


TO: BOARD OF DIRECTORS  
REVIEWED: MARIO IGLESIAS   
GENERAL MANAGER  
FROM: PETER V. SEVCIK, P.E.  
DIRECTOR OF ENGINEERING  
AND OPERATIONS  
DATE: OCTOBER 6, 2021

**AGENDA ITEM  
E-1  
OCTOBER 13, 2021**

**CONSIDER REQUEST FOR WATER, SEWER AND  
SOLID WASTE SERVICE (INTENT-TO-SERVE LETTER) FOR  
APN 090-122-014, A COMMERCIAL DEVELOPMENT  
LOCATED AT 120 S. THOMPSON AVENUE**

**ITEM**

Consider request for water, sewer, and solid waste service (Intent-to-Serve Letter) for APN 090-122-014, a commercial development located at 120 S. Thompson Avenue in Nipomo [RECOMMEND CONSIDER INTENT-TO-SERVE LETTER AND APPROVE WITH CONDITIONS].

**BACKGROUND**

The District received an application for water, sewer and solid waste service for a commercial development located at 120 S. Thompson Avenue (APN 090-122-014) on August 10, 2020 and the application was deemed complete in September 2021. The applicants, Miguel and Olga Arredondo, are requesting water, sewer and solid waste service for a commercial development.

The project will consist of a new development intended for use as an event venue. The existing 27,000 square foot parcel is zoned Commercial Retail and the District currently provides water and solid waste service for the parcel.

All parcels, existing and planned, will be required to obtain water, sewer and solid waste service in compliance with current District standards. Any existing well(s) on the property will not be utilized to provide domestic water service to any part of the project.

In accordance with the District's Supplemental Water Accounting Policy, Resolution 2015-1372, water demand for the project will be tracked against the 500 AFY supplemental water project capacity reservation for new development. Based on the preliminary information provided, total water demand for the project is estimated at 1.06 acre-feet per year (AFY). After applying a credit of 0.53 AFY for the existing service (1 @ 3/4-inch), the project's supplemental water demand is estimated at 0.53 AFY. Sufficient supplemental water for the project is available.

Sufficient wastewater treatment capacity for the project is available in the District's Southland WWTF.

### **FISCAL IMPACT**

Water and sewer capacity fees will be based on the domestic and irrigation meter sizes requested for the final County approved project as well as CAL FIRE's fire service requirements. Based on the information provided, the following services are proposed:

- Domestic: 1 @ 1-inch
- Irrigation: 1 @ 1-inch
- Fire: 1 @ 4-inch
- Sewer: 1 service

The estimated fee deposit for the project is \$48,410 based on the current FY 21-22 District fee schedule. Fees for Connection shall be calculated and owing as of the date the District accepts the public water and sewer improvements for the project and sets the water meter(s) to serve the affected property from which the amount of the Deposit shall be deducted.

### **RECOMMENDATION**

Staff recommends that the Board approve the Applicant's request for an Intent-to-Serve letter for the project with the following conditions:

#### **PROJECT-SPECIFIC CONDITIONS**

- Parcel shall upsize existing 3/4-inch meter and be served by a single 1-inch meter and appropriate backflow assembly for indoor water use. Water capacity charges are applicable.
- A separate 1-inch irrigation meter and appropriate backflow assembly shall be provided for outdoor irrigation use. Connection to District water main shall be on Tefft Street. Water capacity charges are applicable.
- A separate 4-inch fire sprinkler service including appropriate backflow device, as required and approved by CAL FIRE of SLO County, shall be provided for fire sprinkler service. Connection to District water main shall be on Tefft Street. Fire capacity charges are applicable.
- One (1) appropriately sized sewer lateral shall be provided. Existing 4" sewer lateral stub located on Tefft Street shall be utilized. Sewer capacity charges are applicable.

#### **STANDARD CONDITIONS**

- Project shall obtain water, sewer and solid waste service for all parcels.
- CAL FIRE of SLO County must approve the development plans prior to District approval. Fire capacity charges are applicable if dedicated fire service laterals are required.
- Record a restriction, subject to District approval, on the property prohibiting the use of well(s) to provide water service to any parcel within the Project.
- Properly abandon any existing groundwater wells and provide documentation to District.
- Record a restriction, subject to District approval, on all parcels prohibiting use of self-regenerating water softeners.
- Comply with District water conservation program.
- Pay all appropriate District fees associated with this development.
- Applicant shall provide the District with a copy of County application approval and County project conditions of approval.
- Enter into a Plan Check and Inspection Agreement and provide a deposit.

- Submit improvement plans in accordance with the District Standards and Specifications for review and approval. Applicant shall provide plans consistent with current District Standards and based on the proposed lot configuration.
- Any easements required for water and sewer improvements that will be dedicated to the District shall be offered to the District prior to final improvement plan approval.
- Any easements required for private water and sewer laterals shall be recorded prior to final improvement plan approval and shall be subject to District approval.
- All water and sewer improvements to be dedicated to the District shall be bonded for or otherwise secured in the District's name prior to issuance of Will Serve letter.
- A Will-Serve letter for the Project will be issued after improvement plans are approved and signed by the District.
- Applicant shall make a non-refundable deposit ("Deposit") at the time the District issues a Will Serve Letter in an amount equal to the then calculated Fees for Connection.
- Fees for Connection shall be calculated and owing as of the date the District sets the water meter(s) to serve the affected property from which the amount of the Deposit shall be deducted.
- Construct the improvements required and submit the following:
  - Reproducible "As Builts" - A mylar copy and digital format disk (PDF) which includes engineer, developer, tract number and water and sewer improvements
  - Offer of Dedication
  - Engineer's Certification
  - Summary of all water and sewer improvement costs
- Solid waste collection services are mandatory. Applicant shall provide proof that the Project is provided with solid waste removal services in accordance with District regulations.
- The District will set water meter(s) upon proof of a building permit from the County of San Luis Obispo, the District's acceptance of improvements to be dedicated to the District, if applicable, and the final payment of all charges and fees owed to the District.
- This letter is void if land use is other than commercial as defined by the District.
- Intent-to-Serve letters shall automatically terminate three (3) years from date of issuance. However, Applicant shall be entitled to a one-year extension upon the following conditions:
  - Applicant makes written application for the extension prior to the expiration of the Intent-to-Serve Letter.
  - Applicant provides proof of reasonable due diligence in processing the Project.
  - Applicant agrees to revisions of the conditions contained in the Intent-to-Serve letter consistent with then existing District policies.
- This Intent-to-Serve letter shall be subject to the current and future rules, agreements, regulations, fees, resolutions and ordinances of the District.
- This Intent-to-Serve letter may be revoked, or amended, as a result of conditions imposed upon the District by a court or availability of resources, or by a change in ordinance, resolution, rules, fees or regulations adopted by the Board of Directors.
- District service is conditioned on the applicant complying with all terms, conditions, rules, and regulations of other agencies that have jurisdiction over the project.
- This Intent-to-Serve letter shall not be interpreted as the District's Board of Directors endorsement of the project.
- The District reserves the right to revoke this Intent-to-Serve letter at any time.
- The Applicant shall provide a signed copy of the Intent-to-Serve letter within thirty (30) days of issuance.

**ATTACHMENTS**

- A. Application
- B. Site Plan

OCTOBER 13, 2021

ITEM E-1

ATTACHMENT A



# NIPOMO COMMUNITY SERVICES DISTRICT

148 SOUTH WILSON STREET  
POST OFFICE BOX 326 NIPOMO, CA 93444 - 0326  
(805) 929-1133 FAX (805) 929-1932  
Website: ncsd.ca.gov

Office use only:  
Date and Time  
Complete  
Application and  
Fees received:  
**RECEIVED**  
AUG 10 2020

NIPOMO COMMUNITY  
SERVICES DISTRICT

## INTENT-TO-SERVE APPLICATION

1. This is an application for:  Sewer and Water Service     Water Service Only
2. SLO County Planning Department/Tract or Development No.: \_\_\_\_\_
3. Project location: 120 S. Thompson, Nipomo Ca. 93444
4. Assessor's Parcel Number (APN) of parcel(s) to be served: 090-122-014
5. Owner Name: Miguel and Olga Arredondo
6. Mailing Address: P.O. Box 1072, Nipomo Ca. 93444
7. Email: olgaarredondo40@sbcglobal.net
8. Phone: 805-260-4826    FAX: \_\_\_\_\_
9. Agent's Information (Architect or Engineer):  
 Name: Charles Cebulla  
 Address: 171 N. 13th St. Ste B Grover Beach CA 93433  
 Email: ccebulla@att.net  
 Phone: 805 574 3948    FAX: \_\_\_\_\_
10. Type of Project: (check box) (see Page 3 for definitions)
 

<input type="checkbox"/> Single-family dwelling units	<input type="checkbox"/> Multi-family dwelling units
<input checked="" type="checkbox"/> Commercial	<input type="checkbox"/> Mixed Use (Commercial and Residential)

11. Does this project require a sub-division?  Yes     No  
 If yes, number of new lots created \_\_\_\_\_

12. Site Plan:  
**For all projects**, submit three (3) standard size (24" x 36") and one reduced copy (8½" x 11") of site plans.

