

TO: BOARD OF DIRECTORS
FROM: MARIO IGLESIAS
GENERAL MANAGER
DATE: FEBRUARY 17, 2017

**AGENDA ITEM
C
FEBRUARY 22, 2017**

PRESENTATIONS AND REPORTS

The following presentations and reports are scheduled:

- C-1) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST AND REPORTS ON ATTENDANCE AT PUBLIC MEETINGS, TRAINING PROGRAMS, CONFERENCES, AND SEMINARS.
Receive Announcements and Reports from Directors
- C-2) 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: FEBRUARY 17, 2017

AGENDA ITEM
D
FEBRUARY 22, 2017

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 FEBRUARY 8 REGULAR BOARD MEETING MINUTES
[RECOMMEND APPROVAL]
- D-3) APPROVE CONTRACT WITH THE LAW FIRM OF RICHARD, WATSON, AND
GERSHON FOR LEGAL SERVICES INCLUDING GENERAL COUNSEL AND
OTHER PRACTICE AREAS [RECOMMEND APPROVE]

TO: BOARD OF DIRECTOR

REVIEWED: MARIO IGLESIAS
GENERAL MANAGER

FROM: LISA BOGNUDA
FINANCE DIRECTOR

DATE: FEBRUARY 17, 2017



HAND WRITTEN CHECKS

None

VOIDS – NONE

TOTAL COMPUTER CHECKS
\$105,162.90

COMPUTER GENERATED CHECKS – SEE ATTACHED



Nipomo Community Services District

Item D-1 Warrants February 22, 2017
By Payment Number

Payment Dates 02/22/2017 - 02/22/2017

Vendor Name	Description (Payable)	Payable Number	Payment Date	Amount
Payment: 2184				
AECOM USA Inc.	Phase 1 engineering	37873269	02/22/2017	2,038.50
				Payment 2184 Total: 2,038.50
Payment: 2185				
AmeriPride	Uniforms	1501826064	02/22/2017	199.95
				Payment 2185 Total: 199.95
Payment: 2186				
Baumgarten, Michael	T2 certificate renewal reimbu	FEB2017	02/22/2017	60.00
				Payment 2186 Total: 60.00
Payment: 2187				
Big Brand Tire & Service	Vehicle repair/maintenance	268790	02/22/2017	88.11
Big Brand Tire & Service	Vehicle repair/maintenance	268947	02/22/2017	68.87
Big Brand Tire & Service	Vehicle repair/maintenance	268730	02/22/2017	81.57
				Payment 2187 Total: 238.55
Payment: 2188				
Bognuda, Lisa	CSMFO conference reimburse	FEB2017	02/22/2017	667.05
				Payment 2188 Total: 667.05
Payment: 2189				
Burdine Printing	Postage for bills	32373B	02/22/2017	812.23
Burdine Printing	Mail bills	32373A	02/22/2017	199.07
Burdine Printing	Postage for bills	32338B	02/22/2017	193.66
Burdine Printing	Mail bills	32338A	02/22/2017	80.08
				Payment 2189 Total: 1,285.04
Payment: 2190				
CalPortland Construction	Class II base	93150767	02/22/2017	598.38
				Payment 2190 Total: 598.38
Payment: 2191				
Cannon Corporation	Southland metal building	62791	02/22/2017	10,144.00
				Payment 2191 Total: 10,144.00
Payment: 2192				
Chapman, Jessica	NCEES exam registration reim	FEB2017	02/22/2017	399.04
				Payment 2192 Total: 399.04
Payment: 2193				
City of Santa Maria	Landfill use	71020	02/22/2017	7,476.74
				Payment 2193 Total: 7,476.74
Payment: 2194				
City of Solvang	Training seminar- Bognuda,	FEB2017	02/22/2017	40.00
				Payment 2194 Total: 40.00
Payment: 2195				
Clever Ducks	Computer expense	23042	02/22/2017	2,535.00
				Payment 2195 Total: 2,535.00
Payment: 2196				
Corix Water Products (US) Inc	Concrete mix, pvc couplings	17713001995	02/22/2017	535.66
				Payment 2196 Total: 535.66
Payment: 2197				
Crystal Springs	Distilled water	JAN2017	02/22/2017	30.00
				Payment 2197 Total: 30.00

