

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS
GENERAL MANAGER 

DATE: JANUARY 4, 2019

AGENDA ITEM

C

JANUARY 9, 2019

PRESENTATIONS AND REPORTS

The following presentations and reports are scheduled:

- C-1) RECOGNITION OF 2018 BOARD OFFICERS AND SEATING OF 2019 BOARD OFFICERS [NO BOARD ACTION REQUIRED]
- 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 E. IGLESIAS
GENERAL MANAGER

DATE: JANUARY 3, 2019

AGENDA ITEM
C-1
JANUARY 9, 2019

**RECOGNITION OF 2018 BOARD OFFICERS AND
SEATING OF 2019 BOARD OFFICERS**

ITEM

Recognition of 2018 Board Officers and seating of 2019 Board Officers [NO ACTION REQUESTED].

BACKGROUND

President Eby and Vice President Gaddis were both reelected as Board President and Vice President respectively by the Board of Directors.

General Manager will present the 2019 Board Officers.

ATTACHMENTS

None.

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS
GENERAL MANAGER



DATE: JANUARY 4, 2019



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 DECEMBER 12, 2018 REGULAR BOARD MEETING MINUTES
[RECOMMEND APPROVE MINUTES]
- D-3) ANNUAL REVIEW OF SUPPLEMENTAL WATER ACCOUNTING POLICY
[RECOMMEND REVIEW AND FILE]
- D-4) ANNUAL REVIEW OF DISTRICT DEBT MANAGEMENT, CASH RESERVE, AND INVESTMENT POLICY [RECOMMEND REVIEW AND REAFFIRM DEBT MANAGEMENT, CASH RESERVE AND INVESTMENT POLICY]
- D-5) 2018 FALL GROUNDWATER INDEX REVIEW [RECOMMEND RECEIVE AND FILE REPORT]

TO: BOARD OF DIRECTOR

REVIEWED: MARIO IGLESIAS
GENERAL MANAGER



FROM: LISA BOGNUDA
FINANCE DIRECTOR



DATE: JANUARY 4, 2019

AGENDA ITEM
D-1
JANUARY 9, 2019

WARRANTS WILL BE DISTRIBUTED ON TUESDAY, JANUARY 8, 2019

TO: BOARD OF DIRECTORS
FROM: MARIO IGLESIAS
GENERAL MANAGER
DATE: JANUARY 4, 2019

AGENDA ITEM
D-2
JANUARY 9, 2019

**APPROVE DECEMBER 12, 2018
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. December 12, 2018 draft Regular Board Meeting Minutes

JANUARY 9, 2019

ITEM D-2

ATTACHMENT A

NIPOMO COMMUNITY SERVICES DISTRICT

Serving the Community Since 1965

DRAFT REGULAR MINUTES

DECEMBER 12, 2018 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
CRAIG ARMSTRONG, DIRECTOR
DAN WOODSON, DIRECTOR

PRINCIPAL STAFF

MARIO IGLESIAS, GENERAL MANAGER
LISA BOGNUDA, FINANCE DIRECTOR
WHITNEY MCDONALD, GENERAL COUNSEL
PETER SEVCIK, DIRECTOR OF ENG. & OPS.

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.

A. CALL TO ORDER AND FLAG SALUTE

Vice President Gaddis called the Regular Meeting of December 12, 2018, to order at 9:00 a.m. and led the flag salute.

B. SWEAR IN AND SEAT NEW DIRECTORS, ROLL CALL, AND PUBLIC COMMENT FOR ITEMS NOT ON AGENDA

Mario Iglesias, Secretary to the Board and General Manager, administered the Oath of Office to Director Gaddis and Director Woodson. Director Eby was administered the Oath of Office on November 27, 2018.

At Roll Call, Directors Woodson, Armstrong, Blair and Gaddis were present. President Eby had a planned absence.

There were no public comments.

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]

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

Director Gaddis

- *December 3, attended Board Officer's meeting.*

There were no public comments.

D. CONSENT AGENDA

D-1) WARRANTS [RECOMMEND APPROVAL]

D-2) APPROVE NOVEMBER 28, 2018 REGULAR BOARD MEETING MINUTES [RECOMMEND APPROVE MINUTES]

SUBJECT TO BOARD APPROVAL

Nipomo Community Services District
DRAFT REGULAR MEETING
MINUTES

- D-3) ACCEPT FIRST QUARTER FISCAL YEAR 2018-2019 QUARTERLY FINANCIAL REPORT [RECOMMEND RECEIVE AND FILE]
- D-4) AWARD CONSTRUCTION CONTRACT FOR SUPPLEMENTAL WATER PROJECT JOSHUA ROAD PUMP STATION PUMP #4 IMPROVEMENTS TO SPIESS CONSTRUCTION CO., INC. [RECOMMEND, BY MOTION AND ROLL CALL VOTE, ADOPT RESOLUTION AWARDDING CONTRACT TO SPIESS CONSTRUCTION CO., INC. IN THE AMOUNT OF \$238,800, AUTHORIZE STAFF TO EXECUTE CONTRACT, AND AUTHORIZE CHANGE ORDER CONSTRUCTION CONTINGENCY IN THE AMOUNT OF \$12,000]
- D-5) APPROVE 2019 BOARD MEETING SCHEDULE [RECOMMEND REVIEW AND APPROVE 2019 BOARD MEETING SCHEDULE]
- D-6) APN 091-325-022 FIRE SERVICE REQUEST, SANDYDALE DRIVE AND NORTH FRONTAGE ROAD, NIPOMO [RECOMMEND CONSIDER INTENT TO SERVE LETTER AND APPROVE WITH CONDITIONS].
- D-7) APPROVE NEWTON GEO-HYDROLOGY 2019 CONSULTING SERVICES CONTRACT SCOPE AND BUDGET [RECOMMEND APPROVE SCOPE AND \$90,000 BUDGET FOR NEWTON GEO-HYDROLOGY CONSULTING SERVICES]

There were no public comments.

*Upon the motion of Director Armstrong and seconded, the Board unanimously approved the Consent Agenda with a correction to Item D-2, (Item E-3 of the minutes, adding reference to the proposed Jim O. Miller Park).
Vote 4-0.*

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

RESOLUTION NO. 2018 1496

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT AWARDDING THE BID FOR THE CONSTRUCTION OF SUPPLEMENTAL WATER PROJECT JOSHUA ROAD PUMP STATION PUMP #4 IMPROVEMENTS TO SPIESS CONSTRUCTION CO., INC. IN THE AMOUNT OF \$238,800, AND AUTHORIZING CONSTRUCTION CONTINGENCY OF \$12,000

- E-1) ELECTION OF 2019 BOARD PRESIDENT AND VICE PRESIDENT [RECOMMEND DIRECTORS ELECT BOARD OFFICERS FOR 2019 CALENDAR YEAR]

Director Blair nominated Director Eby for President. Director Armstrong seconded the nomination. There were no other nominations for President.

There were no public comments.

*Upon the motion of Director Blair and seconded, the Board unanimously approved Director Eby for President.
Vote 4-0.*

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

SUBJECT TO BOARD APPROVAL

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

Director Armstrong nominated Director Gaddis for Vice President. Director Blair seconded the nomination. There were no other nominations for Vice President.

There were no public comments.

Upon the motion of Director Armstrong and seconded, the Board unanimously approved Director Gaddis for Vice President.

Vote 4-0.

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

- E-2) INTRODUCE ORDINANCE AMENDING NIPOMO COMMUNITY SERVICES DISTRICT CODE SECTION 3.24 [RECOMMEND INTRODUCE, READ FULL TITLE, WAIVE FURTHER READING OF THE ORDINANCE, AND DIRECT DISTRICT COUNSEL AND STAFF TO PREPARE AND PUBLISH SUMMARY OF ORDINANCE PER WATER CODE SECTION 376]

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

There were no public comments.

Upon the motion of Director Armstrong and seconded, the Board introduced an Ordinance of the Board of Directors of the Nipomo Community Services District Amending Nipomo Community Services District Code Chapter 3.24, waive further reading of the ordinance, and direct District Counsel and staff to prepare and publish a summary of the ordinance in accordance with Water Code Section 376.

