

TO: FINANCE AND AUDIT COMMITTEE

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

FROM: JANA ETTEDDGUE *Ju*  
FINANCE DIRECTOR

DATE: MARCH 8, 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 2024-2025 FISCAL YEAR BUDGET]

### BACKGROUND

The NCSO 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 3.27%. (Attachment D)

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

Fiscal year	Methodology Used	COLA Computation	Board Approved	Difference
7/1/23	California CPI-DEC(1)	5.29%	5.29%	0.00%
7/1/22	California CPI-DEC(1)	7.00%	7.00%	0.00%
7/1/21	California CPI-ANNUAL(1)	1.75%	1.75%	0.00%
7/1/20	California CPI-ANNUAL(1)	2.95%	2.95%	0.00%
7/1/19	California CPI-ANNUAL(1)	3.87%	3.87%	0.00%

(1) All Items for Urban Wage Earners and Clerical Workers for the Los Angeles-Riverside-Orange County

For Fiscal Year 2024-2025, we are proposing that the General Manager receive the same COLA as all other staff.

### RECOMMENDATION

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

### ATTACHMENTS

- A. Section 3000(D) from NCSO 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

**MARCH 12, 2024**

**ITEM 3**

**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

## CHAPTER THREE – HOURS OF WORK AND COMPENSATION

**MARCH 12, 2024**

**ITEM 3**

**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 12, 2024

ITEM 3

ATTACHMENT C



## Consumer Price Index

[CPI Home](#)[CPI Publications](#)[CPI Data](#)[CPI Methodology](#)[FAQs](#)[Help](#)[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=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](mailto: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](http://www.bls.gov/CPI) [Contact CPI](#)

**MARCH 12, 2024**

**ITEM 3**

**ATTACHMENT D**

### CALIFORNIA CONSUMER PRICE INDEX (1955-2023)

ALL ITEMS (1982 - 1984 = 100)

Year	Month	All Urban Consumers	Urban Wage Earners and Clerical Workers
<b>2023</b>	<b>Annual</b>	<b>331.804</b>	<b>321.192</b>
2023	December	334.395	323.412 ★
2023	October	335.150	324.753
2023	August	334.027	323.581
2023	June	332.035	321.431
2023	April	330.049	319.184
2023	February	327.819	317.154
<b>2022</b>	<b>Annual</b>	<b>319.224</b>	<b>310.424</b>
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
<b>2021</b>	<b>Annual</b>	<b>297.371</b>	<b>288.595</b>
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		285.139
2021	February		80.644
<b>2020</b>	<b>Annual</b>		<b>75.568</b>
2020	December		77.885
2020	October		77.443
2020	August		76.751
2020	June		74.921
2020	April		73.050
2020	February		74.917
<b>2019</b>	<b>Annual</b>		<b>270.813</b>
2019	December		272.901
2019	October		274.640
2019	August		271.221
2019	June		270.988
2019	April	280.275	270.470
2019	February	276.655	266.682
<b>2018</b>	<b>Annual</b>	<b>272.510</b>	<b>263.048</b>
2018	December	274.922	265.308
2018	October	275.686	266.217
2018	August	273.844	264.506
2018	June	272.462	263.199

TO: FINANCE AND AUDIT COMMITTEE  
FROM: RAY DIENZO R.D.  
GENERAL MANAGER



DATE: MARCH 8, 2023

**REVIEW AND CONSIDER THE  
FINANCE DIRECTOR TITLE AND ADDING ASSISTANT GENERAL  
MANAGER BACK INTO THE TITLE AND JOB DESCRIPTION**

**ITEM**

Review and consider the Finance Director Title and adding Assistant General Manger back into the Job Description [RECEIVE REPORT AND MAKE A RECOMMENDATION FOR STAFF TO BRING TO THE DISTRICT'S BOARD OF DIRECTORS]

**BACKGROUND**

On April 12, 2023 the Board voted to bifurcate the Finance Director/Assistant General Manager position and create two individual positions, an Assistant General Manager and Finance Director. This provided a smooth transition for the onboarding of a new General Manager. Now that the General Manger is established and the Assistant General Manager has retired, the job title and description can be merged back to the original job title and description. Combining the Finance Director and Assistant General Manager positions will allow the District to operate efficiently and maintain excellent service.

The Finance Director/Assistant General Manager ("Director") is one of four executive level positions within the District's management staff: General Manager, Director of Engineering and Operations, Operations Manager, and Finance Director/Assistant General Manager. The Director's primary functions include overseeing the District's financial health and the administrative staff personnel and their functions in the organization.

**RECOMMENDATION**

It is recommended that the Committee review and provide a recommendation to the District's Board.

