

TO: BOARD OF DIRECTORS

FROM: MICHAEL S. LEBRUN *MSL*  
GENERAL MANAGER

DATE: FEBRUARY 7, 2013

**AGENDA ITEM**

**D**

**FEBRUARY 13, 2013**

## **CONSENT AGENDA**

The following items are considered routine and non-controversial by staff and may be approved by one motion if no member of the Board wishes an item removed. If discussion is desired, the item may be removed from the Consent Agenda by a Board member and will be considered separately at the conclusion of the Administrative Items. Individual items on the Consent Agenda are approved by the same vote that approves the Consent Agenda, unless an item is pulled for separate consideration. The recommendations for each item are noted in bracket. Members of the public may comment on the Consent Agenda items.

**Questions or clarification may be made by the Board members  
without removal from the Consent Agenda.**

- D-1) WARRANTS [RECOMMEND APPROVAL]
- D-2) APPROVE JANUARY 23, 2013 REGULAR BOARD MEETING MINUTES:  
[RECOMMEND APPROVAL]
- D-3) SECOND QUARTER FINANCIAL REPORT [RECOMMEND ACCEPT AND APPROVE]
- D-4) AWARD THREE YEAR AUDITING SERVICE CONTRACT TO THE CROSBY COMPANY IN AMOUNT OF \$7,800 PER YEAR [CONSIDER FINANCE AND AUDIT COMMITTEE RECOMMENDATION AND AWARD CONTRACT]

TO: BOARD OF DIRECTORS  
 FROM: MICHAEL S. LEBRUN *MSL*  
 GENERAL MANAGER  
 DATE: FEBRUARY 8, 2013

**AGENDA ITEM  
 D-1  
 FEBRUARY 13, 2013**

**HAND WRITTEN CHECKS**

**TOTAL COMPUTER CHECKS  
 \$231,423.11**

01-23-13 10110 PGE  
 02-13-13 10111 JEANNE MORENO

ELECTRICITY \$32,252.50  
 WASHER REBATE \$75.00

VOIDS – NONE

**COMPUTER GENERATED CHECKS**

21525	02/01/13	EMP01	EMPLOYMENT DEVELOP DEPT	1264.79	.00	1264.79	B30128	STATE INCOME TAX
21526	02/01/13	MID01	RABOBANK-PAYROLL TAX DEPO	3729.35	.00	3729.35	B30128	FEDERAL INCOME TAX
				74.40	.00	74.40	1B30128	FICA
				959.38	.00	959.38	2B30128	MEDICARE (FICA)
			Check Total.....:	4763.13	.00	4763.13		
21527	02/01/13	MID02	RABOBANK-DIRECT DEPOSIT	24801.28	.00	24801.28	B30128	NET PAY
21528	02/01/13	PER01	PERS RETIREMENT	8750.09	.00	8750.09	B30128	PERS PAYROLL REMITTANCE
21529	02/01/13	STA01	CALPERS 457 DEFERRED COMP	2205.00	.00	2205.00	B30128	457 DEFERRED COMP
021530	02/13/13	ABA01	ABALONE COAST BACTERIOLOG	5587.00	.00	5587.00	1813	LAB TESTS
021531	02/13/13	ADV01	ADVANTAGE ANSWERING PLUS	180.55	.00	180.55	12513	ANSWERING SERVICE
021532	02/13/13	AEC01	AECOM USA INC	19692.30	.00	19692.30	37312768	SUPPLEMENTAL WATER PROJEC
021533	02/13/13	ALX01	ALEXANDER'S CONTRACT SERV	2417.45	.00	2417.45	FEB 2013	METER READING SERVICES
021534	02/13/13	AME03	AMERI PRIDE	127.66	.00	127.66	805892	UNIFORMS
				137.81	.00	137.81	810646	UNIFORMS
				119.54	.00	119.54	816012	UNIFORMS
			Check Total.....:	385.01	.00	385.01		
021535	02/13/13	AQU01	AQUA-METRIC SALES CO.	2558.33	.00	2558.33	46184-IN	48-5/8" METERS
021536	02/13/13	ASA01	ASAP REPROGRAPHICS	70.00	.00	70.00	63951	BL WELL #4-BID SETS
				48.60	.00	48.60	B30207	PRE-QUAL SUPP WATER HHD
				684.37	.00	684.37	B30207-2	BLACKLAKE WELL #4-BID SET
			Check Total.....:	802.97	.00	802.97		
021537	02/13/13	ATT02	AT&T	150.75	.00	150.75	4046935	TELEPHONE
				26.80	.00	26.80	4047179	TELEPHONE
				164.91	.00	164.91	4047249	TELEPHONE
			Check Total.....:	342.46	.00	342.46		
021538	02/13/13	BEN02	BENTLEY SYSTEMS, INC.	1680.00	.00	1680.00	47503712	WATER/SEWER GEMS SUBSCRIP
021539	02/13/13	CAL03	CALIFORNIA ELECTRIC SUPPL	13.01	.00	13.01	511881	10-GE LAMP
021540	02/13/13	CAL14	CALIFORNIA WATER	80.00	.00	80.00	B30125	BREWER-GRADE 2 RENEWAL
021541	02/13/13	CAN02	CANNON CORPORATION	4357.45	.00	4357.45	53880	WILLOW RD PHASE II
021542	02/13/13	CAR04	CAR QUEST AUTO PARTS	107.48	.00	107.48	601404	BATTERY/BATT TRM CLEANER/
021543	02/13/13	CHA02	CHARTER COMMUNICATIONS	204.99	.00	204.99	FEB 2013A	SHOP-INTERNET
				204.99	.00	204.99	FEB 2013B	OFFICE-INTERNET
			Check Total.....:	409.98	.00	409.98		
021544	02/13/13	CIT01	CITY NATIONAL BANK	12848.25	.00	12848.25	B30129	DEBT SERVICE A/D 93-1
021545	02/13/13	CLE06	CNSSLO INC	75.00	.00	75.00	15913	TECH SUPPORT
				2182.00	.00	2182.00	JAN 2013	COMPUTER SUPPORT
			Check Total.....:	2257.00	.00	2257.00		
021546	02/13/13	COA02	COASTAL ROLLOFF	762.96	.00	762.96	3979016	ROLL-OFF SERVICE
021547	02/13/13	COR01	CORBIN WILLITS SYSTEMS	750.83	.00	750.83	B301151	COMPUTER SUPPORT
021548	02/13/13	COR03	CORELOGIC INFORMATION SOL	1550.04	.00	1550.04	50008896	REALQUEST ANNUAL RENEWAL
021549	02/13/13	COR04	CORIX WATER PRODUCTS (US)	1697.21	.00	1697.21	731301856	METER GASKETS/ANGLE VALVE
021550	02/13/13	CRY01	CRYSTAL SPRINGS	38.89	.00	38.89	JAN 2013	LAB-DISTILLED WATER

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**AGENDA ITEM**  
**D-1**  
**FEBRUARY 13, 2013**  
**PAGE TWO**