Vote 4-0.

YES VOTES	NO VOTES	ABSENT
<i>Directors Armstrong, Blair and Gaddis</i>	<i>Woodson</i>	<i>Eby</i>

ORDINANCE 2019-128

AN ORDINANCE OF BOARD OF THE DIRECTORS OF
 THE NIPOMO COMMUNITY SERVICES DISTRICT
 AMENDING NIPOMO COMMUNITY SERVICES DISTRICT
 CODE CHAPTER 3.24

F. 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

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

H. DIRECTORS' REQUEST TO STAFF AND SUPPLEMENTAL REPORTS

Director Woodson inquired about the cost of providing monthly garbage service for the Olde Town trash cans.

There were no public comments.

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 A LITIGATION PURSUANT TO GC §54956.9 ALL CONSOLIDATED CASES)
- b) SMART, ET AL. V. NCSD (SAN LUIS OBISPO COUNTY SUPERIOR COURT, CASE NO. 18LC-0908)

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There were no public comments.

K. ADJOURN TO CLOSED SESSIONS

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

Whitney McDonald, District Legal Counsel, announced that the Board discussed Items 1(a) and 1(b). The Board took no reportable action

ADJOURN

Vice President Gaddis adjourned the meeting at 11:11 a.m.

MEETING SUMMARY	HOURS & MINUTES
Regular Meeting	0 hours 25 minutes
Closed Session	1 hours 46 minutes
TOTAL HOURS	2 hours 11 minutes

Respectfully submitted,

Mario Iglesias, General Manager and Secretary to the Board

Date

TO: BOARD OF DIRECTORS
REVIEWED: MARIO IGLESIAS
GENERAL MANAGER
FROM: PETER V. SEVCIK, P.E.
DIRECTOR OF
ENGINEERING & OPERATIONS
DATE: JANUARY 3, 2019



ANNUAL REVIEW OF SUPPLEMENTAL WATER ACCOUNTING

ITEM

Annual review of supplemental water accounting [RECOMMEND REVIEW AND FILE].

BACKGROUND

The District's commitment to provide water service for new development is a two-step process. The District first assigns water for the project through the Intent-to-Serve letter process. This allows a developer to begin the County of San Luis Obispo planning approval process. The developer then has up to 4 years to complete the County planning approval process or the Intent-to-Serve letter expires. Once the developer satisfies all of the District's Intent-to-Serve letter conditions, including payment of the District's connection charges, the District "permanently" reserves water for the project and provides a Will-Serve letter for the project.

The District constructed the Nipomo Supplemental Water Project to increase its available water supply and meet the District's share of the court ordered commitment to bring supplemental water to the Nipomo Mesa Management Area (NMMA). The court order also requires that all new urban water demand within NMMA be met with new developed water. The District's Supplemental Water Project includes 500 AFY of capacity reserved for new development within the District's existing boundaries.

In April 2015, the District adopted a policy to account for the 500 AFY of capacity reserved for new development. The accounting process ensures the District does not over reserve or under reserve water for future development. In addition, the policy tracks when the District is getting close to fully accounting for and reserving the 500 AFY of supplemental water. This provides the District with a long-range water resource acquisition planning tool.

The policy is based on the use of equivalent meters and total production on a five-year running average as the basis for assigning a volume of supplemental water to new water connections. The policy assigns a 1-inch equivalent meter a volume of .53 AFY. Meter capacity assignments for other meter sizes are based on meter capacity ratios. Supplemental water for all new residential and commercial water connections are accounted for based on meter size.

Based on all projects approved since January 25, 2008, the quantity of water *reserved* for new development (Will-Serve issued) as well as the quantity of water *assigned* to new development (Intent-to-Serve Letter Issued but subject to expiration) is as follows:

Available Supplemental Water	500 AFY
Supplemental Water Reserved (Will-Serve Letter Issued)	-51.2 AFY
Subtotal Net Available Supplemental Water	448.8 AFY
Supplemental Water Assigned (Intent-to-Serve Issued, Subject to Expiration)	-47.4 AFY
Total Remaining Supplemental Water	401.4 AFY

New development is driven largely by economic conditions. In addition, the County, through its planning and building powers, impacts demand for water resources associated with new development.

In accordance with the policy, the General Manager reports the supplemental water accounting totals monthly to the Board. The policy also provides for an annual review by the Board so the District can plan in advance to acquire additional water supplies as needed.

FISCAL IMPACT

The supplemental water accounting policy supports the continued development of the District's supplemental water project, provides water for new development, and maintains fairness and equity among existing and future rate payers within the District. The 47.4 AFY of water reservations represents approximately \$760,000 in potential Supplemental Water Capacity Charges.

STRATEGIC PLAN

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

RECOMMENDATION

Staff recommends that the Board review the supplemental water accounting policy and provide direction to staff to file the report.

ATTACHMENTS

- A. Intent to Serve Letters Issued Since January 25, 2008
- B. Will Serve Letters Issued Since January 25, 2008
- C. Summary of Total Remaining Supplemental Water Available as of December 7, 2018

JANUARY 9, 2019

ITEM D-3

ATTACHMENT A

**Nipomo Community Services District
New Development Supplemental Water Accounting**

Intent to Serve Letters Issued Since January 25, 2008

Issue Date	Expiration Date	Project	Number of Equivalent Meters	AFY Assigned	Type of Project
10/13/2011	10/12/2015	Tract 2634	2	1.1	Residential***
6/13/2012	6/12/2016	Tract 2906	15	7.9	Residential
	3/15/2017	Tract 2642 (South Oak Glen)	18	9.5	Residential - OUA
7/24/2013	7/23/2017	530 Hill Street	20	10.6	Multi Family
10/23/2013	10/22/2017	OTNA Park	1	0.5	Park
10/22/2014	10/21/2017	Blacklake Canyon	153	80.8	Hotel and Residential
12/10/2014	12/9/2017	719 W Tefft	1	0.5	Commercial
9/10/2014	9/9/2018	549 Hill Street Hotel	6	3.2	Commercial
2/11/2015	2/10/2019	CO 15-0055 (875 Theodora St)	3	1.6	Residential
	N/A	Tract 2650 (Via Concha/Willow)	16	8.4	Residential - OUA
5/12/2015	5/11/2019	Tract 2652 (Mary/Juniper)	68.8	36.3	Commercial
5/27/2015	5/26/2019	CO 15-0065 (1650 Rocky Pl)	2	1.1	Residential

Total Supplemental Water Assigned

89.8	47.4
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As of December 7, 2018

————— Denotes ITS expired and Will Serve Not Issued

JANUARY 9, 2019

ITEM D-3

ATTACHMENT B

**Nipomo Community Services District
New Development Supplemental Water Accounting**

Will Serve Letters Issued Since January 25, 2008

Issue Date	Project	Number of Equivalent Meters	AFY Assigned	Type of Project
7/9/2008	Tract 2734 (Hunter Ridge)	6	3.2	Residential
6/15/2013	929 Camino Caballo	2	1.1	Residential
12/10/2014	699 W Tefft	3	1.6	Mixed Use
7/7/2016	Nipomo Oaks ALF	10	5.3	Commercial
1/3/2017	164 Mallagh	6	3.2	Multi-family
1/9/2017	Tract 2923 (545 Grande)	17	9.0	Residential
8/24/2018	Tract 2558 (Magenta)	15	7.9	Residential
12/5/2018	Tract 2441 (576 Grande)	38	20.1	Residential

Total Supplemental Water Reserved	97	51.2
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As of December 7, 2018

JANUARY 9, 2019

ITEM D-3

ATTACHMENT C

Nipomo Community Services District
New Development Supplemental Water Accounting

Summary Since January 25, 2008

Supplemental Water Available for Allocation	500 AFY
Supplemental Water Reserved (Will Serve Letter Issued)	-51.2 AFY
Subtotal Net Supplemental Water Available for Allocation	448.8 AFY
Supplemental Water Assigned (Intent-to-Serve Issued)	-47.4 AFY
Total Remaining Supplemental Water Available for Allocation	401.4 AFY

As of December 7, 2018

TO: BOARD OF DIRECTORS

REVIEWED: MARIO IGLESIAS
GENERAL MANAGER

FROM: LISA BOGNUDA
FINANCE DIRECTOR

DATE: JANUARY 4, 2019

AGENDA ITEM

D-4

JANUARY 9, 2019

ANNUAL REVIEW OF DISTRICT DEBT MANAGEMENT, CASH RESERVE, AND INVESTMENT POLICY

ITEM

Conduct annual review of District debt management, cash reserve and investment policy.
[RECOMMEND REVIEW AND REAFFIRM DEBT MANAGEMENT, CASH RESERVE AND INVESTMENT POLICY]

BACKGROUND

In the District's 2018 Strategic Plan, the Board approved Goal 4 which states:

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.

