


TO: BOARD OF DIRECTORS
REVIEWED: MARIO IGLESIAS
GENERAL MANAGER 
FROM: LISA BOGNUDA
FINANCE DIRECTOR
DATE: DECEMBER 8, 2017

**AGENDA ITEM
D-3
DECEMBER 13, 2017**

**ACCEPT FIRST QUARTER FISCAL YEAR 2017-2018
QUARTERLY FINANCIAL REPORT**

BACKGROUND

As of September 30, 2017, the 2017-2018 Fiscal year is 25% complete. The consolidated operating revenues are 29.96% of budget, operating expenditures are at 27.03% of budget and general and administrative expenditures are at 24.80% of budget.

Attached are the following which provide an overview of the first nine months of the fiscal year:

Page 1	Consolidated Statement of Net Position
Page 2-3	Consolidated Statement of Revenues and Expenses
Page 4	Summary of Revenues, Expenses and Cash Balances by Fund
Page 5	Summary of Approved Budget Adjustments
Page 6-7	Graphs for Consolidated Revenues and Expenses
Page 8-10	Graphs for major funds (Water, Town Sewer, and Blacklake Sewer)

STRATEGIC PLAN

Goal 4. FINANCE. Maintain conservative, long-term financial management to minimize rate impacts on customers while meeting program financial needs.

RECOMMENDATION

It is recommended that your Honorable Board accept report and direct Staff to file the quarterly financial report for the first quarter of fiscal year 2017-2018.

ATTACHMENT

A. Pages 1-10 – NCSD Quarterly Financial Report

December 13, 2017

ITEM D-3

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT
STATEMENT OF NET POSITION - (Unaudited)
SEPTEMBER 30, 2017**

ASSETS

Current assets:

Cash and cash equivalents	\$ 16,066,188
Accounts receivable	437,035
Unbilled utilities receivable	978,000
Accrued interest receivable	39,678
Due from partner purveyors	165,121
Contracts receivable, current portion	80,094
Total current assets	<u>17,766,116</u>

Noncurrent assets:

Restricted cash-NSWP funded replacement	414,571
Cash with fiscal agent	618
Deposits and other assets	434,357
Contracts receivable, less current portion	6,722,846
Net OPEB asset	189,261

Capital assets:

Capital assets, net of depreciation	<u>66,220,846</u>
Total noncurrent assets	<u>73,982,499</u>

Total assets 91,748,615 (A)

Deferred Outflows of Resources

Pension related 748,064 (B)

LIABILITIES

Current liabilities:

Accounts payable	713,944
Deposits	343,907
Accrued Liabilities	124,820
Current portion of long-term debt	492,049
Total current liabilities	<u>1,674,720</u>

Noncurrent liabilities:

Net pension liability	1,480,964
Long-term debt, less current portion	<u>20,524,767</u>
Total noncurrent liabilities	<u>22,005,731</u>

Total liabilities 23,680,451 (C)

Deferred Inflows of Resources

Pension related 85,191 (D)

NET POSITION

Net investment in capital assets	44,744,196
Restricted for system expansion, replacement and debt service	10,241,070
Unrestricted	<u>13,745,771</u>

Total net position (A)+(B)-(C)-(D) \$ 68,731,037

**NIPOMO COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES AND EXPENSES - (Unaudited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017**

	<u>YEAR-TO- DATE</u>	<u>BUDGET</u>	<u>% OF BUDGET</u>
<u>OPERATING REVENUES</u>			
Water fixed charges	\$ 430,177	1,480,000	29.07%
Water usage charges	1,077,114	3,004,000	35.86%
Sewer charges	613,889	2,497,000	24.59%
Miscellaneous fees and charges	45,987	89,200	51.55%
Street light and landscape maintenance charges	0	35,148	0.00%
Franchise fees	13,154	63,500	20.71%
NSWP - collections from purveyors	165,121	490,462	33.67%
Operating transfers in - Funded Administration	144,491	477,310	30.27%
Operating transfers in - Funded Replacement	285,750	1,129,000	25.31%
Total Operating Revenues	<u>2,775,683</u>	<u>9,265,620</u>	<u>29.96%</u>
<u>OPERATING EXPENSES - OPERATIONS AND MAINTENANCE</u>			
Wages and benefits	316,873	1,587,520	19.96%
Purchased water	410,646	1,130,900	36.31%
Electricity	185,042	591,220	31.30%
Water	1,309	15,650	8.36%
Chemicals	30,436	71,000	42.87%
Lab tests	27,344	99,000	27.62%
Operating supplies	63,109	194,000	32.53%
Outside services	65,042	202,000	32.20%
Permits and operating fees	0	36,000	0.00%
Repairs and maintenance	73,728	243,000	30.34%
Engineering	9,361	18,000	52.01%
Fuel	5,717	33,000	17.32%
Meters	0	50,000	0.00%
Safety program	594	10,000	5.94%
Uniforms	3,674	16,200	22.68%
Landscape maintance district	1,788	10,000	17.88%
Solid waste program	2,011	15,000	13.41%
Conservation program	8,683	50,000	17.37%
Operating trasnfer out - Funded Replacement	285,750	1,143,000	25.00%
Subtotal - Operating Expenses (Operations and Maintenance)	<u>1,491,107</u>	<u>5,515,490</u>	<u>27.03%</u>

continued on next page

**NIPOMO COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES AND EXPENSES - (Unaudited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017**

