



.com

NCSD discusses water rate increase

Workshops explain how they'll address drought conditions



MAY 08, 2014 12:45 AM • MIKE
HODGSON/MHODGSON@SANTAMARIATIMES.COM

About 30 residents turned out this week to hear about the Nipomo Mesa's water and why they'll soon be asked to pay more for it.

The workshop at Blacklake was the first of two presented Monday by Nipomo Community Services District as it prepares two potential rate increases.

"What the board wants to do is get out in the community, get the citizens onboard and

answer some of their questions about the rates," NCSD General Manager Michael LeBrun told the audience.

The district has already approved 9.5-percent rate increases that take effect this November and November 2015 to cover ordinary operating and replacement costs.

The proposed new increases are separate from those and aimed at specific goals.

Most of the residents who offered opinions didn't question the reasons behind the increases.

But they did object to inequities in who will pay more for water and why the root causes haven't been addressed.

LeBrun said NCSD directors will consider the comments when they discuss the proposed rates May 14.

At that meeting, set for 9 a.m. in the board room at 148 S. Wilson St., directors plan to define a rate-setting schedule.

"The earliest a rate hearing would be held would be late July or August, just because of the process required," LeBrun said.

That process involves public votes mandated by Proposition 218 anytime a public agency wants to raise or add taxes or fees.

Drought rates

NCSO currently has a four-tier rate schedule, with those in the top tier of water use paying the most. But the district is considering “drought rates” that would charge even more per unit as the use rises.

The rates are being proposed as the district anticipates a stage 3 “severe shortage” will be declared by the Nipomo Mesa Management Area Technical Group when it releases a report on water levels in eight “key wells” later this month.

If that happens, NCSO and three other Nipomo Mesa water purveyors have agreed to reduce the amount of water they pump by 30 percent.

NCSO’s tiered drought rates are intended to accomplish that by assuming customers will use less water to avoid paying higher bills.

“When you talk about reducing water use 30 percent, I think most residents can do that,” said Craig Armstrong, NCSO board president.

Engineer Clayton Tuckfield of Tuckfield and Associates, who is developing the rates, noted it’s a difficult process because when rates rise, revenue goes down because the district sells less water, yet some costs increase.

So setting the rates requires balancing a number of variables, some of which are unknown, to keep district finances in the black, he said.

LeBrun noted it will be up to the other water purveyors — Golden State Water Co., Rural Water Co. and Woodlands Mutual Water Co. — to decide how they will meet the 30-percent reduction.

But he noted there is no way to require the owners of more than 1,000 private wells to reduce their pumping.

Supplemental water rates

NCSO is also thinking about tacking a fee onto water rates to cover the cost of building a pipeline to deliver water from Santa Maria as well as the cost of the water itself.

Already under construction, the pipeline is part of a court-approved settlement in a groundwater rights lawsuit that requires the four water purveyors to bring in supplemental water to offset overpumping.

NCSO is taking the lead on the project, and the other three purveyors have agreed to pick up their share of the cost — a combined total of about 33 percent.

But LeBrun said there is no legal way to have private well owners contribute to the pipeline, even though they will benefit from it.

That didn’t sit well with some.

“So we’re subsidizing the farmers, and that’s not right,” said resident Jim Gallagher. “I don’t have any issues with (the district) being proactive. I have issues with subsidizing the farmers and not getting compensated.”

NCSD Director Jim Harrison said the blame for overpumping the basin doesn't lie with farmers.

"The problem was not caused by landowners," he said. "The problem was caused by development."

That prompted residents to question why NCSD is still approving water connections, the county is still approving development and new developments aren't paying for the pipeline.

LeBrun said the district is working with the county to limit development, but if new projects are approved, NCSD has a certain obligation to serve them.

He also said since 2005, new customers have been paying supplemental water charges that have covered the \$5 million the district already has invested in the project.