Item D-1 Warrants February 22, 2017


Payment Dates: 02/22/2017 - 02/22/2017

Vendor Name	Description (Payable)	Payable Number	Payment Date	Amount
Payment: 2198				
Electricraft, Inc.	TEGG service	14784	02/22/2017	5,831.00
Payment 2198 Total:				5,831.00
Payment: 2199				
Engel & Gray, Inc.	Biosolid removal	18156	02/22/2017	115.00
Engel & Gray, Inc.	Biosolid removal	18162	02/22/2017	115.00
Engel & Gray, Inc.	Biosolid removal	18151	02/22/2017	115.00
Payment 2199 Total:				345.00
Payment: 2200				
Ferguson Enterprises, Inc.	Soil pipe cutter, couplings	4281137	02/22/2017	956.39
Payment 2200 Total:				956.39
Payment: 2201				
FGL Environmental	Lab tests	780016	02/22/2017	501.00
Payment 2201 Total:				501.00
Payment: 2202				
Gaddis, Dan Allen	Travel and mileage - RWMG	FEB2017	02/22/2017	33.57
Payment 2202 Total:				33.57
Payment: 2203				
GLM Landscape Management	Landscape maintenance	JAN2017	02/22/2017	380.00
Payment 2203 Total:				380.00
Payment: 2204				
Glover, Tom & Shelly	Washer rebate	FEB2017	02/22/2017	75.00
Payment 2204 Total:				75.00
Payment: 2205				
Iglesias, Mario	Cell phone reimbursement	FEB2017	02/22/2017	65.00
Payment 2205 Total:				65.00
Payment: 2206				
Iron Mountain	On-site shredding	NLR1115	02/22/2017	32.92
Payment 2206 Total:				32.92
Payment: 2207				
Maldonado, Francisco	Seminar travel reimbursemen	FEB2017	02/22/2017	357.72
Payment 2207 Total:				357.72
Payment: 2208				
Miner's Ace Hardware	Supplies	JAN2017	02/22/2017	398.54
Payment 2208 Total:				398.54
Payment: 2209				
MNS Engineers, Inc.	JRPS reservoir improvements	68077	02/22/2017	36,619.56
Payment 2209 Total:				36,619.56
Payment: 2210				
More Office Solutions	B&W/Color copies	1493278	02/22/2017	83.46
More Office Solutions	B&W/Color copies	1499167	02/22/2017	72.62
More Office Solutions	B&W/Color copies	1497743	02/22/2017	81.40
Payment 2210 Total:				237.48
Payment: 2211				
Municipal Maintenance Equip	Rotary joint	0116221	02/22/2017	235.39
Payment 2211 Total:				235.39
Payment: 2212				
Newman, Russ	Seminar travel reimbursemen	FEB2017	02/22/2017	85.00
Payment 2212 Total:				85.00
Payment: 2213				
Nipomo Community Services	805 Alta Vista - Dom	FEB2017B	02/22/2017	62.07
Nipomo Community Services	BLWWTF	FEB2017C	02/22/2017	422.87
Nipomo Community Services	805 Alta Vista - Irr	FEB2017A	02/22/2017	58.12
Payment 2213 Total:				543.06

