

TO: BOARD OF DIRECTORS
REVIEWED: RAY DIEZO, P.E. *R.D.*
GENERAL MANAGER
FROM: PETER V. SEVCIK, P.E.
DIRECTOR OF
ENGINEERING & OPERATIONS
DATE: OCTOBER 4, 2023

**AGENDA ITEM
E-1
OCTOBER 11, 2023**

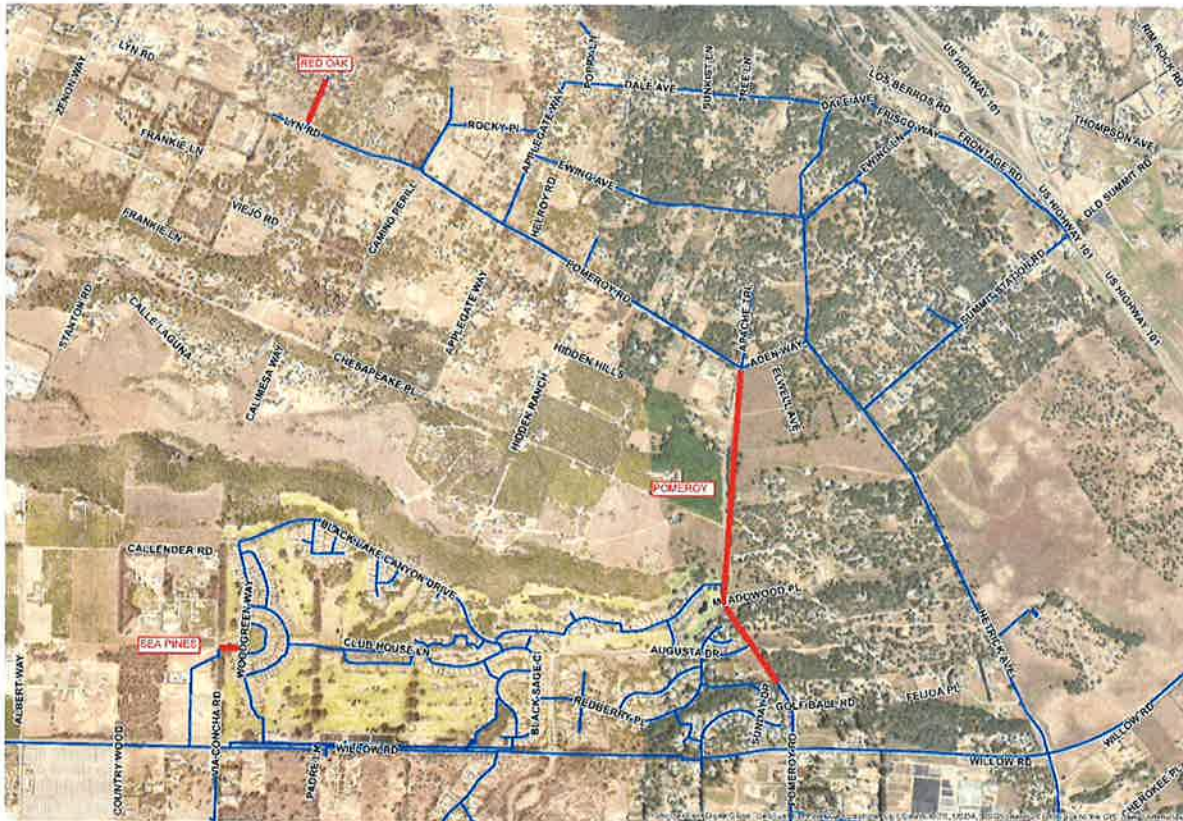
**CONSIDER AUTHORIZING CONTRACT FOR ENGINEERING SERVICES
FOR 2023 WATER DISTRIBUTION SYSTEM IMPROVEMENT PROJECT
WITH CANNON CORPORATION**

ITEM

Authorize contract for engineering services for 2023 Water Distribution System Improvement Project in the amount of \$169,647 with Cannon Corporation and authorize General Manager to issue change orders with a total aggregate amount not to exceed \$20,000 [RECOMMEND APPROVAL].

BACKGROUND

The 2023 Water Distribution System Improvement Project is necessary to accommodate the delivery of supplemental water to the Golden State Cypress Ridge Interconnect starting in July 2025 as well as mitigate water quality issues related to dead end water mains in two locations as shown on the figure below.



The Project involves the construction of approximately 4300 linear feet of 12-inch water main on Pomeroy Road between Willow Road and Aden Way, 365 linear feet of 8-inch water main on Sea Pines Place between Via Concha and Woodgreen Way, and 765 feet of 4-inch water main on Red Oak Way within the District's service area.

Cannon designed the Willow Road Phase 1 and 2 water mains that the Pomeroy water main will connect to. Staff solicited a proposal from Cannon to provide engineering design services for the Project. Attached is Cannon's proposed scope of work, schedule and budget for the design phase of the Project.

Staff is planning to design, bid and construct all three water main segments as part of the same construction contract. Staff anticipates that combining the three projects into a single construction contract will result in design and construction cost savings to the District as well as cost savings in the construction management and inspection of the project. The goal is to complete the design by June 2024 and bid the project in July 2024 so that construction is completed by February 2025.

FISCAL IMPACT

The total Project budget is \$2,340,000 for design and construction of all three project components. Funding is available in the FY 2023-2024 Budget as follows:

- Pomeroy Water Main - \$250,000 design only
- Sea Pines Water Main (Third Connection to Blacklake) - \$190,000
- Red Oak Water Main - \$100,000

The District's FY 2024-2025 Budget will provide the \$1,800,000 funding required for the construction of the Pomeroy water main.

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.

RECOMMENDATION

Staff recommends that the Board authorize staff to execute a contract in the amount of \$169,647 with Cannon Corporation for engineering services for the 2023 Water Distribution System Improvement Project and authorize the General Manager to issue change orders with a total aggregate amount not to exceed \$20,000.

ATTACHMENTS

- A. Cannon Project Scope, Schedule, and Budget

OCTOBER 11, 2023

ITEM E-1

ATTACHMENT A

Scope of Services

The following scope of work is based on our understanding of the project as outlined above, our experience on similar successful projects, several site visits, and discussions with District staff. Our approach to successful completion of this project is based on providing professional services as described below. These detailed tasks and sub-tasks are carefully sequenced to provide an efficient schedule while remaining realistic and achievable.

Task 1: Project Management

Cannon will provide contract management and quality control services throughout the duration of the project. Cannon's Principal-in-Charge and Project Manager will play an active role in the management and coordination of the project, including coordinating regular meetings with District staff to discuss project status, problems, budgeting, and other areas that have an adverse effect on the work. Project management will include the following sub-tasks.

Task 1.1 We will schedule and attending monthly progress meetings and prepare agendas and minutes.

Task 1.2 We will prepare and distribute monthly progress reports including schedule updates. Monthly progress reports to include:

- A monthly progress payment request;
- An overview of work accomplished during the previous month;
- A description of current key activities and an updated schedule for each task and subtask;
- A list of problem areas, if any, and proposed corrective actions;
- A list of tasks for the following month;
- A bar graph showing total contract budget, monthly invoiced amounts, cumulative amount invoiced, and project billings to the end of project, and;
- A Schedule Summary indicating whether the project is on schedule, and schedule concerns or critical path items (we will prepare a Recovery Plan/Schedule for activities that fall more than two weeks behind schedule).