Show parcel layout, water and sewer laterals, and general off-site improvements, as applicable. **Note that the District only provides one domestic meter per parcel.**

13. Board Approval:  
 Board approval is required for the following type of projects:
  - more than four dwelling units
  - property requiring sub-divisions
  - higher than currently permitted housing density
  - commercial developments

14. **RESIDENTIAL SERVICE**

Single Family Residential (SFR)

Number of Parcel's created		Proposed number of SFR	
----------------------------	--	------------------------	--

Multi-Family Residential (MFR)

Number of Parcel's created		Proposed number of MFR	
Number of Domestic Meter(s)		Estimated Meter Size(s)	
Number of Landscape Meter(s)		Estimated Meter Size(s)	
Number of Fire System(s)		Estimated Meter Size(s)	

15. **COMMERCIAL AND/OR MIXED USE SERVICE DEMAND ESTIMATES:**

Commercial and Mixed Use

Number of Parcel's created		Proposed number of residential dwellings	
Number of Domestic Meter(s)	1	Estimated Meter Size(s)	1"
Number of Landscape Meter(s)	1	Estimated Meter Size(s)	1"
Number of Fire System(s)	1	Estimated Meter Size(s)	

16. Provide an estimate of yearly water (AFY) and sewer (gallons) demand for the project prepared by a licensed Engineer/Architect.

**Agreement:**

The Applicant agrees that in accordance with generally accepted construction practices, Applicant shall assume sole and complete responsibility for the condition of the job site during the course of the project, including the safety of persons and property; that this requirement shall apply continuously and not be limited to normal working hours; and the Applicant shall defend, indemnify, and hold the District and District's agents, employees and consultants harmless from any and all claims, demands, damages, costs, expenses (including attorney's fees) judgments or liabilities arising out of the performance or attempted performance of the work on this project; except those claims, demands, damages, costs, expenses (including attorney's fees) judgments or liabilities resulting from the negligence or willful misconduct of the District.

Nothing in the foregoing indemnity provision shall be construed to require Applicant to indemnify District against any responsibility or liability or contravention of Civil Code §2782

**Application Processing Fee.....See Attached Fee Schedule on Page 3**

The District will only accept cashier's check or bank wire for the payment of Water Capacity, Sewer Capacity and other related development fees.

Date 8-3-21 Signed

Olga Arredondo  
(Must be signed by owner or owner's agent)

Print Name

Olga Arredondo

**DEFINITIONS**

(Please note – these definitions do NOT reconcile with standard SLO County Planning Department definitions)

**Single-family dwelling unit** – means a building designed for or used to house not more than one family.

**Secondary dwelling units** – means an attached or detached secondary residential dwelling unit on the same parcel as an existing single-family (primary) dwelling. A secondary unit provides for complete independent living facilities for one or more persons.

**Multi-family dwelling unit** – means a building or portion thereof designed and used as a residence for three or more families living independently of each other under a common roof, including apartment houses, apartment hotels and flats, but not including automobile courts, or boardinghouses.

**Two-family dwelling units (duplex)** – means a building with a common roof containing not more than two kitchens, designed and/or used to house not more than two families living independently of each other.

**Commercial** – all non-residential and mixed-use projects.

**APPLICATION FEES AND CHARGES**  
**EFFECTIVE July 1, 2018**

PROJECT SIZE/TYPE	TOTAL AMOUNT DUE AT TIME OF APPLICATION**
Residential <4 units	\$1,241.25
Residential 4-20 units	\$1,704.97
Residential > 20 units	\$2,007.39
Commercial <1 acre	\$1,704.97
Commercial 1-3 acres	\$2,007.39
Commercial > 3 acres	\$2,773.51
Mixed Use with less than 4 Dwelling Units	\$2,007.39
Mixed Use with four or more Dwelling Units	\$2,773.51
*Outside Consulting and Legal fees will be billed to the Applicant at direct rate.	

\*\*Commencing on July 1, 2008 and each year thereafter the Application Fees shall be adjusted by a Consumer Price Index formula.

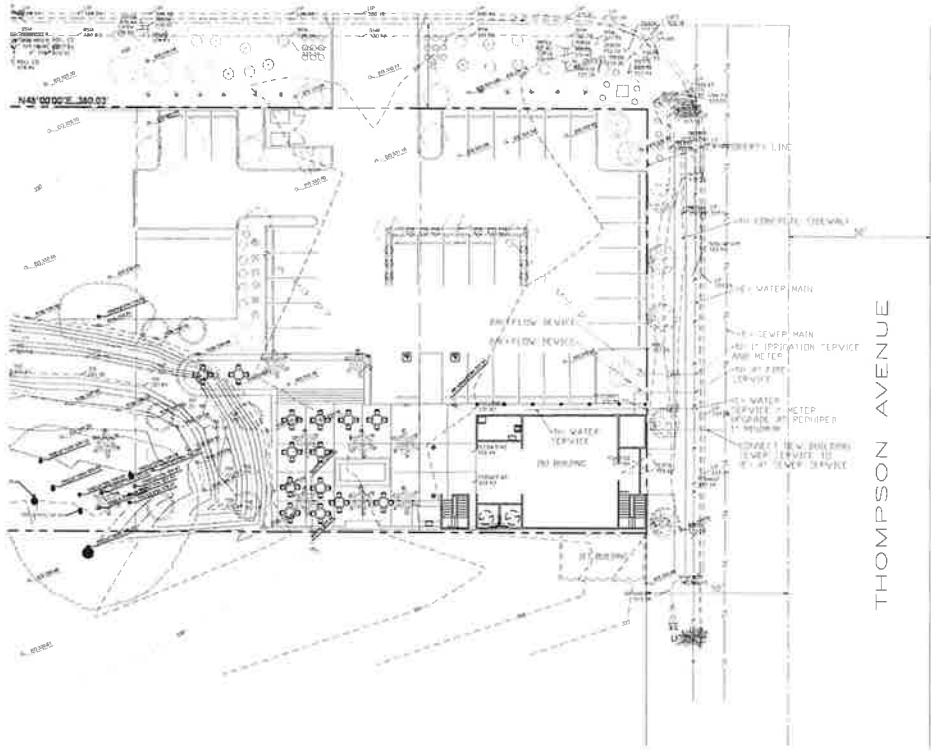


OCTOBER 13, 2021

ITEM E-1

ATTACHMENT B

# EAST TEFFT STREET



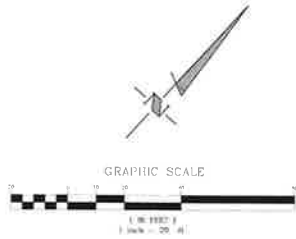
THOMPSON AVENUE

### SYMBOL LEGEND:

- |     |                      |     |                   |
|-----|----------------------|-----|-------------------|
| --- | CEILING LINE         | --- | RETAINING WALL    |
| --- | SEWER MAIN           | --- | RYE BOY           |
| --- | WATER MAIN           | --- | GAS METER         |
| --- | GAS MAIN             | --- | TELEPHONE BOX     |
| --- | ELEC/TELEPHONE/CABLE | --- | SIGNAL BOX        |
| --- | CHIMNEY/ELECTRIC     | --- | CABLE T.V. DROP   |
| --- | STORM DRAIN AT CURB  | --- | ELECTRIC BOX      |
| --- | STORM DRAIN MANHOLE  | --- | TELEPHONE MANHOLE |
| --- | FIRE HYDRANT         | --- | SIGNAL LIGHT      |
| --- | WATER WELL           | --- | JOINT POLE        |
| --- | WATER VALVE          | --- | POWER POLE        |
| --- | WATER METER          | --- | 6U - WPP          |
| --- | SEWER MANHOLE        |     |                   |
| --- | SEWER CHECKVALVE     |     |                   |

### ABBREVIATIONS:

- |     |                      |
|-----|----------------------|
| AC  | ASPHALT CONCRETE     |
| BM  | BENCH MARK           |
| BDD | BUILDING             |
| BSR | BOUNDARY OF SIDEWALK |
| CO  | CEILING OUT          |
| DW  | DRIVE WAY            |
| EG  | EXISTING GRADE       |
| EP  | EDGE OF PAVEMENT     |
| ETW | EDGE OF TRAVELED WAY |
| FD  | FOUND                |
| FL  | FLOWLINE             |
| FL  | FINISHED FLOOR       |
| FSW | FRONT OF SIDEWALK    |
| GR  | GRASS                |
| KEE | EDGE OF GRASS        |
| GM  | GAS METER            |
| IP  | IRON PIPE            |
| GB  | GRADE BEYOND         |
| LT  | LIGHT                |
| MH  | MAN HOLE             |
| PP  | POWER POLE           |
| SH  | SEARCH FOR NOT FOUND |
| TC  | TOP OF CURB          |
| TD  | TOP OF DRIVE         |
| TR  | TOP OF WALL          |
| WM  | WATER METER          |
| WV  | WATER VALVE          |
| CE  | CEILING              |



**CIVIL DESIGN SOLUTIONS**  
 715 803 2777  
 4200 R ST, SUITE 211  
 RIVERSIDE, CA 92504

**UTILITY PLAN**  
 LOT 1-4 A MB 27  
 THE CITY OF SAN JUAN BAPTIST, STATE OF CALIFORNIA

DATE: \_\_\_\_\_  
 DRAWN BY: \_\_\_\_\_  
 CHECKED BY: \_\_\_\_\_

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS  
GENERAL MANAGER *MM*

DATE: OCTOBER 8, 2021

## AGENDA ITEM

### E-2

OCTOBER 13, 2021

## REVIEW AND CONSIDER ADVANCING SOLID WASTE PROGRAMS FOR FISCAL YEAR 2021-2022 THAT BENEFIT THE COMMUNITY

### ITEM

Review and discuss the solid waste fund and consider options that will provide services to the community. [RECOMMEND REVIEW AND CONSIDER SOLID WASTE PROGRAMS AND DIRECT STAFF]

### BACKGROUND

South County Sanitary Services (SCSS) provides solid waste collection services to homes throughout southern San Luis Obispo County. SCSS provides these services to Nipomo Community Services District ("District") customers under a franchise agreement with the District.

Under the active Franchise Agreement ("Agreement"), the District is required to administer annual lien process for the collection of delinquent solid waste payments and administer Proposition 218 Rate proceedings that are required to adopt solid waste rate increases. The District charges the solid waste fund 15% against annual franchise income for administering the solid waste franchise.

