

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS
GENERAL MANAGER

DATE: SEPTEMBER 21, 2023



PRESENTATIONS AND REPORTS

The following presentations and reports are scheduled:

- C-1) DIRECTORS' ANNOUNCEMENTS OF DISTRICT AND COMMUNITY INTEREST AND REPORTS ON ATTENDANCE AT PUBLIC MEETINGS, TRAINING PROGRAMS, CONFERENCES AND SEMINARS. Receive Announcements and Reports from Directors

- C-2) RECEIVE PUBLIC COMMENT ON PRESENTATIONS AND REPORTS PRESENTED UNDER ITEM C AND BY MOTION RECEIVE AND FILE PRESENTATIONS AND REPORTS

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS
GENERAL MANAGER

DATE: SEPTEMBER 21, 2023

AGENDA ITEM

D

SEPTEMBER 27, 2023

CONSENT AGENDA

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

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

- D-1) WARRANTS [RECOMMEND APPROVAL]
- D-2) APPROVE SEPTEMBER 13, 2023, REGULAR BOARD MEETING MINUTES
[RECOMMEND APPROVE MINUTES]

TO: BOARD OF DIRECTORS

REVIEWED: MARIO IGLESIAS
GENERAL MANAGER *[Signature]*

FROM: JANA ETTEDDGUE
FINANCE DIRECTOR *[Signature]*

DATE: SEPTEMBER 21, 2023

**AGENDA ITEM
D-1(A)
SEPTEMBER 27, 2023**

WARRANTS

COMPUTER CHECKS GENERATED – SEE ATTACHED	\$ 437,334.79
HAND WRITTEN CHECKS	NONE
VOIDED CHECKS	#11227

Item D-1(A) Warrants SEPTEMBER 27, 2023

Nipomo Community Services District

By Payment Number

Payment Dates 09/27/2023 - 09/27/2023

Vendor Name	Description (Payable)	Payable Number	Payment Date	Amount
Payment: 11559				
Advantage Answering Plus,	Answering service	000030-148-561	09/27/2023	464.98
Payment 11559 Total:				464.98
Payment: 11560				
Aqua-Metric Sales, Co.	(216)- radios, (2 ea)- 1" Ally and	INV0096810	09/27/2023	49,083.21
Aqua-Metric Sales, Co.	(2) - 1" Ally meters	INV0096808	09/27/2023	1,149.67
Aqua-Metric Sales, Co.	(12) - 1" Ally meters	INV0096807	09/27/2023	6,832.79
Aqua-Metric Sales, Co.	208 single port smart points	INV0094901	09/27/2023	42,211.20
Payment 11560 Total:				99,276.87
Payment: 11561				
AT&T Mobility	Cell service	287318508827X0902202	09/27/2023	1,255.19
Payment 11561 Total:				1,255.19
Payment: 11562				
Ayala, Sandro	Reimbursement for CADC	SEPT2023	09/27/2023	699.20
Payment 11562 Total:				699.20
Payment: 11563				
Balic, Robert	Cash Bond Refund	SEPT2023A	09/27/2023	28,436.60
Payment 11563 Total:				28,436.60
Payment: 11564				
Balic, Robert	PCIA Deposit Refund	SEPT2023B	09/27/2023	5,761.64
Payment 11564 Total:				5,761.64
Payment: 11565				
Bee Safe Lock & Key	Duplicate keys	117341	09/27/2023	21.70
Payment 11565 Total:				21.70
Payment: 11566				
Brenntag Pacific, Inc.	Sodium hypochlorite	BPI373208	09/27/2023	1,001.12
Brenntag Pacific, Inc.	Sodium hypochlorite	BPI373207	09/27/2023	2,985.36
Brenntag Pacific, Inc.	Sodium hypochlorite	BPI373209	09/27/2023	1,001.12
Payment 11566 Total:				4,987.60
Payment: 11567				
Cahua, Luisa	Reimbursement for CADC	SEPT2023	09/27/2023	739.29
Payment 11567 Total:				739.29
Payment: 11568				
Cannon Corporation	Engineering support - Nipomo	85533	09/27/2023	333.00
Payment 11568 Total:				333.00
Payment: 11569				
Charter Communications	Dedicated fiber line - Shop	170593201090123	09/27/2023	734.20
Payment 11569 Total:				734.20
Payment: 11570				
Charter Communications	Dedicated fiber line - Shop	170591901090123	09/27/2023	734.20
Payment 11570 Total:				734.20
Payment: 11571				
Clever Ducks	Computer expense-	34969	09/27/2023	2,148.78
Payment 11571 Total:				2,148.78
Payment: 11572				
DataProse, LLC	Postage bills/late notices	DP2303226 - B	09/27/2023	2,547.55
DataProse, LLC	Mail bills/late notices	DP2303226-A	09/27/2023	659.43
Payment 11572 Total:				3,206.98
Payment: 11573				
Donahue Truck Centers	Alignment and oil change for	SO-SM-43598	09/27/2023	926.28

Item D-1(A) Warrants SEPTEMBER 27, 2023

Payment Dates: 09/27/2023 - 09/27/2023

Vendor Name	Description (Payable)	Payable Number	Payment Date	Amount
Payment: 11573				Payment 11573 Total:
Engel & Gray, Inc.	Biosolids collection	38X00012	09/27/2023	7,880.86
Payment: 11574				Payment 11574 Total:
Executive Janitorial	Janitorial services	87457	09/27/2023	780.00
Payment: 11575				Payment 11575 Total:
Famcon Pipe and Supply Inc.	Pipe wrench, meter box lids with	S100111149.001	09/27/2023	441.53
Famcon Pipe and Supply Inc.	Meter box cover with quick read	S100111136.001	09/27/2023	22.84
Famcon Pipe and Supply Inc.	Meter adapters, blow-off valves	S100109605.001	09/27/2023	1,607.68
Famcon Pipe and Supply Inc.	Meter adapters, customer	S100110793.001	09/27/2023	522.00
Payment 11576 Total:				2,594.05
Payment: 11577				
Family & Industrial Medical	Pre-employment screening	5845K13850	09/27/2023	165.00
Payment 11577 Total:				165.00
Payment: 11578				
Frontier Communications	BL Telephone	AUG2023	09/27/2023	62.14
Frontier Communications	BL Telephone	SEPT2023	09/27/2023	76.25
Payment 11578 Total:				138.39
Payment: 11579				
Great Western Alarm and	Service call - alarm monitoring	230804376201	09/27/2023	187.50
Payment 11579 Total:				187.50
Payment: 11580				
Iconix Waterworks (US) Inc.	Brass hose adapter, gate valve	U2316038182	09/27/2023	254.86
Payment 11580 Total:				254.86
Payment: 11581				
Iglesias, Mario	Cell phone reimbursement	AUG/SEPT2023	09/27/2023	130.00
Payment 11581 Total:				130.00
Payment: 11582				
JB Dewar, Inc.	Pump oil	262985	09/27/2023	403.24
Payment 11582 Total:				403.24
Payment: 11583				
Left Coast T-Shirt Company	Uniforms, raingear, safety vests	45418	09/27/2023	1,928.31
Payment 11583 Total:				1,928.31
Payment: 11584				
Mission Uniform Service	Uniforms	519842168	09/27/2023	203.76
Mission Uniform Service	Uniforms	520019024	09/27/2023	394.81
Mission Uniform Service	Uniforms	520055614	09/27/2023	218.05
Payment 11584 Total:				816.62
Payment: 11585				
NexTraq	GPS subscription	SV039964	09/27/2023	150.00
NexTraq	GPS subscription	AT1528590	09/27/2023	186.00
Payment 11585 Total:				336.00
Payment: 11586				
No Limit Tire, Inc	(2) new tires - Vehicle #133	44422	09/27/2023	883.50
Payment 11586 Total:				883.50
Payment: 11587				
Nunley & Associates, Inc.	Southland WWTF LS Rehab	1039141	09/27/2023	177.68
Nunley & Associates, Inc.	Dana Reserve Water & Sewer	1039054	09/27/2023	5,138.41
Nunley & Associates, Inc.	Frontage Road Trunk Sewer	1039153	09/27/2023	9,367.87
Nunley & Associates, Inc.	GIS Services & Tech Support	1039147	09/27/2023	3,131.20
Nunley & Associates, Inc.	Supplemental Water Project	1039053	09/27/2023	8,946.25
Nunley & Associates, Inc.	Tract 3163 PCIA	1039140	09/27/2023	72.62
Payment 11587 Total:				26,834.03