021551	02/13/13	DWI01	DWIGHT'S AUTOMOTIVE	15.00	.00	15.00	9740-37	TIRE REPAIR
021552	02/13/13	FAR01	FARM SUPPLY COMPANY	92.54	.00	92.54	3251	INSULATION BLANKET/SLIP C
				26.87	.00	26.87	3252	BALL VALVE THREADED SPEAR
				74.69	.00	74.69	3391	INSULATION BLANKET
			Check Total.....:	194.10	.00	194.10		
021553	02/13/13	FAR02	FAR WEST EXPRESS	11.00	.00	11.00	JAN 2013	DELIVERY
021554	02/13/13	FGL01	FGL ENVIRONMENTAL	20.00	.00	20.00	380005A	LAB TEST
				397.00	.00	397.00	380006A	LAB TEST
				63.00	.00	63.00	380144A	LAB TEST
				105.00	.00	105.00	380229A	LAB TEST
			Check Total.....:	585.00	.00	585.00		
021555	02/13/13	GIL01	GLM, INC.	380.00	.00	380.00	JAN 2013	LANDSCAPE MAINTENANCE
021556	02/13/13	GRA07	GRAND PERFORMANCE	143.23	.00	143.23	4671	REPLACED AUDIO CABLE
021557	02/13/13	GWA01	GWA INC	85.00	.00	85.00	FEB 2013A	SHOP-MONITORING
				85.00	.00	85.00	FEB 2013B	UTILITY OFFICE-MONITORING
				53.00	.00	53.00	FEB 2013C	OFFICE-MONITORING
			Check Total.....:	223.00	.00	223.00		
021558	02/13/13	HAC01	HACH COMPANY	381.84	.00	381.84	8110573	NUTRIENT BFR SOLN/DIGEST
021559	02/13/13	HAM01	HAMON OVERHEAD DOOR CO	350.20	.00	350.20	54752	REPAIR DOOR
021560	02/13/13	HAM02	HAMNER JEWELL & ASSOCIATE	1434.13	.00	1434.13	6092	WATERLINE INTERTIE
021561	02/13/13	HOM01	HOME MOTORS	1449.29	.00	1449.29	323268	04'CHEVY-WATER PUMP/PULLE
021562	02/13/13	IRO01	IRON MOUNTAIN RECORDS MGT	34.34	.00	34.34	GNN8596	SHREDDING SERVICES
021563	02/13/13	LEE02	LEE CENTRAL COAST NEWSPAP	664.72	.00	664.72	B30207	ADVERTISING
021564	02/13/13	LIN02	LINC DELIVERY	216.00	.00	216.00	3503	DELIVERY
021565	02/13/13	MIN02	MINER'S ACE HARDWARE	248.61	.00	248.61	JAN 2013	OPERATING SUPPLIES
021566	02/13/13	MNS01	MNS ENGINEERS INC	47035.00	.00	47035.00	62878	SOUTHLAND WWTP UPGRADE CM
021567	02/13/13	MOR02	MORE OFFICE SOLUTIONS	43.92	.00	43.92	381167	BLACK & WHITE COPIES
021568	02/13/13	NEX01	NEXTEL COMMUNICATIONS	544.68	.00	544.68	JAN 2013	CELLULAR SERVICE
021569	02/13/13	NEX03	NEXTRAQ	308.50	.00	308.50	FEB 2013	GPS SERVICE
021570	02/13/13	NIP05	NIPOMO CHAMBER OF COMMERCE	2351.25	.00	2351.25	B30125	CHAMBER OF COMMERCE GRANT
021571	02/13/13	NUN01	NUNLEY, MICHAEL K. & ASSO	5662.50	.00	5662.50	2/1/13	SWAEC CHAIRMAN SERVICES
021572	02/13/13	OFF01	OFFICE DEPOT	113.70	.00	113.70	642954738	OFFICE SUPPLIES
				376.69	.00	376.69	644155886	OFFICE SUPPLIES
			Check Total.....:	490.39	.00	490.39		
021573	02/13/13	PE001	PEOPLESCHOICE HEATING & A	2782.00	.00	2782.00	06019	INSTALL 24" EXHAUST FAN-E
021574	02/13/13	PER04	PERRY'S ELECTRIC MOTORS	1955.66	.00	1955.66	14925	REBUILD AERATOR-SOUTHLAND
021575	02/13/13	PGE01	P G & E	17810.56	.00	17810.56	B30207	NEW ELECTRICAL SERVICE @
021576	02/13/13	POL01	POLLARD WATER.COM	134.41	.00	134.41	I343139	WRENCH & SPANNER/FOOD GRA
				296.25	.00	296.25	1344213IN	RE-ROUNDING TOOL/BIO-MAX
			Check Total.....:	430.66	.00	430.66		
021577	02/13/13	PRE01	PRECISION JANITORIAL	650.00	.00	650.00	232	JANITORIAL SERVICES
021578	02/13/13	RIC01	RICHARDS, WATSON, GERSHON	900.00	.00	900.00	187762	WATER RIGHTS ADJUDICATION
021579	02/13/13	RIC05	RICK ENGINEERING COMPANY	6435.00	.00	6435.00	30125	GIS SERVICES
021580	02/13/13	SLO07	SLO CSDA CHAPTER	300.00	.00	300.00	B30207	ANNUAL MEETING
021581	02/13/13	SOU01	SOUTH COUNTY SANITARY	34.92	.00	34.92	3977172	GARBAGE SERVICE
				169.12	.00	169.12	3978458	OLDE TOWNE GARBAGE SERVIC
			Check Total.....:	204.04	.00	204.04		

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**D-1**  
**FEBRUARY 13, 2013**  
**PAGE THREE**

021582	02/13/13	SOU03	SAN LUIS GARBAGE COMPANY	124.00	.00	124.00	JAN 2013	SOLID WASTE TAX LIENS
021583	02/13/13	SOU07	SOUTH COUNTY SANITARY	8694.00	.00	8694.00	3975171	2 MONTH RATE DEFERRAL-RES
021584	02/13/13	SOU08	SOUTH COUNTY SANITARY SVC	1353.00	.00	1353.00	3978850	RATE DEFERRAL-COMMERCIAL
021585	02/13/13	SPE01	SPECIAL DISTRICT RISK	500.00	.00	500.00	B30207	DEDUCTIBLE
021586	02/13/13	TES01	TESCO CONTROLS, INC.	21913.20	.00	21913.20	50365-IN	SCADA SYSTEM UPGRADE
021587	02/13/13	THE01	THE GAS COMPANY	16.70	.00	16.70	JAN 2013A	SHOP HEAT
				102.17	.00	102.17	JAN 2013B	OFFICE-HEAT
			Check Total.....:	118.87	.00	118.87		
021588	02/13/13	USB01	US BANK (VISA)	116.09	.00	116.09	012213A	MEETINGS
				603.14	.00	603.14	012213B	2-COMPUTER BACK-UPS
				32.29	.00	32.29	012213C	TRAVEL/MILEAGE
				418.45	.00	418.45	012213D	EDUCATION/TRAINING
				-27.99	.00	-27.99	012213EC	RETURNED DVD PLAYER
			Check Total.....:	1141.98	.00	1141.98		
021589	02/13/13	VER01	VERIZON	132.80	.00	132.80	B30129	TELEPHONE
021590	02/13/13	YOU01	YOUR PEOPLE PROFESSIONALS	2500.00	.00	2500.00	FEB 2013	FEB DEPOSIT-EMPLOYMENT AG
021591	02/13/13	\P011	BUTCH POPE CONSTRUCTION,	407.18	.00	407.18	000B30201	MQ CUSTOMER REFUND FOR PO

**FUNDS TO BE WIRED (IN LIEU OF CHECKS) FOR  
 SOUTHLAND WWTF IMPROVEMENTS PHASE 1 PROJECT**

Cushman Contracting	Period 1/1/13 to 1/31/13	\$437,588.32
First Republic Bank	Period 1/1/13 to 1/31/13 Retention	\$23,030.96
	<b>TOTAL</b>	<b>\$460,619.28</b>

# NIPOMO COMMUNITY SERVICES DISTRICT

*Serving the Community Since 1965*

## REGULAR MINUTES

JANUARY 23, 2013, AT 9:00 A.M.

BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

D2

### BOARD of DIRECTORS

JAMES HARRISON, PRESIDENT  
LARRY VIERHEILIG, VICE PRESIDENT  
DAN GADDIS, DIRECTOR  
BOB BLAIR, DIRECTOR  
CRAIG ARMSTRONG, DIRECTOR

### PRINCIPAL STAFF

MICHAEL S. LEBRUN, GENERAL MANAGER  
LISA BOGNUDA, ASSISTANT GENERAL MANAGER  
MERRIE WALLRAVIN, SECRETARY/CLERK  
JON SEITZ, GENERAL COUNSEL  
PETER SEVCIK, DISTRICT ENGINEER

Mission Statement: The Nipomo Community Services District's mission is to provide its customers with reliable, quality, and cost-effective services now and in the future.

00:00:00

#### A. CALL TO ORDER AND FLAG SALUTE

*President Harrison called the Regular Meeting of January 23, 2013, to order at 9:00 a.m. and led the flag salute.*

00:00:40

#### B. ROLL CALL AND PUBLIC COMMENT FOR ITEMS NOT ON AGENDA

*At Roll Call, Directors Armstrong, Gaddis, Vierheilig, and Harrison were present. Director Blair was not present due to a scheduled absence.*

*The following member of the public spoke:*

*Paula Goodwin, NCSO property owner, was in opposition of the water moratorium and would like the Board to consider lifting the water moratorium.*

00:05:42

#### C. PRESENTATIONS AND PUBLIC COMMENT

##### C-1) RECOGNITION OF STAFF FOR DEDICATED SERVICE

Present resolution commending Assistant General Manager/Finance Director for twenty-years of dedicated and exceptional service to the District.

*President Harrison presented Assistant General Manager/Finance Director Lisa Souza Bognuda with a Resolution commending her for her 20 years of service with the District.*

*Michael LeBrun, General Manager, commended Ms. Bognuda for her 20 years of service with the District.*

##### C-2) SHERIFF COMMANDER JAMES TAYLOR

Update Report re: South County Law Enforcement and Department News.

*Sargent Anthony Perry in place of Sheriff Commander James Taylor gave an update of the law enforcement activities in South County. Sargent Perry answered questions from the Board.*

##### C-3) CAL FIRE BATTALION CHIEF JAMES TULLY

Update Report re: South County Cal Fire Activity and Department News.

*CALFIRE Firefighter John Byrne in place of Battalion Chief James Tully gave an activity report for December 2012 (See Exhibit "A"). Firefighter Byrne answered questions from the Board. The Board thanked Firefighter Byrne for his report.*

SUBJECT TO BOARD APPROVAL

Nipomo Community Services District  
REGULAR MEETING  
MINUTES

- C-4) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST AND REPORTS ON ATTENDANCE AT PUBLIC MEETINGS, TRAINING PROGRAMS, CONFERENCES, AND SEMINARS.  
Receive Announcements and Reports from Directors

Director Gaddis

- ◇ January 28, South County Advisory Council will meet at NCSD at 6:30 p.m.