Item D-1 Warrants February 22, 2017

Payment Dates: 02/22/2017 - 02/22/2017

Vendor Name	Description (Payable)	Payable Number	Payment Date	Amount
Payment: 2214				
Nunley & Associates, Inc.	PCIA Rocky Place	3043	02/22/2017	315.00
Nunley & Associates, Inc.	SWP Phase 1 O&M	3076	02/22/2017	1,320.00
Nunley & Associates, Inc.	Hydraulic analysis for standpi	3029	02/22/2017	135.00
Nunley & Associates, Inc.	Blacklake WRF	3054	02/22/2017	2,331.16
Nunley & Associates, Inc.	GIS services	3031	02/22/2017	960.00
Nunley & Associates, Inc.	JRPS construction managemen	3028	02/22/2017	60.00
Nunley & Associates, Inc.	PCIA 549 Hill	3045	02/22/2017	507.50
Nunley & Associates, Inc.	Flow Monitoring	3027	02/22/2017	2,640.00
Nunley & Associates, Inc.	PCIA Nipomo Oaks	3042	02/22/2017	2,084.84
Payment 2214 Total:				10,353.50
Payment: 2215				
Orzechowski, Nicole	Washer rebate	FEB2017	02/22/2017	75.00
Payment 2215 Total:				75.00
Payment: 2216				
Perry's Electric Motors & Cont	Motor service and repair	20146	02/22/2017	8,898.25
Perry's Electric Motors & Cont	Flygt pump service and repair	20182	02/22/2017	4,367.05
Payment 2216 Total:				13,265.30
Payment: 2217				
Price, Postel & Parma, LLP	Water Inter Tie Project	137731	02/22/2017	396.10
Payment 2217 Total:				396.10
Payment: 2218				
Rabobank	Petty cash	FEB2017	02/22/2017	137.79
Payment 2218 Total:				137.79
Payment: 2219				
Razo, Manuel Adislado	Washer rebate	FEB2017	02/22/2017	75.00
Payment 2219 Total:				75.00
Payment: 2220				
Shipsey & Seitz, Inc.	Legal services through 01-31-	JAN2017	02/22/2017	4,292.00
Payment 2220 Total:				4,292.00
Payment: 2221				
TechnoFlo Systems	UltraMag converter and repai	16953	02/22/2017	1,432.98
Payment 2221 Total:				1,432.98
Payment: 2222				
Terminix Commercial	Pest control	361933670	02/22/2017	48.00
Payment 2222 Total:				48.00
Payment: 2223				
UPS Store #6031	Package shipping and handlin	6547	02/22/2017	22.98
Payment 2223 Total:				22.98
Payment: 2224				
Wallace Group	FOG control program	43129	02/22/2017	227.00
Payment 2224 Total:				227.00
Payment: 2225				
Waste Connections	Waste collection - Southland	5548488	02/22/2017	186.91
Waste Connections	Waste collection - Office	5546934	02/22/2017	40.58
Waste Connections	Waste collection - Olde Town	5548035	02/22/2017	215.22
Payment 2225 Total:				442.71
Payment: 2226				
Your People Professionals	Employment agency deposit	MAR2017	02/22/2017	1,450.00
Payment 2226 Total:				1,450.00

TO: BOARD OF DIRECTORS
FROM: MARIO IGLESIAS
GENERAL MANAGER 
DATE: FEBRUARY 17, 2017

AGENDA ITEM
D-2
FEBRUARY 22, 2017

**APPROVE FEBRUARY 8, 2017
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. February 8, 2017 draft Regular Board Meeting Minutes

February 22, 2017

ITEM D-2

ATTACHMENT A

NIPOMO COMMUNITY SERVICES DISTRICT

Serving the Community Since 1965

DRAFT REGULAR MINUTES

FEBRUARY 8, 2017 AT 9:00 A.M.

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

BOARD of DIRECTORS

DAN ALLEN GADDIS, **PRESIDENT**
ED EBY, **VICE PRESIDENT**
BOB BLAIR, **DIRECTOR**
CRAIG ARMSTRONG, **DIRECTOR**
DAN WOODSON, **DIRECTOR**

PRINCIPAL STAFF

MARIO IGLESIAS, **GENERAL MANAGER**
LISA BOGNUDA, **FINANCE DIRECTOR**
MICHAEL W. SEITZ, **GENERAL COUNSEL**
PETER SEVCIK, **DIRECTOR OF ENG. & OPS.**
JESSICA MATSON, **BOARD CLERK**

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

00:00:00 A. CALL TO ORDER AND FLAG SALUTE

President Gaddis called the Regular Meeting of February 8, 2017 to order at 9:00 a.m. and led the flag salute.

00:00:32 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

00:00:40 C-1) SUMMARY OF 2016 CUSTOMER SATISFACTION SURVEY RESULTS

Mario Iglesias, General Manager, gave a presentation on results from the District's 2016 Customer Satisfaction Survey.

Mr. Iglesias commented that the survey respondent level was limited to 2% of the customers and therefore insufficient to consider the survey results as a good representation of the community's views. Mr. Iglesias suggested that the results were sufficient to build on and share with the community in hopes of generating interest for future planned surveys.

Director Armstrong commented on the drought rates response and the current court case with the City of Capistrano regarding tiered rates. Mike Seitz, District Legal Counsel, commented that the case is still open and that the District would have to go through a Proposition 218 rate hearing process.

Mr. Iglesias and Jessica Matson, Public Information Director, answered questions from the Board.

Director Blair suggested the next survey be sent out as a bill stuffer so customers can return it to the District with their payment.

There were no public comments.

Nipomo Community Services District
REGULAR MEETING
MINUTES

00:25:25

C-2) DIRECTOR OF ENGINEERING AND OPERATIONS SUMMARY OF ACTIVITIES – MONTHLY REPORT; JOSHUA ROAD PUMP STATION CONSTRUCTION

Peter Sevcik, Director of Engineering & Operations, reviewed the report as presented in the Board Packet. The project is still scheduled to be completed at the end of April 2017.

