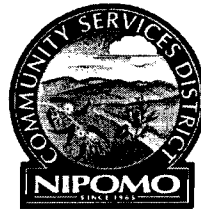


# NIPOMO COMMUNITY SERVICES DISTRICT



## AGENDA

### SPECIAL MEETING

NOVEMBER 17, 2000 FRIDAY 8:30 A.M.

BOARD ROOM 148 S. WILSON STREET NIPOMO, CA

#### BOARD MEMBERS

ROBERT BLAIR, **PRESIDENT**  
AL SIMON, **VICE PRESIDENT**  
RICHARD MOBRAATEN, **DIRECTOR**  
ALEX MENDOZA, **DIRECTOR**  
MICHAEL WINN, **DIRECTOR**

#### STAFF

DOUGLAS JONES, **GENERAL MANAGER**  
DONNA JOHNSON, **SECRETARY TO THE BOARD**  
JON SEITZ, **GENERAL COUNSEL**

CALL TO ORDER AND FLAG SALUTE  
ROLL CALL

#### Public Comment on Agenda Items

The public has the right to comment on any item on the Special Meeting Agenda. Comments are limited to 3 minutes or otherwise at the discretion of the Board President.


### **AGENDA**

#### WATER AND WASTEWATER RATE STUDY UPDATE

Discussion and Analysis of District water and sewer rates  
by Consultant Perry Louck

Introduction of an ordinance adjusting water and sewer rates

Adjourn

TO: BOARD OF DIRECTORS  
FROM: DOUG JONES   
DATE: NOVEMBER 17, 2000

## WATER AND WASTEWATER RATE STUDY UPDATE

### **ITEM**

Review Water and Wastewater Rate Study Update dated November 2000

### **BACKGROUND**

The District contracted with Boyle Engineering Inc. to perform a replacement study. It was entitled, "Water and Sewer Replacement Study" and completed in January 2000. This study provided cost data that could be implemented into a revenue program to develop funding for replacement of District facilities. The District hired a consultant, Perry Louck, CPA, to evaluate the District water and sewer rates and complete a study along with his recommendations to establish a fiscal data for the Board's review. The Board, on June 9, 2000, had a Study Session with Perry Louck to review the terminology of the rate study and second Study Session on July 21, 2000 to review a draft report on rates. At the second Study Session, the Board recommended that the consultant proceed with 100% replacement program for funding for replacing District facilities. Enclosed is the consultant's report entitled " Water and Wastewater Rate Study Update - November 2000". Mr. Louck will make a presentation and review his report to your Honorable Board. Staff has prepared an ordinance adjusting rates for consideration and introduction.

### **RECOMMENDATION**

Staff recommends that your Honorable Board introduce the ordinance adjusting water rates in the District. The second reading and adoption date can be set for November 29, 2000.

Board 2000\Rate Study Update.DOC

NIPOMO COMMUNITY SERVICES DISTRICT  
ORDINANCE NO. 2000-1\_\_\_\_

DRAFT

AN ORDINANCE OF THE BOARD OF DIRECTORS  
OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
AMENDING TITLE 3 AND TITLE 4 OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT CODE TO  
(1) ESTABLISH BI-MONTHLY RATES FOR WATER AND SEWER SERVICE; and  
(2) CLARIFY SECTION 3.03.070(A) OF THE DISTRICT CODE

**WHEREAS**, it is a major responsibility of the Nipomo Community Services District (District) to maintain adequate levels of revenue, equitably collected from all classes of utility customers, to meet the District's financial commitments; and

**WHEREAS**, the District commissioned Perry R. Louck, Certified Public Accountant, to perform a WATER AND WASTEWATER RATE STUDY UPDATE (herein the STUDY). The STUDY includes an analysis of both the water and wastewater operating rates and charges for the Town Division and Black Lake Divisions. The intent of the STUDY is to assess the District's revenue requirements and to provide an independent evaluation of the equity of the District's current rate structure. The STUDY further identifies a new rate structure for the Town Division and Black Lake Division that enables the District to meet revenue requirements, provide for replacement of aging facilities and to maintain fairness and equity among ratepayers; and

**WHEREAS**, the STUDY was received and filed on \_\_\_\_\_, 2000; and

**WHEREAS**, based upon facts and analysis presented by Perry R. Louck, the STUDY, the Staff Report, and public testimony received, the Board of Directors finds:

A. The public meetings adopting this Ordinance have been properly noticed pursuant to Government Code Section 54954.2 (The Brown Act); and

B. The fees, rates and charges that are the subject of this Ordinance do not exceed the estimated reasonable cost of providing the services for which the fees and/or charge or charges are imposed; and

C. That the public benefits from the logical, long-range approach to financing of public facilities:

**NOW, THEREFORE, BE IT ORDAINED**, by the Board of Directors of the District as follows:

**Section 1. Authority.**

This Ordinance is enacted pursuant to Government Code Sections 61600(a) and (b), 61621, 61621.5.

