

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS
GENERAL MANAGER



DATE: FEBRUARY 22, 2023



PRESENTATIONS AND REPORTS

The following presentations and reports are scheduled:

- 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

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS
GENERAL MANAGER

DATE: FEBRUARY 17, 2023



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, 2023, REGULAR BOARD MEETING MINUTES
[RECOMMEND APPROVE MINUTES]
- D-3) CONSIDER OPENING A PUBLIC CHECKING ACCOUNT WITH FIVE STAR BANK
[RECOMMENDED COMMITTEE REVIEW PROPOSAL AND DIRECT STAFF]

TO: BOARD OF DIRECTORS

REVIEWED: MARIO IGLESIAS
GENERAL MANAGER



FROM: LISA BOGNUDA
FINANCE DIRECTOR AND
JANA ETTEDDGUE
ADMINISTRATIVE SUPERVISOR



DATE: FEBRUARY 17, 2023

AGENDA ITEM
D-1(A)
FEBRUARY 22, 2023

WARRANTS

COMPUTER CHECKS GENERATED – SEE ATTACHED	\$73,762.05
HAND WRITTEN CHECKS	NONE
VOIDED CHECKS	#9016

Item D-1(A) Warrants FEBRUARY 22, 2023

Nipomo Community Services District

By Payment Number

Payment Dates 02/22/2023 - 02/22/2023

Vendor Name	Description (Payable)	Payable Number	Payment Date	Amount
Payment: 9229				
Achievement House, Inc.	Clean Streets Program - January	74758	02/22/2023	11,440.33
Payment 9229 Total:				11,440.33
Payment: 9230				
Advantage Answering Plus, Inc.	Answering service	000027-940-101	02/22/2023	306.11
Payment 9230 Total:				306.11
Payment: 9231				
Aqua-Metric Sales, Co.	MXU single port radios	INV0093056	02/22/2023	16,438.02
Aqua-Metric Sales, Co.	4" meters	INV0093055	02/22/2023	3,527.75
Payment 9231 Total:				19,965.77
Payment: 9232				
ASAP Reprographics	Large format printing	225545	02/22/2023	13.94
ASAP Reprographics	Branch St Waterline Project	85514/85561	02/22/2023	697.76
Payment 9232 Total:				711.70
Payment: 9233				
B & B Steel & Supply of Santa	20' - 2" pipe	702562	02/22/2023	695.13
Payment 9233 Total:				695.13
Payment: 9234				
Brown, Kenneth	CWEA membership renewal	FEB2023	02/22/2023	202.00
Payment 9234 Total:				202.00
Payment: 9235				
Cannon Corporation	Engineering Support - Lift	83139	02/22/2023	519.50
Cannon Corporation	NCSD Office Generator	82561	02/22/2023	80.00
Payment 9235 Total:				599.50
Payment: 9236				
DataProse, LLC	Mail bills/late notices	DP2300043-A	02/22/2023	703.47
DataProse, LLC	Postage bills/late notices	DP2300043-B	02/22/2023	2,462.95
Payment 9236 Total:				3,166.42
Payment: 9237				
Engel & Gray, Inc.	Biosolids collection	31X00009	02/22/2023	11,316.21
Payment 9237 Total:				11,316.21
Payment: 9238				
Famcon Pipe and Supply Inc.	40 ft. SDR35 pipe	S100096384.001	02/22/2023	579.15
Payment 9238 Total:				579.15
Payment: 9239				
Iglesias, Mario	Cell phone reimbursement	FEB2023	02/22/2023	65.00
Payment 9239 Total:				65.00
Payment: 9240				
Mechanics Bank	Petty cash	FEB2023	02/22/2023	166.11
Payment 9240 Total:				166.11
Payment: 9241				
Mission Uniform Service	Uniforms	518688789	02/22/2023	185.02
Payment 9241 Total:				185.02
Payment: 9242				
NexTraq	GPS subscription	HWI082751	02/22/2023	30.00
NexTraq	GPS subscription	AT1498051	02/22/2023	563.05
Payment 9242 Total:				593.05
Payment: 9243				
Nipomo Community Services	Water	JAN2023	02/22/2023	326.44