The Solid Waste Fund #300, as identified in the District Annual Budget, is funded solely from the franchise fee it collects from SCSS. The fees are to cover solid waste activities such as Nipomo Clean Streets, Creek Clean-up, though these activities have been suspended for numerous reasons. The fees also support garbage collection in the downtown area, and for SCSS to respond to and remove illegally dumped materials in the public road right-of-ways within the District's service boundaries.

On November 14, 2018, the Board adopted Resolution 2018-1492, Adopting policy governing the use of franchise fees generated from the Nipomo Community Services District's Solid Waste Collection Franchise Agreement (Attachment A).

The adopted FY 2021-2022 budget for Solid Waste anticipates the fund balance on June 30, 2022 would be approximately \$486,800 (Attachment B).

Pursuant to Policy #4 of Resolution 2018-1492, if the reserve level balance will exceed \$300,000 by the end of the current fiscal year (i.e. June 30, 2022), then staff will recommend to the Board of Directors that a rate holiday be included in the next fiscal year budget (i.e. FY 2022-2023).

### FINANCIAL IMPACT

The financial impact on the Solid Waste Fund is dependent on your Board's direction to staff. The Board could direct staff to develop programs that draw down the fund balance or hold back on programs resulting in an increase of the fund balance. The budget for fiscal year 2021-2022 is

funded sufficiently to provide for the programs described above while maintaining the minimum required cash reserves for the Solid Waste Fund specified in the District's Cash Reserve Policy.

**STRATEGIC PLAN**

Goal 8. ADDITIONAL COMMUNITY SERVICES.

A.1. SOLID WASTE. Seek to maximize solid waste services for community and build understanding of services like hazardous waste, recycling, etc. and District's role.

**RECOMMENDATION**

It is recommended that the Board of Directors review and discuss the Solid Waste Fund policies and practices, consider a rate holiday to be included in FY 2022-2023 budget and/or other solid waste programs and direct staff.

**ATTACHMENTS**

- A. NCSD Resolution 2018-1492; Policy governing use of franchise fees
- B. FY 2021-2022 approved Solid Waste Budget.

OCTOBER 13, 2021

ITEM E-2

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2018-1492**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT ADOPTING POLICY  
GOVERNING THE USE OF FRANCHISE FEES GENERATED FROM  
THE NIPOMO COMMUNITY SERVICES DISTRICT'S  
SOLID WASTE COLLECTION FRANCHISE AGREEMENT**

**WHEREAS**, the Nipomo Community Services District ("District") is formed under the Community Services District Law (Govt. Code §61100 et seq.) and is empowered to provide garbage, recycling, and greenwaste collection services; and

**WHEREAS**, the District entered into a Solid Waste Collection Franchise Agreement ("Agreement") with Waste Connections, Inc., a Delaware corporation, and South County Sanitary Services, Inc., a California corporation (collectively "Contractor"), whereby Contractor provides garbage, recycling, and greenwaste collection services within the District's boundaries; and

**WHEREAS**, pursuant to the Agreement, the District collects an annual franchise fee from Contractor; and

**WHEREAS**, the District Board of Directors desires to establish a policy governing the use of franchise fees collected pursuant to the Agreement.

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** by the Board of Directors of the Nipomo Community Services District, does resolve as follows:

1. The facts and findings stated above are true and correct and incorporated herein.
2. The Policy Governing the Use of Franchise Fees Generated From the Nipomo Community Services District's Solid Waste Collections Franchise Agreement attached hereto as Exhibit "A" and incorporated herein by reference is hereby adopted.
3. The Board finds that this action is not subject to and is exempt from the California Environmental Quality Act, Public Resources Code section 21000, et seq., because it is not a project undertaken or authorized by the District that will have a reasonably foreseeable impact on the environment and it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. (Pub. Res. Code § 21065; 14 Cal. Code Regs. § 15061(b)(3).)

Upon motion by Director Armstrong, seconded by Director Gaddis, on the following roll call vote, to wit:

**AYES:** Directors Armstrong, Gaddis, Woodson, Blair and Eby  
**NOES:** None  
**ABSENT:** None  
**CONFLICTS:** None

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**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2018-1492**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT ADOPTING POLICY  
GOVERNING THE USE OF FRANCHISE FEES GENERATED FROM  
THE NIPOMO COMMUNITY SERVICES DISTRICT'S  
SOLID WASTE COLLECTION FRANCHISE AGREEMENT**

the foregoing resolution is hereby passed and adopted this 14<sup>th</sup> day of November, 2018.



**ED EBY**  
President of the Board

ATTEST:

  
**MARIO E. IGLESIAS**  
General Manager and Secretary to the Board

APPROVED AS TO FORM:

  
**WHITNEY G. McDONALD**  
District Legal Counsel

**Exhibit "A"**

**NIPOMO COMMUNITY SERVICES DISTRICT**

**POLICY GOVERNING THE USE OF FRANCHISE FEES  
GENERATED FROM THE NIPOMO COMMUNITY SERVICES DISTRICT'S  
SOLID WASTE COLLECTIONS FRANCHISE AGREEMENT**

**PURPOSE:**

This Policy governs the appropriate use of revenues generated from the Franchise Fee collected by the Nipomo Community Services District (District) from the District's Solid Waste Collection Franchise Agreement (Agreement).

**APPLICABILITY:**

This Policy applies to all revenue generated from the District's Agreement.

**DEFINITIONS:**

"Agreement" means the current and active District Solid Waste Collection Franchise Agreement.

"Franchisee" means the contractor who is party to the Agreement with the District to collect, recycle, remove and properly dispose of solid waste within the District's franchise area.

"Rate Holiday" is defined as a period of time measured in a billing cycle, where all solid waste customers of the District are exempt from paying a portion of their solid waste collection fee.

"Routine Operating Conditions" are those operating conditions experienced under non-emergency operations, routine in nature as part of daily, weekly, monthly, or annually scheduled work program.

"Solid Waste" in the context of this policy refers to garbage, green-waste, and recyclable materials.

**POLICY:**

1. District revenue generated from the Agreement must be used in support of and for the sole purpose of activities that benefit District solid waste ratepayers by reducing, diverting, recycling, or in some manner managing solid waste within the boundaries of the District.

Examples of activities routinely budgeted are listed below. This list of activities is not exclusive. The Board of Directors maintains its discretion to determine when an activity



meets the criterion as expressed above.

- County Creek Clean-up Day
  - Olde Towne Refuse Collection
  - District-wide Street Trash Reduction Programs
  - Other Board approved Solid Waste Collection/Recycling Programs
2. The District's Board of Directors must approve non-budgeted expenditures of monies from the Solid Waste Fund #300 in amounts greater than \$5,000 for a single project, event, or activity.
  3. Establish a cash reserve target of \$150,000. The Board will review cash reserve levels of the Solid Waste Fund #300 annually along with the District's other enterprise reserve levels and direct staff to make reasonable effort to maintain the reserve level under routine operating conditions.
  4. If, during the annual review of the Solid Waste Fund #300 reserve level, it is anticipated that the reserve level balance will exceed \$300,000 or twice the reserve level set in NCSD's Cash Reserve Policy by the end of the current fiscal year, then staff will recommend to the Board of Directors that a rate holiday be included in the next fiscal year budget.
  5. The Franchisee may submit proposed rate adjustments to the District. At the Board's discretion, the District may offset all or part of a rate increase by reducing the franchise fee paid to the District by a like amount. Such reductions shall not reduce the franchise fee paid to the District to less than 5% of franchisee's annual gross receipts attributable to services provided under the Agreement.
  6. The administrative costs incurred by the District in managing the services provided by the franchisee and organizing community clean-up activities such as those enumerated in paragraph (1) may be charged against the franchise fees received from the franchisee. Franchise fee receipts may vary from year to year. However, it is recognized by the District that a minimum level of resources is expended by the District to manage the Agreement and the various community activities. Administrative costs chargeable against franchise fee receipts will be calculated during the budgeting process. At that time, a reasonable cost to manage the Agreement and community activities will be established and included in the fiscal year budget.

OCTOBER 13, 2021

ITEM E-2

ATTACHMENT B

**NIPOMO COMMUNITY SERVICES DISTRICT  
PROPOSED BUDGET  
2021-2022**

<b>SOLID WASTE FUND #300</b>	2019-20 ACTUAL	2020-21 BUDGET	2020-21 EST ACTUAL	2021-22 PROPOSED
<b>OPERATING REVENUES</b>				
Water - Availability Charges	0	0	0	0
Water - Usage Charges	0	0	0	0
Sewer Revenues	0	0	0	0
Fees and Penalties	0	0	0	0
Meter and Connection Fees	0	0	0	0
Plan Check and Inspection Fees	0	0	0	0
Miscellaneous Income	0	0	0	0
Street Lighting/Landscape Maint Charges	0	0	0	0
Franchise Fee - Solid Waste	161,644	178,000	183,000	183,000
<b>TOTAL OPERATING REVENUES</b>	<b>161,644</b>	<b>178,000</b>	<b>183,000</b>	<b>183,000</b>


<b>OPERATING EXPENDITURES OPERATIONS &amp; MAINTENANCE</b>	2019-20 ACTUAL	2020-21 BUDGET	2020-21 EST ACTUAL	2021-22 PROPOSED
Wages	0	0	0	0
Wages - Overtime	0	0	0	0
Payroll Taxes	0	0	0	0
Retirement	0	0	0	0
Medical and Dental	0	0	0	0
Workers Comp Insurance	0	0	0	0
Wholesale Water Purchased	0	0	0	0
Supplemental Water O & M and Overhead	0	0	0	0
Electricity-pumping	0	0	0	0
Water	0	0	0	0
Chemicals	0	0	0	0
Lab Tests and Sampling	0	0	0	0
Operating Supplies	0	0	0	0
Outside Services	0	0	0	0
Permits and Operating Fees	0	0	0	0
Repairs & Maintenance	0	0	0	0
Engineering	0	0	0	0
Fuel	0	0	0	0
Meters	0	0	0	0
Safety Program	0	0	0	0
Uniforms	0	0	0	0
Landscape Maintenance and Water	0	0	0	0
Solid Waste Program-incl Rate Holiday	2,947	315,000	240,000	10,000
Water Conservation Program	0	0	0	0
Oper Transfer Out - Funded Replacement	0	0	0	0
<b>TOTAL OPERATIONS &amp; MAINTENANCE EXPENDITURES</b>	<b>2,947</b>	<b>315,000</b>	<b>240,000</b>	<b>10,000</b>

