

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION 2024-1711**

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING THE NSWP (NIPOMO SUPPLEMENTAL WATER PROJECT)
2024-2025 FISCAL YEAR BUDGET**

WHEREAS, on October 16, 2015, the Nipomo Supplemental Water Project Water Management and Groundwater Replenishment Agreement ("Agreement") was made between Nipomo Community Services District (NCSD), Rural Water Company (RWC), The Woodlands Mutual Water Company (WMWC), and Golden State Water Company (GSWC), collectively referred to as the Parties, and

WHEREAS, the purpose of the Agreement is to enable the Parties to meet their respective obligations under the Judgment based on the percentage allocations presented in Section I.K regarding the NSWP. In particular, the Parties intend this Agreement to provide for: (1) payment to NCSD for each Party's allocation of Costs and (2) distribution and use of Nipomo Supplemental Water, and

WHEREAS, pursuant to the Agreement, each fiscal year NCSD shall prepare a NSWP Enterprise Fund Budget for all revenues and expenditures related to the NSWP Enterprise Fund. The Budget shall include a summary of projected Nipomo Supplemental Water deliveries and the Costs associated with those deliveries. A draft of the Budget shall be available to each Party for review by May 1st of each year. NCSD shall make every reasonable effort to adopt the final Budget during June of each year at a regularly scheduled NCSD board meeting. The Advisory Committee shall determine the most effective content, format and reporting frequency for financial and budget reports for the NSWP Enterprise Fund.

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

1. The 2024-2025 Nipomo Supplemental Water Project Budget is hereby approved and adopted.
2. The budget be administered in accordance with generally accepted accounting principles and the past policies and practices established by the District and pursuant to the Agreement.
3. The above Recitals are true and correct and incorporated herein by this reference.

Upon motion of Director Henry, seconded by Director Iglesias, and on the following roll call vote, to wit:

AYES: HENRY, IGLESIAS, HANSEN, GADDIS EBY
NOES: NONE
ABSTAIN: NONE
ABSENT: NONE

the foregoing Resolution is hereby passed and adopted this 12th day of June 2024.



ED EBY
President of the Board

ATTEST:



RAY DIENZO
General Manager and Secretary to the Board

APPROVED AS TO FORM AND
LEGAL EFFECT:



CRAIG A. STEELE
District Legal Counsel

**NIPOMO COMMUNITY SERVICES DISTRICT
NIPOMO SUPPLEMENTAL WATER PROJECT (NSWP)
BUDGET FOR FISCAL YEAR 2024-25**

	Acre Feet Purchase (A)	Cost per Acre Foot (AF)	Total Cost	
Water Purchase Fiscal Year 2024-2025 (see page 2)	1050	see page 2	\$2,732,127	
NCS D Water O & M Cost per AF ** (see page 3)	1050	\$238.78	\$250,714	
NCS D Admin Fee per AF (15% of O & M per AF) ** (see page 3)	1050	\$35.82	\$37,607	
		<u>\$274.59</u>	<u>\$3,020,448</u>	
**To be adjusted annually based on actual costs				
	TOTAL	NCS D	WMWC	GSWC
1 Phase 1 Supplemental Water Annual Allocation (AF)	1000	666.68	166.66	166.66
2 Phase 1 Supplemental Water Delivery Percentages	100.00%	66.68%	16.66%	16.66%
3 Pass-Through Supplemental Water Cost	\$2,732,127	\$1,821,782	\$455,172	\$455,172
4 Supplemental Water O & M Cost	\$250,714	\$167,176	\$41,769	\$41,769
5 Supplemental Water NCS D Admin Fee	\$37,607	\$25,076	\$6,265	\$6,265
6 Total Annual Supplemental Water Volume Cost	\$3,020,448	\$2,014,035	\$503,207	\$503,207

