

TO: FINANCE AND AUDIT COMMITTEE

REVIEWED: RAY DIENZO *R.D.*  
GENERAL MANAGER

FROM: JANA ETTEDDGUE *JW*  
FINANCE DIRECTOR

DATE: MARCH 6, 2026



## REVIEW INFORMATION FOR INCLUSION IN THE 2026-2027 FISCAL YEAR BUDGET

### ITEM

Review various schedules and financial information in the 2026-2027 Fiscal Year Budget.  
[RECOMMEND REVIEW AND MAKE RECOMMENDATIONS FOR INCLUSION IN THE 2026-2027 FISCAL YEAR BUDGET]

### BACKGROUND

The following information is provided for the Committee's review:

- Attachment A TIME LINE
- Attachment B PROPOSED CAPITAL IMPROVEMENT PLAN AND CASH FLOW PROJECTIONS
- Attachment C PROPOSED FUNDED REPLACEMENT IMPROVEMENT PLAN AND CASH FLOW PROJECTIONS
- Attachment D PROPOSED FIXED ASSET PURCHASES AND OTHER ITEMS TO BE INCLUDED IN THE OPERATIONS BUDGET
- Attachment E PROPOSED DISTRICT PERSONNEL
- Attachment F PROPOSED FLEET SCHEDULE

### RECOMMENDATION

It is recommended that the Committee provide direction to Staff. Staff will incorporate the Committee's comments and recommendations into the draft 2026-2027 budget.

### ATTACHMENTS

- See above

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# **ATTACHMENT A**

**NIPOMO COMMUNITY SERVICES DISTRICT  
TIMELINE FOR  
2026-2027 FISCAL YEAR BUDGET**

Week of March 9	Kick off meeting with Finance Committee to hear input
Week of April 13	Staff meets with Finance Committee and receives recommendations/changes/deletions on draft Budget
Week of May 12	Staff prepares public notice of adoption for newspaper (publish on May 27 and June 3)
May 14	Review of draft Budget by Board of Directors at Regular Board Meeting
June 10	Public Hearing and adoption of 2026-2027 Budget

# **ATTACHMENT B**

**NIPOMO COMMUNITY SERVICES DISTRICT  
CAPITAL IMPROVEMENTS  
PROJECT COST SUMMARY  
2026-2027**

<b>BUDGET ITEMS FOR 2026-2027</b>	<b>#500 SUPPLEMENTAL WATER CHARGES</b>	<b>#600 PROPERTY TAX FUND</b>	<b>#700 WATER CAPACITY CHARGES</b>	<b>#710 TOWN SEWER CAPACITY CHARGES</b>	<b>#950 BLACKLAKE ASSESSMENT CHARGES</b>	<b>TOTAL</b>
Backup Generator for Operations Building-carryover	0	100,000	0	0	0	100,000
Office Building Improvements	0	50,000	0	0	0	50,000
Foothill Tank Project	0	0	500,000	0	0	500,000
Dana Reserve Water Project 1 - Oak Glen Watermain	0	0	800,000	0	0	800,000
Dana Reserve Water Project 2 - HWY 101 Crossing	0	0	280,000	0	0	280,000
Southland WWTF Improvement Planning	0	0	0	400,000	0	400,000
Frontage Road Trunk Sewer - carryover	0	0	0	200,000	0	200,000
Dana Reserve Wastewater Project 4 - Influent Lift Station	0	0	0	20,000	0	20,000
Dana Reserve Wastewater Project 6A - Extended Aeration	0	0	0	610,000	0	610,000
Blacklake Sewer Sytem Consolidation Project-carryover	0	0	0	0	4,000,000	4,000,000
	<b>0</b>	<b>150,000</b>	<b>1,580,000</b>	<b>1,230,000</b>	<b>4,000,000</b>	<b>6,960,000</b>

**Supplemental Water Projects (Fund #500)**

**Property Tax Fund Projects (Fund #600)**

Backup Generator for Operations Building - Install replacement backup generator for Operations Building

Office Building Improvements - Drainage, remove extensions, parking lot resurfacing, fence around generator, security and accessibility upgrades, leak related maintenance

**Water Projects (Fund #700)**

Foothill Tank - Additional water storage tank design

Dana Reserve Water Project 1 - Oakglen watermain design

Dana Reserve Water Project 2 - HWY 101 Crossing design

**Sewer Projects (Fund #710)**

Southland WWTF Improvements- Permit compliance plan and concept design report for improvements to increase plant capacity

Frontage Road Trunk Sewer - Finish construction

Dana Reserve Wastewater Project 4 - Influent Lift Station - Design

Dana Reserve Wastewater Project 6A - Extended Aeration - Design

**Blacklake Assessment District 2020 -1 - See Page 14**

Blacklake Sewer System Consolidation Project - Finish construction

NIPOMO COMMUNITY SERVICES DISTRICT  
 CAPITAL FUNDING PLAN  
 SUPPLEMENTAL WATER  
 FUND #500

**CAPITAL IMPROVEMENT PLAN**

Line #	SUPPLEMENTAL WATER - FUND #500	FY 26-27
3	Summit Station Booster Pump Station (1)	0
<b>TOTAL</b>		<b>0</b>

FOR PLANNING PURPOSES ONLY				
FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
200,000	1,800,000	0	0	0
200,000	1,800,000	0	0	0