B.6 Maintain sound investment policy and investments.

Debt Management Policy – The District issued debt in 2012 and 2013 in accordance with the Debt Management Policy and continues to follow through with the post-issuance compliance requirements.

Pursuant to Section IV, Post Issuance Compliance Policy, of the Debt Management Policy, the General Manager reports the District has met all of its post-issuance compliance policy requirements for 2018.

Cash Reserve Policy – The adequacy of the targeted cash reserves year-end balances and/or annual contributions to each fund will be reviewed annually during the budgeting process or when a major change in conditions threatens the reserve levels established by this policy. The Board amended the Cash Reserve Policy on October 24, 2018.

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

No changes are recommended to the Debt Management, Cash Reserve or Investment Policy.

STRATEGIC PLAN

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

RECOMMENDATION

Staff recommends your Board review and reaffirm the Debt Management, Cash Reserve and Debt Management policies.

ATTACHMENTS

- A. Resolution 2017-1434, including Exhibit A, Debt Management Policy
- B. Resolution 2018-1489, including Exhibit A, Cash Reserve
- C. Resolution 2018-1466, including Exhibit A, Investment Policy

JANUARY 9, 2019

ITEM D-4

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2017-1434**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO
COMMUNITY SERVICES DISTRICT APPROVING THE ADOPTION
OF THE AMENDMENT TO THE DEBT MANAGEMENT POLICY
FOR THE DISTRICT**

WHEREAS, debt management policies establish parameters for evaluation, issuing, and managing the District's debt. The policies outlined in the attached debt management policy are not intended to serve as a list of rules to be applied to the District's debt issuance process, but rather to serve as a set of guidelines to promote sound financial management; and

WHEREAS, adherence to a debt management policy assures rating agencies and the capital markets that a government is well managed and should meet its obligations in a timely manner; and

WHEREAS, the Board of Directors of the Nipomo Community Services District ("District"), desires to adopt an amended debt management policy at this time; and

WHEREAS, Amended Debt Management Policy (the "Policy") has been prepared and is hereby presented at this meeting; and

WHEREAS, it is appropriate at this time for the Board of Directors to consider approval of the adoption of the Amended Policy; and

WHEREAS, THE Board of Directors wishes to further define this policy regarding debt financing of additional phases of the District's Supplemental Water Project.

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

Section 1. The above recitals are true and correct.

Section 2. The Amended Debt Management Policy in the form presented at this meeting attached hereto Exhibit "A" are hereby approved and adopted.

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

Section 4. This resolution shall take effect immediately.


NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2017-1434

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES
DISTRICT APPROVING THE ADOPTION OF THE AMENDMENT TO THE DEBT
MANAGEMENT POLICY FOR THE DISTRICT

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


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

the foregoing resolution is hereby passed and adopted on this 22nd day of March, 2017.




DAN A. GADDIS
President of the Board

ATTEST:



MARIO IGLESIAS
General Manager and Secretary to the Board

APPROVED AS TO FORM AND
LEGAL EFFECT:



WHITNEY G. McDONALD
District Legal Counsel

**NIPOMO COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
2017 AMENDMENT TO THE
DEBT MANAGEMENT POLICY
EXHIBIT "A"**

Overview

The District utilizes a comprehensive planning process to determine its long-term capital needs. The District evaluates each capital project in relation to established levels of reserves, current rate structure, expected asset life/replacement timeline and available revenue sources to ensure that adequate financial resources are available to support the District's financial obligations.

The District's Debt Management Policy is integrated into the decision-making framework utilized in the budgeting and capital improvement planning process. As such the following policies outline the District's approach to debt management.

I. GENERAL MANAGEMENT POLICIES

The District will provide for a periodic review of its financial performance, and review its performance relative to the financial policies outlined herein. These financial policies will be taken into account during the capital planning, budgeting and ratesetting process.

- The District will adopt revised rates, fees and charges in compliance with the applicable law, including the Proposition 218 Omnibus Implementation Act, and will consider recommendations and input from the public as it relates to such proposed changes.
- All District funds will be invested according to the Investment Policy of the District.
- Necessary appropriations for annual debt service requirements will be routinely included in the District's annual budget.

II. FINANCIAL MANAGEMENT POLICIES

- The District will evaluate financing for each capital project on a case-by-case basis. The District will seek to pay for all capital projects from current revenues and available reserves prior to or in combination with the use of debt.
- The District will seek to issue debt only in the case where there is an identified source of repayment. Bonds will be issued to the extent that (i) projected fixed revenues are sufficient to pay for the proposed debt service together with all existing debt service covered by such fixed revenues, or (ii) additional projected revenues have been identified as a source of repayment in an amount sufficient to pay for the proposed debt.

NIPOMO COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
2017 AMENDMENT TO THE
DEBT MANAGEMENT POLICY
EXHIBIT "A"

- User Fees and Rates will be set at adequate levels to generate sufficient revenues to pay all operating and maintenance costs, to maintain sufficient operating reserves, and to pay debt service costs, if necessary.

III. DEBT AND CAPITAL MANAGEMENT POLICIES

The following policies formally establish parameters for evaluating, issuing, and managing the District's debt. The policies outlined below are not intended to serve as a list of rules to be applied to the District's debt issuance process, but rather to serve as a set of guidelines to promote sound financial management.

In issuing debt, the District objectives are:

- Ensure ratepayer security
- Maintain high credit ratings and access to credit enhancement
- Preserve financial flexibility

A. Standards for Use of Debt Financing

When appropriate, the District will use long-term debt financing to achieve an equitable allocation of costs/charges between current and future system users; to provide more manageable rates in the near and medium term; and to minimize rate volatility.

- Debt financing will be utilized as needed to finance (1) system expansion projects related to demand growth, and (2) major projects necessary to comply with regulatory requirements.
- Capital projects financed through debt issuance should not be financed for a term longer than the expected useful life of the project.
- Lease Agreements and Installment Sale Agreements shall be considered as an alternative to long-term debt. Although these forms of alternative financing are subject to annual appropriation, they shall be considered as long-term fixed rate debt until maturity.

B. Financing Criteria

The District will evaluate alternative debt structures (and timing considerations) to ensure cost-efficient financing under prevailing market conditions.

Credit Enhancement - The District will consider the use of credit enhancement on a case-by-case basis. Only when clearly demonstrable savings can be realized shall credit enhancement be utilized.

NIPOMO COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
2017 AMENDMENT TO THE
DEBT MANAGEMENT POLICY
EXHIBIT "A"

Cash-Funded Reserve/Surety - The District may purchase a surety policy or replace an existing cash-funded Debt Service Reserve Fund when deemed prudent and advantageous.

Call Provisions - In general, the District's securities should include optional call provisions. The District will avoid the sale of non-callable long-term fixed rate bonds, absent careful evaluation of the value of the call option.

Additional Bonds Test/Rate Covenants - The amount and timing of debt will be planned to comply with the additional bonds tests and rate covenants outlined in the appropriate legal and financing documents, and these policies.

Short-Term Debt - The District may utilize short-term borrowing to serve as a bridge for anticipated revenues, construction financing, or future bonding capacity.

Term - 10 to 30 years is standard, but up to 35 years may be acceptable, depending on cash flow assumptions, construction timeline, and remaining useful life of the asset being financed.

Maximum Yield - Case by case, as recommended by Financial Advisor and as governed by State law.