	<u>YEAR-TO- DATE</u>	<u>BUDGET</u>	<u>% OF BUDGET</u>
<u>OPERATING EXPENSES - GENERAL AND ADMINISTRATIVE</u>			
Wages and benefits	186,165	868,430	21.44%
Outside services	7,529	16,050	46.91%
Bank charges and fees	2,931	9,000	32.57%
Computer expense	12,548	115,150	10.90%
Dues and subscriptions	31,122	44,600	69.78%
Education and training	3,370	19,500	17.28%
Elections	0	0	0.00%
Liability insurance	20,895	82,000	25.48%
Landscape and janitorial	3,597	15,000	23.98%
Legal counsel-general	23,319	125,000	18.66%
Legal counsel-water	17,229	75,000	22.97%
Professional services	40,108	183,000	21.92%
Miscellaneous	998	7,000	14.26%
Newsletters and mailers	3,431	12,000	28.59%
Office supplies	1,979	17,000	11.64%
Postage	9,119	27,000	33.77%
Public notices	1,100	6,450	17.05%
Repairs and maintenance	16,237	16,550	98.11%
Property taxes	0	1,800	0.00%
Telephone	1,945	9,720	20.01%
Travel and mileage	3,364	14,200	23.69%
Utilities	4,713	20,500	22.99%
Operating transfer out - Funded Administration	144,491	477,310	30.27%
Subtotal - Operating Expenses (General and Administrative)	536,190	2,162,260	24.80%
 Total Operating Expenses	 2,027,297	 7,677,750	 26.40%
 Total Operating Surplus (Deficit)	 748,386	 1,587,870	 47.13%
<u>NON-OPERATING INCOME (EXPENSES)</u>			
Interest income	41,274	62,400	66.14%
Property tax revenue	1,574	622,000	0.25%
Cell site revenue	9,998	37,000	27.02%
Other revenue - purveyors	868,147	0	0.00%
Capacity Charges collected	23,000	0	0.00%
Nipomo Mesa Water Conservtion Fees	520,189	0	0.00%
Interest expense	(82,099)	(687,772)	11.94%
Total non-operating revenues (expenses)	1,382,083	33,628	
 Total Operating and Non-operating Surplus (Deficit)	 \$ 2,130,469	 1,621,498	

NIPOMO COMMUNITY SERVICES DISTRICT
SUMMARY OF REVENUES AND EXPENSES BY FUND
THREE MONTHS ENDING SEPTEMBER 30, 2017

FUND	FUND #	YTD REVENUES	YTD EXPENSES	SUBTOTAL	FUNDED REPLACEMENT	TRANSFERS B/W FUNDS	YTD SUPRPLUS/ (DEFICIT)
Administration	110	152,691	(152,691)	0	0	0	0
Water	125	1,555,674	(1,058,503)	497,171	(145,000)	0	352,171
Water Rate Stabilization	128	1,021	0	1,021	0	0	1,021
Town Sewer	130	538,456	(334,338)	204,118	(98,750)	108,184	213,552
Town Sewer Rate Stabilization	135	767	0	767	0	0	767
Blacklake Sewer	150	83,873	(81,015)	2,858	(42,000)	0	(39,142)
Blacklake Sewer Rate Stabilization	155	128	0	128	0	0	128
Blacklake Street Lighting	200	51	(7,089)	(7,038)	0	0	(7,038)
Street Landscape Maintenance	250	52	(1,861)	(1,809)	0	0	(1,809)
Solid Waste	300	13,975	(4,893)	9,082	0	0	9,082
Drainage Maintenance	400	205	0	205	0	0	205
Supplemental Water Capacity Fees	500	1,402,441	(65,108)	1,337,333	0	0	1,337,333
Property Taxes	600	2,144	(18,681)	(16,537)	0	0	(16,537)
Water Capacity Fees	700	8,117		8,117	0	0	8,117
Town Sewer Capacity Fees	710	9,596	0	9,596	0	0	9,596
Funded Replacement-Water	805	8,785	0	8,785	145,000	0	153,785
Funded Replacement-Town Sewer	810	9,535	0	9,535	98,750	(108,184)	101
Funded Replacement-BL Sewer	830	1,970	0	1,970	42,000	0	43,970
Town Sewer Sinking Fund	880	151	0	151	0	0	151
NSWP Operations & Maintenance	910	452,471	(439,367)	13,104	0	0	13,104
NSWP Funded Replacement	915	51,912	0	51,912	0	0	51,912
TOTAL		4,294,015	(2,163,546)	2,130,469	0	0	2,130,469

CASH BALANCE OF EACH FUND

FUND	FUND #	CASH BALANCE 9/30/2017
Administration	110	124,258
Water	125	1,567,532
Water Rate Stabilization	128	407,173
Town Sewer	130	1,702,835
Town Sewer Rate Stabilization	135	306,177
Blacklake Sewer	150	208,941
Blacklake Sewer Rate Stabilization	155	50,897
Blacklake Street Lighting	200	16,521
Street Landscape Maintenance	250	19,329
Solid Waste	300	338,531
Drainage Maintenance	400	65,142
Supplemental Water	500	1,534,909
Property Taxes	600	165,543
Water Capacity Fees	700	1,666,881
Town Sewer Capacity Fees	710	416,015
Funded Replacement-Water	805	3,484,608
Funded Replacement-Town Sewer	810	3,765,921
Funded Replacement-BL Sewer	830	798,908
Sinking Fund-Town Sewer	880	60,167
NSWP	910	-27,343
NSWP-Funded Replacement	915	414,571
Restricted		-414,571
Funds Held by Trustee		-606,756
TOTAL		16,066,188

