TO: BOARD OF DIRECTORS

REVIEWED: RAY DIENZO, P.E. R.D.
GENERAL MANAGER

FROM: JANA ETTEDDGUE
FINANCE DIRECTOR

DATE: MAY 22, 2025

AGENDA ITEM
D-3
MAY 28, 2025

ACCEPT THIRD QUARTER FISCAL YEAR 2024-2025 FINANCIAL REPORT

ITEM

Accept Third Quarter Financial Report [RECOMMEND RECEIVE AND FILE REPORT]

BACKGROUND

As of March 31, 2025, the 2024-2025 Fiscal Year is 75% complete. The consolidated operating revenues are at 80.80% of budget, operating expenditures are at 76.03% of budget and general and administrative expenditures are at 56.79% of budget.

Attached are the following, which provide an overview of the first six months of the Fiscal Year:

Page 1	Consolidated Statement of Net Position
Page 2-3	Consolidated Statement of Revenues and Expenses
Page 4	Summary of Revenues, Expenses and Cash Balances by Fund
Page 5	Summary of Approved Budget Adjustments
Page 6-7	Graphs for Consolidated Revenues and Expenses
Page 8-10	Graphs for major funds (Water, Town Sewer, and Blacklake Sewer)

STRATEGIC PLAN

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

RECOMMENDATION

It is recommended that your Honorable Board receive report and direct Staff to file the quarterly financial report for the third quarter of Fiscal Year 2024-2025.

ATTACHMENT

A. Pages 1-10 – NCSD Quarterly Financial Report

MAY 28, 2025

ITEM D-3

ATTACHMENT A

NIPOMO COMMUNITY SERVICES DISTRICT
STATEMENT OF NET POSITION - (Unaudited)
MARCH 31, 2025

ASSETS			
Current assets:			
Cash and cash equivalents	$	21,936,833	
Accounts receivable		148,841	
Unbilled utilities receivable		1,071,000	
Accrued interest receivable		224,265	
Due from partner purveyors		244,539	
Contracts receivable, current portion		169,265	
Total current assets		23,794,743	
Noncurrent assets:			
Restricted cash-NSWP funded replacement		2,183,528	
Restricted cash - Held in Trust		7,682,671	
Cash with fiscal agent		42,140	
Deposits and other assets		360,317	
Contracts receivable, less current portion		6,565,281	
Capital assets:			
Capital assets, net of depreciation		78,933,038	
Total nonncurrent assets		95,766,975	
Total assets		119,561,718	(A)
Deferred Outflows of Resources			
OPEB related		761,791	
Pension related		1,176,459	
Total deferred outflows of resources		1,938,250	(B)
LIABILITIES			
Current liabilities:			
Accounts payable		1,951,737	
Deposits		179,197	
Accrued Liabilities		2,008,602	
Current portion of long-term debt		577,924	
Total current liabilities		4,717,460	
Noncurrent liabilities:			
Net OPEB liability		1,019,022	
Net pension liability		2,514,162	
Long-term debt, less current portion		23,138,568	
Total noncurrent liabilities		26,671,752	
Total liabilities		31,389,212	(C)
Deferred Inflows of Resources			
OPEB related		424,262	
Pension related		36,566	
Total deferred inflows of resources		460,828	(D)
NET POSITION			
Net investment in capital assets		54,888,603	
Restricted for system expansion, replacement and debt service		18,997,224	
Unrestricted		15,764,101	
Total net position (A)+(B)-(C)-(D)	$	89,649,928	

NIPOMO COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES AND EXPENSES - (Unaudited)
FOR THE NINE MONTHS ENDED MARCH 31, 2025

		YEAR-TO-DATE	BUDGET	% OF BUDGET
OPERATING REVENUES				
Water fixed charges	$	1,593,470	2,120,000	75.16%
Water usage charges		4,600,387	5,281,000	87.11%
Sewer charges		2,741,032	3,508,300	78.13%
Miscellaneous fees and charges		384,356	197,790	194.33%
Street light and landscape maintenance charges		46,683	64,273	72.63%
Franchise fees		178,582	248,000	72.01%
NSWP - collections from purveyors for water purchased		749,968	910,344	82.38%
NSWP - collections from purveyors for related expenses		79,692	96,068	82.95%
NSWP - collections for funded replacement		155,150	206,865	75.00%
Operating transfers in - Funded Administration		244,451	664,880	36.77%
Operating transfers in - Funded Replacement		526,411	688,000	76.51%
Total Operating Revenues		11,300,182	13,985,520	80.80%
OPERATING EXPENSES - OPERATIONS AND MAINTENANCE				
Wages and benefits		1,734,500	2,523,790	68.73%
Purchased water -NCSD share		1,500,839	1,821,782	82.38%
Purchased water-purveyors		749,968	910,344	82.38%
Operating costs, admin and funded replacement-NCSD share		255,903	341,692	74.89%
Electricity		601,655	787,700	76.38%
Water		24,342	20,150	120.80%
Chemicals		122,142	130,500	93.60%
Lab tests		111,294	131,000	84.96%
Operating supplies		267,880	327,000	81.92%
Outside services		250,911	393,250	63.80%
Permits and operating fees		54,828	89,620	61.18%
Repairs and maintenance		322,599	372,000	86.72%
Engineering		22,337	60,000	37.23%
Fuel		49,804	75,000	66.40%
Meters		235,447	250,000	94.18%
Safety program		10,843	5,300	204.58%
Uniforms		19,613	25,600	76.61%
Landscape maintance district		3,028	5,300	57.13%
Solid waste program		64,660	98,000	65.98%
Conservation program		23,087	88,000	26.24%
Operating transfer out - Funded Replacement		526,411	688,000	76.51%
Subtotal - Operating Expenses (Operations and Maintenance)		6,952,091	9,144,028	76.03%

continued on next page

NIPOMO COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES AND EXPENSES - (Unaudited)
FOR THE NINE MONTHS ENDED MARCH 31, 2025

	YEAR-TO-DATE	BUDGET	% OF BUDGET
OPERATING EXPENSES - GENERAL AND ADMINISTRATIVE			
Wages and benefits	765,230	1,078,810	70.93%
Bank charges and fees	304	1,000	30.40%
Computer expense	182,309	256,700	71.02%
Dues and subscriptions	87,897	103,260	85.12%
Education and training	15,533	27,000	57.53%
Elections	25,266	15,000	168.44%
Liability insurance	276,569	379,115	72.95%
Landscape and janitorial	16,458	30,750	53.52%
Legal counsel-general	36,034	102,500	35.16%
Legal counsel-water	4,315	75,000	5.75%
Professional services	85,076	264,800	32.13%
Miscellaneous	1,491	43,750	3.41%
Newsletters and mailers	4,120	10,200	40.39%
Office supplies	9,132	18,800	48.57%
Outside services	17,203	51,220	33.59%
Postage	30,522	51,450	59.32%
Public notices	226	7,650	2.95%
Repairs and maintenance	22,076	32,150	68.67%
Property taxes	1,989	2,400	82.87%
Telephone	7,362	14,700	50.08%
Travel and mileage	13,021	17,500	74.41%
Utilities	16,817	32,500	51.74%
Operating transfer out - Funded Administration	244,451	664,880	36.77%
Subtotal - Operating Expenses (General and Administrative)	1,863,401	3,281,135	56.79%
Total Operating Expenses	8,815,492	12,425,163	70.95%
Total Operating Surplus (Deficit)	2,484,690	1,560,357	159.24%
NON-OPERATING INCOME (EXPENSES)			
Interest income	1,242,876	453,850	273.85%
Property tax revenue	664,116	901,095	73.70%
Cell site revenue	19,218	48,500	39.62%
Other revenue	106,681	147,530	72.31%
Capacity Charges collected	637,981	0	0.00%
Interest expense	(786,404)	(584,751)	134.49%
Cost of Issuance- Bond Refinance	(300,542)	0	0.00%
Total non-operating revenues (expenses)	1,583,926	966,224	
Total Operating and Non-operating Surplus (Deficit) $	4,068,616	2,526,581	

