

**RESOLUTION 2025-1742**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
ADOPTING THE NSWP (NIPOMO SUPPLEMENTAL WATER PROJECT)  
2025-2026 FISCAL YEAR BUDGET**

**WHEREAS**, on October 16, 2015, the Nipomo Supplemental Water Project Water Management and Groundwater Replenishment Agreement ("Agreement") was made between Nipomo Community Services District (NCSD), Rural Water Company (RWC), The Woodlands Mutual Water Company (WMWC), and Golden State Water Company (GSWC), collectively referred to as the Parties, and

**WHEREAS**, the purpose of the Agreement is to enable the Parties to meet their respective obligations under the Judgment based on the percentage allocations presented in Section I.K regarding the NSWP. In particular, the Parties intend this Agreement to provide for: (1) payment to NCSD for each Party's allocation of Costs and (2) distribution and use of Nipomo Supplemental Water, and

**WHEREAS**, pursuant to the Agreement, each fiscal year NCSD shall prepare a NSWP Enterprise Fund Budget for all revenues and expenditures related to the NSWP Enterprise Fund. The Budget shall include a summary of projected Nipomo Supplemental Water deliveries and the Costs associated with those deliveries. A draft of the Budget shall be available to each Party for review by May 1<sup>st</sup> of each year. NCSD shall make every reasonable effort to adopt the final Budget during June of each year at a regularly scheduled NCSD board meeting. The Advisory Committee shall determine the most effective content, format and reporting frequency for financial and budget reports for the NSWP Enterprise Fund.

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED** by the Board of Directors of the Nipomo Community Services District, San Luis Obispo County, California, as follows:

1. The 2025-2026 Nipomo Supplemental Water Project Budget is hereby approved and adopted.
2. The budget be administered in accordance with generally accepted accounting principles and the past policies and practices established by the District and pursuant to the Agreement.
3. The above Recitals are true and correct and incorporated herein by this reference.

Upon motion of Director Hansen, seconded by Director Henry, and on the following roll call vote, to wit:

**AYES: HANSEN, HENRY, GLOVER, JOYCE, and EBY**  
**NOES: NONE**  
**ABSTAIN: NONE**  
**ABSENT: NONE**

the foregoing Resolution is hereby passed and adopted this 11<sup>th</sup> day of June 2025.

  
\_\_\_\_\_  
**ED EBY**  
President of the Board

ATTEST:

  
\_\_\_\_\_  
**RAY DIENZO**  
General Manager and Secretary to the Board

APPROVED AS TO FORM AND  
LEGAL EFFECT:  
  
\_\_\_\_\_  
**CRAIG A. STEELE**  
District Legal Counsel

**NIPOMO COMMUNITY SERVICES DISTRICT  
NIPOMO SUPPLEMENTAL WATER PROJECT (NSWP)  
BUDGET FOR FISCAL YEAR 2025-2026**

	Acre Feet Purchase (A)	Cost per Acre Foot (AF)	Total Cost	
Water Purchase Fiscal Year 2025-2026 (see page 2)	2500	see page 2	\$6,851,018	
NCSD Water O & M Cost per AF ** (see page 3)	2500	\$158.44	\$396,100	
NCSD Admin Fee per AF (15% of O & M per AF) ** (see page 3)	2500	\$23.77	\$59,415	
		<u>\$182.21</u>	<u>\$7,306,533</u>	
**To be adjusted annually based on actual costs				
	TOTAL	NCSD	WMWC	GSWC
1 Phase 1 Supplemental Water Annual Allocation (AF)	2500	1667	416.5	416.5
2 Phase 1 Supplemental Water Delivery Percentages	100.00%	66.68%	16.66%	16.66%
3 Pass-Through Supplemental Water Cost	\$6,851,018	\$4,568,258	\$1,141,380	\$1,141,380
4 Supplemental Water O & M Cost	\$396,100	\$264,119	\$65,990	\$65,990
5 Supplemental Water NCSD Admin Fee	\$59,415	\$39,618	\$9,899	\$9,899
<b>6 Total Annual Supplemental Water Volume Cost</b>	<b>\$7,306,533</b>	<b>\$4,871,996</b>	<b>\$1,217,268</b>	<b>\$1,217,268</b>

