

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION 2021-1601**

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING THE NSW (NIPOMO SUPPLEMENTAL WATER PROJECT)
2021-2022 FISCAL YEAR BUDGET**

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

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

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

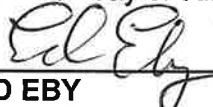
NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED by the Board of Directors of the Nipomo Community Services District, San Luis Obispo County, California, as follows:

1. The 2021-2022 Nipomo Supplemental Water Project Budget is hereby approved and adopted.
2. The budget be administered in accordance with generally accepted accounting principles and the past policies and practices established by the District and pursuant to the Agreement.
3. The above Recitals are true and correct and incorporated herein by this reference.

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


AYES: Director Gaddis, Woodson, Malvarose, and Eby
NOES: NONE
ABSENT: Director Blair
CONFLICT: NONE

the foregoing Resolution is hereby passed and adopted this 9th day of June 2021.




ED EBY
President of the Board

ATTEST:



MARIO IGLESIAS
General Manager and Secretary to the Board

APPROVED AS TO FORM AND LEGAL EFFECT:


CRAIG A. STEELE
District Legal Counsel

**NIPOMO COMMUNITY SERVICES DISTRICT
NIPOMO SUPPLEMENTAL WATER PROJECT (NSWP)
BUDGET FOR FISCAL YEAR 2021-22**

	Acre Feet Purchase (A)	Cost per Acre Foot (AF)	Total Cost	
Water Purchase Fiscal Year 2021-2022 (see page 2)	1050	see page 2	\$2,224,857	
NCSD Water O & M Cost per AF ** (see page 3)	1050	\$184.30	\$193,515	
NCSD Admin Fee per AF (15% of O & M per AF) ** (see page 3)	1050	\$27.65	\$29,033	
		\$211.95	\$2,447,405	
**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	\$2,224,857	\$1,483,535	\$370,661	\$370,661
4 Supplemental Water O & M Cost	\$193,515	\$129,036	\$32,240	\$32,240
5 Supplemental Water NCSD Admin Fee	\$29,033	\$19,359	\$4,837	\$4,837
6 Total Annual Supplemental Water Volume Cost	\$2,447,405	\$1,631,929	\$407,738	\$407,738

	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)	\$91,889	\$0	\$37,233	\$54,656
10 Yearly Capital Recovery Charge-Interest 6/30/2015 (1)	\$294,530	\$0	\$151,626	\$142,904
11 Yearly Capital Recovery Charge-Principal 6/30/2016 (2)	\$7,756	\$0	\$3,522	\$4,234
12 Yearly Capital Recovery Charge-Interest 6/30/2016 (2)	\$25,416	\$0	\$14,345	\$11,071
13 Yearly Capital Recovery Charge-Principal 6/30/2017 (3)	\$13,828	\$0	\$6,268	\$7,560
14 Yearly Capital Recovery Charge-Interest 6/30/2017 (3)	\$45,292	\$0	\$25,526	\$19,766
14 Yearly Capital Recovery Charge-Principal 6/30/2018 (4)	\$964	\$0	\$436	\$528
15 Yearly Capital Recovery Charge-Interest 6/30/2018 (4)	\$3,156	\$0	\$1,776	\$1,380
16 Yearly Capital Recovery Charge-Principal 6/30/2019 (5)	\$1,183	\$0	\$534	\$649
17 Yearly Capital Recovery Charge-Interest 6/30/2019 (5)	\$3,871	\$0	\$2,175	\$1,696
18 Yearly Capital Recovery Charge-Principal 6/30/2020 (6)	\$15,176	\$0	\$6,839	\$8,337
19 Yearly Capital Recovery Charge-Interest 6/30/2020 (6)	\$49,647	\$0	\$27,849	\$21,798
20 Supplemental Water Project Yearly Replacement (7)	\$206,865	\$149,439	\$28,713	\$28,713
21 Total Annual Fixed Supplemental Charges	\$759,573	\$149,439	\$306,842	\$303,292

