

TO: FINANCE AND AUDIT  
COMMITTEE

REVIEWED: MARIO IGLESIAS  
GENERAL MANAGER

FROM: JANA ETTEDDGUE  
FINANCE DIRECTOR

DATE: MAY 19, 2023

**AGENDA ITEM**  
**E-2(B)**  
**MAY 24, 2023**

**REVIEW THE DRAFT BUDGET FOR FISCAL YEAR 2023-2024 FOR  
THE NIPOMO SUPPLEMENTAL WATER PROJECT (NSWP)**

**ITEM**

Review the draft 2023-2024 fiscal year budget for Nipomo Supplemental Water Project (NSWP) [RECOMMEND REVIEW REPORT AND DIRECT STAFF].

**BACKGROUND**

On April 19, 2023, the Finance and Audit Committee met and reviewed the draft Budget for FY 2023-2024 for NSWP.

The Nipomo Community Services District (District), City of Santa Maria (City), Woodlands Mutual Water Company (WMWC), Golden State Water Company (GSWC), Rural Water Company (RWC), along with hundreds of other individuals and entities are parties to a certain groundwater adjudication commonly referred to as the Santa Maria Groundwater Litigation. The Judgement (through the Stipulation) requires the District to purchase and transmit to the Nipomo Mesa Management Area (NMMA) a minimum of 2,500 acre-feet of "Nipomo Supplemental Water" each year, and to employ its best efforts to timely implement the Nipomo Supplemental Water Project (NSWP).

The Judgment further provides that once the Nipomo Supplemental Water is capable of being delivered, the Parties shall purchase the following portions of Nipomo Supplemental Water each year to offset groundwater pumping within the NMMA.

ENTITY	PERCENT ALLOCATION	ACRE FEET/YEAR (AFY)
NCSD	66.68	1,667.00
WMWC	16.66	416.50
GSWC/RWC	16.66	416.50
TOTAL	100.00	2,500.00

On May 3, 2013, the District entered into a Wholesale Water Supply Agreement with the City of Santa Maria to purchase supplemental water. Upon completion of the interconnection, the minimum quantity of purchase/delivery is as follows:

DELIVERY YEARS	FISCAL YEAR ENDING	MINIMUM DELIVERY VOLUME (AFY)
1	July 1, 2015 to June 30, 2016	645
2-5	July 1, 2016 to June 30, 2020	800
6-10	July 1, 2020 to June 30, 2025	1,000
11- Term	July 1, 2025 to June 30, 2035	2,500

On July 2, 2015, supplemental water began flowing from the City of Santa Maria into the Nipomo Community Services District system.

On October 16, 2015, the Supplemental Water Management and Groundwater Replenishment Agreement (Agreement) was approved by the District, WMWC, GSWC and RWC. The agreement outlines all parties' responsibilities and obligations relating to the delivery and payment of supplemental water. Section VIII of the agreement states in part as follows:

- A. District shall operate the NSWP as an enterprise fund, separating all costs related to the NSWP within and only to that NSWP fund. Prudent Utility Practices shall apply to District's management of the NSWP Enterprise Fund.
- B. Each Fiscal Year District shall prepare a NSWP Enterprise Fund Budget (Budget) for all revenues and expenditures related to the NSWP Enterprise Fund. The Budget shall include a summary of projected NSW deliveries and Costs associated with those deliveries. A draft of the Budget shall be available to each Water Company for review by May 1<sup>st</sup> of each year. District shall make every reasonable effort to adopt the final Budget during June of each year at a regularly scheduled District 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.
- C. The Budget shall provide the basis for and detail the cost allocations and quarterly billing described in Section IX.

The District receives and pays a quarterly invoice from the City for the cost of water. The District in turn invoices WMWC and GSWC for their applicable percentages of the cost of water, in addition to other applicable costs pursuant to the agreement. WMWC and GSWC are current and continue to make quarterly payments to the District.

Attached is the draft Budget based on purchase of 1,050 acre feet of supplemental water (1,000 acre feet per contract plus 50 acre feet operational buffer). The City adopted a new rate structure commencing January 1, 2020. The Base Energy Cost CPI will be adjusted based on the July index; however, the City has agreed to implement the energy adjustment to coincide with the January 1 rate increases. The City of Santa Maria's last rate increase went into effect January 1, 2023. It is anticipated the City will increase rates by 5% per year once a new rate study is completed. The Operations and Maintenance (O&M) Budget has been estimated based on current fiscal year expenditures plus an average of 6% inflation, with the exception of increases in electricity for 15% and Insurance for 20%. The administrative fee is set at 15% of O & M costs.

