

TO: BOARD OF DIRECTORS

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

DATE: OCTOBER 22, 2026

AGENDA ITEM

E-1

OCTOBER 28, 2026

**INTRODUCTION AND FIRST READING OF
ORDINANCE NO. 2026-XXX, AN ORDINANCE OF THE BOARD OF
DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT
PROHIBITING THE USE OF POTABLE WATER FOR THE IRRIGATION
OF NONFUNCTIONAL TURF ON COMMERCIAL, INDUSTRIAL, AND
INSTITUTIONAL (CII) PROPERTIES, HOMEOWNERS' ASSOCIATIONS
(HOAS), COMMON INTEREST DEVELOPMENTS (CIDS), AND
COMMUNITY SERVICE ORGANIZATIONS, IN COMPLIANCE WITH
ASSEMBLY BILL 1572 (AB 1572) AND
CALIFORNIA WATER CODE § 10608.14**

ITEM

Consider introduction of ordinance for the Nipomo Community Services District for prohibiting the use of potable water for irrigation of non-functional turf on commercial, industrial, and institutional (CII) properties, homeowner's associations (HOAs), common interest developments (CIDs), and community service organizations, in compliance with State Assembly Bill 1572 (AB 1572) and California Water Code § 10608.14.

[RECOMMEND INTRODUCE, READ BY TITLE ONLY, AND WAIVE FURTHER READING OF ORDINANCE NO. 2026-XXX AND SCHEDULE FOR BOARD ADOPTION AT A SUBSEQUENT REGULAR MEETING]

BACKGROUND

Assembly Bill 1572 added Water Code section 10608.14. The statute phases in a prohibition on using potable water to irrigate nonfunctional turf on specified commercial, industrial, institutional, public agency, and common-area properties. It also requires public water systems like the District, no later than January 1, 2027, to revise their water-service regulations, ordinances, or policies to incorporate the statutory requirements and to communicate those requirements to customers.

The statute generally defines nonfunctional turf as turf that is not located in a recreational use area or community space. Turf in street rights-of-way and parking lots is included. The prohibition does not apply to the extent potable water is necessary to maintain trees and other perennial non-turf plantings or to address an immediate health or safety need. Cemeteries and agricultural irrigation are also outside the proposed Ordinance's prohibition.

Ordinance No. 2026-XXX is presented to satisfy the District's obligation as a public water system and to add the applicable requirements to the District Code before the January 1, 2027 deadline. The proposed Ordinance adds Chapter 3.10 to Title 3 of the District Code. The new Chapter defines the properties and turf subject to the prohibition, establishes the applicable

compliance dates, identifies exemptions, provides a local enforcement structure, and directs customer education and outreach.

COMPLIANCE SCHEDULE

Property Category	Compliance Date
Properties owned by California Department of General Services	January 1, 2027
Properties owned by local governments, local or regional public agencies, and public water systems, except qualifying properties in disadvantaged communities	January 1, 2027
All other institutional properties and all commercial and industrial properties	January 1, 2028
Common areas of homeowners' associations, common interest developments, and community service organizations or similar entities	January 1, 2029
Qualifying local government, local public agency, and public water system properties in a disadvantaged community	January 1, 2031, or when state funding becomes available, whichever is later

KEY PROVISIONS

- **Definitions.** The ordinance defines common areas, functional turf, nonfunctional turf, potable water, recreational use area, community space, and related terms used to determine whether a property and landscaped area are regulated.
- **Prohibition.** Potable water may not be used to irrigate nonfunctional turf on the covered properties after the applicable statutory deadline.
- **Exemptions.** The prohibition does not prevent irrigation needed to sustain trees and perennial non-turf plants, water use needed for immediate health and safety purposes, irrigation of cemeteries and specified community assembly or recreational spaces, or agricultural irrigation.
- **Possible postponement.** The State Water Resources Control Board may postpone an applicable compliance deadline by up to three years upon a showing of good cause, including economic hardship, critical business need, or potential impacts to human health or safety.
- **Enforcement.** The proposed local enforcement schedule provides educational materials and warnings for the first and second violations, a \$500 fine for a third violation, and a \$1,000 fine for a fourth violation. Violations on separate calendar days are treated as separate violations. State civil liability may also apply under Water Code section 1846.
- **Public education and outreach.** The District will communicate the new requirements, available State information, and applicable water conservation rebates to customers.