**ATTACHMENTS**

- A. Staff report from April 12, 2023 D-8 Addition of the Assistant General Manager Position
- B. Staff report from April 12, 2023 D-7 Job Description Modification of the Finance Director
- C. Proposed Job Description of Finance Director/ Assistant General Manger

MARCH 12, 2024

ITEM 4

ATTACHMENT A

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS  
GENERAL MANAGER

DATE: April 7, 2023

**AGENDA ITEM**  
**D-8**  
**APRIL 12, 2023**

**REVIEW AND CONSIDER THE ADDITION OF AN  
ASSISTANT GENERAL MANAGER POSITION  
TO ORGANIZATION AND ADOPT JOB DESCRIPTION**

**ITEM**

Review and consider addition of an Assistant General Manager to the organization and adopt job description [RECOMMENDATION ADDING AN ASSISTANT GENERAL MANAGER TO THE ORGANIZATION AND ADOPT JOB DESCRIPTION]

**BACKGROUND**

The Nipomo Community Services District ("District") is in the process of recruiting for a new General Manager (GM) as the current GM is retiring on June 30, 2023. The District's first recruitment process did not result in finding a new GM. The District is now in the process of hiring a recruitment firm and anticipates the process to take an additional 12-16 weeks or longer depending on the candidate pool. This process will extend well past June 30, 2023.

In order for a smooth transition during recruitment and through the retirement of the current GM and seating of the new GM, it is recommended that an Assistant General Manager (ASM) be established. The ASM would be assisting the existing GM in overseeing high level negotiations and discussion of major projects currently working through multiple agencies. Projects such as the Dana Reserve development and the Blacklake Sewer Consolidation are examples of projects that can have significant impacts on the District operationally and financially and it is in the District's best interest to provide continuity during the GM transitional period. The ASM would assist and support the incoming GM as they become familiar with all aspects of the District's operations.

The current Finance Director/Assistant General Manager is being recommended for this role. The position will be split into two positions, a stand-alone Finance Director position and the recommended Assistant General Manager. A Job Description has been created and is attached for review.

The proposal to include an Assistant General Manager in the District's organization was presented to the Administration Committee on March 31, 2023. The Administration Committee considered the proposal, concurred with staff that the position would benefit the District's overall operational structure, and directed staff to present the proposal to the Board.

**FISCAL IMPACT**

The salary range of 50 for the Assistant General Manager is being recommended.

The Assistant General Manager position is not in the current fiscal year budget. However, funding for the position from April to June of the current year is available in the Administration budget as a result of budgeted position going unfilled for several months of the current fiscal year.

**STRATEGIC PLAN**

Goal 3. PERSONNEL AND ORGANIZATION. Maintain a qualified, long-term and productive workforce to assure an effective organization.

B.1 Ensure the District is adequately staffed with high quality, long-term employees and supported by appropriate contractors and partnerships.

**RECOMMENDATION**

It is recommended that your Board consider the addition of an Assistant General Manager to the organization and adopt a job description.

**ATTACHMENTS**

A. Proposed Assistant General Manager Job Description

APRIL 12, 2023

ITEM D8

ATTACHMENT A



**JOB DESCRIPTION  
NIPOMO COMMUNITY SERVICES DISTRICT**

<b>POSITION:</b>	<b>Assistant General Manager</b>
<b>FLSA STATUS:</b>	<b>Exempt</b>
<b>REPORTS TO:</b>	<b>General Manager</b>

**1. DEFINITION AND SUMMARY OF DUTIES**

Under direction of the General Manager, provides highly responsible and complex management and administrative assistance to the General Manager in coordinating and directing District-wide activities. Assists the General Manager in executing the long-term vision of the District in collaboration with the Board of Directors and District Management team. Assists with the day-to-day operations of the District by working collaboratively with administrative and operations staff. Assists in planning, program management, accounting, budgeting and forecasting.

Serves as General Manager, Secretary to the Board of Directors; and District Financial Officer; in his/her absence. This position has full-time management status, and is Fair Labor Standards Act exempt.

**2. ESSENTIAL DUTIES AND RESPONSIBILITIES**

- a) Assists in planning, organizing, coordinating and administering the work of the District in accordance with the adopted goals and objectives of the Board of Directors and applicable laws and regulations.
- b) Assists in implementing administrative policies, procedures and work standards to assure that goals and objectives are met and that programs provide mandated services in an effective and efficient manner.
- c) Assists in the planning and preparing for Board Meetings, Special Meetings and Ad Hoc Committee meetings.
- d) Prepare, review and present staff reports, various management and information updates, and reports on special projects as assigned by the General Manager.
- e) Assists in the preparation and administration of the District annual budget; reviews and evaluates current programs, anticipates future needs, and formulates long-range financial goals of the District; reviews all District expenditures.
- f) In coordination with the Finance Director, oversees the District's investment portfolio to ensure it meets the investment policy goals and objectives of safety and liquidity.
- g) In coordination with General Manager, may consults with legal counsel concerning matters of litigation, contracts and District operations; monitors legislation on the state, federal and local level; assists in the direction and coordination of changes required by new legislation.
- h) Confers with and represents the District in meetings, as assigned.
- i) Assists with staff; interviews and selection of District staff;
- j) Prepares a variety of correspondence, policies, procedures, reports, minutes and other written materials.
- k) Assists in the direction and review of special studies and administers various service contracts for conformance with District standards on behalf of the District.
- l) Interfaces with District customers and resolves service related issues and complaints.
- m) Assists in the maintenance of District records and documents.
- n) Assists in special projects, as assigned by the General Manager.

**3. QUALIFICATIONS**

This position requires knowledge and proficiency in the following:

- a) Administrative principles and practices, including goal setting, program development, implementation and evaluation, and supervision of employees.