Maximum Premium - Case by case, as recommended by Financial Advisor and as governed by State law.

Maximum Discount - Case by case, as recommended by Financial Advisor and as governed by State law.

Payment Dates - After considering cash flow needs, the General Manager will determine the occurrence of all new debt service payments.

Structure of the Debt - Prefer level debt service, but shall be determined on a case-by-case basis, as recommended by of the General Manager and Financial Advisor.

Use of Variable Rate Debt - The District will not issue variable interest rate debt unless the proposed debt is converted to a fixed rate or hedged.

Investment of Bond Proceeds - Bond proceeds will be invested in accordance with the permitted investment language outlined in the bond documents for each transaction. The District will seek to maximize investment earnings within the investment parameters set forth in each respective bond indenture. The reinvestment of bond proceeds will be incorporated into the evaluation of each financing decision; specifically addressing arbitrage/rebate position, and evaluating alternative debt structures and refunding savings on a "net" debt service basis, where appropriate.

**NIPOMO COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
2017 AMENDMENT TO THE
DEBT MANAGEMENT POLICY
EXHIBIT "A"**

Reimbursement Resolution - Must be adopted by the Board if the project capital costs are advanced by the District prior to the expenditure and/or commitment of funds, and bond sale.

C. Types of Long-Term Funding

The District shall consider several methods of financing capital projects. This policy will set forth guidelines for these decisions by indentifying parameters within each funding source that are considered appropriate. These parameters are defined below.

Certificates of Participation/Lease Revenue Bonds - Certificates of Participation (COP's) and Lease Revenue Bonds (LRB) can finance water, wastewater and electrical utilities, or other public facilities and are almost identical in structure and security. They are used to finance capital projects that either 1) have an identified budgetary system for repayment; 2) generate enterprise revenue; 3) rely on a broader pledge of General Fund revenues; or 4) finance the purchase of real property and the acquisition and installation of equipment for the District's general government or enterprise purposes. COP's and LRB's are secured by a lease-back or installment sale arrangement between the District and another public entity. The general operating revenues of the District or an enterprise and/or a designated special fund are used to pay the lease or installment payments, which are, in turn, used to pay debt service on the COP's or LRB's. Bond covenants provide that revenues generated by enterprise funds must be sufficient to maintain required debt coverage levels, or the rates of the enterprise have to be raised to maintain the coverage and operations of the facility. For General Fund pledges, bond covenants include an annual appropriation covenant. COP's and LRB's do not constitute indebtedness under the state constitution and are not subject to voter approval.

Because COP's are not created by statute, but rather are used to securitize an underlying contract, they can be adapted to a number of financing situations. They are commonly used for both lease revenue and enterprise revenue financings where no workable statutory framework is available or a joint powers financing authority is not available.

Revenue Bonds - Revenue Bonds also finance water, wastewater utilities, or other public facilities. They are payable by the revenues generated by the enterprise. This type of debt is considered self-liquidating. Revenue Bonds are payable solely from the enterprise funds and are not secured by any pledge of General Fund revenues of the District. Bond covenants provide that revenues generated by these enterprise funds must be sufficient to maintain required debt coverage levels, or the rates of the enterprise have to be raised to maintain the coverage and operations of the facility. A bond election may be required to issue Revenue Bonds.

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Assessment Bonds - The District may issue assessment bonds under the 1911 and 1915 Improvement Acts through the formation of a special benefit assessment district under the 1911 or 1913 Acts. The bonds may be issued to finance facilities or provide services and are secured by assessments levied on parcels within a defined area that are proportionate to the special benefit conferred upon a parcel, as determined by a qualified assessment engineer. Assessments are subject to majority protest hearing and notice ballot requirements. Assessment Bonds, although repaid through additional assessments levied on a discrete group of property owners, constitute overlapping indebtedness of the District and have an impact on the overall level of debt affordability. Assessment Bonds are not obligations of the District's General Fund.

Mello-Roos Bonds - The Mello-Roos Act of 1982 allows the District to establish a Mello-Roos Community Facilities District (CFD) which allows for financing of public improvements and services. These CFD special taxes must be approved by a two thirds vote of registered voters within the special district (unless there are fewer than 12 registered voters, in which case the vote is by landowners), and are secured solely by a special tax on the real property within the special district. CFD Bonds, although repaid through additional special taxes levied on a discrete group of taxpayers, also constitute overlapping indebtedness of the District and have an impact on the overall level of debt affordability. CFD Bonds are not obligations of the District's General Fund.

Capital Lease Debt - A lease purchase obligation placed with a lender without the issuance of securities may be used to finance certain vehicle and equipment purchases will be evaluated on a case-by-case basis.

D. Limitations on Amount of Debt Issuance

(1) Pursuant to Section 61126 of Government Code of the State of California, the District may incur general obligation bonded indebtedness in an amount not to exceed 15% of the total assessed valuation of all real and personal property in the District.

Review of recent credit rating agency guidelines indicate that debt service of more than 10% of available revenues or expenditures is considered above average or high. The District shall strive to maintain its non-enterprise backed debt service as a percentage of available revenue below 10%.

Long-term obligations payable solely from specific pledged sources, in general, are not subject to a debt limitation. Examples of such long-term obligations include those which achieve the financing or refinancing of projects provided by the issuance of debt instruments that are payable from restricted revenues or user fees (enterprise funds) and revenues generated from a project. In determining the affordability of proposed enterprise obligations, the District will perform an analysis comparing projected annual net revenues (after payment of operating and maintenance expense)

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to estimated annual debt service. Generally, legal covenants requiring a minimum coverage ratio are set forth in the bond documents, and are based on the level of security provided to the bondholders (of the senior or subordinate debt obligations). The District's enterprise obligations shall include a coverage ratio requirement of at least 125% for senior bonds and a coverage ratio requirement of at least 105% for senior and subordinate debt combined. Per the rating agency guidelines, the District shall strive to maintain a coverage ratio of 115% using historical and/or projected net revenues to cover annual debt service for bonds issued on a subordinate basis which have a 105% coverage ratio requirement. The District will require a rate increase to cover both operations and debt service costs, and create debt service reserve funds to maintain the required coverage ratios.

(2) Limitations on Debt Financing for Additional Phases of the Supplemental Water Project - With respect to Phases 2 and/or 3 of the Supplemental Water Project, the Board affirms its policy of "pay as you go". However, the Board of Directors cannot anticipate the future needs of the District, including whether (1) the timing of construction of these phases of the Project will need to be moved forward in time due to a court, or regulatory agency with authority over water use in the Nipomo Basin, issuing an order requiring the District to build additional delivery capacity and import water by a time certain or face fines or further litigation or (2) if the Nipomo Mesa Management Area (NMMA) Technical Group issues a finding that the ground water basin is in a severe water shortage condition causing a Mandatory Action Trigger point as defined in Section VI D 2 of the Stipulated Judgment in the Santa Maria Groundwater adjudication case # CV 770214. In any of these cases, and only in one of these cases, the Board shall consider whether to finance any portion(s) of Phases 2 or 3, for the reason(s) set forth above, at two Board meetings at which members of the public may comment. The first meeting will be noticed on the District's Agenda notice, and will include a staff report addressing the reasons for considering financing. The second meeting shall be held at least 14 days after the first meeting. A public notice shall be published once at least 10 days before second/action meeting. At the second meeting, after the public comment, if any, the Board may determine, by a majority vote, whether to finance all, or a portion of, one or both phases before the District has accumulated sufficient funds for "pay as you go." In such case, the District would first use the funds accumulated for the phase(s) and finance the remaining amount(s).

This requirement shall stay in place for 7 years, after which time the Board may, after notice in compliance with §6061, at least 10 days prior to the meeting at which the change will be considered, amend this policy as the Board, in its discretion, determines may be appropriate.

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EXHIBIT "A"

E. Method of Issuance

The District will determine, on a case-by-case basis, whether to sell its bonds competitively or through negotiation. Public offerings can be executed through either a competitive sale or a negotiated sale. It shall be the policy of the District to issue debt through a competitive sale whenever feasible subject to advice of the District Financial Advisor.

