

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS  
GENERAL MANAGER



DATE: JANUARY 21, 2022



## **PRESENTATIONS AND REPORTS**

The following presentations and reports are scheduled:

- C-1) QUARTERLY DISTRICT ENGINEER'S REPORT TO THE BOARD [RECOMMEND RECEIVE AND FILE]
- C-2) DIRECTORS' ANNOUNCEMENTS OF DISTRICT AND COMMUNITY INTEREST AND REPORTS ON ATTENDANCE AT PUBLIC MEETINGS, TRAINING PROGRAMS, CONFERENCES AND SEMINARS.  
Receive Announcements and Reports from Directors
- C-3) RECEIVE PUBLIC COMMENT ON PRESENTATIONS AND REPORTS PRESENTED UNDER ITEM C AND BY MOTION RECEIVE AND FILE PRESENTATIONS AND REPORTS

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS  
GENERAL MANAGER



DATE: JANUARY 21, 2022

**AGENDA ITEM**  
**C-1**  
**JANUARY 26, 2022**

**QUARTERLY DISTRICT ENGINEER'S REPORT TO THE BOARD**

**ITEM**

Engineering and Operations update for October through December 2021.

**BACKGROUND**

Director of Engineering and Operations, Peter Sevcik will overview his update (Attachment A) and discuss District projects for the October through December 2021 period.

**RECOMMENDATION**

Staff recommends that your Honorable Board receive the update.

**ATTACHMENTS**

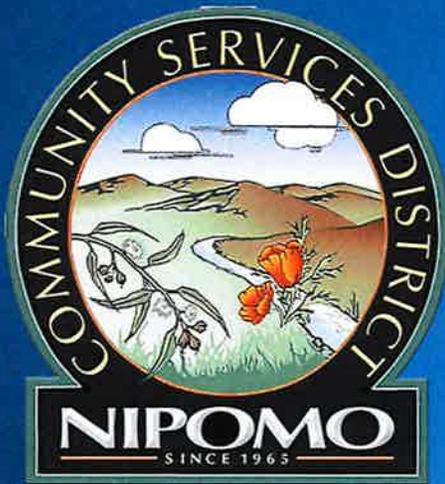
- A. Engineering and Operations Update for October through December 2021.

JANUARY 26, 2022

ITEM C-1

ATTACHMENT A

# Engineering and Operations Update – October 2021 to December 2021



Peter V. Sevcik, P.E.  
Director of Engineering and Operations  
Nipomo Community Services District  
January 26, 2022

# Project Completed

## Southland WWTF Screw Press

- Original contract cost - \$969,200
- Final Contract Cost – \$978,524
- Completed 12/2021



# Projects in Construction

## Supplemental Water Project Joshua Road Pump Station Pump #1-4 Improvements

- Contract cost - \$396,059
- Notice to proceed issued – 8/19/2020
- Revised projected completion date – 2/1/2022
- Work remaining - Painting



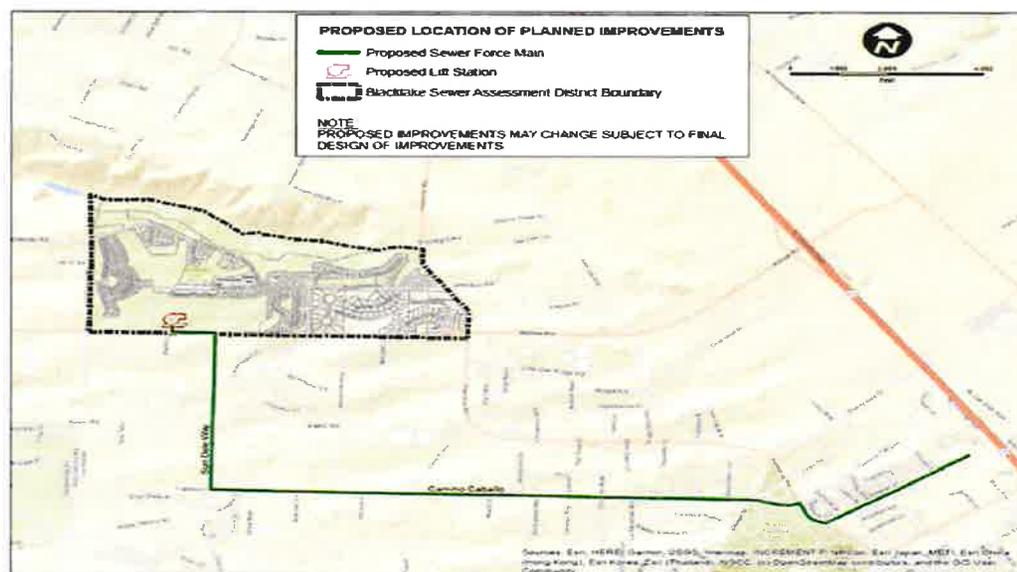
# Projects in Construction

## Nipomo Palms Lift Station Replacement

- Contract cost – \$918,368
- Notice to Proceed Issued – 5/17/2021
- Revised project completion date – 3/23/2022
- Pump and generator delivery impacted by COVID-19
- Construction in progress



# Blacklake Sewer System Consolidation Project



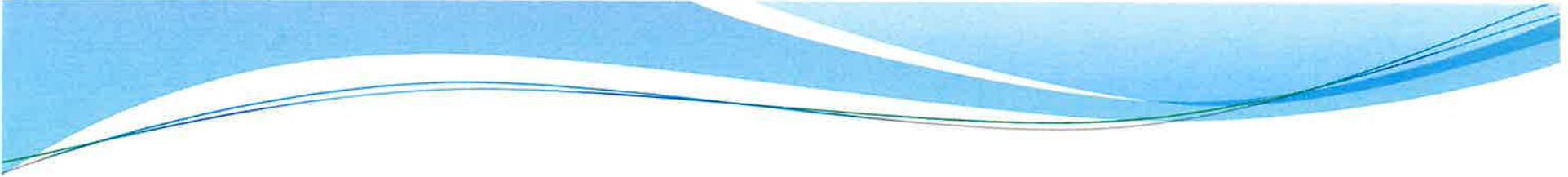
- Construction of lift station and force main to pump wastewater to Southland Wastewater Treatment Facility
- Decommission existing Blacklake Water Reclamation Facility



# Blacklake Sewer System Consolidation Project

## Contracts to Date

- Permitting assistance contract approved – 7/2020
  - Southland WWTF and Blacklake WRF permitting in progress
- Design contract for lift station and force main approved – 8/2020
  - 90% design review in progress
- Flow monitoring contract approved – 10/2020
  - Completed
- CEQA contract approved – 12/2020
  - Preparation of Mitigated Negative Declaration (MND) in progress



