

TO: BOARD OF DIRECTORS  
FROM: MARIO IGLESIAS  
GENERAL MANAGER  
DATE: JUNE 9, 2023

**AGENDA ITEM**  
**E-6**  
**JUNE 14, 2023**

**SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY  
2023 BOARD OF DIRECTORS ELECTION BALLOT**

**ITEM**

Consider the individuals nominated to serve on the 2024 Special District Risk Management Authority (SDRMA) Board of Directors [RECOMMEND REVIEW BALLOT AND DIRECT STAFF TO SUBMIT A BALLOT WITH THE NIPOMO COMMUNITY SERVICES DISTRICT'S BOARD OF DIRECTOR'S PREFERED SDRMA BOARD CANDIDATE(S) IF ANY]

**BACKGROUND**

The District is a member agency of SDRMA and as such, participates in the regular election of its Board of Directors. There are four candidates vying for three available seats on the SDRMA Board of Directors.

Ballot Information, a copy of the Ballot Resolution, and candidate statements are attached. Your Board may vote for up to three candidates.

Your Board's completed Ballot must be returned and received in the SDRMA Office by August 8, 2023.

**FISCAL IMPACT**

None

**RECOMMENDATION**

Review Ballot and by motion and roll call vote, direct staff to file completed ballot with SDRMA no later than August 8, 2023.

**ATTACHMENTS**

- A. SDRMA Ballot Materials and Candidate Statements

JUNE 14, 2023

ITEM E-6

ATTACHMENT A

RECEIVED

MAY 22 2023

NIPOMO COMMUNITY  
SERVICES DISTRICT

May 15, 2023

Mr. Mario Iglesias  
General Manager/Secretary  
Nipomo Community Services District  
Post Office Box 326  
Nipomo, California 93444-0326

RE: Notification of Election Ballot – 2023 SDRMA Board of Directors Election

Dear Mr. Iglesias,

The Special District Risk Management Authority (SDRMA) Board of Directors 2023 Election began in January, with the opening of nominations. On May 11, 2023, SDRMA's Election Committee reviewed the nomination documents submitted by the candidates in accordance with SDRMA's Policy No. 2022-06 Establishing Guidelines for Director Elections. The Election Committee confirmed that (4) candidates met the qualification requirements, and those names are included on the Official Election Ballot.

**The Official Election Ballot Document Packet has been posted to MemberPlus and includes the following:**

- *Election Ballot Instructions*
- *Official Election Ballot (Action Required)*
- *Candidate's Statements of Qualifications (4)*

The signed Official (wet signature) Election Ballot **MUST** be sealed and received by mail or hand delivery at SDRMA's office on or before 4:30 p.m. on Tuesday, August 8, 2023, to the address below. Faxes or electronic transmissions are NOT acceptable.

Special District Risk Management Authority  
Election Committee  
1112 "I" Street, Suite 300  
Sacramento, California 95814

**Important Balloting and Election Dates** – The balloting and election dates are as follows:

- **August 8, 2023:** Deadline for members to return the signed Official Election Ballot.
- **August 9-11, 2023:** Ballots are opened and counted.
- **August 10-11, 2023:** Election results are announced, and candidates notified.
- **November 1-2, 2023:** Newly elected Directors are invited to attend SDRMA board meeting (Sacramento).
- **January 2024:** Newly elected Directors are seated, and Board officer elections are held.

If you have any questions or would like to request a printed copy of the election documents, please contact SDRMA's Management Analyst Candice Richardson at [crichardson@sdrma.org](mailto:crichardson@sdrma.org) or 800-537-7790.

Sincerely,  
Special District Risk Management Authority



Candice Richardson  
Management Analyst



SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

## 2023 BOARD OF DIRECTORS ELECTION

### OFFICIAL ELECTION BALLOT ATTACHED

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This is an official election packet that contains items that require **ACTION** by your Agency's governing body for the selection of up to three (3) candidates to the SDRMA Board of Directors.

#### ELECTION PACKET ENCLOSURES

- Election Ballot Instructions
- Official Election Ballot (Action Required)
- Candidate's Statements of Qualifications (4)



## SDRMA'S BOARD OF DIRECTORS ELECTION BALLOT INSTRUCTIONS

Notification of nominations for three (3) seats on the Special District Risk Management Authority's (SDRMA's) Board of Directors was mailed to the membership in January 2023.

On May 11, 2023, SDRMA's Election Committee reviewed the nomination documents submitted by the candidates in accordance with SDRMA's Policy No. 2022-06 Establishing Guidelines for Director Elections. The Election Committee confirmed that (4) candidates met the qualification requirements, and those names are included on the Official Election Ballot.

The Official Election Ballot along with a Statement of Qualifications as submitted by each candidate is posted to the SDRMA MemberPlus portal along with these instructions. Election instructions are as follows:

1. The Official Election Ballot must be used to ensure the integrity of the balloting process.
2. Print a copy of this ballot, then select up to three (3) candidates. Your agency's governing body must approve the Official Election Ballot at a public meeting. **Ballots containing more than four (4) candidate selections will be considered invalid and not counted.**
3. The signed Official Election Ballot **MUST** be sealed and received by mail or hand delivery at SDRMA's office on or before 4:30 p.m. on Tuesday, August 8, 2023 to the address below. Faxes or electronic transmissions are NOT acceptable.  
Special District Risk Management Authority  
Election Committee  
1112 "I" Street, Suite 300  
Sacramento, California 95814
4. The four-year terms for newly elected Directors will begin on January 1, 2024, and terminate on December 31, 2027.
5. Important balloting and election dates are:
  - **August 8, 2023: Deadline for members to return the signed Official Election Ballot.**
  - **August 9-11, 2023:** Ballots are opened and counted.
  - **August 10-11, 2023:** Election results are announced, and candidates notified.
  - **November 1-2, 2023:** Newly elected Directors are invited to attend SDRMA board meeting (Sacramento).
  - **January 2024:** Newly elected Directors are seated, and Board officer elections are held.

Please do not hesitate to contact SDRMA's Management Analyst Candice Richardson at [crichardson@sdrma.org](mailto:crichardson@sdrma.org) or 800-537-7790 if you have any questions regarding the election and balloting process.

**OFFICIAL 2023 ELECTION BALLOT**  
**SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY**  
**BOARD OF DIRECTORS**

**VOTE FOR ONLY THREE (3) CANDIDATES**

Mark each selection directly onto the ballot, voting for no more than three (3) candidates. Each candidate may receive only one (1) vote per ballot. A ballot received with more than three (3) candidates selected will be considered invalid and not counted. All ballots must be sealed and received by mail or hand delivery at SDRMA on or before 4:30 p.m., Tuesday August 8, 2023. Faxes or electronic transmissions are NOT acceptable.

- ROBERT SWAN** (INCUMBENT)  
Director, Groveland Community Services District
  
- ACQUANETTA WARREN**  
Vice Chair, Local Agency Formation Commission for San Bernardino County
  
- JESSE CLAYPOOL** (INCUMBENT)  
Board Chair, Honey Lake Valley Resource Conservation District
  
- SANDY SEIFERT-RAFFELSON** (INCUMBENT)  
General Manager, Herlong Public Utility District

ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2023 by the:

\_\_\_\_\_

**at a public meeting** by the following votes:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ATTEST:

APPROVED:

\_\_\_\_\_

\_\_\_\_\_

**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Candidate\* Bob Swan  
District/Agency Groveland Community Services District (GCSD)  
Work Address P.O. Box 350, Groveland CA 95321  
Work Phone (209) 962-7131 Cell Phone (408) 398-4731

\*The name or nickname and any designations (i.e. CPA, SDA, etc.) you enter here will be printed on the official ballot, exactly as submitted.

**Why do you want to serve on the SDRMA Board of Directors? (Response Required)**

I have been a member of the SDRMA Board for two terms. I would like to be elected to a third term because:

1. As a board member of Groveland CSD, I am very aware of the great value that smaller districts get from their membership in SDRMA, and I'd like to continue to support the Authority's great member services.
2. While the organization continues to operate well, thanks to its experienced and motivated staff, we are once again going through a period of management change. I believe that Board continuity is particularly important at such a time.
3. The California re-insurance market continues to be challenging. I believe that my eight years of board experience will be helpful as we negotiate the potentially tricky economic future.
4. Personally, I feel that we have a very well-functioning and collegial Board, and I find it both challenging and enjoyable to be part of it.

**What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)**

1. SDRMA Board: Member since 2016, presently Vice President. I am our representative on the CSDA Legislative Committee (and a member in my own right), and on the Alliance Executive Council.
2. Groveland CSD Board: Member since appointment in June 2013. I was Board President 2014-2018.
3. Member of Board of Southside Community Connections, which is a 501(c)(3) nonprofit in Groveland that provides transportation, educational, social and recreational services to seniors and differently-abled folks in the Groveland area. I was on this Board from 2018 through 2022, mostly as Treasurer.
4. Board Member (Treasurer) of Pine Cone Performers, a local community choral and acting group, since 2010.