	TOTAL	NCS D	WMWC	GSWC
7 Allocated Project Capacity (AF)	3,000.00	2,167.00	416.50	416.50
8 Percentage of Fixed Capital Cost Allocation	100.00%	72.24%	13.88%	13.88%
9 Yearly Capital Recovery Charge-Principal 6/30/2015 (1)	\$109,792	\$0	\$45,612	\$64,180
10 Yearly Capital Recovery Charge-Interest 6/30/2015 (1)	\$276,627	\$0	\$143,247	\$133,380
11 Yearly Capital Recovery Charge-Principal 6/30/2016 (2)	\$9,287	\$0	\$4,315	\$4,972
12 Yearly Capital Recovery Charge-Interest 6/30/2016 (2)	\$23,885	\$0	\$13,552	\$10,333
13 Yearly Capital Recovery Charge-Principal 6/30/2017 (3)	\$16,556	\$0	\$7,679	\$8,877
14 Yearly Capital Recovery Charge-Interest 6/30/2017 (3)	\$42,564	\$0	\$24,115	\$18,449
14 Yearly Capital Recovery Charge-Principal 6/30/2018 (4)	\$1,155	\$0	\$535	\$620
15 Yearly Capital Recovery Charge-Interest 6/30/2018 (4)	\$2,966	\$0	\$1,678	\$1,288
16 Yearly Capital Recovery Charge-Principal 6/30/2019 (5)	\$1,417	\$0	\$655	\$762
17 Yearly Capital Recovery Charge-Interest 6/30/2019 (5)	\$3,638	\$0	\$2,055	\$1,583
18 Yearly Capital Recovery Charge-Principal 6/30/2020 (6)	\$18,167	\$0	\$8,377	\$9,790
19 Yearly Capital Recovery Charge-Interest 6/30/2020 (6)	\$46,655	\$0	\$26,310	\$20,345
20 Yearly Capital Recovery Charge-Principal 6/30/2021 (7)	\$4,648	\$0	\$2,139	\$2,509
21 Yearly Capital Recovery Charge-Interest 6/30/2021 (7)	\$11,930	\$0	\$6,716	\$5,214
22 Yearly Capital Recovery Charge-Principal 6/30/2022 (8)	\$3,441	\$0	\$1,580	\$1,861
23 Yearly Capital Recovery Charge-Interest 6/30/2022 (8)	\$8,832	\$0	\$4,964	\$3,868
25 Yearly Capital Recovery Charge-Principal 6/30/2023 (9)	\$114	\$0	\$52	\$62
26 Yearly Capital Recovery Charge-Interest 6/30/2023 (9)	\$290	\$0	\$163	\$127
24 Supplemental Water Project Yearly Replacement (10)	\$206,865	\$149,439	\$28,713	\$28,713
25 Total Annual Fixed Supplemental Charges	\$788,829	\$149,439	\$322,457	\$316,933

Total Volume and Annual Fixed Charges for Fiscal Year 2024-2025 (Line 6 + Line 25)				
26	\$3,809,277	\$2,163,474	\$825,664	\$820,140

25 Electrical Pumping Credit (\$317.52 per acre foot-estimated)	(\$105,798)	\$0	(\$52,899)	(\$52,899)
26 SUPPLEMENTAL WATER BUDGET FISCAL YEAR 2024-2025	\$3,703,479	\$2,163,474	\$772,765	\$767,241

- (1) Per applicable amortization schedule as of 6/30/15-Schedule 1
(2) Per applicable amortization schedule as of 6/30/16-Schedule 2 (A) 1000 ACRE FEET PER CONTRACT
(3) Per applicable amortization schedule as of 6/30/17-Schedule 3 PLUS 50 ACRE FEET FOR OPERATIONAL BUFFER
(4) Per applicable amortization schedule as of 6/30/18-Schedule 4
(5) Per applicable amortization schedule as of 6/30/19-Schedule 5
(6) Per applicable amortization schedule as of 6/30/20-Schedule 6
(7) Per applicable amortization schedule as of 6/30/21-Schedule 7
(8) Per applicable amortization schedule as of 6/30/22-Schedule 8
(9) Per applicable amortization schedule as of 6/30/23-Schedule 9
Annual replacement contribution of total Supplemental Water
Project cost of \$20,686,509 assuming a 100 year project life =
(10) \$206,865 per year not to exceed \$3,000,000 adjusted annually for CPI per agreement
NCS D = Nipomo Community Services District
WMWC = Woodlands Mutual Water Company
GSWC = Golden State Water Company

**NIPOMO COMMUNITY SERVICES DISTRICT
NIPOMO SUPPLEMENTAL WATER PROJECT (NSWP) - COST OF WATER PURCHASED FROM CITY OF SANTA MARIA (SM)
BUDGET FOR FISCAL YEAR 2024-25**