Adopted

**JOB DESCRIPTION  
NIPOMO COMMUNITY SERVICES DISTRICT**

<b>POSITION:</b>	<b>Assistant General Manager</b>
<b>FLSA STATUS:</b>	<b>Exempt</b>
<b>REPORTS TO:</b>	<b>General Manager</b>

- b) Principles, practices and procedures of public administration in a special district setting including Brown Act compliance, Special District law, and Proposition 218.
- c) Applicable legal guidelines and standards effecting special district administration and operation.
- d) Techniques for effectively communicating with a variety of individuals from various socio-economic, ethnic and cultural backgrounds, in person and over the telephone, occasionally when relations may be confrontational or strained.

**4. ESSENTIAL ABILITIES**

Ability to:

- a) Plan, organize, and coordinate the activities of the District at the direction of the General Manager.
- b) Work cooperatively with the General Manager to implement the policies set by the Board of Directors.
- c) Develop and implement goals, objectives, policies, procedures, work standards and internal controls.
- d) Develop and administer an annual budget.
- e) Supervise and control the expenditure of funds and resources of the District.
- f) Provide excellent staff leadership.
- g) Establish and maintain harmonious working relationships with subordinates, representatives of county departments, other public agencies, private contractors, engineers, and the general public.
- h) Interpret, apply and explain complex laws, codes and regulations.
- i) Prepare and direct the preparation of simple, concise comprehensive written reports and oral presentations containing alternate solutions and recommendations regarding specific resources, plans and policies.
- j) Use initiative and independent judgment within general policy guidelines.
- k) Exercise initiative, ingenuity, and sound judgment in solving difficult administrative, economic, technical, and personnel problems.
- l) Evaluate District policies and procedures; define problem areas, and assist in the implementation of policy decisions and practices to improve operations
- m) Make public presentations and assist with public hearings.
- n) Analyze and review draft staff reports and recommendations, and give constructive criticism.
- o) Use tact, discretion and prudence in dealing with those contacted in the course of the work including Board members, management team, employees, and members of the public.
- p) Work effectively and cooperatively with staff and a wide variety of customers and other individuals in person and over the telephone.
- q) Exercise sound independent judgment within established policy and procedural guidelines.
- r) Understand the necessity for and maintain confidentiality of information where necessary.

**5. PHYSICAL REQUIREMENTS**

With or without reasonable accommodation:

Adopted

**JOB DESCRIPTION  
NIPOMO COMMUNITY SERVICES DISTRICT**

<b>POSITION:</b>	<b>Assistant General Manager</b>
<b>FLSA STATUS:</b>	<b>Exempt</b>
<b>REPORTS TO:</b>	<b>General Manager</b>

- a) Ability to read printed materials and a computer screen.
- b) Ability to type on a keyboard and use a mouse for extended periods of time.
- c) Ability to use a computer and software to access, record and convey information in a variety of formats.
- d) Ability to interact in person and on the telephone, relaying information verbally.
- e) Ability to communicate clearly, concisely and effectively, both orally and in writing with a variety of people.
- f) Ability to maintain, regular, predictable, punctual attendance in person.
- g) Ability to assess and analyze financial information and material.
- h) Ability to drive to designated locations within and outside the District to inspect facilities or attend meetings.
- i) Mobility to work in a standard office environment and use standard office equipment.
- j) Ability to grasp, lift and move files, binders, boxes and other collections of documents (which can total up to 40 pounds).
- k) Ability to inspect District facilities in the field.
- l) Ability to attend meetings in person outside of normal working hours.
- m) Ability to oversee meetings and coordinate the actions of many people.
- n) Ability to travel to necessary locations to perform work tasks and participate in meetings.

**6. EDUCATION AND EXPERIENCE**

Required:

- a) General knowledge of: public agency administration, personnel management, the principles and practices of water, wastewater and water resources management; the political attitudes and concerns surrounding water and wastewater services, control and utilization.
- b) General knowledge of: laws, regulations and legal opinions relating to District administration, water rights, water supply and transmission activities, water quality, wastewater; infrastructure financing, sanitation systems, and; the principles and practices of public works administration and organization including personnel and fiscal management; and a working knowledge of budgetary practices and procedures; English syntax and grammar.
- c) Any combination of education and training which would provide the opportunity to acquire the knowledge and abilities listed. Graduation from an accredited college or university with a degree in public administration, business administration, engineering, law or a closely related field and five (5) years' experience in administration and management positions with public agencies, with increasing levels of responsibility.

**7. LICENSES**

- a) Must possess a valid California Class C driver's license and have a satisfactory driving record.
- b) Must be bondable by District's fidelity bond insurer.

Adopted

**JOB DESCRIPTION  
NIPOMO COMMUNITY SERVICES DISTRICT**

**POSITION:** Assistant General Manager  
**FLSA STATUS:** Exempt  
**REPORTS TO:** General Manager

**ACKNOWLEDGEMENT:**

By signing below, I acknowledge all of the following:

I have reviewed the above Job Description, and I understand it to be accurate and complete. I understand that management and/or the Board retains the right to assign me other tasks as necessary. I also understand that district management has the right to change this Job Description and my assigned job duties at any time.

