

TO: BOARD OF DIRECTORS

FROM: RAY DIENZO 
GENERAL MANAGER

DATE: OCTOBER 2, 2025

AGENDA ITEM

E-1

OCTOBER 8, 2025

**REVIEW AND CONSIDER ADVANCING SOLID WASTE PROGRAMS
FOR FISCAL YEAR 2025-2026 THAT BENEFIT THE COMMUNITY
(RATE HOLIDAY)**

ITEM

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

BACKGROUND

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

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

The Solid Waste Fund #300, as identified in the District Annual Budget, is funded solely from the franchise fee it collects from SCSS. The fees are to cover solid waste activities such as Nipomo Clean Streets, garbage collection in the downtown area, and for SCSS to respond to and remove illegally dumped materials in the public road right-of-ways within the District's service boundaries. For Fiscal Year 2025-26, revenue from the franchise fee is budgeted at \$255,000.

The District's most recent Cash Reserve Policy ("Policy") is found in Resolution No. 2023-1655.[Attachment A] The Policy identifies the Targeted Criteria for the Solid Waste Fund to be minimum of \$150,000. The Solid Waste Fund started the fiscal year with a balance of \$605,471. Expenditures for the year total (\$128,350). Adding collected franchise fee \$255,000 to the beginning balance \$605,471 and subtracting the budgeted expenditures (\$128,350) brings the year end estimated balance for the Solid Waste Fund to approximately \$732,121.

DISTRICT RESOLUTION 2018-1492

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

4. If, during the annual review of the Solid Waste Fund #300 reserve level, it is anticipated that the reserve level balance will exceed \$300,000 or twice the reserve level set in NCSD's

Cash Reserve Policy by the end of the current fiscal year, then staff will recommend to the Board of Directors that a rate holiday be included in the next fiscal year budget.

RATE HOLIDAY

As directed within the Resolution, included in this year's budgeted expenditures is a rate holiday; a two-month period where the District uses franchise fees to pay for its customer's solid waste fees. The last rate holiday was approved by your Board in October 2023 at a cost of \$323,700. It is anticipated that a rate holiday, if approved by the Board for this fiscal year, would cost approximately \$360,000

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

FINANCIAL IMPACT

The financial impact on the Solid Waste Fund is dependent on your Board's direction to staff. The Board could direct staff to develop programs that draw down the fund balance or hold back on programs resulting in an increase of the fund balance. The budget for fiscal year 2025-26 is funded sufficiently to provide for the rate holiday for solid waste residential customer while maintaining the minimum required cash reserves for the Solid Waste Fund specified in the District's Cash Reserve Policy.

STRATEGIC PLAN

Goal 8. ADDITIONAL COMMUNITY SERVICES.

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

RECOMMENDATION

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

ATTACHMENTS

- A. NCSD Resolution 2023-1655; Cash Reserve Policy
- B. NCSD Resolution 2018-1492; Use of Solid Waste Franchise Fees
- C. Rate Holiday Bill Stuffer

OCTOBER 8, 2025

ITEM E-1

ATTACHMENT A

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

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

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

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

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

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

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

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

SECTION 1. The above recitals are true and correct.

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

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

SECTION 4. This resolution shall take effect immediately.

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

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

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

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


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


RICHARD MALVAROSE
President of the Board

ATTEST:


MARIO IGLESIAS
General Manager and Secretary to the Board

APPROVED AS TO FORM AND
LEGAL EFFECT:


CRAIG STEELE
District Legal Counsel

**NIPOMO COMMUNITY SERVICES DISTRICT
CASH RESERVE POLICY
EXHIBIT "A"**

PURPOSE

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

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

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

OPERATING FUNDS

WATER FUND (FUND #125)

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

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

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

TOWN SEWER FUND (FUND #130)

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

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

NIPOMO COMMUNITY SERVICES DISTRICT
CASH RESERVE POLICY
EXHIBIT "A"

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

BLACKLAKE SEWER FUND (FUND #150)

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

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

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

WATER RATE STABILIZATION FUND (FUND #128)

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

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

TOWN SEWER RATE STABILIZATION FUND (FUND #135)

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

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

NIPOMO COMMUNITY SERVICES DISTRICT
CASH RESERVE POLICY
EXHIBIT"A"

BLACKLAKE SEWER RATE STABILIZATION FUND (FUND #155)

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

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

BLACKLAKE STREET LIGHTING (FUND #200)

