538.01	$995.04	$1,095.60	$1,202.00	$1,316.33	$1,437.85
	Variable Charge ($ per HCF)					
Single-family Residential						
Tier 1 - 0 to 14 units	$5.95	$3.64	$4.01	$4.40	$4.82	$5.28
Tier 2 - 15 to 32 units	$5.95	$7.01	$7.45	$7.99	$8.58	$9.24
Tier 3 - Over 32 units	$5.95	$9.29	$9.99	$10.77	$11.64	$12.60
Multifamily Residential	$5.95	$5.78	$6.21	$6.71	$7.26	$7.86
Commercial	$5.95	$7.05	$7.51	$8.08	$8.70	$9.38
Agriculture	$5.95	$8.06	$8.57	$9.20	$9.90	$10.67
Construction/Hydrant	$5.95	$7.79	$8.40	$9.08	$9.84	$10.67
Irrigation	$5.95	$8.10	$8.65	$9.30	$10.03	$10.82

Residential Bill Impacts with Tiered Rate Structure

Table ES-5 presents the impacts to District single-family residential bills from the proposed tiered rate structure using the January 1, 2021 rates. The table shows that the water bill of an average single-family residential customer using 24 hundred cubic feet (HCF) bi-monthly will decrease from $194.39 to $174.76, a decrease of

$19.63, or 10.1 percent. However, customers that consume more than the average will experience an increase in their bi-monthly bill as shown in table.

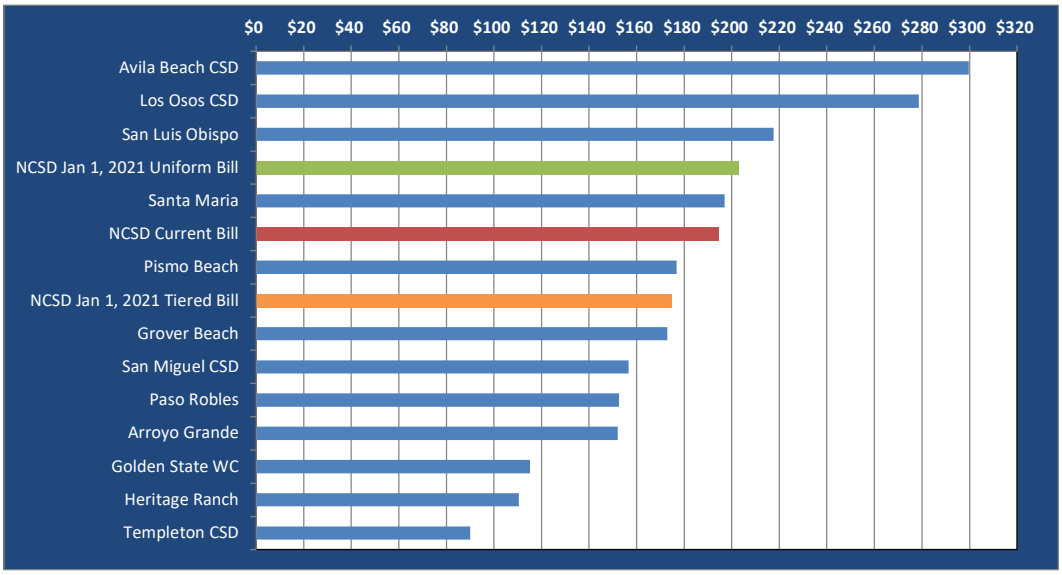
Table ES-5
Comparison of District Single-family Residential Current Bi-Monthly Bill with Proposed Bi-Monthly Bill Using January 2021 Tiered Rate Structure and Rates

		Current Bill			Proposed FY 20-21 Bill				
Description	Use (HCF)	Service Charge	Volume Charge	Current Bill	Service Charge	Volume Charge	Proposed Bill	Dollar Difference	Percent Change
	0	$51.59	$0.00	$51.59	$53.70	$0.00	$53.70	$2.11	4.1%
Very Low	5	$51.59	$29.75	$81.34	$53.70	$18.20	$71.90	($9.44)	-11.6%
Low	10	$51.59	$59.50	$111.09	$53.70	$36.40	$90.10	($20.99)	-18.9%
Median	17	$51.59	$101.15	$152.74	$53.70	$71.99	$125.69	($27.05)	-17.7%
Average	24	$51.59	$142.80	$194.39	$53.70	$121.06	$174.76	($19.63)	-10.1%
High	40	$51.59	$238.00	$289.59	$53.70	$251.46	$305.16	$15.57	5.4%
Very High	50	$51.59	$297.50	$349.09	$53.70	$344.36	$398.06	$48.97	14.0%

Water Rate Survey

Chart ES-1 compares the District's single-family residential water bill with water bills of other communities. The chart indicates that a District single-family residential customer with a bi-monthly consumption of 24 hundred cubic feet (HCF) will experience a bill that is in upper range of the communities listed for the uniform volume rate structure bill but in the mid-range for the tiered rate structure bill.

Chart ES-1
Survey of Single-family Residential Bi-Monthly Water Bills Using 24 HCF
For Rates in Effect July 2020



Note: Above table uses water rates in effect July 2020. District January 2021 bill is based on the rate structure and rates in Tables ES-1 and ES-4.

Impact of Water Sales Volume Reduction

If the District experienced a twenty percent reduction in water consumption, a revenue loss of about $940,000 is expected to occur. The District's Operating Reserve and the Rate Stabilization Reserve as of July 1, 2020 total a combined $2.9 million and the District is able to absorb this loss for one year.

Introduction

The Nipomo Community Services District (District) engaged Tuckfield & Associates in November 2019 to conduct a Water Rate Study (Study) for its water enterprise. This Study includes development of a financial plan of revenues and revenue requirements of the water enterprise system ("System"), various analyses to determine the cost of providing water service, and new water rates and charges for implementation.

Background

The Nipomo Community Services District was formed in 1965 and covers an area of approximately 3,917 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 serves a population of over 17,445 (from 2018 American Community Survey for Nipomo CDP from Census.gov) and provides water service within the District's service area. Water service is accounted for in an enterprise fund of the District and relies upon user charges to meet all financial obligations.

Currently, the District obtains its water supply from five active wells and from supplemental water supply from the City of Santa Maria. The five wells have a capacity of 2,500 gpm and extract water primarily from the Nipomo Mesa Management Area (NMMA) of the Santa Maria Groundwater Basin (Basin).

The District has an agreement with the City of Santa Maria to receive water that is supplemental to the District's groundwater supply (Supplemental Water). The agreement states that the District must take-or-pay 800 acre-feet per year (AFY) of Supplemental Water in FY 15-16 through FY 19-20, 1,000 AFY in FY 20-21 through FY 24-25, then 2,500 AFY for years beyond FY 24-25. The District's share of the Supplemental Water is 66.67 percent of the annual AFY and associated costs.

In addition to water supply facilities, the water system includes five above ground storage reservoirs (tanks) and approximately 85 miles of distribution mains. The tanks have a storage capacity of 4 million gallons while the distribution system consists of piping ranging in size from 6 inches to 24 inches, valves, fire hydrants, and over 4,000 service connections.

Purpose

The District's July 2017 water rate study identified annual revenue increases needed by the water system that included a 14.7 percent increase December 1, 2020. The purpose of this Study is to (1) review the current and future financial status of the District's water enterprise including supplemental water expenses, (2) determine new revenue increases required that will reduce the financial impact to customers from the currently scheduled December 1, 2020 revenue increase which will assist to reduce financial hardships experience by customers from the Corona virus COVID-19, (3) provide for adequate reserves and debt service coverage, and (4) design water

rates that generate the required revenue while being fair and equitable for its customers and meeting requirements of Proposition 218.

Scope of the Study

This Study includes the findings and recommendations of analyzing the water enterprise financial status and related CIP of 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, debt service, replacement transfers, and additions to reserves. Changing conditions such as additional facilities, system growth, employee additions, 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 rate study at least every three years for prudent rate planning.

Assumptions

Several assumptions were used to conduct the Study for the period FY 2019-20 to FY 2024-25. The assumptions included growth rates in customer accounts, interest earnings on fund reserves, and expense inflation factors. The assumptions for financial planning are provided in Table 1.

Table 1
Assumptions and Planning Factors

Description	Value
Annual Account & Demand growth [1]	
Single-family Residential	0.5%
All Other	0.0%
Interest earnings on fund reserves (annual)	1.0%
Cost Escalation	
Purchased Water	5%
Personnel Services [2]	5%
Benefits	5%
Electrical Power	3%
All Other Operations & Maintenance	3%
Chemicals	2%
Capital	3%

[1] Annualized growth in water accounts is based on historical information provided by staff.
[2] Personnel Services growth in promotions and inflation is 5.0% annually.

Water Funds and Reserve Policy

The District has a written water system reserve policy provided in Resolution No. 2018-1489 (Reserve Policy). The Reserve Policy provides a basis to deal with unanticipated loss in revenues, changes in the costs of providing services, spending for fixed asset repair and replacement, natural disaster recovery, and other issues. It also provides guidelines to maintain the financial health and stability of the enterprise funds. The District's water system funds, reserve types, and the amount of the reserves are discussed below.

Water Fund #125 Operating Reserve – The purpose of this reserve is to ensure sufficient cash resources are available to fund daily administration, operations, and maintenance of providing water service. The target balance to be maintained, including Water Fund #128 Rate Stabilization Reserves, is equal to or greater than 12 months (360 days) of annual budgeted operation and maintenance expense, not including funded replacement.

Water Fund #128 Rate Stabilization Reserve – The rate stabilization reserve is intended to serve as a buffer to water rates during any period where there are unexpected increases in operating costs or decreases in revenue. This reserve is also intended to absorb revenue losses due to severe drought or heavy rainfall. The reserve may be drawn into Fund 125 to stabilize water rates and may provide level increases to water rates. The minimum target reserve is established at $400,000.

Supplemental Water Fund #500 – Revenue generated from Supplemental Water Capacity Charges are accumulated into this fund and their use is restricted to projects, programs, and expenditures that reduce the District's reliance on groundwater. No minimum target reserve level has been established.

Water Capacity Charges Fund #700 – Revenue generated form Water Capacity Charges are accumulated into this fund and is used to offset development related capital improvement as outlined by the District's Capital Improvement plan. No minimum target reserve level has been established.

Water Replacement Fund #805 Reserve – The Water Replacement Reserve is used to fund current and future replacement of capital assets as they reach the end of their useful lives. This fund also helps to normalize the impact of capital asset replacements on future water rates. No minimum target is established.

Beginning Balances and Reserve Targets

The District's goal is to maintain operating and capital reserves as discussed above. As of June 30, 2019, the District's beginning water system reserve balances are listed in Table 2 below. The cash balances are used in the development of the financial plans for the System with the intent to meet the Target Reserves established in Resolution 2018-1489 during or by the end of a 10-year planning period.

Table 2
June 30, 2020 Reserve Balances and Reserve Targets

Reserve Type	Reserve Balance	Reserve Target
Fund 125 Water Operating Reserve	$2,500,000	$3,179,000
Fund 128 Rate Stabilization	$427,000	$400,000
Fund 500 SWP Capital Project	$2,400,000	n/a
Fund 700 Water Capacity Fund	$1,918,000	n/a
Fund 805 Water Replacement Fund	$4,800,000	n/a
Total	$12,045,000	$3,579,000

Financial Planning

Financial planning for the System includes identifying and projecting revenues and revenue requirements for a ten-year planning period. Estimates of revenue from various sources are compared with the projected revenue requirements of the System. This comparison allows the review of the adequacy of existing revenue to meet annual System obligations and provide the basis for any rate adjustments. New water rates and charges are created to recover the District's annual operating and capital costs associated with the System.

Current Water Rates

The current water rates consist of fixed and variable charges to residential and non-residential customers of the System. All customers are charged bi-monthly fixed charges by meter size with the 5/8-inch, ¾-inch, and 1-inch meters exhibiting the same charge. Private fire protection service is charged to those customers receiving this benefit.

Variable charges include a uniform volume charge applicable to all customers. Customers are charged for all water consumed at the same rate. The uniform volume charge includes both groundwater and Supplemental Water. Current bi-monthly fixed and variable charges of the District are provided in Table 3.

Table 3
Current Water Bi-monthly Fixed and Variable Charges

Meter Size	Fixed Charge
5/8, 3/4, 1-inch	$51.59
1-1/2 inch	$60.87
2 inch	$78.43
3 inch	$178.85
4 inch	$228.44
6 inch	$372.90
8 inch	$538.01

Classification	Variable Rate ($/HCF)
All Customers	$5.95

Water User Classifications

Number of Customers

The District currently classifies customers as Single-family Residential (SFR), Multifamily Residential (MFR), Commercial, Agriculture, Construction Hydrant, and Irrigation. SFR customers account for about 85 percent of the total customers served by the System. Growth is projected only in SFR accounts at the rate of 0.50 percent annually or about 20 accounts added each year, following the assumptions in Table 1. Table 4 provides the historical and projected number of customers by classification.