**CASH FLOW PROJECTION**

Sources of Funds		FY 26-27
4	Funds on Hand at Beginning of Year-projected	2,100,000
5	Interest Income (2)	75,600
6	Principal Payments from WMW & GSW	191,686
7	Interest Payments from WMW & GSW	484,589
8	Capacity Charges (3)	0
9	Transfer in from Prop Tax Fund #600 for Debt Service	481,875
10	<b>Total Sources of Funds</b>	<b>3,333,750</b>
Uses of Funds		
11	Capital Project	0
12	Debt Service Payments 2024 COP-Fund 500 Portion	481,875
13	Bond Administration	4,000
14	<b>Total Uses of Funds</b>	<b>485,875</b>
15	<b>Funds on Hand at End of Year-projected</b>	<b>2,847,875</b>

FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
2,847,875	3,422,674	2,418,165	3,177,494	3,964,158
102,524	123,216	87,054	114,390	142,710
191,686	191,686	191,686	191,686	191,686
484,589	484,589	484,589	484,589	484,589
0	0	0	0	0
479,500	486,525	488,125	484,250	485,000
4,106,174	4,708,690	3,669,619	4,452,408	5,268,143
200,000	1,800,000	0	0	0
479,500	486,525	488,125	484,250	485,000
4,000	4,000	4,000	4,000	4,000
683,500	2,290,525	492,125	488,250	489,000
3,422,674	2,418,165	3,177,494	3,964,158	4,779,143

- (1) Summit Station Booster Pump Station - Design in FY 27-28 and Construct in FY 28-29
- (2) Assumes an interest rate of 3.6%
- (3) Assumes no new connections

WMW = Woodlands Mutual Water Company  
 GSW = Golden State Water company

NIPOMO COMMUNITY SERVICES DISTRICT  
PROPERTY TAX  
FUND #600

Line #	PROPERTY TAX - FUND #600	FY 26-27
1	Backup generator for Operations Building-carryover	100,000
2	Office Building Improvements	50,000
		150,000

<b>CASH FLOW PROJECTION</b>		FY 26-27
<b>Sources of Funds</b>		
6	Funds on Hand at Beginning of Year-projected	700,000
7	Interest Income (1)	25,200
8	Property Taxes(2)	991,293
9	Transfer in from Fund #400	25,000
10	<b>Total Sources of Funds</b>	<b>1,741,493</b>
<b>Uses of Funds</b>		
11	Capital Project	150,000
12	Debt Service-Certificate of Participation 2024 (3) Fund 600	416,575
13	Transfer to Supplemental Water Fund #500 for Debt Service - Certificate of Participation 2024 (4)	481,875
14	Bond Administration	4,000
15	<b>Total Uses of Funds</b>	<b>1,052,450</b>
16		
17	<b>Funds on Hand at End of Year-projected</b>	<b>689,043</b>

<b>FOR PLANNING PURPOSES ONLY</b>				
FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<b>FOR PLANNING PURPOSES ONLY</b>				
FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
689,043	813,979	955,651	1,110,434	1,280,003
24,806	29,303	34,403	39,976	46,080
1,001,206	1,011,218	1,021,330	1,031,543	1,041,859
0	0	0	0	0
1,715,054	1,854,501	2,011,384	2,181,953	2,367,942
<b>FOR PLANNING PURPOSES ONLY</b>				
0	0	0	0	0
417,575	408,325	408,825	413,700	412,950
479,500	486,525	488,125	484,250	485,000
4,000	4,000	4,000	4,000	4,000
901,075	898,850	900,950	901,950	901,950
<b>FOR PLANNING PURPOSES ONLY</b>				
813,979	955,651	1,110,434	1,280,003	1,465,992

- (1) Assumes an interest rate of 3.6%
- (2) Assume 1% growth in Property Tax Revenue - Pledged to debt service payments
- (3) Debt service on Revenue Bonds secured by ad valorem property taxes (Per Bond Indenture, irrevocably pledged as first source of payment)
- (4) Debt service on Certificates of Participation 2024 secured first by ad valorem property taxes and then by water revenues  
(Difference between Property Tax Collections and debt service for Revenue Bonds Series 2024 Refunding)

NIPOMO COMMUNITY SERVICES DISTRICT  
 CAPITAL FUNDING PLAN  
 WATER DIVISION  
 FUND #700

**CAPITAL IMPROVEMENT PLAN**

Line #	WATER CAPACITY - FUND #700	FY 26-27
1	New Foothill Water Storage Tank	500,000
2	Dana Reserve Water Project 1 - Oak Glen Watermain	800,000
3	Dana Reserve Water Project 2 - HWY 101 Crossing	280,000
		<b>1,580,000</b>

**CASH FLOW PROJECTION**

FY 26-27

**Sources of Funds**

4	Funds on Hand at Beginning of Year-projected	1,800,000
5	Interest Income (1)	64,800
6	Bond Proceeds from refinance (3)	500,000
7	Capacity Charges (2)- Dana Reserve	1,080,000
8	<b>Total Sources of Funds</b>	<b>3,444,800</b>

**Uses of Funds**

9	Capital Project	1,580,000
10	<b>Total Uses of Funds</b>	<b>1,580,000</b>
11	<b>Funds on Hand at End of Year-projected</b>	<b>1,864,800</b>

**FOR PLANNING PURPOSES ONLY**

FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
3,105,000	1,071,200	0	0	0
356,400	0	0	0	0
1,252,400	0	0	0	0
<b>4,713,800</b>	<b>1,071,200</b>	<b>0</b>	<b>0</b>	<b>0</b>
FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
1,864,800	1,931,933	2,001,482	2,073,536	2,148,183
67,133	69,550	72,053	74,647	77,335
3,105,000	1,071,200	0	0	0
1,608,800	0	0	0	0
<b>6,645,733</b>	<b>3,072,682</b>	<b>2,073,536</b>	<b>2,148,183</b>	<b>2,225,518</b>
<b>4,713,800</b>	<b>1,071,200</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>4,713,800</b>	<b>1,071,200</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>1,931,933</b>	<b>2,001,482</b>	<b>2,073,536</b>	<b>2,148,183</b>	<b>2,225,518</b>