Item D-1(A) Warrants SEPTEMBER 27, 2023

Payment Dates: 09/27/2023 - 09/27/2023

Vendor Name	Description (Payable)	Payable Number	Payment Date	Amount
Payment: 11588				
Nu-Tech Pest Management	Pest/Rodent Control	0175448	09/27/2023	265.00
Nu-Tech Pest Management	Pest/Rodent Control	0175452	09/27/2023	75.00
Payment 11588 Total:				340.00
Payment: 11589				
Office Depot	Office supplies	329177673001	09/27/2023	11.69
Office Depot	Office supplies	327497681001	09/27/2023	4.98
Office Depot	Office supplies	327487315001	09/27/2023	360.06
Payment 11589 Total:				376.73
Payment: 11590				
Oilfield Environmental &	Lab tests	A230913	09/27/2023	1,125.00
Oilfield Environmental &	Lab tests	A230805	09/27/2023	325.00
Payment 11590 Total:				1,450.00
Payment: 11591				
O'Reilly Automotive Inc.	Vehicle maintenance - BlueDEF	6185-151492	09/27/2023	115.77
Payment 11591 Total:				115.77
Payment: 11592				
Raminha Construction, Inc	Branch Street Waterline Project 4		09/27/2023	185,529.31
Payment 11592 Total:				185,529.31
Payment: 11593				
ReadyRefresh by Nestle	Distilled water	AUG2023	09/27/2023	87.94
Payment 11593 Total:				87.94
Payment: 11594				
Rogers, Anderson, Malody &	Progress billing - audit FY 22-23	73402	09/27/2023	13,000.00
Payment 11594 Total:				13,000.00
Payment: 11595				
Simplot Grower Solutions	CAN 17	780163646	09/27/2023	903.50
Payment 11595 Total:				903.50
Payment: 11596				
SLO County Environmental	Backflow program	IN0144816	09/27/2023	1,872.40
Payment 11596 Total:				1,872.40
Payment: 11597				
SoCalGas	Heat - shop/office	SEPT2023	09/27/2023	16.53
Payment 11597 Total:				16.53
Payment: 11598				
Tunnell Roofing Co., Inc.	Operations office re-roofing	11648	09/27/2023	37,649.00
Payment 11598 Total:				37,649.00
Payment: 11599				
UBEO Business Services fka	B&W/Color copies	4240954	09/27/2023	411.09
UBEO Business Services fka	B&W/Color copies	4240956	09/27/2023	390.14
UBEO Business Services fka	B&W/Color copies	4240955	09/27/2023	191.55
Payment 11599 Total:				992.78
Payment: 11600				
USA Bluebook	Dessicant tube assemblies, #5	INV00130760	09/27/2023	254.74
USA Bluebook	Straight union 3/8 tube x 3/8	INV00130954	09/27/2023	87.89
USA Bluebook	Straight unions	INV00130726	09/27/2023	175.78
USA Bluebook	Union elbows, black poly tubing, INV130274		09/27/2023	1,007.55
Payment 11600 Total:				1,525.96
Payment: 11601				
Water Environment	Membership dues	WEF - 2023	09/27/2023	416.00
Payment 11601 Total:				416.00

TO: BOARD OF DIRECTORS

REVIEWED: MARIO IGLESIAS
GENERAL MANAGER 

FROM: JANA ETTEDDGUE
FINANCE DIRECTOR 

DATE: SEPTEMBER 21, 2023

**AGENDA ITEM
D-1(B)
SEPTEMBER 27, 2023**

WARRANTS – BLACKLAKE ASSESSMENT DISTRICT 2020-1

COMPUTER CHECKS GENERATED – SEE ATTACHED	\$888,022.86
VOIDED CHECKS	NONE

Item D-1(B) Warrants SEPTEMBER 27, 2023

Nipomo Community Services District

By Payment Number

Payment Dates 09/27/2023 - 09/27/2023

Vendor Name	Description (Payable)	Payable Number	Payment Date	Amount
Payment: 109				
Cannon Corporation	Woodgreen LS Rehab	85792	09/27/2023	7,836.25
Cannon Corporation	Blacklake Sewer Consolidation	85710	09/27/2023	49,638.25
			Payment 109 Total:	57,474.50
Payment: 110				
Nunley & Associates, Inc.	Blacklake WRF Permit	1039154	09/27/2023	6,849.53
			Payment 110 Total:	6,849.53
Payment: 111				
R. Baker, Inc.	Blacklake Sewer Consolidation	BL /AD 4	09/27/2023	823,698.83
			Payment 111 Total:	823,698.83

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS
GENERAL MANAGER

DATE: SEPTEMBER 21, 2023

AGENDA ITEM
D-2
SEPTEMBER 27, 2023

**APPROVE SEPTEMBER 13, 2023
REGULAR BOARD MEETING MINUTES**

ITEM

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

BACKGROUND

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

RECOMMENDATION

Approve Minutes

ATTACHMENT

- A. September 13, 2023 draft Regular Board Meeting Minutes

NIPOMO COMMUNITY SERVICES DISTRICT

Serving the Community since 1965

DRAFT REGULAR MINUTES

SEPTEMBER 13, 2023 AT 9:00 A.M.

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

BOARD of DIRECTORS

RICHARD MALVAROSE, PRESIDENT
DAN ALLEN GADDIS, VICE PRESIDENT
ED EBY, DIRECTOR
DAN WOODSON, DIRECTOR
GARY HANSEN, DIRECTOR

PRINCIPAL STAFF

MARIO IGLESIAS, INTERIM GENERAL MANAGER
LISA BOGNUDA, ASST GENERAL MANAGER
JANA ETTEDDUE, FINANCE DIRECTOR
PETER SEVCIK, DIRECTOR OF ENG. & OPS.
CRAIG STEELE, GENERAL COUNSEL

Mission Statement:

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

A. CALL TO ORDER AND FLAG SALUTE

Vice President Gaddis called the Regular Meeting of September 13, 2023, to order at 9:00 a.m. and led the flag salute.

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

At Roll Call, Director Hansen, Eby, and Gaddis were present. President Malvarose and Director Woodson were absent.

There were no public comments.

