

TO: BOARD OF DIRECTORS

REVIEWED: MARIO IGLESIAS  
GENERAL MANAGER

FROM: LISA BOGNUDA  
FINANCE DIRECTOR

DATE: NOVEMBER 4, 2016

**AGENDA ITEM  
E-5  
NOVEMBER 9, 2016**

**ANNUAL REVIEW OF CASH RESERVES IN ACCORDANCE WITH  
RESERVE POLICY**

**ITEM**

Annual review of Cash Reserves in accordance with Cash Reserve Policy [RECOMMEND RECEIVE REPORT]

**BACKGROUND**

On December 12, 2012, the Board of Directors adopted Resolution 2012-1285, *A Resolution Approving the Adoption of the Cash Reserve Policy for the District*. On September 24, 2014, the Board of Directors adopted Resolution 2014-1357 Amending Cash Reserve Policy (attached).

For Funds #125, #130 and #150, the policy states, "After the adoption of the budget and within 90 days after the end of the fiscal year, the Board of Directors shall review the cash reserves, and if there is excess above the reserve requirements based on the cash reserve balance of the fiscal year just completed, the Directors may approve a transfer of the excess to Funded Replacement."

A summary of cash reserve balances for Funds #125, #130 and #150 and transfer recommendations for the funds addressed by the policy is attached for your review.

If the Board wishes to review any other fund balances, it is recommended the Finance and Audit Committee be directed to do so.

**FISCAL IMPACT**

None

**STRATEGIC PLAN**

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

**RECOMMENDATION**

Staff recommends the Board of Directors by motion and roll call vote make the following findings and direction:

1. Cash Reserve Goals have not been met for Fund 125.
2. Transfer of \$1,200,000 from Town Sewer Fund to Funded Replacement-Town Sewer-Fund 810.
3. Transfer \$35,000 from Blacklake Sewer Fund 150 to Funded Replacement-Blacklake Sewer-Fund 830.

**ATTACHMENTS**

- A. FY 16-17 Annual Cash Reserve Policy Review
- B. Cash Reserve Policy

November 9, 2016

ITEM E-5

ATTACHMENT A

NIPOMO COMMUNITY SERVICES DISTRICT

CASH RESERVE POLICY REVIEW

FY 15-16

| (A)<br>FUND NAME     | (B)<br>FUND NUMBER | (C)<br>CASH RESERVE FORMULA                        | (D)<br>ADOPTED OPERATING BUDGET 2016-2017<br>(Total Operating Expenses Less Funded Replacement) | (E)<br>CASH RESERVE GOAL<br>(C) * (D) | (F)<br>CASH BALANCE AS OF 6/30/16 | TRANSFER TO FUNDED REPLACEMENT RECOMMENDED? |
|----------------------|--------------------|--|---|---------------------------------------|-----------------------------------|---|
| Water Fund           | 125                | 360 days (12 months or 100%) of operating expenses | \$2,993,347   | \$2,993,374                           | \$1,532,334                       | No (1)                                      |
| Town Sewer Fund      | 130                | 180 days (6 months or 50%) of operating expenses   | \$1,316,084   | \$658,042                             | \$1,884,087                       | Yes (2)                                     |
| Blacklake Sewer Fund | 150                | 180 days (6 months or 50%) of operating expenses   | \$348,444   | \$174,222                             | \$203,229                         | Yes (3)                                     |

(1) Water Fund

The reserve goal has not been met.

(2) Town Sewer Fund

A transfer to funded Replacement of \$1,200,000 is recommended.

(3) Blacklake Sewer Fund

A transfer to Funded Replacement of \$29,000 is recommended.

November 9, 2016

ITEM E-5

ATTACHMENT B

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2014-1357**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO  
COMMUNITY SERVICES DISTRICT AMENDING THE CASH RESERVE  
POLICY FOR THE DISTRICT**

**WHEREAS**, the Board of Directors of the Nipomo Community Services District ("District") intends that the District will at all times have sufficient capital available to meet its operating, replacement, capital projects and debt service payments; and

**WHEREAS**, the District desires to establish sound financial policies to promote favorable bond ratings in capital markets so that bonds may be used for future financing of District projects; and

**WHEREAS**, the District desires to reserve capital for unanticipated and unforeseeable expenses; and

**WHEREAS**, the District desires to establish a buffer should revenue estimates in any year not meet projections; and

**WHEREAS**, the Cash Reserve Policy has been amended and is hereby presented at this meeting and it is appropriate at this time for the Board of Directors to consider approval of the adoption of the amended Policy.

