

TO: BOARD OF DIRECTORS

FROM: RAY DIENZO, P.E. *R.D.*  
GENERAL MANAGER

DATE: JULY 17, 2025

## AGENDA ITEM

# D

JULY 23, 2025

### CONSENT AGENDA

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

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

- D-1) WARRANTS [RECOMMEND APPROVAL]
- D-2) APPROVE JULY 9, 2025 REGULAR BOARD MEETING MINUTES  
[RECOMMEND APPROVE MINUTES]
- D-3) INVESTMENT POLICY – QUARTERLY REPORT [RECOMMEND ACCEPT AND FILE  
REPORT]
- D-4) ADOPT REVISIONS TO THE DISTRICT'S ANNEXATION POLICY [RECOMMEND  
ADOPT REVISIONS BY RESOLUTION]
- D-5) APPROVE TASK ORDER WITH CANNON FOR ADDITIONAL ENGINEERING  
SERVICES DURING CONSTRUCTION FOR BLACKLAKE SEWER SYSTEM  
CONSOLIDATION PROJECT LIFT STATIONS AND BLACKLAKE WASTEWATER  
RECLAMATION FACILITY DECOMMISSIONING [RECOMMEND, BY MOTION AND  
ROLL CALL VOTE, APPROVE TASK ORDER WITH CANNON IN THE AMOUNT OF  
\$108,102 AND AUTHORIZE STAFF TO EXECUTE TASK ORDER]
- D-6) ACCEPT 2024 WATER DISTRIBUTION SYSTEM IMPROVEMENTS PROJECT  
[RECOMMEND, BY MOTION AND ROLL CALL VOTE, ACCEPT PROJECT AND  
DIRECT STAFF TO FILE NOTICE OF COMPLETION]

TO: BOARD OF DIRECTORS

REVIEWED: RAY DIENZO, P.E. *R.D.*  
GENERAL MANAGER

FROM: JANA ETTEDDGUE *JW*  
FINANCE DIRECTOR

DATE: July 18, 2025

**AGENDA ITEM**

**D-1(A)**

**JULY 23, 2025**

**WARRANTS**

COMPUTER CHECKS GENERATED – SEE ATTACHED	\$1,376,306.18
HAND WRITTEN CHECKS	NONE
VOIDED CHECKS	NONE

M-Monthly  
O-Occasional  
A-Annual

## Item D-1(A) Warrants JULY 23, 2025

Nipomo Community Services District

By Payment Number

Payment Dates 07/23/2025 - 07/23/2025

Vendor Name	Description (Payable)	Payable Number	Payment Date	Amount
<b>Payment: 13646</b>				
Banda, Raymundo	Class B License Reimbursement	JUNE2025	07/23/2025	98.00 O
Banda, Raymundo	Wastewater Operator I	JUNE2025B	07/23/2025	169.00 O
<b>Payment 13646 Total:</b>				<b>267.00</b>
<b>Payment: 13647</b>				
City of Santa Maria	Water purchased 4-1-2025 to 6-	CINV-000155	07/23/2025	809,783.99 O
<b>Payment 13647 Total:</b>				<b>809,783.99</b>
<b>Payment: 13648</b>				
DataProse, LLC	Mail bills/late notices	DP2503009-2	07/23/2025	758.45 M
DataProse, LLC	Postage bills/late notices	DP2503009-1	07/23/2025	2,995.83 M
<b>Payment 13648 Total:</b>				<b>3,754.28</b>
<b>Payment: 13649</b>				
Dienzo, Ray	Mileage March-April 2025	JUNE2025-2	07/23/2025	22.33 O
<b>Payment 13649 Total:</b>				<b>22.33</b>
<b>Payment: 13650</b>				
EMCOR Services Mesa Energy	AC unit service call	960108688	07/23/2025	3,973.62 O
EMCOR Services Mesa Energy	Quarterly HVAC Maintenance	960108666	07/23/2025	1,514.00 O
<b>Payment 13650 Total:</b>				<b>5,487.62</b>
<b>Payment: 13651</b>				
Engel & Gray, Inc.	Biosolids collection	56X00010	07/23/2025	9,665.98 M
<b>Payment 13651 Total:</b>				<b>9,665.98</b>
<b>Payment: 13652</b>				
Excel Personnel Services, Inc.	Employment agency	4605329	07/23/2025	558.00 M
Excel Personnel Services, Inc.	Employment agency	4608939	07/23/2025	558.00 M
<b>Payment 13652 Total:</b>				<b>1,116.00</b>
<b>Payment: 13653</b>				
FedEx	Package delivery	8-914-44207	07/23/2025	67.74 O
<b>Payment 13653 Total:</b>				<b>67.74</b>
<b>Payment: 13654</b>				
FGL Environmental	Lab tests	582227A	07/23/2025	73.00 M
FGL Environmental	Lab tests	580101A	07/23/2025	1,383.00 M
FGL Environmental	Lab tests	582253A	07/23/2025	73.00 M
FGL Environmental	Lab tests	582175A	07/23/2025	73.00 M
FGL Environmental	Lab tests	582203A	07/23/2025	73.00 M
<b>Payment 13654 Total:</b>				<b>1,675.00</b>
<b>Payment: 13655</b>				
JEGO Systems	Task Order 24-005 SWP	2025-NCSD-008	07/23/2025	3,120.00 O
JEGO Systems	Task Order 24-002-odor control	2025-NCSD-007	07/23/2025	2,035.00 O
<b>Payment 13655 Total:</b>				<b>5,155.00</b>
<b>Payment: 13656</b>				
Jiffy's Truck School, LLC	Driver Training	1481	07/23/2025	3,995.00 O
<b>Payment 13656 Total:</b>				<b>3,995.00</b>
<b>Payment: 13657</b>				
MacLeod Watts Inc	GASB 75 Report for Audit FY24-	050625NCSD	07/23/2025	7,000.00 A
<b>Payment 13657 Total:</b>				<b>7,000.00</b>
<b>Payment: 13658</b>				
MCR Technologies, Inc	Supplemental Water Project -	43780	07/23/2025	3,864.60 O
<b>Payment 13658 Total:</b>				<b>3,864.60</b>
<b>Payment: 13659</b>				
Miner's Ace Hardware	Supplies	JUNE 2025	07/23/2025	316.78 M

## Item D-1(A) Warrants JULY 23, 2025

Payment Dates: 07/23/2025 - 07/23/2025

Vendor Name	Description (Payable)	Payable Number	Payment Date	Amount
<b>Payment: 13659</b>				<b>316.78</b>
<b>Payment: 13660</b>				
Newton Geo-Hydrology	Litigation Support Through 6-30-JUNE2025A		07/23/2025	1,387.50 M
Newton Geo-Hydrology	General Consultation through 6- JUNE2025B		07/23/2025	2,407.00 M
<b>Payment 13660 Total:</b>				<b>3,794.50</b>
<b>Payment: 13661</b>				
Nipomo Area Recreation	Clean Streets Program - June	JUNE2025	07/23/2025	552.71 M
<b>Payment 13661 Total:</b>				<b>552.71</b>
<b>Payment: 13662</b>				
Nipomo Community Services	Water	JUNE2025	07/23/2025	2,020.83 M
<b>Payment 13662 Total:</b>				<b>2,020.83</b>
<b>Payment: 13663</b>				
Nunley & Associates, Inc.	PCIA- 759 Drumm Lane	1479	07/23/2025	1,056.75 O
Nunley & Associates, Inc.	PCIA-Honey Grove	1478	07/23/2025	866.75 O
Nunley & Associates, Inc.	2025 Annual Water Supply	1480	07/23/2025	4,054.75 O
Nunley & Associates, Inc.	Southland WWTF Improvements1477		07/23/2025	13,124.25 O
<b>Payment 13663 Total:</b>				<b>19,102.50</b>
<b>Payment: 13664</b>				
Nu-Tech Pest Management	Pest/Rodent Control	0189618	07/23/2025	75.00 M
Nu-Tech Pest Management	Pest/Rodent Control	0189616	07/23/2025	265.00 M
<b>Payment 13664 Total:</b>				<b>340.00</b>
<b>Payment: 13665</b>				
Office Depot	Office supplies	427172100001	07/23/2025	30.48 M
<b>Payment 13665 Total:</b>				<b>30.48</b>
<b>Payment: 13666</b>				
PG&E	Electricity	3623673914-4 JUNE	07/23/2025	17.94 M
<b>Payment 13666 Total:</b>				<b>17.94</b>
<b>Payment: 13667</b>				
PG&E	Electricity	JUNE 2025	07/23/2025	84,550.31 M
<b>Payment 13667 Total:</b>				<b>84,550.31</b>
<b>Payment: 13668</b>				
R. Baker, Inc.	2024 Water Distribution System	2024 Water Dist - 5	07/23/2025	126,027.95 O
<b>Payment 13668 Total:</b>				<b>126,027.95</b>
<b>Payment: 13669</b>				
SLO County Environmental	Backflow Program	IN156749	07/23/2025	3,171.10 M
<b>Payment 13669 Total:</b>				<b>3,171.10</b>
<b>Payment: 13670</b>				
US Bank National Association	Software Subscriptions	JUNE2025C	07/23/2025	132.99 M
US Bank National Association	CSDA Annual Conference	JUNE2025I	07/23/2025	2,775.00 M
US Bank National Association	Board Meeting Supplies	JUNE2025A	07/23/2025	37.75 M
US Bank National Association	Operating Supplies	JUNE2025E	07/23/2025	282.01 M
US Bank National Association	Training	JUNE2025H	07/23/2025	1,910.00 M
US Bank National Association	Memberships	JUNE2025G	07/23/2025	341.98 M
US Bank National Association	Storage Unit	JUNE2025D	07/23/2025	315.00 M
US Bank National Association	Recording Fees	JUNE2025J	07/23/2025	82.49 M
US Bank National Association	Office supplies	JUNE2025F	07/23/2025	424.34 M
US Bank National Association	Travel & Meals	JUNE2025B	07/23/2025	356.63 M
<b>Payment 13670 Total:</b>				<b>6,658.19</b>
<b>Payment: 13671</b>				
Aqua-Metric Sales, Co.	Radio transmitters, 3/4" and 1"	INV0109041	07/23/2025	173,988.45 O
<b>Payment 13671 Total:</b>				<b>173,988.45</b>
<b>Payment: 13672</b>				
Brenntag Pacific, Inc.	Ammonium Sulfate	BPI530651	07/23/2025	807.54 M
Brenntag Pacific, Inc.	Ammonium Sulfate	BPI530649	07/23/2025	1,242.55 M
Brenntag Pacific, Inc.	Ammonium Sulfate	BPI530650	07/23/2025	1,424.88 M

