NIPOMO COMMUNITY SERVICES DISTRICT RESOLUTION 2018-1482

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT ADOPTING THE NSWP (NIPOMO SUPPLEMENTAL WATER PROJECT) 2018-2019 FISCAL YEAR BUDGET

WHEREAS, on October 16, 2015, the Nipomo Supplemental Water Project Water Management and Groundwater Replenishment Agreement ("Agreement") was made between Nipomo Community Services District (NCSD), Rural Water Company (RWC), The Woodlands Mutual Water Company (WMWC), and Golden State Water Company (GSWC), collectively referred to as the Parties, and

WHEREAS, the purpose of the Agreement is to enable the Parties to meet their respective obligations under the Judgment based on the percentage allocations presented in Section I.K regarding the NSWP. In particular, the Parties intend this Agreement to provide for: (1) payment to NCSD for each Party's allocation of Costs and (2) distribution and use of Nipomo Supplemental Water, and

WHEREAS, pursuant to the Agreement, each fiscal year NCSD shall prepare a NSWP Enterprise Fund Budget for all revenues and expenditures related to the NSWP Enterprise Fund. The Budget shall include a summary of projected Nipomo Supplemental Water deliveries and the Costs associated with those deliveries. A draft of the Budget shall be available to each Party for review by May 1st of each year. NCSD shall make every reasonable effort to adopt the final Budget during June of each year at a regularly scheduled NCSD board meeting. The Advisory Committee shall determine the most effective content, format and reporting frequency for financial and budge reports for the NSWP Enterprise Fund.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED by the Board of Directors of the Nipomo Community Services District, San Luis Obispo County, California, as follows:

- 1. The 2018-2019 Nipomo Supplemental Water Project Budget is hereby approved and adopted.
- 2. The budget be administered in accordance with generally accepted accounting principles and the past policies and practices established by the District and pursuant to the Agreement.
- The above Recitals are true and correct and incorporated herein by this reference.

Upon motion of Director Armstrong, seconded by Director Blair, and on the following roll call vote, to wit:

AYES: Director Armstrong, Blair, Woodson, Gaddis and Eby

NOES: None ABSENT: None ABSTAIN: None

the foregoing Resolution is hereby passed and adopted this 13th day of June 2018.

ED EBY

President of the Board

ATTEST:

APPROVED AS TO FORM AND LEGAL EFFECT:

MARIO IGLESIAS

General Manager and Secretary to the Board

WHITNEY G McDONALD
District Legal Counsel

NIPOMO COMMUNITY SERVICES DISTRICT NIPOMO SUPPLEMENTAL WATER PROJECT (NSWP) BUDGET FOR FISCAL YEAR 2018-2019

		Acre Feet	Cost per Acre Foot		
		Purchase	(AF)	Total Cost	
	Water Purchase Fiscal Year 2018-2019 (see page 2)	850	\$1,695.00	\$1,440,750.00	
	NCSD Water O & M Cost per AF ** (see page 3)	850	\$172.96	\$147,016.00	
	NCSD Admin Fee per AF (15% of O & M per AF) ** (see page 3)	850	\$25.94	\$22,049.00	
			\$1,893.90	\$1,609,815.00	
	**To be adjusted annually based on actual costs				
		TOTAL	NCSD	WMWC	GSWC
1	Phase 1 Supplemental Water Annual Allocation (AF)	80	00 533.44	133.28	133.28
2	Phase 1 Supplemental Water Delivery Percentages	100.00	% 66.68%	16.66%	16.66%
3	Pass-Through Supplemental Water Cost	\$1,440,75	0 \$960,692	\$240,029	\$240,029
4	Supplemental Water O & M Cost	\$147,01	6 \$98,030	\$24,493	\$24,493
5	Supplemental Water NCSD Admin Fee	\$22,04	9 \$14,702	\$3,673	\$3,673
6	Total Annual Supplemental Water Volume Cost	\$1,609,81	5 \$1,073,425	\$268,195	\$268,195

		TOTAL	NCSD	WMWC	GSWC
7	Allocated Project Capacity (AF)	3,000.00	2,167.00	416.50	416.5
8	Percentage of Fixed Capital Cost Allocation	100.00%	72.24%	13.88%	13.889
9	Yearly Capital Recovery Charge-Principal (1) (4)	\$83,783	\$0	\$37,237	\$46,546
10	Yearly Capital Recovery Charge-Interest (1) (4)	\$345,164	\$0	\$194,150	\$151,014
11	Yearly Capital Recovery Charge-Principal (2) (4)	\$6,481	\$0	\$2,875	\$3,606
12	Yearly Capital Recovery Charge-Interest (2) (4)	\$26,691	\$0	\$14,992	\$11,699
13	Yearly Capital Recovery Charge-Principal (3) (4)	\$11,555	\$0	\$5,117	\$6,438
14	Yearly Capital Recovery Charge-Interest (3) (4)	\$47,565	\$0	\$26,67 7	\$20,888
15	Supplemental Water Project Yearly Replacement(5)	\$206,865	\$149,439	\$28,713	\$28,713
16	Total Annual Fixed Supplemental Charges	\$728,104	\$149,439	\$309,761	\$268,904