C. PRESENTATIONS AND REPORTS

- C-1) DIRECTORS' ANNOUNCEMENTS OF DISTRICT AND COMMUNITY INTEREST AND REPORTS ON ATTENDANCE AT PUBLIC MEETINGS, TRAINING PROGRAMS, CONFERENCES AND SEMINARS. Receive Announcements and Reports from Directors

Director Eby

- *August 28-31, attended CSDA Conference*
- *August 31, watched the SLO County Planning Commission*
- *September 6, attended WRAC meeting where the Dana Reserve was discussed*
- *On October 23 & 24 the SLO County Planning Commission will hold a hearing on the Dana Reserve*

Director Gaddis

- *August 27-31, attended CSDA Conference*

- C-2) RECEIVE PUBLIC COMMENT ON PRESENTATIONS AND REPORTS PRESENTED UNDER ITEM C AND BY MOTION RECEIVE AND FILE PRESENTATIONS AND REPORTS

SUBJECT TO BOARD APPROVAL

Nipomo Community Services District
DRAFT REGULAR MEETING
MINUTES

Pam Wilson, NCSD Resident, asked what the WRAC Committee's purpose was.

Upon the motion of Director Hansen and seconded, the Board unanimously approved receiving and filing presentations and reports.

Vote 3-0.

YES VOTES	NO VOTES	ABSENT
Directors Hansen, Eby, and Gaddis	None	Malvarose and Woodson

D. CONSENT AGENDA

- D-1) WARRANTS [RECOMMEND APPROVAL]
- D-2) APPROVE AUGUST 23, 2023, REGULAR BOARD MEETING MINUTES [RECOMMEND APPROVE MINUTES]
- D-3) CONSIDER REQUEST FOR WATER, SEWER AND SOLID WASTE SERVICE (INTENT-TO-SERVE LETTER) FOR A 2 PARCEL RESIDENTIAL SUBDIVISION LOCATED ON HONEY GROVE LANE, APN 092-321-030 [RECOMMEND CONSIDER INTENT-TO-SERVE LETTER AND APPROVE WITH CONDITIONS]
- D-4) CONSIDER REQUEST FOR WATER, SEWER AND SOLID WASTE SERVICE (INTENT-TO-SERVE LETTER) FOR AN 8-UNIT MULTIFAMILY RESIDENTIAL DEVELOPMENT LOCATED AT 213 WEST DANA STREET [RECOMMEND CONSIDER INTENT-TO-SERVE LETTER AND APPROVE WITH CONDITIONS]
- D-5) APPROVE AMENDMENT TO CONSTRUCTION MANAGEMENT AGREEMENT WITH MNS FOR THE BRANCH STREET MAIN REPLACEMENT PROJECT [RECOMMEND APPROVE AMENDMENT]
- D-6) AUTHORIZE PURCHASE OF HYDRO-EXCAVATION TRAILER [RECOMMEND AUTHORIZE PURCHASE OF HYDRO-EXCAVATION TRAILER NOT TO EXCEED \$60,183]

Staff answered questions regarding items D-3, 4, 5 and 6.

There were no public comments.

Upon the motion of Director Hansen and seconded, the Board unanimously approved the Consent Agenda.

Vote 3-0.

YES VOTES	NO VOTES	ABSENT
Directors Hansen, Eby, and Gaddis	None	Malvarose and Woodson

E. ADMINISTRATIVE ITEMS

- E-1) AMEND CAPITALIZATION POLICY PER RECOMMENDATION OF DISTRICT AUDITOR [RECOMMEND ADOPT RESOLUTION]

Mario Iglesias, General Manager, introduced the item.

SUBJECT TO BOARD APPROVAL

Nipomo Community Services District
DRAFT REGULAR MEETING
MINUTES

Jana Etteddgue, Finance Director, presented the item and answered questions from the Board.

There were no public comments.

Upon the motion of Director Gaddis and seconded, the Board unanimously approved the Resolution with amendments to the threshold for Office Furniture and Fixtures to be \$5,000.00. Vote 3-0.

YES VOTES	NO VOTES	ABSENT
Directors Gaddis, Eby, and Hansen	None	Malvarose and Woodson

RESOLUTION NO. 2023-1682
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
AMENDING CAPITALIZATION POLICY

E-2) AUTHORIZE GENERAL MANAGER TO EXECUTE MUTUAL TERMINATION OF MEMORANDUM OF UNDERSTANDING FOR RESOURCE PRESERVATION AND MANAGEMENT WITH WOODLANDS VENTURES, LLC [RECOMMEND AUTHORIZE GENERAL MANAGER TO EXECUTE TERMINATION OF MEMORANDUM OF UNDERSTANDING]

Mario Iglesias, General Manager, presented the item, and Craig Steele, District Legal Counsel, answered questions from the Board.

There were no public comments.

Upon the motion of Director Eby and seconded, the Board unanimously authorized the General Manager to execute the termination of the memorandum of understanding. Vote 3-0.

YES VOTES	NO VOTES	ABSENT
Directors Gaddis, Eby, and Hansen	None	Malvarose and Woodson

F. GENERAL MANAGER’S REPORT

Mario Iglesias, General Manager, presented the item and answered questions from the Board.

There were no public comments.

G. COMMITTEE REPORTS

None.

H. DIRECTORS’ REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

Director Gaddis asked about the Blacklake Consolidation Force Main Project Construction.

Pam Wilson, NCS D Resident, asked where the line will go down Juniper.

Director Eby asked about legislation that would require all utilities to convert their fleet to electric vehicles, and how it would affect the District.

SUBJECT TO BOARD APPROVAL

Nipomo Community Services District
DRAFT REGULAR MEETING
MINUTES

I. CLOSED SESSION ANNOUNCEMENTS

Craig Steele, District Legal Counsel, announced that there would be no closed session.

1. CONFERENCE WITH DISTRICT LEGAL COUNSEL RE: PENDING LITIGATION
PURSUANT TO GC §54956.9

- a. SMVWCD V. NCSD (SANTA CLARA COUNTY CASE NO. CV 770214,
SIXTH APPELLATE COURT CASE NO. H032750, AND ALL
CONSOLIDATED CASES

There were no public comments.

ADJOURN MEETING

Vice President Gaddis adjourned the meeting at 9:55 a.m.

MEETING SUMMARY	HOURS & MINUTES
Regular Meeting	0 hour 55 minutes
Closed Session	0 hour 00 minutes
TOTAL HOURS	0 hour 55 minutes

Respectfully submitted,

Mario Iglesias, General Manager and Secretary to the Board

Date

TO: BOARD OF DIRECTORS
REVIEWED: MARIO IGLESIAS
INTERIM GENERAL MANAGER
FROM: PETER V. SEVCIK, P.E.
DIRECTOR OF
ENGINEERING & OPERATIONS
DATE: SEPTEMBER 20, 2023

**AGENDA ITEM
E-1
SEPTEMBER 27, 2023**

**CONSIDER ADOPTING A RESOLUTION TO REVISE THE
PRE-QUALIFICATION POLICY AND APPEALS PROCEDURE FOR
BLACKLAKE SEWER SYSTEM CONSOLIDATION
PROJECT LIFT STATIONS**

ITEM

Revise the Pre-Qualification Policy and Appeals Procedure for the Blacklake Sewer System Consolidation Project Lift Stations [RECOMMEND ADOPT RESOLUTION ESTABLISHING PRE-QUALIFICATION AND APPEALS POLICY FOR BLACKLAKE SEWER SYSTEM CONSOLIDATION PROJECT LIFT STATIONS].

BACKGROUND

The Nipomo Community Services District ("District") worked with the Blacklake community to create an assessment district to fund the proposed Blacklake Sewer System Consolidation Project ("Project"). The Project involves the construction of the Blacklake sanitary sewer lift station and a force main to convey raw wastewater from the Blacklake Sewer Service Area to the Town Sewer Service Area for treatment at the District's Southland Wastewater Treatment Facility and decommissioning of the existing Blacklake Water Reclamation Facility.