22 Total Volume and Annual Fixed Charges for Fiscal Year 2021-2022 (Line 6 + Line 21)	\$3,206,978	\$1,781,369	\$714,579	\$711,029
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23 Electrical Pumping Credit (\$242.82 per acre foot-estimated)	(\$80,434)	\$0	(\$40,217)	(\$40,217)
24 SUPPLEMENTAL WATER BUDGET FISCAL YEAR 2021-2022	\$3,126,543	\$1,781,369	\$674,362	\$670,812

(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)	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 2021-22**

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	495	\$ 2,160.58	\$ 43.19	\$2,203.77	\$1,090,866
FY 21-22	July 1, 2021 to December 31, 2021	1/1/2021	525	\$ 2,160.58	\$ 43.19	\$2,203.77	\$1,090,866
FY 21-22	January 1, 2022 to June 30, 2022	1/1/2022	525	\$ 2,247.70	\$ 43.19	\$2,290.89	\$1,133,991

\$2,224,857

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

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
(1) Current CPI (July)	258.017	264.979	261.037	281.402	289.173	307.536
(2) Base Period CPI (May 2013)	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
(4) Divided by prior period (3) + (2)	-0.023358366	0.00299408	-0.011927113	0.065158145	0.094572804	0.164080125
(5) Multiply by 100 for percent change (4) x 100	-2.335836601	0.299407997	-1.192711251	6.515814496	9.457280422	16.40801248
(6) Adjusted to 50% per agreement (5) x 50%	-1.167918301	0.149703999	-0.596355626	3.257907248	4.728640211	8.204006238
(7) Base Cost of Energy (Per Agreement)	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
(9) Adjusted Base Cost of Energy (7) + (8)	204.43	207.16	205.62	213.59	216.63	223.82
(10) CCWA BUDGET (Per published document)	\$227.27	\$223.71	\$191.77	\$265.90	\$262.54	\$267.02
(11) Change in Cost of Energy (10) - (9), not less than 0	\$23	\$17	\$0	\$52	\$46	\$43

(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 2020-21**

OPERATIONS AND MAINTENANCE BUDGET

OPERATIONS AND MAINTENANCE	1000 AFY 2019-20 ACTUAL	1000 AFY 2020-21 BUDGET	1000 AFY 2020-21 EST ACTUAL	1,000 AFY 2021-22 PROPOSED
Electricity	69,075	89,000	88,000	90,640
Labor (fully weighted)	44,436	50,470	51,000	52,530
Water	647	618	600	618
Chemicals	6,407	5,150	10,000	10,300
Outside Services	7,918	11,330	5,000	5,150
Permits and Operating Fees	1,031	643	700	721
Insurance	9,573	9,860	13,633	14,042
Repairs and Maintenance	12,902	16,995	10,000	10,300
TOTAL OPERATIONS AND MAINTENANCE	151,989	184,066	178,933	184,301
Cost per acre foot @ 1,000 acre feet	151.99	184.07	178.93	184.30
Overhead allocation 15% of O and M	22.80	27.61	26.84	27.65

(1) Estimated 3% increase in expenses FY 21-22

**NIPOMO COMMUNITY SERVICES DISTRICT
NIPOMO SUPPLEMENTAL WATER PROJECT (NSWP)
BUDGET FOR FISCAL YEAR 2021-22**

FUNDED REPLACEMENT RESERVES

	<u>FY 20-21</u> <u>EST ACTUAL</u>	<u>FY 20-21</u> <u>PROPOSED</u>
Beginning Balance, July 1	1,017,645	1,232,610
Collections during fiscal year		
NCSD	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>8,100</u>	<u>14,000</u>
Estimated Ending Balance, June 30	<u>1,232,610</u>	<u>1,453,475</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, 2021		
CPI - 2020 Annual	278.567	
CPI - 2019 Annual	<u>(274.114)</u>	
	4.453	
Divide by previous period CPI ÷	<u>274.114</u>	
	0.0162	
	<u>X 100.000</u>	
Percent Change	<u>1.62</u>	
Maximum Balance computed as of June 30, 2020		3,391,989
Adjusted by CPI June 30, 2021 (\$3,391,989 * 1.62%)		54,950
Maximum Balance adjusted as of June 30, 2021		<u>3,446,939</u>

	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

CPI = Consumer Price Index

NCSD = Nipomo Community Services District

WMWC = Woodlands Mutual Water Company

GSWC = Golden State Water Company