

TO: BOARD OF DIRECTORS  
REVIEWED: RAY DIENZO, P.E. *RD*  
GENERAL MANAGER  
FROM: PETER V. SEVCIK, P.E.  
DIRECTOR OF  
ENGINEERING & OPERATIONS  
DATE: OCTOBER 2, 2025

**AGENDA ITEM**  
**C-1**  
**OCTOBER 8, 2025**

**QUARTERLY DISTRICT ENGINEER'S REPORT TO THE BOARD**

**ITEM**

Engineering and Operations update for July through September 2025. [RECOMMEND  
RECEIVE AND FILE]

**BACKGROUND**

Director of Engineering and Operations, Peter Sevcik, will overview his update [Attachment A] and discuss District projects for the July through September 2025 period.

**RECOMMENDATION**

Staff recommends that your Honorable Board receive the update.

**ATTACHMENTS**

- A. Engineering and Operations Update for July through September 2025

OCTOBER 8, 2025

ITEM C-1

ATTACHMENT A

TO BE DISTRIBUTED ON TUESDAY, OCTOBER 7, 2025.

TO: BOARD OF DIRECTORS  
FROM: RAY DIENZO, P.E. *R.D.*  
GENERAL MANAGER  
DATE: OCTOBER 3, 2025



## CONSENT AGENDA

The following items are considered routine and non-controversial by staff and may be approved by one motion if no member of the Board wishes an item removed. If discussion is desired, the item may be removed from the Consent Agenda by a Board member and will be considered separately at the conclusion of the Consent Items. Individual items on the Consent Agenda are approved by the same vote that approves the Consent Agenda, unless an item is pulled for separate consideration. The recommendations for each item are noted in bracket. Members of the public may comment on the Consent Agenda items.

**Questions or clarification may be made by the Board members  
without removal from the Consent Agenda**

- D-1) WARRANTS [RECOMMEND APPROVAL]
- D-2) APPROVE SEPTEMBER 24, 2025 REGULAR BOARD MEETING MINUTES  
[RECOMMEND APPROVE MINUTES]
- D-3) ANNUAL REVIEW OF CASH RESERVES IN ACCORDANCE WITH RESERVE  
POLICY [RECOMMEND RECEIVE AND DIRECT STAFF]
- D-4) APPROVE THE ASSIGNMENT OF A PORTION OF A SEWER EASEMENT FOR  
APN 092-331-029, 759 DRUMM LN, NIPOMO [RECOMMEND ADOPT  
RESOLUTION APPROVING PORTION OF A SEWER EASEMENT]

TO: BOARD OF DIRECTORS

REVIEWED: RAY DIENZO, P.E.  
GENERAL MANAGER

FROM: JANA ETTEDDGUE  
FINANCE DIRECTOR



DATE: October 3, 2025

**AGENDA ITEM**  
**D-1(A)**  
**OCTOBER 8, 2025**

## WARRANTS

COMPUTER CHECKS GENERATED – SEE ATTACHED	\$174,641.29
HAND WRITTEN CHECKS	NONE
VOIDED CHECKS	NONE

M-Monthly  
O-Occasional  
A-Annual

**Item D-1(A) Warrants OCTOBER 8, 2025**  
Nipomo Community Services District  
By Payment Number

Payment Dates 10/08/2025 - 10/08/2025

Vendor Name	Description (Payable)	Payable Number	Payment Date	Amount
<b>Payment: 13879</b>				
Akeso fka Industrial Medical	Annual DOT physical	EM053746	10/08/2025	130.00 O
<b>Payment 13879 Total:</b>				<b>130.00</b>
<b>Payment: 13880</b>				
Alexander's Contract Services,	Meter reading	202509290012	10/08/2025	4,423.91 M
<b>Payment 13880 Total:</b>				<b>4,423.91</b>
<b>Payment: 13881</b>				
Allweather Landscape	LMD	11047	10/08/2025	325.00 M
<b>Payment 13881 Total:</b>				<b>325.00</b>
<b>Payment: 13882</b>				
American Industrial Supply	Stainless steel shackles and	0411624-IN	10/08/2025	75.74 O
<b>Payment 13882 Total:</b>				<b>75.74</b>
<b>Payment: 13883</b>				
Brenntag Pacific, Inc.	Sodium hypochlorite	BPI544511	10/08/2025	616.96 M
Brenntag Pacific, Inc.	Sodium hypochlorite	BPI550824	10/08/2025	871.02 M
<b>Payment 13883 Total:</b>				<b>1,487.98</b>
<b>Payment: 13884</b>				
California Water Environment	Membership dues - White	WHITE-2025	10/08/2025	251.00 A
<b>Payment 13884 Total:</b>				<b>251.00</b>
<b>Payment: 13885</b>				
Calleja, Derek	Water Quality Lab Analyst 1	OCT2025	10/08/2025	105.00 A
<b>Payment 13885 Total:</b>				<b>105.00</b>
<b>Payment: 13886</b>				
Cannon Corporation	TO#24-02 NCSD District Office	93246	10/08/2025	1,610.50 O
Cannon Corporation	TO#24-03 2024 Water	93214	10/08/2025	375.50 O
<b>Payment 13886 Total:</b>				<b>1,986.00</b>
<b>Payment: 13887</b>				
Clever Ducks	Replacement network switches - INV-1024		10/08/2025	1,446.66 O
Clever Ducks	Monthly computer support INV-0953		10/08/2025	6,071.60 M
Clever Ducks	Replacement Network Switch - INV-0946		10/08/2025	1,383.40 O
Clever Ducks	Replacement Network Switch, INV-1026		10/08/2025	1,039.50 O
Clever Ducks	Replacement power supply for INV-1006		10/08/2025	16.68 O
<b>Payment 13887 Total:</b>				<b>9,957.84</b>
<b>Payment: 13888</b>				
DataProse, LLC	Postage bills/late notices	DP2504692 -P	10/08/2025	3,187.71 M
DataProse, LLC	Mail bills/late notices	DP2504695	10/08/2025	698.11 M
<b>Payment 13888 Total:</b>				<b>3,885.82</b>
<b>Payment: 13889</b>				
Doane & Hartwig Water	Spare part sets for Prominent	I2025-1213	10/08/2025	6,007.77 O
Doane & Hartwig Water	Blacoh bladder kits	I2025-1236	10/08/2025	2,453.88 O
Doane & Hartwig Water	Parts kits for Griffco valves	I2025-1234	10/08/2025	804.38 O
<b>Payment 13889 Total:</b>				<b>9,266.03</b>
<b>Payment: 13890</b>				
EMCOR Services Mesa Energy	Condenser motor replacement -	960109414	10/08/2025	1,827.49 O
<b>Payment 13890 Total:</b>				<b>1,827.49</b>
<b>Payment: 13891</b>				
Everywhere Right Now, Inc	Annual invoice for website	4495	10/08/2025	1,920.00 O
<b>Payment 13891 Total:</b>				<b>1,920.00</b>
<b>Payment: 13892</b>				
Excel Personnel Services, Inc.	Employment agency	4647125	10/08/2025	1,686.40 M

