

TO: BOARD OF DIRECTORS

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

FROM: JANA ETTEDDGUE *Ju*
FINANCE DIRECTOR

DATE: DECEMBER 7, 2023



**ACCEPT FIRST QUARTER FISCAL YEAR 2023-2024
QUARTERLY FINANCIAL REPORT**

ITEM

Accept First Quarter Financial Report [RECOMMEND RECEIVE AND FILE REPORT]

BACKGROUND

As of September 30, 2023, the 2023-2024 Fiscal year is 25% complete. The consolidated operating revenues are at 26.55% of budget, operating expenditures are at 27.13% of budget and general and administrative expenditures are at 25.90% of budget.

Attached are the following which provide an overview of the first three 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 receive report and direct Staff to file the quarterly financial report for the first quarter of fiscal year 2023-2024.

ATTACHMENT

- A. Pages 1-10 – NCSD Quarterly Financial Report

DECEMBER 13, 2023

ITEM D-6

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT
STATEMENT OF NET POSITION - (Unaudited)
SEPTEMBER 30, 2023**

ASSETS

Current assets:

Cash and cash equivalents	\$ 20,295,100
Accounts receivable	858,816
Unbilled utilities receivable	186,764
Accrued interest receivable	128,649
Due from partner purveyors	299,569
Contracts receivable, current portion	157,957
Total current assets	<u>21,926,855</u>

Noncurrent assets:

Restricted cash-NSWP funded replacement	1,748,602
Restricted cash - Held in Trust	3,110,992
Cash with fiscal agent	30,953
Deposits and other assets	582,841
Contracts receivable, less current portion	6,745,256
Capital assets:	
Capital assets, net of depreciation	70,660,647
Total noncurrent assets	<u>82,879,291</u>

Total assets **104,806,146 (A)**

Deferred Outflows of Resources

OPEB related	899,630
Pension related	1,158,904
Total deferred outflows of resources	<u>2,058,534 (B)</u>

LIABILITIES

Current liabilities:

Accounts payable	1,261,810
Deposits	200,876
Accrued Liabilities	909,162
Current portion of long-term debt	582,895
Total current liabilities	<u>2,954,743</u>

Noncurrent liabilities:

Net OPEB liability	1,062,441
Net pension liability	2,287,351
Long-term debt, less current portion	19,349,238
Total noncurrent liabilities	<u>22,699,030</u>

Total liabilities **25,653,773 (C)**

Deferred Inflows of Resources

OPEB related	491,606
Pension related	59,251
Total deferred inflows of resources	<u>550,857 (D)</u>

NET POSITION

Net investment in capital assets	49,117,407
Restricted for system expansion, replacement and debt service	18,146,460
Unrestricted	13,396,183
	<u>80,660,050</u>

Total net position **(A)+(B)-(C)-(D) \$ 80,660,050**

**NIPOMO COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES AND EXPENSES - (Unaudited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023**

	YEAR-TO- DATE	BUDGET	% OF BUDGET
<u>OPERATING REVENUES</u>			
Water fixed charges	\$ 466,593	1,981,000	23.55%
Water usage charges	1,585,284	5,521,000	28.71%
Sewer charges	882,687	3,487,450	25.31%
Miscellaneous fees and charges	75,371	247,500	30.45%
Street light and landscape maintenance charges	0	64,273	0.00%
Franchise fees	43,417	230,000	18.88%
NSWP - collections from purveyors for water purchased	257,870	891,194	28.94%
NSWP - collections from purveyors for related expenses	27,342	92,318	29.62%
NSWP - collections for funded replacement	51,717	206,865	25.00%
Operating transfers in - Funded Administration	177,079	658,150	26.91%
Operating transfers in - Funded Replacement	252,750	1,011,000	25.00%
Total Operating Revenues	<u>3,820,110</u>	<u>14,390,750</u>	<u>26.55%</u>
<u>OPERATING EXPENSES - OPERATIONS AND MAINTENANCE</u>			
Wages and benefits	485,632	2,242,900	21.65%
Purchased water -NCS D share	516,047	1,783,457	28.94%
Purchased water-purveyors	257,870	891,194	28.94%
Operating costs, admin and funded replacement-NCS D share	110,881	334,185	33.18%
Electricity	222,618	718,900	30.97%
Water	6,965	6,150	113.25%
Chemicals	27,691	123,500	22.42%
Lab tests	39,061	137,000	28.51%
Operating supplies	80,872	282,000	28.68%
Outside services	71,546	323,000	22.15%
Permits and operating fees	2,194	72,050	3.05%
Repairs and maintenance	80,712	299,500	26.95%
Engineering	333	81,000	0.41%
Fuel	12,125	75,000	16.17%
Meters	160,948	200,000	80.47%
Safety program	958	4,200	22.81%
Uniforms	5,895	21,200	27.81%
Landscape maintance district	1,752	5,000	35.04%
Solid waste program	15,510	98,000	15.83%
Conservation program	17,118	25,000	68.47%
Operating transfer out - Funded Replacement	252,750	1,011,000	25.00%
Subtotal - Operating Expenses (Operations and Maintenance)	<u>2,369,478</u>	<u>8,734,236</u>	<u>27.13%</u>

continued on next page

**NIPOMO COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES AND EXPENSES - (Unaudited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023**

