

TO: BOARD OF DIRECTORS
FROM: RAY DIENZO, P.E. *R.D.*
GENERAL MANAGER
DATE: AUGUST 20, 2026

AGENDA ITEM
E-1
AUGUST 26, 2026

**CONSIDER THE UPDATED NIPOMO COMMUNITY SERVICES
DISTRICT 2026 STRATEGIC PLAN**

ITEM

Consider the updated Nipomo Community Services District's 2026 Strategic Plan Update [RECOMMEND REVIEW AND PROVIDE COMMENTS AND GIVE DIRECTION TO STAFF].

BACKGROUND

The Nipomo Community Services District ("District") has valued the strategic plan process since 2006 when it first began to formalize an effort for increased community engagement. The Board first adopted a formal strategic plan in July 2009 and updated the plan in 2010, 2011, 2014, and 2018.

In October 2013, your Board approved a contract with Rauch Communications to develop an updated strategic plan ("Plan") for the District. Through their work efforts, your Board updated the Plan at the March 26, 2014 Regular Board Meeting and subsequently in April 25, 2018. Since that time, staff has been focused on addressing the Highest Priority Issues identified in the Plan and achieving the underlying Goals and Objectives that support the resolution of these issues.

As part of the Plan, a list of actions was compiled that identify staff members responsible for completing particular actions, the timing for when the action was to begin and its status as of the date of publication. As stated in the Plan, "The staff work plan is a linked series of actions developed by staff that, when accomplished, will meet the mission, vision, goals and objectives identified by the Board of Directors." Many of the action items in the staff work plan that support your Board's goals and objectives have been completed. It would be appropriate to update the Plan and reformat it to the current environment to assure staff continues to have your Board's clear direction for meeting the District's mission, vision, goals and objectives.

In the January 28, 2026 meeting, your Board approved a Task Order for Rauch communications Consultants Inc. to update the Nipomo CSD 2018 Strategic Plan.

On April 17th, the Board held a Special Meeting to conduct a workshop to discuss new values and objectives to update the Strategic Plan. Martin Rauch, Senior Consultant with Rauch Communication Consultants, Inc. led the workshop. His firm collated all the discussion notes and incorporated them into the draft Plan that will be considered today.

FISCAL IMPACT

Strategic planning helps focus limited staff resources and improve efficiency. Implementation of the Plan will be dependent on subsequent adoption of budgets and approval of specific projects. Budgeted staff time was used to prepare this report.

STRATEGIC PLAN

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

RECOMMENDATION

Staff recommends the Board review and provide comments and give direction to staff to agendize a future date to adopt the Strategic Plan.

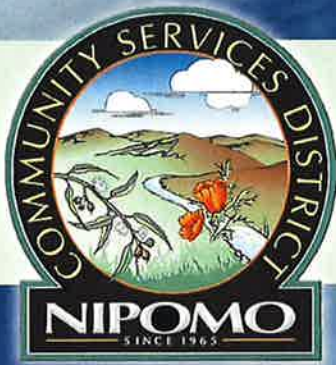
ATTACHMENTS

- A. Draft Nipomo Community Services District 2026 Strategic Plan

AUGUST 26, 2026

ITEM E-1

ATTACHMENT A

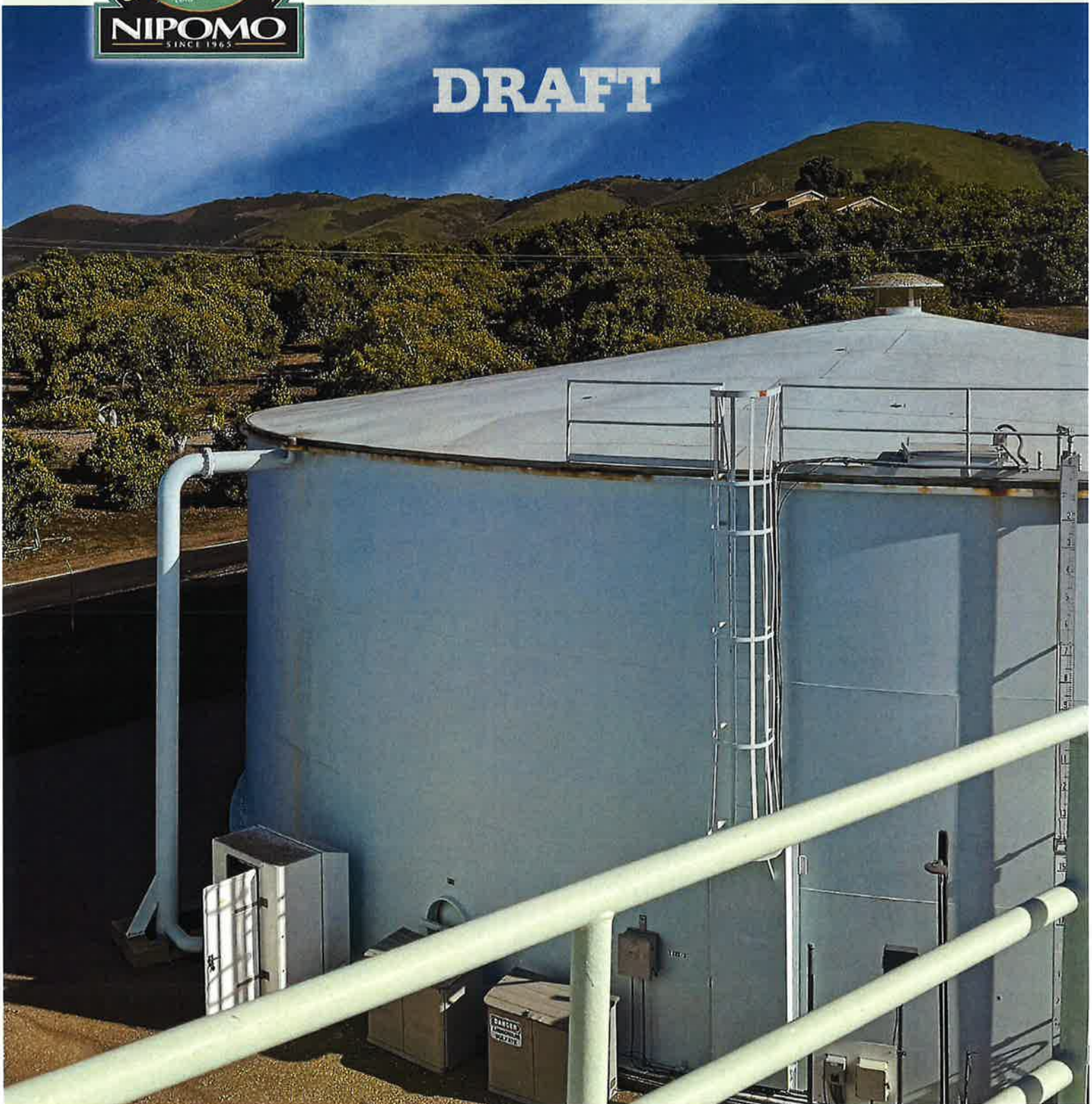


2026 STRATEGIC PLAN

NIPOMO COMMUNITY SERVICES DISTRICT

Prepared by: Rauch Communication Consultants Inc.

DRAFT



Board of Directors

Phil Henry, President

Tom Glover, Vice President

Ed Eby, Director

Gary Hansen, Director

John Joyce, Director

Staff Leadership Team

Ray Dienzo, General Manager

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Elizabeth Gamez, District Engineer

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Craig Steele, District Legal Counsel

Consultant

Martin Rauch, Managing Consultant, Rauch Communication Consultants

Table of Contents

Executive Introduction and Plan Overview 4

Nipomo Community Services District Background 5

Mission, Vision, and Values 7

Vision 8

Values 9

Where This Plan Will Take NCSD 10

Goals, Objectives, and Implementation Phase 11

Monitoring, Reporting, Oversight, and Accountability 17

Single-Page View of the Core Elements of the Strategic Plan 19

Executive Introduction and Plan Overview

Planning is strategic when it helps move an organization forward from its current situation to its desired future.

Nipomo Community Services District (NCSD) provides essential public services, including water and wastewater management, that protect the quality of life, health and long-term viability of Nipomo.

Purpose

This five-year Strategic Plan represents the Board's policy direction and serves as the District's highest-level planning document. It defines the District's mission, vision, and core values and establishes goals and objectives to guide budgets, capital investment, service decisions, and annual work planning over the next five years.