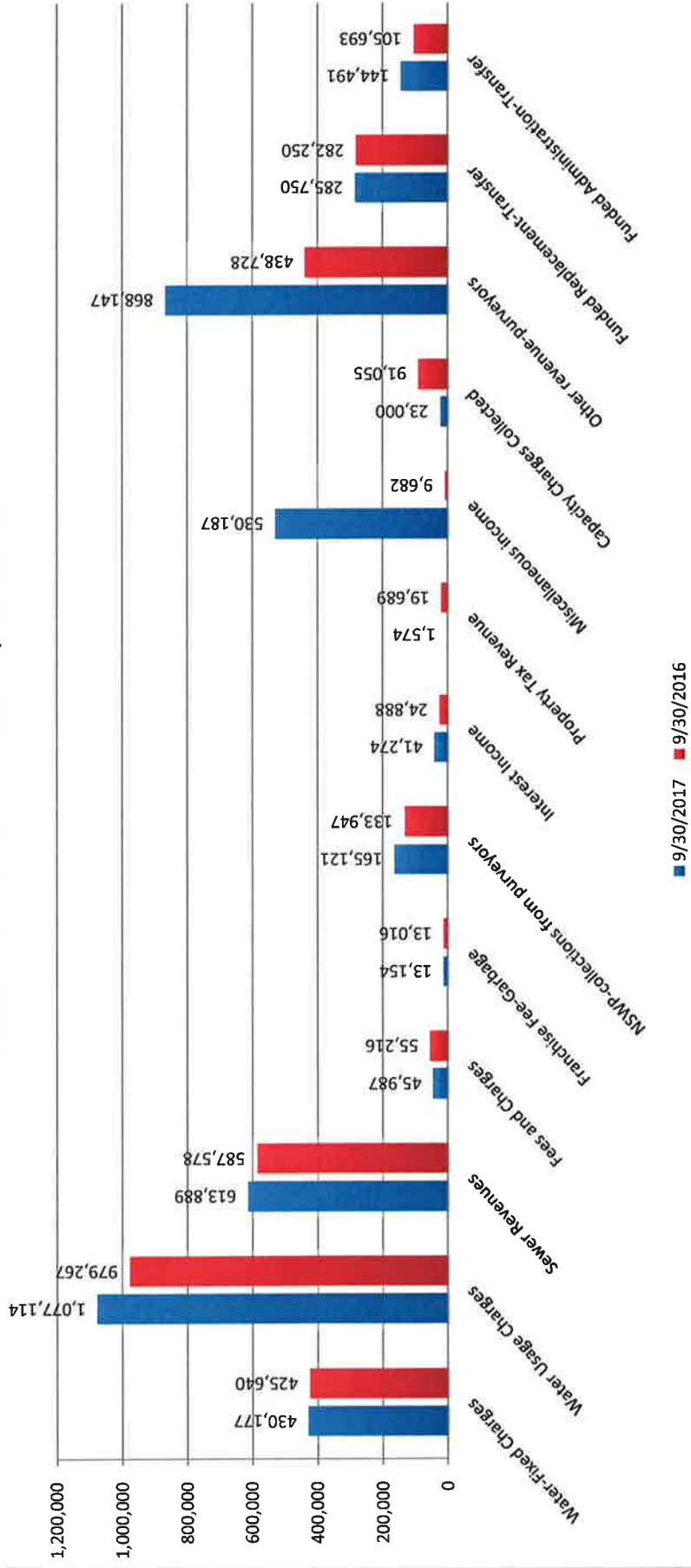
NOTE:
BALANCE SHEETS AND STATEMENTS OF REVENUES AND EXPENSES FOR EACH FUND ARE AVAILABLE FOR REVIEW UPON REQUEST