	YEAR-TO- DATE	BUDGET	% OF BUDGET
<u>OPERATING EXPENSES - GENERAL AND ADMINISTRATIVE</u>			
Wages and benefits	290,847	1,187,630	24.49%
Bank charges and fees	91	6,300	1.44%
Computer expense	90,429	265,500	34.06%
Dues and subscriptions	36,925	53,500	69.02%
Education and training	15,281	21,000	72.77%
Elections	0	0	0.00%
Liability insurance	80,634	319,215	25.26%
Landscape and janitorial	5,145	23,650	21.75%
Legal counsel-general	28,654	101,500	28.23%
Legal counsel-water	2,128	75,000	2.84%
Professional services	31,237	150,500	20.76%
Miscellaneous	885	40,250	2.20%
Newsletters and mailers	0	5,700	0.00%
Office supplies	3,587	18,800	19.08%
Outside services	6,058	33,200	18.25%
Postage	8,768	45,700	19.19%
Public notices	676	4,600	14.70%
Repairs and maintenance	7,558	33,650	22.46%
Property taxes	0	2,300	0.00%
Telephone	1,841	14,700	12.52%
Travel and mileage	9,217	15,000	61.45%
Utilities	6,733	27,450	24.53%
Operating transfer out - Funded Administration	177,079	658,150	26.91%
Subtotal - Operating Expenses (General and Administrative)	<u>803,773</u>	<u>3,103,295</u>	<u>25.90%</u>
 Total Operating Expenses	 <u>3,173,251</u>	 <u>11,837,531</u>	 <u>26.81%</u>
 Total Operating Surplus (Deficit)	 646,859	 2,553,219	 25.34%
<u>NON-OPERATING INCOME (EXPENSES)</u>			
Interest income	397,275	321,593	123.53%
Property tax revenue	31,324	828,145	3.78%
Cell site revenue	6,127	49,000	12.50%
Other revenue	84,752	147,530	57.45%
Capacity Charges collected	0	0	0.00%
Solidwaste Rate Holiday	0	300,000	0.00%
Interest expense	(193,554)	(544,325)	35.56%
Total non-operating revenues (expenses)	<u>325,924</u>	<u>1,101,943</u>	
 Total Operating and Non-operating Surplus (Deficit)	 \$ <u>972,783</u>	 <u>3,655,162</u>	

NIPOMO COMMUNITY SERVICES DISTRICT
SUMMARY OF REVENUES AND EXPENSES BY FUND
THREE MONTHS ENDED SEPTEMBER 30, 2023

FUND	FUND #	YTD REVENUES	YTD EXPENSES	SUBTOTAL	FUNDED REPLACEMENT	TRANSFERS B/W FUNDS	YTD SUPRPLUS/ (DEFICIT)
Administration	110	198,163	(198,163)	0	0	0	0
Water	125	2,180,855	(1,863,575)	317,280	(168,249)	0	149,031
Water Rate Stabilization	128	7,571	0	7,571	0	0	7,571
Town Sewer	130	672,074	(522,194)	149,880	(37,500)	0	112,380
Town Sewer Rate Stabilization	135	5,693	0	5,693	0	0	5,693
Blacklake Sewer	150	253,681	(106,247)	147,434	(47,001)	0	100,433
Blacklake Sewer Rate Stabilization	155	946	0	946	0	0	946
Blacklake Street Lighting	200	421	(7,425)	(7,004)	0	0	(7,004)
Funded Replacement-BL Street Lighting	205	97	0	97	0	0	97
Street Landscape Maintenance	250	289	(3,352)	(3,063)	0	0	(3,063)
Solid Waste	300	52,695	(21,073)	31,622	0	0	31,622
Drainage Maintenance	400	1,646	0	1,646	0	0	1,646
Supplemental Water Capacity Fees	500	148,849	(93,782)	55,067	0	0	55,067
Property Taxes	600	41,639	(21,575)	20,064	0	0	20,064
Water Capacity Fees	700	35,643	0	35,643	0	0	35,643
Town Sewer Capacity Fees	710	9,377	0	9,377	0	0	9,377
Funded Replacement-Water	805	73,389	0	73,389	168,249	0	241,638
Funded Replacement-Town Sewer	810	44,139	0	44,139	37,500	0	81,639
Funded Replacement-BL Sewer	830	8,527	0	8,527	47,001	0	55,528
NSWP Operations & Maintenance	910	855,980	(847,438)	8,542	0	0	8,542
NSWP Funded Replacement	915	65,933	0	65,933	0	0	65,933
TOTAL		4,657,607	(3,684,824)	972,783	0	0	972,783

CASH BALANCE OF EACH FUND

FUND	FUND #	9/30/2023
Administration	110	(218,680)
Water	125	4,025,279
Water Rate Stabilization	128	445,038
Town Sewer	130	341,271
Town Sewer Rate Stabilization	135	334,650
Blacklake Sewer	150	880,778
Blacklake Sewer Rate Stabilization	155	55,630
Blacklake Street Lighting	200	11,774
Funded Replacement-BL Street Lighting	205	10,183
Street Landscape Maintenance	250	13,544
Solid Waste	300	592,480
Drainage Maintenance	400	35,221
Supplemental Water	500	3,650,758
Property Taxes	600	488,536
Water Capacity Fees	700	2,093,394
Town Sewer Capacity Fees	710	552,048
Funded Replacement-Water	805	3,950,132
Funded Replacement-Town Sewer	810	2,546,967
Funded Replacement-BL Sewer	830	544,222
NSWP	910	(58,125)
TOTAL		20,295,100