A necessary step to implement the Project was an environmental review in compliance with the California Environmental Quality Act (CEQA). During the CEQA evaluation of the Project, SWCA, the District's environmental consultant, discovered that there was habitat for the California red-legged frog (CRLF) in the wastewater discharge pond located offsite and adjacent to the District's Blacklake Water Reclamation Facility, on property owned by the Blacklake Golf Course. CRLF is federally listed under the Endangered Species Act as a threatened species throughout its range in California. As a result, SWCA recommended that the District obtain an Incidental Take Permit (ITP) for CRLF under Section 10 of the Federal Endangered Species Act (FESA) for the Project. The need to obtain the Section 10 ITP was initially expected to delay construction completion of the overall Project for 12 to 16 months.

In order to mitigate some of the delay in constructing the Project, staff split the Project into two construction projects – force main and Blacklake lift station. The force main portion of the Project work involves, but is not limited to, the construction of approximately 19,400 linear feet of force main and 1,600 linear feet of gravity sewer line as well as associated appurtenances. Construction of the force main is currently underway and anticipated to be completed in December 2023. Staff anticipates that the Section 10 ITP will be issued in October 2023. The Blacklake lift station can be bid once the Section 10 ITP is obtained.

The District operates and maintains the Woodgreen Lift Station within the Blacklake Village of Nipomo. The lift station provides sewer service to residential homes within the Blacklake Village.

The existing Woodgreen Lift Station and its components are very near the end of their useful life, and need to be replaced in the near future to ensure reliability of the station. The design of the replacement Woodgreen lift station is being finalized.

Staff is planning to bid and construct both lift stations as part of the same construction contract. Staff anticipates that combining the two lift stations into a single construction contract will result in construction cost savings to the District as well as cost savings in the construction management and inspection of the project. The project will be referred to as the Blacklake Sewer System Consolidation Project Lift Stations.

The California Public Contract Code ("PCC") Section 20101 permits the District to pre-qualify contractors who wish to bid on the District's public works contracts, such as the Blacklake Sewer System Consolidation Project Lift Stations. PCC Section 20101 requires the District to establish pre-qualification policies and the method by which decisions regarding Contractor's qualifications may be appealed. Pre-Qualification of Contractors will help ensure that the Project is constructed by reputable, experienced, and qualified contractors.

On August 23, 2023, the Board adopted Resolution 2023-1680 establishing a Pre-Qualification Policy and Appeals Procedure for the Blacklake Sewer System Consolidation Project Lift Stations. Subsequently, during the final review of the Pre-Qualification Package in preparation for advertising, the District staff identified the need to clarify the experience requirements for the project.

FISCAL IMPACT

The estimated Project cost for the force main and Blacklake lift station is \$10,300,000. The estimated project cost for the Woodgreen Lift Station is \$1,250,000. Funding is provided from Nipomo Community Services District Assessment District No. 2020-1 (Blacklake Sewer Consolidation) bond proceeds.

STRATEGIC PLAN

Goal 2. FACILITIES THAT ARE RELIABLE, ENVIRONMENTALLY SENSIBLE AND EFFICIENT.

Plan, provide for and maintain District facilities and other physical assets to achieve reliable, environmentally sensible, and efficient District operations.

Goal 4. FINANCE.

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

RECOMMENDATION

By motion and roll call vote, adopt the attached resolution revising the Pre-Qualification and Appeals Policy for the Blacklake Sewer System Consolidation Project Lift Stations.

ATTACHMENTS

- A. Resolution 2023-XXXX REVISED BL SEWER SYSTEM CONSOLIDATION PROJECT LIFT STATIONS PRE-QUALIFICATION

SEPTEMBER 27, 2023

ITEM E-1

ATTACHMENT A

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

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
REVISING THE PRE-QUALIFICATION POLICY AND APPEALS PROCEDURE
FOR THE BLACKLAKE SEWER SYSTEM CONSOLIDATION PROJECT LIFT STATIONS**

WHEREAS, California Public Contract Code (“PCC”) Section 20101 permits the Nipomo Community Services District (“District”) to pre-qualify contractors who wish to bid on public works contracts; and

WHEREAS, it is in the public interest for the District to adopt policies and procedures that will help ensure that the Blacklake Sewer System Consolidation Project Lift Stations (the “Project”) is constructed by reputable and qualified contractors at the best possible price; and

WHEREAS, it is in the public interest for the District to implement a program for pre-qualifying general contractors and selected subcontractors (“Contractors”) seeking to bid on the Project; and

WHEREAS, among other things, PCC Section 20101 requires the District to adopt an appeals procedure that will allow Contractors to appeal decisions regarding their qualifications to bid on the Project; and

WHEREAS, the District intends for this Resolution to establish pre-qualification policies and the method by which decisions regarding Contractor’s qualifications may be appealed; and

WHEREAS, the procedures adopted by this Resolution are intended to facilitate construction of the Project. Nothing herein, however, is intended, or should be interpreted, to compromise the District’s firm commitment to selecting responsible bidders for the Project.

NOW THEREFORE, BE IT RESOLVED, DECLARED, DETERMINED AND ORDERED BY THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT AS FOLLOWS:

1. EVALUATION OF CONTRACTORS REQUESTING PRE-QUALIFICATION

The Project Design Manager and the District Director of Engineering and Operations and/or their designees herein (“Contractor Evaluation Team”), will evaluate the information submitted by each Contractor to assess the Contractor’s capability and qualifications.

The Contractor Evaluation Team will evaluate the prequalification packages as follows:

a) The Contractor Evaluation Team will determine which Contractors are responsive to the material terms and conditions of the invitation to submit pre-qualification packages. The Contractor Evaluation Team will then determine which of the responsive Contractors are technically, financially, and otherwise qualified and responsible to perform the Project satisfactorily and who have demonstrated the capacity to meet all other requirements of the Project.

A RESOLUTION OF THE BOARD OF DIRECTORS
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REVISING THE PRE-QUALIFICATION POLICY AND APPEALS PROCEDURE
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b) If a Contractor is found responsive and qualified based upon the information in its prequalification package, the Contractor Evaluation Team will conduct interviews with the project references provided by the Contractor. The Contractor Evaluation Team will not conduct interviews with the project references provided by Contractors determined to be non-responsive or not qualified based on the information in their prequalification packages.

2. ESSENTIAL REQUIREMENTS

All contractors and subcontractors seeking pre-qualification must meet the essential requirements for pre-qualification in Part 1 of the “**Labor Commissioner’s Model Questionnaire, March 2019, Public Works Pre-Qualification of Contractors**” (“Pre-qualification Questionnaire”), which is adopted by reference herein.

A. In addition to the essential requirements in Part 1 of the Pre-qualification Questionnaire, **general contractors** must:

1. Have successfully completed at least three contracts for construction of a wastewater collection system lift station of similar type, complexity and comparable value (approximately \$1 million or greater) to the Project, in the past five years, including electrical, mechanical and instrumentation systems. Referenced projects must include: (1) earthwork including pipeline and structural excavations in public right-of-way requiring traffic control, (2) construction and installation of pre-cast and cast-in-place reinforced concrete structures, (3) installation of mechanical and yard piping, (4) installation of standby backup power generating systems, (5) coordination with on-going wastewater treatment plant operations, (6) construction and installation of butt-fused High Density Polyethylene (HDPE) pipe systems, (7) installation of fiber optic conduit and cable, (8) overall coordination of facility testing and start-up, and (9) overall coordination with other agencies having jurisdiction over the project, general public within the public right-of-way, and private property owners adjacent to work zones.