## Item D-1(A) Warrants OCTOBER 8, 2025

Payment Dates: 10/08/2025 - 10/08/2025

Vendor Name	Description (Payable)	Payable Number	Payment Date	Amount
Excel Personnel Services, Inc.	Employment agency	4650600	10/08/2025	1,798.00M
Excel Personnel Services, Inc.	Employment agency	51324	10/08/2025	58.80O
<b>Payment 13892 Total:</b>				<b>3,543.20</b>
<b>Payment: 13893</b>				
Famcon Pipe and Supply Inc.	B24P meter box lids	S100161242.001	10/08/2025	761.48O
Famcon Pipe and Supply Inc.	Hydrants and hydrant breakaway	S100162862.001	10/08/2025	23,433.05O
Famcon Pipe and Supply Inc.	FL16P, FL09P, and FL12PW	S100159154.003	10/08/2025	13,651.85O
Famcon Pipe and Supply Inc.	N36 meter boxes	S100163982.001	10/08/2025	324.97O
<b>Payment 13893 Total:</b>				<b>38,171.35</b>
<b>Payment: 13894</b>				
Ferguson Enterprises, Inc.	Butterfly valves	6170596	10/08/2025	1,984.75O
<b>Payment 13894 Total:</b>				<b>1,984.75</b>
<b>Payment: 13895</b>				
FGL Environmental	Lab tests	582594A	10/08/2025	73.00M
FGL Environmental	Lab tests	583199A	10/08/2025	73.00M
FGL Environmental	Lab tests	583171A	10/08/2025	73.00M
FGL Environmental	Lab tests	582894A	10/08/2025	890.00M
FGL Environmental	Lab tests	583213A	10/08/2025	39.00M
FGL Environmental	Lab tests	583179A	10/08/2025	39.00M
FGL Environmental	Lab tests	583263A	10/08/2025	73.00M
FGL Environmental	Lab tests	582197A	10/08/2025	39.00M
FGL Environmental	Lab tests	583198A	10/08/2025	39.00M
<b>Payment 13895 Total:</b>				<b>1,338.00</b>
<b>Payment: 13896</b>				
Frontier Communications	BL Telephone	SEPT2025	10/08/2025	79.03M
<b>Payment 13896 Total:</b>				<b>79.03</b>
<b>Payment: 13897</b>				
GLM Landscape Management	Landscape maintenance	CI-6094	10/08/2025	992.00M
<b>Payment 13897 Total:</b>				<b>992.00</b>
<b>Payment: 13898</b>				
Great Western Alarm and	Alarm monitoring service	250902107101	10/08/2025	87.00M
Great Western Alarm and	Alarm monitoring service	250902062101	10/08/2025	87.00M
<b>Payment 13898 Total:</b>				<b>174.00</b>
<b>Payment: 13899</b>				
Haaker Equipment Company	Swivel joints	INV16863	10/08/2025	1,743.14O
<b>Payment 13899 Total:</b>				<b>1,743.14</b>
<b>Payment: 13900</b>				
Hach Company	Replacement door kit for Hach	14674481	10/08/2025	1,948.40O
<b>Payment 13900 Total:</b>				<b>1,948.40</b>
<b>Payment: 13901</b>				
Heacock Trailers & Truck	Repair of crane rest, replace vise	24172	10/08/2025	818.04O
<b>Payment 13901 Total:</b>				<b>818.04</b>
<b>Payment: 13902</b>				
Home Depot Credit Services	Supplies	AUG2025	10/08/2025	806.60M
<b>Payment 13902 Total:</b>				<b>806.60</b>
<b>Payment: 13903</b>				
Integrated Industrial Supply, Inc.	Threaded flanges, disposable	108089	10/08/2025	860.42O
<b>Payment 13903 Total:</b>				<b>860.42</b>
<b>Payment: 13904</b>				
Juarez, Jose	Travel reimbursement -	SEPT2025	10/08/2025	60.00O
<b>Payment 13904 Total:</b>				<b>60.00</b>
<b>Payment: 13905</b>				
MCR Technologies, Inc	Silicone dielectric gel kits	43977	10/08/2025	1,137.72O
<b>Payment 13905 Total:</b>				<b>1,137.72</b>
<b>Payment: 13906</b>				
Mission Uniform Service	Uniforms	524332147	10/08/2025	242.58M