**SOLID WASTE FUND #300**

**CONTINUED**

GENERAL & ADMINISTRATIVE	2019-20 ACTUAL	2020-21 BUDGET	2020-21 EST ACTUAL	2021-22 PROPOSED
Wages	0	0	0	0
Payroll Taxes	0	0	0	0
Retirement	0	0	0	0
Medical and Dental	0	0	0	0
Other Post Employment Benefits (OPEB)	0	0	0	0
Workers Comp Insurance	0	0	0	0
Bank Charges and Fees	0	0	0	0
Computer Expense	0	0	0	0
Dues and Subscriptions	0	0	0	0
Education and Training	0	0	0	0
Elections	0	0	0	0
Insurance - Liability	2,000	2,000	2,000	2,000
LAFCO Funding	0	0	0	0
Landscape and Janitorial	0	0	0	0
Legal - General and Special Counsel	1,197	2,000	2,000	2,000
Legal - Water Counsel	0	0	0	0
Professional Services	0	0	0	0
Miscellaneous	0	0	0	0
Newsletter and Mailers	0	0	0	0
Office Supplies	0	0	0	0
Outside Services	0	0	0	0
Postage	0	0	0	0
Public Notices	279	300	300	300
Repairs and Maintenance - Office Equip/Bldg	0	0	0	0
Property Taxes	0	0	0	0
Telephone	0	0	0	0
Travel and Mileage	0	0	0	0
Utilities -Trash	0	0	0	0
Oper Transfer Out - Funded Administration	9,300	20,250	20,250	20,250
<b>TOTAL GENERAL &amp; ADMINISTRATIVE EXPENDITURES</b>	<b>12,776</b>	<b>24,550</b>	<b>24,550</b>	<b>24,550</b>
<b>TOTAL OPERATING EXPENDITURES</b>	<b>15,723</b>	<b>339,550</b>	<b>264,550</b>	<b>34,550</b>
<b>TOTAL OPERATING REVENUES AND EXPENDITURES</b>	<b>145,921</b>	<b>(161,550)</b>	<b>(81,550)</b>	<b>148,450</b>
<b>NON-OPERATING REVENUES AND EXPENDITURES)</b>				
Interest Income	7,366	4,500	2,721	3,350
Interest Expense - Debt Service	0	0	0	0
Principal Portion - Debt Service	0	0	0	0
Transfers In and (Out)	0	0	0	0
Transfers In-Funded Admin	0	0	0	0
Transfers In-Funded Replacement	0	0	0	0
Fixed Assets (1)	0	0	0	0
<b>TOTAL NON-OPERATING REVENUES AND EXPENDITURES</b>	<b>7,366</b>	<b>4,500</b>	<b>2,721</b>	<b>3,350</b>
<b>NET RESULTS FROM OPERATING AND NON-OPERATING REVENUES AND EXPENDITURES</b>	<b>153,287</b>	<b>(157,050)</b>	<b>(78,829)</b>	<b>151,800</b>

Estimated Cash Balance 7/1/21            335,000  
 Net Results from Operations            151,800


 Estimated Cash Balance 6/30/22            486,800  
 Cash Reserve Goal at 6/30/22            150,000

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS  
GENERAL MANAGER

DATE: October 9, 2021

**AGENDA ITEM  
E-3**

**OCTOBER 13, 2021**

**CONSIDER ADOPTING A RESOLUTION TO AMEND  
THE 2021-2022 WATER BUDGET IN SUPPORT OF TRANSITIONING  
THE NIPOMO COMMUNITY SERVICE DISTRICT  
FROM A BI-MONTHLY TO A MONTHLY BILLING CYCLE**

**ITEM**

Consider adopting a budget amendment to the 2021-2022 Fiscal Year Budget in the amount of \$43,000 to pay costs for advancing the transition from a bi-monthly to monthly billing cycle. [RECOMMEND ADOPT RESOLUTION AMENDING THE FISCAL YEAR 2021-2022 WATER FUND BUDGET IN THE AMOUNT OF \$43,000 TO ADVANCE THE TRANSITION TO A MONTHLY BILLING CYCLE]

**BACKGROUND**

Nipomo Community Services District ("District") provides water and wastewater services to the community of Nipomo. Currently, the District bills customers for services on a bi-monthly billing cycle. At your Board's Facilities and Water Resources Committee meeting, staff introduced the idea of shifting to a monthly billing cycle [Attachment A]. Then, at your Board's March 24, 2021 Board Meeting, staff presented the concept of migrating the District's billing cycle from bi-monthly to monthly [Attachment B]. Staff discussed with the Board the advantages and disadvantages relating to the current bi-monthly billing cycle and the advantages and disadvantages of changing to a monthly billing cycle. After Board discussion, questions to staff, and public comment, the Board concluded that staff should continue its efforts to shift to a monthly billing cycle.

District staff originally planned to begin monthly billing on January 1, 2023, but is now looking to begin monthly billing on January 1, 2022. The start date for monthly billing will depend on Board actions and on the software developer's ability to adjust the District's billing software. If the Board does not authorize the additional expenditure or the software developer is unable to adjust the software, the start date for monthly billing may shift from January 2022.

The regulatory pressures of California Senate Bill 998 ("SB 998") and the State's vacillating on-again-off-again actions to implement the legislation is a primary reason staff is requesting the Board to consider implementing monthly billing in January 2022. SB 998 directs utility providers to extend the time customers are allowed to pay their utility bill before being shut for non-payment. Prior to SB 998, the District policy provided customers with 18 days from the due date to pay their utility bill prior to having their services discontinued for non-payment. SB 998 now allows customers 60 days between their due date and date of discontinuance for non-payment.

SB 998 became effective February 1, 2020. Since 2019, District staff has been working to develop a method for administering the requirements of SB 998. The District adjusted its late notice to the language and time requirements of SB-998 and, in early March 2020, mailed out the first late notices that met these requirements. On March 4, 2020, Governor Newsom declared a state of emergency due to the COVID19 pandemic. Governor Newsom then issued an Executive Order on April 2, 2020, suspending disconnections for non-payment for water utilities. While SB 998 took effect in February 2020, the practice of discontinuing residential water services for non-payment as outlined in SB 998 was put on hold due to the Governor's Executive Order, including those NCS D customers who received a March 2020 late notice.

The Governor's Executive Order was to expire on October 1, 2021, but was extended and is now timed to end December 31, 2021. The Governor has extended the moratorium before, and it is unknown if he will extend it past the December 31, 2021 date. That said, District staff is ramping up and preparing for normal operations starting January 1, 2022, including a return to discontinuing water service for non-payment under the guidelines of SB 998.

SB 998 will greatly increase the number of notices required under the District's current bi-monthly billing cycle. This increase of notices will cause a good deal of confusion for those customers who become delinquent with their account. SB 998 more than doubles the number of notices in the 60 day period between the date of delinquency and the date water is to be shut for non-payment. The confusion caused by numerous notices will greatly increase the workflow for District staff as it manages delinquent accounts. By moving to a monthly billing cycle sooner, the potential for customer confusion would be reduced as monthly billing notices would be reduced.

For these reasons and the reason included in the previous staff reports and presentations regarding this matter, District staff seeks your Boards approval to fund an accelerated timeline in an effort to advance to a monthly billing cycle as soon as possible. Funding for additional staff was approved in the current budget year. The District is looking to fill a part-time administrative position that will support the additional workload monthly billing will inevitably cause. Monthly billing will provide customers with greater service by providing a more manageable utility bill on a regular monthly cycle, reduce confusion and angst towards the District, and will help catch customer side leaks quicker, thereby reduce the customer's cost per leak.

**FISCAL IMPACT**

Shifting to monthly billing will increase the cost of the billing process in three areas, meter reading, bill processing, and bill dissemination. A budget adjustment of \$43,000 to the 2021-22 Budget will be needed to meet the 6 month period, January 2022 through June 2022, of additional billing expenses. The additional funds will support the following activities:

Meter reading	: \$30,000
Bill Postage & Printing	: \$ 4,000
Bank Charges	: \$ 5,000
<u>News Letter w/ Postage</u>	<u>: \$ 4,000</u>
Total Budget Adjustment	: \$ 43,000

**STRATEGIC PLAN**

Goal 5. OPERATIONS. Maintain a proactive program to ensure readiness of systems and cost-effectiveness of operations.

A.1 Ensure efficiency and effectiveness in operations, including evaluating Automated Meter Reading.

Goal 6 – GOVERNANCE AND ADMINISTRATION – Conduct District activities in an efficient, equitable and cost-effective manner.

B.1 Utilize technology to maximize productivity and communications.

B.2 Provide excellent customer service.

**RECOMMENDATION**

It is recommended that the Board review staff's presentations and staff report, discuss, take public comment, and if appropriate, adopt the budget amendment resolution to increase the Water Fund in the amount of \$43,000 to cover costs of transitioning to a monthly billing cycle beginning January 2022.