- Costs for each of the three project components shall be tracked separately.

Task 1.3 We will coordinate and consult with applicable local regulatory agencies to confirm clearance for project construction: Anticipated entities include: County of San Luis Obispo for encroachments into their roadway jurisdiction, and utility companies who own facilities within the project area.

Task 1.4 We will coordinate and consulting with District consultants and vendors including CEQA, Construction Management, and potholing contractors: We will assist the selected CEQA consultant with preliminary environmental review, preparation of the project description, preparation of project exhibits, and identify areas of potential environmental impact and permit requirements for the work location. The District anticipates that a Mitigated Negative Declaration will be developed for this project by the CEQA consultant. We will work closely with each of these firms to provide clear and timely communication of information to keep the project moving forward without unnecessary delays.

Task 1.5 Quality Assurance/ Quality Control Program: Throughout the project, Cannon's Quality Control engineer will implement its QA/QC and the Project Manager will prepare Earned Value Assessment protocols and report results on a monthly basis as discussed in subtasks described above.

Task 1.6 Correspondence and File Management: Cannon maintains a robust, electronic file management system (with daily backups) for its projects on local servers. In addition, project managers maintain a paper folder of pertinent project deliverables, correspondence, and other important documentation. We will create a cloud-based file sharing system to aid in project coordination with agreed upon read/write administrative rights where documents can be readily available to the various team members.

Task 2: Preliminary Design

Cannon will provide preliminary engineering design services prior to commencing detailed design. This task culminates in the submittal of a Preliminary Design Report (PDR) that identifies each relevant design item, outlines the preferred design, potential environmental impacts and requirements, right-of-way issues, constructability analysis, and estimated construction costs. The level of detail provided in the PDR will be equivalent to a 30% design effort for each major element of the project. It is imperative to keep this task on schedule as it is critical to the overall project schedule. Preliminary engineering design services will include the following:

Task 2.1 Review Previous Studies and Reports – we will review and evaluate previously completed preliminary design and analysis work and either confirm or recommend updates to criteria or assumptions depending on our findings and after discussing with the District. We will document this evaluation in the PDR.

Task 2.2 Utility Research and Coordination – we will conduct utility research with the public and private utility providers who have existing facilities within the proposed project areas and obtain record drawings and as-built information. We will identify and evaluate potential utility conflicts and/or relocation requirements as needed to minimize unexpected design modifications or construction delays. We will compile and review the documents for inclusion into the electronic base map to use in preliminary design and related tasks defined below. In addition, we will assist the CEQA consultant with preliminary environmental review and identify areas of potential environmental impacts and permit requirements for the work locations.

Task 2.3 Topographic Survey and Record Data Boundary – we will provide a topographic survey and record data boundary along the water pipeline corridors. This includes: compiling and reviewing record maps; minimum field work to establish Record ROW; establishing project control and aerial panels; taking high resolution orthorectified aerial photos of the proposed pipeline alignments; providing 1-ft contour mapping (1"=20') and planimetrics for the proposed pipeline alignments; and, field survey of surface features within the construction zone such as mail boxes, fences and gates, catch basins, manholes, valve covers, water meters, utility poles, guy wires, and vaults. We will plot existing waterline easements on Red Oak Way.

Task 2.4 Base Mapping – based on the findings from previous tasks, we will develop the base map for the design of the project by incorporating the topographic survey, boundary mapping, and utility information for use in developing precise locations and alignments for the proposed improvements.

Task 2.5 Alignment Analysis – after completion of the base map, we will prepare a preliminary alignment for the proposed water pipelines and prepare sheet layouts for the plan and profile drawings for the water distribution mains. We will prepare street and construction centerlines for each street segment for use in layout of proposed improvements within the final construction documents.

Task 2.6 Hydraulic Analysis – we will prepare basic hydraulic calculations such as water velocities, pressures, location of air/vac release assemblies, etc., for use in the design and sizing of materials. We will include a summary of our findings in the PDR.

Task 2.7 30% Plans and Cost Estimates – as part of this task, we will prepare construction design and detail level of approximately 30%. The plans will include the following:

- Preliminary Water Line Alignment Exhibits - plan view only at the 30% (approx. 12 sheets at 20-scale)

Task 2.8 Preliminary Design Report – we will prepare a PDR that identifies each relevant design item, outlines the preferred design, potential environmental impacts and requirements, right-of-way issues, constructability analysis, and estimated construction costs. The level of detail provided in the PDR should be equivalent to a 30% design effort for each major element of the project. We will gather the following and/or prepare throughout the preliminary design and summarize in the PDR.

- Preliminary easement and right-of-way assessment identifying potential easement and right-of-way issues for the work location. This project is anticipated to be conducted within District easements and within County right-of-way.
- Proposed water main alignments including approximate valve, air/vacuum valve, and pressure blow-off/drain locations, compliance with water/sewer separation requirements, and analysis of pavement replacement requirements.
- Preliminary Geotechnical Report (desktop study) based on Earth Systems Pacific archival soils data for the approximate project area. Field investigation to follow in subsequent tasks once final alignment is selected.

- Summary of coordination efforts with San Luis Obispo County Public Works staff to obtain preliminary encroachment permit conditions for water main installation within County right-of-way.
- 30% level Opinion of Probable Construction Costs estimate.

We will prepare formal PDR submittals for distribution, with drawings reduced by 50% and printed on 11" x 17" reproducible paper, and written documentation printed on 8 ½" x 11" reproducible paper. We will submit up to three document sets for review. In addition, we will submit the PDR in Portable Document Format (.PDF). We assume the District will conduct a review of the material submitted and prepare consolidated comments for clarification or correction to us within two weeks of submittal.

Task 3: Final Design

Cannon will provide final engineering design services and prepare construction estimates, construction plans, and technical specifications (PS&E) suitable to be inserted into District standard contract documents for distribution to contractors.

PS&E services will include, but are not limited to:

- Preparing supplemental field, topographic and control surveys as necessary to prepare final construction documents.
- Completing geotechnical investigations and reports based on the locations determined in the approved PDR.
- Completing engineering, surveying, analysis, and investigation.
- Coordinating with known utilities required to confirm horizontal and vertical conflicts are identified and resolved through design or relocations.
- Identifying pothole locations. Plot pothole information provided by the District's pothole contractor on our plans.
- Preparing design calculations and completing plan preparation, technical specification preparation, and engineer's cost estimates, and other appropriate engineering services necessary to provide complete contract documents, ready for public bid (design work to comply with appropriate federal, state, and local design codes and guidelines).

3.1 Geotechnical Engineering Investigation - We have retained the services of Earth System Pacific (ESP) to prepare a project specific geotechnical investigation for the proposed water main construction. The investigation will consist of site reconnaissance to observe and document current site condition and a review of information available from ESP's prior geotechnical investigations in the vicinity of the proposed water distribution improvements. Previous field and laboratory data will be reviewed and evaluated with respect to development of geotechnical criteria for this project as stated in the attached letter proposal dated September 25, 2023.. Findings and recommendations will be captured in a Geotechnical Engineering Report (GER). Staff will review a draft version of the GER prior to final submittal. ESP will answer questions and address District comments following the review.