**STRATEGIC PLAN**

**Goal 4. Finance:** Maintain conservative, long-term financial management to minimize rate impacts on customers while meeting program financial needs.

- B.1 Evaluate, plan for and maintain finances that are adequate for all needs, stable, and reliable over the long-term.

**FISCAL IMPACT**

The cost of drafting and reviewing annual budget was included in this year's budget.

**RECOMMENDATION**

It is recommended the Finance and Audit Committee provide direction to Staff.

**ATTACHMENTS**

- A. Draft Budget

May 24, 2023

ITEM E-2(B)

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT  
NIPOMO SUPPLEMENTAL WATER PROJECT (NSWP)  
BUDGET FOR FISCAL YEAR 2023-24**

	Acre Feet Purchase (A)	Cost per Acre Foot (AF)	Total Cost	
Water Purchase Fiscal Year 2023-2024 (see page 2)	1050	see page 2	\$2,674,651	
NCSD Water O & M Cost per AF ** (see page 3)	1050	\$229.45	\$240,923	
NCSD Admin Fee per AF (15% of O & M per AF) ** (see page 3)	1050	\$34.42	\$36,141	
		<u>\$263.87</u>	<u>\$2,951,715</u>	
**To be adjusted annually based on actual costs				
	TOTAL	NCSD	WMWC	GSWC
1 Phase 1 Supplemental Water Annual Allocation (AF)	1000	666.68	166.66	166.66
2 Phase 1 Supplemental Water Delivery Percentages	100.00%	66.68%	16.66%	16.66%
3 Pass-Through Supplemental Water Cost	\$2,674,651	\$1,783,457	\$445,597	\$445,597
4 Supplemental Water O & M Cost	\$240,923	\$160,647	\$40,138	\$40,138
5 Supplemental Water NCSD Admin Fee	\$36,141	\$24,099	\$6,021	\$6,021
<b>6 Total Annual Supplemental Water Volume Cost</b>	<b>\$2,951,715</b>	<b>\$1,968,203</b>	<b>\$491,756</b>	<b>\$491,756</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)	\$103,462	\$0	\$42,628	\$60,834
10 Yearly Capital Recovery Charge-Interest 6/30/2015 (1)	\$282,957	\$0	\$146,231	\$136,726
11 Yearly Capital Recovery Charge-Principal 6/30/2016 (2)	\$8,500	\$0	\$4,033	\$4,467
12 Yearly Capital Recovery Charge-Interest 6/30/2016 (2)	\$24,672	\$0	\$13,834	\$10,838
13 Yearly Capital Recovery Charge-Principal 6/30/2017 (3)	\$11,890	\$0	\$7,177	\$4,713
14 Yearly Capital Recovery Charge-Interest 6/30/2017 (3)	\$35,209	\$0	\$24,617	\$10,592
14 Yearly Capital Recovery Charge-Principal 6/30/2018 (4)	\$1,088	\$0	\$500	\$588
15 Yearly Capital Recovery Charge-Interest 6/30/2018 (4)	\$3,033	\$0	\$1,713	\$1,320
16 Yearly Capital Recovery Charge-Principal 6/30/2019 (5)	\$1,334	\$0	\$612	\$722
17 Yearly Capital Recovery Charge-Interest 6/30/2019 (5)	\$3,721	\$0	\$2,098	\$1,623
18 Yearly Capital Recovery Charge-Principal 6/30/2020 (6)	\$17,108	\$0	\$7,829	\$9,279
19 Yearly Capital Recovery Charge-Interest 6/30/2020 (6)	\$47,714	\$0	\$26,858	\$20,856
20 Yearly Capital Recovery Charge-Principal 6/30/2021 (7)	\$4,377	\$0	\$1,999	\$2,378
21 Yearly Capital Recovery Charge-Interest 6/30/2021 (7)	\$12,201	\$0	\$6,856	\$5,345
22 Yearly Capital Recovery Charge-Principal 6/30/2022 (8)	\$3,241	\$0	\$1,477	\$1,764
23 Yearly Capital Recovery Charge-Interest 6/30/2022 (8)	\$9,032	\$0	\$5,067	\$3,965
24 Supplemental Water Project Yearly Replacement (9)	\$206,865	\$149,439	\$28,713	\$28,713
<b>25 Total Annual Fixed Supplemental Charges</b>	<b>\$776,404</b>	<b>\$149,439</b>	<b>\$322,242</b>	<b>\$304,723</b>