FINANCIAL IMPACT

Introduction of the Ordinance has no immediate direct fiscal impact. Implementation will require customer outreach and administration through the District's existing water conservation and code enforcement functions. The amount of any future cost associated with outreach, inspection, enforcement, or conversion of District-owned nonfunctional turf cannot presently be determined. The Ordinance authorizes warnings and escalating administrative fines for violations and recognizes the separate civil liability and penalties that may be imposed by the State under Water Code section 184

STRATEGIC PLAN

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

Objective 2.7: Regulatory Compliance and Adaptation. The District anticipates and complies with evolving wastewater, drinking water, and environmental regulatory requirements.

RECOMMENDATION

Staff recommends that the Board of Directors introduce, read Ordinance No. 2026-XXX by title only, and waive further reading of Ordinance 2026-XXX. If introduced, the Ordinance will return to the Board for adoption at a subsequent regular meeting. A summary of the Ordinance must be published at least five days before the meeting at which adoption will be considered, and a certified copy of the full Ordinance must be posted as provided in the Ordinance. Following adoption, the summary and vote must be published and the adopted Ordinance posted within fifteen days. Under Water Code section 376, subdivision (a), the Ordinance will take effect immediately upon adoption.

ATTACHMENTS

- A. ORDINANCE NO. 2026-XXX AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT PROHIBITING THE USE OF POTABLE WATER FOR THE IRRIGATION OF NONFUNCTIONAL TURF ON COMMERCIAL, INDUSTRIAL, AND INSTITUTIONAL (CII) PROPERTIES, HOMEOWNERS' ASSOCIATIONS (HOAS), COMMON INTEREST DEVELOPMENTS (CIDS), AND COMMUNITY SERVICE ORGANIZATIONS, IN COMPLIANCE WITH ASSEMBLY BILL 1572 (AB 1572) AND CALIFORNIA WATER CODE § 10608.14

OCTOBER 28, 2026

ITEM E-1

ATTACHMENT A

ORDINANCE NO. 2026-xxx

**AN ORDINANCE OF BOARD OF THE DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS PROHIBITING THE USE OF
POTABLE WATER FOR THE IRRIGATION OF NONFUNCTIONAL TURF ON COMMERCIAL,
INDUSTRIAL, AND INSTITUTIONAL (CII) PROPERTIES, HOMEOWNERS' ASSOCIATIONS (HOAS),
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WHEREAS, the State of California has determined that the use of potable water for the irrigation of nonfunctional turf ("NFT") contributes to inefficient water use and conflicts with long-term water sustainability goals;

WHEREAS, Assembly Bill 1572 ("AB 1572"), signed into law on October 13, 2023, establishes a timeline for banning potable water irrigation of NFT across commercial, industrial, institutional, and residential common areas;

WHEREAS, public water suppliers are required to revise their ordinances, regulations, or policies by January 1, 2027, and communicate these changes to their customers to comply with the AB 1572 regulations;

WHEREAS, Under California Water Code Section 3758, the Nipomo Community Services District ("District") has the authority to establish water conservation programs and prohibit wasteful uses of water;

WHEREAS, the District seeks to align its water use policies with state conservation mandates, reduce dependence on potable water, and promote sustainable landscaping practices;

NOW, THEREFORE, the Board of Directors of the Nipomo Community Services District does ordain as follows:

SECTION 1: Chapter 3.10 is hereby added to the Nipomo Community Services District Code, to read as follows:

**"CHAPTER 3.10 - PROHIBITION ON THE USE OF POTABLE WATER FOR IRRIGATION ON
NON-FUNCTIONAL TURF**

3.10.010 - DEFINITIONS

For purposes of this ordinance, the following definitions shall apply:

- (a) "Common areas" means that portion of a common interest development or of a property owned or managed by a homeowners' association or a community service organization or similar entity that is not assigned or allocated to the exclusive use of the occupants of an individual unit within the property.
- (b) "Common interest development" (as defined in Civil Code 4100), includes:
 - 1. A community apartment project.
 - 2. A condominium project.
 - 3. A planned development.
 - 4. A stock cooperative.