## Item D-1(A) Warrants OCTOBER 8, 2025

Payment Dates: 10/08/2025 - 10/08/2025

Vendor Name	Description (Payable)	Payable Number	Payment Date	Amount	
Mission Uniform Service	Uniforms	524581022	10/08/2025	253.54	M
Mission Uniform Service	Uniforms	524374292	10/08/2025	259.74	M
Mission Uniform Service	Uniforms	524626286	10/08/2025	252.22	M
Payment 13906 Total:				1,008.08	
<b>Payment: 13907</b>					
Newton Geo-Hydrology	Litigation support through 9-30-	SEPT2025	10/08/2025	925.00	M
Payment 13907 Total:				925.00	
<b>Payment: 13908</b>					
Nu-Tech Pest Management	Pest/Rodent Control	0191666	10/08/2025	265.00	M
Nu-Tech Pest Management	Pest/Rodent Control	0191668	10/08/2025	75.00	M
Payment 13908 Total:				340.00	
<b>Payment: 13909</b>					
Ortega, Ozzy	Hotel cancellation fee	SEPT2025	10/08/2025	250.41	O
Payment 13909 Total:				250.41	
<b>Payment: 13910</b>					
PG&E	Electricity - 931 Primavera	SEPT2025 - A	10/08/2025	59.81	M
PG&E	Electricity - 1591 Camino Caballo	SEPT2025 - B	10/08/2025	44.55	M
Payment 13910 Total:				104.36	
<b>Payment: 13911</b>					
Poor Richard's Press	Prop 218 notice - water rates	313368	10/08/2025	2,502.20	O
Payment 13911 Total:				2,502.20	
<b>Payment: 13912</b>					
Simplot Grower Solutions	CAN 17	780178845	10/08/2025	698.61	M
Simplot Grower Solutions	CAN 17	780179103	10/08/2025	725.89	M
Payment 13912 Total:				1,424.50	
<b>Payment: 13913</b>					
SoCalGas	Heat - shop/office	SEPT2025A	10/08/2025	0.03	M
SoCalGas	Heat - shop/office	SEPT2025B	10/08/2025	39.06	M
Payment 13913 Total:				39.09	
<b>Payment: 13914</b>					
Tuckfield & Associates	Rate consultant	0783	10/08/2025	2,028.47	O
Payment 13914 Total:				2,028.47	
<b>Payment: 13915</b>					
Ultrax	B&W/Color copies	4468487-CAL	10/08/2025	181.32	M
Payment 13915 Total:				181.32	
<b>Payment: 13916</b>					
USA Bluebook	pH buffer solution, disposable	INV00825526	10/08/2025	951.16	O
USA Bluebook	Zero oxygen standard	INV00838782	10/08/2025	49.88	O
USA Bluebook	Waste collection - Wilson	9104096U120	10/08/2025	69.60	O
USA Bluebook	CHEMKEYS	INV00834149	10/08/2025	730.33	O
USA Bluebook	pH buffer solution	INV00825963	10/08/2025	168.38	O
Payment 13916 Total:				1,969.35	
<b>Payment: 13917</b>					
Wallace Group	FOG program	65939	10/08/2025	1,910.05	M
Payment 13917 Total:				1,910.05	
<b>Payment: 13918</b>					
Waste Connections	Waste collection - Southland	9105113U120	10/08/2025	326.24	M
Waste Connections	Waste collection - Old Town	9104837U120	10/08/2025	369.20	M
Payment 13918 Total:				695.44	
<b>Payment: 13919</b>					
Westamerica Bank	Installment payment for Vactor	OCT2025	10/08/2025	71,964.56	A
Payment 13919 Total:				71,964.56	

TO: BOARD OF DIRECTORS

REVIEWED: RAY DIENZO, P.E.  
GENERAL MANAGER

FROM: JANA ETTEDDGUE  
FINANCE DIRECTOR



DATE: October 3, 2025

**AGENDA ITEM**  
**D-1(B)**  
**OCTOBER 8, 2025**

**WARRANTS – BLACKLAKE ASSESSMENT DISTRICT 2020-1**

COMPUTER CHECKS GENERATED – SEE ATTACHED	\$327,969.81
VOIDED CHECKS	NONE



# Item D-1(B) Warrants OCTOBER 8, 2025

Nipomo Community Services District

By Payment Number

Payment Dates 10/08/2025 - 10/08/2025

Vendor Name	Description (Payable)	Payable Number	Payment Date	Amount
<b>Payment: 219</b>				
Cannon Corporation	Blacklake Sewer Consolidation	93158	10/08/2025	11,102.50
Payment 219 Total:				11,102.50
<b>Payment: 220</b>				
Spiess Construction Co.	Blacklake Sewer Consolidation	BLA/D-12	10/08/2025	316,867.31
Payment 220 Total:				316,867.31
Grand Total:				327,969.81

TO: BOARD OF DIRECTORS  
FROM: RAY DIENZO, P.E. *R.D.*  
GENERAL MANAGER  
DATE: OCTOBER 3, 2025



**APPROVE SEPTEMBER 24, 2025  
REGULAR BOARD MEETING MINUTES**

**ITEM**

Approve action minutes from previous Board meeting. [RECOMMEND APPROVE MINUTES]

**BACKGROUND**

The draft minutes are a written record of the previous Board meeting action.

**RECOMMENDATION**

Approve Minutes

**ATTACHMENT**

A. September 24, 2025 draft Board Meeting Minutes

OCTOBER 8, 2025

ITEM D-2

ATTACHMENT A

# NIPOMO COMMUNITY SERVICES DISTRICT

*Serving the Community since 1965*

## **DRAFT REGULAR MEETING MINUTES**

**SEPTEMBER 24, 2025 AT 9:00 A.M.**

JON S. SEITZ BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

### **BOARD of DIRECTORS**

ED EBY, **PRESIDENT**  
PHIL HENRY, **VICE PRESIDENT**  
GARY HANSEN, **DIRECTOR**  
JOHN JOYCE, **DIRECTOR**  
TOM GLOVER, **DIRECTOR**

### **PRINCIPAL STAFF**

RAY DIENZO, **GENERAL MANAGER**  
JANA ETTEDDGUE, **FINANCE DIR/ASST GM**  
PETER SEVCIK, **DIRECTOR OF ENG. & OPS.**  
CRAIG STEELE, **GENERAL COUNSEL**

### **Mission Statement:**

Provide our customers with reliable, quality, and cost-effective services now and in the future.

