

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS
GENERAL MANAGER



DATE: SEPTEMBER 16, 2021



PRESENTATIONS AND REPORTS

The following presentations and reports are scheduled:

- C-1) SAN LUIS OBISPO COUNTY PUBLIC WORKS PRESENTATION –
MANAGING STATE WATER, A DISCUSSION ON PROCESS AND
PROCEDURES TO EQUITABLY PROVIDE FOR COUNTY RESIDENTS
[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: SEPTEMBER 16, 2021

AGENDA ITEM

D

SEPTEMBER 22, 2021

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 SEPTEMBER 8, 2021, REGULAR BOARD MEETING MINUTES
[RECOMMEND APPROVE MINUTES]

TO: BOARD OF DIRECTORS

REVIEWED: MARIO IGLESIAS ~~HI~~
GENERAL MANAGER

FROM: LISA BOGNUDA LSB
FINANCE DIRECTOR

DATE: SEPTEMBER 17, 2021

AGENDA ITEM
D-1(A)
SEPTEMBER 22, 2021

WARRANTS

| | |
|--|--------------|
| COMPUTER CHECKS GENERATED – SEE ATTACHED | \$139,071.31 |
| HAND WRITTEN CHECKS | NONE |
| VOIDED CHECK # 7462 | \$16,315.00 |



Nipomo Community Services District

Item D-1(A) Warrants SEPTEMBER 22, 2021

By Payment Number

Payment Dates 09/22/2021 - 09/22/2021

| Vendor Name | Description (Payable) | Payable Number | Payment Date | (None) | Amount |
|---------------------------------|---------------------------------|----------------|--------------|--------|-----------------|
| Payment: 7579 | | | | | |
| Aerzen USA Corporation | Start up of Blower | SEPI-21-003765 | 09/22/2021 | | 140.00 |
| Aerzen USA Corporation | Retainage for Aerzen Blower P | SPI-21-00125 | 09/22/2021 | | 2,790.55 |
| Payment 7579 Total: | | | | | 2,930.55 |
| Payment: 7580 | | | | | |
| Alexander's Contract Services, | GPS Point and Photo Collectio | 103618 | 09/22/2021 | | 9,000.00 |
| Payment 7580 Total: | | | | | 9,000.00 |
| Payment: 7581 | | | | | |
| Amazon Capital Services, Inc. | Operating supplies | 1XNX-R4CW-41LM | 09/22/2021 | | 24.71 |
| Payment 7581 Total: | | | | | 24.71 |
| Payment: 7582 | | | | | |
| Aqua-Metric Sales, Co. | Meters | 84141 | 09/22/2021 | | 3,028.15 |
| Payment 7582 Total: | | | | | 3,028.15 |
| Payment: 7583 | | | | | |
| Bognuda, Lisa | Mileage-SLO County Recorder | SEPT2021 | 09/22/2021 | | 27.44 |
| Payment 7583 Total: | | | | | 27.44 |
| Payment: 7584 | | | | | |
| Brenntag Pacific, Inc. | Sodium Hypochlorite | BPI177420 | 09/22/2021 | | 436.14 |
| Payment 7584 Total: | | | | | 436.14 |
| Payment: 7585 | | | | | |
| California Water Efficiency Par | 2021 Membership dues | MD-2021-784 | 09/22/2021 | | 3,070.09 |
| Payment 7585 Total: | | | | | 3,070.09 |
| Payment: 7586 | | | | | |
| California Water Environment | CWEA Membership renewal | 324337-Brown | 09/22/2021 | | 101.00 |
| Payment 7586 Total: | | | | | 101.00 |
| Payment: 7587 | | | | | |
| CalPortland Construction | Operating supplies | 95178195 | 09/22/2021 | | 410.24 |
| Payment 7587 Total: | | | | | 410.24 |
| Payment: 7588 | | | | | |
| Charter Communications | Internet - Shop and/or Office | 0225708092221 | 09/22/2021 | | 734.20 |
| Charter Communications | Internet - Shop and/or Office | 0224495092021 | 09/22/2021 | | 734.20 |
| Payment 7588 Total: | | | | | 1,468.40 |
| Payment: 7589 | | | | | |
| Clever Ducks | Computer expense- Workstati | 31167 | 09/22/2021 | | 1,175.03 |
| Payment 7589 Total: | | | | | 1,175.03 |
| Payment: 7590 | | | | | |
| DataProse, LLC | Mailing Bills Service Postage D | 9270 | 09/22/2021 | | 471.00 |
| Payment 7590 Total: | | | | | 471.00 |
| Payment: 7591 | | | | | |
| Eby, Ed | Travel reimbursement-CSDA 2 | CSDA 2021 | 09/22/2021 | | 1,095.24 |
| Payment 7591 Total: | | | | | 1,095.24 |
| Payment: 7592 | | | | | |
| Engel & Gray, Inc. | Biosolids collection | 18X00011 | 09/22/2021 | | 3,283.93 |
| Payment 7592 Total: | | | | | 3,283.93 |
| Payment: 7593 | | | | | |
| Excel Personnel Services, Inc. | Employment agency | 3804350 | 09/22/2021 | | 465.00 |
| Excel Personnel Services, Inc. | Employment agency | 3799974 | 09/22/2021 | | 465.00 |
| Payment 7593 Total: | | | | | 930.00 |

Item D-1(A) Warrants SEPTEMBER 22, 2021

Payment Dates: 09/22/2021 - 09/22/2021

| Vendor Name | Description (Payable) | Payable Number | Payment Date | (None) | Amount |
|-----------------------------|--------------------------------|----------------|--------------|--------|------------------|
| Payment: 7594 | | | | | |
| FGL Environmental | Lab tests | 182123A | 09/22/2021 | | 601.00 |
| FGL Environmental | Lab tests | 182828A | 09/22/2021 | | 1,337.00 |
| Payment 7594 Total: | | | | | 1,938.00 |
| Payment: 7595 | | | | | |
| Frontier Communications | Telephone | SEPT 2021 | 09/22/2021 | | 59.30 |
| Payment 7595 Total: | | | | | 59.30 |
| Payment: 7596 | | | | | |
| Gaddis, Dan Allen | Travel Reimbursement- CSDA | CSDA 2021 | 09/22/2021 | | 318.08 |
| Payment 7596 Total: | | | | | 318.08 |
| Payment: 7597 | | | | | |
| Iconix Waterworks (US) Inc. | Meter parts | U2116039759 | 09/22/2021 | | 407.55 |
| Payment 7597 Total: | | | | | 407.55 |
| Payment: 7598 | | | | | |
| JEGO Systems | Screw Press SCADA Integratio | 2021-NCSD-001 | 09/22/2021 | | 6,800.00 |
| Payment 7598 Total: | | | | | 6,800.00 |
| Payment: 7599 | | | | | |
| Lechowicz & Tseng Municipal | Blacklake Streetlight Rate Stu | AUGUST 2021 | 09/22/2021 | | 2,920.00 |
| Payment 7599 Total: | | | | | 2,920.00 |
| Payment: 7600 | | | | | |
| Municipal Maintenance Equip | Operating supplies | 162697-IN | 09/22/2021 | | 832.24 |
| Municipal Maintenance Equip | Operating supplies | 163103-IN | 09/22/2021 | | 186.18 |
| Payment 7600 Total: | | | | | 1,018.42 |
| Payment: 7601 | | | | | |
| Nipomo Community Services | Water | AUGUST 2021 | 09/22/2021 | | 758.11 |
| Payment 7601 Total: | | | | | 758.11 |
| Payment: 7602 | | | | | |
| Nunley & Associates, Inc. | Nipomo Senior Housing | 9545 | 09/22/2021 | | 996.02 |
| Nunley & Associates, Inc. | Lucky Lane | 9546 | 09/22/2021 | | 253.64 |
| Nunley & Associates, Inc. | Dana Reserve Development | 9521 | 09/22/2021 | | 4,493.38 |
| Nunley & Associates, Inc. | Branch Street Waterline Impr | 9535 | 09/22/2021 | | 2,423.08 |
| Nunley & Associates, Inc. | UWMP Update 2020 | 9517 | 09/22/2021 | | 3,941.86 |
| Nunley & Associates, Inc. | Southland Screw Press ESDC | 9536 | 09/22/2021 | | 2,490.46 |
| Nunley & Associates, Inc. | Sedaru Software Review Servi | 9516 | 09/22/2021 | | 146.26 |
| Nunley & Associates, Inc. | 135 E Branch St Improvement | 9547 | 09/22/2021 | | 572.94 |
| Nunley & Associates, Inc. | Joshua Road Pump Station ES | 9553 | 09/22/2021 | | 98.37 |
| Payment 7602 Total: | | | | | 15,416.01 |
| Payment: 7603 | | | | | |
| Office Depot | Office supplies | 187011267001 | 09/22/2021 | | 644.61 |
| Office Depot | Office supplies | 187324969001 | 09/22/2021 | | 75.06 |
| Office Depot | Office supplies | 191805730001 | 09/22/2021 | | 120.94 |
| Office Depot | Office supplies | 188331622001 | 09/22/2021 | | -75.06 |
| Payment 7603 Total: | | | | | 765.55 |
| Payment: 7604 | | | | | |
| PC Mechanical, Inc | Wire repiar | 22226 | 09/22/2021 | | 668.84 |
| Payment 7604 Total: | | | | | 668.84 |
| Payment: 7605 | | | | | |
| Perry Ford Lincoln | 2022 Ford F250 | 221422 | 09/22/2021 | | 31,098.21 |
| Payment 7605 Total: | | | | | 31,098.21 |
| Payment: 7606 | | | | | |
| Pollard Water | DCHLR Tablets | WP020938 | 09/22/2021 | | 3,646.50 |
| Payment 7606 Total: | | | | | 3,646.50 |
| Payment: 7607 | | | | | |
| Polydyne, Inc. | Clarifloc | 1550036 | 09/22/2021 | | 649.38 |
| Payment 7607 Total: | | | | | 649.38 |