17	Total Volume and Annual Fixed Charges for Fiscal Year 2018-2019 (Line 6 + Line 16)	\$2,337,919	\$1,222,864	\$577,956	\$537,099
18	Electrical Pumping Credit (\$264.65 per acre foot-estimated)	(\$74,954)	\$0	(\$37,477)	(\$37,477)
19	SUPPLEMENTAL WATER BUDGET FISCAL YEAR 2018-2019	\$2,262,965	\$1,222,864	\$540,479	\$499,622

(1)	Per applicable amortization schedule as of June 30, 2015
(2)	Per applicable amortization schedule as of June 30, 2016
(3)	Per applicable amortization schedule as of June 30, 2017
(4)	To be reamortized as of June 30, 2018 for project costs incurred between July 1, 2017 and June 30, 2018. New amortization schedules will be issued with September 30, 2018 invoice.
(5)	Monthly replacement contribution of total Supplemental Water Project cost of \$20,686,509 assuming a 100 year project life = \$206,865 per year not to exceed \$3,000,000 adjusted annually for CPI per agreement

NCSD = Nipomo Community Services District WMWC = Woodlands Mutual Water Company GSWC = Golden State Water Company

CITY OF SANTA MARIA & NIPOMO COMMUNITY SERVICES DISTRICT Calculations based on May 2013 Wholesale Supply Agreement

		Minimum	Net	Change in	Current Period	Minimum Rasa Water Rasa Enstru Cost Current Period Change in	Rasa Water	
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	y						625	Year 1 Demand (AF)
Marinem Dubler Vision (450)	Called Value							Assumptions:
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effective 1-1-19. For Budget, estimate 2.5% for fiscal year (\$1,653.47 * 1.025 = \$1,694.81) Per Brad Whitty, City of Santa Maria, possible 5% rate increase

NIPOMO COMMUNITY SERVICES DISTRICT NIPOMO SUPPLEMENTAL WATER PROJECT (NSWP) BUDGET FOR FISCAL YEAR 2018-2019

OPERATIONS AND MAINTENANCE BUDGET

	2016-17	2017-18	2017-18	2018-19
OPERATIONS AND MAINTENANCE	ACTUAL	BUDGET	EST ACTUAL	PROPOSED
Electricity	38,566	50,000	65,265	67,223
Labor (fully weighted)	29,953	26,250	30,000	30,900
Water	740	800	700	721
Chemicals	10,318	12,500	11,000	11,330
Lab Tests	268	500	250	258
Operating Supplies	7,463	9,500	5,000	5,150
Outside Services	3,760	0	5,300	5,459
Permits and Operating Fees	813	2,500	700	721
Insurance	4,186	4,800	4,123	4,247
Repairs and Maintenance	26,624	10,000	12,000	12,360
TOTAL OPERATIONS AND MAINTENANCE	122,691	116,850	134,338	138,368
Cost per acre foot @ 645 acre feet	190.22			
Cost per acre foot		146.06	167.92	172.96
Overhead allocation 15% of O and M	28.53	21.91	25.19	25.94

Estimate 3% increase in expenses FY 18-19

NIPOMO COMMUNITY SERVICES DISTRICT NIPOMO SUPPLEMENTAL WATER PROJECT (NSWP) BUDGET FOR FISCAL YEAR 2018-2019

FUNDED REPLACEMENT RESERVES

Beginning Balance, July 1, 2017		362,660
Collections FY 2017-18		
NCSD	149,439	
WMWC	28,713	
GSWC	28,713	
	*	206,865
Estimated interest income FY 2017-2018		870
Estimated Ending Balance, June 30, 2018(after		
collections of June 30, 2018 Invoice)		570,395
	-	
Collections FY 2018-19		
NCSD	149,439	
WMWC	28,713	
GSWC	28,713	
33773		206,865
Estimated interest income FY 2018-19		1,500
Estimated interest intollier i 2020 25	-	
Estimated Ending Balance, June 30, 2019 (after		
collections of June 30, 2019 Invoice)		778,760
		
Funded Replacement Reserve Requirement - Pur	rsuant to Section XVIII (J)	
CPI Adjustment as of June 30, 2018		
CPI - 2017 Annual	256.210	
CPI - 2016 Annual	(249.246)	1
	6.964	- 1
Divide by previous period CPI		- 1.
	0.0279	- 1
	(100.000	
Percent Change	2.79	G#
Maximum Balance computed as of June 30, 2018		3,084,424

Adjusted by CPI June 30, 2018 (\$3,084,424 x 2.79%)

Maximum Balance adjusted as of June 30, 2019

	CPI		RUNNING
	INDEX	ADJ	BALANCE
			3,000,00
6/30/2016	0.907	27,210	3,027,21
6/30/2017	1.89	57,214	3,084,42
6/30/2018	2.79	86,055	3,170,47

86,055

3,170,479