Table 4
Historical and Projected Water Customers by Classification

Customer Class	Historical FY 18-19	Projected FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Number of Accounts							
Single-family Residential [1]	3,705	3,725	3,745	3,765	3,785	3,805	3,825
Multifamily Residential	449	449	449	449	449	449	449
Commercial	102	102	102	102	102	102	102
Agriculture	1	1	1	1	1	1	1
Construction/Hydrant	9	9	9	9	9	9	9
Irrigation	87	87	87	87	87	87	87
Total Accounts	4,353	4,373	4,393	4,413	4,433	4,453	4,473
Fire Protection							
Public Fire Protection	660	660	660	660	660	660	660
Private Fire Protection	43	43	43	43	43	43	43
Total Fire Protection Hydrants	703	703	703	703	703	703	703
Number of Dwelling Units							
Single-family Residential [1]	3,705	3,725	3,745	3,765	3,785	3,805	3,825
Multifamily Residential	948	948	948	948	948	948	948

[1] Residential accounts are forecast to increase based on the assumed growth rate of 0.5% annually.

Number of Water Meters

Nearly all SFR and MFR residential customers have either 5/8-inch, 3/4-inch, or 1-inch meters installed at the service location. Currently, there is one SFR 1.5-inch meter size installed. For new construction, the minimum size for installation is the 1-inch meter size and the projected growth in SFR customers is in this meter size. Commercial and Irrigation customers have a range of meters sizes from 5/8-inch to 4-inch. Table 5 provides a summary of the number of current and projected meters by size.

Table 5
Historical and Projected Number of Water Meters by Size

Description	Historical FY 18-19	Projected FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Active Water Meters/Accounts [1]							
5/8 & 3/4 inch	3,164	3,164	3,164	3,164	3,164	3,164	3,164
1 inch	1,071	1,091	1,111	1,131	1,151	1,171	1,191
1-1/2 inch	61	61	61	61	61	61	61
2 inch	33	33	33	33	33	33	33
3 inch	14	14	14	14	14	14	14
4 inch	10	10	10	10	10	10	10
Total Accounts	4,353	4,373	4,393	4,413	4,433	4,453	4,473

[1] Historical water accounts for FY 18-19 were provided through District billing records.

Water Sales Volumes

Table 6 provides the historical and projected water sales volume by customer classification. Water sales volumes were projected by recognizing the growth in the number of accounts and the FY 2018-19 use per customer.

Table 6
Historical and Projected Water Sales Volume (in HCF)

Description	Historical	Projected [1]					
	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Single-family Residential	529,611	529,183	532,025	534,866	537,707	540,549	543,390
Multifamily Residential	47,555	47,261	47,261	47,261	47,261	47,261	47,261
Commercial	38,469	38,232	38,232	38,232	38,232	38,232	38,232
Agriculture	6,839	6,797	6,797	6,797	6,797	6,797	6,797
Construction/Hydrant	1,318	1,310	1,310	1,310	1,310	1,310	1,310
Irrigation	102,126	101,496	101,496	101,496	101,496	101,496	101,496
Total Projected Consumption	725,918	724,279	727,121	729,962	732,803	735,645	738,486

[1] Forecast assumes that the use per customer from FY 18-19 and applied to the number of customers.

Water Financial Plan

The financial plan provides the means of analyzing the revenue and revenue requirements of the System. The analyses determine the ability to fund on-going operation and maintenance expense and capital infrastructure requirements as well as the impact on reserves. The financial plan includes the projection of revenue, operation and maintenance expenses, capital improvement needs of the System and its financing, debt service requirements, Supplemental Water expense, and revenue adjustments needed to maintain a sustainable water enterprise.

Revenues

The District receives operating and capital revenue from several sources. Operating revenue is received from rates and charges for water service. Table 7 presents the projected fixed and variable charge revenue from current water rates of the System. The revenue is projected by applying the current water rates to the projected number of accounts and consumption volume.

Table 7
Projected Rate-based Water Revenue Using Existing Rates

Description	Projected					
	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Water Service Revenues						
Fixed Charges [1]	$1,330,025	$1,385,586	$1,391,776	$1,397,967	$1,404,158	$1,410,349
Variable Charges [2]	4,176,677	4,326,369	4,343,272	4,360,177	4,377,087	4,393,990
Subtotal Revenues From Current Rates	$5,506,702	$5,711,955	$5,735,048	$5,758,144	$5,781,245	$5,804,339
Fire Protection Revenues	19,923	20,514	20,514	20,514	20,514	20,514
Total Revenues From Current Rates	$5,526,625	$5,732,469	$5,755,562	$5,778,658	$5,801,759	$5,824,853

[1] FY 19-20 and forecast revenue calculated by multiplying current water service rate by the number of projected meters.
[2] FY 19-20 and forecast revenue calculated by multiplying projected water sales by the current variable rates.

Additionally, miscellaneous revenue is received that includes penalties/late fees, meter connection fees, water turn on fees, plan check and inspection fees, interest income, and miscellaneous other sources. Capital revenue from capacity charges is received directly into the appropriate capital funds. Table 8 provides the projected miscellaneous revenue for the Study period.

Table 8
Projected Miscellaneous Revenue

Description	Est Actual FY 19-20	Budget FY 20-21	Projected FY 21-22	FY 22-23	FY 23-24	FY 24-25
Fees and Penalties	$130,000	$118,000	$118,000	$118,000	$118,000	$118,000
Meter and Connection Fees	2,000	5,000	5,000	5,000	5,000	5,000
Plan Check and Inspection Fees	1,500	1,000	1,000	1,000	1,000	1,000
Miscellaneous Income	85,135	41,500	41,500	41,500	41,500	41,500
Total Miscellaneous Revenues	$218,635	$165,500	$165,500	$165,500	$165,500	$165,500

Revenue Requirements

Revenue requirements of the System include operation and maintenance expense, annual capital replacement transfer, existing debt service payments, and Supplemental Water expense. Each of these items are discussed below.

Operation and Maintenance Expense

Operation and maintenance expenses (O&M) are an on-going obligation of the water system and such costs are normally met from water service revenue. O&M includes the cost to operate and maintain the water supply, reservoirs, and distribution system facilities. Costs also include technical services and other general and administrative expenses. Table 9 provides a summary of the O&M expenses for the Study period.

Table 9
Projected Operation and Maintenance Expense

Desription	Budget FY 19-20	Projected FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Operation and Maintenance Expense						
Personal Services	$909,000	$1,076,000	$1,129,800	$1,186,292	$1,245,604	$1,307,885
Electricty - Pumping	356,000	358,000	367,291	381,410	396,048	411,218
Chemicals	33,000	42,000	32,354	33,271	34,213	35,179
Lab Tests and Sampling	47,000	50,000	51,500	53,045	54,636	56,275
Operating Supplies	140,000	155,000	159,650	164,440	169,373	174,454
Repairs and Maintenance	150,000	100,000	103,000	106,090	109,273	112,551
Engineering	18,000	15,000	15,450	15,914	16,391	16,883
Meters	50,000	50,000	51,500	53,045	54,636	56,275
Water Conservation/Recycle Program	17,000	20,000	20,600	21,218	21,855	22,511
All Other	183,500	194,000	224,820	205,815	211,989	243,349
Subtotal	$1,903,500	$2,060,000	$2,155,965	$2,220,540	$2,314,018	$2,436,580
General and Administrative						
Personal Services	$523,550	$675,900	$709,695	$745,181	$782,439	$821,560
Computer Expense	85,000	96,600	99,498	102,483	105,557	108,724
Insurance - Liability	67,000	94,000	96,820	99,725	102,717	105,799
Legal Services	83,000	90,000	92,700	95,482	98,346	101,297
Professional Services	105,000	133,600	137,608	141,736	145,988	150,368
Operating Transfer Out - Admin	328,320	450,061	463,563	477,470	491,794	506,548
All Other	83,900	100,380	97,212	106,131	103,134	112,227
Subtotal	$1,275,770	$1,640,541	$1,697,096	$1,768,208	$1,829,975	$1,906,523
Total Water System O&M Expense	$3,179,270	$3,700,541	$3,853,061	$3,988,748	$4,143,993	$4,343,103
Replacement Transfer	$610,000	$625,000	$641,000	$657,000	$673,000	$690,000
Total O&M Expense and Replacement	$3,789,270	$4,325,541	$4,494,061	$4,645,748	$4,816,993	$5,033,103

O&M has been projected recognizing the major expense categories of personnel services, electric power expense, chemicals, all other expenses, and capital outlay. Personnel costs consist of salaries and benefits expense of those personnel directly involved with providing water service. Personnel costs are projected to increase by 5 percent annually. Electric power expense is projected to increase annually at 3 percent. Chemicals expense and Capital outlay is projected to increase at 2 percent annually. All other O&M expense is projected to increase by 3 percent annually.

Capital Replacement Transfer

The District plans for annual water line replacements in its capital planning and these replacements occur from time to time during the fiscal year. An annual amount is transferred from the operating fund (Fund 125) to the Water Replacement Fund (Fund 805) to aid in funding these replacements. An annual amount of $566,000 was established from Board of Directors policy from a replacement study performed for the District in 2007 (2007 Replacement Study). The transfer amount inflates annually, and the replacement transfer is $625,000 in FY 20-21 and this amount increases at the rate of 3 percent annually during the Study period.

An annual amount for capital replacement for the supplemental water facilities has also been established. This amount changes with capital additions to the Supplemental Water Project and is currently calculated as the value of the facilities divided by a 100-year life multiplied by the District's capacity share of 72.24 percent. The current amount is $149,400 annually.

Existing Debt Service

The District has two outstanding debt issues consisting of the 2013 Revenue Certificates of Participation (COPs) and the 2013A Revenue Refunding Bond (Bonds) obligations. The 2013 COPs partially financed the Supplemental Water Project while the 2013A Bonds refinanced a prior debt issue related to the water system. The 2013 COPs have annual debt service payments of about $530,000 and will be retired in 2044. The 2013A Bonds has annual debt service payments of about $225,000 and will be retired in 2032.

Supplemental Water Expense

This District purchases Supplemental Water from the City of Santa Maria. The expenses include purchased water, electricity, chemicals, overhead, and other expenses. Purchased water expense increases with the Santa Maria Tier 1 water rate and the volume purchased. Electricity and chemicals expense increase with inflation and the volume purchased. Overhead is charged at 15 percent of the total of the electricity, chemicals, and other expenses. Overall, the Supplemental Water O&M expense increases between 4 and 5 percent annually, generally following the rate increases in Santa Maria's Tier 1 water rates. Table 10 provides a summary of the Supplemental Water purchased water expenses for the Study period.

Table 10
Projected Supplemental Water Expense

	Estimated	Projected				
Description	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Supplemental Water Purchases Expense	$1,234,266	$1,487,000	$1,500,553	$1,562,206	$1,637,868	$1,719,531
Electric Power Expense	45,382	59,345	61,125	62,959	64,848	66,793
Chemicals Expense	3,334	3,434	3,503	3,573	3,644	3,717
All Other	57,543	66,404	61,755	63,607	65,516	67,481
Subtotal Supplemetal Water O&M Expense	$106,259	$129,183	$126,383	$130,139	$134,008	$137,991
Supplemental Water Overhead @ 15%	$15,939	$19,377	$18,957	$19,521	$20,101	$20,699
Supplemental Water Replacement	$149,439	$149,439	$149,439	$149,439	$149,439	$149,439

Water Capital Improvement Program

The District has developed a capital improvement program (CIP) that lists capital expenditures for FY 2019-20 through FY 2024-25. Over this period the District projects that it will expend approximately $13,718,000. The improvements include watermain replacements, new water storage tank, pump station improvements, blow-off and air-vac valve repair/replacements, fire hydrant repair/replacements, and well refurbishment and maintenance. The District intends to meet all capital expenditures in the Study period from capital reserves and replacement transfers into the capital funds from annual revenue. Table 11 presents the capital improvements to the System and the financial means of funding the program.

Table 11
Water Capital Improvement Program With Sources and Uses of Funds

	Budget	Projected				
Description	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Current Capital Improvement Projects (CIP) [1]						
Interconnects	$650,000	$0	$0	$0	$0	$0
Pump Station Improvements	300,000	-	-	-	450,200	-
Orchard/Southland to Teft/Oakglen Waterline	3,700,000	-	-	-	-	-
Pomeroy Waterline from Augusta to Arden Way	-	-	-	196,700	1,429,400	-
Tract 2650 Connection to Blacklake Pressure Zone	180,000	-	-	-	-	-
Water Master Plan	220,000	-	-	-	-	-
New Water Storage Tank	-	-	-	327,800	2,588,700	-
Branch Street 6" Waterline Replacement	650,000	-	-	-	-	-
Eureka Well Replacement	1,000,000	-	-	-	-	-
Blow-Off Repair	20,000	20,600	21,200	21,900	22,500	23,200
Air-Vac Replacement	20,000	20,600	21,200	21,900	22,500	23,200
Fire Hydrant Replacement	50,000	51,500	53,000	54,600	56,300	58,000
Valve Replacement	50,000	103,000	106,100	109,300	112,600	115,900
Well Refurbishment	-	103,000	106,100	109,300	112,600	115,900
Quad Tank Disinfection System	-	-	-	-	300,000	-
Total Water CIP	**$6,840,000**	**$298,700**	**$307,600**	**$841,500**	**$5,094,800**	**$336,200**
Sources and Uses of Capital Funds						
Beginning Balance	$0	$0	$0	$0	$0	$0
Transfer from Supplemental Water Capacity Fund #500	4,650,000	-	-	196,700	1,879,600	-
Transfer from Water Capacity Fund #700	400,000	-	-	327,800	2,588,700	-
Transfer from Water Replacement Fund #805	1,790,000	298,700	307,600	317,000	626,500	336,200
Capital Improvement Replacement Projects (CIP)	(2,190,000)	(298,700)	(307,600)	(644,800)	(3,215,200)	(336,200)
Capital Improvement Supp Water Projects (CIP)	(4,650,000)	-	-	(196,700)	(1,879,600)	-
Ending Balance	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

[1] CIP Source: FY 19-20 CIP.