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

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

FUNDED REPLACEMENT-BLACKLAKE STREET LIGHTING (FUND #205)

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

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

LANDSCAPE MAINTENANCE DISTRICT (FUND #250)

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

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

SOLID WASTE (FUND #300)

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

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

NIPOMO COMMUNITY SERVICES DISTRICT
CASH RESERVE POLICY
EXHIBIT"A"

DRAINAGE (FUND #400)

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

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

FUNDED REPLACEMENT- WATER (FUND #805)

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

Target Criteria: No minimum target is maintained

FUNDED REPLACEMENT- TOWN SEWER (FUND #810)

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

Target Criteria: No minimum target is maintained

FUNDED REPLACEMENT- BLACKLAKE SEWER (FUND #830)

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

Target Criteria: No minimum target is maintained

NON-OPERATING FUNDS

SUPPLEMENTAL WATER FUND (#500)

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

Target Criteria: No minimum target is maintained.

PROPERTY TAX (FUND #600)

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

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

WATER CAPACITY CHARGES (FUND #700)

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

Target Criteria: No minimum target is maintained.

TOWN SEWER CAPACITY CHARGES (FUND #710)

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

Target Criteria: No minimum target is maintained.

OCTOBER 8, 2025

ITEM E-1

ATTACHMENT B

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

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

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

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

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

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

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

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

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

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

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

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

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



ED EBY

President of the Board

ATTEST:



MARIO E. IGLESIAS

General Manager and Secretary to the Board

APPROVED AS TO FORM:



WHITNEY G. McDONALD

District Legal Counsel

Exhibit "A"

NIPOMO COMMUNITY SERVICES DISTRICT

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

PURPOSE:

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

APPLICABILITY:

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

DEFINITIONS:

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

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

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

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

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

POLICY:

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

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

meets the criterion as expressed above.

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

OCTOBER 8, 2025

ITEM E-1

ATTACHMENT C

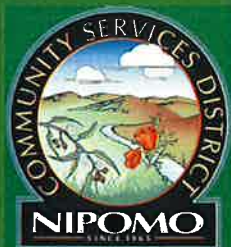
Envelopes are fun to get
during the holidays!



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



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



Nipomo CSD 148 S. Wilson St. (805) 929-1133

Proper Disposal of Your Hazardous Household Items

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

HHW materials should never be flushed in the toilet, dumped in a drain or disposed of in the trash. Batteries are a major source of fires and should be separated.

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

**Household Hazardous Waste Facility
509 Southland Street, Nipomo
(access from Frontage Road)**

SATURDAYS 11am – 3pm

For a full list of items accepted please visit the San Luis Obispo County Integrated Waste Management Authority's website, www.iwma.com.



San Luis Obispo County
Integrated Waste Management
Authority
www.iwma.com

TO: BOARD OF DIRECTORS
FROM: RAY DIENZO *RWD*
GENERAL MANAGER
DATE: OCTOBER 2, 2025

**AGENDA ITEM
E-2
OCTOBER 8, 2025**

**CONSIDER SAN LUIS OBISPO LOCAL AGENCY FORMATION
COMMISSION SPECIAL DISTRICT REPRESENTATIVE ALTERNATE
SEAT SELECTIONS**

ITEM

Consider selecting candidates for San Luis Obispo County Local Agency Formation Commission ("LAFCO") special district representative seats [RECOMMEND SELECTING CANDIDATES TO FILL THE SPECIAL DISTRICT REPRESENTATIVE ALTERNATE SEAT ON LAFCO]

BACKGROUND

A nomination period for two vacant LAFCO Alternate Member Special District seats ran June 23, 2025, to August 22, 2025. A total of 3 nominations were received, including NCSD Board President John Joyce, who was nominated by our NCSD Board at the July 9, 2025 meeting. The candidates are as follows, with resumes and statements of interest attached (Attachment A):

- LAFCO Alternate Seat Term January 1, 2026 to December 31, 2030:
 - Owen Davis, San Miguel Community Services District
 - John Joyce, Nipomo Community Services District
 - Justin Smith, Cayucos Sanitary District

Election Voting Instructions: Each district may submit a total of one ballot for the open seat. The election period will commence on September 2, 2025, and end on November 3, 2025. The ballot is due November 3, 2025, at 5:00 PM.

FISCAL IMPACT

Minor budgeted staff time was used to prepare these materials.