**Item D-1(A) Warrants JULY 23, 2025**
**Payment Dates: 07/23/2025 - 07/23/2025**

Vendor Name	Description (Payable)	Payable Number	Payment Date	Amount
Brenntag Pacific, Inc.	Sodium Hypochlorite	BPI530314	07/23/2025	1,016.05 <b>M</b>
<b>Payment 13672 Total:</b>				<b>4,491.02</b>
<b>Payment: 13673</b>				
Brown, Kenneth	CSM3 renewal	JULY2025	07/23/2025	124.00 <b>O</b>
<b>Payment 13673 Total:</b>				<b>124.00</b>
<b>Payment: 13674</b>				
Eagle Aerial Photography Inc	Waterview CII module	20810	07/23/2025	15,909.00 <b>A</b>
<b>Payment 13674 Total:</b>				<b>15,909.00</b>
<b>Payment: 13675</b>				
Excel Personnel Services, Inc.	Employment agency	4612271	07/23/2025	446.40 <b>M</b>
<b>Payment 13675 Total:</b>				<b>446.40</b>
<b>Payment: 13676</b>				
Famcon Pipe and Supply Inc.	Meter lids	S100159462.001	07/23/2025	1,598.63 <b>O</b>
Famcon Pipe and Supply Inc.	slings, glue, aluminum offset,	S100159133.002	07/23/2025	2,157.60 <b>O</b>
Famcon Pipe and Supply Inc.	pipe	S100159133.001	07/23/2025	468.68 <b>O</b>
<b>Payment 13676 Total:</b>				<b>4,224.91</b>
<b>Payment: 13677</b>				
FGL Environmental	Lab tests	582244A	07/23/2025	490.00 <b>M</b>
FGL Environmental	Lab tests	582320A	07/23/2025	73.00 <b>M</b>
FGL Environmental	Lab tests	582243A	07/23/2025	141.00 <b>M</b>
FGL Environmental	Lab tests	582289A	07/23/2025	73.00 <b>M</b>
<b>Payment 13677 Total:</b>				<b>777.00</b>
<b>Payment: 13678</b>				
Hach Company	Laboratory VIS	14565944	07/23/2025	8,738.62 <b>O</b>
<b>Payment 13678 Total:</b>				<b>8,738.62</b>
<b>Payment: 13679</b>				
Kerre McCall	Tract 2558 - Cash Bond Deposit	JULY 2025	07/23/2025	21,250.79 <b>O</b>
<b>Payment 13679 Total:</b>				<b>21,250.79</b>
<b>Payment: 13680</b>				
Mission Uniform Service	Uniforms	524206714	07/23/2025	242.44 <b>M</b>
Mission Uniform Service	Uniforms	524168750	07/23/2025	261.47 <b>M</b>
<b>Payment 13680 Total:</b>				<b>503.91</b>
<b>Payment: 13681</b>				
NewLane Finance Company	Telephone	607381	07/23/2025	313.98 <b>M</b>
<b>Payment 13681 Total:</b>				<b>313.98</b>
<b>Payment: 13682</b>				
NexTraq	GPS subscription	USCI_11776	07/23/2025	603.05 <b>M</b>
<b>Payment 13682 Total:</b>				<b>603.05</b>
<b>Payment: 13683</b>				
No Limit Tire, Inc	Vehicle repair/maintenance-	52384	07/23/2025	1,076.80 <b>O</b>
No Limit Tire, Inc	Vehicle repair/maintenance-	52383	07/23/2025	254.20 <b>O</b>
<b>Payment 13683 Total:</b>				<b>1,331.00</b>
<b>Payment: 13684</b>				
Office Depot	Office supplies	430376038001	07/23/2025	43.75 <b>M</b>
Office Depot	Office supplies	430472574001	07/23/2025	13.82 <b>M</b>
Office Depot	Office supplies	430375494001	07/23/2025	144.07 <b>M</b>
<b>Payment 13684 Total:</b>				<b>201.64</b>
<b>Payment: 13685</b>				
Postmaster	Post office box rental	FY25-26	07/23/2025	244.00 <b>A</b>
<b>Payment 13685 Total:</b>				<b>244.00</b>
<b>Payment: 13686</b>				
SLO County Auditor Controller	LAFCO contributions FY 2025-26	LAFCO25/26	07/23/2025	40,017.80 <b>A</b>
<b>Payment 13686 Total:</b>				<b>40,017.80</b>
<b>Payment: 13687</b>				
SLO County Public Works	Annual encroachment permits	FY25/26	07/23/2025	1,949.00 <b>A</b>

## Item D-1(A) Warrants JULY 23, 2025

Payment Dates: 07/23/2025 - 07/23/2025

Vendor Name	Description (Payable)	Payable Number	Payment Date	Amount
<b>Payment: 13687</b>			<b>Payment 13687 Total:</b>	<b>1,949.00</b>
USA Bluebook	CHEMKEY	INV00755385	07/23/2025	634.81M
<b>Payment: 13688</b>			<b>Payment 13688 Total:</b>	<b>634.81</b>
Waste Connections	Waste Collection- Southland	9003524U120	07/23/2025	329.25 M
Waste Connections	Waste Collection- Old Town	9003247U120	07/23/2025	372.50 M
Waste Connections	Waste Collection- Office	9002502U120	07/23/2025	70.23 M
<b>Payment: 13689</b>			<b>Payment 13689 Total:</b>	<b>771.98</b>
<b>Payment: 13690</b>				
Madison Lanting	UB Refund	08-2730-00	07/23/2025	284.14 O
<b>Payment: 13691</b>			<b>Payment 13690 Total:</b>	<b>284.14</b>
Peter Statti	UB Refund	08-3970-01	07/23/2025	1,062.85 O
<b>Payment: 13688</b>			<b>Payment 13688 Total:</b>	<b>1,062.85</b>

TO: BOARD OF DIRECTORS

REVIEWED: RAY DIENZO, P.E. *R.D.*  
GENERAL MANAGER

FROM: JANA ETTEDDGUE *Jw*  
FINANCE DIRECTOR

DATE: July 18, 2025

**AGENDA ITEM**  
**D-1(B)**  
**JULY 23, 2025**

**WARRANTS – BLACKLAKE ASSESSMENT DISTRICT 2020-1**

COMPUTER CHECKS GENERATED – SEE ATTACHED	\$418,798.18
VOIDED CHECKS	NONE

# Item D-1(B) Warrants JULY 23, 2025

Nipomo Community Services District

By Payment Number

Payment Dates 07/23/2025 - 07/23/2025

Vendor Name	Description (Payable)	Payable Number	Payment	Amount
<b>Payment: 207</b>				
Cannon Corporation	BL Sewer Consolidation Project	92525	07/23/2025	6,302.00
			<b>Payment 207 Total:</b>	<b>6,302.00</b>
<b>Payment: 208</b>				
Nipomo Community Services	Water	JUNE2025B	07/23/2025	338.00
			<b>Payment 208 Total:</b>	<b>338.00</b>
<b>Payment: 209</b>				
Nunley & Associates, Inc.	CM-Blacklake Sewer	1476	07/23/2025	78,812.00
			<b>Payment 209 Total:</b>	<b>78,812.00</b>
<b>Payment: 210</b>				
Spiess Construction Co.	Blacklake Sewer Consolidation	BLA/D-10	07/23/2025	323,883.76
			<b>Payment 210 Total:</b>	<b>323,883.76</b>
<b>Payment: 211</b>				
SWCA, Inc.	Blacklake Sewer Consolidation	223443	07/23/2025	9,462.42
			<b>Payment 211 Total:</b>	<b>9,462.42</b>



