

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION 2023-1674**

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING THE NSWP (NIPOMO SUPPLEMENTAL WATER PROJECT)
2023-2024 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 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 NSWP Enterprise Fund.

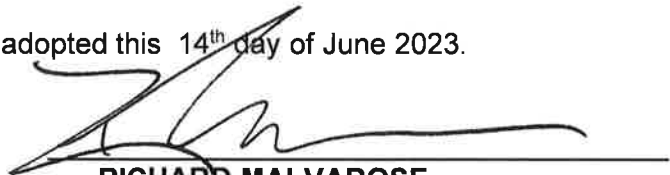
NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED by the Board of Directors of the Nipomo Community Services District, San Luis Obispo County, California, as follows:

1. The 2023-2024 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 Hansen, and on the following roll call vote, to wit:

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

the foregoing Resolution is hereby passed and adopted this 14th day of June 2023.




RICHARD MALVAROSE
President of the Board

ATTEST:


MARIO IGLESIAS
General Manager and Secretary to the Board

APPROVED AS TO FORM AND LEGAL EFFECT:


CRAIG A. STEELE
District Legal Counsel

**NIPOMO COMMUNITY SERVICES DISTRICT
NIPOMO SUPPLEMENTAL WATER PROJECT (NSWP)
BUDGET FOR FISCAL YEAR 2023-24**

	Acre Feet Purchase (A)	Cost per Acre Foot (AF)	Total Cost	
Water Purchase Fiscal Year 2023-2024 (see page 2)	1050	see page 2	\$2,674,651	
NCS D Water O & M Cost per AF ** (see page 3)	1050	\$229.45	\$240,923	
NCS D Admin Fee per AF (15% of O & M per AF) ** (see page 3)	1050	\$34.42	\$36,141	
		<u>\$263.87</u>	<u>\$2,951,715</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	\$2,674,651	\$1,783,457	\$445,597	\$445,597
4 Supplemental Water O & M Cost	\$240,923	\$160,647	\$40,138	\$40,138
5 Supplemental Water NCS D Admin Fee	\$36,141	\$24,099	\$6,021	\$6,021
6 Total Annual Supplemental Water Volume Cost	\$2,951,715	\$1,968,203	\$491,756	\$491,756

	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)	\$103,462	\$0	\$42,628	\$60,834
10 Yearly Capital Recovery Charge-Interest 6/30/2015 (1)	\$282,957	\$0	\$146,231	\$136,726
11 Yearly Capital Recovery Charge-Principal 6/30/2016 (2)	\$8,500	\$0	\$4,033	\$4,467
12 Yearly Capital Recovery Charge-Interest 6/30/2016 (2)	\$24,672	\$0	\$13,834	\$10,838
13 Yearly Capital Recovery Charge-Principal 6/30/2017 (3)	\$11,890	\$0	\$7,177	\$4,713
14 Yearly Capital Recovery Charge-Interest 6/30/2017 (3)	\$35,209	\$0	\$24,617	\$10,592
14 Yearly Capital Recovery Charge-Principal 6/30/2018 (4)	\$1,088	\$0	\$500	\$588
15 Yearly Capital Recovery Charge-Interest 6/30/2018 (4)	\$3,033	\$0	\$1,713	\$1,320
16 Yearly Capital Recovery Charge-Principal 6/30/2019 (5)	\$1,334	\$0	\$612	\$722
17 Yearly Capital Recovery Charge-Interest 6/30/2019 (5)	\$3,721	\$0	\$2,098	\$1,623
18 Yearly Capital Recovery Charge-Principal 6/30/2020 (6)	\$17,108	\$0	\$7,829	\$9,279
19 Yearly Capital Recovery Charge-Interest 6/30/2020 (6)	\$47,714	\$0	\$26,858	\$20,856
20 Yearly Capital Recovery Charge-Principal 6/30/2021 (7)	\$4,377	\$0	\$1,999	\$2,378
21 Yearly Capital Recovery Charge-Interest 6/30/2021 (7)	\$12,201	\$0	\$6,856	\$5,345
22 Yearly Capital Recovery Charge-Principal 6/30/2022 (8)	\$3,241	\$0	\$1,477	\$1,764
23 Yearly Capital Recovery Charge-Interest 6/30/2022 (8)	\$9,032	\$0	\$5,067	\$3,965
24 Supplemental Water Project Yearly Replacement (9)	\$206,865	\$149,439	\$28,713	\$28,713
25 Total Annual Fixed Supplemental Charges	\$776,404	\$149,439	\$322,242	\$304,723

Total Volume and Annual Fixed Charges for Fiscal Year 2023-2024					
26	2024(Line 6 + Line 25)	\$3,728,119	\$2,117,642	\$813,998	\$796,479

