

TO: BOARD OF DIRECTORS

FROM: MARIO E. IGLESIAS
GENERAL MANAGER 

DATE: MARCH 14, 2023

AGENDA ITEM

3

MARCH 16, 2023

DEVELOP GUIDANCE AND PROCEDURES FOR INVESTING NIPOMO COMMUNITY SERVICES DISTRICT FUNDS

ITEM

Develop guidelines and procedures for investing Nipomo Community Services District ("District") funds. [RECOMMEND DISCUSS AND DIRECT STAFF]

BACKGROUND

The Nipomo Community Services District's ("District") Board of Directors ("Board") has given staff direction to investigate opportunities that would yield greater returns on the District's funds currently being held in trust with the Local Agency Investment Fund ("LAIF"), a government sanctioned financial institution that conforms to the District's investment policy. In particular, it is being suggested by the Board that United States Treasury Securities be evaluated as current financial market conditions have pushed interest rates on these types of investment instruments higher than LAIF interest rates.

Staff contacted Curt De Crinis from Columbia Capital, the District's bond financial advisor, as well as Terry Shea from Rogers, Anderson, Malody & Scott, the District's Auditing firm, as part of the investigative process. They both gave similar advice that included the mechanics of government agency preponderance for investing in Treasury Securities. Included in their advice was the need to create the relationship with a custodial institution and a brokerage firm to assist in managing the purchase and sales of Treasury Securities in a manner consistent with best business practices.

District staff has contacted Multi-Bank Securities ("MBS"), a dealer/broker for purchasing and selling Treasury Securities exclusively for municipal customers such as the District. They have the capacity to serve as the broker for purchasing, selling, and reporting as necessary, any District's activities with regard to Treasury Securities. The District would also contract with a custodial bank to hold the securities once purchased. More information on MBS and how they function is included in the March 16, 2023 Finance and Audit Committee presentation, Item 2.

With better understanding of the mechanical elements and availability of organizations able to facilitate a smooth, transparent shift to purchasing Treasury Securities, there is a need to develop internal guidelines and controls that adhere to the District's Investment Policy [attachment A]. Specifically, the following items need to be addressed:

1. Determine which investments are appropriate for District needs,
2. Identify available District funds to be invested in Treasury Bills,
3. Establish a method for determining when to buy and sell Treasury Bills,
4. Set parameters on how much of the District's funds to invest in Treasury Bills,
5. Define the term of the investment.
6. Duties, delegation and documentation.

1. Determine which investments are appropriate for District needs.

There are several investment instruments back by the full faith and trust of the United States government – treasury marketable securities.

1. Treasury Bills – Short-term Securities (4 weeks up to 52 weeks)
2. Treasury Notes – Maturities of 2, 3, 5, 7, and 10 Years
3. Treasury Bonds – 20 and 30 Year Investments

The guidelines to be included in the addendum would be specific to the type of Treasury Securities to be included in the District investment portfolio.

2. Identify District funds to be invested in Treasury Bills

The District has nearly \$20 million invested in LAIF. The guidelines should identify the percentage of these funds to be considered available for investing in Treasury Securities and how long of a term certain funds can remain locked into the maturity dates set for each type of Treasury Security.

3. Establish a method for determining when to buy and sell Treasury Bills.

At times, the percentage of return provided by LAIF may be close or greater than the percentage of return available from Treasury Securities. Establishing when to buy or sell Treasury Securities needs to be outlined in the guidelines. Setting a percentage difference in the return between LAIF and Treasury Securities, will define when it is worthwhile to shift from one investment to the other.

4. Set parameters on how much of the District's funds to invest in Treasury Bills.

Similar to item 2 above, the \$20 million invested in LAIF serves several purposes. The guidelines should identify the percentage of these funds to be considered available for investing in Treasury Securities.

5. Define the term of the investment.

As defined in item 1 above, there are several types of Treasury Securities, each having different maturity dates. The guidelines should identify short-term and long-term investment goals that provide direction for how long of a period District funds could be invested in Treasury Securities.

6. Duties, Delegation, and Documentation that determine internal controls.

Detail items such as determining who places orders, the limits of each order, recording the verification of receipt, quarterly reporting with other investment reports, logging the purchase, sales, and transfers of securities, these are some of the details to be included in the guidance addendum.

FISCAL IMPACT

The District has a significant amount of monies currently invested in LAIF. While these funds earn a return, the returns are currently less than returns paid on Treasury Bills. LAIF has the

advantage of liquidity and security, but with the right strategy the District may be able to increase the return on its investments by directing some of these funds to short-term Treasury Bills. Currently, Treasury Bills are returning nearly twice what LAIF funds are returning. This may not always be the case, but establishing guidance for investing District funds will aid the District in maximizing its returns on investment in a timely manner when defined conditions are met.

STRATEGIC PLAN

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

- B.1 Evaluate, plan for and maintain finances that are adequate for all needs, stable, and reliable over the long-term.
- B.6 Maintain sound investment policy and investments.

RECOMMENDATION

Staff recommends your Board evaluate and discuss guidance and procedures for investing District funds and direct staff.

ATTACHMENTS

- A. Resolution 2023-1652, Adopt District Investment Policy

MARCH 16, 2023

ITEM 3

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2023-1652**

**A RESOLUTION OF THE
BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING DISTRICT INVESTMENT POLICY**

WHEREAS, the Board of Directors of the Nipomo Community Services District ("District") believes that public funds should, so far as is reasonably possible, be invested in financial institutions to produce revenue for the District rather than to remain idle; and

WHEREAS, from time to time there are District funds which for varying periods of time will not be required for immediate use by the District, and which will, therefore, be available for the purpose of investing in financial institutions with the objectives of safety, liquidity, yield and compliance with state and federal laws and policies; and

WHEREAS, the District's investments are governed by an investment policy, originally adopted in 2014 via Resolution 2014-1328, that is reviewed annually and requires updating from time to time.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Nipomo Community Services District as follows:

1. The District has conducted the annual review of, and hereby adopts, the Investment Policy attached hereto as Exhibit "A" as the District's 2023 Investment Policy;
2. The District Board affirms its appointment of the General Manager as Treasurer/Finance Officer of the District, and delegates to the Treasurer/Finance Officer the authority to invest and re-invest funds in accordance with the Investment Policy for the succeeding twelve (12) month period following such delegation or until such time as the delegation of authority is revoked or amended earlier.

PASSED AND ADOPTED by the Board of Directors of the Nipomo Community Services District this 25th day of January 2023, on the following roll call vote:

AYES: *Directors Eby, Woodson, Hansen, Gaddis, and Malvarose*
NOES: *NONE*
ABSENT: *NONE*
CONFLICTS: *NONE*




RICHARD MALVAROSE, President
Nipomo Community Services District

ATTEST:



MARIO IGLESIAS
Secretary to the Board

APPROVED AS TO FORM:


CRAIG A. STEELE
District Legal Counsel

**RESOLUTION 2023-1652
EXHIBIT A**

**INVESTMENT POLICY
NIPOMO COMMUNITY SERVICES DISTRICT**

1. INTRODUCTION

This policy establishes the standards under which the District's Finance Officer/Treasurer will conduct business with financial institutions with regard to the investment process.