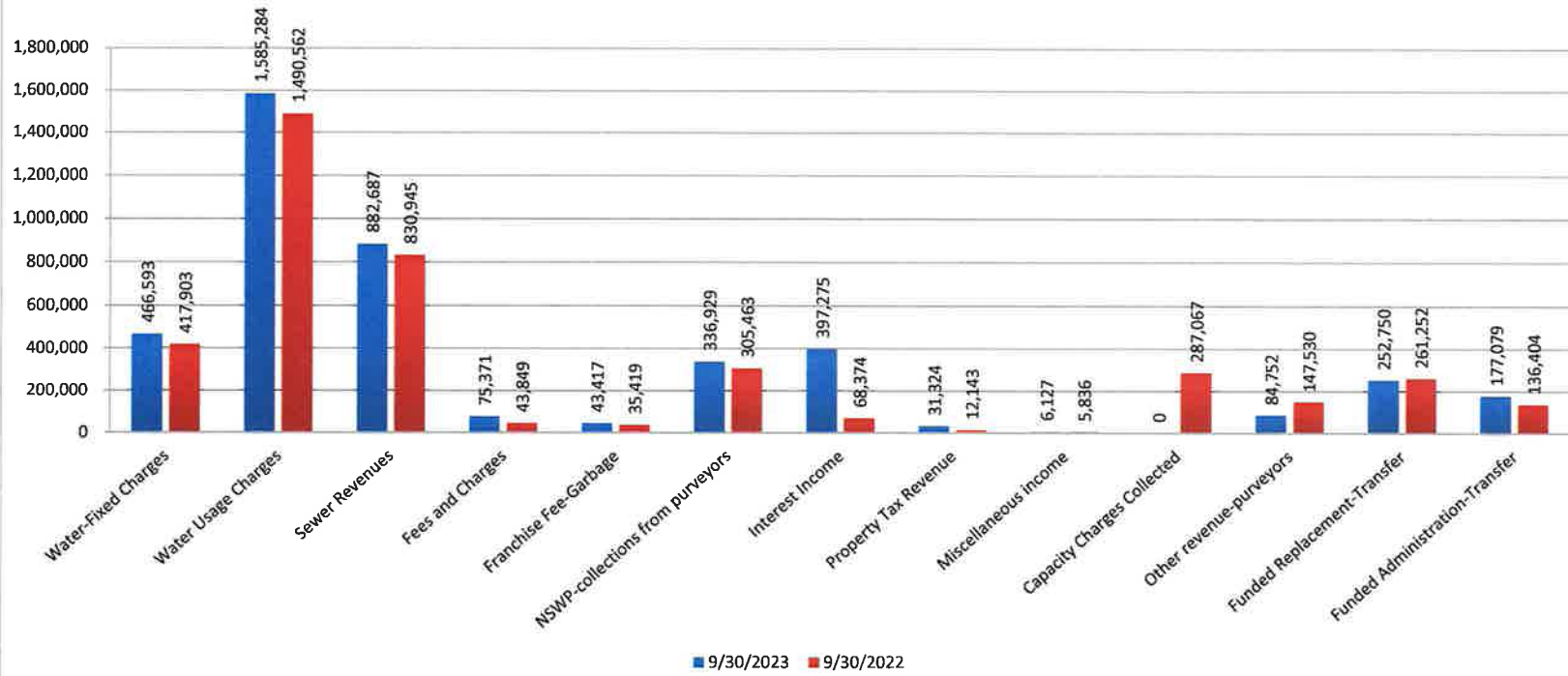
BALANCE SHEETS AND STATEMENTS
OF REVENUES AND EXPENSES FOR
EACH FUND ARE AVAILABLE FOR REVIEW
UPON REQUEST

