TO:

BOARD OF DIRECTORS

REVIEWED: MAI

MARIO IGLESIAS

GENERAL MANAGER

FROM:

PETER V. SEVCIK, P.E.

DIRECTOR OF ENGINEERING

AND OPERATIONS

DATE:

JANUARY 21, 2021

AGENDA ITEM E-1 JANUARY 27, 2021

CONSIDER REQUEST FOR WATER, SEWER AND SOLID WASTE SERVICE (INTENT-TO-SERVE LETTER) FOR APN 092-577-002 FOR 7 ADDITIONAL RESIDENTIAL UNITS LOCATED ON LUCKY LANE

ITEM

Consider request for water, sewer, and solid waste service (Intent-to-Serve Letter) for APN 092-577-002 for 7 additional residential units located on Lucky Lane in Nipomo [RECOMMEND CONSIDER INTENT-TO-SERVE LETTER AND APPROVE WITH CONDITIONS].

BACKGROUND

The District received an application for water, sewer, and solid waste service for a residential development project located on Lucky Lane (APN 092-577-002) on December 4, 2020 and the application was deemed complete in January 2021. The applicant, Mesa Dunes Investments, is requesting water, sewer, and solid waste services for 7 additional residential units. The District previously issued a Will Serve letter for 2 residential units in September 2018 and is currently providing service to both existing residential units.

The project will consist of a total of 9 residential units on a single parcel at full buildout – 7 new residential units plus the 2 existing residential units. The existing parcel is approximately 1.83 acres and is zoned Residential Multi-Family. The District currently provides water, sewer, and solid waste service to the 2 existing residential units on the parcel.

All units, existing and planned, will be required to obtain water, sewer, and solid waste service in compliance with current District standards. Any existing well(s) on the property will not be utilized to provide domestic water service to any part of the project.

In accordance with the District's Supplemental Water Accounting Policy, Resolution 2015-1372, water demand for the project will be tracked against the 500 AFY supplemental water project capacity reservation for new development. Based on the preliminary information provided, total water demand for the project is estimated at 2.11 acre-feet per year (AFY). After applying a credit of 0.53 AFY for the existing service (1 @ 1-inch), the project's supplemental water demand is estimated at 1.58 AFY. Sufficient supplemental water for the project is available.

Sufficient wastewater treatment capacity for the project is available in the District's Southland WWTF.

FISCAL IMPACT

Water capacity fees will be based on the domestic sizes requested for the final County approved project as well as CAL FIRE's fire service requirements. Based on the information provided, the following services are proposed:

Domestic: 1 @ 1.5-inch
Irrigation: 1 @ 1-inch
Fire: 1 @ 1.5-inch
Sewer: 1 service

The estimated fee deposit for the project is \$64,018 based on the current FY 20-21 District fee schedule including a credit for 1 existing 1-inch service. Fees for Connection shall be calculated and owing as of the date the District accepts the public water and sewer improvements for the project and sets the water meter(s) to serve the affected property from which the amount of the Deposit shall be deducted.

RECOMMENDATION

Staff recommends that the Board approve the Applicant's request for an Intent-to-Serve letter for the project with the following conditions:

PROJECT-SPECIFIC CONDITIONS

- All units will be served by a single 1.5-inch meter and backflow assembly for indoor water use.
 Water capacity charges are applicable.
- A separate 1-inch irrigation meter and backflow assembly shall be provided for outdoor irrigation use. Water capacity charges are applicable.
- A separate 1.5-inch fire sprinkler service, as required and approved by CAL FIRE of SLO County, shall be provided for fire sprinkler service. Fire capacity charges are applicable.
- The on-site sewer line shall be privately maintained.

STANDARD CONDITIONS

- Project shall obtain water, sewer and solid waste service for all units.
- CAL FIRE of SLO County must approve the development plans prior to District approval. Fire capacity charges are applicable if dedicated fire service laterals are required.
- Properly abandon any existing groundwater wells and provide documentation to District.
- Record a restriction, subject to District approval, on the property prohibiting the use of well(s) to provide water service to any parcel within the Project.
- Record a restriction, subject to District approval, on all parcels prohibiting use of selfregenerating water softeners.
- Comply with District water conservation program.
- Pay all appropriate District fees associated with this development.
- Applicant shall provide the District with a copy of County application approval and County project conditions of approval.
- Enter into a Plan Check and Inspection Agreement and provide a deposit.
- Submit improvement plans in accordance with the District Standards and Specifications for review and approval. Applicant shall provide plans consistent with current District Standards and based on the proposed lot configuration.