Competitive Sale - In a competitive sale, the District's bonds shall be awarded to the lowest responsible bidder providing the lowest true interest cost ("TIC"), as long as the bid adheres to requirements set forth in the official notice of sale.

Negotiated Sale - District recognizes that some securities are best sold through negotiation. In consideration of a negotiated sale, the District shall assess the following circumstances in determining the advisability such a sale:

- Issuance of variable rate or taxable bonds
- Complex structure or credit considerations (such as non-rated bonds), which requires a strong pre-marketing effort
- Significant par value, which may limit the number of potential bidders
- Unique proprietary financing mechanism (such as a financing pool), or specialized knowledge of financing mechanism or process
- Market volatility, such that the District would be better served by flexibility in the timing of its sale in a changing interest rate environment
- When an Underwriter has identified new financing opportunities or presented alternative structures that financially benefit the District that could not be achieved through a competitive bid.
- As a result of an Underwriter's familiarity with the project/financing, which enables the District to take advantage of efficiency and timing considerations.
- Other considerations and advantages as presented by District Consultants and Staff

Private Placement – From time to time the District may elect to issue debt on a private placement basis. Such method shall only be considered if it is demonstrated to result in cost savings or provide other advantages relative to other methods of debt issuance, or

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EXHIBIT "A"

if it is determined that access to the public market is unavailable and timing considerations require that a financing be completed.

F. Service Provider Selection

All financial advisors, bond counsel, disclosure counsel, trustees, and underwriters will be selected pursuant to District's Purchase Policy relating to hiring consultants.

G. Market Communication and Reporting Requirements

Rating Agencies and Investors - The General Manager shall be responsible for maintaining the District's relationships with one or more national rating agencies.

Continuing Disclosure - The District shall use its best efforts to be in compliance with Rule 15c2-12 by filing its annual financial statements and other financial and operating data for the benefit of its bondholders.

IV. POST ISSUANCE COMPLIANCE POLICY

A. In General

The Board of Directors of the District recognizes its responsibility to ensure compliance with all Federal laws and regulations ("Federal Requirements") applicable to the District's bonds and other obligations the interest on which is excluded from gross income for federal income tax purposes or are otherwise tax advantaged ("Tax-Exempt Bonds"). This policy and guidelines relate to requirements that must be met subsequent to the issuance of Tax-Exempt Bonds in order to maintain that exclusion or receive a federal tax credit payment including, without limitation, requirements relating to use of proceeds, arbitrage, private business use, and record retention. This policy and guideline supersede any post-issuance compliance policy previously adopted by the District but do not supersede, limit or contravene any representations, statements or covenants of the District contained in the bond documents (the "Bond Documents") for its Tax-Exempt Bonds. The purpose of this policy is to provide guidelines and establish procedures for compliance with Federal Requirements in connection with the issuance of Tax-Exempt Bonds.

B. Policy

It is the policy of the District to adhere to all applicable tax requirements with respect to its Tax-Exempt Bonds as set forth in the Bond Documents including, but not limited to, requirements relating to the use of proceeds of Tax-Exempt Bonds and facilities financed and refinanced with Tax-Exempt Bonds (the "Bond-Financed Facilities"), arbitrage yield restrictions and rebate, timely return filings, and other general tax requirements set forth in the Bond Documents.

**NIPOMO COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
2017 AMENDMENT TO THE
DEBT MANAGEMENT POLICY
EXHIBIT "A"**

C. Compliance Monitoring

Consistent with the covenants of the District contained in the Bond Documents, the District will monitor compliance with the federal tax requirements applicable to its Tax-Exempt Bonds. The following officers or employees of the District are responsible for monitoring compliance with those requirements: General Manager with assistance from Bond and Tax Counsel and Financial Advisor. The General Manager shall report to the Board of Directors in conjunction with the annual Debt Policy review that compliance with federal tax requirements applicable to its Tax-Exempt Bonds have been reviewed and met. .

D. Record Retention

In accordance with Internal Revenue Service ("IRS") requirements, the District will retain the following records with respect to its Tax-Exempt Bonds:

- Bond transcripts;
- Documentation showing the expenditure of proceeds of the Tax-Exempt Bonds for one or more Bond-Financed Facility;
- Documentation showing the use of the Bond-Financed Facilities;
- Documentation showing the sources of payment and security for the Tax-Exempt Bonds;
- Documentation related to the investment of proceeds of the Tax-Exempt Bonds, including the purchase and sale of securities, investment income received, yield calculations, and rebate calculations;
- All returns filed with the IRS for the Tax-Exempt Bonds (including, as applicable, IRS Forms 8038-G *Information Return for Tax-Exempt Governmental Obligations*, 8038-T *Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate*, and 8038-R *Request for Recovery of Overpayments under Arbitrage Rebate Provisions*), together with sufficient records to show that those returns are correct; and
- Any other documentation that is material to the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes.

Except as otherwise set forth in the Bond Documents, the District will retain the records described above in hard and/or electronic copy format for so long as the applicable Tax-Exempt Bonds remain outstanding and for a period of three years after final redemption of the applicable Tax-Exempt Bonds. With respect to Tax-Exempt

**NIPOMO COMMUNITY SERVICES DISTRICT
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EXHIBIT "A"**

Bonds that are refunding bonds, the District will retain the above-described records for the refunding and refunded bonds (and any earlier issue in the case of a series of refundings).

The following officers or employees of the District are responsible for retaining the records relating to the Issuer's Tax-Exempt Bonds: General Manager and Secretary.

E. Arbitrage Compliance

It is the policy of the District to maintain a system of record keeping and reporting to meet the arbitrage rebate compliance requirements of the federal tax code. Unless otherwise instructed by bond counsel, at closing the District will execute documentation covenanting to comply with Federal rebate and arbitrage requirements. Unless otherwise instructed by bond counsel, annually the District will engage a consultant to assist in the monitoring of the investment of bond proceeds, perform the required calculations to determine arbitrage rebate and yield restriction compliance, and file the required federal forms. Unless otherwise instructed by bond counsel, every five years the District will file (if arbitrage rebate is owed) with the Internal Revenue Service the appropriate required documentation demonstrating arbitrage rebate liability and provide payment of at least 90% to the US Treasury for arbitrage rebate liability, if any.

F. Remedial Action

If the District in complying with the terms and provisions the policies or guidelines set forth herein or determines that the requirements of these policies and guidelines or the tax covenants or representations in the Bond Documents may have been violated, the District will make final determinations, if necessary with the assistance of its Bond and Tax Counsel and Financial Advisors, and take appropriate actions related to such noncompliance including, if appropriate, any remedial action described under applicable Treasury Regulations or through the Tax Exempt Bonds Voluntary Closing Agreement Program.

G. Coordination With Bond Documents

In the event of any conflict between these Procedures and Guidelines and the Bond Documents, the Bond Documents shall govern.

JANUARY 9, 2019

ITEM D-4

ATTACHMENT B

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

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

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

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

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

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

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

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

SECTION 1. The above recitals are true and correct.

SECTION 2. The Cash Reserve Policy, as amended, in the form presented at this meeting attached hereto Exhibit "A" are hereby approved and adopted.

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

SECTION 4. This resolution shall take effect immediately.

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

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

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

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

The foregoing resolution is hereby adopted this 24^d day of October 2018




ED EBY
President of the Board

ATTEST:

APPROVED AS TO FORM AND
LEGAL EFFECT:



MARIO IGLESIAS
General Manager and Secretary to the Board



WHITNEY G. McDONALD
District Legal Counsel

NIPOMO COMMUNITY SERVICES DISTRICT
CASH RESERVE POLICY
EXHIBIT "A"

PURPOSE

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

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

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

OPERATING FUNDS

WATER FUND (FUND #125)

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

Target Criteria: To meet the District's cash flow needs and unbudgeted expenses, the Water Fund cash reserves, including the Water Rate Stabilization Fund #128, should be equal to or greater than twelve months (360 days) of annual budgeted operating expenses (not including Funded Replacement).