NIPOMO COMMUNITY SERVICES DISTRICT
SUMMARY OF APPROVED BUDGET AMENDMENTS
FISCAL YEAR JUNE 30, 2018

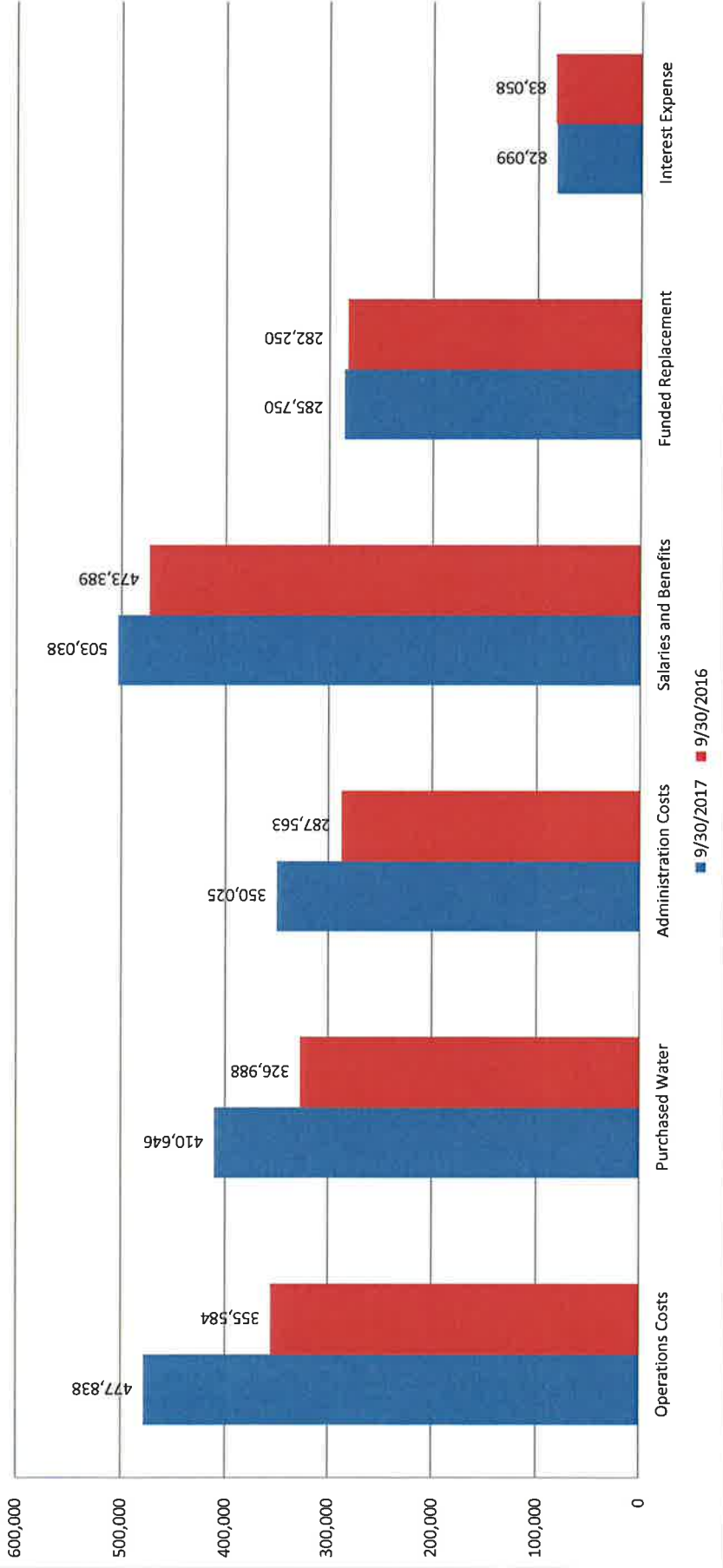
FIRST QUARTER ENDING SEPTEMBER 30, 2017

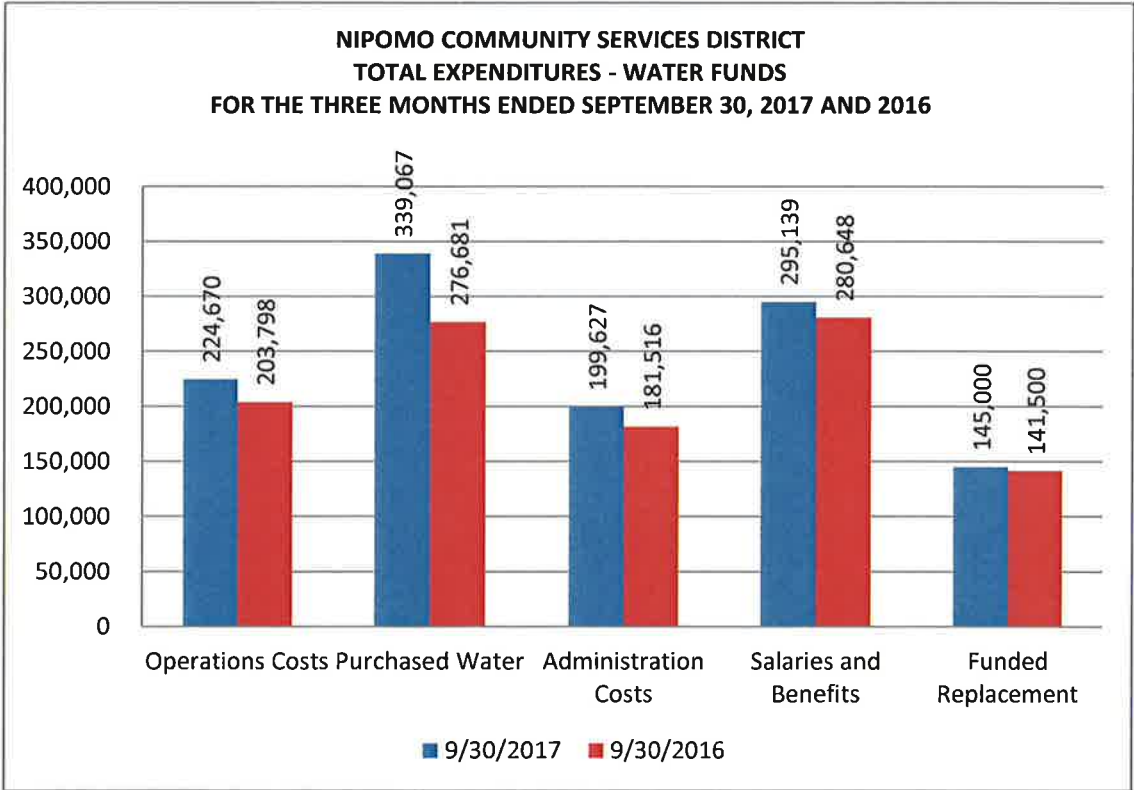
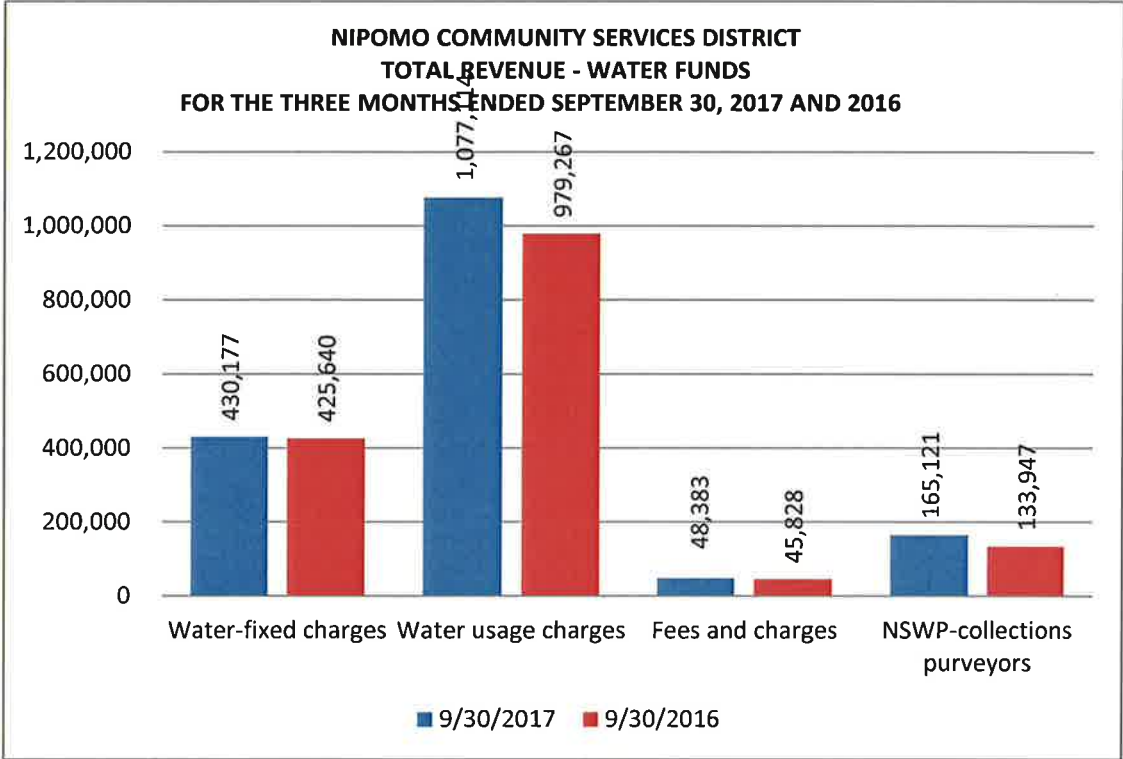
DATE	DESCRIPTION	FUND(S)	APPROVED BUDGET	APPROVED AMENDMENT	AMENDED BUDGET
8/9/2017	Purchase of Track Loader and Compost Aerator	130	0.00	108,183.83	108,183.83
9/13/2017	Remove turf and replant area with drought tolerant landscape	250	0.00	8,000.00	8,000.00