2. PURPOSE AND SCOPE

This investment policy is intended to outline the guidelines and practices to be used in effectively managing the District's available cash and investment portfolio. It applies to all cash and investment assets of the District except those funds maintained in deferred compensation accounts for employees. Proceeds of debt issuance that shall be invested in accordance with the permitted investment provisions of their specific bond indentures. District monies not required for immediate expenditure will be invested in compliance with governing provisions of law (Government Code Sections 53600 et seq.) and this policy. Investments shall be made in judgment and with care, skill, prudence, and diligence under circumstances then prevailing, including but not limited to the general economic conditions and the anticipated needs of the District, which persons of prudence, discretion and intelligence acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims; not for speculation, but to safeguard the principal of their capital and maintain the liquidity needs of the District. The standard of prudence to be used by investment officials shall be the "prudent investor" standard (California Government Code Section 53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers (Finance Officer/Treasurer) acting in accordance with written procedures and the investment policy and exercising prudence and due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

3. FINANCE OFFICER/TREASURER

The Board of Directors appoints the General Manager as the District Finance Officer and Treasurer. The District's Assistant General Manager shall serve as the District's Finance Officer and Treasurer in the absence of the District's General Manager. The services of any investment or financial advisor to the District shall be governed by the terms and standards set forth in this Policy.

4. SCOPE

The District investment portfolio shall consist of money held in a sinking fund of, or surplus money in, the District's treasury not required for the immediate necessities of the District. The District's investment portfolio shall be invested in accordance with this policy.

5. OBJECTIVES

The primary objectives are safety, liquidity, yield, and compliance.

A. SAFETY

The investment portfolio shall be managed in a manner that ensures the preservation of capital. The objective is to minimize credit risk and interest rate risk.

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B. LIQUIDITY

The investment portfolio shall remain sufficiently liquid to meet all operating requirements. This shall be accomplished by structuring the investment portfolio so that investments mature in advance of cash needs.

C. YIELD

Yield shall be a consideration only after the requirements of safety and liquidity have been met.

D. COMPLIANCE

This Investment Policy is written to be in compliance with applicable California and Federal law.

6. STANDARDS OF CARE

A. PRUDENCE

The Finance Officer/Treasurer will manage the portfolio pursuant to the "Prudent Investor Standard." When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds in the District's investment portfolio, the Finance Officer/Treasurer shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to the general economic conditions and the anticipated needs of the District, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District.

B. DISCLOSURES

Finance Officer/Treasurer shall disclose any material interest in financial institutions or professionals with which he/she conducts the District business, and shall comply with all applicable laws relating to conflicts of interest.

7. INVESTMENTS AUTHORITY

A. PERMITTED INVESTMENTS

The District Finance Officer/Treasurer is authorized to deposit or invest District funds only in the following institutions and investments:

1. County pooled funds (California Government Code §§ 27133(g), 53635, 61053)
2. The Local Agency Investment Fund created by the California State Treasury (California Government Code §§ 16429.1, 61053)
3. One or more FDIC insured Banks and/or Savings and Loan Associations that are designated as District depositories by resolution of the Board of Directors (California Government Code §§ 53630 et seq., 61053).
4. Such other financial institutions or securities that may be designated by the Board of Directors from time to time in compliance with California and Federal law.
5. Proceeds of bond issuance shall be invested in accordance with the permitted investment provisions of their specific bond indentures or other instrument providing for the bond issuance. (California Government Code §§ 5922(d), 53601(m))

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**INVESTMENT POLICY
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B. PROHIBITED INVESTMENTS

The District's Finance Officer/Treasurer shall not invest in:

1. Inverse floaters, range notes or interest only strips that are derived from a pool of mortgages.
2. Any security that could result in a zero interest accrual if held to maturity.
3. A state or federal credit union, if a member of the District's Board of Directors or an administrative officer also serves on the Board of Directors, or any committee appointed by the Board of Directors, or the credit committee or supervisory committee, of the state or federal credit union.
4. Those investments or institutions not permitted by this Policy, or by action of the Board of Directors.

C. DIVERSIFIED INVESTMENTS

Investments, other than investments referenced in paragraphs **7-A** (1) and (2) above, will be diversified to avoid losses that may be associated with any one investment.

8. REPORTS

A. MONTHLY REPORT

Finance Officer/Treasurer shall make monthly reports to the Board with the following information:

- Investments made or retired during the preceding month.
- Single transfers between permitted institutions of greater than \$500,000.

B. QUARTERLY REPORT

Finance Officer/Treasurer shall file a quarterly report that identifies the District's investments and their compliance with the District's Investment Policy. The quarterly report must be filed with the District's auditor and considered by the District's Board of Directors within forty-five (45) days after the end of each quarter (i.e., by May 1, August 1, November 1, and February 1) (California Government Code § 53646). Required elements of the quarterly report are as follows:

1. Type of Investment
2. Institution/issuer
3. Date of Maturity (if applicable)
4. Amount of deposit or cost of the security, including par and dollar amount invested on all securities, investments, and moneys held by the District
5. Current market value of securities, with identification of the source of the valuation, for all securities held by the District as well as securities under the management of any outside party that is not also a local agency or the State of California Local Agency Investment Fund
6. Rate of Interest
7. Statement of compliance with the Statement of Investment Policy or the manner in which the portfolio is not in compliance
8. Statement of the District's ability to meet cash flow requirements, including any pool expenditure requirements, for the next six months, or an explanation as to why sufficient money may not be available

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**INVESTMENT POLICY
NIPOMO COMMUNITY SERVICES DISTRICT**

9. Accrued Interest (if applicable)
10. Description of any of the District's funds, investments, or programs that are under the management of contracted parties, including lending programs

C. ANNUAL REPORT

Prior to February 1, of each year, the Finance Officer/Treasurer shall file and submit an annual report to the District's auditor and Board of Directors which will contain the same information required in the quarterly report.

The annual report will include a recommendation to the Board of Directors to either:

1. Readopt the District's then current annual Investment Policy; or
2. Amend the District's then current Investment Policy.

D. LIMITED QUARTERLY REPORT

If the District has placed all of its investments in the Local Agency Investment Fund (LAIF) created by California Government Code § 16429.1, or in Federal Deposit Insurance Corporation, insured accounts in a bank or savings and loan association, in a County investment pool, or any combination of these, the Finance Officer/Treasurer may submit to the Board of Directors and the auditor of the District the most recent statement or statements received by the District from these institutions in lieu of the information required in paragraph 8.B, above. This special reporting policy does not relieve the Finance Officer/Treasurer of the obligation to prepare an annual investment report as identified in paragraph 8.C, above.

TO: FINANCE AND AUDIT COMMITTEE
REVIEWED: MARIO IGLESIAS
GENERAL MANAGER
FROM: LISA BOGNUDA
FINANCE DIRECTOR AND
JANA ETTEDDUE
ADMINISTRATIVE SUPERVISOR
DATE: MARCH 14, 2023



REVIEW EMPLOYEE COST OF LIVING ADJUSTMENT (COLA)

ITEM

Review employee Cost of Living Adjustment (COLA) [RECEIVE REPORT AND MAKE A RECOMMENDATION FOR INCLUDING IN THE DRAFT 2023-2024 FISCAL YEAR BUDGET]

BACKGROUND

The NCSD Employee Handbook, Section 3000(E) states the following:

Cost of Living Adjustments – Annually, the Board may consider a Cost of Living Adjustment (COLA). If the COLA is approved, District Salary Schedule will be adjusted accordingly, thus keeping the schedule current. Therefore, an employee may receive both a Cost of Living Adjustment and an increase in compensation pursuant to subdivision C above in any given year until the employee reaches Step 5. Upon reaching Step 5, the only salary adjustments an employee will receive will be Board-approved COLA, unless the employee is eligible for longevity pay.