Director Vierheilig

- ◇ January 25, Supplemental Water Alternatives Evaluation Committee Meeting at 9:30 a.m. at NCSD.
- ◇ January 31, Personnel Committee Meeting at 10:00 a.m. at NCSD.
- ◇ January 31, Finance and Audit Committee Meeting at 3:00 p.m. at NCSD.
- ◇ February 6, Water Resources Advisory Committee will meet at 1:30 p.m.

Director Harrison

- ◇ January 14, Attended the Supplemental Water Alternatives Evaluation Committee Meeting.
- ◇ January 17, Attended the Chamber of Commerce Annual Installation Dinner.
- ◇ January 24, The Fire Safe Council will meet. They will appoint a new President and finalize how to distribute \$200,000 in grant money for 2013.

00:24:30

- C-5) RECEIVE PUBLIC COMMENT ON PRESENTATIONS AND REPORTS PRESENTED UNDER ITEM C AND BY MOTION RECEIVE and FILE PRESENTATIONS AND REPORTS

*There was no public comment.*

*Upon the motion of Director Vierheilig and seconded by Director Armstrong, the Board unanimously approved to receive and file the presentations and reports as submitted.  
Vote 4-0.*

YES VOTES	NO VOTES	ABSENT
<i>Directors Vierheilig, Armstrong, Gaddis, and Harrison</i>	<i>None</i>	<i>Director Blair</i>

00:25:21

D. CONSENT AGENDA

- D-1) WARRANTS
- D-2) APPROVE JANUARY 9, 2013 REGULAR BOARD MEETING MINUTES
- D-3) RECEIVE QUARTERLY INVESTMENT REPORT

*Michael LeBrun, General Manager, reviewed the report as presented in the Board packet. Lisa Bognuda, Finance Director, and Mr. LeBrun answered questions from the Board.*

**Nipomo Community Services District  
REGULAR MEETING  
MINUTES**

Item D (Continued)

*Upon the motion of Director Armstrong and seconded by Director Gaddis, the Board unanimously approved the Consent Agenda as submitted.  
Vote 4-0.*

YES VOTES	NO VOTES	ABSENT
Directors Armstrong, Gaddis, Vierheilig, and Harrison	None	Director Blair

E. ADMINISTRATIVE ITEMS

00:29:52

E-1) AWARD BLACKLAKE WASTEWATER RECLAMATION FACILITY MASTER PLAN DEVELOPMENT CONTRACT

*Michael LeBrun, General Manager, reviewed the report as presented in the Board packet. Mr. LeBrun answered questions from the Board.*

*There was no public comment.*

*Upon the motion of Director Armstrong and seconded by Director Vierheilig, the Board unanimously authorized staff to issue a Task Order to Michael K. Nunley & Associates for a not to exceed amount of \$59,040 for preparation of the Blacklake Sewer Master Plan and update of the Blacklake Wastewater Reclamation Facility Operation and Maintenance Manual.  
Vote 4-0.*

YES VOTES	NO VOTES	ABSENT
Directors Armstrong, Vierheilig, Gaddis, and Harrison	None	Director Blair

00:47:34

E-2) CONSIDER SCOPE AND BUDGET AMENDMENT FOR SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE CHAIRMAN CONTRACT

*Michael LeBrun, General Manager, reviewed the report as presented in the Board packet. Michael Nunley, Michael K. Nunley & Associates, and Mr. LeBrun answered questions from the Board.*

*There was no public comment.*

*Upon the motion of Director Armstrong and seconded by Director Gaddis, the Board unanimously approved scope and budget amendment in the amount of \$14,120 for Supplemental Water Alternatives Evaluation Committee Chairman services with Michael K. Nunley & Associates increasing contract not exceed value to \$39,120 and direct staff to issue a Task Order.  
Vote 4-0.*

YES VOTES	NO VOTES	ABSENT
Directors Vierheilig, Armstrong, Gaddis, and Harrison	None	Director Blair

Nipomo Community Services District  
REGULAR MEETING  
MINUTES

00:58:11

E-3) CONDUCT ANNUAL REVIEW OF DISTRICT INVESTMENT POLICY

*Michael LeBrun, General Manager, reviewed the report as presented in the Board packet. Mr. LeBrun answered questions from the Board.*

*There was no public comment.*

*Upon the motion of Director Vierheilig and seconded by Director Armstrong, the Board unanimously adopted Resolution 2013-1287, 2013 Investment Policy, Vote 4-0.*

YES VOTES	NO VOTES	ABSENT
Directors Vierheilig, Armstrong, Gaddis, and Harrison	None	Director Blair

RESOLUTION NO. 2013-1287

A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
ADOPTING THE YEAR 2013 DISTRICT INVESTMENT POLICY

**The Board took a break from 10:00 to 10:10 a.m.**

01:00:35

E-4) CONSIDER REQUEST BY VALERIE WILLIAMS TO RECIND DISTRICT POLICY WHICH SUSPENDS PROCESSING OF APPLICATIONS FOR NEW WATER SERVICE

*Michael LeBrun, General Manager, reviewed the report as presented in the Board packet. Mr. LeBrun answered questions from the Board.*

*The following members of the public spoke:*

*Valerie Williams, NCSD property owner, questioned the water severity level and*

*Ed Eby, former Director and NCSD customer, commented on the reason NCSD implemented the water moratorium, variances, and water code section 355.*

*Upon the motion of Director Gaddis and seconded by Director Vierheilig, the Board denied the request and directed staff to bring the item back to the Board in April. Vote 3-1.*

YES VOTES	NO VOTES	ABSENT
Directors Gaddis, Vierheilig, and Armstrong	Director Harrison	Director Blair

Nipomo Community Services District  
REGULAR MEETING  
MINUTES

01:27:16

E-5) CONSIDER REQUEST BY OLDE TOWNE NIPOMO ASSOCIATION REGARDING JIM MILLER PARK

*Michael LeBrun, General Manager, reviewed the report as presented in the Board packet. Mr. LeBrun answered questions from the Board.*

*The following members of the public spoke:*

*Kathy Kubiak, Olde Towne Nipomo Association President, read a portion of a letter from Supervisor Teixeira and requested the Board issue a will-serve letter so the Jim O. Miller Park can move forward with development.*

*Jim Tefft, NCSD customer, spoke in support of the Jim O. Miller Park and requested the Board issue a will-serve letter so the project can move forward.*

*Clyde Cruise, NCSD customer, spoke in support of the Jim O. Miller Park.*

*Patrick Sturm, NCSD customer, read aloud his support letter for Jim O. Miller Park (See Exhibit "B").*

*Teresa Crandall, Nipomo resident, stated that the Board should be consistent, if Ms. Williams request was denied, then so should Jim O. Miller Parks request.*

*Peg Miller, NCSD customer, spoke in support of the Jim O. Miller Park and asked the Board to look into another avenue for issuing Jim O. Miller Park a will-serve letter.*

*Greg Larson, NCSD customer, spoke in support of the Jim O. Miller Park and asked the Board to look into public verses private developers.*

*Rudy Stowell, NCSD customer, Nipomo Chamber of Commerce President, spoke in support of the Jim O. Miller Park.*

*Upon the motion of Director Gaddis and seconded by Director Armstrong, the Board denied the request and directed staff to bring the item back to the Board in April. Vote 3-1.*

YES VOTES	NO VOTES	ABSENT
Directors Gaddis, Armstrong, and Vierheilig	Director Harrison	Director Blair

01:51:52

E-6) APPROVE DEVELOPMENT AGREEMENT WITH OWNERS OF MARIA VISTA ESTATES DEVELOPMENT

*Mike Seitz, Deputy District Legal Counsel, reviewed the report as presented in the Board packet. Michael LeBrun, General Manager, and Mr. Seitz answered questions from the Board.*

*There was no public comment.*

*Upon the motion of Director Armstrong and seconded by Director Vierheilig, the Board unanimously approved the Maria Vista Estates Development Agreement, as amended. Vote 4-0.*

YES VOTES	NO VOTES	ABSENT
Directors Armstrong, Vierheilig, Gaddis, and Harrison	None	Director Blair

02:06:05

F. GENERAL MANAGER'S REPORT

*Michael LeBrun, General Manager, reviewed the report as presented in the Board packet. Mr. LeBrun answered questions from the Board. There was no public comment.*

G. COMMITTEE REPORT

*There were no committee reports.*

02:18:20

H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

Director Harrison

- ◇ *Confirmed that staff will put Jim O. Miller Park on the April Agenda.*
- ◇ *Confirmed the next Agenda setting meeting with General Manager and Vice President.*

02:20:07

I. CLOSED SESSION ANNOUNCEMENTS

1. CONFERENCE WITH DISTRICT LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GC §54956.9 SMVWCD VS. NCSD (SANTA CLARA COUNTY CASE NO. CV 770214, SIXTH APPELLATE COURT CASE NO. H032750 AND ALL CONSOLIDATED CASES).
2. CONFERENCE WITH LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GC SECTION 54956.9, WHITLOW/NCSD (CASE # E20112E1116-00-APS FILED WITH THE DEPARTMENT OF FAIR HOUSING AND EMPLOYMENT)
3. CONFERENCE WITH LEGAL COUNSEL PURSUANT TO GOVT. CODE §54956.9(b):  
 Anticipated litigation - 1 case
4. CONFERENCE WITH LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GC SECTION 54956.9; NCSD VS. COUNTY SLO, ET AL. (CASE #CV090010)