If, at any time, I am unable to perform any of the assigned job duties or need any accommodation for medical reasons, I will alert the General Manager or his/her designee and will participate in an interactive process regarding possible workplace accommodations.

I understand that I am an exempt employee and may be required to work in excess of 40 hours per week without overtime compensation and am required to report to duty in cases of disaster response.

\_\_\_\_\_  
Employee's Name (print)

\_\_\_\_\_  
Employee's Name (signature)

\_\_\_\_\_  
Date

MARCH 12, 2024

ITEM 4

ATTACHMENT B

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS  
GENERAL MANAGER

DATE: April 7, 2023

**AGENDA ITEM**

**D-7**

**APRIL 12, 2023**

**REVIEW AND CONSIDER RECOMMENDING ADJUSTING  
SALARY RANGE OF NIPOMO COMMUNITY SERVICES DISTRICT  
FINANCE DIRECTOR AND APPROVE JOB DESCRIPTION**

**ITEM**

Review and consider adjusting the salary range of the District's Finance Director position. [RECOMMEND APPROVE ADJUSTMENT OF THE SALARY RANGE FOR THE FINANCE DIRECTOR AND APPROVE JOB DESCRIPTION]

**BACKGROUND**

The Finance Director ("Director") is one of three executive level positions within the District's management staff: General Manager, Director of Engineering and Operations, and Finance Director. The Director's primary functions include overseeing the District's financial health and managing the administrative staff and their functions in the organization.

The current salary range for the Director as listed on the District's Monthly Salary Step/Range schedule is Range 44. There are 60 ranges defined in the District's Monthly Step/Range schedule. The General Manager's salary is not on the Step/Range schedule because the General Manager's salary is negotiated and set in an annual contract. The Director of Engineering and Operations is set at Range 60.

The General Manager is recommending the range for the Director be adjusted up to Range 50. The Director's position is critical for the District's ongoing success and the salary range increase would be in keeping with the industry standard for compensating finance director positions.

The proposal to adjust the salary range of the Finance Director and modify the job description was presented to the Administration Committee on March 31, 2023. The Administration Committee considered the proposal, concurred with staff that the changes would benefit the District's organizations compensation structure, and directed staff to present the proposal to the Board.

**FISCAL IMPACT**

The salary range, steps 1-5 of 44 at \$109,608 to \$134,316 and would change to salary range steps 1-5 of 50 at \$124,488 to \$150,480, effective July 1, 2023.

**STRATEGIC PLAN**

Goal 3. PERSONNEL AND ORGANIZATION. Maintain a qualified, long-term and productive workforce to assure an effective organization.

B.1 Ensure the District is adequately staffed with high quality, long-term employees and supported by appropriate contractors and partnerships.

**RECOMMENDATION**

It is recommended that the Board of Directors approve the adjustment of the Finance Director's range from Range 44 to Range 50 as set forth in the 2022-23 Monthly Step/Range schedule.

**ATTACHMENTS**

- A. Nipomo Community Services District Finance Director Job Description
- B. Nipomo Community Services District, Monthly Salary Step/Range, 2022-23

APRIL 12, 2023

ITEM D7

ATTACHMENT A



**JOB DESCRIPTION  
NIPOMO COMMUNITY SERVICES DISTRICT**

**POSITION:** Finance Director/Assistant General Manager

**FLSA STATUS:** Exempt

**REPORTS TO:** General Manager

**1. DEFINITION AND SUMMARY OF DUTIES**

Under direction of Assistant General Manager or General Manager, in his/her absence, provides professional level administrative, procedural, programmatic and/or budgetary and related analysis and support for the District Manager; performs routine to complex accounting work related to the preparation and maintenance of general accounting and financial records, the audit of financial transactions and the production of reports and statements for the District; establishes accounting systems and develops appropriate policies and procedures; facilitates administrative support to the Director of Engineering and Operations; and serves as acting General Manager in his/her both their absence. This position is a confidential position. Performs other related duties as required.

This administrative management level directs a variety of activities in such administrative areas such as personnel, budgeting, accounting, contract administration, operational research, information systems and other internal support activities. In addition, responsibilities include dealing with and providing staff support to District Manager and Assistant General Manager, and acting as liaison with customers and a variety of regulatory and other agencies. Work assignments may be diverse, depending upon the current needs of the District and follows defined policies and procedures and supervises administrative staff on a day-to-day basis. May act as Deputy Secretary to the Board.

**2. ESSENTIAL DUTIES AND RESPONSIBILITIES**

- a) Oversees the preparation of annual and periodic financial reports in accordance with generally accepted accounting principles and standards.
- b) Leads activities within the Administrative department including accounting and revenue management, budget development and implementation, internal and external audits, cost accounting programs, investment management, debt financing activities, banking services, revenue forecasting and customer service activities, utility billing, accounts payable, accounts receivable, payroll, benefits administration, cash receipts and purchasing.
- c) Prepares or directs the preparation and reconciliation of journals, ledgers and other accounting records.
- d) Prepares the annual financial statements, manages the year-end financial audit program and prepares the Annual Comprehensive Annual Financial Report (CAFRACFR).
- e) Conducts administrative, operational, budgetary, accounting or other informational and research projects related to the functions and activities of the District. Analyzes alternatives and makes recommendations regarding such matters as budget development, administrative policies, staffing, facilities, productivity, customer service process, information systems hardware and software and procedure development and implementation.
- f) Prepares and presents written and oral financial reports to the General Manager, Assistant General Manager –and Board of Directors. Provides staff support to the District Manager, Assistant General Manager and the Board of Directors as assigned.
- g) Exercises direct supervision over administrative office staff.
- h) Prepares information for periodic funding agency or related audits; maintains funding agency records and prepares reports as required.
- i) Provides contract service oversight and support; coordinates purchasing activities; reviews requests for payment, assures that work was performed and/or materials delivered and processes invoices.

