

TO: BOARD OF DIRECTORS

REVIEWED: MARIO IGLESIAS
GENERAL MANAGER



FROM: LISA BOGNUDA
FINANCE DIRECTOR

DATE: MAY 20, 2022

AGENDA ITEM
E-4 (B)
MAY 25, 2022

**REVIEW THE DRAFT 2022-2023 FISCAL YEAR BUDGET FOR
NIPOMO SUPPLEMENTAL WATER PROJECT (NSWP)**

ITEM

Review the draft Budget for Fiscal Year 2022-2023 for Nipomo Supplemental Water Project (NSWP) [RECOMMEND CONSIDER DRAFT BUDGET AND SCHEDULE FOR ADOPTION ON JUNE 8, 2022]

BACKGROUND

On May 12, 2022, the Finance and Audit Committee met and reviewed the draft Budget for Fiscal Year 2022-2023 for NSWP.

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

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

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

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

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

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

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

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

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

Attached is the draft Budget based on purchase of 1,050 acre feet of supplemental water (1,000 acre feet per contract plus 50 acre feet operational buffer). The City adopted a new rate structure commencing January 1, 2022. The Base Energy Cost CPI will be adjusted based on the July index; however, the City has agreed to implement the energy adjustment to coincide with the January 1 rate increases. The Operations and Maintenance (O&M) Budget has been estimated based on current fiscal year expenditures plus 5% inflation, with the exception of increases in electricity for 20% and Insurance for 16%. The administrative fee is set at 15% of O & M costs.

STRATEGIC PLAN

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

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

FISCAL IMPACT

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

RECOMMENDATION

It is recommended your Honorable Board provide direction to Staff and set Wednesday, June 8, 2022, 9:00 a.m. as the date and time for a Public Hearing to consider adoption of the NSWSP Budget for Fiscal Year 2022-2023.

ATTACHMENTS

- A. Draft Budget

MAY 25, 2022

ITEM E-4(B)

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT
NIPOMO SUPPLEMENTAL WATER PROJECT (NSWP)
BUDGET FOR FISCAL YEAR 2022-23**

	Acre Feet Purchase (A)	Cost per Acre Foot (AF)	Total Cost
Water Purchase Fiscal Year 2022-2023 (see page 2)	1050	see page 2	\$2,440,610
NCSD Water O & M Cost per AF ** (see page 3)	1050	\$206.52	\$216,846
NCSD Admin Fee per AF (15% of O & M per AF) ** (see page 3)	1050	\$30.98	\$32,529
		<u>\$237.50</u>	<u>\$2,689,985</u>
**To be adjusted annually based on actual costs			

	TOTAL	NCSD	WMWC	GSWC
1 Phase 1 Supplemental Water Annual Allocation (AF)	1000	666.68	166.66	166.66
2 Phase 1 Supplemental Water Delivery Percentages	100.00%	66.68%	16.66%	16.66%
3 Pass-Through Supplemental Water Cost	\$2,440,610	\$1,627,399	\$406,606	\$406,606
4 Supplemental Water O & M Cost	\$216,846	\$144,593	\$36,127	\$36,127
5 Supplemental Water NCSD Admin Fee	\$32,529	\$21,690	\$5,419	\$5,419
6 Total Annual Supplemental Water Volume Cost	\$2,689,985	\$1,793,682	\$448,151	\$448,151

	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)	\$97,501	\$0	\$39,839	\$57,662
10 Yearly Capital Recovery Charge-Interest 6/30/2015 (1)	\$288,918	\$0	\$149,020	\$139,898
11 Yearly Capital Recovery Charge-Principal 6/30/2016 (2)	\$8,236	\$0	\$3,769	\$4,467
12 Yearly Capital Recovery Charge-Interest 6/30/2016 (2)	\$24,936	\$0	\$14,098	\$10,838
13 Yearly Capital Recovery Charge-Principal 6/30/2017 (3)	\$14,683	\$0	\$6,707	\$7,976
14 Yearly Capital Recovery Charge-Interest 6/30/2017 (3)	\$44,437	\$0	\$25,087	\$19,350
14 Yearly Capital Recovery Charge-Principal 6/30/2018 (4)	\$1,024	\$0	\$467	\$557
15 Yearly Capital Recovery Charge-Interest 6/30/2018 (4)	\$3,097	\$0	\$1,746	\$1,351
16 Yearly Capital Recovery Charge-Principal 6/30/2019 (5)	\$1,256	\$0	\$572	\$684
17 Yearly Capital Recovery Charge-Interest 6/30/2019 (5)	\$3,799	\$0	\$2,138	\$1,661
18 Yearly Capital Recovery Charge-Principal 6/30/2020 (6)	\$16,113	\$0	\$7,317	\$8,796
19 Yearly Capital Recovery Charge-Interest 6/30/2020 (6)	\$48,709	\$0	\$27,370	\$21,339
20 Yearly Capital Recovery Charge 6/30/21-Principal (7)	\$4,122	\$0	\$1,868	\$2,254
21 Yearly Capital Recovery Charge 6/30/21-Interest (7)	\$12,456	\$0	\$6,987	\$5,469
22 Supplemental Water Project Yearly Replacement (8)	\$206,865	\$149,439	\$28,713	\$28,713
23 Total Annual Fixed Supplemental Charges	<u>\$776,152</u>	<u>\$149,439</u>	<u>\$315,698</u>	<u>\$311,015</u>

Total Volume and Annual Fixed Charges for Fiscal Year 2022-				
24 2023(Line 6 + Line 23)	<u>\$3,466,137</u>	<u>\$1,943,121</u>	<u>\$763,849</u>	<u>\$759,166</u>

25 Electrical Pumping Credit (\$236.29 per acre foot-estimated)	(\$78,732)	\$0	(\$39,366)	(\$39,366)
26 SUPPLEMENTAL WATER BUDGET FISCAL YEAR 2022-2023	<u>\$3,387,405</u>	<u>\$1,943,121</u>	<u>\$724,483</u>	<u>\$719,800</u>

(1)	Per applicable amortization schedule as of June 30, 2015
(2)	Per applicable amortization schedule as of June 30, 2016
(3)	Per applicable amortization schedule as of June 30, 2017
(4)	Per applicable amortization schedule as of June 30, 2018
(5)	Per applicable amortization schedule as of June 30, 2019
(6)	Per applicable amortization schedule as of June 30, 2020
(7)	Per applicable amortization schedule as of June 30, 2021
(8)	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 2022-23