Mr. Sevcik answered questions from the Board.

00:39:06

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

Receive Announcements and Reports from Directors

Director Armstrong

- *February 1, Attended the Water Resources Advisory Council (WRAC) meeting*

Director Eby

- *January 27, Attended the California Special District Association (CSDA) annual meeting*
- *January 30, Attended the NCSD Board Officer's meeting*
- *January 30, Attended the NCSD Ad-Hoc Committee meeting regarding General Counsel*
- *February 1, Attended the Water Resources Advisory Council (WRAC) meeting*
- *February 3, Attended the Finance & Audit Committee meeting as a silent participant*
- *February 6, Attended the Administration Committee meeting as a silent participant*

Director Woodson

- *January 27, Attended the California Special District Association (CSDA) annual meeting*
- *The road paving schedule has been modified and he can provide a copy, if interested.*

Director Blair

- *January 27, Attended the California Special District Association (CSDA) annual meeting*
- *February 6, Attended the Administration Committee meeting where they discussed monthly billing and changes to the organizational structure*

Director Gaddis

- *January 27, Attended the California Special District Association (CSDA) annual meeting*
- *January 30, Attended the NCSD Officer's meeting*
- *February 1, Attended the Regional Water Management Group (RWMG) meeting*
- *February 3, Attended the Finance & Audit Committee meeting*

C-4) RECEIVE PUBLIC COMMENT ON PRESENTATIONS AND REPORTS PRESENTED UNDER ITEM C AND BY MOTION RECEIVE and FILE PRESENTATIONS AND REPORTS

There were no public comments.

Upon the motion of Director Craig Armstrong and seconded, the Board unanimously approved to receive and file the presentations and reports as submitted.

Vote 5-0.

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

00:42:50

D. CONSENT AGENDA

- D-1) WARRANTS
- D-2) APPROVE JANUARY 25, REGULAR BOARD MEETING MINUTES
- D-3) ACCEPT SECOND QUARTER FISCAL YEAR 2017 QUARTERLY FINANCIAL REPORT

There were no public comments.

*Upon the motion of Director Ed Eby and seconded, the Board unanimously approved the consent Agenda.
 Vote 5-0.*

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

E. ADMINISTRATIVE ITEMS

00:43:19

- E-1) AUTHORIZE TASK ORDER FOR SUPERVISORY CONTROL AND DATA ACQUISITION SYSTEM QUAD TANK CHLORINE ANALYZERS

Peter Sevcik, Director of Engineering and Operations, reviewed the report as presented in the Board Packet. Mr. Sevcik answered questions from the Board.

There were no public comments.

*Upon the motion of Director Craig Armstrong and seconded, the Board unanimously approved the Resolution authorizing staff to execute a Task Order in the amount of \$32,350 with Tesco Controls Inc. and Change Order Contingency in the amount of \$5,000.
 Vote 5-0.*

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

**RESOLUTION NO. 2017-1432
 A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT
 AUTHORIZING A TASK ORDER FOR THE SUPERVISORY CONTROL AND DATA ACQUISITION QUAD TANK
 CHLORINE ANALYZERS WITH TESCO CONTROLS INC.**

00:48:21

- E-2) AUTHORIZE CONTRACT FOR ENGINEERING SERVICES FOR THE NIPOMO PALMS LIFT STATION REHABILITATION PROJECT WITH CANNON CORPORATION

Peter Sevcik, Director of Engineering and Operations, reviewed the report as presented in the Board Packet and commented on the Request for Proposal (RFP) process.

Mr. Sevcik answered questions from the Board.

There were no public comments.

*Upon the motion of Director Craig Armstrong and seconded, the Board approved a contract with Cannon Corporation in the amount of \$83,496 for Engineering Services.
 Vote 5-0.*

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

00:51:33 F. MANAGER’S REPORT

Mario Iglesias, General Manager, reviewed the report as presented in the Board packet.

Mr. Iglesias also reported the following:

- *The District reached its 50% pumping reduction goal. In January the District saw a 69% reduction in pumping and a 51.3% reduction for the July 2016-January 2017 period.*
- *He has been attending meetings with the County on the formation of a Groundwater Sustainability Agency (GSA) and indicated that the District is not interested in taking the lead. He will bring a letter to the County stating NCSD’s position to the Board for approval.*
- *Reviewed the committee meeting schedule and commented that the Facilities and Water Resources Committee meeting will be rescheduled after February 21st.*

Mr. Iglesias answered questions from the Board.