**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.** The Cash Reserve Policy, as amended, in the form presented at this meeting attached hereto Exhibit "A" are hereby approved and adopted.

**SECTION 3.** The officers of the District are hereby directed to do and cause to be done any and all acts and things necessary or proper in order to effectuate the purposes of this resolution.

**SECTION 4.** This resolution shall take effect immediately.

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

**AYES:** Directors Harrison, Vierheilg, Gaddis, Blair, and Armstrong  
**NOES:** None  
**ABSENT:** None  
**CONFLICTS:** None

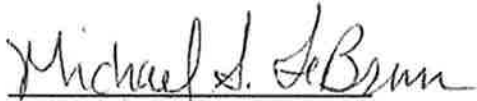
**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2014-1357**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO  
COMMUNITY SERVICES DISTRICT AMENDING THE CASH RESERVE  
POLICY FOR THE DISTRICT**

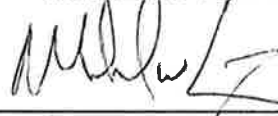
The foregoing resolution is hereby adopted this 24<sup>th</sup> day of September 2014.

  
**CRAIG ARMSTRONG**  
President, Board of Directors

ATTEST:

  
**MICHAEL S. LEBRUN**  
General Manager and Secretary to the Board

APPROVED AS TO FORM:

  
**MICHAEL W. SEITZ**  
District Legal Counsel

NIPOMO COMMUNITY SERVICES DISTRICT  
CASH RESERVE POLICY  
EXHIBIT "A"

**PURPOSE**

A key element of prudent financial planning is to ensure that sufficient funding is available for current operating, capital and debt service needs. Additionally, fiscal responsibility requires anticipating the likelihood of, and preparing for, unforeseen events. Nipomo Community Services District (District) will strive at all times to have sufficient funding available to meet its operating, capital and debt service obligations as well as to protect its creditworthiness. The District is committed to maintaining a financial structure that provides adequate and predictable revenues at the lowest possible cost to meet forecasted needs and operational objectives.

It should be noted that the District has a Debt Management Policy that establishes parameters for evaluating, issuing and managing the District's debt. The District's Debt Management Policy should be considered prior to committing to any new financial obligations.

The adequacy of the targeted cash reserve year-end balance ranges and/or annual contributions to each fund will be reviewed annually during the budgeting process or when a major change in conditions threatens the reserve levels established within this policy.

**OPERATING FUNDS**

**WATER FUND (FUND #125)**

Purpose: To ensure sufficient cash resources are available to fund daily administration, operations and maintenance of providing water services. (Funded from rates and charges)

Target Criteria: To meet the District's cash flow needs and unbudgeted expenses, the Water Fund cash reserves should be equal to or greater than twelve months (360 days) of annual budgeted operating expenses (not including Funded Replacement).

After adoption of the budget and within 90 days after the end of the fiscal year, the Board of Directors shall review the cash reserves, and if there is excess above the reserve requirement based on the cash reserve balance as of the fiscal year just completed, the Directors may approve a transfer of the excess to the Funded Replacement Water Fund #805.

**TOWN SEWER FUND (FUND #130)**

Purpose: To ensure sufficient cash resources are available to fund daily administration, operations and maintenance of providing waste water services. (Funded from rates and charges)

Target Criteria: To meet the District's cash flow needs and unbudgeted expenses, the Town Sewer Fund cash reserves should be equal to or greater than six months (180 days) of annual budgeted operating expenses (not including Funded Replacement).

After adoption of the budget and within 90 days after the end of the fiscal year, the Board of Directors shall review the cash reserves, and if there is excess above the reserve requirement based on the cash reserve balance as of the fiscal year just completed, the Directors may Approve a transfer of the excess to the Funded Replacement Town Sewer Fund #810.