The Plan is a governance document that provides clear direction to the General Manager and Staff regarding priorities and desired outcomes.

Plan Development

The planning process included background research, a review of key District documents, and discussions with the General Manager.

Confidential interviews were conducted with the Board, General Manager, and Staff Leadership Team to gather candid perspectives on current conditions, priorities, and future challenges.

The mission and values statements were reviewed by the Board and Management Team via email and updated based on their input.

A draft plan was developed, then reviewed and refined by the Management Team and Board Committee, and provided to the full Board for final review.

Implementation & Accountability

The General Manager and Leadership Team will develop an implementation Work Plan, along with a reporting, monitoring, and oversight plan aligned with this Strategic Plan. Progress will be reported to the Board and the community on a regular basis.

Nipomo Community Services District Background

Nipomo Community Services District is the local public agency that provides water, wastewater, and other essential services to the approximately 18,000 residents of Nipomo. This unincorporated community in southern San Luis Obispo County is governed by an elected five-member Board of Directors.

As an independent special district formed under California Government Code Section 61000, NCSD operates within defined boundaries with a focused service mandate. The District manages water and wastewater systems, and also administers a solid waste franchise, street lighting in the Blacklake Division, and limited drainage services.

History

The District was established in 1965 after a public health crisis prompted the County Health Department to conduct extensive water testing throughout Nipomo, revealing contamination of private drinking water wells. A citizen steering committee petitioned for the District's formation, and in 1966, voters approved a bond to construct Nipomo's first public water system. What began as a community-led response to a health emergency has grown over six decades into a multi-service utility, while retaining the spirit of local self-reliance that shaped its founding.

Reliable Water Supply Portfolio

The District's water supply comes from a blend of local surface water, five groundwater wells, and imported water purchased from the City of Santa Maria through the Nipomo Supplemental Water Project. Managing this supply requires balancing groundwater sustainability, imported water costs, and long-term reliability, while also pursuing additional water sources, including recycled water, to support future demand under increasingly dry conditions.

Effectively Managing County-Approved Growth

[The Dana Reserve Specific Plan](#), a 288-acre community with up to roughly 1,400 residential units, was approved by the County in 2024 and annexed into the NCSD service area. It is the largest proposed housing development in SLO County in over 20 years and will require major expansion of the water and wastewater infrastructure. Managing this growth while maintaining service quality and affordability for existing customers is another key long-term priority.

This strategic plan addresses long-term priorities and ensures that the District remains financially sustainable, operationally resilient, and responsive to community needs.

Strategic Framework

Nipomo Community Services District developed the Strategic Plan from a series of logical, integrated components described below.

Mission. The mission statement explains why the organization exists and articulates its essential work in a brief sentence or two.

Vision. The vision articulates what the organization will become at a specific future time. It is the strategic target that, when achieved, fulfills the organization's mission. As such, it is at the heart of the strategic planning process.

Values. Values help govern attitudes and behaviors and provide guidance when an organization faces challenging decisions that require trade-offs. Values generally remain constant over time. The Board sets values.

Goals. Goals describe the enduring conditions and priority areas the District is committed to sustaining or achieving. They define what will be true when the District is performing well. Goals are not connected to timelines.

Objectives. Objectives are verifiable conditions established by the Board that define what success looks like under each goal. They are more specific than goals and can be assessed as achieved or not achieved without reviewing the work plan. There may be multiple objectives for each goal.

Implementation Plan. The Implementation Plan includes the specific tasks and actions required to fulfill the mission and achieve the District's goals and objectives. Tasks are assigned to members of the Leadership Team with defined timelines. There may be multiple tasks for each objective.

Measures. Progress on strategic objectives will be monitored, analyzed, and reported to the Board on a regular schedule, and findings will be used to adjust course as needed.

Accountability: Reporting, Monitoring, and Oversight. These actions are taken by the Board, Leadership Team, and Staff to ensure that the Plan is implemented and updated over time.



Mission, Vision, and Values

Mission Statement

Current Mission Statement: The Nipomo Community Services District's mission is to provide our customers with reliable, quality, and cost-effective services now and in the future.

The breakdown into categories below is to help analyze the mission. Ask yourself, is "services" the best way to describe the District's PURPOSE, or "our customers" the best way to describe WHO WE SERVE, etc

1. (PURPOSE) services
2. (WHAT) providing services
3. (WHO) our customers?
4. (SUCCESS) reliable, quality, and cost-effective services now and in the future

OPTION 1 WITH CHANGES MARKED

The Nipomo Community Services District ~~mission is to~~ dedicated to providing ~~our customers the~~ Nipomo community with reliable dependable, high-quality, and cost-effective utility services ~~now and in the future.~~

OPTION 1 CLEAN

The Nipomo Community Services District is dedicated to providing the Nipomo community with reliable dependable, high-quality, and cost-effective utility services.

1. (PURPOSE) services
2. (WHAT) providing utility services
3. (WHO) Nipomo Community?
4. (SUCCESS) dependable, high-quality, and cost-effective utility services.

Vision

Current Vision

The District's vision is to provide superior and cost-effective services to our customers, a valued place to work for our employees, respected and supported by our public and peers, and help maintain the rural quality of life in Nipomo.

Vision Option 1

Nipomo CSD is a forward-thinking, community-focused utility that residents trust for safe, reliable utilities, fair and transparent rates, and efficient, high-quality service that consistently earns customer confidence and support. Our dedicated team is knowledgeable and professional, and always eager to assist and grow.

Values

Current Values

The existing values statements are written as questions which can be posed to help make difficult decisions.

- Is it open, transparent and responsive to our customers?
- Is it sensitive to rates, cost-efficient, and financially responsible?
- Does it support our commitment to maintaining quality facilities and infrastructure?
- Does it support our ability to provide quality and reliable services?
- Does it support the welfare of our employees?
- Does it support the quality of life and rural character of our community?

Proposed Values

There were no comments on the values, except questions about why they were written in the form of questions. They have been recast as declarative statements that describe what the District stands for, with a short bold label naming each commitment plainly.

Customer Trust — The District is open, transparent, and responsive to the customers it serves.

Financial Responsibility — The District is sensitive to rates, cost-efficient, and fiscally responsible.

Quality Infrastructure — The District maintains quality facilities and infrastructure that support reliable, long-term service delivery.

Reliable Service — The District provides consistent, high-quality services that customers can depend on.

Employee Welfare — The District supports the well-being, development, and engagement of its employees.

Community Character — The District respects and protects the quality of life and rural character of the Nipomo community.

Where This Plan Will Take NCSD

Nipomo Community Services District's highest priority, strategy, and new direction are summarized below.

OUR HIGHEST PRIORITY:

Ensuring an adequate, high-quality, cost-effective water supply remains the District's highest priority. After more than a decade of formally recognized groundwater issues, and decades of falling groundwater levels, the District began receiving supplemental imported water from the City of Santa Maria in 2015. Since then, the District and its customers have benefited from a stable, reliable water supply. But groundwater, cost, and other supply challenges remain and require continuing attention.

The recent rate change revealed a need to communicate better with customers. The District must proactively communicate with customers about pressing water and wastewater issues so customers understand what actions the District is taking and why, have opportunities to provide feedback on topics of interest to them, and the District builds understanding and support over time.

What Will Be Different in three years?

The plan will produce many improvements, large and small, but the clearest change will be in how the District engages its community. NCSD will shift from reactive responses to customer concerns and misinformation toward proactive, accurate communication about the services it provides and the decisions it makes, including clear, regular opportunities for customers to provide input.

As a result, three years from now customers will understand what a Community Services District is and what our District provides, and the District's services will be shaped with that community understanding in mind.

The District will also have made progress on managing the basin, meeting new wastewater discharge requirements, and controlling long-term water costs.

Goals, Objectives, and Implementation Phase

These notes introduce the strategic goals and objectives in the following pages.

Key Areas of Change. This Strategic Plan targets critical areas where the Board has indicated a need for change or greater clarity. While the District has many other existing and ongoing initiatives, programs, and actions, these are not included in this Plan.

Timing. The Work Plan will contain details on timing. Staff will report on all objectives and the entire Plan at least once a year, early in the budget season. This timing allows the General Manager to incorporate Board feedback into the preparation of the new fiscal year budget.

Implementation. Following the Board's review and approval of the goals and objectives, District staff will develop a Work Plan to implement them.