**Section 2.**

Appendix A and B to Chapter 3.03 of the District Code is repealed in its entirety and replaced with the bimonthly rates and charges reflected in Exhibit A attached hereto and incorporated into this Ordinance by reference.

**Section 3.**

Exhibit B to Chapter 4.12 of the District Code is hereby repealed in its entirety and replaced with the bimonthly rates and charges reflected in Exhibit B attached hereto and incorporated into this Ordinance by reference.

**Section 4.**

Section 3.03.070(A) of the District Code is repealed in its entirety and replaced with the following:

At least ten days before any proposed discontinuance of residential water and/or sewer service for nonpayment of a delinquent account respecting such service, the District shall mail a notice, postage pre-paid, to the customer to whom the service is billed of the proposed discontinuance. Such notice shall be given not earlier than twenty-five days from the date of mailing the District's bill for such service and the ten-day period shall not commence until five days after mailing of the notice. In addition to the ten-day notice provided for in the preceding sentence, the District shall make a reasonable attempt to contact any adult person residing at the premises of the customer by telephone or personal contact at least forty-eight hours prior to any discontinuance of service, except that, whenever telephone or personal contact cannot be accomplished,

the District shall give, by mail, in person, or by posting in a conspicuous location at the premises, a notice of disconnection of service, at least forty-eight hours prior to disconnection.

**Section 5. Repeal of Prior Ordinances and Resolutions**

All Ordinances, sections of Ordinances and Resolutions that are inconsistent with this ordinance are hereby repealed.

**Section 6. Effect of Repeal on Past Actions and Obligations.**

This Ordinance does not affect prosecutions for Ordinance violations committed prior to the effective date of this Ordinance, does not waive any fee or penalty due and unpaid on the effective date of this Ordinance, and does not affect the validity of any bond or cash deposit posted, filed or deposited pursuant to the requirements of any Ordinance.

**Section 7. Severance Clause.**

If any section, subsection, sentence, clause or phrase of this Ordinance 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 Ordinance. The Governing Board of the District hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsection, sentence, clause or phrase be declared unconstitutional, ineffective, or in any manner in conflict with the laws of the United States or the State of California.

**Section 8. Effect of Headings in Ordinance.**

Title, division, part, chapter, article, and section headings contained herein do not in any manner affect the scope, meaning, or intent of the provisions of this Ordinance.

**Section 9. Effective Date.**

This Ordinance shall take effect and be in full force and effect thirty (30) days after its passage. Before the expiration of fifteen (15) days after passage it shall be posted in three (3) public places with the names of the members voting for and against the Ordinance and shall remain posted thereafter for at least one (1) week. The Ordinance shall be published once with the names of the members of the Board of Directors voting for and against the Ordinance in the Five Cities Times Press Recorder.

2nd Working Draft

Introduced at a special meeting of the Board of Directors held on \_\_\_\_\_, 2000 and passed and adopted by the Board of Directors of the Nipomo Community Services District on the day of \_\_\_\_\_, 2000 by the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

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ROBERT BLAIR  
President of the Board  
Nipomo Community Services District

ATTEST:

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DONNA JOHNSON  
Secretary to the Board

APPROVED AS TO FORM:

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JON S. SEITZ  
District Legal Counsel

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NIPOMO COMMUNITY SERVICES DISTRICT  
ORDINANCE NO. 00-

WATER RATES AND CHARGES

Appendix A

Bi-Monthly Minimum Charge

All increases shall take effect on January 1<sup>st</sup> of each year.

TOWN DIVISION  
(See Footnote 1)

| SIZE OF METER  | 1/1/2001 | 1/1/2002 | 1/1/2003 | 1/1/2004 | 1/1/2005 | 1/1/2006 |
|----------------|----------|----------|----------|----------|----------|----------|
| 1 INCH OR LESS | \$17.50  | \$17.50  | \$17.50  | \$17.50  | \$17.50  | \$17.50  |
| 1 ½ INCH       | \$36.00  | \$37.80  | \$39.70  | \$41.70  | \$42.30  | \$42.30  |
| 2 INCH         | \$50.00  | \$52.50  | \$55.10  | \$57.90  | \$60.80  | \$63.80  |
| 3 INCH         | \$70.00  | \$73.50  | \$77.20  | \$81.00  | \$85.10  | \$89.30  |
| 4 INCH         | \$100.00 | \$100.00 | \$100.00 | \$100.00 | \$100.00 | \$100.00 |
| 6 INCH         | \$165.00 | \$165.00 | \$165.00 | \$165.00 | \$165.00 | \$165.00 |
| 8 INCH         | \$188.50 | \$188.50 | \$188.50 | \$188.50 | \$188.50 | \$188.50 |