NIPOMO COMMUNITY SERVICES DISTRICT  
CASH RESERVE POLICY  
EXHIBIT "A"

**BLACKLAKE SEWER FUND (FUND #150)**

Purpose: To ensure sufficient cash resources are available to fund daily administration, operations and maintenance of providing waste water services. (Funded from rates and charges)

Target Criteria: To meet the District's cash flow needs and unbudgeted expenses, the Blacklake Sewer Fund cash reserves should be equal to or greater than six months (180 days) of annual budgeted operating expenses (not including Funded Replacement).

After adoption of the budget and within 90 days after the end of the fiscal year, the Board of Directors shall review the cash reserves, and if there is excess above the reserve requirement based on the cash reserve balance as of the fiscal year just completed, the Directors may approve a transfer of the excess to the Funded Replacement Blacklake Sewer Fund #830.

**WATER RATE STABILIZATION FUND (FUND #128)**

Purpose: To serve as a buffer to water rates during any period where there are unexpected increases in operating costs or decreases in revenues. In addition, in a severe drought or extremely wet conditions, it is reasonable to expect that water sales could fluctuate significantly. As such, this fund will absorb these types of fluctuations in operations and help stabilize rates and enable smooth or level increases to rates despite uneven increases in underlying costs or variations in annual revenues received. This fund should not be used to artificially suppress rates (i.e. to sustain rates at levels below the costs of service). (Funded by rates and charges)

Target Criteria: Minimum reserve requirement of \$400,000.

**TOWN SEWER RATE STABILIZATION FUND (FUND #135)**

Purpose: To serve as a buffer to sewer rates during any period where there are unexpected increases in operating costs or decreases in revenues. This fund should be used to enable smooth or level increases to rates despite uneven increases in underlying costs or variations in annual revenues received. This fund should not be used to artificially suppress rates (i.e. to sustain rates at levels below the costs of service). (Funded by rates and charges)

Target Criteria: Minimum reserve requirement of \$300,000 set by Bond Indenture Agreement for the Revenue of Certificates of Participation Series 2012.

**BLACKLAKE SEWER RATE STABILIZATION FUND (FUND #155)**

Purpose: To serve as a buffer to sewer rates during any period where there are unexpected increases in operating costs or decreases in revenues. This fund should be used to enable smooth or level increases to rates despite uneven increases in underlying costs or variations in annual revenues received. This fund should not be used to artificially suppress rates (i.e. to sustain rates at levels below the costs of service). (Funded by rates and charges)

Target Criteria: Minimum reserve requirement of \$50,000.



NIPOMO COMMUNITY SERVICES DISTRICT  
CASH RESERVE POLICY  
EXHIBIT"A"

**BLACKLAKE STREET LIGHTING (FUND #200)**

Purpose: To ensure sufficient cash resources are available to fund administration, operations and maintenance of providing street lighting services for Blacklake Village. (Funded by annual assessment to property owners in Blacklake Village)

Target Criteria: Minimum reserve requirement of \$30,000.

**LANDSCAPE MAINTENANCE DISTRICT (FUND #250)**

Purpose: To ensure sufficient cash resources are available to fund administration, operations and maintenance of providing landscape maintenance to the property owners of Tract 2409. (Funded by annual assessment to property owners in Tract 2409 aka Vista Verde Estates)

Target Criteria: Minimum reserve requirement of \$20,000.

**SOLID WASTE (FUND #300)**

Purpose: To ensure sufficient cash resources are available to fund solid waste programs, rate stabilization and to cover operating costs in the event that the District may find itself operating solid waste collection, disposal and recycling functions should its business partner now franchised to do these functions be unable to continue to provide these services due to an unforeseen event. This reserve provides assurance that solid waste services remain uninterrupted during an extended disruption to service provider. (Funded by Franchise Fees)

Target Criteria: Minimum reserve requirement of \$115,000.

**DRAINAGE (FUND #400)**

Purpose: To ensure sufficient cash resources are available to operate and maintain the Nipomo Drainage Maintenance District 76-02 (storm water conveyance system and basin serving Folkert Oaks Mobile Home Park and adjacent properties on Juniper Street). (Funded by a 1% ad valorem property tax rate)

Target Criteria: Minimum reserve requirement of \$50,000.