**JOB DESCRIPTION  
NIPOMO COMMUNITY SERVICES DISTRICT**

<b>POSITION:</b>	<b>Finance Director/Assistant General Manager</b>
<b>FLSA STATUS:</b>	<b>Exempt</b>
<b>REPORTS TO:</b>	<b>General Manager</b>

- j) Assists with and performs specific administrative support activities such as reviewing and tracking proposed legislation, assisting with the implementation of District automated systems and representing the agency head and others as specified.
- k) Confers with and represents the District in meetings with representatives of governmental, community, business, professional and public agencies and the public; may attend Board meetings and make presentations.
- l) Compiles figures for the preparation of the District budget; makes standard projections for payroll and other costs; researches capital improvement and equipment costs; inputs draft and final budget information and produces final budget documents.
- m) Coordinates a variety of departmental personnel activities; processes personnel, payroll and retirement forms; assures that forms and requests are in conformance with rules and regulations and all related reports are filed in a timely manner including monthly, quarterly and annual reports..
- n) Maintains accurate records and files related to areas of assignment.
- o) Prepares a variety of technical, statistical and narrative reports, letters, memos and other written materials.
- p) May plan, assign, direct, review and evaluate the work of technical or office support staff on a project or day-to-day basis; provides oversight and supervision in the absence of the District Manager.
- q) May drive a motor vehicle to attend meetings and visit work sites.
- r) Maintains investment records for the District; assures that adequate funds are available to meet daily cash operating requirements.

**3. QUALIFICATIONS**

This position requires knowledge and proficiency in the following:

- a) District functions and activities.
- b) Microsoft Word, Excel and Outlook. Proficiency in these applications is required.
- c) Principles and practices of public agency financial management, including general, fund, cost and governmental accounting, auditing and financial control functions.
- d) Principles and practices of auditing financial documents and records.
- e) Basic principles and practices of budget development and administration.
- f) Business arithmetic.
- g) Standard office practices and procedures, including filing and the operation of standard office equipment.
- h) Record keeping principles and practices.
- i) Correct business English, including spelling, grammar and punctuation.
- j) Techniques for dealing with the public, in person and over the telephone.
- k) Applicable laws, codes and regulations.
- l) Basic principles and practices of public administration.
- m) Basic data sampling and statistical analysis techniques.
- n) Basic supervisory principles and practice.

**JOB DESCRIPTION  
NIPOMO COMMUNITY SERVICES DISTRICT**

<b>POSITION:</b>	<b>Finance Director/Assistant General Manager</b>
<b>FLSA STATUS:</b>	<b>Exempt</b>
<b>REPORTS TO:</b>	<b>General Manager</b>

**4. ESSENTIAL ABILITIES**

- a) Performing paraprofessional level analytical and programmatic work in a variety of areas.
- b) Interpreting, applying and explaining applicable laws, codes and regulations.
- c) Maintaining accurate records and files.
- d) Interpreting, explaining and applying principles and practices of general, fund and governmental accounting.
- e) Complete and review accounting and financial records for completeness and accuracy.
- f) Preparing clear and concise reports, correspondence procedures and other written materials.
- g) Using initiative and independent judgment with general policy guidelines.
- h) Planning, directing and reviewing the work of others on a project or day-to-day basis.
- i) Making effective presentations to groups.
- j) Using tact, discretion and prudence in dealing with those contacted in the course of the work.
- k) Applying and explaining policies and procedures.
- l) Working effectively and cooperatively with a wide variety of customers and other individuals in person and over the telephone.
- m) Exercising sound independent judgment within established policy and procedural guidelines.
- n) Maintaining confidentiality of information where necessary.
- o) Ability to cope and maintain calm demeanor in a potentially stressful working environment.
- p) Establishing and maintaining effective working relationships with those contacted in the course of the work, including Board members, management team, co-workers, and members of the public.

**5. PHYSICAL REQUIREMENTS**

- a) Ability to read printed materials and a computer screen.
- b) Ability to type on a keyboard and use a mouse for extended periods of time.
- c) Ability to use computer software to access, record and convey information in required format.
- d) Ability to interact in person and on the telephone, relaying information verbally.
- e) Ability to communicate clearly, concisely and effectively, both orally and in writing.
- f) Ability to maintain, regular, predictable, punctual attendance.
- g) Mobility to work in a standard office environment and use standard office equipment.
- h) Ability to grasp, lift and move files, binders, boxes and other collections of documents (which can total up to 40 pounds).