<b>Total Volume and Annual Fixed Charges for Fiscal Year 2023-2024 (Line 6 + Line 25)</b>				
<b>26</b>	<b>\$3,728,119</b>	<b>\$2,117,642</b>	<b>\$813,998</b>	<b>\$796,479</b>

25 Electrical Pumping Credit (\$248.10 per acre foot-estimated)	(\$82,666)	\$0	(\$41,333)	(\$41,333)
<b>26 SUPPLEMENTAL WATER BUDGET FISCAL YEAR 2023-2024</b>	<b>\$3,645,453</b>	<b>\$2,117,642</b>	<b>\$772,665</b>	<b>\$755,146</b>

(1)	Per applicable amortization schedule as of June 30, 2015
(2)	Per applicable amortization schedule as of June 30, 2016
(3)	Per applicable amortization schedule as of June 30, 2017
(4)	Per applicable amortization schedule as of June 30, 2018
(5)	Per applicable amortization schedule as of June 30, 2019
(6)	Per applicable amortization schedule as of June 30, 2020
(7)	Per applicable amortization schedule as of June 30, 2021
(8)	Per applicable amortization schedule as of June 30, 2022
(9)	Monthly 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

(A) 1000 ACRE FEET PER CONTRACT  
PLUS 50 ACRE FEET FOR OPERATIONAL BUFFER

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 2023-24**

FISCAL YEAR		CITY OF SM RATE INCR EFF DATE	(a)	(b)	(c)	(d)	(a)*(d)
			ACRE FEET PURCHASED	CITY OF SM BASE Cost PER ACRE FOOT	CITY OF SM CHANGE IN ENERGY	(b)+(c) COST PER ACRE FOOT	TOTAL COST
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	1/1/2022	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	\$ 2,456.78	\$ 149.31	\$2,606.09	\$1,368,199

2,674,651

**City of Santa Maria Adopted Rate Increases**

Effective Date of City of SM Rate Increase	(e)	(f)	(e)*(f)
	Base Cost Per Unit (hcf)	Units per Acre Foot	Base Cost per Acre Foot
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	\$5.64*	435.6	\$2,456.78

\*assumes 5% increase

**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
(1) Current CPI (July)	258.017	264.979	261.037	281.402	289.173	307.536	343.597	390.049
(2) Base Period CPI (May 2013)	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
(4) Divided by prior period (3) ÷ (2)	-0.023358366	0.00299408	-0.011927113	0.065158145	0.094572804	0.164080125	0.300577619	0.476406953
(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
(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
(7) Base Cost of Energy (Per Agreement)	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
(9) Adjusted Base Cost of Energy (7) + (8)	204.43	207.16	205.62	213.59	216.63	223.82	237.94	256.12
(10) CCWA BUDGET (Per published document)	\$227.27	\$223.71	\$191.77	\$265.90	\$262.54	\$267.02	\$266.08	\$405.43
(11) Change in Cost of Energy (10) - (9), not less than 0	\$23	\$17	\$0	\$52	\$46	\$43	\$28	\$149

(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 2023-24**

**OPERATIONS AND MAINTENANCE BUDGET**

OPERATIONS AND MAINTENANCE	1000 AFY 2021-22 ACTUAL	1000 AFY 2022-23 BUDGET	1000 AFY 2022-23 EST ACTUAL	1,000 AFY 2023-24 PROPOSED
Electricity	85,759	104,500	104,500	120,000
Labor (fully weighted)	77,080	55,200	55,200	60,000
Water	1,294	790	600	650
Chemicals	8,658	10,300	9,000	9,500
Outside Services	1,167	5,400	5,150	5,400
Permits and Operating Fees	476	1,575	1,200	1,250
Insurance (1)	15,731	18,250	20,545	24,654
Repairs and Maintenance	7,418	10,500	8,000	8,000
<b>TOTAL OPERATIONS AND MAINTENANCE</b>	<b>197,583</b>	<b>206,515</b>	<b>204,195</b>	<b>229,454</b>
<b>Cost per acre foot @ 1,000 acre feet</b>	<b>197.58</b>	<b>206.52</b>	<b>204.20</b>	<b>229.45</b>
<b>Overhead allocation 15% of O and M</b>	<b>29.64</b>	<b>30.98</b>	<b>30.63</b>	<b>34.42</b>