- Any easements required for water and sewer improvements that will be dedicated to the District shall be offered to the District prior to final improvement plan approval.
- Any easements required for private water and sewer laterals shall be recorded prior to final improvement plan approval and shall be subject to District approval.
- All water and sewer improvements to be dedicated to the District shall be bonded for or otherwise secured in the District's name prior to issuance of Will-Serve letter.
- A Will-Serve letter for the Project will be issued after improvement plans are approved and signed by the District.
- Applicant shall make a non-refundable deposit ("Deposit") at the time the District issues a Will Serve Letter in an amount equal to the then calculated Fees for Connection.
- Fees for Connection shall be calculated and owing as of the date the District sets the water meter(s) to serve the affected property from which the amount of the Deposit shall be deducted.
- Construct the improvements required and submit the following:
 - o Reproducible "As Builts" A mylar copy and digital format disk (PDF) which includes engineer, developer, tract number, and water and sewer improvements
 - Offer of Dedication
 - o Engineer's Certification
 - Summary of all water and sewer improvement costs
- Solid waste collection services are mandatory. Applicant shall provide proof that the Project is provided with solid waste removal services in accordance with District regulations.
- The District will set water meter(s) upon proof of a building permit from the County of San Luis
 Obispo, the District's acceptance of improvements to be dedicated to the District, if applicable,
 and the final payment of all charges and fees owed to the District.
- This letter is void if land use is other than residential use as defined by the District.
- Intent-to-Serve letters shall automatically terminate three (3) years, from date of issuance. However, Applicant shall be entitled to a one-year extension upon the following conditions:
 - Applicant makes written application for the extension prior to the expiration of the Intent-to-Serve Letter.
 - o Applicant provides proof of reasonable due diligence in processing the Project.
 - Applicant agrees to revisions of the conditions contained in the Intent-to-Serve letter consistent with then existing District policies.
- This Intent-to-Serve letter shall be subject to the current and future rules, agreements, regulations, fees, resolutions and ordinances of the District.
- This Intent-to-Serve letter may be revoked, or amended, as a result of conditions imposed upon the District by a court or availability of resources, or by a change in ordinance, resolution, rules, fees or regulations adopted by the Board of Directors.
- District service is conditioned on the applicant complying with all terms, conditions, rules, and regulations of other agencies that have jurisdiction over the project.
- This Intent-to-Serve letter shall not be interpreted as the District's Board of Directors endorsement of the project.
- The District reserves the right to revoke this Intent-to-Serve letter at any time.
- The Applicant shall provide a signed copy of the Intent-to-Serve letter within thirty (30) days of issuance.

ATTACHMENTS

- A. Application
- B. Site Plan

JANUARY 27, 2021

ITEM E-1

ATTACHMENT A



NIPOMO COMMUNITY SERVICES DISTRICT

148 SOUTH WILSON STREET
POST OFFICE BOX 326 NIPOMO, CA 93444 - 0326
(805) 929-1133 FAX (805) 929-1932
Website: ncsd.ca.gov

Office use only:
Date and Time
Complete
Application and
feast received:

DEC = 4 2020

INTENT-TO-SERVE APPLICATION

	2020
NIPOMOC	OMMUNITY DISTRICT
SERVICE	OMMUNITY
LAICE	DISTRICT
	- 11101

 SLO County Planning Department/Tract or Development No.: Pmt 2020 00954 & 00953. Project location: 702 & 704 Lucky Lane Nipomo, Ca Assessor's Parcel Number (APN) of parcel(s) to be served: 092-577-002 Owner Name: Mesa Dunes Investments, Inc. Bill Kengel CEO Mailing Address: P O Box 267 Avila Beach, Ca 93424 Email: email: wgktbh@yahoo.com Phone: 805-929-6288 FAX: Agent's Information (Architect or Engineer): Name: Bill Rebik, Project Engineer Address: Garing-Taylor & Associates, Arroyo Grande, Ca Email: brebik@garingtaylor.com 	
4. Assessor's Parcel Number (APN) of parcel(s) to be served: 092-577-002 5. Owner Name: Mesa Dunes Investments, Inc. Bill Kengel CEO 6. Mailing Address: P O Box 267 Avila Beach, Ca 93424 7. Email: email: wgktbh@yahoo.com 8. Phone: 805-929-6288	
5. Owner Name: Mesa Dunes Investments, Inc. Bill Kengel CEO 6. Mailing Address: P O Box 267 Avila Beach, Ca 93424 7. Email: email: wgktbh@yahoo.com 8. Phone: 805-929-6288	
6. Mailing Address: P O Box 267 Avila Beach, Ca 93424 7. Email: email: wgktbh@yahoo.com 8. Phone: 805-929-6288 FAX: 9. Agent's Information (Architect or Engineer): Name: Bill Rebik, Project Engineer Address: Garing-Taylor & Associates, Arroyo Grande, Ca	
7. Email: email: wgktbh@yahoo.com 8. Phone: 805-929-6288 FAX: 9. Agent's Information (Architect or Engineer): Name: Bill Rebik, Project Engineer Address: Garing-Taylor & Associates, Arroyo Grande, Ca	
8. Phone: 805-929-6288 FAX: 9. Agent's Information (Architect or Engineer): Name: Bill Rebik, Project Engineer Address: Garing-Taylor & Associates, Arroyo Grande, Ca	
9. Agent's Information (Architect or Engineer): Name: Bill Rebik, Project Engineer Address: Garing-Taylor & Associates, Arroyo Grande, Ca	
Name: Bill Rebik, Project Engineer Address: Garing-Taylor & Associates, Arroyo Grande, Ca	
Address: Garing-Taylor & Associates, Arroyo Grande, Ca	
Email: hrobit@garingtouler.com	
Email: brebik@garingtaylor.com	
Manual Control of the	
Phone: <u>805-489-1321/805-440-4425</u> FAX:	
10. Type of Project: (check box) (see Page 3 for definitions)	
☑ Single-family dwelling units ☐ Multi-family dwelling units	C N
Commercial Mixed Use (Commercial and Resident	liai)
11. Does this project require a sub-division? ☐ Yes ☑No	
If yes, number of new lots created	
12. Site Plan:	
For all projects, submit three (3) standard size (24" x 36") and one reduced cop 11") of site plans.	ру (8½" х
Show parcel layout, water and sewer laterals, and general off-site improvem applicable. Note that the District only provides one domestic meter per parcel.	
13. Board Approval:	
Board approval is required for the following type of projects:	
more than four dwelling units	
 property requiring sub-divisions higher than currently permitted housing density 	

commercial developments

14. **RESIDENTIAL SERVICE**

Single Family Residential (SFR)

Number of Parcel's created	Proposed number of SFR(see attachment)
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Multi-Family Residential (MFR)

Number of Parcel's created		Proposed number of MFR	
Number of Domestic Meter(s)	One	Estimated Meter Size(s)	1.5"
Number of Landscape Meter(s)	One	Estimated Meter Size(s)	1"
Number of Fire System(s)	(see attachmen)Estimated Meter Size(s)	

15. COMMERCIAL AND/OR MIXED USE SERVICE DEMAND ESTIMATES:

Commercial and Mixed Use

Number of Parcel's created	Proposed number of residential dwellings	
Number of Domestic Meter(s)	Estimated Meter Size(s)	
Number of Landscape Meter(s)	Estimated Meter Size(s)	
Number of Fire System(s)	Estimated Meter Size(s)	

16. Provide an estimate of yearly water (AFY) and sewer (gallons) demand for the project prepared by a licensed Engineer/Architect.