#### **A. CALL TO ORDER AND FLAG SALUTE**

*President Eby called the Regular Meeting of September 24, 2025, to order at 9:00 a.m. and led the flag salute.*

#### **B. ROLL CALL AND PUBLIC COMMENT FOR ITEMS NOT ON AGENDA**

*At Roll Call, all Directors were in attendance.*

*There were no public comments for items not on the Agenda.*

#### **C. PRESENTATIONS AND REPORTS**

##### **C-1 DIRECTORS' ANNOUNCEMENTS OF DISTRICT AND COMMUNITY INTEREST AND REPORTS ON ATTENDANCE AT PUBLIC MEETINGS, TRAINING PROGRAMS, CONFERENCES AND SEMINARS.**

Receive Announcements and Reports from Directors

*Director Eby asked Peter Sevcik, Director of Engineering and Operations, to speak on the recent storm and its impact on operations.*

*Director Henry*

- *September 16, attended Board Officer's meeting*

*Director Joyce*

- *September 21, attended NAC meeting*
- *September 22, attended SCAC meeting*

*Director Eby*

- *September 18, attended LAFCO meeting remotely*

*There were no public comments.*

**SUBJECT TO BOARD APPROVAL**

**Nipomo Community Services District  
REGULAR MEETING  
AGENDA**

- D. **CONSENT AGENDA** *The following items are considered routine and non-controversial by staff and may be approved by one motion if no member of the Board wishes an item removed. If discussion is desired, the item may be removed from the Consent Agenda by a Board member and will be considered separately at the conclusion of the Consent Items. Questions or clarification may be made by the Board members without removal from the Consent Agenda. Individual items on the Consent Agenda are approved by the same vote that approves the Consent Agenda, unless an item is pulled for separate consideration. The recommendations for each item are noted in bracket. Members of the public may comment on the Consent Agenda items.*

- D-1) WARRANTS [RECOMMEND APPROVAL]
- D-2) APPROVE SEPTEMBER 10, 2025, REGULAR BOARD MEETING MINUTES [RECOMMEND APPROVE MINUTES]
- D-3) AUTHORIZE TASK ORDER WITH MKN & ASSOCIATES INC. FOR PREPARATION OF 2025 URBAN WATER MANAGEMENT PLAN UPDATE [RECOMMEND BY MOTION AND ROLL CALL VOTE AUTHORIZE STAFF TO EXECUTE TASK ORDER IN THE AMOUNT OF \$47,724 WITH MKN & ASSOCIATES, INC.]
- D-4) ACCEPT DEED RESTRICTION FOR APN 092-331-029, 759 DRUMM LN, NIPOMO [RECOMMEND ADOPT RESOLUTION ACCEPTING OFFER OF DEED RESTRICTION].

*There were no public comments.*

*Upon the motion of Director Glover, and seconded, the Board approved the Consent Agenda and adopted the resolution.*

*Vote 5-0*

YES VOTES	ABSTAIN	ABSENT
Directors Glover, Henry, Joyce, Hansen, and Eby	None	None

**RESOLUTION 2025-1746  
A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE NIPOMO COMMUNITY SERVICES DISTRICT  
ACCEPTING 759 DRUMM LANE DEED RESTRICTION  
APN 092-331-029**

**E. ADMINISTRATIVE ITEMS**

- E-1) CONSIDER 2025 WATER RATE STUDY AND RATE ADOPTION SCHEDULE, INITIATE PROPOSITION 218 PROCESS, AUTHORIZE NOTICE OF RATE HEARING, SCHEDULE PUBLIC HEARING AND DEADLINE FOR SUBMISSION OF WRITTEN OBJECTIONS, TO CONSIDER PROPOSED WATER RATES [RECOMMEND BY MOTION AND ROLL CALL VOTE, APPROVE 2025 WATER RATE STUDY AND NOTICE OF RATE HEARING, SET DATE FOR RATE ADOPTION HEARING AND DEADLINE FOR SUBMISSION OF WRITTEN OBJECTIONS]

*Ray Dienzo, General Manager, introduced the item and answered questions from the Board.*

**SUBJECT TO BOARD APPROVAL**

**Nipomo Community Services District  
REGULAR MEETING  
AGENDA**

*Craig Steele, District Legal Counsel, presented additional information and answered questions from the Board.*

*Clayton Tuckfield, Rate Consultant, answered questions from the Board and public.*

*Pat McQuillen, Nipomo resident, commented on the item.*

*Laurie Manosar, Nipomo resident, commented on the item.*

*Jim Harrison, Nipomo resident, commented on the item.*

*Greg Lambert, Nipomo resident, commented on the item.*

*Upon the motion of Director Henry, and seconded, the Board approved the final Water Rate Study.*

*Vote 4-1-0*

YES VOTES	NO	ABSENT
<i>Directors Henry, Hansen, Glover, and Eby</i>	<i>Joyce</i>	<i>None</i>

*Upon the motion of Director Henry, and seconded, the Board approved the rate adoption schedule.*

*Vote 4-1-0*

YES VOTES	NO	ABSENT
<i>Directors Henry, Hansen, Glover, and Eby</i>	<i>Joyce</i>	<i>None</i>

*Upon the motion of Director Hansen, and seconded, the Board approved the Prop 218 Notice, set 5:00 p.m. Monday, December 1, 2025, as the deadline to exhaust administrative remedies, and set 9:00 a.m. Wednesday December 10, 2025, as the date and time for the public hearing.*

*Vote 5-0*

YES VOTES	ABSTAIN	ABSENT
<i>Directors Glover, Joyce, Hansen, Henry, and Eby</i>	<i>None</i>	<i>None</i>

**F. GENERAL MANAGER'S REPORT**

*Ray Dienzo, General Manager, presented the item and answered questions from the Board.*