After adoption of the budget and within 120 days after the end of the fiscal year, the Board of Directors shall review the cash reserves, and if there is excess above the reserve requirement based on the cash reserve balance as of the fiscal year just completed, the Directors may approve a transfer of the excess balance from Water Fund #125 to the Funded Replacement Water Fund #805.

TOWN SEWER FUND (FUND #130)

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

Target Criteria: To meet the District's cash flow needs and unbudgeted expenses, the Town Sewer Fund cash reserves, including the Town Sewer Rate Stabilization Fund #135, should be equal to or greater than six months (180 days) of annual budgeted operating expenses (not including Funded Replacement).

NIPOMO COMMUNITY SERVICES DISTRICT
CASH RESERVE POLICY
EXHIBIT "A"

After adoption of the budget and within 120 days after the end of the fiscal year, the Board of Directors shall review the cash reserves, and if there is excess above the reserve requirement based on the cash reserve balance as of the fiscal year just completed, the Directors may Approve a transfer of the excess balance from the Town Sewer Fund #130 to the Funded Replacement Town Sewer Fund #810.

BLACKLAKE SEWER FUND (FUND #150)

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

Target Criteria: To meet the District's cash flow needs and unbudgeted expenses, the Blacklake Sewer Fund cash reserves, including the Blacklake Sewer Rate Stabilization Fund #155, should be equal to or greater than six months (180 days) of annual budgeted operating expenses (not including Funded Replacement).

After adoption of the budget and within 120 days after the end of the fiscal year, the Board of Directors shall review the cash reserves, and if there is excess above the reserve requirement based on the cash reserve balance as of the fiscal year just completed, the Directors may approve a transfer of the excess balance from the Blacklake Sewer fund #150 to the Funded Replacement Blacklake Sewer Fund #830.

WATER RATE STABILIZATION FUND (FUND #128)

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

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

TOWN SEWER RATE STABILIZATION FUND (FUND #135)

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

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

NIPOMO COMMUNITY SERVICES DISTRICT
CASH RESERVE POLICY
EXHIBIT"A"

BLACKLAKE SEWER RATE STABILIZATION FUND (FUND #155)

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

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

BLACKLAKE STREET LIGHTING (FUND #200)

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

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

LANDSCAPE MAINTENANCE DISTRICT (FUND #250)

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

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

SOLID WASTE (FUND #300)

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

Target Criteria: Minimum reserve requirement of \$150,000.

DRAINAGE (FUND #400)

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

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

NIPOMO COMMUNITY SERVICES DISTRICT
CASH RESERVE POLICY
EXHIBIT"A"

FUNDED REPLACEMENT- WATER (FUND #805)

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

Target Criteria: No minimum target is maintained

FUNDED REPLACEMENT- TOWN SEWER (FUND #810)

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

Target Criteria: No minimum target is maintained

FUNDED REPLACEMENT- BLACKLAKE SEWER (FUND #830)

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

Target Criteria: No minimum target is maintained

NON-OPERATING FUNDS

SUPPLEMENTAL WATER FUND (#500)

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

Target Criteria: No minimum target is maintained.

PROPERTY TAX (FUND #600)

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

Target Criteria: No minimum target is maintained, however, the annual property tax revenue stream is pledged to pay the annual debt service for the 2013 Certificates of Participation and the 2013 Refunding Revenue Bonds.

WATER CAPACITY CHARGES (FUND #700)

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

Target Criteria: No minimum target is maintained.

TOWN SEWER CAPACITY CHARGES (FUND #710)

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

Target Criteria: No minimum target is maintained.

JANUARY 9, 2019

ITEM D-4

ATTACHMENT C

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2018-1466**

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

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

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

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

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

1. The District hereby adopts the Investment Policy attached hereto as Exhibit "A" as the District's Investment Policy;
2. The District General Manager shall act as Treasurer/Finance Officer of the District and is authorized to invest and re-invest funds in accordance with the Investment Policy for the succeeding twelve (12) month period or until such time as the delegation of authority is revoked.


PASSED AND ADOPTED by the Board of Directors of the Nipomo Community Services District this 24TH day of January 2018, on the following roll call vote:

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



ED EBY, President
Nipomo Community Services District

ATTEST:



MARIO IGLESIAS
Secretary to the Board

APPROVED AS TO FORM:



WHITNEY G. McDONALD
District Legal Counsel

**RESOLUTION 2018-1466
EXHIBIT A**

INVESTMENT POLICY
NIPOMO COMMUNITY SERVICES DISTRICT

1. INTRODUCTION

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

2. PURPOSE AND SCOPE

This investment policy is intended to outline the guidelines and practices to be used in effectively managing the District's available cash and investment portfolio. It applies to all cash and investment assets of the District except those funds maintained in deferred compensation accounts for employees, and proceeds of debt issuance that shall be invested in accordance with the permitted investment provisions of their specific bond indentures. District monies not required for immediate expenditure will be invested in compliance with governing provisions of law (Government Code Sections 53600 et seq.) and this policy. Investments shall be made in judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard (California Government Code Section 53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers (Finance Officer) acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

3. FINANCE OFFICER

The Board of Directors appoints the General Manager as the District Finance Officer and Treasurer. The District's Assistant General Manager shall serve as the District's Finance Officer and Treasurer in the absence of the District's General Manager.

4. SCOPE

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

5. OBJECTIVES

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

**RESOLUTION 2018-1466
EXHIBIT A**

**INVESTMENT POLICY
NIPOMO COMMUNITY SERVICES DISTRICT**

A. SAFETY

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

B. LIQUIDITY

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

C. YIELD

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

D. COMPLIANCE

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

6. STANDARDS OF CARE

A. PRUDENCE

The Finance Officer will manage the portfolio pursuant to the "Prudent Investor Standard." When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds in the District's investment portfolio, the Finance Officer shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District.

B. DISCLOSURES

Finance Officer shall disclose any material interest in financial institutions with which he/she conducts the District business.

7. INVESTMENTS AUTHORITY

A. PERMITTED INVESTMENTS

The District Finance Officer is authorized to invest in the following institutions:

1. County pooled funds (California Government Code §§53635, 61053)
2. The Local Agency Investment Fund created by the California State Treasury (California Government Code § 16429.1)
3. One or more FDIC insured Banks and/or Savings and Loan Associations that are designated as District depositories by resolution of the Board of Directors (California Government Code § 61053).
4. Such other financial institutions or securities that may be designated by the Board of Directors from time to time in compliance with California and Federal law.

B. PROHIBITED INVESTMENTS

The District's Finance Officer shall not invest in:

**RESOLUTION 2018-1466
EXHIBIT A**

**INVESTMENT POLICY
NIPOMO COMMUNITY SERVICES DISTRICT**

1. Inverse floaters, range notes or interest only strips that are derived from a pool of mortgages.
2. Any security that could result in a zero interest accrual if held to maturity.
3. A state or federal credit union, if a member of the District's Board of Directors or an administrative officer also serves on the Board of Directors, or any committee appointed by the Board of Directors, or the credit committee or supervisory committee, of the state or federal credit union.

C. DIVERSIFIED INVESTMENTS

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

8. REPORTS

A. MONTHLY REPORT

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

- Investments made or retired during the preceding month.
- Single transfers between permitted institutions of greater than \$150,000 .

B. QUARTERLY REPORT

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

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

C. ANNUAL REPORT

**RESOLUTION 2018-1466
EXHIBIT A**

**INVESTMENT POLICY
NIPOMO COMMUNITY SERVICES DISTRICT**

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

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

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

D. LIMITED QUARTERLY REPORT

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

TO: BOARD OF DIRECTORS
FROM: MARIO IGLESIAS
GENERAL MANAGER
DATE: JANUARY 4, 2019



**AGENDA ITEM
D-5
JANUARY 9, 2019**

2018 FALL GROUNDWATER INDEX REVIEW

ITEM

Receive the Fall 2018 Groundwater Index Report for the Nipomo Mesa area. [RECOMMEND RECEIVE REPORT]

BACKGROUND

Dr. Brad Newton provided the attached Technical Memorandum #37 ("Memorandum") for Board review and consideration. The Memorandum provides the most current data of the Groundwater Index ("GWI") and provides the Fall 2018 Ground Water Index reading. In summary, the Fall GWI has increased over last year's Fall GWI 4,000 acre feet from 52,000 acre feet to 56,000 acre feet.