(1) SDRMA Insurance provider provided estimate for FY 23-24

**NIPOMO COMMUNITY SERVICES DISTRICT  
NIPOMO SUPPLEMENTAL WATER PROJECT (NSWP)  
BUDGET FOR FISCAL YEAR 2023-24**

**FUNDED REPLACEMENT RESERVES**

	<u>FY 22-23</u> <u>EST ACTUAL</u>	<u>FY 23-24</u> <u>PROPOSED</u>
Beginning Balance, July 1	1,442,186	1,682,051
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>33,000</u>	<u>40,000</u>
Estimated Ending Balance, June 30	<u>1,682,051</u>	<u>1,928,916</u>

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

**Funded Replacement Reserve Requirement - Pursuant to Section VIII (J)**

CPI Adjustment as of June 30, 2022	
CPI - 2022Annual	310.782
CPI - 2021Annual	<u>(289.244)</u>
	21.538
Divide by previous period CPI ÷	<u>289.244</u>
	0.0745
	X <u>100.000</u>
Percent Change	<u>7.45</u>
Maximum Balance computed as of June 30, 2021	3,578,957
Adjusted by CPI June 30, 2022 (\$3,578,957 * 7.45%)	266,632
Maximum Balance adjusted as of June 30, 2022	<u>3,845,589</u>

CPI = Consumer Price Index

NCSD = 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

TO: BOARD OF DIRECTORS  
 FROM: MARIO IGLESIAS  
 GENERAL MANAGER  
 DATE: May 19, 2023



**AGENDA ITEM  
 F  
 MAY 24, 2023**

**GENERAL MANAGER'S REPORT**

**ITEM**

Standing report to your Honorable Board -- *Period covered by this report is May 7, 2023 through May 20, 2023.*

**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 April data, the most recent data available.

**OFFICE ACTIVITIES**

	Apr 23	Jan 23 - Apr 23
Reports of Water Waste	0	0
Leak Adjustments	0	6
Leak Adjustment Amount	\$643	\$1,030
Late Fee Waivers	4	50
Late Fee Waiver Adjustment Amount	\$52	\$4,616

**Water Resources**

For the first ten months of the 2022-23 Fiscal Year, the District's total combined production, including groundwater production wells and supplemental water imported through the Joshua Road Pump Station, registered 1,386 AF. As has been the trend of late, imported water through the Joshua Road Pump Station was greater than the groundwater production. This trend will continue through the year as the District strives to maintain the 50% groundwater reduction goal and the District's contract take amount of 1,000 AFY minimum.

	Apr - 23	Jul 22 - Apr 23
Groundwater Production	47.2	471.7
Supplemental Water Imported	<u>83.4</u>	<u>915.0</u>
Total Production	130.6	1,386.7

**NCSD GW Reduction**

The District's purveyor customers, Golden State Water Company and Woodlands Mutual Water Company, each are responsible for 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, captures this data.

	Apr - 23	Jul 21 – Apr 23
NCSD GW Well Production	47.2	471.7
Purveyor Customer Credit (33.3% of Import Water)	27.8	304.9
NCSD Total Calculated GW Production	75.0	776.6
Average GW Production for 2009-2013	199.0	2,008.1
NCSD Percentage of GW Reduction	62.3%	61.3%

**2022 Fiscal Year Groundwater Pumping Forecast**

Table 3 projects the District's groundwater pumping reduction for the 2022-23 Fiscal Year. Under the current Stage 4 of the NMMA Water Shortage Response Stages, the District's targeted groundwater pumping reduction goal is to pump no more than 1,266 AFY (50% of 2009-2013 average District GW Pumping). The ten months of fiscal year 2022-23 actual – July through April – are combined with historic production from May 2022 and June 2022 to provide a projected estimate year end status.

	Year-to-Date		Target	Over_(Under)	AcFt
	Apr-23	Jul-Jun 2022			
NCSD GW Well Production	47.2	471.7			
Purveyor Customer Credit (33.3% of Import Water)	27.8	304.9			
NCSD Total Calculated GW Production	74.9	776.6	1,004.1	227	
Average GW Production for 2009-2013	199.0	2,008.1	2,008.1		
NCSD Percentage of GW Reduction	62.3%	61.3%	50.0%		

As demonstrated in Table 3 above, the District will achieve its 50% groundwater pumping reduction target by 227 AcFt under the conditions stated in the previous paragraph.

Below, Table 4 compares groundwater pumping for the same periods in 2023 and 2022.

