

TO: BOARD OF DIRECTORS  
REVIEWED: RAY DIENZO, P.E. *R.D.*  
GENERAL MANAGER  
FROM: JANA ETTEDDGUE *JW*  
FINANCE DIRECTOR  
DATE: FEBRUARY 6, 2025



**ACCEPT SECOND QUARTER FISCAL YEAR 2024-2025  
QUARTERLY FINANCIAL REPORT**

**ITEM**

Accept Second Quarter Financial Report [RECOMMEND RECEIVE AND FILE REPORT]

**BACKGROUND**

As of December 31, 2024, the 2024-2025 Fiscal year is 50% complete. The consolidated operating revenues are 56.48% of budget, operating expenditures are at 52.49% of budget and general and administrative expenditures are at 36.51% of budget.

Attached are the following, which provide an overview of the first six months of the fiscal year:

|           |   |
|-----------|---|
| Page 1    | Consolidated Statement of Net Position                          |
| Page 2-3  | Consolidated Statement of Revenues and Expenses                 |
| Page 4    | Summary of Revenues, Expenses and Cash Balances by Fund         |
| Page 5    | Summary of Approved Budget Adjustments                          |
| Page 6-7  | Graphs for Consolidated Revenues and Expenses                   |
| Page 8-10 | Graphs for Major Funds (Water, Town Sewer, and Blacklake Sewer) |

**STRATEGIC PLAN**

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

**RECOMMENDATION**

It is recommended that your Honorable Board receive report and direct Staff to file the quarterly financial report for the second quarter of fiscal year 2024-2025.

**ATTACHMENT**

- A. Pages 1-10 – NCSD Quarterly Financial Report

FEBRUARY 12, 2025

ITEM D-3

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT**  
**STATEMENT OF NET POSITION - (Unaudited)**  
**DECEMBER 31, 2024**

**ASSETS**

Current assets:

|                                       |                   |
|---------------------------------------|-------------------|
| Cash and cash equivalents             | \$ 21,804,169     |
| Accounts receivable                   | 193,102           |
| Unbilled utilities receivable         | 1,071,000         |
| Accrued interest receivable           | 161,875           |
| Due from partner purveyors            | 296,243           |
| Contracts receivable, current portion | 169,265           |
| Total current assets                  | <u>23,695,654</u> |

Noncurrent assets:

|  |                    |
|--|--------------------|
| Restricted cash-NSWP funded replacement    | 2,108,825          |
| Restricted cash - Held in Trust            | 17,289,491         |
| Cash with fiscal agent                     | 311,447            |
| Deposits and other assets                  | 503,923            |
| Contracts receivable, less current portion | 6,606,867          |
| Capital assets:                            |                    |
| Capital assets, net of depreciation        | 76,591,739         |
| Total noncurrent assets                    | <u>103,412,292</u> |

Total assets 127,107,946 (A)

Deferred Outflows of Resources

|                                      |                      |
|--------------------------------------|----------------------|
| OPEB related                         | 761,791              |
| Pension related                      | 1,176,459            |
| Total deferred outflows of resources | <u>1,938,250</u> (B) |

**LIABILITIES**

Current liabilities:

|                                   |                  |
|-----------------------------------|------------------|
| Accounts payable                  | 1,554,732        |
| Deposits                          | 200,798          |
| Accrued Liabilities               | 1,865,637        |
| Current portion of long-term debt | 577,924          |
| Total current liabilities         | <u>4,199,091</u> |

Noncurrent liabilities:

|                                      |                   |
|--------------------------------------|-------------------|
| Net OPEB liability                   | 1,019,022         |
| Net pension liability                | 2,514,162         |
| Long-term debt, less current portion | 32,678,568        |
| Total noncurrent liabilities         | <u>36,211,752</u> |

Total liabilities 40,410,843 (C)

Deferred Inflows of Resources

|                                     |                    |
|-------------------------------------|--------------------|
| OPEB related                        | 424,262            |
| Pension related                     | 36,566             |
| Total deferred inflows of resources | <u>460,828</u> (D) |

**NET POSITION**

|   |                   |
|---|-------------------|
| Net investment in capital assets                              | 54,888,603        |
| Restricted for system expansion, replacement and debt service | 18,997,224        |
| Unrestricted  | <u>14,288,698</u> |

Total net position (A)+(B)-(C)-(D) \$ 88,174,525

**NIPOMO COMMUNITY SERVICES DISTRICT  
STATEMENT OF REVENUES AND EXPENSES - (Unaudited)  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2024**

|  | YEAR-TO-<br>DATE | BUDGET            | % OF<br>BUDGET |
|--|------------------|-------------------|----------------|
| <u>OPERATING REVENUES</u>                                  |                  |                   |                |
| Water fixed charges  | \$ 1,037,671     | 2,120,000         | 48.95%         |
| Water usage charges  | 3,406,998        | 5,281,000         | 64.51%         |
| Sewer charges  | 1,828,485        | 3,508,300         | 52.12%         |
| Miscellaneous fees and charges                             | 299,763          | 197,790           | 151.56%        |
| Street light and landscape maintenance charges             | 36,040           | 64,273            | 56.07%         |
| Franchise fees   | 125,358          | 248,000           | 50.55%         |
| NSWP - collections from purveyors for water purchased      | 541,104          | 910,344           | 59.44%         |
| NSWP - collections from purveyors for related expenses     | 58,374           | 96,068            | 60.76%         |
| NSWP - collections for funded replacement                  | 103,433          | 206,865           | 50.00%         |
| Operating transfers in - Funded Administration             | 118,175          | 664,880           | 17.77%         |
| Operating transfers in - Funded Replacement                | 344,002          | 688,000           | 50.00%         |
| Total Operating Revenues                                   | <u>7,899,403</u> | <u>13,985,520</u> | <u>56.48%</u>  |
| <u>OPERATING EXPENSES - OPERATIONS AND MAINTENANCE</u>     |                  |                   |                |
| Wages and benefits   | 1,113,900        | 2,523,790         | 44.14%         |
| Purchased water -NCSD share                                | 1,082,861        | 1,821,782         | 59.44%         |
| Purchased water-purveyors                                  | 541,104          | 910,344           | 59.44%         |
| Operating costs, admin and funded replacement-NCSD share   | 185,504          | 341,692           | 54.29%         |
| Electricity  | 465,278          | 787,700           | 59.07%         |
| Water  | 16,613           | 20,150            | 82.45%         |
| Chemicals  | 72,268           | 130,500           | 55.38%         |
| Lab tests  | 74,344           | 131,000           | 56.75%         |
| Operating supplies   | 199,053          | 327,000           | 60.87%         |
| Outside services   | 114,351          | 393,250           | 29.08%         |
| Permits and operating fees                                 | 52,648           | 89,620            | 58.75%         |
| Repairs and maintenance                                    | 174,726          | 372,000           | 46.97%         |
| Engineering  | 16,617           | 60,000            | 27.69%         |
| Fuel   | 32,272           | 75,000            | 43.03%         |
| Meters   | 231,710          | 250,000           | 92.68%         |
| Safety program   | 1,219            | 5,300             | 23.00%         |
| Uniforms   | 8,475            | 25,600            | 33.11%         |
| Landscape maintance district                               | 2,053            | 5,300             | 38.74%         |
| Solid waste program  | 48,114           | 98,000            | 49.10%         |
| Conservation program                                       | 22,787           | 88,000            | 25.89%         |
| Operating transfer out - Funded Replacement                | 344,002          | 688,000           | 50.00%         |
| Subtotal - Operating Expenses (Operations and Maintenance) | <u>4,799,899</u> | <u>9,144,028</u>  | <u>52.49%</u>  |

continued on next page

**NIPOMO COMMUNITY SERVICES DISTRICT**  
**STATEMENT OF REVENUES AND EXPENSES - (Unaudited)**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2024**

|   | <u>YEAR-TO-<br/>DATE</u> | <u>BUDGET</u>  | <u>% OF<br/>BUDGET</u> |
|---|--------------------------|----------------|------------------------|
| <b><u>OPERATING EXPENSES - GENERAL AND ADMINISTRATIVE</u></b> |                          |                |                        |
| Wages and benefits  | 485,119                  | 1,078,810      | 44.97%                 |
| Bank charges and fees   | 116                      | 1,000          | 11.60%                 |
| Computer expense  | 135,505                  | 256,700        | 52.79%                 |
| Dues and subscriptions  | 84,707                   | 103,260        | 82.03%                 |
| Education and training  | 10,718                   | 27,000         | 39.70%                 |
| Elections   | 0                        | 15,000         | 0.00%                  |
| Liability insurance   | 185,753                  | 379,115        | 49.00%                 |
| Landscape and janitorial                                      | 10,700                   | 30,750         | 34.80%                 |
| Legal counsel-general   | 25,012                   | 102,500        | 24.40%                 |
| Legal counsel-water   | 3,227                    | 75,000         | 4.30%                  |
| Professional services   | 53,541                   | 264,800        | 20.22%                 |
| Miscellaneous   | 1,192                    | 43,750         | 2.72%                  |
| Newsletters and mailers                                       | 1,579                    | 10,200         | 15.48%                 |
| Office supplies   | 6,077                    | 18,800         | 32.32%                 |
| Outside services  | 9,728                    | 51,220         | 18.99%                 |
| Postage   | 19,748                   | 51,450         | 38.38%                 |
| Public notices  | 0                        | 7,650          | 0.00%                  |
| Repairs and maintenance                                       | 16,151                   | 32,150         | 50.23%                 |
| Property taxes  | 1,989                    | 2,400          | 82.87%                 |
| Telephone   | 5,371                    | 14,700         | 36.53%                 |
| Travel and mileage  | 10,963                   | 17,500         | 62.65%                 |
| Utilities   | 12,425                   | 32,500         | 38.23%                 |
| Operating transfer out - Funded Administration                | 118,175                  | 664,880        | 17.77%                 |
| Subtotal - Operating Expenses (General and Administrative)    | 1,197,795                | 3,281,135      | 36.51%                 |
| <br>Total Operating Expenses                                  | <br>5,997,694            | <br>12,425,163 | <br>48.27%             |
| <br>Total Operating Surplus (Deficit)                         | <br>1,901,709            | <br>1,560,357  | <br>121.88%            |
| <b><u>NON-OPERATING INCOME (EXPENSES)</u></b>                 |                          |                |                        |
| Interest income   | 694,487                  | 453,850        | 153.02%                |
| Property tax revenue  | 551,317                  | 901,095        | 61.18%                 |
| Cell site revenue   | 12,767                   | 48,500         | 26.32%                 |
| Other revenue   | 106,681                  | 147,530        | 72.31%                 |
| Capacity Charges collected                                    | 22,017                   | 0              | 0.00%                  |
| Interest expense  | (419,804)                | (584,751)      | 71.79%                 |
| Cost of Issuance- Bond Refinance                              | (294,042)                | 0              | 0.00%                  |
| Total non-operating revenues (expenses)                       | 673,423                  | 966,224        |                        |
| <br>Total Operating and Non-operating Surplus (Deficit)       | <br>\$ 2,575,132         | <br>2,526,581  |                        |

NIPOMO COMMUNITY SERVICES DISTRICT  
SUMMARY OF REVENUES AND EXPENSES BY FUND  
SIX MONTHS ENDED DECEMBER 31, 2024

| FUND                                  | FUND # | YTD REVENUES | YTD EXPENSES | SUBTOTAL  | FUNDED REPLACEMENT | TRANSFERS B/W FUNDS | YTD SUPRPLUS/ (DEFICIT) |
|---------------------------------------|--------|--------------|--------------|-----------|--------------------|---------------------|-------------------------|
| Administration                        | 110    | 287,373      | (287,373)    | 0         | 0                  | 0                   | 0                       |
| Water                                 | 125    | 4,688,079    | (3,639,566)  | 1,048,513 | (200,002)          | 0                   | 848,511                 |
| Water Rate Stabilization              | 128    | 11,143       | 0            | 11,143    | 0                  | 0                   | 11,143                  |
| Town Sewer                            | 130    | 1,392,305    | (1,139,884)  | 252,421   | (50,002)           | 0                   | 202,419                 |
| Town Sewer Rate Stabilization         | 135    | 8,379        | 0            | 8,379     | 0                  | 0                   | 8,379                   |
| Blacklake Sewer                       | 150    | 507,961      | (242,101)    | 265,860   | (93,998)           | 0                   | 171,862                 |
| Blacklake Sewer Rate Stabilization    | 155    | 1,393        | 0            | 1,393     | 0                  | 0                   | 1,393                   |
| Blacklake Street Lighting             | 200    | 28,806       | (16,325)     | 12,481    | 0                  | 0                   | 12,481                  |
| Funded Replacement-BL Street Lighting | 205    | 496          | 0            | 496       | 0                  | 0                   | 496                     |
| Street Landscape Maintenance          | 250    | 8,059        | (7,503)      | 556       | 0                  | 0                   | 556                     |
| Solid Waste                           | 300    | 136,168      | (59,911)     | 76,257    | 0                  | 0                   | 76,257                  |
| Drainage Maintenance                  | 400    | 16,396       | 0            | 16,396    | 0                  | 0                   | 16,396                  |
| Supplemental Water Capacity Fees      | 500    | 280,394      | (92,465)     | 187,929   | 0                  | 0                   | 187,929                 |
| Property Taxes                        | 600    | 554,863      | (313,129)    | 241,734   | 0                  | 0                   | 241,734                 |
| Water Capacity Fees                   | 700    | 51,938       | 0            | 51,938    | 0                  | 0                   | 51,938                  |
| Town Sewer Capacity Fees              | 710    | 30,857       | 0            | 30,857    | 0                  | 0                   | 30,857                  |
| Funded Replacement-Water              | 805    | 92,436       | 0            | 92,436    | 200,002            | 0                   | 292,438                 |
| Funded Replacement-Town Sewer         | 810    | 43,903       | 0            | 43,903    | 50,002             | 0                   | 93,905                  |
| Funded Replacement-BL Sewer           | 830    | 18,227       | 0            | 18,227    | 93,998             | 0                   | 112,225                 |
| NSWP Operations & Maintenance         | 910    | 1,799,160    | (1,734,749)  | 64,411    | 0                  | 0                   | 64,411                  |
| NSWP Funded Replacement               | 915    | 149,802      | 0            | 149,802   | 0                  | 0                   | 149,802                 |
| TOTAL                                 |        | 10,108,138   | (7,533,006)  | 2,575,132 | 0                  | 0                   | 2,575,132               |