There were no public comments.

01:04:33 G. COMMITTEE REPORTS

Director Armstrong reported that the Finance & Audit Committee met on February 3rd and suggested minor wording changes to the Debt Management Policy. Director Armstrong also reported that the Committee discussed possible changes to the Town Sewer rate stabilization fund and that General Manager Iglesias will review the proposed changes with our finance consultants.

Director Blair reported that the Administration Committee met on February 6th and requested staff bring more information back to the Committee at its next meeting.

01:05:33 H. DIRECTORS’ REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

Director Woodson

- *Requested clarification on the W-4. Staff responded.*

01:06:25 I. CLOSED SESSION ANNOUNCEMENTS

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

- a) **SMWCD VS. NCSD (SANTA CLARA COUNTY CASE NO. CV 770214, SIXTH APPELLATE COURT CASE NO. H032750 AND ALL CONSOLIDATED CASES).**
- b) **BENING VS. NCSD SAN LUIS OBISPO COUNTY CASE NO 14CV0069**
- c) **INSTRUCTION TO NEGOTIATORS MARIO IGLESIAS, MIKE SEITZ AND LILLIAN JEWELL PURSUANT TO GOVERNMENT CODE SECTION 54956.8 FOR PURCHASE OF EASEMENT INTEREST IN APN 093-291-046 (OWNER: LOS PRIMOS PROPERTIES, LLC, NEGOTIATOR: VINCE MARTINEZ)**

Nipomo Community Services District
REGULAR MEETING
MINUTES

2. PERSONNEL MATTER: AD HOC COMMITTEE REPORT – GENERAL COUNSEL
PROPOSAL REVIEW AND RECOMMENDATION PURSUANT TO
GOVERNMENT CODE SECTION 54957

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There were no public comments.

K. ADJOURN TO CLOSED SESSION

President Gaddis adjourned to closed session at 10:08 a.m.

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

The Board came back into Open Session at 10:55 AM.

Mario Iglesias, General Manager, announced that the Board discussed Item I.1(a), 1(b), and 1(c), heard a report, but took no reportable action.

Mr. Iglesias also announced that the Board discussed Item 2, heard a report from the Ad Hoc Committee and approved the Committee’s recommendation. The Board directed the General Manager to negotiate a contract with Richards, Watson and Gershon (RWG) for general counsel services and to retain current general counsel, Mike Seitz, until the February 22nd Regular Board meeting.

ADJOURN


President Gaddis adjourned the meeting at 10:56 AM.

MEETING SUMMARY	HOURS & MINUTES
Regular Meeting	1 hour 9 minutes
Closed Session	47 minutes
TOTAL HOURS	1 hour 56 minutes

Respectfully submitted,

Mario Iglesias, General Manager and Secretary to the Board

Date

TO: BOARD OF DIRECTORS
FROM: MARIO E. IGLESIAS 
GENERAL MANAGER
DATE: FEBRUARY 16, 2017

AGENDA ITEM
D-3
FEBRUARY 22, 2017

**APPROVE AGREEMENT FOR LEGAL SERVICE WITH
RICHARDS, WATSON, AND GERSHON**

ITEM

Approve agreement with the legal firm of Richards, Watson, and Gershon for legal services [RECOMMEND APPROVE]

BACKGROUND

At the January 11, 2017, District Board Meeting, your Board approved a Request for Qualification and Proposals (RFQP) for legal services, directed staff to disseminate the RFQP, and appointed two Directors to an Ad Hoc Committee to review the proposals and provide the Board with a recommendation.

The District received 3 responses to the RFQP. On January 30, 2017, the Ad Hoc Committee met to discuss the proposals and draft a recommendation for your Board's review and consideration. At your Board's February 8, 2017, Board Meeting the Ad Hoc Committee provided your Board with a recommendation to enlist the services of Richards, Watson, and Gershon ("RWG"). Subsequently, your Board accepted the Ad Hoc Committee's recommendation and directed staff to enter into contract negotiations with RWG.

With the aid of the appointed Ad Hoc Committee, staff negotiated the attached agreement for your Board's review and consideration.