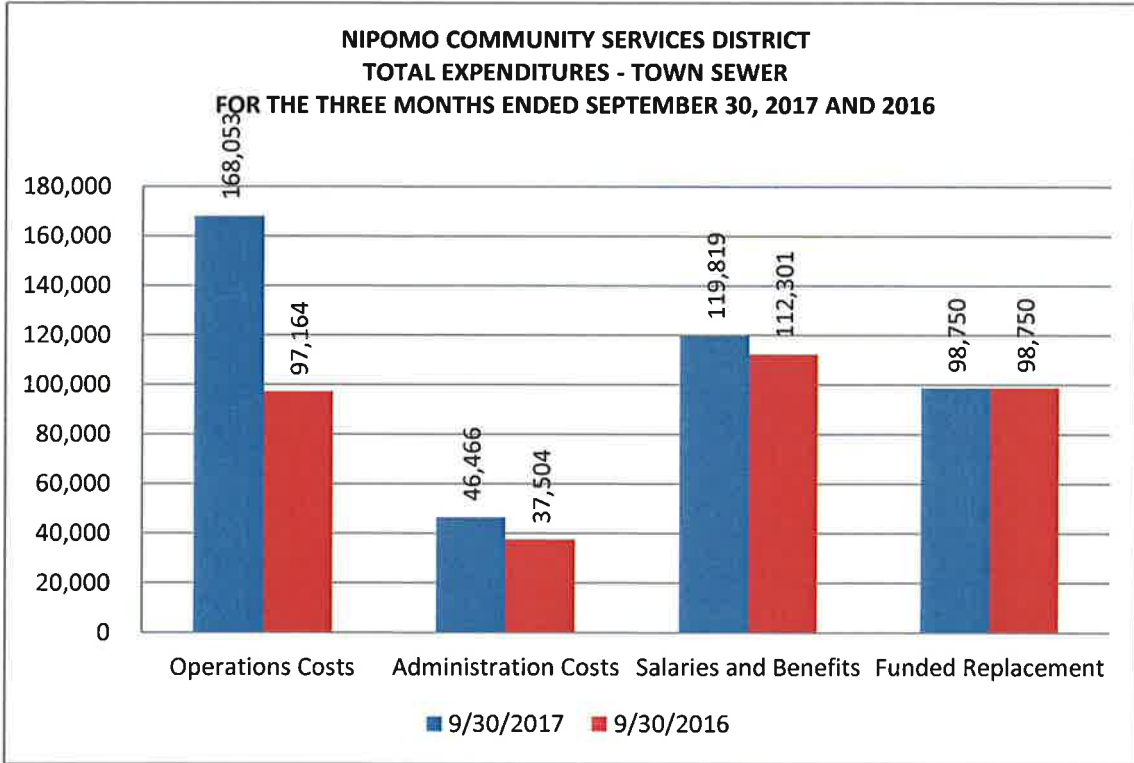
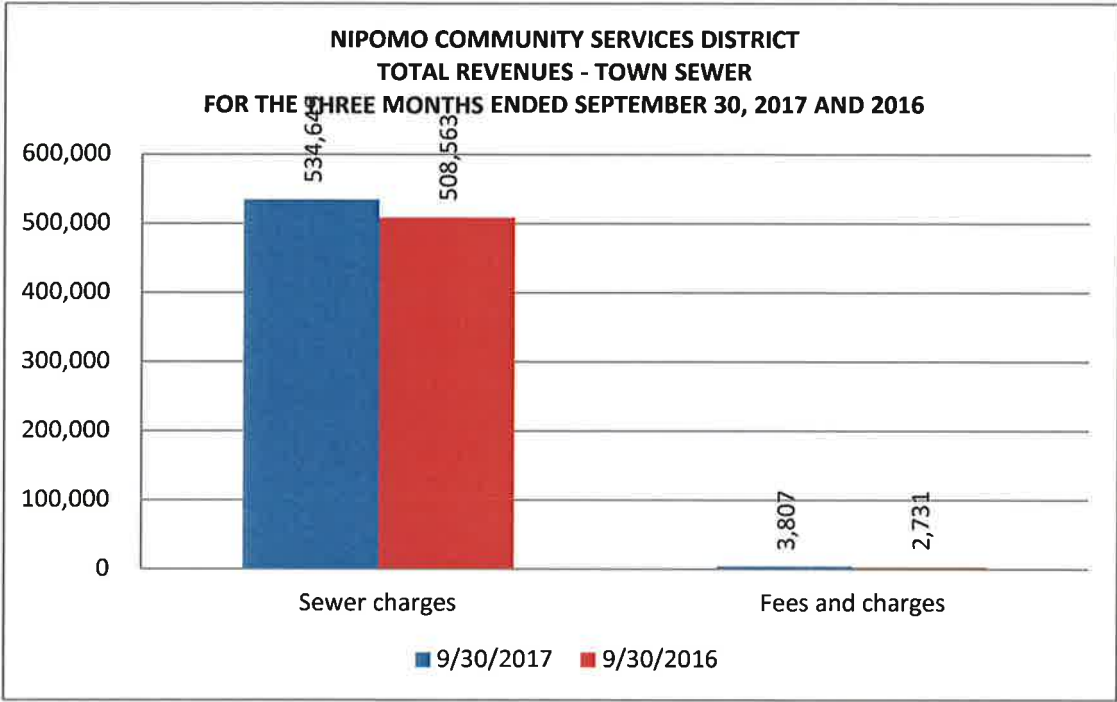
**NIPOMO COMMUNITY SERVICES DISTRICT
TOTAL REVENUES
FOR THREE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016**