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- (c) "Community service organization or similar entity" means a nonprofit entity, other than an association, that is organized to provide services to residents of the common interest development or to the public in addition to the residents, to the extent community common area or facilities are available to the public. "Community service organization or similar entity" does not include an entity that has been organized solely to raise moneys and contribute to other nonprofit organizations that are qualified as tax exempt under Section 501(c)(3) of the Internal Revenue Code and that provide housing or housing assistance.
- (d) "Community space" means an area designated by a property owner or a governmental agency to accommodate human foot traffic for civic, ceremonial, or other community events or social gatherings.
- (e) "Disadvantaged community" means a community with an annual median household income that is less than 80 percent of the statewide annual median household income.
- (f) "Functional turf" means a ground cover surface of turf located in a recreational use area or community space. Turf enclosed by fencing or other barriers to permanently preclude human access for recreation or assembly is not functional turf.
- (g) "Homeowners' association" means a nonprofit corporation or unincorporated association created for the purpose of managing a common interest development.
- (h) "Nonfunctional turf" means any turf that is not functional turf, and includes turf located within street rights-of-way and parking lots.
- (i) "Potable water" means water that is suitable for human consumption.
- (j) "Recreational use area" means an area designated by a property owner or a governmental agency to accommodate human foot traffic for recreation, including, but not limited to, sports fields, golf courses, playgrounds, picnic grounds, or pet exercise areas. This recreation may be either formal or informal.
- (k) "State Water Board" means California State Water Resources Control Board

**3.10.020 - PROHIBITION ON POTABLE WATER USE FOR NONFUNCTIONAL TURF
IRRIGATION**

- (a) The use of potable water for the irrigation of nonfunctional turf located on commercial, industrial, and institutional properties, other than a cemetery, and on properties of homeowners'

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associations, common interest developments, and community service organizations or similar entities is prohibited as of the following dates:

- (1) All properties owned by local governments, local or regional public agencies, and public water systems, except those specified in paragraph (5), beginning January 1, 2027.
- (2) All other institutional properties and all commercial and industrial properties, beginning January 1, 2028.
- (3) All common areas of properties of homeowners' associations, common interest developments, and community service organizations or similar entities, beginning January 1, 2029.
- (4) All properties owned by local governments, local public agencies, and public water systems in a disadvantaged community, beginning January 1, 2031, or the date upon which a state funding source is made available to fund conversion of nonfunctional turf on these properties to climate-appropriate landscapes, whichever is later.

(b) The State Water Board may, upon a showing of good cause for reasons including economic hardship, critical business need, and potential impacts to human health or safety, postpone a compliance deadline in subdivision (a) by up to three years for certain persons, institutions, and businesses, and may create a form to be used for compliance certification to the board by property owners.

3.10.030 - EXEMPTIONS

The following uses of potable water shall be exempt from this prohibition:

- (a) Irrigation necessary to sustain trees and perennial non-turf plants.
- (b) Potable water use required for health and safety concerns, such as fire suppression or erosion control.
- (c) Cemeteries and public spaces intended for community assembly (parks, recreational areas, and sports fields).
- (d) Agricultural irrigation.

3.10.040 - ENFORCEMENT AND PENALTIES

The following penalties are imposed for violations of any of the provisions of this Chapter. Any violations occurring on separate calendar days may be prosecuted as separate violations, in the discretion of the Prosecutor.

- a. 1st violation – warning, educational materials provided
- b. 2nd violation – warning, educational materials provided
- c. 3rd violation – fine of \$500, educational materials provided
- d. 4th violation – fine of \$1,000, educational materials provided
- e. 5th or more violation – Additional \$1,000 fine per violation

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SECTION 2: PUBLIC EDUCATION AND OUTREACH

The District will communicate with customers on the AB 1572 requirements, as practical, including but not limited to on the District's website, via the quarterly newsletter

SECTION 3: SEVERABILITY

If any section, subsection, or provision of this ordinance is held to be invalid, the remainder shall remain in full force and effect.

SECTION 4: EFFECTIVE DATE

This ordinance shall take effect immediately upon adoption and shall be enforced in accordance with the compliance deadlines specified herein.

INTRODUCED at its regular meeting of the Board of Directors held on October 28, 2026.

PASSED AND ADOPTED by the Board of Directors of the Nipomo Community Services District at its regular meeting on [Date], by the following roll call vote, to wit:

AYES:
NOES:
ABSENT:
CONFLICTS:

PHIL HENRY
President, Board of Directors

ATTEST:

APPROVED AS TO FORM:

RAY DIENZO

General Manager and Secretary to the Board

CRAIG STEELE

District Legal Counsel

TO: BOARD OF DIRECTORS
FROM: RAY DIENZO, P.E. *RWD*
GENERAL MANAGER
DATE: OCTOBER 21, 2026

AGENDA ITEM
F
OCTOBER 28, 2026

GENERAL MANAGER'S REPORT

ITEM

Standing report to your Honorable Board -- *Period covered by this report is 9/20/2026 – 10/24/2028.*