STRATEGIC PLAN

7.2 Maintain productive communication and relationships with key stakeholders, such as city, County, State and Federal legislators, service clubs, etc. As appropriate, plan and assign for this role.

RECOMMENDATION

Staff recommends your Board, by motion and roll call vote, direct staff to forward your Board's selection, should you have them, of the candidate to fill the LAFCO Special District Alternate Representative seat.

ATTACHMENTS

A. LAFCO BALLOT

OCTOBER 8, 2025

ITEM E-2

ATTACHMENT A



San Luis Obispo Local Agency Formation Commission
Serving the Area of San Luis Obispo County

TO: INDEPENDENT SPECIAL DISTRICT SELECTION COMMITTEE
FROM: ROB FITZROY, EXECUTIVE OFFICER
DATE: SEPTEMBER 2, 2025
RE: ELECTION FOR LAFCO SPECIAL DISTRICT ALTERNATE MEMBER

Summary. A nomination period for one vacant LAFCO Alternate Member Special District seat ran from June 23, 2025, to August 22, 2025. The seat is for the term January 1, 2026, to December 31, 2030. A total of three nominations were received. As such, an election is required. The candidates are as follows, with resumes and statements of interest attached:

- Owen Davis, San Miguel Community Services District
- John Joyce, Nipomo Community Services District
- Justin Smith, Cayucos Sanitary District

Instructions. Each district may submit a total of one ballot. See the attached ballot for your use. The election period will commence on September 2, 2025, and end on November 3, 2025. **BALLOTS ARE DUE NOVEMBER 3, 2025, at 5:00 PM.** If your District wishes to submit a ballot, please place this item on the agenda at a meeting of your Board of Directors as soon as possible, or if you have already been delegated by your Board, you may submit a ballot on behalf of your district.

Ballots will be tallied at the end of the voting period within 7 days. Eighteen ballots are required for a quorum. If a quorum is not met, the Executive Officer must extend the balloting for 60 days. If a quorum is not met after the extension period, the Executive Officer may extend the balloting period again or may use alternative methods.

The completed ballot forms may be submitted to the LAFCO office via mail or e-mail: mmorris@slo.lafco.ca.gov. Please make sure the form is signed by the Board President or General Manager.

Thank you, and please contact us with any questions.

Attachments: Ballot & Supplemental Nominee Information

cc. Holly Whatley, LAFCO Legal Counsel

COMMISSIONERS

Chairperson
STEVE GREGORY
City Member

Vice-Chair
HEATHER MORENO
County Member

DAWN ORTIZ-LEGG
County Member

ED WAAGE
City Member

ED EBY
Special District Member

NAVID FARDANESH
Special District Member

DAVID WATSON
Public Member

ALTERNATES

BRUCE GIBSON
County Member

CARLA WIXOM
City Member

VACANT
Special District Member

MICHAEL DRAZE
Public Member

STAFF

ROB FITZROY
Executive Officer

IMELDA MARQUEZ-VAWTER
Senior Analyst

MORGAN BING
Analyst

MELISSA MORRIS
Commission Clerk

HOLLY WHATLEY
Legal Counsel



**San Luis Obispo
Local Agency Formation Commission**

1042 Pacific Street, Suite A, San Luis Obispo, CA 93401

Tel: (805) 781-5795 | www.slo.lafco.ca.gov

**BALLOT FOR LAFCO
SPECIAL DISTRICT ALTERNATE MEMBER ELECTION
FOR SEAT TERM THROUGH DECEMBER 2030**

The _____
(Insert Name of Special District)

hereby selects the following individual for the Special District Alternate Member seat term through December 2030 on the San Luis Obispo Local Agency Formation Commission (choose one):

- ☐ Owen Davis, San Miguel Community Services District
- ☐ John Joyce, Nipomo Community Services District
- ☐ Justin Smith, Cayucos Sanitary District

The Board of Directors' action was taken on an agenda item on:

Insert Date of Board Agenda and Action Item

General Manager or Chairman/President Signature

Date

Owen Davis

Nominee for LAFCO Special District Member Alternate



Statement of Interest and Background

I am very interested in gaining a seat on LAFCO Special District. I feel I could add very much with my vast experience in agriculture, irrigation, design, building and farm management.

I served in the US Army from December 1963 to December 1966 and in Korea as a tanker from June 1964 to July 1965.