Item D-1(A) Warrants SEPTEMBER 22, 2021

Payment Dates: 09/22/2021 - 09/22/2021

| Vendor Name | Description (Payable) | Payable Number | Payment Date | (None) | Amount |
|-----------------------------|------------------------------|----------------|--------------|--------|------------------|
| Payment: 7608 | | | | | |
| Quinn Company | Catepillar service | W0030050074 | 09/22/2021 | | 1,524.92 |
| Quinn Company | Catepillar service | W0030050073 | 09/22/2021 | | 5,424.81 |
| Quinn Company | Catepillar service | W0030050075 | 09/22/2021 | | 1,083.98 |
| Payment 7608 Total: | | | | | 8,033.71 |
| Payment: 7609 | | | | | |
| Ray Morgan Company | B&W/Color copies | 3443128 | 09/22/2021 | | 107.40 |
| Ray Morgan Company | B&W/Color copies | 3443130 | 09/22/2021 | | 367.12 |
| Ray Morgan Company | B&W/Color copies | 3443129 | 09/22/2021 | | 75.68 |
| Payment 7609 Total: | | | | | 550.20 |
| Payment: 7610 | | | | | |
| Santa Maria Ford Lincoln | Vehicle repair/maintenance | 207454 | 09/22/2021 | | 50.76 |
| Santa Maria Ford Lincoln | Vehicle repair/maintenance | 205768 | 09/22/2021 | | 734.52 |
| Santa Maria Ford Lincoln | Vehicle repair/maintenance | 205653 | 09/22/2021 | | 921.32 |
| Santa Maria Ford Lincoln | Vehicle repair/maintenance | 206884 | 09/22/2021 | | 50.76 |
| Santa Maria Ford Lincoln | Vehicle repair/maintenance | 205544 | 09/22/2021 | | 50.45 |
| Payment 7610 Total: | | | | | 1,807.81 |
| Payment: 7611 | | | | | |
| Shelf Master, Inc. | Wirecrafters Tool Cage | 17149 | 09/22/2021 | | 6,157.22 |
| Payment 7611 Total: | | | | | 6,157.22 |
| Payment: 7612 | | | | | |
| Staples | Office supplies | 290499147 | 09/22/2021 | | 7.72 |
| Payment 7612 Total: | | | | | 7.72 |
| Payment: 7613 | | | | | |
| Tesco Controls, Inc. | Blower # 3 Addition | 74379-IN | 09/22/2021 | | 15,000.00 |
| Tesco Controls, Inc. | Screw Press Integration | 73968A-IN | 09/22/2021 | | 8,315.00 |
| Payment 7613 Total: | | | | | 23,315.00 |
| Payment: 7614 | | | | | |
| Tyler Technologies, Inc. | Sensus Integration to Incode | 025-348270 | 09/22/2021 | | 236.25 |
| Payment 7614 Total: | | | | | 236.25 |
| Payment: 7615 | | | | | |
| USA Bluebook | CHEMKEY | 713144 | 09/22/2021 | | 4,418.07 |
| USA Bluebook | Operating supplies | 722094 | 09/22/2021 | | 297.46 |
| Payment 7615 Total: | | | | | 4,715.53 |
| Payment: 7616 | | | | | |
| Water Environment Federatio | Membership dues 2021 | 1649582-2021 | 09/22/2021 | | 332.00 |
| Payment 7616 Total: | | | | | 332.00 |

TO: BOARD OF DIRECTORS

REVIEWED: MARIO IGLESIAS
GENERAL MANAGER 

FROM: LISA BOGNUDA 
FINANCE DIRECTOR

DATE: SEPTEMBER 17, 2021

AGENDA ITEM
D-1(B)
SEPTEMBER 22, 2021

WARRANTS – BLACKLAKE ASSESSMENT DISTRICT 2020 -1

| | |
|--|-------------|
| COMPUTER CHECKS GENERATED – SEE ATTACHED | \$17,543.50 |
| VOIDED CHECK # 28 | \$13,246.61 |



Nipomo Community Services District

Item D-1(B) Warrants SEPTEMBER 22, 2021

By Payment Number

Payment Dates 09/22/2021 - 09/22/2021

| Vendor Name | Description (Payable) | Payable Number | Payment Date | (None) | Amount |
|------------------------------|-------------------------------|----------------|--------------|--------------------------|------------------|
| Payment: 32 | | | | | |
| Bank of New York Mellon Trus | Bond Administration-BL AD 2 | 252-2411172 | 09/22/2021 | | 1,570.00 |
| | | | | Payment 32 Total: | <u>1,570.00</u> |
| Payment: 33 | | | | | |
| Cannon Corporation | Blacklake Sewer Consolidation | 77600 | 09/22/2021 | | 14,439.50 |
| | | | | Payment 33 Total: | <u>14,439.50</u> |
| Payment: 34 | | | | | |
| SWCA, Inc. | BL Sewer Consolidation Projec | 132248 | 09/22/2021 | | 1,534.00 |
| | | | | Payment 34 Total: | <u>1,534.00</u> |

TO: BOARD OF DIRECTORS
FROM: MARIO IGLESIAS 
GENERAL MANAGER
DATE: SEPTEMBER 16, 2021



**APPROVE SEPTEMBER 22, 2021
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. September 8, 2021 draft Regular Board Meeting Minutes

SEPTEMBER 22, 2021

ITEM D-2

ATTACHMENT A

NIPOMO COMMUNITY SERVICES DISTRICT

Serving the Community since 1965

DRAFT REGULAR MINUTES

SEPTEMBER 8, 2021 AT 9:00 A.M.

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

BOARD of DIRECTORS

ED EBY, PRESIDENT
DAN ALLEN GADDIS, VICE PRESIDENT
BOB BLAIR, DIRECTOR
DAN WOODSON, DIRECTOR
RICHARD MALVAROSE, 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 September 8, 2021, 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, Directors Malvarose, Woodson, Gaddis, and Eby were present. Director Blair was absent.

Jess McGraw, Blacklake Resident and Committee Chair for the Blacklake/NCSD Oversight Committee, commented on the Blacklake Street Light Rate Study and said the Blacklake Master Association thought the study was well written and supported the conclusions of the Rate Study.

C. PRESENTATIONS AND REPORTS

- C-1) 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 Gaddis

- *August 20, attended UWMP meeting.*
- *August 29-September 2, attended CSDA 2021 Conference.*
- *September 7, attended a meeting with Mario Iglesias and Lisa Bognuda.*

Director Eby

- *August 20, attended UWMP meeting.*
- *August 23, attended SCAC meeting.*
- *August 29-September 2, attended CSDA 2021 Conference.*
- *September 7, attended BLMA meeting.*

- C-2) RECEIVE PUBLIC COMMENT ON PRESENTATIONS AND REPORTS PRESENTED UNDER ITEM C AND BY MOTION RECEIVE AND FILE PRESENTATIONS AND REPORTS

SUBJECT TO BOARD APPROVAL

There were no public comments.

Upon the motion of Director Woodson and seconded, the Board approved receiving and filing presentations and reports.