NIPOMO COMMUNITY SERVICES DISTRICT
SUMMARY OF APPROVED BUDGET AMENDMENTS
FISCAL YEAR JUNE 30, 2024

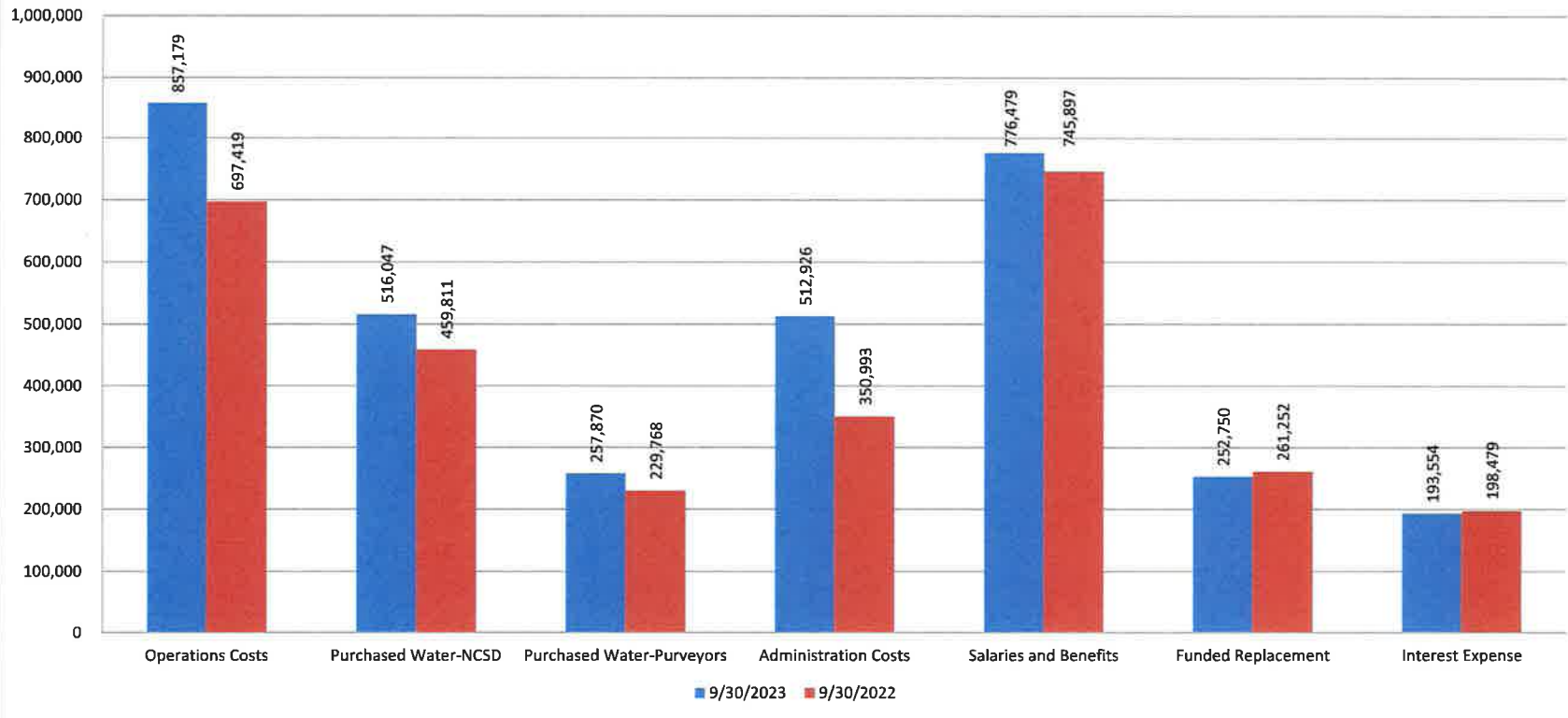
FIRST QUARTER ENDING SEPTEMBER 30, 2023

DATE	DESCRIPTION	FUNDS	APPROVED BUDGET	APPROVED AMENDMENT	AMENDED BUDGET	RESOLUTION NUMBER
7/26/2023	Influent Lift Station - Southland	810	\$0	\$515,373	\$515,373	2023-1677
7/26/2023	Ford Escape	110	\$30,000	\$3,201	\$33,201	2023-1678

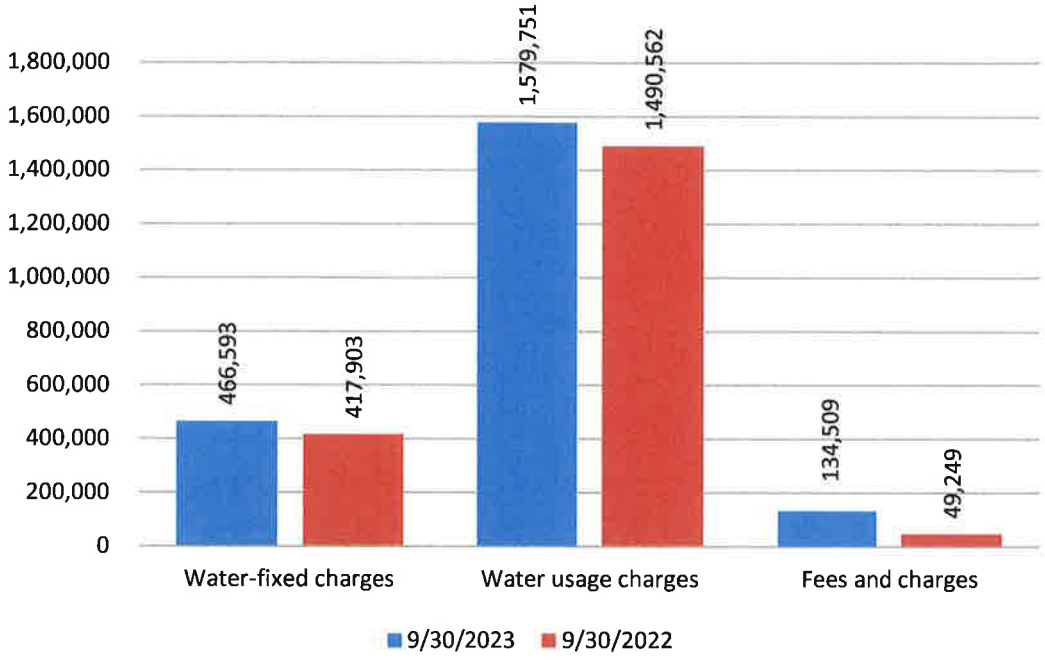
**NIPOMO COMMUNITY SERVICES DISTRICT
TOTAL REVENUES
FOR THREE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022**