**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have? (Response Required)**

Background: BS Physics, MS Computer Science. 3 years in USAF. 30 years in the semiconductor industry as engineer, engineering manager, business unit director.

Skills, etc.: Very familiar with financial reports and cost accounting. Working knowledge of computer and communications technology. In my work life, I managed geographically distributed organizations with up to 150 technical personnel and up to \$120 million in annual sales. I'm pretty good at helping groups work together to achieve consensus (or, failing that, acceptable compromise).

In recent years, most of my volunteer work has been in driving folks (who can't drive themselves) to medical appointments, shopping, and the like. This is one of the services of Southside Community Connections.

I'm also a pretty decent choral singer, but that's not relevant to this application.

**What is your overall vision for SDRMA? (Response Required)**

Our vision statement is "To be the exemplary public agency risk pool of choice for California special districts and other public agencies". To achieve this vision, I believe we must focus on:

(1) maintaining long-term financial stability, by ensuring that there is a fair allocation of cost versus risk across the membership, continuously evaluating the appropriate level of risk retention, and using creative ideas like our "captive" reinsurance agency to enhance our cash position.

(2) continue to expand our risk management training and assistance services. We have made significant improvements in this area by bring it internal to the Authority.

(3) continue to emphasize services to our core membership: small to mid-sized districts with limited options for insurance.

(4) ensure that SDRMA remains a desirable workplace, and maintain our highly-qualified and responsive staff.

Above all, remember that this is an insurance pool, owned by its member agencies, and maintain an overarching focus on member service and support. Make certain that we will be here for our members.

**I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.**

Candidate Signature



Date

4/11/2023

**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – **no attachments will be accepted**. No statements are endorsed by SDRMA.

Candidate\* ACQUANETTA WARREN  
District/Agency Local Agency Formation Commission (LAFCO) for San Bernardino County  
Work Address 1170 W. Third Street, Unit 150, San Bernardino, CA 92415-0490  
Work Phone (909)388-0480 Home Phone

\*The name or nickname and any designations (i.e. CPA, SDA, etc.) you enter here will be printed on the official ballot, exactly as submitted.

**Why do you want to serve on the SDRMA Board of Directors? (Response Required)**

As a City Mayor I have been fortunate to serve on regional boards that include special district representation: San Bernardino Countywide Oversight Board and Southern California Water Coalition's Board of Trustees. I realize that special districts, especially the smaller districts, are not included in the conversation for a variety of matters. Currently, I serve on San Bernardino LAFCO and the California Association of LAFCOs, which do have robust special district representation. I believe that my skills, experience, and understanding can contribute to SDRMA. Specifically, I want to contribute by developing programs that would help member agencies maximize their protection and minimize their risks.

**What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)**

I currently serve as mayor for the City of Fontana. This is my fourth term, and my focus has been bolstering economic development, creating educational opportunities, improving public safety, and advocating for a healthier community. As mayor, I have been fortunate to serve on:

- San Bernardino LAFCO since 2014, serving currently as Vice Chair of the Commission. I am also a Board Member of the statewide organization of LAFCOs, CALAFCO, serving as Treasurer
- San Bernardino County Transportation Authority: Board of Directors, General Policy Committee, and Transit Committee
- San Bernardino County Racial Equity Committee for the San Bernardino Council of Governments
- San Bernardino Countywide Oversight Board

In addition, I am the current Chair for the Southern California Water Coalition's Board of Trustees as well as Co-Chair of its Task Force for Water Equity, Access, and Affordability.

**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?  
(Response Required)**

Aside from being Mayor for the City of Fontana, I am currently the District Director for the Second Supervisorial District for San Bernardino County and I coordinate district services and communications with constituents, I oversee community outreach efforts, as well as supervise district staff.

In addition to local-level involvement, I have served on the State Park Commission and as a trustee of the United States Conference of Mayors, an official non-partisan organization of cities in the United States with populations of 30,000 or more. I have also served in community organizations such as Water/Recycled Water Projects and Development Processing for New Communities, Casa Colina Rehabilitation Hospital Board of Directors, and the Upland YMCA Board of Directors.

**What is your overall vision for SDRMA? (Response Required)**

My vision for SDRMA is to ensure that it continues to be the best risk management agency, who will continue to listen and communicate with its member agencies. I would strive to make sure SDRMA continues to provide excellent service, provide educational and training programs that are beneficial to its member agencies, and offer more resources that add value to its members. Lastly, I want to make sure SDRMA operates in the highest ethical manner with complete transparency.

**I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.**

Candidate Signature \_\_\_\_\_



Date \_\_\_\_\_

4/25/2023

**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

**This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.**

Candidate\* Jesse D. Claypool  
District/Agency Honey Lake Valley Resource Conservation District  
Work Address USDA Service Center 170 Russell Avenue, Suite C, Susanville, CA 96130  
Work Phone 530-257-7271 Cell Phone 530-310-0232

\*The name or nickname and any designations (i.e. CPA, SDA, etc.) you enter here will be printed on the official ballot, exactly as submitted.

**- Why do you want to serve on the SDRMA Board of Directors? (Response Required)**

My interest for being on the SDRMA Board of Directors is because I believe it is imperative for there to be a knowledgeable and experienced voice on the Board with the perspective of the small to mid-size special district. In addition, I am eager to continue working with SDRMA staff and fellow Board members, providing relevant and affordable solutions, available to all special districts.

**What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)**

The vast amount of understanding and experience that I've gained as a current member of the SDRMA Board of Directors will undoubtedly aide as I continually strive to be an increasingly effective member of the SDRMA Board of Directors going forward.

In addition to being a current SDRMA Board member, I am currently Chairman of the Board for the Honey Lake Valley Resource Conversation District and a board member of a Regional Water Managment Group. Previously I have served on the following, Lassen County's Civil Grand Jury, two terms, CSDA Professional Development committee, two terms, Janesville Union School District trustee, Technical Advisory Committee for the prevention of violence against schools K-12, two terms, and CSDA Member Services committee, two terms.

**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have? (Response Required)**

I have attended various board member trainings and completed leadership and governance classes, including the following; CSDA's Extraordinary Leadership Training and CSDA's Special District Leadership Academy. I have received CSDA's Recognition in Special District Governance certificate and successfully completed Executive Education in Public Policy at University of Southern California, Sol Price School of Public Policy.

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**What is your overall vision for SDRMA? (Response Required)**

My continued vision for SDRMA is to be effective within the communities they serve. With focused attention to affordable solutions, administered by a team of highly dedicated professional staff, SDRMA will continue to be an industry leader providing affordable solutions to its members.

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**I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.**

Candidate Signature  Date 4/20/2023

**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Candidate\* Sandy Seifert-Raffelson  
District/Agency Herlong Public Utility District  
Work Address P O Box 115, Herlong CA 96113  
Work Phone (530)827-3150 Cell Phone (530)310-4320

\*The name or nickname and any designations (i.e. CPA, SDA, etc.) you enter here will be printed on the official ballot, exactly as submitted.

**Why do you want to serve on the SDRMA Board of Directors? (Response Required)**

I am a current Board member of SDRMA and feel that I have added my financial and general manager background to make a better-informed decision for SDRMA members. As a Board member, I continue to improve my education of insurance issues and look forward to representing small District's and Northern California as a voice on the SDRMA Board. I feel I am an asset to the Board with my degree in Business and my 35 plus years' experience in accounting and special districts.

I understand the challenges that small District face every day when it comes to managing liability insurance, worker's compensation and health insurance for a few employees with limited revenue and staff. My experience in small districts give me an appreciation of the importance of risk management services and programs, especially for smaller District that lack expertise within.  
I feel I am an asset to this Board, and would love a chance to stay on 4 more years!

**What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)**

While serving on the SDRMA Board, I have been privilege to be Secretary of the Board, Vice-President and currently President. I have served on CSDA's Audit and Financial committee's for several year: I have served on the SDLF Board and current President; Northeastern Rual Health Clinic Board; Fair Board; School and Church boards; 4-H Council and leader for 18 years; and UC Davis Equine Board. In the past 30 years, I have learn that there is no "I" in Board and it can be very rewarding to part of a team that makes a difference for others.

As part of my many duties working for Herlong PUD, I worked to form the District and was directly involved with LAFCo, Lassen County Board of Supervisors and County Clerk to establish the initial Board of Directors and first policies for HPUD. I have administered the financial portion of 2 large capital improvement projects with USDA as well as worked on the first ever successful water utility privatization project with the US Army and department of Defense. I am currently in the middle of a 14 million infrastructure project with SRF monies. I am also the primary administrator of two federal contract for utility services.

**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have? (Response Required)**

I have my Bachelor's Degree in Business with a minor in Sociology. I have audit small districts and worked for a small district for almost 18 years. I am a good communicator and organizer. I have served on several Boards and feel I work well within groups or special committee. I am willing to go that extra mile to see things get completed.