Item D-1(A) Warrants FEBRUARY 22, 2023

Payment Dates: 02/22/2023 - 02/22/2023

Vendor Name	Description (Payable)	Payable Number	Payment Date	Amount
Payment: 9243				326.44
Nunley & Associates, Inc.	Supplemental Water Project	102003	02/22/2023	222.98
Nunley & Associates, Inc.	Branch St. Waterline Project	101995	02/22/2023	4,090.40
Payment 9244 Total:				4,313.38
Payment: 9245				
Office Depot	Office supplies	289273083001	02/22/2023	5.38
Office Depot	Office supplies	289273087001	02/22/2023	214.49
Office Depot	Office supplies	289271844001	02/22/2023	281.57
Office Depot	Credit for Invoice 288770234001290672447001		02/22/2023	-18.68
Payment 9245 Total:				482.76
Payment: 9246				
Olivas, Silas	T2 exam application fee	FEB2023	02/22/2023	65.00
Olivas, Silas	T2 class reimbursement	FEB2023B	02/22/2023	400.00
Payment 9246 Total:				465.00
Payment: 9247				
O'Reilly Automotive Inc.	Operating supplies	JAN2023	02/22/2023	90.74
Payment 9247 Total:				90.74
Payment: 9248				
Pucciarelli, William	CPR/AED Adult Instruction	MARCH2023CPR	02/22/2023	350.00
Payment 9248 Total:				350.00
Payment: 9249				
Quinn Company	Annual preventative	WON10019045	02/22/2023	675.78
Quinn Company	Annual preventative	WON10019048	02/22/2023	821.99
Quinn Company	Annual preventative	WON10019050	02/22/2023	757.20
Quinn Company	Annual preventative	WON10019051	02/22/2023	901.97
Quinn Company	Annual preventative	WON10019049	02/22/2023	852.44
Quinn Company	Annual preventative	WON10019046	02/22/2023	851.25
Payment 9249 Total:				4,860.63
Payment: 9250				
Richards, Watson & Gershon	Water Rights Adjudication	241344	02/22/2023	295.00
Richards, Watson & Gershon	Eureka Well Site Acquisition	241346	02/22/2023	417.42
Richards, Watson & Gershon	Legal services through 01-31-23	241343	02/22/2023	5,467.50
Richards, Watson & Gershon	Dana Reserve Specific Plan	241345	02/22/2023	2,842.00
Richards, Watson & Gershon	Dana Foothill Site Acquisition	241347	02/22/2023	1,534.00
Payment 9250 Total:				10,555.92
Payment: 9251				
Santa Maria Ford Lincoln	Vehicle repair - Recall 22S26,	224109	02/22/2023	182.46
Payment 9251 Total:				182.46
Payment: 9252				
Statewide Traffic Safety & Signs	3" black vinyl numbers	03021883	02/22/2023	19.04
Statewide Traffic Safety & Signs	Blue and green survey marking	03021897	02/22/2023	106.52
Payment 9252 Total:				125.56
Payment: 9253				
Sterling Communications	Truck radio install - F250	0010442-IN	02/22/2023	1,649.30
Payment 9253 Total:				1,649.30
Payment: 9254				
UPS Store #6031	Package handling	47	02/22/2023	132.74
UPS Store #6031	Package handling	27	02/22/2023	135.62
Payment 9254 Total:				268.36
Payment: 9255				
White, Christian	CSM2 renewal reimbursement	FEB2023	02/22/2023	100.00
Payment 9255 Total:				100.00