**6. EDUCATION AND EXPERIENCE**

- a) Bachelor's degree in accounting, economics, business administration, or related field, from an accredited four-year college or university and five years' experience and/or training in public agency fund accounting, payroll management and bookkeeping; two years' experience in public agency setting is desirable.

**JOB DESCRIPTION  
NIPOMO COMMUNITY SERVICES DISTRICT**

**POSITION:** Finance Director/Assistant General Manager

**FLSA STATUS:** Exempt

**REPORTS TO:** General Manager

**7. LICENSES**

- a) Possession of a Valid California Class C driver's license and a satisfactory driving record is desirable.
- b) Notary Public required, to be obtained prior to the end of the Introductory Period.
- c) Must be bondable by the District's fidelity bond insurer.

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**POSITION:** Finance Director/Assistant General Manager  
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**REPORTS TO:** General Manager

**ACKNOWLEDGEMENT:**

By signing below, I acknowledge all of the following:

I have reviewed the above Job Description, and I understand it to be accurate and complete. I understand that management and/or the Board retains the right to assign me other tasks as necessary. I also understand that district management has the right to change this Job Description and my assigned job duties at any time.

If, at any time, I am unable to perform any of the assigned job duties or need any accommodation for medical reasons, I will alert the General Manager or his/her designee and will participate in an interactive process regarding possible workplace accommodations.

I understand that I am an exempt employee and may be required to work in excess of 40 hours per week without overtime compensation and am required to report to duty in cases of disaster response.

\_\_\_\_\_  
Employee's Name (print)

\_\_\_\_\_  
Employee's Name (signature)

\_\_\_\_\_  
Date

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MARCH 12, 2024

ITEM 4

ATTACHMENT C

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NIPOMO COMMUNITY SERVICES DISTRICT**

<b>POSITION:</b>	<b>Finance Director/Assistant General Manager</b>
<b>FLSA STATUS:</b>	<b>Exempt</b>
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**1. DEFINITION AND SUMMARY OF DUTIES**

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\_\_\_\_\_  
Employee's Name (print)

\_\_\_\_\_  
Employee's Name (signature)

\_\_\_\_\_  
Date

TO: FINANCE AND AUDIT COMMITTEE  
FROM: RAY DIENZO *R.D.*  
GENERAL MANAGER



DATE: MARCH 8, 2023

## CONSIDER REFINANCING 2013A and 2013 CERTIFICATES OF PARTICIPATION

### ITEM

Consider refinancing 2013A and 2013 Certificates of Participation (COP's) that were issued for improvements to water infrastructure and the Supplemental Water Project Phase I. [RECOMMEND RECEIVE PRESENTATION FROM COLUMBIA CAPITAL AND DIRECT STAFF].

### BACKGROUND

The Nipomo Community Services District ("District") refunded Revenue Bond 2013A in 2013 to fund water projects and issued Revenue COP's 2013 to fund the Supplemental Water Project Phase 1. Recently, Columbia Capital contacted staff with a potential opportunity to refund/refinance the 2013A and 2013 COP's for debt service savings, which are currently eligible for refunding. Columbia Capital has completed an evaluation and provided a presentation [Attachment A].

If the District chooses to refinance the 2013A and 2013 COP's it would take advantage of lower interest rates and generate an estimated net present value savings of \$592,974. An additional option staff is exploring is to refund the 2013A and 2013 COP's and also include an option to bond the savings and add additional monies for water enterprise projects. In this scenario, the District would lock in refinancing savings while also extending the repayment term by five years to 2048, resulting in new total debt service payments at around \$900,000 per year. The debt service for these bonds is first secured by ad valorem property taxes, which is estimated to be \$900,000 per year, and then by water revenue. This option would allow the District to borrow an estimated additional \$4 million to pay for water enterprise capital projects that are in the draft Fiscal Year 2024-2025 budget. Should interest rates increase, the additional amount may need to be adjusted downward to keep debt service at the \$900,000 level. On the other hand, should interest rates fall, there may be an opportunity to increase this amount.

The refinancing proposal of the COP's and the use of funds as described above are consistent with and comply with the District's Debt Management Policy under Resolution No. 2022-1614.

### STRATEGIC PLAN

Goal 2. FACILITIES THAT ARE RELIABLE, ENVIRONMENTALLY SENSIBLE AND EFFICIENT. Plan, provide for and maintain District facilities and other physical assets to achieve reliable, environmentally sensible, and efficient District operations.

- B.1 NCSD shall maintain long-range infrastructure management, upgrade and replacement planning.
- B.2 Manage both collection systems with the objective of zero spills and zero permit violations from all regulatory oversight agencies and to ensure the long-term preservation of assets.

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

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.

Goal 6. GOVERNANCE AND ADMINISTRATION. Conduct District activities in an efficient, equitable and cost-effective manner.

A.1 Periodically review, update and reaffirm District policies and procedures.

### **FISCAL IMPACT**

The fiscal impact to the District's Water Enterprise Fund will vary dependent on the Board's decision regarding the refunding/refinancing of the 2013A and 2013 COP's. If the Board concludes that it does not wish to refinance the 2013A and 2013 COP's, then the District will maintain its current debt service and final maturity date. Should the Board decide to move forward with the refinancing of the 2013A and 2013 COP's, there are opportunities for cost savings and/or project funding.

