

Rates expected to increase to pay for extra water

BY KIRSTEN FLAGG
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Nipomo Community Services District customers could see their water rates rise by as much as 155 percent over the next five years, but their bi-monthly bills are expected to remain some of the lowest on the Central Coast.

The NCSO board voted unanimously Wednesday to move ahead on rate and capacity-charge adjustments that district officials say will eliminate deficits in its operating budget, make its fee system more equitable and help pay for supplemental water.

"These rates are a combination of putting the district back on a sound financial footing and reflecting the cost of supplemental water," said Larry Vierheilg, NCSO board president.

Rate changes will be up for public review for the next 45 days. The ordinance that would change capacity fees or one-

Public meetings are planned over the next two months on NCSO's proposed increases in rates and fees.

Sessions on April 27 and June 8 are planned at the district building, 148 S. Wilson St. in Nipomo, where the draft rate and capacity ordinances are also available now for public review.

May 5, workshops will be held in the Blacklake community and in town, at times and locations to be announced.

More information can also be found online at www.nipomocsd.com.

time hook-up costs -- is expected to be finalized April 27.

In September, NCSO signed a tentative agreement to buy 3,000 acre-feet of water from Santa Maria at \$1,250 per acre-

foot, to be delivered through 2065. An acre-foot is equal to about 326,000 gallons, or enough to meet the average yearly water needs of two families of three people.

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Developments seeking the district's water will be charged, for each hook-up, \$6,478 in water and sewer system buy-in fees and another \$11,121 to help pay for water purchased from Santa Maria and the estimated \$6 million cost of building a pipeline to bring the water to Nipomo.

To pay for a 56-44 percent mix of Santa Maria water and native groundwater, water rates could rise by 25 percent for users in the district's Blacklake division and 10 percent for other district users in the coming fiscal year, according to

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the calculations of the Reed Group, an NCSO consultant.

That means that, in fiscal year 2005-06, the average bill for someone living in the district's town division, for example, is expected to rise from about \$55 to \$60 every two months, which is about half of what the average Santa Marian pays for water.

Over the next five years, rates for the town division are projected to rise about 10 percent per year, for a compounded rate increase of 61 percent. Over the same five years, Blacklake rate increases would average closer to 20 percent per year, for a compounded 155 percent increase over five years.

Disparities between rates for those living in the Blacklake housing division and the rest of the district exist because the approximately 500 Blacklake customers are connected to separate water and sewer systems.

Because there are fewer customers in Blacklake, each customer carries a bigger portion of the cost of operations, said

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Michael LeBrun, NCSO general manager.

The NCSO also expects to revise the commercial rate structure to make sure bills adequately reflect the amount of water and sewer services used by businesses.

Instead of charging businesses according to an equivalent number of residences assumed to be using the same amount of water as the business, the water rate will now be tied to the amount and strength of wastewater that returns to the district's system, LeBrun said.

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