Priorities. Priorities will be identified during the development of the implementation plan. If time or resources are short, lower-priority objectives or work actions may be deleted or postponed, ensuring resources are available for high-priority objectives.

GOAL 1. PUBLIC TRUST AND UNDERSTANDING: The community understands and values what the District provides, and the District has earned residents' confidence.

Strategic Background. NCSD provides essential water, wastewater, and utility services that support public health, safety, and quality of life. While customers generally value these services, there is limited understanding of what goes into providing them, how rates are set, and the value they provide.

Strategic Challenges and Opportunities. Customers have expressed frustration with rate increases due to limited visibility and understanding of the services being provided, the value they receive, and the reasons rates change. Communication has been largely one-directional or absent entirely, limiting public understanding and meaningful engagement.

Strategic Response. The District will strengthen outreach, education, and transparency so residents better understand District services, the value they receive, and how rates are determined. The District will expand two-way engagement so that customer feedback informs District decisions and customers feel heard.

The following objectives define the outcomes needed to fulfill this Goal

OBJECTIVE 1.1: Public Communication. The District engages with customers and the public in a consistent, coordinated manner, providing clear information about District operations, decisions, and services.

OBJECTIVE 1.2: Two-Way Engagement. The District creates meaningful opportunities for customers and the public to provide feedback and engage in dialogue.

OBJECTIVE 1.3: Customer Information and Value. Customers are regularly informed about District services, how rates are determined, and the value they receive through multiple formats and channels that make it easy to stay engaged.

OBJECTIVE 1.4: Responsive Customer Feedback. Customer feedback and satisfaction are regularly measured, and findings actively inform service improvements and District decision-making.

OBJECTIVE 1.5: Digital Self-Service Access. Customers can easily access District information, pay bills, submit requests, and conduct routine business through convenient, user-friendly digital tools and interfaces.

GOAL 2. ESSENTIAL SERVICES: NCSD's water, wastewater and solid waste services are safe, reliable, and resilient.

Strategic Background. Providing safe, clean, reliable water wastewater and solid waste services are core responsibilities of NCSD. Long-term reliability depends on maintaining adequate water supplies, protecting water quality, meeting wastewater treatment requirements, and sustaining infrastructure. Each of these services faces rising costs and tightening regulatory requirements.

Strategic Challenges and Opportunities. The District faces increasing drought and water scarcity, increasingly stringent regulatory and water quality requirements (including nitrate in groundwater wells), and rising costs for treatment and supply. The District's supplemental imported water supply, purchased from the City of Santa Maria, faces potential limitations and long-term uncertainty, including a Santa Barbara County limit on imported water. Managing the balance between local groundwater and imported supply, while pursuing additional sources, is among the District's most consequential long-term challenges. On the wastewater side, a pending permit is expected to impose new salinity limits on treated effluent; because the District's effluent already carries elevated total dissolved solids, meeting the new limits will require significant and costly upgrades to wastewater treatment infrastructure.

Strategic Response. To strengthen drought resilience and long-term reliability, the District will sustain and diversify its water supply portfolio. This involves maintaining local groundwater sources, continuing use of imported water, and pursuing supplemental and alternative sources including reuse and potential desalination. The District will also pursue elimination of the Santa Barbara County limit on its imported water supply.

The District will also strengthen water quality management and regulatory compliance, and will actively collaborate with regional agencies and partners on shared supply, groundwater, and infrastructure challenges.

For wastewater, the District will advance the treatment improvements needed to meet new effluent quality and salinity requirements while managing the associated cost impacts. The District will continue to provide reliable, cost-effective solid waste service.

The following objectives define the outcomes needed to fulfill this goal.

OBJECTIVE 2.1: Water Supply Reliability. The District maintains a reliable, resilient water supply that meets current and near-term demand and is not dependent on any single source.

OBJECTIVE 2.2: Long-Term Supply Resilience. The District's water supply is positioned to remain reliable under long-term changes in climate, demand, and regulatory conditions.

OBJECTIVE 2.3: Water Quality. The District's water consistently meets or exceeds applicable drinking water quality standards.

OBJECTIVE 2.4: Wastewater Service and Treatment. The District's wastewater collection and treatment reliably meet effluent quality and discharge requirements, including salinity limits.

OBJECTIVE 2.5: Solid Waste Services. The District's solid waste services are reliable, cost-effective, and meet applicable regulatory requirements.

OBJECTIVE 2.6: Regulatory Compliance and Adaptation. The District anticipates and complies with evolving wastewater, drinking water and environmental regulatory requirements.

OBJECTIVE 2.7: Regional Partnership. The District is an active and effective partner in regional water supply planning, groundwater management, and infrastructure efforts.

OBJECTIVE 2.8: Regulatory Advocacy. The District advocates effectively with state and regional agencies on regulatory matters affecting its supply, costs, and operations.

OBJECTIVE 2.9: Stipulation Compliance. The District complies with the June 30, 2005 Stipulation.

GOAL 3. LONG-TERM FINANCIAL STABILITY: Nipomo CSD is financially stable and sustainable, with rates that are fair, predictable, and reflect the value customers receive.

Strategic Background. Financial stability is foundational to the District's ability to deliver reliable services, maintain infrastructure, and meet regulatory requirements — while keeping rates fair and predictable for customers.

Strategic Challenges and Opportunities. The District faces rising costs driven by inflation, energy prices, water costs, regulatory mandates, and uncertainty in external revenues, including property taxes. Maintaining affordability while meeting operational and capital needs and building adequate reserves remains a central challenge.

Strategic Response. The District will strengthen long-term financial planning, forecasting, and budgeting to anticipate capital needs, manage external cost pressures, and build and maintain adequate reserves. The District will pursue operational efficiencies and external funding opportunities, and will maintain rate structures that are transparent, defensible, and balanced between affordability and long-term fiscal sustainability.

The following objectives define the outcomes needed to fulfill this goal.

OBJECTIVE 3.1: Financial Planning. The District's financial decisions are grounded in current, reliable long-term planning and forecasting.

OBJECTIVE 3.2: Rate Structure. The District's rate structures are fair, transparent, predictable, and sustainable, reflecting the true cost of service while remaining affordable and defensible to customers.

OBJECTIVE 3.3: Financial Reserves. The District maintains adequate reserves and financial flexibility to absorb unexpected cost increases and economic disruptions without compromising service quality or forcing unplanned rate adjustments.

OBJECTIVE 3.4: Board Financial Transparency. The Board has the financial information it needs for sound decision-making.

OBJECTIVE 3.5: Customer Rate Communication. Customers understand the District's financial position and rate decisions well enough to trust that rates are fair and necessary.

GOAL 4. ORGANIZATIONAL CAPACITY: NCSD is a capable, well-staffed organization where employees are supported, engaged, and equipped to deliver reliable service now and into the future.

Strategic Background. NCSD staff are a core organizational strength, enabling reliable operations and quality service delivery with a relatively small workforce. As operational demands grow and the District faces increasing complexity, maintaining and building on this capacity is essential to meet ongoing and future demands.

Strategic Challenges and Opportunities. The District faces potential staffing constraints as operational demands grow. Recruitment, retention, succession planning, and workload balance are ongoing challenges. The physical separation between the administrative office and field operations presents additional coordination and culture-building challenges, alongside opportunities to strengthen training, organizational unity, and long-term leadership continuity.

Strategic Response. The District will invest in recruitment, retention, succession planning, and workforce development to maintain organizational capacity and prepare for future demands. The District will cultivate a positive, unified workplace culture that bridges the physical separation between the administrative and operational teams. It will also expand professional development and leadership opportunities to support long-term staff growth and organizational continuity.

The following objectives define the outcomes needed to fulfill this goal

OBJECTIVE 4.1: Capacity and Workload Resilience. The District maintains staffing levels sufficient to deliver reliable service and support employee well-being, and lean enough to remain cost-effective and responsible to ratepayers.

OBJECTIVE 4.2: Recruitment and Retention. The District attracts and retains qualified staff.

OBJECTIVE 4.3: Staff Leadership Succession. The District maintains a pipeline for staff leadership succession.

OBJECTIVE 4.4: Board Leadership Succession. The District maintains a pipeline for Board leadership succession.

OBJECTIVE 4.5: Workforce Continuity. The District is not vulnerable to operational disruption from staff turnover or vacancies.

OBJECTIVE 4.6: Culture and Engagement. The District's workplace culture is positive and engaging — where employees feel supported, valued, and able to do their best work.