NIPOMO COMMUNITY SERVICES DISTRICT
SUMMARY OF REVENUES AND EXPENSES BY FUND
NINE MONTHS ENDED MARCH 31, 2025

FUND	FUND #	YTD REVENUES	YTD EXPENSES	SUBTOTAL	FUNDED REPLACEMENT	TRANSFERS B/W FUNDS	YTD SUPRLUS/ (DEFICIT)
Administration	110	419,408	(419,408)	0	0	0	0
Water	125	6,585,202	(5,047,243)	1,537,959	(300,001)	0	1,237,958
Water Rate Stabilization	128	17,328	0	17,328	0	0	17,328
Town Sewer	130	2,070,549	(1,847,058)	223,491	(75,001)	0	148,490
Town Sewer Rate Stabilization	135	13,052	0	13,052	0	0	13,052
Blacklake Sewer	150	763,952	(373,291)	390,661	(140,999)	0	249,662
Blacklake Sewer Rate Stabilization	155	2,170	0	2,170	0	0	2,170
Blacklake Street Lighting	200	37,154	(31,942)	5,212	0	0	5,212
Funded Replacement-BL Street Lighting	205	11,183	0	11,183	0	0	11,183
Street Landscape Maintenance	250	10,950	(11,343)	(393)	0	0	(393)
Solid Waste	300	196,189	(84,505)	111,684	0	0	111,684
Drainage Maintenance	400	20,282	0	20,282	0	0	20,282
Supplemental Water Capacity Fees	500	768,892	(355,803)	413,089	0	0	413,089
Property Taxes	600	712,044	(447,323)	264,721	0	0	264,721
Water Capacity Fees	700	173,503	0	173,503	0	0	173,503
Town Sewer Capacity Fees	710	323,897	0	323,897	0	0	323,897
Funded Replacement-Water	805	143,820	0	143,820	300,001	0	443,821
Funded Replacement-Town Sewer	810	67,785	0	67,785	75,001	0	142,786
Funded Replacement-BL Sewer	830	29,314	0	29,314	140,999	0	170,313
NSWP Operations & Maintenance	910	2,489,984	(2,394,630)	95,354	0	0	95,354
NSWP Funded Replacement	915	224,504	0	224,504	0	0	224,504
TOTAL		15,081,162	(11,012,546)	4,068,616	0	0	4,068,616

CASH BALANCE OF EACH FUND

FUND	FUND #	12/31/2024
Administration	110	(155,369)
Water	125	4,871,538
Water Rate Stabilization	128	475,931
Town Sewer	130	323,736
Town Sewer Rate Stabilization	135	357,880
Blacklake Sewer	150	1,341,097
Blacklake Sewer Rate Stabilization	155	59,491
Blacklake Street Lighting	200	20,938
Funded Replacement-BL Street Lighting	205	31,598
Street Landscape Maintenance	250	20,538
Solid Waste	300	530,926
Drainage Maintenance	400	70,239
Supplemental Water	500	3,013,388
Property Taxes	600	1,177,041
Water Capacity Fees	700	2,238,782
Town Sewer Capacity Fees	710	912,734
Funded Replacement-Water	805	3,928,729
Funded Replacement-Town Sewer	810	1,814,033
Funded Replacement-BL Sewer	830	872,170
NSWP	910	31,414
TOTAL		21,936,833

BALANCE SHEETS AND STATEMENTS OF REVENUES AND EXPENSES FOR EACH FUND ARE AVAILABLE FOR REVIEW UPON REQUEST

NIPOMO COMMUNITY SERVICES DISTRICT
SUMMARY OF APPROVED BUDGET AMENDMENTS
FISCAL YEAR MARCH 31,2025

FIRST QUARTER ENDING SEPTEMBER 30, 2024

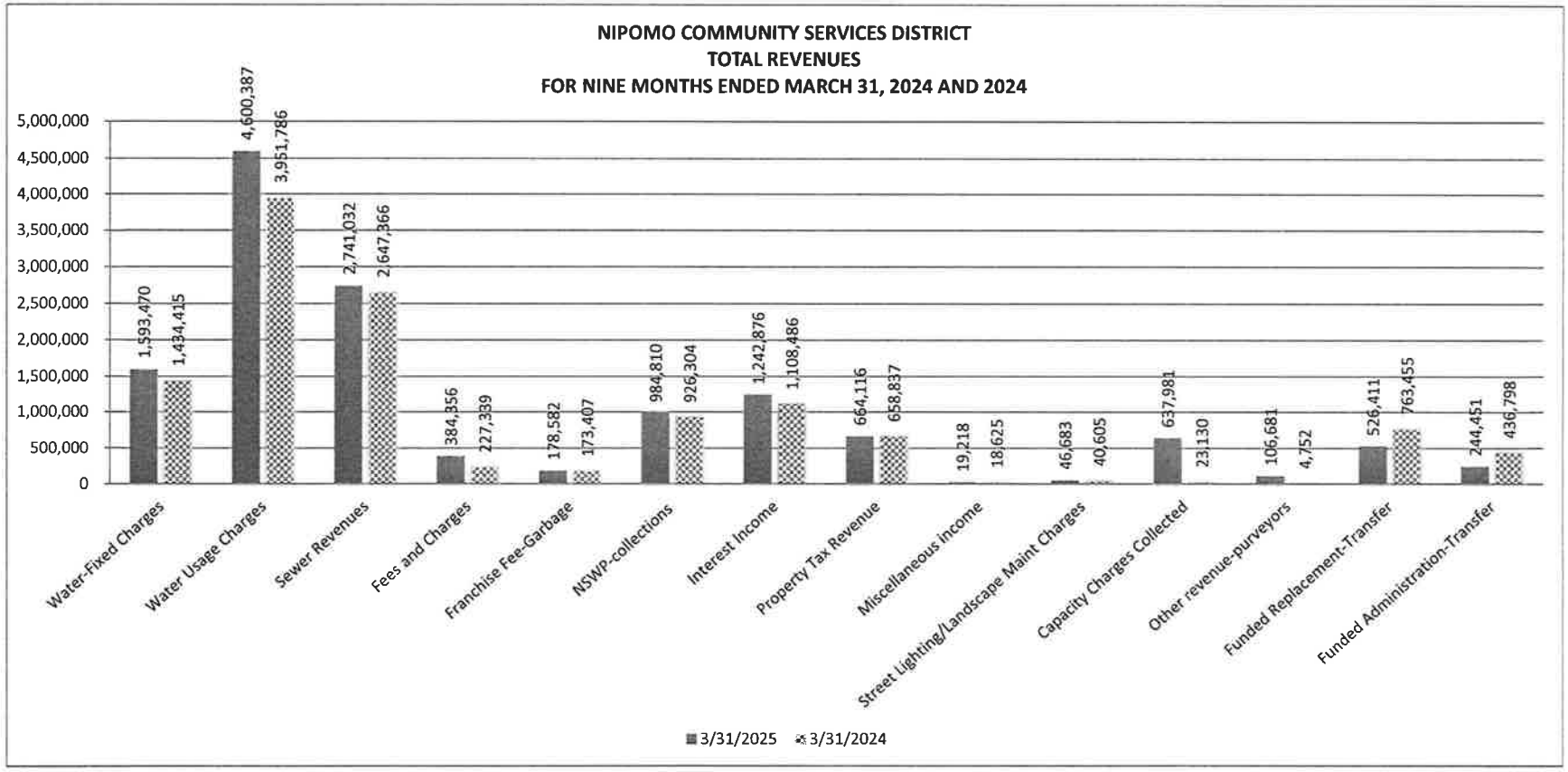
DATE	DESCRIPTION	FUNDS	APPROVED BUDGET	APPROVED AMENDMENT	AMENDED BUDGET	RESOLUTION NUMBER
7/10/2024	Blacklake Lift Station	950	$5,750,000	$2,444,917	$8,194,917	2024-1716
8/14/2024	SWP Interconnection	500	$1,000,000	$448,696	$1,448,696	2024-1718