Dr. Newton's report and the Groundwater Index is an independent work product of the District and is not reviewed by the Nipomo Mesa Management Area Technical group.

FISCAL IMPACT

Funds for preparation of this report are included in the FY 2018-19 Budget.

STRATEGIC PLAN

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

- 1.6 Continue to monitor and participate in water supply issues and programs with other local and regional organizations

RECOMMENDATION

Staff recommends that the Board receive the Report and give direction to staff as needed.

ATTACHMENTS

- A. Technical Memorandum #37 - Fall 2018 Ground Water Index

JANUARY 9, 2019

ITEM D-5

ATTACHMENT A



TECHNICAL MEMORANDUM

1
2
3 **TO:** Mario Iglesias, General Manager NCSD
4 **FROM:** Brad Newton, Ph.D., P.G.
5 **RE:** Technical Memorandum #37 - Fall 2018 Ground Water Index
6 **DATE:** November 30, 2018

7 INTRODUCTION

8 Groundwater surface elevations (GSE) underlying the Nipomo Mesa are regularly
9 measured at many places (wells) across the mesa. The Fall 2018 Ground Water Index (GWI) has
10 been computed from GSE measurements collected during fall across the Nipomo Mesa and
11 presented herein along with historical GWI from 1975 to present. Limited measurements of
12 GSE were available for the years 1978, 1982, 1983, 1984, 1994 and 1997, precluding a reliable
13 calculation of GWI for those years.

14 **The Nipomo Mesa Management Area (NMMA) Technical Group (TG) has not**
15 **reviewed this technical memorandum, its findings, or any presentation of this evaluation.**

17 RESULTS

18 The Fall 2018 GWI is 56,000 AF (Table 1, Figure 1), an increase from last year (52,000 AF).
19 The estimated rainfall for this year is approximately 8.8 inches, 54 percent of the 1975 to present
20 average annual rainfall of 16.1 inches. The decline in the Fall GWI from the year 2011 to 2015
21 was severe and related to the drought. However, Fall GWI has been increasing since 2015
22 despite continued drought conditions, which is likely attributable to the conservation of
23 groundwater production and the above average rainfall of 2017 (29.41 inches). Average annual
24 rainfall for year 2012 to 2018 (12.35 inches) is approximately seventy-five percent of the 1975 to
25 present average annual rainfall (16.12 inches).

26 Generally, the GWI has been in decline since the turn of the century, even while rainfall
27 was slightly above average from 1998 to 2012 (Figure 2). Consumptive use of ground water
28 produced is certainly a contributing factor to the GWI (Technical Memorandum #30 - Fall 2014
29 Ground Water Index and Hydrologic Inventory Analysis, December 10, 2014). Consumptive
30 use of ground water produced is the only significant component of the hydrologic inventory
31 that is currently being managed through conservation and the new water brought to the
32 Nipomo Mesa through the Nipomo Supplemental Water Project (NSWP). An additional benefit

TO: Mario Iglesias, GM NCSD
RE: Fall 2018 GWI
DATE: November 30, 2018
Page 2

1 of new NSWP water brought to the Nipomo Mesa is that the return flow increases the amount
2 of groundwater available for future production.

3 The 2018 Key Well Index (KWI) value (13.8 ft msl) has slightly decreased from the
4 previous year (15.6 ft msl), and remains in the Severe Water Shortage Condition (see
5 Methodology for KWI explanation). The KWI generally follows the same historical trends as
6 the GWI (Figure 1).

7

8 **METHODOLOGY**

9 The calculation of spring and fall GWI are based on GSE measurements regularly made by
10 San Luis Obispo County Department of Public Works (SLO DPW), NCSD, USGS, and
11 Woodlands. The integration of GSE data is accomplished by using computer software to
12 interpolate between measurements and calculate GWI within the principal production aquifer
13 assuming an unconfined aquifer and a specific yield of 11.7 percent. Limited measurements of
14 GSE were available for the years 1982, 1983, 1984, 1994 and 1997, precluding a reliable
15 calculation of GWI for those years.

16 **Groundwater Surface Elevation Measurements**

17 Groundwater surface elevation data were obtained from SLO DPW, NCSD, USGS, and
18 Woodlands. SLO DPW measures GSE in monitoring wells during the spring (April) and the fall
19 (October) of each year. Woodlands and NCSD measures GSE in their monitoring wells
20 monthly. For the years 1975 to 1999, available representative GSE data were used to compute
21 GWI. For the years 2000 to 2017, only GSE data from the same 45 wells were used to compute
22 GWI.

23 The GSE data was reviewed in combination with well completion reports and historical
24 hydrographic records in order to exclude measurements that likely do not accurately represent
25 static water levels within the principal production aquifer. Wells that do not access the
26 principal production aquifer or were otherwise determined to not accurately represent static
27 water levels within the aquifer were not included in analysis.

28 **Groundwater Surface Interpolation**

29 The individual GSE measurements from each year were used to produce a GSE field by
30 interpolation using the inverse distance weighting method.

31 **Ground Water Index**

32 The GWI is defined as the annually normalized value of the saturated volume above sea
33 level and bedrock multiplied by the specific yield of 11.7 percent. The GWI is comprised from
34 approximately 45 ground water elevation measurements made by the County of San Luis

TO: Mario Iglesias, GM NCSD
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1 Obispo each April and October. The value of the Ground Water Index was computed for an
2 area approximately similar to the NMMA Boundary. The base of the saturated volume is mean
3 sea level surface (elevation equals zero) or the bedrock, whichever is higher. The bedrock
4 surface elevation is based on Figure 11: Base of Potential Water-Bearing Sediments, presented in
5 the report, Water Resources of the Arroyo Grande - Nipomo Mesa Area (DWR 2002). The
6 bedrock surface elevation was preliminarily verified by reviewing driller reports obtained from
7 DWR. The specific yield is based on the average weighted specific yield measurement made at
8 wells within the Nipomo Mesa Hydrologic Sub-Area (DWR 2002, pg. 86). The GWI is similar to
9 the Key Well Index presented in the Nipomo Mesa Management Area Technical Group annual
10 report to the Court, but is not directly comparable.

11 **Key Well Index**

12 The Key Well Index (KWI) was developed by the NMMA Technical Group from eight
13 inland wells representing the whole of the groundwater basin within the NMMA. The Key
14 Well Index was defined for each year from 1975 to present as the average of the normalized
15 spring groundwater data from each well. The lowest value of the Key Well Index could be
16 considered the "historical low" within the NMMA.

17

18 **REFERENCES**

19 Department of Water Resources (DWR). 2002. Water Resources of the Arroyo Grande - Nipomo
20 Mesa Area, Southern District Report. 2002.

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**Spring and Fall
 Groundwater Index
 (GWI)**