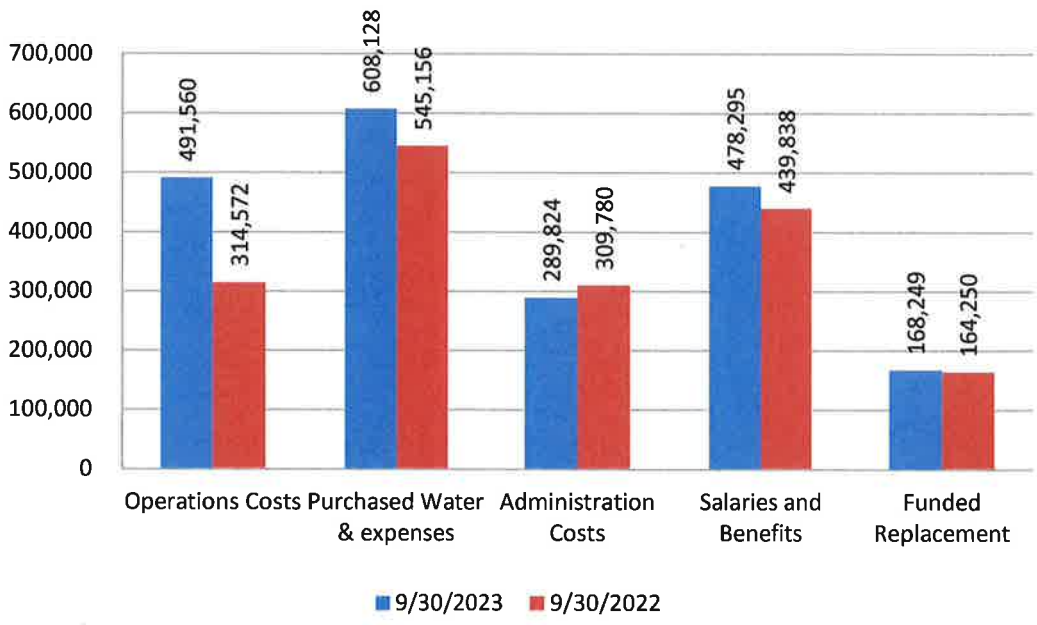
**NIPOMO COMMUNITY SERVICES DISTRICT
TOTAL EXPENDITURES
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022**

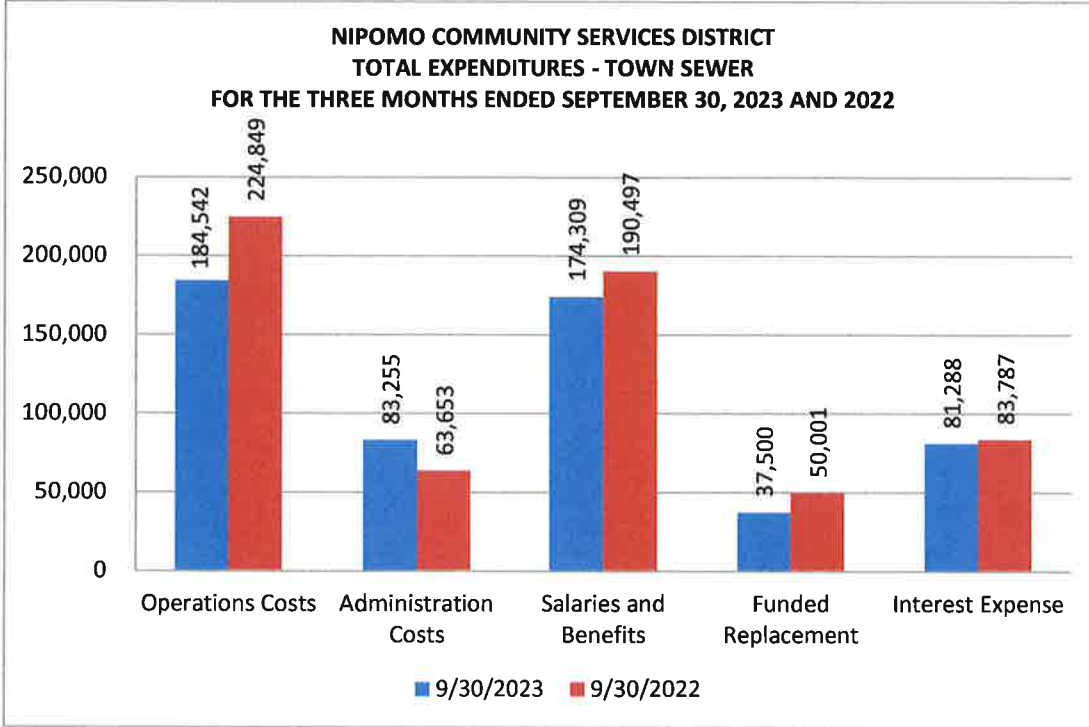
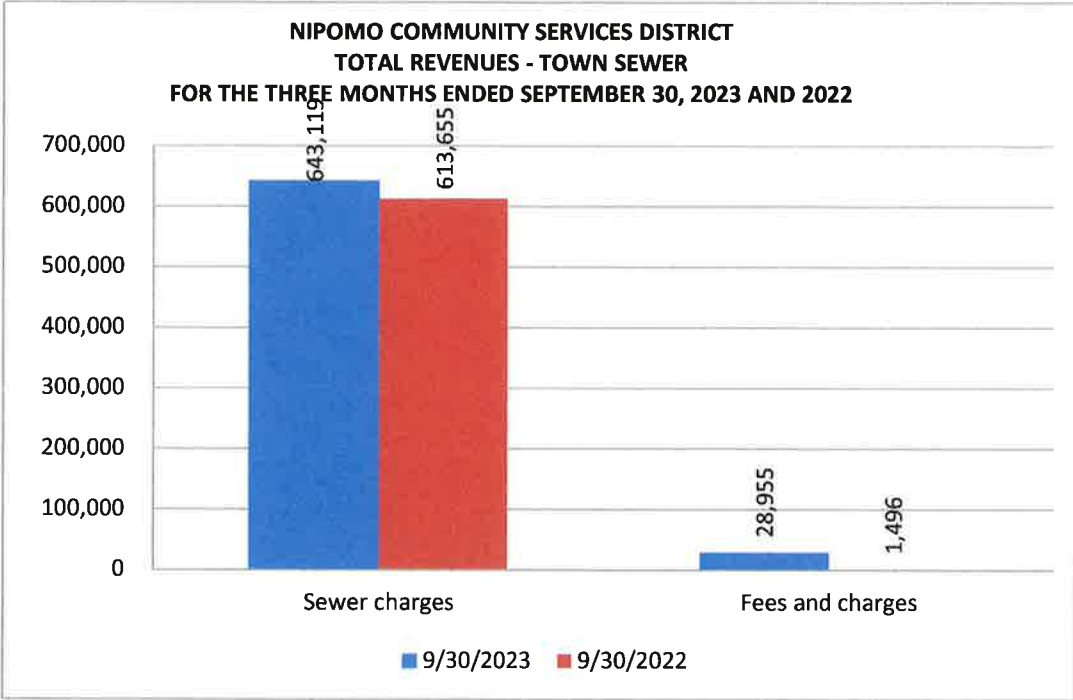