	Apr-23	Jul 22 - Apr 23	Apr-22	Jul 21 - Apr 22
NCSD GW Well Production	47.2	471.7	58.8	698.5
Purveyor Customer Credit (33.3% of Import Water)	27.8	304.9	31.7	301.8
NCSD Total Calculated GW Production	74.9	776.6	90.5	1,000.3
Average GW Production for 2009-2013	199.0	2,008.1	199.0	2,008.1
NCSD Percentage of GW Reduction	62.3%	61.3%	54.5%	50.2%

The Table 4 view of the data provides operations personnel with insight into year-end water production values and assists in their efforts to balance import and groundwater production with the purpose of reducing groundwater pumping to meet the self-imposed 50% pumping groundwater reduction – the current stage IV objective.

**Rainfall Gauge**

Since January, the rainy season has produced record rainfall. This accounts for the District's ability to reduce its groundwater pumping to the extent demonstrated in the comparison table, Table 4. Below is the most recent and available rain data.

(Reported in inches)	Nipomo East (Dana Hills Reservoirs)	Nipomo South (Southland Plant)
Apr. 2023 Total	0.10	0.05
July-2022 through Apr-2023 (Season Total)	37.25	26.06
May 1, through May 19, 2023	0.77	0.39
Total Rainfall to date	38.02	26.45
County Reported Avg. Ann. Year Rainfall <sup>1</sup>	18.00	14.00
2006 - 2020 Avg. Ann. Year Rainfall <sup>1</sup>	15.39	13.30
2006 - 2020 Median Ann. Rainfall <sup>1</sup>	12.64	11.30

Note:

1. Data from County website

**Connection Report**

Nipomo Community Services District  
 Water and Sewer Connections

**END OF MONTH REPORT**

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
Water Connections (Total)	4506	4508	4508	4508								
Sewer Town connections	2738	2739	2739	2739								
Sewer Blacklake connections	559	559	559	559								
Subtotal	3297	3298	3298	3298	0	0	0	0	0	0	0	0
Galaxy and PSSH at Orchard and Division Sewer connections billed to the County	484	484	484	484								
Sewer Connections (Total)	3781	3782	3782	3782	0	0	0	0	0	0	0	0
New Water Connections	0	2	0	0	0	0	0	0	0	0	0	0
New Sewer Connection	0	1	0	0	0	0	0	0	0	0	0	0
New Sewer Connection-Galaxy and PSH	0	0	0	0	0	0	0	0	0	0	0	0

The Connection Report as of May 4, 2023

**Safety Program**

No Reportable Safety Issues

**Other Items**

- Blacklake Sewer Consolidation Project Update Bill Insert [Attachment A]
- Dana Reserve – Schedule [Attachment B] (No Change)
- County DESAL Committee Meetings [Attachment C] (No Change)

**Supplemental Water Capacity Accounting**

Summary Since January 25, 2008

	Number of Equivalent Meters	AFY
Supplemental Water Available for Allocation	947.0	500.0
Supplemental Water Reserved (Will Serve Letter Issued)	149.0	-78.1
Subtotal Net Supplemental Water Available for Allocation	<b>798.0</b>	<b>421.9</b>
Supplemental Water Assigned (Intent-to-Serve Issued)	179.6	-94.8
<b>Total Remaining Supplemental Water Available for Allocation</b>		
	<b>618.4</b>	<b>327.1</b>

Updated May 4, 2023

**Meetings (May 7 through May 20)**

*Meetings Attended (telephonically or in person):*

- May 8, Mario Vacation Day
- May 9, Mario Vacation Day
- May 10, Rotary
- May 10, NCSD Regular Board Meeting
- May 10, After-Board Exec. Team Meeting
- May 11, NMMA-TG Manager's Meeting
- May 11, NCSD Eng./Admin Coordination Meeting
- May 12, Staff Mtg. - Cust. Service Specialist
- May 12, BL Sewer Consolidation Project Ground Breaking Event
- May 15, Staff Mtg. - Admin Supervisor Meeting
- May 15, NCSD Management Team Meeting
- May 16, Personnel – Employee Annual Evaluation
- May 16, NCSD Board Officer Meeting
- May 17, Rotary
- May 17, Finance and Audit Committee Meeting
- May 18, Personnel – Employee Annual Evaluation
- May 19, Staff Mtg. - Cust. Service Specialist