CASH BALANCE OF EACH FUND

| FUND                                  | FUND # | 12/31/2024 |
|---------------------------------------|--------|------------|
| Administration                        | 110    | (232,981)  |
| Water                                 | 125    | 4,669,099  |
| Water Rate Stabilization              | 128    | 470,990    |
| Town Sewer                            | 130    | 349,621    |
| Town Sewer Rate Stabilization         | 135    | 354,165    |
| Blacklake Sewer                       | 150    | 1,287,227  |
| Blacklake Sewer Rate Stabilization    | 155    | 58,874     |
| Blacklake Street Lighting             | 200    | 18,540     |
| Funded Replacement-BL Street Lighting | 205    | 20,968     |
| Street Landscape Maintenance          | 250    | 18,068     |
| Solid Waste                           | 300    | 499,401    |
| Drainage Maintenance                  | 400    | 59,653     |
| Supplemental Water                    | 500    | 4,029,728  |
| Property Taxes                        | 600    | 910,521    |
| Water Capacity Fees                   | 700    | 2,126,997  |
| Town Sewer Capacity Fees              | 710    | 623,200    |
| Funded Replacement-Water              | 805    | 3,896,986  |
| Funded Replacement-Town Sewer         | 810    | 1,833,744  |
| Funded Replacement-BL Sewer           | 830    | 816,693    |
| NSWP                                  | 910    | (7,325)    |
| TOTAL                                 |        | 21,804,169 |

BALANCE SHEETS AND STATEMENTS OF REVENUES AND EXPENSES FOR EACH FUND ARE AVAILABLE FOR REVIEW UPON REQUEST

NIPOMO COMMUNITY SERVICES DISTRICT  
SUMMARY OF APPROVED BUDGET AMENDMENTS  
FISCAL YEAR DECEMBER 31, 2024

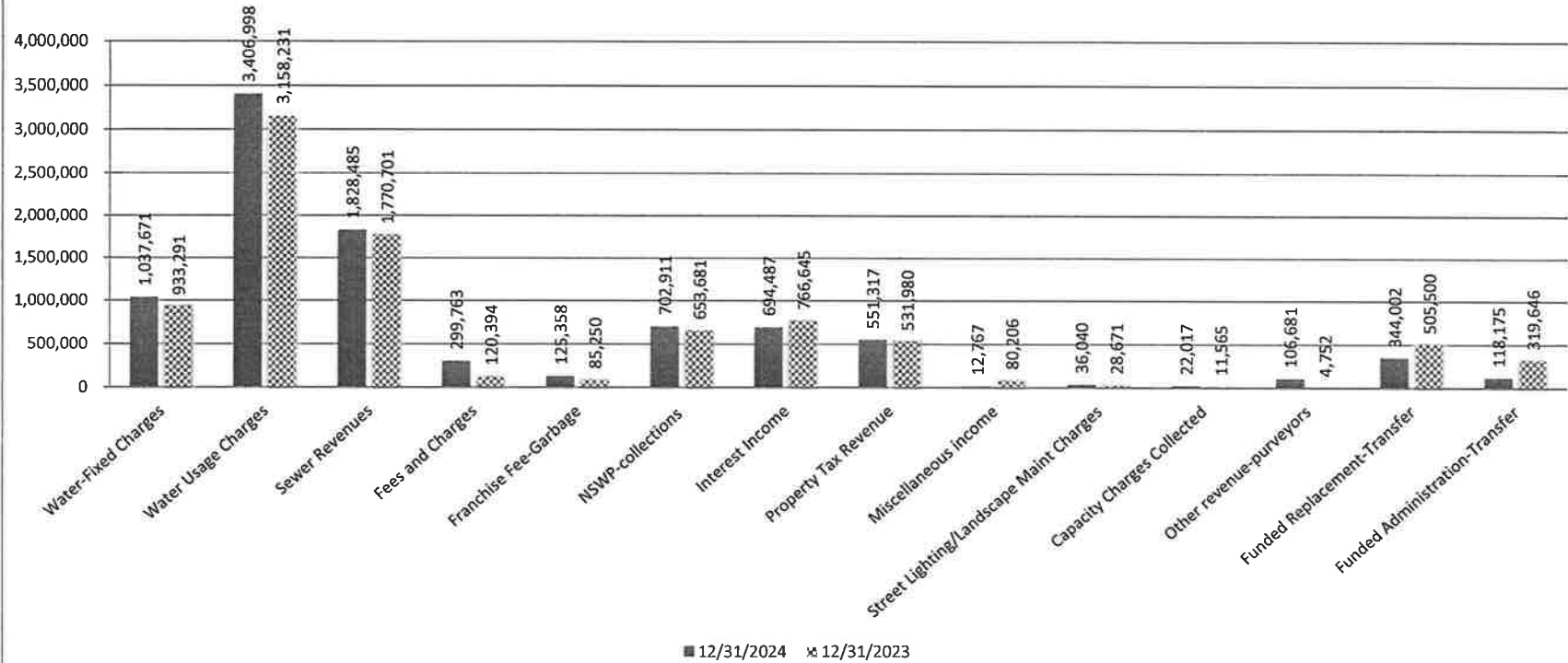
FIRST QUARTER ENDING SEPTEMBER 30, 2024

| DATE      | DESCRIPTION            | FUNDS | APPROVED BUDGET | APPROVED AMENDMENT | AMENDED BUDGET | RESOLUTION NUMBER |
|-----------|------------------------|-------|-----------------|--------------------|----------------|-------------------|
| 7/10/2024 | Blacklake Lift Station | 950   | \$5,750,000     | \$2,444,917        | \$8,194,917    | 2024-1716         |
| 8/14/2024 | SWP Interconnection    | 500   | \$1,000,000     | \$448,696          | \$1,448,696    | 2024-1718         |

SECOND QUARTER ENDING DECEMBER 31, 2024

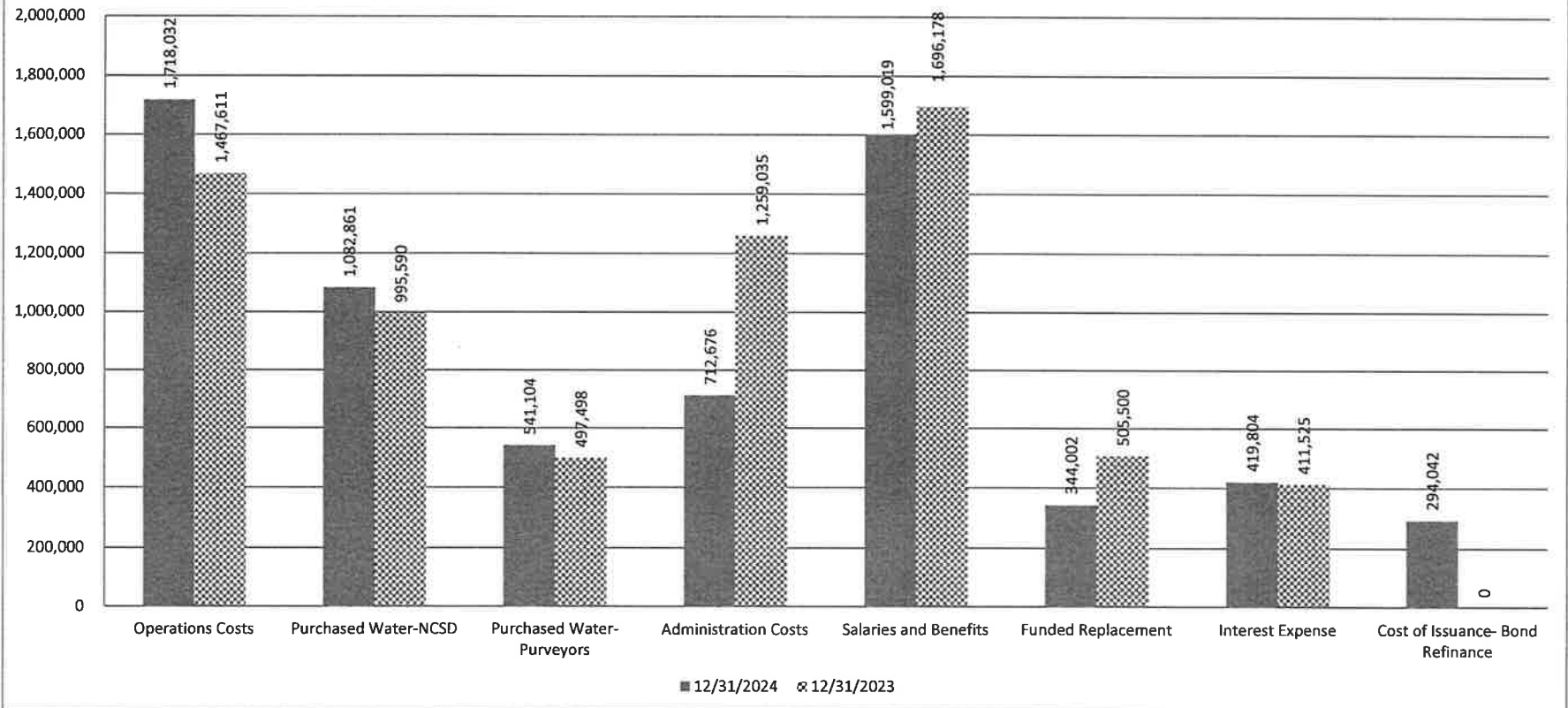
| DATE       | DESCRIPTION                                | FUNDS | APPROVED BUDGET | APPROVED AMENDMENT | AMENDED BUDGET | RESOLUTION NUMBER |
|------------|--|-------|-----------------|--------------------|----------------|-------------------|
| NONE       | NONE                                       | NONE  | NONE            | NONE               | NONE           | NONE              |
| 12/11/2024 | 2024 Water Distribution System Improvement | 500   | \$1,800,000     | \$363,725          | \$2,163,725    | 2024-1726         |
| 12/11/2024 | 2024 Water Distribution System Improvement | 700   | \$190,000       | \$40,000           | \$230,000      | 2024-1726         |
| 12/11/2024 | 2024 Water Distribution System Improvement | 805   | \$100,000       | \$21,000           | \$121,000      | 2024-1726         |