**ATTACHMENT**

- A. PRESENTATION ON TRANSITIONING FROM BI-MONTHLY TO MONTHLY BILLING CYCLE, Facilities and Water Resources Committee – Staff Report, February 18, 2021
- B. PRESENTATION "EXAMINE TRANSITIONING TO A MONTHLY BILLING CYCLE March 24, 2021 Board Meeting – Item C-1
- C. Resolution No. 2021-XXXX – Budget Amendment to Fiscal Year 2021-22 Water Fund Budget

OCTOBER 13, 2021

ITEM E-3

ATTACHMENT A



TO: FACILITIES/WATER RESOURCES COMMITTEE  
FROM: MARIO IGLESIAS  
GENERAL MANAGER *MIG*  
DATE: February 12, 2021



## PRESENTATION ON TRANSITIONING FROM BI-MONTHLY TO MONTHLY BILLING CYCLE

### ITEM

Consider the advantages and disadvantages of transitioning from a bi-monthly to a monthly billing cycle. [RECOMMEND RECEIVE AND DISCUSS PRESENTATION ON MOVING FROM A BI-MONTHLY TO A MONTHLY BILLING CYCLE AND DIRECT STAFF]

### BACKGROUND

Nipomo Community Services District ("District") provides water and wastewater services to the community of Nipomo. The District bills customers for these services on a bi-monthly billing cycle. District staff is evaluating the benefit of shifting away from the current bi-monthly billing cycle to a monthly billing cycle. The advantages and disadvantages for making such a shift are discussed below and are viewed with the customer's best interest as the objective.

#### ADVANTAGES:

- Better Alignment with Customer's Financial Cycle
- Cost Spread over 12 Payments versus 6 Payments
- Earlier Detection of Abnormal Consumption
- Normalizes Cashflow

#### DISADVANTAGES:

- Cost

Overcoming this disadvantage is evaluated by examining the cost impacts on the process elements that make up the workflow involved. There are three process elements in customer billing to review:

- Data Collection (Reading Meters)
- Data Processing (Calculating Bill)
- Data Delivery (Disseminating Bill)

Each element is evaluated by looking at current costs versus the cost impact monthly billing would have over time. Each process element must be fully developed and vetted prior to executing a shift in the billing cycle. Furthermore, each process element has its own timeline and the initial evaluation of these elements has led to the decision to shift some of them, regardless of the billing cycle. As the evaluation has shown a cost reduction in a process element, staff is electing to incorporate the changes associated with a it.

DATA COLLECTION

Data collection (meter reading) is currently completed on each District water meter bi-monthly, with the exception of approximately 100 commercial accounts that are read and billed monthly. The annual cost of reading all water meters is approximately \$40,000. The District has a contractor collect the meter reads and provide them in electronic format. By shifting to monthly reading of all water meters under the current model, costs would be expected to double to \$80,000 annually. To overcome this cost increase, the District is installing Automated Metering Infrastructure ("AMI") as part of its ongoing meter replacement program.

There are many advantages to installing AMI, notably the ability to read water meters remotely and on-demand and AMI equipped water meters that malfunction will trigger alarms as meters fail. This reduces the cost of reading meters, eventually, to only costs associated internally to District staff to address water meter malfunctions. Time and effort spent in this regard are not factored into the cost equation, as they are ongoing costs built into this process element under current conditions. It is anticipated that the workflow for addressing failed meters will not double the work as a result of having each meter read twice as often. It is further anticipated that the work will be more manageable as it will be addressed throughout the year, not just after meters are read and problems discovered.

Table 1. Cost Impact of Converting Meters to AMI Equipped Water Meters

Year	Number of Meters	Monthly Manual	AMI Savings	AMI Cost	Adj AMI Cost
2022	4,500	\$ 80,000	\$ -	\$ 144,000	\$ 144,000
2023	3,000	\$ 53,333	\$ 26,666	\$ 144,000	\$ 117,333
2024	2,600	\$ 46,222	\$ 33,777	\$ 144,000	\$ 110,222
2025	2,200	\$ 39,111	\$ 40,888	\$ 144,000	\$ 103,111
2026	1,800	\$ 32,000	\$ 48,000	\$ 144,000	\$ 96,000
2027	1,400	\$ 24,889	\$ 55,111	\$ 144,000	\$ 88,889
2028	1,000	\$ 17,778	\$ 62,222	\$ 144,000	\$ 81,778
2029	600	\$ 10,667	\$ 69,333	\$ 144,000	\$ 74,667
2030	200	\$ 3,556	\$ 76,444	\$ 144,000	\$ 67,556
9 Yr Period		\$ 307,555	\$412,444	\$ 1,296,000	\$ 883,556

Table 1 looks at the cost impact of converting the District's 4,500 current water meters to AMI equipped remote read water meters. Inflation is not included in the estimates cited in the table for either the manual cost of reading meters or the cost to convert to AMI. The adjusted AMI Cost over the 9-year period does not take in to account the District's existing budget of \$50,000 annually for the meter replacement program. Including these costs, \$450,000 total for this period, the total AMI Adjusted Cost impact of \$884,000 would be further adjusted down to \$435,000 overall. Much of the impact will manifest in fiscal years 2021-2022 and 2022-2023. An additional

\$60,000 will need to be dedicated in these two fiscal years to convert 300 meters above the 800 included in the routine change-out program for those years to achieve the necessary 1,500 AMI-ready meters.

Fiscal Year	Meters to be Converted	Estimated Budget
2020-2021	400	\$130,000
2021-2022	600	\$200,000
2022-2023	500	\$200,000*

\*Additional Contract Services Cost (6 months to change 500 meters)

Table 2 demonstrates the cost difference between continued contract services over 9 years of a monthly billing cycle versus a gradual AMI replacement program implementation. As with Table 1, inflation over this period of time was not calculated into the equation. With this in mind, Table 2 shows an additional cost of \$164,000 over a 9-year period. The Adjusted AMI Cost is the difference between the Manual Reading cost and the cost of AMI hardware. As in Table 1., the \$50,000 annual budget variable is left out of the calculation. It is reasonable to consider the \$163,556 difference between Contract Cost and Adj AMI Cost identified in Table 2, would be somewhat less when taking into account the impact on each year's budget for meter replacement.

For example: FY Budget 2022 line item for meter replacement of \$144,000 minus the \$50,000 that is traditionally included in the budget, leaves a \$94,000 additional impact.

Table 2. Cost Difference Between Continued Contract Services vs Gradual AMI Implementation

Year	Number of Meters	Contract Cost	Adj AMI Cost	
2022	4500	\$ 80,000	\$ 144,000	
2023	4500	\$ 80,000	\$ 117,333	
2024	4500	\$ 80,000	\$ 110,222	
2025	4500	\$ 80,000	\$ 103,111	
2026	4500	\$ 80,000	\$ 96,000	
2027	4500	\$ 80,000	\$ 88,889	
2028	4500	\$ 80,000	\$ 81,778	
2029	4500	\$ 80,000	\$ 74,667	
2030	4500	\$ 80,000	\$ 67,556	
9 Yr Period		\$ 720,000	\$ 883,556	\$ 163,556

In conclusion, while this process element has a measurable financial impact on the District's budget, its benefits exceed the boundaries of simply saving money on meter reading. Providing leak detection to alert customers within 24 hours that there is a potential leak on their property, supporting billing clerks in their efforts to explain water consumption to customers concerned with their water bill, and executing a plan to reduce water loss as required by the State Water Board, all these are benefits are derived from AMI.

**DATA PROCESSING**

Data processing picks up after data collection (meter reading). The electronic files are imported from the contract meter reading service into the District's Customer Service Information ("CSI") system, and under the control and supervision of District staff, the CSI software conditions the data. Conditioning data includes generating exception reports, calculating usage, and assigning fees and charges to customer accounts. In general, data processing includes all activities necessary to prepare bills for printing, excluding the act of printing.

The CSI software provider will need to make changes in the software, to accommodate the shift in all aspects from a bi-monthly to a monthly billing cycle. It is estimated that it will take 9 months of software transition work to reach a point where staff is confident that all necessary changes have been made. A one-time cost of \$25,000 is estimated to make the conversion, but a formal process and cost structure have yet to be confirmed.

With regards to demands on staff time, it is anticipated that additional staff time will be needed to manage the influx of customer care engagements. District management has taken this into account and has plans to adjust staffing levels as needed. Staffing options range from adding a part-time temporary team member during the high-volume call period to adding a permanent full-time team member. The District's rate structure is constructed to accommodate the wide range of staffing solutions between these two options.

#### DATA DELIVERY (MAILING BILL)

The last step in the billing transaction process is delivering the collected data in the form of a utility bill to the customer. While not an extraordinary cost, all costs associated with customer billing are being evaluated in search of greater efficiencies that equate to cost savings without service reductions. Staff is planning on entering into a contract that will cut the current cost of this last step.

Currently, once the data is processed the bills are printed, boxed-up for handling, picked up by a mailing service, leaving the mailing service to stuff and post envelopes, and deliver the bills to the post office. It costs the District approximately \$1,500 per month for this process, not including staff time to print, box, and alert the mailing service the bills are ready. Staff has received three bids for services that eliminate the printing and boxing of bills. The new service provider will take the electronic file that is generated during the data processing step, and will print and mail the bills. This service provider has proposed a cost of \$1,120 per month, saving the community \$380 per month plus staff time.

#### FISCAL IMPACT

The fiscal impact on the District is looked at over a 9-year period, as the full shift from bi-monthly to monthly billing is tied to the cost of AMI implementation. Each of the three process elements – Data Collection, Data Processing, and Data Delivery – has its own impact on the District's finances.

Data Collection: \$94,000 additional cost per year to the meter replacement program with an additional \$60,000 for Fiscal Years 2021-22 and 2022-23 to have 1,500 AMI meters.

Data Processing: \$25,000 one-time cost for CSI adjustment – Additional staff time cost ranging from \$25,000 to \$70,000 per year on-going.

Data Delivery: \$4,000 per year cost savings on-going.

#### STRATEGIC PLAN

Goal 5. OPERATIONS. Maintain a proactive program to ensure readiness of systems and cost-effectiveness of operations.