**Meetings Scheduled (May 21 through May 27):**

*Upcoming Meetings (telephonically or in person):*

- May 22, Staff Mtg. - Admin Supervisor Mtg.
- May 23, Mario Vacation Day
- May 24, Rotary
- May 24, NCSD Regular Board Meeting
- May 24, After-Board Exec. Team Meeting
- May 26, Staff Mtg. - Cust. Service Specialist

**Upcoming Water Resource and Other Meetings**

*Upcoming Standing Meetings:*

- *NMMA-TG: May 31<sup>st</sup> (Wednesday) @ 10:00 AM, Zoom Meeting*
- *RWVG: No Meeting Scheduled for November*
- *WRAC: June 7th (Wednesday) @ 1:30 pm, County Library*
- *NMMA Manager's Meeting: June 20<sup>th</sup> (Tuesday) @ 9:00 AM, Zoom Meeting*
- *NCSD Board Officer Meeting: June 6<sup>th</sup> (Tuesday) @ 3:30 pm, NCSD Board Rm*
- *BLMA: June 6<sup>th</sup> (Tuesday) 2:00 pm, BL Community Center*

**RECOMMENDATION**

Staff seeks direction and input from your Board

**ATTACHMENTS**

- A. Blacklake Sewer Consolidation Project Update Bill Insert
- B. Dana Reserve Schedule (No Change)
- C. Desal Meeting Schedule (No Change)

May 24, 2023

ITEM F

ATTACHMENT A

May 19, 2023



General Managers Project Update: Blacklake Sewer Consolidation

## Nipomo Community Services District

### Sewer Consolidation Project Ground Breaking Event



On Friday, May 12<sup>th</sup>, the Nipomo Community Services District’s Board held a groundbreaking ceremony for the commencement of the Blacklake Sewer Consolidation Project Force Sewer Main (“Project”).

The Project will consolidate the two sewer treatment facilities operated by the Nipomo Community Services District into one treatment facility located at the intersection of S. Frontage Road and Southland Street. There are two features that make up the consolidation project: a sewer lift station and a sewer force main pipeline. The sewer force main pipeline portion of the Project work involves, but is not limited to, the construction of approximately 19,400 linear feet of sewer force main pipe and 1,600 linear feet of gravity sewer pipe, as well as associated appurtenances.

Nipomo Community Services District

148 S. Wilson St, PO Box 326, Nipomo, CA 93444

Phone: 805.929-1133

Fax: 805.929-1932

Email: [info@ncsd.ca.gov](mailto:info@ncsd.ca.gov)

Website: [www.ncsd.ca.gov](http://www.ncsd.ca.gov)

Pictured above from left to right:

Ed Eby, Director NCSD: Bob McGill, Director BLMA: Gary Hansen, Director NCSD

Jimmy Paulding, SLO County 4th District Supervisor: Dan Woodson, Director NCSD

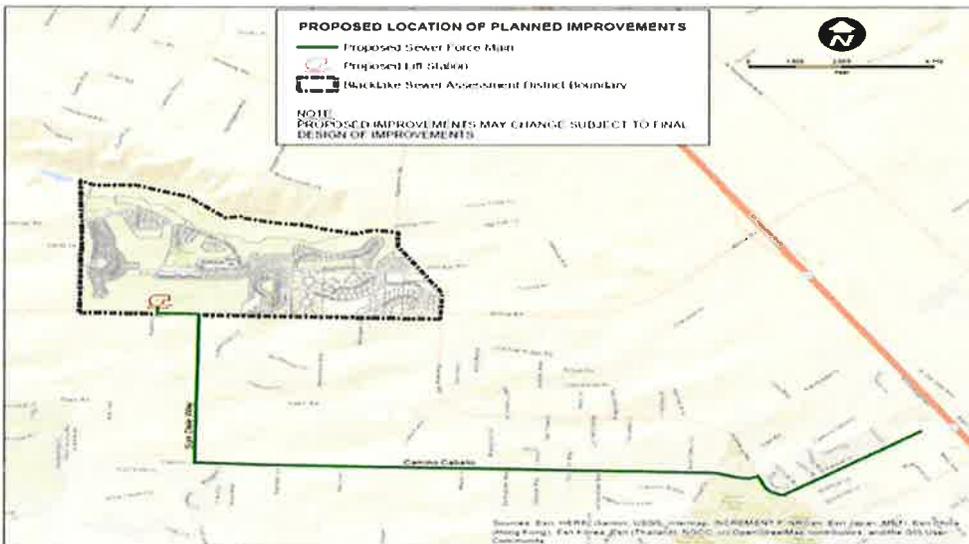
Mario Iglesias, General Manager NCSD: Jesse McGraw, Director BLMA

*Provide our customers with reliable, quality, and cost-effective services now and in*

The project is funded by the property owners of the Blacklake Village from an Assessment District that was approved by the homeowners in 2020. The total Project cost is estimated to be in the order of \$9,000,000. Once operational, the Project will provide for a more efficient and cost effective enterprise for Nipomo Community Services District’s sewer customers.