Agreement:

The Applicant agrees that in accordance with generally accepted construction practices, Applicant shall assume sole and complete responsibility for the condition of the job site during the course of the project, including the safety of persons and property; that this requirement shall apply continuously and not be limited to normal working hours; and the Applicant shall defend, indemnify, and hold the District and District's agents, employees and consultants harmless from any and all claims, demands, damages, costs, expenses (including attorney's fees) judgments or liabilities arising out of the performance or attempted performance of the work on this project; except those claims, demands, damages, costs, expenses (including attorney's fees) judgments or liabilities resulting from the negligence or willful misconduct of the District.

Nothing in the foregoing indemnity provision shall be construed to require Applicant to indemnify District against any responsibility or liability or contravention of Civil Code §2782

Application Processing Fee.....See Attached Fee Schedule on Page 3

The District will only accept cashier's check or bank wire for the payment of Water Capacity Sewer Capacity and other related development fees.

ate/2/4/20 Sig

Signed

(Must be signed by owner or owner's agent)

DEFINITIONS

(Please note – these definitions do NOT reconcile with standard SLO County Planning Department definitions)

Single-family dwelling unit – means a building designed for or used to house not more than one family.

Accessory (Secondary) dwelling units — means an attached or detached secondary residential dwelling unit on the same parcel as an existing single-family (primary) dwelling. A secondary unit provides for complete independent living facilities for one or more persons.

Multi-family dwelling unit – means a building or portion thereof designed and used as a residence for three or more families living independently of each other <u>under a common roof</u>, including apartment houses, apartment hotels and flats, but not including automobile courts, or boardinghouses.

Two-family dwelling units (duplex) — means a building with a <u>common roof</u> containing not more than two kitchens, designed and/or used to house not more than two families living independently of each other.

Commercial – all non-residential and mixed-use projects.

APPLICATION FEES AND CHARGES EFFECTIVE July 1, 2020

PROJECT SIZE/TYPE	TOTAL AMOUNT DUE AT TIME OF APPLICATION**
Residential <4 units	\$1,252.42
Residential 4-20 units	\$1,720.31
Residential > 20 units	\$2,025.46
Commercial <1 acre	\$1,720.31
Commercial 1-3 acres	\$2,025.46
Commercial > 3 acres	\$2,798.47
Mixed Use with less than 4 Dwelling Units	\$2,025.46
Mixed Use with four or more Dwelling Units	\$2,798.47
*Outside Consulting and Legal fees will be billed to the Applicant at direct rate.	

^{**}Commencing on July 1, 2008 and each year thereafter the Application Fees shall be adjusted by a Consumer Price Index formula.

JANUARY 27, 2021

ITEM E-1

ATTACHMENT B

ATTACHMENT 12/4/2020

This attachment further describes and defines this project. This is a project of manufactured homes aimed at providing affordable housing for local workers and their families. This project is on a 2.02ac parcel zoned RMF/20 units. It will be built in phases of 2 units at a time, leaving sufficient leeway to alter unit floor plans and sizes as necessary.

At this time units 701 & 703 Lucky Lane are complete and occupied. County permits applied for cover units 702 & 704 (pmt2020 00954 & 00955) These will be built this spring, then application submitted for 705, 707 & 709 as a group of three and finally 706 & 708 to complete houses on Lucky Lane.

Due to the steep gradient of the site, additional houses will be built on a higher level accessing off Hill St. This current application is for 702 & 704 Lucky Lane but allows sufficient meter and pipe size for domestic, landscape and fire sprinkler water to serve all nine units at this lower level.

To get specific, the two existing houses, 701 & 703 are served domestic, fire and landscape water through a single 1" meter.

We will cut and cap that domestic and landscape supply, routing domestic now through a new 1.5" meter and landscape through a new 1"meter. This will leave the fire line alone, dedicated only to fire sprinklers.

Bill Rebik has offered calculations showing the units we are building to have a fixture unit count of 23/house or 207 for nine houses. Looking at the other side, given our pipe sizing and local pressure he finds a 1.5" meter can supply 244 fixture units for a comfortable margin of error. In addition, sewer lines, as specified, are well within code limits.

Jacob Parrish of Superior Fire Sprinkler offers calculations showing fire lines, existing and proposed, now dedicated to fire use only, are well within limits for the nine houses.

Construction will proceed as before, using pipe sizes as specified in the plans and a sewer backwater valve at each house. Water and sewer are stubbed out at the 702 & 704 locations making connection there very simple. New meters will be placed next to existing at the Flint/Blume intersection.