OBJECTIVE 4.7: Staff Development. District employees have access to and actively participate in professional development, certifications, and leadership training — supporting individual career growth and long-term organizational capability.

Monitoring, Reporting, Oversight, and Accountability

The Board, Leadership Team, and Staff will take the following actions to ensure that the Plan is implemented, tracked, and updated over time. Once adopted, each item below will be incorporated into the work plan with an assigned owner and completion or recurrence date.

Staff Communication and Alignment

All staff receive an orientation to the Plan and understand which goals and objectives their work supports.

Progress on strategic goals and objectives is reported to all staff at least annually.

Public Communication and Transparency

The Plan is posted on the District website and kept current.

A plain-language summary of the Plan and its progress is made available to the public in a format accessible to a general audience — distinct from the full technical document.

Roles, Expectations, and Resource Alignment

Accomplishment of strategic priorities is included in the General Manager's annual performance evaluation.

The annual budget process explicitly references strategic goals and objectives, and significant resource decisions are evaluated against strategic priorities.

Strategic priorities are incorporated into performance reviews for the Leadership Team and non-management staff.

Each strategic objective has at least one identified performance indicator. Progress against these indicators is measured and reported on a defined schedule, and findings inform Board and management decisions. Department goals are aligned to strategic goals with measurable outcomes identified for each.

Board Oversight and Monitoring

The GM provides the Board with a comprehensive annual report on strategic plan progress as part of the budget development process.

The Board and its committees reference strategic goals and objectives when deliberating on significant policy and resource decisions.

The strategic plan is included in Board orientation and new member onboarding.

The GM provides the Board with a brief semi-annual update on strategic plan implementation — separate from the comprehensive annual report — to keep the plan visible between annual reviews.

Staff notes in agenda packets when an item fulfills or directly supports a particular strategic goal or objective.

The Board formally recognizes significant strategic milestones as they are achieved.

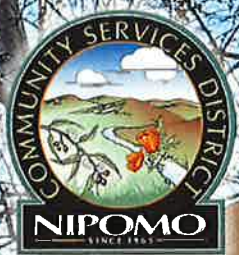
Plan Review and Update

The Board holds a brief annual workshop early in the budget development process to review progress on the Plan and consider whether adjustments are warranted.

The Board undertakes a comprehensive update of the Plan every three to five years. Agencies operating in rapidly changing conditions — such as significant growth, regulatory change, or financial pressure — should consider a three-year cycle.

Single-Page View of the Core Elements of the Strategic Plan

MISSION	The Nipomo Community Services District is dedicated to providing the Nipomo community with reliable dependable, high-quality, and cost-effective utility services.					
VISION	Nipomo CSD is a forward-thinking, community-focused utility that residents trust for safe, reliable utilities, fair and transparent rates, and efficient, high-quality service that consistently earns customer confidence and support. Our dedicated team is knowledgeable and professional, and always eager to assist and grow.					
VALUES	Customer Trust	Financial Responsibility	Quality Infrastructure	Reliable Service	Employee Welfare	Community Character
GOALS	1. PUBLIC TRUST & UNDERSTANDING	2. ESSENTIAL SERVICES		3. LONG TERM STABILITY	4. ORGANIZATIONAL CAPACITY.	
OBJECTIVES	1.1: Public Communication. The District engages with customers and the public in a consistent, coordinated manner, providing clear information about District operations, decisions, and services.	2.1: Water Supply Reliability. The District maintains a reliable, resilient water supply that meets current and near-term demand and is not dependent on any single source.		3.1: Financial Planning. The District's financial decisions are grounded in current, reliable long-term planning and forecasting.		4.1: Capacity and Workload Resilience. The District maintains staffing levels sufficient to deliver reliable service and support employee well-being, and lean enough to remain cost-effective and responsible to ratepayers.
	1.2: Two-Way Engagement. The District creates meaningful opportunities for customers and the public to provide feedback and engage in dialogue.	2.2: Long-Term Supply Resilience. The District's water supply is positioned to remain reliable under long-term changes in climate, demand, and regulatory conditions.		3.2: Rate Structure. The District's rate structures are fair, transparent, predictable, and sustainable, reflecting the true cost of service while remaining affordable and defensible to customers.		4.2: Recruitment and Retention. The District attracts and retains qualified staff.
	1.3: Customer Information and Value. Customers are regularly informed about District services, how rates are determined, and the value they receive through multiple formats and channels that make it easy to stay engaged.	2.3: Water Quality. The District's water consistently meets or exceeds applicable drinking water quality standards.		3.3: Financial Reserves. The District maintains adequate reserves and financial flexibility to absorb unexpected cost increases and economic disruptions without compromising service quality or forcing unplanned rate adjustments.		4.3: Staff Leadership Succession. The District maintains a pipeline for staff leadership succession.
	1.4: Responsive Customer Feedback. Customer feedback and satisfaction are regularly measured, and findings actively inform service improvements and District decision-making.	2.4: Wastewater Service and Treatment. The District's wastewater collection and treatment reliably meet effluent quality and discharge requirements, including salinity limits.		3.4: Board Financial Transparency. The Board has the financial information it needs for sound decision-making.		4.4: Board Leadership Succession. The District maintains a pipeline for Board leadership succession.
	OBJECTIVE 1.5: Digital Self-Service Access. Customers can easily access District information, pay bills, submit requests, and conduct routine business through convenient, user-friendly digital tools and interfaces.	2.5: Solid Waste Services. The District's solid waste services are reliable, cost-effective, and meet applicable regulatory requirements.		3.5: Customer Rate Communication. Customers understand the District's financial position and rate decisions well enough to trust that rates are fair and necessary.		4.5: Workforce Continuity. The District is not vulnerable to operational disruption from staff turnover or vacancies.
		2.6: Regulatory Compliance and Adaptation. The District anticipates and complies with evolving wastewater, drinking water and environmental regulatory requirements.				4.6: Culture and Engagement. The District's workplace culture is positive and engaging — where employees feel supported, valued, and able to do their best work.
		2.7: Regional Partnership. The District is an active and effective partner in regional water supply planning, groundwater management, and infrastructure efforts.				4.7: Staff Development. District employees have access to and actively participate in professional development, certifications, and leadership training — supporting individual career growth and long-term organizational capability.
		2.8: Regulatory Advocacy. The District advocates effectively with state and regional agencies on regulatory matters affecting its supply, costs, and operations.				
		2.9: Stipulation Compliance. The District complies with the June 30, 2005 Stipulation.				



NIPOMO COMMUNITY SERVICES DISTRICT

148 S. WILSON ST.

BOARD OF DIRECTORS

Phil Henry, President

Tom Glover, Vice President

Ed Eby, Director

Gary Hansen, Director

John Joyce, Director

Prepared by:



www.rauchcc.com

TO: BOARD OF DIRECTORS
FROM: RAY DIENZO *R.D.*
GENERAL MANAGER
DATE: AUGUST 19, 2026

AGENDA ITEM
E-2
AUGUST 26, 2026

CONSIDER CHANGE TO THE SOLID WASTE FRANCHISE FEE

ITEM

Consider change to the solid waste franchise fee for the purpose of reducing the District customers' bi-monthly garbage bills [RECOMMEND APPROVE REDUCTION IN FRANCHISE FEE, DIRECT STAFF TO PREPARE AMENDMENT]

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 receives a 10% annual franchise income for administering the solid waste franchise. These fees go into Solid Waste Fund #300, as identified in the District Annual Budget. Fund #300 is funded solely from the franchise fee the District collects from SCSS. The revenue is used to cover solid waste activities the District performs 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. Franchise fee revenue also contributes to the District's costs of administering the solid waste program. Based on current projections under the current 10% agreement, this revenue will be approximately \$296,000 in FY2026-27.

As outlined in District Resolution 2018-1492, if the reserve balance in fund #300 exceeds twice the reserve level set by the District's Cash Reserve Policy, staff will recommend to the Board that a rate holiday be included in the next fiscal year budget. Since then, the Board has instituted a rate holiday every two years on average. After the last rate holiday took effect in January and February 2026, the Board directed staff to look for ways to use the franchise fees in lieu of a rate holiday. The Finance Committee met on 3/10/2026, and 4/16/2026 to discuss alternative uses of the franchise fees with staff and SCSS staff. The Committee concluded that the best solution was to reduce franchise fees collected by the District and apply the reduction to the customers as a consistent monthly reduced rate.