**FUNDED REPLACEMENT- WATER (FUND #805)**

Purpose: The reserves can be used for both short-term and long-term purposes. The objective of the Funded Replacement Fund is to provide monies for the current and future replacement of existing capital assets as they reach the end of their useful lives. The District recognizes that the Funded Replacement fund may only be sufficient to pay a portion of the full cost of future capital asset replacements and other sources of replacement funding may be needed, such as a bond issuance. This fund will also help normalize the impact of the capital asset replacements on future water rates. (Funded by water rates and charges and interest earnings)

Target Criteria: Based on 2007 or current Replacement Study.

NIPOMO COMMUNITY SERVICES DISTRICT  
CASH RESERVE POLICY  
EXHIBIT"A"

**FUNDED REPLACEMENT- TOWN SEWER (FUND #810)**

Purpose: The reserves can be used for both short-term and long-term purposes. The objective of the Funded Replacement Fund is to provide monies for the current and future replacement of existing capital assets as they reach the end of their useful lives. The District recognizes that the Funded Replacement fund may only be sufficient to pay a portion of the full cost of future capital asset replacements and other sources of replacement funding may be needed, such as a bond issuance. This fund will also help normalize the impact of the capital asset replacements on future town sewer rates. (Funded by Town sewer rates and charges and interest earnings)

Target Criteria: Based on 2007 or current Replacement Study.

**FUNDED REPLACEMENT- BLACKLAKE SEWER (FUND #830)**

Purpose: The reserves can be used for both short-term and long-term purposes. The objective of the Funded Replacement Fund is to provide monies for the current and future replacement of existing capital assets as they reach the end of their useful lives. The District recognizes that the Funded Replacement fund may only be sufficient to pay a portion of the full cost of future capital asset replacements and other sources of replacement funding may be needed, such as a bond issuance. This fund will also help normalize the impact of the capital asset replacements on future Blacklake sewer rates. (Funded by Blacklake sewer rates and charges and interest earnings)

Target Criteria: Based on 2007 or current Replacement Study.

**NON-OPERATING FUNDS**

**SUPPLEMENTAL WATER FUND (#500)**

Purpose: The revenue generated from the Supplemental Water Capacity Charge accumulates in this fund and its use is restricted to projects, programs and expenditures that reduce the District's reliance on groundwater as its sole water supply. (Funded by development capacity charges and interest earnings)

Target Criteria: No minimum target is maintained.

**PROPERTY TAX (FUND #600)**

Purpose: District's share of the 1% ad valorem tax on real property collected by the County of San Luis Obispo and distributed to the District pursuant to Article XIII A of the California Constitution. (Funded by property taxes and interest earnings)

Target Criteria: No minimum target is maintained, however, a portion of the annual property tax revenue stream is pledged to pay the annual debt service for the 2003 Certificates of Participation Revenue Bond.

NIPOMO COMMUNITY SERVICES DISTRICT  
CASH RESERVE POLICY  
EXHIBIT"A"

**WATER CAPACITY CHARGES (FUND #700)**

Purpose: The revenue generated from the Water Capacity Charge accumulates in this fund and is used to offset new development related capital improvements as outlined by the District's Capital Improvement Plan. (Funded by development capacity charges and interest)

Target Criteria: No minimum target is maintained.

**TOWN SEWER CAPACITY CHARGES (FUND #710)**


Purpose: The revenue generated from the Town Capacity Charge accumulates in this fund and is used to offset new development related capital improvements as outlined by the District's Capital Improvement Plan. (Funded by development capacity charges and interest earnings)

Target Criteria: No minimum target is maintained.

**SINKING FUND- TOWN SEWER (FUND #880)**

Purpose: The reserves may be used to pay annual debt service payments for the Revenue Certificates of Participation (Southland Wastewater Project) Series 2012. (Funded by Town sewer rates and charges in years 2008- 2012 in anticipation of the Southland Wastewater Treatment Facility Upgrade)

Target Criteria: No minimum target is maintained. Once the reserves in this fund are depleted, the fund will be terminated.