Vote 4-0-1.

| | | |
|--|----------------|---------------|
| YES VOTES | ABSTAIN | ABSENT |
| <i>Directors Woodson, Gaddis, Malvarose, and Eby</i> | <i>None</i> | <i>Blair</i> |

D. CONSENT AGENDA

- D-1) WARRANTS [RECOMMEND APPROVAL]
- D-2) APPROVE AUGUST 11, 2021, REGULAR BOARD MEETING MINUTES [RECOMMEND APPROVE MINUTES]
- D-3) AUTHORIZE PURCHASE OF TRUCKS IN ACCORDANCE WITH APPROVED FY 21-22 BUDGET [RECOMMEND AUTHORIZE STAFF TO PURCHASE TRUCKS FROM PERRY FORD AT A COST OF \$25,745]
- D-4) ACCEPT EASEMENT FROM WOODLANDS MASTER ASSOCIATION FOR SUPPLEMENTAL WATER PROJECT INTERCONNECT [RECOMMEND ADOPT RESOLUTION APPROVING AND ACCEPTING EASEMENT]

There were no public comments.

Upon the motion of Director Gaddis and seconded, the Board approved the Consent Agenda.

Vote 4-0-1.

| | | |
|--|----------------|---------------|
| YES VOTES | ABSTAIN | ABSENT |
| <i>Directors Gaddis, Woodson, Malvarose, and Eby</i> | <i>None</i> | <i>Blair</i> |

**RESOLUTION 2021-1605
 A RESOLUTION OF THE BOARD OF DIRECTORS
 OF THE NIPOMO COMMUNITY SERVICES DISTRICT
 APPROVING AND ACCEPTING EASEMENT
 AGREEMENT WITH WOODLANDS MASTER ASSOCIATION**

E. ADMINISTRATIVE ITEMS

- E-1) AUTHORIZE PURCHASE OF GENERATOR FOR DISTRICT OFFICE IN ACCORDANCE WITH APPROVED FY 21-22 BUDGET [RECOMMEND AUTHORIZE STAFF TO PURCHASE GENERATOR FROM QUINN POWER SYSTEMS AT A COST OF \$44,175]

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

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

SUBJECT TO BOARD APPROVAL

Nipomo Community Services District
**REGULAR MEETING
 MINUTES**

Jess McGraw, Blacklake Resident and Committee Chair for the Blacklake/NCSD Oversight Committee, commented on his experience with generators.

*Upon the motion of Director Gaddis and seconded, the Board authorized staff to purchase the generator from Quinn Power Systems.
 Vote 4-0-1.*

| | | |
|--|----------------|---------------|
| YES VOTES | ABSTAIN | ABSENT |
| <i>Directors Gaddis, Woodson, Malvarose, and Eby</i> | <i>None</i> | <i>Blair</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

None.

I. CLOSED SESSION ANNOUNCEMENTS

1. CONFERENCE WITH DISTRICT LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GC §54956.9

- a. SMVWCD V. NCSD (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 in Closed Session and took no reportable action.

ADJOURN MEETING

President Eby adjourned the meeting at 10:33 a.m.

| MEETING SUMMARY | HOURS & MINUTES |
|--------------------|--------------------------|
| Regular Meeting | 0 hour 31 minutes |
| Closed Session | 1 hour 02 minutes |
| TOTAL HOURS | 1 hour 33 minutes |

Respectfully submitted,

Mario Iglesias, General Manager and Secretary to the Board Date

SUBJECT TO BOARD APPROVAL

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS
GENERAL MANAGER

**AGENDA ITEM
E-1**

SEPTEMBER 22, 2021

DATE: SEPTEMBER 17, 2021

**CONSIDER REFINANCING 2012 CERTIFICATES OF PARTICIPATION
AND, IF APPROPRIATE, APPROVE FEE AGREEMENTS WITH FINANCIAL
CONSULTANT AND BOND COUNSEL**

ITEM

Consider refinancing 2012 Certificates of Participation (COP's) that were issued for improvements to the Southland Wastewater Treatment Facility ("Southland WWTF") and approve Fee Agreements with Columbia Capital Management, LLC ("Columbia Capital") and Norton Rose Fulbright US LLP (Bond Counsel) [RECOMMEND RECEIVE PRESENTATION FROM COLUMBIA CAPITAL AND DIRECT STAFF TO ENTER INTO FEE AGREEMENTS WITH COLUMBIA CAPITAL AND BOND COUNSEL FOR THE PURPOSE OF REFUNDING AND REFINANCING 2012 CERTIFICATES OF PARTICIPATION].

BACKGROUND

The Nipomo Community Services District ("District") issued COP's in 2012 to fund improvements for the Southland WWTF. Recently, District staff contacted Columbia Capital and asked their team to evaluate the interest rates and opportunities, looking for advantages that may exist with lower interest rates in the current financial markets. The 2012 COP's become eligible for refunding in March of 2022. Curt de Crinis from Columbia Capital completed an evaluation and his presentation is attached [attachment A].

The Columbia Capital presentation highlights the District's ability to take advantage of the current lower interest rates and lower the current 4% rate to 2.3% under current bond market conditions and would result in achieving a present value cost savings of over \$1 million with release of \$598,000 from the Series 2012 bond reserve fund.

There are several options available to the District if it chooses to refinance the 2012 COP's. An option staff is recommending is an option to bond the savings, which in effect allows the District to take savings up front and extend the repayment term by five years to 2047. This option would allow the District to borrow an additional \$3 million without increasing the existing annual debt service payment. The borrowed funds would pay for a sewer enterprise capital project: Frontage Road Trunk Sewer Replacement/Improvement. A project overview sheet is attached for your Board's reference [attachment B].

The refinancing proposal of the COP's and the use of funds as described above are consistent with and comply with the District's Debt Management Policy under Resolution No. 2020-1539.

Should the District's Board of Directors find it advantageous to refinance the 2012 COP's and thereby direct staff to advance this process, regardless of the preferred savings or spending options, Fee Agreements will need to be approved by the Board of Directors to enlist the professional services of Columbia Capital and Bond Counsel. These agreements have been reviewed by District General Counsel and are attached.

STRATEGIC PLAN

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

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

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

- B.1 Evaluate, plan for and maintain finances that are adequate for all needs, stable, and reliable over the long-term.

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

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

FISCAL IMPACT

The fiscal impact to the District's Sewer Enterprise Fund will vary dependent on the Board's decision regarding the refunding/refinancing of the 2012 COP's. If the Board concludes that it does not wish to refinance the 2012 COP's, then the District will maintain its current debt service and final maturity date. Should the Board decide to move forward with the refinancing of the 2012 COP's, there are opportunities for cost savings and/or project funding.

Options for refinancing the 2012 COPs:

1. Reduce the level of annual debt service and maintain payment duration;
2. Maintain the level of annual debt service and accelerate and lessen the payment duration;
3. Maintain the level of annual debt service and maintain the payment duration (allows for \$1.7 million available for new money to finance facilities);
4. Maintain the level of debt service and extend the payment duration for 5 years (allows for \$3 million available for new money to finance facilities)

Staff is recommending to extend the payment duration and borrow additional funds without increasing the debt service amount which would provide the District with capital improvement funds that could accelerate the District's ability to build needed infrastructure for the Sewer Enterprise. This approach takes advantage of the timing of the refinancing and economies of scale in financing the new money borrowing with the 2012 COP's refinancing.

RECOMMENDATION

It is recommended your Board receive the Columbia Capital presentation, discuss options and opportunities, and if appropriate, authorize the General Manager to enter into Fee Agreements with Norton Rose Fulbright US LLP and Columbia Capital Management LLC to advance the 2012 COP's refinancing.

ATTACHMENT

- A. Columbia Capital Presentation – Refunding and New Money Borrowing Opportunities
- B. Capital Project Overview Worksheet – Frontage Rd. Trunk Sewer Replacement/Improvement
- C. Agreement for Legal Services – Norton Rose Fulbright US LLP
- D. Agreement for Financial Services – Columbia Capital

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SEPTEMBER 22, 2021

ITEM E-1

ATTACHMENT A

NIPOMO COMMUNITY SERVICES DISTRICT



Refunding and New Money Borrowing Opportunities

September 2021



Refunding Opportunity

- The District's Revenue Certificates of Participation (Southland Wastewater Project), Series 2012 can be refunded for savings.

| Summary of Refunding Opportunity | |
|--|-----------------|
| Series | 2012 COPs |
| Call Date | 6/1/22 |
| Eligible for Current Refunding | 3/3/22 |
| Callable Par | \$8,325,000 |
| Estimated Cash Flow Savings | \$2.166 Million |
| Est. Net Present Value Savings | \$1.29 Million |
| Net Present Value Savings as a % of Refunded Par | 15.6% |