FISCAL YEAR	CITY OF SM RATE INCR EFF DATE	(a)	(b)	(c)	(d)	(a)*(d)	
		ACRE FEET PURCHASED	CITY OF SM BASE Cost PER ACRE FOOT	CITY OF SM CHANGE IN ENERGY	(b)+(c) COST PER ACRE FOOT	TOTAL COST	
FY 15-16	July 1, 2015 to June 30, 2016	1/7/2015	660	\$1,495.85	\$ 23.00	\$1,518.85	\$1,001,760
FY 16-17	July 1, 2016 to June 30, 2017	7/1/2016	860	\$1,570.77	\$ 17.00	\$1,587.77	\$1,365,482
FY 17-18	July 1, 2017 to June 30, 2018	7/1/2017	945	\$1,649.18	\$ -	\$1,649.18	\$1,558,475
FY 18-19	July 1, 2018 to June 30, 2019	7/1/2018	950	\$1,649.18	\$ 52.00	\$1,701.18	\$1,616,121
FY 19-20	July 1, 2019 to December 31, 2019	7/1/2019	487	\$1,649.18	\$ 45.92	\$1,695.10	\$825,514
FY 19-20	January 1, 2020 to June 30, 2020	1/1/2020	463	\$2,077.81	\$ 45.92	\$2,123.73	\$983,287
FY 20-21	July 1, 2020 to December 31, 2020	1/1/2020	555	\$2,077.81	\$ 45.92	\$2,123.73	\$1,178,670
FY 20-21	January 1, 2021 to June 30, 2021	1/1/2021	498	\$2,160.58	\$ 43.19	\$2,203.77	\$1,097,477
FY 21-22	July 1, 2021 to December 31, 2021	1/1/2021	539	\$2,160.58	\$ 43.19	\$2,203.77	\$1,187,832
FY 21-22	January 1, 2022 to June 30, 2022	1/1/2022	531	\$2,247.70	\$ 28.14	\$2,275.84	\$1,208,471
FY 22-23	July 1, 2022 to December 31, 2022	1/1/2022	582	\$2,247.70	\$ 28.14	\$2,275.84	\$1,324,539
FY 22-23	January 1, 2023 to June 30, 2023	1/1/2023	468	\$2,339.17	\$ 149.31	\$2,488.48	\$1,164,609
FY 23-24	July 1, 2023 to December 31, 2023	1/1/2023	525	\$2,339.17	\$ 149.31	\$2,488.48	\$1,306,452
FY 23-24	January 1, 2024 to June 30, 2024	1/1/2024	525	\$2,452.43	\$ 92.97	\$2,545.40	\$1,336,334
FY 24-25	July 1, 2024 to December 31, 2024	1/1/2024	525	\$2,452.43	\$ 92.97	\$2,545.40	\$1,336,334
FY 24-25	January 1, 2025 to June 30, 2025	1/1/2025	525	\$2,565.68	\$ 92.97	\$2,658.65	\$1,395,793

2,732,127

City of Santa Maria Adopted Rate Increases			
Effective Date of City of SM Rate Increase	(e)	(f)	(e)*(f)
	Base Cost Per Unit (hcf)	Units per Acre Foot	Base Cost per Acre Foot
1/7/2015	\$3.43	435.6	\$1,495.85
7/1/2016	\$3.61	435.6	\$1,570.77
7/1/2017	\$3.79	435.6	\$1,649.18
7/1/2018	\$3.79	435.6	\$1,649.18
7/1/2019	\$3.79	435.6	\$1,649.18
1/1/2020	\$4.77	435.6	\$2,077.81
1/1/2021	\$4.96	435.6	\$2,160.58
1/1/2022	\$5.16	435.6	\$2,247.70
1/1/2023	\$5.37	435.6	\$2,339.17
1/1/2024	\$5.63	435.6	\$2,452.43
1/1/2025	\$5.89	435.6	\$2,565.68

	CITY OF SANTA MARIA - BASE ENERGY COST ADJUSTMENT (A)								
	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
(1) Current CPI (July)	258.017	264.979	261.037	281.402	289.173	307.536	343.597	390.049	418.879
(2) Base Period CPI (May 2013)	264.188	264.188	264.188	264.188	264.188	264.188	264.188	264.188	264.188
(3) Index Point Change (1)-(2)	-6.171	0.791	-3.151	17.214	24.985	43.348	79.409	125.861	154.691
(4) Divided by prior period (3) + (2)	-0.023358366	0.00299408	-0.011927113	0.065158145	0.094572804	0.164080125	0.300577619	0.476406953	0.585533787
(5) Multiply by 100 for percent change (4) x 100	-2.335836601	0.299407997	-1.192711251	6.515814496	9.457280422	16.40801248	30.0577619	47.64069526	58.55337865
(6) Adjusted to 50% per agreement (5) x 50%	-1.167918301	0.149703999	-0.596355626	3.257907248	4.728640211	8.204006238	15.02880095	23.82034763	29.27668933
(7) Base Cost of Energy (Per Agreement)	206.85	206.85	206.85	206.85	206.85	206.85	206.85	206.85	206.85
(8) Energy Adjustment (7) x (6) + 100	-2.42	0.31	-1.23	6.74	9.78	16.97	31.09	49.27	60.56
(9) Adjusted Base Cost of Energy (7) + (8)	204.43	207.16	205.62	213.59	216.63	223.82	237.94	256.12	267.41
(10) CCWA BUDGET (Per published document)	\$227.27	\$223.71	\$191.77	\$265.90	\$262.54	\$267.02	\$266.08	\$405.43	\$360.38
(11) Change in Cost of Energy (10) - (9), not less than 0	\$23	\$17	\$0	\$52	\$46	\$43	\$28	\$149.31	\$92.97