Water Financial Plan

A financial plan has been prepared that includes the revenues and revenue requirements that were identified for the System. A revenue sufficiency analysis was performed on the projected financial plan that includes the revenues and obligations of the water system Fund 125. The combined financial plan is presented in Table 12.

The financial plan incorporates specific planning criteria or goals to provide guidance to maintain the financial health of the System on an on-going basis. The criteria included the following.

- Generate positive levels of income in each year of the Study period
- Maintain the 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 annual revenue and capital reserves

Proposed Revenue Adjustments

The revenue sufficiency analysis indicated that the current level of revenue being received should be increased to meet future obligations of the System during the Study period. The recommended revenue increases include a 4.5 percent increase January 1, 2021, followed by 8.9 percent annual increases January 1, 2022 through January 1, 2025.

Table 12
Water Financial Plan

Description	Projected				
	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Proposed Revenue Increase (January 1)	**4.5%**	**8.9%**	**8.9%**	**8.9%**	**8.9%**
Revenue					
Revenues from Existing Water Rates [1]	$5,732,469	$5,755,562	$5,778,658	$5,801,759	$5,824,853
Total Additional Water Sales Revenue [2]	85,987	437,432	992,576	1,601,593	2,269,487
Miscellaneous Income	165,500	165,500	165,500	165,500	165,500
Transfer from Property Tax Fund	696,000	702,960	709,990	717,090	724,261
Interest Income [3]	28,057	27,041	29,272	35,323	45,358
Total Revenues	$6,708,013	$7,088,495	$7,675,996	$8,321,265	$9,029,459
Revenue Requirements					
O&M and Capital Outlay	$3,700,541	$3,853,061	$3,988,748	$4,143,993	$4,343,103
Replacement Transfer to Fund 805	625,000	641,000	657,000	673,000	690,000
Supplemental Water Purchases	1,487,000	1,500,553	1,562,206	1,637,868	1,719,531
Supplemental Water O&M	129,183	126,383	130,139	134,008	137,991
Supplemental Water Overhead	19,377	18,957	19,521	20,101	20,699
Supplemental Water Replacement	149,439	149,439	149,439	149,439	149,439
2013 COPs Debt Service	532,413	533,025	533,100	527,900	527,000
2013A Revenue Refunding Bonds Debt Service	221,675	220,300	218,675	223,675	226,175
Total Revenue Requirements	$6,864,628	$7,042,718	$7,258,828	$7,509,984	$7,813,938
Net Funds Available	**($156,615)**	**$45,777**	**$417,168**	**$811,281**	**$1,215,521**
Available Reserves					
Beginning available reserves [4]	$2,927,000	$2,770,386	$2,816,163	$3,233,331	$4,044,612
Additions (reductions)	(156,615)	45,777	417,168	811,281	1,215,521
Ending available reserves	$2,770,386	$2,816,163	$3,233,331	$4,044,612	$5,260,133
Target Reserves [5]	$3,701,000	$3,853,000	$3,989,000	$4,144,000	$4,343,000
Above (below) Target	($930,615)	($1,036,837)	($755,669)	($99,388)	$917,133
Debt Service Coverage					
Net Revenues [6]	$1,991,088	$2,171,924	$2,569,777	$3,004,236	$3,427,347
Annual Debt Service	$754,088	$753,325	$751,775	$751,575	$753,175
Coverage [7]	264%	288%	342%	400%	455%

[1] Projected using the existing rates.
[2] Additional revenue from proposed rate adjustments.
[3] Interest earnings on the average fund balance calculated at 1.00%.
[4] The available beginning FY 19-20 cash balance provided by District. Includes Operating Reserve and Rate Stabiliation Reserve.
[5] Target reserve estimated at 12 months of operation and maintenance expense.
[6] Includes water revenues, capacity charge revenue, property tax revenue, miscellaneous, and interest income.
[7] Minimum coverage is 125 percent.

A graphical depiction of the revenue and revenue requirements from Table 12 are presented in Figure 1. Revenue using the current rates is shown as the black line while revenue with revenue adjustments is shown as the red line. Water system expenses, replacement, debt service, and Supplemental Water expense are shown as columns in the figure.

The revenue increases from Table 12 were designed to reduce the 14.7 percent revenue increase scheduled for December 1, 2020 and to reduce the future revenue increase that would be required to meet the take-or-pay Supplemental Water Expense that will occur in FY 25-26. The revenue (red line) increases in a smooth manner to meet the take-or-pay additional Supplemental Water expense in FY 25-26 while meeting the financial obligations, debt service coverage ratios, and Target reserves.

Figure 1
Water Financial Plan
Comparison of Revenue with Annual Obligations

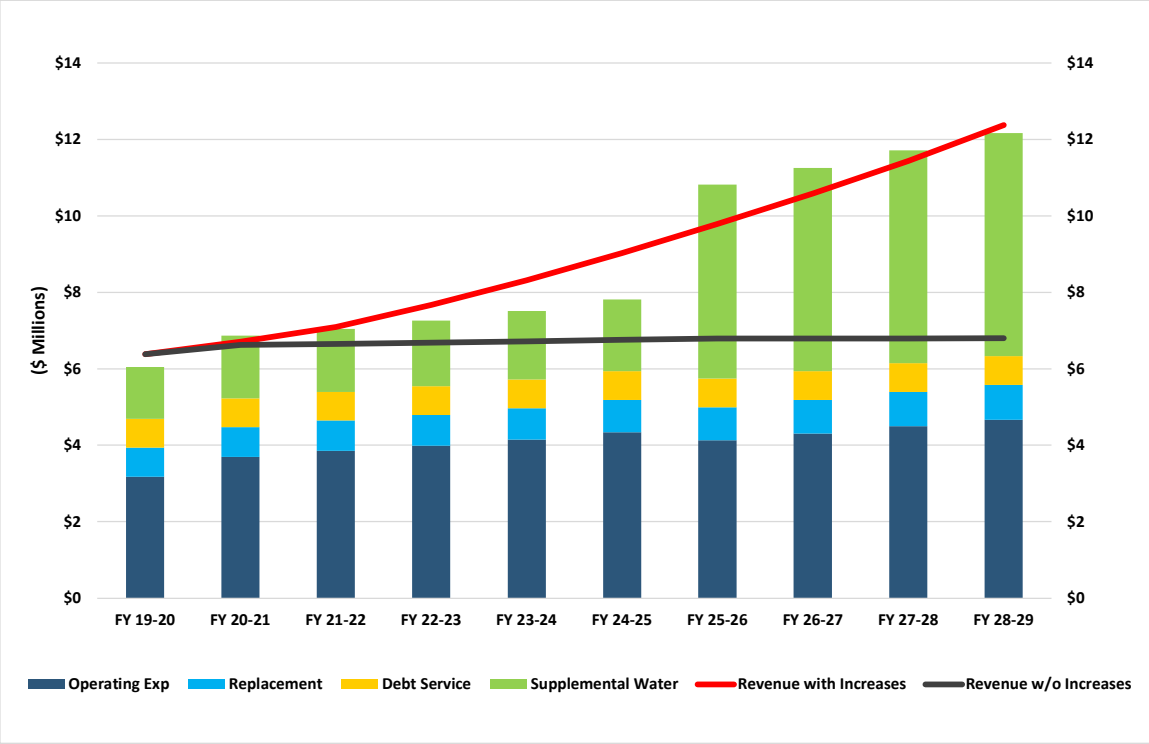
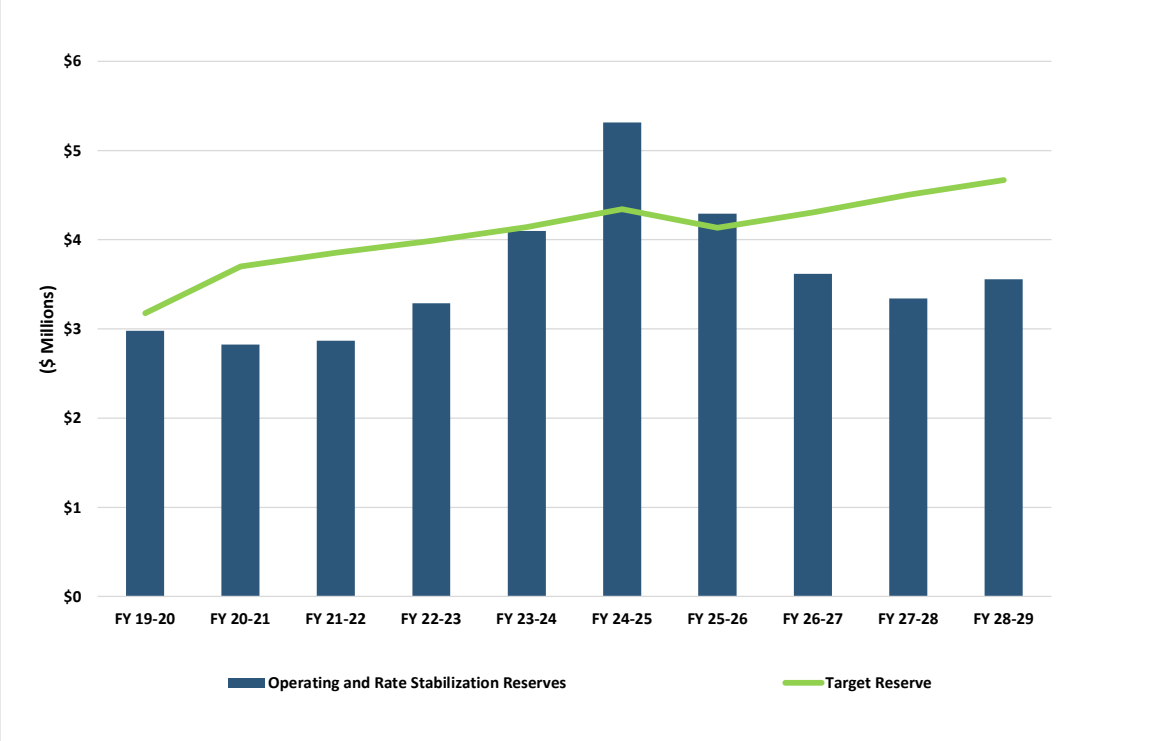


Figure 2 provides the level of annual reserves compared with the Target reserves. The green line represents the Target reserve level (for the operating and rate stabilization reserves) while the blue column indicates the annual cash reserve level at the end of year. The figure shows that the reserve balance (blue column) declines in the middle years of the Study but returns above the Target reserve (green line) at the end at the Study period. In some years, cash reserves are used to meet annual obligations when revenue is not sufficient while in other years cash reserves increase when revenue is greater than the annual obligations.

Figure 2
Water Operating and Rate Stabilization Reserves



Cost of Service

Establishing rates in California requires that the agency responsible for imposing property-related fees create a nexus, or connection, between the cost of providing service and the rates to be imposed. The connection is created through employing industry methodology with application to the District's unique water system characteristics.

Industry Methodology

This Study uses methodologies from the American Water Works Association (AWWA) to determine costs of service for the System. AWWA is an industry trade organization that provides guidance on operations and management of water utilities. Through their Manual M1, general guidelines and principles are provided to assist agencies with the design of water rates such that the rates may be consistent with local requirements while also recognizing state laws and legal framework. The guidelines and principles in the AWWA Manual M1 have been used to conduct this Study and to design the District's water rates while also following Proposition 218 and the recent San Juan Capistrano court decision.

The annual costs of providing water service from the financial plan are allocated to cost components according to industry standards provided in the AWWA Manual M1 in an effort to provide a defensible cost allocation. The methodology provides the basis to design fixed and variable rates and charges to recover the costs under the methodology such that adequate revenue is generated to meet the estimated annual revenue requirements from the financial plan.

Costs of Service to be Allocated

The annual cost of service consists of O&M expenses and capital costs of the water and supplemental water systems. O&M expenses include costs related to water distribution, maintenance of the facilities, and general and administrative costs. Capital costs include annual capital replacement and existing debt service discussed in the financial plan.

The water and supplemental water costs first need to be allocated to cost component based on the operating characteristics and design of the System facilities. Cost allocations consider the average quantity of water consumed as well as the peak rate at which water is consumed. The System is designed to serve average and peak demands, and costs that are related to serving average and peak demands are allocated in a manner such that they may be recovered appropriately.

For this Study, the cost components include Supplemental Water, Groundwater, Delivery, Peaking, Meters and Services, Customer, Direct Fire Protection, and Conservation. Supplemental Water costs include the purchased water O&M expenses from the City of Santa Maria and the fixed costs of the 2013 COPs that partially financed the supplemental water facilities. Groundwater costs include the electricity and chemicals cost associated with pumping groundwater.