A.1 Ensure efficiency and effectiveness in operations, including evaluating Automated Meter Reading.

Goal 6 – GOVERNANCE AND ADMINISTRATION – Conduct District activities in an efficient, equitable and cost-effective manner.

- B.1 Utilize technology to maximize productivity and communications.
- B.2 Provide excellent customer service.

**RECOMMENDATION**

It is recommended that the Facilities and Water Resources Committee discuss the proposal to move towards monthly billing and direct staff.

**ATTACHMENT**

- A. Moving to Monthly Billing Cycle Presentation

FEBRUARY 18, 2021

ITEM 2

ATTACHMENT A

The background is a gradient of blue, transitioning from a lighter shade at the top to a darker shade at the bottom. It is decorated with several water droplets of various sizes, some of which are partially cut off by the edges of the frame. The droplets are rendered with realistic highlights and shadows, giving them a three-dimensional appearance.

# EXAMINE TRANSITIONING TO A MONTHLY BILLING CYCLE

SERVICE/COST ASSOCIATION

## ◦ Premise

Shifting from a Bi-monthly billing cycle to a monthly billing cycle would provide measurable benefits to users.

### In Support of the Premise:

- With few exceptions, utility providers bill users for services in the arears on a monthly billing cycle. By billing every other month, a utility user has to adjust their bill paying practice beyond a traditional one month period.
- The majority of wage earners are paid once a month or twice a month.
- By aligning with the billing cycle better paired with user pay cycles, those user's can better manage there financials.





Gain Process Efficiencies through Improved Technology

Improved Customer Experience (w/Cost Savings)

Addresses Emerging Regulatory Compliance Statutes

# Three Process Elements

Data  
Collection  
Meter  
Reading

Data  
Processing  
Bill  
Calculating

Data  
Delivery  
Bill  
Dissemination

# Cost Impacts on future budgets

Calendar Year Quarter	2021				2022				2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Data Collection	Step 1		Step 2				Step 3		Step 4		Step 5	
Data Processing												
Data Dissemination												
Billing Cycle	Bi-Monthly				Monthly							
Fiscal Year Budget Plan	FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24					
AMI Meter Conversion	\$130,000		\$200,000		\$200,000		\$144,000					
One-time Setup	\$30,000											
Meters Converted	400		600		500		400					
CSI Conversion			\$15,000		\$10,000							
Staffing Adjustment					\$25,000		\$25,000					
Bill Delivery Conversion	No cost		\$4,000 Savings		\$4,000 Savings		\$4,000 Savings					

OCTOBER 13, 2021

ITEM E-3

ATTACHMENT B



# EXAMINE TRANSITIONING TO A MONTHLY BILLING CYCLE

SERVICE/COST ASSOCIATION






## **Premise**

Shifting from a Bi-monthly billing cycle to a monthly billing cycle will provide measurable benefits to District customers.

### **In Support of the Premise:**

- The majority of wage earners are paid once a month or twice a month.
  - With few exceptions, utility providers bill users for services in the arears on a monthly billing cycle. By billing every other month, a utility user has to adjust their bill paying practice beyond a traditional one month period.
  - By aligning with the billing cycle better paired with user pay cycles, those user's can better manage there financials.
  - Reading meters and bills monthly provides a greater opportunity to discover customer leaks leading to a reduction in non-revenue water.
- 



# Why Now?

Improved Technology - Process Efficiencies Achievable

Meeting Customer Expectations (w/Cost Savings)

Addresses Emerging Regulatory Compliance Statutes



# Three Process Elements

Data  
Collection  
Meter  
Reading

Data  
Processing  
Bill  
Calculating

Data  
Delivery  
Bill  
Dissemination



# Cost Impacts on future budgets

Calendar Year Quarter	2021				2022				2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Data Collection	Step 1		Step 2				Step 3		Step 4		Step 5	
Data Processing												
Data Dissemination												
Billing Cycle	Bi-Monthly								Monthly			
Fiscal Year Budget Plan	FY 2020-21		FY 2021-22				FY 2022-23		FY 2023-24			
AMI Meter Conversion	\$130,000		\$200,000				\$200,000		\$144,000			
One-time Setup	\$30,000											
Meters Converted	400		600				500		400			
CSI Conversion			\$15,000				\$10,000					
Staffing Adjustment							\$25,000		\$25,000			
Bill Delivery Conversion	No cost		\$4,000 Savings				\$4,000 Savings		\$4,000 Savings			

OCTOBER 13, 2021

ITEM E-3

ATTACHMENT C

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2021-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY  
SERVICES DISTRICT AUTHORIZING A WATER FUND BUDGET AMENDMENT IN  
THE AMOUNT OF \$43,000**

**WHEREAS**, the Nipomo Community Services District (“District”) operates and maintains a Public Water System (“PWS”) within a defined service boundary in the County of San Luis Obispo; and

**WHEREAS**, the District is responsible for and has the authority to collect charges and fees from users of the PWS to maintain and operate the public water system in accordance with health and safety requirements of the California State Water Board; and

**WHEREAS**, fees and charges are billed to users of the PWS on a bi-monthly billing cycle; and

**WHEREAS**, Senate Bill 998 (“SB 998”), a California regulation that governs how PWS manage delinquent customer bills became affective in February 2020, but will not be implemented until January 2022 due to the moratoriums put in place by the State Governor’s office; and

**WHEREAS**, implementing a monthly billing cycle in January 2022 rather than waiting until January 2023 as originally planned, would align with the implementation schedule of SB 998; and

**WHEREAS**, shifting from a bi-monthly billing cycle to a monthly billing cycle would improve customer service and provide the District a means to more efficiently meet the requirements of SB 998; and

**WHEREAS**, additional expenditures to mitigate the transition to monthly billing, including increased cost for meter reading, billing software modifications, and other billing related costs, were not included in the current fiscal year 2021-2022 budget; and

**WHEREAS**, there are sufficient funds in the Water Fund reserves to fund the additional costs of shifting from a bi-monthly to a monthly billing cycle.

**NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE  
NIPOMO COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS AS FOLLOWS:**

- 1) The above recitals are true and correct.

NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2021-XXXX

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
AUTHORIZING A WATER FUND BUDGET AMENDMENT IN THE AMOUNT OF \$43,000

- 2) The District Board of Directors does hereby authorize a budget amendment of \$43,000 from Fund #125, Water Fund reserves, to fund the shift from the current bi-monthly billing cycle for users of the PWS to a monthly billing cycle.

On the motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, and on the following roll call vote, to wit:

**AYES:**

**NOES:**

**ABSENT:**

**CONFLICTS:**

The foregoing resolution is hereby adopted this \_\_\_\_\_ day of \_\_\_\_\_ 2021.

\_\_\_\_\_  
**ED EBY**

President, Board of Directors

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
**MARIO IGLESIAS**

General Manager and Secretary to the Board

\_\_\_\_\_  
**CRAIG A. STEELE**

District Legal Counsel

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS  
GENERAL MANAGER

DATE: OCTOBER 8, 2021

**AGENDA ITEM**

**E-4**

**OCTOBER 13, 2021**

**REVIEW AND FILE NOTICE OF VACANCY ON  
THE NIPOMO COMMUNITY SERVICES DISTRICT'S  
GOVERNING BOARD OF DIRECTORS**

**ITEM**

Review and discuss the appropriate response to the sudden and unexpected vacancy on the Nipomo Community Services District's ("District") Governing Board. [RECOMMEND REVIEW AND DIRECT STAFF]

**BACKGROUND**

With the sudden and unexpected vacancy on the District's Governing Board, the District's legal counsel has provided discussion points in a memorandum [Attachment A] for the Board of Directors to consider when addressing the matter of filling the post.

**FINANCIAL IMPACT**

No financial impact.

**STRATEGIC PLAN**

Goal 6. GOVERNANCE AND ADMINISTRATION. Conduct District activities in an efficient, equitable and cost-effective manner.

**RECOMMENDATION**

It is recommended that the Board of Directors review and discuss how best to address the current vacancy on its Board and direct staff.

**ATTACHMENTS**

- A. RWG Memorandum – Notice of Vacancy on the Nipomo Community Services District's Governing Board

OCTOBER 13, 2021

ITEM E-4

ATTACHMENT A



Craig A. Steele

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847 Monterey Street, Suite 206  
San Luis Obispo, California 93401  
rwglaw.com

## MEMORANDUM

TO: Honorable President and Members of the Board

CC: Mario Iglesias, General Manager

FROM: Craig A. Steele, General Counsel

DATE: October 13, 2021

SUBJECT: Notice of Vacancy on the Governing Board and Options for Filling the Vacancy

---

Regrettably, the District has been informed that Director Robert Blair has passed away. Under Government Code Section 1770(a) Director Blair's office is now vacant, and this notice of the vacancy is being presented to the Board at its meeting on October 13, 2021 ("notice date").

Government Code Section 1780 provides the procedures the Board must follow to fill the vacancy. Those tasks are summarized in this memorandum, and all of the deadlines stated below are based on the October 13, 2021 notice to the Board.

First, the District must notify the county elections official of the vacancy no later than 15 days after the Board was notified of the vacancy. The deadline for this notification is **October 28, 2021**. Staff will make this notification after today's meeting.

The remaining members of the Board can fill the vacancy within 60 days after the Board was notified of the vacancy, either by making an appointment to fill Director Blair's office temporarily, or by calling an election. The deadline for making this decision is December 12, 2021. Because the 60th day falls on a Sunday, the deadline will be extended to Monday **December 13, 2021**.