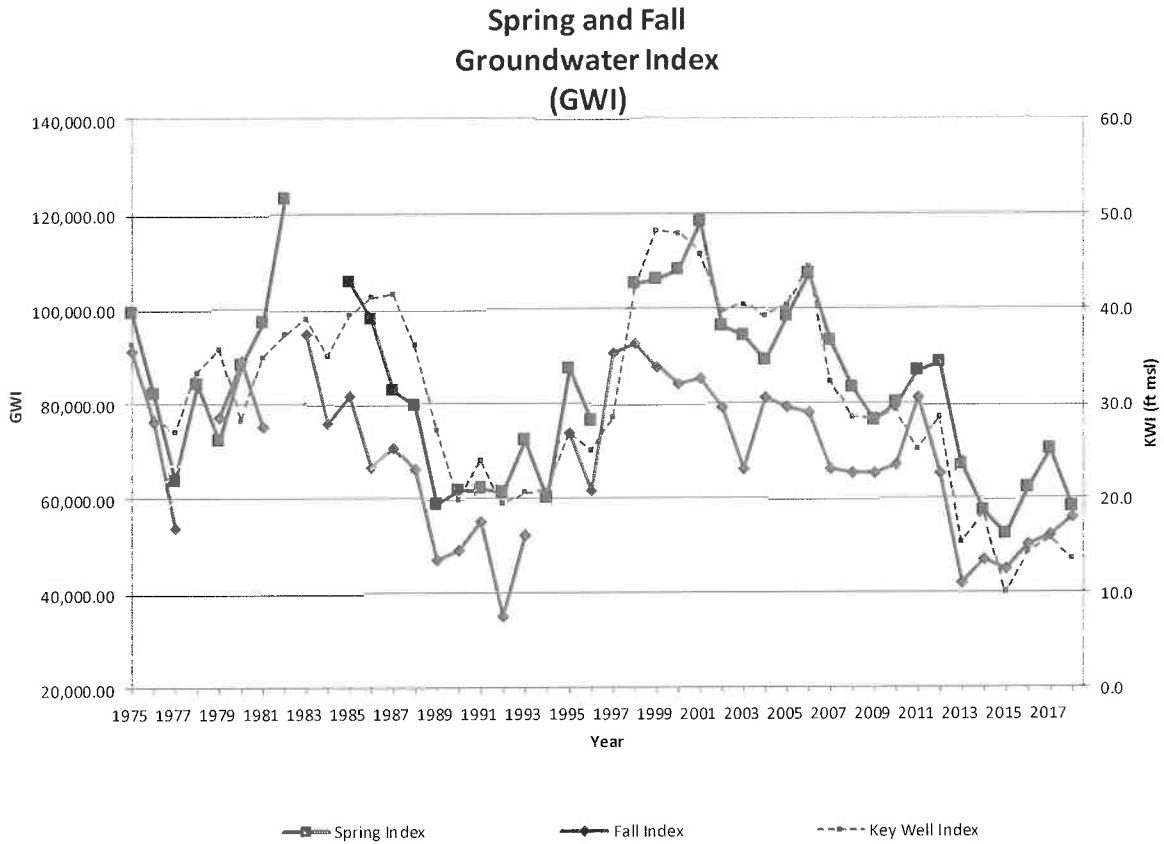
Year	Rainfall Water Year (inches)	Spring GWI (Acre-Feet)	Number of Wells	Fall GWI (Acre-Feet)	Number of Wells	Spring to Fall Difference (Acre-Feet)
1975	17.29	99,000	54	91,000	54	8,000
1976	13.45	82,000	45	76,000	65	6,000
1977	10.23	64,000	59	54,000	63	10,000
1978	30.00	84,000	62	---	35	---
1979	15.80	72,000	57	77,000	63	(5,000)
1980	16.57	88,000	55	89,000	46	(1,000)
1981	14.32	97,000	46	75,000	47	22,000
1982	18.58	123,000	42	---	31	---
1983	33.09	---	35	95,000	42	---
1984	10.38	---	14	76,000	37	---
1985	12.20	106,000	37	82,000	41	24,000
1986	16.85	98,000	51	67,000	51	31,000
1987	11.29	83,000	48	71,000	52	12,000
1988	12.66	80,000	51	66,000	49	14,000
1989	12.25	59,000	47	47,000	57	12,000
1990	7.12	62,000	55	49,000	53	13,000
1991	13.18	62,000	52	55,000	54	7,000
1992	15.66	61,000	52	35,000	48	26,000
1993	20.17	72,000	54	52,000	61	20,000
1994	12.15	60,000	54	---	36	---
1995	25.87	87,000	35	74,000	52	13,000
1996	16.54	76,000	45	62,000	57	14,000
1997	20.50	---	20	91,000	48	---
1998	33.67	105,000	41	93,000	44	12,000
1999	12.98	106,000	56	88,000	49	18,000
2000	14.47	108,000	44	84,000	41	24,000
2001	21.62	118,000	43	85,000	35	33,000
2002	10.25	96,000	29	79,000	41	17,000
2003	11.39	94,000	37	66,000	42	28,000
2004	12.57	89,000	42	81,000	35	8,000
2005	22.23	98,000	38	79,000	39	19,000
2006	20.83	107,000	44	78,000	41	29,000
2007	7.11	93,000	44	66,000	42	27,000
2008	15.18	83,000	43	65,000	42	18,000
2009	10.31	76,000	44	65,000	43	11,000
2010	20.07	80,000	45	67,000	42	13,000
2011	34.05	87,000	43	81,000	43	6,000
2012	15.35	89,000	45	65,000	44	24,000
2013	8.07	67,000	45	42,000	43	25,000
2014	4.72	57,000	45	47,000	42	10,000
2015	8.65	52,000	42	45,000	39	7,000
2016	11.48	62,000	39	50,000	41	12,000
2017	29.41	70,000	36	52,000	43	18,000
2018	8.80*	58,000	42	56,000	38	2,000

---: Insufficient for evaluation
 *: Preliminary value (+0.36" Early Oct 2018)

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Table 1: Spring and Fall GWI computed from Spring 1975 to Fall 2018.

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Figure 1: Spring and Fall GWI, and KWI (Spring only) from 1975 to present.

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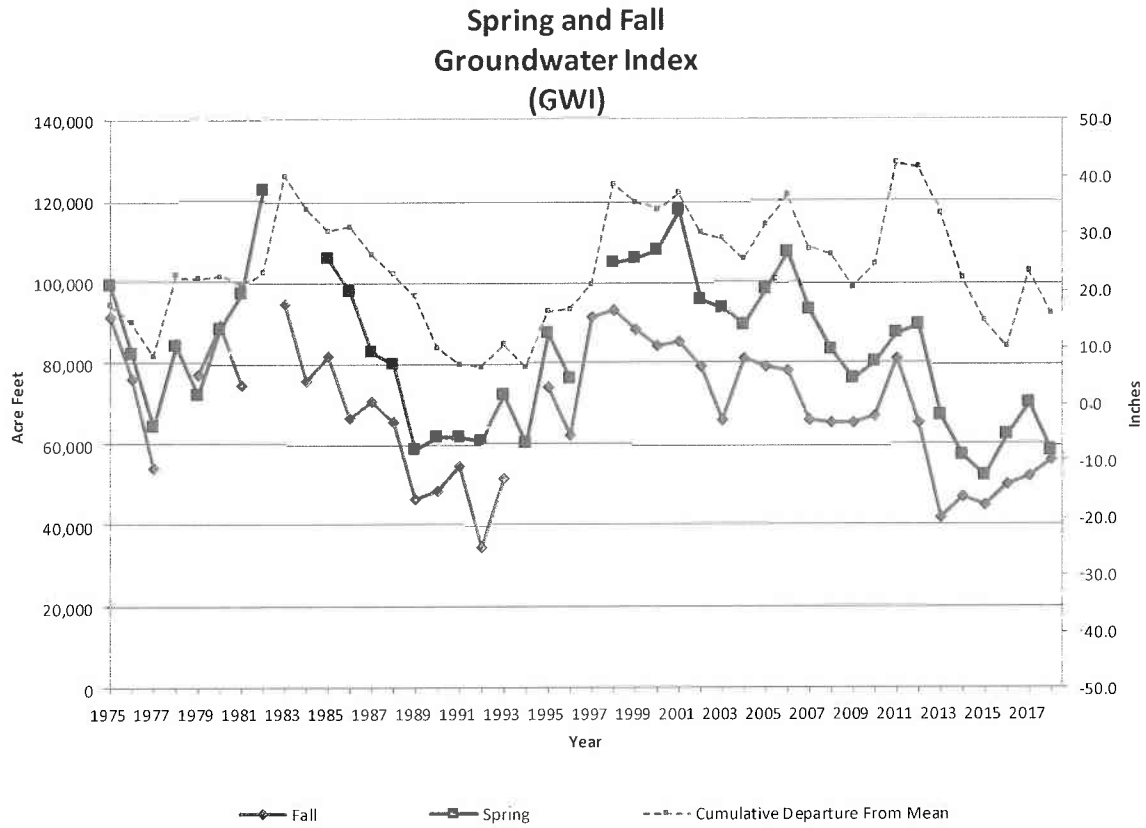


Figure 2: Spring and Fall GWI, and Cumulative Departure of Annual Rainfall from the Mean Rainfall, 1975 to present.

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