The Delivery component includes District costs related to facilities that meet average-day water demand and includes certain labor, materials, and supplies including electric power and chemicals expense. The Peaking component includes District costs related to facilities that meet peak demands. Some of the Peaking costs have been reallocated based on meter capacity to be recovered in fixed charges. The Meters and Services component includes District costs related to maintain meters and service lines. The Customer component included District costs related to serving the customer and include billing, collecting, and meter reading costs. The Fire Protection component includes District costs to operate and maintain fire hydrants and a portion of facilities that are designed to meet the peak demand from a fire event. The Conservation component includes District costs related to its water conservation program.

Operating and capital costs from each year of the financial plan are assigned to each of these parameters resulting in total annual costs of service by cost component. A summary of the total cost to be recovered from the users of the water system by cost component for FY 2020-21 is presented in Table 13. A detailed allocation for this same year is provided Appendix A Table A-1. The costs of service for each year of the financial plan are allocated in the same manner.

Table 13
Summary of FY 2020-21 Allocated Costs of Service

Year	Revenue Requirement	Suppl Water Variable	Suppl Water Groundwater	Delivery	Peaking Max Month	Customer Meters/Serv	Customer Customer	Direct Fire Protection	Conservation
FY 20-21 [1]	$5,990,430	$1,784,999	$292,600	$1,600,572	$1,566,456	$262,755	$405,579	$44,123	$33,345

[1] From Table A-3.

Rate Design

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

Recent Legislation

In 2018, AB 1669 and SB 606 were passed by the state of California which provide a pathway to ensure that the state has enough water supply for the future. This legislation requests the Department of Water Resources (DWR) and the State Water Resources Control Board (SWRCB) to develop standards for indoor and outdoor water use for various water customers and promote a water budget rate structure. The state agencies responded by producing a handbook titled "Making Conservation a California Way of Life" that outlines the timeline and responsibilities of the state agencies and water suppliers.

The legislation requires the SWRCB is to adopt standards by no later than June 30, 2022 for indoor and outdoor residential water use, Commercial/Industrial/Institutional (CII) landscape water use using dedicated meters, and credits for potable water reuse. The current standard for indoor water use for residential customers is 55 gallons per capita per day (gpcd) aggregated over the service area. The outdoor use standard for residential is expected to be based land cover, climate, and other factors reflecting the state's Model Water Efficient Landscape Ordinance (MWELO).

Two water rate structure and rate alternatives have been designed for this Study. The first is the uniform volume rate structure, which is currently employed by the District, and the second is a tired rate structure that reflects the intent of the legislation discussed above. Each of these rate structures are provided below and both have the same fixed charges. The proposed fixed charges are presented first, followed by proposed variable charges for each of the alternative rate structures.

Proposed Fixed Charges

The proposed fixed charges are designed to recover certain costs identified in Table 13. The fixed charges include the Peaking, Meter Capacity, Meters and Services, and Customer costs of service and also recovers costs allocated to public fire protection. Peaking and Meter Capacity costs are recovered based on capacity ratios while and Meters and Services costs are recovered based on meter and service ratios. These ratios are provided by AWWA in their Manual M1. Customer and public fire protection costs are recovered based on the number of bills issued.

Tables 14 below presents the design of the proposed bi-monthly fixed charges for all customers for FY 2020-21. The current fixed charges generate about 25 percent of revenue from water rates. The proposed fixed charges also generate approximately 25 percent of the revenue from water rates.

Table 14
Design of Fixed Charges

Customer Service Cost	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	
Customer	$405,579	$473,034	$542,797	$617,367	$691,581	
Public Fire Protection	250,372	288,333	320,405	356,512	397,705	
Customer Cost	$655,952	$761,367	$863,201	$973,879	$1,089,287	
Number of Bills	26,358	26,478	26,598	26,718	26,838	
Customer Cost per Unit	$24.89	$28.76	$32.46	$36.45	$40.59	**Line A**
Meters and Services Cost	**FY 20-21**	**FY 21-22**	**FY 22-23**	**FY 23-24**	**FY 24-25**	
Meters and Services	$262,755	$306,191	$350,581	$397,117	$445,607	
Number of Equivalent Meters & Services	27,791	27,911	28,031	28,151	28,271	
Meters and Services Cost per Unit	$9.45	$10.97	$12.51	$14.11	$15.76	**Line B**
Peaking Cost	**FY 20-21**	**FY 21-22**	**FY 22-23**	**FY 23-24**	**FY 24-25**	
Peaking Costs Less Fire Protection	$545,000	$593,505	$646,327	$703,850	$766,493	
Number of Equivalent Meters	28,153	28,273	28,393	28,513	28,633	
Peaking Cost per Unit	$19.36	$20.99	$22.76	$24.69	$26.77	**Line C**
Bi-Monthly Base Fixed Charge - 5/8", 3/4", 1"	$53.70	$60.72	$67.73	$75.25	$83.12	**Line A + B + C**

Fixed charges for meter sizes greater than 1-inch are increased as shown below in Table 15 for FY 2020-21. The total fixed bi-monthly charges by meter size reflect increases in the Peaking, Meter Capacity, and Meter and Services charges from application of the appropriate capacity and meter and service cost ratios to the base fixed charge for 5/8-inch, ¾-inch, and 1-inch meter sizes.

Table 15
Design of Fixed Charges by Meter Size
FY 20-21

Meter Size	Meter & Service Ratio	Meters & Services Charge	Meter Capacity Ratio	Peaking Charge	Public Fire Protection Charge	Customer Charge	Total Bi-Monthly Charge
inches							
5/8 thru 1 inch	1.00	$9.45	1.00	$19.36	$9.50	$15.39	$53.70
1-1/2 inch	1.29	$12.15	2.00	$38.72	$9.50	$15.39	$75.76
2 inch	2.07	$19.58	3.20	$61.95	$9.50	$15.39	$106.42
3 inch	7.86	$74.25	6.40	$123.90	$9.50	$15.39	$223.04
4 inch	10.00	$94.50	10.00	$193.60	$9.50	$15.39	$312.99
6 inch	15.00	$141.75	24.00	$464.64	$9.50	$15.39	$631.28
8 inch	20.71	$195.75	40.00	$774.40	$9.50	$15.39	$995.04

Private Fire Protection Fixed Charges

Annual costs allocated to the Fire Protection cost component are separated into Public and Private Fire Protection costs. Public Fire Protection costs are included into the bi-monthly service charges as shown in Tables 13 and 14.

Private Fire Protection costs are recovered from those customers that receive the direct fire protection benefit. The bi-monthly cost by equivalent fireline size is provided in Table 16. The bi-monthly private fire protection charges increase with fireline size based on fireline ratios provided by AWWA. The proposed private fire protection fixed charges are shown in Table 17.

Table 16
Design of Private Fire Protection Charges

Fire Protection Cost	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Private Fire Protection	$12,405	$14,308	$15,894	$17,685	$19,735
Private Fire Protection Eq. Hydrants	238	238	238	238	238
Private Fire Protection	$52.08	$60.07	$66.73	$74.25	$82.86

Table 17
Proposed Bi-monthly Private Fire Protection Charges

Fireline Size	Fireline Ratio	Current Charge	January 1, 2021	January 1, 2022	January 1, 2023	January 1, 2024	January 1, 2025
inches							
1 inch	0.01	$0.77	$0.47	$0.54	$0.60	$0.67	$0.74
1-1/2 inch	0.03	$2.25	$1.36	$1.57	$1.74	$1.94	$2.16
2 inch	0.06	$4.79	$2.90	$3.34	$3.71	$4.13	$4.61
3 inch	0.16	$13.91	$8.41	$9.70	$10.78	$11.99	$13.39
4 inch	0.34	$29.65	$17.93	$20.68	$22.97	$25.56	$28.52
6 inch	1.00	$86.13	$52.08	$60.07	$66.73	$74.25	$82.86
8 inch	2.13	$183.54	$110.99	$128.01	$142.21	$158.23	$176.57
10 inch	3.83	$330.07	$199.60	$230.21	$255.74	$284.56	$317.54

Variable Rate Structure Alternatives

Uniform Volume Rate Structure Alternative

The variable charges for the uniform volume rate structure are designed to recover the Supplemental Water, Groundwater, Delivery, Peaking, and Conservation costs as shown in Table 18. The proposed variable charges are designed to be uniform volume charges that apply to all users of the system. The table includes variable rates for projected years of the financial plan.

Table 18
Design of Uniform Volume Charge

Water System Volume Charge	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Supplemental Water	$1,784,999	$1,795,332	$1,861,305	$1,941,416	$2,027,660
Groundwater	292,600	289,458	300,258	311,446	323,031
Delivery	1,600,572	1,821,805	2,044,243	2,278,605	2,538,636
Peaking Less Fire Protection	802,801	929,545	1,036,278	1,157,532	1,296,697
Conservation	33,345	38,347	43,331	48,433	53,624
Total Variable Cost	$4,514,318	$4,874,487	$5,285,415	$5,737,431	$6,239,648
Units of Service (Ccf)	727,121	729,962	732,803	735,645	738,486
Uniform Volume Charge ($/HCF)	$6.21	$6.68	$7.21	$7.80	$8.45
Supplemental Water Cost	$1,784,999	$1,795,332	$1,861,305	$1,941,416	$2,027,660
Units of Service (Ccf)	727,121	729,962	732,803	735,645	738,486
Supplemental Water Unit Cost	$2.45	$2.46	$2.54	$2.64	$2.75

Proposed Variable Rates with Uniform Volume Rate Structure

Table 19 presents the proposed fixed and variable charges with the uniform volume rate structure for the next five years. Table 19 includes the current charges and the proposed future charges designed for the System. The fixed and variable charges are proposed to be effective beginning on January 1, 2021 and each January 1 through FY 2024-25.

Table 19
Proposed Bi-Monthly Fixed and Variable Charges - Uniform Volume Rate Structure

	Current Rate	January 1, 2021	January 1, 2022	January 1, 2023	January 1, 2024	January 1, 2025
Meter Size	Fixed Charge ($ per bi-month)					
5/8 thru 1 inch	$51.59	$53.70	$60.72	$67.73	$75.25	$83.12
1-1/2 inch	$60.87	$75.76	$84.84	$94.06	$103.97	$114.39
2 inch	$78.43	$106.42	$118.65	$131.20	$144.69	$158.90
3 inch	$178.85	$223.04	$249.29	$276.41	$305.33	$335.75
4 inch	$228.44	$312.99	$348.36	$385.16	$424.45	$465.89
6 inch	$372.90	$631.28	$697.07	$766.35	$840.66	$919.47
8 inch	$538.01	$995.04	$1,095.60	$1,202.00	$1,316.33	$1,437.85
	Variable Charge ($ per HCF)					
All Consumption	$5.95	$6.21	$6.68	$7.21	$7.80	$8.45

Customer Bill Impacts with Uniform Volume Rate Structure

A bill impact analysis was performed to evaluate the change in the District's SFR customer bills that would occur from the implementation of the proposed uniform volume rate structure and rates for January 1, 2021. For an average single-family customer with a 1-inch or smaller meter size using 24 hundred cubic feet (HCF) bi-monthly, the bill will increase from $194.39 to $202.74, an increase of $8.35 or 4.3 percent. The bill impacts are provided in Table 20 below. Additional bill impacts for other customer classifications are provided in Appendix B Tables B-1.

Table 20
Comparison of Single-family Residential Current Bi-Monthly Bill with Proposed Bi-Monthly Bill Using January 2021 Uniform Volume Water Rate Structure and Rates

		Current Bill			Proposed FY 20-21 Bill				
Description	Use (HCF)	Service Charge	Volume Charge	Current Bill	Service Charge	Volume Charge	Proposed Bill	Dollar Difference	Percent Change
	0	$51.59	$0.00	$51.59	$53.70	$0.00	$53.70	$2.11	4.1%
Very Low	5	$51.59	$29.75	$81.34	$53.70	$31.05	$84.75	$3.41	4.2%
Low	10	$51.59	$59.50	$111.09	$53.70	$62.10	$115.80	$4.71	4.2%
Median	17	$51.59	$101.15	$152.74	$53.70	$105.57	$159.27	$6.53	4.3%
Average	24	$51.59	$142.80	$194.39	$53.70	$149.04	$202.74	$8.35	4.3%
High	40	$51.59	$238.00	$289.59	$53.70	$248.40	$302.10	$12.51	4.3%
Very High	50	$51.59	$297.50	$349.09	$53.70	$310.50	$364.20	$15.11	4.3%

Tiered Rate Structure Alternative

Variable charges for this rate structure are designed to recover the Water Supply (Supplemental Water and groundwater), Delivery, Peaking, and Conservation costs from Table 13. Consumption and peaking characteristics of water system customers were analyzed to allocate costs to customer classification as well as between each tier. Water Supply costs consisting of groundwater and Supplemental Water were allocated to each tier based on water availability and the demand in each tier.