If the Board chooses to appoint a person to Director Blair's office, the District must first post a notice of vacancy in at least three conspicuous places in the District at least 15 days before the Board makes the appointment. Director Blair's term would not have expired until after the November 2024 District election. Under Government Code Section 1780(d)(2), because more than half of Director Blair's term remains as of the date the Board was notified of the vacancy **and** there are more than 130 days prior to the November 2022 election, any

person appointed to the office would serve only until the next general district election in November 2022, at which a candidate would be elected to fill the remainder of Director Blair's term.

Alternately, the Board could decide to call a special election to fill the remaining portion of Director Blair's term. Under Government Code Section 1780(e)(2), the election must be held on the "next established election date...that is 130 or more days after the date the district board calls the election." Under Elections Code Section 1000, the next "established election date" that will be at least 130 days after the Board calls the election **will be June 7, 2022**. That would be a special election, and the District would be required to pay additional costs for San Luis Obispo County to conduct that election. The person elected would fill the remainder of Director Blair's term until the election in November of 2024. There is no option to wait until the November 2022 election, this special election must be held in June.

If the Board does not fill the vacancy by appointment or call an election within 60 days, the San Luis Obispo County Board of Supervisors may call an election or appoint a person to fill the vacancy within 90 days of the date the district board is notified of the vacancy. If the Board of Supervisors does not act by the 90th day, then the District Board **must** call an election to fill the vacancy.

No formal action is proposed at this meeting. The Board has three regular meeting dates remaining before the December 13, 2021 deadline to act. Staff recommends that the Board consider the options and, if there is a consensus to pursue either an appointment or an election, direct staff to start that process. The election process is well-established; but if the Board intends to make an appointment, we suggest that you provide staff with direction as to what process the Board would use to choose a candidate. Some boards take applications from interested persons and conduct interviews. Others simply discuss known candidates and make an appointment. There is no appointment process the Board is required to follow, other than discussing and making any appointment in an open meeting and following the notice requirements specified above.



TO: BOARD OF DIRECTORS  
 FROM: MARIO IGLESIAS  
 GENERAL MANAGER  
 DATE: October 7, 2021



**AGENDA ITEM  
 F  
 OCTOBER 13, 2021**

**GENERAL MANAGER'S REPORT**

**ITEM**

Standing report to your Honorable Board -- *Period covered by this report is September 19, 2021 through October 9, 2021.*

**DISTRICT BUSINESS**

**Administrative**

The District encourages residents to provide reports of any observed water waste. The District also keeps an accounting of leak adjustments as a measure of non-revenue water lost to leaks as well as tracking late fee waivers. The table below provides September and Fiscal Year-to-date data of these items. The District did not impose late fees during the reporting period January 2021 through June 2021. July 2021 was the first month this calendar year that late fees were charged.

**OFFICE ACTIVITIES**

	Sept 21	Jan 21 - Dec 21
Reports of Water Waste	0	0
Leak Adjustments	0	8
Leak Adjustment Amount	\$0	\$7,427
Late Fee Waivers (Fees Start 7/1/21)	0	22
Late Fee Waiver Adjustment Amount	\$0	\$764

**Water Resources**

**Table 1. Total Production Acre Feet (AF)**

	Sept-21	Jul 21 - Jun 22
Groundwater Production	89.7	302.0
Supplemental Water Imported	<u>94.2</u>	<u>291.6</u>
Total Production	183.9	593.6

The District's total combined production, including groundwater production wells and supplemental water imported through the Joshua Road Pump Station, registered 183.9 AF for the month of September 2021.

NCSD imported 94.2 AF of water over the 30 day period in September, averaging 710 gallons per minute for an average total over 1 million gallons per day. For fiscal year 2021-22 the District must import at least 1,000 AF (84 AF per month on average) of supplemental water to meet the contractual obligation it has with the City of Santa Maria. The District has imported 291.6 AF of water for the first three months of the 12 month period, July 2021 through June 2022. Compared to the District's required 1,000 AF [Contract Amount], at the current take level, the District would be 40 AF over the minimum water import requirement for the fiscal year ending June 30, 2022.

**NCSD GW Reduction**

The District’s purveyor customers, Golden State Water Company and Woodlands Mutual Water Company, each claim 16.66% (cumulatively 33.33%) of the imported water NCSD brings onto the basin through the NSWP. Of the 1,000 AF minimum imported water from the City of Santa Maria, 333 AF or 33.33% of the total imported water – whichever is greater – will be credited to these two purveyor customers. The credited amount must be added to the District’s groundwater pumping total every month to reflect the groundwater pumped by these customers in-lieu of taking imported water from the District. Table 2 below demonstrates the calculus for determining the District’s adjusted groundwater pumping reduction.

	Sep-21	Jul 21 – Sep 21
NCSD GW Well Production	89.7	302.0
Purveyor Customer Credit (33.3% of Import Water)	31.4	97.2
NCSD Total Calculated GW Production	121.1	399.2
Average GW Production for 2009-2013	264.7	840.6
NCSD Percentage of GW Reduction	54%	53%

**2022 Fiscal Year Groundwater Pumping Forecast**

Table 3 projects the District’s groundwater pumping reduction for the 2022 Fiscal Year. Under the current Stage 4 of the NMMA Water Shortage Response Stages, the targeted groundwater pumping reduction goal is to pump a total of 1,266 AFY (50% of 2009-2013 average District GW Pumping). July 2021 through September 2021 actual production and October 2020 through June 2021 historic production are combined to estimate the projected estimate.

Each year water demand trends slightly different depending upon the weather, a major factor that drives water consumption. As actual data replaces projected data, the value of the table to provide year-end groundwater reduction targets becomes more reliable and aids staff in recognizing opportunities for shifting water production strategies. Table 3 shows the District falling short of its pumping reduction goals for fiscal year 2022 by approximately 103 acft. Efforts will be made to reduce the shortfall. New pumps at JRPS will be installed in the second quarter of the fiscal year and once installed will add to the District’s import water capacity.

Table 3 projects the District’s groundwater pumping reduction for the Fiscal Year 2022.

	Sep-21	Year-to-Date Jul-Jun 2022	Target	Over/(Under)	
NCSD GW Well Production	89.7	1,018.2			
Purveyor Customer Credit (33.3% of Import Water)	31.4	351.0			
NCSD Total Calculated GW Production	121.0	1,369.2	1,266.0	(103.23)	AcFt
Average GW Production for 2009-2013	264.7	2,533.4	2,533.4		
NCSD Percentage of GW Reduction	54%	46%	50.0%		

Table 4 compares the previous year's groundwater pumping with the current year's groundwater pumping for the same period.

	Sep-21	Jul 21 -Sep 21	Sep-20	Jul 20-Sep 20
NCSO GW Well Production	89.7	302.0	82.0	300.4
Purveyor Customer Credit (33.3% of Import Water)	31.4	97.2	36.3	104.9
NCSO Total Calculated GW Production	121.0	399.2	118.3	405.3
Average GW Production for 2009-2013	264.7	840.6	264.7	840.6
NCSO Percentage of GW Reduction	54.3%	52.5%	55.3%	51.8%

**Rainfall Gauge**

(Reported in inches)	Nipomo East (Dana Hills Reservoirs)	Nipomo South (Southland Plant)
Sept 2021 Total	0.00	0.08
July-2021 through June-2022 (Season Total)	0.00	0.12
Oct 1, 2021 – Oct 8, 2021	0.00	0.00
Total Rainfall to date	0.00	0.12
County Reported Avg. Ann. Year Rainfall	18.0 <sup>1</sup>	14.0 <sup>2</sup>
2006 - 2020 Avg. Ann. Year Rainfall*	15.39	13.30
2006 - 2020 Median Ann. Rainfall*	12.64	11.30

\*Data from County website

**Safety Program**

No Safety Incidents to Report  
October 8<sup>th</sup> Quarterly Staff Safety Meeting - Office

**Other Items**

- COVID19 NCSO Response Plan Update [Attachment A]
- Governor's Executive Order [Attachment B]
- CCWA Pipeline Shut-down, November 1<sup>st</sup> through 15<sup>th</sup>
- IWMA Activities – SB 1383

**Connection Report**

Nipomo Community Services District Water and Sewer Connections	END OF MONTH REPORT											
	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Water Connections (Total)	4476	4477	4485	4486	4495	4496	4496	4500				
Sewer Connections (Total)	3243	3243	3250	3250	3259	3260	3260	3264				
New Water Connections	1	1	8	1	9	1	0	4				
New Sewer Connection	1	0	7	0	9	1	0	4				
Galaxy & PSHH at Orchard and Division Sewer Connections billed to the County	477	477	477	477	478	478	478	478				

The Connection Report is current to September 2, 2021

**Supplemental Water Capacity Accounting**  
Summary Since January 25, 2008

	Number of Equivalent Meters	AFY
Supplemental Water Available for Allocation	947	500.0
Supplemental Water Reserved (Will Serve Letter Issued)	130	-68.6
Subtotal Net Supplemental Water Available for Allocation	<b>817</b>	<b>431.4</b>
Supplemental Water Assigned (Intent-to-Serve Issued)	176	-92.4
<b>Total Remaining Supplemental Water Available for Allocation</b>	<b>641</b>	<b>339.0</b>

As of October 5, 2021

**Meetings (September 20 through October 8)**

*Meetings Attended (telephonically or in person):*

- Sept 20, Staff Mtg. - Cust. Service Specialist
- Sept 20, Brad Newton – UWMP
- Sept 21, Eng/Admin Coordination Meeting
- Sept 22, Rotary
- Sept 22, Regular NCSD Board Meeting
- Sept 22, Finance Consultant – COP 2012 Mtg.
- Sept 23, NMMA-TG Meeting
- Sept 23, Sedaru Asset Management Update
- Sept 23, IWMA Cal-Recycle Webinar
- Sept 23, De Crinis COP 2012 Refinance Mtg.
- Sept 24, Staff Mtg. – CCS & Admin Supervisor Mtg.
- Sept 24, City of Arroyo Grande – Emergency Connections
- Sept 24, IWMA Meet with GM (Rate Impacts of SB 1383)
- Sept 27, Staff Mtg. - Cust. Service Specialist
- Sept 28, Staff Mtg. - Admin Supervisor Mtg.
- Sept 30, Vacation Day
- Oct 1, Vacation Day
- Oct 4, NCSD Management Team Meeting
- Oct 4, NCSD Board Officer Meeting
- Oct 5, Staff Mtg. – CCS & Admin Supervisor Mtg.
- Oct 5, CSDA Quarterly Meeting
- Oct 5, BLMA Monthly Meeting
- Oct 6, CSD Manager's Meeting
- Oct 6, RWMG - Meeting
- Oct 7, Eagle Aerial – Compliance Software
- Oct 8, Staff Mtg. - Admin Supervisor Mtg.
- Oct 8, Quarterly Staff Safety Meeting