Options for refinancing the 2013A and 2013 COPs:

1. Only pursue the refunding, which would reduce the level of annual debt service and maintain the same payment duration;
2. Pursue the refunding and issue debt for new projects, which would minimally increase the level of debt service and extend the payment duration for 5 years (allows for about \$4 million available for new money to finance water enterprise projects based on current market conditions, subject to change)

Staff is recommending to extend the payment duration and borrow additional funds which would provide the District with capital improvement funds that could accelerate the District's ability to build needed infrastructure for the Water Enterprise. This approach takes advantage of the timing of the refinancing and economies of scale in financing the new money borrowing with the 2013A and 2013 COP's refinancing. Combining the refunding with the new money borrowing saves on financing cost and District administrative burden vs. standalone transactions.

### **RECOMMENDATION**

It is recommended your Committee receive the Columbia Capital presentation, discuss options and opportunities, and provide staff direction to present to the District's Board.

### **ATTACHMENT**

A. Columbia Capital Presentation – Refunding and New Money Borrowing Opportunities

**MARCH 12, 2024**

**ITEM 5**

**ATTACHMENT A**

# NIPOMO COMMUNITY SERVICES DISTRICT

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## Refunding and New Money Borrowing Opportunities

March 2024



# Refunding Opportunity

- The District's Revenue Certificates of Participation (Supplemental Water Project), Series 2013 and Water Revenue Refunding Bonds, Series 2013A, can be refunded (refinanced) for savings into one series of water revenue bonds.

Summary of Refunding Opportunity			
Series	2013 COPs	2013A Revenue	Total
Call Date	3/1/23	9/1/23	N/A
Callable Par	\$8,200,000	\$1,660,000	\$9,860,000
Estimated Cash Flow Savings	\$738,389	\$87,585	\$825,974
Est. Net Present Value Savings	\$512,959	\$79,635	\$592,594
Net Present Value Savings as a % of Refunded Par	6.3%	4.8%	6.0%



# Refunding Opportunity (Continued)

Bond Year 1-Sep	Existing Debt Service			Pro Forma Series 2023A Water Revenue Bonds				
	Series 2013*	Series 2013A*	Total	2013 COPs Portion		2013A Revenue Portion		Total Savings
	COPS	Rev Bonds		New Debt Service	Savings	New Debt Service	Savings	
2024	530,300.00	228,050.00	758,350.00	494,898.61	35,401.39	220,064.58	7,985.42	43,386.81
2025	533,700.00	225,300.00	759,000.00	497,750.00	35,950.00	214,500.00	10,800.00	46,750.00
2026	531,700.00	227,300.00	759,000.00	496,000.00	35,700.00	217,250.00	10,050.00	45,750.00
2027	529,500.00	228,800.00	758,300.00	494,000.00	35,500.00	219,500.00	9,300.00	44,800.00
2028	532,100.00	224,800.00	756,900.00	496,750.00	35,350.00	216,250.00	8,550.00	43,900.00
2029	534,300.00	222,400.00	756,700.00	499,000.00	35,300.00	212,750.00	9,650.00	44,950.00
2030	530,587.50	224,800.00	755,387.50	495,750.00	34,837.50	214,000.00	10,800.00	45,637.50
2031	531,662.50	226,800.00	758,462.50	492,250.00	39,412.50	214,750.00	12,050.00	51,462.50
2032	537,312.50	218,400.00	755,712.50	498,500.00	38,812.50	210,000.00	8,400.00	47,212.50
2033	757,325.00	0.00	757,325.00	719,000.00	38,325.00	0.00	0.00	38,325.00
2034	757,562.50	0.00	757,562.50	718,000.00	39,562.50	0.00	0.00	39,562.50
2035	755,737.50	0.00	755,737.50	721,000.00	34,737.50	0.00	0.00	34,737.50
2036	758,012.50	0.00	758,012.50	722,750.00	35,262.50	0.00	0.00	35,262.50
2037	759,162.50	0.00	759,162.50	723,250.00	35,912.50	0.00	0.00	35,912.50
2038	759,187.50	0.00	759,187.50	722,500.00	36,687.50	0.00	0.00	36,687.50
2039	758,087.50	0.00	758,087.50	720,500.00	37,587.50	0.00	0.00	37,587.50
2040	755,106.26	0.00	755,106.26	717,250.00	37,856.26	0.00	0.00	37,856.26
2041	755,968.76	0.00	755,968.76	717,750.00	38,218.76	0.00	0.00	38,218.76
2042	755,443.76	0.00	755,443.76	716,750.00	38,693.76	0.00	0.00	38,693.76
2043	758,531.26	0.00	758,531.26	719,250.00	39,281.26	0.00	0.00	39,281.26
2044	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2045	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2046	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2047	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2048	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2049	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>13,121,287.54</b>	<b>2,026,650.00</b>	<b>15,147,937.54</b>	<b>12,382,898.61</b>	<b>738,388.93</b>	<b>1,939,064.58</b>	<b>87,585.42</b>	<b>825,974.35</b>
<b>Principal Outstanding</b>	<b>\$8,200,000</b>	<b>\$1,660,000</b>	<b>\$9,860,000</b>	<b>NPV Savings (\$):</b>	<b>\$512,959</b>	<b>\$79,635</b>	<b>\$592,594</b>	
<b>Call Dates</b>	<b>3/1/23</b>	<b>9/1/23</b>		<b>NPV Savings (%):</b>	<b>6.3%</b>	<b>4.8%</b>	<b>6.0%</b>	