3.2 – 60% Plans, Specs, and Cost Estimates, 3.3 – 90% Plans, Specs, and Cost Estimates, 3.4 Final Plans, Specs, and Cost Estimates

Formal deliverables (plans, technical specifications, and estimates) will occur at the 60%, 90%, and 100% completion points for District and agency. Submittal formats will follow the guidelines stated herein. The District will conduct a review of the material submitted and prepare consolidated comments for clarification or correction to us within two weeks of submittal. Cannon will respond to, and incorporate if appropriate, comments received from the District or other regulatory agency or utility.

We will submit construction plan deliverables for review in PDF format at the design stages listed herein. Additionally, up to three sets reduced by 50% and printed on 11" x 17" reproducible paper will be submitted at the 90% review stage (if requested) to allow the District and other appropriate agencies to provide a thorough review of the project documents. We will deliver 100% final construction plans in the following formats:

- Portable Document Format (.PDF) file(s) of full-size final plans, complete with final signatures; and
- AutoCAD drawing format files (.DWG, AutoCAD 2018 or later format) of final plans (signatures not required).

We will prepare technical specifications utilizing Construction Specifications Institute (CSI) Masterformat 2018. We will submit deliverables for review in both Microsoft Word and PDF formats at the final design stages

listed herein. Additionally, up to three sets on 8 ½" x 11" reproducible paper will be submitted at the 90% review stage to allow the District and other appropriate agencies to provide a thorough review of the project documents. We will deliver 100% final specifications in the following formats:

- Portable Document Format (.PDF) file(s) of final specifications complete with final signatures; and
- Microsoft Word Office 2019 format (.DOCX) files of final technical specifications (signatures not required).

We will submit estimates for review in both Microsoft Excel and PDF formats at the final design stages listed herein. Additionally, up to three sets on 8½" x 11" reproducible paper shall be submitted at the 90% review stage to allow the District and other appropriate agencies to provide a thorough review of the project documents. We will deliver the 100% final estimate in the following formats:

- Portable Document Format (.PDF) file of final estimate; and
- Microsoft Excel 2019 format (.XLS) file of final estimate.

Task 4: Assistance During Bidding

Cannon will provide assistance to the District during the bidding phase of the project to pre-qualify prospective

Clarifications and Exclusions

Certain services, described below, that may accompany a project of this type are excluded from this scope of work at this time, and may be added to our scope of work on a time and materials basis as deemed necessary by the District:

- The District will provide timely delivery of all pertinent record information relative to the project.
- Cannon is not responsible and cannot be held accountable for the accuracy of as-builts or record drawings provided by the agencies or utility providers.
- As this proposal has been prepared without the benefit of a current title reports, it is assumed that there is a sufficient amount of available record information to adequately determine the location of the boundaries and encumbrances of the subject property. Additional work resulting from patent or latent boundary ambiguities or a lack of available records may constitute an additional work effort that is not covered within this scope of services.
- Archeological, botanical, and biological services are excluded.
- CEQA is assumed to be prepared by the District's Environmental Consultant.
- One bid package submittal for the three pipeline locations.
- Hazardous materials investigation and remediation is excluded.
- Public Outreach is excluded.
- It is assumed that the District will directly pay all necessary permitting and plan check fees with all permitting and plan approval agencies.
- Items not specifically identified in the scope of services sections of this proposal are to be excluded and will be considered additional services. Additional work will be billed on a Time and Materials basis or as an addendum with prior written authorization from District.

contractors and to confirm they understand the technical aspects of the design and any design changes.

This assistance will include:

Task 4.1 Qualifying of Contractors – we will assist the District with development of pre-qualification documents and review of submitted contractor pre-qualification documents.

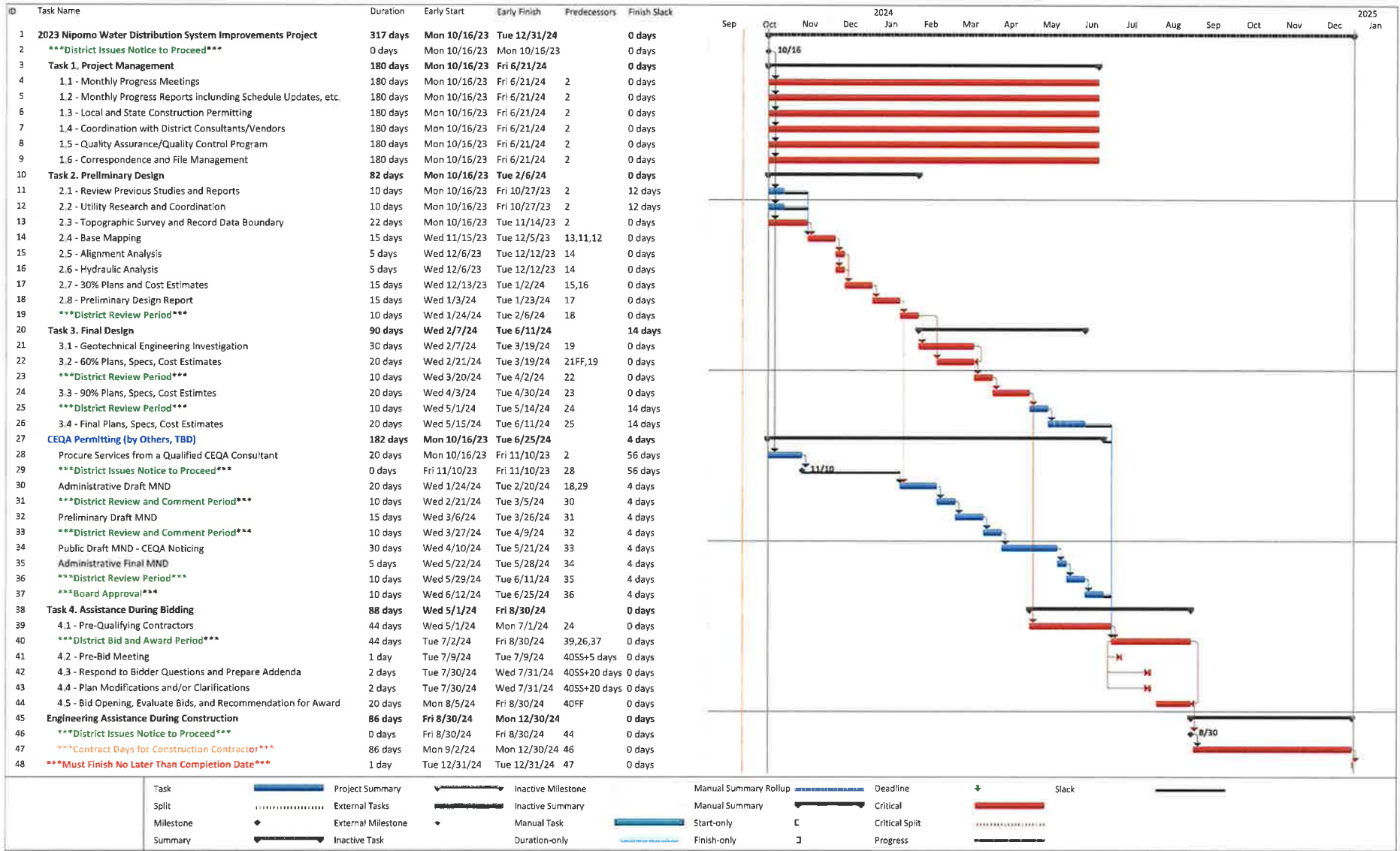
Task 4.2 Pre-Bid Meeting – we will attend the pre-bid meeting with prospective bidders to answer contractor and supplier technical questions.