# Blacklake Sewer System Consolidation Project

## Blacklake WRF Permit

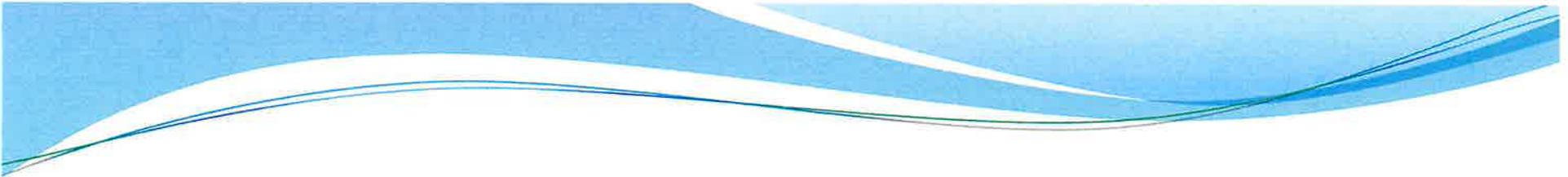
- Current permit was issued in 1994 for 200,000 gallons per day
- Current maximum daily flow is less than 100,000 gallons per day
- RWQCB notified District that facility needs new permit and provided two options:
  - Option to enroll in general permit for facilities with flows 100,000 gallons per day
  - Option to enroll in general permit for facilities with flows greater than 100,000 gallons per day
- Currently planning to enroll facility in general order for facilities with flows less than 100,000 gallons per day to minimize compliance costs for existing facility



# Blacklake Sewer System Consolidation Project

## Southland WWTF Permit

- Current permit was issued in 2012 for 900,000 gallons per day based on average daily BOD of 250 mg/l and TSS of 250 mg/l
- Current daily flow is 500,000 gallons per day with average BOD of 400 mg/l and TSS of 300 mg/l
- Blacklake Sewer System Consolidation Project will use up most of existing available capacity
- RWQCB has advised District that facility needs new permit in order to accept flow from Blacklake Sewer Service area and suggested enrollment in general permit for facilities with flows greater than 100,000 gallons per day
- Currently preparing application package for submittal to RWQCB



# Blacklake Sewer System Consolidation Project

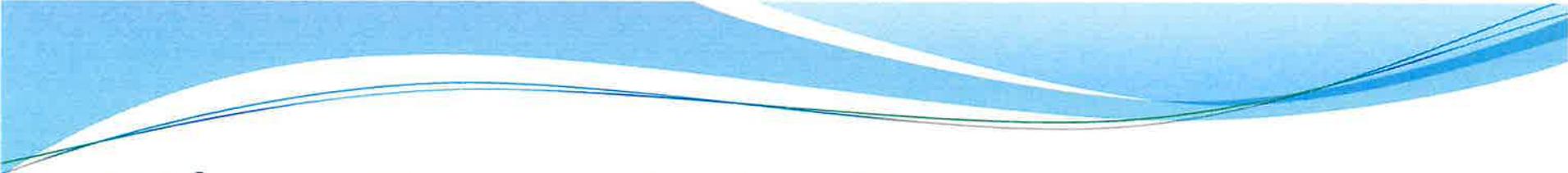
## California Environmental Quality Act (CEQA) Compliance

- Preparation of Mitigated Negative Declaration (MND) in progress
- California Red Legged Frog (CRLF) habitat assessment
  - Field survey identified CRLF in effluent discharge pond on golf course
  - District will need to obtain USFWS Section 10 Incidental Take Permit before construction can begin
  - Expected to delay bidding for 12 months
- Botanical surveys
  - Field surveys did not identify protected species
- Cultural resources
  - Native American Heritage Committee records search completed
  - Field survey did not identify cultural resources
  - Tribal consultation is pending



# Blacklake Sewer System Consolidation Project

<b>Schedule milestones</b>	<b>Original</b>	<b>New</b>
• Design completion –	12/2021	12/2022
• Permitting completion –	12/2021	12/2022
• Board authorization to bid –	1/2022	1/2023
• Board construction contract award –	5/2022	5/2023
• Construction completion date –	3/2024	3/2025



# Other Projects in Design

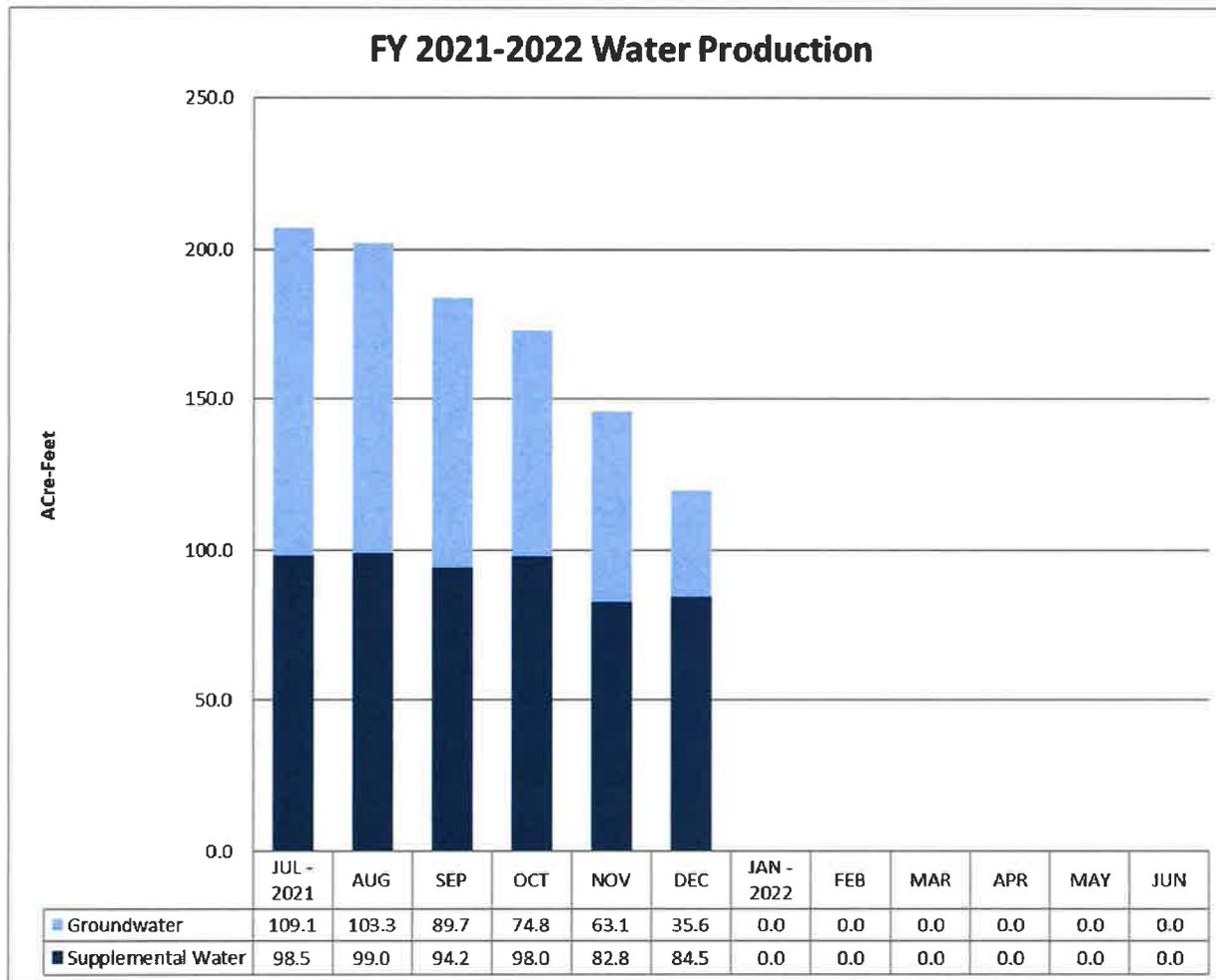
- Branch Street Watermain Replacement
  - 100% design in progress
- Eureka Well #2 Pump and Controls
  - 100% design in progress
- Woodgreen Lift Station
  - 90% design in progress