Thank you, Bill Kengel

William Kengel

November 25,2020

701-710 Lucky Lane

Fixture unit calculations

Each housing unit has 2 bathrooms, 1 laundry washer, 1 kitchen sink and 1 hose bib Each bathroom has 1-lavatory, 1 tub/shower and 1 water closet.

	For water	distribution	1	Sanitary D	rain
Desc	number	FU count	Tot F.U.	FU count	Tot F.U.
Lav	2	1	2	1	2
Tub	2	4	8	2	4
WC	2	2.5	5	3	6
kit. Sink	1	1.5	1.5	2	2
washer	1	4	4	2	2
hose bib	1	2.5	2.5		
			23		16
Number o	f units		Tot F.U.		Tot F.U.
10			230		160

SEWER

Per the puumbing code Table 703.2:

Max. Load

Drain piping a 6" sewer lateral with 2% slope:

720 F.U.

Drain piping a 6" sewer lateral with 1% slope:

576 F.U.

The sewer lateral for the existing and proposed units is a 6" main at 1% minimum slope. This main has sufficient capacity for the maximim estimated 10 units on the site.

WATER

Per the plumbing code Table 610.4:

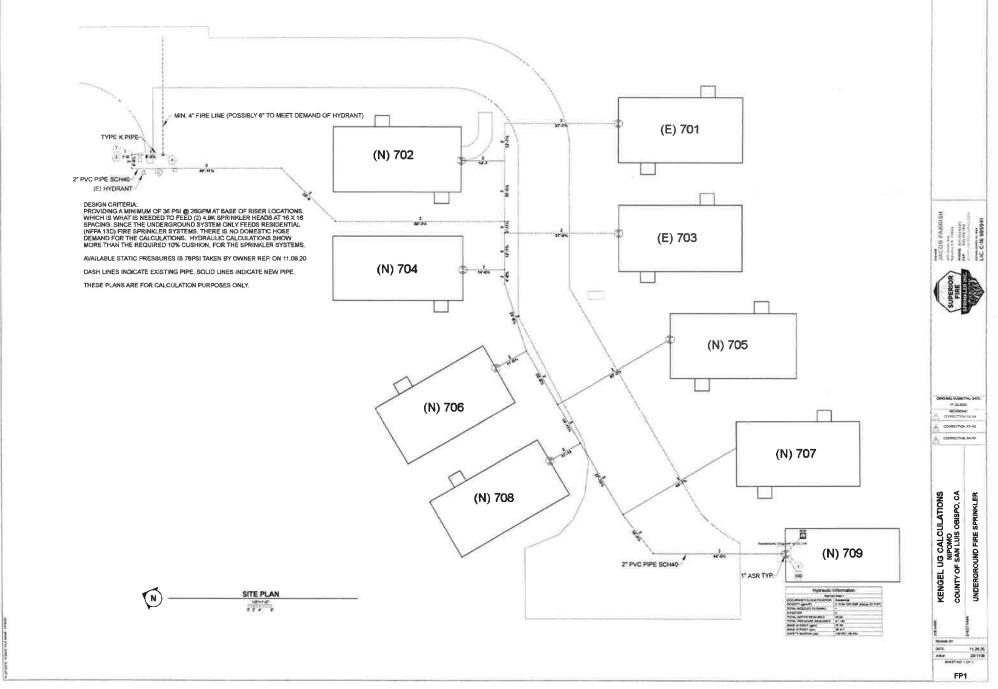
With a 1.5" meter, a 2" supply line and a working pressure greater that 60 psi, this water line will serve 244 fixture units with a length less than 400 lf.