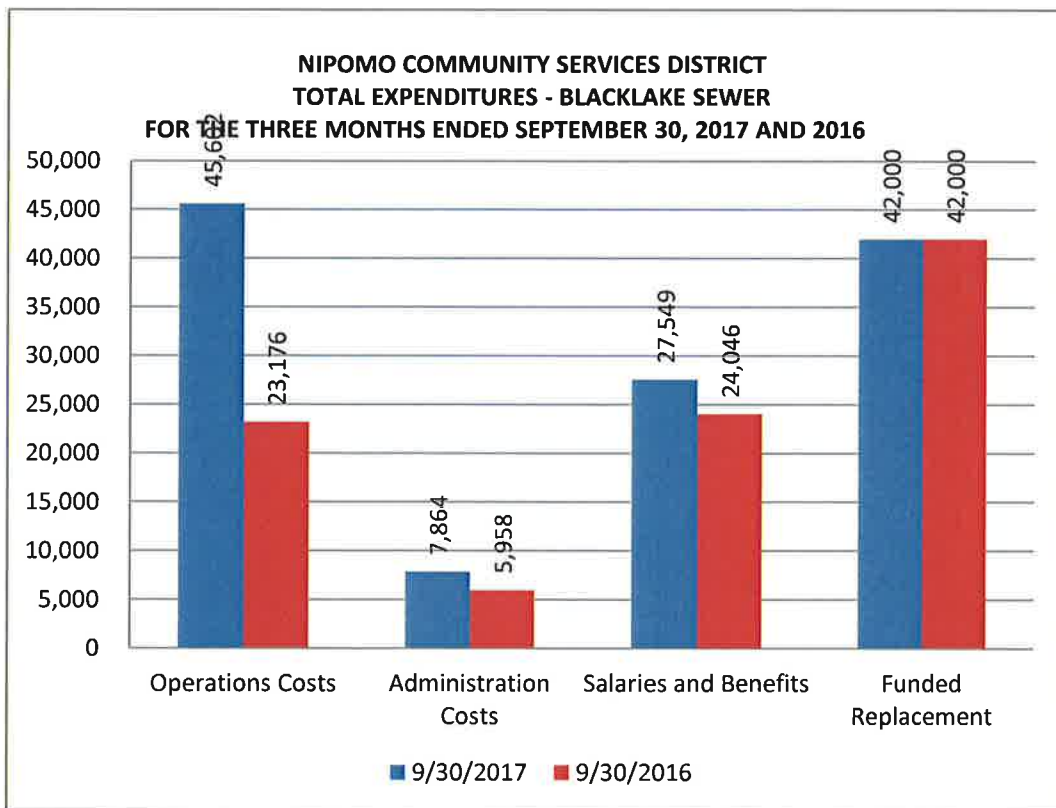
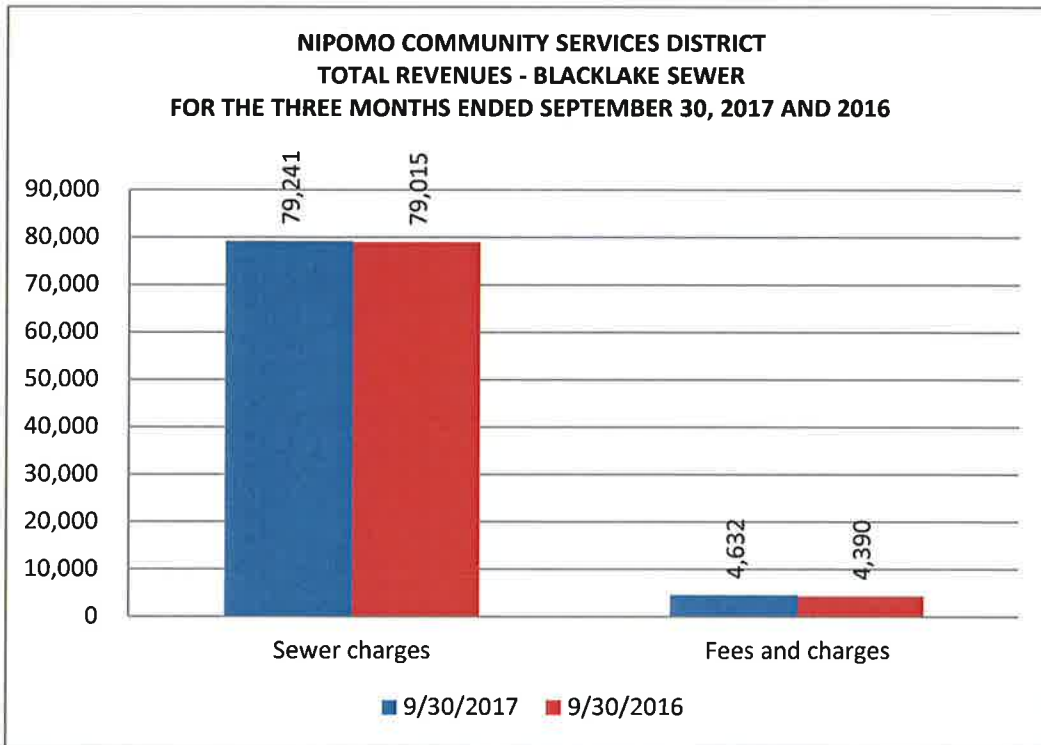


**NIPOMO COMMUNITY SERVICES DISTRICT
TOTAL EXPENDITURES
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016**









TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS
GENERAL MANAGER

DATE: DECEMBER 5, 2017

AGENDA ITEM

D-4

DECEMBER 13, 2017

**CONSIDER RESOLUTION PROVIDING WORKERS' COMPENSATION
COVERAGE FOR SAID CERTAIN INDIVIDUALS**

ITEM

Consider Resolution providing Workers' Compensation Coverage for said certain individuals
[RECOMMEND APPROVE RESOLUTION]

BACKGROUND

The District contracts with Special District Risk Management Authority (SDRMA) for its Workers' Compensation coverage. The District pays Workers' Compensation on all employees and Board Members. The District does not currently utilize the services of volunteers, individuals on Work-Study programs or interns.

SDRMA Workers' Compensation program has contacted the District (see Attachment B) and requests the District adopt the Resolution (Attachment A) stating that Board Members and others so designated be covered by Workers' Compensation.

If the District, in the future, utilizes the services of volunteers, individuals on work-study programs or interns, the District would be obligated to cover these individuals for Workers' Compensation provided the attached Resolution is adopted and on file with SDRMA.

SDRMA is requesting the District adopt the Resolution to memorialize that all Members of the Governing Body are presently constituted and to designate others that may be covered in the future.