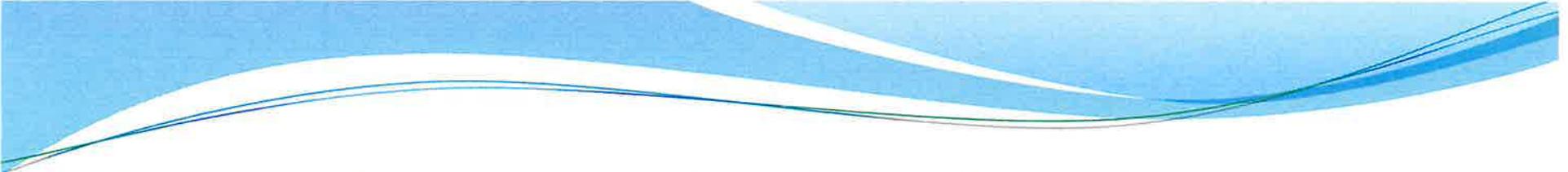
# Other Projects in Design

- District Office Generator
  - 100% design in progress
- Supplemental Water Project Interconnects
  - Woodlands easement recorded
  - Design on hold
- Foothill Tank Land Acquisition
  - Preparation of Mitigated Negative Declaration (MND) in progress

# Operations – Water System



<b>Supplemental Water</b>	<b>556.9 AF</b>
<b>Groundwater</b>	<b>475.5 AF</b>
<b>FY 21-22 Total Production To Date</b>	<b>1032.4 AF</b>



# Operations – Water System

- **Regulatory**

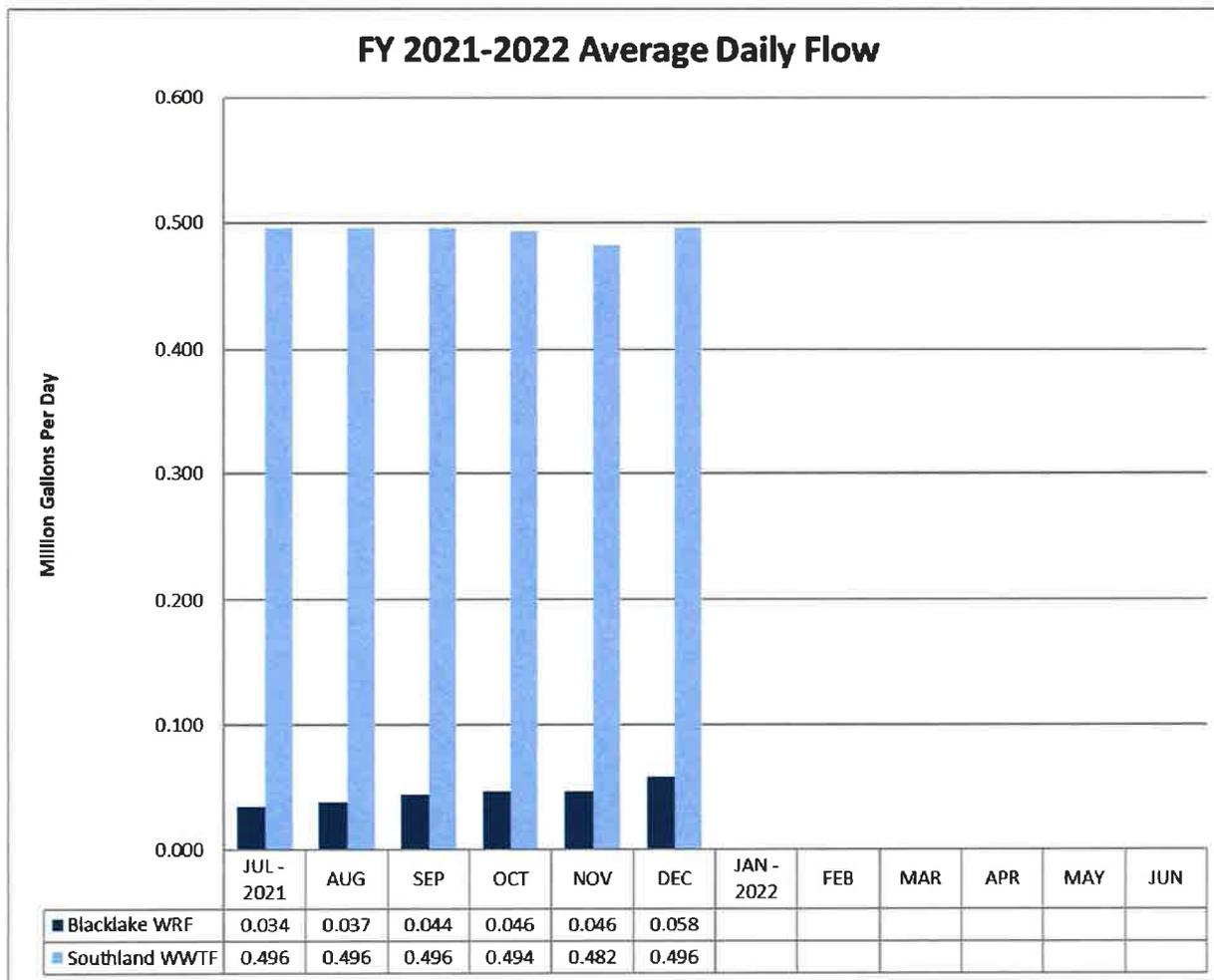
- State Water Resources Control Board Division of Drinking Water

- Submitted routine monthly coliform, quarterly raw water coliform, quarterly nitrate, quarterly disinfection byproducts

- **Other Water Operations**

- Completed annual electrical system preventive maintenance
  - Sundale offline due to nitrate limit exceedance