Supervisor Jimmy Paulding, Blacklake Management Association (“BLMA”) representative Bill McGill and Nipomo Community Services District (“NCS D”) Board Member Gary Hansen, spoke to the assembly of residents at the groundbreaking ceremony.

The project was designed by Cannon Corporation and will be constructed by R. Baker, Inc. Michael K. Nunley and Associates are the Construction Managers overseeing the construction project.



There are two major elements that make up the Project: a lift station and the sewer force main pipeline that connects the Blacklake sewer system to the Town sewer system.

Pictured to the left is the sewer force main pipeline alignment – represented as a green line on the map.

The Blacklake Sewer Consolidation Project was first explored in 2016 when the Nipomo Community Services District (“District”) conducted a Blacklake Sewer Master Plan Update (“Master Plan”). The Master Plan prompted a sewer rate study, attempting to match the necessary rates with the required updates to the sewer system. The needs of the Blacklake sewer treatment plant were many and the cost of meeting the regulatory requirements at the time was high. The Blacklake residents would see an average rate increase in sewer costs that were twice as high as the Town sewer costs.

Through the joint effort of the Blacklake Master Association Board, a resident advisory committee, and the District’s Board of Directors and staff, a better way to manage the communities wastewater was devised, presented, agreed upon, and now, after 6 years of effort, put under construction. The project has been challenging. The California Red-legged frog delayed the construction of the lift station by 12 months and pushed the overall project completion date from March 2024 to March 2025. With the Fish and Wildlife permit close at hand, and the start of the Force Main Project, the District is set to meet that completion date. With the switch on the lift station turned on and wastewater flowing through the sewer force main pipeline under construction, the residents of Blacklake can look forward to lower sewer rates and a more stable and reliable sewer system.

May 24, 2023

ITEM F

ATTACHMENT B

DANA RESERVE REVIEW SCHEDULE (AS OF 5/19/2023)

Status Update: Added Planning Commission & Board of Sups. Meeting month estimates for 2023

Date	Description	Comment
April 24, 2022	NCSD Review "Utility" Section of EIR	
June 16, 2022	Release of EIR	Extended from May 16, 2022
July 14, 2022	SLO County Planning Comm. Study Session	Zoom Meeting
July 21, 2022	LAFCO Study Session	County Lead Agency (9:00 am)
Aug. 1, 2022 <sup>1</sup>	Close Public Comment - DEIR	Was June 20, 2022 (Mario on Vaca)
Sept. 2022	Consider Ad-hoc Comm. (Annexation Agr.)	Establish January 2023
Nov. 17, 2022	NOTICE OF PETITION OF APPLICATION FOR ANNEXATION #30 DANA RESERVE <sup>1</sup>	60 Day Letter
Jan. 9, 2023	Ad-hoc Com. – Response to Notice of Petition	Prepare for Jan. 11 <sup>th</sup> Board Mtg.
August 30, 2023	County Planning Commission	Two days (8/30 & 8/31)
October 2023	1 <sup>st</sup> Meeting: County Board of Supervisors	Certify EIR, General Plan Amendment, Approve Subdivision Map, Issue Use Permits
November 2023	2 <sup>nd</sup> Meeting: County Board of Supervisors	
Q-1 2023	LAFCO Inquiry of NCSD (Service Provisions) <sup>2</sup>	
November 2023	NCSD Board	Adopt Annexation Agreement
December 2023	LAFCO Review & Approval	After Tax Sharing Agreement

The above schedule is suggested and drawn from conversations with staff from the County, LAFCO, and the Developer. This schedule is a rough outline and is subject to change over time.

Notes:

1. NCSD Staff will provided a staff report at the January 11<sup>th</sup> Board Meeting that provided the Board of Directors with more information and possible actions.
2. Developer shifted to an annexation process that focuses first on LAFCO application and second the District's application process. Under this format, LAFCO will be the agency that coordinates communication between the Developer and NCSD.  
Developer mailed letter September 20, 2022 to residents in Nipomo directing their attention to District website and the three reports addressing utilities – focus on explaining water situation.