FISCAL YEAR		(a) CITY OF SM RATE INCR EFF DATE	(b) ACRE FEET PURCHASED	(c) CITY OF SM BASE Cost PER ACRE FOOT	(d) CITY OF SM CHANGE IN ENERGY	(e) CITY OF SM COST PER ACRE FOOT	(f) TOTAL COST
FY 15-16	July 1, 2015 to June 30, 2016	1/7/2015	660	\$ 1,495.85	\$ 23.00	\$1,518.85	\$1,001,760
FY 16-17	July 1, 2016 to June 30, 2017	7/1/2016	860	\$ 1,570.77	\$ 17.00	\$1,587.77	\$1,365,482
FY 17-18	July 1, 2017 to June 30, 2018	7/1/2017	945	\$ 1,649.18	\$ -	\$1,649.18	\$1,558,475
FY 18-19	July 1, 2018 to June 30, 2019	7/1/2018	950	\$ 1,649.18	\$ 52.00	\$1,701.18	\$1,616,121
FY 19-20	July 1, 2019 to December 31, 2019	7/1/2019	487	\$ 1,649.18	\$ 45.92	\$1,695.10	\$825,514
FY 19-20	January 1, 2020 to June 30, 2020	1/1/2020	463	\$ 2,077.81	\$ 45.92	\$2,123.73	\$983,287
FY 20-21	July 1, 2020 to December 31, 2020	1/1/2020	555	\$ 2,077.81	\$ 45.92	\$2,123.73	\$1,178,670
FY 20-21	January 1, 2021 to June 30, 2021	1/1/2021	498	\$ 2,160.58	\$ 43.19	\$2,203.77	\$1,097,477
FY 21-22	July 1, 2021 to December 31, 2021	1/1/2021	555	\$ 2,160.58	\$ 43.19	\$2,203.77	\$1,223,092
FY 21-22	January 1, 2022 to June 30, 2022	1/1/2022	531	\$ 2,247.70	\$ 28.14	\$2,275.84	\$1,208,471
FY 22-23	July 1, 2022 to December 31, 2022	1/1/2022	525	\$ 2,247.70	\$ 28.14	\$2,275.84	\$1,194,816
FY 22-23	January 1, 2023 to June 30, 2023	1/1/2022	525	\$ 2,339.17	\$ 33.77	\$2,372.94	\$1,245,794

\$2,440,610

City of Santa Maria Adopted Rate Increases

Effective Date of City of SM Rate Increase	(e) Base Cost Per Unit (hcf)	(f) Units per Acre Foot	(g) 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	FY 21-22
(1) Current CPI (July)	258.017	264.979	261.037	281.402	289.173	307.536	343.597
(2) Base Period CPI (May 2013)	264.188	264.188	264.188	264.188	264.188	264.188	264.188
(3) Index Point Change (1)-(2)	-6.171	0.791	-3.151	17.214	24.985	43.348	79.409
(4) Divided by prior period (3) + (2)	-0.023358366	0.00299408	-0.011927113	0.065158145	0.094572804	0.164080125	0.300577619
(5) Multiply by 100 for percent change (4) x 100	-2.335836601	0.299407997	-1.192711251	6.515814496	9.457280422	16.40801248	30.05776190
(6) Adjusted to 50% per agreement (5) x 50%	-1.167918301	0.149703999	-0.596355626	3.257907248	4.728640211	8.204006238	15.02888095
(7) Base Cost of Energy (Per Agreement)	206.85	206.85	206.85	206.85	206.85	206.85	206.85
(8) Energy Adjustment (7) x (6) + 100	-2.42	0.31	-1.23	6.74	9.78	16.97	31.09
(9) Adjusted Base Cost of Energy (7) + (8)	204.43	207.16	205.62	213.59	216.63	223.82	237.94
(10) CCWA BUDGET (Per published document)	\$227.27	\$223.71	\$191.77	\$265.90	\$262.54	\$267.02	\$266.08
(11) Change in Cost of Energy (10) - (9), not less than 0	\$23	\$17	\$0	\$52	\$46	\$43	\$28

(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 2022-23**

OPERATIONS AND MAINTENANCE BUDGET

	1000 AFY 2020-21 ACTUAL	1000 AFY 2021-22 BUDGET	1000 AFY 2021-22 EST ACTUAL	1,000 AFY 2022-23 PROPOSED
OPERATIONS AND MAINTENANCE				
Electricity (1)	77,175	90,640	87,160	104,500
Labor (fully weighted)	56,160	52,530	52,530	55,200
Water	590	618	750	790
Chemicals	8,850	10,300	9,800	10,300
Outside Services	2,500	5,150	5,150	5,400
Permits and Operating Fees	1,089	721	1,500	1,575
Insurance (2)	13,633	14,042	15,731	18,250
Repairs and Maintenance	8,068	10,300	10,000	10,500
TOTAL OPERATIONS AND MAINTENANCE	168,065	184,301	182,621	206,515
Cost per acre foot @ 1,000 acre feet	168.07	184.30	182.62	206.52
Overhead allocation 15% of O and M	25.21	27.65	27.39	30.98

(1) Estimated 20% increase in expenses FY 22-23 all other estimated at 5%

(2) SDRMA provided estimate for FY 22-23

**NIPOMO COMMUNITY SERVICES DISTRICT
NIPOMO SUPPLEMENTAL WATER PROJECT (NSWP)
BUDGET FOR FISCAL YEAR 2022-23**

FUNDED REPLACEMENT RESERVES

	<u>FY 21-22</u> <u>EST ACTUAL</u>	<u>FY 22-23</u> <u>PROPOSED</u>
Beginning Balance, July 1	1,231,336	1,444,701
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>6,500</u>	<u>8,500</u>
Estimated Ending Balance, June 30	<u><u>1,444,701</u></u>	<u><u>1,660,066</u></u>

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

Funded Replacement Reserve Requirement - Pursuant to Section VIII (J)		
CPI Adjustment as of June 30, 2022		
CPI - 2021Annual	289.244	
CPI - 2020Annual	<u>(278.567)</u>	
	10.677	
Divide by previous period CPI ÷	<u>278.567</u>	
	0.0383	
	X <u>100.000</u>	
Percent Change	<u><u>3.83</u></u>	
Maximum Balance computed as of June 30, 2021		3,446,939
Adjusted by CPI June 30, 2022 (\$3,446,939 * 3.83%)		132,018
Maximum Balance adjusted as of June 30, 2022		<u><u>3,578,957</u></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
6/30/2022	3.83	132,018	3,578,957

CPI = Consumer Price Index

NCSD = Nipomo Community Services District
WMWC = Woodlands Mutual Water Company
GSWC = Golden State Water Company

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TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS
GENERAL MANAGER

DATE: May 20, 2022

AGENDA ITEM

E-5

MAY 25, 2022

**ADOPT ORDINANCE 2022-135 AMENDING CHAPTER 4.12,
ORDINANCE 2020-132 OF THE NIPOMO COMMUNITY SERVICES
DISTRICT CODE TO ADDRESS PROVISIONS RELATING TO SEWER
SERVICE FEES FOR ACCESSORY DWELLING UNITS**

ITEM

Introduce ordinance amending CHAPTER 4.12 of THE NIPOMO COMMUNITY SERVICES DISTRICT CODE to address provisions relating to sewer service fees for Accessory Dwelling Units ("ADU") [RECOMMEND ADOPT ORDINANCE, WAIVE FURTHER READING AND READ BY TITLE ONLY ORDINANCE NO. 2022-135]

BACKGROUND

Ordinance 2022-135 was introduced at your Board's May 11, 2022 Board Meeting. Staff is now bringing the Ordinance before the Board for adoption.

At your Board's regular Board Meeting of October 14, 2020, your Board adopted Ordinance 2020-132 ("Ordinance") relating to sewer service fees for Accessory Dwelling Units ("ADU"). The Ordinance, among other actions; set the sewer fees for an ADU constructed on a Single Family Residential ("SFR") parcel to be charged at the SFR sewer rate.