On May 25, 2022, the Board of Directors approved Resolution 2022-1624 which included:

Cost of Living Adjustments shall use the Consumer Price Index for the California Consumer Price Index All Items for Urban Wage Earners and Clerical Workers. The December to December comparison shall be the method used to calculate the annual change in the CPI.

Staff computed the Consumer Price Index for California All Items for Urban Wage Earners and Clerical Workers to be 5.29%. (Attachment D)

The five previous years COLA computation and Board approval has been as follows:

Fiscal year	Methodology Used	COLA Computation	Board Approved	Difference
7/1/22	California CPI-DEC	7.00%	7.00%	0.00%
7/1/21	California CPI-ANNUAL	1.75%	1.75%	0.00%
7/1/20	California CPI-ANNUAL	2.95%	2.95%	0.00%
7/1/19	California CPI-ANNUAL	3.87%	3.87%	0.00%
7/1/18	California CPI-ANNUAL	2.87%	2.87%	0.00%

RECOMMENDATION

It is recommended that the Committee review the COLA and direct Staff for budget preparation purposes.

ATTACHMENTS

- A. Section 3000(D) from NCSD Employee Handbook
- B. Resolution 2022-1624
- C. Excerpt from Bureau of Labor Statistics on how to compute the CPI
- D. Consumer Price Index information and computation

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ITEM 4

ATTACHMENT A

CHAPTER THREE – HOURS OF WORK AND COMPENSATION

3000 - COMPENSATION

- A. New Introductory Employees:** All newly appointed introductory employees shall be paid at the first step of the salary range for the position to which the introductory employee is appointed except as provided elsewhere herein.
- B. Advanced Step Hiring:** If the General Manager finds that qualified applicants have greater experience or competencies than required at the first step of the salary range, the General Manager can extend an offer higher than the first step.
- C. Increase in compensation other than Cost of Living Adjustments (Step-Merit Increase):** After one year in a salary step (on the employee's Anniversary Date), employees may qualify for a step merit increase to the next step, provided the employee has performed satisfactorily, and provided management has determined that a step merit increase is appropriate. All decisions about step merit increases are subject to management's sole discretion; employees are not automatically entitled to or eligible for a step merit increase. A performance evaluation verifying satisfactory performance and a Personnel Action Form for each employee recommended for advancement shall be submitted to and approved by the General Manager prior to final action on such recommendation.
- D. Temporary Assignment:** A temporary assignment occurs when the following conditions are met: (1) an employee is assigned by the affected department directors to perform duties outside of their current job classification; (2) the assignment is for a defined period of ten (10) consecutive working days or more, with a specified end date; and (3) the employee is expected to return to their most recently-assigned position at the end of the temporary assignment. A temporary assignment may be made to the same, lower, or higher level of classification of work. When an employee has served more than ten (10) consecutive working days filling the role of a higher job classification, on the eleventh day and any consecutive days thereafter, the employee will be compensated 5% above their current wage. An employee temporarily assigned to fill the role of an equal or lower job classification, that employee will be compensated at their current wage.
- E. Cost of Living Adjustments:** Annually, the Board may consider a Cost of Living Adjustment (COLA). If the COLA is approved, the District Salary Schedule will be adjusted accordingly, thus keeping the schedule current. Therefore, an employee may receive both a Cost of Living Adjustment and an increase in compensation pursuant to subdivision C above in any given year until the employee reaches Step 5. Upon reaching Step 5, the only salary adjustments an employee will receive will be Board-approved COLA, unless the employee is eligible for longevity pay.
- F. Promotion:** Employees promoted to a position with a higher salary range shall be placed on the step of the range allocated to the new classification which would grant such employee an increase in pay no greater than five percent (5%). The increase may exceed five percent (5%) at the discretion of the General Manager, but shall not exceed the top step of the range allocated to the new classification. Employees who are promoted retain the same Hire Date for purposes of years of

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ITEM 4

ATTACHMENT B

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2022-1624**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
ESTABLISHING METHODOLOGY OF COMPUTING EMPLOYEE
COST OF LIVING ADJUSTMENTS (COLA)**

WHEREAS, the Nipomo Community Services District (herein "District") Board of Directors (herein "Board") is a local government agency formed and authorized to provide services within its jurisdiction, pursuant to Section 61000 et seq. of the California Government Code; and

WHEREAS, the Board annually reviews the employee Cost of Living Adjustment (COLA) based on the policy and procedures adopted in Resolution 2017-1437 which approved the use of the California Consumer Price Index all Items for Urban Wage Earners and Clerical Workers; and

WHEREAS, the Board wishes to clarify and establish the month of December as the month for comparison in the computation when calculating the COLA, measuring the change in the most recent December CPI against the previous December CPI; and

WHEREAS, the Board believes using a December to December comparison is more reflective of the COLA calculation period, includes the most current monthly CPI data that is consistently available, and therefore provides the most current information when calculating the COLA; and

WHEREAS, the Board wishes to continue using the Consumer Price Index for the California Consumer Price Index - All Items for Urban Wage Earners and Clerical Workers when evaluating the employee COLA computation, and

WHEREAS, the Board believes the California Consumer Price Index - All Items for Urban Wage Earners and Clerical Workers is more reflective of the economy of the Central Coast.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Nipomo Community Services District:

Section 1. The above recitals are true and correct.

Section 2. Resolution 2017-1437 Amending Methodology of Computing Employee Cost of Living Adjustment (COLA) is hereby repealed.

Section 3. The California Consumer Price Index - All Items for Urban Wage Earners and Clerical Workers is the index to be used when evaluating the employee COLA computation.

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2022-1624**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
ESTABLISHING METHODOLOGY OF COMPUTING EMPLOYEE
COST OF LIVING ADJUSTMENTS (COLA)**

Section 4. A December to December comparison shall be the method used to calculate the annual change in the CPI.

Section 5. This resolution shall take effect immediately.

Upon a motion by Director Woodson, seconded by Director Armstrong, on the following roll call vote, to wit:

AYES: Director Woodson, Armstrong, Malvarose, and Eby
NOES: None
ABSENT: Director Gaddis
ABSTAIN: None

the foregoing resolution is hereby passed and adopted on this 25 day of May, 2022.




Ed Eby
President of the Board

ATTEST:

APPROVED AS TO FORM AND
LEGAL EFFECT:



MARIO IGLESIAS
General Manager and Secretary to the Board



Craig A. Steele
District Legal Counsel

MARCH 16, 2023

ITEM 4

ATTACHMENT C



Consumer Price Index

Search Consumer Price [CPI Home](#)[CPI Publications](#)[CPI Data](#)[CPI Methods](#)[About BLS](#)[Contact BLS](#)[Bureau of Labor Statistics](#) > [Consumer Price Index](#) > [Publications](#) > Factsheets

How to Use the Consumer Price Index for Escalation

The Consumer Price Index (CPI) measures the average change in the prices paid for a market basket of goods and services. These items are purchased for consumption by the two groups covered by the Index: All Urban Consumers (CPI-U) and Urban Wage Earners and Clerical Workers, (CPI-W).