Refunding Opportunity (Continued)

| SUMMARY OF REFUNDING SAVINGS | | | |
|---|----------------------------------|---------------------------------|---------------------|
| Year | Debt Service Before Refunding | Debt Service After Refunding | Savings |
| 6/1/22 | 430,124 | 352,871 | 77,253 |
| 6/1/23 | 594,649 | 491,400 | 103,249 |
| 6/1/24 | 596,399 | 491,600 | 104,799 |
| 6/1/25 | 597,136 | 491,700 | 105,436 |
| 6/1/26 | 596,811 | 489,200 | 107,611 |
| 6/1/27 | 595,374 | 491,550 | 103,824 |
| 6/1/28 | 598,168 | 493,600 | 104,568 |
| 6/1/29 | 594,968 | 492,600 | 102,368 |
| 6/1/30 | 596,368 | 491,200 | 105,168 |
| 6/1/31 | 597,168 | 494,400 | 102,768 |
| 6/1/32 | 597,368 | 492,000 | 105,368 |
| 6/1/33 | 596,968 | 489,200 | 107,768 |
| 6/1/34 | 595,968 | 491,000 | 104,968 |
| 6/1/35 | 594,368 | 487,200 | 107,168 |
| 6/1/36 | 596,738 | 493,000 | 103,738 |
| 6/1/37 | 598,288 | 493,000 | 105,288 |
| 6/1/38 | 593,900 | 487,400 | 106,500 |
| 6/1/39 | 593,894 | 491,400 | 102,494 |
| 6/1/40 | 598,063 | 494,600 | 103,463 |
| 6/1/41 | 596,200 | 492,000 | 104,200 |
| 6/1/42 | 593,513 | 488,800 | 104,713 |
| Total | \$ 12,352,427 | \$ 10,179,721 | \$ 2,172,706 |
| Present Value Savings on Gross Cash Flows | | | 1,894,638 |
| Prior Debt Service Reserve Fund | | | (598,288) |
| Net Present Value Savings (\$) | | | 1,296,350 |
| Net Present Value Savings (%) | | | 15.57% |

New Money Opportunities

- The District can pursue the refunding as a standalone transaction, or combine it with a new money component
- Columbia has prepared new money scenarios for the District's consideration
- Both incorporate the refunding savings
 - **Scenario #1 – Capitalize Savings**
 - Keeps debt service at ~\$595,000
 - Keeps same final maturity of 6/1/42
 - Produces \$1.7 million in project proceeds
 - **Scenario #2 – Extend Debt at same annual debt service amount**
 - Keep debt service at ~\$595,000 as long as possible
 - Results in a 2047* maturity based on current rates
 - Produces \$3.0 million based on current rates

| Side by Side Comparison | Scenario #1 | Scenario #2 |
|-------------------------|---------------|-------------|
| Project Fund Deposit | \$1.7 Million | \$3 Million |
| Annual Debt Service | ~\$595k | ~\$595k |
| Borrowing Cost | 2.52% | 2.75% |
| Final Maturity | 2042 | 2047* |

*The projected 2047 maturity could change contingent on market conditions at the time of sale

Coverage Analysis

- Columbia has reviewed the District's financial statements regarding the Town Sewer
- The Town Sewer has provided strong debt service coverage for its Series 2012 COPs, and estimated future coverage is over 2x even before applying the refunding savings

| | <i>Actual</i> | | | | | <i>Estimated</i> | <i>Projected</i> | |
|---|---------------|-------------|-------------|-------------|-------------|------------------|------------------|-------------|
| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
| Operating Revenues | \$1,862,404 | \$1,938,199 | \$2,049,474 | \$2,110,046 | \$2,208,558 | \$2,304,717 | \$2,405,062 | \$2,509,776 |
| Operating Expenses | \$1,655,699 | \$1,777,458 | \$1,871,953 | \$1,862,704 | \$1,981,811 | \$2,072,920 | \$2,168,217 | \$2,267,895 |
| [A] Net Operating Revenues | \$206,705 | \$160,741 | \$177,521 | \$247,342 | \$226,747 | \$231,797 | \$236,845 | \$241,882 |
| Non-Operating Revenues / (Expenses) | \$25,087 | \$39,137 | \$80,455 | \$151,667 | \$129,090 | \$125,000 | \$125,000 | \$125,000 |
| Capital Contributions (Hook-up fees) | \$336,206 | \$196,511 | \$159,172 | \$603,081 | \$140,950 | \$150,000 | \$150,000 | \$150,000 |
| [B] Total Non Operating Revenues | \$361,293 | \$235,648 | \$239,627 | \$754,748 | \$270,040 | \$275,000 | \$275,000 | \$275,000 |
| [C] Add Back Depreciation | \$939,723 | \$715,214 | \$712,060 | \$703,565 | \$717,885 | \$700,000 | \$700,000 | \$700,000 |
| [D] = [A + B + C] Total Available for Debt Service | \$1,507,721 | \$1,111,603 | \$1,129,208 | \$1,705,655 | \$1,214,672 | \$1,206,797 | \$1,211,845 | \$1,216,882 |
| [E] Series 2012 COPS Debt Service | \$516,954 | \$517,453 | \$517,649 | \$517,449 | \$520,849 | \$553,849 | \$595,249 | \$594,649 |
| [D / E] Debt Service Coverage | 2.92 | 2.15 | 2.18 | 3.30 | 2.33 | 2.18 | 2.04 | 2.05 |
| Maximum Annual Debt Service (MADS) | \$598,288 | \$598,289 | \$598,290 | \$598,291 | \$598,292 | \$598,292 | \$598,292 | \$598,292 |
| MADS Coverage | 2.52 | 1.86 | 1.89 | 2.85 | 2.03 | 2.02 | 2.03 | 2.03 |

*Estimated/projected revenue and expense figures were estimated by calculating the historical CAGR (4.4% for revenues, 4.6% for expenses)

Coverage Analysis (Continued)

- If the District only pursues the refunding, coverage would increase to over 2.4x
- The new money scenarios keep annual debt service approximately the same; therefore, debt service coverage would remain the same
- Maximum debt capacity based on a minimum allowable debt service coverage – 125%; Assumes no refunding

Bonding Capacity Analysis

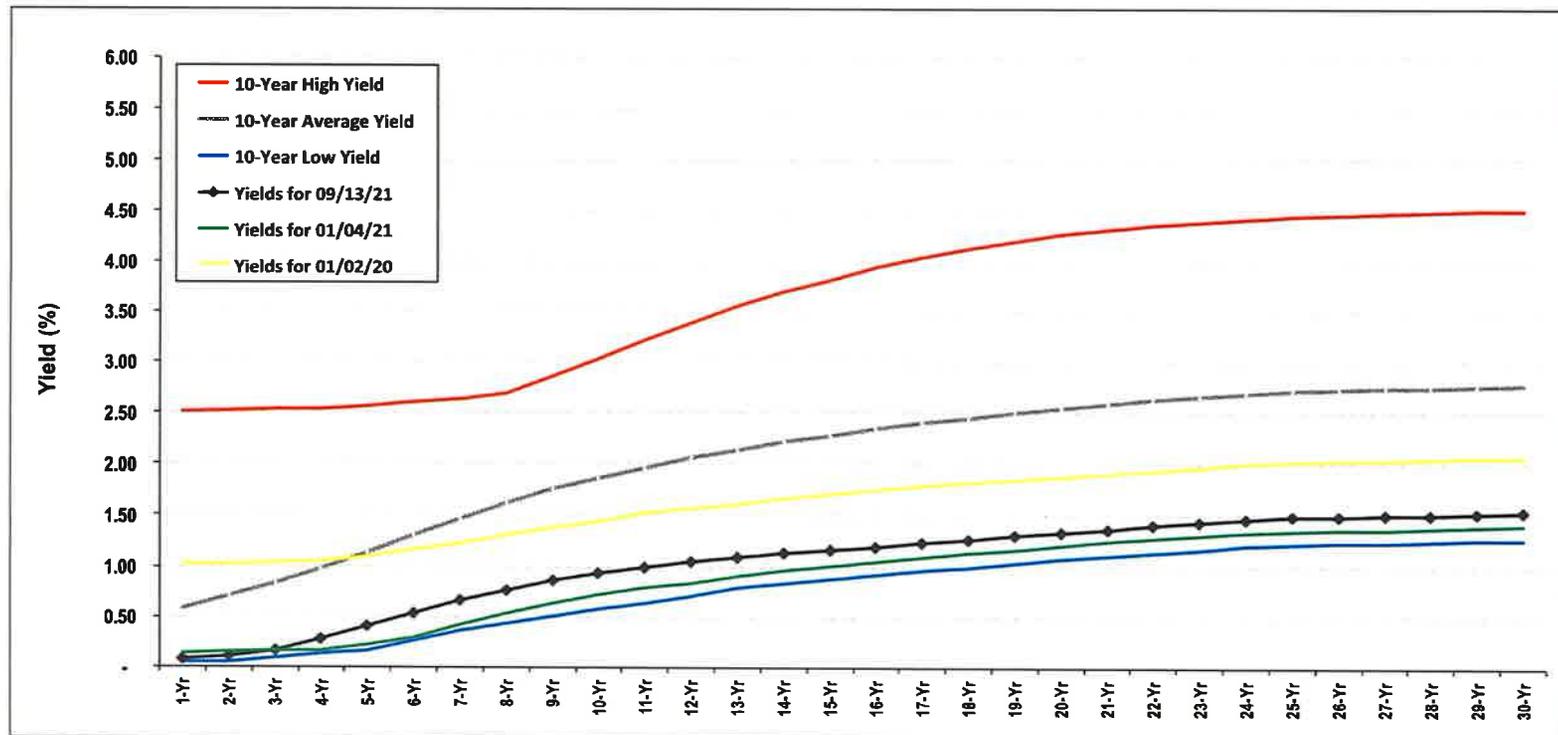
| | |
|-----------------------------------|------------------------------|
| Minimum Coverage Ratio | 1.25X |
| Maximum Loan Duration | 30 Years (2052) |
| Monies Available for Debt Service | \$1,212,000 |
| Maximum Total Debt Service | \$970,000 |
| Borrowing Rate | 3.00% |
| Solution | Wrap around Existing Debt |
| Project Fund Deposit | \$11.7 Million |

