

## NCSO rescinds Blacklake decision

By Mike Hodgson/Adobe Press

An earlier decision to examine the production capacity of and cost to renovate the Blacklake water system as well as to study the financial impacts of a stand-alone system was rescinded last week by Nipomo Community Services District board.

Instead, the board directed staff members to meet with the district's financial auditor to determine if the proposed "equitable contribution" surcharge follows generally accepted accounting principles, said Bruce Buel, general manager.

Buel said the district's legal counsel met with the auditor Tuesday, and additional meetings are likely before a legal opinion is presented to the board.

"I would expect the earliest that would be is Jan. 23, although it wouldn't surprise me if it was the Feb. 13 meeting," Buel said.

The request to revisit the previous decision came from directors Ed Eby and Cliff Trotter, who made and seconded the motion at the previous meeting, Buel said.

Pat Eby, who represents Blacklake community members opposed to the proposed "equity contribution," said the Black Lake Committee on Water Equity Surcharge was pleased with the decision.

"We're happy they rescinded the previous action. We did not see the point," said Eby, who is not related to NCSO Director Ed Eby. She noted the group had sent the board a "pretty nasty letter" expressing disappointment with the decision taken at the Nov. 14 meeting.

Pat Eby said the board's decision at the Nov. 28 meeting also seeks a response on the "appropriateness and legal defensibility" of including the capacity fund, also called the 700 Fund, from the equity surcharge.

"I spoke to that, saying we wanted to know how it was legal for them to charge a surcharge 15 years out," she said, referring to the date when NCSO took over the Blacklake system from the county.

"If the 700 Fund was removed from the calculations, Blacklake residents would be pleased ... because then our assets would be higher than the Town Division on a per capita basis."

The issue for Blacklake residents is NCSO's proposal to charge each customer a \$1,672 capacity charge per meter. That money would go into the 700 Fund that is used to cover the cost of new water storage tanks, wells and water lines.

A previous analysis by the Reed Group consultants said Town Division customers pay a \$2,501 capacity charge per meter, so the fee for Blacklake customers is needed to provide equity between Blacklake and Town divisions' assets when the two systems are merged.

Blacklake residents claim the systems are already merged and that the community's assets exceeded the assets of the Town Division at the time NCSO took over management of Blacklake's system.

They objected to the board's Nov. 14 decision to have the Reed Group study the financial impacts of a stand-alone water system for Blacklake because the residents don't want a separate system.

Currently, Blacklake residents are served water through an intertie with the Town Division system, which is gravity-fed, because the Blacklake pressurized system is not functioning and requires renovation.

A previous report by Boyle Engineering indicated renovation of the Blacklake pressurized water system would not be cost-effective, which led to NCSO's plan to fully merge the two systems.