Escalation agreements often use the CPI—the most widely used measure of price change—to adjust payments for changes in prices. The most frequently used escalation applications are in private sector collective bargaining agreements, rental contracts, insurance policies with automatic inflation protection, and alimony and child support payments.

The following are general guidelines to consider when developing an escalation agreement using the CPI:

Define the base payment

Define clearly the base payment (rent, wage rate, alimony, child support, or other value) that is subject to escalation.

Identify which CPI series will be used

Identify precisely which CPI index series will be used to escalate the base payment. This should include the population coverage (CPI-U or CPI-W), area coverage (U.S. City Average, West Region, Chicago, etc.), series title (all items, rent of primary residence, etc.), and index base period (1982-84=100).

Specify reference period

Specify a reference period from which changes in the CPI will be measured. This is usually a single month (the CPI does not correspond to a specific day or week of the month), or an annual average. There is about a two-week lag from the reference month to the date on which the index is released (that is, the CPI for May is released in mid-June). The CPIs for most metropolitan areas are not published as frequently as are the data for the U.S. City Average and the four regions. Indexes for the U.S. City Average, the four regions, nine divisions, two city-size classes, eight region-by-size classes, and three major metropolitan areas (Chicago, Los Angeles, and New York) are published monthly. Indexes for the remaining 20 published metropolitan areas are available only on a bimonthly basis. Contact BLS for information on the frequency of publication for the 23 metropolitan areas.

State frequency of adjustment

Adjustments are usually made at fixed intervals, such as quarterly, semiannually, or, most often, annually.

Determine adjustment formula

Determine the formula for the adjustment calculation. Usually the change in payments is directly proportional to the percent change in the CPI index between two specified periods. Consider whether to make an allowance for a "cap" that places an upper limit on the increase in wages, rents, etc., or a "floor" that promises a minimum increase regardless of the percent change (up or down) in the CPI.

Provide for revisions

Provide a built-in method for handling situations that may arise because of major CPI revisions or changes in the CPI index base period. The Bureau always provides timely notification of upcoming revisions or changes in the index base.

The CPI and escalation: Some points to consider

The CPI is calculated for two population groups: All Urban Consumers (CPI-U) and Urban Wage Earners and Clerical Workers (CPI-W). The CPI-U represents about 93 percent of the total U.S. population and is based on the expenditures of all families living in urban areas. The CPI-W is a subset of the CPI-U and is based on the expenditures of families living in urban areas who meet additional requirements related to employment: more than one-half of the family's income is earned from clerical or hourly-wage occupations. The CPI-W represents about 29 percent of the total U.S. population.

There can be small differences in movement of the two indexes over short periods of time because differences in the spending habits of the two population groups result in slightly different weighting. The long-term movements in the indexes are similar. CPI-U and CPI-W indexes are calculated using measurement of price changes of goods and services with the same specifications and from the same retail outlets. The CPI-W is used for escalation primarily in blue-collar cost-of-living adjustments (COLAs). Because the CPI-U population coverage is more comprehensive, it is used in most other escalation agreements.

The 23 metropolitan areas for which BLS publishes separate index series are by-products of the U.S. City Average index. Metropolitan area indexes have a relatively small sample size and, therefore, are subject to substantially larger sampling errors. Metropolitan area and other subcomponents of the national indexes (regions, size-classes) often exhibit greater volatility than the national index. BLS recommends that users adopt the U.S. City Average CPI for use in escalator clauses.

The U.S. City Average CPIs are published on a seasonally adjusted basis as well as on an unadjusted basis. The purpose of seasonal adjustment is to remove the estimated effect of price changes that normally occur at the same time and in about the same magnitude every year (e.g., price movements due to the change in weather patterns, holidays, model change-overs, end-of-season sales, etc.). The primary use of seasonally adjusted data is for current economic analysis. In addition, the factors that are used to seasonally adjust the data are updated annually and seasonally adjusted data are subject to revision for up to 5 years after their original release. For these reasons, the use of seasonally adjusted data in escalation agreements is inappropriate.

Escalation agreements using the CPI usually involve changing the base payment by the percent change in the level of the CPI between the reference period and a subsequent period. This is calculated by first determining the index point change between the two periods and then determining the percent change. The following example illustrates the computation of a percent change:

CPI for current period 232.945

Less CPI for previous period	229.815
Equals Index point change	3.130
Divided by previous period CPI	229.815
Equals	0.0136
Result multiplied by 100	0.0136 x 100
Equals percent change	1.4%

The Bureau of Labor Statistics neither encourages nor discourages the use of price adjustment measures in contractual agreements. Also, while BLS can provide technical and statistical assistance to parties developing escalation agreements, we can neither develop specific wording for contracts nor mediate legal or interpretive disputes which might arise between the parties to the agreement.

Additional information may be obtained from the Consumer Price Index Information Office at cpi_info@bls.gov or 202-691-7000. Information on the CPI's overall methodology can be found in [the BLS Handbook of Methods](#).

Last Modified Date: November 25, 2020

U.S. BUREAU OF LABOR STATISTICS Division of Consumer Prices and Price Indexes Suite 3130 2 Massachusetts Avenue NE Washington, DC 20212-0001

Telephone: 1-202-691-7000 www.bls.gov/CPI [Contact CPI](#)

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ITEM 4

ATTACHMENT D

CALIFORNIA CONSUMER PRICE INDEX (1955-2022)

ALL ITEMS (1982 - 1984 = 100)

Year	Month	All Urban Consumers	Urban Wage Earners and Clerical Workers
2022	Annual	319.224	310.424
2022	December	323.148	313.159
2022	October	324.819	315.900
2022	August	322.275	313.374
2022	June	322.043	313.931
2022	April	316.847	308.468
2022	February	311.048	302.122
2021	Annual	297.371	288.595
2021	December	306.109	297.426
2021	October	302.793	294.211
2021	August	299.815	291.317
2021	June	297.447	288.784
2021	April	294.274	285.139
2021	February	289.632	280.644
2020	Annual	285.315	275.568
2020	December	287.367	277.885
2020	October	286.843	277.443
2020	August	286.388	276.751
2020	June	284.835	274.921
2020	April	283.006	273.050
2020	February	284.8	274.017
2019	Annual	280.6	
2019	December	282.5	
2019	October	283.9	
2019	August	281.2	
2019	June	280.9	0.000000 *
2019	April	280.2	313.159000 +
2019	February	276.6	297.426000 -
2018	Annual	272.5	15.733000 *
2018	December	274.9	
2018	October	275.6	15.733000 ÷
2018	August	273.8	297.426000 =
2018	June	272.4	0.052897 *
2018	April	271.2	
2018	February	269.2	0.052897 x
2017	Annual	262.8	100.000000 =
2017	December	265.6	5.289700 *
2017	October	265.4	
2017	August	263.473	255.874
2017	June	262.286	252.839