Staff discussed the options with SCSS staff and concluded that reducing the franchise fee from 10% to 4% would be feasible and would produce revenue that meets the District's costs of providing solid waste activities. The District's budgeted solid waste expense for FY2026-27 is \$102,000. If the District collected a 4% franchise fee, the revenue amount would be about \$110,000.

The tables below show how this lower franchise fee would affect garbage rates for customers in the District's service area. It is important to note that SCSS will be implementing an index-based rate adjustment effective January 1, 2027. Factoring this rate adjustment of 0.58%, the overall rate reduction will be about 5.70%.

Franchise Fee Reduction	2027 Base Rate Adjustment	Overall Rate Reduction, Effective Jan 1, 2027
6%	0.58%	5.70%

RESIDENTIAL

Service Description	Bi-Monthly Rate Prior to Reduction	Bi-Monthly Rate with Reduced Franchise Fee	Bi-Monthly Reduction
32 Gal Waste Wheeler	\$60.90	\$57.42	\$3.48
64 Gal Waste Wheeler	\$87.28	\$82.30	\$4.98
96 Gal Waste Wheeler	\$114.42	\$107.90	\$6.52

COMMERCIAL

Service Description	Monthly Rate Prior to Reduction	Monthly Rate with Reduced Franchise Fee	Monthly Reduction
2YD 1X WEEKLY	\$150.87	\$142.27	\$8.60
3YD 1x WEEKLY	\$179.32	\$169.10	\$10.22
4YD 1x WEEKLY	\$258.99	\$244.23	\$14.76

FINANCIAL IMPACT

The actual financial impact on the Solid Waste Fund is dependent on your Board's direction to staff. Staff anticipate that solid waste revenue will be sufficient to administer the solid waste activities.

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 consider the following options:

1. Approve the reduced solid waste franchise fee change to 4% and direct staff to prepare an amendment for Board approval.
2. Direct staff to consider other alternatives for future consideration.
3. No action.

ATTACHMENTS

NONE

TO: BOARD OF DIRECTORS
FROM: CRAIG A. STEELE
DISTRICT COUNSEL

DATE: August 20, 2026

**AGENDA ITEM
E-3**

AUGUST 26, 2026

**SECOND AMENDMENT TO EMPLOYMENT AGREEMENT BETWEEN
THE NIPOMO COMMUNITY SERVICES DISTRICT AND THE GENERAL
MANAGER**

ITEM

Consider Proposed Second Amendment to the Employment Agreement Between the Nipomo Community Services District and the General Manager [RECOMMEND APPROVE SECOND AMENDMENT TO THE EMPLOYMENT AGREEMENT FOR THE GENERAL MANAGER]

BACKGROUND

The District's General Manager is employed pursuant to an employment agreement that was effective in September 2023. The employment agreement requires that your Board conduct an annual performance evaluation, which has generally been concluded. The Board directed District Counsel to discuss with the General Manager certain amendments to his employment contract. Following those discussions, Counsel suggests that the Board consider the amendments shown in the attached Second Amendment to the Employment Agreement between the District and Ray Dienzo. The proposed changes, which are subject to discussion and consideration by the Board in open session, are summarized below:

1. District Contribute \$5,000 to the General Manager's Section 457 Deferred Compensation plan annually commencing July 1, 2026.
2. Increase the number of paid vacation days from 15 to 20 equivalent working days per year.

No other changes are proposed to the employment agreement. The effective date of these changes is July 1, 2026.

It is recommended that the Board consider and approve the proposed Second Amendment, which Mr. Dienzo has accepted.

FISCAL IMPACT

The Second Amendment will increase the General Manager's total compensation by \$5,000 annually in a deferred compensation contribution (\$2,500 in calendar year 2026). There is no additional cost to the District of adding additional vacation hours. The approved budget for fiscal year 2026-2027 will accommodate these changes.

STRATEGIC PLAN

Goal 3. PERSONNEL AND ORGANIZATION. Maintain a qualified, long-term and productive workforce to assure an effective organization

3.B. ONGOING ACTIVITIES

- B.1. Ensure the District is adequately staffed with high quality, long-term employees

RECOMMENDATION

It is recommended that your Board consider and approve the second amendment to the General Manager's employment agreement.

ATTACHMENTS

- A. Employment Agreement
- B. First Amendment to Employment Agreement
- C. Second Amendment to Employment Agreement

AUGUST 26, 2026

ITEM E-3

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT
GENERAL MANAGER
EMPLOYMENT CONTRACT**

Attachments:

Exhibit "A" - General Manager Job Description

THIS EMPLOYMENT CONTRACT, is made and entered into by and between the Nipomo Community Services District (herein referred to as "District"), and Raymond Dienzo (herein also referred to as "General Manager" or "Dienzo"), with reference to the following recitals (District and Dienzo may be referred to collectively as the "Parties"):

RECITALS

A. District is a California Community Services District organized and operating pursuant to 61000 *et seq.*, of the Government Code.

B. District desires to appoint and employ Dienzo as General Manager of the District;

C. Dienzo desires to accept employment as General Manager of the District.

D. The purpose of this Contract is to define the employment relationship between Dienzo and the District.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

SECTION 1 - EMPLOYMENT OF GENERAL MANAGER

District hereby agrees to appoint and employ Dienzo as General Manager of District and Secretary to the Board of Directors (collectively those positions constitute the position of the "General Manager").

SECTION 2 - DUTIES

A. The duties of the General Manager are generally described in Exhibit "A", attached hereto and incorporated herein by this reference, and Government Code Section 61051, which provides as follows:

"The General Manager shall be responsible for all of the following:

- 1) The implementation of the policies established by the board of directors for the operation of the district.
- 2) The appointment, supervision, discipline, and dismissal of the district's employees, consistent with the employee relations system established by the board of directors.
- 3) The supervision of the district's facilities and services.

**NIPOMO COMMUNITY SERVICES DISTRICT
GENERAL MANAGER
EMPLOYMENT CONTRACT**

- 4) The supervision of the district's finances."

B. The General Manager shall also serve as the Secretary to the Board of Directors and shall be responsible for:

- 1) Maintaining accurate records of the proceedings of the Board of Directors.
- 2) Maintaining a book of District Ordinances or Codes with his attestation.
- 3) Maintaining District records including original Ordinances, Resolutions and Contracts and attest to the originals and true and correct copies of the same.
- 4) Administering Oaths or Affirmations and certifying affidavits and depositions pertaining to District affairs and business which may be used in any court or proceeding in the State.

C. The General Manager may deputize other District employees to perform the duties in sub-paragraph 1) and 2) above and deputize the Finance Director or Assistant General Manager to perform the duties referenced in paragraphs 3) and 4) above in the absence of the General Manager

D. Employee agrees to perform the functions and duties specified herein, in Government Code Section 61051, in the District's Code, and in Exhibit "A," and also to perform such other legally permissible and proper duties and functions as the District Board of Directors may from time to time assign, under the terms and conditions of employment set forth in this Contract.

E. Both parties acknowledge that specific duties of the General Manager position may vary from time to time at the discretion of the Board, and that the Board's assignment of additional specific lawful duties shall not require any amendment of this Contract.

SECTION 3 - TERM

Subject approval by the Board of Directors and execution by Employee, this Contract shall take effect on September 22, 2023 ("Effective Date"), and shall remain in effect until terminated as provided in the following provisions:

A. Nothing in this Contract shall prevent, limit or otherwise interfere with the right of District to terminate the services of General Manager at any time, subject only to the provisions set forth in Section 4, paragraphs A, B and C of this Contract.

B. Nothing in this Contract shall prevent, limit or otherwise interfere with the right of General Manager to resign at any time from his/her position with District, subject only to the provisions set forth in Section 4 of this Contract and any other applicable law.

**NIPOMO COMMUNITY SERVICES DISTRICT
GENERAL MANAGER
EMPLOYMENT CONTRACT**

SECTION 4 - TERMINATION AND SEVERANCE PAY

A. General Manager understands and expressly agrees that he has no constitutionally protected property right or interest in his employment as General Manager, and that the full terms and conditions of his employment are expressed herein.

B. The General Manager shall serve at the will and pleasure of the District Board of Directors and may be terminated by such Board without cause.