Tier Definitions

The District plans to comply with legislation discussed above that encourages water purveyors in California to implement a water-budget based rate structure in the near future, however the District is not yet in a position to implement this type of rate structure. In the interim, the District could implement a tiered rate structure in an effort to move toward the water budget rate structure. In that regard, the following tier definitions and their applicability to customer classes are discussed below.

Tier 1 is defined as consumption to provide basic indoor water use. For Single-family Residential (SFR) customers, Tier 1 is based on 3.08 persons per household (pph) (from Census.gov for Nipomo CDP for years 2014-2018) using 55 gallons per capita per day (gcpd) resulting in a Tier 1 breakpoint of 14 HCF. This calculation is provided on the next page.

$$Tier\ 1\ =\ 3.08\,pph * 55\,gpcd * \frac{365\,days}{year} * \frac{1\,HCF}{748\,gal} * \frac{1\,year}{6\,bills} = \sim 14\,HCF$$

pph = persons per household
gpcd = gallons per capita per day
HCF = hundred cubic feet
gal = gallons

Tier 2 is defined as consumption related to outdoor water use. The outdoor water use for a water budget rate structure depends upon the size of the irrigated area, climate, and other factors. The District does not currently have the information available needed to determine water budgets for the outdoor water use by parcel, nor is the billing system capable to implement the water budget rate structure.

For this Study, Tier 2 is further defined as water consumption up to the average bi-monthly SFR summer peak demand which was determined from billing information to be 32 HCF. Tier 3 is defined as water use above Tier 2. The SFR Tier structure is provided in Table21 below.

Table 21
Single-family Residential Tiered Rate Structure

Tier	Current	Proposed Tiers
Tier 1	No Tier	0 to 14 units
Tier 2	No Tier	15 to 32 units
Tier 3	No Tier	Over 32 units

For the other customer classes of Mutilfamily, Commercial, Agriculture, Construction, and Irrigation, these classes will have an individual uniform volume rate structure, however each will also recognize the peaking characteristics specific to each class in their variable rate. A uniform volume variable rate structure is recommended for these classes as most of the Multifamily and Commercial customers have separate Irrigation meters which separates indoor from outdoor water uses.

Water Supply and Conservation Costs

The District's water supply consists of groundwater and Supplemental Water sources. Groundwater is the least expensive water supply source while Supplemental Water purchased from the City of Santa Maria is the most expensive water supply source.

Groundwater and Supplemental Water supply sources are allocated to each tier assuming the least expensive source of water is used first, followed by the more expensive source to meet the demand. Table 22 provides the District's water demand by tier for the entire water system, the water supply source used to meet the demand in the tier, the costs associated with the water supply, and the resulting water supply rate in the tier. Additionally, the Conservation costs from Table 13 are allocated to Tier 3 customers, reflecting the intent that the conservation program is targeted to these customers.

Table 22
Design of Water Supply and Conservation Rates by Tier
FY 20-21

Tier	Projected Consumption	Consumption Met From Groundwater	Consumption Met From Supplemental Water	Water Supply Costs	Conservation Costs	Water Supply Rates	Conservation Rates
Tier 1 - 0 to 14 units	304,051	304,051	-	$258,775		$0.85	$0.00
Tier 2 - 15 to 32 units	170,885	39,742	131,143	$644,503		$3.77	$0.00
Tier 3 - Over 32 units	252,185		252,185	$1,174,321	$33,345	$4.66	$0.13
	727,121	343,793	383,328	$2,077,599	$33,345		

Delivery Costs

Delivery costs are operating and capital costs of the water system related to delivering water to all customers at an average rate of use. Delivery costs tend to vary with the total quantity of water consumed under average-load conditions. Total Delivery costs from Table 13 are shared uniformly by all customers of the system. Table 23 provides the per unit Delivery cost.

Table 23
Design of Uniform Volume Rate for Delivery Costs
FY 20-21

Customer Class	Delivery Costs	Volume	Uniform Rate
Single-family Residential	$1,171,118	532,025	$2.20
Multifamily Residential	104,033	47,261	$2.20
Commercial	84,158	38,232	$2.20
Agriculture	14,962	6,797	$2.20
Construction/Hydrant	2,884	1,310	$2.20
Irrigation	223,418	101,496	$2.20
Total Cost of Service	$1,600,572	727,121	$2.20

Peaking Costs

Peaking costs are costs associated with meeting peak demand rates of use requirements of the water system and include operating and capital costs beyond that required for average rates of use. Water system facilities are designed to meet peak characteristics and are apportioned to customer classes based on their system use characteristics. Peaking costs may be assigned to tiers in a tiered-rate structure based on the customers within the tier that are causing the peak demand.

Peaking costs are first allocated to each customer class based on their total demand. Then for SFR, peaking costs are allocated to each tier based on the peaking factors that occur from customers within each tier, for the tier break points discussed above. Tier 1 is considered to have a peaking factor of 1.0, Tier 2 and Tier 3 have peaking factors that reflect the average use per customer within these tiers as a ratio to Tier 1. Table 24 presents the SFR consumption in each tier, peaking factor for each tier, Peaking cost allocation, and the resulting rate by tier for SFR customers.

Table 24
Design of Single-family Residential Peaking Variable Rate by Tier
FY 20-21

Tier	Percent Consumption in Tier	Consumption	Peaking Factor	Weighted Consumption	Peaking Cost Allocation	Rate in Tier
Tier 1 - 0 to 14 units	50.2%	267,024	1.00	267,024	$156,710	$0.59
Tier 2 - 15 to 32 units	28.8%	153,388	1.77	271,384	$159,269	$1.04
Tier 3 - Over 32 units	21.0%	111,614	3.93	438,122	$257,124	$2.30
	100.0%	532,025		976,529	$573,103	

Design of Single-family Residential Tiered Variable Rates

The final SFR rates by tier is a sum of the components from each of the tables above. The water supply and conservation rates from Table 22 plus the Delivery rate from Table 23 plus the Peaking rates from Table 24 are summed to produce the final rates by tier applicable to the SFR customer classification. Table 25 provides a summary of the variable rates by tier for the SFR class.

Table 25
Design of Single-family Residential Variable Rates
FY 20-21

Customer Class	Differentiated Water Supply	Delivery	Peaking	Conservation	Proposed Volume Rate
Single-family Residential					
Tier 1 - 0 to 14 units	$0.85	$2.20	$0.59	$0.00	$3.64
Tier 2 - 15 to 32 units	$3.77	$2.20	$1.04	$0.00	$7.01
Tier 3 - Over 32 units	$4.66	$2.20	$2.30	$0.13	$9.29

Design of Multifamily and Non-Residential Variable Rates

For MFR and Non-Residential customers, it is proposed that these classes have an individual uniform volume rate structure that recognizes a blending of the components of water supply, Delivery, Peaking, and Conservation costs. However, each classification will recognize the individual peaking characteristics of its class in their variable rate. MFR is proposed to have a uniform variable charge because most of these customers are individually metered. A uniform variable rate structure is reasonable for MFR and other Non-residential classes as their outdoor consumption is measured through separate irrigation meters. Table 26 provides the water rates for these classes for this tiered rate structure.

Table 26
Design of Multifamily and Non-Residential Variable Rates
FY 20-21

Customer Class	Differentiated Water Supply	Delivery	Peaking	Conservation	Volume (HCF)	Proposed Volume Rate
	[1]	[2]	[3]	[4]	[5]	SUM([1] thru [4]) / [5]
Multifamily Residential	$128,095	$104,033	$38,569	$2,645	47,261	$5.78
Commercial	$145,413	$84,158	$36,569	$3,267	38,232	$7.05
Agriculture	$31,238	$14,962	$7,714	$874	6,797	$8.06
Construction/Hydrant	$4,643	$2,884	$2,571	$102	1,310	$7.79
Irrigation	$442,700	$223,418	$144,276	$11,700	101,496	$8.10

Proposed Fixed and Variable Rates with Tiered Rate Structure

Table 27 summarizes the water rates for each customer classification for the tiered rate structure proposed for this Study. The table provides the January 1, 2021 rates that were developed above as well as rates for future years that were developed using the same methods.

Each customer class pays for their individual requirements placed on the water system. All customers pay for the more expensive Supplemental Water supply in Tiers 2 and 3 (shown in Table 22) due to the customers in those tiers causing the District to obtain more expensive water to meet that demand. The SFR customer class retains the tiered rate structure whereas other customer classifications pay for a blend of groundwater and Supplemental Water supply.

Table 27
Proposed Bi-Monthly Fixed and Variable Charges - Tiered Rate Structure

	Current Rate	January 1, 2021	January 1, 2022	January 1, 2023	January 1, 2024	January 1, 2025
Meter Size	Fixed Charge ($ per bi-month)					
5/8 thru 1 inch	$51.59	$53.70	$60.72	$67.73	$75.25	$83.12
1-1/2 inch	$60.87	$75.76	$84.84	$94.06	$103.97	$114.39
2 inch	$78.43	$106.42	$118.65	$131.20	$144.69	$158.90
3 inch	$178.85	$223.04	$249.29	$276.41	$305.33	$335.75
4 inch	$228.44	$312.99	$348.36	$385.16	$424.45	$465.89
6 inch	$372.90	$631.28	$697.07	$766.35	$840.66	$919.47
8 inch	$538.01	$995.04	$1,095.60	$1,202.00	$1,316.33	$1,437.85
	Variable Charge ($ per HCF)					
Single-family Residential						
Tier 1 - 0 to 14 units	$5.95	$3.64	$4.01	$4.40	$4.82	$5.28
Tier 2 - 15 to 32 units	$5.95	$7.01	$7.45	$7.99	$8.58	$9.24
Tier 3 - Over 32 units	$5.95	$9.29	$9.99	$10.77	$11.64	$12.60
Multifamily Residential	$5.95	$5.78	$6.21	$6.71	$7.26	$7.86
Commercial	$5.95	$7.05	$7.51	$8.08	$8.70	$9.38
Agriculture	$5.95	$8.06	$8.57	$9.20	$9.90	$10.67
Construction/Hydrant	$5.95	$7.79	$8.40	$9.08	$9.84	$10.67
Irrigation	$5.95	$8.10	$8.65	$9.30	$10.03	$10.82

Customer Bill Impacts with Tiered Rate Structure

A bill impact analysis was performed to evaluate the change in the District's SFR customer bills that would occur from the implementation of the proposed tiered rate structure and rates for January 1, 2021. The impacts are provided in Table 28 below. For an average single-family customer with a 1-inch or smaller meter size using 24 hundred cubic feet (HCF) bi-monthly, the bill will decrease from $194.39 to $174.76, a decrease of $19.63 or 10.1 percent. However, customers that consume more than the average will experience a larger bi-monthly bill as shown in the table. Additional bill impacts for other customer classifications are provided in Appendix B Tables B-2.

Table 28
Comparison of Single-family Residential Current Bi-Monthly Bill with Proposed Bi-Monthly Bill Using January 2021 Tiered Rate Structure and Rates

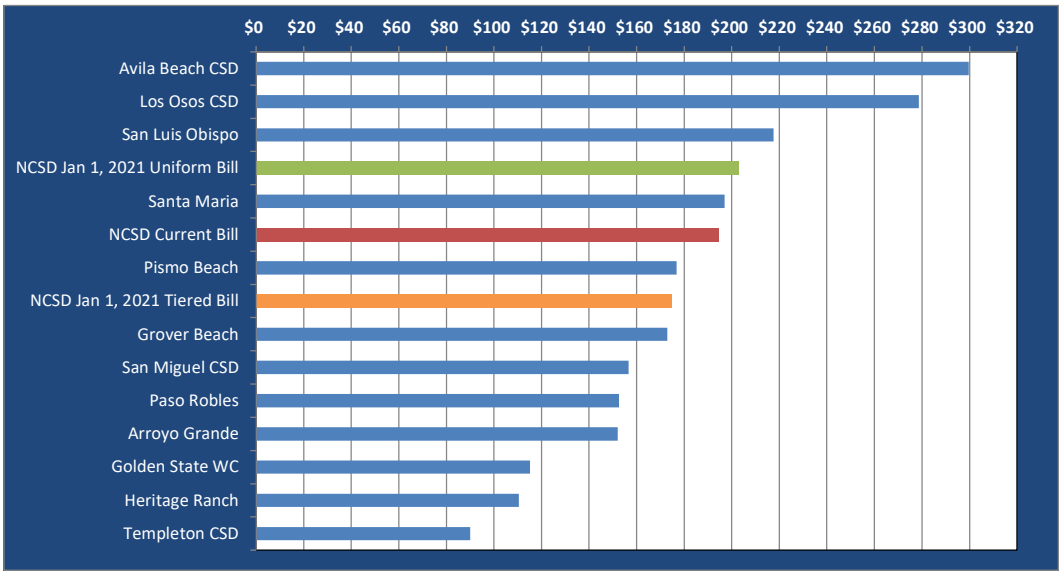
		Current Bill			Proposed FY 20-21 Bill				
Description	Use (HCF)	Service Charge	Volume Charge	Current Bill	Service Charge	Volume Charge	Proposed Bill	Dollar Difference	Percent Change
	0	$51.59	$0.00	$51.59	$53.70	$0.00	$53.70	$2.11	4.1%
Very Low	5	$51.59	$29.75	$81.34	$53.70	$18.20	$71.90	($9.44)	-11.6%
Low	10	$51.59	$59.50	$111.09	$53.70	$36.40	$90.10	($20.99)	-18.9%
Median	17	$51.59	$101.15	$152.74	$53.70	$71.99	$125.69	($27.05)	-17.7%
Average	24	$51.59	$142.80	$194.39	$53.70	$121.06	$174.76	($19.63)	-10.1%
High	40	$51.59	$238.00	$289.59	$53.70	$251.46	$305.16	$15.57	5.4%
Very High	50	$51.59	$297.50	$349.09	$53.70	$344.36	$398.06	$48.97	14.0%

Water Rate Survey

A water rate survey was conducted for neighboring communities to the Nipomo Community Services District. Chart 1 compares the District's average single-family residential bi-monthly water bill at 24 hundred cubic feet (HCF) with those of neighboring communities at the same consumption. The rate survey includes rate schedules in effect July 2020.