After further consideration by staff, staff is recommending ADUs built on SFR should be charged the same sewer fees as ADUs built on Multi Family Residential ("MFR") parcels for consistency. It would be consistent for a MFR parcel next to a SFR parcel, both of which construct an ADU and both ADUs are equal, that the parcels each be charged a MFR sewer fee. Under Ordinance 2020-132, the SFR parcel constructs an ADU equal to that of the MFR, but the SFR parcel is being charged an additional SFR sewer connection. Both ADUs are impacting the Nipomo Community Services District's ("District") sewer system equally.

The current monthly sewer charge for a MFR dwelling unit is \$43.58 versus the SFR dwelling sewer charge of \$52.27 – a difference of \$8.69 per month. To date, there are approximately 188 SFR parcels with ADUs. Of these SFR parcels, 75 are connected to the District's sewer system and would be affected should the Board take action to adopt the amendment to the current Ordinance. The majority of the SFR parcels with ADUs are not connected to the District's sewer system mainly because these parcels are located on larger lots in areas of the District where there is no sewer services available. There are 2 MFR parcels with ADUs, both are connected to the District's sewer system, but these parcels would not be affected by an amendment to Ordinance 2020-132.

FINANCIAL IMPACT

There is a difference of \$8.69 between the monthly sewer rate of a MFR and a SFR parcel. Going forward, should your Board vote to amend Ordinance 2020-132 as provided, the District would be receiving \$650 less per month from ADUs constructed on SFR parcels.

STRATEGIC PLAN

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

- A.1. Periodically review, update and reaffirm District policies and procedures.

RECOMMENDATION

It is recommended that your Board adopt the Ordinance, read the full title, waive further reading of the Ordinance, and direct District Counsel and staff to prepare and publish a summary of the ordinance, utilizing the following language in the motion:

"I move that we introduce and read by title only ORDINANCE NUMBER 2022-135, AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT, SECTION 4.12, AMENDING PROVISIONS RELATED TO SEWER SERVICE FEES FOR ACCESSORY DWELLING UNITS, waive further reading of the ordinance and direct District Counsel and staff to prepare and publish a summary of the Ordinance in accordance with Government Code section 25124."

ATTACHMENTS

- A. Draft Ordinance No. 2022-135, Clean Version
- B. Draft Ordinance No. 2022-135; Blackline Version
- C. Ordinance No 2020-132

MAY 25, 2022

ITEM E-5

ATTACHMENT A

ORDINANCE NO. 2022-135

**AN ORDINANCE OF BOARD OF THE DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
AMENDING CHAPTER 4.12 OF THE
NIPOMO COMMUNITY SERVICES DISTRICT CODE TO ADD
PROVISIONS RELATING TO SEWER SERVICE FEES
FOR ACCESSORY DWELLING UNITS**

The Board of Directors of the Nipomo Community Services District ordains as follows:

SECTION 1. The California State Legislature has adopted laws that generally permit the construction of "Accessory Dwelling Units" by right on residential properties. The County of San Luis Obispo is charged with reviewing and issuing building permits and certificates of occupancy for "Accessory Dwelling Units," and the District must provide services to such residential units.

SECTION 2. The District does not regularly receive notice of final approval and occupancy of "Accessory Dwelling Units," and it is the intent of this Ordinance to provide a fair and efficient way for the District to start to bill for sewer service on "Accessory Dwelling Units."

SECTION 3. The Board of Directors of the Nipomo Community Services District hereby ordains as follows:

Section 4.12.160(D) of the Nipomo Community Services District Code ("District Code") is hereby amended to read as follows:

- D. The District shall charge normally applicable sewer service rates, as specified in this Code and any applicable appendix, for the ADU. For purposes of collecting monthly sewer service rates, an ADU shall be considered an equivalent dwelling unit to a multi-family residence and shall be charged the then-current multi-family unit sewer service rate. The District shall begin to charge the active sewer service rate on the first billing statement immediately following the date that is six (6) calendar months following the issuance of the District's Will-Serve Letter for the ADU. If the ADU has not been certified for occupancy by the County of San Luis Obispo as of that date, the property owner or customer shall receive a credit for the ADU sewer service charges between the first billing and the date a certificate of occupancy is issued by making application to the District and providing documentation of the date the certificate of occupancy was issued. The General Manager shall have the authority to make other adjustments in the date billing begins for an ADU based on unique circumstances.

SECTION 4. Any sections, portions of sections, or subsections of the District Code not specifically amended or repealed herein shall remain in full force and effect. This ordinance is declarative of existing law.

SECTION 5. 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.

ORDINANCE NO. 2022-135

**AN ORDINANCE OF BOARD OF THE DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
AMENDING CHAPTER 4.12 OF THE
NIPOMO COMMUNITY SERVICES DISTRICT CODE TO ADD
PROVISIONS RELATING TO SEWER SERVICE FEES
FOR ACCESSORY DWELLING UNITS**

SECTION 6. The Board of Directors of the District finds, to the best of their knowledge, 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 Board of Directors 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 7. This Ordinance shall take effect and be in full force and effect thirty (30) days after its passage. Before the expiration of the fifteenth (15th) day after passage, this Ordinance shall be published, in accordance with Government Code section 25124(b)(2), 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.

INTRODUCED at its regular meeting of the Board of Directors held on May 11, 2022, and PASSED and ADOPTED by the Board of Directors of the Nipomo Community Services District at its regular meeting on May 25, 2022, by the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

CONFLICTS:

Ed Eby
President of the Board

ATTEST:

APPROVED AS TO FORM:

MARIO IGLESIAS
General Manager and
Secretary to the Board

CRAIG A. STEELE
District Legal Counsel

MAY 25, 2022

ITEM E-5

ATTACHMENT B

ORDINANCE NO. 2022-135

**AN ORDINANCE OF BOARD OF THE DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
AMENDING CHAPTER 4.12 OF THE
NIPOMO COMMUNITY SERVICES DISTRICT CODE TO ADD
PROVISIONS RELATING TO SEWER SERVICE FEES
FOR ACCESSORY DWELLING UNITS**

The Board of Directors of the Nipomo Community Services District ordains as follows:

SECTION 1. The California State Legislature has adopted laws that generally permit the construction of "Accessory Dwelling Units" by right on residential properties. The County of San Luis Obispo is charged with reviewing and issuing building permits and certificates of occupancy for "Accessory Dwelling Units," and the District must provide services to such residential units.

SECTION 2. The District does not regularly receive notice of final approval and occupancy of "Accessory Dwelling Units," and it is the intent of this Ordinance to provide a fair and efficient way for the District to start to bill for sewer service on "Accessory Dwelling Units."

SECTION 3. The Board of Directors of the Nipomo Community Services District hereby ordains as follows:

Section 4.12.160(D) of the Nipomo Community Services District Code ("District Code") is hereby amended to read as follows (text added is underlined, text deleted is ~~struck through~~):

- D. The District shall charge normally applicable sewer service rates, as specified in this Code and any applicable appendix, for the ADU. For purposes of collecting monthly sewer service rates, an ADU shall be ~~is~~ considered an equivalent dwelling unit to a multi-family residence and shall be charged the then-current multi-family unit sewer service rate~~accordingly~~. The District shall begin to charge the active sewer service rate on the first billing statement immediately following the date that is six (6) calendar months following the issuance of the District's Will-Serve Letter for the ADU. If the ADU has not been certified for occupancy by the County of San Luis Obispo as of that date, the property owner or customer shall receive a credit for the ADU sewer service charges between the first billing and the date a certificate of occupancy is issued by making application to the District and providing documentation of the date the certificate of occupancy was issued. The General Manager shall have the authority to make other adjustments in the date billing begins for an ADU based on unique circumstances.