**NIPOMO COMMUNITY SERVICES DISTRICT  
TOTAL REVENUES  
FOR SIX MONTHS ENDED DECEMBER 31, 2024 AND 2023**

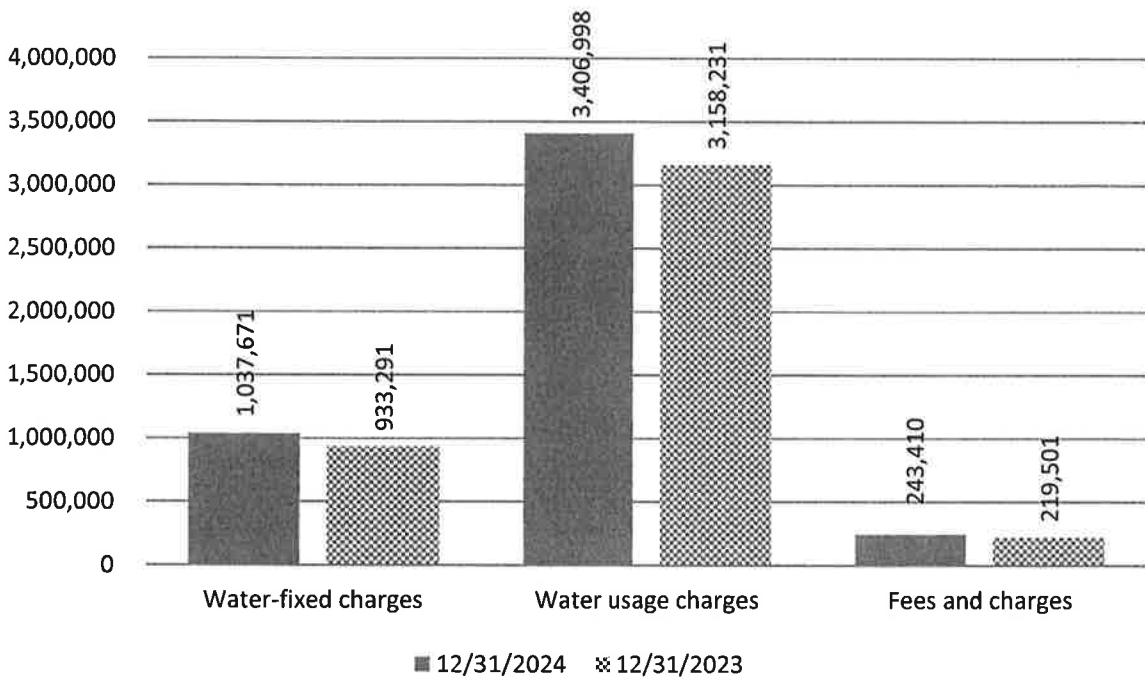




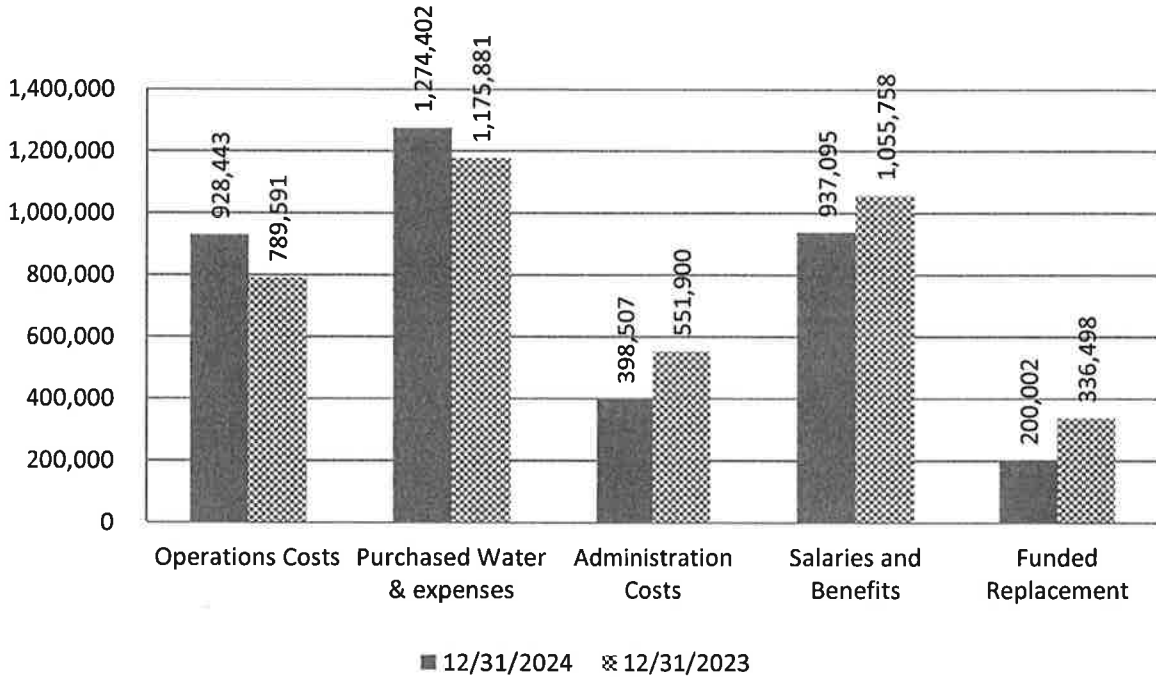
**NIPOMO COMMUNITY SERVICES DISTRICT  
TOTAL EXPENDITURES  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2024 AND 2023**

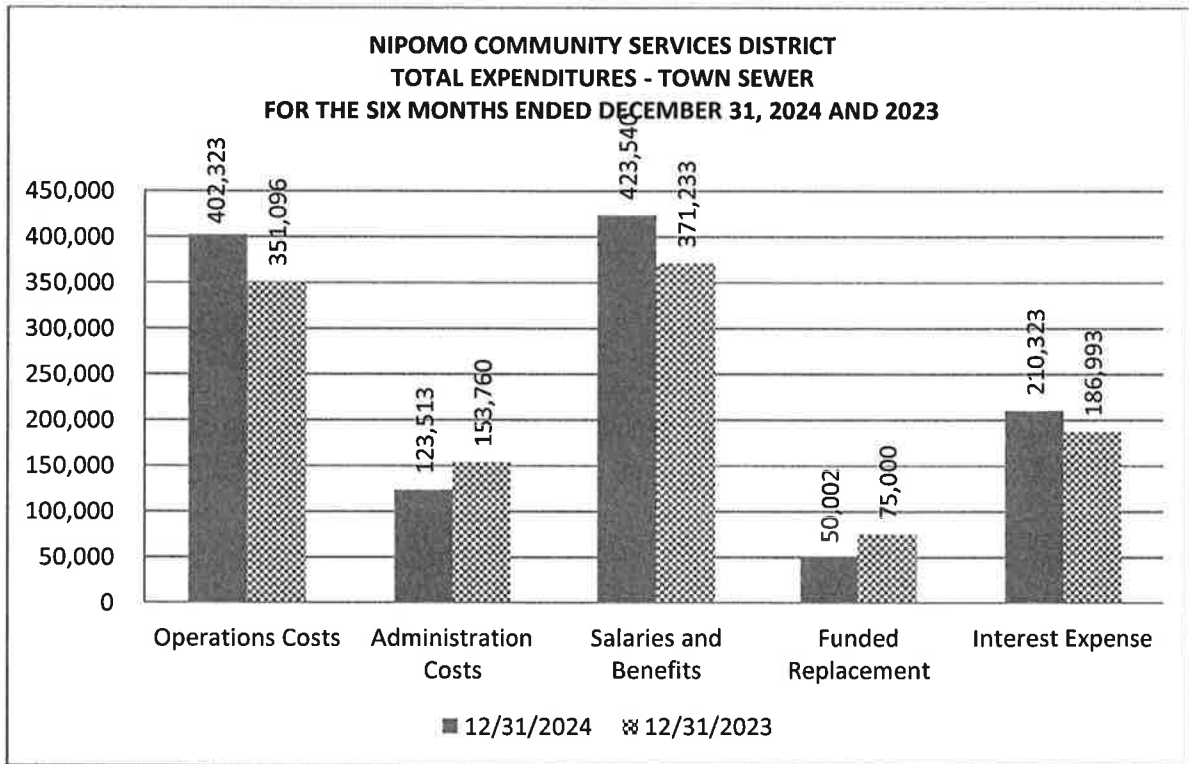
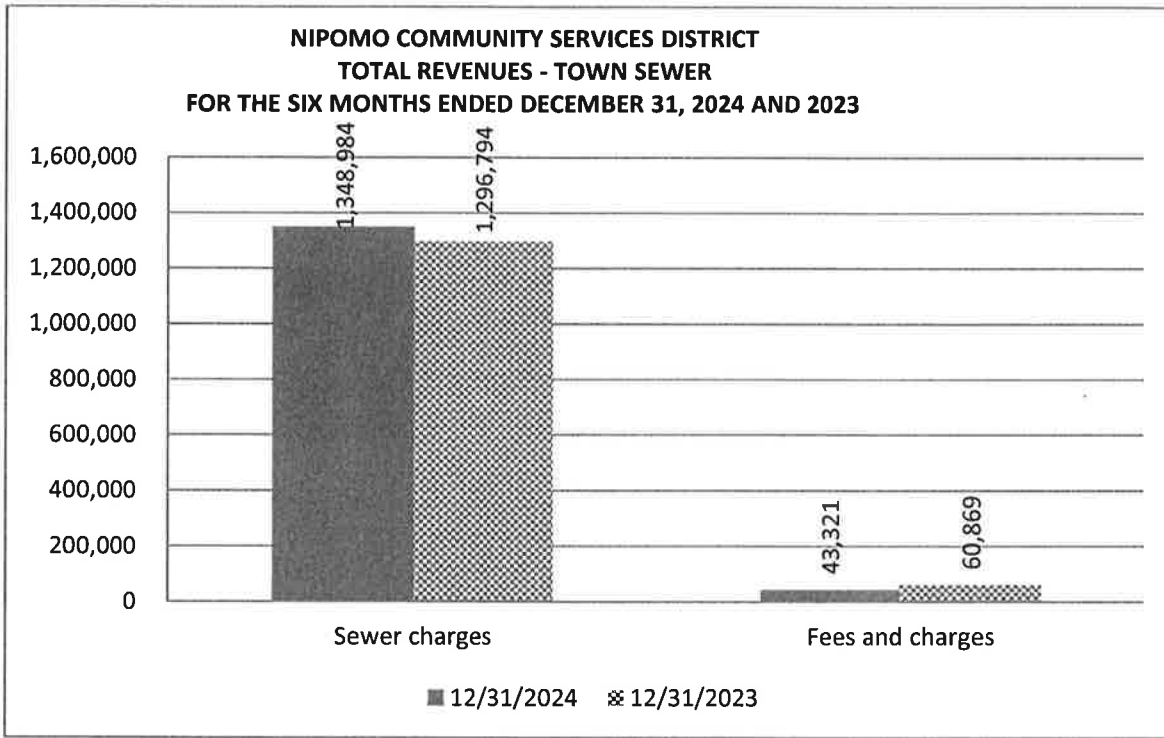


**NIPOMO COMMUNITY SERVICES DISTRICT  
TOTAL REVENUE - WATER FUNDS  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2024 AND 2023**

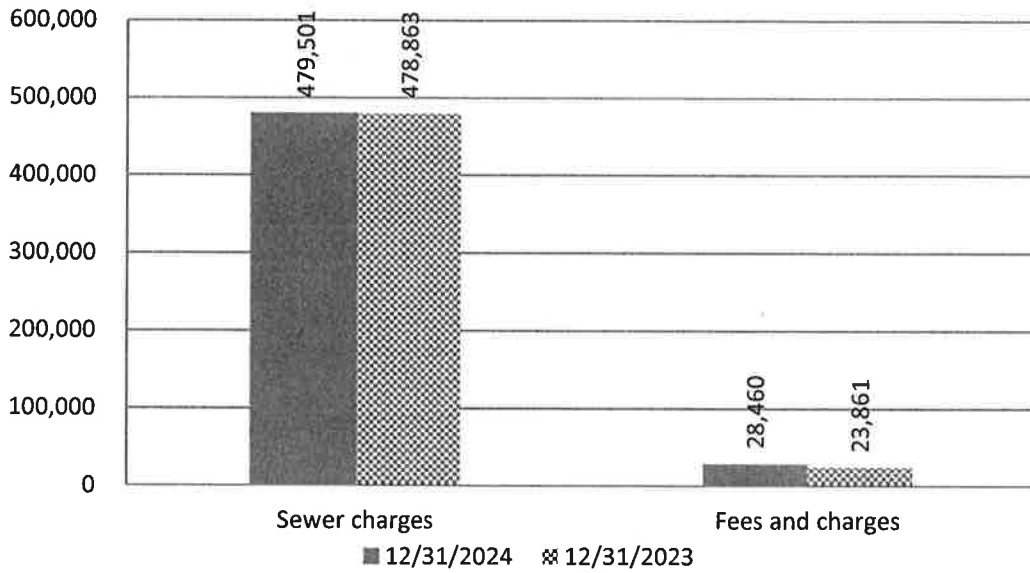


**NIPOMO COMMUNITY SERVICES DISTRICT  
TOTAL EXPENDITURES - WATER FUNDS  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2024 AND 2023**

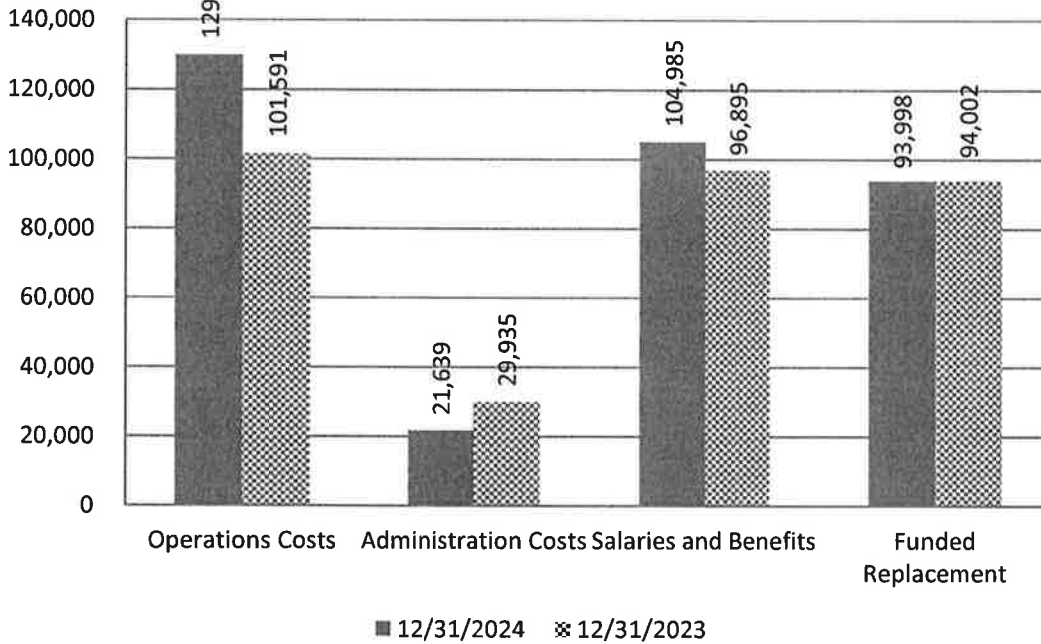




**NIPOMO COMMUNITY SERVICES DISTRICT  
TOTAL REVENUES - BLACKLAKE SEWER  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2024 AND 2023**