**NIPOMO COMMUNITY SERVICES DISTRICT
TOTAL REVENUE - WATER FUNDS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022**

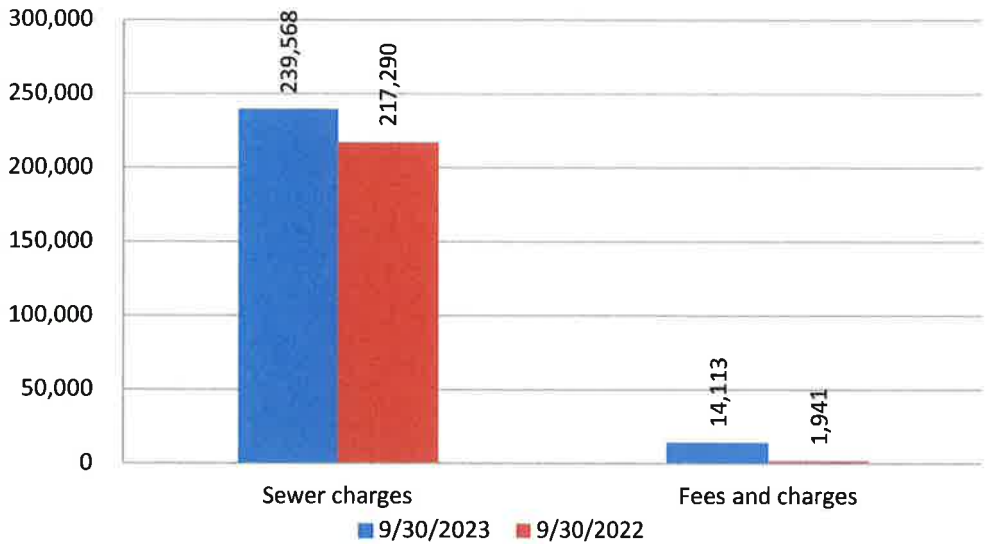


**NIPOMO COMMUNITY SERVICES DISTRICT
TOTAL EXPENDITURES - WATER FUNDS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022**

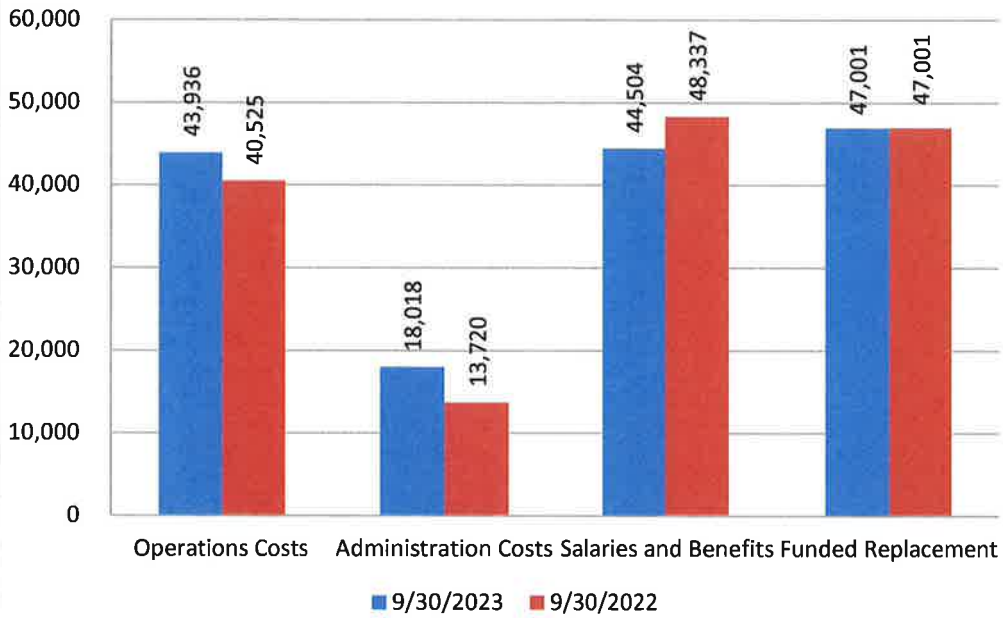




**NIPOMO COMMUNITY SERVICES DISTRICT
TOTAL REVENUES - BLACKLAKE SEWER
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022**