	TOTAL	NCSD	WMWC	GSWC
7 Allocated Project Capacity (AF)	3,000.00	2,167.00	416.50	416.50
8 Percentage of Fixed Capital Cost Allocation	100.00%	72.24%	13.88%	13.88%
9 Yearly Capital Recovery Charge-Principal 6/30/2015 (1)	\$109,792	\$0	\$45,612	\$64,180
10 Yearly Capital Recovery Charge-Interest 6/30/2015 (1)	\$276,627	\$0	\$143,247	\$133,380
11 Yearly Capital Recovery Charge-Principal 6/30/2016 (2)	\$9,287	\$0	\$4,315	\$4,972
12 Yearly Capital Recovery Charge-Interest 6/30/2016 (2)	\$23,885	\$0	\$13,552	\$10,333
13 Yearly Capital Recovery Charge-Principal 6/30/2017 (3)	\$16,556	\$0	\$7,679	\$8,877
14 Yearly Capital Recovery Charge-Interest 6/30/2017 (3)	\$42,564	\$0	\$24,115	\$18,449
14 Yearly Capital Recovery Charge-Principal 6/30/2018 (4)	\$1,155	\$0	\$535	\$620
15 Yearly Capital Recovery Charge-Interest 6/30/2018 (4)	\$2,966	\$0	\$1,678	\$1,288
16 Yearly Capital Recovery Charge-Principal 6/30/2019 (5)	\$1,417	\$0	\$655	\$762
17 Yearly Capital Recovery Charge-Interest 6/30/2019 (5)	\$3,638	\$0	\$2,055	\$1,583
18 Yearly Capital Recovery Charge-Principal 6/30/2020 (6)	\$18,167	\$0	\$8,377	\$9,790
19 Yearly Capital Recovery Charge-Interest 6/30/2020 (6)	\$46,655	\$0	\$26,310	\$20,345
20 Yearly Capital Recovery Charge-Principal 6/30/2021 (7)	\$4,648	\$0	\$2,139	\$2,509
21 Yearly Capital Recovery Charge-Interest 6/30/2021 (7)	\$11,930	\$0	\$6,716	\$5,214
22 Yearly Capital Recovery Charge-Principal 6/30/2022 (8)	\$3,441	\$0	\$1,580	\$1,861
23 Yearly Capital Recovery Charge-Interest 6/30/2022 (8)	\$8,832	\$0	\$4,964	\$3,868
25 Yearly Capital Recovery Charge-Principal 6/30/2023 (9)	\$114	\$0	\$52	\$62
26 Yearly Capital Recovery Charge-Interest 6/30/2023 (9)	\$290	\$0	\$163	\$127
27 Yearly Capital Recovery Charge-Principal 6/30/2024 (10)	\$1,767	\$0	\$808	\$959
28 Yearly Capital Recovery Charge-Interest 6/30/2024 (10)	\$4,529	\$0	\$2,536	\$1,993
29 Supplemental Water Project Yearly Replacement (11)	\$206,865	\$149,439	\$28,713	\$28,713
<b>30 Total Annual Fixed Supplemental Charges</b>	<b>\$795,125</b>	<b>\$149,439</b>	<b>\$325,801</b>	<b>\$319,885</b>

Total Volume and Annual Fixed Charges for Fiscal Year				
<b>31 2025-2026(Line 6 + Line 30)</b>	<b>\$8,101,658</b>	<b>\$5,021,435</b>	<b>\$1,543,069</b>	<b>\$1,537,153</b>

32 Electrical Pumping Credit (not applicable this year)	\$0	\$0	\$0	\$0
<b>33 SUPPLEMENTAL WATER BUDGET FISCAL YEAR 2025-2026</b>	<b>\$8,101,658</b>	<b>\$5,021,435</b>	<b>\$1,543,069</b>	<b>\$1,537,153</b>