TO: BOARD OF DIRECTORS  
REVIEWED: MARIO IGLESIAS   
GENERAL MANAGER  
FROM: PETER V. SEVCIK, P.E.  
DIRECTOR OF  
ENGINEERING & OPERATIONS  
DATE: NOVEMBER 2, 2016

**AGENDA ITEM  
E-6  
NOVEMBER 9, 2016**

**AUTHORIZE CONTRACT FOR  
KNOLLWOOD WELL REPAIR**

**ITEM**

Consider authorizing Contract for Knollwood Well Repair to Fisher Pump and Well Service Inc. in the amount of \$38,184 and authorize change order contingency in the amount of \$5000 [RECOMMEND BY MOTION AND ROLL CALL VOTE APPROVE RESOLUTION AUTHORIZING STAFF TO EXECUTE CONTRACT IN THE AMOUNT OF \$38,184 WITH FISHER PUMP AND WELL SERVICE INC. AND AUTHORIZING CHANGE ORDER CONTINGENCY IN THE AMOUNT OF \$5000].

**BACKGROUND**

The Knollwood Well stopped pumping water in October and since it is a submersible pump, the entire pump and motor assembly had to be removed from the well to determine the cause of the problem. A visual inspection of the pump and motor revealed a catastrophic failure of the motor as indicated by two holes in the side of the motor casing. Downhole video inspection of the PVC well casing revealed that a short section of casing was apparently scorched when the motor failed.

District staff obtained a quote from Fisher Pump and Well Service Inc. in the amount of \$38,184 to repair the Knollwood Well. District Purchasing Policy Resolution 2010-1201 provides for the procurement of materials, supplies and equipment through non-competitive negotiations in limited situations where the purchase price is reasonable and public exigency will not permit delay. Time is of the essence since the Knollwood Well is utilized to help maintain distribution system water quality during the District's lower water production months. Thus, the well needs to be repaired in a timely manner.

**FISCAL IMPACT**

The approved FY 16-17 budget includes funding for well rehabilitation in the amount of \$200,000.

**STRATEGIC PLAN**

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

**RECOMMENDATION**

Staff recommends that the Board, by motion and roll call vote, adopt Resolution 2016-XXXX Knollwood Well Repair, authorizing a contract for Knollwood Well repair with Fisher Pump and Well Service Inc. in the amount of \$38,184 and authorizing a change order contingency in the amount of \$5000.

**ATTACHMENTS**

- A. Resolution 2016-XXXX Knollwood Well Repair

November 9, 2016

ITEM E-6

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2016-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES  
DISTRICT AUTHORIZING A CONTRACT FOR KNOLLWOOD WELL REPAIR  
WITH FISHER PUMP AND WELL SERVICE INC.**

**WHEREAS**, the months of December, January, and February are typically the District's low water demand months; and

**WHEREAS**, the repair of the Knollwood Well needs to be completed in a timely manner since the well is utilized to help maintain distribution system water quality during the lower water production months; and

**WHEREAS**, Fisher Pump and Well Service Inc. has previously provided well repair services to the District; and

**WHEREAS**, District Purchasing Policy Resolution 2010-1201 provides for the procurement of materials, supplies and equipment through non-competitive negotiations in limited situations; and

**WHEREAS**, the purchase price is reasonable and public exigency will not permit delay.

**NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE NIPOMO COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS AS FOLLOWS:**

- 1) The District Board of Directors does hereby authorize the General Manager to execute a contract for the Knollwood Well Repair with Fisher Pump and Well Service Inc. in the amount of \$38,184 and authorizes the General Manager to approve change orders for a not-to-exceed total aggregate amount of \$5000.
- 2) The above recitals are true and correct and constitute findings for the exclusive use of the Fisher Pump and Well Service Inc. to repair the Via Concha Well.

On the motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, and on the following roll call vote, to wit:

**AYES:**  
**NOES:**  
**ABSENT:**  
**CONFLICTS:**

The foregoing resolution is hereby adopted this 9<sup>th</sup> day of November 2016.

\_\_\_\_\_  
**CRAIG ARMSTRONG**  
President of the Board

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
**MARIO IGLESIAS**  
General Manager and Secretary to the Board

\_\_\_\_\_  
**MICHAEL W. SEITZ**  
District Legal Counsel

TO: BOARD OF DIRECTORS

FROM: MARIO E. IGLESIAS  
GENERAL MANAGER



DATE: NOVEMBER 3, 2016

**AGENDA ITEM  
E-7**

**NOVEMBER 9, 2016**

**CALIFORNIA STATE DISABILITIES INSURANCE – RESOLUTION OF  
APPROVAL**

**ITEM**

Review Nipomo Community Services District (“NCSD”) application for the California State Disabilities Insurance (“SDI”) program and approve a resolution to allow NCSD Management and Regular Employees to participate in the SDI program. [RECOMMEND REVIEW APPLICATION AND APPROVE RESOLUTION]

**BACKGROUND**

California State Disability Insurance (SDI) is an optional program for NCSD and would be paid for by employees for their benefit. The SDI program provides a wage earner with a percentage of their pay for certain durations of time in the event the employee is sick or injured.