Nipomo Community Services District  
REGULAR MEETING  
MINUTES

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

*There was no public comment.*

K. ADJOURN TO CLOSED SESSION

*President Harrison adjourned to closed session at 11:30 a.m.*

L. OPEN SESSION  
ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

*The Board came back into Open Session at 12:18 p.m.*

*Mike Seitz, Deputy District Legal Counsel, announced that the Board heard a report from the General Manager and Legal Counsel for Item 1, listed above for Closed Session but took no reportable action.*

*The Board heard an update from Legal Counsel for Items 2 and 3, listed above for Closed Session but took no reportable action.*

*The Board heard an update from Legal Counsel and provided direction for staff for Item 4, listed above for Closed Session but there was no reportable action.*

ADJOURN

*President Harrison adjourned the meeting at 12:20 p.m.*

MEETING SUMMARY	HOURS
Regular Meeting	2.30
Closed Session	.50
TOTAL HOURS	3.20

JANUARY 23, 2013

REGULAR BOARD MEETING MINUTES

EXHIBIT "A"



**CAL FIRE**  
**San Luis Obispo**  
**County Fire Department**

635 N. Santa Rosa • San Luis Obispo, CA 93405  
Phone: 805-543-4244 • Fax: 805-543-4248  
[www.calfireslo.org](http://www.calfireslo.org)

*Robert Lewin, Fire Chief*

December, 2012 Activity Report for Nipomo

Emergency Responses:

Nipomo Station 20: December Total Calls 105

- 2 Fires
- 59 Medical
- 10 Vehicle Accidents
- 34 Other

Nipomo Station 20, 2012 Total Calls 1,225.....(2011= 1216 Total calls)

- 75 Fires
- 703 Medical
- 146 Vehicle Accidents
- 301 Other

2013 Year to Date 68

Mesa Station 22: December Total Calls 74

- 3 Fire
- 42 Medical
- 6 Vehicle Accidents
- 23 Other

Mesa Station 22, 2012 Total Calls 797.....(2011= 802 Total calls)

- 19 Fires
- 423 Medical
- 74 Vehicle Accidents
- 516 Other

2013 Year to Date 55

2012 Combined total for Station 20 and 22 is 2,022.....(2011 combined total= 2018)

Staffing: Chief Bill Fisher has retired (30+ years of service)

Chief James Tully has been appointed as Chief for Battalion Two

-“Operation Santa Clause” ,(Toy collection for children under the care of Child Protective Services) teamed up with the Sand Luis Obispo Food Bank this season with successful results. All CALFIRE San Luis Obispo Fire Stations were able to make the program a major success

- Fund raiser by John Byrne for his sister Lauren Byrne enabled the purchase of a Honda Pilot. The vehicle was given to Lauren on Christmas Morning at Station 20

- Chipping Flyers for 2013 will be coming out in the next two months

- 5 Christmas trees were donated to the fire station and given out in December.

JANUARY 23, 2013

REGULAR BOARD MEETING MINUTES

EXHIBIT "B"

Jan 22, 2013

Patrick M. Sturm

Commander, Nipomo Veterans of Foreign Wars Post 10978

997 Ida Place

Nipomo, California 93444

(805) 868-3171

Email [livbyfaith@att.net](mailto:livbyfaith@att.net)

Nipomo Community Services District

PO Box 326

Nipomo, CA 93444

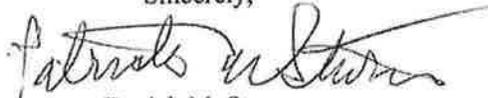
Dear Board Members

As a resident of Nipomo and the Commander of the Nipomo Veterans of Foreign Wars Post 10978, I respectfully request that the NCS D Board support the "letter of intent" to serve water to Jim O. Miller Park at no cost. As you probably already know, there will be a Veterans Memorial built in the park. Thus, your support of this proposal will allow our residents greater opportunity to enjoy the outdoors as well as serve as a reminder of the enduring sacrifices made by veterans.

In preparation to write this letter I searched the internet for the names of Nipomo area service members who died serving our country. To my dismay I was not able to find the names of these courageous individuals. Therefore, it will be a privilege and an obligation to etch their hallowed names into the Veterans Memorial at Jim O. Miller Park, so that it will serve as a permanent teaching tool to our school children and all other residents. There may be some who would argue that a Veterans Memorial would glorify war and violence; however the opposite is true. The Veterans Memorial will serve as a reminder to our community that we should attempt to resolve all disputes peacefully and only resort to war as a last resort. The inscription of the names of those who valiantly surrendered their lives so that we may continue to be a free nation will serve as a reminder of the incalculable price that was paid to guarantee our freedom. Additionally the acknowledgement of the sacrificial contributions made by all veterans will further promote service to our beloved country.

Therefore in closing, the membership of the Nipomo Veterans of Foreign Wars commends your diligent efforts to develop Jim O. Miller Park. ~~And as you well know, the park will be a more viable presence in our community if it is served water at no cost.~~ Thank you very much for your support of this measure.

Sincerely,



Patrick M. Sturm

TO: MICHAEL S. LEBRUN <sup>MSL</sup>  
GENERAL MANAGER

FROM: LISA BOGNUDA  
FINANCE DIRECTOR

DATE: FEBRUARY 8, 2013



## ACCEPT QUARTERLY FINANCIAL REPORT

### ITEM

ACCEPT QUARTERLY FINANCIAL REPORT [RECOMMEND ACCEPT AND APPROVE]

### BACKGROUND

The District's fiscal year is now 50% complete. The consolidated operating revenues are at 51.89% of the budget, operating expenditures are at 41.61% of the budget and general and administrative expenditures are at 37.58% of the budget.

Attached are the following which provide an overview of the first six months of the fiscal year:

Page 1	Summary of Approved Budget Amendments
Page 2	Summary of Revenues, Expenses and Cash Balances by Fund
Page 3	Consolidated Balance Sheet
Page 4-5	Consolidated Income Statement
Page 6-7	Graphs for Consolidated Revenues and Expenses
Page 8-10	Graphs for major funds (Water, Town Sewer, and Blacklake Sewer)

Detailed information by fund is available in the office.

### RECOMMENDATION

It is recommended that your Honorable Board accept report and direct Staff to file the quarterly financial report for the second quarter of fiscal year 2012-2013.

NIPOMO COMMUNITY SERVICES DISTRICT  
 SUMMARY OF APPROVED BUDGET AMENDMENTS  
 FISCAL YEAR ENDING JUNE 30, 2013

FIRST QUARTER ENDING SEPTEMBER 30, 2012

DATE	DESCRIPTION	FUNDS	APPROVED BUDGET	APPROVED AMENDMENT	AMENDED BUDGET
	NONE				

FIRST QUARTER ENDING DECEMBER 31, 2012

DATE	DESCRIPTION	FUNDS	APPROVED BUDGET	APPROVED AMENDMENT	AMENDED BUDGET
	None				

NIPOMO COMMUNITY SERVICES DISTRICT  
SUMMARY OF REVENUES AND EXPENSES BY FUND  
SIX MONTHS ENDING DECEMBER 31, 2012

FUND	FUND #	YTD REVENUES	YTD EXPENSES	FUNDED REPLACEMENT	TRANSFERS B/W FUNDS	YTD SUPRLUS/ (DEFICIT)
Administration	110	184,662	(184,662)	0	0	0
Water	125	1,938,143	(1,075,605)	(283,000)	(400,000)	179,538
Water Rate Stabilization	128	160	0	0	400,000	400,160
Town Sewer	130	909,189	(471,056)	(197,500)	168,379	409,012
Town Sewer Rate Stabilization	135	374	0	0	0	374
Blacklake Sewer	150	237,176	(134,494)	(84,000)	(50,000)	(31,318)
Blacklake Sewer Rate Stabilization	155	20	0	0	50,000	50,020
Blacklake Street Lighting	200	11,172	(7,249)	0	0	3,923
Street Landscape Maintenance	250	5,547	(6,311)	0	0	(764)
Solid Waste	300	48,587	(37,170)	0	0	11,417
Drainage Maintenance	400	7,816	0	0	0	7,816
Supplemental Water Capacity Fees	500	690	0	0	0	690
Property Taxes	600	284,230	(74,922)	0	0	209,308
Water Capacity Fees	700	5,504	0	0	0	5,504
Town Sewer Capacity Fees	710	485	0	0	0	485
Funded Replacement-Water	805	7,964	0	283,000	0	290,964
Funded Replacement-Town Sewer	810	7,052	0	197,500	0	204,552
Funded Replacement-BL Sewer	830	411	0	84,000	0	84,411
Town Sewer Sinking Fund	880	4,334	0	0	(168,379)	(164,045)
TOTAL		3,653,516	(1,991,469)	0	0	1,662,047