2. Identify two or more prospective project managers and superintendents who are currently employed by contractor and have held similar positions on at least two wastewater collection system lift station projects of type, complexity and value similar to the Project in the past three (3) years.

3. Identify one or more prospective project schedulers who are currently employed or contracted by contractor and have performed scheduling services on at least two wastewater collection system lift station projects of similar type, complexity, and value to this Project in the past three (3) years.

4. Provide general liability insurance covering Contractor and Subcontractors with policy limit of at least 5 million dollars per occurrence and 10 million dollars aggregate.

B. In addition to the essential requirements in Part 1 of the Pre-qualification Questionnaire, **electrical subcontractors** must also:

1. Have successfully completed electrical work valued at greater than \$200,000 for at least three projects of similar type, complexity and comparable value to the Project, in the past five years, that included elements such as (1) installation of 480 volt distribution

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switchboards and motor control centers (2) installation of electrical equipment and raceway in Class I hazardous locations, (3) installation of standby backup power systems with automatic transfer switches, and (4) installation of metering and monitoring equipment and integration with existing SCADA instrumentation and control systems, for operation and monitoring of wastewater treatment and/or collection facilities.

2. Identify two or more prospective project managers and superintendents who are currently employed by contractor and have held similar positions on at least two wastewater collection system lift station projects of similar type, complexity, and value to this Project in the past three (3) years.

C. Contractors must meet all of the criteria listed above in order to be pre-qualified, in addition to receiving a passing score on the other evaluation criteria. Contractors who do not meet all of the criteria will not be found qualified to participate in bidding for the contract to construct the Project.

3. APPEAL PROCESS

The Contractor Evaluation Team will notify prospective contractors of the result of the pre-qualification process in writing. Any contractor who is not pre-qualified may appeal the determination to the District General Manager. The appeal process is as follows:

(a) Within five (5) calendar days of receipt of written notice that the contractor has not been pre-qualified, the prospective bidder shall notify the District General Manager of its intent to appeal. The notice of appeal shall be made in writing and delivered to the District General Manager at the address in the Notice Inviting Submission of Pre-qualification Packages. If requested by the prospective contractor in the notice of appeal, the District General Manager shall provide notification in writing of the basis of the disqualification and any supporting evidence received from others or adduced as a result of an investigation by the Contractor Evaluation Team. The District General Manager shall provide this information within five (5) calendar days of receiving the notice of appeal.

(b) Within five (5) calendar days of receipt of the District's information, the prospective bidder shall submit any and all evidence it wants the District General Manager to consider in support of its qualifications to perform the Project or submit a written request for a hearing at which to present evidence. The evidence or request for hearing shall be in writing and delivered to the District at the address in the Instructions for Completion of General Contractors and selected subcontractors Pre-qualification Package.

(c) If the District General Manager receives a timely request for a hearing, the hearing will be held within ten (10) calendar days of the date the District's General Manager receives the request. The hearing will be before the District General Manager or his designee and will be recorded on audio and/or video tape. The prospective bidder may request that the hearing be recorded steno-graphically. If the prospective bidder requests a stenographic record, it shall be solely responsible for arranging the stenographer and paying all costs for the transcript. At the District General Manager's request, the prospective bidder shall furnish the District General Manager with a copy of the transcript, and the District shall pay no more than the cost of the copy.

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A RESOLUTION OF THE BOARD OF DIRECTORS
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(d) The District General Manager shall give the prospective bidder written notice of the outcome of the appeal no later than ten (10) calendar days after the hearing is concluded. The District General Manager's decision will be final and binding.

(e) If any of the above deadlines falls on a holiday or weekend day, then the deadline will be the next business day.

The District will strictly enforce the time limits in connection with appeals of determination of Contractor pre-qualification, and the bid date will not be extended on account of any appeal of a determination that a contractor is not qualified to submit a bid for the contract to construct the Project.

If a prospective bidder does not appeal a denial of pre-qualification through the process described above, the District's Contractor Evaluation Team's decision on pre-qualification may be adopted without further proceedings. **Failure to appeal within the time set forth above shall be deemed a failure to exhaust administrative remedies and act as a bar to subsequent litigation or other claims procedures.**

4. AUTHORITY OF GENERAL MANAGER

The District General Manager and/or his designee is authorized to modify the Model Forms created by the Department of Industrial Relations for Pre-qualification of Contractors Seeking To Bid On Public Works Projects and to prepare Pre-qualification Packages consistent with this Resolution.

5. MISCELLANEOUS

(a) A Contractor's pre-qualification status will immediately terminate if (1) the contractor's contracting license is suspended or terminated for any reason by the California State Licensing Board; (2) the District determines, after the Contractor is given the opportunity to respond, that the Contractor's application contains information that is materially false; or (3) the Contractor's control over a public works contract, whether within the District's jurisdiction or otherwise, is terminated for cause.

(b) Failure of a Contractor to give District written notice of changes in the information previously provided in its Pre-qualification Package not less than ten (10) days before a bid opening will result in the Contractor being ineligible to bid on the Project.

(c) Nothing contained within this Resolution, or otherwise, will require the District to rate or consider Contractors who have submitted documents that are materially false, substantially incomplete, or are untimely. Any Contractor who submits such documents will be deemed to have waived its right to be considered for bidding on the Project.

(d) The District's General Manager in his sole discretion at any time during the pre-qualification process, even after receiving and scoring applications, may cancel the pre-qualification process. If the pre-qualification process is cancelled as provided herein, and the District wishes to proceed with the Project, then the normal competitive bidding rules will apply.

NIPOMO COMMUNITY SERVICES DISTRICT
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A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
REVISING THE PRE-QUALIFICATION POLICY AND APPEALS PROCEDURE
FOR THE BLACKLAKE SEWER SYSTEM CONSOLIDATION PROJECT LIFT STATIONS

The District shall not be liable for the cost of prospective contractor may have incurred by submitting an application for pre-qualification, and the submittal of a pre-qualification application is a waiver to claim any such cost or losses due to cancellation of the process.

(e) Nothing contained in this Resolution is intended to delay or postpone the date for submitting and opening bids. Accordingly, to the extent practicable, the District's General Manager, or designee, will expedite the appeals process set forth here.

(f) This Resolution will remain effective until repealed or is superseded by subsequent Resolutions.

(g) This Resolution supercedes Resolution 2023-1680 that was adopted on August 23, 2023.

(h) This Resolution will take effect immediately upon adoption.

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

AYES:

NOES:

ABSENT:

CONFLICTS:

The foregoing resolution is hereby adopted this 27th day of September 2023.

RICHARD MALVAROSE
President, Board of Directors

ATTEST:

APPROVED AS TO FORM AND
LEGAL EFFECT:

MARIO IGLESIAS
Interim General Manager and
Secretary to the Board

CRAIG A. STEELE
District Legal Counsel

TO: BOARD OF DIRECTORS

REVIEWED: MARIO IGLESIAS
GENERAL MANAGER



FROM: JANA ETTEDDGUE
FINANCE DIRECTOR



DATE: SEPTEMBER 21, 2023

**AGENDA ITEM
E-2
SEPTEMBER 23, 2023**

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

ITEM

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

BACKGROUND

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

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

In accordance with the Cash Reserve Policy, attached is a table providing a review of each Fund's cash reserve target criteria, the cash balance as of June 30, 2023 and determination if target criteria has been met (Attachment A).