TO: BOARD OF DIRECTORS

REVIEWED: MARIO IGLESIAS
GENERAL MANAGER *[Signature]*

FROM: LISA BOGNUDA
FINANCE DIRECTOR AND
JANA ETTEDDGUE
ADMINISTRATIVE SUPERVISOR *[Signature]*

DATE: FEBRUARY 17, 2023

**AGENDA ITEM
D-1(B)
FEBRUARY 22, 2023**

WARRANTS – BLACKLAKE ASSESSMENT DISTRICT 2020-1

COMPUTER CHECKS GENERATED – SEE ATTACHED	\$10,570.00
VOIDED CHECKS	NONE

Item D-1(B) Warrants FEBRUARY 22, 2023

Nipomo Community Services District

By Payment Number

Payment Dates 02/22/2023 - 02/22/2023

Vendor Name	Description (Payable)	Payable Number	Payment Date	Amount
Payment: 85 SWCA, Inc.	Blacklake Sewer System	161115	02/22/2023	10,570.00
			Payment 85 Total:	<u>10,570.00</u>
			Grand Total:	<u>10,570.00</u>

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS
GENERAL MANAGER

DATE: FEBRUARY 17, 2023

AGENDA ITEM
D-2
FEBRUARY 22, 2023

**APPROVE FEBRUARY 8, 2023
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, 2023 draft Regular Board Meeting Minutes

FEBRUARY 22, 2023

ITEM D-2

ATTACHMENT A

NIPOMO COMMUNITY SERVICES DISTRICT

Serving the Community since 1965

DRAFT REGULAR MINUTES

FEBRUARY 8, 2023 AT 9:00 A.M.

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

BOARD of DIRECTORS

RICHARD MALVAROSE, **PRESIDENT**
DAN ALLEN GADDIS, **VICE PRESIDENT**
ED EBY, **DIRECTOR**
DAN WOODSON, **DIRECTOR**
GARY HANSEN, **DIRECTOR**

PRINCIPAL STAFF

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

Mission Statement:

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

A. CALL TO ORDER AND FLAG SALUTE

President Malvarose called the Regular Meeting of February 8, 2023, to order at 9:00 a.m. and led the flag salute.

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

At Roll Call, all Directors were present.

There were no public comments.

C. PRESENTATIONS AND REPORTS

C-1) QUARTERLY DISTRICT ENGINEER'S REPORT TO THE BOARD [RECOMMEND RECEIVE AND FILE]

Elizabeth Villanueva, Acting District Engineer, presented the item and answered questions from the Board.

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

C-2) TRANSPARENCY CERTIFICATE OF EXCELLENCE [RECOMMEND RECEIVE CERTIFICATE]

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

C-3) DIRECTORS' ANNOUNCEMENTS OF DISTRICT AND COMMUNITY INTEREST AND REPORTS ON ATTENDANCE AT PUBLIC MEETINGS, TRAINING PROGRAMS, CONFERENCES AND SEMINARS. Receive Announcements and Reports from Director

Director Eby

- *January 27, attended CSDA meeting*
- *February 1, attended WRAC meeting*
- *February 2, attended BLMA meeting*

SUBJECT TO BOARD APPROVAL

Nipomo Community Services District
DRAFT REGULAR MEETING
MINUTES

Director Gaddis

- January 27, attended CSDA meeting
- January 30, attended Board Officers' meeting

Director Malvarose

- January 27, attended Board Officers' 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 Eby and seconded, the Board approved receiving and filing presentations and reports.

Vote 5-0.

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

D. CONSENT AGENDA

- D-1) WARRANTS [RECOMMEND APPROVAL]
- D-2) APPROVE JANUARY 25, 2023, REGULAR BOARD MEETING MINUTES [RECOMMEND APPROVE MINUTES]
- D-3) ACCEPT SECOND QUARTER FISCAL YEAR 2022-2023 FINANCIAL REPORT [RECOMMEND RECEIVE AND FILE]
- D-4) ANNUAL REVIEW OF BOARD BY-LAWS AND POLICIES [RECOMMEND RECEIVE AND FILE REPORT]

Staff answered questions about item D-1.

Director Eby announced he would like item D-4 pulled for further discussion.

There were no public comments.

Upon the motion of Director Gaddis and seconded, the Board approved Consent Agenda items D-1, D-2 and D-3.