I believe in recognition for jobs well done. I encourage incentive programs that get members motivated to participate and strive to do their very best to keep all losses at a minimum and reward those with no losses.

With HPUD and with SDRMA both boards and employees have worked hard to receive their District of Distinction and their District of Transparency.

I feel I am a good leader with people skills that can accomplish what is necessary to keep a District or JPA moving forward.

**What is your overall vision for SDRMA? (Response Required)**

SDRMA Staff and Board work together to bring Special Districts affordable insurance for the pool they serve. By listening to the needs of all California Special Districts and meeting those needs at a reasonable price that Special Districts can afford. I would continue advocating for these continued efforts and rewarding continue education for all Districts and employees.

I see SDRMA pool continuing for centuries and serving those needs.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature  Date 4/17/2023

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS  
GENERAL MANAGER



DATE: June 8, 2023

**AGENDA ITEM**

**E-7**

**JUNE 14, 2023**

## **AUTHORIZE INVESTMENT PURCHASES PER THE INVESTMENT POLICY**

### **ITEM**

Authorize Investment Purchases per the Investment Policy ("Policy") [RECOMMEND AUTHORIZE STAFF TO PURCHASE SECURITIES ACCORDING TO THE INVESTMENT POLICY AND GUIDELINES]

### **BACKGROUND**

At your Board's May 24, 2023 Regular Nipomo Community Services District ("District") Board Meeting, staff presented a request to your Board to purchase investments per the District's Investment Policy based on the Finance and Audit Committee's recommendations. A motion to pass a resolution authorizing staff to execute the purchase of investments stated in the aforementioned recommendation did not pass. A request to staff by your Board to bring the item back at the next Regular District Board Meeting was made. With little exception – the addition of Tables B. and C. below – much of the information in this staff report was provided to your Board at the May 24, 2023 District Meeting for consideration.

The District has historically invested funds not needed in the short-term in the Local Agency Investment Fund (LAIF) administered by the California State Treasurer. Due to current market conditions, short-term interest rates are higher than long-term interest rates creating what is known as the inverted yield curve. This provides the District with unique investment opportunities. In the current environment, the District may be able to achieve higher rates of return than it currently receives from LAIF by investing in securities such as Treasury bills/notes (Treasuries) and Certificates of Deposit (CD's).

On February 15, 2023, the Finance and Audit Committee ("Committee") met and reviewed investment options and policies in accordance with Government codes. Staff was directed by the Committee to research the methodologies for investing in and holding in its portfolio, investments such as Treasuries and CD's within the parameters of the California Government Code and the Districts adopted Investment Policy. District staff consulted with its Municipal Advisor, Curt de Crinis, on the matter and was directed to Peter Yanez of Multi-Bank Securities, Inc. (MBS).

Mr. Yanez gave a presentation on investment strategies to the Committee Members at their March 16, 2023 Finance and Audit Committee meeting. MBS is a broker-dealer of fixed-income securities for municipal institutions and utilizes Pershing LLC (a subsidiary of BNY Mellon) as the custodial safekeeping agent. MBS also made a presentation to the Board of Directors at the March 22, 2023 Board Meeting. The District would need to retain the services of MBS or a similar agent in order to initiate the investment purchasing activities. The advantage of working with MBS is that their business model is built to collect fees from underwriting for Banks, not from the purchaser.

It was determined that in order for the District to take advantage of the current investment climate, the District's Investment Policy needed to be amended to include investment instruments such as Treasuries and CDs. On April 19, 2023, the Finance and Audit Committee

met and reviewed the proposed edits to the District’s Policy and Policy Guidelines, provided comments, and directed staff to present the updated Policy to the Board at the April 26, 2023 Board Meeting.

On April 26, 2023, the Board of Directors amended the Investment Policy as recommended by the Finance and Audit Committee to include U.S. Treasuries and Certificates of Deposit as permitted investments (see attached Policy, section 7A). The Board also established Investment Policy Guidelines and authorized the General Manager to sign agreements with Multi-Bank Securities, Inc.

In accordance with the Investment-Opportunity Evaluation and Purchase Guidelines, it was determined that funds available to be invested in the Fiscal Year 2022-23 amounted to \$5,601,000, as demonstrated in “Table A. Available Funds” below.

Table A. Available Funds

Fiscal Year 2022-2023 Budgeted Operating Expenses	\$10,640,000	
	X 50%	
		\$5,320,000
Fiscal Year 2022-2023 Budgeted Funded Replacement Projects		\$3,630,000
Fiscal Year 2022-2023 Budgeted Capital Projects		\$4,327,000
<b>FISCAL YEAR 2022-2023 LIQUID CASH FLOW REQUIRED – MAINTAIN FUNDS IN LAIF</b>		<b>\$13,277,000</b>
<b>CASH AVAILABLE JULY 2022</b>		<b>\$18,878,000</b>
<b>FUNDS AVAILABLE TO INVEST</b>		<b>\$5,601,000</b>

The Investment-Opportunity Evaluation and Purchase Guidelines section states that the Finance and Audit Committee will establish the benchmark (greater than 1%) based off the LAIF rate of return. As of March 31, 2023, the LAIF rate of return was 2.74%, the benchmark then is 3.74% and so investments purchased should be anything greater than 3.74%. According to MBS, CDs are at the highest rate of 5.02% for 2 years and 4.90% for 3 years and treasuries are at 5.218% for 3 months, 5.242% for 6 months, and 4.89% for 1 year as of May 17, 2023.

On May 17, 2023, the Finance and Audit Committee met and reviewed the Policy and determined Funds to be invested and selected permitted investment types according to the Investment Policy Guidelines. Peter Yanez of (MBS) recommended investing in short-term (1 year or less) Treasuries and long-term (3 years or less) CD’s due to the high interest rates.

At the May 17 Finance and Audit Committee meeting, the Finance and Audit Committee recommended that \$2 million be used to purchase Treasuries that mature in less than 1 year and \$1 million in non-callable (issuing Bank can’t redeem before maturity) CD’s that mature in less than 3 years, as these CD’s have the highest yields at the moment. The guideline provides for up to \$5.6 million to be invested, but the Finance and Audit Committee thought it was best to be conservative and to only invest \$3 million out of the \$5.6 million technically available. Below are two tables that highlight the impact of committing \$3 million [Table B.] versus \$5.6 million [Table C.].

**Table B. \$3 Million (F&A Committee Recom.)**

Monies Available to Invest(A)	Yeild(B)	Total (A)*(B)
\$3,000,000	5.236%(1 year Tres)	157,080
\$3,000,000	2.740%(LAIF)	82,200
Yearly Total Loss		74,880
Monthly Total Loss		6,240

**Table C. \$5.6 Million (Per Guideline)**

Monies Available to Invest(A)	Yeild(B)	Total (A)*(B)
\$5,600,000	5.236%(1 year Tres)	293,216
\$5,600,000	2.740%(LAIF)	153,440
Yearly Total Loss		139,776
Monthly Total Loss		11,648

While the Finance and Audit Committee agreed on the amount to invest and permitted investment types according to the Investment Policy, Committee Members could not come to a consensus on the timing of the purchase. They elected to bring that issue to the District's Board of Directors.

The Board of Directors met on May 24, 2023 and decided to move the decision to the next Board meeting due to the uncertainty of the Federal government raising the debt ceiling. Also, Director Hansen was unable to attend so he could not provide his input on the matter. It was anticipated that the debt ceiling issue would be resolved by the Board Meeting, on June 14, 2023, and that all the Board Members would be in attendance at the Board Meeting.

**FISCAL IMPACT**

The District has a significant amount of monies currently invested in LAIF. While these funds earn a return, the returns are currently less than returns paid on Treasuries and CD's. LAIF has the advantage of liquidity and security, but with the right strategy the District may be able to increase the return on its investments by directing some of these funds to short-term Treasuries and CDs. Currently, Treasuries are returning nearly twice what LAIF funds are returning. This may not always be the case, but establishing guidance for investing District funds will aid the District in maximizing its returns on investment in a timely manner when defined conditions are met.

The more tangible fiscal impact on the District's financial position is demonstrated in Tables B. and C. above.

**STRATEGIC PLAN**

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

- B.1 Evaluate, plan for and maintain finances that are adequate for all needs, stable, and reliable over the long-term.
- B.6 Maintain sound investment policy and investments.

**RECOMMENDATION**

The Finance and Audit Committee provided two options for the Board of Directors to consider. The difference between the options is the timing on when to shift funds out of LAIF and into securities. The Committee Members also recognize the Board of Directors could consider other options.