TO: BOARD OF DIRECTORS  
FROM: RAY DIENZO, P.E. *R.D.*  
GENERAL MANAGER  
DATE: JULY 17, 2025

**AGENDA ITEM**  
**D-2**  
**JULY 23, 2025**

**APPROVE JULY 9, 2025  
REGULAR BOARD MEETING MINUTES**

**ITEM**

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

**BACKGROUND**

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

**RECOMMENDATION**

Approve Minutes

**ATTACHMENT**

A. July 9, 2025 draft Board Meeting Minutes

JULY 23, 2025

ITEM D-2

ATTACHMENT A

# NIPOMO COMMUNITY SERVICES DISTRICT

*Serving the Community since 1965*

## **DRAFT REGULAR MEETING MINUTES**

**JULY 9, 2025 AT 9:00 A.M.**

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

### **BOARD of DIRECTORS**

ED EBY, **PRESIDENT**  
PHIL HENRY, **VICE PRESIDENT**  
GARY HANSEN, **DIRECTOR**  
JOHN JOYCE, **DIRECTOR**  
TOM GLOVER, **DIRECTOR**

### **PRINCIPAL STAFF**

RAY DIENZO, **GENERAL MANAGER**  
JANA ETTEDDGUE, **FINANCE DIR/ASST GM**  
PETER SEVCIK, **DIRECTOR OF ENG. & OPS.**  
CRAIG STEELE, **GENERAL COUNSEL**

### **Mission Statement:**

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

#### **A. CALL TO ORDER AND FLAG SALUTE**

*President Eby called the Regular Meeting of July 9, 2025, to order at 9:00 a.m. and led the flag salute.*

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

*At roll call, Directors Glover, Hansen, Henry, and Eby were present. Director Joyce was absent.*

*Joe Martinez, NCSD Resident, inquired about the water supply for the Dana Reserve.*

*Pat McQuillen, NCSD Resident, inquired about AML program and the Prop 1 Grant Funding.*

*Pam Wilson, NCSD Resident, inquired about the Backflow charge mentioned in the June Newsletter.*

*Ray Dienzo, General Manager, answered questions from the public.*

#### **C. PRESENTATIONS AND REPORTS**

##### **C-1) DIRECTORS' ANNOUNCEMENTS OF DISTRICT AND COMMUNITY INTEREST AND REPORTS ON ATTENDANCE AT PUBLIC MEETINGS, TRAINING PROGRAMS, CONFERENCES AND SEMINARS.**

**Receive Announcements and Reports from Directors**

##### *Director Henry*

- *July 1, attended Board Officer's meeting*
- *July 3, attended NMMA-TG meeting*

##### *Director Eby*

- *July 3, attended NMMA-TG meeting*
- *June 19, LAFCO meeting was cancelled*
- *July 2, WRAC meeting was cancelled*
- *July 13, Plan for the future of Nipomo at the Dana Adobe 2:30 to 5:30 pm*
- *July 17, LAFCO Meeting*

**SUBJECT TO BOARD APPROVAL**

**Nipomo Community Services District  
REGULAR MEETING  
MINUTES**

*Director Glover*

- *May 29, attended NMMA-TG meeting*

*There were no public comments.*

**D. CONSENT AGENDA** *The following items are considered routine and non-controversial by staff and may be approved by one motion if no member of the Board wishes an item removed. If discussion is desired, the item may be removed from the Consent Agenda by a Board member and will be considered separately at the conclusion of the Consent Items. Questions or clarification may be made by the Board members without removal from the Consent Agenda. Individual items on the Consent Agenda are approved by the same vote that approves the Consent Agenda, unless an item is pulled for separate consideration. The recommendations for each item are noted in bracket. Members of the public may comment on the Consent Agenda items.*

- D-1) WARRANTS [RECOMMEND APPROVAL]
- D-2) APPROVE JUNE 11, 2025 REGULAR BOARD MEETING MINUTES [RECOMMEND APPROVE MINUTES]
- D-3) CONSIDER REQUEST FOR WATER, SEWER AND SOLID WASTE SERVICE (INTENT-TO-SERVE LETTER) FOR TRACT 3148, A MIXED-USE DEVELOPMENT LOCATED AT 691 WEST TEFFT STREET [RECOMMEND CONSIDER INTENT-TO-SERVE LETTER AND APPROVE WITH CONDITIONS]
- D-4) CONSIDER REQUEST FOR WATER, SEWER AND SOLID WASTE SERVICE (INTENT-TO-SERVE LETTER) FOR A 2 PARCEL RESIDENTIAL SUBDIVISION LOCATED AT 766 STORY STREET, APN 092-156-011 [RECOMMEND CONSIDER INTENT-TO-SERVE LETTER AND APPROVE WITH CONDITIONS]
- D-5) AUTHORIZE TASK ORDER FOR ON-CALL ENGINEERING SERVICES WITH MICHAEL K. NUNLEY AND ASSOCIATES [RECOMMEND AUTHORIZE TASK ORDER]

*Director Eby asked a question on D-4.*

*Peter Sevcik, Director of Engineering and Operations, answered questions from the Board.*

*Upon the motion of Director Glover, and seconded, the Board approved the Consent Agenda.*

*Vote 4-0*

YES VOTES	ABSTAIN	ABSENT
Directors Glover, Hansen, Henry, and Eby	None	Joyce

**SUBJECT TO BOARD APPROVAL**

**Nipomo Community Services District  
REGULAR MEETING  
MINUTES**

**E. ADMINISTRATIVE ITEMS**

- E-1) CONSIDER REQUEST FOR NOMINATIONS FOR LOCAL AGENCY FORMATION COMMISSION ALTERNATE SPECIAL DISTRICT SEAT NOMINATION [RECOMMEND CONSIDER NOMINATING A NIPOMO COMMUNITY SERVICES DISTRICT DIRECTOR TO FILL THE ALTERNATIVE SPECIAL DISTRICT MEMBER SEAT ON LAFCO]

*Ray Dienzo, General Manager, presented the item and answered questions from the Board.*

*Pat McQuillen, NCSD Resident, commented on the item.*

*Director Glover nominated Director Joyce.*

*Upon the motion of Director Glover, and seconded, the Board nominated Director Joyce to fill the alternate Special District Member Seat on LAFCO.*

*Vote 2-1-1*

YES VOTES	ABSTAIN	NO	ABSENT
Directors Glover, Henry	Hansen	Eby	Joyce

- E-2) CONSIDER SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY 2025 BOARD OF DIRECTORS ELECTION BALLOT [RECOMMEND REVIEW BALLOT AND CANDIDATES AND DIRECT STAFF TO SUBMIT A BALLOT WITH THE NIPOMO COMMUNITY SERVICES DISTRICT'S BOARD OF DIRECTOR'S PREFERRED SDRMA BOARD CANDIDATE(S) IF ANY]

*Ray Dienzo, General Manager, presented the item and answered questions from the Board.*

*Director Eby nominated Scheafer, Wright, Ruetters, and Housley.*

*Upon the motion of Director Henry, and seconded, the Board nominated Scheafer, Wright, Ruetters, and Housley for the SDRMA candidates.*

*Vote 4-0*

YES VOTES	NO	ABSENT
Directors Henry, Glover, Hansen, and Eby	None	Joyce

- E-3) DISCUSS REVISIONS TO THE DISTRICT'S ANNEXATION POLICY [RECOMMEND REVIEW AND PROVIDE DIRECTION TO STAFF]

*Craig Steele, District Legal Counsel presented the item and answered questions from the Board.*

*Joe Martinez, NCSD Resident, commented on the item.*

*Director Eby asked for additional language to be added to page 2 of the policy.*

**SUBJECT TO BOARD APPROVAL**

**Nipomo Community Services District  
REGULAR MEETING  
MINUTES**

*The Board Directed Staff to incorporate changes and present to the Board on July 23, 2025.*

**ADMINISTRATIVE ITEMS****ADJOURN TO NCSD PUBLIC FACILITIES CORPORATION**

*President Eby adjourned to the NCSD Public Facilities Corporation Annual Meeting.*

**ROLL CALL**

*At roll call all directors were present*

*There were no public comments.*

**A. NCSD PUBLIC FACILITIES CORPORATION ANNUAL MEETING**  
**Approve August 14, 2024 Public Facilities Corporation Meeting Minutes**

*There were no public comments*

*Upon the motion of Director Henry, and seconded, the Board approved the minutes of August 14, 2024. Director Glover abstained from voting due to not being a Board member at the previous annual meeting.*

**Vote 3-0**

<b>YES VOTES</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
<i>Directors Henry, Hansen and Eby</i>	<i>Glover</i>	<i>Joyce</i>