25	Electrical Pumping Credit (\$248.10 per acre foot-estimated)	(\$82,666)	\$0	(\$41,333)	(\$41,333)
26	SUPPLEMENTAL WATER BUDGET FISCAL YEAR 2023-2024	\$3,645,453	\$2,117,642	\$772,665	\$755,146

(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)	Per applicable amortization schedule as of June 30, 2022
(9)	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 2023-24**

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	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	539	\$ 2,160.58	\$ 43.19	\$2,203.77	\$1,187,832
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	582	\$ 2,247.70	\$ 28.14	\$2,275.84	\$1,324,539
FY 22-23	January 1, 2023 to June 30, 2023	1/1/2022	468	\$ 2,339.17	\$ 149.31	\$2,488.48	\$1,164,609
FY 23-24	July 1, 2023 to December 31, 2023	1/1/2023	525	\$ 2,339.17	\$ 149.31	\$2,488.48	\$1,306,452
FY 23-24	January 1, 2024 to June 30, 2024	1/1/2024	525	\$ 2,456.78	\$ 149.31	\$2,606.09	\$1,368,199

2,674,651

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
1/1/2024	\$5.64*	435.6	\$2,456.78

*assumes 5% increase

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	FY 22-23
(1) Current CPI (July)	258.017	264.979	261.037	281.402	289.173	307.536	343.597	390.049
(2) Base Period CPI (May 2013)	264.188	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	125.861
(4) Divided by prior period (3) ÷ (2)	-0.023358366	0.00299408	-0.011927113	0.065158145	0.094572804	0.164080125	0.300577619	0.476406953
(5) Multiply by 100 for percent change (4) x 100	-2.335836601	0.299407997	-1.192711251	6.515814496	9.457280422	16.40801248	30.0577619	47.64069526
(6) Adjusted to 50% per agreement (5) x 50%	-1.167918301	0.149703999	-0.596355626	3.257907248	4.728640211	8.204006238	15.02888095	23.82034763
(7) Base Cost of Energy (Per Agreement)	206.85	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	49.27
(9) Adjusted Base Cost of Energy (7) + (8)	204.43	207.16	205.62	213.59	216.63	223.82	237.94	256.12
(10) CCWA BUDGET (Per published document)	\$227.27	\$223.71	\$191.77	\$265.90	\$262.54	\$267.02	\$266.08	\$405.43
(11) Change in Cost of Energy (10) - (9), not less than 0	\$23	\$17	\$0	\$52	\$46	\$43	\$28	\$149

(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 2023-24**

OPERATIONS AND MAINTENANCE BUDGET

OPERATIONS AND MAINTENANCE	1000 AFY 2021-22 ACTUAL	1000 AFY 2022-23 BUDGET	1000 AFY 2022-23 EST ACTUAL	1,000 AFY 2023-24 PROPOSED
Electricity	85,759	104,500	104,500	120,000
Labor (fully weighted)	77,080	55,200	55,200	60,000
Water	1,294	790	600	650
Chemicals	8,658	10,300	9,000	9,500
Outside Services	1,167	5,400	5,150	5,400
Permits and Operating Fees	476	1,575	1,200	1,250
Insurance (1)	15,731	18,250	20,545	24,654
Repairs and Maintenance	7,418	10,500	8,000	8,000
TOTAL OPERATIONS AND MAINTENANCE	197,583	206,515	204,195	229,454
Cost per acre foot @ 1,000 acre feet	197.58	206.52	204.20	229.45
Overhead allocation 15% of O and M	29.64	30.98	30.63	34.42

(1) SDRMA Insurance provider provided estimate for FY 23-24

**NIPOMO COMMUNITY SERVICES DISTRICT
NIPOMO SUPPLEMENTAL WATER PROJECT (NSWP)
BUDGET FOR FISCAL YEAR 2023-24**

FUNDED REPLACEMENT RESERVES

	<u>FY 22-23</u> <u>EST ACTUAL</u>	<u>FY 23-24</u> <u>PROPOSED</u>
Beginning Balance, July 1	1,442,186	1,682,051
Collections during fiscal year		
NCS D	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>33,000</u>	<u>40,000</u>
Estimated Ending Balance, June 30	<u><u>1,682,051</u></u>	<u><u>1,928,916</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 - 2022Annual	310.782	
CPI - 2021Annual	<u>(289.244)</u>	
	21.538	
Divide by previous period CPI ÷	<u>289.244</u>	
	0.0745	
X	<u>100.000</u>	
Percent Change	<u><u>7.45</u></u>	
Maximum Balance computed as of June 30, 2021		3,578,957
Adjusted by CPI June 30, 2022 (\$3,578,957 * 7.45%)		266,632
Maximum Balance adjusted as of June 30, 2022		<u><u>3,845,589</u></u>

CPI = Consumer Price Index

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

	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
6/30/2023	7.45	266,632	3,845,589