(1) Assumes an interest rate of 3.6%

(2) Assumes no new connections -except for Dana Reserve

(3) COP 2013 and 2013A refinanced into COP 2024-total \$4,430,898 -Proceeds spread to cover expenses

NIPOMO COMMUNITY SERVICES DISTRICT  
 CAPITAL FUNDING PLAN  
 SEWER - TOWN DIVISION  
 FUND #710

**CAPITAL IMPROVEMENT PLAN**

Line #	TOWN SEWER CAPACITY - FUND #710	FY 26-27
1	Southland WWTF Improvement Planning	400,000
2	Frontage Road Trunk Sewer	200,000
3	Dana Reserve Wastewater Project 4 - Influent Lift Station	20,000
4	Dana Reserve Wastewater Project 6A - Extended Aeration	610,000
		<b>1,230,000</b>

**CASH FLOW PROJECTION**

FY 26-27

**Sources of Funds**

5	Funds on Hand at Beginning of Year-projected	700,000
6	Interest Income (1)	25,200
7	Capacity Charges (2) -Dana Reserve	630,000
8	<b>Total Sources of Funds</b>	<b>1,355,200</b>

**Uses of Funds**

9	Capital Project	1,230,000
10	<b>Total Uses of Funds</b>	<b>1,230,000</b>

11	<b>Funds on Hand at End of Year-projected</b>	<b>125,200</b>
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(1) Assumes an interest rate of 3.6%

(2) Assumes no new connections -except for Dana Reserve

**FOR PLANNING PURPOSES ONLY**

FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
0	0	0	0	0
0	0	0	0	0
100,000	0	0	0	0
2,630,000	0	0	0	0
<b>2,730,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
125,200	129,707	134,377	139,214	144,226
4,507	4,669	4,838	5,012	5,192
2,730,000		0	0	0
2,859,707	134,377	139,214	144,226	149,418
2,730,000	0	0	0	0
2,730,000	0	0	0	0
129,707	134,377	139,214	144,226	149,418



# **ATTACHMENT C**

NIPOMO COMMUNITY SERVICES DISTRICT  
FUNDED REPLACEMENT PROJECTS  
2026-2027

<b><u>BUDGET ITEMS FOR 2026-2027</u></b>	<b>#805 FUNDED REPLACEMENT WATER</b>	<b>#810 FUNDED REPLACEMENT TOWN SEWER</b>	<b>TOTAL</b>
Blow-Off Repair (1)	21,300	0	<b>21,300</b>
Air Vac Replacements (1)	21,300	0	<b>21,300</b>
Fire Hydrant Replacements (1)	53,300	0	<b>53,300</b>
Valve Replacements (1)	106,600	0	<b>106,600</b>
Well Refurbishment (1)	106,600	0	<b>106,600</b>
Large Meter Replacement Program (2)	53,300	0	<b>53,300</b>
Foothill Tank Tank Rehabilitation (3)	100,000	0	<b>100,000</b>
Service Line Replacement (4)	106,500	0	<b>106,500</b>
Angle Stop Replacement (5)	106,500	0	<b>106,500</b>
Tefft Street Nipomo Creek Utility Crossings (6) carryover	25,000	25,000	<b>50,000</b>
SCADA System Improvements (7) carryover	103,500	50,000	<b>153,500</b>
Southland Sewer Collection System Pipeline Replacement (8) carryover	0	200,000	<b>200,000</b>
Maria Vista Lift Station Generator Replacement (9) carryover	0	150,000	<b>150,000</b>
Manhole Rehabilitation (1)	0	150,000	<b>150,000</b>
Lift Station Replacement Pumps (10)	0	40,000	<b>40,000</b>
<b>TOTAL</b>	<b>803,900</b>	<b>615,000</b>	<b>1,418,900</b>

(1) Water and Town Sewer Master Plan Projects

(2) Large Meter Replacement Program

(3) Foothill Tank Rehabilitation Design

(4) Service line replacement

(5) Angle stop replacement

(6) Develop plan for Tefft Street Bridge utility crossings over Nipomo Creek

(7) SCADA System Security and Update Improvements

(8) Construct replacement sewer line on Frontage Road between Juniper and Division

(9) Maria Vista Replacement Generator

(10) Replacement pumps for lift stations

NIPOMO COMMUNITY SERVICES DISTRICT  
 CAPITAL FUNDING PLAN  
 FUNDED REPLACEMENT-WATER  
 FUND #805

**FUNDED REPLACEMENT PLAN**

Line #	WATER - FUND #805	FY 26-27
1	Eureka Well	0
2	Blow-Off Replacement	21,300
3	Air Vac Replacement	21,300
4	Fire Hydrant Replacement	53,300
5	Valve Replacement	106,600
6	Well Refurbishment	106,600
7	Large Meter Replacement Program	53,300
8	Foothill Tank Rehabilitation	100,000
9	Tefft Street Nipomo Creek Utility Crossings	25,000
10	SCADA System Improvements	103,500
11	Service Line Replacement	106,500
12	Angle Stop Replacement	106,500
		<b>803,900</b>

**CASH FLOW PROJECTION**

FY 26-27

Sources of Funds

15	Funds on Hand at Beginning of Year-projected	3,600,000
16	Interest Income (1)	129,600
17	Transfer from Water for funded replacement	707,000
18	<b>Total Sources of Funds</b>	<b>4,436,600</b>