Current Market Conditions

- Rates currently hover around historical lows
- Fundamentals of the market remain strong, with demand for municipal bonds far exceeding supply
- The chart below provide a detailed history of tax-exempt municipal rates

Tax-Exempt Yields; 5% Coupon; 10-Year Par Call
10-Year Historical; Municipal Market Data

09/13/21 (Monday)



High-Level Finance Timeline

| MONTH | ACTION |
|------------------------------|---|
| September / October 2021 | Plan of finance development |
| November 2021 | Plan of finance and timeline confirmed Sale method determined Finance team selected |
| December 2021 / January 2022 | Transaction Documented |
| January / February 2022 | Board approval |
| February / March 2022 | Pricing |
| March 2022 | Bond closing |
| 6/1/22 | Redeem 2012 COPS |

SEPTEMBER 22, 2021

ITEM E-1

ATTACHMENT B



Nipomo Community Services District Improvement Project Overview

FUNDING ENTERPRISE: TOWN SEWER

Project Title: Frontage Road Trunk Sewer Replacement Project

Project Description: Replace and upsize 4,700 lineal feet of 10-inch and 12-inch sewer trunk main with 15-inch and 18-inch trunk main between Division Street and Juniper Street

Project Purpose: The District’s sewer system trunk main on Frontage Road surcharges during peak flows due to the size of the sewer pipe and the growth in the number of customers who rely on the sewer system in the area. The design work to improve the sewer system in this area is scheduled for FY 2021-22, but the construction work needed to complete the improvement is not yet budgeted in the District’s 5-year Capital Improvement Plan due to insufficient funding. This project will eventually be funded from funded replacement and capacity charges. It is anticipated that funding could become available in the next three years as sewer capacity charges are collected from new sewer connections.

Project Cost: \$3,600,000 (Engineering Estimate)

| Item | Description | Estimated Project Costs |
|------|--|-------------------------|
| 1 | 4700 lineal feet trunk sewer | \$ 2,500,000 |
| 2 | Contingency | \$ 250,000 |
| 3 | Construction Total | \$ 2,750,000 |
| 4 | Permitting (CEQA) | \$ 50,000 |
| 5 | Engineering Design | \$ 300,000 |
| 6 | Construction Management and Inspection | \$ 500,000 |
| 7 | Total Project Estimated Cost | \$ 3,600,000 |

Project Location:



SEPTEMBER 22, 2021

ITEM E-1

ATTACHMENT C

AGREEMENT FOR LEGAL SERVICES

2022 WASTEWATER REVENUE CERTIFICATES OF PARTICIPATION

THIS AGREEMENT, made and entered into this _____ day of September, 2021, by and between the NIPOMO COMMUNITY SERVICES DISTRICT (herein called the “District”) and NORTON ROSE FULBRIGHT US LLP, Los Angeles, California (herein called “Attorneys”);

WITNESSETH:

WHEREAS, the District intends to refund its Series 2012 Wastewater Revenue Certificates of Participation and finance new sewer improvements (the “Project”) through the issuance of Series 2022 Wastewater Revenue Certificates of Participation (the “Obligations”), and

WHEREAS, the District has determined that Attorneys are experienced in providing services as special counsel and disclosure counsel in proceedings for the authorization and issuance of the Obligations, and Attorneys are willing to provide such services to the District;

NOW, THEREFORE, the District engages Attorneys and Attorneys accept such engagement upon the following terms and conditions:

ARTICLE I

DUTIES OF ATTORNEYS

Section 1.01. Special and Disclosure Counsel Services. Attorneys shall perform and render the following services as Special and Disclosure Counsel:

(a) Confer and consult with the General District Manager, Counsel to the District, and other members of the District administrative staff (acting in their respective capacities as staff of the District or other entity or district created by the District) and with their financial advisor, engineering consultants and other consultants, as to any matters relating to the authorization, execution and delivery of the Obligations.

(b) Attend such meetings of the District and any staff or administrative meetings at which the Obligations are to be discussed, as Attorneys, in their judgment deem necessary, for the proper authorization, execution and delivery of the Obligations, or as requested by the District.

(c) Assist in developing the structure of the financing and provide customary Special Counsel services necessary to enable the District to authorize, execute, sell and deliver the Obligations under existing laws.

(d) Make Attorneys’ offices available to the District for the purpose of conducting meetings with regard to the documents relating to an offering of the Obligations, and for all bid openings, pre-closings and closings of any transactions.

(e) To the extent necessary, undertake statutory, decisional and constitutional law research inquiries as to the validity and legal authority of any method of financing chosen by the District.

(f) Prepare, where necessary, the various resolutions, ordinances, trust indentures, notices inviting bids and security agreements required for each transaction. Where necessary, prepare or review agreements for any credit support facility, escrow deposit, trustee, paying agent or registrar, and discuss and comment upon such agreements with financial officers and the financial advisor engaged by the District. Be available to discuss and comment upon any aspect of the transaction related to Attorneys role as Special Counsel, including any issues concerning the rating agencies or any other participant to the transaction.

(g) Prepare or review all documents of the District necessary for the closing and delivery of the Obligations to the purchasers. Prepare or review the various closing certificates and opinions required of trustees, accountants, consulting engineers, and other interested parties.

(h) At the closing, deliver a final approving opinion in respect of the Obligations, stating, among other things, that such obligations are valid and binding obligations of the District and, if applicable, that interest on such obligations is exempt from personal income taxes under the laws of the United States and the State of California, and issue appropriate supplemental opinions and certificates as may be necessary or appropriate.

(i) As Disclosure Counsel, conduct all necessary due diligence review with respect to this transaction, prepare and review, upon consultation with District officials and the municipal advisor, preliminary and final versions of the official statement, sale documents and a continuing disclosure certificate, and at closing deliver an opinion addressed to the District regarding the official statement.

(j) Keep the District informed during the course of this engagement as to applicable rulings issued by Federal and State regulatory agencies that impact the District's disclosure, including those issued by the SEC and the MSRB. More specifically, we would keep District staff and the Board informed and educated, as requested and appropriate, regarding applicable disclosure requirements. If requested, attorneys in our firm can present disclosure practices workshops to you that include a review of recent SEC enforcement actions.

Section 1.02. Cooperation of District. The District shall assist Attorneys by making readily available all existing data and other records requested by Attorneys that are pertinent to the work to be performed by Attorneys, including data and records relating to the Project and the District. The District shall also make its personnel reasonably available to Attorneys to provide information pertinent to such work when requested by Attorneys. The District shall also provide such staff assistance as it has personnel available to provide, and as such staff assistance is reasonably requested by Attorney, including assistance from the Counsel to the District.

Section 1.03. Primary Attorney. The Attorneys designate Maryann Goodkind as the primary contact to the District for the Attorneys unless otherwise agreed.

Section 1.04. Insurance. You are advised that Attorneys maintain Professional Errors and Omissions insurance coverage applicable to the services which we would be rendering

Section 1.05. Miscellaneous. The Attorneys do not have a formal or informal arrangement with any other unrelated individuals or entities with regards to the sharing of any compensation, fees or profits received from or in relation to entering into a required professional services agreement with the District. The District should be aware that the Attorneys may represent or has represented certain municipal advisors/financial advisors, underwriters and others in other municipal bond matters, provided such representations do not violate standards of professional responsibility. The Attorneys do not believe that the foregoing representations will, nor do we anticipate or have knowledge of any other arrangement or representation, formal or informal, with any other party that potentially could conflict with our obligation to provide independent and unbiased advice and recommendations to the District for its transactions.