**NIPOMO COMMUNITY SERVICES DISTRICT  
TOTAL EXPENDITURES - BLACKLAKE SEWER  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2024 AND 2023**



TO: BOARD OF DIRECTORS  
FROM: RAY DIENZO *R.D.*  
GENERAL MANAGER  
DATE: FEBRUARY 6, 2025



**APPROVE AGREEMENT WITH ROGERS, ANDERSON, MALODY & SCOTT PROPOSAL FOR 3 YEARS OF AUDITING SERVICES**

**ITEM**

Approve agreement with Rogers, Anderson, Malody & Scott proposal for 3 years of auditing services.[RECOMMEND APPROVE AGREEMENT]

**BACKGROUND**

Pursuant to Special District Law, the Board of Directors shall provide for regular audits of the District's accounts and records. An audit is performed on the accounts and records of Nipomo Community Services District every year by an independent Certified Public Accountant ("CPA").

The District contracts for auditing services under a three-year contract. With the completion of the June 30, 2024 audit, the three-year contract with Rogers, Anderson, Malody & Scott, LLP ("RAMS"), Certified Public Accountants is complete. In order to maintain continuity, Staff requested a proposal for RAMS for an additional three years, which is allowed under California Government Code 12410.6(b).

Excerpt from California Government Code Section 12410.6(b):

*Commencing with the 2013-14 fiscal year, a local agency shall not employ a public accounting firm to provide audit services to a local agency if the lead audit partner or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for the local agency for six consecutive years.*

Scott Mano, CPA has been the managing partner the last three years.

The fee schedule for the previous three fiscal years (FY 22, 23 and 24) was \$24,500, \$25,000 and \$25,500. RAMS is proposing a fee schedule for the next three years of \$33,000, \$34,750 and \$36,500, respectively.

**RECOMMENDATION**

It is recommended that the Board of Directors approve the agreement with RAMS and direct the General Manager to execute the agreement.

**ATTACHMENT**

- A. Proposal for Professional Auditing Services

FEBRUARY 12, 2025

ITEM D-4

ATTACHMENT A



ROGERS, ANDERSON, MALODY & SCOTT, LLP  
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

735 E. Carnegie Dr, Suite 100  
San Bernardino, CA 92408  
909 889 0871 T  
909 889 5361 F  
ramscpa.net

January 13, 2025

**PARTNERS**

Scott W. Manno, CPA, CGMA  
Leena Shanbhag, CPA, MST, CGMA  
Bradford A. Welebir, CPA, MBA, CGMA  
Jenny W. Liu, CPA, MST  
Gardenya Duran, CPA, CGMA  
Brianna Schultz, CPA, CGMA  
Brenda L. Odle, CPA, MST (Partner Emeritus)  
Terry P. Shea, CPA (Partner Emeritus)

**Nipomo Community Services District  
148 South Wilson Street  
Nipomo, CA 93444**

We would like to take this opportunity to thank you and your staff for the confidence and support you have provided to us over the past few years.

**MANAGERS / STAFF**

Seong-Hyeon Lee, CPA, MBA  
Evelyn Morentin-Barcena, CPA  
Veronica Hernandez, CPA  
Laura Arvizu, CPA  
John Maldonado, CPA, MSA  
Julia Rodriguez Fuentes, CPA, MSA  
Demi Hite, CPA  
Jeffrey McKernan, CPA  
Monica Wysocki, CPA  
Jacob Weatherbie, CPA, MSA  
Bohm Han, CPA, MAcc  
Amy Gonzalez, CPA

As you are aware, our current contract with the District has expired, therefore, we would like to propose an extension with the District. We are proud of the excellent service our firm has provided the District. In addition to the audit, we have provided assistance to the District in the preparation of its financial statements, we have been flexible in our audit schedules to accommodate any requests of the District and we have made ourselves available (*at no extra charge*) throughout the years to answer questions raised by finance staff.

**MEMBERS**

American Institute of  
Certified Public Accountants

*PCPS The AICPA Alliance  
for CPA Firms*

*Governmental Audit  
Quality Center*

California Society of  
Certified Public Accountants

We have made it an absolute priority to provide the District with the best service possible and we would like to continue providing those services. We would like to propose a three-year extension to our current contract ending June 30, 2024 for the fiscal years ending June 30, 2025, 2026 and 2027 at the District's preference, in order to provide continuous and uninterrupted auditing services to the District. As has been the case during our current contract period, we will continue to provide continuity of staffing, be available to work with the finance staff in areas of technical accounting pronouncements as well as compliance and internal control issues. We are available for telephone consultation on various financial matters throughout the year. All professional consultations throughout the year have been included in our proposed fixed fee.

Please see the attached fee schedule for our proposed fees for the fiscal years ending June 30, 2025, 2026, and 2027. As you will see, we have increased the fee in order to stay current with economic changes, retain our staff, and deal with the staffing shortages in the industry.



We value the District as an important client and look forward to continuing our services for the next several years. Please do not hesitate to contact us at (909) 889-0871 for further clarification. We look forward to continuing our professional relationship with the District.

Very truly yours,

*ROGERS, ANDERSON, MALODY & SCOTT, LLP*



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Scott Manno, CPA, CGMA  
Partner

RESPONSE:

Acknowledged and agreed on behalf of the Nipomo Community Services District:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**Nipomo Community Services District  
Rogers Anderson Malody & Scott, LLP  
Proposed fees**

| Description of services | Fiscal Year |           |           |
|-------------------------|-------------|-----------|-----------|
|                         | 2025        | 2026      | 2027      |
| District Audit          | \$ 24,000   | \$ 25,500 | \$ 27,000 |
| ACFR preparation        | \$ 9,000    | \$ 9,250  | \$ 9,500  |

TO: BOARD OF DIRECTORS  
REVIEWED: RAY DIENZO, P.E. *R.D.* -  
GENERAL MANAGER  
FROM: PETER V. SEVCIK, P.E.  
DIRECTOR OF  
ENGINEERING & OPERATIONS  
DATE: FEBRUARY 5, 2025

**AGENDA ITEM  
D-5  
FEBRUARY 12, 2025**

**AUTHORIZE TASK ORDER FOR ENGINEERING DESIGN SERVICES  
FOR MALLAGH STREET REPLACEMENT WATERMAIN**

**ITEM**

Authorize Task Order for engineering services for Mallagh Street Replacement Watermain in the amount of \$26,027 with Cannon Corporation [RECOMMEND AUTHORIZE TASK ORDER].

**BACKGROUND**

At the October 11, 2023 Board Meeting, the Board authorized staff to execute a contract with Cannon Corporation ("Cannon") to provide engineering services for the 2024 Water Distribution System Improvement Project ("Project"). The Project involves the construction of approximately 4,300 linear feet of 12-inch water main in Pomeroy Road between Willow Road and Aden Way, 365 linear feet of 8-inch water main in Sea Pines Place between Via Concha and Woodgreen Way, and 765 feet of 4-inch water main in Red Oak Way within the District's service area. Construction of the Project is currently underway.

The FY 2024-2025 Budget includes funding for replacing approximately 325 linear feet of existing 6-inch waterline in Mallagh Street between Dana and Tefft with an 8-inch waterline, including replacement of two water services. Staff requested a proposal from Cannon to provide design engineering services for the Mallagh Street replacement watermain. Cannon submitted the attached proposal to perform the work for a not to exceed amount of \$26,027. Staff's intent is to complete the design for the Mallagh Street replacement watermain and then negotiate a change order, subject to Board approval, with the contractor to have the replacement watermain constructed as part of the Project.

**FISCAL IMPACT**

Funding for the Mallagh Street replacement waterline in the amount of \$250,000 is available in the FY 2024-2025 budget.

**STRATEGIC PLAN**

Goal 1 – WATER SUPPLY – Actively plan to provide reliable water supply of sufficient quality and quantity to serve both current customers and those in the long-term future.

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 Task Order in the amount of \$26,027 with Cannon for the Mallagh Street Replacement Watermain design.

**ATTACHMENTS**

- A. Cannon proposal dated January 27, 2025

FEBRUARY 12, 2025

ITEM D-5

ATTACHMENT A



November 15, 2024

Peter V. Sevcik, PE  
Nipomo Community Services District  
148 S Wilson Street  
Nipomo, CA 93444

**PROJECT: CONSTRUCTION MANAGEMENT, INSPECTION, AND CONSTRUCTION STAKING SERVICES FOR  
2024 WATER DISTRIBUTION SYSTEM IMPROVEMENTS**

Dear Mr. Sevcik:

We appreciate the opportunity to provide construction management, inspection, and construction staking services for your 2024 Water Distribution System Improvements Project (Project). Our proposed staff has recent experience managing and inspecting water distribution projects for both Local and State agencies throughout San Luis Obispo and surrounding counties. Many of these projects involved work items like the proposed scope, including items such as water line and appurtenance installation, tie-ins to existing facilities, and roadway restoration.

As the Engineer of Record for this project, we are intimately familiar with the project details and uniquely positioned to provide a successful project thorough completion. In addition, our recent experience managing and inspecting similar water projects provides Cannon with unique insight regarding Nipomo Community Services District's expectations - to facilitate delivery of the project on time and within budget with minimal impacts to the public.

We have included a staffing plan and cost estimate based on the anticipated project work and duration of 150 calendar days. Based on our understanding of the District's needs, we have proposed a full-time construction inspector, part-time construction manager, construction staking services, construction administration, and materials testing services. We are confident the qualifications of our staff offer an excellent match for this project, and we are ready to begin work upon your approval. Thank you for the opportunity to provide construction management and inspection services on the 2024 Water Distribution System Improvements Project.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick Riddell".

Patrick Riddell, PE C72034  
Director of Construction Management

1050 Southwood Drive, San Luis Obispo, CA 93401  
T 805.544.7407 F 805.544.3863  
CannonCorp.us

241027



#### **PROJECT UNDERSTANDING AND APPROACH**

The Nipomo Community Services District's (District) has a tremendous responsibility to provide a reliable water supply to the community. This project will ultimately provide the District the ability to supply outside agencies with water not allocated for use within the District.

The project is currently out to bid, with bids expected to be received on November 21, 2024. We understand that the contract allows for 150 calendar days from NTP to complete the work and, therefore, our proposal provides for 150 calendar days (105 working days) of construction management and inspection services, with additional pre- and post-construction management services included.

One critical aspect of this project includes the five (5) separate tie-ins of the new facilities to existing infrastructure. These shutdowns will be limited to the hours of 10:00PM to 2:00AM and will require detailed planning and execution by the construction team to ensure minimal service disruption to the community.

Project work will also include the installation of approximately 4,600 LF of 12" C900 water line, 425 LF of 8" C900 water line, and 900 LF of 4" C900 water line. Appurtenances to be installed include blowoff assemblies, air and vacuum release assemblies, double detector backflow assemblies, water services, and roadway restoration.

Cannon's construction management staff has direct experience on similar types of water construction projects, including work with local water districts and municipalities. We will provide the District with qualified leadership through an experienced Resident Engineer and supporting team staff. We fully understand the construction documentation and requirements for the project. We have performed an in-depth and detailed review of the project plans and specifications, and we have developed a detailed understanding of the overall goals and timing of the project.



## **PROJECT-SPECIFIC CONSIDERATIONS AND CRITICAL SUCCESS FACTORS**

### **Construction Management Expertise**

We offer the District expertise with the following services: construction management, inspection, and engineering; cost controls; schedule review; communication and documentation; weekly progress reporting; management of RFIs, submittals, change orders; potential claims management; and payment applications. In addition, our project team has recently completed construction management of similar water infrastructure projects, and we are intimately familiar with the formats and procedures required to successfully manage and inspect the construction of your water distribution project.

### **Construction Schedule and Budget**

A properly managed schedule is instrumental in maintaining project progress and establishing a common basis on which time and cost issues, as well as disputes, may be negotiated. We will use critical path method (CPM) scheduling to review the contractor's construction schedule to confirm successful implementation of the construction project. Through analysis of the CPM schedule, we can assess project progress. This careful analysis may present opportunities for cost savings as well as opportunities to shorten the overall construction schedule, which is particularly important in a project of this nature.