TO: FINANCE AND AUDIT COMMITTEE

REVIEWED: MARIO IGLESIAS
GENERAL MANAGER



FROM: LISA BOGNUDA
FINANCE DIRECTOR AND
JANA ETTEDDGUE
ADMINISTRATIVE SUPERVISOR



DATE: MARCH 13, 2023

AGENDA ITEM

5

MARCH 16, 2023

REVIEW INFORMATION FOR INCLUSION IN THE 2023-2024 FISCAL YEAR BUDGET

ITEM

Review various schedules and financial information in the 2023-2024 fiscal year budget.
[RECOMMEND REVIEW AND MAKE RECOMMENDATIONS FOR INCLUSION IN THE 2023-2024 FISCAL YEAR BUDGET]

BACKGROUND

The following information is provided for the Committee's review:

- Attachment A TIME LINE
- Attachment B PROPOSED CAPITAL IMPROVEMENT PLAN AND CASH FLOW PROJECTIONS
- Attachment C PROPOSED FUNDED REPLACEMENT IMPROVEMENT PLAN AND CASH FLOW PROJECTIONS
- Attachment D PROPOSED FIXED ASSET PURCHASES AND OTHER ITEMS TO BE INCLUDED IN THE OPERATIONS BUDGET
- Attachment E PROPOSED DISTRICT PERSONNEL
- Attachment F PROPOSED FLEET SCHEDULE

RECOMMENDATION

It is recommended that the Committee provide direction to Staff. Staff will incorporate the Committee's comments and recommendations into the draft 2023-2024 budget.

ATTACHMENTS

- See above

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT
TIMELINE FOR
2023-2024 FISCAL YEAR BUDGET**

March 16	Kick off meeting with Finance Committee to hear input
Week of April 17	Staff meets with Finance Committee and receives recommendations/changes/deletions on draft Budget
Week of May 15	Staff prepares public notice of adoption for newspaper (publish on May 31 and June 7)
May 24	Review of draft Budget by Board of Directors at Regular Board Meeting
June 14	Public Hearing and adoption of 2023-2024 Budget

ATTACHMENT B

NIPOMO COMMUNITY SERVICES DISTRICT
CAPITAL IMPROVEMENTS
PROJECT COST SUMMARY
2023-2024

BUDGET ITEMS FOR 2023-24	#500 SUPPLEMENTAL WATER CHARGES	#600 PROPERTY TAX FUND	#700 WATER CAPACITY CHARGES	#710 TOWN SEWER CAPACITY CHARGES	#950 BLACKLAKE ASSESSMENT CHARGES	TOTAL
Supplemental Water Project Interconnects-carryover	1,000,000	0	0	0	0	1,000,000
Pomeroy water line	250,000	0	0	0	0	250,000
Backup Generator for Office Building-carryover	0	50,000	0	0	0	50,000
Office Building security fencing back entrance/patio-carryover	0	12,000	0	0	0	12,000
Operations Building Roof Replacement-carryover	0	100,000	0	0	0	100,000
Backup Generator for Operations Building	0	60,000	0	0	0	60,000
Third connection to Blacklake Pressure Zone-carryover	0	0	190,000	0	0	190,000
Southland WWTF Improvements	0	0	0	150,000	0	150,000
Water and Sewer Master Plan	0	0	220,000	160,000	0	380,000
Blacklake Sewer Sytem Consolidation Project-carryover	0	0	0	0	5,600,000	5,600,000
Lift Station Rehabilitation-Woodgreen-carryover	0	0	0	0	1,250,000	1,250,000
	<u>1,250,000</u>	<u>222,000</u>	<u>410,000</u>	<u>310,000</u>	<u>6,850,000</u>	<u>9,042,000</u>

Supplemental Water Projects (Fund #500)

Supplemental Water Project Interconnects - Bid, award contract, and construct Golden State Water Company Primavera, Woodlands Mutual Water Company Via Concha, and Golden State Water Company Lynn interconnects.

Pomeroy water line - Begin design of 4,600 linear feet of 12 inch diameter water line

Property Tax Fund Projects (Fund #600)

Backup Generator for Office Building - Install backup generator for Office Building.

Office Building Security Fence and Enclosure-back entrance/patio - Construct security fence around generator and enclose back patio.

Operations Building Roof Replacement - Replace modular building roof.

Backup Generator for Operations Building - Install backup generator for Operations Building

Water Projects (Fund #700)

Third connection to Blacklake Pressure Zone - Bid, award contract, and construct connection.

Water Master Plan- Request for Proposal, award contract and complete plan.

Sewer Projects (Fund #710)

Southland WWTF Improvements- Begin design for improvements to increase plan capacity.

Sewer Master Plan- Request for Proposal, award contract and complete plan.

Blacklake Assessment District 2020 -1 - See Page 14

Blacklake Sewer System Consolidation Project - Design, environmental review, bid and award contract.

Woodgreen Lift Station - Complete design, bid, award contract and begin construction.

NIPOMO COMMUNITY SERVICES DISTRICT
 CAPITAL FUNDING PLAN
 SUPPLEMENTAL WATER
 FUND #500

CAPITAL IMPROVEMENT PLAN

Line #	SUPPLEMENTAL WATER - FUND #500	FY 23-24
1	Interconnects (1)	1,000,000
2	Pomeroy Water Line from Augusta to Aden Way (2)	250,000
TOTAL		1,250,000

FOR PLANNING PURPOSES ONLY				
FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
0	0	0	0	0
1,800,000	0	0	0	0
1,800,000	0	0	0	0

CASH FLOW PROJECTION

Sources of Funds		FY 23-24
3	Funds on Hand at Beginning of Year-projected	2,500,000
4	Interest Income (3)	60,000
5	Principal Payments from WMW & GSW	145,741
6	Interest Payments from WMW & GSW	435,819
7	Capacity Charges (4)	0
8	Transfer in from Prop Tax Fund #600 for Debt Service	527,900
9	Total Sources of Funds	3,669,460
Uses of Funds		
10	Capital Project	1,250,000
11	Debt Service Payments 2013 COP	527,900
12	Bond Administration	4,000
13	Total Uses of Funds	1,781,900
14	Funds on Hand at End of Year-projected	1,887,560

FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
1,887,560	668,895	1,247,793	1,827,848	2,409,064
3,775	1,338	2,496	3,656	4,818
145,741	145,741	145,741	145,741	145,741
435,819	435,819	435,819	435,819	435,819
0	0	0	0	0
527,000	530,200	528,100	525,800	528,200
2,999,895	1,781,993	2,359,948	2,938,864	3,523,642
1,800,000	0	0	0	0
527,000	530,200	528,100	525,800	528,200
4,000	4,000	4,000	4,000	4,000
2,331,000	534,200	532,100	529,800	532,200
668,895	1,247,793	1,827,848	2,409,064	2,991,442

- (1) Golden State interconnect at Orchard and Primavera; Woodlands interconnect at Camino Caballo and Via Concha; Golden State interconnect on Lyn Road
- (2) 4,600 linear feet of 12 inch diameter waterline. Design in FY 23-24 and construct in FY 24-25
- (3) Assumes an interest rate of 2.4%
- (4) Assumes no new connections