SECTION 4. Any sections, portions of sections, or subsections of the District Code not specifically amended or repealed herein shall remain in full force and effect. This ordinance is declarative of existing law.

SECTION 5. 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.

ORDINANCE NO. 2022-135

**AN ORDINANCE OF BOARD OF THE DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
AMENDING CHAPTER 4.12 OF THE
NIPOMO COMMUNITY SERVICES DISTRICT CODE TO ADD
PROVISIONS RELATING TO SEWER SERVICE FEES
FOR ACCESSORY DWELLING UNITS**

SECTION 6. The Board of Directors of the District finds, to the best of their knowledge, 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 Board of Directors 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 7. This Ordinance shall take effect and be in full force and effect thirty (30) days after its passage. Before the expiration of the fifteenth (15th) day after passage, this Ordinance shall be published, in accordance with Government Code section 25124(b)(2), 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.

INTRODUCED at its regular meeting of the Board of Directors held on May 11, 2022, and PASSED and ADOPTED by the Board of Directors of the Nipomo Community Services District at its regular meeting on May 25, 2022, by the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

CONFLICTS:

Ed Eby
President of the Board

ATTEST:

APPROVED AS TO FORM:

MARIO IGLESIAS
General Manager and
Secretary to the Board

CRAIG A. STEELE
District Legal Counsel

MAY 25, 2022

ITEM E-5

ATTACHMENT C

ORDINANCE NO. 2020-132

**AN ORDINANCE OF BOARD OF THE DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
AMENDING CHAPTER 4.12 OF THE
NIPOMO COMMUNITY SERVICES DISTRICT CODE TO ADD
PROVISIONS RELATING TO SEWER SERVICE FEES
FOR ACCESSORY DWELLING UNITS**

The Board of Directors of the Nipomo Community Services District ordains as follows:

SECTION 1. The California State Legislature has adopted laws that generally permit the construction of "Accessory Dwelling Units" by right on residential properties. The County of San Luis Obispo is charged with reviewing and issuing building permits and certificates of occupancy for "Accessory Dwelling Units," and the District must provide services to such residential units.

SECTION 2. The District does not regularly receive notice of final approval and occupancy of "Accessory Dwelling Units," and it is the intent of this Ordinance to provide a fair and efficient way for the District to start to bill for sewer service on "Accessory Dwelling Units."

SECTION 3. Section 4.12.160 is hereby added to the Nipomo Community Services District Code ("District Code") to read as follows:

"4.12.160 - Accessory Dwelling Units.

- A. For the purposes of this Section, the term "Accessory Dwelling Unit ('ADU') has the meaning set forth in Government Code Section 65852.2(j)(1), as the same may be amended from time to time.
- B. The District shall not consider an ADU to be a new residential use for the purpose of calculating capacity fees or capacity charges for sewer service, unless the ADU is detached and built with the construction of a new residential dwelling.
- C. For ADUs constructed within the space of an existing home or existing accessory structure, or for new attached ADUs built concurrently with a new single family home, the District shall not require a new or separate sewer connection and shall not impose capacity charges or capacity fees for the new ADU.
- D. The District shall charge normally applicable sewer service rates, as specified in this Code and any applicable appendix, for the ADU. For purposes of collecting monthly sewer service rates, an ADU is considered an equivalent dwelling unit to a single family residence and charged accordingly. The District shall begin to charge the active sewer service rate on the first billing statement immediately following the date that is six (6) calendar months following the issuance of the District's Will-Serve Letter for the ADU. If the ADU has not been certified for occupancy by the County of San Luis Obispo as of that date, the property owner or customer shall receive a credit for the ADU sewer service charges between the first billing and the date a certificate of occupancy is issued by making application to the District and providing documentation of the date the certificate of occupancy was issued. The General Manager shall have the authority to make other adjustments in the date billing begins for an ADU based on unique circumstances."

SECTION 4. Any sections, portions of sections, or subsections of the District Code not specifically amended and replaced herein shall remain in full force and effect.

SECTION 5. 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

ORDINANCE NO. 2020-132

**AN ORDINANCE OF BOARD OF THE DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
AMENDING CHAPTER 4.12 OF THE
NIPOMO COMMUNITY SERVICES DISTRICT CODE TO ADD
PROVISIONS RELATING TO SEWER SERVICE FEES
FOR ACCESSORY DWELLING UNITS**

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 6. The Board of Directors of the District finds, to the best of their knowledge, 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 Board of Directors 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 7. This Ordinance shall take effect and be in full force and effect thirty (30) days after its passage. Before the expiration of the fifteenth (15th) day after passage, this Ordinance shall be published, in accordance with Government Code section 25124(b)(2), 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.

INTRODUCED at its regular meeting of the Board of Directors held on September 23, 2020, and PASSED and ADOPTED by the Board of Directors of the Nipomo Community Services District at its regular meeting on October 14, 2020, by the following roll call vote, to wit:

AYES: Director Blair, Eby, Woodson and Armstrong


NOES: None

ABSENT: Director Gaddis

CONFLICTS: None


CRAIG ARMSTRONG
Vice President, Board of Directors

ATTEST:


MARIO IGLESIAS
General Manager and
Secretary to the Board

APPROVED AS TO FORM:


CRAIG A. STEELE
District Legal Counsel

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TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS
GENERAL MANAGER



AGENDA ITEM

E-6

MAY 25, 2022

DATE: MAY 20, 2022

ADOPT RECOVERED ORGANIC WASTE PRODUCT PROCUREMENT POLICY

ITEM

Adopt recovered organic waste procurement policy [RECOMMEND ADOPT POLICY]

BACKGROUND

Senate Bill 1383 ("SB 1383") took effect January 1, 2022, with full compliance from organic waste generators and enforcement for those that have not complied commencing January 1, 2024. As part of the compliance effort, agencies are expected to adopt policy that support and enforce SB 1383. The Recovered Organic Waste Procurement Policy ("Policy") addresses the Nipomo Community Services District paper procurement requirements in SB 1383.

SB 1383 requires government agencies to incorporate environmental considerations, including recycled-content and recovered organic waste product use, into purchasing practices to the extent that is practically feasible. This Policy will help the District to:

1. Protect and conserve natural resources, water, and energy;
2. Minimize the District's contribution to climate change, pollution, and solid waste disposal; and,
3. Comply with State requirements as contained in 14 CCR Division 7, Chapter 12, Article 12 (SB 1383 procurement regulations) to procure a specified amount of recovered organic waste products to support organic waste disposal reduction targets and markets for products made from recycled and recovered organic waste materials.