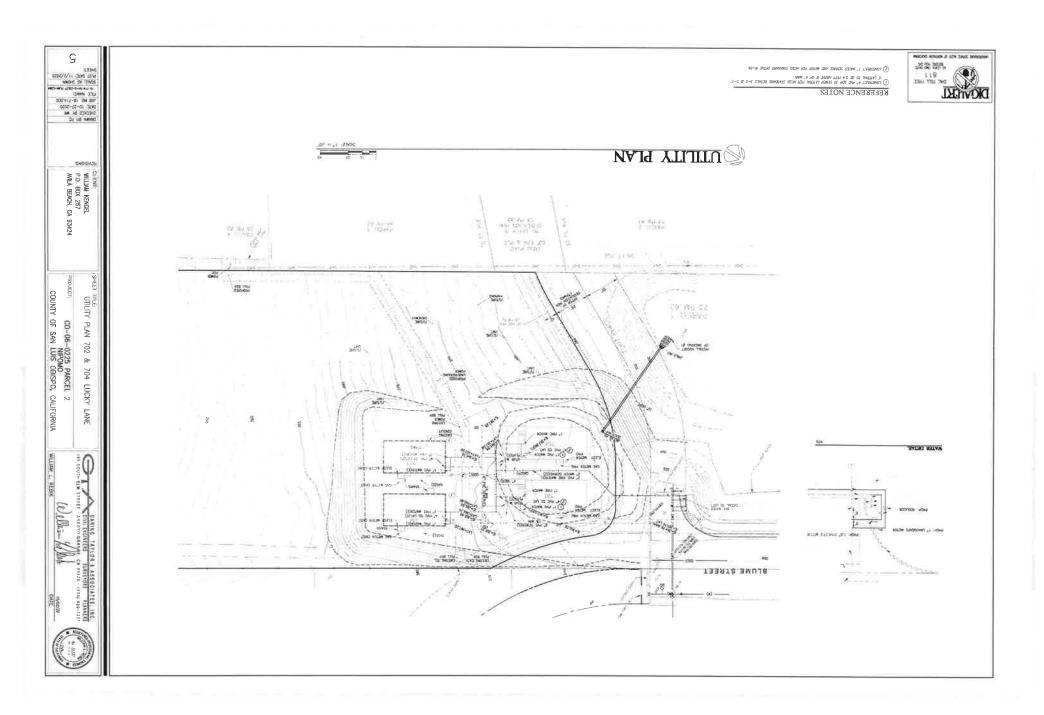
This project is proposing a maximum of 10 units be attached to a 2" water lateral, with a 1.5" meter 1.5" meter and a maximum length of 350 feet

This water service and meter has sufficient capacity for the proposed 10 units.

William Rebik

PE 35,337





TO:

BOARD OF DIRECTORS

REVIEWED:

MARIO IGLESIAS

GENERAL MANAGER

FROM:

LISA BOGNUDA

FINANCE DIRECTOR

DATE:

JANUARY 22, 2021

AGENDA ITEM E-2 JANUARY 27, 2021

ADOPT RESOLUTION REVISING DISTRICT INVESTMENT POLICY

ITEM

Adopt resolution revising District Investment Policy [RECOMMEND ADOPT RESOLUTION]

BACKGROUND

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

District Legal Counsel has reviewed the Investment Policy and has suggested revisions (Attachment A).

STRATEGIC PLAN

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

RECOMMENDATION

Staff recommends your Board adopt Resolution revising Investment Policy.

ATTACHMENTS

- A. Exhibit A with proposed changes
- B. Resolution 2021-XXX, including Exhibit A

JANUARY 27, 2021

ITEM E-2

ATTACHMENT A

RESOLUTION <u>2020</u>2021-1538_____

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 exercise in the management of their own affairs 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 for investment, considering the probable safety to safeguard the principal of their capital as well as the probable income to be derived and maintain the liquidity needs of the District. IDES11 The standard of prudence to be used by investment officials shall be the "prudent investor" standard (California Government Code Section 53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers (Finance Officer/Treasurer) 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 <u>2020</u>2021-1538 EXHIBIT A

INVESTMENT POLICY NIPOMO COMMUNITY SERVICES DISTRICT

A. SAFETY

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

B. LIQUIDITY

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

C. YIELD

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

D. COMPLIANCE

This Investment Policy is written to be in compliance with 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, [DKS2] 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 professisonals with which he/she conducts the District business, and shall comply with all applicable laws relating to conflicts of interest.

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:

- 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).