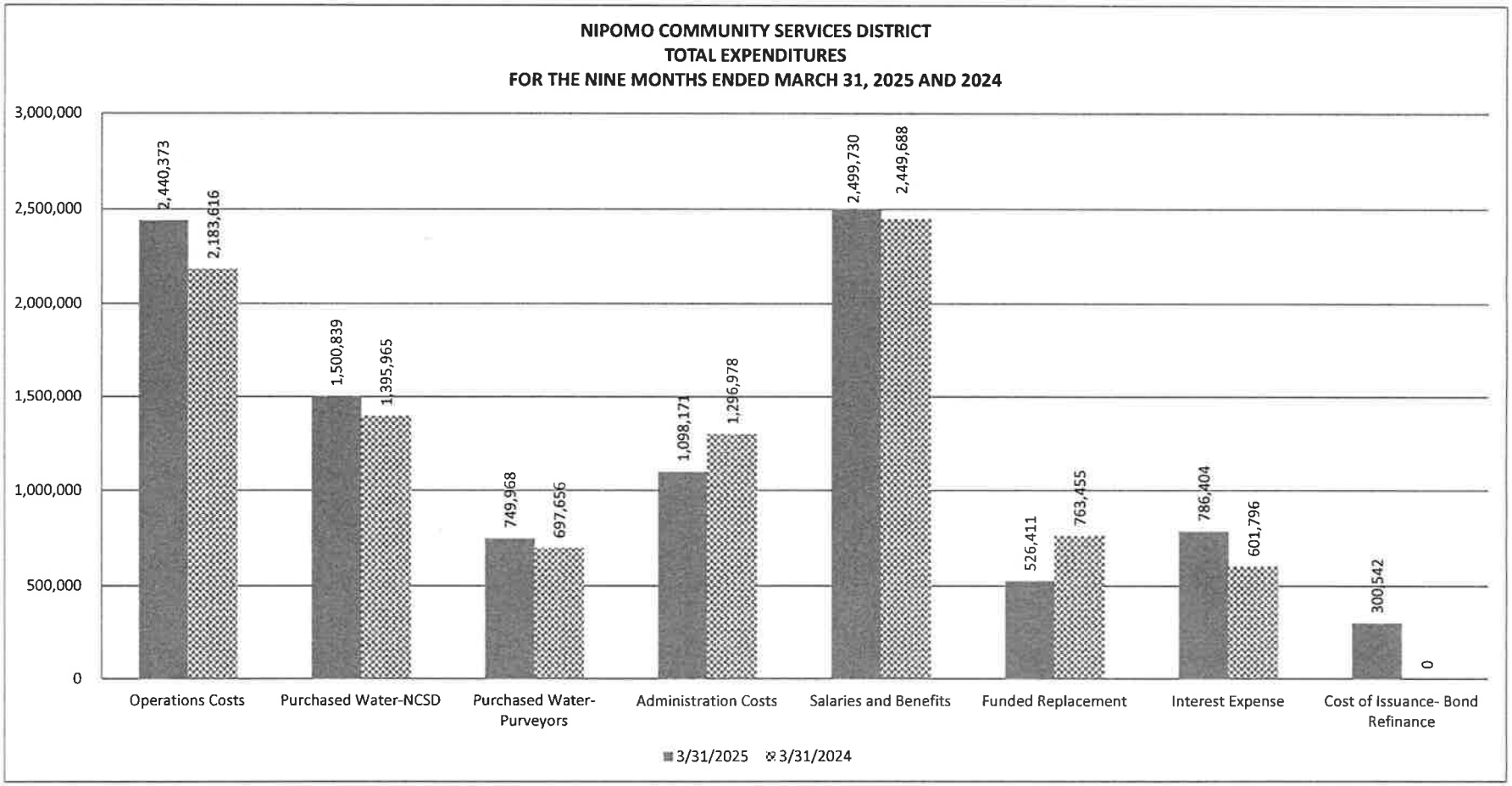
SECOND QUARTER ENDING DECEMBER 31, 2024

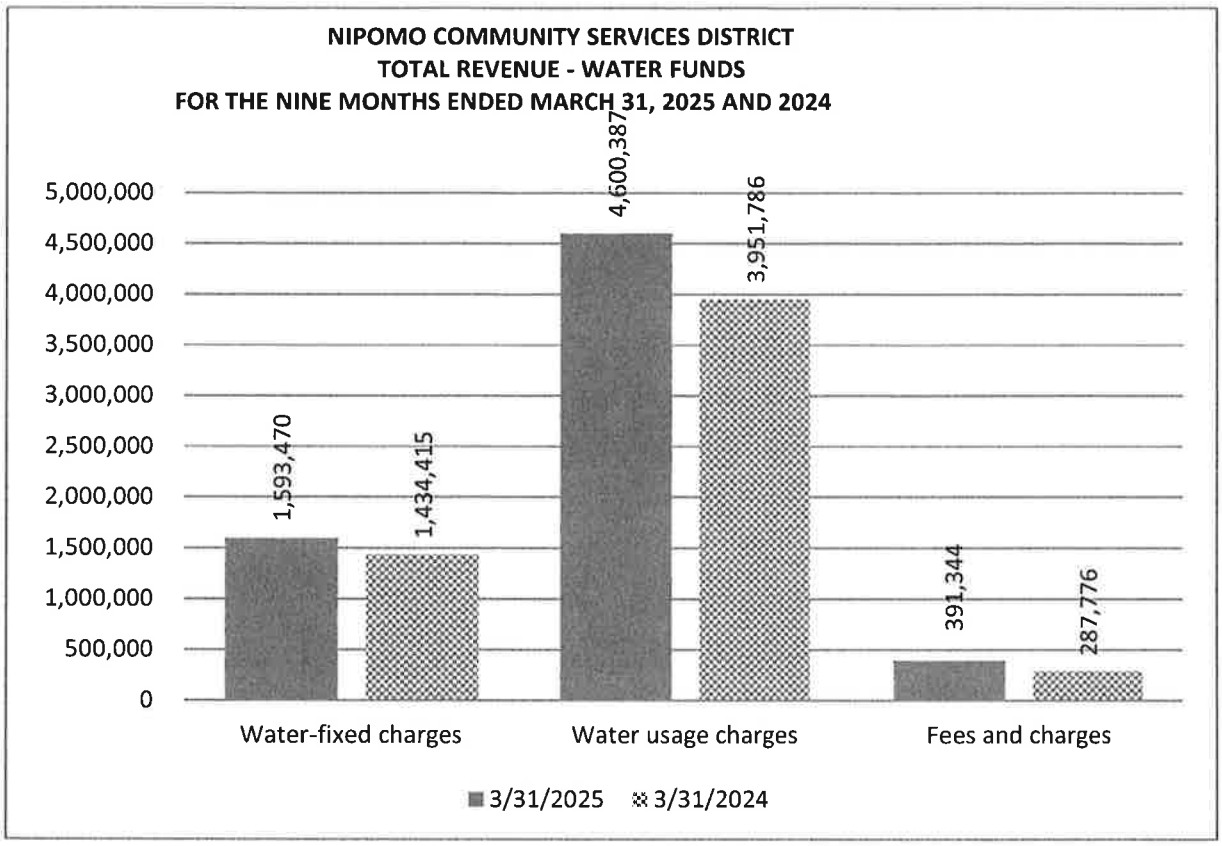
DATE	DESCRIPTION	FUNDS	APPROVED BUDGET	APPROVED AMENDMENT	AMENDED BUDGET	RESOLUTION NUMBER
12/11/2024	2024 Water Distribution System Improvement	500	$1,800,000	$363,725	$2,163,725	2024-1726
12/11/2024	2024 Water Distribution System Improvement	700	$190,000	$40,000	$230,000	2024-1726
12/11/2024	2024 Water Distribution System Improvement	805	$100,000	$21,000	$121,000	2024-1726

