

# NIPOMO COMMUNITY SERVICES DISTRICT

MONDAY MARCH 6, 2017

1:00 P.M.

## SPECIAL MEETING MINUTES

### FINANCE AND AUDIT COMMITTEE

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#### 1. CALL TO ORDER, FLAG SALUTE AND ROLL CALL

Chairman Armstrong called the meeting to order at 1:00 p.m. Chairman Armstrong and Director Gaddis were in attendance along with Staff members Mario Iglesias and Lisa Bognuda. No public was in attendance.

#### 2. REVIEW DRAFT FINANCIAL PLAN FOR WATER RATE STUDY

Staff gave an overview of the item and answered questions from the Committee. Clayton Tuckfield of Tuckfield and Associates was in attendance via teleconference.

The following direction was given to staff:

- Consideration #1 – For presentation on future water bills, combine the Fund #125 and #126 fixed charges on one line and maintain two lines for the volumetric charges one for Fund #125 (Water) and one for Fund #126 (Supplemental Water). No cash reserve policy will be established for Fund #126 as cash reserves for Fund #125 will be utilized as well as the Water Rate Stabilization Funds.
- Consideration #2 – The Committee agreed with the assumptions, however, the implementation dates will be adjusted to agree with the City of Santa Maria rates which are expected to be implemented January 1, 2018, and each January 1 thereafter.
- Consideration #3 – The Committee recommended Option 1.
- Consideration #4 – The Committee recommended Option 1 with a smoothing of the rates in the first three years
- Consideration #5 – The timeline will be adjusted for additional meetings and an implementation date of January 1, 2018.
- The Committee also directed staff to prepare the following:
  - a. Present the assumptions and revised financial plan
  - b. Present Draft Cost of Service Report
  - c. Present Draft Fixed Charges for 100% recover of fixed costs. Present draft uniform volume rate (\$/hcf) to recover 100 % variable costs.
  - d. Present Draft Fixed Charges for 30% recover of fixed costs. Present draft uniform volume rate (\$/hcf) to recover all remaining costs.

Mr. Tuckfield will present the Financial Plan, Cost of Service Report and draft fixed and variable costs to the Board of Directors at the regular Board Meeting on April 12, 2017.

#### 3. REVIEW DEBT MANAGEMENT AND CASH RESERVE POLICY

Staff presented the report and answered questions from the Committee.

The Committee concurred with the recommended changes and directed staff to place these items on the March 22, 2017 regular Board Meeting.

**4. REVIEW FY 17-18 BUDGET PREPARATION TIME LINE**

Staff presented the report and answered questions from the Committee. No action was required.

**5. REVIEW ITEMS FOR INCLUSION IN THE DRAFT 2017-2018 FISCAL YEAR BUDGET**

Staff presented the report and answered questions from the Committee. Minor edits were suggested. The Committee directed staff to proceed with the preparing of the draft 2017-2018 budget.

**6. REVIEW EMPLOYEE COST OF LIVING ADJUSTMENT (COLA)**

Staff presented the report and answered questions from the Committee. The Committee suggested using the average of CPI increases for both San Francisco and Los Angeles Areas was not reflective of the Central Coast. Director Armstrong suggested that the California Consumer Price Index be used. Since the policy was adopted by Resolution 2006-1000, it would need to be repealed and replaced.

The Committee directed staff to place this item on the March 22, 2107 regular Board Meeting.

**7. SET NEXT MEETING DATE**

The next meeting will be Thursday, April 13, 2017 at 10:00 a.m.

**8. ADJOURN**

The meeting was adjourned at 2:50 p.m.