WMW = Woodlands Mutual Water Company
 GSW = Golden State Water company

NIPOMO COMMUNITY SERVICES DISTRICT
 PROPERTY TAX
 FUND #600

Line #	PROPERTY TAX - FUND #600	FY 23-24
1	Backup generator for Office Building-carryover	50,000
2	Office Building security fencing back entrance/patio-carryover	12,000
3	Operations Building roof replacement-carryover	100,000
4	Backup generator for Operations Building	60,000
5	Operations Parking Lot	0
		222,000

CASH FLOW PROJECTION		FY 23-24
Sources of Funds		
6	Funds on Hand at Beginning of Year-projected	600,000
7	Interest Income (1)	14,400
8	Property Taxes(2)	828,145
9	Transfer in from Fund #400	50,800
10	Total Sources of Funds	1,493,345

Uses of Funds		
11	Capital Project	222,000
12	Debt Service-Revenue Bonds Series 2013A Refunding (3)	221,675
13	Transfer to Supplemental Water Fund #500 for Debt Service - Certificate of Participation 2013 B (4)	527,900
14	Bond Administration	4,000
15	Total Uses of Funds	975,575
16	Funds on Hand at End of Year-projected	517,770

FOR PLANNING PURPOSES ONLY

FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
150,000	0	0	0	0
150,000	0	0	0	0
FY 24-25				
FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
517,770	450,057	540,248	639,417	748,367
1,036	900	1,080	1,279	1,497
836,426	844,791	853,239	861,771	870,389
0	0	0	0	0
1,355,232	1,295,748	1,394,567	1,502,467	1,620,252
150,000	0	0	0	0
224,175	221,300	223,050	224,300	221,100
527,000	530,200	528,100	525,800	528,200
4,000	4,000	4,000	4,000	4,000
905,175	755,500	755,150	754,100	753,300
450,057	540,248	639,417	748,367	866,952

(1) Assumes an interest rate of 2.4%
 (2) Assume 1% growth in Property Tax Revenue - Pledged to debt service payments
 (3) Debt service on Revenue Bonds secured by ad valorem property taxes (Per Bond Indenture, irrevocably pledged as first source of payment)
 (4) Debt service on Certificates of Participation 2013B secured first by ad valorem property taxes and then by water revenues
 (Difference between Property Tax Collections and debt service for Revenue Bonds Series 2013 A Refunding)

NIPOMO COMMUNITY SERVICES DISTRICT
 CAPITAL FUNDING PLAN
 WATER DIVISION
 FUND #700

CAPITAL IMPROVEMENT PLAN

Line #	WATER CAPACITY - FUND #700	FY 23-24
1	Third Connection to Blacklake Pressure Zone-carryover	190,000
2	Water Master Plan	220,000
3	New Water Storage Tank (Foothill tank site)	0
		410,000

CASH FLOW PROJECTION

Sources of Funds		FY 23-24
4	Funds on Hand at Beginning of Year-projected	2,000,000
5	Interest Income (1)	48,000
6	Capacity Charges (2)	0
7	Total Sources of Funds	2,048,000
Uses of Funds		
8	Capital Project	410,000
9	Total Uses of Funds	410,000
10	Funds on Hand at End of Year-projected	1,638,000

(1) Assumes an interest rate of 2.4%
 (2) Assumes no new connections

FOR PLANNING PURPOSES ONLY

FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
0	0	0	0	0
0	0	0	0	0
330,000	2,600,000	0	0	0
330,000	2,600,000	0	0	0
FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
1,638,000	1,311,276	(1,286,101)	(1,286,101)	(1,286,101)
3,276	2,623	0	0	0
0	0	0	0	0
1,641,276	1,313,899	(1,286,101)	(1,286,101)	(1,286,101)
330,000	2,600,000	0	0	0
330,000	2,600,000	0	0	0
1,311,276	(1,286,101)	(1,286,101)	(1,286,101)	(1,286,101)

NIPOMO COMMUNITY SERVICES DISTRICT
 CAPITAL FUNDING PLAN
 SEWER - TOWN DIVISION
 FUND #710

CAPITAL IMPROVEMENT PLAN

Line #	TOWN SEWER CAPACITY - FUND #710	FY 23-24
1	Sewer Collection Master Plan	160,000
2	Southland WWTF Improvements	150,000
		310,000

CASH FLOW PROJECTION

FY 23-24

Sources of Funds

3	Funds on Hand at Beginning of Year-projected	540,000
4	Interest Income (1)	12,960
5	Capacity Charges (2)	0
6	Total Sources of Funds	552,960

Uses of Funds

7	Capital Project	310,000
8	Total Uses of Funds	310,000

9	Funds on Hand at End of Year-projected	242,960
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- (1) Assumes an interest rate of 2.4%
 (2) Assumes no new connections

FOR PLANNING PURPOSES ONLY

FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
0	0	0	0	0
2,850,000	0	0	0	0
2,850,000	0	0	0	0
FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
242,960	(2,606,554)	(2,606,554)	(2,606,554)	(2,606,554)
486	0	0	0	0
0	0	0	0	0
243,446	(2,606,554)	(2,606,554)	(2,606,554)	(2,606,554)
2,850,000	0	0	0	0
2,850,000	0	0	0	0
(2,606,554)	(2,606,554)	(2,606,554)	(2,606,554)	(2,606,554)

ATTACHMENT C

NIPOMO COMMUNITY SERVICES DISTRICT
FUNDED REPLACEMENT PROJECTS
2023-2024

BUDGET ITEMS FOR 2023-2024	#805 FUNDED REPLACEMENT WATER	#810 FUNDED REPLACEMENT TOWN SEWER	TOTAL
Branch Street Waterline Replacement (1)	850,000	0	850,000
Chlorine Analyzer Replacement (2)	100,000	0	100,000
Red Oak Lane water line (3)	100,000	0	100,000
Blow-Off Repair (4)	20,000	0	20,000
Air Vac Replacements (4)	20,000	0	20,000
Fire Hydrant Replacements (4)	50,000	0	50,000
Valve Replacements (4)	100,000	0	100,000
Well Refurbishment (4)	100,000	0	100,000
Large Meter Replacement Program (5)	50,000	0	50,000
Tefft Street Nipomo Creek Utility Crossings (7)	25,000	25,000	50,000
Southland Sewer Collection System Pipeline Replacement (8)	0	3,470,000	3,470,000
Southland WWTF Influent Pump Station (9)		250,000	250,000
Manhole Rehabilitation (4)	0	150,000	150,000
Lift Station Replacement Pumps (10)	0	40,000	40,000
TOTAL	1,415,000	3,935,000	5,350,000

- (1) Replace failing 6 inch diameter water line
- (2) Begin replacement of chlorine analyzers that are being phased out by manufacturer
- (3) Install secondary water line to reduce need for flushing of thousands of gallons weekly
- (4) Water and Town Sewer Master Plan Projects
- (5) Large Meter Replacement Program
- (6) Online Nitrate analyzer for Sundale Well
- (7) Develop plan for Tefft Street Bridge utility crossings over Nipomo Creek
- (8) Design for replacement sewer line on Frontage Road between Juniper and Division
- (9) Repair failed coating at Southland WWTF influent pump station
- (10) Replacement pumps for lift stations

