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Nipomo CSD water rates set to rise Nov. 1

By Mike Hodgson/Associate Editor

Nipomo Community Services District water rates will rise an average of 9.5 percent Nov. 1 after only about 10 percent of the district's customers protested the increase.

Rates will rise an average of 9.5 percent each year through Nov. 1, 2015, under the structure approved by the board of directors following an Oct. 12 protest hearing.

To encourage conservation, residential rates now will include four tiers, and commercial and irrigation rates will include two tiers, although agricultural rates will still have only one tier.

The increase marks the first rate hike for NCSD since Jan. 1, 2009.

NCSD General Manager Michael LeBrun said the district received about 214 written protests prior to the hearing.

Another six to 12 protests were lodged at the hearing, he said.

Under the provisions of Proposition 218, approved by voters in 1999, about 2,080 protests — half the district's customers plus one — were needed to block the rate increase.

"We certainly heard people tell us we shouldn't be spending any money on glossy fliers or anything like that," LeBrun said, referring to NCSD's mailers on the proposed supplemental water project.

"Then we had others tell us we didn't put out enough effort to publicize this," he said of the rate increase and protest hearing.

"But every property owner was mailed an eight-page blue sheet that should have caught their attention. It very clearly articulated how to protest and how to get more information."

As of Nov. 1, bimonthly water bills for the average single-family customer, using 4,000 cubic feet of water, will rise \$8.89, from \$96.44 to \$105.33.

Water bills consist of a fixed monthly availability charge and a fixed litigation charge plus water consumption charges that will increase across four tiers as water use rises.

After Nov. 1, residential customers will pay \$1.64 in consumption charges at the bottom tier — single-family homes using up to 2,400 cubic feet of water and multifamily homes using up to 800 cubic feet.

That charge will increase by 125 percent to \$2.05 at the second tier, 175 percent to \$2.88 at the third tier and 300 percent to \$4.93 at the fourth tier.

The rate increase will not provide funding for construction and operation of the proposed pipeline to bring supplemental water to the Nipomo Mesa from Santa Maria.

It also will not cover the estimated \$1,500 cost per acre-foot of supplemental water that would be purchased from the city.

LeBrun said all the money NCS D has spent on the project has come from supplemental water fees charged on new developments since 2005.

The rate increase also will not affect the fixed fee of \$6.32 added to the average residential customers' bimonthly bills to cover NCS D's costs in the Santa Maria Valley Groundwater Basin lawsuit.

It also will not apply to the fixed buy-in charge added to Blacklake customers' bimonthly bills for the impact of merging the Blacklake and Town water divisions in 2009.

The rate increase is needed to cover a projected \$536,000 deficit in the current fiscal year water fund budget.

LeBrun said budget deficits in the water fund will decrease each year through 2014-15. The fund then will be balanced in 2015-16.

Revenues from the rate hike also will cover ongoing operation, maintenance, rehabilitation, replacement and upgrading of district water facilities and will build a reserve for unanticipated expenses, the report said.

" The NCSD published an obscure 6-8 page flyer that we received in the mailbox about 6 weeks prior to the NCSD meeting on October 12.

I got the part about the water rates going up 9.5% as soon as November of this year, and then EVERY YEAR AFTER UNTIL 2014-15 for a CUMULATIVE INCREASE OF 57%.

Buried in the text, and it was tedious, was the fact that the rate hike is not for additional water, eg the proposed pipeline from Santa Maria.

It was confusing. At first I thought the rate hike was for the new water source. I was surprised to read that that is not the case. Could I be the only one confused?

There has been a lack of information and community education regarding the NCSD budget deficit. Where were the glossy fliers informing us of this PROJECTED deficit.

Who is responsible for the budget? What happened?

I recommend the November rate hike be at least postponed. Perhaps, given enough time to educate and inform the community, and for the community to respond properly informed we might see that a majority of us do not favor such a sharp increase in water rates. "