FISCAL IMPACT

None

STRATEGIC PLAN

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

RECOMMENDATION

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

ATTACHMENTS

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

SEPTEMBER 27, 2023

ITEM E-2

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT
CASH RESERVE POLICY REVIEW – SEPTEMBER 2023**

FUND NAME	FUND NUMBER	CASH RESERVE TARGET CRITERIA	CASH RESERVE GOAL AMOUNT ADOPTED OPERATING BUDGET 2023-2024 (Total Operating Expenses Less Funded Replacement)	CASH BALANCE AS OF 6/30/23 (including Rate Stabilization Fund)	CASH RESERVE CRITERIA MET?	RECOMMENDATION
Water Fund	125	Equal to or greater than twelve months (360 days) of annual budgeted operating expenses (not including Funded Replacement) Including Water Rate Stabilization Fund #128	\$7,470,336- \$673,000= \$6,797,336	Fund #125 and Fund #128 \$4,188,142 + \$441,739= \$4,629,881	No	No action recommended at this time – Rate increase scheduled January 1, 2024. Rate Study Scheduled for 2025.
Town Sewer Fund	130	180 days (6 months or 50%) of operating expenses (not including Funded Replacement) Including Water Rate #135	\$2,004,924- \$150,000= \$1,854,924 x 50%= \$927,462	Fund #130 and Fund #135 \$286,169 + \$332,169 = \$618,338	No	No action recommended at this time – Rate increase scheduled July 1, 2024. Rate Study Scheduled for 2024.
Blacklake Sewer Fund	150	180 days (6 months or 50%) of operating expenses (not including Funded Replacement) Including Water Rate #155	\$665,921- \$188,000= \$477,921 x 50% = \$238,961	Fund #150 and Fund #155 \$821,950 + \$55,217 = \$877,167	Yes	No action recommended at this time

FUND NAME	FUND NUMBER	Cash Reserve Target Criteria	CASH BALANCE AS OF 6/30/23	CASH RESERVE CRITERIA MET?	RECOMMENDATION
Water Rate Stabilization Fund	128	\$400,000	\$441,739	Yes	No action recommended at this time
Town Sewer Rate Stabilization Fund	135	\$300,000	\$332,169	Yes	No action recommended at this time
Blacklake Sewer Rate Stabilization Fund	155	\$50,000	\$55,217	Yes	No action recommended at this time
Blacklake Street Lighting Fund	200	\$17,000	\$19,493	Yes	Action taken in Fiscal Year 23-24- Assessment increased to \$89.00 from \$85.00
Blacklake Street Lighting Fund- Funded Replacement	205	\$25,000	\$10,152	No	No action recommended at this time
Landscape Maintenance District	250	\$20,000	\$16,700	No	Action taken in Fiscal Year 23-24- Assessment increased to \$525.00 from \$500.00
Solid Waste	300	\$150,000	\$531,896	Yes	Pursuant to Franchise Fee Policy, Resolution 2018-1492, Section 4, Board directed rate holiday in fiscal year 2023-2024
Drainage	400	\$50,000	\$34,370	No	No action recommended at this time

SEPTEMBER 27, 2023

ITEM E-2

ATTACHMENT B

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

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

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

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

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

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

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

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

SECTION 1. The above recitals are true and correct.

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

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

SECTION 4. This resolution shall take effect immediately.

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

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

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

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

The foregoing resolution is hereby adopted this 8th day of February 2023



RICHARD MALVAROSE
President of the Board

ATTEST:



MARIO IGLESIAS
General Manager and Secretary to the Board

APPROVED AS TO FORM AND
LEGAL EFFECT:



CRAIG STEELE
District Legal Counsel

NIPOMO COMMUNITY SERVICES DISTRICT
CASH RESERVE POLICY
EXHIBIT "A"

PURPOSE

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

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

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

OPERATING FUNDS

WATER FUND (FUND #125)

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

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

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

TOWN SEWER FUND (FUND #130)

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

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

NIPOMO COMMUNITY SERVICES DISTRICT
CASH RESERVE POLICY
EXHIBIT "A"

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

BLACKLAKE SEWER FUND (FUND #150)

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

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

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

WATER RATE STABILIZATION FUND (FUND #128)

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

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

TOWN SEWER RATE STABILIZATION FUND (FUND #135)

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

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

NIPOMO COMMUNITY SERVICES DISTRICT
CASH RESERVE POLICY
EXHIBIT "A"

BLACKLAKE SEWER RATE STABILIZATION FUND (FUND #155)

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

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

BLACKLAKE STREET LIGHTING (FUND #200)

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

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

FUNDED REPLACEMENT-BLACKLAKE STREET LIGHTING (FUND #205)

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

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

LANDSCAPE MAINTENANCE DISTRICT (FUND #250)

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

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

SOLID WASTE (FUND #300)

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

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

NIPOMO COMMUNITY SERVICES DISTRICT
CASH RESERVE POLICY
EXHIBIT "A"

DRAINAGE (FUND #400)

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

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

FUNDED REPLACEMENT- WATER (FUND #805)

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

Target Criteria: No minimum target is maintained

FUNDED REPLACEMENT- TOWN SEWER (FUND #810)

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

Target Criteria: No minimum target is maintained

FUNDED REPLACEMENT- BLACKLAKE SEWER (FUND #830)

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

Target Criteria: No minimum target is maintained

NON-OPERATING FUNDS

SUPPLEMENTAL WATER FUND (#500)

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

Target Criteria: No minimum target is maintained.

PROPERTY TAX (FUND #600)

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

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

WATER CAPACITY CHARGES (FUND #700)

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

Target Criteria: No minimum target is maintained.

TOWN SEWER CAPACITY CHARGES (FUND #710)

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

Target Criteria: No minimum target is maintained.

TO: BOARD OF DIRECTORS
 FROM: MARIO IGLESIAS
 GENERAL MANAGER
 DATE: September 22, 2023

**AGENDA ITEM
 F
 SEPTEMBER 27, 2023**

GENERAL MANAGER'S REPORT

ITEM

Standing report to your Honorable Board -- *Period covered by this report is September 10, 2023 through September 23, 2023.*

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 August data which is the most recent monthly data available.

OFFICE ACTIVITIES

	Aug 23	Jan 23 - Aug 23
Reports of Water Waste	0	0
Leak Adjustments	2	18
Leak Adjustment Amount	\$363	\$5,687
Late Fee Waivers	18	98
Late Fee Waiver Adjustment Amount	\$899	\$7,836

Water Resources

For the two months of the 2023-24 Fiscal Year, the District's total combined production, including groundwater production wells and supplemental water imported through the Joshua Road Pump Station, registered 192.9 AF; the previous month registered 192.6 AF. The District imported more water through the Joshua Road Pump Station than it produced from groundwater sources. This trend will continue through the year as the District strives to maintain the 50% groundwater reduction goal while also reaching the District's contract import water take amount of 1,000 AFY minimum.

	Aug - 23	Jul 23 - Jun 24
Groundwater Production	90.3	200.3
Supplemental Water Imported	<u>102.6</u>	<u>185.2</u>
Total Production	192.9	385.5

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 NSWP. 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, captures this data.