# Operations – Wastewater

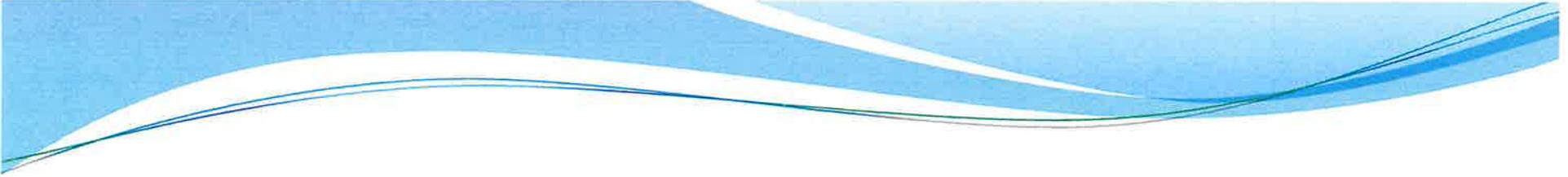


<b>Blacklake WRF</b>	<b>7.8 MG</b>
Southland WWTF	90.8 MG
FY 21-22 Total Wastewater Flow Treated To Date	98.6 MG or 303 AF



# Operations – Wastewater System

- **Regulatory**
  - State Water Resources Control Board
    - Routine monthly and quarterly reports submitted
- **Other Wastewater Operations**
  - Completed annual electrical system preventive maintenance
  - Blower #3 motor failed but still under warranty



# COVID-19 Response Current Status

- Following CDC, state and local guidance
- All operations employees vaccinated
- Staff working normal schedule
- Performing normal operations and maintenance tasks
- Monitoring inventory and availability of critical services, materials and supplies
- Continuing work on construction projects but schedules are being impacted due to delivery delays of equipment



# Engineering and Operations

## Questions

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS  
GENERAL MANAGER



DATE: JANUARY 21, 2022

**AGENDA ITEM**

**D**

**JANUARY 26, 2022**

## **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 12, 2022, REGULAR BOARD MEETING MINUTES  
[RECOMMEND APPROVE MINUTES]
- D-3) INVESTMENT POLICY - FOURTH QUARTER REPORT [RECOMMEND ACCEPT  
AND FILE]
- D-4) ANNUAL REVIEW OF INVESTMENT POLICY [RECOMMEND ADOPT  
RESOLUTION]
- D-5) ANNUAL REVIEW OF DISTRICT CASH RESERVE POLICIES [RECOMMEND  
REVIEW AND REAFFIRM CASH RESERVE POLICIES]
- D-6) AUTHORIZE STAFF TO ISSUE REQUEST FOR PROPOSALS FOR ENGINEERING  
SERVICES FRONTAGE ROAD TRUNK SEWER REPLACEMENT PROJECT  
[RECOMMEND AUTHORIZE STAFF TO ISSUE REQUEST FOR PROPOSALS]

TO: BOARD OF DIRECTORS

REVIEWED: MARIO IGLESIAS  
GENERAL MANAGER

FROM: LISA BOGNUDA LSB  
FINANCE DIRECTOR

DATE: JANUARY 21, 2022

**AGENDA ITEM**  
**D-1(A)**  
**JANUARY 26, 2022**

**WARRANTS**

COMPUTER CHECKS GENERATED – SEE ATTACHED	\$701,026.37
HAND WRITTEN CHECKS	NONE
VOIDED CHECKS (Printer Error)	NONE

# Item D-1 Warrants JANUARY 26, 2022

Nipomo Community Services District

By Payment Number

Payment Dates 01/26/2022 - 01/26/2022

Vendor Name	Description (Payable)	Payable Number	Payment Date	Amount
<b>Payment: 8040</b>				
Aqua-Metric Sales, Co.	Meters	INV0086333	01/26/2022	4,233.58
				<b>Payment 8040 Total:</b> <u>4,233.58</u>
<b>Payment: 8041</b>				
Brenntag Pacific, Inc.	Sodium Hypochlorite	BPI209997	01/26/2022	570.60
				<b>Payment 8041 Total:</b> <u>570.60</u>
<b>Payment: 8042</b>				
Burdine Printing	Postage	45092B	01/26/2022	509.07
Burdine Printing	Customer notice mailing	45092A	01/26/2022	252.82
				<b>Payment 8042 Total:</b> <u>761.89</u>
<b>Payment: 8043</b>				
California Water Environment	Certification renewal fees-German	JAN2022	01/26/2022	96.00
				<b>Payment 8043 Total:</b> <u>96.00</u>
<b>Payment: 8044</b>				
Cannon Corporation	Palms Lift Station Support	79013	01/26/2022	1,665.00
				<b>Payment 8044 Total:</b> <u>1,665.00</u>
<b>Payment: 8045</b>				
Carahsoft	WaterGEMS Subscription	IN1093304	01/26/2022	2,348.75
				<b>Payment 8045 Total:</b> <u>2,348.75</u>
<b>Payment: 8046</b>				
Charter Communications	Internet - Shop and/or Office	0224495012022	01/26/2022	734.20
Charter Communications	Internet - Shop and/or Office	0225708012222	01/26/2022	734.20
				<b>Payment 8046 Total:</b> <u>1,468.40</u>
<b>Payment: 8047</b>				
City of Santa Maria	Purchased Water 10-01-21 to 12-	86932	01/26/2022	570,777.99
				<b>Payment 8047 Total:</b> <u>570,777.99</u>
<b>Payment: 8048</b>				
Engel & Gray, Inc.	Biosolids collection	1CX00011	01/26/2022	10,376.44
				<b>Payment 8048 Total:</b> <u>10,376.44</u>
<b>Payment: 8049</b>				
Excel Personnel Services, Inc.	Employment agency	3885207	01/26/2022	496.00
				<b>Payment 8049 Total:</b> <u>496.00</u>
<b>Payment: 8050</b>				
Executive Janitorial	Janitorial services	82841	01/26/2022	600.00
				<b>Payment 8050 Total:</b> <u>600.00</u>
<b>Payment: 8051</b>				
FGL Environmental	Lab tests	184251A	01/26/2022	773.00
				<b>Payment 8051 Total:</b> <u>773.00</u>
<b>Payment: 8052</b>				
Frontier Communications	Telephone	JAN 2022	01/26/2022	58.50
				<b>Payment 8052 Total:</b> <u>58.50</u>
<b>Payment: 8053</b>				
Golden State Copier & Mailing	Letter opener	45448	01/26/2022	2,218.10
				<b>Payment 8053 Total:</b> <u>2,218.10</u>
<b>Payment: 8054</b>				
Iglesias, Mario	Cell phone reimbursement	JAN 2022	01/26/2022	65.00
				<b>Payment 8054 Total:</b> <u>65.00</u>