In September 2016, Governor Brown signed SB 1383 into law establishing methane emissions reduction targets. This statewide effort to reduce emissions of short-lived climate pollutants in various sectors of California's economy, includes the need for communities to address organic waste disposal. It was determined that organic waste in landfills emits 20% of the state's methane. Methane is considered a greenhouse gas that contributes to air quality degradation and climate issues and therefore should be reduced.

Organic waste such as food scraps, yard trimmings, paper, and cardboard make up half of what Californians send to landfills. SB 1383 establishes the reduction of organic waste (food waste, green waste, paper products, etc.) disposal by more than 75% by 2025.

RECOMMENDATION

Staff recommends that your Board adopt the resolution.

ATTACHMENTS

- A. Resolution 2022-XXXX: Recovered Organic Waste Product Procurement Policy

MAY 25, 2022

ITEM E-6

ATTACHMENT A

RESOLUTION NO. 2022-XXXX

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT ADOPTING A
RECOVERED ORGANIC WASTE PRODUCT PROCUREMENT POLICY**

WHEREAS, the Nipomo Community Services District ("District") is required to comply with the provisions of Senate Bill 1383 ("SB 1383") and the implementing of CalRecycle regulations contained in 14 California Code of Regulations ("CCR"), Division 7, Chapter 12, Article 12 (SB 1383 procurement regulations) to procure a specified amount of recovered organic waste products to support organic waste disposal reduction targets and markets for products made from recycled and recovered organic waste materials, and to purchase recycled-content paper products and recycled-content printing and writing paper; and

WHEREAS, the provision of the District's policy address SB 1383 procurement regulations.

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

1. The foregoing is true, correct and adopted hereby.
2. The General Manager or designee shall take all necessary actions to implement and enforce the recovered organic waste product procurement policy.

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

AYES:
NOES:
ABSENT:

the foregoing resolution is hereby adopted this ____ day of _____ 2022.

ED EBY
President of the Board

ATTEST:

APPROVED AS TO FORM:

MARIO IGLESIAS
Secretary to the Board

CRAIG A. STEELE
District Legal Counsel

EXHIBIT “A”

NIPOMO COMMUNITY SERVICES DISTRICT

RECOVERED ORGANIC WASTE PRODUCT PROCUREMENT POLICY

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Section 1. Purpose

- A. It is the policy of the Nipomo Community Services District, applicable to all departments and divisions, to incorporate environmental considerations including recycled-content and recovered Organic Waste product use into purchasing practices and procurement. This Recovered Organic Waste Product Procurement Policy (Policy) will help the Nipomo Community Services District to:
1. Protect and conserve natural resources, water, and energy;
 2. Minimize the District's contribution to climate change, pollution, and solid waste disposal; and,
 3. Comply with State requirements as contained in 14 CCR Division 7, Chapter 12, Article 12 (SB 1383 procurement regulations) to procure a specified amount of Recovered Organic Waste Products to support Organic Waste disposal reduction targets and markets for products made from recycled and recovered Organic Waste materials, and to purchase Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper.

Section 2. Definitions

- A. "Annual Recovered Organic Waste Product Procurement Target" means the amount of Organic Waste in the form of a Recovered Organic Waste Product that the Nipomo Community Services District is required to procure annually under 14 CCR Section 18993.1. This target shall be calculated by multiplying the per capita procurement target, which shall be 0.08 tons of Organic Waste per California resident per year, times the District's residential population using the most recent annual data reported by the California Department of Finance. Annually, CalRecycle will provide notice to each Jurisdiction of its Annual Recovered Organic Waste Product Procurement Target by posting such information on CalRecycle's website and providing written notice directly to the District.
- B. "Compost" means the product resulting from the controlled biological decomposition of organic solid wastes that are source separated from the municipal solid waste stream or which are separated at a centralized facility or as otherwise defined in 14 CCR Section 17896.2(a)(4).

Compost eligible for meeting the Annual Recovered Organic Waste Product Procurement Target must be produced at a compostable material handling operation or facility permitted or authorized under 14 CCR Chapter 3.1 of Division 7 or produced at a large volume in-vessel digestion facility that composts on-site as defined and permitted under 14 CCR Chapter 3.2 of Division 7. Compost shall meet the State's composting operations regulatory requirements.

- C. "Direct Service Provider" means a person, company, agency, district, or other entity that provides a service or services to Nipomo Community Services District pursuant to a contract or other written agreement or as otherwise defined in 14 CCR Section 18982(a)(17).
- D. "Electricity Procured from Biomass Conversion" means electricity generated from biomass facilities that convert recovered Organic Waste, such as wood and prunings from the municipal stream, into electricity. Electricity procured from a biomass conversion facility may only count toward the District's Annual Recovered Organic Waste Product Procurement Target if the facility receives feedstock directly from certain permitted or authorized compostable material handling operations or facilities, transfer/processing operations or facilities, or landfills, as described in 14 CCR Section 18993.1(i).
- E. "Jurisdiction" in the context of this policy shall mean the Nipomo Community Services District with the acronym "NCSD" or "District" used in place of the full agency title throughout this policy.
- F. "Organic Waste" means solid wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, yard trimmings, organic textiles and carpets, lumber, wood, Paper Products, Printing And Writing Paper, manure, biosolids, digestate, and sludges, or as otherwise defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as

defined in 14 CCR Section 18982(a)(4) and 14 CCR Section 18982(a)(16.5), respectively.

- G. "Paper Products" include, but are not limited to, paper janitorial supplies, cartons, wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and toweling; or as otherwise defined in 14 CCR Section 18982(a)(51).
- H. "Printing and Writing Papers" include, but are not limited to, copy, xerographic, watermark, cotton fiber, offset, forms, computer printout paper, white wove envelopes, manila envelopes, book paper, note pads, writing tablets, newsprint, and other uncoated writing papers, posters, index cards, calendars, brochures, reports, magazines, and publications; or as otherwise defined in 14 CCR Section 18982(a)(54).
- I. "Procurement of Recovered Organic Waste Products" shall mean purchase or acquisition (e.g., free delivery or free distribution from a hauler or other entity via a written agreement or contract), and end use by the Nipomo Community Services District or others. The District's Annual Recovered Organic Waste Product Procurement Target can be fulfilled directly by the Nipomo Community Services District or by Direct Service Providers through written contracts or agreements for Procurement of Recovered Organic Waste Products at the District's behest.
- J. "Recovered Organic Waste Products" means products made from California, landfill-diverted recovered Organic Waste processed at a permitted or otherwise authorized operation or facility, or as otherwise defined in 14 CCR Section 18982(a)(60). Products that can be used to meet the Annual Recovered Organic Waste Product Procurement Target shall include Compost, SB 1383 Eligible Mulch, Renewable Gas from an in-vessel digestion facility, and Electricity Procured from Biomass Conversion as described herein and provided that such products meet requirements of 14 CCR, Division 7, Chapter 12, Article 12.
- K. "Recordkeeping Designee" means the public employee appointed by the Nipomo Community Services District General Manager or their designee to track procurement and maintain records of Recovered Organic Waste Product procurement efforts both by the and others, if applicable, as required by 14 CCR, Division 7, Chapter 12, Articles 12 and 13.
- L. "Recyclability" means that the Paper Products and Printing and Writing Paper offered or sold to the Nipomo Community Services District are eligible to be labeled with an unqualified recyclable label as defined in 16 Code of Federal Regulations Section 260.12 (2013).
- M. "Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper" means such products that consist of at least thirty percent (30%), by fiber weight, postconsumer fiber, consistent with the requirements of Sections 22150 to 22154 and Sections 12200 and 12209 of the Public Contract Code, and as amended.