1. In the event the General Manager is terminated without cause on or before the three hundred sixty-fifth (365th) day from the Effective Date, the General Manager shall receive a lump sum cash payment equal to three (3) months base salary and the employee's cost of maintaining coverage for that period of the District-paid benefits specified in Section 10A in effect as of the date of termination ("Severance Pay"). In addition to Severance Pay, District shall pay General Manager for his/her accrued but unused vacation time, but not sick leave nor administrative leave, if any. The District shall deduct all normal withholdings required by law with respect to any amounts paid under this paragraph.
2. In the event the General Manager is terminated without cause from and after the three hundred sixty-fifth (365th) day from the Effective Date, the General Manager shall receive a lump sum cash payment ("Severance Pay") equal to five (5) months base salary and the employee's cost of maintaining coverage for that period of the District-paid benefits specified in Section 10A in effect as of the date of termination. In addition to Severance Pay, District shall pay General Manager for his/her accrued but unused vacation time, but not sick leave nor administrative leave, if any. The District shall deduct all normal withholdings required by law with respect to any amounts paid under this paragraph.

C. In the event General Manager is terminated for good cause, as defined herein, the General Manager shall be entitled only to salary earned, but not paid as of the date of termination; and payment for any accrued vacation, but not sick leave or administrative leave, if any. Additionally, the General Manager would receive any benefits that are lawfully required to be continued for the duration required by law. General Manager shall not be entitled to any other compensation, including, without limitation, any severance compensation. For purpose of this Contract, "good cause" shall be at the reasonable discretion of the Board and shall include, but not necessarily be limited to, any of the following:

1. Any material breach by the General Manager of any term or provision of this Contract;
2. General Manager's failure to perform his/her duties in a professional and responsible manner consistent with generally accepted standards of the profession;
3. General Manager's misfeasance;
4. General Manager's malfeasance;
5. Conduct unbecoming the position of General Manager or likely to bring discredit or embarrassment to District;

**NIPOMO COMMUNITY SERVICES DISTRICT
GENERAL MANAGER
EMPLOYMENT CONTRACT**

6. Insobriety while representing the District;
7. Conviction of a misdemeanor involving moral turpitude;
8. Conviction of a felony;
9. Engaging in illegal business practices in connection with the District's business;
10. Misappropriation of the District's assets;
11. Excessive unexcused absences of the General Manager from his/her employment during usual working hours; or
12. Failure to perform or habitual neglecting of the duties which he/she is required to perform under this Contract.

D. In the event General Manager voluntarily resigns his/her position with District, General Manager shall give the Board at least forty-five (45) calendar days advance written notice, unless the parties otherwise agree in writing. In the event General Manager voluntarily resigns his position with District, the General Manager shall be entitled only to all salary earned, but not paid as of the effective date of resignation, and payment for any accrued vacation.

E. If this Contract is terminated by District for good cause pursuant to paragraph C above and it is later determined that the termination was wrongful, such termination shall automatically be converted and treated as a Termination Without Cause under Section 4B above, and the General Manager shall be entitled to receive only amounts payable as referenced in Section 4B above.

SECTION 5 - SALARY

A. District agrees to pay the General Manager for his/her services rendered pursuant hereto an annual salary of one-hundred eighty five thousand dollars (\$185,000) payable in equal installments at the same time as other employees of the District are paid. The annual salary shall be subject to normal withholdings with respect to amounts paid.

B. District will perform a salary review and consider adjustments in compensation annually based upon the results of an annual performance evaluation and/or any significant changes in duties and responsibilities.

C. The District Board of Directors may amend the salary amount set forth in this Section 5 by Board Action without amending this Contract. This subsection 5C shall not be deemed a commitment to any future increases.

SECTION 6 - HOURS OF WORK

The General Manager is an exempt employee but is expected to engage in those hours of work that are necessary to fulfill the obligations of the General Manager's position. The General Manager does not have set hours of work as the General Manager is expected to be reasonably available at all times.

SECTION 7 - PERFORMANCE REVIEW

A. The Board shall conduct an annual performance review of the General Manager at or about each anniversary of the Effective Date.

**NIPOMO COMMUNITY SERVICES DISTRICT
GENERAL MANAGER
EMPLOYMENT CONTRACT**

B. The Board of Directors reserves the right, in its discretion, to review General Manager's performance at any time.

SECTION 8 - OUTSIDE PROFESSIONAL ACTIVITIES

General Manager, with prior written approval of the District Board of Directors, may undertake outside professional activities for compensation, including teaching, speaking, and writing, provided such activities do not interfere with General Manager's normal duties and are not performed for any existing vendors or contractors of District. Under no circumstances shall such outside activities create a conflict of interest with the duties of General Manager and the interests of District. The Board hereby approves the General Manager's existing part-time teaching activity at Cuesta College, as long as such activity does not conflict or interfere with job duties.

SECTION 9 - PROFESSIONAL DEVELOPMENT

A. As part of its normal budget process and reserving the right to establish appropriate priorities and funding amounts, District shall consider General Manager's requests for funds for certain items, activities and materials deemed necessary and desirable for the General Manager's continued professional development, participation, growth and advancement. Those items, activities and materials may include:

1. Professional dues and subscriptions necessary for full participation in appropriate and relevant associations and organizations;
2. Travel and subsistence expenses for professional meetings and similar functions (e.g., short courses, conferences, seminars) to foster professional development;
3. Other items, activities and materials, as shall be agreed upon from time to time between General Manager and Board President.

B. Expenditures for items in this Section shall be within the District's budgeted amounts for the appropriate category unless otherwise pre-approved by Board President. All books, subscriptions and other items obtained pursuant to paragraph A above shall be in the name of the District and at all times shall remain the exclusive property of the District.

C. General Manager shall receive prior Board approval for travel and subsistence expenses to courses, conferences, and seminars conducted outside the State of California.

SECTION 10 - BENEFITS

A. Subject to District Resolution 2005-959 or any subsequent resolution, District agrees to provide health, dental and vision insurance for the General Manager at the same rate as other District employees.

B. General Manager may elect to participate in District's 457 Deferred Compensation Plan.

**NIPOMO COMMUNITY SERVICES DISTRICT
GENERAL MANAGER
EMPLOYMENT CONTRACT**

C. District agrees to pay employer portion of the PERS contribution based on the current PERS Retirement Plan. If the District Board of Director's amends the Retirement Plan for existing employees, then the amended plan shall apply to the General Manager.

SECTION 11 - CELL PHONE REIMBURSEMENT

General Manager shall be reimbursed monthly at the rate of \$100.00 per month for maintaining a working cell phone, provided that said cell phone facilitates "24-7" District employee access to the General Manager.

SECTION 12 - LEAVES

A. Vacations:

1. Paid vacation days shall accrue at the rate of 1 and 1/4 of a working day per month of paid employment (15 days/year).
2. In addition to normal accruals, as provided herein, on the Effective Date, General Manager shall be credited with a "bank" of five (5) accrued vacation days.
3. General Manager shall not carry over more than two hundred forty (240) hours of vacation leave per calendar year. Once the maximum vacation accrual is reached, vacation time will no longer be accrued. Once the vacation accrual is below the maximum, vacation accrual will again start to accumulate.
4. General Manager shall not schedule more than two (2) weeks of vacation (fourteen (14) successive calendar days) during any thirty (30) day period without prior approval of the Board President.
5. General Manager's vacation shall not be scheduled when it would leave the District without appropriate management.

B. Sick Leave: General Manager shall accrue, and have credited to his/her personal account, sick leave at the rate of one (1) working day per month cumulative to a maximum accrual of one hundred eighty (180) working days.

C. Holidays: Subject to job constraints, the General Manager may take the following days as holidays: New Year's Day, Martin Luther King, Jr. Birthday, President's Day (third Monday in February), Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, the Friday in November immediately following the day designated as Thanksgiving Day, the four (4) regularly scheduled District working hours immediately preceding the day designated as Christmas Day, Christmas Day, and the four (4) regularly scheduled District working hours immediately preceding the day designated as New Year's Day. The General Manager is not entitled to the floating holiday.

D. Bereavement Leave: The General Manager may use accumulated vacation time and administrative leave for Bereavement Leave.

**NIPOMO COMMUNITY SERVICES DISTRICT
GENERAL MANAGER
EMPLOYMENT CONTRACT**

E. Administrative Leave: Starting January 1, 2024, the General Manager shall be entitled to eight (8) administrative leave days with pay per calendar year. In 2023, the General Manager shall be entitled to three (3) administrative leave days with pay. Administrative leave cannot be accumulated or carried over one calendar year to the next. Administrative leave shall not be scheduled when it would leave the District without appropriate management.