# New Money Opportunities

- The District can pursue the refunding as a standalone transaction, or combine it with a new money component
- District staff has expressed a need for approximately (1) \$4 million in project proceeds, with a (2) desired total annual debt service of approximately \$900,000
  - The \$900,000 figure is the approximate amount of property tax collections
  - Without this additional borrowing, total debt service would be about \$715,000 per year after the refunding based on current rates
- Columbia has modeled a new money component that “wraps” around the existing debt service (post refunding) that meets these two objectives
  - This results in a final maturity of 2048, 5 years after existing debt matures
    - We would seek flexibility to amortize through 2049 to accommodate for potentially higher interest rates
    - If rates move higher, the \$900,000 annual debt service target may not be achievable without lowering the project proceeds

# Coverage Analysis

- The District's water debt has had historically high debt service coverage ranging from 3.8x to 5.4x over the last 5 years, according to the District Continuing Disclosure Reports
- The additional of approximately \$4 million of new debt would not interfere with the District's minimum 1.25x coverage requirement, coverage would go from about 5.4x to about 4.5x

## Coverage Calculation Post Issuance

### 2022-23 Net Revenues:

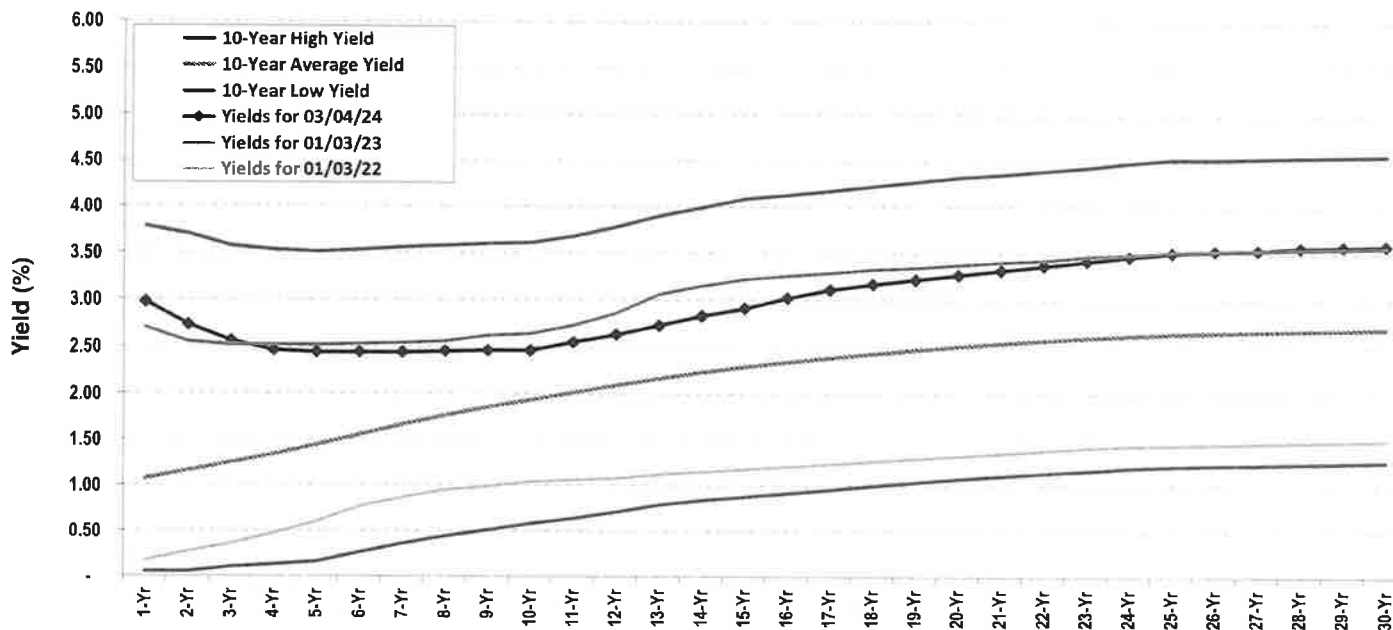
Revenues	\$10,455,962
Expenses	<u>(\$6,371,114)</u>
Net Revenues	<u>\$4,084,848</u>

Estimated Debt Service	\$900,000
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Coverage	4.54x
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# Current Market Conditions

- Rates are currently above their 10-year average; however, rates have fallen significantly since hitting their high in 2023
- The chart below provide a detailed history of tax-exempt municipal rates



# High-Level Finance Timeline\*

<b>MONTH</b>	<b>ACTION</b>
March - April	Plan of finance development
April - May	Plan of finance and timeline confirmed Sale method determined Finance team confirmed
May	Transaction Documented
June	Formal Board approval
June or July	Pricing
July	Bond closing
July or August	Redeem 2013 COPS and 2013 Revenue Bonds

\*Preliminary, subject to change