I have been a Director on the San Miguel CSD Board from December 2022 to current. My goal has been to control what I feel is unnecessary and out of control spending of the people of San Miguel's money.

Thank you,

A handwritten signature in blue ink that reads "Owen Davis". The signature is stylized and cursive.

Owen Davis
PO BOX 391
San Miguel, CA 93451
(805) 674-5429

owen.davis@sanmiguelcsd.org

John Joyce, Director

Director Joyce earned a Bachelor of Science degree in Environmental Engineering from Purdue University and earned several post-graduate certificates from UCLA and the IEEE. He was employed with the Indiana Department of Water Resources as the State Lake Inspector and promoted to Water Resource Manager. After moving to California, he worked for Glendale Water and Power for two years. Next came 32 years of varied experience with Burbank Water and Power as a Commercial Utility Auditor, Planning Engineer, Rate Manager and Senior Key Account Manager before retirement.

He has expertise in managing complex projects, fostering engagement, a strong commitment to environmental stewardship and ensuring sustainable development. This background makes him well suited for the important decisions and needed staff direction made by the Nipomo Community Service District while striving to preserve Nipomo's rural charm, water quality and reliability.

Justin T. Smith

Nominee For LAFCO Special District Member Alternate

Statement of interests and Background

I'm Interested in the available LAFCO Special District Alternate seat to serve San Luis Obispo County service areas, cities, and special districts. I hope to become an alternate so I can better understand the challenges faced by communities throughout the county. I am grateful for my fellow Cayucos Sanitary District Directors nomination for this position. As a member I would like to be a representative to ensure that the complex issues faced by communities are properly addressed. My 20 years of experience in the water industry have given me the unique opportunity to become versed in water rights and Title 22 of the California Code of Regulations. I have seen firsthand how water issues can affect community in the long term. Water is on the forefront of issues facing several communities within the county and most coastal communities and communities within the Paso ground water basin will be facing water related issues during future annexations. As an alternate member I would like to put that knowledge to use by making sure that long-term water availability, infrastructure reliability and funding are considered as part of the annexation projects brought before the commission.

Thank you for considering me as an alternate member, allowing me the opportunity to safeguard the future of our county for the next generation of residents.

TO: BOARD OF DIRECTORS
FROM: RAY DIENZO, P.E. *RWD*
GENERAL MANAGER
DATE: OCTOBER 2, 2025

**AGENDA ITEM
F
OCTOBER 8, 2025**

GENERAL MANAGER'S REPORT

ITEM

Standing report to your Honorable Board -- *Period covered by this report is 9/21/2025-10/4/2025.*

DISTRICT BUSINESS

Administrative

The District encourages residents to provide reports of any observed water waste. The District also keeps an accounting of leak adjustments as a measure of non-revenue water lost to leaks and tracks late fee waivers. The table below provides September 2025 data and calendar year 2025.

OFFICE ACTIVITIES	Sept 25	Jan 25 – July 25
Leak Adjustments	0	21
Leak Adjustment Amount	\$0	\$2910.75
Late Fee Waivers	6	75
Late Fee Waiver Adjustment Amount	\$2,230.65	\$4,206.28

Water Production, Delivery, and Demand

For the month of September, the District used 28.6 AF of groundwater and 145.2 AF of supplemental water.

For the three (3) months of the 2025-2026 Fiscal Year, the District pumped 133.5 acre-feet (AF) of Groundwater and imported 538.2 AF of supplemental water. Of the imported water, 432.5 AF was used by the District and 98.9 AF was delivered to Woodlands Mutual Water Company (WMWC) and 6.9 AF was delivered to Golden State Water Company (GSWC).

The table below summarizes the water data for the current month and the year to date; all values are in acre-feet (AF).

	Sep-25	Year to Date Jul- Jun 2025
A. Total NCSD Groundwater Production	28.6	133.5
B. Total Supplemental Water Imported (B1+B2+B3)	183.2	538.2
B1. Supplemental Water used by NCSD	145.2	432.5
B2. Supplemental Water Delivered to WMWC	31.0	98.9
B3. Supplemental Water Delivered to GSWC	6.9	6.9
Total NCSD Water Demand (A+B1)	173.8	566.0

Under the current Stage 2 of the NMMA Water Shortage Response Stages, the District's targeted groundwater pumping reduction goal is to pump no more than 2026 AFY (20% reduction of 2009-2013 average District GW Pumping of 2533 AFY). With the increased volume of imported water, the District is projected to pump less than 1000 AF this fiscal year. The District is on pace to pump 644.8 AF of Groundwater for the FY25-26.