*President Eby adjourned to the NCSD Regular Board Meeting.*

**F. GENERAL MANAGER'S REPORT**

*Ray Dienzo, General Manager, presented the item and answered questions from the Board.*

*Jana Etteddgue, Finance Director, answered questions from the Board.*

*There were no public comments*

**G. COMMITTEE REPORTS**

*None.*

**H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS**

*Director Glover asked Peter Sevcik and Ray Dienzo for an overview of the Districts collection and distribution system, Director Henry asked to partake as well.*

**SUBJECT TO BOARD APPROVAL**

**Nipomo Community Services District  
REGULAR MEETING  
MINUTES**

**I. CLOSED SESSION ANNOUNCEMENTS**

*Craig Steele, General Counsel, announced that there would be no closed session.*

- 1) CONFERENCE WITH DISTRICT LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GC §54956.9
  - a. SMVWCD V. NCSD (SANTA CLARA COUNTY CASE NO. CV 770214, SIXTH APPELLATE COURT CASE NO. H032750, AND ALL CONSOLIDATED CASES)
  - b. NIPOMO ACTION COMMITTEE, ET AL. V. SAN LUIS OBISPO LOCAL AGENCY FORMATION COMMISSION, ET. AL. (SAN LUIS OBISPO COUNTY SUPERIOR COURT CASE NO. 24CV-0768)

**ADJOURN MEETING**

*President Eby adjourned the meeting at 10:07 a.m.*

MEETING SUMMARY	HOURS & MINUTES			
Regular Meeting	1	hours	06	minutes
Closed Session	0	hours	00	minutes
TOTAL HOURS	1	hours	06	minutes

Respectfully submitted,

\_\_\_\_\_  
Ray Dienzo, General Manager and Secretary to the Board

\_\_\_\_\_  
Date

**SUBJECT TO BOARD APPROVAL**

TO: BOARD OF DIRECTORS

REVIEWED: RAY DIENZO, P.E. R.D.  
GENERAL MANAGER

FROM: JANA ETTEDDGUE Jw  
FINANCE DIRECTOR

DATE: JULY 17, 2025

**AGENDA ITEM**

**D-3**

**JULY 23, 2025**

**INVESTMENT POLICY – QUARTERLY REPORT**

**ITEM**

Review Investment Policy Quarterly Report [RECOMMEND ACCEPT AND FILE REPORT]

**BACKGROUND**

The District's Investment Policy requires the Treasurer/Finance Officer file a quarterly report that identifies the District's investments and their compliance with the policy. The quarterly report [Attachment A] is considered by the Board of Directors and is filed with the District's auditor.

As District Treasurer/Finance Officer, I am pleased to inform the Board of Directors that the District is in compliance with the Investment Policy and that the objectives of safety, liquidity, and yield have been met. The District has the ability to meet cash flow requirements for the next six months.

**STRATEGIC PLAN**

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

**RECOMMENDATION**

After Board consideration and public comment, it is recommended that your Honorable Board accept the quarterly report and direct staff to file the Report with the District Auditor.

**ATTACHMENTS**

A. Quarterly Investment Report



JULY 23, 2025

ITEM D-3

ATTACHMENT A

# ATTACHMENT A

## NIPOMO COMMUNITY SERVICES DISTRICT INVESTMENT POLICY-QUARTERLY REPORT 6/30/2025

UNRESTRICTED POOLED CASH ACCOUNTS							
<i>Investment</i>	<i>Institution</i>	<i>Amount of Deposit 6/30/25</i>	<i>Rate of Interest as of 6/30/25</i>	<i>Quarterly Interest Earned or Accrued 6/30/25</i>	<i>Amount of Deposit 6/30/24</i>	<i>Rate of Interest as of 6/30/24</i>	<i>Quarterly Interest Earned or Accrued 6/30/24</i>
<b>Public Checking (1)</b>	<i>Five Star Bank</i>	\$1,174,564.81	n/a	n/a	\$699,758.59	n/a	n/a
<b>Public Money Market</b>	<i>Five Star Bank</i>	\$3,237,360.06	4.28%	\$47,489.31	\$431,110.15	4.42%	\$4,883.13
<b>Public Money Market</b>	<i>Mechanics Bank</i>	\$1,099,938.60	4.52%	\$11,169.30	\$473,327.86	4.70%	\$4,353.24
<b>Pooled Money Investment</b>	<i>Local Agency Investment Fund (LAIF)</i>	\$13,781,519.80	4.40%	\$150,990.90	\$13,609,439.99	4.55%	\$155,981.70
<b>Pooled Money Investment</b>	<i>Multi Bank Securities</i>	\$2,475,206.33 See attached	3.90- 5.40%	\$94,745.17	\$5,853,652 See attached	5.15- 5.40%	\$98,128.30
RESTRICTED CASH ACCOUNTS – DEVELOPER BOND FUNDS HELD IN TRUST							
<b>Money Mkt - Performance Bond</b>	<i>Five Star</i>	\$21,250.79	4.28%	\$226.29	\$20,329.96	4.42%	\$214.98
<b>Money Mkt - Performance Bond</b>	<i>Five Star</i>	<i>Five Star</i>	Closed – Deposit returned	n/a	\$17,186.48	4.42%	\$181.73
RESTRICTED CASH ACCOUNT – NIPOMO SUPPLEMENTAL WATER FUNDED REPLACEMENT HELD IN TRUST							
<b>Savings–NSWP Funded Replacement</b>	<i>Five Star</i>	\$2,259,044.35	4.28%	\$23,800.03	\$1,959,023.58	4.42%	\$20,464.95
RESTRICTED CASH ACCOUNTS – ASSESSMENT DISTRICT 2020-1 HELD IN TRUST							
<b>Public Checking - BL A/D 2020-1 (1)</b>	<i>Five Star</i>	\$959.46	n/a	n/a	\$4,532.98	n/a	n/a
<b>Money Mkt - BL A/D 2020-1</b>	<i>Five Star</i>	\$2,258,986.65	4.28%	\$20,033.29	\$2,067,250.47	4.42%	\$21,732.78
<b>Money Mkt - BL Tax Roll Collections</b>	<i>Five Star</i>	\$436,503.48	4.28%	\$3,976.99	\$10,490.49	4.42%	\$3,720.62

(1) Analyzed Account  
n/a Not applicable

**Nipomo Communtiy Services District**  
**Investments**  
**June 30, 2025**

<u>Type of Investment</u>	<u>CUSIP</u>	<u>Purchased</u>	<u>Maturity</u>	<u>Yield to Maturity</u>	<u>Par Value(1)</u>	<u>Market Value(2)</u>	<u>Cost Basis(3)</u>
<b>12 Month Certificates of Deposit (CD's)</b>							
Certificate of Deposit - Oxford Bank	69141NAL8	4/4/2025	4/10/2026	3.90%	\$ 240,000	\$ 239,587	\$ 240,000
<b>24 Month Certificates of Deposit (CD's)</b>							
Certificate of Deposit - Morgan Stanley Salt Lake	61690D2C1	4/8/2025	10/12/2027	4.10%	\$ 244,000	\$ 244,625	\$ 244,000
Certificate of Deposit - Morgan Stanley NY	61776NPY3	4/8/2025	10/12/2027	4.10%	\$ 244,000	\$ 244,625	\$ 244,000
<b>CD Subtotal</b>					<b>\$ 728,000</b>	<b>\$ 728,837</b>	<b>\$ 728,000</b>
<b>Investment Total</b>					<b>\$ 728,000</b>	<b>\$ 728,837</b>	<b>\$ 728,000</b>
<b>Matured/Retired Investments</b>							
	<u>CUSIP</u>	<u>Purchased</u>	<u>Maturity</u>	<u>to Maturity</u>	<u>Par Value(1)</u>		
Certificate of Deposit - Simmons Bank Pine	82869AGJ8	6/17/2024	6/17/2025	5.30%	\$ 237,000		
Certificate of Deposit - Bar Harbor Bank & Trust	066851YJ9	6/17/2024	6/17/2025	5.30%	\$ 237,000		
Certificate of Deposit - Charles Schwab	15987UCW6	6/20/2024	6/17/2025	5.35%	\$ 237,000		
Certificate of Deposit - CFSBank Charlerol PA	12526AAP2	6/20/2024	6/20/2025	5.30%	\$ 237,000		
Certificate of Deposit - Western Alliance Bank	95763PTU5	6/21/2024	6/20/2025	5.40%	\$ 237,000		
Certificate of Deposit - Gateway Bank Mendota	36758RFA1	6/21/2024	6/20/2025	5.30%	\$ 237,000		
Certificate of Deposit - Byline Bank Chicago	12441PBQ8	6/21/2024	6/20/2025	5.35%	\$ 237,000		
<b>Total</b>					<b>\$ 1,659,000</b>		