*There were no public comments*

**G. COMMITTEE REPORTS**

*None*

**H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS**

*None.*

**SUBJECT TO BOARD APPROVAL**

## I. CLOSED SESSION ANNOUNCEMENTS

*Craig Steele, General Counsel, announced that there would be closed session on item 2.*

- 1) CONFERENCE WITH DISTRICT LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GC §54956.9
  - a. SMVWCD V. NCSD (SANTA CLARA COUNTY CASE NO. CV 770214, SIXTH APPELLATE COURT CASE NO. H032750, AND ALL CONSOLIDATED CASES)
  - b. NIPOMO ACTION COMMITTEE, ET AL. V. SAN LUIS OBISPO LOCAL AGENCY FORMATION COMMISSION, ET. AL. (SAN LUIS OBISPO COUNTY SUPERIOR COURT CASE NO. 24CV-0768)
- 2) ANNUAL PERFORMANCE REVIEW PROCESS OF DISTRICT GENERAL MANAGER PURSUANT TO GOVERNMENT CODE SECTION §54957 (Step 2 of 2)

*Following the closed session, Craig Steele, General Counsel, announced that there were no reportable actions in closed session.*

## ADJOURN MEETING

*President Eby adjourned the meeting at 11:10 a.m.*

MEETING SUMMARY	HOURS & MINUTES			
Regular Meeting	2	hours	0	minutes
Closed Session	0	hours	10	minutes
TOTAL HOURS	2	hours	10	minutes

Respectfully submitted,

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Ray Dienzo, General Manager and Secretary to the Board

Date

**SUBJECT TO BOARD APPROVAL**

TO: BOARD OF DIRECTORS

REVIEWED: RAY DIENZO   
GENERAL MANAGER

FROM: JANA ETTEDDGUE  
FINANCE DIRECTOR

DATE: OCTOBER 3, 2025

**AGENDA ITEM**  
**D-3**  
**OCTOBER 8, 2025**

## **ANNUAL REVIEW OF CASH RESERVES IN ACCORDANCE WITH RESERVE POLICY**

### **ITEM**

Annual review of Cash Reserves in accordance with Cash Reserve Policy [RECOMMEND  
RECEIVE REPORT AND DIRECT STAFF]

### **BACKGROUND**

On February 8, 2023, the Board of Directors adopted Resolution 2023-1655 Amending the Cash Reserve Policy for the District.

The policy states in part that after the adoption of the budget and within 120 days after the end of the fiscal year, the Board of Directors shall review the cash reserves, and if there is excess above the reserve requirement based on the cash reserve balance as of the fiscal year just completed, the Directors may approve a transfer of excess balances from operating funds to funded replacement funds.

In accordance with the Cash Reserve Policy, attached is a table providing a review of each Fund's cash reserve target criteria, the cash balance as of June 30, 2025 and determination if target criteria has been met (Attachment A).

On July 1, 2025 the Blacklake Sewer Fund #150 consolidated with the Town Sewer System Fund #130.

### **FISCAL IMPACT**

None

### **STRATEGIC PLAN**

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

### **RECOMMENDATION**

Staff recommends the Board of Directors receive report and take no action at this time.

### **ATTACHMENTS**

- A. Cash Reserve Review
- B. Resolution 2023-1655 Cash Reserve Policy



OCTOBER 8, 2025

ITEM D-3

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT  
CASH RESERVE POLICY REVIEW – BALANCES AS OF JUNE 2025**

FUND NAME	FUND NUMBER	CASH RESERVE TARGET CRITERIA	CASH RESERVE GOAL AMOUNT  ADOPTED OPERATING BUDGET 2025-2026  (Total Operating Expenses Less Funded Replacement)	CASH BALANCE AS OF 6/30/25  (including Rate Stabilization Fund)	CASH RESERVE CRITERIA MET?	RECOMMENDATION
Water Fund	125	Equal to or greater than twelve months (360 days) of annual budgeted operating expenses (not including Funded Replacement) Including Water Rate Stabilization Fund #128	$\$10,714,705 - \$0 =$ <b>\$10,714,705</b>	Fund #125 and Fund #128 $\$5,644,853 + \$482,393 =$ <b>\$6,127,246</b>	No	No action recommended at this time – a rate study and Prop 218 process is currently in progress, with a proposed increase scheduled for February 1, 2026.
Town Sewer Fund	130	180 days (6 months or 50%) of operating expenses (not including Funded Replacement) Including Water Rate #135	$\$2,741,354 - \$0 =$ <b><math>\\$2,741,354 \times 50\% =</math></b> <b>\$1,370,677</b>	Fund #130 and Fund #135 $\$88,035 + \$362,739 =$ <b>\$654,118</b>	No	No action recommended at this time –Rate increased scheduled July 1, 2026.
Blacklake Sewer Fund	150	180 days (6 months or 50%) of operating expenses (not including Funded Replacement) Including Water Rate #155	$\$0$ <b><math>\\$0 \times 50\% =</math></b> <b>\$0</b>	Fund #150 and Fund #155 $\$614,694 + \$60,299 =$ <b>\$674,993</b>	Yes	No action recommended at this time

FUND NAME	FUND NUMBER	Cash Reserve Target Criteria	CASH BALANCE AS OF 6/30/25	CASH RESERVE CRITERIA MET?	RECOMMENDATION
Water Rate Stabilization Fund	128	\$400,000	\$482,393	Yes	No action recommended at this time
Town Sewer Rate Stabilization Fund	135	\$300,000	\$362,739	Yes	No action recommended at this time
Blacklake Sewer Rate Stabilization Fund	155	\$50,000	\$60,299	Yes	No action recommended at this time
Blacklake Street Lighting Fund	200	\$17,000	\$20,934	Yes	Action taken in Fiscal Year 25-26- Assessment stayed the same \$89.00
Blacklake Street Lighting Fund- Funded Replacement	205	\$25,000	\$31,950	Yes	No action recommended at this time
Landscape Maintenance District	250	\$20,000	\$19,345	No	Action taken in Fiscal Year 25-26- Assessment increased to \$575.00
Solid Waste	300	\$150,000	\$605,471	Yes	Pursuant to Franchise Fee Policy, Resolution 2018-1492, Section 4, Proposed Rate Holiday will be presented to Board for the FY 25-26
Drainage	400	\$50,000	\$52,418	Yes	No action recommended at this time