SECTION 13 - AUTOMOBILE

A. For District related uses the District shall make available an automobile/vehicle for the General Manager.

B. When the District's automobile/vehicle is not available, or use is not feasible, the General Manager shall be reimbursed for the use of General Manager's personal vehicle at the prevailing IRS per diem mileage rate for mileage incurred in performing services for the benefit of the District excluding travel to and from work.

C. General Manager shall submit an expense claim form on a monthly basis for expenses referenced in paragraph B above, which shall be considered for approval as part of the monthly Warrant Register prior to payment.

SECTION 14 - AUTOMOBILE INSURANCE

A. General Manager shall procure and maintain motor vehicle liability insurance coverage, on an "occurrence basis", with companies authorized to do business in the State of California, with coverage of no less than five-hundred thousand dollars (\$500,000) per accident.

B. The automobile insurance policy shall be endorsed to include the District, its officers, directors, employees and agents as Additional Insureds.

C. General Manager shall provide District with a Certificates of Insurance evidencing compliance with the foregoing requirements, accompanied by copies of the required endorsements. Certificates of Insurance shall specify that the insurer shall give District thirty (30) days advance written notice by the insurer prior to cancellation of the policy except ten (10) days for nonpayment of premium.

D. The automobile insurance coverage required hereunder shall be kept in full force and effect for the term of this Contract. Certificates of Insurance evidencing renewal of the required coverage shall be provided within ten (10) days of the expiration of any policy at any time during the period such policy is required to be maintained by General Manager hereunder. Any failure to comply with this requirement shall constitute a material breach of this Contract.

SECTION 15 - OTHER CONDITIONS OF EMPLOYMENT

The District may set other terms and conditions of employment as it may determine from time to time, relating to performance of General Manager, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Contract, or any Federal, State or local law.

**NIPOMO COMMUNITY SERVICES DISTRICT
GENERAL MANAGER
EMPLOYMENT CONTRACT**

SECTION 16 - JURY DUTY

The District General Manager will receive full pay and benefits while serving on a trial jury. Any court derived compensation for such Jury Duty (except travel pay) shall be returned to the District.

SECTION 17 - NOTICES

Notices pursuant to this Am ended Contract shall be in writing given by deposit in the custody of the United States Postal Service, postage prepaid, addressed as follows:

1. Nipomo Community Services District
148 South Wilson Street
Nipomo, CA 93444
Attn: President of the Board of Directors
2. Raymond Dienzo
[ADDRESS AND EMAIL ADDRESS ON FILE]

Alternatively, notices required pursuant to this Amended Contract may be personally served in the same manner as is applicable to civil judicial process. Notice shall be deemed given as of the date of personal service or as of the third day following the date of deposit of such written notice in the course of transmission in the United States Postal Service, with postage fully prepaid.

SECTION 18 - INDEMNIFICATION

A. In accordance with and to the extent provided by California's Tort Claims Act (Government Code Section 825 et seq. and Government Code Sections 995-996.5), the District shall defend and indemnify the General Manager against any and for all losses sustained by the General Manager in direct consequences of the discharge of the General Manager's duties on the District's behalf for the period of the General Manager's employment.

B. Nothing in this Amended Contract shall expand the District's defense and indemnification obligations beyond those provided in the Government Code Tort Claims Act (Government Code Section 825, et seq.) and Government Code Sections 995-996.5.

SECTION 19 - GENERAL PROVISIONS

A. General Manager shall comply with all local and state requirements regarding conflicts of interest and shall avoid personal involvement in a situation which is inconsistent or incompatible with a position of General Manager or could give rise to the appearance of impropriety.

B. The terms of this Contract are intended by the parties as a final expression of their agreement as to its subject and may not be contradicted by evidence of any prior agreement or contemporaneous oral Contract. The parties further intend that this Contract constitutes the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be

**NIPOMO COMMUNITY SERVICES DISTRICT
GENERAL MANAGER
EMPLOYMENT CONTRACT**

introduced in any judicial or arbitration proceeding, if any, involving this Contract. Any amendments to this Contract must be in writing and executed by both parties.

C. In the event of General Manager's death, General Manager's heirs, legatees, devisees, executors or legal representatives shall be entitled to (a) all salary earned, but not paid; and (b) payment for any accrued vacation. General Manager's heirs, legatees, devisees, executors or legal representatives shall not be entitled to any other compensation, including, without limitation, any severance compensation.

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

E. This Contract shall be governed by the laws of the State of California. The parties agree that in the event any legal action is taken to enforce/interpret any provisions of this Contract, said action shall be filed in the court of proper jurisdiction within the County of San Luis Obispo.

F. The parties acknowledge that they understand the significance and consequences of this Contract. The parties also acknowledge that they have been given full opportunity to review and negotiate this Contract and execute it only after full reflection and analysis, and that they have had an opportunity to review this document and its application and meaning with their respective attorneys and advisors. This Contract shall not be interpreted against the party who prepared the initial draft, because all parties participated in the drafting of this Contract by having ample opportunity to review and submit suggested changes or corrections for incorporation into the final version of this Contract.

G. This Contract shall be binding upon and shall inure to the benefit of the prospective heirs, executors, administrators, successors and assigns of the parties, provided however that the District General Manager may not assign obligations hereunder.

H. General Manager shall not assign this Contract in whole or in part.

I. The above Recitals are true and correct and incorporated herein by reference.

J. This Contract may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument, and shall be governed by the laws of the State of California. The parties agree to accept electronic signatures.

**NIPOMO COMMUNITY SERVICES DISTRICT
GENERAL MANAGER
EMPLOYMENT CONTRACT**

IN WITNESS WHEREOF, the parties hereto have executed this Contract on the below identified dates.

GENERAL MANAGER

Raymond Dienzo
Raymond Dienzo

DATE: Aug 6, 2023

DISTRICT

Richard Malvarose
Richard Malvarose, President

DATE: 9 AUGUST, 2023

APPROVED AS TO FORM:

Craig A. Steele
Craig A. Steele, District Legal Counsel

AUGUST 26, 2026

ITEM E-3

ATTACHMENT B

**NIPOMO COMMUNITY SERVICES DISTRICT
GENERAL MANAGER
FIRST AMENDMENT TO EMPLOYMENT CONTRACT**

THIS FIRST AMENDMENT TO EMPLOYMENT AGREEMENT, is approved and entered into by and between the Nipomo Community Services District (herein referred to as "District"), and Raymond Dienzo (herein also referred to as "General Manager" or "Dienzo"), with reference to that certain Employment Agreement between District and General Manager dated September 22, 2023 ("the Agreement").

1. Section 5.A. of the Agreement is hereby amended to read as follows (text to be added is underlined, text to be deleted is ~~struck-through~~):

"Effective July 1, 2024, District agrees to pay the General Manager for his/her services rendered pursuant hereto an annual salary of one hundred ninety six thousand, seven hundred eighty one dollars and five cents (\$196,781.05)~~one hundred eighty five thousand dollars (\$185,000)~~ payable in equal installments at the same time as other employees of the District are paid. The annual salary shall be subject to normal withholdings with respect to amounts paid."

2. Section 9.A.1. of the Agreement is hereby amended to read as follows (text to be added is underlined, text to be deleted is ~~struck-through~~):

"Professional dues and subscriptions necessary for full participation in appropriate and relevant associations and organizations and, as it benefits the District, all fees related to professional certifications and renewals, and continuing education related to maintaining these certifications;"

3. Section 12.C. of the Agreement is hereby amended to read as follows (text to be added is underlined, text to be deleted is ~~struck-through~~):

"Holidays: Subject to job constraints, the employee holidays listed in the current version of the District's Employee Handbook apply to the General Manager." ~~General Manager may take the following days as holidays: New Year's Day, Martin Luther King, Jr. Birthday, President's Day (third Monday in February), Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, the Friday in November immediately following the day designated as Thanksgiving Day, the four (4) regularly scheduled District working hours immediately preceding the day designated as Christmas Day, Christmas Day, and the four (4) regularly scheduled District working hours immediately preceding the day designated as New Year's Day. The General Manager is not entitled to the floating holiday.~~

4. Section 12.E. of the Agreement is hereby amended to read as follows (text to be added is underlined, text to be deleted is ~~struck-through~~):

"Administrative Leave: Starting January 1, 2024, the General Manager shall be entitled to ten (10) administrative leave days with pay per calendar year. In 2023, the General Manager shall be entitled to three (3) administrative leave days with pay. Administrative leave cannot be accumulated or carried over one calendar year to the next. Any unused administrative leave at the end of a calendar year will be cashed out and paid to the General Manager at their then-current rate of pay. Administrative leave shall not be scheduled when it would leave the District without appropriate management."