Task 4.3 Respond to Bidder Questions – we will assist the District in responding to contractor and supplier technical questions during bidding and preparing required addenda (two anticipated).

Task 4.4 Plan Modifications and/or Clarifications – we will prepare drawings, modifications, and clarifications as required during the bidding period for distribution by the District. (one revision anticipated)

Task 4.5 Bid Evaluation – we will attend the bid opening, review bids, and make a recommendation for award of the construction project.

Timeline



Use	Hourly Rate	Cannon																Subconsultants			Total	Pomeroy Road	Red Oak Way	Sea Pines Place			
		Principal In Charge		Civil Senior Principal Engineer		Civil Principal Engineer		Civil Senior Project Engineer		Civil Project Engineer		Director of Survey		Survey PLS/PM		Two-Person Survey Crew (PW)		Business Services Coordinator		*Geotech Engineering					Aerial Topo	Reimbursables	
																		Admin	ESP	CC Aerial							
		Hrs	Cost	Hrs	Cost	Hrs	Cost	Hrs	Cost	Hrs	Cost	Hrs	Cost	Hrs	Cost	Hrs	Cost	Hrs	Cost	Lump Sum					Lump Sum	Lump Sum	
Task 1 - Project Management																											
1.1	Monthly Progress Meetings	2	\$540			8	\$1,880	8	\$1,480													18	\$3,900	\$3,088	\$549	\$262	
1.2	Monthly Progress Reports including Schedule Updates					8	\$1,880										16	\$1,840				24	\$3,720	\$2,946	\$524	\$250	
1.3	Local Construction Permitting					8	\$1,880	8	\$1,480													16	\$3,360	\$2,661	\$473	\$226	
1.4	Coordination with District Consultants/Vendors					8	\$1,880															8	\$1,880	\$1,489	\$265	\$126	
1.5	Quality Assurance/Quality Control Program	1	\$270	4	\$992	8	\$1,880															13	\$3,142	\$2,488	\$443	\$211	
1.6	Correspondence and File Management					8	\$1,880	8	\$1,480								16	\$1,840				32	\$5,200	\$4,118	\$733	\$350	
Subtotal		3	\$810	4	\$992	48	\$11,280	24	\$4,440								32	\$3,680				111	\$21,202	\$16,790	\$2,987	\$1,425	
Task 2 - Preliminary Design																											
2.1	Review Previous Studies and Reports					8	\$1,880															8	\$1,880	\$1,489	\$265	\$126	
2.2	Utility Research and Coordination					4	\$940	8	\$1,480	8	\$1,344											20	\$3,764	\$2,981	\$530	\$253	
2.3	Topographic Survey and Record Data Boundary					4	\$940					12	\$2,760	28	\$6,160	44	\$16,720				\$3,850	88	\$30,430	\$24,097	\$4,287	\$2,045	
2.4	Base Mapping					4	\$940	12	\$2,220	16	\$2,688											32	\$5,848	\$4,631	\$824	\$393	
2.5	Alignment Analysis					8	\$1,880	16	\$2,960	8	\$1,344											32	\$6,184	\$4,857	\$871	\$416	
2.6	Hydraulic Analysis					4	\$940	8	\$1,480													12	\$2,420	\$1,916	\$341	\$163	
2.7	30% Plans and Cost Estimates	1	\$270	2	\$496	8	\$1,880	16	\$2,960	48	\$8,064											75	\$13,920	\$11,023	\$1,961	\$936	
2.8	Preliminary Design Report (PDR)	1	\$270	4	\$992	8	\$1,880	32	\$5,920	8	\$1,344											250	\$3,850	\$3,050	\$750	\$350	
Subtotal		2	\$540	6	\$1,488	48	\$11,280	92	\$17,020	88	\$14,784	12	\$2,760	28	\$6,160	44	\$16,720				\$3,850	320	\$75,102	\$59,473	\$10,581	\$5,048	
Task 3 - Final Design																											
3.1	Geotechnical Engineering Investigation			2	\$496	4	\$940													\$2,695	6	\$4,131	\$3,271	\$562	\$278		
3.2	60% Plans, Specs, and Cost Estimates	1	\$270	2	\$496	24	\$5,640	60	\$11,100	60	\$10,080						8	\$920			\$250	155	\$28,756	\$22,772	\$4,051	\$1,933	
3.3	90% Plans, Specs, and Cost Estimates	1	\$270	2	\$496	16	\$3,760	40	\$7,400	20	\$3,360						8	\$920			\$250	87	\$16,456	\$13,031	\$2,318	\$1,106	
3.4	Final Plans, Specs, and Cost Estimates	1	\$270	2	\$496	8	\$1,880	20	\$3,700	20	\$3,360						8	\$920			\$250	59	\$10,876	\$8,613	\$1,532	\$731	
Subtotal		3	\$810	8	\$1,984	52	\$12,220	120	\$22,200	100	\$16,800						24	\$2,760		\$2,695	\$750	307	\$60,219	\$47,687	\$8,484	\$4,048	
Task 4 - Bid Assistance																											
4.1	Pre-Qualification of Contractors					8	\$1,880															8	\$1,880	\$1,489	\$265	\$126	
4.2	Pre-Bid Meeting					8	\$1,880															8	\$1,880	\$1,489	\$265	\$126	
4.3	Respond to Bidder Questions and Prepare Addenda					8	\$1,880										16	\$1,840				24	\$3,720	\$2,946	\$524	\$250	
4.4	Plan Modifications and/or Clarifications					4	\$940	8	\$1,480	8	\$1,344											20	\$3,764	\$2,981	\$530	\$253	
4.5	Bid Opening, Evaluation, and Recommendation for Award					8	\$1,880															8	\$1,880	\$1,489	\$265	\$126	
Subtotal						36	\$8,460	8	\$1,480	8	\$1,344						16	\$1,840				68	\$13,124	\$10,393	\$1,849	\$882	
Total		8	\$ 2,160	18	\$ 4,464	184	\$ 43,240	244	\$ 45,140	196	\$ 32,928	12	\$ 2,760	28	\$ 6,160	44	\$ 16,720	72	\$ 8,280	\$ 2,695	\$ 3,850	\$ 1,250	806	\$169,647	\$134,343	\$23,901	\$11,404

Reimbursables

Cannon's expenses incurred in connection with this Project as follows:

- a) incidental and out-of-pocket expenses including but not limited to: costs for postage, shipping, overnight courier, reproduction services, plotting, photocopies, parking fees and tolls, travel, mileage

TO: BOARD OF DIRECTORS

FROM: RAY DIENZO *RD*
GENERAL MANAGER

DATE: October 6, 2023

AGENDA ITEM

E-2

OCTOBER 11, 2023

REVIEW AND CONSIDER ADVANCING SOLID WASTE PROGRAMS FOR FISCAL YEAR 2023-24 THAT BENEFIT THE COMMUNITY

ITEM

Review and discuss the solid waste fund and consider options that will provide services to the community. [RECOMMEND REVIEW AND CONSIDER SOLID WASTE PROGRAMS AND DIRECT STAFF]

BACKGROUND

South County Sanitary Services (SCSS) provides solid waste collection services to homes throughout southern San Luis Obispo County. SCSS provides these services to Nipomo Community Services District ("District") customers under a franchise agreement with the District.