### **Technical Expertise**

Knowledge and experience in the design, construction, and sequencing of water distribution construction is a critical prerequisite for the management team responsible for overseeing the construction of this project. In addition to our detailed familiarity with the project plans and specifications, the construction management team must have a thorough understanding and background using applicable provisions, standard specifications for public works construction (Greenbook), and have a solid understanding of the overall project work involved. Cannon's construction management team has the resources to address all aspects of the construction management and inspection work of this project in-house.

### **Quality Assurance**

Materials engineering, sampling, and acceptance testing functions are a critical component of this project. We will provide administration of materials sampling and testing procedures to be used during construction and confirm that the construction materials and workmanship conforms to contract specifications. We will coordinate directly with our proposed materials engineer and will work closely with the resident engineer and project inspector to confirm that sampling and acceptance testing is completed in accordance with the contract documents and



that testing is completed in a timely manner. We will maintain a summary log of all testing to measure consistency.

#### **Communication Strategy**

Communication is essential in avoiding or resolving problems that may be encountered during a project. Understanding our role in relation to the roles of the District's designated Project Manager will be a top priority. We will develop clear and concise procedures for communications specifically tailored for this project that will expedite and facilitate project work.

Effective communication is the foundation of good relations. In collaboration with the District, we will implement and confirm compliance with established records management procedures for recording and distributing project documents. The more complete the documentation, the more effective the resolution of any problems that may arise. In addition, this information can be used to avoid claims if the evidence is sufficient and clear.

#### **Maintaining Water Service**

One of the main purposes of this project is to provide increased water distribution capacity, which will require five (5) separate tie-ins to existing waterline facilities. This will require advance planning by the engineer, careful implementation by the contractor, and close coordination with District operators and the CM team to ensure that water line tie-in operations result in minimal service disruptions to the community.

#### **Utility Locating**

Prior to beginning construction of underground improvements, the contractor is required to locate and identify the horizontal and vertical location of any existing utilities which may affect the work. Enforcing this requirement at the pre-construction meeting will increase safety and allow the information to be provided to the engineer in a timely manner, such that changes can be made with minimal disruption and/or cost impacts.





## **WORK PLAN**

Our work program for pre-construction, construction, and post-construction activities is detailed below.

### **Phase 1. Pre-Construction**

#### ***Task 1.1 Contract Document Review***

Our construction management team will thoroughly review plans, specifications, related reports, and documents pertinent to administering the construction of this project. In addition to facilitating our understanding of scope and sequencing of the work, this review will allow us to determine areas that may present challenges during construction. In conjunction with our preliminary review, we will review field conditions and photograph or video the work area and site conditions prior to the start of construction. We will discuss noted design issues or potential conflicts, along with questions that arise from our initial plan review with the District's project manager and project engineer.

#### ***Task 1.2 Document Control Procedures and Coordination with District Staff***

Cannon will establish a working relationship with District staff to implement procedures for the efficient processing and management of project documents.

#### ***Task 1.3 Pre-Construction Meeting***

Cannon will coordinate and lead the Pre-Construction Meeting, which will include all major subcontractors and other project stakeholders.



## **Phase 2. Construction**

### ***Task 2.1 On-Site Construction Management and Inspection***

Cannon will have a Resident Engineer assigned to the project who will oversee construction management operations. Their team will include a Construction Inspector who will be onsite to monitor the daily construction operations and provide coordination and documentation of activities.

### ***Task 2.2 Construction Inspection***

During observation and monitoring of the quality of the construction work, we will provide the following services:

- Maintain daily on-site project reports for inspections, observations, and construction activities. Reports will contain a record of weather, work on-site, number of workers, work accomplished, problems encountered, solutions agreed upon, and other similar relevant data per District requirements.
- Maintain photo and video record of construction progress.
- Monitor traffic control and continually update or modify as necessary to confirm safe passage through the project work zones.
- Monitor construction activities to see that elements of project are furnished, installed, and constructed per contract documents. We will also prepare required notices of non-conformance when materials, construction installation process, or quality of work does not meet the requirements of the contract. Notices will be issued to the contractor stating the nature of the deviation and requiring the contractor to perform corrective action. Non-compliance issues will be documented with photographs and in writing.
- File appropriate reports.
- Oversee inspection and/or testing performed by the contractor as part of the contract work.
- Conduct daily inspections and oversee inspections required for the project.
- Monitor the contractor's work and recommend testing as needed.
- Review storm water BMPs for compliance with approved SWPPP.

### ***Task 2.3 Scheduling and Progress Meetings***

Cannon will coordinate, review, and approve the contractor's proposed schedule for the completion of the project. We will also review the contractor's baseline schedule and update submittals for conformance with the master schedule and contract documents. In addition, we will prepare and distribute Weekly Statement of Working Day Reports to maintain an accurate and current record of contract time.



***Task 2.4 Change Order Management***

Cannon will negotiate and coordinate the implementation of contract change orders during the construction process. We will compile change-order-supporting documentation, such as inspection reports, test reports, drawings, sketches, photographs, and other materials as required. We will review and evaluate the appropriateness of proposed change orders; advise the District as to their effect on the contract time and cost; and perform independent estimates of the proposed change order work, when necessary, as well as recommend approval or denial with approval by the District.

***Task 2.5 Requests for Information (RFI) Management***

Cannon will provide timely coordination of RFIs with the Engineer of Record and written responses to contractor. We will maintain the RFI log and records.

***Task 2.6 Submittal Management***

Cannon will provide timely coordination with the Engineer or Record for submittals of materials not supplied by the District. We will maintain the submittal log and records.

***Task 2.7 Claims Management (optional)***

At the request of the District, Cannon will maintain a potential claims log. We will prepare a file for each potential claim issue. We will evaluate, analyze, and coordinate negotiation to achieve claims and dispute resolutions in line with District directions.

***Task 2.8 Survey***

Cannon will provide construction staking services for the contractor. The scope of construction staking is limited to providing horizontal and vertical offsets every 100', including angle points and other features. Re-staking is not included in this scope of work but can be provided as an additional service to this contract. Upon request of the District, we can also provide monument preservation, if applicable, as an additional service to this contract.

***Task 2.9 Construction Administration***

As this District's Engineer of Record for the project, we will provide review and response of Submittals and RFI's, as well as attend weekly meetings on an as-needed basis.



***Task 2.10 Materials Testing***

Cannon will coordinate with our materials sampling and testing subconsultant, Earth Systems Pacific, to confirm sampling and testing frequencies are met. We will review the results of the testing materials. Following our review, we will make recommendations for the acceptance of work in general compliance with the contract documents or make recommendations if remedial actions are needed to correct unacceptable portions of the contractor's work.

***Task 2.11 Progress Pay Estimates***

Cannon will evaluate the contractor's pay applications. We will verify that the quantities claimed are true and accurate using field measurements, materials tickets, extra work reports, and visual confirmation. We will prepare quantity calculation sheets for each bid item for inclusion in the project records.

***Task 2.12 Safety Program and Traffic Control Plan***

Cannon will monitor the contractor's on-site safety program and compliance with Cal-OSHA Construction Safety Orders. Cannon will also review the contractor's submitted traffic control plans for compliance with local and state provisions and ensure the contractor has implemented those plans accordingly.

***Task 2.13 Project Records***

Cannon will establish and implement procedures for reviewing and processing project documentation. To maintain that records are organized, complete, and will allow for ease of document retrieval, we will set up project binders and electronic files following procedures outlined in Chapter 5 of the Caltrans Construction Manual.

Cannon will implement procedures for timely delivery of project documentation; expediting RFIs, submittals and change orders; and submittal, review, and approval of Progress Pay applications. Monitoring logs will be created to track survey records, RFIs, submittals, certified payroll, employee interviews, materials incorporated into project, materials testing, change orders, extra work reports, pay estimates, and potential claims.



### **Phase 3. Construction Completion and Closeout**

#### ***Task 3.1 Final Inspection and Punch List***

Cannon will compile detailed "punch lists" with the District's Project Manager and Engineer. We will oversee the complete performance of punch list items and final clean-up before the contractor moves off-site. We will coordinate final testing, documentation, and regulatory inspections.

#### **Task 3.2 Coordinate Close-Out and Submittal of Final Documents**

Cannon will monitor the contractor's, subcontractor's, and designer's progress to finalize and submit project records and documents. We will obtain the required contract documents, lien releases, written warranties, and record drawings, and forward them to the District for inclusion in the project files.

#### **Task 3.3 Final Payment**

Cannon will evaluate the contractor's final payment application, resolve outstanding matters, and provide approval and recommendation for final payment.

#### **Task 3.4 Record Drawings**

Cannon will gather all redlined drawings from the contractor for review and acceptance. The plans will contain all modifications or plan deviations encountered during construction. Cannon will provide a conformed set of record drawings for inclusion in the District's files.



**FEES**

Fees are based on the rates per the following fee schedule. It is our understanding that this project qualifies for California Prevailing Wages. Based on review of the project documents, we have assumed part-time construction management and full-time inspection for the duration of the project (150 calendar days; 105 working days), plus part-time pre-construction and post-construction services.

Total Estimated Cost of CM & Inspection Services: **\$295,464**

| Phase  | Role                                 | Name                | Rate  | 2024       |            |            |            |            |            | Total Est. Hours                           | Estimated Cost   |
|--|--------------------------------------|---------------------|-------|------------|------------|------------|------------|------------|------------|--|------------------|
|  |                                      |                     |       | Jan        | Feb        | Mar        | Apr        | May        | Jun        |  |                  |
| <b>Pre-Construction</b>  |                                      |                     |       |            |            |            |            |            |            |  |                  |
|  | Construction Manager                 | Pat Riddell, PE     | \$233 | 4          |            |            |            |            |            | 4  | \$932            |
|  | Resident Engineer                    | Matt Scholfield, PE | \$210 | 40         |            |            |            |            |            | 40   | \$8,400          |
|  | Construction Inspector III (PW)      | Steve Creech        | \$168 | 16         |            |            |            |            |            | 16   | \$2,688          |
|  | Office Engineer III                  | Marcia Bohac        | \$125 | 2          |            |            |            |            |            | 2  | \$250            |
| <b>Construction</b>  |                                      |                     |       |            |            |            |            |            |            |  |                  |
|  | Construction Manager                 | Pat Riddell, PE     | \$233 | 2          | 4          | 4          | 4          | 4          | 2          | 20   | \$4,660          |
|  | Resident Engineer                    | Matt Scholfield, PE | \$210 | 40         | 62         | 68         | 54         | 52         | 36         | 312  | \$65,520         |
|  | Construction Inspector III (PW)      | Steve Creech        | \$168 | 80         | 152        | 168        | 176        | 168        | 96         | 840  | \$141,120        |
|  | Construction Inspector III (PW) - OT | Steve Creech        | \$252 |            |            | 8          | 24         | 8          |            | 40   | \$10,080         |
|  | Office Engineer III                  | Marcia Bohac        | \$125 | 2          | 4          | 4          | 4          | 4          | 2          | 20   | \$2,500          |
| <b>Post-Construction</b>   |                                      |                     |       |            |            |            |            |            |            |  |                  |
|  | Construction Manager                 | Pat Riddell, PE     | \$233 |            |            |            |            |            | 2          | 2  | \$466            |
|  | Resident Engineer                    | Matt Scholfield, PE | \$210 |            |            |            |            |            | 32         | 32   | \$6,720          |
|  | Construction Inspector III (PW)      | Steve Creech        | \$168 |            |            |            |            |            | 16         | 16   | \$2,688          |
|  | Office Engineer III                  | Marcia Bohac        | \$125 |            |            |            |            |            | 4          | 4  | \$500            |
| <b>Total Estimated Hours</b>   |                                      |                     |       | <b>186</b> | <b>222</b> | <b>252</b> | <b>262</b> | <b>236</b> | <b>190</b> | <b>1348</b>                                |                  |
|  |                                      |                     |       |            |            |            |            |            |            | <b>Total Estimated Cost of Labor</b>       | <b>\$246,524</b> |
| <b>Other Direct Costs</b>  |                                      |                     |       |            |            |            |            |            |            |  |                  |
| Cannon - Construction Staking  |                                      |                     |       |            |            |            |            |            |            | \$9,100                                    |                  |
| Cannon - ESDC (Submittals and RFI Review - 20 hours)                         |                                      |                     |       |            |            |            |            |            |            | \$4,800                                    |                  |
| Cannon - ESDC (Weekly Progress Meetings & Project Correspondence - 20 Hours) |                                      |                     |       |            |            |            |            |            |            | \$4,800                                    |                  |
| Cannon - Record Drawings   |                                      |                     |       |            |            |            |            |            |            | \$5,000                                    |                  |
| Earth Systems Pacific - Soil and Materials Testing                           |                                      |                     |       |            |            |            |            |            |            | \$23,490                                   |                  |
| <b>Reimbursable</b>  |                                      |                     |       |            |            |            |            |            |            |  |                  |
| Misc. Reimbursable, Reproductions, Inspection Materials & Supplies           |                                      |                     |       |            |            |            |            |            |            | \$1,750                                    |                  |
|  |                                      |                     |       |            |            |            |            |            |            | <b>Total Estimated Cost of CM Services</b> | <b>\$295,464</b> |

**NOTES:**

- 1 Fees are based on an 150 calendar day (105 working day) construction schedule.
- 2 Hourly rates are subject to change.
- 3 Fees include work during normal working hours. Five (5) shutdowns have been assumed for tie-in locations, between the hours of 10:00PM to 2:00AM. Other than the noted shutdowns periods, overtime, night, and weekend work are excluded, but available as an additional Construction staking includes two (2) full day callouts of a two-man survey crew and associated office work. Construction staking includes offsets at 100' intervals, angle points, and other features shown per plan. Restaking is excluded, but available as an additional service.
- 4

## Matt Scholfield, PE, CCM, CPII, QSD/P Resident Engineer

### Professional Registrations / Certifications

- Civil Engineer, California, No. 83926
- Certified Construction Manager, No. 30640
- Certified Public Infrastructure Inspector, APWA
- Qualified SWPPP Developer/Practitioner, No. 26102
- Safety Qualified Supervisor

### Education

- Bachelor of Science, Civil Engineering, California State University, Long Beach, California

### Training

- OSHA 30; Confined Space Training; Trenching & Excavation Competent Person; Fall Protection; Lockout/Tagout; Hot Work Permit
- ASME Rigging Fundamentals Training
- First Aid/CPR Certified

“With the limited time and many hats that I needed to wear for the CSD, Matt truly became the face of the Avila CSD MBR project team.”