CASH BALANCE OF EACH FUND  
AS OF DECEMBER 31, 2012

FUND	FUND #	CASH BALANCE 12/31/2012
Administration	110	59,414
Water	125	2,256,605
Water Rate Stabilization	128	400,000
Town Sewer	130	924,389
Town Sewer Rate Stabilization	135	300,134
Blacklake Sewer	150	226,534
Blacklake Sewer Rate Stabilization	155	50,000
Blacklake Street Lighting	200	30,876
Street Landscape Maintenance	250	17,718
Solid Waste	300	271,454
Drainage Maintenance	400	12,823
Supplemental Water (Incl COP)	500	1,189,637
Property Taxes	600	2,367,991
Water Capacity Fees	700	3,174,826
Town Sewer Capacity Fees	710	49,100
Funded Replacement-Water	805	4,864,274
Funded Replacement-Town Sewer	810	4,274,778
Funded Replacement-BL Sewer	830	258,029
Sinking Fund-Town Sewer	880	2,433,171
Funds held by Trustee		8,418,927
TOTAL		31,580,680

NIPOMO COMMUNITY SERVICES DISTRICT  
BALANCE SHEET - CONSOLIDATED  
AS OF DECEMBER 31, 2012

ASSETS  
-----

Cash and Cash Equivalents	31,580,679.61
Accounts Receivable - Utility Billing	244,198.48
Unbilled Accounts Receivable	761,000.00
Property, Plant & Equipment	51,294,664.73
Accumulated Depreciation	(15,892,231.72)
Prepaid Expenses	41,674.05
Accrued Interest Receivable	17,598.70
Accrued Franchise Fees	12,333.17
Receivable - Other	14,000.00
Notes Receivable - BL Sewer - Current	19,569.83
Notes Receivable - BL Water Merger - Current	21,170.47
Reservation Fee	37,500.00
Loan Fees - SRF Loan	256,834.00
Accumulated Amortization - SRF Loan Fees	(213,951.04)
2003 Revenue COP's Bond Discount	178,100.60
2012 Revenue COP's Bond Discount	356,900.35
Accumulated Amortization - 2003 Bond Discount	(54,171.84)
Notes Receivable - BL Sewer - Long Term	128,829.37
Notes Receivable - BL Water Merger - Long Term	141,232.94
	-----
Total Assets	68,945,931.70
	=====

LIABILITIES  
-----

Accounts Payable	140,441.14
Other Payables	3,542.38
Refunds Payable	117.80
Construction Meter Deposits	4,500.00
Compensated Absences Payable	67,538.00
Accrued Interest Payable	49,578.32
Deposits	216,871.75
P/R Tax and Workers Comp Payable	(1,178.60)
Deposit - NMWCA	84,900.00
Deposit - Maintenance Guarantee	3,657.55
Deposit - Pomeroy Rd Water Line	24,170.00
Deferred Revenue	6,300.00
Bond Premium - 2012 Revenue COP's	74,972.45
Notes Payable - Property Tax Fund - Current	19,569.83
Notes Payable - BL Water Merger - Current	21,170.47
SRF Loan #110 - Current Portion	34,868.35
SRF Loan #120 - Current Portion	42,180.25
2003 Revenue COP's - Current Portion	95,000.00
2012 Revenue COP's - Current Portion	160,000.00
Notes Payable - Property Tax Fund - Long Term	128,829.37
Notes Payable - BL Water Merger - Long Term	141,232.94
SRF Loan #110 Payable - Long Term Portion	209,210.10
SRF Loan #120 Payable - Long Term Portion	295,261.75
2003 Revenue COP's - Long Term Portion	3,140,000.00
2012 Revenue COP's - Long Term Portion	9,635,000.00
	-----
Total Liabilities	14,597,733.85
	=====

FUND EQUITY  
-----

Contributed Capital - Assets	10,808,776.78
Contributed Capital - Capacity Fees (CY)	52,750.00
Contributed Capital - Supplemental Water Fees (CY)	108,490.00
Contributed Capital - Capacity Fees (PY)	17,654,213.62
Contributed Capital - Supplemental Water Fees (PY)	3,161,065.25
Contributed Capital - Right of Way	70,100.00
Contributed Capital - Assessment Districts	1,154,575.00
Contributed Capital - Grants	2,396,665.66
Retained Earnings - Reserved (Funded Replacement)	11,528,478.96
Retained Earnings - Unreserved	5,751,035.12
CURRENT EARNINGS	1,662,047.46
	-----
Total Fund Equity	54,348,197.85
	=====
Total Liabilities and Fund Equity	68,945,931.70
	=====

UNAUDITED

NIPOMO COMMUNITY SERVICES DISTRICT  
INCOME STATEMENT - CONSOLIDATED  
FOR THE PERIOD ENDING DECEMBER 31, 2012

	YTD ACTUAL	ANNUAL BUDGET	% OF BUDGET
<b>OPERATING REVENUES</b>			
Water - Fixed Charge	437,676.40	925,000.00	47.32 %
Water - Usage	1,436,248.31	2,420,000.00	59.35 %
Construction Water	3,417.76	25,000.00	13.67 %
Fire System Fee	2,826.35	5,000.00	56.53 %
Sewer Charges	1,116,948.53	2,228,500.00	50.12 %
Fees and Penalties	20,594.62	43,000.00	47.89 %
Meters	1,925.00	1,700.00	113.24 %
Plan Check & Inspection Fees	100.00	800.00	12.50 %
Franchise Fees	48,132.04	93,000.00	51.75 %
Solid Waste Rate Deferral	(34,200.00)	(68,400.00)	50.00 %
Miscellaneous Income	23,561.69	37,600.00	62.66 %
Street Lighting Charges	11,126.00	18,904.00	58.86 %
Landscape Maintenance Dist Charges	5,519.50	8,820.00	62.58 %
Operating Transfers In - Funded Administration	180,126.27	491,401.00	36.66 %
Operating Transfers In - Funded Replacement	564,499.92	1,129,000.00	50.00 %
<b>Total Operating Revenues</b>	<b>3,818,502.39</b>	<b>7,359,325.00</b>	<b>51.89 %</b>
<b>OPERATING EXPENSES - OPERATIONS &amp; MAINTENANCE</b>			
Wages and Benefits	286,466.67	873,429.00	32.80 %
Electricity	259,240.33	651,650.00	39.78 %
Chemicals	35,657.47	39,650.00	89.93 %
Lab Tests	27,027.20	103,500.00	26.11 %
Operating Supplies	16,716.07	47,100.00	35.49 %
Outside Services	35,600.16	87,700.00	40.59 %
Permits and Operating Fees	15,916.61	31,800.00	50.05 %
Repairs and Maintenance	127,713.37	213,000.00	59.96 %
Engineering	16,191.31	100,000.00	16.19 %
Fuel	13,348.22	30,300.00	44.05 %
Paging Service	4,060.57	11,100.00	36.58 %
Meters - New Installation	0	1,000.00	.00 %
Meters - Replacement Program	13,399.99	50,000.00	26.80 %
Safety Program	4,201.98	12,140.00	34.61 %
Uniforms	5,221.71	11,000.00	47.47 %
Landscape Maintenance & Water	6,229.83	10,550.00	59.05 %
Conservation Program	8,011.25	57,000.00	14.05 %
Street Sweeping/Trash Collection	1,110.55	2,100.00	52.88 %
Operating Transfers Out - Funded Replacement	564,499.92	1,129,000.00	50.00 %
<b>Subtotal - Operating Expenses Operations &amp; Maint</b>	<b>1,440,613.21</b>	<b>3,462,019.00</b>	<b>41.61 %</b>
<b>OPERATING EXPENSES - GENERAL AND ADMINISTRATIVE</b>			
Wages and Benefits	369,811.46	890,545.00	41.53 %
Utilities	6,564.01	18,000.00	36.47 %
Audit	8,000.00	8,000.00	100.00 %
Bank Charges and Fees	2,463.12	8,800.00	27.99 %
Computer Expense	32,444.28	66,000.00	49.16 %
Dues and Subscriptions	9,138.71	16,500.00	55.39 %
Education and Training	1,893.17	10,000.00	18.93 %
Elections	0	6,000.00	.00 %
Insurance - Liability	37,212.20	80,000.00	46.52 %
LAFCO Funding	20,342.48	22,000.00	92.47 %