Employees of the NCSD currently do not subscribe to and therefore do not participate in SDI program. To participate in the SDI program a majority vote of NCSD employees is required along with NCSD Board approval.

On October 27, 2016, the management team disseminated ballots asking employees their preference to participate or not to participate in the SDI program. On November 3, 2016, ballots were collected from all Management and Regular employees and tabulated. The results were unanimous with 100% of Management and Regular Employees voting in favor of participating in the SDI program.

**FISCAL IMPACT**

Costs to participate in the SDI program are anticipated to be minimal. Staff efforts will be limited to initial program setup and filing quarterly and annual reports with the State. These costs would be incorporated into the existing budget.

**STRATEGIC PLAN**

Strategic Plan Item 3 – Maintain a qualified, long-term and productive workforce to assure an effective organization.

**RECOMMENDATION**

It is recommended that the Board of Directors review and by motion and roll call vote approve a resolution to file a State Disability Insurance coverage application for elective coverage under Section 710.5 of the Unemployment Insurance Code.



**ATTACHMENTS**

- A. Resolution 2016-XXXX Approving the Filing of SDI Application
- B. Employment Development Department – Application of Elective Coverage of SDI
- C. NCSD SDI Ballot

November 9, 2016

ITEM E-7

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2016-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT APPROVING  
THE FILING OF A STATE DISABILITY INSURANCE COVERAGE  
APPLICATION FOR ELECTIVE COVERAGE UNDER SECTION 710.5  
OF THE UNEMPLOYMENT INSURANCE CODE**

**WHEREAS**, the Nipomo Community Services District ("District") is formed under the Community Services District Law (Govt. Code §61100 et seq.); and

**WHEREAS**, the Management and Regular Employees requested that they be allowed to participate in the California State Disability Insurance Program; and

**WHEREAS**, the Management and Regular Employees agreed that participation in said program would be at the expense of the employees and was not a cost to be borne by the District, and

**WHEREAS**, the Management and Regular Employees were informed of the State's requirements governing the implementation of such a program; and

**WHEREAS**, an election was conducted among all Management and Regular Employees and ballots were tabulated on November 3, 2016, and 100% of said participating employees voted in favor of State Disability Insurance; and

**WHEREAS**, in order to implement the State Disability Insurance Program, the Board of Directors must approve the filing of an application for elective coverage under Section 710.5 of the California Unemployment Insurance Code.

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** by the Board of Directors of the Nipomo Community Services District, does resolve as follows:

1. The General Manger is hereby authorized to file the Application for Elective Coverage of State Disability Insurance and to execute those documents as necessary to implement the provisions hereof.

Upon motion by Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, on the following roll call vote, to wit:

**AYES:**  
**NOES:**  
**ABSENT:**  
**CONFLICTS:**

the foregoing resolution is hereby passed and adopted this 9th day of November, 2016.

\_\_\_\_\_  
**CRAIG ARMSTRONG**  
President of the Board

ATTEST:

APPROVED:

\_\_\_\_\_  
**MARIO E. IGLESIAS**  
Secretary to the Board

\_\_\_\_\_  
**MICHAEL W. SEITZ**  
District Legal Counsel

November 9, 2016

ITEM E-7

ATTACHMENT B



|                         |              |
|-------------------------|--------------|
| For Department Use Only |              |
| Account No.             | _____        |
| Statistical Code        | _____        |
| Effective Date          | _____        |
| Approved By             | _____        |
| Date                    | _____        |
| Employer Notified       | _____ (Date) |
| Send                    | _____        |
| Number of Employees     | _____        |

**Application for Elective Coverage of State Disability Insurance\* ONLY**

**IMPORTANT**

This form is not an application for an account number under the compulsory provisions of the California Unemployment Insurance Code (CUIC). Do not complete this form unless you wish to apply for State Disability Insurance coverage **ONLY** for your employees under Section 702.6, 710.4, 710.5, 710.6, or 710.9 of the CUIC. Coverage under these sections of the CUIC does not make provision for Unemployment Insurance benefits.