Brad Hagemann, PE  
Avila Beach Community  
Services District

Mr. Scholfield brings more than 16 years of experience in the heavy civil construction industry and more than 13 years as a project manager. He has a strong background managing self-performed work, and his technical engineering knowledge has created a valuable skill set for the safe, timely, and cost-effective completion of projects.

### Golden Hill Road and Union Road Roundabout, Paso Robles, California:

To eliminate the need for extensive property acquisition, a one lane, dog bone-shaped roundabout was designed to accommodate the increased traffic demand, including accommodations for oversized nine-axle transports. Cannon provided construction management, inspection, construction staking, and materials testing. The scope of work included full depth reclamation; installing new waterlines, sewer, fiber conduits, streetlights, landscaping, curbs, gutters, sidewalks, and roadwork, and signage and striping. Mr. Scholfield served as Resident Engineer.

## Select Project Experience Summary

**Mr. Scholfield has served as Project Manager, Resident Engineer, Construction Manager or Construction Inspector on the following projects:**

- NCSO Southland WWTF Influent Lift Station Rehabilitation, Nipomo, California
- Annual Striping and Markers Refreshment, Paso Robles, California
- Pismo Paving Project 2022, Pismo Beach, California
- 2023 Pavement Rehabilitation Projects, Atascadero, California
- Wright Way Improvements, Paso Robles, California
- Elena St. Slope Repairs, Morro Bay, California
- City Park Transit Hub, Morro Bay, California
- Salinas River Segment Recycled Water Project, Paso Robles, California
- Oceano Community Services District Highway 1 Water Main Replacement Project, Oceano, California
- Construction Management for City of Morro Bay Kings and Blanca Tanks, Morro Bay, California
- Water Reclamation Facility Lift Stations and Off-site Pipelines, Anvil Builders, Inc., Morro Bay, California
- San Mateo Bridge Seismic Joint Replacements, San Mateo, California
- Lost Hills Utility District Highway 46 Townsite Pipe Relocation, Lost Hills, California
- Lost Hills Utility District Well No. 3 Equipping, Lost Hills, California
- Street Reconstruction Project, Huntington Park, California
- Irvine Blvd. and Modjeska Sewer Upsizing and Intersection Improvements, Irvine, California
- Gibson Mariposa Storm Drain and Fencing Improvement Project, El Monte, California



Cannon

# Steve Creech

## Lead Construction Inspector and Assistant Resident Engineer

### Professional Registration

- General A Contractors License w/C-8 endorsement, California, No. CA 1021075

### Education

- Master of Science, Administration, California State University, Bakersfield, California
- Bachelor of Science, Business Administration and Project Management, American InterContinental University, Arizona

### Software Skills

- Bid2Win
- Viewpoint
- Clear SCADA
- STORM
- Ag-Tek

Mr. Creech brings 20 years of extensive experience in inspection, project management, estimating, cost management, and subcontractor coordination in a variety of industries including public agencies, agricultural, and oil field construction. He brings over seven years of experience working on projects with the Kern-Tulare Water District as the Operations and Maintenance Manager. He has a strong background in managing diverse civil projects, including pipeline, grading, paving, mechanical, wet/dry utilities, SCADA systems, and surface storage reservoirs. He is well versed in safety and environmental regulations, including Cal OSHA, SWPPP, and WPCP ordinances. Mr. Creech collaborates with engineers, subcontractors, inspectors, and various governmental entities to ensure timely and budget-compliant project completion.

### Construction Management and Inspection for Micro JOC-24 Project, County of San Luis Obispo, California:

The San Luis Obispo County Department of Public Works identified several roads within the County that needed to receive both type II and type III microsurfacing. In addition to the microsurfacing operations, the project work included traffic control during construction, removal and replacement of pavement markings, markers, and traffic striping, and fog seal coating. Construction of the project included several items required by the contractor prior to start of construction, such as installation of construction area signs, securing approval of traffic control plans and a Water Pollution Control Program, and installation of specified Best Managed Practices (BMP). Mr. Creech served as Construction Inspector and Assistant Resident Engineer.

### Aera Energy 9 Mile Pipeline, Kern County, California\*:

This project involved the construction of a 12-inch water main line running from the North Belridge facility to the Lost Hills facility, spanning a total of approximately nine miles, with five miles of underground installation and the remaining four miles placed on pipe supports above ground. The pipeline was constructed with Tuboscope-coated steel pipe, both internally and externally, to ensure durability and longevity in transporting produced water.

### Select Project Experience Summary

Mr. Creech has served as Inspector and Assistant Resident Engineer on the following projects:

- Kern-Tulare Water District Surface Storage Reservoir, Kern County, California\*
- Aera Energy Steam Generator Plant 2972, Kern County, California\*



\*Denotes work prior to Cannon



# Nick Settevendemie, EIT

Alternate Construction Inspector and Civil Design Engineer

## Professional Registration

- Engineer in Training, California, No. (Passed test, awaiting number)

## Education

- Bachelor of Science, Civil Engineering, Cal Poly – San Luis Obispo, Water Resources Specification

## Software Skills

- AutoCAD
- CIVIL 3D
- SolidWorks
- Adobe
- HEC-RAS
- HEC-HMS
- AERMOD
- Microsoft Office
- Microsoft Teams
- HCSS Systems

Mr. Settevendemie recently joined Cannon after graduating from Cal Poly with a Civil Engineering degree, specializing in water resources. He has supported project managers on varied projects including water improvements, street improvements, ADA Curb Ramp Compliance, utility coordination, grading, emergency creek rehabilitation and demolition. Mr. Settevendemie provides construction management and inspection services with thoroughness and attention to detail.

## City of Santa Barbara 2024 Watermain Replacements, Santa Barbara, California:

The project consists of preparation of plans and bidding documents to support the City's Water Main Replacement Program. The city identified three areas for pipeline replacement, varying in length and diameter, mostly clustered in the East San Roque area, with a few near the Museum of Natural History, and the other on De La Vina in the Oak Park area. The water mains are mostly in residential streets, with the exception of De La Vina, which has a higher volume of traffic heading towards the downtown area. Cannon provided professional services in three phases: Phase 1 - Preliminary Engineering; Phase 2 - Engineering Design Services; and Phase 3 Construction Support. Mr. Settevendemie assisted as Civil Design Engineer

## Select Project Experience Summary

Mr. Settevendemie has served as Civil Design Engineer or Construction Manager on the following projects:

- Nipomo Community Services District's 2024 Distribution System Improvement Project, Nipomo, California
- City of Solvang Utilities Department, Waterline Alignment and Design for Nyborg Estate Waterline Replacement Project, Solvang, California
- City of San Luis Obispo, Waterline Replacement Project, San Luis Obispo, California
- City of Santa Barbara Watermain Replacements, Santa Barbara, California
- County of Santa Barbara Laguna Sanitation District Engineering Services, Santa Maria, California
- Cambria Community Services District, San Simeon Water Main and Effluent Line Replacement Project, Cambria, California
- City of San Luis Obispo, Monterey Culvert Repair - Curb Ramp and Pavement Plan Design, San Luis Obispo, California
- City of Carpinteria, Design Services for 2022 Pavement Rehabilitation, Carpinteria, California



Cannon



**2024/2025 Fee Schedule**

Bill Rate Ranges

Subject to change

|  |                        |
|--|------------------------|
| Assistant Resident Engineer I - II       | \$ 155 - \$ 205        |
| Associate Engineer                       | \$ 180 - \$ 240        |
| <b>Associate Land Surveyor</b>           | \$ 210 - \$ 230        |
| Associate Landscape Architect            | \$ 175 - \$ 215        |
| Automation Specialist                    | \$ 165 - \$ 210        |
| Automation Technician                    | \$ 130 - \$ 165        |
| CAD Tech                                 | \$ 115 - \$ 140        |
| CAD Manager                              | \$ 130 - \$ 165        |
| Construction Coordinator I - II          | \$ 125 - \$ 160        |
| Construction Inspector I - III           | \$ 120 - \$ 200        |
| Construction Manager                     | \$ 178 - \$ 235        |
| Design Engineer                          | \$ 150 - \$ 195        |
| Director/ Department Manager             | \$ 225 - \$ 310        |
| Dry Utilities Coordinator I - II         | \$ 170 - \$ 200        |
| Engineer Tech                            | \$ 120 - \$ 150        |
| Engineering Assistant I - II             | \$ 115 - \$ 140        |
| Grant Funding Manager I - II             | \$ 160 - \$ 225        |
| I&E Services Coordinator                 | \$ 120 - \$ 140        |
| Information Systems Admin/Manager        | \$ 135 - \$ 168        |
| Land Surveyor                            | \$ 195 - \$ 230        |
| Landscape Architect                      | \$ 130 - \$ 200        |
| Landscape Designer I - II                | \$ 120 - \$ 142        |
| Lead Automation Specialist               | \$ 175 - \$ 209        |
| Lead Automation Technician               | \$ 135 - \$ 170        |
| Lead Designer                            | \$ 140 - \$ 180        |
| Office Engineer / Document Control I-III | \$ 115 - \$ 164        |
| Plan Check Engineer I - II               | \$ 140 - \$ 198        |
| Planner I - III                          | \$ 130 - \$ 175        |
| Planning Assistant                       | \$ 115 - \$ 150        |
| <b>Principal Automation Specialist</b>   | <b>\$ 186 - \$ 232</b> |
| <b>Principal Construction Engineer</b>   | <b>\$ 210 - \$ 293</b> |
| Principal Designer                       | \$ 140 - \$ 200        |
| Principal Engineer                       | \$ 200 - \$ 290        |

**Other Direct Charges**

|                                   |                   |
|-----------------------------------|-------------------|
| Black Line Plots                  | \$2.00 per page   |
| Outside Reproduction              | Cost + 15%        |
| Mylar Plots                       | \$12.00 per sheet |
| Automation & Electrical Materials | Cost + 25% (+tax) |
| Subconsultant Fees                | Cost + 15%        |
| Technology Fee                    | \$30/Day          |
| Color Plots                       | \$5.00 per page   |
| Travel and Related Subsistence    | Cost + 15%        |
| Standard Mileage Rate             | IRS Rate per mile |
| Airplane Mileage Rate             | GSA Rate per mile |

Expenses, such as special equipment, shipping costs, travel other than by automobile, parking expenses, and permit fees will be billed at the actual cost plus 15%. If the client requests, or the client's schedule requires work to be done on an overtime basis, a multiplier of 1.5 will be applied to the stated rates for weekdays for daily hours in excess of 8 as well as weekends, and a multiplier of 2.0 for daily hours in excess of 12 and holidays. If the client requests field services to be provided outside of normal working hours, a multiplier of 1.5 will be applied to the stated rates. For prevailing wage projects, if the client requests field services to be provided on any given Sunday, a multiplier of 2.0 will be applied to the stated rates; on or around an observed holiday, other rates may be applied. Survey Crews and Automation Field staff are billed portal to portal. A minimum charge of four hours will be charged for any Automation Field Service calls outside of normal working hours. The stated rates are subject to change, typically on an annual basis.