Vote 5-0.

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

- D-4) ANNUAL REVIEW OF BOARD BY-LAWS AND POLICIES [RECOMMEND RECEIVE AND FILE REPORT]

Director Eby stated that he would like section 5.2 to be updated to be clear on the interest of the District constituents not the general public.

SUBJECT TO BOARD APPROVAL

Nipomo Community Services District
DRAFT REGULAR MEETING
MINUTES

Craig Steele, District Legal Counsel, suggested revised language to be clear that the Directors represent the public within the boundaries of the District.

There were no public comments.

Upon the motion of Director Eby and seconded, the Board approved the Resolution with amendment to section 5.2.

Vote 5-0.

Table with 3 columns: YES VOTES, NO VOTES, ABSENT. Row 1: Directors Eby, Woodson, Hansen, Gaddis, and Malvarose, None, None.

RESOLUTION NO. 2023-1654
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING AMENDED BOARD BY-LAWS

E. ADMINISTRATIVE ITEMS

- E-1) ANNUAL REVIEW OF DISTRICT CASH RESERVE POLICY [RECOMMEND REVIEW AND ADOPT RESOLUTION TO AMEND CASH RESERVE POLICY]

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

There were no public comments.

Upon the motion of Director Hansen and seconded, the Board unanimously adopted the Resolution.

Vote 5-0.

Table with 3 columns: YES VOTES, NO VOTES, ABSENT. Row 1: Directors Hansen, Gaddis, Woodson, Eby, and Malvarose, None, None.

RESOLUTION NO. 2023-1655
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
AMENDING THE CASH RESERVE POLICY FOR THE DISTRICT

- E-2) CONSIDER MAKING A NOMINATION FOR LOCAL AGENCY FORMATION COMMISSION'S SPECIAL DISTRICT MEMBER SEAT [RECOMMEND THE BOARD CONSIDER NOMINATION AND DIRECT STAFF]

Mario Iglesias, General Manager, presented the item and announced that Director Eby was nominated to fill the alternative Special District Member Seat on LAFCO at the CSDA meeting on January 27, 2023.

Director Eby stated he would like to be nominated if Marshall Ochylski decides to not run again. He will check on this before the deadline of March 8.

There were no public comments.

F. GENERAL MANAGER'S REPORT

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

Nipomo Community Services District
DRAFT REGULAR MEETING
MINUTES

Director Eby mentioned that the date for approving the General Plan Amendment was missing from the Dana Reserve Review Schedule.

There were no public comments.

G. COMMITTEE REPORTS

Mario Iglesias, General Manager, announced that there was a BLMA Oversight Committee meeting where updates were provided on the Blacklake Consolidation Project and Blacklake Village Street Lighting.

H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

I. None.

I. CLOSED SESSION ANNOUNCEMENTS

Craig Steele, District Legal Counsel, announced that item 2 would be discussed in closed session.

- 1. CONFERENCE WITH DISTRICT LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GC §54956.9
 - a. SMWWCD V. NCSD (SANTA CLARA COUNTY CASE NO. CV 770214, SIXTH APPELLATE COURT CASE NO. H032750, AND ALL CONSOLIDATED CASES
- 2. CONFERENCE WITH LEGAL COUNSEL INITIATION OF LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(D)(4) - ONE POTENTIAL CASE

There were no public comments.

There were no reportable actions.

ADJOURN MEETING

President Malvarose adjourned the meeting at 10:30 a.m.