	Aug - 23	Jul 23 - June 24
NCSW GW Well Production	90.3	200.3
Purveyor Customer Credit (33.3% of Import Water)	<u>34.2</u>	<u>61.7</u>
NCSW Total Calculated GW Production	124.5	262.0
Average GW Production for 2009-2013	<u>284.7</u>	<u>575.9</u>
NCSW Percentage of GW Reduction	56%	54%

2023-24 Fiscal Year Groundwater Pumping Forecast

Below, Table 3 projects the District’s groundwater pumping reduction for the 2023-24 Fiscal Year. Under the current Stage 4 NMMA Water Shortage Response Stages, the District’s targeted groundwater pumping reduction goal is to pump no more than 1,266 AFY (50% of 2009-2013 average District GW Pumping). The first two months of fiscal year 2023-24 actual – July through August – shows a groundwater pumping reduction of 56% while projected year end groundwater reduction estimates a 61% level of reduction.

	Year-to-Date		Target	Over/(Under)	
	Aug-23	Jul-Jun 2024			
NCSW GW Well Production	90.3	612.0			
Purveyor Customer Credit (33.3% of Import Water)	<u>34.2</u>	<u>363.4</u>			
NCSW Total Calculated GW Production	124.5	975.5	1,266.7	291	AcFt
Average GW Production for 2009-2013	<u>284.7</u>	<u>2,533.4</u>	<u>2,533.4</u>		
NCSW Percentage of GW Reduction	56%	61.5%	50.0%		

As demonstrated in Table 3, the District anticipates it will achieve its 50% groundwater pumping reduction target by 291 AcFt under the conditions stated in the previous paragraph.

On the following page, the Table 4 data provides operations personnel with insight into year-end water production values and assists in their efforts to balance import and groundwater production with the purpose of reducing groundwater pumping to meet the self-imposed 50% pumping groundwater reduction – the current stage IV objective.

Table 4 compares groundwater pumping for the same periods in 2023 and 2022.

	<u>Aug-23</u>	<u>Jul 23 - Jun 24</u>	<u>Aug-22</u>	<u>Jul 22 - Jun 23</u>
NCSD GW Well Production	90.3	200.3	87.9	188.9
Purveyor Customer Credit (33.3% of Import Water)	<u>34.2</u>	<u>61.7</u>	<u>36.9</u>	<u>69.6</u>
NCSD Total Calculated GW Production	124.5	262.0	124.9	258.5
Average GW Production for 2009-2013	<u>284.7</u>	<u>575.9</u>	<u>284.7</u>	<u>575.9</u>
NCSD Percentage of GW Reduction	56.3%	54.5%	56.1%	55.1%

Rainfall Gauge

Below is the most recent available rain data for the Fiscal Year 2023-24.

(Reported in inches)	Nipomo East (Dana Hills Reservoirs)	Nipomo South (Southland Plant)
August 2023 Total	0.07	0.09
July-2023 through June-2024 (Season Total)	0.07	0.12
<u>Sept 1, thru Sept 22, 2023</u>	<u>0.00</u>	<u>0.00</u>
Total Rainfall to date	0.07	0.12
County Reported Avg. Ann. Year Rainfall ¹	18.00	14.00
2006 - 2020 Avg. Ann. Year Rainfall ¹	15.39	13.30
2006 - 2020 Median Ann. Rainfall ¹	12.64	11.30

Note:

1. Data from County website

Connection Report

WATER	1/31/23	2/28/23	3/31/23	4/30/23	5/31/23	6/30/23	7/31/23	8/31/23	9/30/23	10/31/23	11/30/23	12/31/23
Water Connections - Total	4506	4508	4508	4508	4509	4509	4509	4509				
New Water Connections	0	2	0	0	1	0	0	0	0	0	0	0
SEWER CONNECTIONS												
Sewer Town connections	2735	2736	2736	2736	2736	2736	2736	2736				
Galaxy and PSSH at Orchard and Division Sewer connections billed to the County	484	484	484	484	484	484	484	484				
Subtotal	3219	3220	3220	3220	3220	3220	3220	3220	0	0	0	0
BLACKLAKE	559	559	559	559	559	559	559	559				
Sewer Connections - Total	3778	3779	3779	3779	3779	3779	3779	3779	0	0	0	0
New Sewer Connections Town and Blacklake	0	1	0	0	0	0	0	0	0	0	0	0
New Sewer Connections Galaxy	0	0	0	0	0	0	0	0	0	0	0	0

The Connection Report as of September 7, 2023

Other Items

No other items to present.

Safety Program

No Safety Issues

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)	149	-78.1
Subtotal Net Supplemental Water Available for Allocation	798	421.9
Supplemental Water Assigned (Intent-to-Serve Issued)	159	-83.9
Total Remaining Supplemental Water Available for Allocation	639	337.9

Updated September 22, 2023

Meetings (September 10 through September 23)

Meetings Attended (telephonically or in person):

NCSD Audit Week August 21 through August 25

- *Sept 11, Staff Mtg. - Admin*
- *Sept 11, IWMA Local Task Force Mtg.*
- *Sept 12, Eng/Admin Coordination Meeting*
- *Sept 13, Rotary*
- *Sept 13, NCSD Regular Board Meeting*
- *Sept 13, After-Board Exec. Team Meeting*
- *Sept 15, Staff Mtg. - Cust. Service Specialist*
- *Sept 18, Staff Mtg. - Admin Supervisor Mtg.*
- *Sept 18, Management Team Mtg.*
- *Sept 19, WaterView Planning Mtg.*
- *Sept 19, NCSD Board Officer Mtg.*
- *Sept 20, Rotary*
- *Sept 21, Sedaru/Tyler Planning Mtg.*
- *Sept 21, NMMA-TG Manager's Mtg.*
- *Sept 22, Staff Mtg. - Admin*
- *Sept 22, All-staff Safety Mtg.*

Meetings Scheduled (September 24 through September 30):

Upcoming Meetings (telephonically or in person):

- *Sept 25, Staff Mtg. - Admin Mtg.*
- *Sept 25, Blacklake Oversight Committee*
- *Sept 25, SCAC Mtg.*
- *Sept 26, Eng/Admin Coordination Mtg.*
- *Sept 27, Rotary*
- *Sept 27, NCSD Regular Board Meeting*

- Sept 27, After-Board Exec. Team Meeting
- Sept 28, SLO County Planning Commission – D.R. Study Session
- Sept 28, County Supervisor Paulding Mtg.
- Sept 28, SLO County CSDA Manager's Meeting
- Sept 29, Staff Mtg. - Cust. Service Specialist
- Sept 29, NCSD Finance Briefing w/ GM
- Sept 29, Leadership Training, Team Building Session
- Oct 2, Staff Mtg. - Admin Supervisor Mtg.
- Oct 2, Management Team Mtg.
- Oct 2, NCSD Engineering Briefing w/ GM
- Oct 3, NCSD Supervisor Comm. Briefing – W. O. Process
- Oct 3, BLMA Mtg.
- Oct 3, NCSD Board Officer Mtg.
- Oct 4, Rotary
- Oct 5, City of Santa Maria Mtg. w/ City Utility Director
- Oct 6, Staff Mtg. - Cust. Service Specialist

Upcoming Water Resource and Other Meetings

Upcoming Standing Meetings:

- NMMA-TG: October 12th (Thursday) @ 10:00 AM, Zoom Meeting
- RWMG: No Meeting Scheduled for the Month
- WRAC: October 4th (Wednesday) @ 1:30 pm, County Library
- NMMA Manager's Meeting: September 21st (Thursday) @ 11:30 AM
- NCSD Board Officer Meeting: October 3rd (Tuesday) @ 3:30 PM
- BLMA: October 3rd (Tuesday) 2:00 pm, BL Community Center

RECOMMENDATION

Staff seeks direction and input from your Board.