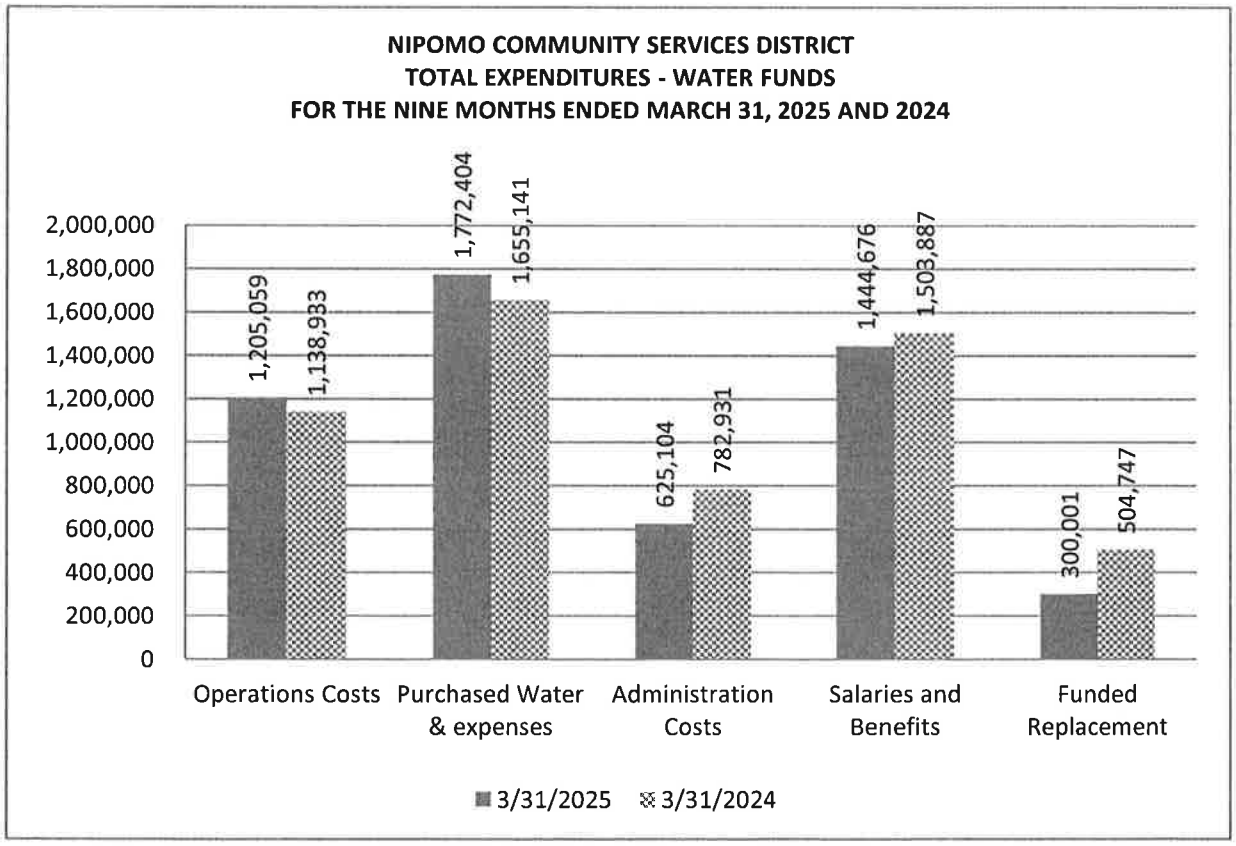
THIRD QUARTER ENDING MARCH 31, 2025

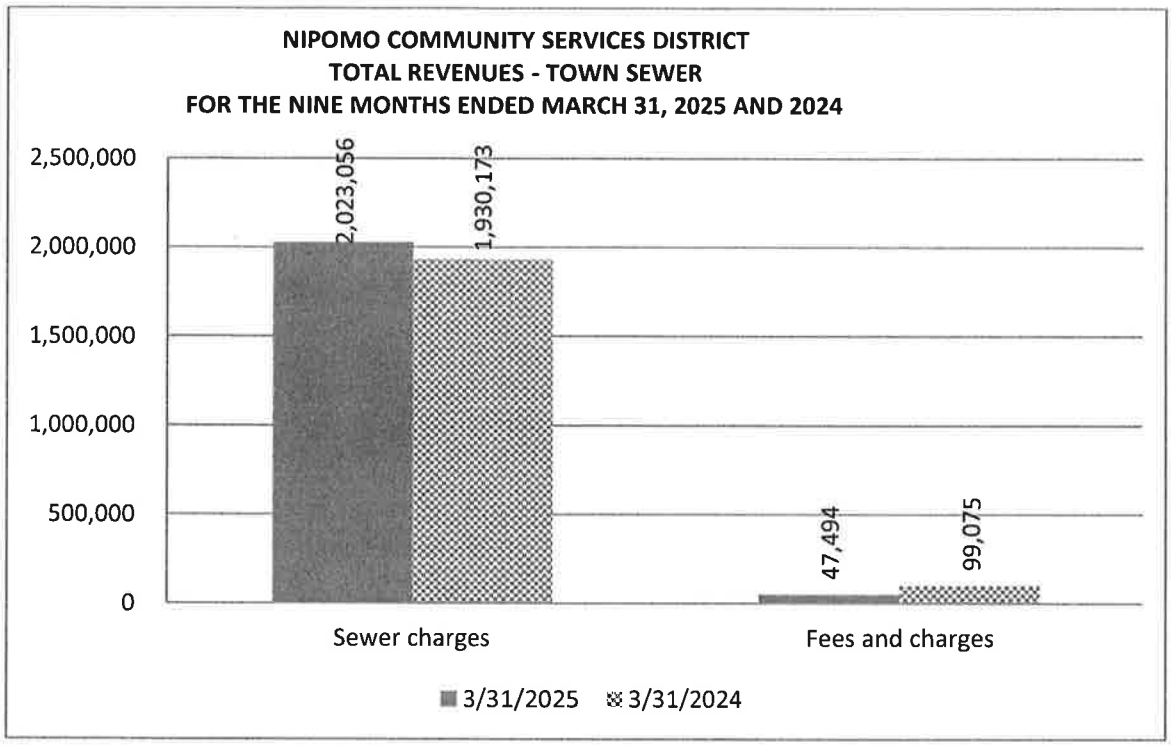
DATE	DESCRIPTION	FUNDS	APPROVED BUDGET	APPROVED AMENDMENT	AMENDED BUDGET	RESOLUTION NUMBER
NONE						