RECOMMENDATION

It is recommended that your Board review the agreement for legal services and, if no additions or deletions result from your review, staff recommends your Board:

- 1) Approve the agreement by motion and roll-call vote
- 2) Directing staff to execute the agreement for legal services with Richards, Watson, and Gershon

ATTACHMENTS

- A. Agreement for Professional Legal Services, General Counsel

February 22, 2017

ITEM D-3

ATTACHMENT A

**AGREEMENT FOR
PROFESSIONAL LEGAL SERVICES
GENERAL COUNSEL**

This agreement ("Agreement") is made and entered into this ____ day of March 2017, by and between RICHARDS, WATSON & GERSHON, A Professional Corporation, with a place of business at 847 Monterey Street, Suite 201, San Luis Obispo, California 93401, hereinafter referred to as "RWG," and the NIPOMO COMMUNITY SERVICES DISTRICT, a municipal corporation of the State of California, hereinafter referred to as "NCSD."

WHEREAS, RWG currently provides special counsel legal services to NCSD;

WHEREAS, NCSD desires to continue to retain RWG to perform its current legal services and to perform additional services, including general counsel legal services; and

WHEREAS, RWG is in the general practice of law with extensive public law and water law experience;

NOW, THEREFORE, in consideration of the mutual terms and conditions hereinafter set forth, it is agreed as follows:

1. Appointment of General Counsel.

NCSD hereby appoints WHITNEY G. McDONALD to serve as General Counsel to NCSD. Both the General Counsel and all other attorneys providing services hereunder shall, at all times hereunder and at their sole cost and expense, be fully qualified and licensed to practice law in the State of California and before all appropriate State and Federal courts and other bodies and tribunals.

2. Scope of Work.

RWG agrees to serve as general counsel to NCSD and to perform legal services requested by NCSD, except those services that would create an irreconcilable conflict of interest. The services to be performed by RWG shall include, without limitation, the following:

- A. Attendance at Board of Directors meetings.
- B. Legal research and legal advice to NCSD and designated NCSD staff.
- C. Preparation and review of resolutions, agreements, and other legal documents.

- D. Oversight of legal matters handled by outside legal counsel.
- E. Real estate matters.
- F. Land use matters.
- G. Labor and employment law services.
- H. Environmental law services, including but not limited to, hazardous waste, CEQA, Clean Air Act, and Clean Water Act matters.
- I. Water and water rights law services.
- J. Public finance.
- K. Bond Counsel services, Disclosure Counsel services, or Issuer Counsel services.
- L. Legal services that NCS D has reimbursed by a third-party.
- M. Litigation.
- N. Representation of NCS D in administrative proceedings before other public agencies, including but not limited to the Coastal Commission.

3. Term.

This Agreement shall commence as of March ____, 2017 and shall continue in effect until terminated by NCS D or RWG. NCS D or RWG may terminate this Agreement at any time, with or without cause, by giving thirty (30) days written notice to the other party prior to termination of this Agreement. In the event of termination: (i) NCS D shall remain obligated to pay for all costs and expenditures incurred by RWG prior to the effective date of such termination; and (ii) RWG shall comply with all provisions of the Rules of Professional Conduct for the termination of a client relationship, shall assist NCS D in transition to a new legal counsel and shall be compensated for such assistance at the “General Services” rate provided under this Agreement.

4. Coordination and Organization.

Whitney G. McDonald shall be General Counsel to NCS D and James L. Markman shall serve as Assistant General Counsel. The General Counsel and the Assistant General Counsel will process, coordinate and direct as necessary all legal services hereunder in order to maximize the timeliness and usefulness of the delivery of such services. The General Counsel and Assistant General Counsel shall be available, at all reasonable times, to NCS D’s Board of Directors Members, NCS D’s General Manager and persons designated by the General Manager, in relationship to legal services to be furnished by RWG hereunder.

5. Payment.

5.1 Compensation and Reimbursement Rates.

RWG shall be compensated for the performance of legal services and reimbursed for costs incurred therewith in accordance with the Compensation and Reimbursement Schedule for Nipomo Community Services District ("Compensation and Reimbursement Schedule"), attached to this Agreement as Exhibit "A" and incorporated herein as though set forth in full. **[The terms of this Agreement and the Compensation and Reimbursement Schedule shall apply to legal services performed for affiliated entities that NCSD may establish.]**

5.2 Billing.

RWG shall provide to NCSD a monthly invoice for the services provided, the time spent providing those services, and costs incurred. All invoices shall be in the form customarily supplied by RWG to public agency clients being billed on an hourly basis. NCSD shall process and cause such invoices to be paid promptly and no later than thirty (30) days after receipt of the invoice.