**Meetings Scheduled (October 11 through October 15):**

*Upcoming Meetings (telephonically or in person):*

- Oct 11, Staff Mtg. - Cust. Service Specialist
- Oct 11, Eagle Aerial – SB 606 Compliance
- Oct 12, Staff Mtg. - Cust. Service Specialist
- Oct 12, Eng/Admin Coordination Meeting
- Oct 13, Rotary
- Oct 13, Regular NCSD Board Meeting
- Oct 13, Exec. Team After-Board Meeting
- Oct 14, Code Book Review/Edit Staff Workshop
- Oct 14, De Crinis – Financial Consultant 2012 COPs
- Oct 14, Board Tour of Southland WWTP Screw Press
- Oct 15, Staff Mtg. - Admin Supervisor Mtg.
- Oct 15, Board Tour of Southland WWTP Screw Press

**Upcoming Water Resource and Other Meetings**

*Upcoming Standing Meetings:*

- NMMA-TG: October 29th (Friday) @ 10:00 AM, Conf. Call
- RWMG: November 3rd (Wednesday) @ 10:00 AM – Zoom Meeting
- WRAC: November 3rd (Wednesday) @ 1:30 PM, Zoom Meeting
- NMMA Purveyor Meeting: October 25<sup>th</sup> (Monday) @ 11:00 PM, Zoom Meeting
- NCSD Board Officer Meeting: October 18<sup>th</sup> (Monday) @ 2:00 PM, NCSD Conf. Rm.

**RECOMMENDATION**

Staff seeks direction and input from your Board

**ATTACHMENTS**

- A. COVID19 - NCSD Response Plan
- B. Governor's Executive Order – Moratorium on Water Turn-offs for Non-payment

OCTOBER 13, 2021

ITEM F

ATTACHMENT A

Date: October 13, 2021 Board Meeting  
Response Activities to COVID19 Health Emergency  
Prepared by: Mario Iglesias, General Manager

DISTRICT RESPONSE TO COVID-19, Updated October 8, 2021

### New Actions

For the Month of September, District Staff Tested 44 times (all negative results)

### Personnel on Quarantine

Office Personnel:

No administrative personnel affected at this time

Operational Personnel:

No operational personnel affected at this time. (One was quarantined week of 9/6/21)

Vaccine Update:

- 17 District Personnel received their second dose of the vaccine.
- 3 employees declined vaccination

### Ongoing Actions

1. Following SLO Co. Masking guidelines
2. Following Cal/OSHA guidelines
3. Participate in SLO County EOC Briefings
4. Review SLO County EOC Status Reports
5. Practicing Social Distancing
6. Face coverings are required when employees are in District Buildings when they are away from their work stations
7. Office Rules for Safe Customer Management – CDC Guidance Enforced

### Previous Actions

1. Mask Mandate Requirement Update – As of September 1, 2021, masks must be worn indoors at public facilities.
2. COVID19 Rapid Test Kits secured from SLO County at no cost to provide weekly work-place testing.
3. NCSO Board Passes Resolution Declaring Emergency in District [Res. 2020-1550, Mar. 24, 2020]
4. Admin Office Closed to the Public
  - a. Meetings are virtual – Conference Calls
5. Discontinued: Split staff into two teams
  - a. See schedule on Response Plan
6. Received directions for FEMA Public Assistance – Cost Tracking Guidance
7. Governor's Executive Order – No Water Turn-offs
  - a. District instituted this policy as well as a No Late Fee – No Penalty Fees
8. Wipe-down between shifts
9. Each operator in separate designated vehicle.
10. Received additional PPE. Administration Staff will be on normal schedule 8-4:30 starting Monday May 18th
11. Operations Staff are on normal 7:00 am to 3:30 pm work schedule as of Monday, May 4<sup>th</sup>. County opened up construction sites.

Date: October 13, 2021 Board Meeting  
Response Activities to COVID19 Health Emergency  
Prepared by: Mario Iglesias, General Manager

12. Expanded Customer Service Work to include site visits for investigations (high bills, meter issues) week of May 11
13. Trailers for quarantine have been returned – May 1
14. District to begin wastewater sampling in conjunction with County effort to determine presence of COVID19 in communities – May 11
15. Temporary Admin Support Workers brought back to Office (Provider incentivized due to PPP Funds) – June 1
16. Lobby Modifications: Glass is equipped with speaker plates to allow the communication between customer and clerk without opening the sliding window.
17. Board Meetings open to the public.
18. County Offices Continued Closed with Appointments provided to some departments as needed.
19. June 18, 2020, Governor Order issued requiring face masks be worn in public places. District management purchased disposable face masks for staff, Board Members, and any public that attends District Board Meetings and lack a face mask.
20. The customer counter window modifications at the office are completed.
21. Capital Improvement Projects continue to be impacted and schedules for completion continue to be pushed back due to material delivery delays.
22. Administrative Office open to public – April 19, 2021



OCTOBER 13, 2021

ITEM F

ATTACHMENT B

**EXECUTIVE DEPARTMENT  
STATE OF CALIFORNIA**

**EXECUTIVE ORDER N-42-20**

**WHEREAS** on March 4, 2020, I proclaimed a state of emergency to exist in California as a result of the threat of COVID-19; and

**WHEREAS** it is the established policy of the State under Water Code section 106.3 that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes; and

**WHEREAS** to limit the spread of COVID-19 it is crucial that Californians wash their hands regularly and thoroughly; and

**WHEREAS** many Californians are experiencing or will experience substantial losses of income as a result of business closures, the loss of work hours or wages, or layoffs related to COVID-19, which may hinder their ability to make payments for water service and subject them to water shutoffs due to non-payment; and

**WHEREAS** many small businesses that provide services essential to the health and well-being of Californians have experienced substantial reductions in income, which may hinder their ability to make payments for water service and subject them to water shutoffs due to non-payment; and

**WHEREAS** the California Public Utilities Commission has directed private water utilities under its jurisdiction to implement customer service protections, including a moratorium on service disconnections, during the COVID-19 emergency; and

**WHEREAS** more than 100 public and private water systems have voluntarily agreed to halt disconnections as well; and

**WHEREAS** under the provisions of Government Code section 8571, I find that strict compliance with the various statutes and regulations concerning water shutoffs specified in this order would prevent, hinder, or delay appropriate actions to prevent and mitigate the effects of the COVID-19 pandemic.

**NOW, THEREFORE, I, GAVIN NEWSOM**, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and the statutes of the State of California, and in particular, Government Code sections 8567, 8570, 8571, and 8627, do hereby issue the following order to become effective immediately:

**IT IS HEREBY ORDERED THAT:**

- 1) The authority of urban and community water systems, as defined in Health and Safety Code section 116902, subdivision (d), to discontinue residential service, as defined in Health and Safety Code section 116902, subdivision (c), for non-payment under Health and Safety Code sections 116908 and 116910, is suspended.
- 2) Water systems not subject to the requirements of Health and Safety Code sections 116908 and 116910 shall not discontinue residential

service, as defined in Health and Safety Code section 116902, subdivision (c), for non-payment.

- 3) Water systems shall restore any residential service to occupied residences that has been discontinued for nonpayment since March 4, 2020.
- 4) Water systems shall not discontinue service to any business in the critical infrastructure sectors designated by the State Public Health Officer as critical to protect the health and well-being of all Californians that qualifies as a small business under 13 C.F.R. § 121.201 of the Small Business Administration's regulations.
- 5) The State Water Resources Control Board shall identify best practices, guidelines, or both to be implemented during the COVID-19 emergency (i) to address non-payment or reduced payments, (ii) to promote and to ensure continuity of service by water systems and wastewater systems, and (iii) to provide measures such as the sharing of supplies, equipment and staffing to relieve water systems under financial distress.

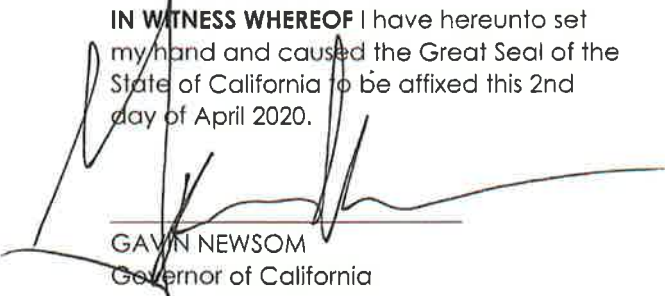
Nothing in this Order eliminates the obligation of water customers to pay for water service, prevents a water system from charging a customer for such service, or reduces the amount a customer already may owe to a water system.

Nothing in this Order modifies the obligations of urban and community waters systems to comply with provisions of the Water Shutoff Protection Act not specifically addressed by this Order or other applicable laws, regulations, and guidelines.

**IT IS FURTHER ORDERED** that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

**IN WITNESS WHEREOF** I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 2nd day of April 2020.

  
\_\_\_\_\_  
GAVIN NEWSOM  
Governor of California

**ATTEST:**

\_\_\_\_\_  
ALEX PADILLA  
Secretary of State