**Market Value Source:** eConnectDirect.com for the Certificates of Deposit and Treasuries

(1) Par Value is the Face Value of the investment when it matures

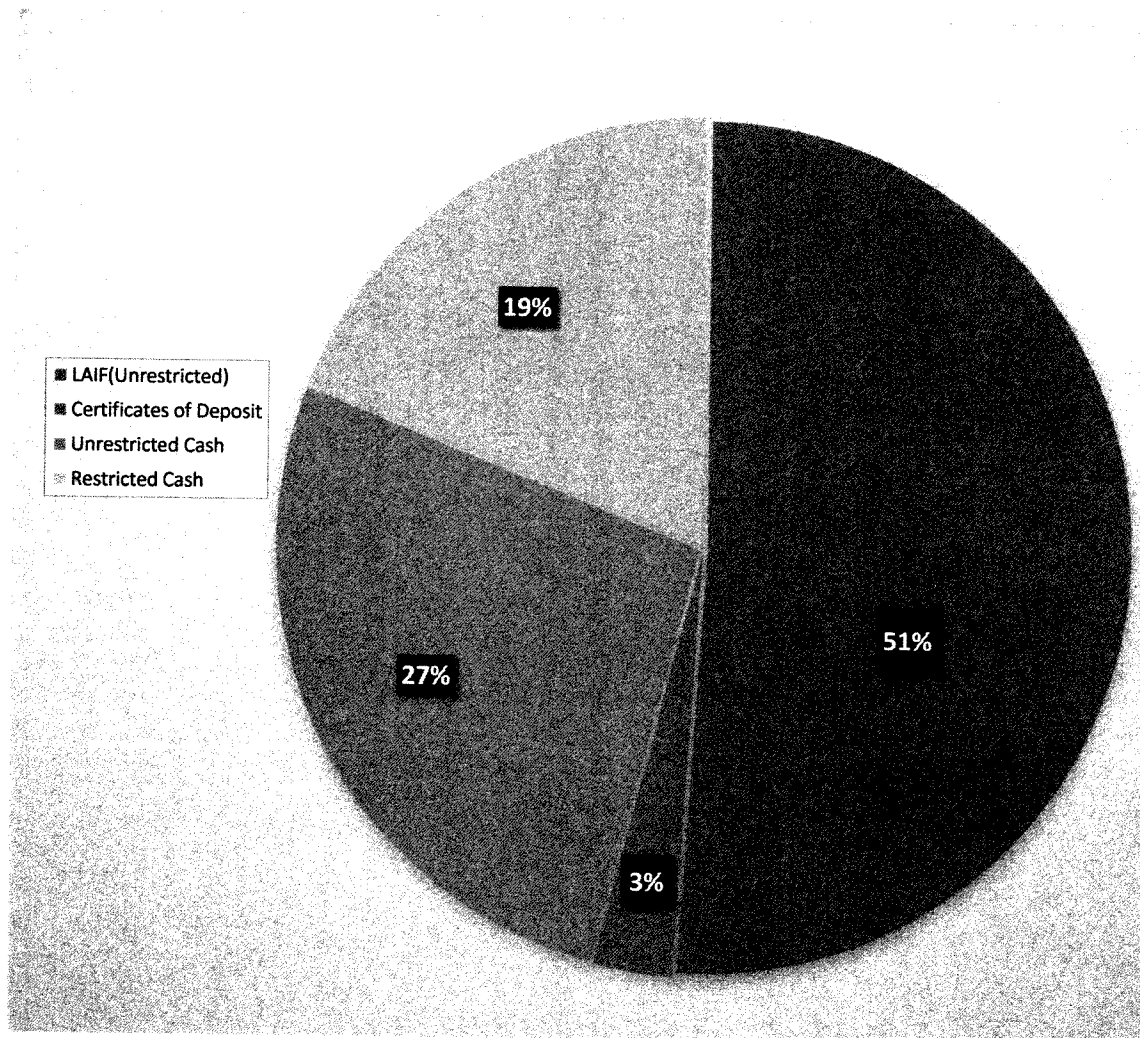
(2) Market Value of Certificates of Deposit is shown as of 6/30/2025

(3) Cost Basis is the original purchase price of the investment

**Notes to Mention**

- Investments listed in this report comply with the California Government Codes 53600-53864 and the District's Statement of Investment Policy.
- Sufficient funds are available to meet the District's expenditure requirements for the next six months.
- All CDs are 100% FDIC insured and noncallable

**Nipomo Community Services District  
Cash and Investment Allocation  
June 30, 2025**



Cash and Investment Summary			
LAIF(Unrestricted)	\$	13,781,520	51%
Certificates of Deposit	\$	728,000	3%
Unrestricted Cash	\$	7,259,070	27%
Restricted Cash	\$	4,976,745	19%
Total	\$	26,745,335	100%

**Pursuant to Section 8.A. of the Investment Policy**

**Summary of Electronic Transfers (greater than \$500,000)**

Transfer Date	Amount	Transfer From	Transfer To
6/4/2025	\$784,851.73	BNY Construction AD 2020-1	FSB BL AD Money Market

TO: BOARD OF DIRECTORS  
FROM: RAY DIENZO *RD*  
GENERAL MANAGER  
  
CRAIG STEELE  
GENERAL COUNSEL

**AGENDA ITEM**  
**D-4**  
**JULY 23, 2025**

DATE: JULY 16, 2025

**ADOPT REVISIONS TO THE DISTRICT'S ANNEXATION POLICY**

**ITEM**

Adopt the proposed revisions to the Nipomo Community Services District's ("NCSD") Annexation Policy recommended by the Board *ad hoc* subcommittee, staff and general counsel.  
[RECOMMEND ADOPT BY RESOLUTION]

**BACKGROUND**

At the July 9, 2025, Board meeting, the Board of Directors ("Board") discussed the proposed revisions to the District's annexation policy. The Board made some minor revisions and directed staff to bring the revised policy for adoption at the next board meeting.

**DISCUSSION**

The Nipomo Community Services District ("District") has been assigned a Sphere of Influence ("SOI") outside, but adjacent to, the District's boundaries by the San Luis Obispo County Local Agency Formation Commission ("LAFCO"). The SOI consists of territory that is not served by the District but could, in appropriate circumstances prescribed by State law and Board policy, be added to the District's service area through an annexation process. The District has in place an Annexation Policy ("Policy") to provide a framework and standards for considering proposed annexations. Informed by recent annexation proceedings, your Board formed an *ad hoc* subcommittee to work with staff and counsel to review the Policy and, if necessary, clarify the conditions of annexation that are consistent with the District's mission and all applicable laws and regulations. The mission of the District is to "[p]rovide our customers with reliable, quality, and cost-effective services now and in the future."

The *ad hoc* subcommittee met with District staff and General Counsel to review the Policy and proposed changes to update and clarify parts of the Policy. The *ad hoc* subcommittee recommends that your Board review the recommended changes attached to this report and give direction to staff. If appropriate, the revised Policy would come back to your Board for adoption at a future meeting.

These recommended revisions to the Policy are not substantively new. Rather, they clarify and combine the requirements of State law and District Code and policies into one document to avoid any confusion or misunderstanding of the District's position by an applicant or our public agency partners at the County or LAFCO. Every applicant would receive a written copy of this Policy at the beginning of an application so they will be aware of the District's processes, standards, and policies from the start. As directed by the Board, applicants will know from the beginning of the process that the Board (and State law) will require the successful negotiation of a property tax revenue sharing agreement with the County of San Luis Obispo a critical element in establishing benefit and equity for District customers.

The proposed changes to the Policy are shown in redline and strikeout. Those changes are generally summarized as follows:

Section III is new text in the Policy, but the substance has already existed in the District's Code and State law. The policy will acknowledge that an annexation application can originate at the District office, or at LAFCO, and it describes the resulting process accordingly. Specifically, the new Policy explicitly requires the General Manager to bring LAFCO annexation applications to the Board at an early stage. The Board has a statutory right to terminate LAFCO annexation proceedings at a specified time, on very specific and limited legal grounds, based on required findings supported by substantial evidence in the record before the Board. Section III 2 c specifies the evidence and technical data the Board could consider in that context.

Existing Section IV has been relocated to Section III for clarity and organization. New Section IV prescribes the application requirements. The new text added to Section IV D is simply a list of what the District already requires for an annexation application, organized so that applicants and staff can work with one list. Text changes in Sections IV E, I, and J, are clarifying and not substantively new. Section IV J 4 was added at the recommendation of the *ad hoc* subcommittee to emphasize the Board's intent that a mutually agreeable revenue sharing agreement is essential to any annexation approval.

Changes in Sections IV and V also provide greater detail and clarity regarding the required annexation agreement.

### **FISCAL IMPACT**

Funds for staff time to support the review and revisions to the annexation policy are included in the Budget. Generally, the costs for the District to review an annexation application are borne by the applicant.

### **STRATEGIC PLAN**

Goal 6 – GOVERNANCE AND ADMINISTRATION – Conduct District activities in an efficient, equitable and cost-effective manner.

### **RECOMMENDATION**

Staff recommends that the Honorable Board review the proposed annexation policy language and provide further direction to staff.