Uses of Funds

19	Funded Replacement Projects	803,900
20	<b>Total Uses of Funds</b>	<b>803,900</b>
21	<b>Funds on Hand at End of Year-projected</b>	<b>3,632,700</b>

**FOR PLANNING PURPOSES ONLY**

FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
2,999,400	0	0	0	0
22,685	24,159	25,729	27,402	29,183
22,685	24,159	25,729	27,402	29,183
56,765	60,454	64,384	68,569	73,026
113,529	120,908	128,767	137,137	146,051
113,529	120,908	128,767	137,137	146,051
56,765	60,454	64,384	68,569	73,026
106,500	113,423	120,795	128,647	137,009
26,625	28,356	30,199	32,162	34,252
110,228	117,392	125,023	133,149	141,804
113,423	120,795	128,647	137,009	145,914
113,423	120,795	128,647	137,009	145,914
<b>3,855,554</b>	<b>911,803</b>	<b>971,071</b>	<b>1,034,190</b>	<b>1,101,413</b>
<b>FY 27-28</b>	<b>FY 28-29</b>	<b>FY 29-30</b>	<b>FY 30-31</b>	<b>FY 31-32</b>
3,632,700	632,924	486,905	295,363	33,806
130,777	22,785	17,529	10,633	1,217
725,000	743,000	762,000	762,000	762,000
4,488,477	1,398,709	1,266,434	1,067,996	797,023
3,855,554	911,803	971,071	1,034,190	1,101,413
3,855,554	911,803	971,071	1,034,190	1,101,413
632,924	486,905	295,363	33,806	(304,389)

(1) Assumes an interest rate of 3.6%

NIPOMO COMMUNITY SERVICES DISTRICT  
 CAPITAL FUNDING PLAN  
 FUNDED REPLACEMENT-TOWN SEWER  
 FUND #810

**TOWN SEWER  
 FUNDED REPLACEMENT PLAN**

Line #	TOWN SEWER - FUND #810	FY 26-27
1	Tefft Street Nipomo Creek Utility Crossings- carryover	25,000
2	SCADA System Improvements - carryover	50,000
3	Southland Sewer Collection System Pipeline Replacement - carryover	200,000
4	Maria Vista Lift Station Generator Replacement-carryover	150,000
5	Manhole Rehabilitation	150,000
6	Lift Station Replacement Pumps	40,000
		<b>615,000</b>

**CASH FLOW PROJECTION**

FY 26-27

**Sources of Funds**

7	Funds on Hand at Beginning of Year-projected	200,000
8	Interest Income (1)	7,200
9	Bond Proceeds from refinance (2) Transfer from Fund 130	200,000
10	Transfer from Town Sewer for funded replacement	395,000
11	<b>Total Sources of Funds</b>	<b>802,200</b>

**Uses of Funds**

12	Funded Replacement Projects	615,000
13	<b>Total Uses of Funds</b>	<b>615,000</b>

14	<b>Funds on Hand at End of Year-projected</b>	<b>187,200</b>
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(1) Assumes an interest rate of 3.6%

(2) COP 2012 refinanced

**FOR PLANNING PURPOSES ONLY**

FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
257,500	0	0	0	0
51,500	0	0	0	0
0	0	0	0	0
0	0	0	0	0
154,500	159,135	163,909	168,826	173,891
41,200	42,436	43,709	45,020	46,371
<b>504,700</b>	<b>201,571</b>	<b>207,618</b>	<b>213,847</b>	<b>220,262</b>
FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
187,200	84,239	280,701	478,188	676,556
6,739	3,033	10,105	17,215	24,356
0	0	0	0	0
395,000	395,000	395,000	395,000	395,000
588,939	482,272	685,806	890,403	1,095,912
504,700	201,571	207,618	213,847	220,262
504,700	201,571	207,618	213,847	220,262
84,239	280,701	478,188	676,556	875,650

# **ATTACHMENT D**

NIPOMO COMMUNITY SERVICES DISTRICT  
FIXED ASSET PURCHASES  
2026-2027

<u>BUDGET ITEMS FOR 2026-2027</u>	#110 ADMIN	#125 WATER	#130 TOWN SEWER	TOTAL
GIS Software	0	9,900	5,100	15,000
Servers(2) and Cybersecurity upgrades	100,000	0	0	100,000
Operations Alarm System Replacement	0	19,800	10,200	30,000
Pickup Truck - Replacement	0	39,600	20,400	60,000
Dump Truck - Replacement	0	72,600	37,400	110,000
	<u>100,000</u>	<u>141,900</u>	<u>73,100</u>	<u>315,000</u>

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

Fixed assets will be purchased from the Enterprise Funds

**NIPOMO COMMUNITY SERVICES DISTRICT  
ITEMS TO BE INCLUDED IN THE OPERATIONS BUDGET  
2026-2027 FISCAL YEAR BUDGET**

	Administration Fund #110	Water Fund #125
Eagle Aerial (1)		13,000
Strategic Plan Update -Carryover	10,000	
Water Loss Audit (2)		10,000
Meter Replacement Program		400,000
Leak Detection Program		50,200
GIS Support		50,000
Water System Seismic Assessment (3) carryover		50,000
<b>Total</b>	<b>10,000</b>	<b>573,200</b>

- (1) Water Conservation Software to manage State required residential water reductions
- (2) Required report assessing the Districts non-revenue water accounting
- (3) Required as part of State guidance for water system evaluation and emergency response