effective 7/1/2024

|                                      |                 |
|--------------------------------------|-----------------|
| Project Designer                     | \$ 125 - \$ 179 |
| Project Engineer                     | \$ 153 - \$ 205 |
| Resident Engineer                    | \$ 195 - \$ 248 |
| Sr. Associate Architect              | \$ 219 - \$ 260 |
| Sr. Associate Engineer               | \$ 180 - \$ 265 |
| Sr. Automation Specialist            | \$ 185 - \$ 225 |
| Sr. Automation Technician            | \$ 150 - \$ 185 |
| Sr. CAD Tech                         | \$ 130 - \$ 160 |
| Sr. Construction Manager             | \$ 217 - \$ 323 |
| Sr. Consultant / Principal-in-Charge | \$ 285 - \$ 385 |
| Sr. Land Surveyor                    | \$ 230 - \$ 275 |
| Sr. Landscape Architect              | \$ 190 - \$ 230 |
| Sr. Plan Check Engineer              | \$ 175 - \$ 228 |
| Sr. Principal Designer               | \$ 145 - \$ 225 |
| Sr. Principal Engineer               | \$ 225 - \$ 320 |
| Sr. Project Designer                 | \$ 135 - \$ 200 |
| Sr. Project Engineer                 | \$ 165 - \$ 225 |
| Sr. Resident Engineer                | \$ 205 - \$ 258 |
| Survey Assistant                     | \$ 115 - \$ 145 |
| Survey Technician I - V              | \$ 143 - \$ 218 |
| Technical Writer I - IV              | \$ 115 - \$ 140 |

**Survey Crew Rates - Regular**

|                 |                 |
|-----------------|-----------------|
| One-Man Field   | \$ 210 - \$ 233 |
| Two-Man Field   | \$ 290 - \$ 310 |
| Three-Man Field | \$ 390 - \$ 410 |
| Two-Man - HDS   | \$ 348 - \$ 367 |

**Survey Crew Rates - Prevailing Wage**

|                 |                 |
|-----------------|-----------------|
| One-Man Field   | \$ 250 - \$ 280 |
| Two-Man Field   | \$ 389 - \$ 412 |
| Three-Man Field | \$ 530 - \$ 550 |

**Electrical - Prevailing Wage**

|             |                 |
|-------------|-----------------|
| Electrician | \$ 207 - \$ 254 |
|-------------|-----------------|

**Building and Construction Inspector - Prevailing Wage**

|                            |        |
|----------------------------|--------|
| BCI Construction Inspector | \$ 168 |
|----------------------------|--------|

Forensics Engineering / Expert Testimony Fee Schedule Available Upon Request.



**ACCEPTANCE OF PROPOSAL**

Proposal Date: November 15, 2024

Client: Nipomo Community Services District  
148 S. Wilson Street  
Nipomo, CA 93444

Project: 2024 Water Distribution System Improvements Project

Scope of Work: Construction Management, Inspection, Administration and Staking Services

T&M Not to Exceed: \$295,464

Appendix A details the terms for work. Cannon bills monthly for work in progress and payment is due within 10 calendar days of invoice date. Overdue amounts will be surcharged at 18 percent per annum or 1.5 percent monthly. Materials are charged at cost plus 25% (+ tax). The fees are based upon current California Prevailing Wages; **please provide us with the DIR Project ID.** If the client requests, or the client's schedule requires work to be done on an overtime basis, a multiplier of 1.5 will be applied to the above rates for weekdays for daily hours in excess of 8 as well as weekends and a multiplier of 2.0 for daily hours in excess of 12 and holidays.

Please indicate your acceptance of this proposal by signing below.

In witness whereof, the parties hereto have caused this agreement consisting of proposal letter, Appendix A and any other necessary and applicable documents to be executed of the date and year first above written. In Appendix A, Cannon Corporation hereinafter referred to as Cannon. The Client, as noted below, hereinafter referred to as Client.

Client: Nipomo Community Services District      Cannon

x \_\_\_\_\_  
**Name:** Patrick Riddell, PE No. 72034  
**Title:** Director, Construction Management Division

**Date:** \_\_\_\_\_      **Date:** \_\_\_\_\_



## APPENDIX A: TERMS FOR CANNON SERVICES

### Section 1: The Agreement

- 1.1 The agreement between the above noted parties consists of the following terms, the attached proposal and any exhibits or attachments noted in the proposal. Together these elements will constitute the entire agreement superseding any and all prior negotiations, correspondence, or agreements either written or oral. Any changes to this agreement must be mutually agreed to in writing.

### Section 2: Standard of Care

- 2.1 Data, interpretations, and recommendations by Cannon will be based solely on information provided to Cannon. Cannon is responsible for those data, interpretations, and recommendations, but will not be responsible for other parties' interpretations or use of the information developed.
- 2.2 Services performed by Cannon under this agreement are expected by the Client to be conducted in a manner consistent with the level of care and skill ordinarily exercised by members of this profession practicing contemporaneously under similar conditions in the locality of the project. No other warranty, expressed or implied, is made.
- 2.3 The Client agrees that Cannon may use and publish the Client's name and a general description of Cannon's services with respect to the project in describing Cannon's experience and qualifications to other Clients and prospective Clients. The Client also agrees that any patentable or copyrightable concepts developed by Cannon as a consequence of service hereunder are the sole and exclusive property of Cannon.
- 2.4 The Client recognizes that it is neither practical nor customary for Cannon to include all construction details in plans and specifications, creating a need for interpretation by Cannon or an individual who is under Cannon's supervision. The Client also recognizes that construction review permits Cannon to identify and correct quickly and at comparatively low cost professional errors or omissions that are revealed through construction, or errors or omissions committed by others due to misinterpretation of design documents, or due to other causes. For the foregoing reasons construction review is generally considered an essential element of a complete design professional service. Accordingly, if the Client directs Cannon not to provide construction monitoring, Cannon shall be held harmless for any and all acts, errors or omissions, except for those consequences which it reasonably could be concluded that Cannon's review services would not have prevented or mitigated.
- 2.5 Client acknowledges that Cannon is not responsible for the performance of work by third parties including, but not limited to, engineers, architects, contractors, subcontractors, or suppliers of Client.

### Section 3: Billing and Payment

- 3.1 Client will pay Cannon on a monthly basis to be billed by Cannon. Prior to the start of the project, a retainer as specified in the proposal, is required. Invoices for the balance will be submitted to Client by Cannon and will be due and payable within 10 days of invoice date. If Client objects to all or any portion of any invoice, Client will so notify Cannon in writing within fourteen (14) days of the invoice date, identify the cause of the disagreement, and pay when due that portion of the invoice not in dispute. The parties will immediately make every effort to settle the disputed portion of the invoice. In the absence of written notification described above, the balance as stated on the invoice will be paid.
- 3.2 Invoices are delinquent if payment has not been received within thirty (30) days from date of invoice. Client will pay an additional charge of 1-1/2 (1.5) percent per month or 18% per year of any delinquent amount, excepting any portion of the invoiced amount in dispute and resolved in favor of Client. All time spent and expenses incurred (including any attorney's fees) in connection with collection of any delinquent amount will be paid by Client to Cannon per Cannon's current fee schedule. In the event Client fails to pay Cannon within sixty (60) days after invoices are rendered, Client agrees that Cannon will have the right to consider the failure to pay Cannon's invoice as a breach of this agreement.
- 3.3 Client agrees that if Client requests services not specified herein, Client agrees to timely pay for all such services as extra work. Cannon will notify the Client prior to performance of services which are not specified in this agreement.



- 3.4 Client agrees that payment to Cannon is in no way contingent on the results of work by Cannon or on the outcome of any litigation.
- 3.5 Preparation for and/or travel time to client requested meetings will be charged at the hourly rate.
- 3.6 Billing rates are subject to change, typically on an annual basis.

Section 4: Additional Services

- 4.1 Additional services include making revisions in drawings, specifications or other documents when such revisions are:
  - Inconsistent with approvals or instructions previously given by the Client, including revisions made necessary by adjustments in the Client's program or project budget;
  - Required by the enactment or revision of codes, laws or regulations subsequent to the preparation of such documents.
- 4.2 Additional services includes providing services required because of significant changes in the project including, but not limited to, size, quality, complexity, the Client's schedule, or the method of bidding or negotiating and contracting for construction.
- 4.3 Where unexpected developments increase the scope of work as defined herein and/or prove the assumptions of this proposal invalid, Cannon will make a reasonable effort to contact the Client to discuss the effects and adjustment of cost.

Section 5: Site Access and Site Conditions

- 5.1 Client will grant or obtain free access to the site for all equipment and personnel necessary for Cannon to perform the work set forth in this agreement. Client will notify any and all possessors of the project site that Client has granted Cannon free access to the site. Cannon will take reasonable precautions to minimize damage to the site, but it is understood by Client that, in the normal course of work, some damage may occur and the correction of such damage is not part of this agreement unless so specified in the proposal.

Section 6: Ownership of Documents

- 6.1 All reports, maps, plans, field data, field notes, estimates and other documents, whether in hard copy or machine readable form, which are prepared by Cannon as instruments of professional service, shall remain the property of Cannon. The Client may retain copies, including copies stored on magnetic tape or disk, for information and for reference in connection with the occupancy and use of the project.
- 6.2 Because of the possibility that information and data delivered in machine readable form may be altered, whether inadvertently or otherwise, Cannon reserves the right to retain the original tapes/disks and to remove from copies provided to the Client all identification reflecting the involvement of Cannon in their preparation. Cannon also reserves the right to retain hard copy originals of all project documentation delivered to the Client in machine readable form, which originals shall be referred to and shall govern in the event of any inconsistency between the two.
- 6.3 The Client recognizes that changes or modifications to Cannon's instruments of professional service introduced by anyone other than Cannon may result in adverse consequences which Cannon can neither predict nor control. Therefore, and in consideration of Cannon's agreement to deliver its instruments of professional service in machine readable form, the Client agrees, to the fullest extent permitted by law, to hold harmless and indemnify Cannon from and against all claims, liabilities, losses, damages, and costs, including but not limited to attorney's fees, arising out of or in any way connected with the modification, misinterpretation, misuse or reuse by others of the machine readable information and data provided by Cannon under this Agreement. The foregoing indemnification applies, without limitation, to any use of the project documents on other projects, for additions to this project, or for completion of this project by others, excepting only such use as may be authorized, in writing, by Cannon.
- 6.4 Client agrees that all reports and other work furnished to Client or his agents, which is not paid for, will be returned upon demand and will not be used by Client or others for any purpose whatsoever.

Section 7: Client Responsibilities



- 7.1 The Client shall provide full information including a program setting forth the Client's design objectives, constraints, and construction budget criteria.
- 7.2 The Client shall furnish a legal description, a certified land survey, and the services of a soil, structural, mechanical, electrical or other engineer or consultant services, and laboratory tests, inspections, or reports as required by law or as requested by Cannon to perform the functions and services required of this agreement. The information shall be furnished at the Client's expense and Cannon shall be entitled to rely upon the accuracy and completeness thereof.
- 7.3 The Client shall furnish all legal, accounting and insurance counseling services as may be necessary at any time for the project, including auditing services the Client may require to verify the Contractor's Applications for Payment or to ascertain how or for what purposes the Contractor uses the moneys paid by the Client. The information above shall be furnished at the Client's expense, and Cannon shall be entitled to rely upon the accuracy and completeness thereof.
- 7.4 If the Client observes or otherwise becomes aware of any fault or defect in the project or nonconformance with the Contract Documents, prompt written notice shall be given by the Client to Cannon.
- 7.5 The Client shall furnish information and shall review Cannon's work and provide decisions as expeditiously as necessary for the orderly progress of the project and of Cannon's services.

Section 8: Insurance

- 8.1 Cannon represents and warrants that it and its agents, staff and consultants employed by it, is and are protected by worker's compensation insurance and that Cannon has such coverage under public liability and property damage insurance policies which Cannon deems to be adequate. Certificates for all such policies of insurance shall be provided to Client upon request in writing. Within the limits and conditions of such insurance, Cannon agrees to indemnify and save Client harmless from and against any loss, damage or liability arising from any negligent acts by Cannon, its agents, staff, and consultants employed by it. Cannon shall not be responsible for any loss, damage or liability beyond the amounts, limits, and conditions of such insurance. Cannon shall not be responsible for any loss, damage, or liability arising from any acts by Client, its agents, staff, and other consultants employed by Client.

Section 9: Termination

- 9.1 This agreement may be terminated by either party seven (7) days after written notice in the event of any breach of any provision of this agreement or in the event of substantial failure of performance by the other party, or if Client suspends the work for more than three (3) months. In the event of termination, Cannon will be paid for services performed prior to the date of termination plus reasonable termination expenses including the cost of completing analyses, records and reports necessary to document job status at the time of termination.
- 9.2 Failure of the Client to make payments to Cannon when due in accordance with this agreement shall be considered substantial nonperformance and cause for termination. If the Client fails to make payment when due to Cannon for services and expenses, Cannon may, upon seven (7) days written notice to the Client, suspend performance of services under this agreement. Unless payment in full is received by Cannon within seven (7) days of the date of the notice, the suspension shall take effect without further notice. In the event of a suspension of services, Cannon shall have no liability to the Client for delay, damage, loss of agency approvals, loss of financing, interest expenses, etc. caused to(?)the Client because of such suspension of service.