### **ATTACHMENT**

- A. 2025-XXXX Resolution Amending the District's Annexation Policy
- B. Exhibit A - Annexation Policy (clean version)
- C. Exhibit A - Annexation Policy (redline version)

JULY 23, 2025

ITEM D-4

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2025-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT AMENDING  
THE DISTRICT'S ANNEXATION POLICY**

**WHEREAS**, the Nipomo Community Services District ("District") is formed under the Community Services District Law (Govt. Code §61100 et seq.) and provides water, sewer, and solid waste services within its service area pursuant to Govt. Code §61100 of the Community Services District Law; and

**WHEREAS**, the Local Agency Formation Commission of San Luis Obispo County ("LAFCO") is charged with the authority to review and approve all requests for annexations, sphere of influence changes, and other changes in organization of the District; and

**WHEREAS**, LAFCO adopted a Sphere of Influence Update and Municipal Service Review for the District on or about March 15, 2018; and

**WHEREAS**, the District's Board of Directors has previously adopted and amended an Annexation Policy; and

**WHEREAS**, subsequent to the adoption of the District's most recent Annexation Policy, the Board and staff have determined that certain clarifications and updates to the Annexation Policy are in order; and

**WHEREAS**, based on the advice of counsel and staff, the Board of Directors finds and declares that the policies adopted by this Resolution are consistent, and do not conflict, with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 or with the LAFCO actions described therein.

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

1. The facts and findings stated above are true and correct to the best of the Board's knowledge and hereby adopted.
2. The Annexation Policy of the Nipomo Community Services District, as adopted in Resolution 2020-1540 and subsequently amended, is hereby amended and restated to be as shown in Exhibit A, attached hereto and incorporated herein by this reference.
3. The adoption of this amendment to an administrative policy is not a "project" as defined in Public Resources Code Section 21065, as it is not an activity that may cause a direct or indirect change in the environment and is thus not subject to review under the California Environmental Quality Act ("CEQA").



**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2025-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT ADOPTING A  
REVISED ANNEXATION POLICY**

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

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

the foregoing Resolution is hereby passed and adopted this 23rd day of July, 2025.

\_\_\_\_\_  
**ED EBY**

President of the Board

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**RAY DIENZO, P.E.**

General Manager and Secretary to the Board

\_\_\_\_\_  
**CRAIG A. STEELE**

District Legal Counsel

JULY 23, 2025

ITEM D-4

ATTACHMENT B

## **Exhibit "A"**

### **THE ANNEXATION POLICY OF THE NIPOMO COMMUNITY SERVICES DISTRICT**

Adopted January 22, 2020 – Resolution 2020-1540

Amended March 22, 2023 – Resolution 2023-1658

Amended July 23, 2025 - Resolution 2025-XXXX

#### **I. PURPOSE**

In order to promote efficient processing of requests for annexation to the Nipomo Community Services District ("District"), this policy sets forth the framework and standards upon which the Board of Directors will consider such requests and provides notice thereof to the owners of the property that is the subject of such requests.

#### **II. INTENT**

The Board of Directors intends to review all annexation requests with the aim of supporting the viability of the District in providing essential services and adhering to the District's mission statement:

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

The District recognizes the need to preserve and enhance the availability and quality of its services and of the water resources within the Nipomo Mesa Management Area, within the context of State law and the District's responsibilities under the Stipulation and Judgment in the Santa Maria Valley Groundwater Adjudication. With this intent and within the framework of this annexation policy, the District acknowledges that, where conditions and findings will preserve and enhance District services and the water resources that support District customers and where, if applicable, the District and the other involved government entities approve an agreement as to the amount of property tax revenues that will be exchanged in future years, consistent with historic property tax revenue sharing agreements with regard to the percentage allocated to the District, thereby ensuring equity between existing customers and customers applying for annexation. Under these expressed conditions, annexations may provide a greater benefit to the community than the formation of homeowners associations or mutual water companies for the operation of water and/or sewer systems in the Nipomo Mesa area.

#### **III. INITIATION OF ANNEXATION REQUESTS**

- A. An application for property to be annexed into the District may be initiated either:

**THE ANNEXATION POLICY OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT**

Adopted January 22, 2020 – Resolution 2020-1540

Amended March 22, 2023 – Resolution 2023-1658

Amended July 23, 2025 - Resolution 2025-XXXX

1. By application directly to the District on an application form prescribed by the General Manager, subject to the procedures and requirements of Sections IV and V, below; or
2. By application to the San Luis Obispo County Local Agency Formation Commission ("LAFCO"). In the case of an applicant's submission directly to LAFCO, the application shall follow the guidelines and regulations of LAFCO and, as applicable, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, or any successor statute. In the case of an annexation application that is submitted to LAFCO, the following provisions shall apply, in addition to the applicable requirements of Sections IV and V:
  - a. Promptly upon receipt of a copy of the annexation proposal from the LAFCO Executive Officer, as required by Government Code Section 56857(a), the General Manager shall schedule the annexation proposal for consideration by the Board of Directors at a regular meeting, or a special meeting called for the purpose, on a date that allows adequate time for staff analysis of the proposal but will meet the deadline for the Board to adopt a resolution requesting termination of the proposed annexation within the time period specified in Government Code Section 56857(b).
  - b. The Board may, in its discretion, allow the annexation proposal to proceed through the statutory process at LAFCO, or adopt a resolution requesting termination of the proceedings. A Board resolution requesting termination of the proceedings shall be based upon written findings supported by substantial evidence in the record that the termination request is justified by one or more specific financial or service related concerns, as defined in Government Code Section 56857(c).
  - c. The Board may make findings regarding financial or service concerns based on information provided in the application and any additional information provided to the District by LAFCO or the applicant that is relevant to determining the adequacy of existing and planned future services to meet the probable future needs of the territory. Findings related to service or financial concerns may be based on the District's then-current urban water management plan, a Water Supply Assessment prepared for the application, capital improvement plan, financial statement, comprehensive annual financial report, integrated resource management plan, the most current NMMA Technical Group Annual Report, or other information related to the ability of the District to provide services.
  - d. If the Board adopts a resolution to request that LAFCO terminate the proceedings, the General Manager shall immediately transmit the resolution to the LAFCO Executive Officer.
  - e. The General Manager shall provide a copy of this Annexation Policy to any annexation applicant immediately following receipt of the notice from LAFCO. The General Manager shall promptly provide written notice of the property tax exchange agreement

**THE ANNEXATION POLICY OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT**

Adopted January 22, 2020 – Resolution 2020-1540

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Amended July 23, 2025 - Resolution 2025-XXXX

requirements of Section IV I of this Policy to the San Luis Obispo County CAO.

**IV. ANNEXATION APPLICATION REQUIREMENTS GENERALLY**

- A. Annexation applications may only be accepted for properties within the District's sphere of influence as delineated by LAFCO at the time of application.
- B. If approved, annexations will be served with water supplied through the Nipomo Supplemental Water Project in accordance with the terms of the Stipulation and Judgment entered in the Santa Maria Groundwater Adjudication and with all other District policies and ordinances. Annexations may only be approved if sufficient supplies of Nipomo Supplemental Water Project water exists to serve the project, based on the current District information specified in Section III(A)(2)(c) of this Annexation Policy.
- C. In order to provide for the orderly development of public service facilities, only those properties in the District's Sphere of Influence for which the owners are willing to accept all conditions for service required by the District will be considered for annexation. Further, requests for annexation solely for sewerage services to the exclusion of water service will be rejected by the District, except under extraordinary circumstances approved by the Board.
- D. In order to evaluate the impacts of potential annexations upon the Nipomo Community Services District, the Board will only consider annexation applications that are supported by the following information:
  - 1. A layout/site plan that shows the parcel layout, water and sewer laterals, and general off-site improvements, as applicable for the proposed area of annexation, in sufficient detail for the District to assess the full impact of the annexation on the District's water distribution facilities, sewer service, and solid waste services to be provided by the District to the area of annexation by the District. The Applicant shall provide three standard size (24" x 36") and one reduced copy (8-1/2" x 11") of such plan to the District;
  - 2. A completed District Annexation Application form;
  - 3. A deposit agreement in a form acceptable to the District's legal Counsel agreeing to fully fund the costs of any District staff time and technical studies required to fully evaluate the application, not covered by the Annexation Application Fee, as estimated by the General Manager. At the conclusion of the Application, any funds remaining from the costs deposit will be refunded to the Applicant;
  - 4. Payment of the non-refundable Annexation Application Fee as established by Resolution of the District Board;

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5. Written acknowledgement from the Applicant that they have received a copy of this Annexation Policy;
  6. Such other additional information from the Applicant that the General Manager deems reasonably necessary for the District to consider the application.
- E. For an annexation application initiated at the District, after review of the completed application, the Board of Directors will consider annexation requests where the application demonstrates all of the following:
1. The proposed annexation area has a need for the requested services.
  2. The proposed annexation area boundaries are consistent with this Policy.
  3. There is no reasonable alternative manner of providing the requested services to the proposed annexation area.
  4. The annexation represents a logical and reasonable expansion of the District's boundaries.
  5. The proposed annexation is consistent with the District's plans and policies.
  6. The District has the ability to meet the need for the requested services.
  7. The benefits of the proposed annexation outweigh the disadvantages of the proposed annexation to the District.
- F. The proposed annexation area boundaries shall be definite, certain, and conform to lines of assessment whenever possible. The proposed boundary shall include the entirety of any and all properties that may receive the proposed services to be provided. Rear property lines, rather than streets, will be used for the annexation boundary. Properties on both sides of a street that may receive services as a result of annexation may be required to be included in the annexation boundary.
- G. If the intended development within the proposed area of annexation requires discretionary San Luis Obispo County ("County") land use approvals (e.g., zoning, use permits, or subdivision map), the District's approval of the annexation shall not occur until after the owners has obtained such County approvals, unless the County and the District staffs have agreed in advance that

**THE ANNEXATION POLICY OF THE  
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Adopted January 22, 2020 – Resolution 2020-1540

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Amended July 23, 2025 - Resolution 2025-XXXX

the District's approval of an annexation may occur first, in which case the annexation approval shall be expressly conditioned on the owner obtaining County land use approvals.