Under the active Franchise Agreement ("Agreement"), the District is required to administer annual lien process for the collection of delinquent solid waste payments and administer Proposition 218 Rate proceedings that are required to adopt solid waste rate increases. The District charges the solid waste fund 15% against annual franchise income for administering the solid waste franchise.

The Solid Waste Fund #300, as identified in the District Annual Budget, is funded solely from the franchise fee it collects from SCSS. The fees are to cover solid waste activities such as Nipomo Clean Streets, garbage collection in the downtown area, and for SCSS to respond to and remove illegally dumped materials in the public road right-of-ways within the District's service boundaries. For Fiscal Year 2023-24, revenue from the franchise fee is budgeted at \$230,000.

The District's most recent Cash Reserve Policy ("Policy") is found in Resolution No. 2023-1655. The Policy identifies the Targeted Criteria for the Solid Waste Fund to be minimum of \$150,000. The Solid Waste Fund started the fiscal year with a balance of \$531,896. Expenditures for the year total \$125,850. Adding collected franchise fee (\$230,000) to the beginning balance (\$531,896) and subtracting the budgeted expenditures (\$125,850) brings the year end estimated balance for the Solid Waste Fund to approximately \$637,000.

DISTRICT RESOLUTION 2018-1492

The District's Board of Directors ("Board") passed Resolution 2018-1492 ("Resolution") governing the use of solid waste franchise fees. The Resolution directed staff as follows:

4. If, during the annual review of the Solid Waste Fund #300 reserve level, it is anticipated that the reserve level balance will exceed \$300,000 or twice the reserve level set in NCSD's Cash Reserve Policy by the end of the current fiscal year, then staff will recommend to the Board of Directors that a rate holiday be included in the next fiscal year budget.

RATE HOLIDAY

As directed within the Resolution, included in this year's budgeted expenditures is a rate holiday; a two-month period where the District uses franchise fees to pay for its customer's solid waste fees. The last rate holiday was approved by your Board in September 2020 at a cost of \$232,000. It is anticipated that a rate holiday, if approved by the Board for this fiscal year, would cost approximately \$324,000

Should your Board decide to provide a rate holiday for solid waste customers, staff will work with South County Sanitary Service ("SCSS"), the District's solid waste hauler, to notify the District's customers. A bill stuffer [Attachment C] will be inserted into the SCSS December bill alerting customers that their bill was paid by the District. The rate holiday will provide customers with rate relief for the December/January billing period.

FINANCIAL IMPACT

The financial impact on the Solid Waste Fund is dependent on your Board's direction to staff. The Board could direct staff to develop programs that draw down the fund balance or hold back on programs resulting in an increase of the fund balance. The budget for fiscal year 2023-24 is funded sufficiently to provide for the rate holiday for solid waste residential customer while maintaining the minimum required cash reserves for the Solid Waste Fund specified in the District's Cash Reserve Policy.

STRATEGIC PLAN

Goal 8. ADDITIONAL COMMUNITY SERVICES.

A.1. SOLID WASTE. Seek to maximize solid waste services for community and build understanding of services like hazardous waste, recycling, etc. and District's role.

RECOMMENDATION

It is recommended that the Board of Directors review and discuss the Solid Waste Fund policies and practices, consider a rate holiday and/or other solid waste programs and direct staff.

ATTACHMENTS

- A. NCSD Resolution 2018-1489; Cash Reserve Policy
- B. NCSD Resolution 2018-1492; Use of Solid Waste Franchise Fees
- C. Rate Holiday Bill Stuffer

OCTOBER 11, 2023

ITEM E-2

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2018-1489**

**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 Armstrong, seconded by Director Blair, on the following roll call vote, to wit:

AYES: Director Armstrong, Blair, Woodson, Gaddis and Eby
NOES: None
ABSTAIN: None
ABSENT: None

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2018-1489**

**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 24^d day of October 2018



ED EBY
President of the Board

ATTEST:

APPROVED AS TO FORM AND
LEGAL EFFECT:



MARIO IGLESIAS
General Manager and Secretary to the Board



WHITNEY G. McDONALD
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 \$30,000.

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.

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.

NIPOMO COMMUNITY SERVICES DISTRICT
CASH RESERVE POLICY
EXHIBIT"A"

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.

OCTOBER 11, 2023

ITEM E-2

ATTACHMENT B

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2018-1492**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT ADOPTING POLICY
GOVERNING THE USE OF FRANCHISE FEES GENERATED FROM
THE NIPOMO COMMUNITY SERVICES DISTRICT'S
SOLID WASTE COLLECTION FRANCHISE AGREEMENT**

WHEREAS, the Nipomo Community Services District ("District") is formed under the Community Services District Law (Govt. Code §61100 et seq.) and is empowered to provide garbage, recycling, and greenwaste collection services; and

WHEREAS, the District entered into a Solid Waste Collection Franchise Agreement ("Agreement") with Waste Connections, Inc., a Delaware corporation, and South County Sanitary Services, Inc., a California corporation (collectively "Contractor"), whereby Contractor provides garbage, recycling, and greenwaste collection services within the District's boundaries; and

WHEREAS, pursuant to the Agreement, the District collects an annual franchise fee from Contractor; and

WHEREAS, the District Board of Directors desires to establish a policy governing the use of franchise fees collected pursuant to the Agreement.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Board of Directors of the Nipomo Community Services District, does resolve as follows:

1. The facts and findings stated above are true and correct and incorporated herein.
2. The Policy Governing the Use of Franchise Fees Generated From the Nipomo Community Services District's Solid Waste Collections Franchise Agreement attached hereto as Exhibit "A" and incorporated herein by reference is hereby adopted.
3. The Board finds that this action is not subject to and is exempt from the California Environmental Quality Act, Public Resources Code section 21000, et seq., because it is not a project undertaken or authorized by the District that will have a reasonably foreseeable impact on the environment and it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. (Pub. Res. Code § 21065; 14 Cal. Code Regs. § 15061(b)(3).)

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

AYES: Directors Armstrong, Gaddis, Woodson, Blair and Eby
NOES: None
ABSENT: None
CONFLICTS: None

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**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2018-1492**

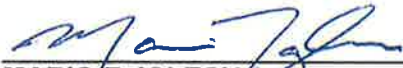
**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT ADOPTING POLICY
GOVERNING THE USE OF FRANCHISE FEES GENERATED FROM
THE NIPOMO COMMUNITY SERVICES DISTRICT'S
SOLID WASTE COLLECTION FRANCHISE AGREEMENT**

the foregoing resolution is hereby passed and adopted this 14th day of November, 2018.