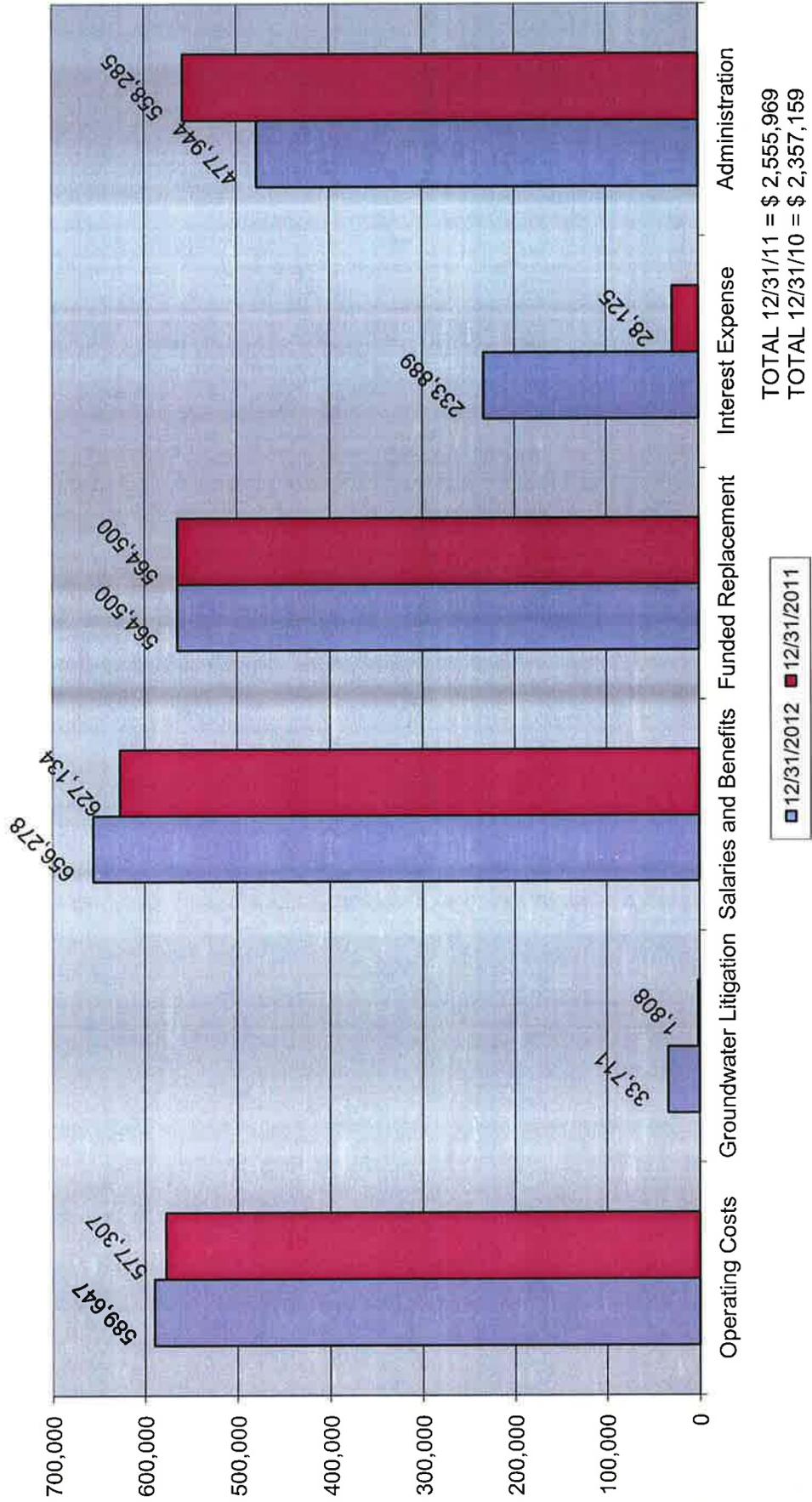
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NIPOMO COMMUNITY SERVICES DISTRICT  
 INCOME STATEMENT - CONSOLIDATED  
 FOR THE PERIOD ENDING DECEMBER 31, 2012

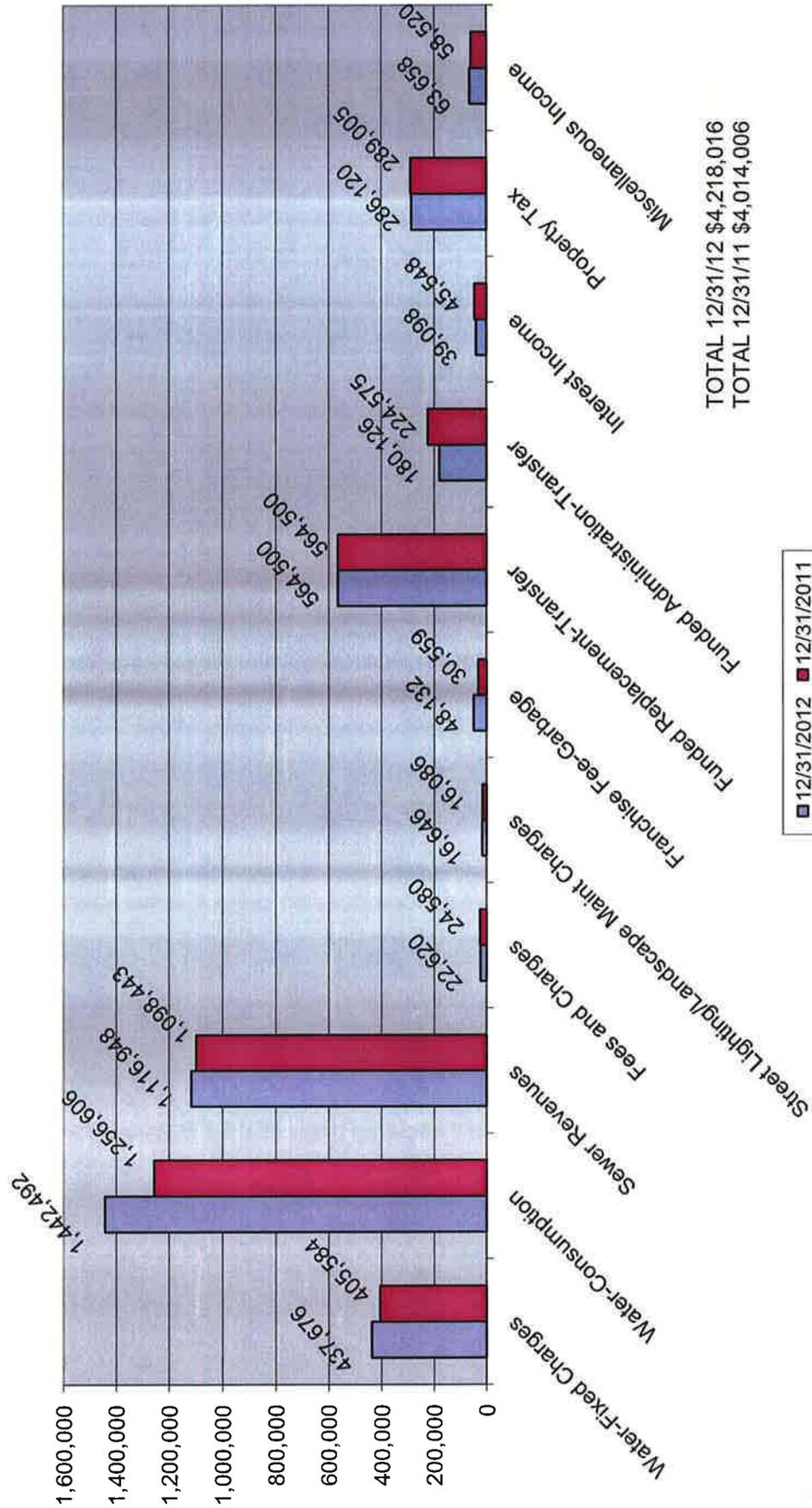
	<u>YTD ACTUAL</u>	<u>ANNUAL BUDGET</u>	<u>% OF BUDGET</u>
Landscape and Janitorial	6,150.35	15,000.00	41.00 %
Legal - General Counsel	33,711.42	150,000.00	22.47 %
Legal - Water Counsel	18,420.02	10,000.00	184.20 %
Professional Services	24,825.41	190,000.00	13.07 %
Miscellaneous	756.89	7,000.00	10.81 %
Newsletters & Mailers	821.42	7,070.00	11.62 %
Office Supplies	6,098.80	13,920.00	43.81 %
Outside Service	6,321.00	20,000.00	31.61 %
Postage	9,217.55	26,000.00	35.45 %
Public Notices	1,846.13	7,900.00	23.37 %
Repairs and Maintenance	4,547.70	16,000.00	28.42 %
Property Taxes	1,011.06	1,045.00	96.75 %
Telephone	4,041.17	9,480.00	42.63 %
Travel and Mileage	4,320.55	12,000.00	36.00 %
Operating Transfer Out - Funded Administration	180,126.27	491,401.00	36.66 %
<b>Subtotal - Operating Expenses General &amp; Admin</b>	<b>790,085.17</b>	<b>2,102,661.00</b>	<b>37.58 %</b>
<b>Total Operating Expenses</b>	<b>2,230,698.38</b>	<b>5,564,680.00</b>	<b>40.09 %</b>
<b>Total Operating Surplus/(Deficit)</b>	<b>1,587,804.01</b>	<b>1,794,645.00</b>	<b>88.47 %</b>
 <b>NON OPERATING INCOME</b>			
Interest Income	39,097.65	110,630.00	35.34 %
Property Tax Revenues	286,119.76	513,664.00	55.70 %
Gain/Loss on Sale	15,330.00	0	.00 %
BL Sewer Surcharge	12,237.36	24,480.00	49.99 %
BL Water Surcharge	12,547.31	25,779.00	48.67 %
<b>Total Non Operating Income</b>	<b>365,332.08</b>	<b>674,553.00</b>	<b>54.16 %</b>
 <b>NON OPERATING EXPENSES</b>			
Interest Expense	233,888.63	517,723.00	45.18 %
Other Post Employment Benefits (OPEB)	57,200.00	114,406.00	50.00 %
<b>Total Non Operating Expenses</b>	<b>291,088.63</b>	<b>632,129.00</b>	<b>46.05 %</b>
<b>Total Non Operating Surplus/(Deficit)</b>	<b>74,243.45</b>	<b>42,424.00</b>	<b>175.00 %</b>
<b>Total Operating &amp; Non Operating Surplus/(Deficit)</b>	<b>1,662,047.46</b>	<b>1,837,069.00</b>	<b>90.47 %</b>