Complete this form only for:

- Employing units with eligible employees who are California residents whose services are covered by the unemployment compensation laws of another state that does not have a disability insurance program under Section 702.6 of the CUIC.
- OR
- Employees of any of the following:
  - A public school employer under Section 710.4 of the CUIC.
  - A public agency employer under Section 710.5 of the CUIC.
  - An Indian tribe under Section 710.6 of the CUIC.
  - A community college district under Section 710.9 of the CUIC.

NOTE: If your application is approved, the elective coverage agreement will be subject to all of the requirements and conditions outlined in the *Information Concerning Elective Coverage for State Disability Insurance ONLY Under Section 702.6, 710.4, 710.5, 710.6, or 710.9 of the California Unemployment Insurance Code (DE 1378P)* form. Please retain your copy of the DE 1378P for reference.

\*\*\*\*\*  
Please Type or Print

- Name of Employer NIPOMO COMMUNITY SERVICES DISTRICT 805-929-1133  
(Phone)
- Business Address 148 SOUTH WILSON STREET, NIPOMO SAN LUIS OBISPO CA 93444  
(Number and Street) (City) (County) (State) (ZIP Code)
- Mailing Address P.O. BOX 326, NIPOMO SAN LUIS OBISPO CA 93444  
(Number and Street) (City) (County) (State) (ZIP Code)
- Type of Employer – (Check one)
 

|   |   |
|---|---|
| <input type="checkbox"/> Employing Unit With Eligible Employees – Section 702.6 | <input type="checkbox"/> Indian Tribe – Section 710.6               |
| <input type="checkbox"/> Public School – Section 710.4                          | <input type="checkbox"/> Community College District – Section 710.9 |
| <input checked="" type="checkbox"/> Public Agency – Section 710.5               |   |
- Law under which agency/employer was established. (Does not apply to Indian Tribes.)
 

(a) California General Laws  
Title of Act \_\_\_\_\_ Number \_\_\_\_\_ Year Enacted \_\_\_\_\_

OR

(b) California Codes  
Title of Code CA GOVERNMENT CODE Number 61000 Part 2 Chapter 2  
Sections 61100 to 61119
- Members of governing body of the employer.

| Name                   | Title                 | Residence Address                      |
|------------------------|-----------------------|--|
| <u>CRAIG ARMSTRONG</u> | <u>PRESIDENT</u>      | <u>890 Via Seco, Nipomo</u>            |
| <u>DAN GADDIS</u>      | <u>VICE PRESIDENT</u> | <u>535 Charro, Nipomo</u>              |
| <u>EDWARD EBY</u>      | <u>BOARD MEMBER</u>   | <u>520 Camino Roble, Nipomo</u>        |
| <u>ROBERT BLAIR</u>    | <u>BOARD MEMBER</u>   | <u>1449 Dale Avenue, Arroyo Grande</u> |
| <u>DAN WOODSON</u>     | <u>BOARD MEMBER</u>   | <u>725 Whimbrel, Nipomo</u>            |

\*Includes Paid Family Leave (PFL).

7. This application covers employees of the following appropriate units:

Show Name of Bargaining Unit or Describe Type of Services

- Bargaining Unit
- Management
- Confidential
- Unrepresented
- Academic
- Other

Nipomo CSD Management employees

Nipomo CSD Regular employees

8. Complete this schedule covering all elected officers and appointees who perform services for the agency named in Item 1. Exclude individuals listed in Item 6.

(a) Elected offices: (These individuals are ineligible for coverage.)

Title of Position

n/a

(b) Person holding appointive positions: (These individuals are eligible for coverage unless appointed to fill a vacant elected office.)

| <u>Title of Position</u> | <u>No. of Positions in this Category</u> | <u>By Whom Appointed</u> | <u>No. of Such Individuals Desiring Coverage</u> |
|--------------------------|--|--------------------------|--|
|--------------------------|--|--------------------------|--|

n/a

(c) Total number of employees to be covered (excluding elected officers and those appointed by the Governor).