# **ATTACHMENT E**

NIPOMO COMMUNITY SERVICES DISTRICT  
DISTRICT PERSONNEL  
2026-2027

ADMINISTRATION	MONTHLY SALARY STEP/RANGE	Budgeted	Additions/ Deletions	Budgeted
		25-26	26-27	26-27
General Manager	Contract	1	0	1
Finance Director/Assist General Manager	50	1	0	1
Customer Service Specialist	21	1	0	1
Customer Service Clerk III	21	1	0	1
Accountant	19	1	0	1
Customer Service Clerk II	13	1	0	1
<b>ADMINISTRATION SUBTOTAL</b>		<b><u>6</u></b>	<b><u>0</u></b>	<b><u>6</u></b>

OPERATIONS				
Director of Engineering and Operations	60	1	-1	0
District Engineer*	48	0	1	1
Operations Manager	48	1	0	1
Assistant Engineer	29	1	0	1
Water Supervisor	34	1	0	1
Wastewater Supervisor	38	1	0	1
Wastewater Operator III	24	1	0	1
Wastewater Operator II	20	2	0	2
Wastewater Operator I	16	2	0	2
Water Operator III	21	1	0	1
Water Operator II	17	1	0	1
Water Operator I	13	3	0	3
Utility Office Assistant	Contract	0.5	0	0.5
<b>OPERATIONS SUBTOTAL</b>		<b><u>15.5</u></b>	<b><u>0</u></b>	<b><u>15.5</u></b>
<b>TOTAL</b>		<b><u>21.5</u></b>	<b><u>0</u></b>	<b><u>21.5</u></b>

\*Subject to review by Administration Committee, and Board Approval needed

# **ATTACHMENT F**

NIPOMO COMMUNITY SERVICES DISTRICT  
FLEET SCHEDULE  
2026-2027

**SCHEDULE 1 - VEHICLES USED ON A DAILY BASIS**

	OPERATIONS VEHICLES	YEAR	DATE PURCHASED	FISCAL YEAR PURCHASED	VEHICLE NUMBER	MILEAGE (FEB 2026)
1	FORD F250*	2016	4/5/2016	2016	161	72,786
2	FORD F250	2017	4/13/2018	2018	171	61,545
3	FORD F250	2017	4/13/2018	2018	172	68,054
4	FORD F350	2019	6/24/2019	2019	191	59,619
5	FORD F250	2019	7/25/2019	2020	192	50,872
6	FORD F250	2020	11/5/2020	2021	201	50,627
7	FORD F250	2020	11/9/2020	2021	202	47,711
8	FORD F250	2022	9/9/2020	2022	211	32,681
9	FORD ESCAPE	2021	3/16/2022	2022	221	18,727
10	FORD F250	2023	4/5/2023	2023	231	11,935
11	FORD F250	2023	7/5/2023	2023	232	16,073
12	FORD F250	2026	3/4/2026	2026	ORDERED	ORDERED

	ADMIN VEHICLES	YEAR	DATE PURCHASED	FISCAL YR PURCHASED	VEHICLE NUMBER	MILEAGE (FEB 2026)
1	FORD F250 UTILITY	2022	8/5/2022	2022	222	23,422
2	FORD ESCAPE	2023	8/1/2023	2023	233	11,090

\*Scheduled for Replacement FY 26-27

**SCHEDULE 2 - SPECIALIZED VEHICLES USED FOR SPECIFIC R&M DUTIES**

	SPECIALIZED VEHICLES	YEAR	DATE PURCHASED	FISCAL YEAR PURCHASED	VEHICLE NUMBER	MILEAGE (FEB 2026)
1	FORD F350 FLATBED TRUCK*	2006	6/25/2006	2006	61	39,581
2	VACTOR	2024	3/1/2024	2024	242	8,108
3	FORD F550 WITH CRANE	2013	4/16/2013	2013	133	21,366
4	INTERNATIONAL-WATER TRUCK	2021	1/26/2021	2021	212	35,079
5	VALVE EXERCISING TRUCK	2024	2/15/2024	2024	241	2,290

\*Scheduled for Replacement FY 26-27

**SCHEDULE 3 - SPECIALIZED EQUIPMENT USED FOR SPECIFIC R&M DUTIES**

	OTHER SPECIALIZED EQUIPMENT	YEAR	DATE PURCHASED	FISCAL YR PURCHASED	HOURS (FEB 2026)
1	JOHN DEERE BACKHOE JD310	2009	9/3/2009	2008	62.4
2	JOHN DEERE GATOR CART	2024	10/24/2024	2024	353
3	CAT 914 LOADER	2015	10/30/2015	2015	1042
4	CAT 279D SKID STEER	2017	8/9/2017	2018	2043
5	JOHN DEERE TRACTOR 5075E	2020	8/19/2019	2020	62.4

TO: FINANCE AND AUDIT COMMITTEE

REVIEWED: RAY DIENZO *RwD*  
GENERAL MANAGER

FROM: JANA ETTEDDGUE *Jn*  
FINANCE DIRECTOR

DATE: MARCH 6, 2026



## REVIEW EMPLOYEE COST OF LIVING ADJUSTMENT (COLA)

### ITEM

Review employee Cost of Living Adjustment (“COLA”) [RECEIVE REPORT AND MAKE A RECOMMENDATION FOR INCLUDING IN THE DRAFT 2026-2027 FISCAL YEAR BUDGET]

### BACKGROUND

The NCSO Employee Handbook, Section 3000(E) states the following:

*Cost of Living Adjustments – Annually, the Board may consider a Cost of Living Adjustment (COLA). If the COLA is approved, District Salary Schedule will be adjusted accordingly, thus keeping the schedule current. Therefore, an employee may receive both a Cost of Living Adjustment and an increase in compensation pursuant to subdivision C above in any given year until the employee reaches Step 5. Upon reaching Step 5, the only salary adjustments an employee will receive will be Board-approved COLA, unless the employee is eligible for longevity pay.*