- N. "Renewable Gas" means gas derived from Organic Waste that has been diverted from a landfill and processed at an in-vessel digestion facility that is permitted or otherwise authorized by 14 CCR to recover Organic Waste, or as otherwise defined in 14 CCR Section 18982(a)(62).
- P. "SB 1383" means Senate Bill 1383 of 2016 approved by the Governor on September 19, 2016, which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the Public Resources Code, establishing methane emissions reduction targets in a statewide effort to reduce emissions of short-lived climate pollutants, as amended, supplemented, superseded, and replaced from time to time.
- P. "SB 1383 Regulations" or "SB 1383 Regulatory" means or refers to, for the purposes of this policy, the Short-Lived Climate Pollutants (SLCP): Organic Waste Reductions regulations developed by CalRecycle and adopted in 2020 that created Chapter 12 of 14 CCR, Division 7 and amended portions of regulations of 14 CCR and 27 CCR.
- Q. "SB 1383 Eligible Mulch" means mulch eligible to meet the Annual Recovered Organic Waste Product Procurement Target, pursuant to 14 CCR Chapter 12 of Division 7. This SB 1383 Eligible Mulch shall meet the following conditions for the duration of the applicable procurement compliance year, as specified by 14 CCR Section 18993.1(f)(4):
1. Produced at one of the following facilities:
 - i. A compostable material handling operation or facility as defined in 14 CCR Section 17852(a)(12), that is permitted or authorized under 14 CCR Division 7, other than a chipping and grinding operation or facility as defined in 14 CCR Section 17852(a)(10);
 - ii. A transfer/processing facility or transfer/processing operation as defined in 14 CCR Sections 17402(a)(30) and (31), respectively, that is permitted or authorized under 14 CCR Division 7; or,
 - iii. A solid waste landfill as defined in Public Resources Code Section 40195.1 that is permitted under 27 CCR Division 2.
 2. Meet or exceed the physical contamination, maximum metal concentration, and pathogen density standards for land application specified in 14 CCR Sections 17852(a)(24.5)(A)1 through 3.
- R. "State" means the State of California.
- 14 CCR Section 18993.1.

Section 3. Recycled-content Paper Procurement

3.1 Requirements for Nipomo Community Services District Departments

- A. Price preference: If fitness and quality of Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper are equal to that of non-recycled items, all departments and divisions of Nipomo Community Services District shall purchase Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper that consists of at least thirty percent (30%), by fiber weight, postconsumer fiber, whenever the total cost is the same or a lesser total cost than non-recycled items or whenever the total cost is no more than twenty-five percent (25%) of the total cost for the non-recycled items, consistent with the requirements of the Public Contract Code, Sections 22150 through 22154 and
- B. All Paper Products and Printing and Writing Paper shall be eligible to be labeled with an unqualified recyclable label as defined in Title 16 Code of Federal Regulations Section 260.12 (2013).
- C. Provide records to the Recordkeeping Designee of all Paper Products and Printing and Writing Paper purchases within thirty-five (35) days of purchase (both recycled-content and non-recycled content, if any is purchased) made by a division or department or employee of the Nipomo Community Services District. Records shall include a copy of the invoice or other documentation of purchase, written certifications as required in Section 4.2.A.3-4 for recycled-content purchases, vendor name, purchaser name, quantity purchased, date purchased, and recycled content (including products that contain none), and if non-Recycled-Content Paper Products and/or non-Recycled-Content Printing and Writing Paper are provided, include a description of why Recycled-Content Paper Products and/or Recycled-Content Printing and Writing Paper were not provided.

3.2 Requirements for Vendors

- A. All vendors that provide Paper Products (including janitorial Paper Products) and Printing and Writing Paper to Nipomo Community Services District shall:
 - 1. Provide Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper that consists of at least thirty percent (30%), by fiber weight, postconsumer fiber, if fitness and quality are equal to that of non-recycled item, and the cost difference is less than twenty-five percent (25%).
 - 2. Only provide Paper Products and Printing and Writing Papers that meet Federal Trade Commission Recyclability standard as defined in Title 16 Code of Federal Regulations Section 260.12 (2013).
 - 3. Certify in writing, under penalty of perjury, the minimum percentage of postconsumer material in the Paper Products and Printing and Writing Paper offered or sold to the Nipomo Community Services District. This certification requirement may be waived if the percentage of postconsumer

material in the Paper Products, Printing and Writing Paper, or both can be verified by a product label, catalog, invoice, or a manufacturer or vendor internet website.

4. Certify in writing, under penalty of perjury, that the Paper Products and Printing and Writing Paper offered or sold to the Nipomo Community Services District is eligible to be labeled with an unqualified recyclable label as defined in Title 16 Code of Federal Regulations Section 260.12 (2013).
 5. Provide records to the Recordkeeping Designee of all Paper Products and Printing and Writing Paper purchased from the vendor within thirty-five (35) days of purchase (both recycled-content and non-recycled content, if any is purchased) made by a division or department or employee of the Nipomo Community Services District. Records shall include a copy of the invoice or other documentation of purchase, written certifications as required in Section 4.2.A.3-4 for recycled-content purchases, purchaser name, quantity purchased, date purchased, and recycled content (including products that contain none), and if non-Recycled-Content Paper Products and/or non-Recycled-Content Printing and Writing Paper are provided, include a description of why Recycled-Content Paper Products and/or Recycled-Content Printing and Writing Paper were not provided.
- B. All vendors providing printing services to the Nipomo Community Services District via a printing contract or written agreement, shall use Printing and Writing Paper that consists of at least thirty percent (30%), by fiber weight, postconsumer fiber, or as amended by Public Contract Code Section 12209.

Section 4. Recordkeeping Responsibilities

- A. The Administration department will be the responsible department and will select an employee to act as the Recordkeeping Designee that will be responsible for obtaining records pertaining to Procurement of Recovered Organic Waste Products and Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper.
- B. The Recordkeeping Designee will do the following to track Procurement of Recovered Organic Waste Products, Recycled-Content Paper Products, and Recycled-Content Printing and Writing Paper:
1. Collect and collate copies of invoices or receipts (paper or electronic) or other proof of purchase that describe the procurement of Printing and Writing Paper and Paper Products, including the volume and type of all paper purchases; and, copies of certifications and other required verifications from all departments and/or divisions procuring Paper Products and Printing and Writing Paper (whether or not they contain recycled content) and/or from the vendors providing Printing and Writing Paper and Paper Products. These records must be kept as part of District's documentation of its compliance with 14 CCR Section 18993.3.