6. Indemnification

Each party shall indemnify, defend and hold harmless the other party, its directors, members, officers, employees and agents from and against any and all third-party claims, suits or actions instituted on account of personal injuries or death of any person (including but not limited to workers and the public) or physical damage to property resulting from or arising out of the indemnitor's willful misconduct or negligent act or omission while engaged in the performance of obligations or exercise of rights under this Agreement.

7. Conflicts of Interest.

RWG shall comply with all applicable laws and professional rules and standards relating to any known conflict of interest involving NCSD and matters upon which RWG are providing legal services under this Agreement. RWG shall not reveal confidential information of NCSD, except with the consent of the General Manager, the Board of Directors or as otherwise required by law. RWG shall notify the General Manager or Board of Directors, depending on the circumstances, of any conflict of interest related to matters upon which it is providing legal services under this Agreement upon discovery of any such conflict. In the event that such conflict is not or cannot be waived or resolved, NCSD shall retain alternate legal counsel and RWG shall assist and cooperate with such legal counsel retained by NCSD on the matter for which the conflict arose.

8. Client Files.

8.1 Offer to Transfer Files.

At the conclusion of RWG's legal representation of NCSD, the original client files for the work performed under this Agreement shall be made available to NCSD. RWG will be

entitled to make copies of any client files. At the conclusion of RWG's legal representation of NCSD, (regardless of whether NCSD takes possession of the client files) NCSD shall take possession of any and all original contracts, and other such important documents that may be in the client files and RWG shall have no further responsibility with regard to such documents.

8.2 Notice of Intent to Dispose.

If NCSD does not take possession of the client files at the conclusion of RWG's legal representation of NCSD, RWG shall store such client files for a period of at least one (1) year. At the conclusion of such one (1) year period, RWG may send to NCSD a notice, advising of RWG's intention to dispose of the client files. NCSD shall have sixty (60) days from the date of such notice to take possession of the client files. If NCSD does not take possession of the client files during that time, NCSD agrees that RWG may dispose of the client files without further notice.

8.3 Survival of Expiration.

Section 8 of this Agreement shall survive the expiration of this Agreement.

9. General Provisions.

9.1 Non-Discrimination.

In the performance of this Agreement, RWG shall not wrongfully discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, sexual orientation or medical condition.

9.2 Assignment/Delegation.

This Agreement contemplates the personal professional services of RWG and neither this Agreement, nor any portion thereof, shall be assigned or delegated without the prior written consent of NCSD.

9.3 Interpretation.

The following rules of legal construction shall apply:

A. This Agreement is made and entered into in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California.

B. The section captions and headings in this Agreement have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction.

C. Whenever in this Agreement the context may so require, the masculine gender shall be deemed to refer to and include the feminine and neuter, and the singular shall refer to and include the plural.

9.4 Attorney's Fees.

The parties acknowledge and agree that each will bear its own costs, expenses and attorney's fees arising out of and/or connected with the negotiation, drafting and execution of this Agreement.

9.5 Notices.

Any notice required to be given shall be deemed to have been given by depositing such notice in the United States mail, postage prepaid, and addressed as follows:

TO CITY:

Nipomo Community Services District

Attention: General Manager

TO RWG:

Richards, Watson & Gershon
847 Monterey Street, Suite 201
San Luis Obispo, California 93401

Attention: Whitney G. McDonald

9.6 Signatories.

Each signatory warrants and represents that he or she is competent and authorized to execute this Agreement on behalf of the party for whom he or she purports to sign.

9.7 Entire Agreement.

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

9.8 Modification of Agreement.

This Agreement and the provisions set forth herein may be modified only by way of a written amendment to this Agreement that has been approved and executed by and on behalf of both RWG and NCSD.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the respective dates set forth opposite each of their signatures.

Dated: _____

NIPOMO COMMUNITY SERVICES DISTRICT,
a Municipal Corporation of the State of California

By: _____

DAN ALLEN GADDIS
President, Board of Directors

Dated: *February 15, 2015*

RICHARDS, WATSON & GERSHON,
A Professional Corporation

By: _____

James L. Markman
JAMES L. MARKMAN
Vice-President

ATTEST:

MARIO IGLESIAS
Secretary to the Board

Exhibit "A"

Compensation and Reimbursement Rate Schedule for Nipomo Community Services District

1) General Services

All legal services that are not defined below as Special Services or Litigation will be deemed to be General Services. Without limitation, all of the following are General Services (to the extent they are not otherwise Special Services or Litigation):

1. Attendance at Board of Director meetings.
2. Legal research and legal advice to the District and designated District Staff.
3. Preparation and review of resolutions, agreements, and other legal documents.
4. Oversight of legal matters handled by outside legal counsel.