**NIPOMO COMMUNITY SERVICES DISTRICT
TOTAL EXPENDITURES - BLACKLAKE SEWER
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022**



TO: BOARD OF DIRECTORS
 FROM: RAY DIENZO *R.D.*
 GENERAL MANAGER
 DATE: DECEMBER 7, 2023



APPROVE 2024 BOARD MEETING SCHEDULE

ITEM

Review and approve 2024 schedule of Regular Board Meetings. [RECOMMEND REVIEW AND APPROVE 2024 BOARD MEETING SCHEDULE]

BACKGROUND

Section 2.1 of the Board By-Laws states:

Subject to holiday and scheduling conflicts, regular meetings of the Board of Directors shall commence at 9:00 a.m. on the second and fourth Wednesday of each calendar month in the Board Room at the District Office located at 148 South Wilson, Nipomo, CA. The Board of Directors reserves the right to cancel and/or designate other dates, places, and times for Director Meetings due to scheduling conflicts and holidays.

Proposed Regular Board Meeting Schedule for 2024

1st Meeting of Month		2nd Meeting of Month
January 10		January 24
February 14		February 28
March 13		March 27
April 10		April 24
May 8		May 22
June 12		June 26
July 10		July 24
August 14		August 28
September 11		September 25
October 9		October 23
November 13		November 27
December 11		Recess – Holiday Season

Special Meetings will be called subject to Section 2.2 of the Board By-Laws as follows:

Special meetings may be called by the President or three (3) Directors with a minimum of twenty-four (24) hours public notice.

All meetings will be noticed pursuant to the Brown Act.

RECOMMENDATION

Staff recommends that your Board by motion and roll call vote approve the 2024 Board Meeting Schedule as presented above.

TO: BOARD OF DIRECTORS
FROM: RAY DIENZO *R.D.*
GENERAL MANAGER
DATE: DECEMBER 7, 2023



**APPROVE NEWTON GEO-HYDROLOGY
2024 CONSULTING SERVICES CONTRACT SCOPE
AND \$90,000 BUDGET**

ITEM

Consider scope and budget for calendar year 2024 for Newton Geo-Hydrology Consulting Services [RECOMMEND APPROVE SCOPE AND BUDGET FOR NEWTON GEO-HYDROLOGY TO PROVIDE 2024 CONSULTING SERVICES TO NIPOMO COMMUNITY SERVICES DISTRICT]

BACKGROUND

Dr. Brad Newton has provided litigation support services and general hydrologic consulting services to the District throughout the groundwater adjudication process. Dr. Newton represents the District on the Nipomo Mesa Management Area Technical Group.

The contracts for Dr. Newton's services are reviewed by your Board each calendar year. The attached scopes of work from Newton Geo-Hydrology present the proposed scope of services and budget for 2024.

The proposal covers two tasks, General Consultation (not to exceed limit of \$10,000) and Santa Maria Groundwater Adjudication support (not to exceed limit of \$80,000).

FISCAL IMPACT

The approved FY 23-24 Budget includes funding for six months of Dr. Newton's services. The remaining six months of services will be included in the FY 24-25 Budget.

STRATEGIC PLAN

Goal 1. WATER SUPPLIES. Actively plan to provide reliable water supply of sufficient quality and quantity to serve both current customers and those in the long-term future.

- 1.6 Continue to monitor and participate in water supply issues and programs with other local and regional organizations

RECOMMENDATION

It is recommended that the Board of Directors by motion and roll-call vote, approve the 2024 Support Services Contract with Newton Geo-Hydrology Consulting Services, LLC for a not-to-exceed amount of \$90,000.00 and direct staff to issue Task Order 2024-1 in the amount of \$10,000 and Task Order 2024-2 in the amount of \$80,000.

ATTACHMENTS

- A. Newton Geo-Hydrology Consulting Services, LLC 2024 Task Orders and Exhibits

DECEMBER 13, 2023

ITEM D-8

ATTACHMENT A

ATTACHMENT #1 To EXHIBIT "A"

**to
AGREEMENT FOR PROFESSIONAL SERVICES**

**Between
NIPOMO COMMUNITY SERVICES DISTRICT
and
NEWTON GEO-HYDROGEOLOGY CONSULTING SERVICES, LLC**

January 1, 2024

REQUEST FOR SERVICES – TASK ORDER # 2024-1

AUTHORIZATION FOR SERVICES:

At the request of the Nipomo Community Services District, Engineer Consultant is to provide services as described herein. The terms and conditions of the Agreement for Professional Engineering Services, dated June 11, 2013 are incorporated herein by this reference. The scope of services requested along with the schedule and fees for said services are set forth below as follows:

SCOPE OF SERVICES REQUESTED (Additional information may be attached as an Exhibit.):

General consultation as further described in the NCS-D-EXH A TO 2024-1 Proposal for Services attached as Exhibit A.

TIME FOR PERFORMANCE (Additional information may be attached as an Exhibit.):

Continuing

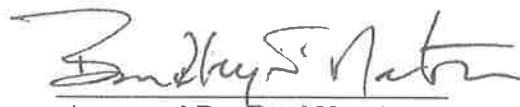
ENGINEERING FEES:

The Engineering fees for these services is not to exceed \$10,000.