Vendor Name	Description (Payable)	Payable Number	Payment Date	Amount
<b>Payment: 8055</b>				
Newton Geo-Hydrology	General Consultation	Dec 2021-2	01/26/2022	1,110.00
<b>Payment 8055 Total:</b>				<b>1,110.00</b>
<b>Payment: 8056</b>				
NexTraq	GPS subscription	AT1437186	01/26/2022	419.25
<b>Payment 8056 Total:</b>				<b>419.25</b>
<b>Payment: 8057</b>				
Nipomo Community Services	Water	DEC 2021	01/26/2022	1,074.82
<b>Payment 8057 Total:</b>				<b>1,074.82</b>
<b>Payment: 8058</b>				
Nu-Tech Pest Management	Pest Control	163023	01/26/2022	265.00
Nu-Tech Pest Management	Rodent Control	163026	01/26/2022	75.00
<b>Payment 8058 Total:</b>				<b>340.00</b>
<b>Payment: 8059</b>				
Office Depot	Office supplies	219005703001	01/26/2022	99.80
Office Depot	Office supplies	215732068001	01/26/2022	142.47
<b>Payment 8059 Total:</b>				<b>242.27</b>
<b>Payment: 8060</b>				
Perry's Electric Motors &	Pump repair	25743	01/26/2022	5,883.24
<b>Payment 8060 Total:</b>				<b>5,883.24</b>
<b>Payment: 8061</b>				
PG&E	Electricity	JAN 2022	01/26/2022	36,298.26
PG&E	Electricity	DEC 2021	01/26/2022	42,022.68
<b>Payment 8061 Total:</b>				<b>78,320.94</b>
<b>Payment: 8062</b>				
Polydyne, Inc.	Clarifloc	1607284	01/26/2022	3,896.24
<b>Payment 8062 Total:</b>				<b>3,896.24</b>
<b>Payment: 8063</b>				
Quinn Company	Operating supplies	PC030340205	01/26/2022	203.31
Quinn Company	Operating supplies	PC030340206	01/26/2022	83.69
<b>Payment 8063 Total:</b>				<b>287.00</b>
<b>Payment: 8064</b>				
Ray Morgan Company	B&W/Color copies	3577795	01/26/2022	294.47
Ray Morgan Company	B&W/Color copies	3577794	01/26/2022	67.82
<b>Payment 8064 Total:</b>				<b>362.29</b>
<b>Payment: 8065</b>				
Santa Maria Times	Subscription renewal	175915-2022	01/26/2022	240.00
<b>Payment 8065 Total:</b>				<b>240.00</b>
<b>Payment: 8066</b>				
State Water Resources Control	Annual permit fees-4DW0133	WD-0197190	01/26/2022	763.00
<b>Payment 8066 Total:</b>				<b>763.00</b>
<b>Payment: 8067</b>				
SWCA, Inc.	Foothill water tank site acquisition	138961	01/26/2022	3,618.50
<b>Payment 8067 Total:</b>				<b>3,618.50</b>
<b>Payment: 8068</b>				
USA Bluebook	CHEMKEY	830487	01/26/2022	1,236.22
USA Bluebook	CHEMKEY	830665	01/26/2022	3,533.46
<b>Payment 8068 Total:</b>				<b>4,769.68</b>
<b>Payment: 8069</b>				
Wallace Group	FOG Program	55358	01/26/2022	2,655.74
<b>Payment 8069 Total:</b>				<b>2,655.74</b>
<b>Payment: 8070</b>				
Waste Connections	Waste collection- Office	7528216	01/26/2022	48.60
Waste Connections	Waste collection-Southland	7529451	01/26/2022	227.79
Waste Connections	Waste collection-Old Town	7529100	01/26/2022	257.76
<b>Payment 8070 Total:</b>				<b>534.15</b>

TO: BOARD OF DIRECTORS

REVIEWED: MARIO IGLESIAS  
GENERAL MANAGER

FROM: LISA BOGNUDA (LSB)  
FINANCE DIRECTOR

DATE: JANUARY 21, 2022

**AGENDA ITEM**  
**D-1(B)**  
**JANUARY 26, 2022**

**WARRANTS – BLACKLAKE ASSESSMENT DISTRICT 2020-1**

COMPUTER CHECKS GENERATED – SEE ATTACHED	\$1,734.53
--	------------

**Item D-1 Warrants JANUARY 26, 2022**

Nipomo Community Services District

By Payment Number

Payment Dates 01/26/2022 - 01/26/2022

<b>Vendor Name</b>	<b>Description (Payable)</b>	<b>Payable Number</b>	<b>Payment Date</b>	<b>Amount</b>
<b>Payment: 44</b> Cannon Corporation	Woodgreen Lift Station Rehab	79014	01/26/2022	1,734.53
<b>Payment 44 Total:</b>				<u>1,734.53</u>

TO: BOARD OF DIRECTORS  
FROM: MARIO IGLESIAS  
GENERAL MANAGER   
DATE: JANUARY 21, 2022



**APPROVE JANUARY 12, 2022  
REGULAR BOARD MEETING MINUTES**

**ITEM**

Approve action minutes from previous Board meetings. [RECOMMEND APPROVE MINUTES]

**BACKGROUND**

The draft minutes are a written record of the previous Board Meeting action.

**RECOMMENDATION**

Approve Minutes

**ATTACHMENT**

- A. January 12, 2022 draft Regular Board Meeting Minutes

JANUARY 26, 2022

ITEM D-2

ATTACHMENT A

# NIPOMO COMMUNITY SERVICES DISTRICT

*Serving the Community since 1965*

## DRAFT REGULAR MINUTES

**JANUARY 12, 2022 AT 9:00 A.M.**

JON S. SEITZ BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

### BOARD of DIRECTORS

ED EBY, **PRESIDENT**  
RICHARD MALVAROSE, **VICE PRESIDENT**  
DAN ALLEN GADDIS, **DIRECTOR**  
DAN WOODSON, **DIRECTOR**  
CRAIG ARMSTRONG, **DIRECTOR**

### PRINCIPAL STAFF

MARIO IGLESIAS, **GENERAL MANAGER**  
LISA BOGNUDA, **FINANCE DIRECTOR**  
PETER SEVCIK, **DIRECTOR OF ENG. & OPS.**  
CRAIG STEELE, **GENERAL COUNSEL**

#### Mission Statement:

Provide our customers with reliable, quality, and cost-effective services now and in the future.

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

*President Eby called the Regular Meeting of January 12, 2022, to order at 9:00 a.m. and led the flag salute.*

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

*At Roll Call, all Directors were present.*

*There were no public comments.*

#### C. PRESENTATIONS AND REPORTS

##### C-1) RECOGNITION OF 2021 BOARD OFFICERS AND SEATING OF 2022 BOARD OFFICERS [NO ACTION REQUESTED]

Mario Iglesias, General Manager, thanked 2021 President, Ed Eby, and 2021 Vice President, Dan Gaddis for their service to the Board and community. Director Eby retained the President position on the Board for 2022 and Director Malvarose was seated as Vice President of the Board.