UNAUDITED

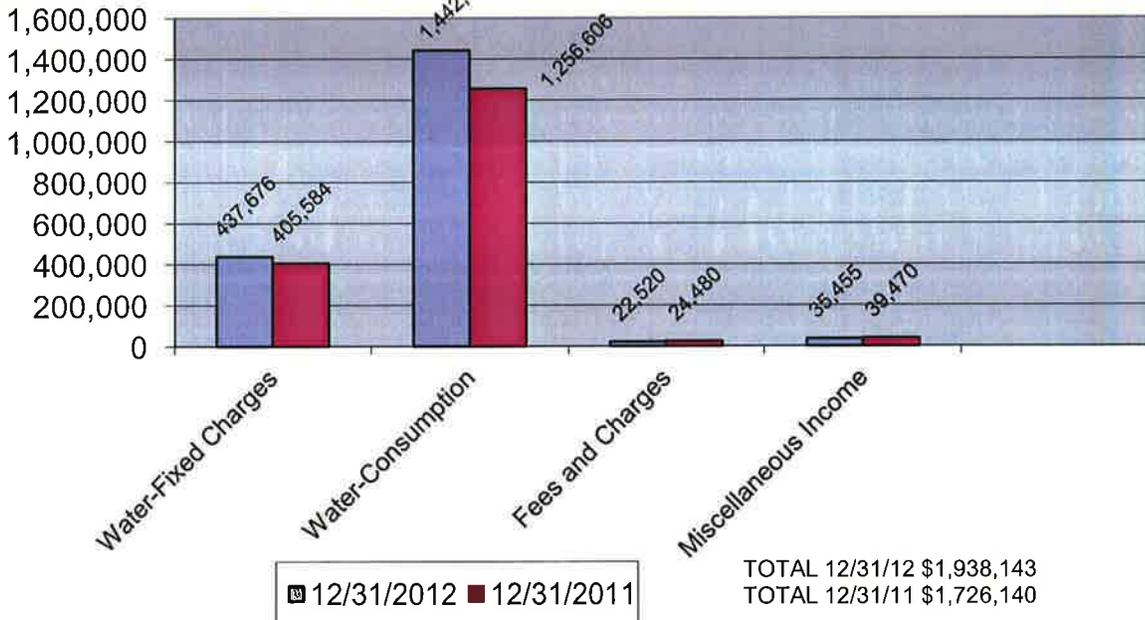
**NIPOMO COMMUNITY SERVICES DISTRICT  
 COMBINED EXPENDITURES FOR ALL FUNDS  
 SIX MONTHS ENDED  
 DECEMBER 31, 2012 AND DECEMBER 31, 2011**



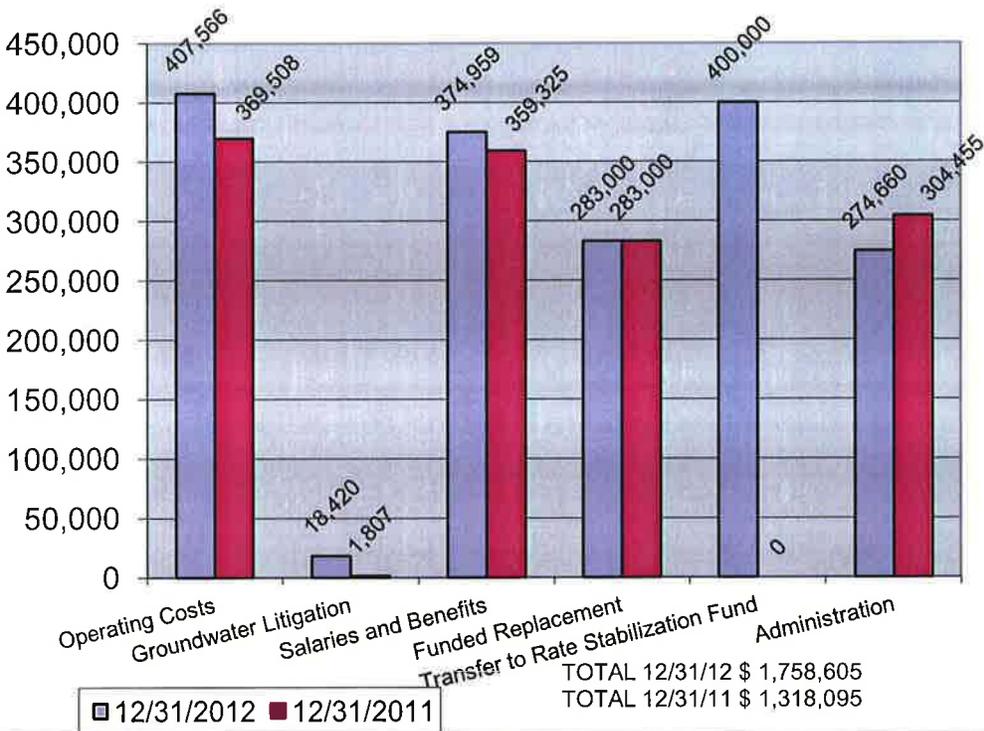
**NIPOMO COMMUNITY SERVICES DISTRICT  
 COMBINED REVENUES FOR ALL FUNDS  
 SIX MONTHS ENDED  
 DECEMBER 31, 2012 AND DECEMBER 31, 2011**



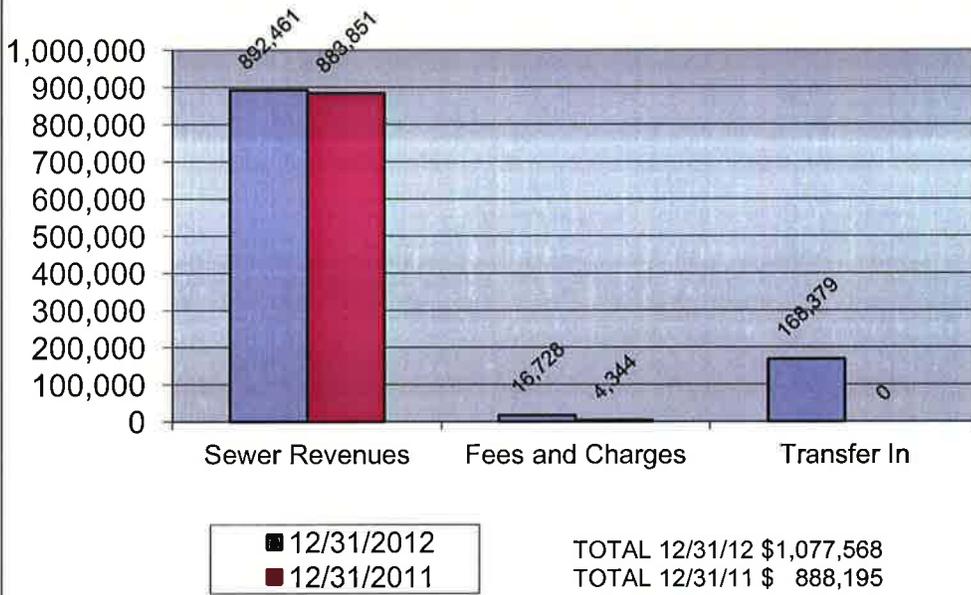
**NIPOMO COMMUNITY SERVICES DISTRICT  
WATER FUND #125  
REVENUES-DECEMBER 31 2012 AND DECEMBER 31, 2011**