NIPOMO COMMUNITY SERVICES

Approved By: Raymond Dienzo
Title: General Manager
Date:

ENGINEER-CONSULTANT



Approved By: Brad Newton
Title: Manager
Date: 4/26/2023



Newton Geo-Hydrology Consulting Services, LLC

Exhibit A for Task Order # 2024-1

Task Order #2024-1, General Consultation, is to allow for Newton Geo-Hydrology Consulting Services (Consultant) to provide the following services, on an as-requested basis, that are not included within the scope of other Task Orders. Such services include Part A and Part B as follows:

- A. Preparation of Spring and Fall Ground Water Index (GWI) technical memoranda and presentation thereof to the District Board of Directors. It is understood that reports will, in whole or in part, be based on confidential information obtained in confidence from landowners related to private wells, (see specifically Section 26 of the Agreement related to confidential information). The estimated cost for the GWI technical memorandum and presentation at NCSD Board of Directors meeting under Task Order #2024-1 Part A is eight thousand (\$8,000) dollars, which accounts for forty (40) hours of Dr. Newton's efforts plus budget for travel, plus materials and other direct costs.
- B. Preparation of other technical memorandums at the request of either the General Manager or the District Board of Directors. The estimated budget for other technical memorandums under Task Order #2024-1 Part B is two thousand dollars (\$2,000).

Budget

The total budget for Task Order #2024-1 Parts A and B, through December 31, 2024, is ten thousand (\$10,000) dollars to be billed on a time and material basis in accordance with the Agreement.

ATTACHMENT #1 To EXHIBIT "A"

to
AGREEMENT FOR PROFESSIONAL SERVICES

Between
NIPOMO COMMUNITY SERVICES DISTRICT
and
NEWTON GEO-HYDROGEOLOGY CONSULTING SERVICES, LLC

January 1, 2024

"REQUEST FOR SERVICES – TASK ORDER # 2024-2

AUTHORIZATION FOR SERVICES:

At the request of the Nipomo Community Services District, Engineer Consultant is to provide services as described herein. The terms and conditions of the Agreement for Professional Engineering Services, dated June 11, 2013 are incorporated herein by this reference. The scope of services requested along with the schedule and fees for said services are set forth below as follows:

SCOPE OF SERVICES REQUESTED (Additional information may be attached as an Exhibit.):

General consultation related to Santa Maria Groundwater Adjudication as further described in the NCSD-EXH A TO 2024-2 Proposal for Services attached as Exhibit A.

TIME FOR PERFORMANCE (Additional information may be attached as an Exhibit.):

Continuing

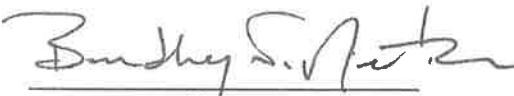
ENGINEERING FEES:

The Engineering fees for these services is not to exceed \$80,000.

NIPOMO COMMUNITY SERVICES

ENGINEER-CONSULTANT

Approved By: Raymond Dienzo
Title: General Manager
Date:



Approved By: Brad Newton
Title: Manager
Date: 11/26/2023



Newton Geo-Hydrology Consulting Services, LLC

Exhibit A for Task Order # 2024-2

Task Order # 2024-2 is to allow for Newton Geo-Hydrology Consulting Services (Consultant) to provide the following litigation support services related to the Groundwater Adjudication presented in Part A through Part D as follows:

- A. Preparation for, travel, and attendance/participation at Nipomo Mesa Management Area (NMMA) Technical Group (TG) regular monthly meetings. The estimated cost for each of NMMA TG fourteen (14) regular meetings under Task Order # 2024-2 is three thousand (\$3,000) dollars, which accounts for fourteen (14) hours of Dr. Newton's efforts plus budget for travel, plus materials and other direct costs. The estimated budget for Task Order # 2024-2 Part A is forty-two thousand dollars (\$42,000).
- B. Preparation for, travel, and attendance/participation at Management Areas (MAs) Subcommittee ad hoc meetings, including meetings with the NCMA and SMVMA representatives. The estimated cost for each of MAs Subcommittee four (4) regular meetings under Task Order # 2024-2 is one thousand five hundred (\$1,500) dollars, which accounts for six (6) hours of Dr. Newton's efforts plus budget for travel. The estimated budget for Task Order # 2024-2 Part B is six thousand dollars (\$6,000).
- C. Preparation of the Annual Report to the Court pursuant to the Final Judgment of the Santa Maria Groundwater Litigation. The estimated budget for Task Order # 2024-2 Part C, which accounts for one hundred seventy (170) hours of Dr. Newton's efforts plus budget for travel, plus materials and other direct costs, is thirty-two thousand dollars (\$32,000).
- D. Preparation of reports and technical memorandums related to NMMA TG functions with the prior approval of either the District General Manager or District Legal Counsel, and other opinions requested by District Legal Counsel. It is understood that reports will, in whole or in part, be based on confidential information obtained in confidence from landowners related to private wells. (see specifically Section 26 of the Agreement related to confidential information). The estimated budget for Task Order # 2024-2 Part D is unknowable in advance of a specific scope and schedule for said reports, technical memorandums, or other opinions.

Budget

The total budget for Task Order # 2024-2 Part A, Part B, and Part C through December 31, 2024, is eighty thousand (\$80,000) dollars to be billed on a time and material basis in accordance with the Agreement.