(A) City of Santa Maria has agreed to implement the Base Energy Adjustment to coincide with the January 1 rate increases.

**NIPOMO COMMUNITY SERVICES DISTRICT
NIPOMO SUPPLEMENTAL WATER PROJECT (NSWP)
BUDGET FOR FISCAL YEAR 2024-25**

OPERATIONS AND MAINTENANCE BUDGET

OPERATIONS AND MAINTENANCE	1000 AFY 2022-23 ACTUAL	1000 AFY 2023-24 BUDGET	1000 AFY 2023-24 EST ACTUAL	1,000 AFY 2024-25 PROPOSED
Electricity	103,637	120,000	104,500	125,000
Labor (fully weighted)	85,837	60,000	60,000	60,000
Water	399	650	450	475
Chemicals	9,145	9,500	9,200	9,700
Outside Services	1,159	5,400	5,150	5,300
Permits and Operating Fees	1,259	1,250	1,200	1,300
Insurance (1)	20,545	24,654	26,113	29,000
Repairs and Maintenance	4,996	8,000	7,000	8,000
TOTAL OPERATIONS AND MAINTENANCE	226,977	229,454	213,613	238,775
Cost per acre foot @ 1,000 acre feet	226.98	229.45	213.61	238.78
Overhead allocation 15% of O and M	34.05	34.42	32.04	35.82

(1) SDRMA Insurance provider provided estimate for FY 24-25

**NIPOMO COMMUNITY SERVICES DISTRICT
NIPOMO SUPPLEMENTAL WATER PROJECT (NSWP)
BUDGET FOR FISCAL YEAR 2024-25**

FUNDED REPLACEMENT RESERVES

	<u>FY 23-24</u> <u>EST ACTUAL</u>	<u>FY 24-25</u> <u>PROPOSED</u>
Beginning Balance, July 1	1,682,669	1,949,534
Collections during fiscal year		
NCS D	149,439	149,439
WMWC	28,713	28,713
GSWC	28,713	28,713
	<u>206,865</u>	<u>206,865</u>
Replacement of Analyzers	<u>0</u>	<u>(25,000)</u>
Estimated interest income	<u>60,000</u>	<u>60,000</u>
Estimated Ending Balance, June 30	<u>1,949,534</u>	<u>2,191,399</u>

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

Funded Replacement Reserve Requirement - Pursuant to Section VIII (J)

CPI Adjustment as of June 30, 2024	
CPI - 2023 Annual	321.583
CPI - 2022 Annual	<u>(310.782)</u>
	10.801
Divide by previous period CPI ÷	<u>310.782</u>
	0.0348
X	<u>100.000</u>
Percent Change	<u>3.48</u>
Maximum Balance computed as of June 30, 2023	3,845,589
Adjusted by CPI June 30, 2023 (\$3,845,589* 3.48%)	133,826
Maximum Balance adjusted as of June 30, 2024	<u>3,979,415</u>

CPI = Consumer Price Index
NCS D = Nipomo Community Services District
WMWC = Woodlands Mutual Water Company
GSWC = Golden State Water Company

	CPI INDEX	ADJ	RUNNING BALANCE
			3,000,000
6/30/2016	0.907	27,210	3,027,210
6/30/2017	1.89	57,214	3,084,424
6/30/2018	2.79	86,055	3,170,479
6/30/2019	3.81	120,478	3,290,957
6/30/2020	3.07	101,032	3,391,989
6/30/2021	1.62	54,950	3,446,939
6/30/2022	3.83	132,018	3,578,957
6/30/2023	7.45	266,632	3,845,589
6/30/2024	3.48	133,826	3,979,415