2. Collect and collate copies of invoices or receipts or documentation evidencing procurement from all departments and divisions procuring Recovered Organic Waste Products and invoices or similar records from vendors/contractors/others procuring Recovered Organic Waste Products on behalf of the Nipomo Community Services District to develop evidence of Nipomo Community Services District meeting its Annual Recovered Organic Waste Product Procurement Target. These records must be kept as part of the District's documentation of its compliance with 14 CCR Section 18993.1.
3. Collect, collate, and maintain documentation submitted by the Nipomo Community Services District, Direct Service Providers, and/or vendors, including the information reported to the Recordkeeping Designee in accordance with Sections 3.2.A.3, 3.2.B.2, 3.2.C.2, 3.3.A.3, 3.3.B.2, 3.3.C.3, 4.1.C, and 4.2.A.5.
4. Compile an annual report on the District's direct procurement, and vendor/other procurement on behalf of the Nipomo Community Services District, of Recovered Organic Waste Products, Recycled-Content Paper Products, and Recycled-Content Printing and Writing Paper, consistent with the recordkeeping requirements contained in 14 CCR Section 18993.2 for the Annual Recovered Organic Waste Product Procurement Target and 14 CCR Section 18993.4 for Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper procurement. This report shall be made available to the District's responsible entity for compiling the annual report to be submitted to CalRecycle (which will include a description of compliance on many other SB 1383 regulatory requirements) pursuant to 14 CCR Division 7, Chapter 12, Article 13. The procurement report shall also be shared with the Board of Directors annually no later than February of the following year of the reporting period as evidence of implementing this Policy.

Section 6. Effective Date of Policy

This Policy shall go into effect immediately.

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TO: BOARD OF DIRECTORS
FROM: MARIO IGLESIAS
GENERAL MANAGER
DATE: May 20, 2022

AGENDA ITEM
F
MAY 25, 2022

GENERAL MANAGER'S REPORT

ITEM

Standing report to your Honorable Board -- *Period covered by this report is May 8, 2022 through May 21, 2022.*

DISTRICT BUSINESS

Administrative

The District encourages residents to provide reports of any observed water waste. The District also keeps an accounting of leak adjustments as a measure of non-revenue water lost to leaks as well as tracking late fee waivers. The table below provides April and Calendar Year-to-date data for these items. May 2022 data will be provided in the June 8 Manager's Report.

OFFICE ACTIVITIES

	Apr 22	Jan 22 - Apr 22
Reports of Water Waste	0	0
Leak Adjustments	3	12
Leak Adjustment Amount	\$713	\$4,581
Late Fee Waivers	0	22
Late Fee Waiver Adjustment Amount	\$0	\$758

On January 1, 2022, the District shifted to a monthly billing cycle from a bi-monthly billing cycle. During the first several months of 2022, the District did not assess late fees. The District will begin normal billing operations in June of this year, to include assessing late fees, providing customer payment arrangements, and discontinuance of water services for delinquent accounts.

Water Resources

Table 1. Total Production Acre Feet (AF)

	Apr - 22	Jul 21 - Mar 22
Groundwater Production	58.8	698.5
Supplemental Water Imported	<u>95.1</u>	<u>905.6</u>
Total Production	153.9	1,604.1

The District's total combined production, including groundwater production wells and supplemental water imported through the Joshua Road Pump Station, registered 153.9 AF for the month of April 2022. Imported water through the Joshua Road Pump Station once again exceeded the groundwater production and will continue to do so through the next several months as the District strives to maintain the 50% groundwater reduction goal.

NCSD GW Reduction

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

Table 2. NCSD GW Production (NCSD GW Well Production plus Purveyor Credit)

	Apr-22	Jul 21 – Apr 22
NCSD GW Well Production	58.8	698.5
Purveyor Customer Credit (33.3% of Import Water)	31.7	301.8
NCSD Total Calculated GW Production	90.5	1,000.3
Average GW Production for 2009-2013	199.0	2,008.1
NCSD Percentage of GW Reduction	55%	50%

2022 Fiscal Year Groundwater Pumping Forecast

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

Table 3. Projected Groundwater Pumping

	Apr-22	Year-to-Date Jul-Jun 2022	Target	Over/(Under)
NCSD GW Well Production	58.8	897.1		
Purveyor Customer Credit (33.3% of Import Water)	31.7	366.5		
NCSD Total Calculated GW Production	90.5	1,263.6	1,266.0	2
Average GW Production for 2009-2013	199.0	2,533.4	2,533.4	
NCSD Percentage of GW Reduction	55%	50.1%	50.0%	

Table 4. FY 20201 vs. FY 2020 Groundwater Pumping

	Apr-22	Jul 21 - Apr 22	Apr-21	Jul 20- Apr 21
NCSD GW Well Production	58.8	698.5	77.2	818.0
Purveyor Customer Credit (33.3% of Import Water)	31.7	301.8	31.4	294.0
NCSD Total Calculated GW Production	90.5	1,000.3	108.6	1,112.1
Average GW Production for 2009-2013	199.0	2,008.1	199.0	2,008.1
NCSD Percentage of GW Reduction	55%	50%	45%	45%

Table 4 compares groundwater pumping for the same periods in 2021 and 2022. This view of the data provides operations with insight into year-end water production values and assists operational personnel in their efforts to balance import and groundwater production with the purpose of reducing groundwater pumping to meet the stated objective of 50% pumping groundwater reduction.

Rainfall Gauge

(Reported in inches)	Nipomo East (Dana Hills Reservoirs)	Nipomo South (Southland Plant)
April 2022 Total	.55	0.39
July-2021 through June-2022 (Season Total)	9.88	7.96
May 1, 2022 – May 6, 2022	0.00	0.00
Total Rainfall to date	10.43	8.35
County Reported Avg. Ann. Year Rainfall	18.00	14.00
2006 - 2020 Avg. Ann. Year Rainfall*	15.39	13.30
2006 - 2020 Median Ann. Rainfall*	12.64	11.30

*Data from County website

Connection Report

END OF MONTH REPORT												
Nipomo Community Services District Water and Sewer Connections	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
Water Connections (Total)	4500	4500	4500	4501								
Sewer Town connections	2726	2726	2726	2727								
Sewer Blacklake connections	559	559	559	559								
Subtotal	3285	3285	3285	3286								
Galaxy and PSSH at Orchard and Division Sewer connections billed to the County	480	481	481	481								
Sewer Connections (Total)	3765	3766	3766	3767								
New Water Connections	4	0	0	1								
New Sewer Connection	4	0	0	1								

The Connection Report as of May 5, 2022

Safety Program

No Safety Incidents to Report

Supplemental Water Capacity Accounting

Summary Since January 25, 2008

	Number of Equivalent Meters	AFY
Supplemental Water Available for Allocation	947	500.0
Supplemental Water Reserved (Will Serve Letter Issued)	132	-69.7
Subtotal Net Supplemental Water Available for Allocation	815	430.3
Supplemental Water Assigned (Intent-to-Serve Issued)	179	-94.5
Total Remaining Supplemental Water Available for Allocation	636	335.8

As of May 6, 2022

Other Items

- COVID19 NCSD Response Plan Update [Attachment A]
- Dana Reserve – Schedule [Attachment B]

Meetings (May 8 through May 21)

Meetings Attended (telephonically or in person):

- May 9, Staff Mtg. - Admin Supervisor Mtg.
- May 9, Developer Meeting – Dana Reserve
- May 10, Eng/Admin Coordination Meeting
- May 10, Budget Preparation Mtg. – NCSD Finance
- May 11, Rotary
- May 11, NCSD Regular Board Meeting
- May 11, After-Board Exec. Team Meeting
- May 12, NCSD Fin. & Audit Comm. Mtg.
- May 13, Staff Mtg. - Cust. Service Specialist
- May 13, NCSD Board Officer Meeting
- May 16, Staff Mtg. - Admin Supervisor Meeting
- May 16, NCSD Management Team Meeting
- May 17, Sedaru Asset Management Update
- May 17, Blacklake\NCSD Oversight Comm.
- May 18, R. Ross – Blacklake HCP/MND Discussions
- May 19, Candidate Hart – 37 Congressional District
- May 20, Project Discussion – Dana Reserve
- May 20, Jim Anderson – Philips Corp.