5. Except as specifically amended herein, all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to the Agreement on the below identified dates.

SIGNATURES ON FOLLOWING PAGE

GENERAL MANAGER



Raymond Dienzo, P.E.

DATE: 10/23, 2024

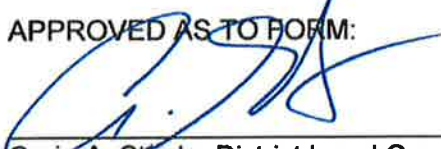
DISTRICT



Ed Eby, President

DATE: 10/23, 2024

APPROVED AS TO FORM:



Craig A. Steele, District Legal Counsel

AUGUST 26, 2026

ITEM E-3

ATTACHMENT C

**NIPOMO COMMUNITY SERVICES DISTRICT
GENERAL MANAGER
SECOND AMENDMENT TO EMPLOYMENT CONTRACT**

THIS SECOND AMENDMENT TO EMPLOYMENT AGREEMENT, is approved and entered into to be effective July 1, 2026 by and between the Nipomo Community Services District (herein referred to as "District"), and Raymond Dienzo (herein also referred to as "General Manager" or "Dienzo"), with reference to that certain Employment Agreement between District and General Manager dated September 22, 2023, as previously amended ("the Agreement").

1. **Section 10.B** of the Agreement is hereby amended to read as follows:

B. General Manager may elect to participate in District's 457 Deferred Compensation Plan. District shall contribute the sum of \$5,000 per calendar year (\$2,500 in calendar year 2026) to Employee's deferred compensation account, divided equally per pay period.

2. **Section 12.A.1** of the Agreement is hereby amended to read as follows:

A. Vacations:

1. Effective July 1, 2026, paid vacation days shall accrue at the rate of 1 and 2/3~~1/4~~ of a working day per month of paid employment (~~15~~ 20 days/year).

3. Except as specifically amended herein, all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment to the Agreement on the below identified dates.

SIGNATURES ON FOLLOWING PAGE

GENERAL MANAGER

DISTRICT

Raymond Dienzo, P.E.

Phil Henry, President

DATE: _____, 2026

DATE: _____, 2026

APPROVED AS TO FORM:

Craig A. Steele, District Legal Counsel

TO: BOARD OF DIRECTORS
FROM: RAY DIENZO, P.E. R.D.
GENERAL MANAGER
DATE: AUGUST 20, 2026

AGENDA ITEM
F
AUGUST 26, 2026

GENERAL MANAGER'S REPORT

ITEM

Standing report to your Honorable Board -- *Period covered by this report is 7/19/2026 -- 8/22/2026.*

DISTRICT BUSINESS

Administrative

The District encourages residents to report any observed water waste. The District also maintains an accounting of leak adjustments to measure non-revenue water lost to leaks and tracks late fee waivers. The table below provides monthly and calendar year data.

OFFICE ACTIVITIES	Jul-26	Jan 26 – Jul-26
Leak Adjustments	1	15
Leak Adjustment Amount	\$148.92	\$15,426.86
Late Fee Waivers	20	68
Late Fee Waiver Adjustment Amount	\$683.53	\$1612.53

Water Production, Delivery, and Demand

The District's water sources are a combination of groundwater and imported water. Imported water is received from the City of Santa Maria and an allotted portion is delivered to Woodlands Mutual Water Company and Golden State Water Company. The table and chart below summarize the water data for the Fiscal Year ("FY") 2026-2027; all values are in acre-feet ("AF").

	Jul-26	Year to Date Jul 26-Jun 27
A. Total NCSD Groundwater Production	64.5	64.5
B. Total Supplemental Water Imported (B1+B2+B3)	191.7	191.7
B1. Supplemental Water used by NCSD	133.8	133.8
B2. Supplemental Water Delivered to WMWC	28.8	28.8
B3. Supplemental Water Delivered to GSWC	29.1	29.1
Total NCSD Water Demand (A+B1)	198.3	198.3

Other Items

- Dana Reserve Project
 - o 5/18/2026 – District received Infrastructure Enhance Payment of \$4.5M.
 - o 6/12/2026 - Kick-off of Oakglen Water Line project:
 - Installation of approximately 4,115 LF of new 16-inch DIP waterline within North Oakglen Avenue beginning at the intersection of Tefft Street and Oakglen Avenue and;
 - Installation of approximately 285 LF of new 16-inch DIP waterline under US Highway 101 between Oakglen Avenue and Sandydale Drive.
 - o 8/19/2026 – Draft Preliminary Design Report was submitted by Ardurra. Staff is reviewing.
- Strategic Plan Update – Process underway.
 - o Board presentation of the Plan on Aug 26, 2026
 - o Anticipated Adoption of the Plan Sep 23, 2026
 - o Once adopted, staff will prepare a Work Plan that aligns with the Strategic Plan.
- Countywide Water Action Team / DESAL update –
 - o Presentation by County to the Water Resources Advisory Committee 8/5/2026
 - o County Board Presentation September 2026
- Cybersecurity Grant Update –
 - o Submitted application submitted on 3/13/2026
 - o This grant is through CalOES. We are requesting \$100K to assist with our network server upgrades for FY 2026-2027. If awarded, the District will need to match 30%
 - o On 8/4/2026 – we were informed that our grant proposal was not selected

Status of Board of Directors Requests

- Agendize presentation on requirements for electric vehicle transition
 - o The California Air Resources Board (CARB) submitted the finalized Advanced Clean Fleets (ACF) regulation amendments to the Office of Administrative Law (OAL) on July 29, 2026. The OAL has a 30-working-day review period and is expected to make a final decision by September 11, 2026.
 - o Review and Effective Timeline
 - CARB Submission Date: July 29, 2026
 - OAL Decision Deadline: September 11, 2026
 - Potential Effective Date: As early as October 1, 2026, or January 1, 2027, depending on the exact filing date with the Secretary of State.
 - o Once the regulations are in effect, staff and legal will agendize a presentation to the Board to discuss a compliance plan.

Monthly Investment Policy Report

Pursuant to Section 8.A of the District's Investment Policy, review the summary table of our current investments every month.

Nipomo Community Services District
Investments
July 31, 2026

<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 - 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
SubtotalTotal					\$ 488,000

<u>Investments Purchased</u>	<u>CUSIP</u>	<u>Purchased</u>	<u>Maturity</u>	<u>to Maturity</u>	
Certificate of Deposit - Bank of America	06051YCV0	7/8/2026	1/10/2028	4.20%	\$ 244,000
Certificate of Deposit -BMW Bank of North America	05612LLF7	7/10/2026	7/10/2028	4.25%	\$ 244,000
Certificate of Deposit - Ally Bank	02007QDJ7	7/9/2026	7/10/2028	4.20%	\$ 244,000
Certificate of Deposit - Goldman Sachs	38151PRU7	7/14/2026	7/14/2028	4.20%	\$ 244,000
SubtotalTotal					\$ 976,000

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

<u>Investments</u>	<u>PMIA Quarter to Date Rate as of 7/31/2026 (2)</u>	
Local Agency Investment Fund-LAIF	3.84%	\$ 14,513,424
Subtotal Total		\$ 14,513,424
TOTAL		\$ 15,977,424

(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>
7/2/2026	\$976,000.00	FSB Money Market	FSB Checking
7/28/2026	\$613,225.00	FSB Money Market	BNY 2024 Debt Service Pmt
7/28/2026	\$442,446.23	FSB BLAD Tax Roll	BNY 2020-1 Blacklake Assessment District Debt Service PMT

Upcoming Water Resource and Other Meetings

9/2/2026	-	Water Resources Advisory Committee (WRAC)	1:30 PM	SLO City Library Community Room
9/7/2026	-	Labor Day Holiday - office closed	All day	
9/14/2026	-	IWMA Local Task Force	1:00 PM	Teams
9/23/2026	-	NCSD Board Meeting	9:00 AM	District Board Room
9/29/2026	-	Nipomo HS Tour of Facilities	8:30 AM	Various
9/30/2026	-	NMMA - Technical Group	10:00 AM	Zoom
10/1/2026	-	Empty Bowls Charity luncheon	12:00 PM	St Patricks, AG

Safety Program – No issues

RECOMMENDATION

Receive the report and provide any direction the Board would like included in future General Manager's Reports.