DISTRICT BUSINESS

Administrative

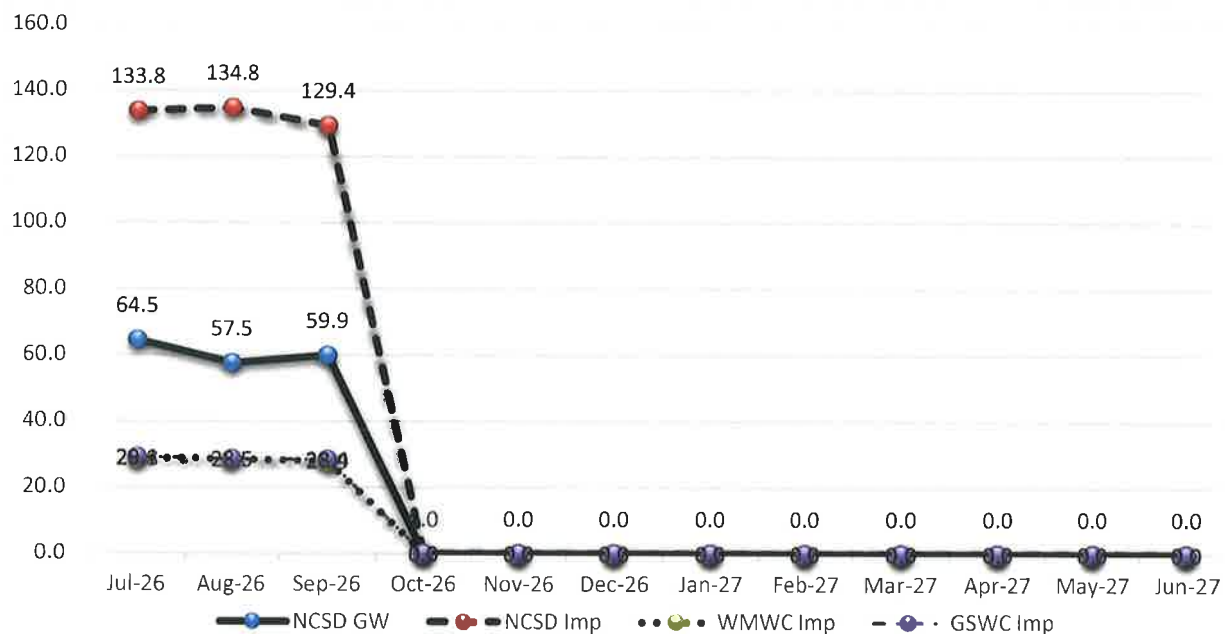
The District encourages residents to report any observed water waste. The District also maintains an accounting of leak adjustments to measure non-revenue water lost to leaks and tracks late fee waivers. The table below provides monthly and calendar year data.

OFFICE ACTIVITIES	Sep-26	Jan 26 – Sep-26
Leak Adjustments	3	18
Leak Adjustment Amount	\$597.88	\$16,024.74
Late Fee Waivers	14	99
Late Fee Waiver Adjustment Amount	\$367.90	\$2371.58

