

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION 2022-1633**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
ADOPTING THE NSWP (NIPOMO SUPPLEMENTAL WATER PROJECT)  
2022-2023 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 NSWP. 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 NSWP Enterprise Fund Budget for all revenues and expenditures related to the NSWP 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 1<sup>st</sup> 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 NSWP 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 2022-2023 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 Armstrong, seconded by Director Woodson, and on the following roll call vote, to wit:

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

the foregoing Resolution is hereby passed and adopted this 8<sup>th</sup> day of June 2022.

  
\_\_\_\_\_  
**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 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	
NCS D Water O & M Cost per AF ** (see page 3)	1050	\$206.52	\$216,846	
NCS D 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	NCS D	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 NCS D Admin Fee	\$32,529	\$21,690	\$5,419	\$5,419
<b>6 Total Annual Supplemental Water Volume Cost</b>	<b>\$2,689,985</b>	<b>\$1,793,682</b>	<b>\$448,151</b>	<b>\$448,151</b>

	TOTAL	NCS D	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
<b>23 Total Annual Fixed Supplemental Charges</b>	<b>\$776,152</b>	<b>\$149,439</b>	<b>\$315,698</b>	<b>\$311,015</b>

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

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

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

NCS D = 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	CITY OF SM RATE INCR EFF DATE	(a) ACRE FEET PURCHASED	(b) CITY OF SM BASE Cost PER ACRE FOOT	(c) CITY OF SM CHANGE IN ENERGY	(d) (b)+(c) COST PER ACRE FOOT	(a)*(d) TOTAL COST	
							FY 15-16
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	(e)*(f) Base Cost per Acre Foot
	1/7/2015	\$3.43	435.6
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 Adjustmment 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**

OPERATIONS AND MAINTENANCE	1000 AFY 2020-21 ACTUAL	1000 AFY 2021-22 BUDGET	1000 AFY 2021-22 EST ACTUAL	1,000 AFY 2022-23 PROPOSED
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
<b>TOTAL OPERATIONS AND MAINTENANCE</b>	<b>168,065</b>	<b>184,301</b>	<b>182,621</b>	<b>206,515</b>
<b>Cost per acre foot @ 1,000 acre feet</b>	<b>168.07</b>	<b>184.30</b>	<b>182.62</b>	<b>206.52</b>
<b>Overhead allocation 15% of O and M</b>	<b>25.21</b>	<b>27.65</b>	<b>27.39</b>	<b>30.98</b>

(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
	206,865	206,865
Estimated interest income	6,500	8,500
Estimated Ending Balance, June 30	1,444,701	1,660,066

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

<b>Funded Replacement Reserve Requirement - Pursuant to Section VIII (J)</b>		
CPI Adjustment as of June 30, 2022		
CPI - 2021Annual	289.244	
CPI - 2020Annual	(278.567)	
	10.677	
Divide by previous period CPI ÷	278.567	
	0.0383	
X	100.000	
Percent Change	3.83	
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		3,578,957

	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