Footnote 1: The above bi-monthly minimum charge for the Town Division reflects the adjusted rate established by Ordinance 99-88 to meet the District's financial obligations relating to the lawsuit entitled Santa Maria Valley Water Conservation District v. The City of Santa Maria, the Nipomo Community Services District, et al. When the District financial obligations regarding this lawsuit have been satisfied, the above rates will be reduced as follows:

| SIZE OF METER  | Reduction |
|----------------|-----------|
| 1 INCH OR LESS | (\$4.50)  |
| 1 ½ INCH       | (\$6.00)  |
| 2 INCH         | (\$8.00)  |
| 3 INCH         | (\$10.00) |
| 4 INCH         | (\$10.00) |
| 6 INCH         | (\$15.00) |

WATER RATES AND CHARGES

Appendix A (Continued)

Bi-Monthly Minimum Charge

All increases shall take effect on January 1<sup>st</sup> of each year.

BLACK LAKE DIVISION

| SIZE OF METER  | 1/1/2001 | 1/1/2002 | 1/1/2003 | 1/1/2004 | 1/1/2005 | 1/1/2006 |
|----------------|----------|----------|----------|----------|----------|----------|
| 1 INCH OR LESS | \$13.00  | \$13.00  | \$13.00  | \$13.00  | \$13.00  | \$13.00  |
| 1 ½ INCH       | \$30.00  | \$30.00  | \$30.00  | \$30.00  | \$30.00  | \$30.00  |
| 2 INCH         | \$42.00  | \$42.00  | \$42.00  | \$42.00  | \$42.00  | \$42.00  |
| 3 INCH         | \$60.00  | \$60.00  | \$60.00  | \$60.00  | \$60.00  | \$60.00  |
| 4 INCH         | \$90.00  | \$90.00  | \$90.00  | \$90.00  | \$90.00  | \$90.00  |
| 6 INCH         | \$150.00 | \$150.00 | \$150.00 | \$150.00 | \$150.00 | \$150.00 |

Appendix B

Bi-Monthly Water Rates

All increases shall take effect on January 1<sup>st</sup> of each year.

TOWN DIVISION  
(See Footnote 1)

|               | 1/1/2001 | 1/1/2002 | 1/1/2003 | 1/1/2004 | 1/1/2005 | 1/1/2006 |
|---------------|----------|----------|----------|----------|----------|----------|
| 0 – 40 UNITS  | \$0.85   | \$0.90   | \$0.95   | \$1.00   | \$1.05   | \$1.10   |
| OVER 40 UNITS | \$1.24   | \$1.33   | \$1.42   | \$1.51   | \$1.60   | \$1.68   |

Footnote 1: The above 0-40 unit charge for the Town Division reflects the adjusted rate established by Ordinance 99-88 to meet the District's financial obligations relating to the lawsuit entitled Santa Maria Valley Water Conservation District v. The City of Santa Maria, the Nipomo Community Services District, et al. When the District financial obligations regarding this lawsuit have been satisfied, the above rate for the 0 – 40 units will be reduced by \$0.05.



**BLACK LAKE DIVISION**

All increases shall take effect on January 1<sup>st</sup> of each year.

|                  | 1/1/2001 | 1/1/2002 | 1/1/2003 | 1/1/2004 | 1/1/2005 | 1/1/2006 |
|------------------|----------|----------|----------|----------|----------|----------|
| 0 – 40<br>UNITS  | \$0.75   | \$0.75   | \$0.75   | \$0.75   | \$0.75   | \$0.75   |
| OVER 40<br>UNITS | \$1.15   | \$1.15   | \$1.15   | \$1.15   | \$1.15   | \$1.15   |

Appendix to Chapter 4.12

Exhibit B

Bi-Monthly Sewer User Fees

All increases shall take effect on July 1<sup>st</sup> of each year.

**TOWN DIVISION**

|         | 7/1/2001 | 7/1/2002 | 7/1/2003 | 7/1/2004 | 7/1/2005 |
|---------|----------|----------|----------|----------|----------|
| PER DUE | \$36.40  | \$36.50  | \$36.70  | \$36.80  | \$37.00  |

Montecito Verde II Sewer Maintenance District      \$14.00 per DUE (See Footnote 1)

Footnote 1: Upon connection to the Town Division Wastewater Treatment Plant, the Montecito Verde II operation and maintenance charge shall be the same as the charges collected from sewer customers in the Town Division.

**BLACK LAKE DIVISION**

All increases shall take effect on July 1<sup>st</sup> of each year.

|         | 7/1/2001 | 7/1/2002 | 7/1/2003 | 7/1/2004 | 7/1/2005 |
|---------|----------|----------|----------|----------|----------|
| PER DUE | \$44.50  | \$46.00  | \$47.50  | \$49.00  | \$50.70  |