##### C-2) 2021 FALL GROUNDWATER INDEX REVIEW [RECOMMEND RECEIVE AND FILE REPORT]

Brad Newton, Ph.D., P.G., of Newton Geo-Hydrology Consulting Services, presented the Fall 2021 Ground Water Index and answered questions from the Board.

There were no public comments.

##### C-3) DIRECTORS' ANNOUNCEMENTS OF DISTRICT AND COMMUNITY INTEREST AND REPORTS ON ATTENDANCE AT PUBLIC MEETINGS, TRAINING PROGRAMS, CONFERENCES AND SEMINARS.

Receive Announcements and Reports from Directors

Director Woodson

- December 9, attended Traffic and Circulation meeting.

SUBJECT TO BOARD APPROVAL

Nipomo Community Services District  
DRAFT REGULAR MEETING  
MINUTES

Director Gaddis

- Stated he was out of state for the holiday season visiting family.

Director Malvarose

- January 7, met with General Manager to review agenda.

Director Eby

- December 9, attended Traffic and Circulation meeting.
- December 16, LAFCO meeting was cancelled.
- January 3, attended Board Officers' meeting.
- January 5, attended WRAC meeting.
- January 11, Board of Supervisors were going to approve IRWM funding.

*There were no public comments.*

*Upon the motion of Director Armstrong and seconded, the Board unanimously approved receiving and filing presentations and reports.  
Vote 5-0.*

YES VOTES	NO VOTES	ABSENT
Directors Armstrong, Woodson, Gaddis, Malvarose and Eby	None	None

D. CONSENT AGENDA

- D-1) WARRANTS [RECOMMEND APPROVAL]
- D-2) APPROVE DECEMBER 8, 2021, REGULAR BOARD MEETING MINUTES [RECOMMEND APPROVE MINUTES]
- D-3) APPROVE AGREEMENT WITH ROGERS, ANDERSON, MALODY & SCOTT PROPOSAL FOR 3 YEARS OF AUDITING SERVICES [RECOMMEND APPROVE]
- D-4) AUTHORIZE CONTRACT AMENDMENT FOR DESIGN ENGINEERING SERVICE FOR EUREKA WELL REPLACEMENT PROJECT [RECOMMEND AUTHORIZE DESIGN CONTRACT AMENDMENT WITH CANNON CORPORATION IN THE AMOUNT OF \$43,143]
- D-5) ACCEPT SOUTHLAND WASTEWATER TREATMENT FACILITY SCREW PRESS PROJECT [RECOMMEND, BY MOTION AND ROLL CALL VOTE, ACCEPT PROJECT AND DIRECT STAFF TO FILE NOTICE OF COMPLETION]

*Peter Sevcik, Director of Engineering and Operations, answered questions from the Board.*

*There were no public comments.*

*Upon the motion of Director Gaddis and seconded, the Board approved the Consent Agenda.  
Vote 4-1-0 on D-1.*

SUBJECT TO BOARD APPROVAL

Vote 5-0 on D-2 to D-5.

	YES VOTES	ABSTAIN	ABSENT
D-1	Directors Gaddis, Armstrong, Woodson and Eby	Malvarose	None
D-2 to D-5	Directors Gaddis, Armstrong, Woodson, Malvarose and Eby	None	None

**E. ADMINISTRATIVE ITEMS**

- E-1) INTRODUCE ORDINANCE NO. 2022-134 AMENDING TITLE 3 AND 4 OF THE NIPOMO COMMUNITY SERVICES DISTRICT CODE TO AMEND BILLING PROCEDURES [RECOMMEND INTRODUCE ORDINANCE, WAIVE FURTHER READING AND READ BY TITLE ONLY ORDINANCE NO. 2022-134]

*Mario Iglesias, General Manager, presented the item and answered questions from the Board of Directors.*

*There were no public comments.*

*Upon the motion of Director Malvarose and seconded, the Board approved the introduction of Ordinance 2022-134 and read by title only – Ordinance 2022-134, An Ordinance of the Board of Directors of the Nipomo Community Services District amending Title 3 and Title 4 of the Nipomo Community Services District Code.*

*Vote 5-0.*

YES VOTES	NO VOTES	ABSENT
Directors Malvarose, Armstrong, Woodson, Gaddis, and Eby	None	None

**ORDINANCE 2022-134  
 A ORDINANCE OF THE BOARD OF DIRECTORS  
 OF THE NIPOMO COMMUNITY SERVICES  
 DISTRICT AMENDING TITLE 3 AND 4 OF THE NIPOMO  
 COMMUNITY SERVICES DISTRICT CODE TO AMEND  
 BILLING PROCEDURES**

- E-2) RATIFY 2022 COMMITTEE ASSIGNMENTS [RECOMMEND APPROVE COMMITTEE ASSIGNMENTS]

*President Eby appointed General Manager, Mario Iglesias, as the SCAC member representative and appointed Director Armstrong as the Chairperson of the Administration Committee. All other assignments remain the same as 2021.*

*Upon the motion of Director Woodson and seconded, the Board unanimously approved the 2022 Committee Assignments.*

*Vote 5-0.*

YES VOTES	NO VOTES	ABSENT
Directors Woodson, Armstrong, Gaddis, Malvarose and Eby	None	None

Nipomo Community Services District  
DRAFT REGULAR MEETING  
MINUTES

- E-3) CONSIDER SECOND AMENDMENT TO GENERAL MANAGER’S EMPLOYMENT CONTRACT REGARDING LEAVE ACCUMULATION AND CARRY-OVER LIMITS [RECOMMEND CONSIDER PROPOSED AMENDMENT, DISCUSS AND IF AGREEABLE, APPROVE MODIFICATIONS TO THE GENERAL MANAGER’S EMPLOYMENT CONTRACT]

*Mario Iglesias, General Manager, introduced the item and answered questions from the Board of Directors.*

*There were no public comments.*

*Upon the motion of Director Gaddis and seconded, the Board unanimously approved the second amendment to contract.  
Vote 5-0.*

YES VOTES	NO VOTES	ABSENT
<i>Directors Gaddis, Woodson, Armstrong, Malvarose, and Eby</i>	<i>None</i>	<i>None</i>

F. GENERAL MANAGER’S REPORT

*Mario Iglesias, General Manager, presented the item and answered questions from the Board.*

*There were no public comments.*

G. COMMITTEE REPORTS

*None.*

H. DIRECTORS’ REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

*Director Eby requested Staff to review the legal issues and all other ramifications of implementing a policy that would cease the acceptance of new annexation applications until the 3,000 acre feet limitation placed on the District’s supplemental water project by Santa Barbara County is lifted. Active annexation applications would be exempt from this new proposed policy. Staff will report back to the Board at the second meeting in February.*