1. Approve the Resolution and authorize District Staff to purchase \$3 Million in securities (\$2 million in short-term Treasuries and \$1 Million in non-callable CD's 3 years or less)
2. Approve the Resolution and authorize District Staff to purchase \$3 Million in securities (\$2 million in short-term Treasuries and \$1 Million in non-callable CD's 3 years or less) when the new General Manager gets seated
3. Other Board direction

**ATTACHMENTS**

- A. Resolution 2023-XXXX Determining Amount of Funds to be Invested Annually
- B. Resolution 2023-1664 Investment Policy
- C. Investment Policy Guidelines

JUNE 14, 2023

ITEM E-7

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2023-XXXX**

**A RESOLUTION OF THE  
BOARD OF DIRECTORS OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT  
DETERMINING AMOUNT OF FUNDS TO BE INVESTED ANNUALLY  
PURSUANT TO THE DISTRICT'S INVESTMENT POLICY**

**WHEREAS**, on April 26, 2023, the Board of Directors of the Nipomo Community Services District ("District") adopted Resolution No. 2023-1664 amending the District's Investment Policy Guidelines;

**WHEREAS**, pursuant to the Investment Policy, Investment-Opportunity Evaluation, and Purchase and Internal Checklist, the District shall determine the amount of funds available for investment annually after the budget has been adopted for the new fiscal year;

**WHEREAS**, determination for the current fiscal year (Fiscal Year 2022-2023) shall be set promptly and thereafter beginning in Fiscal Year 2023-2024, the District shall determine the amount of funds available for investment in July of each year;

**WHEREAS**, the District's Board, with a recommendation from the District's Finance and Audit Committee and District staff, has considered the appropriate amount of funds available for investment for the current fiscal year.

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

1. The District's Board approves the following funds available for investment in Fiscal Year 2022-2023: \_\_\_\_\_ (\$ \_\_\_\_\_)

**PASSED AND ADOPTED** by the Board of Directors of the Nipomo Community Services District this 14<sup>th</sup> of June, 2023 on the following roll call vote:

**AYES:**  
**NOES:**  
**ABSENT:**  
**CONFLICTS:**

\_\_\_\_\_  
RICHARD MALVAROSE, President  
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM:

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

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

JUNE 14, 2023

ITEM E-7

ATTACHMENT B

**NIPOMO COMMUNITY SERVICES DISTRICT  
INVESTMENT POLICY GUIDELINES**

**INVESTMENT-OPPORTUNITY EVALUATION AND PURCHASE  
and  
INTERNAL CHECKLIST**

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The investment-opportunity evaluation and purchase activities shall be in accordance with the adopted Investment Policy of the Nipomo Community Services District ("District").

**BASIC STRATEGY**

The basic investment strategy will be to safeguard the principal of all investments, maintain sufficient liquidity to meet the regular cash flow needs of the District while reserving contingent liquidity to meet unanticipated cash flow demands, and utilize various investment approaches to take advantage of current market yield opportunities. A maximum rate of return will be sought in a manner consistent with the safeguarding of principal and meeting liquidity needs.

**INTERNAL CONTROLS**

The District has established a system of written internal controls and checklist (pages 3-6), which is reviewed annually by the District's independent auditor. The controls are designed to provide a reasonable assurance that loss, theft, or misuse can be prevented.

**PERFORMANCE BENCHMARK**

The investment portfolio is constructed with the objective of obtaining a market rate of return throughout budgetary and economic cycles, matching the investment risks controls and cash flow requirements, thus preserving capital, meeting liquidity and providing yield. The District's investment strategy is to manage the portfolio with less credit risk and interest rate risk than a benchmark comparable index. The District's portfolio benchmark is the California Local Agency Investment Fund (LAIF).

**DETERMINATION OF AMOUNT OF FUNDS TO BE INVESTED-ANNUALLY IN JULY**

Prior to performing an investment-opportunity evaluation, the District shall determine the amount of funds available for investment annually in July after the budget has been adopted for the new fiscal year. Below is the matrix to determine the amount available:

**TEMPLATE EXAMPLE (high level cash flow model)**

Fiscal Year 2022-2023 Budgeted Operating Expenses	\$10,640,000	
	X 50%	
		\$5,320,000
Fiscal Year 2022-2023 Budgeted Funded Replacement Projects		\$3,630,000
Fiscal Year 2022-2023 Budgeted Capital Projects		\$4,327,000
<b>FISCAL YEAR 2022-2023 LIQUID CASH FLOW REQUIRED - MAINTIAN FUNDS IN LAIF</b>		<b>\$13,277,000</b>
<b>CASH AVAILABLE JULY 2022</b>		<b>\$18,878,000</b>
<b>FUNDS AVAILABLE TO INVEST</b>		<b>\$5,601,000</b>

**NIPOMO COMMUNITY SERVICES DISTRICT  
INVESTMENT POLICY GUIDELINES**

**INVESTMENT-OPPORTUNITY EVALUATION AND PURCHASE  
and  
INTERNAL CHECKLIST**

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**INVESTMENT CRITERIA (in accordance with Investment Policy)**

- Once the amount of funds available to invest has been determined, the investment-opportunity evaluation will be made by in coordination with the Finance and Audit Committee.
- Investments shall be purchased in accordance with established internal controls.
- The District's policy is to hold investments until maturity.
- Investments will only be liquidated prior to maturity if an emergency exists, as determined by the General Manager.
- Investments shall be purchased in the new issue market unless it is deemed advantageous by the General Manager to purchase in the secondary market.
- The ladder approach to investment should be used not to exceed 5 years in maturity. Ladder approach provides the following:
  - i) Funds distributed over a range of maturities
  - ii) Portfolio less affected by negative trending change of interest rates
  - iii) Reduces risk of buying at market highs and selling at market lows
  - iv) Can reduce interest rate risk
  - v) Low maintenance "buy and hold" strategy

**INVESTMENT-OPPORTUNITY EVALUATION AND PURCHASE AUTHORIZATION**

- Annually, in July, the Finance and Audit Committee meet.
- Establish the benchmark LAIF rate of return
- Establish rates of return approved investment types
- Compare the rates of return and if the rate of return on approved investment types exceeds 100 basis points (1%) or higher, funds should be evaluated for strategic investment shift to the higher yielding instrument.
- Establish a ladder approach to capitalize on a positive yield curve and assure consistent cash availability.
- Obtain approval by Board of Directors prior to purchase that exceeds \$500,000.
- Report to the Board of Directors quarterly, pursuant to Investment Policy.

**Internal Controls**

As public servants, it is our responsibility to safeguard Nipomo Community Services District's ("District") funds while adhering to laws and regulations governing processes over investing activities. Developing good internal controls for investing activities is important for the prudent investment of public funds as well as to prevent mishandling of funds and to safeguard against loss. Strong internal controls also protect employees by defining responsibilities in the investing process. Entities can use internal controls to protect against embezzlement, theft, fraud, and poor decision making.

*This document does not address all possible circumstances that need to be considered when establishing internal controls or assessing risk.*

**NIPOMO COMMUNITY SERVICES DISTRICT  
INVESTMENT POLICY GUIDELINES**

**INVESTMENT-OPPORTUNITY EVALUATION AND PURCHASE  
and  
INTERNAL CHECKLIST**

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**Control Objectives:**

1. Controls are in place in the process to ensure accountability is established as early as possible at all points along the accountability chain.
2. Assets are safeguarded from loss through watchful and responsible care and reconciliation functions.
3. Segregation of duties, or mitigating controls, exists within transaction processes, custody, and recording functions.
4. Transactions, current secondary market value and events are properly recorded and reported.
5. Staff understands their duties, responsibilities, and accountabilities.
6. Investment practices are documented and in compliance with current NCSD Investment Policy state laws and regulations.
7. Transaction activities are properly authorized.

**Segregation of Duties:**

Segregation of duties is one of the most important features of an internal control plan. The fundamental premise of segregated duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same action. These are called incompatible duties when performed by the same individual. Examples of incompatible duties include situations where the same individual (or small group of people) is responsible for:

- Managing both the operation of and record keeping for the same activity.
- Managing custodial activities and record keeping for the same assets.
- Authorizing transactions and managing the custody or disposal of the related assets or records.

Stated differently, there are four kinds of functional responsibilities that should be performed by different persons within the same department.

1. Custody of assets involved: This duty refers to the actual physical possession or effective physical control/safekeeping of property. The District will use a qualified third-party custodian.
2. Recording transactions: This duty refers to the accounting or record keeping function, which in most organizations, is accomplished by entering data into a computer system.
3. Authorization to execute transactions: This duty belongs to persons with authority and responsibility to initiate and execute transactions.
4. Periodic reviews and reconciliation of existing assets to recorded amounts: This duty refers to making market rate comparisons at regular intervals and taking action to resolve differences.

The advantage derived from proper segregation of duties is twofold:

- Fraud is more difficult to commit because it would require collusion of two or more persons, and most people hesitate to seek the help of others to conduct wrongful acts.
- By handling different aspects of the transaction, innocent errors are more likely to be prevented.

**NIPOMO COMMUNITY SERVICES DISTRICT  
INVESTMENT POLICY GUIDELINES**

**INVESTMENT-OPPORTUNITY EVALUATION AND PURCHASE  
and  
INTERNAL CHECKLIST**

**Segregation of Duties Controls Questions:**

<b>A.</b>	<b>Segregation of Duties:</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Comments</b>
1.	Are responsibilities for initiating transactions segregated from approval authority?				
3.	Are responsibilities for monitoring investment market values and performance segregated from acquisition activities?				
6.	Is access to investment applications and functions within programs limited to those who have a legitimate need?				
7.	Are all investment bank wire transfers independently reviewed and approved?				