- (1) Per applicable amortization schedule as of 6/30/15-Schedule 1  
(2) Per applicable amortization schedule as of 6/30/16-Schedule 2 (A) 2500 ACRE FEET PER CONTRACT  
(3) Per applicable amortization schedule as of 6/30/17-Schedule 3  
(4) Per applicable amortization schedule as of 6/30/18-Schedule 4  
(5) Per applicable amortization schedule as of 6/30/19-Schedule 5  
(6) Per applicable amortization schedule as of 6/30/20-Schedule 6  
(7) Per applicable amortization schedule as of 6/30/21-Schedule 7  
(8) Per applicable amortization schedule as of 6/30/22-Schedule 8  
(9) Per applicable amortization schedule as of 6/30/23-Schedule 9  
(10) Per applicable amortization schedule as of 6/30/24-Schedule 10  
(11) Annual replacement contribution of total Supplemental Water Project cost of \$20,686,509 assuming a 100 year project life = \$206,865 per year not to exceed \$3,000,000 adjusted annually for CPI per agreement  
NCSD = Nipomo Community Services District  
WMWC = Woodlands Mutual Water Company  
GSWC = Golden State Water Company

**NIPOMO COMMUNITY SERVICES DISTRICT  
NIPOMO SUPPLEMENTAL WATER PROJECT (NSWP) - COST OF WATER PURCHASED FROM CITY OF SANTA MARIA (SM)  
BUDGET FOR FISCAL YEAR 2025-26**

FISCAL YEAR	CITY OF SM RATE INCR EFF DATE	(a)		(b)		(c)		(d)		(a)*(d) TOTAL COST
		ACRE FEET PURCHASED	BASE Cost PER ACRE FOOT	CITY OF SM BASE Cost PER ACRE FOOT	CITY OF SM CHANGE IN ENERGY	CITY OF SM COST PER ACRE FOOT	(b)+(c)			
FY 15-16	July 1, 2015 to June 30, 2016	1/7/2015	660	\$ 1,495.85	\$ 23.00	\$1,518.85		\$1,001,760		
FY 16-17	July 1, 2016 to June 30, 2017	7/1/2016	860	\$ 1,570.77	\$ 17.00	\$1,587.77		\$1,365,482		
FY 17-18	July 1, 2017 to June 30, 2018	7/1/2017	945	\$ 1,649.18	\$ -	\$1,649.18		\$1,558,475		
FY 18-19	July 1, 2018 to June 30, 2019	7/1/2018	950	\$ 1,649.18	\$ 52.00	\$1,701.18		\$1,616,121		
FY 19-20	July 1, 2019 to December 31, 2019	7/1/2019	487	\$ 1,649.18	\$ 45.92	\$1,695.10		\$825,514		
FY 19-20	January 1, 2020 to June 30, 2020	1/1/2020	463	\$ 2,077.81	\$ 45.92	\$2,123.73		\$983,287		
FY 20-21	July 1, 2020 to December 31, 2020	1/1/2020	555	\$ 2,077.81	\$ 45.92	\$2,123.73		\$1,178,670		
FY 20-21	January 1, 2021 to June 30, 2021	1/1/2021	498	\$ 2,160.58	\$ 43.19	\$2,203.77		\$1,097,477		
FY 21-22	July 1, 2021 to December 31, 2021	1/1/2021	539	\$ 2,160.58	\$ 43.19	\$2,203.77		\$1,187,832		
FY 21-22	January 1, 2022 to June 30, 2022	1/1/2022	531	\$ 2,247.70	\$ 28.14	\$2,275.84		\$1,208,471		
FY 22-23	July 1, 2022 to December 31, 2022	1/1/2022	582	\$ 2,247.70	\$ 28.14	\$2,275.84		\$1,324,539		
FY 22-23	January 1, 2023 to June 30, 2023	1/1/2023	468	\$ 2,339.17	\$ 149.31	\$2,488.48		\$1,164,609		
FY 23-24	July 1, 2023 to December 31, 2023	1/1/2023	525	\$ 2,339.17	\$ 149.31	\$2,488.48		\$1,306,452		
FY 23-24	January 1, 2024 to June 30, 2024	1/1/2024	525	\$2,452.43	\$ 92.97	\$2,545.40		\$1,336,334		
FY 24-25	July 1, 2024 to December 31, 2024	1/1/2024	525	\$2,452.43	\$ 92.97	\$2,545.40		\$1,336,334		
FY 24-25	January 1, 2025 to June 30, 2025	1/1/2025	525	\$2,565.68	\$ 92.97	\$2,658.65		\$1,395,793		
FY 25-26	July 1, 2025 to December 31, 2025	1/1/2025	1250	\$2,565.68	\$ 124.63	\$2,690.31		\$3,362,893		
FY 25-26	January 1, 2026 to June 30, 2026	1/1/2026	1250	\$2,665.87	\$ 124.63	\$2,790.50		\$3,488,125		