MEETING SUMMARY	HOURS & MINUTES
Regular Meeting	1 hour 01 minutes
Closed Session	0 hour 29 minutes
TOTAL HOURS	1 hour 30 minutes

Respectfully submitted,

Mario Iglesias, General Manager and Secretary to the Board

Date

TO: BOARD OF DIRECTORS

REVIEWED: MARIO IGLESIAS
GENERAL MANAGER

FROM: LISA BOGNUDA
FINANCE DIRECTOR AND
JANA ETTEDDGUE
ADMINISTRATIVE SUPERVISOR

DATE: FEBRUARY 17, 2023

**AGENDA ITEM
D-3
FEBRUARY 22, 2023**

**CONSIDER OPENING A PUBLIC CHECKING ACCOUNT
WITH FIVE STAR BANK**

ITEM

Consider opening a public checking account with Five Star Bank

BACKGROUND

On February 15, 2023, the Finance and Audit Committee (F&A Com.) met and discussed, among other items, the District's desire to open a public checking account with Five Star Bank. The F&A Committee received the staff's report, asked questions and, while the F&A Committee had no concerns deepening the District's relationship with Five Star Bank, they determined their colleagues on the Board should be provided an opportunity to comment on staff's proposal.

The District currently maintains a public checking account and money market at Mechanics Bank. The District also maintains several money market accounts at Five Star Bank (authorized by Resolution 2018-1476 – See Attachment A).

The District is charged an "Analysis Fee" on the public checking account. A monthly analysis fee is charged based on the type of services provided by the bank (i.e. amount of cash deposits, number of checks deposited, wires, ACH, positive pay, etc) which is offset by interest earned on the account during the month. An analysis fee is standard in the industry, however, the amount of earnings credit and fees varies by bank.

Currently, Mechanics Bank offers the District 0.5% earnings credit on the account and charges their set standard fees. The net analysis fee on the Mechanics Bank public checking account averages \$780 per month, equating to approximately \$9,400 expense per year. (see comparison below)

Five Star Bank provided Staff with a proposal (Attachment B) for operating and maintaining a public checking account. Five Star Bank prepared a pro forma analysis statement comparing their proposed fees to the fees currently charged by Mechanics Bank. Five Star Bank is offering the District 2.00% earning credit and lower fees that result in a net savings of approximately \$965 per month, equating to approximately \$11,580 per year. (see comparison below)

Below is a comparison of the Net Analysis Fee for a representative month of District business:

	(A)	(B)	(B) – (A)
	MECHANICS BANK	FIVE STAR BANK	
Total Fees for one month (1)	\$980	\$618	(\$362)
Earnings Credit for one month (2)	(\$201)	(\$804)	(\$603)
Net Analysis fee (savings) for one month	\$779	(\$186)	(\$965)
Net Analysis fee (savings) for 12 months (x 12)	\$9,348	(\$2,232)	(\$11,580)

(1) Based on the number and type of daily transactions
(2) Based on daily average balance on deposit

Five Star Bancorp (<https://investors.fivestarbancorp.com/>) was rated 5-Stars as of 8/29/22 by Baur Financial. Five Star Bank meets the requirements of 7(A)(3) of the District's Investment Policy and has provided the District with exemplary customer service since 2018. Staff is confident this service will continue.

Five Star Bank provides banking services to many local community services districts in our area as well as San Luis Obispo County.

If approved, the transition will take a couple of months. After the transition is complete, Staff would close the Mechanics Bank public checking account, but maintain the money market account (which is not subject to the analysis fee due to the account limitations).

FISCAL IMPACT

The District would save approximately \$11,580 per year.

STRATEGIC PLAN

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

4.b. Ongoing Activities

- 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.

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

RECOMMENDATION

It is recommended that your Honorable Board review the proposal and direct Staff.

ATTACHMENTS

- A. Resolution 2018-1476, authorizing opening of an account with Five Star Bank
- B. Proposal from Five Star Bank with Pro Forma Analysis

FEBRUARY 22, 2023

ITEM D-3

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2018-1476**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
AUTHORIZING THE OPENING OF AN ACCOUNT
AT FIVE STAR BANK**

WHEREAS, the Nipomo Community Services District (herein "District") Board of Directors (herein "Board") is a local governmental agency formed and authorized to provide services within its jurisdiction, pursuant to Section 61000 et seq. of the California Government Code; and

WHEREAS, on June 13, 2018, the Board of Directors approved the opening of an account at Five Star Bank with funds held in savings accounts at Rabobank;

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

1. The Nipomo Community Services District Board of Directors authorizes the following:
 - a) Creation of an account at Five Star Bank;
 - b) The transfer of funds from savings accounts at Rabobank to Five Star Bank;
 - c) The General Manager is authorized to execute the Contract for Deposit of Monies.