- H. Applicants shall abandon any groundwater well existing on the annexation property, in compliance with all applicable County Environmental Health permitting requirements and standards, as a condition of receiving water service from the District, and any future use of groundwater basin water by the Applicant or his/her successors in interest shall be prohibited. The District may, as a condition of approval, require the applicant to record a covenant in form and content satisfactory to District legal counsel, abandoning such use.
- I. The applicant, at the applicant's sole expense, shall apply to and obtain approval from LAFCO for approval of the proposed annexation as required by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, or any successor statute. As one requirement of the annexation proceeding, the District will negotiate in good faith with the County of San Luis Obispo, or any other affected local government entity, to achieve a mutually acceptable agreement for the exchange of property tax revenue as provided in Revenue and Taxation Code Sections 99 and 99.01, or any successor statutes. No annexation of property affecting the District may go forward without the District Board's approval of such an agreement. To promote equity and fairness upon the annexation of customers into the District, it is the policy of the District that every proposed property tax revenue exchange agreement for an annexation shall allocate to the District a percentage of property tax revenue from the annexation that is consistent with the percentages the District has agreed to accept in previously approved annexations, except where the Board makes express written findings that extenuating circumstances apply and that a variation from this Paragraph IV I will not establish precedent for future annexations.
- J. If appropriate based on the origin of the application, prior to final LAFCO consideration of the annexation, the District shall adopt and forward to LAFCO a Resolution verifying the following:
  - 1. The applicant has provided, or executed an Annexation Agreement with the District to provide, all improvements, payments, fees, and charges, and met all legal requirements, necessary to enable the District to serve the annexation area, including but not limited to the provision of sufficient supplemental water to serve full build-out of the annexation area as reflected in the annexation application and the Annexation Agreement.
  - 2. The applicant has entered into an Annexation Agreement to the

**THE ANNEXATION POLICY OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT**

Adopted January 22, 2020 – Resolution 2020-1540

Amended March 22, 2023 – Resolution 2023-1658

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satisfaction of the District Board. The Resolution shall attach a copy of the Annexation Agreement, and shall request that LAFCO require compliance with the Annexation Agreement as a condition of approval of the Annexation.

3. That for each connection or potential connection, the applicant has deposited with the District the then current capacity and connection fees and charges for District services, or agreed to do so on a schedule specified in the approved Annexation Agreement.
  4. That the District Board and the County have each approved a mutually acceptable agreement for the exchange of property tax revenue.
- K. Typically, the District will be a “responsible agency” when required for purposes of review under the California Environmental Quality Act (“CEQA”). Approval or completion of an annexation will be conditioned upon compliance with all applicable requirements of CEQA and any mitigation measures or other conditions resulting from the completion of the CEQA process including, without limitation, a final non-appealable judgment in any litigation challenging the Annexation.
- L. Upon annexation, residents and commercial users within the area of the proposed annexation shall become “regular customers” of the District, with no greater entitlements to water or sewer service than any other District customer.
- M. As a condition of the District’s approval of any Annexation application or related decision, the applicant shall agree to indemnify and defend, with counsel of the District’s choice, the District, its officers, agents and employees, from and against any and all claims, actions, or proceeding to attack, set aside, void or annul, enjoin, or seek damages arising out of, an approval of the District, County, or LAFCO concerning the Annexation or the associated land use project. Such indemnification shall include damages, judgments, settlements, penalties, fines, defensive costs or expenses (including, but not limited to, interest, attorneys’ fees and expert witness fees), or liability of any kind related to or arising from such claim, action, or proceeding.

**V. ANNEXATION AGREEMENT**

Prior to consideration of the proposed Annexation by the District Board, all applicants for annexation shall be required to execute an annexation agreement with the District, in form and content satisfactory to the District General Manager and legal counsel, to be approved by the District Board of Directors. Said Annexation Agreement shall include, at a minimum, the following:



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1. That all infrastructure and service line extensions shall be designed and constructed at no cost to the District in accordance with District's standards.
2. Reimbursement to the District for its costs in processing and completing the annexation, including administrative, consultant, legal, and engineering costs.
3. Payment for all applicable District fees and charges at the times specified by the District Code, applicable policy, or the Board-approved Annexation Agreement.
4. The annexation application, layout plan, and the District's then-current Annexation Policy shall be incorporated into the Annexation Agreement.
5. The date by which the Annexation must be completed.
6. Applicable CEQA mitigation measures or requirements.
7. The indemnification and defense requirements of Section IV M, above.
8. Acceptance of the District's Annexation Water Rates based on 100% service supply from imported water.
9. Other terms and conditions as determined by the District.

[End of Policy]

JULY 23, 2025

ITEM D-4

ATTACHMENT C

## Exhibit "A"

### THE ANNEXATION POLICY OF THE NIPOMO COMMUNITY SERVICES DISTRICT

Adopted January 22, 2020 – Resolution 2020-1540

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#### I. PURPOSE

In order to promote efficient processing of requests for annexation to the Nipomo Community Services District ("District"), this policy sets forth the framework and standards upon which the Board of Directors will consider such requests and provides notice thereof to the owners of the property that is the subject of such requests.

#### II. INTENT

The Board of Directors intends to review all annexation requests with the aim of supporting the viability of the District in providing essential services and adhering to the District's mission statement:

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

The District recognizes the need to preserve and enhance the availability and quality of its services and of the water resources within the Nipomo Mesa Management Area, within the context of State law and the District's responsibilities under the Stipulation and Judgment in the Santa Maria Valley Groundwater Adjudication. With this intent and within the framework of this annexation policy, the District acknowledges that, where conditions and findings will preserve and enhance District services and the water resources that support District customers and where, if applicable, the District and the other involved government entities approve an agreement as to the amount of property tax revenues that will be exchanged in future years, consistent with historic property tax revenue sharing agreements with regard to the percentage allocated to the District, thereby ensuring equity between existing customers and customers applying for annexation. Under these expressed conditions, annexations may provide a greater benefit to the community than the formation of homeowners associations or mutual water companies for the operation of water and/or sewer systems in the Nipomo Mesa area.

#### III. INITIATION OF ANNEXATION REQUESTS

A. An application for property to be annexed into the District may be initiated either:

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1. By application directly to the District on an application form prescribed by the General Manager, subject to the procedures and requirements of Sections IV and V, below; or
2. By application to the San Luis Obispo County Local Agency Formation Commission ("LAFCO"). In the case of an applicant's submission directly to LAFCO, the application shall follow the guidelines and regulations of LAFCO and, as applicable, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, or any successor statute. In the case of an annexation application that is submitted to LAFCO, the following provisions shall apply, in addition to the applicable requirements of Sections IV and V:
  - a. Promptly upon receipt of a copy of the annexation proposal from the LAFCO Executive Officer, as required by Government Code Section 56857(a), the General Manager shall schedule the annexation proposal for consideration by the Board of Directors at a regular meeting, or a special meeting called for the purpose, on a date that allows adequate time for staff analysis of the proposal but will meet the deadline for the Board to adopt a resolution requesting termination of the proposed annexation within the time period specified in Government Code Section 56857(b).
  - b. The Board may, in its discretion, allow the annexation proposal to proceed through the statutory process at LAFCO, or adopt a resolution requesting termination of the proceedings. A Board resolution requesting termination of the proceedings shall be based upon written findings supported by substantial evidence in the record that the termination request is justified by one or more specific financial or service related concerns, as defined in Government Code Section 56857(c).
  - c. The Board may make findings regarding financial or service concerns based on information provided in the application and any additional information provided to the District by LAFCO or the applicant that is relevant to determining the adequacy of existing and planned future services to meet the probable future needs of the territory. Findings related to service or financial concerns may be based on the District's then-current urban water management plan, a Water Supply Assessment prepared for the application, capital improvement plan, financial statement, comprehensive annual financial report, integrated resource management plan, the most current NMMA Technical Group Annual Report, or other information related to the ability of the District to provide services.
  - d. If the Board adopts a resolution to request that LAFCO terminate the proceedings, the General Manager shall immediately transmit the resolution to the LAFCO Executive Officer.
  - e. The General Manager shall provide a copy of this Annexation Policy to any annexation applicant immediately following receipt of the notice from LAFCO. The General Manager shall promptly provide written notice of the property tax exchange agreement

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requirements of Section IV I of this Policy to the San Luis Obispo County CAO.