\$ 6,851,018

**City of Santa Maria Adopted Rate Increases**

Effective Date of City of SM Rate Increase	(e)		(f)		(e)*(f) Base Cost per Acre Foot
	Base Cost Per Unit (hcf)	Units per Acre Foot	Base Cost	Base Cost	
1/7/2015	\$3.43	435.6		\$1,495.85	
7/1/2016	\$3.61	435.6		\$1,570.77	
7/1/2017	\$3.79	435.6		\$1,649.18	
7/1/2018	\$3.79	435.6		\$1,649.18	
7/1/2019	\$3.79	435.6		\$1,649.18	
1/1/2020	\$4.77	435.6		\$2,077.81	
1/1/2021	\$4.96	435.6		\$2,160.58	
1/1/2022	\$5.16	435.6		\$2,247.70	
1/1/2023	\$5.37	435.6		\$2,339.17	
1/1/2024	\$5.63	435.6		\$2,452.43	
1/1/2025	\$5.89	435.6		\$2,565.68	
1/1/2026	\$6.12	435.6		\$2,665.87	

**CITY OF SANTA MARIA - BASE ENERGY COST ADJUSTMENT (A)**

	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
(1) Current CPI (July)	258.017	264.979	261.037	281.402	289.173	307.536	343.597	390.049	418.879	413.420
(2) Base Period CPI (May 2013)	264.188	264.188	264.188	264.188	264.188	264.188	264.188	264.188	264.188	264.188
(3) Index Point Change (1)-(2)	-6.171	0.791	-3.151	17.214	24.985	43.348	79.409	125.861	154.691	149.232
(4) Divided by prior period (3) + (2)	-0.023358366	0.00299408	-0.011927113	0.065158145	0.094572804	0.164080125	0.300577619	0.476406953	0.585533787	0.564870471
(5) Multiply by 100 for percent change (4) x 100	-2.335836601	0.299407997	-1.192711251	6.515814496	9.457280422	16.40801248	30.0577619	47.64069526	58.55337865	56.48704710
(6) Adjusted to 50% per agreement (5) x 50%	-1.167918301	0.149703999	-0.596355626	3.257907248	4.728640211	8.204006238	15.02888095	23.82034763	29.27668933	28.24352355
(7) Base Cost of Energy (Per Agreement)	206.85	206.85	206.85	206.85	206.85	206.85	206.85	206.85	206.85	206.85
(8) Energy Adjustment (7) x (6) + 100	-2.42	0.31	-1.23	6.74	9.78	16.97	31.09	49.27	60.56	58.42
(9) Adjusted Base Cost of Energy (7) + (8)	204.43	207.16	205.62	213.59	216.63	223.82	237.94	256.12	267.41	265.27
(10) CCWA BUDGET (Per published document)	\$227.27	\$223.71	\$191.77	\$265.90	\$262.54	\$267.02	\$266.08	\$405.43	\$360.38	\$389.90
(11) Change in Cost of Energy (10) - (9), not less than 0	\$23	\$17	\$0	\$52	\$46	\$43	\$28	\$149.31	\$92.97	\$124.63

(A) City of Santa Maria has agreed to implement the Base Energy Adjustment to coincide with the January 1 rate increases.