2. The following persons and their successors are authorized to sign on the account:

Ed Eby, President	Dan A. Gaddis, Vice President
Bob Blair, Director	Craig Armstrong, Director
Dan Woodson, Director	Mario Iglesias, General Manager
Lisa Bognuda, Finance Director	

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

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


the foregoing resolution is hereby passed and adopted this 13^h day of June, 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

FEBRUARY 22, 2023

ITEM D-3

ATTACHMENT B



February 3, 2023

Mr. Mario Iglesias, General Manager
Nipomo CSD
P.O. Box 326
148 South Wilson Street
Nipomo, CA 93444-0326

Dear Mr. Iglesias,

I hope this finds you well! Thank you for the opportunity to present this proposal to the Nipomo CSD.

We believe that you deserve nothing less than outstanding customer service, reliability, competitive pricing, efficient means of managing your accounts electronically and direct access to a team of qualified banking professionals. We are keenly knowledgeable with special districts and municipalities, the statutes that pertain to public funds and who also have the experience of having managed at a public entity. We have the experience, expertise and hands on approach that sets us apart. And we are the only bank in California to provide scholarships to districts like yours for the CSDA General Manager Summit each year.

We believe Five Star Bank is the perfect partner for the Nipomo CSD. You've already experienced our customer service with the seven accounts you currently have with us. As a sign of our continued partnership, Five Star Bank is offering the District:

- **Analyzed checking accounts with a 2.00% Earning Credit Rate** - We are offering as many checking accounts as you need all with an Earnings Credit Rate of 2.00%. This rate will offset all fees you would normally incur. When compared to the November statement from Mechanics Bank, instead of paying \$899.57 in fees (or \$778.99 using their new ECR of 0.50%), your banking would have had **NO FEES at Five Star Bank**. Please see the proforma comparison sent in the email.

This Earnings Credit Rate is valid through December 31, 2027 and will be reviewed at that time.

These accounts will include the following:

- **checking accounts with ability to write checks**
- **online banking with online transfer capability between accounts**
- **ACH capability (requires credit approval)**
- **Wire Transfer capability**
- **Remote Deposit Capture w/free scanner provided**
- **Mobile Deposit**
- **Bill Pay**

- Five Star Bank will also provide your initial order of checks at no charge.

Five Star Bank also can provide all the financing to meet the District's needs including refinancing existing loans, new equipment & vehicles, buildings, infrastructure, lines of credit as well as pension obligation bonds. We also can offer rewards credit cards for purchasing and merchant services to accept payments by credit card in person, online or by phone.

This opportunity to expand our partnership with you is very important to our Bank and, as always, we will take every measure possible to ensure your success. I can assure you that I will personally oversee the entire transition, we will provide your staff with all the necessary training they need and provide you with designated backup personnel as well. We will be your partner every step of the way, from pre-conversion through conversion and implementation.

Please let me know if we can discuss the opportunity in greater detail and plan the next steps to move forward. Thank you once again for considering this proposal. We look forward to the chance to grow our relationship and partnership with the Nipomo CSD!

Sincerely,

Jerry Legg



Jerry Legg, CTP
SVP/Government Banking Manager

t: [916-640-1512](tel:916-640-1512) | m: [916-471-9977](tel:916-471-9977)

e: jlegg@fivestarbanc.com

a: 2240 Douglas Blvd., Suite 100
Roseville, CA 95661





Five Star Bank
Pro Forma Analysis Statements

Customer: **Nipomo CSD**

Period: **November 2022**

Average daily ledger balance	\$ 574,965
Less average daily float	28,442
Average daily collected balance	546,524
Less legal reserve requirement (10%)	57,497
Balance to support services	<u>\$ 489,027</u>
Number of accounts	<u>1</u>