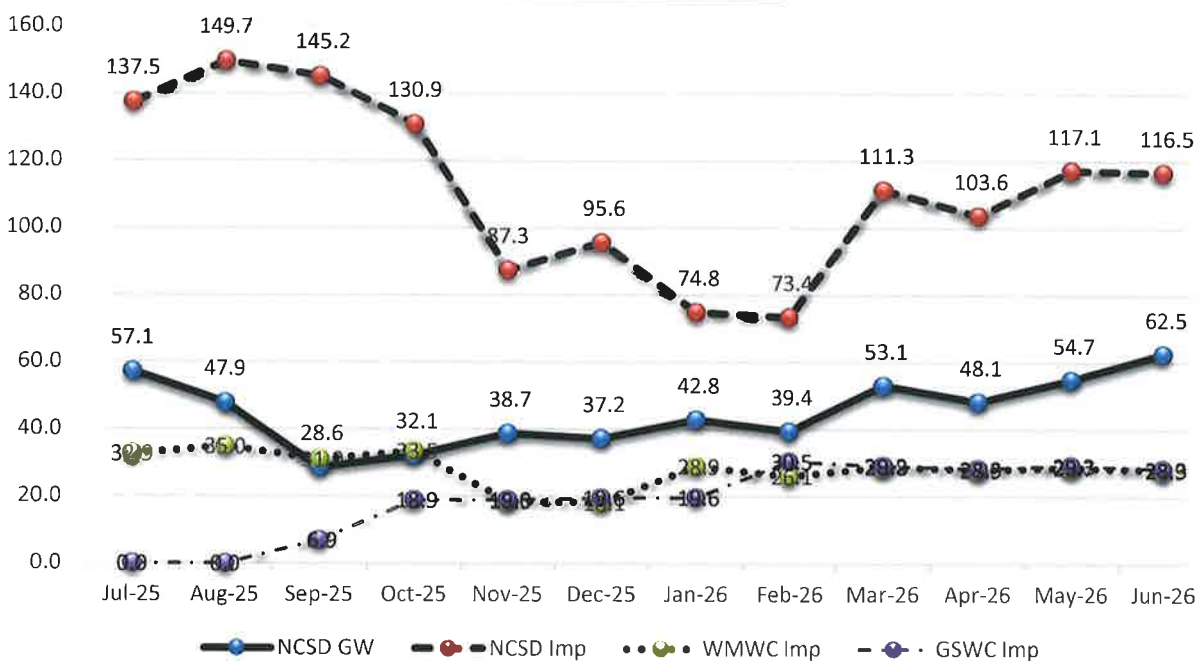
Water Production, Delivery, and Demand

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"). The highlighted boxes shows NCSD production and usage data.

	Jul-26	Aug-26	Sep-26	Year to Date Jul 26-Jun 27
A. Total NCSD Groundwater Production	64.5	57.5	59.9	181.9
B. Total Supplemental Water Imported (B1+B2+B3)	191.7	192.0	185.7	569.4
B1. Supplemental Water used by NCSD	133.8	134.8	129.4	398.0
B2. Supplemental Water Delivered to WMWC	28.8	28.6	27.9	85.3
B3. Supplemental Water Delivered to GSWC	29.1	28.5	28.4	86.1
Total NCSD Water Demand (A+B1)	198.3	192.3	189.3	579.9



For reference, the following table was the data from FY25-26



Other Items

- Status of Foothill Tank Grading Project – bid advertise 9/15, open bid 10/22/26
 - o The work involves re-grading an existing water tank site to expand the pad area for future additional tanks.
 - o Work includes grading of the site, hauling off excess materials, and installation of a new driveway, access road, curb and gutter, perimeter fencing, drainage basin, discharge piping, storm drain piping, and lowering of existing utilities on the site.
 - o Staff are reviewing the construction bids and will present a recommendation at a subsequent Board meeting

- Dana Reserve Project
 - o 5/18/2026 – District received Infrastructure Enhance Payment of \$4.5M.
 - o 6/12/2026 - Oakglen Water Line project started
- Strategic Plan Update
 - o Implementation Plan in progress – anticipated presentation to the Board on Jan 2027
- Admin Office closed first Friday of the month – 11/6, 12/4
 - o The administration office will be closed to the public for training
 - o Staff will be receiving phone calls and appointments

Status of Board of Directors Requests

- Agendize presentation on requirements for electric vehicle transition
 - o Once the regulations are in effect, staff and legal will agendize a presentation to the Board to discuss a compliance plan.
 - o In the meantime, staff is looking for opportunities for eventual implementation.

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 September 30, 2026

<u>Investments</u>	<u>CUSIP</u>	<u>Purchased</u>	<u>Maturity</u>	<u>Yield to Maturity</u>	<u>Par Value</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	7/8/2025	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 9/30/26</u>	
Local Agency Investment Fund-LAIF	3.87%	\$ 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>
9/22/2026	\$1,025,103.47	BNY Construction Fund A/C# 26768-COP 2022	Five Star Money Market

Upcoming Meetings and Announcements

11/3/2026	- Election Day	All Day	Various Poling Places including District Board Room
11/4/2026	- Water Resources Advisory Committee (WRAC)	1:30 PM	SLO City Library Community Room
11/9/2026	- IWMA Local Task Force	1:00 PM	Teams
11/11/2026	- Veteran's Day Holiday - Office Closed	All Day	
11/18/2026	- NCSD Board Meeting	9:00 AM	District Board Room
11/19/2026	- NMMA - Technical Group	9:00 AM	Teams
11/26-27/2026	- Thanksgiving Day Holiday - Office Closed	All Day	

Safety Program – No issues

RECOMMENDATION

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