ED EBY
President of the Board

ATTEST:



MARIO E. IGLESIAS
General Manager and Secretary to the Board

APPROVED AS TO FORM:



WHITNEY G. McDONALD
District Legal Counsel

Exhibit "A"

NIPOMO COMMUNITY SERVICES DISTRICT

**POLICY GOVERNING THE USE OF FRANCHISE FEES
GENERATED FROM THE NIPOMO COMMUNITY SERVICES DISTRICT'S
SOLID WASTE COLLECTIONS FRANCHISE AGREEMENT**

PURPOSE:

This Policy governs the appropriate use of revenues generated from the Franchise Fee collected by the Nipomo Community Services District (District) from the District's Solid Waste Collection Franchise Agreement (Agreement).

APPLICABILITY:

This Policy applies to all revenue generated from the District's Agreement.

DEFINITIONS:

"Agreement" means the current and active District Solid Waste Collection Franchise Agreement.

"Franchisee" means the contractor who is party to the Agreement with the District to collect, recycle, remove and properly dispose of solid waste within the District's franchise area.

"Rate Holiday" is defined as a period of time measured in a billing cycle, where all solid waste customers of the District are exempt from paying a portion of their solid waste collection fee.

"Routine Operating Conditions" are those operating conditions experienced under non-emergency operations, routine in nature as part of daily, weekly, monthly, or annually scheduled work program.

"Solid Waste" in the context of this policy refers to garbage, green-waste, and recyclable materials.

POLICY:

1. District revenue generated from the Agreement must be used in support of and for the sole purpose of activities that benefit District solid waste ratepayers by reducing, diverting, recycling, or in some manner managing solid waste within the boundaries of the District.

Examples of activities routinely budgeted are listed below. This list of activities is not exclusive. The Board of Directors maintains its discretion to determine when an activity

meets the criterion as expressed above.

- County Creek Clean-up Day
 - Olde Towne Refuse Collection
 - District-wide Street Trash Reduction Programs
 - Other Board approved Solid Waste Collection/Recycling Programs
2. The District's Board of Directors must approve non-budgeted expenditures of monies from the Solid Waste Fund #300 in amounts greater than \$5,000 for a single project, event, or activity.
 3. Establish a cash reserve target of \$150,000. The Board will review cash reserve levels of the Solid Waste Fund #300 annually along with the District's other enterprise reserve levels and direct staff to make reasonable effort to maintain the reserve level under routine operating conditions.
 4. If, during the annual review of the Solid Waste Fund #300 reserve level, it is anticipated that the reserve level balance will exceed \$300,000 or twice the reserve level set in NCSD's Cash Reserve Policy by the end of the current fiscal year, then staff will recommend to the Board of Directors that a rate holiday be included in the next fiscal year budget.
 5. The Franchisee may submit proposed rate adjustments to the District. At the Board's discretion, the District may offset all or part of a rate increase by reducing the franchise fee paid to the District by a like amount. Such reductions shall not reduce the franchise fee paid to the District to less than 5% of franchisee's annual gross receipts attributable to services provided under the Agreement.
 6. The administrative costs incurred by the District in managing the services provided by the franchisee and organizing community clean-up activities such as those enumerated in paragraph (1) may be charged against the franchise fees received from the franchisee. Franchise fee receipts may vary from year to year. However, it is recognized by the District that a minimum level of resources is expended by the District to manage the Agreement and the various community activities. Administrative costs chargeable against franchise fee receipts will be calculated during the budgeting process. At that time, a reasonable cost to manage the Agreement and community activities will be established and included in the fiscal year budget.

OCTOBER 11, 2023

ITEM E-2

ATTACHMENT C

Envelopes are fun to get
during the holidays!



**A Rate Holiday for
the Holiday Season!**



**Your December/
January Garbage Bill
has been Paid by
NCSD on your behalf!**



NIPOMO CSD
148 S. WILSON STREET
NIPOMO, CA 93444
(805) 929-1133

Proper Disposal of Your Household Items

Many electronic products such as computers, televisions, microwave ovens and other common items such as household batteries, paints and solvents are considered Household Hazardous Waste (HHW).

HHW materials **should never be** flushed in the toilet, dumped in a drain or disposed of in the regular trash.

HHW must be taken to a licensed disposal facility. Nipomo residents can dispose of items at the Nipomo

Household Hazardous Waste Facility
509 Southland
(access from Frontage Road)

SATURDAYS from 11am – 3pm.

For a full list of items accepted please visit the San Luis Obispo County Integrated Waste Management's :

website (<https://www.iwma.com>)

Or call **(805)782-8530**



TO: BOARD OF DIRECTORS

FROM: RAY DIENZO R.D.
GENERAL MANAGER

DATE: October 5, 2023

AGENDA ITEM

E-3

OCTOBER 11, 2023

**AUTHORIZE THE GENERAL MANAGER TO SIGN A QUOTE TO
FINANCE THE PURCHASE OF A REPLACEMENT JETTER TRUCK**

ITEM

Authorize the General Manager to sign a quote to finance the purchase of a replacement Jetter Truck. [RECOMMEND REVIEW AND AUTHORIZE THE GENERAL MANAGER TO SIGN THE QUOTE FROM CSDA FINANCE CORPORATION]

BACKGROUND

On August 24, 2022 the Board awarded the purchase of a sewer cleaning vacuum truck ("Jetter Truck") that is used for maintaining the District's sewer collection system from Haaker Equipment Company for \$567,086.

Staff has coordinated with CSDA Finance Corporation to provide for the funding as anticipated in the FY 23/24 Budget. CSDA Finance Corporation has contacted a bank that is providing an interest rate of 4.85% for a 10 year term. The resulting annual debt service for the 10 year term would be \$77,459.15.

FINANCIAL IMPACT

The Fixed Asset Purchases for Fiscal Year 2023-2024 Budget included \$80,000 for a ten year loan financing for a Jetter Truck.

STRATEGIC PLAN

Goal 5. OPERATIONS. Maintain a proactive program to ensure readiness of systems and cost-effectiveness of operations.

RECOMMENDATION

Staff recommends that your Honorable Board authorize the General Manager to sign the quote to finance the purchase of the Jetter truck to CSDA Financing Corporation at a rate not to exceed 4.85% for a 10 year term.


ATTACHMENTS

- A. Staff report from August 24, 2022 meeting Authorizing Jetter Truck purchase
- B. Quote for a 10 year loan
- C. Page 23 from the FY 23-24 NCSD Budget

OCTOBER 11, 2023

ITEM E-3

ATTACHMENT A

TO: BOARD OF DIRECTORS
REVIEWED: MARIO IGLESIAS
GENERAL MANAGER 
FROM: PETER V. SEVCIK, P.E.
DIRECTOR OF
ENGINEERING & OPERATIONS
DATE: AUGUST 19, 2022

**AGENDA ITEM
E-1
AUGUST 24, 2022**

**AUTHORIZE PURCHASE OF REPLACEMENT JETTER TRUCK
AND CONSIDER BUDGET AMENDMENT REQUEST**

ITEM

Authorize staff to purchase replacement Jetter Truck [RECOMMEND ADOPT RESOLUTION AUTHORIZING STAFF TO PURCHASE VACTOR JETTER TRUCK FROM HAAKER EQUIPMENT COMPANY AT A COST OF \$567,086 AND AMEND FY 2022-2023 BUDGET].

