

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2019-1497**

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
SETTING SEWER RATES FOR THE BLACKLAKE DIVISION**

WHEREAS, it is a major responsibility of the Nipomo Community Services District ("District") to maintain adequate levels of revenue, equitably and proportionately collected to meet the District's financial commitments for the operation and maintenance for wastewater facilities at the Blacklake Division, as well as the replacement of existing facilities in the future; and

WHEREAS, the District retained Lechowicz & Tseng, Municipal Consultants, to evaluate wastewater rates and charges for the Blacklake Division and to develop a rate study based on a five year estimation of revenue requirements. Revenue requirements include estimated annual operating expenses, debt service payments, capital projects, and the accumulation of appropriate reserves for the period from FY 18-19 through FY 22-23. These estimates were based on the District's FY 2018-2019 adopted budget, capital project lists from the 2017 Blacklake Sewer Master Plan, and the District's Cash Reserve Policy. The 2018 Blacklake Sewer Rate Study Final Report (Rate Study) was approved by the District Board of Directors on November 14, 2018, and is incorporated herein by this reference; and

WHEREAS, Government Code §61115 authorizes the District to adopt rates and charges by resolution; and

WHEREAS, on January 23, 2019, the District conducted a duly noticed public hearing wherein the Board of Directors considered public comments in support and in opposition to the proposed rate increase and whether or not a majority protest to the proposed rate increase exists pursuant to Section 6 of Article XIII D of the California Constitution. A total of 559 parcels would be subject to the proposed rate increase; therefore, 280 protests would be needed to constitute a majority protest. At the conclusion of the public hearing, the Board found that 6 (six) written protests were received and that a majority protest did not exist.

WHEREAS, based on facts and analysis presented in and relied on by the Rate Study, written protests received prior to the close of the January 23, 2019 public hearing, the Staff Report, Staff Presentation, and public testimony received, the Board of Directors finds:

A. The District identified the parcels upon which the new rates and charges will be imposed, calculated the amount of the rates, and mailed notices to all Owners of Record and Customers of Record of properties responsible for the sewer rates and charges, which notices provided information on the proposed rates and charges, the basis for the calculation, the reason for the rates and charges, and the date, time, and location for a public hearing which was not less than 45 days after the date of mailing.

B. The public hearing adopting this Resolution has been properly noticed pursuant to the Section 6 of Article XIII D of the California Constitution, the Proposition 218 Omnibus Implementation Act (Government Code §53750, et. seq.), and the Brown Act (Government Code §54950, et seq.).

C. The rates and charges adopted by this Resolution:

1. Are for the purposes of meeting operation, maintenance, and capital replacement expenses for providing wastewater services for the District's Blacklake Division customers.

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2. Do not exceed the funds required to provide wastewater services to the District's Blacklake Division customers.
3. Do not exceed the proportional cost of services attributable to those parcels receiving wastewater service within the Blacklake Division.

D. The revenues derived from the Blacklake Division wastewater rates and charges will not be used for any purpose other than that for which the charge is imposed.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED, by the Board of Directors of the District as follows:

Section 1. Incorporation of Recitals

The Recitals are true and correct and incorporated herein by this reference. The Recitals and referenced reports and studies contained therein constitute and support the findings of the District in support of this Resolution.

Section 2. Bi-Monthly Wastewater Rates - Blacklake Division

The bi-monthly sewer user rates and fees for the Blacklake Division, referred to in Sections 3.03.180 and 4.12.150 of the District Code, reflected in Exhibit A attached hereto and incorporated herein by reference are hereby adopted, effective April 1, 2019.

The Blacklake Division Bi-Monthly Sewer Service Charges will adjust automatically in the amounts and in accordance with the schedule identified in Exhibit A.

Section 3. Effective Date

The effective date of this Resolution shall be as set forth in Section 2 above, which is incorporated herein as if set forth in full.

Section 4. Repeal of Prior Resolutions

All resolutions and sections of resolutions that are inconsistent with this Resolution are hereby repealed, subject to the effective dates identified in Section 2 above.

Section 5. Effect of Repeal on Past Actions and Obligations

This Resolution does not affect prosecutions for violations committed prior to the effective date of this Resolution, does not waive any fee or penalty due and unpaid on the effective date of this Resolution, and does not affect the validity of any amounts owed, posted, filed, or deposited pursuant to the requirements of any prior resolution or ordinance.

Section 6. CEQA Findings

The Board of Directors of the District finds that the rates and charges adopted by this Resolution are for the purpose of meeting operating expenses, purchasing or leasing supplies,

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equipment, or materials, meeting financial reserve needs and requirements, and obtaining funds for capital projects that are necessary to maintain service within existing service areas, as set forth in detail in the Rate Study. Therefore, this action is exempt from the California Environmental Quality Act pursuant to Public Resources Code section 21080(b)(8) and CEQA Guidelines section 15273. The District General Manager is directed to prepare and file appropriate notices.

Section 7. Severance Clause

If any section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be unconstitutional, ineffective or in any manner in conflict with the laws of the United States, or the State of California, such decision shall not affect the validity of the remaining portions of this Resolution. The Governing Board of the District hereby declares that it would have adopted this Resolution and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional, ineffective, or in any manner in conflict with the laws of the United States or the State of California.

Upon the motion of Director Gaddis, seconded by Director Armstrong, and on the following roll call vote, to wit:

AYES: Director Gaddis, Armstrong, Woodson, Blair and Eby
NOES: None
ABSENT: None
CONFLICTS: None

the foregoing resolution is hereby adopted this 23rd day of January, 2019.



ED EBY, President
Nipomo Community Services District
Board of Directors

ATTEST:



Mario Iglesias
General Manager and
Secretary to the Board

APPROVED AS TO FORM AND EFFECT:



Whitney G. McDonald
District Legal Counsel

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EXHIBIT "A"

BLACKLAKE DIVISION

BI-MONTHLY SEWER SERVICE CHARGES

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