**NIPOMO COMMUNITY SERVICES DISTRICT  
NIPOMO SUPPLEMENTAL WATER PROJECT (NSWP)  
BUDGET FOR FISCAL YEAR 2025-26**

**OPERATIONS AND MAINTENANCE BUDGET**

OPERATIONS AND MAINTENANCE	1000 AFY 2023-24 ACTUAL	1000 AFY 2024-25 BUDGET	1000 AFY 2024-25 EST ACTUAL	2500 AFY 2025-26 PROPOSED
Electricity	103,637	125,000	118,000	250,000
Labor (fully weighted)	85,837	60,000	60,000	65,000
Water	399	500	500	500
Chemicals	9,145	9,500	9,200	18,000
Outside Services	1,159	5,600	5,150	9,300
Permits and Operating Fees	1,259	1,300	1,200	1,300
Insurance (1)	20,545	28,000	29,000	32,000
Repairs and Maintenance	4,996	8,000	7,000	20,000
<b>TOTAL OPERATIONS AND MAINTENANCE</b>	<b>226,977</b>	<b>237,900</b>	<b>230,050</b>	<b>396,100</b>
<b>Cost per acre foot @ 1,000 acre feet</b>	<b>226.98</b>	<b>237.90</b>	<b>230.05</b>	<b>158.44</b>
<b>Overhead allocation 15% of O and M</b>	<b>34.05</b>	<b>35.69</b>	<b>34.51</b>	<b>23.77</b>

(1) SDRMA Insurance provider provided estimate for FY 25-26

**NIPOMO COMMUNITY SERVICES DISTRICT  
NIPOMO SUPPLEMENTAL WATER PROJECT (NSWP)  
BUDGET FOR FISCAL YEAR 2025-26**

**FUNDED REPLACEMENT RESERVES**

	<u>FY 24-25</u> <u>EST ACTUAL</u>	<u>FY 25-26</u> <u>PROPOSED</u>
Beginning Balance, July 1	1,990,000	2,261,865
Collections during fiscal year		
NCS D	149,439	149,439
WMWC	28,713	28,713
GSWC	28,713	28,713
	<u>206,865</u>	<u>206,865</u>
Estimated interest income	<u>65,000</u>	<u>65,000</u>
Estimated Ending Balance, June 30	<u><u>2,261,865</u></u>	<u><u>2,533,730</u></u>

Note: Funds held in separate savings account at Five Star Bank

<b>Funded Replacement Reserve Requirement - Pursuant to Section VIII (J)</b>		
CPI Adjustment as of June 30, 2024		
CPI - 2024Annual	332.194	
CPI - 2023Annual	<u>(321.583)</u>	
	10.611	
Divide by previous period CPI ÷	<u>321.583</u>	
	0.0330	
X	<u>100.000</u>	
Percent Change	<u><u>3.30</u></u>	
Maximum Balance computed as of June 30, 2024		3,979,415
Adjusted by CPI June 30, 2024 (\$3,979,415* 3.30%)		131,321
Maximum Balance adjusted as of June 30, 2025		<u><u>4,110,736</u></u>

CPI = Consumer Price Index  
NCS D = Nipomo Community Services District  
WMWC = Woodlands Mutual Water Company  
GSWC = Golden State Water Company

	CPI INDEX	ADJ	RUNNING BALANCE
			3,000,000
6/30/2016	0.907	27,210	3,027,210
6/30/2017	1.89	57,214	3,084,424
6/30/2018	2.79	86,055	3,170,479
6/30/2019	3.81	120,478	3,290,957
6/30/2020	3.07	101,032	3,391,989
6/30/2021	1.62	54,950	3,446,939
6/30/2022	3.83	132,018	3,578,957
6/30/2023	7.45	266,632	3,845,589
6/30/2024	3.48	133,826	3,979,415
6/30/2025	3.30	131,321	4,110,736