Water bills for the District are shown using the current rates, the proposed January 1, 2021 uniform volume rates from Table 19, and the January 1, 2021 tiered water rates from Tables 27. The chart indicates that a District single-family residential customer with a bi-monthly consumption of 24 hundred cubic feet (HCF) will experience a bill that is in the upper range of the communities listed with a uniform volume rate structure and in the mid-range with a tiered rate structure.

Chart 1
Survey of Single-family Residential Bi-Monthly Water Bills Using 24 HCF
For Rates in Effect July 2020



Note: Above table uses water rates in effect July 2020. District January 2021 bill is based on the rate structure and rates in Tables 19 and 27.

Pass-Through Provision

Though the variable charges designed in this Study reflect projected costs, this Study proposes a Pass-Through Adjustment for the costs of purchased Supplemental Water. Under a Pass-Through Adjustment, the District may pass-through any increase in the cost of purchased Supplemental Water at any time that such costs are increased to the District during the five-year period from January 1, 2021 to January 1, 2025.

The pass-through of costs are allowed under section 53756 of the California Government Code. For each change in purchased Supplemental Water supply rates and costs to the District, the District may calculate a revised variable charge and pass this change through to the customer's bill. The District will provide 30-day notice of any pass-through charge.

The District has renegotiated the date upon which the City of Santa Maria increases its water rates including the energy cost adjustment to the District. The date of the changes is now January 1 of each fiscal year, and this has been included into each of the rate structures and rate alternatives proposed in this Study. The only expected pass-through cost in the District's water rates is the change in Supplemental Water energy cost from what is projected in this Study versus the actual cost experienced.

Impact of Water Sales Volume Reduction

An analysis was performed to determine the impact to revenue if the District were to experience a reduction in water consumption. The analysis indicates that if the District experienced a twenty (20) percent reduction in water consumption, the result would be a loss of about $940,000 in revenue. The District has Operating and Rate Stabilization reserves that total about $2.9 million as shown in Table 2 and will be able to absorb this revenue loss for one year.

Appendix A

Technical Appendix

Table A-1
Allocation of Revenue Requirements to Cost Component FY 20-21

Description	Total FY 20-21	Supplemental Water Variable	Supplemental Water Fixed	Groundwater	Delivery	Peaking Max Bi-Month	Customer Meters/Serv	Customer Customer	Direct Fire Protection	Conservation
Operation and Maintenance Expense										
Maintenance Personnel Services	$1,076,000	$0	$0	$0	$437,918	$431,422	$107,600	$86,080	$12,980	$0
Maintenance	584,000	0	0	0	232,278	228,836	50,000	46,000	6,886	20,000
Electricty - Pumping	358,000	0	0	250,600	63,176	44,224	0	0	0	0
Chemicals	42,000	0	0	42,000	0	0	0	0	0	0
Total Maintenance	$2,060,000	$0	$0	$292,600	$733,372	$704,482	$157,600	$132,080	$19,866	$20,000
General and Administrative										
Admin Personnel Services	$675,900	$0	$0	$0	$244,996	201,627	$48,127	$168,975	$6,067	$6,108
Admin Maintenance	964,641	0	0	0	383,765	362,666	71,448	126,783	10,912	9,067
Total General and Administration	$1,640,541	$0	$0	$0	$628,761	$564,293	$119,575	$295,758	$16,979	$15,174
Supplemental Water										
Supplemental Water Purchases Expense	$1,487,000	$1,487,000	$0	$0	$0	$0	$0	$0	$0	$0
Supplemental Water O&M	129,183	129,183	0	0	0	0	0	0	0	0
Supplemental Water Overhead @ 15%	19,377	19,377	0	0	0	0	0	0	0	0
Total Supplemental Water Costs	$1,635,560	$1,635,560	$0	$0	$0	$0	$0	$0	$0	$0
Total O&M	$5,336,101	$1,635,560	$0	$292,600	$1,362,133	$1,268,775	$277,175	$427,838	$36,845	$35,174
Capital Costs										
Replacement Transfer to Fund 805	$625,000	$0	$0	$0	$310,204	$305,601	$0	$0	$9,195	$0
2013 COPs Debt Service	532,413	0	532,413	0	0	0	0	0	0	0
2013A Revenue Refunding Bonds Debt Service	221,675	0	0	0	0	221,675	0	0	0	0
Total Capital Costs	$1,528,527	$149,439	$532,413	$0	$310,204	$527,276	$0	$0	$9,195	$0
Adjustments										
Revenue Offsets [1]	($889,557)	$0	($532,413)	$0	($77,904)	($235,314)	($15,669)	($24,187)	($2,083)	($1,988)
Adjustments for Annual Cash Balance	(156,615)	0	0	0	(62,598)	(58,308)	(12,738)	(19,662)	(1,693)	(1,616)
Adjustments to Annualize Rate Increase [2]	171,974	0	0	0	68,737	64,026	13,987	21,590	1,859	1,775
Total Adjustments	($874,197)	$0	($532,413)	$0	($71,764)	($229,596)	($14,420)	($22,259)	($1,917)	($1,829)
Total Revenue Requirements	$5,990,430	$1,784,999	$0	$292,600	$1,600,572	$1,566,456	$262,755	$405,579	$44,123	$33,345

[1] Includes property tax revenue, miscellaneous revenue, and interest income.
[2] Adjustment to annualize revenue from the parial year rate adjustment.

Table A-2
FY 20-21 Units of Service

Customer Class	FY 20-21 Annual Use	Average Daily Use	Max Bi-Month Requirements Capacity Factor	Max Bi-Month Requirements Total Capacity	Max Bi-Month Requirements Extra Capacity	Meter Capacity	Meters & Services	Customer	Direct Fire Protection	Conservation
	Ccf	Ccf		Ccf/day	Ccf/day	Eq. Mtr	Eq. Mtr/Srv	Bills	Eq. Hyd	Ccf
Single-family Residential	532,025	1,458	138%	2,006	548	22,476	22,472	22,470		111,614
Multifamily Residential	47,261	129	104%	135	6	3,001	3,005	2,694		20,002
Commercial	38,232	105	122%	128	23	1,622	1,446	612		24,708
Agriculture	6,797	19	142%	27	8	19	12	6		6,606
Construction/Hydrant	1,310	4	254%	9	5	173	112	54		772
Irrigation	101,496	278	182%	505	227	862	744	522		88,484
Fire Protection										
Public Fire Protection				722	722				3,960	
Private Fire Protection				43	43					
Total System	727,121	1,992		3,575	1,583	28,153	27,791	26,358	3,960	252,185

Table A-3
FY 20-21 Development of Unit Costs

Description	FY 20-21 Total Costs	Suppl Water Variable	Suppl Water Groundwater	Delivery	Peaking Max Bi-Month	Meter Capacity	Customer Meters/Serv	Customer Customer	Fire Protection	Conservation
Total Costs of Service	$5,990,430	$1,784,999	$292,600	$1,600,572	$1,566,456		$262,755	$405,579	$44,123	$33,345
Reallocation of Demand Costs					($545,000)	$545,000				
Total Adjusted Cost of Service	$5,990,430	$1,784,999	$292,600	$1,600,572	$1,021,456	$545,000	$262,755	$405,579	$44,123	$33,345
Units of Service		383,328	343,793	727,121	3,575	28,153	27,791	26,358	3,960	252,185
Unit Costs of Service		$4.66	$0.85	$2.20	$285.69	$19.36	$9.45	$15.39	$11.14	$0.13
Units of Measure		Ccf	Ccf	Ccf	Ccf/day	Eq. Mtr	Eq. Mtr/Srv	Bills	Eq. Hyd	Ccf

Table A-4
Distribution of Costs to Customer Classes FY 20-21 with Uniform Volume Rate Structure

Description	Allocated Total Cost	Suppl Water Variable	Suppl Water Groundwater	Delivery	Peaking Max Bi-Month	Meter Capacity	Customer Meters/Serv	Customer Customer	Direct Fire Protection	Conservation
Unit Costs of Service		$4.66	$0.85	$2.20	$285.69	$19.36	$9.45	$15.39	$11.14	$0.13
Units of Measure		Ccf	Ccf	Ccf	Ccf/day	Eq. Mtr	Eq. Mtr/Srv	Bills	Eq. Hyd	Ccf
Single-family Residential										
Units of Service		280,476	251,549	532,025	2,006	22,476	22,472	22,470	0	111,614
Allocated Cost of Service	$4,272,449	$1,306,061	$214,092	$1,171,118	$573,103	$435,099	$212,465	$345,754	$0	$14,758
Multifamily Residential										
Units of Service		24,915	22,346	47,261	135	3,001	3,005	2,694	0	20,002
Allocated Cost of Service	$408,250	$116,020	$19,018	$104,033	$38,569	$58,098	$28,413	$41,453	$0	$2,645
Commercial										
Units of Service		20,155	18,077	38,232	128	1,622	1,446	612	0	24,708
Allocated Cost of Service	$287,726	$93,855	$15,385	$84,158	$36,569	$31,407	$13,668	$9,417	$0	$3,267
Agriculture										
Units of Service		3,583	3,214	6,797	27	19	12	6	0	6,606
Allocated Cost of Service	$43,552	$16,686	$2,735	$14,962	$7,714	$372	$118	$92	$0	$874
Construction/Hydrant										
Units of Service		691	619	1,310	9	173	112	54	0	772
Allocated Cost of Service	$14,534	$3,216	$527	$2,884	$2,571	$3,345	$1,058	$831	$0	$102
Irrigation										
Units of Service		53,507	47,989	101,496	505	862	744	522	0	88,484
Allocated Cost of Service	$701,143	$249,161	$40,843	$223,418	$144,276	$16,679	$7,034	$8,032	$0	$11,700
Public Fire Protection										
Units of Service			0	0	722	0	0	0	3,960	0
Allocated Cost of Service	$250,372	$0	$0	$0	$206,250	$0	$0	$0	$44,123	$0
Private Fire Protection										
Units of Service			0	0	43	0	0	0	0	0
Allocated Cost of Service	$12,405	$0	$0	$0	$12,405	$0	$0	$0	$0	$0
Total Costs of Service	$5,990,430	$1,784,999	$292,600	$1,600,572	$1,021,456	$545,000	$262,755	$405,579	$44,123	$33,345

Appendix B

Customer Bill Impacts

Tables B-1 Single-family, Multifamily, Commercial, and Irrigation Customer Bill Impacts with Uniform Volume Rate Structure

Tables B-2 Single-family, Multifamily, Commercial, and Irrigation Customer Bill Impacts with Tiered Rate Structure

Table B-1 **Uniform Rate Structure**

Nipomo Community Services District

Water Utility

Comparison of Bi-Monthly Water Bills Using Current Rates To Proposed Bills Using January 1, 2021 Water Rates