**Procedural Controls Questions:**

<b>B.</b>	<b>Procedural Controls:</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Comments</b>
1.	Is there a complete listing of all investments that are under the entity's control?				
3.	Is there a written investment policy available?				
4.	Do approval procedures include formal establishment and periodic review of investment policies?				
5.	Do approval procedures ensure only investments permitted by law or policies are acquired?				
6.	Do approval procedures include integration of the investment program with the cash management program and with expenditure requirements?				
7.	Is due diligence of broker-dealer and other financial institutions completed before business is conducted?				
8.	Is there an established authority and responsibility for investment-opportunity evaluation and purchase?				
9.	Is there a periodic evaluation of the performance of the investment portfolio by persons independent of investment portfolio management activities?				
10.	Do approval procedures include verification that all income due from investments has been received?				
11.	Are there formal procedures governing the level and nature of approvals required to purchase, exchange, or sell an investment?				
12.	Do approval procedures include competitive bidding for certificate-of-deposit purchases?				
13.	Is the authority to purchase, exchange, or sell investments clearly defined?				
14.	For investments in government securities, does the investment officer appear to understand the types of securities owned?				
15.	Do custodial procedures include registering all securities in the name of the entity?				

**NIPOMO COMMUNITY SERVICES DISTRICT  
INVESTMENT POLICY GUIDELINES**

**INVESTMENT-OPPORTUNITY EVALUATION AND PURCHASE  
and  
INTERNAL CHECKLIST**

17.	Do custodial procedures include authorization by the appropriate body of authority with access to securities?				
18.	Do custodial procedures include bonding of individuals with access to securities?				
19.	Are dual signatures or authorizations required to obtain or release securities from safekeeping?				
20.	Do detail accounting procedures include the maintenance of detail accounting records for investments by the investment department?				
21.	Is an accounting record/register maintained for each investment, including; cost, description, date purchased, interest rate, maturity date and identifying number?				
22.	Are there procedures to ensure transactions arising from investments are properly processed, including income and amortization entries?				
23.	Do detail accounting procedures include controls to ensure investment earnings are credited to the fund from which resources for the investment were provided?				
24.	Do detail accounting procedures include a periodic comparison between income received and the amount specified by the terms of the security, or from publicly available investment information?				
25.	Are there controls to ensure transactions are recorded on a timely basis?				
26.	If current market value (or fair value) is used to value investments, is this basis applied consistently for all investments in all funds?				
27.	Are procedures in place to reconcile the detail accounting records with the general ledger control?				
28.	Do procedures include a periodic review of the nature of investments included in general ledger balances?				
29.	Do general ledger procedures include monthly verification, provided by the custodian of principal and market values, of all investments and collateral?				
30.	Is the principal and market values provided by the custodian compared to internal (general ledger) records?				
31.	Are comparisons of book balances used in reconciliations with balances in the general ledger accounts?				
32.	Do general ledger procedures include a review and approval of all reconciliations by an official not responsible for receipts and disbursements?				

**NIPOMO COMMUNITY SERVICES DISTRICT  
INVESTMENT POLICY GUIDELINES**

**INVESTMENT-OPPORTUNITY EVALUATION AND PURCHASE  
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INTERNAL CHECKLIST**

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33.	Do general ledger procedures include an investigation of unusual reconciling items by an official not responsible for receipts and disbursements?				
34.	Is evidence of reviews and reconciliations signed by an official not responsible for receipts and disbursements?				

JUNE 14, 2023

ITEM E-7

ATTACHMENT C

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2023-1664**

**A RESOLUTION OF THE  
BOARD OF DIRECTORS OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT  
AMENDING THE DISTRICT'S INVESTMENT POLICY**

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

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

**WHEREAS**, the District's investments are governed by an investment policy, originally adopted in 2014, 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's Board has determined it may be advisable to add certain categories of permitted investments to the list of permitted investments in the District's 2023 Investment Policy to increase investment yield while still protecting safety and liquidity of the District's funds;
2. The District's 2023 Investment Policy is hereby amended as shown in underline in Exhibit A.

**PASSED AND ADOPTED** by the Board of Directors of the Nipomo Community Services District this 26th of April, 2023 on the following roll call vote:

**AYES:** *Directors Eby, Hansen, Woodson, Malvarose*  
**NOES:** *Director Gaddis*  
**ABSENT:** *NONE*  
**CONFLICTS:** *NONE*

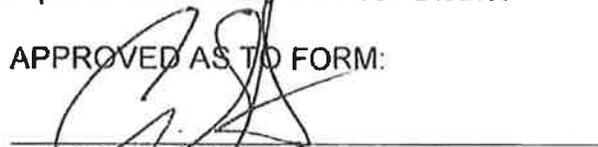


RICHARD MALVAROSE, President  
Nipomo Community Services District

ATTEST:

  
MARJO IGLESIAS  
Secretary to the Board

APPROVED AS TO FORM:

  
CRAIG A. STEELE  
District Legal Counsel

**RESOLUTION 2023-1664  
EXHIBIT A**

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

**1. INTRODUCTION**

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

**2. PURPOSE AND SCOPE**

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

**3. FINANCE OFFICER/TREASURER**

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

**4. SCOPE**

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

**5. OBJECTIVES**

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

**RESOLUTION 2023-1664  
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. To protect against fraud or embezzlement or losses caused by the collapse of an individual securities dealer, all securities owned by the District shall be held in safekeeping by a third party bank trust department designated by the District. This designated third party shall act as agents for the District under the terms of a custody agreement. All trades executed by a dealer will settle delivery vs. payment (DVP) through the District's safekeeping agent. Investment advisors, dealers and others entrusted with holding and managing District funds shall be bonded and insured to protect the District against embezzlement or fraud. Securities held in custody for the District shall be independently audited by the District annually to verify investment holdings and the other factors required by this policy and applicable law.

**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 applicable California and Federal law.

**6. STANDARDS OF CARE**

**A. PRUDENCE**

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

**B. DISCLOSURES**

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

**C. INTERNAL CONTROLS AND PROCEDURES**

**RESOLUTION 2023-1664  
EXHIBIT A**

**INVESTMENT POLICY  
NIPOMO COMMUNITY SERVICES DISTRICT**

The Finance Officer/Treasurer shall establish, maintain, and comply with a system of written internal controls, which shall be reviewed at least annually with the District's independent (external) auditor. The controls are designed to prevent loss of public funds due to fraud, employee error, misrepresentation by third parties, unanticipated market changes, or imprudent actions of employees of the District or third parties. The Finance Officer/Treasurer shall evaluate any audit reports in a timely manner with the Board. The quarterly reports of the District shall be provided to the Board as required by this Policy and applicable law. Daily compliance of the investment portfolio shall be performed by the Finance Officer/Treasurer or designee. Compliance will be determined on a fair market value basis. All agreements, statements, and trade packets will be subject to review annually by the District's auditors in conjunction with their audit.

**7. INVESTMENTS AUTHORITY**

**A. PERMITTED INVESTMENTS**

The District Finance Officer/Treasurer is authorized to deposit or invest District funds only in the following institutions and investments, and only in compliance with applicable state law:

1. County pooled funds (California Government Code §§ 27133(g), 53635, 61053)
2. The Local Agency Investment Fund created by the California State Treasury (California Government Code §§ 16429.1, 61053)
3. One or more FDIC insured Banks and/or Savings and Loan Associations that are designated as District depositories by resolution of the Board of Directors (California Government Code §§ 53630 et seq., 61053).
4. U.S. Treasuries and other government obligations for which the full faith and credit of the United States are pledged for payment of principle and interest, provided that the maximum maturity is five (5) years. There shall be no limits on the dollar amount or percentage that the District may invest in U.S. Treasuries.
5. Federally insured time deposits ("Certificates of Deposit") in state or federally chartered banks, savings and loans or credit unions, provided that all such investments shall be federally insured, fully collateralized in accordance with California law. The maximum maturity of such deposits shall not exceed five (5) years.
6. Negotiable Certificates of Deposit ("NCD") issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank, provided that not more than 30% of the portfolio invested shall be invested in a combination of federally insured non-negotiable certificates of deposit, and the maximum maturity does not exceed five (5) years.
7. 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.
8. Proceeds of bond issuance shall be invested in accordance with the permitted investment provisions of their specific bond indentures or other instrument providing for the bond issuance. (California Government Code §§ 5922(d), 53601(m))

**B. PROHIBITED INVESTMENTS**

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

1. Inverse floaters, range notes or interest only strips that are derived from a pool of mortgages.
2. Any security that could result in a zero interest accrual if held to maturity.