OCTOBER 8, 2025

ITEM D-3

ATTACHMENT B

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2023-1655**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO  
COMMUNITY SERVICES DISTRICT AMENDING THE CASH RESERVE  
POLICY FOR THE DISTRICT**

**WHEREAS**, the Board of Directors of the Nipomo Community Services District ("District") intends that the District will at all times have sufficient capital available to meet its operating, replacement, capital projects and debt service payments; and

**WHEREAS**, the District desires to establish sound financial policies to promote favorable bond ratings in capital markets so that bonds may be used for future financing of District projects; and

**WHEREAS**, the District desires to reserve capital for unanticipated and unforeseeable expenses; and

**WHEREAS**, the District desires to establish a buffer should revenue estimates in any year not meet projections; and

**WHEREAS**, the Cash Reserve Policy has been amended and is hereby presented at this meeting and it is appropriate at this time for the Board of Directors to consider approval of the adoption of the amended Policy.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Nipomo Community Services District:

**SECTION 1.** The above recitals are true and correct.

**SECTION 2.** The Cash Reserve Policy, as amended, in the form presented at this meeting attached hereto Exhibit "A" are hereby approved and adopted.

**SECTION 3.** The officers of the District are hereby directed to do and cause to be done any and all acts and things necessary or proper in order to effectuate the purposes of this resolution.

**SECTION 4.** This resolution shall take effect immediately.


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

**AYES:** *Directors Hansen, Gaddis, Woodson, Eby and Malvarose*  
**NOES:** *NONE*  
**ABSENT:** *NONE*  
**CONFLICTS:** *NONE*

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2023-1655**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO  
COMMUNITY SERVICES DISTRICT AMENDING THE CASH RESERVE  
POLICY FOR THE DISTRICT**

The foregoing resolution is hereby adopted this 8<sup>th</sup> day of February 2023



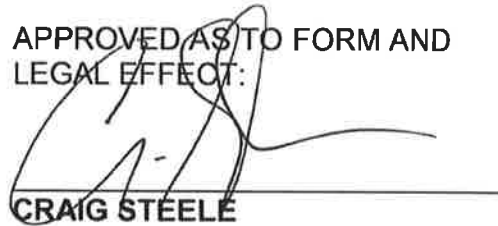
**RICHARD MALVAROSE**  
President of the Board

ATTEST:



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

APPROVED AS TO FORM AND  
LEGAL EFFECT:



**CRAIG STEELE**  
District Legal Counsel

NIPOMO COMMUNITY SERVICES DISTRICT  
CASH RESERVE POLICY  
EXHIBIT "A"

**PURPOSE**

A key element of prudent financial planning is to ensure that sufficient funding is available for current operating, capital and debt service needs. Additionally, fiscal responsibility requires anticipating the likelihood of, and preparing for, unforeseen events. Nipomo Community Services District (District) will strive at all times to have sufficient funding available to meet its operating, capital and debt service obligations as well as to protect its creditworthiness. The District is committed to maintaining a financial structure that provides adequate and predictable revenues at the lowest possible cost to meet forecasted needs and operational objectives.

It should be noted that the District has a Debt Management Policy that establishes parameters for evaluating, issuing and managing the District's debt. The District's Debt Management Policy should be considered prior to committing to any new financial obligations.

The adequacy of the targeted cash reserve year-end balance ranges and/or annual contributions to each fund will be reviewed annually during the budgeting process or when a major change in conditions threatens the reserve levels established within this policy.

**OPERATING FUNDS**

**WATER FUND (FUND #125)**

Purpose: To ensure sufficient cash resources are available to fund daily administration, operations and maintenance of providing water services. (Funded from rates and charges)

Target Criteria: To meet the District's cash flow needs and unbudgeted expenses, the Water Fund cash reserves, including the Water Rate Stabilization Fund #128, should be equal to or greater than twelve months (360 days) of annual budgeted operating expenses (not including Funded Replacement).

After adoption of the budget and within 120 days after the end of the fiscal year, the Board of Directors shall review the cash reserves, and if there is excess above the reserve requirement based on the cash reserve balance as of the fiscal year just completed, the Directors may approve a transfer of the excess balance from Water Fund #125 to the Funded Replacement Water Fund #805.

**TOWN SEWER FUND (FUND #130)**

Purpose: To ensure sufficient cash resources are available to fund daily administration, operations and maintenance of providing waste water services. (Funded from rates and charges)

Target Criteria: To meet the District's cash flow needs and unbudgeted expenses, the Town Sewer Fund cash reserves, including the Town Sewer Rate Stabilization Fund #135, should be equal to or greater than six months (180 days) of annual budgeted operating expenses (not including Funded Replacement).

NIPOMO COMMUNITY SERVICES DISTRICT  
CASH RESERVE POLICY  
EXHIBIT "A"

After adoption of the budget and within 120 days after the end of the fiscal year, the Board of Directors shall review the cash reserves, and if there is excess above the reserve requirement based on the cash reserve balance as of the fiscal year just completed, the Directors may Approve a transfer of the excess balance from the Town Sewer Fund #130 to the Funded Replacement Town Sewer Fund #810.

**BLACKLAKE SEWER FUND (FUND #150)**

Purpose: To ensure sufficient cash resources are available to fund daily administration, operations and maintenance of providing waste water services. (Funded from rates and charges)

Target Criteria: To meet the District's cash flow needs and unbudgeted expenses, the Blacklake Sewer Fund cash reserves, including the Blacklake Sewer Rate Stabilization Fund #155, should be equal to or greater than six months (180 days) of annual budgeted operating expenses (not including Funded Replacement).