Other Items

- Dana Reserve Project – County of SLO Planning Commission approved the amended project on 9/16/2025 and County Board Meeting is scheduled on November 4, 2025
- Strategic Plan Update – target date Spring 2026
- Countywide Water Action Team / DESAL update
 - o Staff attended the 8/19/2025 meeting to receive an updated presentation on the Countywide desalination plan criteria and siting alternatives.
 - o On Monday, September 15, the County conducted a Virtual Community Meeting and Engagement Session for the County's DESAL Plan. Visit slocounty.ca.gov/desal for links to the video recording and presentation slides.
- Regional Water Management Group ("RWMG") update
 - o On the 7/8/2025 County Board of Supervisors ("BOS") meeting, the County BOS approved County staff's recommendation to replace Central Coast Blue ("CCB") project in the Proposition 1, Round 2 Integrated Regional Water Management Implementation Grant.
 - o The RWMG met on 9/3/2025 to discuss the schedule for solicitation for a new suite of projects that would replace the CCB; one million dollars (\$1M) in grant funding is available. The due date to submit projects is 9/29/2025 but the District submitted the grant application on 9/26/2025.
 - o District staff will submit the Eureka Well Project for consideration since this project is eligible to meet the construction period deadline of March 31, 2027.
- Status of Meter Conversion to Advanced Metering Infrastructure (AMI) – As of September 2025, the District has converted 2834 meters out of our overall goal of 4500.

Monthly Investment Policy Report

Pursuant to Section 8.A of the District's Investment Policy, we will be posting a summary of our current investments every month.

Pursuant to Section 8.A. of the Investment Policy
Nipomo Community Services District
Investments
September 30, 2025

<u>Investments</u>	<u>CUSIP</u>	<u>Purchased</u>	<u>Maturity</u>	<u>Yield to Maturity</u>	<u>Par Value(1)</u>
Certificate of Deposit - Oxford Bank	69141NAL8	4/4/2025	4/10/2026	3.90%	\$ 240,000
Certificate of Deposit - Morgan Stanley Salt Lake	61690D2C1	4/8/2025	10/12/2027	4.10%	\$ 244,000
Certificate of Deposit - Morgan Stanley NY	61776NPY3	4/8/2025	10/12/2027	4.10%	\$ 244,000
Subtotal Total					\$ 728,000

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

<u>Investments</u>	<u>PMIA Quarter to Date Rate as of 9/30/2025 (2)</u>	
Local Agency Investment Fund-LAIF	4.24%	\$ 13,932,511
	Subtotal Total	\$ 13,932,511
(2) Interest accrued daily, paid quarterly		
PMIA-Pooled Money Investment Account	TOTAL	\$ 14,660,511

(2) Interest accrued daily, paid quarterly
PMIA-Pooled Money Investment Account

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

<u>Transfer Date</u>	<u>Amount</u>	<u>Transfer From</u>	<u>Transfer To</u>
9/5/2025	\$697,314.35	Bank of New York Blacklake Assessment 2020-1	Five Star Bank Money Markey Blacklake Assessment District 2020-1

Upcoming Water Resource and Other Meetings

10/9/2025	-	14th Annual Empty Bowls Fund Raising Event	12:00 PM	Arroyo Grande
10/16/2025	-	Blacklake Oversight Committee	2:00 PM	District Board Room
10/16/2025	-	Nipomo HS Students - Tour of Facilities	9:30 AM	District Board Room / Facilities
10/20/2025	-	Integrated Waste Management Authority (IWMA) Local Task Force	1:00 PM	Teams
10/23/2025	-	SLO CSDA Chapter Quarterly Meeting	11:30 AM	Paso Robles
10/27-29, 2025	-	Board Secretary/Clerk Conference	All Day	Santa Rosa, CA
10/30/2025	-	NMMA-Technical Group - District representatives - Eby, Glover, Dienzo	10:00 AM	Zoom
11/4/2025	-	Statewide Special Elections - host poll location	All Day	District Board Room
11/4/2025	-	County of SLO Board Meeting - Consider Dana Reserve Project Amendment	9:00 AM	SLO County Board Room

Safety Program

- No issues

RECOMMENDATION

Staff seeks direction for format changes or future information your Board would desire to be included in future general manager reports.