On May 25, 2022, the Board of Directors approved Resolution 2022-1624 which included:

*Cost of Living Adjustments shall use the Consumer Price Index for the California Consumer Price Index All Items for Urban Wage Earners and Clerical Workers. The December to December comparison shall be the method used to calculate the annual change in the CPI.*

Staff computed the Consumer Price Index for California All Items for Urban Wage Earners and Clerical Workers to be 3.25%. (Attachment D)

The five previous years COLA computation and Board approval has been as follows:

Fiscal year	Methodology Used	COLA Computation	Board Approved	Difference
7/1/24	California CPI-DEC(1)	2.87%	2.87%	0.00%
7/1/24	California CPI-DEC(1)	3.27%	3.27%	0.00%
7/1/23	California CPI-DEC(1)	5.29%	5.29%	0.00%
7/1/22	California CPI-DEC(1)	7.00%	7.00%	0.00%
7/1/21	California CPI-ANNUAL(1)	1.75%	1.75%	0.00%
7/1/20	California CPI-ANNUAL(1)	2.95%	2.95%	0.00%

(1) All Items for Urban Wage Earners and Clerical Workers for the Los Angeles-Riverside-Orange County

For Fiscal Year 2026-2027, the General Manager will receive the same COLA as all other staff, as stated in Resolution 2024-1705.

### RECOMMENDATION

It is recommended that the Committee review the COLA and direct Staff for budget preparation purposes.

### ATTACHMENTS

- A. Section 3000(D) from NCSO Employee Handbook
- B. Resolution 2022-1624
- C. Excerpt from Bureau of Labor Statistics on how to compute the CPI
- D. Consumer Price Index information and computation

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MARCH 10, 2026

ITEM 3

ATTACHMENT A

## CHAPTER THREE – HOURS OF WORK AND COMPENSATION

### **3000 - COMPENSATION**

- A. New Introductory Employees:** All newly appointed introductory employees shall be paid at the first step of the salary range for the position to which the introductory employee is appointed except as provided elsewhere herein.
- B. Advanced Step Hiring:** If the General Manager finds that qualified applicants have greater experience or competencies than required at the first step of the salary range, the General Manager can extend an offer higher than the first step.
- C. Increase in compensation other than Cost of Living Adjustments (Step-Merit Increase):** After one year in a salary step (on the employee's Anniversary Date), employees may qualify for a step merit increase to the next step, provided the employee has performed satisfactorily, and provided management has determined that a step merit increase is appropriate. All decisions about step merit increases are subject to management's sole discretion; employees are not automatically entitled to or eligible for a step merit increase. A performance evaluation verifying satisfactory performance and a Personnel Action Form for each employee recommended for advancement shall be submitted to and approved by the General Manager prior to final action on such recommendation.
- D. Temporary Assignment:** A temporary assignment occurs when the following conditions are met: (1) an employee is assigned by the affected department directors to perform duties outside of their current job classification; (2) the assignment is for a defined period of ten (10) consecutive working days or more, with a specified end date; and (3) the employee is expected to return to their most recently-assigned position at the end of the temporary assignment. A temporary assignment may be made to the same, lower, or higher level of classification of work. When an employee has served more than ten (10) consecutive working days filling the role of a higher job classification, on the eleventh day and any consecutive days thereafter, the employee will be compensated 5% above their current wage. An employee temporarily assigned to fill the role of an equal or lower job classification, that employee will be compensated at their current wage.
- E. Cost of Living Adjustments:** Annually, the Board may consider a Cost of Living Adjustment (COLA). If the COLA is approved, the District Salary Schedule will be adjusted accordingly, thus keeping the schedule current. Therefore, an employee may receive both a Cost of Living Adjustment and an increase in compensation pursuant to subdivision C above in any given year until the employee reaches Step 5. Upon reaching Step 5, the only salary adjustments an employee will receive will be Board-approved COLA, unless the employee is eligible for longevity pay.
- F. Promotion:** Employees promoted to a position with a higher salary range shall be placed on the step of the range allocated to the new classification which would grant such employee an increase in pay no greater than five percent (5%). The increase may exceed five percent (5%) at the discretion of the General Manager, but shall not exceed the top step of the range allocated to the new classification. Employees who are promoted retain the same Hire Date for purposes of years of

## **CHAPTER THREE – HOURS OF WORK AND COMPENSATION**

MARCH 10, 2026

ITEM 3

ATTACHMENT B

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2022-1624**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE NIPOMO COMMUNITY SERVICES DISTRICT  
ESTABLISHING METHODOLOGY OF COMPUTING EMPLOYEE  
COST OF LIVING ADJUSTMENTS (COLA)**

**WHEREAS**, the Nipomo Community Services District (herein "District") Board of Directors (herein "Board") is a local government agency formed and authorized to provide services within its jurisdiction, pursuant to Section 61000 et seq. of the California Government Code; and

**WHEREAS**, the Board annually reviews the employee Cost of Living Adjustment (COLA) based on the policy and procedures adopted in Resolution 2017-1437 which approved the use of the California Consumer Price Index all Items for Urban Wage Earners and Clerical Workers; and

**WHEREAS**, the Board wishes to clarify and establish the month of December as the month for comparison in the computation when calculating the COLA, measuring the change in the most recent December CPI against the previous December CPI; and

**WHEREAS**, the Board believes using a December to December comparison is more reflective of the COLA calculation period, includes the most current monthly CPI data that is consistently available, and therefore provides the most current information when calculating the COLA; and

**WHEREAS**, the Board wishes to continue using the Consumer Price Index for the California Consumer Price Index - All Items for Urban Wage Earners and Clerical Workers when evaluating the employee COLA computation, and

**WHEREAS**, the Board believes the California Consumer Price Index - All Items for Urban Wage Earners and Clerical Workers is more reflective of the economy of the Central Coast.