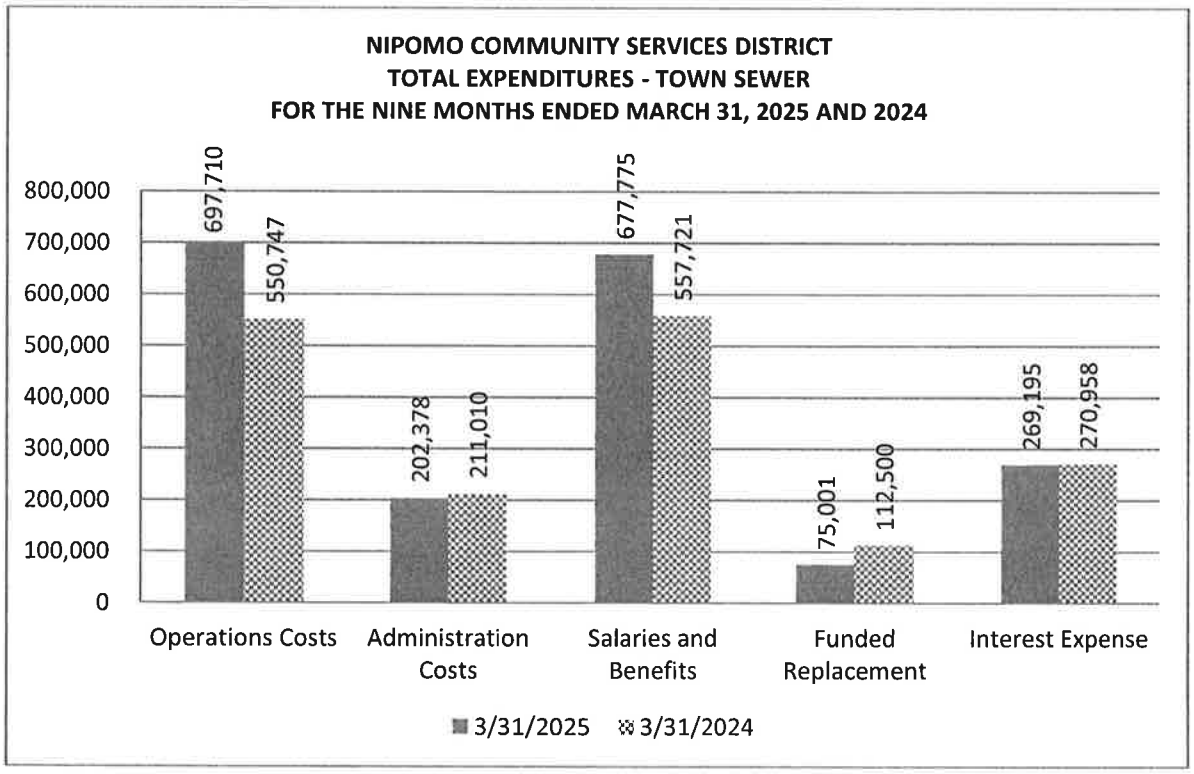

NIPOMO COMMUNITY SERVICES DISTRICT
TOTAL REVENUES
FOR NINE MONTHS ENDED MARCH 31, 2024 AND 2024
5,000,000
4,500,000
4,000,000
3,500,000
3,000,000
2,500,000
2,000,000
1,500,000
1,000,000
500,000
0
1,593,470
1,434,415
4,600,387
3,951,786
2,741,032
2,647,366
384,356
227,339
178,582
173,407
984,810
926,304
1,242,876
1,108,486
664,116
658,837
19,218
18,625
46,683
40,605
637,981
23,130
106,681
4,752
526,411
763,455
244,451
436,798
Water-Fixed Charges
Water Usage Charges
Sewer Revenues
Fees and Charges
Franchise Fee-Garbage
NSWP-collections
Interest Income
Property Tax Revenue
Miscellaneous Income
Street Lighting/Landscape Maint Charges
Capacity Charges Collected
Other revenue-purveyors
Funded Replacement-Transfer
Funded Administration-Transfer
3/31/2025
3/31/2024

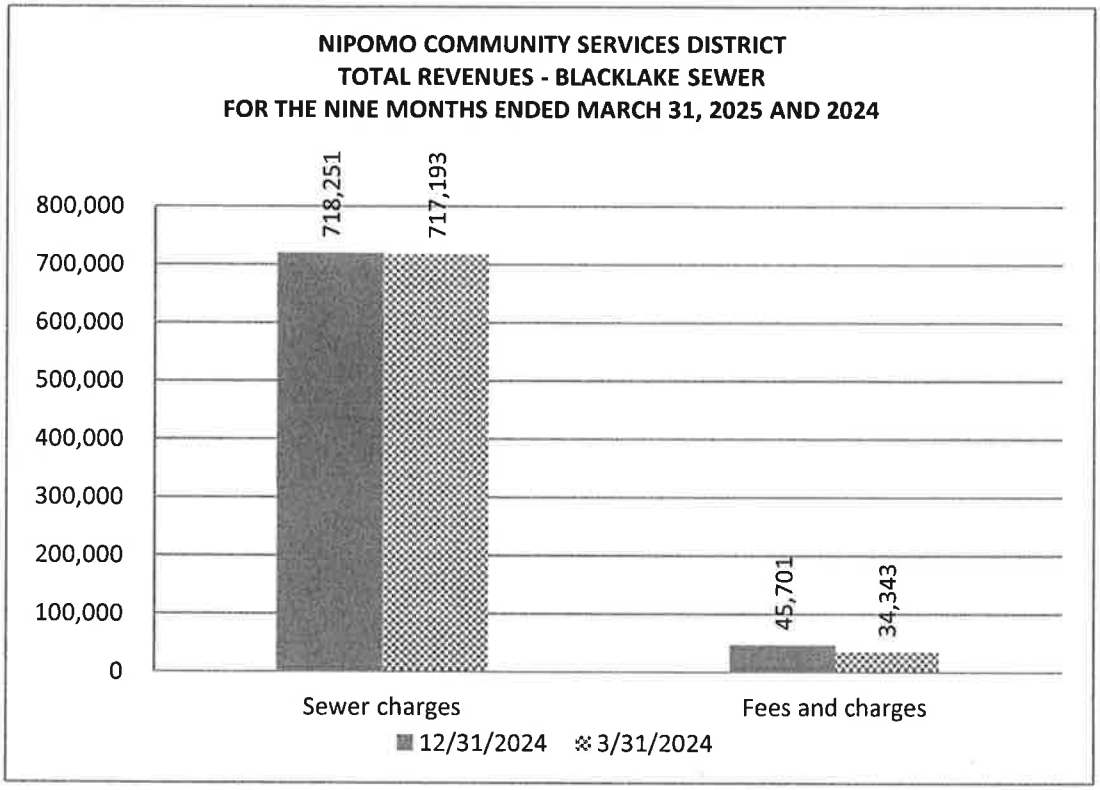

NIPOMO COMMUNITY SERVICES DISTRICT
TOTAL EXPENDITURES
FOR THE NINE MONTHS ENDED MARCH 31, 2025 AND 2024
3,000,000
2,500,000
2,000,000
1,500,000
1,000,000
500,000
0
2,440,373
2,183,616
1,500,839
1,395,965
749,968
697,656
1,098,171
1,296,978
2,499,730
2,449,688
526,411
763,455
786,404
601,796
300,542
0
Operations Costs
Purchased Water-NCSD
Purchased Water-Purveyors
Administration Costs
Salaries and Benefits
Funded Replacement
Interest Expense
Cost of Issuance- Bond Refinance
3/31/2025
3/31/2024