NIPOMO COMMUNITY SERVICES DISTRICT
 CAPITAL FUNDING PLAN
 FUNDED REPLACEMENT-WATER
 FUND #805

FUNDED REPLACEMENT PLAN

Line #	WATER - FUND #805	FY 23-24
1	Branch Street Waterline Replacement	850,000
2	Chlorine Analyzer Replacement	100,000
3	Red Oak Water Line	100,000
4	Blow-Off Replacement	20,000
5	Air Vac Replacement	20,000
6	Fire Hydrant Replacement	50,000
7	Valve Replacement	100,000
8	Well Refurbishment	100,000
9	Large Meter Replacement Program	50,000
10	Tefft Street Nipomo Creek Utility Crossings	25,000
		1,415,000

CASH FLOW PROJECTION

FY 23-24

Sources of Funds

11	Funds on Hand at Beginning of Year-projected	3,900,000
12	Interest Income (1)	93,600
13	Transfer from Water for funded replacement	690,000
14	Total Sources of Funds	4,683,600

Uses of Funds

15	Funded Replacement Projects	1,415,000
16	Total Uses of Funds	1,415,000

17	Funds on Hand at End of Year-projected	3,268,600
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FOR PLANNING PURPOSES ONLY

FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
0	0	0	0	0
100,000	0	0	0	0
0	0	0	0	0
20,600	21,218	21,855	22,510	23,185
20,600	21,218	21,855	22,510	23,185
51,500	53,045	54,636	56,275	57,964
103,000	106,090	109,273	112,551	115,927
103,000	106,090	109,273	112,551	115,927
51,500	53,045	54,636	56,275	57,964
250,000	0	0	0	0
700,200	360,706	371,527	382,673	394,153

FY 24-25 **FY 25-26** **FY 26-27** **FY 27-28** **FY 28-29**

3,268,600	3,247,937	3,583,727	3,909,367	4,224,513
6,537	6,496	7,167	7,819	8,449
673,000	690,000	690,000	690,000	690,000
3,948,137	3,944,433	4,280,895	4,607,186	4,922,962

700,200	360,706	371,527	382,673	394,153
700,200	360,706	371,527	382,673	394,153

3,247,937	3,583,727	3,909,367	4,224,513	4,528,809
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(1) Assumes an interest rate of 2.4%

NIPOMO COMMUNITY SERVICES DISTRICT
 CAPITAL FUNDING PLAN
 FUNDED REPLACEMENT-TOWN SEWER
 FUND #810

**TOWN SEWER
 FUNDED REPLACEMENT PLAN**

Line #	TOWN SEWER - FUND #810	FY 23-24
1	Southland Sewer Collection System Pipeline Replacement	3,470,000
2	Southland WWTF Influent Pump Station	250,000
3	Manhole Rehabilitation	150,000
4	Lift Station Pump Replacements	40,000
5	Tefft Street Nipomo Creek Utility Crossings	25,000
6	Lift Station Rehabilitation-Tejas	0
		3,935,000

CASH FLOW PROJECTION

FY 23-24

Sources of Funds

7	Funds on Hand at Beginning of Year-projected	2,200,000
8	Interest Income (1)	52,800
9	Bond Proceeds from refinance (2)	3,000,000
10	Transfer from Town Sewer for funded replacement	395,000
11	Total Sources of Funds	5,647,800

Uses of Funds

12	Funded Replacement Projects	3,935,000
13	Total Uses of Funds	3,935,000

14	Funds on Hand at End of Year-projected	1,712,800
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(1) Assumes an interest rate of 2.4%

(2) COP 2012 refinanced

FOR PLANNING PURPOSES ONLY

FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
0	0	0	0	0
0	0	0	0	0
154,500	159,135	163,909	168,826	173,891
41,200	42,436	43,709	45,020	46,371
250,000	0	0	0	0
0	250,000	1,116,000	0	0
445,700	451,571	1,323,618	213,847	220,262
FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
1,712,800	1,665,526	1,612,286	686,892	869,419
3,426	3,331	3,225	1,374	1,739
0	0	0	0	0
395,000	395,000	395,000	395,000	395,000
2,111,226	2,063,857	2,010,510	1,083,266	1,266,158
445,700	451,571	1,323,618	213,847	220,262
445,700	451,571	1,323,618	213,847	220,262
1,665,526	1,612,286	686,892	869,419	1,045,896

NIPOMO COMMUNITY SERVICES DISTRICT
 CAPITAL FUNDING PLAN
 FUNDED REPLACEMENT-BLACKLAKE SEWER
 FUND #830

BLACKLAKE SEWER
FUNDED REPLACEMENT PLAN

Line #	BLACKLAKE SEWER - FUND #830	FY 23-24
1	None	0
		0

CASH FLOW PROJECTION		FY 23-24
Sources of Funds		
2	Funds on Hand at Beginning of Year-projected	420,000
3	Interest Income (1)	10,080
4	Transfer from BL Sewer for funded replacement	188,000
5	Total Sources of Funds	618,080

Uses of Funds		
6	Projects (2)	0
7	Total Uses of Funds	0

8	Funds on Hand at End of Year-projected	618,080
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(1) Assumes an interest rate of 2.4%

(2) Connection to Town Sewer estimated to be completed by FY 2025-2026

<u>FOR PLANNING PURPOSES ONLY</u>				
FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
0	0	0	0	0
0	0	0	0	0
FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
618,080	807,316	996,931	0	0
1,236	1,615	1,994	0	0
188,000	188,000	0	0	0
807,316	996,931	998,925	0	0
0	0	0	0	0
0	0	0	0	0
807,316	996,931	998,925	0	0

BLACKLAKE ASSESSMENT DISTRICT 2020-1

Line #		FY 23-24
1	Blacklake Sewer System Consolidation Project(1)	5,600,000
2	Lift Station Rehabilitation-Woodgreen-carryover	1,250,000
3	Lift Station Rehabilitation-The Oaks-carryover	0
4	Lift Station Rehabilitation-The Misty Glen-carryover	0
5	Golf Course Trunk Main Replacement-carryover	0
6	Tourney Hill Sewer Main Replacement-carryover	0
7	Oakmont Sewer Main Replacement-carryover	0
8	Augusta Sewer Main Replacement-carryover	0
9	Repair Off-set Joints-Sewer Main-carryover	0
		6,850,000

CASH FLOW PROJECTION

FY 23-24

Sources of Funds

10	Funds on Hand at Beginning of Year-projected	11,800,000
11	Interest Income (2)	283,200
12	Total Sources of Funds	12,083,200

Uses of Funds

13	Projects	6,850,000
14	Total Uses of Funds	6,850,000
15	Funds on Hand at End of Year-projected	5,233,200

(1) Total Project Cost is \$10,286,740.