		Service Charge				Consumption Charge			Total Bi-monthly Bill			
Customer Classification	Meter Size	Current Rates	Proposed Rates January 1, 2021	Difference	Bi-monthly Consumption	Current Rates	Proposed Rates January 1, 2021	Difference	Current Rates	Proposed Rates January 1, 2021	Difference	Percent Difference
	inches				HCF							
Single-family Residentia	5/8" thru 1"	$51.59	$53.70	$2.11	0	$0.00	$0.00	$0.00	$51.59	$53.70	$2.11	4.1%
		$51.59	$53.70	$2.11	5	$29.75	$31.05	$1.30	$81.34	$84.75	$3.41	4.2%
		$51.59	$53.70	$2.11	10	$59.50	$62.10	$2.60	$111.09	$115.80	$4.71	4.2%
Median		$51.59	$53.70	$2.11	17	$101.15	$105.57	$4.42	$152.74	$159.27	$6.53	4.3%
Average		$51.59	$53.70	$2.11	24	$142.80	$149.04	$6.24	$194.39	$202.74	$8.35	4.3%
		$51.59	$53.70	$2.11	30	$178.50	$186.30	$7.80	$230.09	$240.00	$9.91	4.3%
		$51.59	$53.70	$2.11	35	$208.25	$217.35	$9.10	$259.84	$271.05	$11.21	4.3%
		$51.59	$53.70	$2.11	40	$238.00	$248.40	$10.40	$289.59	$302.10	$12.51	4.3%
		$51.59	$53.70	$2.11	50	$297.50	$310.50	$13.00	$349.09	$364.20	$15.11	4.3%
		$51.59	$53.70	$2.11	60	$357.00	$372.60	$15.60	$408.59	$426.30	$17.71	4.3%
		$51.59	$53.70	$2.11	70	$416.50	$434.70	$18.20	$468.09	$488.40	$20.31	4.3%
		$51.59	$53.70	$2.11	80	$476.00	$496.80	$20.80	$527.59	$550.50	$22.91	4.3%
		$51.59	$53.70	$2.11	90	$535.50	$558.90	$23.40	$587.09	$612.60	$25.51	4.3%
		$51.59	$53.70	$2.11	100	$595.00	$621.00	$26.00	$646.59	$674.70	$28.11	4.3%
		$51.59	$53.70	$2.11	150	$892.50	$931.50	$39.00	$944.09	$985.20	$41.11	4.4%
		$51.59	$53.70	$2.11	200	$1,190.00	$1,242.00	$52.00	$1,241.59	$1,295.70	$54.11	4.4%
		$51.59	$53.70	$2.11	250	$1,487.50	$1,552.50	$65.00	$1,539.09	$1,606.20	$67.11	4.4%
		$51.59	$53.70	$2.11	300	$1,785.00	$1,863.00	$78.00	$1,836.59	$1,916.70	$80.11	4.4%
Multifamily Residential	5/8" thru 1"	$51.59	$53.70	$2.11	0	$0.00	$0.00	$0.00	$51.59	$53.70	$2.11	4.1%
		$51.59	$53.70	$2.11	5	$29.75	$31.05	$1.30	$81.34	$84.75	$3.41	4.2%
		$51.59	$53.70	$2.11	10	$59.50	$62.10	$2.60	$111.09	$115.80	$4.71	4.2%
		$51.59	$53.70	$2.11	15	$89.25	$93.15	$3.90	$140.84	$146.85	$6.01	4.3%
		$51.59	$53.70	$2.11	20	$119.00	$124.20	$5.20	$170.59	$177.90	$7.31	4.3%
		$51.59	$53.70	$2.11	25	$148.75	$155.25	$6.50	$200.34	$208.95	$8.61	4.3%
		$51.59	$53.70	$2.11	30	$178.50	$186.30	$7.80	$230.09	$240.00	$9.91	4.3%
		$51.59	$53.70	$2.11	40	$238.00	$248.40	$10.40	$289.59	$302.10	$12.51	4.3%
		$51.59	$53.70	$2.11	50	$297.50	$310.50	$13.00	$349.09	$364.20	$15.11	4.3%
		$51.59	$53.70	$2.11	60	$357.00	$372.60	$15.60	$408.59	$426.30	$17.71	4.3%
		$51.59	$53.70	$2.11	70	$416.50	$434.70	$18.20	$468.09	$488.40	$20.31	4.3%
		$51.59	$53.70	$2.11	80	$476.00	$496.80	$20.80	$527.59	$550.50	$22.91	4.3%
		$51.59	$53.70	$2.11	90	$535.50	$558.90	$23.40	$587.09	$612.60	$25.51	4.3%
		$51.59	$53.70	$2.11	100	$595.00	$621.00	$26.00	$646.59	$674.70	$28.11	4.3%
		$51.59	$53.70	$2.11	200	$1,190.00	$1,242.00	$52.00	$1,241.59	$1,295.70	$54.11	4.4%
		$51.59	$53.70	$2.11	300	$1,785.00	$1,863.00	$78.00	$1,836.59	$1,916.70	$80.11	4.4%
		$51.59	$53.70	$2.11	400	$2,380.00	$2,484.00	$104.00	$2,431.59	$2,537.70	$106.11	4.4%
		$51.59	$53.70	$2.11	500	$2,975.00	$3,105.00	$130.00	$3,026.59	$3,158.70	$132.11	4.4%

Table B-1 **Uniform Rate Structure**

Nipomo Community Services District

Water Utility

Comparison of Bi-Monthly Water Bills Using Current Rates To Proposed Bills Using January 1, 2021 Water Rates

		Service Charge				Consumption Charge			Total Bi-monthly Bill			
Customer Classification	Meter Size	Current Rates	Proposed Rates January 1, 2021	Difference	Bi-monthly Consumption	Current Rates	Proposed Rates January 1, 2021	Difference	Current Rates	Proposed Rates January 1, 2021	Difference	Percent Difference
	inches				HCF							
Commercial	2"	$78.43	$106.42	$27.99	0	$0.00	$0.00	$0.00	$78.43	$106.42	$27.99	35.7%
		$78.43	$106.42	$27.99	10	$59.50	$62.10	$2.60	$137.93	$168.52	$30.59	22.2%
		$78.43	$106.42	$27.99	15	$89.25	$93.15	$3.90	$167.68	$199.57	$31.89	19.0%
		$78.43	$106.42	$27.99	20	$119.00	$124.20	$5.20	$197.43	$230.62	$33.19	16.8%
		$78.43	$106.42	$27.99	30	$178.50	$186.30	$7.80	$256.93	$292.72	$35.79	13.9%
		$78.43	$106.42	$27.99	40	$238.00	$248.40	$10.40	$316.43	$354.82	$38.39	12.1%
		$78.43	$106.42	$27.99	50	$297.50	$310.50	$13.00	$375.93	$416.92	$40.99	10.9%
		$78.43	$106.42	$27.99	100	$595.00	$621.00	$26.00	$673.43	$727.42	$53.99	8.0%
		$78.43	$106.42	$27.99	150	$892.50	$931.50	$39.00	$970.93	$1,037.92	$66.99	6.9%
		$78.43	$106.42	$27.99	200	$1,190.00	$1,242.00	$52.00	$1,268.43	$1,348.42	$79.99	6.3%
		$78.43	$106.42	$27.99	250	$1,487.50	$1,552.50	$65.00	$1,565.93	$1,658.92	$92.99	5.9%
		$78.43	$106.42	$27.99	300	$1,785.00	$1,863.00	$78.00	$1,863.43	$1,969.42	$105.99	5.7%
		$78.43	$106.42	$27.99	350	$2,082.50	$2,173.50	$91.00	$2,160.93	$2,279.92	$118.99	5.5%
Commercial	4"	$228.44	$312.99	$84.55	0	$0.00	$0.00	$0.00	$228.44	$312.99	$84.55	37.0%
		$228.44	$312.99	$84.55	10	$59.50	$62.10	$2.60	$287.94	$375.09	$87.15	30.3%
		$228.44	$312.99	$84.55	15	$89.25	$93.15	$3.90	$317.69	$406.14	$88.45	27.8%
		$228.44	$312.99	$84.55	20	$119.00	$124.20	$5.20	$347.44	$437.19	$89.75	25.8%
		$228.44	$312.99	$84.55	30	$178.50	$186.30	$7.80	$406.94	$499.29	$92.35	22.7%
		$228.44	$312.99	$84.55	40	$238.00	$248.40	$10.40	$466.44	$561.39	$94.95	20.4%
		$228.44	$312.99	$84.55	50	$297.50	$310.50	$13.00	$525.94	$623.49	$97.55	18.5%
		$228.44	$312.99	$84.55	100	$595.00	$621.00	$26.00	$823.44	$933.99	$110.55	13.4%
		$228.44	$312.99	$84.55	150	$892.50	$931.50	$39.00	$1,120.94	$1,244.49	$123.55	11.0%
		$228.44	$312.99	$84.55	200	$1,190.00	$1,242.00	$52.00	$1,418.44	$1,554.99	$136.55	9.6%
		$228.44	$312.99	$84.55	250	$1,487.50	$1,552.50	$65.00	$1,715.94	$1,865.49	$149.55	8.7%
		$228.44	$312.99	$84.55	300	$1,785.00	$1,863.00	$78.00	$2,013.44	$2,175.99	$162.55	8.1%
		$228.44	$312.99	$84.55	350	$2,082.50	$2,173.50	$91.00	$2,310.94	$2,486.49	$175.55	7.6%

Table B-1 **Uniform Rate Structure**

Nipomo Community Services District

Water Utility

Comparison of Bi-Monthly Water Bills Using Current Rates To Proposed Bills Using January 1, 2021 Water Rates

		Service Charge				Consumption Charge			Total Bi-monthly Bill			
Customer Classification	Meter Size	Current Rates	Proposed Rates January 1, 2021	Difference	Bi-monthly Consumption	Current Rates	Proposed Rates January 1, 2021	Difference	Current Rates	Proposed Rates January 1, 2021	Difference	Percent Difference
	inches				HCF							
Irrigation	2"	$78.43	$106.42	$27.99	0	$0.00	$0.00	$0.00	$78.43	$106.42	$27.99	35.7%
		$78.43	$106.42	$27.99	50	$297.50	$310.50	$13.00	$375.93	$416.92	$40.99	10.9%
		$78.43	$106.42	$27.99	100	$595.00	$621.00	$26.00	$673.43	$727.42	$53.99	8.0%
		$78.43	$106.42	$27.99	150	$892.50	$931.50	$39.00	$970.93	$1,037.92	$66.99	6.9%
		$78.43	$106.42	$27.99	200	$1,190.00	$1,242.00	$52.00	$1,268.43	$1,348.42	$79.99	6.3%
		$78.43	$106.42	$27.99	250	$1,487.50	$1,552.50	$65.00	$1,565.93	$1,658.92	$92.99	5.9%
		$78.43	$106.42	$27.99	300	$1,785.00	$1,863.00	$78.00	$1,863.43	$1,969.42	$105.99	5.7%
		$78.43	$106.42	$27.99	350	$2,082.50	$2,173.50	$91.00	$2,160.93	$2,279.92	$118.99	5.5%
		$78.43	$106.42	$27.99	400	$2,380.00	$2,484.00	$104.00	$2,458.43	$2,590.42	$131.99	5.4%
		$78.43	$106.42	$27.99	450	$2,677.50	$2,794.50	$117.00	$2,755.93	$2,900.92	$144.99	5.3%
		$78.43	$106.42	$27.99	500	$2,975.00	$3,105.00	$130.00	$3,053.43	$3,211.42	$157.99	5.2%
		$78.43	$106.42	$27.99	600	$3,570.00	$3,726.00	$156.00	$3,648.43	$3,832.42	$183.99	5.0%
		$78.43	$106.42	$27.99	800	$4,760.00	$4,968.00	$208.00	$4,838.43	$5,074.42	$235.99	4.9%
Irrigation	4"	$228.44	$312.99	$84.55	0	$0.00	$0.00	$0.00	$228.44	$312.99	$84.55	37.0%
		$228.44	$312.99	$84.55	50	$297.50	$310.50	$13.00	$525.94	$623.49	$97.55	18.5%
		$228.44	$312.99	$84.55	100	$595.00	$621.00	$26.00	$823.44	$933.99	$110.55	13.4%
		$228.44	$312.99	$84.55	150	$892.50	$931.50	$39.00	$1,120.94	$1,244.49	$123.55	11.0%
		$228.44	$312.99	$84.55	200	$1,190.00	$1,242.00	$52.00	$1,418.44	$1,554.99	$136.55	9.6%
		$228.44	$312.99	$84.55	250	$1,487.50	$1,552.50	$65.00	$1,715.94	$1,865.49	$149.55	8.7%
		$228.44	$312.99	$84.55	300	$1,785.00	$1,863.00	$78.00	$2,013.44	$2,175.99	$162.55	8.1%
		$228.44	$312.99	$84.55	350	$2,082.50	$2,173.50	$91.00	$2,310.94	$2,486.49	$175.55	7.6%
		$228.44	$312.99	$84.55	400	$2,380.00	$2,484.00	$104.00	$2,608.44	$2,796.99	$188.55	7.2%
		$228.44	$312.99	$84.55	450	$2,677.50	$2,794.50	$117.00	$2,905.94	$3,107.49	$201.55	6.9%
		$228.44	$312.99	$84.55	500	$2,975.00	$3,105.00	$130.00	$3,203.44	$3,417.99	$214.55	6.7%
		$228.44	$312.99	$84.55	600	$3,570.00	$3,726.00	$156.00	$3,798.44	$4,038.99	$240.55	6.3%
		$228.44	$312.99	$84.55	800	$4,760.00	$4,968.00	$208.00	$4,988.44	$5,280.99	$292.55	5.9%

Table B-2 **Tiered Rate Structure**

Nipomo Community Services District

Water Utility

Comparison of Bi-Monthly Water Bills Using Current Rates To Proposed Bills Using January 1, 2021 Water Rates