FISCAL IMPACT

The District currently budgets and pays workers' compensation for all employees and Board Members, therefore, there will be no additional fiscal impact.

RECOMMENDATION

Staff recommends the Board of Directors by motion and roll-call vote, approve the 2017-XXXX..

ATTACHMENTS

- A. Resolution
- B. Letter from SDRMA

December 13, 2017

ITEM D-4

ATTACHMENT A

RESOLUTION No. 2017-XXXX

RESOLUTION OF THE GOVERNING BODY OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
DECLARING THAT GOVERNING BODY MEMBERS AND VOLUNTEERS
SHALL BE DEEMED TO BE EMPLOYEES OF THE DISTRICT FOR THE
PURPOSE OF PROVIDING WORKERS' COMPENSATION COVERAGE
FOR SAID CERTAIN INDIVIDUALS WHILE PROVIDING THEIR
SERVICES

WHEREAS, the Nipomo Community Services District utilizes the services of Governing Body Members; and

WHEREAS, Section 3363.5 of the California Labor Code provides that a person who performs voluntary service for a public agency as designated and authorized by the Governing Body of the agency or its designee, shall, upon adoption of a resolution by the Governing Body of the agency so declaring, be deemed to be an employee of the agency for the purpose of Division 4 of said Labor Code while performing such services; and

WHEREAS, the Governing Body wishes to extend Workers' Compensation coverage as provided by State law to the following designated categories of persons as indicated by a checkmark in the box to the left of the descriptions:

- All Members of the Governing Body of the Nipomo Community Services District as presently or hereafter constituted and/or
- All persons performing voluntary services without pay other than meals, transportation, lodging or reimbursement for incidental expenses
- Individuals on Work-study programs
- Interns
- Other Volunteers
- _____
[designate]

NOW, THEREFORE, BE IT RESOLVED, that such persons coming within the categories specified above, including the duly elected or appointed replacements of any Governing Body Member and other designated individuals be deemed to be employees of the Nipomo Community Services District for the purpose of Workers' Compensation coverage as provided in Division 4 of the Labor Code while performing such service. However, said Governing Body Members and other designated individuals will not be considered an employee of the Nipomo Community Services District for any purpose other than for such Workers' Compensation coverage, nor grant nor enlarge upon any other right, duty, or responsibility of such Governing Body Members or other designated individuals, nor allow such persons to claim any other benefits or rights given to paid employees of the Nipomo Community Services District.

PASSED, APPROVED AND ADOPTED this December 13, 2017 by the following vote:

AYES:
NOES:
ABSENT:

DAN ALLEN GADDIS
President, Board of Directors

APPROVED AS TO FORM AND LEGAL

ATTEST:
EFFECT:

MARIO IGLESIAS
General Manager and Secretary to the Board

WHITNEY G. MCDONALD
District Legal Counsel

December 13, 2017

ITEM D-4

ATTACHMENT B

November 30, 2017

Mr. Mario Iglesias
General Manager
Nipomo Community Services District
Post Office Box 326
Nipomo, California 93444-0326

RECEIVED

DEC 04 2017

NIPOMO COMMUNITY
SERVICES DISTRICT

Re: Workers' Compensation Resolution for Governing Body Member and/or Volunteer Coverage

Dear Mr. Iglesias,

Recently our excess carrier has made us aware that SDRMA Workers' Compensation (WC) members need to pass a **new Resolution** if they would like to continue (or start) covering their Governing Body members and/or volunteers.

Section 3363.5 of the California Labor Code provides that a person who performs voluntary service for a public agency as designated and authorized by the Governing Body of the agency or its designee, shall, upon adoption of a Resolution by the Governing Body of the agency so declaring, be deemed to be an employee for workers' compensation purposes. Thus, if such a resolution is adopted, and the volunteer is injured while performing duties for the agency, the volunteer is entitled to receive workers' compensation benefits and their exclusive remedy for recovery against the agency is through the Workers' Compensation system.

Such Governing Body members and/or volunteers may be covered for workers' compensation benefits only if a Resolution to that effect is adopted by the Governing Body pursuant to Labor Code § 3363.5 and a copy of the Resolution is filed with SDRMA.

A new Resolution (see attached) has been created by our coverage counsel. The Resolution permits your Governing Body to designate the various categories of persons who the agency desires to "deem" to be employees for purposes of workers' compensation. It declares, on a blanket basis, that the designated categories of volunteers are deemed employees and those categories consist of Governing Body Members, persons performing voluntary service, persons on work study, interns, and other volunteers. In addition, those so designated persons also need to be listed under our Workers' Compensation Program (which includes paying an annual contribution amount) to enable coverage.

When using the sample Resolution provided, please do not make any changes other than the areas highlighted in yellow. **To ensure accurate and timely implementation of your Resolution, please return your Governing Body approved Workers' Compensation Resolution as soon as possible by fax or email.** A Microsoft Word version of the sample Resolution can be downloaded at <http://www.sdrma.org/program-coverages/workers-compensation-program>. If your agency has any questions please contact Ellen Doughty, Chief Member Services Officer, at 800.537.7790 or edoughty@sdrma.org.

Sincerely,
Special District Risk Management Authority



Gregory S. Hall, ARM
Chief Executive Officer

Enclosures: Sample Resolution for Covering Governing Body and/or Volunteers