ARTICLE II

COMPENSATION

Section 2.01. Special Counsel Fee. Fees for services by Attorneys as Special Counsel shall be \$52,500 for the issue.

Section 2.02. Disclosure Counsel Fee. Fees for services by Attorneys as Disclosure Counsel shall be \$35,000 for the issue.

Section 2.03. Reimbursement of Costs. In addition, Attorneys shall be reimbursed for any costs advanced by Attorneys on behalf of the District and for Attorneys' out-of-pocket expenses incurred in connection with preparation of transcripts and legal services rendered by Attorneys as Special Counsel and Disclosure Counsel under this Agreement, including delivery and messenger services, closing costs, duplication costs, printing or posting costs and expenses for travel, not to exceed \$1,500 per series of obligations.

Section 2.04. Non Contingent Fees. Such Attorneys' fees and costs are not contingent on the successful delivery of the Obligations. In the event the Assessment District is not formed, or the District determines not to issue the Obligations, or this Agreement is terminated pursuant to Section 3.01, the District shall pay to Attorneys the work completed to date based on regular hourly rates or compensated on the basis of reasonable fees to be agreed upon by the District, not to exceed the fees set forth in Sections 2.01 and 2.02.

Section 2.05. Additional Work. The provisions herein for payment of fees on a fixed fee basis or a capped fee basis pertain to the ordinary and customary services rendered in connection with transactions of type described herein. Services performed which are occasioned by unforeseen delays, litigation, adverse litigation, validation actions, the need to obtain federal tax rulings, the use of derivative products or investment agreements, or other similar matters are to be billed at regular hourly rates or compensated on the basis of reasonable fees to be agreed upon by the District.

ARTICLE III

TERMINATION AND AMENDMENT

Section 3.01. Termination. This Agreement may be terminated by either party on reasonable notice to the other. In the event of such termination or abandonment of this Agreement

prior to its consummation, the District shall not be under any obligation to Attorneys except as provided in Section 2.04.

Section 3.02. Amendment. This Agreement may be altered or amended in writing by mutual agreement of the parties at any time.

IN WITNESS WHEREOF, the District has caused this Agreement to be executed in its corporate names, by its duly authorized officers and Attorneys have caused it to be executed in its firm name by one of its duly authorized officers, all as of the day and year first above written.

NIPOMO COMMUNITY SERVICES
DISTRICT

By: _____
Mario Iglesias, General Manager

Approved as to Form:

By: _____
Counsel to District

NORTON ROSE FULBRIGHT US LLP

By: _____
Maryann L. Goodkind
Counsel

SEPTEMBER 22, 2021

ITEM E-1

ATTACHMENT D



September 15, 2021

Mario Iglesias – General Manager
Nipomo Community Services District
P.O. Box 326
148 South Wilson Street
Nipomo, CA 93444

Via Electronic Mail

Dear Mario:

Thank you for the opportunity to serve the Nipomo Community Services District (“the District”). The purpose of this letter is to document our scope of services and fees related to the Districts’ refunding of its Series 2012 Revenue Certificates of Participation and potential new money borrowing.

FINANCIAL ADVISORY SERVICES

Outlined below are the standard municipal advisory services generally provided by our firm when municipal bonds are issued. Not all the services below may be required or requested depending on the circumstances of each transaction.

1. Analyze, review and advise on proposed funding options. Provide supporting analysis as needed.
2. Review and confirm revenues available for debt service including review of prior audits, budgets, rating reports and continuing disclosure and other documents.
3. Develop plan of finance including financing calendar.
4. Assist District in retaining other financing team members as required. Assess benefits of competitive vs. negotiated sale; make recommendation. Prepare RFPs as needed.
5. Evaluate underwriter responses if negotiated sale is advisable. Manage competitive sale mechanics if a competitive sale is advisable.
6. Review and evaluate debt structure options including recommended debt coverage, legal covenants and other terms; work with staff, consultants, and board as necessary.
7. Modify plan of finance as needed.
8. Prepare required reports; prepare other reports, materials and analysis required or requested.
9. Maintain and manage financing calendar.

10. Work with issue legal counsel in the drafting of required legal documents, investor disclosure documents and bond sale documents and terms. To the extent the transaction includes a disclosure document (official statement or similar), review and comment on such disclosure document.
11. Assist District by managing the financing process; provide updated bond market information; provide advice on market conditions.
12. Assist District in preparing and presenting rating and bond insurance applications, as advisable.
13. Assist the District in final negotiations of terms with rating agencies and insurers as needed.
14. Advise on and coordinate bond sale activities including verifications, represent District in underwriter negotiations or competitive sale processes. Assess reasonableness of bond pricing and bond sale terms.
15. Assist District and legal counsel in finalizing all bond documents and closing documents. Prepare closing memo and confirm all wiring instruction.
16. In conjunction with bond counsel, coordinate closing of transaction.
17. Provide post-closing follow up and advice as needed.

FEE PROPOSAL

Our proposed fee is not to exceed \$68,500 due and payable upon the successful closing of the financing depending on final work required. If the financing is cancelled or postponed for more than six months by the District for reasons other than Columbia failure to perform, the District will agree to negotiate a termination fee, based upon work completed, with Columbia for work undertaken to the date of cancellation.

Columbia will assign Curt M. de Crinis and Jim Prichard to lead the transaction with Shannon Harris as support unless otherwise agreed.

TERM OF AGREEMENT

This agreement will remain in force until terminated by one of the parties. The District may terminate this engagement at any time upon 60 days' written notice and the payment of all fees earned. Columbia Capital may terminate the agreement upon 60 days' written notice to the District. This agreement will expire 30 days after the closing date of the transactions, but may be extended from time to time at the discretion of the District.

REGULATORY COMPLIANCE

Pursuant to the full implementation of the US Securities and Exchange Commission (SEC) effective July 1, 2014, except under certain limited exceptions and exclusions, only registered municipal advisors may provide municipal bond Districts, like the District, advice with respect to municipal bonds and other municipal financial products. Columbia Capital

maintains such registration. We have provided to you with this engagement letter our standard disclosures. We will timely notify the District of any change in our registration status

FIDUCIARY DUTY

Columbia Capital is registered as a Municipal Advisor with the SEC and Municipal Securities Rulemaking Board (“MSRB”). As such, Columbia Capital has a fiduciary duty to the District and assumes both a duty of care and a duty of loyalty as required by Federal law.

STANDARD DISCLOSURES

We have provided you with Columbia Capital’s Standard Disclosures under separate cover. These Standard Disclosures are provided to you in accordance with MSRB Rule G-42(b).

If these terms are satisfactory to the District, please provide your signature below and return an executed copy to me by PDF or hard copy. We look forward to working with you!

If these terms are satisfactory to the District, please provide your signature below and return an executed copy to me. We look forward to continuing our long-standing relationship with you!

Respectfully submitted,
COLUMBIA CAPITAL MANAGEMENT, LLC



Curt de Crinis
Managing Director



Jim Prichard
Senior Vice President

ACKNOWLEDGED AND APPROVED:

Mario Iglesias – General Manager

Date

STANDARD DISCLOSURES

Date: October 5, 2019

INTRODUCTION

The Municipal Securities Rulemaking Board (MSRB) has promulgated regulations impacting the way municipal advisors interact with their clients. In compliance with those regulations, Columbia Capital Management, LLC (Columbia Capital) offers the following disclosures (Standard Disclosures).

These Standard Disclosures are provided to you in accordance with MSRB Rule G-42(b). Please confirm receipt of these Standard Disclosures by email confirmation or other written confirmation method that we can retain for our records.

MUNICIPAL ADVISOR CERTIFICATION

Columbia Capital is a municipal advisor as defined by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. As of the date listed above, Columbia Capital has fully complied with the municipal advisor registration requirements of both the US Securities and Exchange Commission (SEC) and the MSRB, both for the firm and for its employees engaged in municipal advisory activities.

CONFLICTS OF INTEREST

As of the date listed above, Columbia certifies that it has no known actual or perceived material conflicts of interest related to our work for you.

AFFILIATES

Columbia Capital does not have any affiliate that provides any advice, services, or products to or on behalf of your organization that is directly related to the municipal advisory activities to be performed by Columbia Capital.

NO PAYMENTS BY COLUMBIA CAPITAL

Columbia Capital has not made any payments, directly or indirectly, to obtain or retain this engagement to perform municipal advisory activities for your organization.



NO PAYMENTS TO COLUMBIA CAPITAL

Columbia Capital has not received any payments from a third party to enlist a recommendation by Columbia Capital to your organization of its services, any municipal securities transaction or any municipal financial product.