17 as of 11-6-16

9. Deductions should not be made from your employees' wages for the purpose of paying employee contributions required under the CUIC until your election is approved.

10. On what date do you wish elective coverage to commence? Keep in mind that the commencement date of an elective coverage agreement shall not be prior to the first day of the calendar quarter in which the application is filed, nor later than the first day of the following calendar quarter.

- First day of current quarter
- First day of next quarter

11. Attach a copy of either:

- The negotiated agreement between the employer and the recognized employee organization or written petition signed by a majority of the eligible employees to be covered by the election under Section 702.6 of the CUIC.
- OR
- The resolution in which the governing body described in Item 6 approved the filing of an application for elective coverage under Section 710.4, 710.5, 710.6, or 710.9 of the CUIC.

\*\*\*\*\*

The employing unit with eligible employees or governmental or tribal entity described in Item 1 hereby files its application under Section 702.6, 710.4, 710.5, 710.6, or 710.9 of the CUIC to become an employer subject to the CUIC. It is understood that upon approval of the election by the Director, the Employing Unit/Public School/Public Agency/Indian Tribe/Community College District will be an employer subject to the CUIC for State Disability Insurance purposes **ONLY** to the same extent as other employers as of the date specified in the approval, and will remain a subject employer for at least two complete calendar years and thereafter, until this election is terminated as provided by the CUIC.

I declare that this application has been examined by me, and to the best of my knowledge, it is true and correct and made in good faith under the provisions of the CUIC.

This declaration must be signed by one or more individuals shown under Item 6.

(Signed) \_\_\_\_\_ Date \_\_\_\_\_

(Signed) \_\_\_\_\_ Date \_\_\_\_\_

(Signed) \_\_\_\_\_ Date \_\_\_\_\_

November 9, 2016

ITEM E-7

ATTACHMENT C

October 27, 2016

This Document will remain CONFIDENTIAL and not shared outside the executive management team.

## NIPOMO COMMUNITY SERVICES DISTRICT

### California State Disability Insurance Program Ballot:

I elect to pay for and be covered under the California State Disability Insurance Program: **YES NO**  
(Circle One)

Employee Name: \_\_\_\_\_  
*Please Print*

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Employees of the Nipomo Community Services District ("NCS D") currently do not subscribe and therefore do not participate in California's State Disability Insurance program.

A majority vote of NCS D employees is required along with NCS D's Board approval to join the State Disability Insurance program.

California State Disability Insurance (SDI) is an optional program for employees paid for by employees. SDI provides a wage earner with a percentage of their pay for certain durations of time in the event the employee is sick or injured. If you have questions regarding the benefits of or program costs of the California State Disability Insurance program, visit the California Employee Development Department website. Below is the FAQ page web address that may be of use as you learn more about this program.

[http://www.edd.ca.gov/disability/FAQ\\_DI\\_Benefits.htm](http://www.edd.ca.gov/disability/FAQ_DI_Benefits.htm)

The 2016 State Disability Insurance rate is 0.9percent (.009) of SDI taxable wages<sup>1</sup>. The maximum tax of \$960.68 per employee per year is based on taxable wage of \$106,742. Employees can estimate their cost to participate in the program by running the calculation below.

Ex: An employee earning \$50,000 per year would pay approximately \$17.31/pay period.

$$\$50,000 \times .009 = \$450/\text{yr} ; [\$450 / 26 \text{ pay periods} = \$17.31]$$

$$\begin{matrix} \$ \underline{\hspace{2cm}} & \times & .009 & = & \$ \underline{\hspace{2cm}} / \text{yr} & ; & [ \$ \underline{\hspace{2cm}} / 26 \text{ pay periods} = & \$ \underline{\hspace{2cm}} / \text{pay period} ] \\ \text{Your taxable wages} & & & & \text{annual cost} & & \text{annual cost} & & \text{bimonthly cost} \end{matrix}$$

Note 1: What are taxable wages?

[http://www.edd.ca.gov/payroll\\_taxes/What\\_Are\\_Wages.htm](http://www.edd.ca.gov/payroll_taxes/What_Are_Wages.htm)

If the majority elects to subscribe to the California SDI program, the item will be presented to the Board for consideration for approval. **Please return your ballot in the envelop provided to your supervisor by November 3, 2016.**