

2017 Rate Study Workshops

August 22, 2017

Questions

Is the cost per unit for water purchased from Santa Maria going up until 2020? Yes, it will go up 5% each year.

We have a commitment to bring in 1,000 acre feet by 2020? Yes, the District must bring in 1,000 acre feet of water from the City of Santa Maria by 2020. Starting July 1, 2020 through June 30, 2021, the District must take or pay for 1,000 acre-feet of water from the City of Santa Maria.

Is the District projecting growth in Nipomo? The District is projecting no growth but the rate study takes into account the possibility of growth in years 3, 4 & 5.

Would reserves be used to increase current capacity to accommodate new growth if there was growth? No. New development pays capacity charges to receive services from the District.

If we have an 85 year contract with the City of Santa Maria, when is the next increase in water supply projected? By Fiscal Year 2025-2026 the District is required to take/pay for 2,500 acre feet of water.

If the County approves new construction, does NCS D have a plan to cover the increase in service needs? Yes, through capacity charges and a water accounting system. Existing customers do not pay for growth – new customers do.

If the District is required to bring in more water from Santa Maria in Fiscal Year 2025-2026, why does the rate study projection only show up to Fiscal Year 2025? The rate study has a 10 year projection, but the District is limited, by laws governing special districts, to a 5-year rate plan. The District plans on conducting a new rate study in 2020 and that is when the District will evaluate future costs for service.

Why are businesses and homes charged differently? Commercial accounts must have an irrigation meter. This is necessary so that commercial accounts can separate domestic water consumption from landscape water consumption for the purpose of billing sewer usage. Homes are charged a flat rate for sewer usage. Commercial sewage is charged to a business dependent on the strength of sewage they generate and it is important to understand the amount of the different strengths as they can significantly impact the wastewater treatment plant operations.

Is the AWWA (American Water Works Association) an industry standard? Yes, it is actually a national standard.

How were District tiers developed? They were originally developed based on average water consumption and District objectives.

The District is trying to increase revenue, but what about decreasing expenses? The District is always looking at ways to operate efficiently. Currently, the District is looking at solar panels to address the rising cost of power and an automatic meter reading system to decrease costs to read meters and manage customer water accounts.

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Why is there a 60-day billing cycle? This has been the norm historically. The District is looking at billing monthly to help make bills more manageable and allow for easier leak detection. There is a cost to increase the read cycle to monthly and this cost has perpetuated the 60-day billing cycle. The District is looking to incorporate technology into the metering workflow for the purpose of controlling the costs of monthly billing.

Is Santa Maria keeping the District at Tier 1 rates? Yes.

Is Trilogy included in the projected bill comparison chart? No. Trilogy (Woodlands Mutual Water Company) and Golden State Water are private water companies and the chart only shows comparison with other municipal water providers.

Where does Trilogy get their water? Trilogy's water provider, Woodlands Mutual Water Company, pulls groundwater out of the same aquifer as the District with their own wells.

Why is Trilogy not in the District? The Trilogy development is not contiguous to the District's existing sphere of influence or service boundary. The Local Agency Formation Commission (LAFCO) determines who can be served by a special district such as Nipomo CSD. LAFCO would have made the determination that the adjoining communities would have been better governed at the time Trilogy submitted their application for the development.

Will there be a bond on the ballot (218 Notice-Protest Hearing)? No. The bond already happened after the assessment to fund the Supplemental Water Project failed years ago.

Will Santa Maria charge the District more if they take more water due to dropping groundwater levels? No. The District has a contract with the City to be charged Tier 1 rates.