		Service Charge				Consumption Charge			Total Bi-monthly Bill			
Customer Classification	Meter Size	Current Rates	Proposed Rates January 1, 2021	Difference	Bi-monthly Consumption	Current Rates	Proposed Rates January 1, 2021	Difference	Current Rates	Proposed Rates January 1, 2021	Difference	Percent Difference
	inches				HCF							
Single-family Residentia	5/8" thru 1"	$51.59	$53.70	$2.11	0	$0.00	$0.00	$0.00	$51.59	$53.70	$2.11	4.1%
		$51.59	$53.70	$2.11	5	$29.75	$18.20	($11.55)	$81.34	$71.90	($9.44)	-11.6%
		$51.59	$53.70	$2.11	10	$59.50	$36.40	($23.10)	$111.09	$90.10	($20.99)	-18.9%
Median		$51.59	$53.70	$2.11	17	$101.15	$71.99	($29.16)	$152.74	$125.69	($27.05)	-17.7%
Average		$51.59	$53.70	$2.11	24	$142.80	$121.06	($21.74)	$194.39	$174.76	($19.63)	-10.1%
		$51.59	$53.70	$2.11	30	$178.50	$163.12	($15.38)	$230.09	$216.82	($13.27)	-5.8%
		$51.59	$53.70	$2.11	35	$208.25	$205.01	($3.24)	$259.84	$258.71	($1.13)	-0.4%
		$51.59	$53.70	$2.11	40	$238.00	$251.46	$13.46	$289.59	$305.16	$15.57	5.4%
		$51.59	$53.70	$2.11	50	$297.50	$344.36	$46.86	$349.09	$398.06	$48.97	14.0%
		$51.59	$53.70	$2.11	60	$357.00	$437.26	$80.26	$408.59	$490.96	$82.37	20.2%
		$51.59	$53.70	$2.11	70	$416.50	$530.16	$113.66	$468.09	$583.86	$115.77	24.7%
		$51.59	$53.70	$2.11	80	$476.00	$623.06	$147.06	$527.59	$676.76	$149.17	28.3%
		$51.59	$53.70	$2.11	90	$535.50	$715.96	$180.46	$587.09	$769.66	$182.57	31.1%
		$51.59	$53.70	$2.11	100	$595.00	$808.86	$213.86	$646.59	$862.56	$215.97	33.4%
		$51.59	$53.70	$2.11	150	$892.50	$1,273.36	$380.86	$944.09	$1,327.06	$382.97	40.6%
		$51.59	$53.70	$2.11	200	$1,190.00	$1,737.86	$547.86	$1,241.59	$1,791.56	$549.97	44.3%
		$51.59	$53.70	$2.11	250	$1,487.50	$2,202.36	$714.86	$1,539.09	$2,256.06	$716.97	46.6%
		$51.59	$53.70	$2.11	300	$1,785.00	$2,666.86	$881.86	$1,836.59	$2,720.56	$883.97	48.1%
Multifamily Residential	5/8" thru 1"	$51.59	$53.70	$2.11	0	$0.00	$0.00	$0.00	$51.59	$53.70	$2.11	4.1%
		$51.59	$53.70	$2.11	5	$29.75	$28.90	($0.85)	$81.34	$82.60	$1.26	1.5%
		$51.59	$53.70	$2.11	10	$59.50	$57.80	($1.70)	$111.09	$111.50	$0.41	0.4%
		$51.59	$53.70	$2.11	15	$89.25	$86.70	($2.55)	$140.84	$140.40	($0.44)	-0.3%
		$51.59	$53.70	$2.11	20	$119.00	$115.60	($3.40)	$170.59	$169.30	($1.29)	-0.8%
		$51.59	$53.70	$2.11	25	$148.75	$144.50	($4.25)	$200.34	$198.20	($2.14)	-1.1%
		$51.59	$53.70	$2.11	30	$178.50	$173.40	($5.10)	$230.09	$227.10	($2.99)	-1.3%
		$51.59	$53.70	$2.11	40	$238.00	$231.20	($6.80)	$289.59	$284.90	($4.69)	-1.6%
		$51.59	$53.70	$2.11	50	$297.50	$289.00	($8.50)	$349.09	$342.70	($6.39)	-1.8%
		$51.59	$53.70	$2.11	60	$357.00	$346.80	($10.20)	$408.59	$400.50	($8.09)	-2.0%
		$51.59	$53.70	$2.11	70	$416.50	$404.60	($11.90)	$468.09	$458.30	($9.79)	-2.1%
		$51.59	$53.70	$2.11	80	$476.00	$462.40	($13.60)	$527.59	$516.10	($11.49)	-2.2%
		$51.59	$53.70	$2.11	90	$535.50	$520.20	($15.30)	$587.09	$573.90	($13.19)	-2.2%
		$51.59	$53.70	$2.11	100	$595.00	$578.00	($17.00)	$646.59	$631.70	($14.89)	-2.3%
		$51.59	$53.70	$2.11	200	$1,190.00	$1,156.00	($34.00)	$1,241.59	$1,209.70	($31.89)	-2.6%
		$51.59	$53.70	$2.11	300	$1,785.00	$1,734.00	($51.00)	$1,836.59	$1,787.70	($48.89)	-2.7%
		$51.59	$53.70	$2.11	400	$2,380.00	$2,312.00	($68.00)	$2,431.59	$2,365.70	($65.89)	-2.7%
		$51.59	$53.70	$2.11	500	$2,975.00	$2,890.00	($85.00)	$3,026.59	$2,943.70	($82.89)	-2.7%

Table B-2 **Tiered Rate Structure**

Nipomo Community Services District

Water Utility

Comparison of Bi-Monthly Water Bills Using Current Rates To Proposed Bills Using January 1, 2021 Water Rates

		Service Charge				Consumption Charge			Total Bi-monthly Bill			
Customer Classification	Meter Size	Current Rates	Proposed Rates January 1, 2021	Difference	Bi-monthly Consumption	Current Rates	Proposed Rates January 1, 2021	Difference	Current Rates	Proposed Rates January 1, 2021	Difference	Percent Difference
	inches				HCF							
Commercial	2"	$78.43	$106.42	$27.99	0	$0.00	$0.00	$0.00	$78.43	$106.42	$27.99	35.7%
		$78.43	$106.42	$27.99	10	$59.50	$70.50	$11.00	$137.93	$176.92	$38.99	28.3%
		$78.43	$106.42	$27.99	15	$89.25	$105.75	$16.50	$167.68	$212.17	$44.49	26.5%
		$78.43	$106.42	$27.99	20	$119.00	$141.00	$22.00	$197.43	$247.42	$49.99	25.3%
		$78.43	$106.42	$27.99	30	$178.50	$211.50	$33.00	$256.93	$317.92	$60.99	23.7%
		$78.43	$106.42	$27.99	40	$238.00	$282.00	$44.00	$316.43	$388.42	$71.99	22.8%
		$78.43	$106.42	$27.99	50	$297.50	$352.50	$55.00	$375.93	$458.92	$82.99	22.1%
		$78.43	$106.42	$27.99	100	$595.00	$705.00	$110.00	$673.43	$811.42	$137.99	20.5%
		$78.43	$106.42	$27.99	150	$892.50	$1,057.50	$165.00	$970.93	$1,163.92	$192.99	19.9%
		$78.43	$106.42	$27.99	200	$1,190.00	$1,410.00	$220.00	$1,268.43	$1,516.42	$247.99	19.6%
		$78.43	$106.42	$27.99	250	$1,487.50	$1,762.50	$275.00	$1,565.93	$1,868.92	$302.99	19.3%
		$78.43	$106.42	$27.99	300	$1,785.00	$2,115.00	$330.00	$1,863.43	$2,221.42	$357.99	19.2%
		$78.43	$106.42	$27.99	350	$2,082.50	$2,467.50	$385.00	$2,160.93	$2,573.92	$412.99	19.1%
Commercial	4"	$228.44	$312.99	$84.55	0	$0.00	$0.00	$0.00	$228.44	$312.99	$84.55	37.0%
		$228.44	$312.99	$84.55	10	$59.50	$70.50	$11.00	$287.94	$383.49	$95.55	33.2%
		$228.44	$312.99	$84.55	15	$89.25	$105.75	$16.50	$317.69	$418.74	$101.05	31.8%
		$228.44	$312.99	$84.55	20	$119.00	$141.00	$22.00	$347.44	$453.99	$106.55	30.7%
		$228.44	$312.99	$84.55	30	$178.50	$211.50	$33.00	$406.94	$524.49	$117.55	28.9%
		$228.44	$312.99	$84.55	40	$238.00	$282.00	$44.00	$466.44	$594.99	$128.55	27.6%
		$228.44	$312.99	$84.55	50	$297.50	$352.50	$55.00	$525.94	$665.49	$139.55	26.5%
		$228.44	$312.99	$84.55	100	$595.00	$705.00	$110.00	$823.44	$1,017.99	$194.55	23.6%
		$228.44	$312.99	$84.55	150	$892.50	$1,057.50	$165.00	$1,120.94	$1,370.49	$249.55	22.3%
		$228.44	$312.99	$84.55	200	$1,190.00	$1,410.00	$220.00	$1,418.44	$1,722.99	$304.55	21.5%
		$228.44	$312.99	$84.55	250	$1,487.50	$1,762.50	$275.00	$1,715.94	$2,075.49	$359.55	21.0%
		$228.44	$312.99	$84.55	300	$1,785.00	$2,115.00	$330.00	$2,013.44	$2,427.99	$414.55	20.6%
		$228.44	$312.99	$84.55	350	$2,082.50	$2,467.50	$385.00	$2,310.94	$2,780.49	$469.55	20.3%

Table B-2 **Tiered Rate Structure**

Nipomo Community Services District

Water Utility

Comparison of Bi-Monthly Water Bills Using Current Rates To Proposed Bills Using January 1, 2021 Water Rates

		Service Charge				Consumption Charge			Total Bi-monthly Bill			
Customer Classification	Meter Size	Current Rates	Proposed Rates January 1, 2021	Difference	Bi-monthly Consumption	Current Rates	Proposed Rates January 1, 2021	Difference	Current Rates	Proposed Rates January 1, 2021	Difference	Percent Difference
	inches				HCF							
Irrigation	2"	$78.43	$106.42	$27.99	0	$0.00	$0.00	$0.00	$78.43	$106.42	$27.99	35.7%
		$78.43	$106.42	$27.99	50	$297.50	$405.00	$107.50	$375.93	$511.42	$135.49	36.0%
		$78.43	$106.42	$27.99	100	$595.00	$810.00	$215.00	$673.43	$916.42	$242.99	36.1%
		$78.43	$106.42	$27.99	150	$892.50	$1,215.00	$322.50	$970.93	$1,321.42	$350.49	36.1%
		$78.43	$106.42	$27.99	200	$1,190.00	$1,620.00	$430.00	$1,268.43	$1,726.42	$457.99	36.1%
		$78.43	$106.42	$27.99	250	$1,487.50	$2,025.00	$537.50	$1,565.93	$2,131.42	$565.49	36.1%
		$78.43	$106.42	$27.99	300	$1,785.00	$2,430.00	$645.00	$1,863.43	$2,536.42	$672.99	36.1%
		$78.43	$106.42	$27.99	350	$2,082.50	$2,835.00	$752.50	$2,160.93	$2,941.42	$780.49	36.1%
		$78.43	$106.42	$27.99	400	$2,380.00	$3,240.00	$860.00	$2,458.43	$3,346.42	$887.99	36.1%
		$78.43	$106.42	$27.99	450	$2,677.50	$3,645.00	$967.50	$2,755.93	$3,751.42	$995.49	36.1%
		$78.43	$106.42	$27.99	500	$2,975.00	$4,050.00	$1,075.00	$3,053.43	$4,156.42	$1,102.99	36.1%
		$78.43	$106.42	$27.99	600	$3,570.00	$4,860.00	$1,290.00	$3,648.43	$4,966.42	$1,317.99	36.1%
		$78.43	$106.42	$27.99	800	$4,760.00	$6,480.00	$1,720.00	$4,838.43	$6,586.42	$1,747.99	36.1%
Irrigation	4"	$228.44	$312.99	$84.55	0	$0.00	$0.00	$0.00	$228.44	$312.99	$84.55	37.0%
		$228.44	$312.99	$84.55	50	$297.50	$405.00	$107.50	$525.94	$717.99	$192.05	36.5%
		$228.44	$312.99	$84.55	100	$595.00	$810.00	$215.00	$823.44	$1,122.99	$299.55	36.4%
		$228.44	$312.99	$84.55	150	$892.50	$1,215.00	$322.50	$1,120.94	$1,527.99	$407.05	36.3%
		$228.44	$312.99	$84.55	200	$1,190.00	$1,620.00	$430.00	$1,418.44	$1,932.99	$514.55	36.3%
		$228.44	$312.99	$84.55	250	$1,487.50	$2,025.00	$537.50	$1,715.94	$2,337.99	$622.05	36.3%
		$228.44	$312.99	$84.55	300	$1,785.00	$2,430.00	$645.00	$2,013.44	$2,742.99	$729.55	36.2%
		$228.44	$312.99	$84.55	350	$2,082.50	$2,835.00	$752.50	$2,310.94	$3,147.99	$837.05	36.2%
		$228.44	$312.99	$84.55	400	$2,380.00	$3,240.00	$860.00	$2,608.44	$3,552.99	$944.55	36.2%
		$228.44	$312.99	$84.55	450	$2,677.50	$3,645.00	$967.50	$2,905.94	$3,957.99	$1,052.05	36.2%
		$228.44	$312.99	$84.55	500	$2,975.00	$4,050.00	$1,075.00	$3,203.44	$4,362.99	$1,159.55	36.2%
		$228.44	$312.99	$84.55	600	$3,570.00	$4,860.00	$1,290.00	$3,798.44	$5,172.99	$1,374.55	36.2%
		$228.44	$312.99	$84.55	800	$4,760.00	$6,480.00	$1,720.00	$4,988.44	$6,792.99	$1,804.55	36.2%