I. CLOSED SESSION ANNOUNCEMENTS

- 1. CONFERENCE WITH DISTRICT LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GC §54956.9
  - a. SMVWCD V. NCSO (SANTA CLARA COUNTY CASE NO. CV 770214, SIXTH APPELLATE COURT CASE NO. H032750, AND ALL CONSOLIDATED CASES)

*Craig Steele, District Legal Counsel, announced the Board discussed Item 1 and 2 in Closed Session and took no reportable action.*

**Nipomo Community Services District  
DRAFT REGULAR MEETING  
MINUTES**

**ADJOURN MEETING**

*President Eby adjourned the meeting at 10:40 a.m.*

MEETING SUMMARY	HOURS & MINUTES
Regular Meeting	1 hour 15 minutes
Closed Session	0 hour 25 minutes
TOTAL HOURS	1 hour 40 minutes

Respectfully submitted,

---

Mario Iglesias, General Manager and Secretary to the Board

Date

THIS PAGE INTENTIONALLY LEFT BLANK

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS  
GENERAL MANAGER 

**AGENDA ITEM  
D-3  
JANUARY 26, 2022**

DATE: JANUARY 21, 2022

**INVESTMENT POLICY – FOURTH QUARTER REPORT**

**ITEM**

Review Investment Policy Fourth Quarter Report [RECOMMEND ACCEPT AND FILE REPORT]

**BACKGROUND**

The District’s Investment Policy requires the Finance Officer file a quarterly report that identifies the District’s investments and their compliance with the policy. The quarterly report is considered by the Board of Directors and is filed with the District’s auditor.

As District Finance Officer and Treasurer, I am pleased to inform the Board of Directors that the District is in compliance with the Investment Policy and that the objectives of safety, liquidity, and yield have been met. The District has the ability to meet cash flow requirements for the next six months.

**INVESTMENT POLICY-QUARTERLY REPORT 12/31/21**

Investment	Institution	Amount of Deposit 12/31/21	Rate of Interest as of 12/31/21	Quarterly Interest Earned or Accrued 12/31/21	Amount of Deposit 12/31/20	Rate of Interest as of 12/31/20	Quarterly Interest Earned or Accrued 12/31/20
Public Checking (1)	Mechanics Bank	\$343,359.56	n/a	n/a	\$74,086.22	n/a	n/a
Pooled Money Investment	Local Agency Investment Fund (LAIF)	\$17,618,462.97	0.63%	\$27,170.00	\$17,618,462.97	0.63%	\$27,170.00
Savings-NSWP Funded Replace (2)	Five Star	\$1,336,199.93	0.20%	\$677.04	\$1,125,511.99	0.59%	\$1,787.58
Savings-Improvement Bonds(3)	Mechanics Bank	\$3,088.94	0.02%	\$0.15	\$4,691.99	0.03%	\$0.84
Savings-Performance Bonds(3)	Five Star	\$19,125.03	0.20%	\$9.89	\$19,064.72	0.59%	\$30.68
Savings-Performance Bonds (3)	Five Star	\$107,581.65	0.20%	\$55.60	\$107,242.42	0.59%	\$42.42
Checking-BL A/D 2020-1 (4)	Five Star	\$492,750.67	0.20%	\$279.88	\$899,678.25	0.59%	\$1,552.62
Savings-BL A/D 2020-1 (4)	Five Star	\$956,325.22	0.20%	\$494.23	\$953,309.77	0.59%	\$1,039.18

- (1) Analyzed Account
- (2) Nipomo Supplemental Water (NSWP) Funded Replacement Fund
- (3) Held in Trust – to be returned to developer upon completion of projects
- (4) Held in Trust – Blacklake Assessment District 2020-1
- n/a Not applicable

**RECOMMENDATION**

After Board consideration and public comment, it is recommended that your Honorable Board accept the quarterly report and direct staff to file the Report with District Auditor.

**ATTACHMENTS**

None

TO: BOARD OF DIRECTORS

REVIEWED: MARIO IGLESIAS  
GENERAL MANAGER



FROM: LISA BOGNUDA  
FINANCE DIRECTOR

DATE: JANUARY 21, 2022



## RESOLUTION ADOPTING DISTRICT INVESTMENT POLICY

### ITEM

Adopt resolution revising District Investment Policy [RECOMMEND ADOPT RESOLUTION]

### BACKGROUND

The California Government Code requires the district to annually review its Investment Policy and consider any changes at a public meeting.

District Legal Counsel has reviewed the Investment Policy and does not recommend any changes; however, it is recommended the Board readopt the investment policy with 2022 dates.

### STRATEGIC PLAN

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

### RECOMMENDATION

Staff recommends your Board adopt Resolution revising Investment Policy.

### ATTACHMENTS

- A. Resolution 2022-XXXX Investment Policy

JANUARY 26, 2022

ITEM D-4

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2022-\_\_\_\_\_**

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

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

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

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

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

1. The District has conducted the annual review of, and hereby adopts, the Investment Policy attached hereto as Exhibit "A" as the District's 2022 Investment Policy;
2. The District Board affirms its appointment of the General Manager as Treasurer/Finance Officer of the District, and delegates to the Treasurer/Finance Officer the authority to invest and re-invest funds in accordance with the Investment Policy for the succeeding twelve (12) month period following such delegation or until such time as the delegation of authority is revoked or amended earlier.

**PASSED AND ADOPTED** by the Board of Directors of the Nipomo Community Services District this \_\_\_ day of January 2022, on the following roll call vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
ED EBY, President  
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
MARIO IGLESIAS  
Secretary to the Board

\_\_\_\_\_  
CRAIG A. STEELE  
District Legal Counsel

**RESOLUTION 2022-\_\_\_\_**  
**EXHIBIT A**

**INVESTMENT POLICY**  
**NIPOMO COMMUNITY SERVICES DISTRICT**

**1. INTRODUCTION**

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

**2. PURPOSE AND SCOPE**

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

**3. FINANCE OFFICER/TREASURER**

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

**4. SCOPE**

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

**5. OBJECTIVES**

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

**A. SAFETY**

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

**B. LIQUIDITY**

**RESOLUTION 2022-\_\_\_\_**  
**EXHIBIT A**

**INVESTMENT POLICY**  
**NIPOMO COMMUNITY SERVICES DISTRICT**

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

**C. YIELD**

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

**D. COMPLIANCE**

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

**6. STANDARDS OF CARE**

**A. PRUDENCE**

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

**B. DISCLOSURES**

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

**7. INVESTMENTS AUTHORITY**

**A. PERMITTED INVESTMENTS**

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

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

**B. PROHIBITED INVESTMENTS**

**RESOLUTION 2022-\_\_\_\_**  
**EXHIBIT A**

**INVESTMENT POLICY**  
**NIPOMO COMMUNITY SERVICES DISTRICT**

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

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

**C. DIVERSIFIED INVESTMENTS**

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

**8. REPORTS**

**A. MONTHLY REPORT**

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

- Investments made or retired during the preceding month.
- Single transfers between permitted institutions of greater than \$300,000 .