Mechanics Bank

EARNINGS CREDIT:

	Days	Rate	
Current period earnings credit	30	0.50%	\$ 200.97

SERVICE CHARGE DETAIL:

	No.	Rate	
Account Maintenance	1	\$ 20.00	20.00
Deposit Coverage (per \$1,000)	575	\$ 0.12	69.00
On-Us checks deposited		\$ 0.20	-
Transit check deposited			-
Return deposited items	1	\$ 12.00	12.00
ACH filter monthly		\$ 1.00	-
Checks paid	107	\$ 0.20	21.40
Electronic debits		\$ 0.32	-
Branch Deposit - Processing Fee	19	\$ 1.25	23.75
Paper Credits		\$ 0.75	-
Deposited Item	1,563	\$ 0.12	187.56
Electronic credits	141	\$ 0.20	28.20
Stop payment		\$ 20.00	-
Cash Deposited - per \$100	1	\$ 53.50	53.50
ACH Received Item		\$ 0.10	-
ACH Return Item/ Admin	2	\$ 4.00	8.00
ACH Received Addenda Item		\$ 0.04	-
ACH Per Item	1,277	\$ 0.15	191.55
Pday Det & Sum Mo. Maint.		\$ 15.95	-
ACH File Uploads	10	\$ 5.00	50.00
OLB Prem Plus Monthly Fee	1	\$ 100.00	100.00
Outgoing Wire Transfer	8	\$ 15.00	120.00
Incoming Wire Fee	2	\$ 10.00	20.00
Ext. Messaging Month Maint.		\$ 20.00	-
CEO Image View		\$ 2.50	-
Positive Pay Monthly Fee	1	\$ 75.00	75.00
POS Pay With No Issue Record		\$ 0.50	-
POS Pay Verification Call- Deposited		\$ 15.00	-
Cash Handling Fees		\$ 0	-
Misc U.S. Bank Fees		\$ 4	-
Paper Analysis Statement		\$ 5.00	-
CEO Check Issues		\$ 0.30	-
Debits Posted		\$ 0.20	-

(Total Fees) (979.96)
Earnings Credit \$ 200.97
(Fees debited) or net positive position \$ (778.99)

Five Star Bank

	Days	Rate	
Earnings credit	30	2.00%	\$ 803.88

	No.	Rate	
1 Account Maintenance	1	\$ 15.00	15.00
2 Deposit Coverage (per \$1,000)	575,000	\$ 0.00010	57.50
5 On-Us checks deposited		\$ 0.15	-
6 Transit check deposited		\$ 0.15	-
51 Return deposited items	1	\$ 10.00	10.00
71 ACH filter monthly		\$ 10.00	-
101 Checks paid	107	\$ 0.18	19.26
102 ACH debits	1,277	\$ 0.15	191.55
103 Deposits	19	\$ 1.25	23.75
203 RDC deposit		\$ 1.00	-
303 Mobile deposit		\$ -	-
104 ACH credits	141	\$ 0.15	21.15
11 Stop payment		\$ 20.00	-
108 Cash deposited		\$ 0.00012	-
109 Cash paid out		\$ -	-
110 Incoming wire fee	2	\$ 15.00	30.00
111 Outgoing wire fee	8	\$ 25.00	200.00
112 Outgoing international wire fee		\$ 30.00	-
113 Official checks		\$ 5.00	-
116 Bill pay		\$ 5.00	-
117 Online banking	1	\$ 25.00	25.00
130 RDC monthly fee		\$ 25.00	-
129 ACH per batch originated		\$ 2.50	-
134 Postive pay	1	\$ 25.00	25.00
234 ACH pos pay		\$ 15.00	-
105 Armored car		\$ -	-
118 Mission courier		\$ -	-
119 FSB Courier		\$ -	-
150 Lock box		\$ -	-
151 Integrated Payables		\$ -	-

(Total Fees) (618.21)
Earnings Credit \$ 803.88
(Fees debited) or net positive position \$ 185.67

Savings 964.66