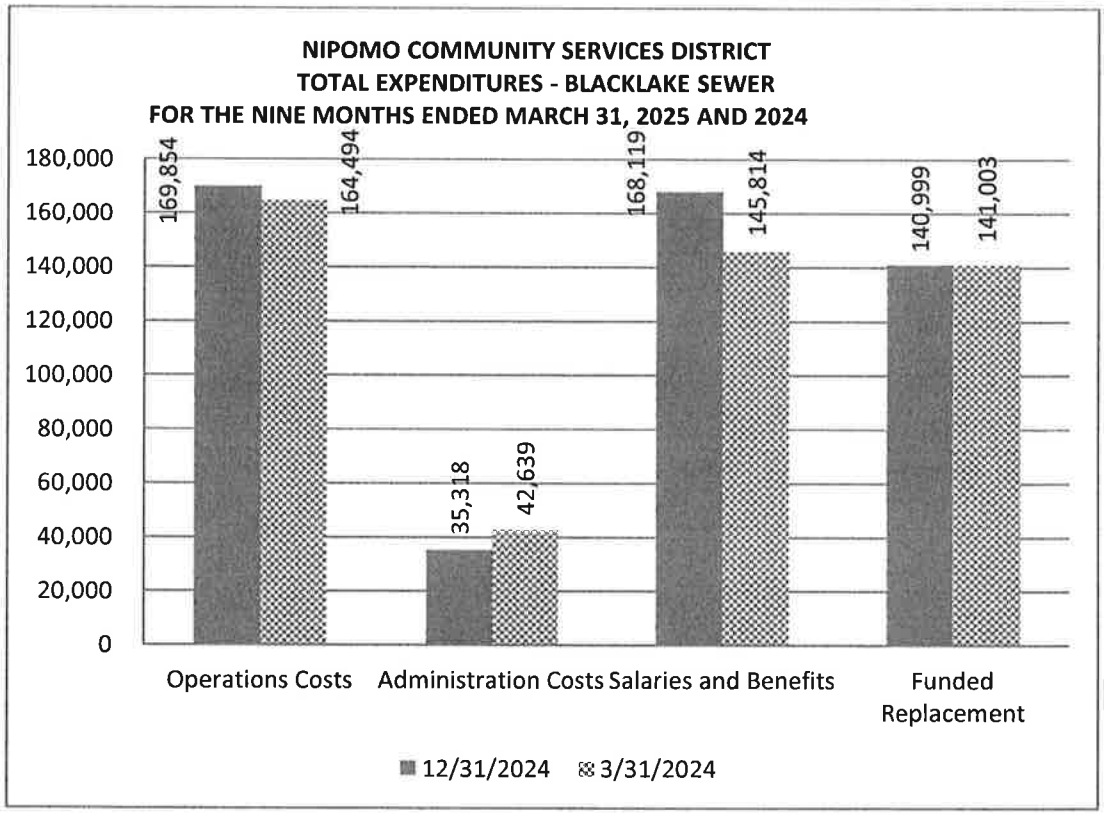

NIPOMO COMMUNITY SERVICES DISTRICT
TOTAL REVENUE - WATER FUNDS
FOR THE NINE MONTHS ENDED MARCH 31, 2025 AND 2024
5,000,000
4,500,000
4,000,000
3,500,000
3,000,000
2,500,000
2,000,000
1,500,000
1,000,000
500,000
0
1,593,470
1,434,415
4,600,387
3,951,786
391,344
287,776
Water-fixed charges
Water usage charges
Fees and charges
3/31/2025
3/31/2024


NIPOMO COMMUNITY SERVICES DISTRICT
TOTAL EXPENDITURES - WATER FUNDS
FOR THE NINE MONTHS ENDED MARCH 31, 2025 AND 2024
2,000,000
1,800,000
1,600,000
1,400,000
1,200,000
1,000,000
800,000
600,000
400,000
200,000
0
1,205,059
1,138,933
1,772,404
1,655,141
625,104
782,931
1,444,676
1,503,887
300,001
504,747
Operations Costs
Purchased Water & expenses
Administration Costs
Salaries and Benefits
Funded Replacement
3/31/2025
3/31/2024


NIPOMO COMMUNITY SERVICES DISTRICT
TOTAL REVENUES - TOWN SEWER
FOR THE NINE MONTHS ENDED MARCH 31, 2025 AND 2024
2,500,000
2,000,000
1,500,000
1,000,000
500,000
0
2,023,056
1,930,173
47,494
99,075
Sewer charges
Fees and charges
3/31/2025
3/31/2024


NIPOMO COMMUNITY SERVICES DISTRICT
TOTAL EXPENDITURES - TOWN SEWER
FOR THE NINE MONTHS ENDED MARCH 31, 2025 AND 2024
800,000
700,000
600,000
500,000
400,000
300,000
200,000
100,000
0
697,710
550,747
202,378
211,010
677,775
557,721
75,001
112,500
269,195
270,958
Operations Costs
Administration Costs
Salaries and Benefits
Funded Replacement
Interest Expense
3/31/2025
3/31/2024


NIPOMO COMMUNITY SERVICES DISTRICT
TOTAL REVENUES - BLACKLAKE SEWER
FOR THE NINE MONTHS ENDED MARCH 31, 2025 AND 2024
800,000
700,000
600,000
500,000
400,000
300,000
200,000
100,000
0
718,251
717,193
45,701
34,343
Sewer charges
Fees and charges
12/31/2024
3/31/2024


NIPOMO COMMUNITY SERVICES DISTRICT
TOTAL EXPENDITURES - BLACKLAKE SEWER
FOR THE NINE MONTHS ENDED MARCH 31, 2025 AND 2024
180,000
160,000
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0
169,854
164,494
35,318
42,639
168,119
145,814
140,999
141,003
Operations Costs
Administration Costs
Salaries and Benefits
Funded Replacement
12/31/2024
3/31/2024

TO: BOARD OF DIRECTORS

REVIEWED: RAY DIENZO, P.E. R.D.
GENERAL MANAGER

FROM: PETER V. SEVCIK, P.E.
DIRECTOR OF
ENGINEERING & OPERATIONS

DATE: MAY 22, 2025

AGENDA ITEM
D-4
MAY 28, 2025

AUTHORIZE STAFF TO BID FRONTAGE ROAD TRUNK SEWER REPLACEMENT PROJECT PHASE 1

ITEM

Authorize staff to bid Frontage Road Trunk Sewer Replacement Project Phase 1 [RECOMMEND BY MOTION AND ROLL CALL VOTE, AUTHORIZE STAFF TO BID PROJECT]

BACKGROUND

The Frontage Road Trunk Sewer Replacement Project ("Project") involves the replacement of approximately 4,900 linear feet of sewer line and 19 manholes in Frontage Road, between Division Street and Juniper Street. The Board authorized staff to bid the project at the November 13, 2024, Board meeting. The engineer's estimate at bid time was approximately $4.1 million.

On March 27, 2025, the District received 2 bids for the project. The low bid was $5.5 million. Due to the extraordinary imbalance between the project budget and the bid results, the Board rejected all bids pursuant to Public Contracts Code Section 20166 and directed staff to return to the Board with a revised plan to construct the project.

Subsequently, staff divided the Project into two segments. Phase 1 will go from Division to Tefft Street. Phase 2 will go from Tefft Street to Juniper.

The Frontage Road Trunk Sewer Replacement Project Phase 1 ("Phase 1") involves the replacement of approximately 3,100 linear feet of sewer line and 10 manholes in Frontage Road, between Division Street and Tefft Street. The plans and specifications for Phase 1 are being finalized. The District has successfully negotiated new encroachment permit conditions with the County of San Luis Obispo and Caltrans for the Phase 1 segment. In accordance with the District's Purchasing Policy, staff needs Board approval to solicit bids for the Project. Staff expects to bid the Project in June 2025.

The California Public Contract Code ("PCC") Section 20101 permits the District to pre-qualify contractors who wish to bid on the District's public works contracts, such as the Frontage Road Trunk Sewer Project. PCC Section 20101 requires the District to establish pre-qualification policies and the method by which decisions regarding Contractor's qualifications may be appealed. Pre-Qualification of Contractors helps ensure that the Project is constructed by reputable, experienced, and qualified contractors. The District previously completed the contractor pre-qualification process for the Project and pre-qualified 5 general contractors.

The Board previously adopted a Notice of Exemption for the Project in compliance with the California Environmental Quality Act ("CEQA").

District staff and the design engineer, Michael K. Nunley & Assoc. ("MKN"), are currently reviewing the original design for Phase 2 of the Project and expect that the Tefft Street crossing will need to be redesigned. Staff anticipates that the Phase 2 segment will be ready to bid in early 2026.

FISCAL IMPACT

The total Project budget is $3,470,000 and is included in the FY 2024-2025 Town Sewer budget. The estimated cost for Phase 1 is $2,800,000. The estimated cost for the Phase 2 segment will be determined once the redesign is complete.

STRATEGIC PLAN

Goal 2. FACILITIES THAT ARE RELIABLE, ENVIRONMENTALLY SENSIBLE AND EFFICIENT.

> Plan, provide for and maintain District facilities and other physical assets to achieve reliable, environmentally sensible, and efficient District operations.

Goal 4. FINANCE.

> Maintain conservative, long-term financial management to minimize rate impacts on customers while meeting program financial needs.

RECOMMENDATION

Staff recommends that your Board, by motion and roll call vote, authorize staff to solicit bids to construct Frontage Road Trunk Sewer Replacement Project Phase 1.