Meetings Scheduled (May 23 through May 27):

Upcoming Meetings (telephonically or in person):

- May 23, Staff Mtg. - Admin Supervisor Mtg.
- May 23, NMMA Purveyor Manager's Meeting
- May 23, Water View (Conservation/Reporting Software)
- May 24, NMMA-TG Meeting
- May 24, Eng/Admin Coordination Meeting
- May 24, County-wide Water Action Team
- May 25, Rotary
- May 25, NCSD Regular Board Meeting
- May 25, After-Board Exec. Team Meeting
- May 27, Staff Mtg. - Cust. Service Specialist
- May 27, NCSD Board Officer Meeting

Upcoming Water Resource and Other Meetings

Upcoming Standing Meetings:

- NMMA-TG: May 24 (Tuesday) @ 10:00 AM, Zoom Meeting
- RWMG: June 1st (Wednesday) Not yet Scheduled
- WRAC: June 1st (Wednesday) @ 1:30 PM, In Person (location TBA)
- NMMA Manager's Meeting: May 23rd (Monday) @ 10:00 AM, Zoom Meeting
- NCSD Board Officer Meeting: May 27th (Friday) @ 10:00 am, NCSD Conf. Rm.

RECOMMENDATION

Staff seeks direction and input from your Board

ATTACHMENTS

- A. COVID19 - NCSD Response Plan
- B. Dana Reserve Schedule

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MAY 25, 2022

ITEM F

ATTACHMENT A

Date: May 25, 2022 Board Meeting
Response Activities to COVID19 Health Emergency
Prepared by: Mario Iglesias, General Manager

DISTRICT RESPONSE TO COVID-19, Updated May 20, 2022

New Actions

No New Actions

Personnel on Quarantine

Office Personnel: 0
Operational Personnel: 0
Vaccine Update: (No Change)

Ongoing Actions

1. Testing available for Employees to test (Voluntary)
2. Following SLO Co. Masking guidelines (Voluntary)
3. Following Cal/OSHA guidelines
4. Review SLO County EOC Status Reports
5. Office Rules for Safe Customer Management – CDC Guidance & Recommendations

Previous Actions

1. For the Month of September, District Staff Tested 44 times (all negative results)
2. Mask Mandate Requirement Update – As of September 1, 2021, masks must be worn indoors at public facilities.
3. COVID19 Rapid Test Kits secured from SLO County at no cost to provide weekly work-place testing.
4. NCSB Board Passes Resolution Declaring Emergency in District [Res. 2020-1550, Mar. 24, 2020]
5. Admin Office Closed to the Public
 - a. Meetings are virtual – Conference Calls
6. Discontinued: Split staff into two teams
 - a. See schedule on Response Plan
7. Received directions for FEMA Public Assistance – Cost Tracking Guidance
8. Governor's Executive Order – No Water Turn-offs
 - a. District instituted this policy as well as a No Late Fee – No Penalty Fees
9. Wipe-down between shifts
10. Each operator in separate designated vehicle.
11. Received additional PPE. Administration Staff will be on normal schedule 8-4:30 starting Monday May 18th
12. Operations Staff are on normal 7:00 am to 3:30 pm work schedule as of Monday, May 4th. County opened up construction sites.
13. Expanded Customer Service Work to include site visits for investigations (high bills, meter issues) week of May 11
14. Trailers for quarantine have been returned – May 1
15. District to begin wastewater sampling in conjunction with County effort to determine presence of COVID19 in communities – May 11
16. Temporary Admin Support Workers brought back to Office (Provider incentivized due to PPP Funds) – June 1

Date: May 25, 2022 Board Meeting
Response Activities to COVID19 Health Emergency
Prepared by: Mario Iglesias, General Manager

17. Lobby Modifications: Glass is equipped with speaker plates to allow the communication between customer and clerk without opening the sliding window.
18. Board Meetings open to the public.
19. County Offices Continued Closed with Appointments provided to some departments as needed.
20. June 18, 2020, Governor Order issued requiring face masks be worn in public places. District management purchased disposable face masks for staff, Board Members, and any public that attends District Board Meetings and lack a face mask.
21. The customer counter window modifications at the office are completed.
22. Capital Improvement Projects continue to be impacted and schedules for completion continue to be pushed back due to material delivery delays.
23. Administrative Office open to public – April 19, 2021
24. Mask Mandate in SLO County (reinstated on September 1st) will be lifted when:
 - a. The county reaches the yellow, “moderate” level of COVID-19 community transmission, as defined by the Centers for Disease Control and Prevention (CDC), and stay there for at least 10 days, and
 - b. Public Health Officer Dr. Penny Borenstein determines that COVID-19 hospitalizations are low and stable and area hospitals are able to meet the needs of patients.
25. County Health provided COVID19 Rapid Test that will get us through January 2022. NCSD requesting additional tests for February and March. The District has sufficient tests to sustain routine testing practices through January 2022.
26. February 16, 2022, Indoor Mask Mandate Lifted in San Luis Obispo County for vaccinated individuals.

Mask Mandate Status:

- Effective March 1, 2022, the requirement that unvaccinated individuals mask in indoor public settings will move to a strong recommendation that all persons, regardless of vaccine status, continue indoor masking.
- Universal masking shall remain required in specified high-risk settings.
- After March 11, 2022, the universal masking requirement for K-12 and Childcare settings will terminate. CDPH strongly recommends that individuals in these settings continue to mask in indoor settings when the universal masking requirement lifts.

Masks in California are still Required:

- On public transit
- In Emergency[8] shelters and cooling and heating centers
- In Healthcare settings (applies to all healthcare settings, including those that are not covered by the State Health Officer Order issued on July 26, 2021)
- At State and local correctional facilities and detention centers
- In Homeless shelters
- At Long Term Care Settings & Adult and Senior Care Facilities

MAY 25, 2022

ITEM F

ATTACHMENT B

DANA RESERVE REVIEW SCHEDULE (AS OF 5/13/2022)

Date	Description	Comment
April 24, 2022	NCSD Review "Utility" Section of EIR	
June 16, 2022	Release of EIR	Extended from May 16, 2022
July 21, 2022	LAFCO Study Session	County Lead
July 28, 2022	SLO County Planning Comm. Study Session	
July 31, 2022	Close Public Comment - EIR	June 20, 2022
Q-1 2023	County Board of Supervisors	Accept EIR
Q-2 2023	NCSD Board	Annexation Application
Q-2 2023	LAFCO Review	

The above schedule is suggested and drawn from conversations from the County, LAFCO, and the Developer. This schedule is a rough outline and will most likely change over time.

END OF PACKET