General Services shall be billed to, and compensated by, the District, at a composite rate for all attorneys of \$210 per hour.

2) Special Services

Special Services will be defined as legal services provided in the following matters:

1. Real estate matters and land use matters that require a total of ten or more hours to complete.
2. Labor and employment law services.
3. Environmental law services, including but not limited to, hazardous waste, Clean Air Act, and Clean Water Act matters.
4. Water and water rights law services.
5. Public finance.
6. Bond Counsel services, Disclosure Counsel services, or Issuer Counsel services.
7. Legal services that the District has reimbursed by a third-party.
8. Representation of the District in administrative proceedings before other public agencies, including but not limited to the Coastal Commission.

Special Services shall be billed to, and compensated by, the District at a composite rate for all attorneys of \$275 per hour except for the following:

1. For providing services as Bond Counsel, Disclosure Counsel, or Issuer Counsel on financings, RWG shall be paid at a composite hourly rate of \$395 per hour. The total fee shall not exceed an amount which the General Manager deems fair and reasonable under the circumstances.
2. Legal services that the District has been reimbursed by a third-party will be billed and compensated at the Firm's standard hourly rates, which may be discounted up to 10% at the sole discretion of the General Manager.

3) Litigation

Litigation will be defined as representation of the District in all aspects of the initiation, advancement, or defense of claims in litigation, arbitration, or mediation. Litigation shall be billed to, and compensated by, the District at a composite rate for all attorneys of \$275 per hour.

4) Reimbursable and/or Other Costs

Expenses for non-local travel will be charged at our actual costs. We will not bill for travel time to and from regular District Board meetings, but will bill travel time for special meetings. RWG bills mileage at the standard rate established by the IRS for calculating the operating expenses of an automobile used for business purposes, which currently is 53.5 cents per mile. Copying costs will be charged at 5 cents per page. All other costs, such as long distance telephone charges, messenger and delivery services, and legal research services will be charged only at the Firm's actual out-of-pocket expenses. The Firm will not charge for word processing and similar clerical tasks.

5) Training Costs

RWG will provide without charge one two-hour AB 1234 training session each fiscal year and up to eight total hours of training each fiscal year on topics mutually agreed upon with the District. Any additional time spent preparing for and providing training would be billed on an hourly basis at the General Services rate.

6) Other Entities

Legal services and costs for any other entities created or controlled by the District would be contracted and billed at the same rate structures set forth above.

January 25, 2017

**Nipomo Community Services District
Request for Qualifications and Proposal, General Counsel Services
Attachment "A"**

Attorney Cost for Services Rendered:

Practice Areas	Firm and/or Individual	Hourly Rate
Public Agency/Municipal Law (DGC*)	W. McDonald	\$210.00
Back up for the District General Counsel	J. Markman	\$210.00
E-Documents and Public Records Act	Covered in General Counsel Work	\$210.00
Taxes and Fees, Proposition 218, Assessments	Covered in General Counsel Work	\$210.00
Eminent Domain	Various Attorneys	\$275.00
Labor and Employment	R. Clarke	\$275.00
Litigation	Various Attorneys	\$275.00
Contracts and Transactions	Covered in General Counsel Work	\$210.00
Construction Law, Contracts and Claims	T. Kim	\$275.00
Insurance, Liability, Tort Claims	Covered in General Counsel Work	\$210.00
Land Use/Development	Covered in General Counsel Work	\$210.00
Public Finance**	W. Strausz, D. Chuang, L. Enriquez	\$395.00
Environmental and Energy***	G. Giovinco and D. Snow	\$275.00
Water Rights and Water Law	J. Markman	\$275.00

*DGC — District General Counsel: Person designated as "Key Personnel" assigned by firm and/or individual as the District's General Counsel and subject to the limitations and requirements stated in Section C.2., Page 5, of the Request for Qualifications and Proposal, District General Counsel.

General note: Litigation matters in any substantive areas will be billed at litigation rates.

** Capped at a total amount per agreement with General Manager.

*** Excepting response to routine CEQA questions which is covered in general section.