RESOLUTION <u>2020</u>2021-1538_____ EXHIBIT A

INVESTMENT POLICY NIPOMO COMMUNITY SERVICES DISTRICT

- 4. Such other financial institutions or securities that may be designated by the Board of Directors from time to time in compliance with California and Federal law.
- 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.
- 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.

8. REPORTS

A. MONTHLY REPORT

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

- Investments made or retired during the preceding month.
- Single transfers between permitted institutions of greater than \$150300,000.

B. QUARTERLY REPORT

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 thirty (30) days after the end of each quarter (i.e., by May 1, August 1, November 1, and February 1) (California Government Code § 53646). Required elements of the quarterly report are as follows:

- 1. Type of Investment
- 2. Institution/issuer
- 3. Date of Maturity (if applicable)
- 4. Amount of deposit or cost of the security, including par and dollar amount invested on all securities, investements, and moneys held by the District
- 5. Current market value of securities, with identification of the source of the valuation, for all securities held by the District as well as securities under the management of any outside party that is not also a local agency or the State of California Local Agency Investment Fund
- 6. Rate of Interest

RESOLUTION <u>2020</u>2021-1538_____ EXHIBIT A

INVESTMENT POLICY NIPOMO COMMUNITY SERVICES DISTRICT

- 7. Statement of compliance with the Statement of Investment Policy or the manner in which the portfolio is not incompliance
- 8. Statement of the District's ability to meet cash flow requirements, including any pool expenditure requirements, for the next six months, or an explanation as to why sufficient money may not be available
- 9. Accrued Interest (if applicable)
- 10. Description of any of the District's funds, investments, or programs that are under the management of contracted parties, including lending programs

C. ANNUAL REPORT

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.

JANUARY 27, 2021

ITEM E-2

ATTACHMENT B

NIPOMO COMMUNITY SERVICES DISTRICT RESOLUTION NO. 2021-___

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

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

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

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

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

- 1. The District has conducted the annual review of, and hereby adopts, the Investment Policy attached hereto as Exhibit "A" as the District's 2021 Investment Policy;
- 2. The District Board affirms its appointment of the General Manager as Treasurer/Finance Officer of the District, and delegates to the Treasurer/Finance Officer the authority to invest and re-invest funds in accordance with the Investment Policy for the succeeding twelve (12) month period following such delegation or until such time as the delegation of authority is revoked or amended earlier.

PASSED AND ADOPTED by the Board District this day of 2021, on the fo	I of Directors of the Nipomo Community Services ollowing roll call vote:
AYES: NOES: ABSENT: ABSTAIN:	
	ED EBY, President Nipomo Community Services District
ATTEST:	APPROVED AS TO FORM:
MARIO IGLESIAS Secretary to the Board	CRAIG A. STEELE District Legal Counsel

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. Investment officers (Finance Officer/Treasurer) 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.

A. SAFETY

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

B. LIQUIDITY

INVESTMENT POLICY NIPOMO COMMUNITY SERVICES DISTRICT

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 professisonals with which he/she conducts the District business, and shall comply with all applicable laws relating to conflicts of interest.

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:

- 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. 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.
- 5. 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

INVESTMENT POLICY NIPOMO COMMUNITY SERVICES DISTRICT

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

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

8. REPORTS

A. MONTHLY REPORT

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

- Investments made or retired during the preceding month.
- Single transfers between permitted institutions of greater than \$300,000.

B. QUARTERLY REPORT

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 thirty (30) days after the end of each quarter (i.e., by May 1, August 1, November 1, and February 1) (California Government Code § 53646). Required elements of the quarterly report are as follows:

- 1. Type of Investment
- 2. Institution/issuer
- 3. Date of Maturity (if applicable)
- 4. Amount of deposit or cost of the security, including par and dollar amount invested on all securities, investments, and moneys held by the District
- 5. Current market value of securities, with identification of the source of the valuation, for all securities held by the District as well as securities under the management of any outside party that is not also a local agency or the State of California Local Agency Investment Fund
- Rate of Interest
- 7. Statement of compliance with the Statement of Investment Policy or the manner in which the portfolio is not incompliance
- 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)

INVESTMENT POLICY NIPOMO COMMUNITY SERVICES DISTRICT

Description of any of the District's funds, investments, or programs that are under the management of contracted parties, including lending programs

C. ANNUAL REPORT

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

FROM:

MARIO IGLESIAS

GENERAL MANAGER

DATE:

JANUARY 22, 2021



JANUARY 27, 2021

GENERAL MANAGER'S REPORT

<u>ITEM</u>

Standing report to your Honorable Board -- Period covered by this report is January 10, 2020 through January 23, 2021.