BACKGROUND

The District owns a sewer cleaning vacuum truck ("Jetter Truck") that is used for maintaining the District's sewer collection system. The Jetter Truck is a necessary piece of equipment used to flush sewer lines on a regular basis throughout the District to remove debris such as grease, roots or other objects that can cause sewer lines to plug in the sewer collection system. In addition, the Jetter Truck is used to clean the District's 13 sewer lift station wet wells on a routine basis to remove similar materials. The existing Jetter Truck is a 2010 Vac-Con on a 2010 International chassis. Projected life expectancy for this vehicle is 15 years, so it would be scheduled for replacement in 2025.

The California Air Resources Board (CARB) developed a regulation in 2008 to regulate emissions from diesel powered trucks. The regulation requires heavy diesel vehicles be replaced by January 1, 2023, with vehicles that have 2010 or newer model year engines. While the District's existing Jetter Truck chassis is a 2010 model year, District staff recently discovered that the engine is a 2009 model year engine and thus the existing Jetter Truck will not comply with the CARB regulation.

Further investigation revealed that the existing engine emission controls system cannot be retrofitted and thus the only practical compliance option for the District is to replace the truck. The CARB regulation does contain a provision that the existing, non-complying Jetter Truck can continue to be utilized beyond the January 1, 2023 deadline, as long as the District orders a replacement truck by September 1, 2022. Once the District receives the replacement Jetter Truck from the dealer, the District's existing Jetter Truck will have to be taken out of service.

The District is a member of Sourcewell, formerly known as National Joint Powers Alliance (NJPA), a national government purchasing cooperative. Sourcewell provides the District the opportunity to purchase equipment through nationally bid contracts. This allows the District to purchase the vehicle without developing a specification and conducting District lead public bid process. The District has purchased several generators over the last few years through a Sourcewell vendor at a considerable cost savings to the District. The District contacted Sourcewell for the purchase of the replacement Jetter Truck. A current Sourcewell Jetter Truck vendor is Vactor. The local representative for Vactor is Haaker Equipment Company. District staff solicited a proposal from

Haaker Equipment Company for a single axle Jetter Truck. Haaker provided a Sourcewell quote of \$567,086 for a Vactor 2100 series Jetter Truck with a rapid deployment boom mounted on a 2024 Freightliner chassis. The new Jetter Truck complies with CARB regulations.

Anticipated delivery time for the Jetter Truck is 330 days from the date the purchase order is issued. The quote includes a \$20,000 allowance for manufacturer surcharges that go into effect after the District orders the Jetter Truck. Thus, the actual cost may be less than the quote, but in no case will it exceed the quoted amount. Haaker will provide the District with documentation of all manufacturer surcharges prior to issuing the final invoice for the new Jetter Truck.

The new Jetter Truck will have several new features that will improve the efficiency and safety of the District's sewer cleaning operations. The most significant operational efficiency features include a 70 gallon per minute variable flow water system, 1,000-gallon water tank, 10 cubic yard debris body, hose reel with 1,000 feet of sewer hose and 15-foot rapid deployment boom. The most significant safety features include wireless controls, auto wind hose reel, and camera system (front, rear, and both sides).

FISCAL IMPACT

Funding for the replacement Jetter Truck was not anticipated for the current Fiscal Year Budget. A budget amendment in the amount of \$567,086 from Town Sewer Funded Replacement Fund #810 is required. The current balance in Fund #810 exceeds \$3.5 million and the impact to the fund balance, while significant, does not alter the District's 5-year capital maintenance program.

The District has communicated with and could, as an option, obtain lease-purchase financing from the California Special Districts Association ("CSDA") Finance Corporation. Once the delivery date is known, District staff will review CSDA Finance Corporation interest rates to determine if financing the replacement Jetter Truck purchase would be beneficial to the District and, if so, staff will present a recommendation to the Board at that time.

STRATEGIC PLAN

Goal 5. OPERATIONS. Maintain a proactive program to ensure readiness of systems and cost-effectiveness of operations.

RECOMMENDATION

Staff recommends that the Board, by motion and roll call vote, adopt Resolution 2022-XXXX, Replacement Sewer Cleaner, to:

1. Authorize staff to purchase Vactor 2100 series Jetter Truck from Haaker Equipment Company for total cost of \$567,086.
2. Amend FY 2022-2023 budget and transfer \$567,086 from Town Sewer Replacement Fund #810 to provide funding for the purchase of the replacement Jetter Truck.

ATTACHMENTS

- A. Resolution 2022-XXXX, Replacement Jetter Truck

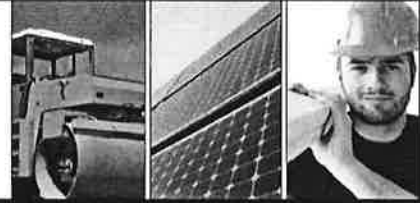
OCTOBER 11, 2023

ITEM E-3

ATTACHMENT B



CSDA Finance Corporation



1112 I Street, Suite 200
 Sacramento, CA 95814
 t: 916.442.7887 f: 916.442.7889
 www.csdafinance.net

PREPARED BY CSDA FINANCE CORPORATION

DATE: September 19, 2023

PROPOSED INSTALLMENT PURCHASE FOR: Nipomo Community Services District

RE: Vacuum Truck

NOTE: TERMS ARE BASED UPON LEASE BEING BANK QUALIFIED

Purchase Option amount is exclusive of the installment payment due on same date.

Interest rate quote is valid for an acceptance within 5 days and funding within 60 days.

Documentation Fee: \$2,500 (included in financing)

	Financing Amount	Interest Rate	Term
Payments: Annually in arrears	\$602,500	4.85%	10 Years

PMT #	Due Date	Rent Payment	To Principal	To Interest	Purchase Option
1		\$77,459.15	\$48,237.90	29,221.25	
2		77,459.15	50,577.44	26,881.71	
3		77,459.15	53,030.44	24,428.71	
4		77,459.15	55,602.42	21,856.73	
5		77,459.15	58,299.14	19,160.01	340,120.19
6		77,459.15	61,126.65	16,332.50	278,382.27
7		77,459.15	64,091.29	13,367.86	213,650.07
8		77,459.15	67,199.72	10,259.43	145,778.35
9		77,459.15	70,458.90	7,000.25	74,614.86
10		77,459.15	73,876.10	3,583.05	0.00

TOTALS:	<u>\$774,591.50</u>	<u>\$602,500.00</u>	<u>\$172,091.50</u>
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Approved and agreed to: Nipomo Community Services District