**RESOLUTION 2023-1664  
EXHIBIT A**

**INVESTMENT POLICY  
NIPOMO COMMUNITY SERVICES DISTRICT**

3. A state or federal credit union, if a member of the District's Board of Directors or an administrative officer also serves on the Board of Directors, or any committee appointed by the Board of Directors, or the credit committee or supervisory committee, of the state or federal credit union.
4. Those investments or institutions not permitted by this Policy, or by action of the Board of Directors.

**C. DIVERSIFIED INVESTMENTS**

Investments, other than investments referenced in paragraphs 7-A (1) and (2) above, will be diversified to avoid losses that may be associated with any one investment, and shall be allocated in amounts that maximize the availability of FDIC insurance.

**8. REPORTS**

**A. MONTHLY REPORT**

The 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 \$500,000.

**B. QUARTERLY REPORT**

The Finance Officer/Treasurer shall file a quarterly report that identifies the District's investments and their compliance with the District's Investment Policy. The quarterly report must be filed with the District's auditor and considered by the District's Board of Directors within forty-five (45) 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 each security 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. Coupon, Coupon Frequency (monthly, yearly, at maturity), Call Protection
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

**RESOLUTION 2023-1664  
EXHIBIT A**

**INVESTMENT POLICY  
NIPOMO COMMUNITY SERVICES DISTRICT**

**C. ANNUAL REPORT**

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

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

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

**D. LIMITED QUARTERLY REPORT**

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

TO: BOARD OF DIRECTORS

REVIEWED: MARIO IGLESIAS  
GENERAL MANAGER 

FROM: CRAIG A. STEELE  
GENERAL COUNSEL

DATE: JUNE 9, 2023

**AGENDA ITEM  
E-8  
JUNE 14, 2023**

**APPROVE APPOINTMENT OF INTERIM GENERAL MANAGER**

**ITEM**

Approve the Appointment of Mario E. Iglesias as Interim General Manager, Effective July 1, 2023 During the Open Recruitment for a Permanent General Manager [RECOMMEND ADOPT RESOLUTION APPROVING THE APPOINTMENT OF MARIO E. IGLESIAS AS INTERIM GENERAL MANAGER, EFFECTIVE JULY 1, 2023]

**BACKGROUND**

Mario Iglesias will retire as General Manager of the District as of June 30, 2023. As the Board is aware, the initial solicitation for applicants to replace Mr. Iglesias as General Manager yielded a very limited number of candidates and the Board retained a professional search consultant to broaden the search. The application period is open and the recruitment is on-going. The Board expects to fill the position by Fall, 2023. For reasons relating to CalPERS retirement rules, Mr. Iglesias cannot extend his retirement date.

Under these circumstances, State law permits the District to re-employ a retiree on a part-time, limited term basis while a public recruitment is ongoing. The retiree can only serve once in the interim position, and cannot work more than 960 hours in a fiscal year. The Board must approve this temporary assignment.

The compensation for the position would be at the hourly rate of \$95.51, which is the maximum rate for the position and the rate Mr. Iglesias is currently paid. He will receive no other compensation or benefits for serving in this role. The position would terminate once the new General Manager takes the position, after a brief transition/orientation period.

The proposed Resolution would approve the interim appointment, as required by Government Code Section 21221(h).

**FISCAL IMPACT**

There will be a slight fiscal impact during the period of time when the District has Mr. Iglesias working with the new General Manager. Most of this cost will be minimized due to the cost savings in the benefits package – health insurance, CalPERS retirement, vacation and holiday pay – Mr. Iglesias will not be receiving as an interim General Manager.

**STRATEGIC PLAN**

Goal 3. PERSONNEL AND ORGANIZATION. Maintain a qualified, long-term and productive workforce to assure an effective organization.

A.2 Plan for staff succession.

Develop a 3 to 5 year staff succession plan

**RECOMMENDATION**

It is recommended that your Honorable Board adopt the Resolution approving the appointment of Mario Iglesias as Interim General Manager.

**ATTACHMENT**

- A. Draft Resolution Approving the Appointment of Mario Iglesias as Interim General Manager

JUNE 14, 2023

ITEM E-8

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2023-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE NIPOMO COMMUNITY SERVICES DISTRICT  
APPROVING THE APPOINTMENT OF MARIO E. IGLESIAS  
AS INTERIM GENERAL MANAGER, EFFECTIVE JULY 1, 2023**

**WHEREAS**, Mario Iglesias will retire from the position of General Manager of the Nipomo Community Services District ("District") as of June 30, 2023; and

**WHEREAS**, Government Code Section 21221(h) permits this Board to make an interim appointment to the position of General Manager if there is an active, publicly posted recruitment for a permanent replacement; and

**WHEREAS**, the current status of the recruitment for the District's General Manager position is that the recruitment is active and it has been publically advertised with applications being accepted; and

**WHEREAS**, pursuant to Government Code section 21221(h) this interim appointment shall only be made once and will end after a suitable transition period to the new General Manager, in no event later than December 31, 2023; and

**WHEREAS**, the employment shall be limited to 960 hours per fiscal year; and

**WHEREAS**, this resolution contains the complete terms of the interim appointment between Mario Iglesias and the District and has been reviewed by this Board and no matters, issues, terms or conditions related to this employment and appointment have been or will be placed on a consent calendar; and

**WHEREAS**, the compensation paid to retirees cannot be less than the minimum nor exceed the maximum monthly base salary paid to other employees performing comparable duties, divided by 173.333 to equal the hourly rate; and

**WHEREAS**, the maximum monthly base salary for this position is \$16,554.87 and the hourly equivalent is \$95.51, which is equal to the hourly rate being paid to the retiring General Manager; and

**WHEREAS**, Mario Iglesias has not, and will not, receive any other benefit, incentive, or compensation in lieu of benefit or other form of compensation in addition to this hourly pay rate.

**THEREFORE, BE IT RESOLVED THAT** the Board of Directors of the Nipomo Community Services District hereby certifies the nature of the employment of Mario Iglesias as Interim General Manager during recruitment for a permanent appointment, and that this interim appointment is necessary because specialized skills are required for the continuing operation of

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2023-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE NIPOMO COMMUNITY SERVICES DISTRICT  
APPROVING THE APPOINTMENT OF MARIO E. IGLESIAS  
AS INTERIM GENERAL MANAGER, EFFECTIVE JULY 1, 2023**

the District, especially given the District's small full-time administrative staff. This interim appointment will assure that the District's customers continue to receive the quality services they need for public health and safety. Mr. Iglesias is uniquely qualified to fulfill this interim assignment because of his specialized skills gained through training and experience during a long and successful career in public agency management, including previous service with the District.

**BE IT FURTHER RESOLVED THAT**, the appointment of Mario Iglesias at the hourly rate of \$95.51 for no more than 960 hours is approved, effective July 1, 2023. The Finance Director is authorized to compensate Mr. Iglesias at the hourly rate set forth herein for work actually completed. A copy of this resolution shall be made available to CALPERS, if required.

**PASSED AND ADOPTED** by the Board of Directors of the Nipomo Community Services District this 14<sup>th</sup> of June, 2023 on the following roll call vote:

**AYES:**

**NOES:**

**ABSENT:**

**CONFLICTS:**

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**RICHARD MALVAROSE,**  
President of the Board  
Nipomo Community Services District

ATTEST AND APPROVE AS TO FORM:

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**Craig A. Steele,**  
District Legal Counsel

TO: BOARD OF DIRECTORS  
 FROM: MARIO IGLESIAS  
 GENERAL MANAGER   
 DATE: June 9, 2023

**AGENDA ITEM  
 F  
 JUNE 14, 2023**

**GENERAL MANAGER'S REPORT**

**ITEM**

Standing report to your Honorable Board -- *Period covered by this report is May 21, 2023 through June 10, 2023.*

**DISTRICT BUSINESS**

**Administrative**

The District encourages residents to provide reports of any observed water waste. The District also keeps an accounting of leak adjustments as a measure of non-revenue water lost to leaks, as well as tracking late fee waivers. The table below provides May data, the most recent data available.

**OFFICE ACTIVITIES**

	May 23	Jan 23 - May 23
Reports of Water Waste	0	0
Leak Adjustments	4	10
Leak Adjustment Amount	\$2,747	\$3,777
Late Fee Waivers	8	58
Late Fee Waiver Adjustment Amount	\$126	\$4,742

**Water Resources**

For the eleven months of the 2022-23 Fiscal Year, the District's total combined production, including groundwater production wells and supplemental water imported through the Joshua Road Pump Station, registered 1,551 AF. As has been the trend of late, imported water through the Joshua Road Pump Station was greater than the groundwater production. This trend will continue through the year as the District strives to maintain the 50% groundwater reduction goal and the District's contract take amount of 1,000 AFY minimum.