RWG submitted comments on the Dana Reserve Specific Plan DEIR, August 1, 2022, to the County of San Luis Obispo supervision planner, Jennifer Guetschow.

**Phasing Plan Schedule** – Defines the fee schedule for the development. (May slip do to key NCSD staff shortage)

Administrative Draft Final Report	Monday, April 3, 2023
District Comments on Admin Draft Final Report	Friday, April 14, 2023
Draft Final Report	Friday, May 5, 2023
District Board Presentation	Wednesday, May 24, 2023
Final Report	Friday, June 9, 2023

May 24, 2023

ITEM F

ATTACHMENT C

Update: May 19, 2023

Mario Iglesias

County Water Action Team (CWAT)

County DESAL Meetings

Date	Speaker	Item/Issue/discipline	Company
1/10/2023	Dmitry Semenov	Financing Projects	Ridgeline Municipal Strategies, LLC
1/12/2023	Eric Miller	Fisheries Biologist	Miller Marin Science Consultants
1/17/2023	Did Not Attend		
1/19/2023	Tim Hogan	Biologist	TWB Environmental Research Consulting
2/6/2023	Rob Morrow	Engineering/Planning Team	WSC Inc. (Local Group)
2/7/2023	Did Not Attend		
2/7/2023	Lydia	Planning and Feasibility	Carollo Engineering
2/9/2023	Larry Kraemer	Engineering Firm	Cannon Eng.
2/9/2023	Daniel Heimel	Program Management/Engineering Services	Confluence Engineering Solutions
4/4/2023	Floyd Wicks	Sea-Well Buoy – Another solution	Seawell LLC
4/5/2023	Michael Wasgatt	Wind powered DESAL – Ocean Mounted	Offshore Wind Power Systems of Texas, Inc.
4/6/2023	Mr. Yamada		
4/24/2023	<b>Neal Aronson</b>	<b>Oceanus Power and Water</b>	is an infrastructure development company
4/25/2023	<b>Antoine Vuillermet</b>	<b>Waterise (subsea tech)</b>	subsea technology combined with membrane desalination

1. **DESAL Plan participation:** The following agencies have adopted resolutions or submitted letters agreeing to participate: the Cities of San Luis Obispo, Arroyo Grande, Morro Bay, Paso Robles, the Community Services Districts of Avila Beach, Cambria, Los Osos, Nipomo, San Miguel, Templeton, Oceano and other water purveyors, such as Atascadero Mutual, Golden State, San Miguelito and Santa Barbara County
  - a. Grover is targeting next week for consideration
  
2. **DESAL Plan scope / grant:** We submitted an application (attached) to USBR and anticipate hearing about awards no later than June. To fit the timing required for USBR's grant (project must be completed w/in 24 months), Phase 2 was broken into Phase 2a and Phase 2b (snippet of 5 phases below)
  - a. **Phase 2a (proposed grant scope)**
    - i. Will be completed within 24 months and, if awarded grant, will cost District \$550K and USBR \$550K for total \$1.2M project
    - ii. Will include public engagement, identifying/vetting/analyzing project concept alternatives
    - iii. Outcome will be "short-list" of potential projects to further pursue and scope/schedule/budget to do so in Phase 2b
  - b. **Phase 2b (not proposed in grant scope)**

Update: May 19, 2023

Mario Iglesias

- i. Will include more detailed analysis/studies of projects on “short-list”
- ii. Outcome will be selection of single preferred project to move forward to Phase 3

**3. Desal planning meetings:**

- a. CWAT meetings (TBD) – we’ll be reaching out for your availability soon to schedule the next CWAT meeting and round of working group / consultant meetings
  - the request for your availability may come from Jenny Williamson in our office – please respond at your earliest convenience so we can continue coordination with the consultants’ availabilities, etc.
- b. Board of Supervisors (April) – The grant application requires the District to adopt a resolution within 60 days of submitting the grant application. We plan to go to our Board on April 18 with the required resolution, along with an update on the scope and request for direction to return with a consultant contract

**4. Misc. desal info just fyi**

- c. Glenn Farrel (CalDesal Executive Director) sent over the CalDesal Regulatory Committee Meeting Agenda Packet; it includes a brief write-up on Innovations in Desalination and newly-introduced legislation relevant to desal projects
- d. Paul Herman (GHD contact) sent over the International Weekly Desal Report; it includes a brief write-up on the CalDesal conference (key note: the SWRCB representative said the State’s desal siting guidelines anticipated this summer will be out for public comment in April!)