## ~~IV. SUBMITTAL OF ANNEXATION APPLICATION AND LAYOUT PLAN~~

~~Prior to District analysis of an annexation application made to the District, and consideration by the Board of Directors, Applicants must submit an application, and payment of the applicable application fees and deposits, to the District, demonstrating that the annexation will conform to these Annexation Policies and submit three (3) standard size (24" x 36") and one reduced copy (8½" x 11") of site plans showing the parcel layout, water and sewer laterals, and general off-site improvements, as applicable for the proposed area of annexation in sufficient detail for the District to assess the full impact of the annexation on the District's water distribution facilities, sewer service, and solid waste services to be provided to the area of annexation by the District.~~

## IV. ANNEXATION APPLICATION REQUIREMENTS GENERALLY

- A. Annexation applications may only be accepted for properties within the District's sphere of influence as delineated by the ~~San Luis Obispo County Local Agency Formation Commission ("LAFCO")~~ at the time of application.
- B. If approved, annexations will be served with water supplied through the Nipomo Supplemental Water Project in accordance with the terms of the Stipulation and Judgment entered in the Santa Maria Groundwater Adjudication Litigation and with all other District policies and ordinances. Annexations may only be approved if sufficient supplies of Nipomo Supplemental Water Project water exists to serve the project, based on the current District information specified in Section III(A)(2)(c) of this Annexation Policy.
- C. In order to provide for the orderly development of public service facilities, only those properties in the District's Sphere of Influence for which the owners are willing to accept all conditions for service required by the ~~Nipomo Community Services District~~ will be considered for annexation. ~~for which the owners are willing to accept all conditions for service required by the Nipomo Community Services District.~~ Further, requests for annexation solely for sewerage services to the exclusion of water service will be rejected by the District Board of Directors, except under extraordinary circumstances approved by the Board.
- D. In order to evaluate the impacts of potential annexations upon the Nipomo Community Services District, the Board will only consider annexation applications requests that are supported by the following information:
  - 1. A layout/site plan that shows the parcel layout, water and sewer laterals,

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- and general off-site improvements, as applicable for the proposed area of annexation, in sufficient detail for the District to assess the full impact of the annexation on the District's water distribution facilities, sewer service, and solid waste services to be provided by the District to the area of annexation by the District. The Applicant shall provide three standard size (24" x 36") and one reduced copy (8-1/2" x 11") of such plan to the District. ~~meets the~~ requirement of Section III:
2. A completed District Annexation Application form;
  3. A deposit agreement in a form acceptable to the District's legal Counsel agreeing to fully fund the costs of any District staff time and technical studies required to fully evaluate the application, not covered by the Annexation Application Fee, as estimated by the General Manager. At the conclusion of the Application, any funds remaining from the costs deposit will be refunded to the Applicant;
  4. Payment of the non-refundable Annexation Application Fee as established by Resolution of the District Board;
  5. Written acknowledgement from the Applicant that they have received a copy of this Annexation Policy;
  6. Such other additional information from the Applicant that the General Manager deems reasonably necessary for the District to consider the application.
- E. For an annexation application initiated at the District, after review of the completed application, the Board of Directors will consider annexation requests where the application demonstrates all of the following:
1. The proposed annexation area has a need for the requested services.
  2. The proposed annexation area boundaries are consistent with this Policy.
  3. There is no reasonable alternative manner of providing the requested services to the proposed annexation area.
  4. The annexation represents a logical and reasonable expansion of the District's boundaries.
  5. The proposed annexation is consistent with the District's plans and policies.
  6. The District has the ability to meet the need for the requested services.

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7. The benefits of the proposed annexation outweigh the disadvantages of the proposed annexation to the District.
- F. The proposed annexation area boundaries shall be definite, certain, and conform to lines of assessment whenever possible. The proposed boundary shall include the entirety of any and all properties that may receive the proposed services to be provided. Rear property lines, rather than streets, will be used for the annexation boundary. Properties on both sides of a street that may receive services as a result of annexation may be required to be included in the annexation boundary.
- G. If the intended development within the proposed area of annexation requires discretionary San Luis Obispo County ("County") land use approvals (e.g., zoning, use permits, or subdivision map), the District's approval of the annexation shall not occur until after the owners has obtained such County approvals, unless the County and the District staffs have agreed in advance that the District's approval of an annexation may occur first, in which case the annexation approval shall be expressly conditioned on the owner obtaining County land use approvals.
- H. Applicants shall abandon any groundwater well existing on the annexation property, in compliance with all applicable County Environmental Health permitting requirements and standards, as a condition of receiving water service from the District, and any future use of groundwater basin water by the Applicant or his/her successors in interest shall be prohibited. The District may, as a condition of approval, require the applicant to record a covenant in form and content satisfactory to District legal counsel, abandoning such use.
- I. The applicant, at the applicant's sole expense, shall apply to and obtain approval from LAFCO for approval of the proposed annexation as required by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, or any successor statute. As one requirement of the annexation proceeding, the District will negotiate in good faith with the County of San Luis Obispo, or any other affected local government entity, to achieve a mutually acceptable agreement for the exchange of property tax revenue as provided in Revenue and Taxation Code Sections 99 and 99.01, or any successor statutes. No annexation of property affecting the District may go forward without the District Board's approval of such an agreement. To promote equity and fairness upon the annexation of customers into the District, it is the policy of the District that every proposed property tax revenue exchange agreement for an annexation shall allocate to the District a percentage of property tax revenue from the annexation that is consistent with the percentages the District has agreed to accept in previously approved annexations, except where the Board makes express written findings that extenuating circumstances apply and that a

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variation from this Paragraph IV ~~IJ~~ will not establish precedent for future annexations.

~~KJ.~~ If appropriate based on the origin of the application, ~~P~~prior to final LAFCO consideration of the annexation, the District shall adopt and forward to LAFCO a Resolution verifying the following:

1. The applicant has provided, or executed an Annexation Agreement with the District to provide, all improvements, payments, fees, and charges, and met all legal requirements, necessary to enable the District to serve the annexation area, including but not limited to the provision of sufficient supplemental water to ~~serve~~support full build-out of the annexation area as reflected in the annexation application and the Annexation Agreement.
2. The applicant has entered into an Annexation Agreement to the satisfaction of the District Board. The Resolution shall attach a copy of the Annexation Agreement, and shall request that LAFCO require compliance with the Annexation Agreement as a condition of approval of the Annexation.
3. That for each connection or potential connection, the applicant has deposited with the District the then current capacity and connection fees and charges for District services, or agreed to do so on a schedule specified in the approved Annexation Agreement.
4. That the District Board and the County have each approved a mutually acceptable agreement for the exchange of property tax revenue.

~~LK.~~ Typically, the District will be a “responsible agency” when required for purposes of review under the California Environmental Quality Act (“CEQA”). Approval or completion of an annexation will be conditioned upon compliance with all applicable requirements of CEQA and any mitigation measures or other conditions resulting from the completion of the CEQA process including, without limitation, a final non-appealable judgment in any litigation challenging the Annexation.

~~ML.~~ Upon annexation, residents and commercial users within the area of the proposed annexation shall become “regular customers” of the District, with no greater entitlements to water or sewer service than any other District customer.

~~NM.~~ As a condition of the District’s approval of any Annexation application or related decision, the applicant shall agree to indemnify and defend, with counsel of the District’s choice, the District, its officers, agents and employees, from and



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against any and all claims, actions, or proceeding to attack, set aside, void or annul, enjoin, or seek damages arising out of, an approval of the District, County, or LAFCO concerning the Annexation or the associated land use project. Such indemnification shall include damages, judgments, settlements, penalties, fines, defensive costs or expenses (including, but not limited to, interest, attorneys' fees and expert witness fees), or liability of any kind related to or arising from such claim, action, or proceeding.

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3. Payment for all applicable District fees and charges at the times specified by the District Code, ~~or applicable policy,~~ or the Board-approved Annexation Agreement.
4. The annexation application, layout plan, and the District's then-current Annexation Policy shall be incorporated into the Annexation Agreement.
5. The date by which the Annexation must be completed.
6. Applicable CEQA mitigation measures or requirements.
7. The indemnification and defense requirements of Section IV M, above.
8. Acceptance of the District's Annexation Water Rates based on 100% service supply from imported water.
9. Other terms and conditions as determined by the District.

[End of Policy]