ATTACHMENTS

- A. Dana Reserve Schedule (Changed)
- B. Desal Meeting Schedule (No Change)

SEPTEMBER 27, 2023

ITEM F

ATTACHMENT A

DANA RESERVE REVIEW SCHEDULE (AS OF 9/22/2023)

Status Update: No Changes

Date	Description	Comment
April 24, 2022	NCSD Review "Utility" Section of EIR	
June 16, 2022	Release of EIR	Extended from May 16, 2022
July 14, 2022	SLO County Planning Comm. Study Session	Zoom Meeting
July 21, 2022	LAFCO Study Session	County Lead Agency (9:00 am)
Aug. 1, 2022 ¹	Close Public Comment - DEIR	Was June 20, 2022 (Mario on Vaca)
Sept. 2022	Consider Ad-hoc Comm. (Annexation Agr.)	Establish January 2023
Nov. 17, 2022	NOTICE OF PETITION OF APPLICATION FOR ANNEXATION #30 DANA RESERVE ¹	60 Day Letter
Jan. 9, 2023	Ad-hoc Com. – Response to Notice of Petition	Prepare for Jan. 11 th Board Mtg.
July 24, 2023	SCAC – Town Hall Meeting, Nipomo H.S.	Community Meeting
August 30, 2023	County Planning Commission ² (Postponed)	Two days (8/30 & 8/31)
September 28	Planning Commission Study Session ³	
September 2023	Tax Sharing Agreement (NCSD/SLO Cnty)	Start Negotiations with County
October 23 & 24	Planning Commission Hearing ⁴	Two days of testimony
November 2023	Review of revised EIR impact	
January 2024	1 st Meeting: County Board of Supervisors	Consider recommendation of PC to Certify EIR, General Plan Amendment, Approve Subdivision Map, Issue Conditional Use Permits
February 2024	2 nd Meeting: County Board of Supervisors	
March 2024	NCSD Board Negotiations with Developer [Infrastructure Improvements/Costs]	Adopt Annexation Agreement Between Developer and NCSD
April 2024	LAFCO Review & Approval	

The above schedule is suggested and drawn from conversations with staff from the County, LAFCO, and the Developer. This schedule is a rough outline and is subject to change over time.

Notes:

1. NCSD Staff will provided a staff report at the January 11th Board Meeting that provided the Board of Directors with more information and possible actions.
2. The Commission action was to continue the project hearing until the October 23 & 24 Special Planning Commission Meeting.
3. September 28th, Study Session with Planning Commission & Public – held at County Sups Chamber
4. Will consider a recommendation to provide the Board of Supervisors to: Certify the Final EIR, Adopt the CEQA findings, Approve the Specific Plan, Approve the Vesting Tentative Tract Map, Approve related General Plan and Ordinance amendments, Approve a related Conditional Use Permit.

Developer shifted to an annexation process that focuses first on LAFCO application and second the District's application process. Under this format, LAFCO will be the agency that coordinates communication between the Developer and NCSD.

Developer mailed letter September 20, 2022 to residents in Nipomo directing their attention to District website and the three reports addressing utilities – focus on explaining water situation.

RWG submitted comments on the Dana Reserve Specific Plan DEIR, August 1, 2022, to the County of San Luis Obispo supervision planner, Jennifer Guetschow.

Phasing Plan Schedule – Defines the fee schedule for the development. (May slip do to key NCSD staff shortage)

Administrative Draft Final Report	June 2023
District Comments on Admin Draft Final Report	July 2023
Draft Final Report	August 2023*
District Board Presentation	September 2023 (2 nd Board Meeting)
Final Report	September 2023

* Previously July 2023 (Changed on the 7/26/2023 Report)

SEPTEMBER 27, 2023

ITEM F

ATTACHMENT B

Update: September 20, 2023
 Mario Iglesias

County Water Action Team (CWAT) No Changes from July Report

County DESAL Meetings

Date	Speaker	Item/Issue/discipline	Company
1/10/2023	Dmitry Semenov	Financing Projects	Ridgeline Municipal Strategies, LLC
1/12/2023	Eric Miller	Fisheries Biologist	Miller Marin Science Consultants
1/17/2023	Did Not Attend		
1/19/2023	Tim Hogan	Biologist	TWB Environmental Research Consulting
2/6/2023	Rob Morrow	Engineering/Planning Team	WSC Inc. (Local Group)
2/7/2023	Did Not Attend		
2/7/2023	Lydia	Planning and Feasibility	Carollo Engineering
2/9/2023	Larry Kraemer	Engineering Firm	Cannon Eng.
2/9/2023	Daniel Heimel	Program Management/Engineering Services	Confluence Engineering Solutions
4/4/2023	Floyd Wicks	Sea-Well Buoy – Another solution	Seawell LLC
4/5/2023	Michael Wasgatt	Wind powered DESAL – Ocean Mounted	Offshore Wind Power Systems of Texas, Inc.
4/6/2023	Mr. Yamada		
4/24/2023	Neal Aronson	Oceanus Power and Water	is an infrastructure development company
4/25/2023	Antoine Vuillermet	Waterise (subsea tech)	subsea tech combined w/ membrane desal
6/2/2023	County CWAT Committee	Next Steps	(Conflicting Meeting – Didn't attend)
6/14/2023	Jennifer Jacobus	Everything but physically building a Plant	RINCON

1. **DESAL Plan participation:** The following agencies have adopted resolutions or submitted letters agreeing to participate: the Cities of San Luis Obispo, Arroyo Grande, Morro Bay, Paso Robles, the Community Services Districts of Avila Beach, Cambria, Los Osos, Nipomo, San Miguel, Templeton, Oceano and other water purveyors, such as Atascadero Mutual, Golden State, San Miguelito and Santa Barbara County
 - a. Grover is targeting next week for consideration

2. **DESAL Plan scope / grant:** We submitted an application (attached) to USBR and anticipate hearing about awards no later than June. To fit the timing required for USBR's grant (project must be completed w/in 24 months), Phase 2 was broken into Phase 2a and Phase 2b (snippet of 5 phases below)
 - a. **Phase 2a (proposed grant scope)**
 - i. Will be completed within 24 months and, if awarded grant, will cost District \$550K and USBR \$550K for total \$1.2M project
 - ii. Will include public engagement, identifying/vetting/analyzing project concept alternatives
 - iii. Outcome will be "short-list" of potential projects to further pursue and scope/schedule/budget to do so in Phase 2b

Update: September 20, 2023

Mario Iglesias

b. Phase 2b (not proposed in grant scope)

- i. Will include more detailed analysis/studies of projects on “short-list”
- ii. Outcome will be selection of single preferred project to move forward to Phase 3

3. Desal planning meetings:

- a. CWAT meetings (TBD) – we’ll be reaching out for your availability soon to schedule the next CWAT meeting and round of working group / consultant meetings
 - the request for your availability may come from Jenny Williamson in our office – please respond at your earliest convenience so we can continue coordination with the consultants’ availabilities, etc.
- b. Board of Supervisors (April) – The grant application requires the District to adopt a resolution within 60 days of submitting the grant application. We plan to go to our Board on April 18 with the required resolution, along with an update on the scope and request for direction to return with a consultant contract

4. Misc. desal info just fyi

- a. Glenn Farrel (CalDesal Executive Director) sent over the CalDesal Regulatory Committee Meeting Agenda Packet; it includes a brief write-up on Innovations in Desalination and newly-introduced legislation relevant to desal projects
- b. Paul Herman (GHD contact) sent over the International Weekly Desal Report; it includes a brief write-up on the CalDesal conference (key note: the SWRCB representative said the State’s desal siting guidelines anticipated this summer will be out for public comment in April!)