**B. QUARTERLY REPORT**

Finance Officer/Treasurer shall file a quarterly report that identifies the District's investments and their compliance with the District's Investment Policy. The quarterly report must be filed with the District's auditor and considered by the District's Board of Directors within thirty (30) days after the end of each quarter (i.e., by May 1, August 1, November 1, and February 1) (California Government Code § 53646). Required elements of the quarterly report are as follows:

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

**RESOLUTION 2022-\_\_\_\_**  
**EXHIBIT A**

**INVESTMENT POLICY**  
**NIPOMO COMMUNITY SERVICES DISTRICT**

10. Description of any of the District's funds, investments, or programs that are under the management of contracted parties, including lending programs

**C. ANNUAL REPORT**

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

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

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

**D. LIMITED QUARTERLY REPORT**

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

TO: BOARD OF DIRECTORS

REVIEWED: MARIO IGLESIAS  
GENERAL MANAGER



FROM: LISA BOGNUDA  
FINANCE DIRECTOR

DATE: JANUARY 21, 2022

**AGENDA ITEM**  
**D-5**  
**JANUARY 26, 2022**

## **ANNUAL REVIEW OF CASH RESERVE POLICIES**

### **ITEM**

Conduct annual review of Cash Reserve policy [RECOMMEND REVIEW AND REAFFIRM CASH RESERVE POLICY]

### **BACKGROUND**

Annually, the Board of Directors review the District's Cash Reserve Policy.

The policy states the adequacy of the targeted cash reserve year-end balances and/or annual contributions to each fund will be reviewed annually within 120 days after the end of fiscal year. The review of cash reserve balances took place at the October 27, 2021 Board Meeting.

No changes are recommended to the Cash Reserve Policy.

### **STRATEGIC PLAN**

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

### **RECOMMENDATION**

Staff recommends your Board review and reaffirm Cash Reserve policy

### **ATTACHMENTS**

A. Resolution 2018-1489, including Exhibit A, Cash Reserve

JANUARY 26, 2022

ITEM D-5

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2018-1489**

**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.

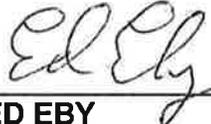
Upon a motion by Director Armstrong, seconded by Director Blair, on the following roll call vote, to wit:

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

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2018-1489**

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

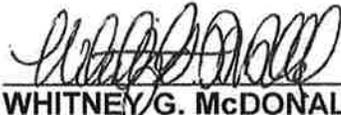
The foregoing resolution is hereby adopted this 24<sup>d</sup> day of October 2018

  
\_\_\_\_\_  
**ED EBY**  
President of the Board

ATTEST:

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

APPROVED AS TO FORM AND  
LEGAL EFFECT:

  
\_\_\_\_\_  
**WHITNEY G. McDONALD**  
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, including the Water Rate Stabilization Fund #128, 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 120 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 balance from Water Fund #125 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, including the Town Sewer Rate Stabilization Fund #135, should be equal to or greater than six months (180 days) of annual budgeted operating expenses (not including Funded Replacement).

NIPOMO COMMUNITY SERVICES DISTRICT  
CASH RESERVE POLICY  
EXHIBIT "A"

After adoption of the budget and within 120 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 balance from the Town Sewer Fund #130 to the Funded Replacement Town Sewer Fund #810.

**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, including the Blacklake Sewer Rate Stabilization Fund #155, 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 120 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 balance from the Blacklake Sewer fund #150 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.

NIPOMO COMMUNITY SERVICES DISTRICT  
CASH RESERVE POLICY  
EXHIBIT"A"

**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.

**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 \$150,000.

**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.

NIPOMO COMMUNITY SERVICES DISTRICT  
CASH RESERVE POLICY  
EXHIBIT"A"

**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: No minimum target is maintained

**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: No minimum target is maintained

**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: No minimum target is maintained

**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, the annual property tax revenue stream is pledged to pay the annual debt service for the 2013 Certificates of Participation and the 2013 Refunding Revenue Bonds.

**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.

THIS PAGE INTENTIONALLY LEFT BLANK

TO: BOARD OF DIRECTORS  
REVIEWED: MARIO IGLESIAS  
GENERAL MANAGER  
FROM: PETER V. SEVCIK, P.E.  
DIRECTOR OF  
ENGINEERING & OPERATIONS  
DATE: JANUARY 20, 2022

**AGENDA ITEM**  
**D-6**  
**JANUARY 26, 2022**

**AUTHORIZE STAFF TO ISSUE  
REQUEST FOR PROPOSALS FOR ENGINEERING SERVICES FOR  
FRONTAGE ROAD TRUNK SEWER REPLACEMENT PROJECT**

**ITEM**

Authorize staff to issue Request for Proposals for engineering services for Frontage Road Trunk Sewer Replacement Project [RECOMMEND AUTHORIZE STAFF TO ISSUE REQUEST FOR PROPOSALS].

**BACKGROUND**

The Frontage Road Trunk Sewer Replacement Project involves the replacement of approximately 4700 linear feet of sewer line and 17 manholes in Frontage Road between Division Street and Juniper Street. The existing trunk sewer is in poor condition and is surcharging during high flow conditions. Replacing the existing sewer line with a new sewer line will help avoid the need for emergency repairs to the existing sewer line as well as provide capacity for the Blacklake Sewer System Consolidation Project and other potential future connections located upstream of the project alignment.



The first step to implement the project is to solicit proposals from engineering design consultants and select a consultant through a qualification-based selection process to prepare construction plans and technical specifications for the bidding of the construction of the project. Staff recommends that the District hire a single qualified consultant that can provide the following services to the District:

- Project Management
- Preliminary Design
- Assist District CEQA consultant
- Assist District in securing all required permits
- Final Design, including Construction Estimates, Construction Plans, and Technical Specifications suitable to be inserted into the District's standard front-end contract documents
- Assist District with contractor pre-qualification
- Assist District during bid phase
- Provide engineering services during construction including assisting District construction management consultant

Staff anticipates to present the results of the qualification-based consultant selection process and seek Board authorization to negotiate a contract for professional engineering design services with the highest ranked consultant at the March 23, 2022 Board meeting.

Staff anticipates to hire a separate CEQA consultant to prepare the required environmental documentation for the project and a separate construction management firm that will provide constructability reviews during the design phase of the project as well as construction inspection and management services during the construction phase of the project.

### **FISCAL IMPACT**

The estimated Project cost is \$3,600,000. Funding in the amount of \$200,000 for design is available in the FY 2021-2022 budget.

### **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.

### **RECOMMENDATION**

Staff recommends that the Board authorize staff to solicit proposals for engineering services for the Frontage Road Trunk Sewer Replacement Project.

### **ATTACHMENTS**

None.