**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.** Resolution 2017-1437 Amending Methodology of Computing Employee Cost of Living Adjustment (COLA) is hereby repealed.

**Section 3.** The California Consumer Price Index - All Items for Urban Wage Earners and Clerical Workers is the index to be used when evaluating the employee COLA computation.

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2022-1624**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE NIPOMO COMMUNITY SERVICES DISTRICT  
ESTABLISHING METHODOLOGY OF COMPUTING EMPLOYEE  
COST OF LIVING ADJUSTMENTS (COLA)**

**Section 4.** A December to December comparison shall be the method used to calculate the annual change in the CPI.

**Section 5.** This resolution shall take effect immediately.

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

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

the foregoing resolution is hereby passed and adopted on this 25 day of May, 2022.

  
\_\_\_\_\_  
**Ed Eby**  
President of the Board

ATTEST:

APPROVED AS TO FORM AND  
LEGAL EFFECT:

  
\_\_\_\_\_  
**MARIO IGLESIAS**  
General Manager and Secretary to the Board

  
\_\_\_\_\_  
**Craig A. Steele**  
District Legal Counsel

MARCH 10, 2026

ITEM 3

ATTACHMENT C



# Consumer Price Index

 

## How to Use the Consumer Price Index for Escalation

The Consumer Price Index (CPI) measures the average change in the prices paid for a market basket of goods and services. These items are purchased for consumption by the two groups covered by the index: All Urban Consumers (CPI-U) and Urban Wage Earners and Clerical Workers, (CPI-W).

Escalation agreements often use the CPI—the most widely used measure of price change—to adjust payments for changes in prices. The most frequently used escalation applications are in private sector collective bargaining agreements, rental contracts, insurance policies with automatic inflation protection, and alimony and child support payments.

The following are general guidelines to consider when developing an escalation agreement using the CPI:

### Define the base payment

Define clearly the base payment (rent, wage rate, alimony, child support, or other value) that is subject to escalation.

### Identify which CPI series will be used

Identify precisely which CPI index series will be used to escalate the base payment. This should include the population coverage (CPI-U or CPI-W), area coverage (U.S. City Average, West Region, Chicago, etc.), series title (all items, rent of primary residence, etc.), and index base period (1982-84=100).

### Specify reference period

Specify a reference period from which changes in the CPI will be measured. This is usually a single month (the CPI does not correspond to a specific day or week of the month), or an annual average. There is about a two-week lag from the reference month to the date on which the index is released (that is, the CPI for May is released in mid-June). The CPIs for most metropolitan areas are not published as frequently as are the data for the U.S. City Average and the four regions. Indexes for the U.S. City Average, the four regions, nine divisions, two city-size classes, eight region-by-size classes, and three major metropolitan areas (Chicago, Los Angeles, and New York) are published monthly. Indexes for the remaining 20 published metropolitan areas are available only on a bimonthly basis. Contact BLS for information on the frequency of publication for the 23 metropolitan areas.

### State frequency of adjustment

Adjustments are usually made at fixed intervals, such as quarterly, semiannually, or, most often, annually.

### Determine adjustment formula

Determine the formula for the adjustment calculation. Usually the change in payments is directly proportional to the percent change in the CPI index between two specified periods. Consider whether to make an allowance for a "cap" that places an upper limit on the increase in wages, rents, etc., or a "floor" that promises a minimum increase regardless of the percent change (up or down) in the CPI.

### Provide for revisions

Provide a built-in method for handling situations that may arise because of major CPI revisions or changes in the CPI index base period. The Bureau always provides timely notification of upcoming revisions or changes in the index base.

### The CPI and escalation: Some points to consider

The CPI is calculated for two population groups: All Urban Consumers (CPI-U) and Urban Wage Earners and Clerical Workers (CPI-W). The CPI-U represents over 90 percent of the total U.S. population and is based on the expenditures of all families living in urban areas. The CPI-W is a subset of the CPI-U and is based on the expenditures of families living in urban areas who meet additional requirements related to employment: more than one-half of the family's income is earned from clerical or hourly-wage occupations. The CPI-W represents approximately 30 percent of the total U.S. population.

There can be small differences in movement of the two indexes over short periods of time because differences in the spending habits of the two population groups result in slightly different weighting. The long-term movements in the indexes are similar. CPI-U and CPI-W indexes are calculated using measurement of price changes of goods and services with the same specifications and from the same retail outlets. The CPI-W is used for escalation primarily in blue-collar cost-of-living adjustments (COLAs). Because the CPI-U population coverage is more comprehensive, it is used in most other escalation agreements.

The 23 metropolitan areas for which BLS publishes separate index series are by-products of the U.S. City Average index. Metropolitan area indexes have a relatively small sample size and, therefore, are subject to substantially larger sampling errors. Metropolitan area and other subcomponents of the national indexes (regions, size-classes) often exhibit greater volatility than the national index. BLS recommends that users adopt the U.S. City Average CPI for use in escalator clauses.

The U.S. City Average CPIs are published on a seasonally adjusted basis as well as on an unadjusted basis. The purpose of seasonal adjustment is to remove the estimated effect of price changes that normally occur at the same time and in about the same magnitude every year (e.g., price movements due to the change in

weather patterns, holidays, model change-overs, end-of-season sales, etc.). The primary use of seasonally adjusted data is for current economic analysis. In addition, the factors that are used to seasonally adjust the data are updated annually and seasonally adjusted data are subject to revision for up to 5 years after their original release. For these reasons, the use of seasonally adjusted data in escalation agreements is inappropriate.