NO FEE-SPLITTING ARRANGEMENTS

Columbia Capital has not entered into any fee-splitting arrangements involving your organization with any provider of investments or services to your organization.

THIRD-PARTY PAYMENTS

Columbia's general practice is not to accept payments from third-parties related to our work for your organization. On occasion, it may be more convenient for you to require a third-party to pay us for our work for you. In any case where a third party will pay us in connection with our engagement with you, we will disclose all such payments to you in writing in advance.

CONSIDERATIONS RELATED TO FEES

The MSRB has determined that the method of calculation of the fees paid by issuers and obligated persons to municipal advisors can lead to incentives for the municipal advisor that differ from yours. Regardless of the method, however, the fees we charge are not permitted to be excessive given the scope of the engagement. The paragraphs below describe the different incentives our common fee methods may create.

In the event our fee is **contingent** upon the successful outcome of the engagement (typically, the successful closing of a financing transaction), our incentive is to both complete the transaction and to do so quickly. In certain circumstances completion of the transaction may not be in your best interest.

In the event our fee is **hourly**, our incentive is to both take longer to complete the engagement and to spend more time working on it. Delays in completion of an engagement or additional fees due to the amount of time expended may not be in your best interest.

In the event our fee is a **fixed** amount, our incentive is to complete the engagement more quickly and to limit our time investment in completing the engagement. Because the fixed fee is paid regardless of the outcome, you may incur fees without assurance of a successful outcome.

LEGAL OR DISCIPLINARY MEASURES

Neither Columbia Capital nor any representative of Columbia Capital has been subject to any legal or disciplinary event that is material to the your evaluation of Columbia Capital or the integrity of our management or advisory personnel.

COMPLAINTS

As a regulated entity, we are obligated to provide our municipal advisory clients annual disclosures pursuant to MSRB Rule G-10. No action is required on your part. Please find our required disclosures below:

- Columbia is registered as a municipal advisor with the U.S. Securities and Exchange Commission and the MSRB
- the MSRB's website is www.msrb.org
- the MSRB makes available on its website a brochure for municipal issuers and borrowers describing the protections that may be provided by the MSRB to issuers and borrowers, MSRB's rules and how to file a complaint with an appropriate regulatory authority. That brochure can be found here: <http://www.msrb.org/~media/Files/Resources/MSRB-MA-Clients-Brochure.ashx>

Additionally, you may address concerns or complaints to our chief compliance officer by emailing ccm_compliance@columbiacapital.com.

QUESTIONS

Please direct any questions about these Standard Disclosures to:

Stacey Walter
Compliance Officer
913.312.8057

Columbia Capital Management, LLC
6330 Lamar, Suite 200
Overland Park, Kansas 66202

If you have any concerns or questions please let me know. If you could acknowledge receipt and acceptance by return email that would be appreciated. Please note my new email address: cdecrinis@columbiacapital.com. All other contact information remains the same.

TO: BOARD OF DIRECTORS
 FROM: MARIO IGLESIAS
 GENERAL MANAGER
 DATE: September 17, 2021



**AGENDA ITEM
 F
 SEPTEMBER 22, 2021**

GENERAL MANAGER'S REPORT

ITEM

Standing report to your Honorable Board -- *Period covered by this report is September 5, 2021 through September 18, 2021.*

DISTRICT BUSINESS

Administrative

The District encourages residents to provide reports of any observed water waste. The District also keeps an accounting of leak adjustments as a measure of non-revenue water lost to leaks as well as tracking late fee waivers. The table below provides August and Fiscal Year-to-date data of these items. The District did not impose late fees during the reporting period January 2021 through June 2021. July 2021 was the first month this calendar year that late fees were charged.

OFFICE ACTIVITIES

| | <u>Aug 21</u> | <u>Jan 21 - Dec 21</u> |
|--------------------------------------|---------------|------------------------|
| Reports of Water Waste | 0 | 0 |
| Leak Adjustments | 1 | 8 |
| Leak Adjustment Amount | \$142 | \$7,427 |
| Late Fee Waivers (Fees Start 7/1/21) | 12 | 22 |
| Late Fee Waiver Adjustment Amount | \$418 | \$764 |

Water Resources

| <u>Table 1. Total Production Acre Feet (AF)</u> | | |
|---|---------------|------------------------|
| | <u>Aug-21</u> | <u>Jul 21 - Jun 22</u> |
| Groundwater Production | 103.3 | 212.3 |
| Supplemental Water Imported | <u>99.0</u> | <u>197.5</u> |
| Total Production | 202.3 | 409.8 |

The District's total combined production, including groundwater production wells and supplemental water imported through the Joshua Road Pump Station, registered 202.3 AF for the month of August 2021.

NCSD imported 99 AF of water over the 31 day period in August, averaging 722 gallons per minute for an average total over 1 million gallons per day. For fiscal year 2021-22 the District must import at least 1,000 AF (84 AF per month on average) of supplemental water to meet the contractual obligation it has with the City of Santa Maria. The District has imported 197.5 AF of water for the first two months of the 12 month period, July 2021 through June 2022. Compared to the District's required 1,000 AF [Contract Amount], at the current take level, the District would be 29.5 AF over the minimum water import requirement for the fiscal year ending June 30, 2022.

NCSD GW Reduction

The District’s purveyor customers, Golden State Water Company and Woodlands Mutual Water Company, each claim 16.66% (cumulatively 33.33%) of the imported water NCSD brings onto the basin through the NSW. Of the 1,000 AF minimum imported water from the City of Santa Maria, 333 AF or 33.33% of the total imported water – whichever is greater – will be credited to these two purveyor customers. The credited amount must be added to the District’s groundwater pumping total every month to reflect the groundwater pumped by these customers in-lieu of taking imported water from the District. Table 2 below demonstrates the calculus for determining the District’s adjusted groundwater pumping reduction.

| | Aug-21 | Aug 20 – Aug 21 |
|--|--------|-----------------|
| NCSD GW Well Production | 103.3 | 212.3 |
| Purveyor Customer Credit (33.3% of Import Water) | 33.0 | 65.8 |
| NCSD Total Calculated GW Production | 136.3 | 278.1 |
| Average GW Production for 2009-2013 | 284.7 | 575.9 |
| NCSD Percentage of GW Reduction | 52% | 52% |

2022 Fiscal Year Groundwater Pumping Forecast

Table 3 projects the District’s groundwater pumping reduction for the 2022 Fiscal Year. Under the current Stage 4 of the NMMA Water Shortage Response Stages, the targeted groundwater pumping reduction goal is to pump a total of 1,266 AFY (50% of 2009-2013 average District GW Pumping). August 2021 actual production and September 2020 through June 2021 historic production are combined to estimate the projected estimate.

Each year water demand trends slightly different depending upon the weather, a major factor that drives water consumption. As actual data replaces projected data, the value of the table to provide year-end groundwater reduction targets becomes more reliable and aids staff in recognizing opportunities for shifting water production strategies. Table 3 shows the District falling short of its pumping reduction goals for fiscal year 2022 by approximately 100 acft. Efforts will be made to reduce the shortfall. New pumps at JRPS will be installed in the second quarter of the fiscal year and once installed will add to the District’s import water capacity.

Table 3 projects the District’s groundwater pumping reduction for the Fiscal Year 2022.

| | Year-to-Date | | Target | Over/(Under) | AcFt |
|--|--------------|--------------|---------|--------------|------|
| | Aug-21 | Jul-Jun 2022 | | | |
| NCSD GW Well Production | 103.3 | 1,010.6 | | | |
| Purveyor Customer Credit (33.3% of Import Water) | 33.0 | 355.9 | | | |
| NCSD Total Calculated GW Production | 136.2 | 1,366.5 | 1,266.0 | (100.54) | |
| Average GW Production for 2009-2013 | 284.7 | 2,533.4 | 2,533.4 | | |
| NCSD Percentage of GW Reduction | 52% | 46% | 50.0% | | |

Table 4 compares the previous year's groundwater pumping with the current year's groundwater pumping for the same period.

| | <u>Aug-21</u> | <u>Jul 21 -Aug 21</u> | <u>Aug-20</u> | <u>Jul 20-Aug 20</u> |
|--|---------------|-----------------------|---------------|----------------------|
| NCSD GW Well Production | 103.3 | 212.3 | 98.2 | 218.3 |
| Purveyor Customer Credit (33.3% of Import Water) | <u>33.0</u> | <u>65.8</u> | <u>37.7</u> | <u>68.6</u> |
| NCSD Total Calculated GW Production | 136.2 | 278.1 | 135.9 | 286.9 |
| Average GW Production for 2009-2013 | <u>284.7</u> | <u>575.9</u> | <u>284.7</u> | <u>575.9</u> |
| NCSD Percentage of GW Reduction | 52.1% | 51.7% | 52.3% | 50.2% |