ATTACHMENTS

None

TO: BOARD OF DIRECTORS

FROM: RAY DIENZO R.D.
GENERAL MANAGER

REVIEWED: CRAIG STEELE
GENERAL COUNSEL

DATE: MAY 22, 2025

AGENDA ITEM
E-1
MAY 28, 2025

PUBLIC HEARING TO ADOPT AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT AMENDING CHAPTER 3.06 OF THE DISTRICT CODE RELATING TO WATER SYSTEM BACKFLOW PREVENTION AND FINDING THAT THE ADOPTION OF THIS ORDINANCE IS EXEMPT FROM REVIEW UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT ("CEQA")

ITEM

Consider adoption of an ordinance amending Chapter 3.06 of the District Code relating to water system backflow prevention and finding that the adoption of this ordinance is exempt from review under the California Environmental Quality Act ("CEQA") [RECOMMEND ADOPT, WAIVE FURTHER READING, AND READ BY TITLE ONLY ORDINANCE NO. 2025-137 AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT AMENDING CHAPTER 3.06 OF THE DISTRICT CODE RELATING TO WATER SYSTEM BACKFLOW PREVENTION AND FINDING THAT THE ADOPTION OF THIS ORDINANCE IS EXEMPT FROM REVIEW UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

BACKGROUND

The Nipomo Community Services District Code ("Code") was revised through Ordinance No. 2023-136 to add a new Chapter 3.06 relating to water system backflow requirements. The new chapter updated the District's backflow device requirements to reflect modern practices and to comply with the requirements of the State Water Resources Control Board ("SWRCB"), the regulatory agency that oversees the District's water enterprise. Recent updates to the SWRCB regulations require minor changes to Chapter 3.06 of the Code, mainly to reference the new state-adopted Cross Connection Control Policy Handbook in place of California Code of Regulations Title 17. The proposed changes will meet the requirements of these new regulations, which came into effect July 1, 2024.

In connection with these changes, the District will apply the Backflow Administration Fee of $1 per billing cycle. This fee was approved by District Code section 3.06.110(C) but has not been implemented. Staff will implement this fee starting July 1, 2025.

FISCAL IMPACT

There is no fiscal impact associated with the adoption of this ordinance. Costs for updating and enforcing the existing District Code records are included in the District's annual budget and fees.

STRATEGIC PLAN

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

RECOMMENDATION

Staff recommends that your Honorable Board adopt, waive further reading and read by title only Ordinance No. 2025-137.

ATTACHMENT

A. Ordinance No. 2025-137 AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT AMENDING CHAPTER 3.06 OF THE DISTRICT CODE RELATING TO WATER SYSTEM BACKFLOW PREVENTION AND FINDING THAT THE ADOPTION OF THIS ORDINANCE IS EXEMPT FROM REVIEW UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT ("CEQA")

MAY 28, 2025

ITEM E-1

ATTACHMENT A

ORDINANCE NO. 2025-137

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT AMENDING CHAPTER 3.06 OF THE DISTRICT CODE RELATING TO WATER SYSTEM BACKFLOW PREVENTION AND FINDING THAT THE ADOPTION OF THIS ORDINANCE IS EXEMPT FROM REVIEW UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT ("CEQA")

THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. The Nipomo Community Services District's staff have recommended that the Board amend the District Code to update certain provisions relating to Water System Backflow Prevention.

Section 2. Section 3.06.010 of the Nipomo Community Services District Code is hereby amended to read as follows:

"3.06.010 Protection of public water supply.

In making plumbing connections, the customer is required to comply with the regulations of the District, the County of San Luis Obispo, and the California State Water Resources Control Board. Such regulations prohibit: (1) unprotected cross-connections between a public water supply and any unapproved source of water, and (2) unprotected water service connections to premises where there is a possibility of contaminated water flowing back ("back flowing") into the public water system.

Accordingly, the District requires the installation of backflow prevention assemblies that are approved by the Foundation for Cross-Connection Control and Hydraulic Research, and/or other District-approved alternative protective assemblies, by and at the expense of the customer before granting or continuing service under the following conditions:

A. Where another source of water is in use, or is available for use, unless the alternate supply has been certified for domestic use by the County health department or the State Water Resources Control Board;

B. Industrial or commercial premises where contaminated liquid or soluble substances of any kind are used, produced or processed, or handled under pressure in such a fashion as to permit possible entry into the District's water distribution system, including water originating in the District's system that is then boosted in pressure after the point of connection to serve the pressure needs of a premises;

C. Premises where the customer's system has more than one service connection coming from different streets, or has internal cross-connections that cannot be permanently corrected to meet state and local standards;

D. Premises and/or customers' systems where, in the opinion of the District, there is the potential for pollution or contamination of the District's water system in the event of backflow or back-siphon;

E. As a protection to the customer's plumbing system, a suitable pressure relief valve must be installed and maintained by the customer at the customer's expense when check valves or other protective assemblies are used. The relief valve shall be installed between the check valves and the water heater.

F. The regulations of the California State Water Resources Control Board also requires that the owner of any premises on or for which check valves or other protective assemblies are installed at the direction of the public water supplier, shall inspect these assemblies for water tightness and reliability at least once per year. All defective assemblies shall be serviced, overhauled or replaced at the customer's expense. A written report on this annual inspection shall be provided to the general manager or their designee."

as set forth in this chapter.

Section 3. Section 3.06.030 of the Nipomo Community Services District Code is hereby amended to read as follows:

"3.06.030 Adoption of state regulations.

The regulations of the California State Water Resources Control Board, Cross-Connection Control Policy Handbook, or successor regulations, referred to in this chapter as CCCPH, are adopted, incorporated by reference and made a part of this chapter, insofar as the same are applicable to the protection to District's water distribution system."

Section 4. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional, ineffective or in any manner in conflict with the laws of the United States, or the State of California, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Directors hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsection, sentence, clause, or phrase be declared unconstitutional, ineffective, or in any manner in conflict with the laws of the United States or the State of California.

Section 5. The District finds that this Ordinance is exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Sections 15378(b)(2) and 15378(b)(4) because it constitutes general policy and procedure making and government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. The District further finds, to the best of their knowledge, that the adoption of this Ordinance is not a project as defined in CEQA Guidelines Section 15378 because it can be seen with certainty that it will not result in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. The District General Manager is directed to prepare and file an appropriate notice of exemption.

Section 6. This Ordinance shall take effect and be in full force and effect thirty (30) days after its passage. Pursuant to Government Code Section 25124(b) the District shall publish a summary of this Ordinance, with the names of the members of the Board of Directors voting for or against the Ordinance, in a newspaper of general circulation within the District, and shall publish the Ordinance on the District's website.

Section 7. The General Manager is authorized to make technical and clerical changes to the text adopted by this Ordinance, following adoption, without additional Board approval.

INTRODUCED at its regular meeting of the Board of Directors held on May 14, 2025, and

PASSED and ADOPTED by the Board of Directors of the Nipomo Community Services District at its regular meeting on May 28, 2025, by the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

CONFLICTS:

ED EBY
President, Board of Directors

ATTEST:

RAY DIENZO
General Manager and Secretary to the Board

APPROVED AS TO FORM:

CRAIG A. STEELE
District Legal Counsel

TO: BOARD OF DIRECTORS

FROM: RAY DIENZO, P.E. R.D.
GENERAL MANAGER

DATE: MAY 21, 2025

AGENDA ITEM
E-2
MAY 28, 2025

CONSIDER THIRD AMENDMENT TO GRANT AGREEMENT WITH ACHIEVEMENT HOUSE INC. FOR SOLID WASTE REMOVAL IN THE NIPOMO COMMUNITY SERVICES DISTRICT COMMON AREAS

ITEM

Consider Third Amendment to Grant Agreement with Achievement House Inc., for solid waste removal in the Nipomo Community Services District common areas [RECOMMEND APPROVE THIRD AMENDMENT TO AGREEMENT WITH ACHIEVEMENT HOUSE FOR SOLID WASTE REMOVAL]

BACKGROUND

In April 2022, the Nipomo Community Services District ("District") entered into a Community Grant Agreement ("Agreement") with Achievement House, Inc. ("Achievement House"), to provide solid waste removal from roadways in defined common areas of the Nipomo Community Services District.