After adoption of the budget and within 120 days after the end of the fiscal year, the Board of Directors shall review the cash reserves, and if there is excess above the reserve requirement based on the cash reserve balance as of the fiscal year just completed, the Directors may approve a transfer of the excess balance from the Blacklake Sewer fund #150 to the Funded Replacement Blacklake Sewer Fund #830.

**WATER RATE STABILIZATION FUND (FUND #128)**

Purpose: To serve as a buffer to water rates during any period where there are unexpected increases in operating costs or decreases in revenues. In addition, in a severe drought or extremely wet conditions, it is reasonable to expect that water sales could fluctuate significantly. As such, this fund will absorb these types of fluctuations in operations and help stabilize rates and enable smooth or level increases to rates despite uneven increases in underlying costs or variations in annual revenues received. This fund should not be used to artificially suppress rates (i.e. to sustain rates at levels below the costs of service). (Funded by rates and charges)

Target Criteria: Minimum reserve requirement of \$400,000.

**TOWN SEWER RATE STABILIZATION FUND (FUND #135)**

Purpose: To serve as a buffer to sewer rates during any period where there are unexpected increases in operating costs or decreases in revenues. This fund should be used to enable smooth or level increases to rates despite uneven increases in underlying costs or variations in annual revenues received. This fund should not be used to artificially suppress rates (i.e. to sustain rates at levels below the costs of service). (Funded by rates and charges)

Target Criteria: Minimum reserve requirement of \$300,000 set by Bond Indenture Agreement for the Revenue of Certificates of Participation Series 2012.

NIPOMO COMMUNITY SERVICES DISTRICT  
CASH RESERVE POLICY  
EXHIBIT"A"

**BLACKLAKE SEWER RATE STABILIZATION FUND (FUND #155)**

**Purpose:** To serve as a buffer to sewer rates during any period where there are unexpected increases in operating costs or decreases in revenues. This fund should be used to enable smooth or level increases to rates despite uneven increases in underlying costs or variations in annual revenues received. This fund should not be used to artificially suppress rates (i.e. to sustain rates at levels below the costs of service). (Funded by rates and charges)

**Target Criteria:** Minimum reserve requirement of \$50,000.

**BLACKLAKE STREET LIGHTING (FUND #200)**

**Purpose:** To ensure sufficient cash resources are available to fund administration, operations and maintenance of providing street lighting services for Blacklake Village. (Funded by annual assessment to property owners in Blacklake Village)

**Target Criteria:** Minimum reserve requirement of \$17,000.

**FUNDED REPLACEMENT-BLACKLAKE STREET LIGHTING (FUND #205)**

**Purpose:** The reserves can be used for both short-term and long-term purposes. The objective of the Funded Replacement Fund is to provide monies for the current and future replacement of existing capital assets as they reach the end of their useful lives. (Funded by annual assessment to property owners in Blacklake Village)

**Target Criteria:** Minimum reserve requirement of \$25,000.

**LANDSCAPE MAINTENANCE DISTRICT (FUND #250)**

**Purpose:** To ensure sufficient cash resources are available to fund administration, operations and maintenance of providing landscape maintenance to the property owners of Tract 2409. (Funded by annual assessment to property owners in Tract 2409 aka Vista Verde Estates)

**Target Criteria:** Minimum reserve requirement of \$20,000.

**SOLID WASTE (FUND #300)**

**Purpose:** To ensure sufficient cash resources are available to fund solid waste programs, rate stabilization and to cover operating costs in the event that the District may find itself operating solid waste collection, disposal and recycling functions should its business partner now franchised to do these functions be unable to continue to provide these services due to an unforeseen event. This reserve provides assurance that solid waste services remain uninterrupted during an extended disruption to service provider. (Funded by Franchise Fees)

**Target Criteria:** Minimum reserve requirement of \$150,000.



NIPOMO COMMUNITY SERVICES DISTRICT  
CASH RESERVE POLICY  
EXHIBIT"A"

**DRAINAGE (FUND #400)**

**Purpose:** To ensure sufficient cash resources are available to operate and maintain the Nipomo Drainage Maintenance District 76-02 (storm water conveyance system and basin serving Folkert Oaks Mobile Home Park and adjacent properties on Juniper Street). (Funded by a 1% ad valorem property tax rate)

**Target Criteria:** Minimum reserve requirement of \$50,000.

**FUNDED REPLACEMENT- WATER (FUND #805)**

**Purpose:** The reserves can be used for both short-term and long-term purposes. The objective of the Funded Replacement Fund is to provide monies for the current and future replacement of existing capital assets as they reach the end of their useful lives. The District recognizes that the Funded Replacement fund may only be sufficient to pay a portion of the full cost of future capital asset replacements and other sources of replacement funding may be needed, such as a bond issuance. This fund will also help normalize the impact of the capital asset replacements on future water rates. (Funded by water rates and charges and interest earnings)

**Target Criteria:** No minimum target is maintained

**FUNDED REPLACEMENT- TOWN SEWER (FUND #810)**

**Purpose:** The reserves can be used for both short-term and long-term purposes. The objective of the Funded Replacement Fund is to provide monies for the current and future replacement of existing capital assets as they reach the end of their useful lives. The District recognizes that the Funded Replacement fund may only be sufficient to pay a portion of the full cost of future capital asset replacements and other sources of replacement funding may be needed, such as a bond issuance. This fund will also help normalize the impact of the capital asset replacements on future town sewer rates. (Funded by Town sewer rates and charges and interest earnings)

**Target Criteria:** No minimum target is maintained

**FUNDED REPLACEMENT- BLACKLAKE SEWER (FUND #830)**

**Purpose:** The reserves can be used for both short-term and long-term purposes. The objective of the Funded Replacement Fund is to provide monies for the current and future replacement of existing capital assets as they reach the end of their useful lives. The District recognizes that the Funded Replacement fund may only be sufficient to pay a portion of the full cost of future capital asset replacements and other sources of replacement funding may be needed, such as a bond issuance. This fund will also help normalize the impact of the capital asset replacements on future Blacklake sewer rates. (Funded by Blacklake sewer rates and charges and interest earnings)