Rainfall Gauge

| (Reported in inches) | Nipomo East (Dana Hills Reservoirs) | Nipomo South (Southland Plant) |
|--|--|-----------------------------------|
| August 2021 Total | 0.00 | 0.00 |
| July-2021 through June-2022 (Season Total) | 0.00 | 0.00 |
| Sept 1, 2021 – Sept 3, 2021 | <u>0.00</u> | <u>0.00</u> |
| Total Rainfall to date | 0.00 | 0.00 |
| County Reported Avg. Ann. Year Rainfall | 18.0 ¹ | 14.0 ² |
| 2006 - 2020 Avg. Ann. Year Rainfall* | 15.39 | 13.30 |
| 2006 - 2020 Median Ann. Rainfall* | 12.64 | 11.30 |

*Data from County website

Safety Program

No Safety Incidents to Report

Other Items

- COVID19 NCSD Response Plan Update [Attachment A]
- Update, Bi-monthly to Monthly Customer Billing
- IWMA Activities – SB 1383

Connection Report

Nipomo Community Services District
 Water and Sewer Connections

END OF MONTH REPORT

| | <u>Jan-21</u> | <u>Feb-21</u> | <u>Mar-21</u> | <u>Apr-21</u> | <u>May-21</u> | <u>Jun-21</u> | <u>Jul-21</u> | <u>Aug-21</u> | <u>Sep-21</u> | <u>Oct-21</u> | <u>Nov-21</u> | <u>Dec-21</u> |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Water Connections (Total) | 4476 | 4477 | 4485 | 4486 | 4495 | 4496 | 4496 | 4500 | | | | |
| Sewer Connections (Total) | 3243 | 3243 | 3250 | 3250 | 3259 | 3260 | 3260 | 3264 | | | | |
| New Water Connections | 1 | 1 | 8 | 1 | 9 | 1 | 0 | 4 | | | | |
| New Sewer Connection | 1 | 0 | 7 | 0 | 9 | 1 | 0 | 4 | | | | |
| Galaxy & PSHH at Orchard and Division Sewer Connections billed to the County | 477 | 477 | 477 | 477 | 478 | 478 | 478 | 478 | | | | |

The Connection Report is current to September 2, 2021

Supplemental Water Capacity Accounting
Summary Since January 25, 2008

| | Number of Equivalent Meters | AFY |
|--|--------------------------------|--------------|
| Supplemental Water Available for Allocation | 947 | 500.0 |
| Supplemental Water Reserved (Will Serve Letter Issued) | 130 | -68.6 |
| Subtotal Net Supplemental Water Available for Allocation | 817 | 431.4 |
| Supplemental Water Assigned (Intent-to-Serve Issued) | 176 | -92.4 |
| Total Remaining Supplemental Water Available for Allocation | 641 | 339.0 |

As of September 3, 2021

Meetings (September 5 through September 18)

Meetings Attended (telephonically or in person):

- Sept 6, Labor Day Holiday
- Sept 7, Staff Mtg. - Admin Supervisor Mtg.
- Sept 7, BLMA/NCSD Comm. Mtg. – Streetlights
- Sept 7, Eng/Admin Coordination Meeting
- Sept 7, BLMA Monthly Meeting
- Sept 8, Rotary
- Sept 8, Regular NCSD Board Meeting
- Sept 8, Exec. Team After-Board Meeting
- Sept 9, NCSD Finance and Audit Comm.
- Sept 10, Staff Mtg. - Cust. Service Specialist
- Sept 13, Staff Mtg. - Admin Supervisor Mtg.
- Sept 13, NCSD Management Team
- Sept 13, IWMA Board Meeting
- Sept 13, NCSD Board Officer Meeting
- Sept 14, Staff Mtg. - Cust. Service Specialist
- Sept 14, Ad-hoc Comm. – UWMP Review
- Sept 14, Developer Mtg. – R. Rossi
- Sept 15, Rotary
- Sept 16, Staff Mtg. - Admin Supervisor Mtg.
- Sept 16, NMMA Manager's Meeting
- Sept 17, Staff Mtg. - Cust. Service Specialist

Meetings Scheduled (September 19 through September 25):

Upcoming Meetings (telephonically or in person):

- Sept 20, Staff Mtg. - Cust. Service Specialist
- Sept 20, Brad Newton – UWMP
- Sept 21, Eng/Admin Coordination Meeting

- *Sept 22, Rotary*
- *Sept 22, Regular NCSD Board Meeting*
- *Sept 23, NMMA-TG Meeting*
- *Sept 23, Sedaru Asset Management Update*
- *Sept 24, Staff Mtg. - Admin Supervisor Mtg.*

Upcoming Water Resource and Other Meetings

Upcoming Standing Meetings:

- *NMMA-TG: September 23rd (Thursday) @ 10:00 AM, Conf. Call*
- *RWVG: October 6th (Wednesday) @ 10:00 AM – Zoom Meeting*
- *WRAC: October 6th (Wednesday) @ 1:30 PM, Zoom Meeting*
- *NMMA Purveyor Meeting: September 16th (Thursday) @ 11:00 PM, Zoom Meeting*
- *NCSD Board Officer Meeting: October 4th (Monday) @ 2:00 PM, NCSD Conf. Rm.*

RECOMMENDATION

Staff seeks direction and input from your Board

ATTACHMENTS

- A. COVID19 - NCSD Response Plan

SEPTEMBER 22, 2021

ITEM F

ATTACHMENT A

Date: September 22, 2021 Board Meeting
Response Activities to COVID19 Health Emergency
Prepared by: Mario Iglesias, General Manager

DISTRICT RESPONSE TO COVID-19, Updated September 17, 2021

New Actions

COVID19 Rapid Test Kits secured from SLO County at no cost to provide weekly work-place testing.

For the Month of August, District Staff Tested 33 times (all negative results)

Vaccine Update: A non-vaccinated employee elected to get vaccinated

- 17 District Personnel received their second dose of the vaccine.
- 3 employees declined vaccination
- 1 employee was self isolating due to a positive result in the household (The employee tested negative but will be out 2 days for verification of secondary negative test

Mask Mandate Requirement Update – As of September 1, 2021, masks must be worn indoors at public facilities.

Personnel on Quarantine

Office Personnel:

No administrative personnel affected at this time

Operational Personnel:

No operational personnel affected at this time. (One was quarantined week of 9/6/21)

Vaccine Update:

- 17 District Personnel received their second dose of the vaccine.
- 3 employees declined vaccination

Ongoing Actions

1. Following SLO Co. Masking guidelines
2. Following Cal/OSHA guidelines
3. Participate in SLO County EOC Briefings
4. Review SLO County EOC Status Reports
5. Practicing Social Distancing
6. Face coverings are required when employees are in District Buildings when they are away from their work stations
7. Office Rules for Safe Customer Management – CDC Guidance Enforced

Previous Actions

1. NCSB Board Passes Resolution Declaring Emergency in District [Res. 2020-1550, Mar. 24, 2020]
2. Admin Office Closed to the Public
 - a. Meetings are virtual – Conference Calls
3. Discontinued: Split staff into two teams
 - a. See schedule on Response Plan
4. Received directions for FEMA Public Assistance – Cost Tracking Guidance

Date: September 22, 2021 Board Meeting
Response Activities to COVID19 Health Emergency
Prepared by: Mario Iglesias, General Manager

5. Governor's Executive Order – No Water Turn-offs
 - a. District instituted this policy as well as a No Late Fee – No Penalty Fees
6. Wipe-down between shifts
7. Each operator in separate designated vehicle.
8. Received additional PPE. Administration Staff will be on normal schedule 8-4:30 starting Monday May 18th
9. Operations Staff are on normal 7:00 am to 3:30 pm work schedule as of Monday, May 4th. County opened up construction sites.
10. Expanded Customer Service Work to include site visits for investigations (high bills, meter issues) week of May 11
11. Trailers for quarantine have been returned – May 1
12. District to begin wastewater sampling in conjunction with County effort to determine presence of COVID19 in communities – May 11
13. Temporary Admin Support Workers brought back to Office (Provider incentivized due to PPP Funds) – June 1
14. Lobby Modifications: Glass is equipped with speaker plates to allow the communication between customer and clerk without opening the sliding window.
15. Board Meetings open to the public.
16. County Offices Continued Closed with Appointments provided to some departments as needed.
17. June 18, 2020, Governor Order issued requiring face masks be worn in public places. District management purchased disposable face masks for staff, Board Members, and any public that attends District Board Meetings and lack a face mask.
18. The customer counter window modifications at the office are completed.
19. Capital Improvement Projects continue to be impacted and schedules for completion continue to be pushed back due to material delivery delays.
20. Administrative Office open to public – April 19, 2021