Achievement House has provided clean-up services for the community of Nipomo for several years through a District grant supported by solid waste franchise fees. A pilot program started in 2012 between the Nipomo Chamber of Commerce, Achievement House and the District, was discontinued in early 2017 due to irregularities within one of the contract parties. This resulted in the District cancelling the agreement. Since then, your Board has approved an agreement with Achievement House to provide solid waste cleanup services throughout the community.

The current Agreement ends on June 30, 2025. The Achievement House is interested in renewing the Agreement for another year. The District has negotiated with Achievement House to amend the Agreement to the satisfaction of both parties. Both parties agreed to the Achievement House's new terms for next fiscal year, July 1, 2025 to June 30, 2026, as follows: increase the hourly rate from $87/hour to $88/hour for up to 28 hours per week approximately twice monthly (26 weeks) or $64,064 annually, plus $3,380 for dumping fees for a total not-to-exceed agreement amount of $67,444 annually. The scope of work agreed upon since the First Amendment remains unchanged in this Third Amendment.

FISCAL IMPACT

Funds to support solid waste services may be allocated from Solid Waste Fund #300. Beginning solid waste reserves for Fiscal Year 2025-2026 are approximately $480,000. Solid waste net fund revenue from franchise fees is approximately $21,000 monthly. It is anticipated that the fund will have a balance of over $244,650 by the end of the fiscal year. There are sufficient monies in the fund to continue working with Achievement House should the Board approve the Third Amendment to the Agreement.

STRATEGIC PLAN

Goal 8. ADDITIONAL COMMUNITY SERVICES. Staff should focus on meeting the goals and objectives of existing services. Adding new services will be considered on a case-by-case basis and entered into only if funding can be found and existing services are not harmed.

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

Staff recommends that the Board direct the General Manager to enter into the Agreement with Achievement House, Inc.

ATTACHMENTS

A. Third Amendment to Community Grant Agreement
B. Exhibit A – Scope of Work
C. Exhibit B – Response to Request for Proposal

MAY 28, 2025

ITEM E-2

ATTACHMENT A

NIPOMO COMMUNITY SERVICES DISTRICT

Third Amendment to Community Grant Agreement with ACHIEVEMENT HOUSE, INC. ("GRANTEE")

THIS THIRD AMENDMENT TO THAT CERTAIN GRANT AGREEMENT by and between the NIPOMO COMMUNITY SERVICES DISTRICT ("NCSD"), and Achievement House, Inc. ("GRANTEE") dated April 1, 2022 ("Agreement") is hereby approved to be effective April 1, 2024. In consideration of the mutual covenants, conditions and undertakings set forth herein, NCSD and GRANTEE agree to amend the Agreement as follows:

A. Section 2 of the Agreement is hereby amended to read as follows:

"**2. GRANT.** NCSD and the GRANTEE shall agree to the terms of this Third Amendment for the period of July 1, 2025 to June 30, 2026, NCSD shall provide grant funding to GRANTEE in the total annual amount not to exceed Sixty-seven Thousand, Four Hundred and Forty four dollars ($67,444) paid in twelve (12) equal monthly amounts, at the rates set forth in Exhibit B, with the invoices issued by the GRANTEE at the end of each month of services provided for the Project subject to the provisions of this Agreement ("Grant Funds"), and payment issued by NCSD within thirty days of NCSD's receipt of each of said invoices."

B. Section 4 of the Agreement is hereby amended to read as follows:

"**4. TERM.** This Agreement, as amended, shall commence on July 1, 2025, and shall remain and continue in effect until June 30, 2026, unless sooner terminated pursuant to the provisions of this Agreement."

C. Section 5 of the Agreement is hereby amended in its entirety to read as follows:

"**5. GRANT REPORT.** GRANTEE shall provide to NCSD a monthly grant report when submitting the monthly invoice that includes the following information and documentation:

A. Description of how the grant was used to support and improve the Nipomo community – number of bags of refuge removed from streets or pounds of refuge as demonstrated by attaching copies of tipping fees paid

B. The measurable and/or quantifiable impacts attributable to the Grant Funds (e.g., the number of volunteers who participated in the Project, the number of sites cleaned, etc.).

In addition to the information listed here, GRANTEE must provide any other information requested by NCSD as it relates to the use of the Grant Funds."

D. Exhibits A and B to the Agreement are hereby replaced by amended Exhibits A and B, attached hereto and incorporated herein by this reference.

NIPOMO COMMUNITY SERVICES DISTRICT

Third Amendment to Community Grant Agreement with ACHIEVEMENT HOUSE, INC. ("GRANTEE")

E. Except as amended herein, all other provisions of the Agreement shall remain in further force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and effective as of the day and year written above.

NIPOMO COMMUNITY SERVICES DISTRICT

_____
Ray Dienzo, General Manager

GRANTEE

By: _____
Name: Courtney Musgrave
Title: Program Coordinator

By: _____
Name:
Title:

MAY 28, 2025

ITEM E-2

ATTACHMENT B

Trash Pick-up Bi-Monthly Schedule

Monday (Zone 1)

A - Tefft (Pomeroy to Hazel)

B - Tefft (Hwy 101 to Pomeroy)

C - Orchard Rd (Tefft to Southland)

D - Division St. (Orchard to S. Frontage)

E - Grande St. (Orchard to S. Frontage)

Tuesday (Zone 2)

A - South Frontage Rd (Tefft to Southland) to include:

Weed cutting on east side roadway shoulder between edge of pay to Hwy 101 fence

B - Tefft (Thompson to Hwy 101)

C - Mallagh St (Tefft to Eve)

D - Hill St. (S. Frontage to Blume)

Wednesday (Zone 3)

A - North Frontage Road (Sandydale to Juniper) to include

Weed cutting on east side roadway shoulder between edge of pay to Hwy 101 fence

Pathway between Juniper and Tefft (added to 2023-24 Contract- First Amendment)

B - Pomeroy (Tefft to Camino Caballo)

C - Pomeroy (Camino Caballo to Willow Rd.)

Thursday (Zone 4)

A - Thompson (Knotts to Leaf)

B - Thompson (Leaf to Willow)

C - Thompson (Willow to Hwy 101)

D - Willow (Pomeroy to Hwy 101)

E - Willow (Hwy 101 to Thompson)

Any other areas that may be requested on an as needed basis

MAY 28, 2025

ITEM E-2

ATTACHMENT C

ACHIEVEMENT HOUSE, INC.

April 23, 2025

Raymond Dienzo, P.E.
General Manager
Nipomo Community Services District

Re: Request for Proposal - Trash Pick-up & Removal on a Bi-monthly Schedule 2024-2025

Dear Raymond,

Thank you for taking the time to review our proposals for the Nipomo Community Services District contract.

For the Nipomo Community Services District (District), Achievement House Inc. would like to provide one grounds working crew (4-person) to perform trash pick-up & removal services for the District Monday-Friday, up to 28 hours per week on a bi-monthly schedule. Additionally, weed-eating services along the North & South Frontage Road to be provided as needed. Services will be provided along the pre-designated zones as defined in the District's Grant Agreement (Agreement), Exhibit A - Scope of Work. The Agreement is for a period of 12 months commencing July 1, 2025, and ending June 30, 2026, with an option to reinstate for continual service years.

July 1 2025, through June 30, 2026, the rate will be $88.00 per hour for up to 28 hours per week ($2,464) approximately twice monthly (26 weeks) or $64,064 annually plus $3,380.00 for dumping fees for a total not to exceed the Agreement amount of $67,444 annually.

If you have any questions, please contact me.

Best Regards,

Courtney Musgrave

Courtney Musgrave
Program Coordinator
Achievement House, Inc.
(805) 938 - 6201
cmusgrave@achievementhouse.org