Escalation agreements using the CPI usually involve changing the base payment by the percent change in the level of the CPI between the reference period and a subsequent period. This is calculated by first determining the index point change between the two periods and then determining the percent change. The following example illustrates the computation of a percent change:

CPI for current period	232.945
Less CPI for previous period	229.815
Equals index point change	3.130
Divided by previous period CPI	229.815
Equals	0.0136
Result multiplied by 100	$0.0136 \times 100$
Equals percent change	1.4%

The Bureau of Labor Statistics neither encourages nor discourages the use of price adjustment measures in contractual agreements. Also, while BLS can provide technical and statistical assistance to parties developing escalation agreements, we can neither develop specific wording for contracts nor mediate legal or interpretive disputes which might arise between the parties to the agreement.

Additional information may be obtained from the Consumer Price Index Information Office at [cpi\\_info@bls.gov](mailto:cpi_info@bls.gov) or 202-691-7000. Information on the CPI's overall methodology can be found in [the BLS Handbook of Methods](#).

**Last Modified Date:** June 8, 2023

U.S. BUREAU OF LABOR STATISTICS Consumer Price Index Office of Prices and Living Conditions Suitland Federal Center Floor 7 4600 Silver Hill Road Washington, DC 20212-0002

Telephone: 202-691-7000\_ [www.bls.gov/CPI](http://www.bls.gov/CPI) [Contact CPI](#)

MARCH 10, 2026

ITEM 3

ATTACHMENT D

**CALIFORNIA CONSUMER PRICE INDEX (1955-2025)**

ALL ITEMS (1982 - 1984 = 100)

Year	Month	All Urban Consumers	Urban Wage Earners and Clerical Workers
<b>2025</b>	<b>Annual</b>	<b>352.508</b>	<b>340.977</b>
<b>2025</b>	<b>December</b>	355.343	<b>343.523</b>
2025	October	..a	..a
2025	August	354.456	342.673
2025	June	353.044	341.501
2025	April	352.063	340.871
2025	February	348.871	337.803
<b>2024</b>	<b>Annual</b>	<b>341.951</b>	<b>330.689</b>
<b>2024</b>	<b>December</b>	344.295	<b>332.708</b>
2024	October	343.575	332.293
2024	August	343.108	331.734
2024	June	342.856	331.398
2024	April	342.734	331.848
2024	February	338.496	327.386
<b>2023</b>	<b>Annual</b>		<b>321.192</b>
2023	December	343.523	323.412
2023	October	332.708	324.753
2023	August	10.8150	323.581
2023	June		321.431
2023	April		319.184
2023	February	10.8150	317.154
<b>2022</b>	<b>Annual</b>	332.7080	<b>310.424</b>
2022	December	0.0325	313.159
2022	October		315.900
2022	August	0.0325	313.374
2022	June	100.0000	313.931
2022	April	3.2500	308.468
2022	February		302.122
<b>2021</b>	<b>Annual</b>	<b>297.371</b>	<b>288.595</b>
2021	December	306.109	297.426
2021	October	302.793	294.211
2021	August	299.815	291.317
2021	June	297.447	288.784
2021	April	294.274	285.139
2021	February	289.632	280.644
<b>2020</b>	<b>Annual</b>	<b>285.315</b>	<b>275.568</b>
2020	December	287.367	277.885
2020	October	286.843	277.443

<sup>a</sup> Data unavailable due to the federal government shutdown. See Important Notice dated 12/16/2025 ([https://www.dir.ca.gov/OPRL/CPI/12-16-2025\(CCPI\).htm](https://www.dir.ca.gov/OPRL/CPI/12-16-2025(CCPI).htm))

TO: FINANCE AND AUDIT COMMITTEE

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

## AGENDA ITEM

4

MARCH 10, 2026

DATE: MARCH 6, 2026

### REVIEW ALTERNATIVE USES FOR SOLID WASTE FRANCHISE FEES

#### ITEM

Review alternative uses for solid waste franchise fees [RECEIVE REPORT AND MAKE RECOMMENDATIONS]

#### 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 10% 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. 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.

#### 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.

In October 2023 and October 2025, the District accumulated reserves that exceeded this threshold and approved a rate holiday for December and January of the following years. The District used franchise fees to pay for its customers' solid waste fees. At the most recent rate holiday approval, the Board also directed staff to explore alternative ways to use the franchise fees, including increasing services or reducing rates for customers.

Staff conferred with SCSS staff to generate some alternatives that are consistent with both NCSD Policies and the SCSS franchise agreements. Those alternatives are outlined below.

- Update the bulk pick-up voucher to allow two free items per same-day pick-up. This means customers can have up to four free items picked up per year, spread across two pickups.
- The new rate manual requires a potential rate review every five years (next in 2030). Given changing regulations and operational costs, rates are likely to increase. The district could consider setting aside funds to cover future increases, so customers are not impacted. This approach could also be paired with a reduction in franchise fees at that time.
- Each year, there is a CPI adjustment. The district could cover this adjustment instead of passing it on to customers.
- The new rate manual allows for one free cart exchange per year. We could consider offering the replacement of all three carts once a year instead.

Staff recommends that the Committee review these alternatives, present other alternatives during discussion, and direct staff on future actions. When direction is given, staff will quantify the values of the recommended options.

**FINANCIAL IMPACT**

There is no fiscal impact

**RECOMMENDATION**

It is recommended that the Committee review the alternatives and make recommendations.

**ATTACHMENTS** - NONE