Section 10: Disputes Resolution

- 10.1 Cannon and Client shall endeavor to resolve by direct negotiation all claims, disputes, and other matters in controversy between them arising out of or related to this agreement ("Disputes").
- 10.2 If mutually agreed by Cannon and Client, Disputes may be submitted to any method and procedure of alternative dispute resolution established by them. If and to the extent Client and Cannon have agreed on methods for resolving Disputes, then such methods will be set forth in an "alternative dispute resolution agreement" which, if attached, is incorporated and made a part of this agreement.



- 10.3 Client agrees all remaining Disputes will be finally resolved by litigation and the sole and exclusive venue for any action will be brought and tried in the Superior Court of San Luis Obispo County. To the fullest extent permitted by law, the parties waive any rights to jury trial and to remove the action to any other jurisdiction or venue.
- 10.4 If a proceeding of any nature is instituted in connection with any dispute or any matter arising under or connected with the subject of this agreement, the prevailing party shall be entitled to recovery of all reasonable costs incurred, including staff time, court costs, attorney's fees, and other claim related expenses.

**Section 11: Assigns**

- 11.1 Cannon shall not assign this agreement in whole or in part nor shall it subcontract any portion of the work to be performed hereunder; except that Cannon may use the services of persons or(?) entities not in our employ when it is appropriate and customary to do so. Such persons and entities include, but are not necessarily limited to, specialized consultants and testing laboratories. Cannon's use of others for additional services shall not be unreasonably restricted by the Client provided Cannon notifies the Client in advance.

**Section 12: Governing Law and Survival**

- 12.1 The law of the State of California, without regard to any conflict of law provisions, will govern the validity, interpretation, and performance of this agreement.
- 12.2 If any provision contained in this agreement is held illegal, invalid, or unenforceable, the enforceability of the remaining provisions will not be impaired. Limitations of liability and indemnities will survive termination of this agreement for any cause.

**Section 13: Limitation of Liability**

- 13.1 To the fullest extent permitted by law, the total liability, in the aggregate, of Cannon and Cannon's officers, directors, employees, agents and independent professional associates and consultants, and any of them, to Client and anyone claiming by, through or under Client, for any and all injuries, claims, losses, expenses or damages whatsoever arising out of or in any way related to Cannon's services, the project or this agreement from any cause or causes whatsoever, including but not limited to the negligence, errors, omissions, strict liability or breach of contract of Cannon or Cannon's officers, directors, employees, agents and independent professional associates and consultants, or any of them, shall not exceed the total compensation received by Cannon under this agreement, or the total amount of \$50,000.00, whichever is greater.

**Section 14: Hiring Cannon's Employees**

- 14.1 From time to time, Clients who have come to know and work with our employees in the course of a project wish to hire them to work as the Client's own in-house employees. We pride ourselves on recruiting, hiring, and training the very best employees possible, and in assigning to projects our employees who best meet our Clients' individual needs. Our goal is to have our Clients view Cannon and its individual employees as indispensable.
- 14.2 Client agrees to pay Cannon a finder's fees equal to 12 months of the employee's current salary or wage for each of our employees whom the client(?) choose to hire, either directly or indirectly. Client acknowledges and agrees that the finder's fee is both fair and reasonable, and is equivalent to a recruiting or "headhunter's fee" that Client would expect to pay to a third party for locating and recruiting an employee of the caliber of the hired Cannon employee.
- 14.3 This Section 14 shall be limited to those of Cannon's employees with whom Client works or is introduced by Cannon during the course of this engagement, and shall be applicable to such employees both during his/her employment with Cannon and for a period of six (6) months thereafter. This Section 14 shall survive the cancellation or expiration of this Agreement.

**Section 15: Prevailing Wage**

- 15.1 Cannon acknowledges the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., as well as California Code of Regulations, Title 8, Section 16000 et seq. ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. To the extent required by the California Labor Code, Cannon shall fully comply with and require its subconsultants to fully comply with such Prevailing Wage Laws.



15.2 Pursuant to Labor Code Sections 1725.5 and 1771.1, Cannon and all its subconsultants performing work subject to prevailing wage must be registered with the Department of Industrial Relations and submit their certified payroll records directly to the DIR. In order to do so, the awarding body needs to complete the PWC-100 (Public Works Project Registration) within five days of awarding the contract; and provide Cannon with the DIR Project ID prior to the start of Cannon's work.



TO: BOARD OF DIRECTORS  
REVIEWED: RAY DIENZO, P.E. *R.D.*  
GENERAL MANAGER  
FROM: PETER V. SEVCIK, P.E.  
DIRECTOR OF  
ENGINEERING & OPERATIONS  
DATE: FEBRUARY 5, 2025

**AGENDA ITEM  
D-6  
FEBRUARY 12, 2025**

**ACCEPT DEED RESTRICTION FOR TRACT 3135, APN 092-578-003**

**ITEM**

Accept offer of deed restriction for Tract 3135, APN 092-578-003, a 24-lot residential development located at 247 Blume Street in Nipomo [RECOMMEND ADOPT RESOLUTION ACCEPTING OFFER OF DEED RESTRICTION].

**BACKGROUND**

The District issued an Intent-to-Serve ("ITS") letter on April 28, 2021 for a 24-lot residential development project known as Tract 3135, located at 247 Blume Street (APN 092-578-003). The applicant, Hill Street Terraces, LLC, requested water, sewer, and solid waste service for a residential development project.

The ITS letter requires the applicant to record a deed restriction on the property prohibiting the use of well(s) to provide water service to the project and prohibiting use of self-regenerating water softeners.

**FISCAL IMPACT**

The developer paid the District's cost to develop the deed restriction and agreement through the project's Plan Check and Inspection Agreement.

**RECOMMENDATION**

It is recommended that the Board of Directors, by motion and roll call vote, adopt Resolution 2025-17XX Accept Tract 3135 Deed Restriction.

**ATTACHMENTS**

- A. Resolution 2025-17XX Accept Tract 3135 Deed Restriction
- B. Deed Restriction – Resolution Exhibit A

FEBRUARY 12, 2025

ITEM D-6

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2025-17XX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES  
DISTRICT ACCEPTING TRACT 3135, APN 092-578-003, DEED RESTRICTION**

**WHEREAS**, Hill Street Terraces, LLC (herein "Owners") are the owners of certain real property identified as 247 Blume Street, APN 092-578-003 (herein the "Project") situated within the Nipomo Community Services District (the "District"); and

**WHEREAS**, the District issued an Intent-to-Serve (ITS) letter on April 28, 2021 for the 24-lot residential Project; and

**WHEREAS**, The ITS letter requires the applicant to record a deed restriction on the property prohibiting the use of well(s) to provide water service to the project and prohibiting use of self-regenerating water softeners; and

**WHEREAS**, Owner has offered to the District the required deed restriction and agreement ("Deed Restriction") (Exhibit A); and

**WHEREAS**, the District wishes to accept the deed restriction attached hereto without obligation, except as otherwise required by law.

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

1. The above recitals and findings are true and correct and incorporated herein by reference.
2. That the deed restriction and agreement for Tract 3135, 247 Blume Street, APN 092-578-003, attached hereto as Exhibit A is hereby accepted.
3. Staff is ordered to execute and record in the Official Records of the Clerk-Recorder of San Luis Obispo County the deed restriction and agreement attached hereto as Exhibit A.

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

**AYES:**  
**NOES:**  
**ABSENT:**  
**CONFLICTS:**

The foregoing resolution is hereby adopted this 12<sup>th</sup> day of February 2025.

\_\_\_\_\_  
**ED EBY**  
President, Board of Directors

ATTEST:

\_\_\_\_\_  
APPROVED AS TO FORM AND  
LEGAL EFFECT:

\_\_\_\_\_  
**RAY DIENZO**  
General Manager and Secretary to the Board

\_\_\_\_\_  
**CRAIG A. STEELE**  
District Legal Counsel

FEBRUARY 12, 2025

ITEM D-6

ATTACHMENT B

RECORDING REQUESTED BY:  
NIPOMO COMMUNITY SERVICES DISTRICT

WHEN RECORDED RETURN TO:  
Nipomo Community Services District  
P.O. Box 326  
Nipomo, CA 93444

NO FEE PER GOVERNMENT CODE 6103

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APN #: 092-578-003

**DEED RESTRICTION AND AGREEMENT AFFECTING REAL PROPERTY**

Exhibits Incorporated by Reference:

Exhibit "A" – Real Property Legal Description

**THIS DEED RESTRICTION AND AGREEMENT AFFECTING REAL PROPERTY** (herein "Agreement") is entered into January 14, 2025, by and between Hill Street Terraces LLC, (herein "Grantor") and the Nipomo Community Services District, a political subdivision of the State of California, (herein "Grantee" or "District") with reference to the following Recitals:

A. Grantor owns certain real property (herein "Real Property") located within the Nipomo Community Services District, County of San Luis Obispo, more particularly described in Exhibit "A".

B. Grantors are improving said Real Property and desire the District to provide water and sewer service for the property.

**NOW, THEREFORE**, for valuable consideration, receipt of which is hereby acknowledged the parties hereto agree as follows:

**1. DEED RESTRICTIONS**

A. Grantor agrees and acknowledges that the use of self-regenerating water softeners on Real Property or any portion thereof is prohibited.

B. Grantor agrees and acknowledges that the use of wells to provide domestic water service to Real Property or any portion thereof is prohibited.

**2. MISCELLANEOUS**

A. This Agreement contains the entire agreement between the parties. Any oral representations or modifications concerning this Agreement shall be of no force and effect excepting a subsequent modification in writing, signed by the party to be charged.

B. In the event of any controversy, claim, or dispute relating to this Agreement or the breach thereof, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorney's fees and costs.

C. The obligations of Grantor shall be considered for all purposes to be both covenants and conditions that shall run with the land and be binding on the successors and assigns of the Grantor and shall inure to the benefit of District and its successors and assigns.

D. If any term, covenant, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

E. This Deed Restriction and Agreement Affecting Real Property shall be recorded in the Official Records in the County Recorder's Office, San Luis Obispo County.

F. Recitals A and B are incorporated herein by reference as though set forth at length.

G. The Agreement shall be governed by the laws of the State of California. Any litigation regarding the Agreement or its contents shall be filed in the County of San Luis Obispo, if in state court, or in the federal court nearest to San Luis Obispo County, if in federal court.

**3. AUTHORITY TO EXECUTE.**


All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles, and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity(ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Furthermore, by entering into this Agreement, Grantor(s) hereby warrants that Grantor(s) shall not have breached the terms or conditions of any other contract or Agreement to which Grantor(s) is obligated, which breach would have a material effect hereon.

////

////

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement to be effective the date the District executes the Certificate of Acceptance.

GRANTOR(S):

  
\_\_\_\_\_  
[Signature must be Notarized]

Gary H. Grossman  
\_\_\_\_\_  
[Type or print name]

\_\_\_\_\_  
[Signature must be Notarized]

\_\_\_\_\_  
[Type or print name]

Date: 1/14/2025

**CERTIFICATE OF ACCEPTANCE  
GOVERNMENT CODE §2781**

This is to certify that the Nipomo Community Services District, Grantee, herein, by Board action on \_\_\_\_\_, 20\_\_\_\_, accepts the foregoing Deed Restriction and Agreement, dated \_\_\_\_\_, 20\_\_\_\_, from Grantors, and consents to the recordation thereof.

Nipomo Community Services District

By: \_\_\_\_\_  
Name: Ed Edy  
Title: President

ATTEST:

\_\_\_\_\_  
Raymond Dienzo, General Manager and Secretary  
Nipomo Community Services District



EXHIBIT "A"

**REAL PROPERTY LEGAL DESCRIPTION**

Real property in the unincorporated area of Nipomo , County of San Luis Obispo, State of California, described as follows:

LOT 16 OF THE MESA GRANDE TRACT, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, ACCORDING TO MAP RECORDED SEPTEMBER 18, 1887 IN BOOK A, PAGE 18 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THAT PORTION OF SAID LOT 16 DESCRIBED FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF SAID LOT; THENCE SOUTH 55° 30' WEST ALONG THE NORTHWESTERLY LINE THEREOF, 158.46 FEET; THENCE SOUTH 34° 30' EAST AND PARALLEL WITH THE NORTHEASTERLY LINE OF SAID LOT, 8.33 CHAINS TO A POINT ON THE SOUTHEASTERLY LINE OF SAID LOT, DISTANT THEREON SOUTH 55° 30' WEST, 158.46 FEET FROM THE MOST EASTERLY CORNER OF SAID LOT; THENCE NORTH 55° 30' EAST ALONG SAID SOUTHEASTERLY LINE, 158.46 FEET TO THE MOST EASTERLY CORNER OF SAID LOT; THENCE NORTH 34° 30' WEST ALONG THE NORTHEASTERLY LINE OF SAID LOT, 8.33 CHAINS TO THE POINT OF BEGINNING.

APN: 092-578-003

## ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of San Luis Obispo

On January 14, 2025 before me, Michelle A. Marx, a Notary Public  
(insert name and title of the officer)

personally appeared Gary H. Grossman,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Michelle A. Marx (Seal)