**Table 1. Total Production Acre Feet (AF)**

	May - 23	Jul 22 - May 23
Groundwater Production	64.9	536.6
Supplemental Water Imported	<u>99.1</u>	<u>1,014.1</u>
Total Production	164.0	1,550.7

**NCSD GW Reduction**

The District's purveyor customers, Golden State Water Company and Woodlands Mutual Water Company, each are responsible for 16.66% (cumulatively 33.33%) of the imported water NCSD brings onto the basin through the NSWP. Of the 1,000 AF minimum imported water from the City of Santa Maria, 333 AF or 33.33% of the total imported water – whichever is greater – will be credited to these two purveyor customers. The credited amount must be added to the District's

groundwater pumping total every month to reflect the groundwater pumped by these customers in-lieu of taking imported water from the District. Table 2, below, captures this data.

	May - 23	Jul 22 – May 23
NCSD GW Well Production	64.9	536.6
Purveyor Customer Credit (33.3% of Import Water)	33.0	337.9
NCSD Total Calculated GW Production	97.9	874.5
Average GW Production for 2009-2013	261.6	2,269.7
NCSD Percentage of GW Reduction	63.0%	61.5%

**2022 Fiscal Year Groundwater Pumping Forecast**

Table 3 projects the District’s groundwater pumping reduction for the 2022-23 Fiscal Year. Under the current Stage 4 of the NMMA Water Shortage Response Stages, the District’s targeted groundwater pumping reduction goal is to pump no more than 1,266 AFY (50% of 2009-2013 average District GW Pumping). The eleven months of fiscal year 2022-23 actual – July through May – are combined with historic production from June 2022 to provide a projected estimate year end status.

Table 3. Projected Groundwater Pumping

	Year-to-Date		Target	Over/(Under)	AcFt
	May-23	Jul-Jun 2023			
NCSD GW Well Production	64.9	629.7			
Purveyor Customer Credit (33.3% of Import Water)	32.9	369.7			
NCSD Total Calculated GW Production	97.8	999.4	1,266.7	267	
Average GW Production for 2009-2013	261.6	2,533.4	2,533.4		
NCSD Percentage of GW Reduction	63%	60.6%	50.0%		

As demonstrated in Table 3 above, the District will achieve its 50% groundwater pumping reduction target by 267 AcFt under the conditions stated in the previous paragraph.

Below, Table 4 compares groundwater pumping for the same periods in 2023 and 2022.

Table 4. FY 2023 vs. FY 2022 Groundwater Pumping

	May-23	Jul 22 - May 23	May-22	Jul 21 - May 22
NCSD GW Well Production	64.9	536.6	86.6	785.1
Purveyor Customer Credit (33.3% of Import Water)	33.0	337.9	32.9	334.7
NCSD Total Calculated GW Production	97.9	874.5	119.5	1,119.8
Average GW Production for 2009-2013	199.0	2,269.7	199.0	2,269.7
NCSD Percentage of GW Reduction	50.8%	61.5%	39.9%	50.7%

The Table 4 data provides operations personnel with insight into year-end water production values and assists in their efforts to balance import and groundwater production with the purpose of reducing groundwater pumping to meet the self-imposed 50% pumping groundwater reduction – the current stage IV objective.

**Rainfall Gauge**

Since January, the rainy season has produced record rainfall. This accounts for the District’s ability to reduce its groundwater pumping to the extent demonstrated in the comparison table, Table 4. Below is the most recent available rain data.

(Reported in inches)	Nipomo East (Dana Hills Reservoirs)	Nipomo South (Southland Plant)
May 2023 Total	0.82	0.39
July-2022 through May-2023 (Season Total)	38.07	26.45
Jun 1, through Jun 9, 2023	.35	0.24
Total Rainfall to date	38.42	26.69
County Reported Avg. Ann. Year Rainfall <sup>1</sup>	18.00	14.00
2006 - 2020 Avg. Ann. Year Rainfall <sup>1</sup>	15.39	13.30
2006 - 2020 Median Ann. Rainfall <sup>1</sup>	12.64	11.30

Note:

1. Data from County website

**Connection Report**

Nipomo Community Services District  
Water and Sewer Connections

END OF MONTH REPORT

WATER	1/31/23	2/28/23	3/31/23	4/30/23	5/31/23	6/30/23	7/31/23	8/31/23	9/30/23	10/31/23	11/30/23	12/31/23
Water Connections - Total	4506	4508	4508	4508	4509							
New Water Connections	0	2	0	0	1	0	0	0	0	0	0	0
<b>SEWER CONNECTIONS</b>												
Sewer Town connections	2738	2739	2739	2739	2739							
Galaxy and PSSH at Orchard and Division Sewer connections billed to the County	484	484	484	484	484							
Subtotal	3222	3223	3223	3223	3223	0	0	0	0	0	0	0
BLACKLAKE	559	559	559	559	559							
Sewer Connections - Total	3781	3782	3782	3782	3782	0	0	0	0	0	0	0
New Sewer Connections Town and Blacklake	0	1	0	0	0	0	0	0	0	0	0	0
New Sewer Connections Galaxy	0	0	0	0	0	0	0	0	0	0	0	0

The Connection Report as of June 2, 2023

**Other Items**

- Recruiting Efforts
  - General Manager Application Period Closed June 4, 2023 (20 Applications)
  - Wastewater Utility Worker I Application period Closes June 23, 2023
- Francisco Maldonado – Achieved his College Degree at Hancock College
- Key Well Index Update

**Safety Program**

- Lost Time Accident – Utility Employee Trip/Fall Incident
- All-Crew Safety Meeting – June 16, 2023

**Supplemental Water Capacity Accounting**

Summary Since January 25, 2008

	Number of Equivalent Meters	AFY
Supplemental Water Available for Allocation	947.0	500.0
Supplemental Water Reserved (Will Serve Letter Issued)	149.0	-78.1
Subtotal Net Supplemental Water Available for Allocation	<b>798.0</b>	<b>421.9</b>
Supplemental Water Assigned (Intent-to-Serve Issued)	179.6	-94.8
<b>Total Remaining Supplemental Water Available for Allocation</b>	<b>618.4</b>	<b>327.1</b>

Updated June 9, 2023

**Meetings (May 22 through June 10)**

*Meetings Attended (telephonically or in person):*

- *May 22, Staff Mtg. - Admin Supervisor Mtg.*
- *May 22, SCAC Meeting*
- *May 23, NCSD Eng./Admin Coordination Mtg.*
- *May 24, Rotary*
- *May 24, NCSD Regular Board Meeting*
- *May 24, After-Board Exec. Team Meeting*
- *May 26, Staff Mtg. - Cust. Service Specialist*
- *May 26, Francisco Maldonado College Graduation*
- *May 29, Memorial Day Holiday*
- *May 30, Eagle Aerial – Water Conservation Rpts.*
- *May 31, NMMA-TG Meeting*
- *May 31, Meeting with County CEO & Supervisor Paulding*
- *Jun 1, MKN – SWP Discussion*
- *Jun 1, Collaboration Business – Management Training*
- *Jun 2, Staff Mtg. - Cust. Service Specialist*
- *Jun 2, SLO County – CWAT Meeting*
- *Jun 5, Staff Mtg. - Admin Supervisor Meeting*
- *Jun 5, NCSD Management Team Meeting*
- *Jun 6, BLMA Monthly Meeting*
- *Jun 7, NCSD Board Officer Meeting*
- *Jun 7, Rotary*
- *Jun 7, Dana Reserve – EIR Review County Consultant*
- *Jun 7, CSDA Manager's Monthly Meeting*
- *Jun 8, Customer Meeting – M. Cavaletto (Foot Hills Tank Disc.)*
- *Jun 9, Staff Mtg. - Cust. Service Specialist*

**Meetings Scheduled (June 11 through June 17):**

*Upcoming Meetings (telephonically or in person):*

- Jun 12, Staff Mtg. - Admin Supervisor Mtg.
- Jun 12, LAFCO Annexation Policy Review
- Jun 12, IWMA Task Force Meeting
- Jun 13, NMMA-TG Meeting
- Jun 13, NCSD Eng./Admin Coordination Meeting
- Jun 13, BLMA\NCSD Oversight Committee
- Jun 14, Rotary
- Jun 14, NCSD Regular Board Meeting
- Jun 14, After-Board Exec. Team Meeting
- Jun 15, Admin/Eng. W.O. Workflow Meeting
- Jun 15, Biennial Ethics Training – Board/Exec. Staff
- Jun 16, Staff Mtg. - Cust. Service Specialist
- Jun 16, NCSD All-Staff Safety Meeting

**Upcoming Water Resource and Other Meetings**

*Upcoming Standing Meetings:*

- NMMA-TG: June 13<sup>th</sup> (Tuesday) @ 10:00 AM, Zoom Meeting
- RWMG: No Meeting Scheduled for the Month
- WRAC: June 7<sup>th</sup> (Wednesday) @ 1:30 pm, County Library
- NMMA Manager's Meeting: June 20<sup>th</sup> (Tuesday) @ 9:00 AM, Zoom Meeting
- NCSD Board Officer Meeting: June 20<sup>th</sup> (Tuesday) @ 3:30 pm, NCSD Board Rm
- BLMA: August 1<sup>st</sup> (Tuesday) 2:00 pm, BL Community Center