**Target Criteria:** No minimum target is maintained

## **NON-OPERATING FUNDS**

### **SUPPLEMENTAL WATER FUND (#500)**

**Purpose:** The revenue generated from the Supplemental Water Capacity Charge accumulates in this fund and its use is restricted to projects, programs and expenditures that reduce the District's reliance on groundwater as its sole water supply. (Funded by development capacity charges and interest earnings)

**Target Criteria:** No minimum target is maintained.

### **PROPERTY TAX (FUND #600)**

**Purpose:** District's share of the 1% ad valorem tax on real property collected by the County of San Luis Obispo and distributed to the District pursuant to Article XIII A of the California Constitution. (Funded by property taxes and interest earnings)

**Target Criteria:** No minimum target is maintained, however, the annual property tax revenue stream is pledged to pay the annual debt service for the 2013 Certificates of Participation and the 2013 Refunding Revenue Bonds.

### **WATER CAPACITY CHARGES (FUND #700)**

**Purpose:** The revenue generated from the Water Capacity Charge accumulates in this fund and is used to offset new development related capital improvements as outlined by the District's Capital Improvement Plan. (Funded by development capacity charges and interest)

**Target Criteria:** No minimum target is maintained.

### **TOWN SEWER CAPACITY CHARGES (FUND #710)**

**Purpose:** The revenue generated from the Town Capacity Charge accumulates in this fund and is used to offset new development related capital improvements as outlined by the District's Capital Improvement Plan. (Funded by development capacity charges and interest earnings)

**Target Criteria:** No minimum target is maintained.

TO: BOARD OF DIRECTORS

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

**AGENDA ITEM  
D-4  
OCTOBER 8, 2025**

DATE: OCTOBER 2, 2025

**APPROVE THE ASSIGNMENT OF A PORTION OF A SEWER  
EASEMENT FOR APN 092-331-029, 759 DRUMM LN, NIPOMO**

**ITEM**

Approve the assignment of a portion of a sewer easement for APN 092-331-029, a residential development located at 759 DRUMM LN in Nipomo [RECOMMEND ADOPT RESOLUTION APPROVING PORTION OF A SEWER EASEMENT].

**BACKGROUND**

The District issued an Intent-to-Serve ("ITS") letter on March 31, 2025 for a residential development project located at 759 Drumm Lane (APN 092-331-029). The applicant, Nora Lewis, requested sewer service for a residential development project.

The District has a recorded utility easement for construction, maintenance and operation of pipes in, under and upon parcels of property located at 753, 759, and 765 Drumm Lane in Nipomo, California, recorded in the official records of the County of San Luis Obispo. The applicant is required to construct a private lift station and a 2-inch sewer force main to connect to the District's existing sewer main. In order for the applicant to facilitate the legally required connection to the sewer main with the least impact on surrounding uses and the environment, staff recommends the District permit the applicant to use a small portion of this existing District easement to construct the applicant's force main sewer line, under the conditions specified herein.

**FISCAL IMPACT**

The developer paid the District's cost to develop the agreement through the project's Plan Check and Inspection Agreement.

**RECOMMENDATION**

Recommend your Board, by motion and roll call vote, adopt Resolution 2025-XXXX Approving the Assignment of a Portion of a Sewer Easement for a Force Main Connection to 759 Drumm Lane.

**ATTACHMENTS**

- A. Resolution 2025-XXXX Approving the Assignment of a Portion of a Sewer Easement for a Force Main Connection to 759 Drumm Lane.
- B. Partial Assignment of Easement – Resolution Exhibit A

OCTOBER 8, 2025

ITEM D-4

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2025-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
APPROVING THE ASSIGNMENT OF A PORTION OF A SEWER EASEMENT  
FOR A FORCE MAIN CONNECTION TO 759 DRUMM LANE**

**WHEREAS**, the District is the Grantee of that certain easement for the construction, maintenance and operation of pipes in, under and upon parcels of property located at 753, 759, and 765 Drumm Lane in Nipomo, California, recorded on September 17, 1981 ('Easement'); and

**WHEREAS**, the applicant and proposed Assignee, Nora B. Lewis, as a part of constructing an ADU, seeks to connect a sewer force main from the dwelling located at 759 Drumm Lane to NCSD's existing sanitary sewer line located approximately fifty (50) feet from the property along Drumm Lane; and

**WHEREAS**, to facilitate the legally required connection to the sewer system with the least impact on surrounding uses and the environment, the District is willing to permit the applicant to use a small portion of the Easement to place a force main sewer line required by the District, under the conditions specified in the Assignment.

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

1. That the Partial Assignment of Easement, attached hereto as Exhibit A, is hereby approved.
2. That the General Manager is hereby authorized and directed to record the Partial Assignment of Easement Agreement, attached hereto as Exhibit A.
3. The adoption of this Resolution approving the partial assignment of an existing sewer easement for the location of an underground 2 inch sewer force main line is categorically exempt from review under CEQA Guidelines Section 15304(f) as a minor private alteration in the condition of land which does not involve the removal of any tree, and will entail only of minor trenching and backfilling where the surface will be restored for the placement of a small pipe in an existing easement with other NCSD pipes(s).

**PASSED AND ADOPTED** by the Board of Directors of the Nipomo Community Services District this 8th day of October, 2025.

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2025-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
APPROVING THE ASSIGNMENT OF A PORTION OF A SEWER EASEMENT  
FOR A FORCE MAIN CONNECTION TO 759 DRUMM LANE**

**AYES:  
NOES:  
ABSENT:  
CONFLICTS:**

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

**ATTEST:**

**APPROVED:**

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

\_\_\_\_\_  
**CRAIG STEELE**  
District Legal Counsel

OCTOBER 8, 2025

ITEM D-4

ATTACHMENT B

TO BE DISTRIBUTED ON TUESDAY, OCTOBER 7, 2025.