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If uncontested, Nipomo water rates could go up

Cynthia Lambert

Nipomo water bills could rise in November, if a majority of residents don't protest a proposed water rate increase moved forward by the local services district board Wednesday.

District officials said the increase is necessary to cover ongoing operations and maintenance costs of the water system and to stop depleting reserve funds.

This fiscal year, which began July 1, the water fund is expected to be short \$600,000, General Manager Michael LeBrun said. Reserves will fill the deficit.

The board's approval starts the process by which residents can protest increases. If a majority of property owners and tenants oppose the plan, the district can't move forward.

The district's last rate increase started Jan. 1, 2009. The district currently has 4,150 connections — about 82 percent are residential homes — providing water to about 12,200 people.

The rates are proposed to increase by an average of 9.5 percent a year for five years by charging a fixed rate for each account and then tiered rates based on the amount of water consumed.

A typical residential customer using 29,920 gallons every two months currently receives a bimonthly bill for \$90.12; that would increase 9.9 percent to \$99.01. It does not include a \$6.32 charge to pay for litigation over pumping rights from the Santa Maria groundwater basin, which stretches from Santa Maria into southern San Luis Obispo County.

However, a residential customer using 149,600 gallons of water, for example, would see their bi-monthly bill increase 42 percent, from \$538.12 to \$764.81.

The Nipomo board unanimously voted to start the 45-day protest process Wednesday, and voted 4-1 on the water rates as proposed in a study by Newport Beach-based Tuckfield & Associates.

Board member Ed Eby, who cast the dissenting vote, opposed the tiered rate structure because the top residential water users are paying a higher price but are collectively using less water than the majority of residential water users with smaller lots.

"I think we need an increase in our water rates because we're working at a deficit, and it costs more to provide water than we're getting in our revenues," Eby said. "However, this is heavily unbalanced to the people who use more water."

Pipeline not linked to water fund hike

The proposed rate increase doesn't include funding for a project to connect a pipeline from Santa Maria's to Nipomo's water systems. About \$2.3 million of the \$25.3 million construction cost could come from some grant funds the county has applied for; the rest is expected to be paid by property owners through an assessment district.

The costs would be shared by property owners who receive water from one of four water purveyors, including the Nipomo services district. The community's only source of water is the natural Santa Maria groundwater basin, which is replenished by rainfall and is overextended, according to the district.

The Nipomo district has started mailing out fliers outlining the water shortage and the threat of seawater intrusion to the freshwater aquifer. A group opposed to the project, Mesa Community Alliance, states on its website that they believe the project is too expensive and would not provide a reliable source of supplemental water during times of drought.

A survey commissioned by the district in April of 400 property owners found many are not aware that a severe water shortage exists, and 11 percent do

not believe there is a shortage. Support for an assessment district ranged from 25 percent to 38 percent during the survey.

Learn more

Notices on the proposed rate increase will be mailed out to property owners and tenants starting July 29, beginning a 45-day count-down until the protest hearing. The board will hold a public hearing on the rate increase Sept. 28.

Those wanting to protest can do so up until the close of the public hearing. To see the proposed rate increases, go to <http://ncsd.ca.gov>, click on "agenda and packet" for the July 13 meeting and select item "E-5."

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