**RECOMMENDATION**

Staff seeks direction and input from your Board

**ATTACHMENTS**

- A. Dana Reserve Schedule (No Change)
- B. Desal Meeting Schedule (No Change)
- C. General Manager Recruiting Schedule

JUNE 14, 2023

ITEM F

ATTACHMENT A

DANA RESERVE REVIEW SCHEDULE (AS OF 5/23/2023)

Status Update: Added Planning Commission & Board of Sups. Meeting month estimates for 2023

Date	Description	Comment
April 24, 2022	NCSD Review "Utility" Section of EIR	
June 16, 2022	Release of EIR	Extended from May 16, 2022
July 14, 2022	SLO County Planning Comm. Study Session	Zoom Meeting
July 21, 2022	LAFCO Study Session	County Lead Agency (9:00 am)
Aug. 1, 2022 <sup>1</sup>	Close Public Comment - DEIR	Was June 20, 2022 (Mario on Vaca)
Sept. 2022	Consider Ad-hoc Comm. (Annexation Agr.)	Establish January 2023
Nov. 17, 2022	NOTICE OF PETITION OF APPLICATION FOR ANNEXATION #30 DANA RESERVE <sup>1</sup>	60 Day Letter
Jan. 9, 2023	Ad-hoc Com. – Response to Notice of Petition	Prepare for Jan. 11 <sup>th</sup> Board Mtg.
August 30, 2023	County Planning Commission <sup>2</sup>	Two days (8/30 & 8/31)
October 2023	1 <sup>st</sup> Meeting: County Board of Supervisors	Consider recommendation of PC to Certify EIR, General Plan Amendment, Approve Subdivision Map, Issue Conditional Use Permits
November 2023	2 <sup>nd</sup> Meeting: County Board of Supervisors	
Q-1 2023	LAFCO Inquiry of NCSD (Service Provisions) <sup>3</sup>	
November 2023	NCSD Board	Adopt Annexation Agreement
December 2023	LAFCO Review & Approval	After Tax Sharing Agreement

The above schedule is suggested and drawn from conversations with staff from the County, LAFCO, and the Developer. This schedule is a rough outline and is subject to change over time.

Notes:

1. NCSD Staff will provided a staff report at the January 11<sup>th</sup> Board Meeting that provided the Board of Directors with more information and possible actions.
2. The Commission action is to consider a recommendation to the Board of Supervisors to: Certify the Final EIR, Adopt the CEQA findings, Approve the Specific Plan, Approve the Vesting Tentative Tract Map, Approve related General Plan and Ordinance amendments, Approve a related Conditional Use Permit.
3. Developer shifted to an annexation process that focuses first on LAFCO application and second the District's application process. Under this format, LAFCO will be the agency that coordinates communication between the Developer and NCSD.  
Developer mailed letter September 20, 2022 to residents in Nipomo directing their attention to District website and the three reports addressing utilities – focus on explaining water situation.

RWG submitted comments on the Dana Reserve Specific Plan DEIR, August 1, 2022, to the County of San Luis Obispo supervision planner, Jennifer Guetschow.

**Phasing Plan Schedule** – Defines the fee schedule for the development. (May slip do to key NCS D staff shortage)

Administrative Draft Final Report	June 2023
District Comments on Admin Draft Final Report	July 2023
Draft Final Report	July 2023
District Board Presentation	September 2023 (1 <sup>st</sup> Board Meeting)
Final Report	September 2023

JUNE 14, 2023

ITEM F

ATTACHMENT B

Update: June 9, 2023

Mario Iglesias

County Water Action Team (CWAT)

County DESAL Meetings

Date	Speaker	Item/Issue/discipline	Company
1/10/2023	Dmitry Semenov	Financing Projects	Ridgeline Municipal Strategies, LLC
1/12/2023	Eric Miller	Fisheries Biologist	Miller Marin Science Consultants
1/17/2023	Did Not Attend		
1/19/2023	Tim Hogan	Biologist	TWB Environmental Research Consulting
2/6/2023	Rob Morrow	Engineering/Planning Team	WSC Inc. (Local Group)
2/7/2023	Did Not Attend		
2/7/2023	Lydia	Planning and Feasibility	Carollo Engineering
2/9/2023	Larry Kraemer	Engineering Firm	Cannon Eng.
2/9/2023	Daniel Heimel	Program Management/Engineering Services	Confluence Engineering Solutions
4/4/2023	Floyd Wicks	Sea-Well Buoy – Another solution	Seawell LLC
4/5/2023	Michael Wasgatt	Wind powered DESAL – Ocean Mounted	Offshore Wind Power Systems of Texas, Inc.
4/6/2023	Mr. Yamada		
4/24/2023	Neal Aronson	Oceanus Power and Water	is an infrastructure development company
4/25/2023	Antoine Vuillermet	Waterise (subsea tech)	subsea tech combined w/ membrane desal
6/2/2023	County CWAT Committee	Next Steps	(Conflicting Meeting – Didn't attend)

1. **DESAL Plan participation:** The following agencies have adopted resolutions or submitted letters agreeing to participate: the Cities of San Luis Obispo, Arroyo Grande, Morro Bay, Paso Robles, the Community Services Districts of Avila Beach, Cambria, Los Osos, Nipomo, San Miguel, Templeton, Oceano and other water purveyors, such as Atascadero Mutual, Golden State, San Miguelito and Santa Barbara County
  - a. Grover is targeting next week for consideration
  
2. **DESAL Plan scope / grant:** We submitted an application (attached) to USBR and anticipate hearing about awards no later than June. To fit the timing required for USBR's grant (project must be completed w/in 24 months), Phase 2 was broken into Phase 2a and Phase 2b (snippet of 5 phases below)
  - a. **Phase 2a (proposed grant scope)**
    - i. Will be completed within 24 months and, if awarded grant, will cost District \$550K and USBR \$550K for total \$1.2M project
    - ii. Will include public engagement, identifying/vetting/analyzing project concept alternatives
    - iii. Outcome will be "short-list" of potential projects to further pursue and scope/schedule/budget to do so in Phase 2b

Update: June 9, 2023

Mario Iglesias

**b. Phase 2b (not proposed in grant scope)**

- i. Will include more detailed analysis/studies of projects on “short-list”
- ii. Outcome will be selection of single preferred project to move forward to Phase 3

**3. Desal planning meetings:**

- a. CWAT meetings (TBD) – we’ll be reaching out for your availability soon to schedule the next CWAT meeting and round of working group / consultant meetings
  - the request for your availability may come from Jenny Williamson in our office – please respond at your earliest convenience so we can continue coordination with the consultants’ availabilities, etc.
- b. Board of Supervisors (April) – The grant application requires the District to adopt a resolution within 60 days of submitting the grant application. We plan to go to our Board on April 18 with the required resolution, along with an update on the scope and request for direction to return with a consultant contract

**4. Misc. desal info just fyi**

- a. Glenn Farrel (CalDesal Executive Director) sent over the CalDesal Regulatory Committee Meeting Agenda Packet; it includes a brief write-up on Innovations in Desalination and newly-introduced legislation relevant to desal projects
- b. Paul Herman (GHD contact) sent over the International Weekly Desal Report; it includes a brief write-up on the CalDesal conference (key note: the SWRCB representative said the State’s desal siting guidelines anticipated this summer will be out for public comment in April!)

JUNE 14, 2023

ITEM F

ATTACHMENT C

Action	Date	Day	Task #	Description
Board Appr. Recruiter	Wednesday, April 12, 2023	0	1	Adopt Resolution
Sign Contract	Thursday, April 13, 2023	1	2	Execute Contract
Begin Recruiting	Monday, May 1, 2023	18	3	Place Advertisements
Close App. Period	Sunday, June 4, 2023	34	4	Stop taking Applications
Screen Candidates	Friday, June 9, 2023	5	5	Review Applicants & Set Up Interviews
Prelim Interviews	Monday, June 12, 2023	3	6	Recruiter Screens candidates
Search Public Records	Wednesday, June 14, 2023	2	6	Board: Selected Interviews - Select Candidate
Recommend Finalists	Wednesday, June 21, 2023	7	7	Zoom Meeting Presentation 1.5 hrs
1st Round of Interviews	Monday, July 10, 2023	19		Ad-Hoc Comm. (6 to 8 candidates)
Background/Reference Check	Monday, July 17, 2023	7		
2nd Round of Interviews	Wednesday, July 26, 2023	9		Full Board (3 candidates after B.M. 1:00 pm)
Negotiations	Wednesday, August 2, 2023	7		Board President, Vice President
Appoint Candidate	Wednesday, August 9, 2023	5		Board Meeting to Approve Contract
<b>Total Time</b>		<b>117</b>		<b>3.8 Months</b>
New GM in Seat	Monday, August 21, 2023	24		
Two Weeks with New GM End	Friday, September 1, 2023	12		
	<b>Total days to Seat New GM</b>	<b>153</b>		<b>5.0 Months</b>

Ad-hoc Committee Members: D. Gaddis, E. Eby