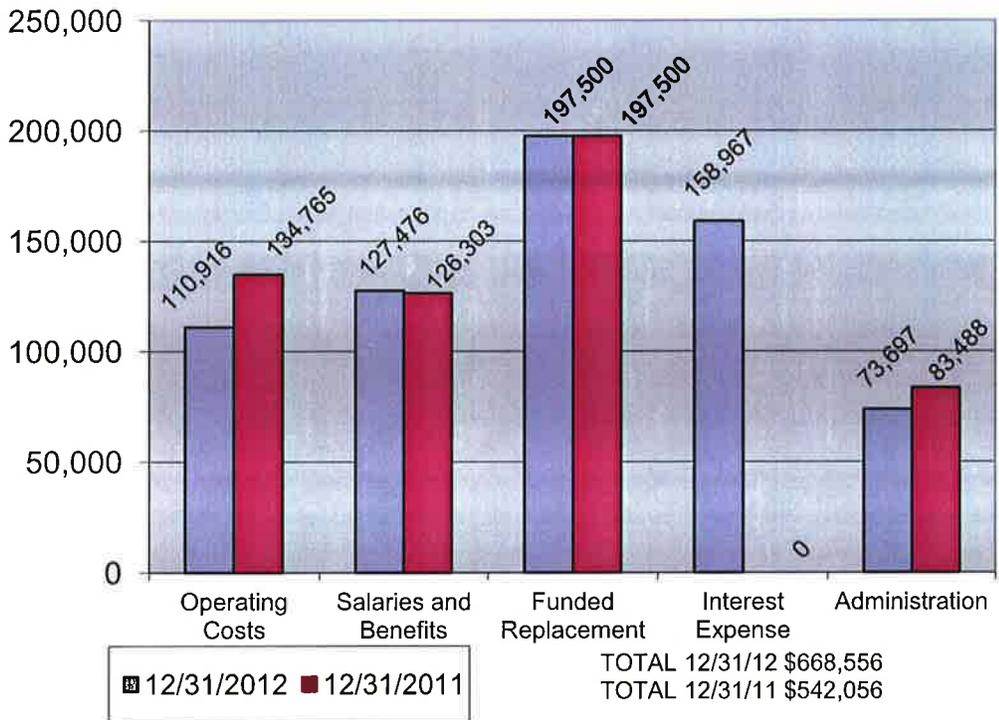
**NIPOMO COMMUNITY SERVICES DISTRICT  
WATER FUND #125  
EXPENDITURES-DECEMBER 31, 2012 AND DECEMBER 31, 2011**



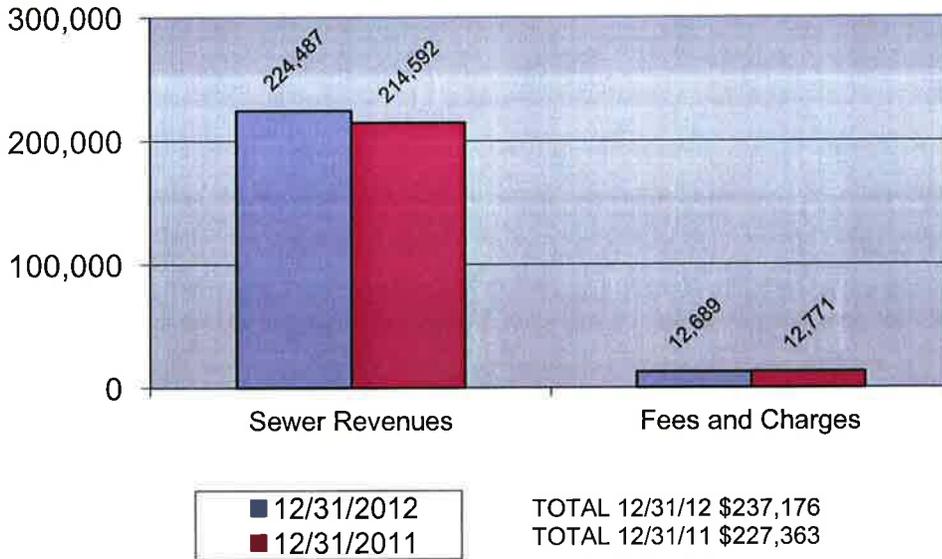
**NIPOMO COMMUNITY SERVICES DISTRICT  
TOWN SEWER FUND #130  
REVENUES-DECEMBER 31, 2012 AND DECEMBER 31, 2011**



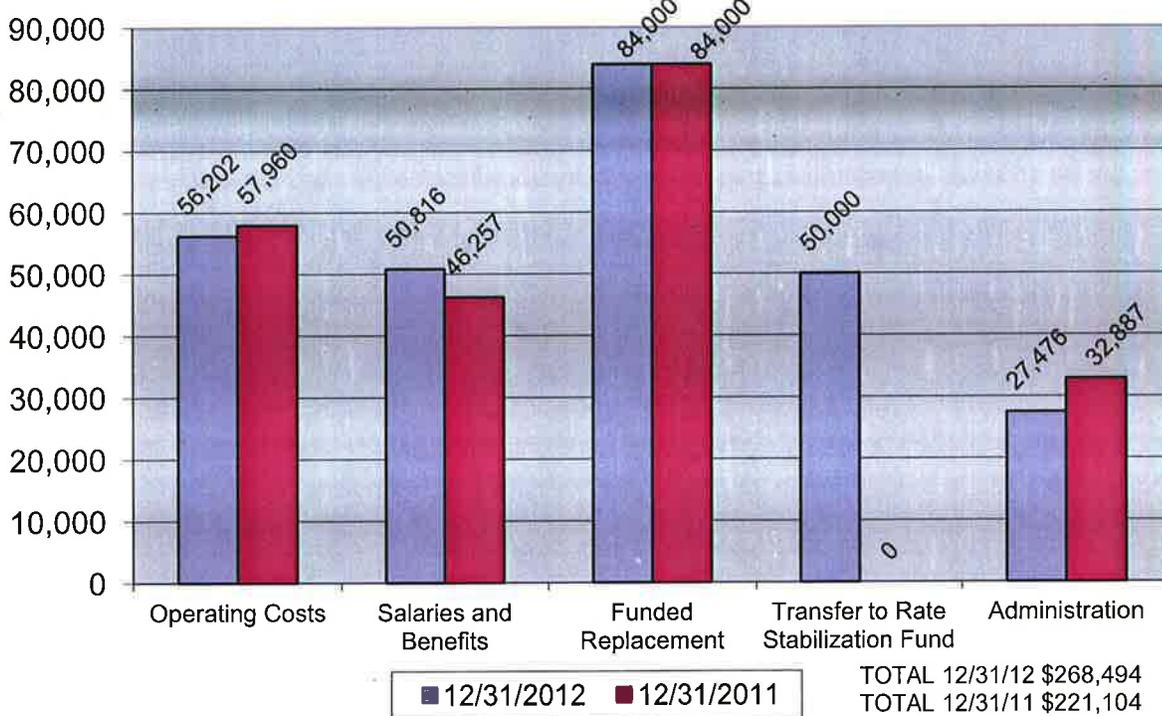
**NIPOMO COMMUNITY SERVICES DISTRICT  
TOWN SEWER FUND #130  
EXPENDITURES-DECEMBER 31, 2012 AND DECEMBER 31, 2011**



**NIPOMO COMMUNITY SERVICES DISTRICT  
BLACKLAKE SEWER FUND #150  
REVENUES-DECEMBER 31, 2012 AND DECEMBER 31, 2011**



**NIPOMO COMMUNITY SERVICES DISTRICT  
BLACKLAKE SEWER FUND #150  
EXPENDITURES-DECEMBER 31, 2012 AND DECEMBER 31, 2011**



TO: BOARD OF DIRECTORS

**AGENDA ITEM**

FROM: MICHAEL S. LEBRUN *MSL*  
GENERAL MANAGER

**D-4**

DATE: FEBRUARY 8, 2013

**FEBRUARY 13, 2013**

**AWARD THREE YEAR AUDITING SERVICES CONTRACT TO THE CROSBY COMPANY IN AMOUNT OF \$7,800 PER YEAR**

**ITEM**

Award three year auditing service contract to The Crosby Company in the amount of \$7,800 per year. [CONSIDER FINANCE AND AUDIT COMMITTEE RECOMMENDATION AND AWARD CONTRACT]

**BACKGROUND**

Pursuant to Special District Law, the Board of Directors shall provide for regular audits of the District's accounts and records. An audit is performed on the accounts and records of Nipomo Community Services District every year by an independent Certified Public Accountant (CPA).

Staff circulated a Request for Proposal to seven firms and received three proposals. A summary of the three proposals is as follows:

The Crosby Company	FY 2013 - \$7,800 FY 2014 - \$7,800 FY 2015 - \$7,800 Additional fees if single/grant-specific audit is required
Shinault Baker & Company	FY 2013 - \$11,000 + \$500 out-of-pocket costs FY 2014 - \$12,000+ \$500 out-of-pocket costs FY 2015 - \$13,000+ \$500 out-of-pocket costs Additional fees if single/grant-specific audit is required or additional procedures are required
Rogers, Anderson, Malody & Scott, LLP	FY 2013 - \$23,800 FY 2014 - \$24,350 FY 2015 - \$24,750 Additional fees if single/grant-specific audit is required of \$3,585, \$3,675, \$3,675 respectively

The Finance and Audit Committee met on January 17 and January 31, 2013 to review the audit proposals. The Committee unanimously agreed to recommend to Your Board to award a three-year contract to The Crosby Company for \$7,800 per year.

**FISCAL IMPACTS**

The FY 12-13 Budget includes funding for auditing services.

**RECOMMENDATION**

Accept recommendation from the Finance and Audit Committee and award a three year auditing contract to The Crosby Company for \$7,800 per year.

**ATTACHMENT**

None