By: _____

Date: _____

Title: _____

OCTOBER 11, 2023

ITEM E-3

ATTACHMENT C

NIPOMO COMMUNITY SERVICES DISTRICT
FIXED ASSET PURCHASES
2023-2024

<u>BUDGET ITEMS FOR 2023-2024</u>	<u>#110 ADMIN</u>	<u>#125 WATER</u>	<u>#130 TOWN SEWER</u>	<u>#150 BL SEWER</u>	<u>TOTAL</u>	<u>ASSET NUMBER</u>
GIS Software Upgrade	0	9,900	3,300	1,800	15,000	FA2324-100
Office 365 Microsoft Email	10,000	0	0	0	10,000	FA2324-101
Hach WIMS Software Conversion	0	9,900	3,300	1,800	15,000	FA2324-102
New Replacement Truck(1) - Operations-Carryover	0	29,700	9,900	5,400	45,000	FA2324-103
New Valve Truck - Operations (\$70,000 Carryover)	0	180,000	0	0	180,000	FA2324-104
1 Replacement Vehicle - Administration	30,000	0	0	0	30,000	FA2324-105
Vaccum Trailer	0	60,000	0	0	60,000	FA2324-106
SCADA Cybersecurity Improvements	0	33,000	11,000	6,000	50,000	FA2324-107
	<u>40,000</u>	<u>322,500</u>	<u>27,500</u>	<u>15,000</u>	<u>405,000</u>	

<u>LEASE PURCHASE OPTION - PROPOSED FUNDING</u>		<u>#130 TOWN SEWER</u>	<u>#150 BL SEWER</u>	<u>TOTAL</u>
New Vector Truck - estimated Cost of \$600,000 to be financed over a 10 year period	Annual Principal and interest	52,800	27,200	80,000

Fixed assets will be purchased from the Enterprise Funds

TO: BOARD OF DIRECTORS
 FROM: RAY DIENZO R.D.
 GENERAL MANAGER
 DATE: October 6, 2023

**AGENDA ITEM
 F
 OCTOBER 11, 2023**

GENERAL MANAGER'S REPORT

ITEM

Standing report to your Honorable Board -- *Period covered by this report is September 24, 2023 through October 7, 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 September data which is the most recent monthly data available.

OFFICE ACTIVITIES

	Sep 23	Jan 23 - Sep 23
Reports of Water Waste	0	0
Leak Adjustments	5	23
Leak Adjustment Amount	\$1,168	\$6,855
Late Fee Waivers	7	105
Late Fee Waiver Adjustment Amount	\$112	\$8,185

Water Resources

For the three 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 178.7 AF; the previous month registered 192.9 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.

Table 1. Total Production Acre Feet (AF)

	Sep - 23	Jul 23 - Jun 24
Groundwater Production	72.4	272.7
Supplemental Water Imported	106.3	291.5
Total Production	178.7	564.2

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.

	Sep - 23	Jul 23 - June 24
NCSD GW Well Production	72.4	272.7
Purveyor Customer Credit (33.3% of Import Water)	35.4	97.1
NCSD Total Calculated GW Production	107.8	369.8
Average GW Production for 2009-2013	264.7	840.6
NCSD Percentage of GW Reduction	59%	56%

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 three months of fiscal year 2023-24 actual – July through September – shows a groundwater pumping reduction of 59% while projected year end groundwater reduction estimates a 56% level of reduction.

	Sep-23	Year-to-Date Jul-Jun 2024	Target	Over/(Under)
NCSD GW Well Production	72.4	613.4		
Purveyor Customer Credit (33.3% of Import Water)	35.4	364.3		
NCSD Total Calculated GW Production	107.8	977.7	1,266.7	289 AcFt
Average GW Production for 2009-2013	264.7	2,533.4	2,533.4	
NCSD Percentage of GW Reduction	59%	61.4%	50.0%	

As demonstrated in Table 3, the District anticipates it will achieve its 50% groundwater pumping reduction target by 289 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.

Table 4. FY 2023 vs. FY 2022 Groundwater Pumping

	Sep-23	Jul 23 - Jun 24	Sep-22	Jul 22 - Jun 23
NCSD GW Well Production	72.4	272.7	71.0	600.7
Purveyor Customer Credit (33.3% of Import Water)	35.4	97.1	34.6	104.2
NCSD Total Calculated GW Production	107.8	369.8	105.6	704.9
Average GW Production for 2009-2013	264.7	840.6	264.7	840.6
NCSD Percentage of GW Reduction	59.3%	56.0%	60.1%	16.1%

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)
September 2023 Total	0.27	0.06
July-2023 through June-2024 (Season Total)	0.34	0.18
<u>Sept 1, thru Sept 22, 2023</u>	<u>0.00</u>	<u>0.00</u>
Total Rainfall to date	0.27	0.06
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	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	2736			
Galaxy and PSSH at Orchard and Division Sewer connections billed to the County	484	484	484	484	484	484	484	484	484			
Subtotal	3219	3220	3220	3220	3220	3220	3220	3220	3220	0	0	0
BLACKLAKE	559	559	559	559	559	559	559	559	559			
Sewer Connections - Total	3778	3779	3779	3779	3779	3779	3779	3779	3779	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
SEWER DWELLING UNIT EQUIVALENTS												
Sewer Town dwelling unit equivalents	3209	3213	3213	3214	3217	3217	3218	3218	3218			
Galaxy and PSSH at Orchard and Division Sewer connections billed to the County	484	484	484	484	484	484	484	484	484			
Subtotal	3693	3697	3697	3698	3701	3701	3702	3702	3702	0	0	0
BLACKLAKE	559	559	559	559	559	559	559	559	559			
Sewer Dwelling Unit Equivalents - Total	4252	4256	4256	4257	4260	4260	4261	4261	4261	0	0	0
New Sewer Dwelling Unit Equivalents-Town	0	4	0	1	3	0	1	0	0	0	0	0
New Sewer Dwelling Unit Equivalents-Galaxy	0	0	0	0	0	0	0	0	0	0	0	0

The Connection Report as of October 5, 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)	175.8	-92.8
Total Remaining Supplemental Water Available for Allocation	622	329.1

Updated September 22, 2023

Meetings (September 24 through October 7)

Meetings Attended (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 4, Leadership Training, Team Building Session
- Oct 5, City of Santa Maria Mtg. w/ City Utility Director
- Oct 6, Staff Mtg. - Cust. Service Specialist

Meetings Scheduled (October 8 through October 14):

Upcoming Meetings (telephonically or in person):

- Oct 9, NCMA TG Meeting, Introduce new NCSD GM
- Oct 10, Eng/Admin Coordination Mtg.
- Oct 11, NCSD Regular Board Meeting
- Oct 11, After-Board Exec. Team Meeting
- Oct 12, NMMA TG Meeting
- Oct 13, 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: November 1st (Wednesday) @ 1:30 pm, County Library
- NCSD Board Officer Meeting: October 17th (Tuesday) @ 3:30 PM
- BLMA: October 17th (Tuesday) 1:00 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)

OCTOBER 11, 2023

ITEM F

ATTACHMENT A

DANA RESERVE REVIEW SCHEDULE (AS OF 10/6/2023)

Status Update: No Changes

Date	Description	Comment
April 24, 2022	NCS D 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 (NCS D/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	NCS D Board Negotiations with Developer [Infrastructure Improvements/Costs]	Adopt Annexation Agreement Between Developer and NCS D
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. NCS D 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)

OCTOBER 11, 2023

ITEM F

ATTACHMENT B

Updated: September 20, 2023

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

Updated: September 20, 2023

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!)