(2) Assumes an interest rate of 2.4%

FOR PLANNING PURPOSES ONLY

FY 24-25	FY 25-26	FY 26-27**	FY 27-28	FY 28-29
2,500,000	100,000	0	0	0
0	0	0	0	0
0	102,500	0	0	0
0	97,800	0	0	0
0	0	560,000	0	0
0	0	319,000	0	0
0	0	196,200	0	0
0	0	61,442	0	0
0	0	30,141	0	0
2,500,000	300,300	1,166,783	0	0
FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
5,233,200	2,743,666	2,448,854	1,286,968	1,289,542
10,466	5,487	4,898	2,574	2,579
5,243,666	2,749,154	2,453,751	1,289,542	1,292,121
2,500,000	300,300	1,166,783	0	0
2,500,000	300,300	1,166,783	0	0
2,743,666	2,448,854	1,286,968	1,289,542	1,292,121

**Original estimated costs from 2019 - does not include cost escalations

ATTACHMENT D

NIPOMO COMMUNITY SERVICES DISTRICT
FIXED ASSET PURCHASES
2023-2024

<u>BUDGET ITEMS FOR 2023-2024</u>	<u>#110 ADMIN</u>	<u>#125 WATER</u>	<u>#130 TOWN SEWER</u>	<u>#150 BL SEWER</u>	<u>TOTAL</u>
GIS Software Upgrade	0	9,900	3,300	1,800	15,000
Hach WIMS Software Conversion	0	9,900	3,300	1,800	15,000
2 New Replacement Trucks - Operations	0	59,400	19,800	10,800	90,000
New Valve Truck - Operations (\$70,000 Carryover)	0	180,000	0	0	180,000
1 Replacement Vehcile - Administration	30,000	0	0	0	30,000
SCADA Cybersecurity Improvements	0	33,000	11,000	6,000	50,000
SCADA Radio System Improvements	0	33,000	11,000	6,000	50,000
	<u>30,000</u>	<u>325,200</u>	<u>48,400</u>	<u>26,400</u>	<u>430,000</u>

<u>LEASE PURCHASE OPTION - PROPOSED FUNDING</u>	<u>#130 TOWN SEWER</u>	<u>#150 BL SEWER</u>	<u>TOTAL</u>	
New Vector Truck - estimated Cost of \$600,000 to be financed over a 10 year period	Annual Principal and interest	52,800	27,200	80,000

Fixed assets will be purchased from the Enterprise Funds

NIPOMO COMMUNITY SERVICES DISTRICT
 ITEMS TO BE INCLUDED IN THE OPERATIONS BUDGET
 2023-2024 FISCAL YEAR BUDGET

	Administration Fund #110	Water Fund #125
Eagle Aerial (1)		13,000
Strategic Plan Update 2023-Carryover	15,000	
Office Landscape Improvements-Carryover	7,000	
Water Loss Audit (2)		10,000
Meter Replacement Program		200,000
Leak Detection Program		50,200
GIS Support		25,000
Water Tank Inspections		50,000
Water System Seismic Assessment (3)		25,000
Total	22,000	373,200

- (1) Water Conservation Software to manage State required residential water reductions
- (2) Required report assessing the Districts non-revenue water accounting
- (3) Required as part of State guidance for water system evaluation and emergency response

ATTACHMENT E

NIPOMO COMMUNITY SERVICES DISTRICT
DISTRICT PERSONNEL
2023-2024

ADMINISTRATION	MONTHLY SALARY STEP/RANGE	Budgeted	Additions/ Deletions	Budgeted
	(PAGE 11)	FY 22-23	23-24	23-24
General Manager	Contract	1	0	1
Assist General Manager/Finance Director	44- 50	1	0	1
Administrative Supervisor	31	1	-1	0
Customer Service Specialist	17	1	0	1
Customer Service Clerk III	21	1	0	1
Customer Service Clerk II	13	1	0	1
Customer Service Clerk I	5	1	0	1
ADMINISTRATION SUBTOTAL		<u>7</u>	<u>-1</u>	<u>6</u>

OPERATIONS				
Director of Engineering and Operations	60	1	0	1
Operations Manager	48 NEW	0	1	1
Assistant Engineer	29	1	0	1
Water Supervisor	32	1	0	1
Wastewater Supervisor	38	1	0	1
Wastewater Operator III	24	0	0	0
Wastewater Operator II	20	3	0	3
Wastewater Operator I	16	2	0	2
Water Operator III	17	0	0	0
Water Operator II	13	1	0	1
Water Operator I	9	5	-1	4
Utility Office Assistant	Contract	0.5	-0.5	0
OPERATIONS SUBTOTAL		<u>15.5</u>	<u>-0.5</u>	<u>15</u>
TOTAL		<u>22.5</u>	<u>-1.5</u>	<u>21</u>

ATTACHMENT F

NIPOMO COMMUNITY SERVICES DISTRICT
FLEET SCHEDULE
2023-2024

SCHEDULE 1 - VEHICLES USED ON A DAILY BASIS

	OPERATIONS VEHICLES	YEAR	DATE PURCHASED	FISCAL YEAR PURCHASED	VEHICLE NUMBER	MILEAGE (FEB 2023)
1	FORD F150 (1)	2013	1/23/2013	2013	131	86,190
2	FORD F150 (1)	2013	9/26/2013	2014	132	99,192
3	FORD F250	2015	11/7/2014	2015	151	77,272
4	FORD F250	2016	4/5/2016	2016	161	46,814
5	FORD F250	2017	4/13/2018	2018	171	37,018
6	FORD F250	2017	4/13/2018	2018	172	43,405
7	FORD F350	2019	6/24/2019	2019	191	22,852
8	FORD F250	2019	7/25/2019	2020	192	24,681
9	FORD F250	2020	11/5/2020	2021	201	19,477
10	FORD F250	2020	11/9/2020	2021	202	21,265
11	FORD F250	2022	9/9/2020	2022	211	6,153
12	FORD ESCAPE	2021	3/16/2022	2022	221	3,997

(1) Scheduled for Replacement in FY 22-23

	ADMIN VEHICLES	YEAR	DATE PURCHASED	FISCAL YR PURCHASED	VEHICLE NUMBER	MILEAGE (FEB 2023)
1	FORD RANGER (1)	2010	11/7/2009	2010	101	41,642
2	FORD F250 UTILITY	2022	8/5/2022	2022	222	3,889

(1) Scheduled for Replacement

SCHEDULE 2 - SPECIALIZED VEHICLES USED FOR SPECIFIC R&M DUTIES

	SPECIALIZED VEHICLES	YEAR	DATE PURCHASED	FISCAL YEAR PURCHASED	VEHICLE NUMBER	MILEAGE (FEB 2023)
1	FORD F350 FLATBED TRUCK	2006	6/25/2006	2006	61	36,882
2	INTERNATIONAL-VACON	2009	2/10/2010	2010		27,144
3	FORD F550 WITH CRANE	2013	4/16/2013	2013	133	16,787
4	INTERNATIONAL-WATER TRUCK	2021	1/26/2021	2021		16,840
5	VALVE EXERCISING TRUCK	NEW				

SCHEDULE 3 - SPECIALIZED EQUIPMENT USED FOR SPECIFIC R&M DUTIES

	OTHER SPECIALIZED EQUIPMENT	YEAR	DATE PURCHASED	FISCAL YR PURCHASED	HOURS (FEB 2023)
1	JOHN DEERE BACKHOE JD310	2009	9/3/2009	2008	620.1
2	JOHN DEERE GATOR CART	2014	4/18/2014	2014	2,385.10
3	CAT 914 LOADER	2015	10/30/2015	2015	852
4	CAT 279D SKID STEER	2017	8/9/2017	2018	1595
5	JOHN DEERE TRACTOR 5075E	2020	8/19/2019	2020	38.7