DISTRICT BUSINESS

Administrative

Listed below are several activities that have a financial impact on the District and so, are monitored and included in the General Manager's bi-monthly report. Water waste reports typically are generated by concerned community members who call the District to alert us to landscape overwatering. Leak adjustments are tracked – the number and adjustment amount –, to keep the Board apprised of the cost of this program. In response to the COVID19 health emergency, the District is waiving all late fees and is not tracking late payments, but is tracking customer's outstanding balances. Also due to the current health emergency, the District is offering to credit customer accounts to cover the third-party cost for paying their utility bills on-line; currently the fee is \$3.95. This provides customers with a safe means of paying their utility bill without leaving their home. For December, a total of 17 customers took advantage of the District's offer to pay this fee.

OFFICE ACTIVITIES

	Dec 20	Jan 20 - Dec 20
Reports of Water Waste	0	0
Leak Adjustments	3	26
Leak Adjustment Amount	<i>\$1,055</i>	\$7,272
Late Fee Waivers	0	15
Late Fee Waiver Adjustment Amount	\$0	\$2,940
Official Payment (Count March-June)	15	134
Official Payments cost to District	\$59	\$533

Water Resources

Table 1. Total Production Acre Feet (AF)		
	Dec-20	Jul 20 - Dec 20
Groundwater Production	79.9	557.4
Supplemental Water Imported	<u>75.0</u>	<u>563.5</u>
Total Production	154.9	1,126.9

The District's total combined production, including groundwater production wells and supplemental water imported through the Joshua Road Pump Station, registered 154.9 AF for the month of December. This is considerably higher than December 2019 when groundwater

pumping was measured at 27.2 acre-feet and total overall production was 105.4 acre-feet for the month – a 30% increase this year. The year's rainfall has been significantly lower, including December's rainfall, and this has driven higher than normal seasonal water demand.

NCSD imported 75 AF of water over the 31 day period in December, averaging 547 gallons per minute for an average total of 0.79 million gallons per day. For fiscal year 2020-21 the District must import at least 1,000 AF (84 AF per month on average) of supplemental water to meet the contractual obligation it has with the City of Santa Maria. The District has imported 563 AF of water for the six month period July through December. Compared to our required 504 AF [6 months \times 84 AF = 504 AF] the District is 59 AF over the minimum for the six month period.

NCSD GW Reduction

The District's purveyor customers, Golden State Water Company and Woodlands Mutual Water Company, each claim 16.66% (cumulatively 33.33%) of the imported water NCSD brings onto the basin through the 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 demonstrates the calculus for determining the District's adjusted groundwater pumping reduction.

Table 2. NCSD GW Production (NCSD GW Well Prod	uction plus Purve	eyor Credit)
	Dec-20	Jul 20 - Dec 20
NCSD GW Well Production	79.9	557.4
Purveyor Customer Credit (33.3% of Import Water)	<u>25.0</u>	189.8
NCSD Total Calculated GW Production	104.9	747.2
Average GW Production for 2009-2013	141.4	1,401.6
NCSD Percentage of GW Reduction	26%	47%

2021 Fiscal Year Groundwater Pumping Forecast

Table 3. Projected Groundwater Pumpin	ng				
		Year-to-Date			
	Dec-20	Jul-Jun 2021	Target	Over/(Under)	
NCSD GW Well Production	79.9	962.5			
Purveyor Customer Credit (33.3% of Import Water)	25.0	349.7			
NCSD Total Calculated GW Production	104.9	1,312.2	1,266.0	(46.20)	AcFt
Average GW Production for 2009-2013	141.4	2,533.4	2,533.4		
NCSD Percentage of GW Reduction	26%	48%	50.0%		

Table 3 projects the District's groundwater pumping reduction for the Fiscal Year 2021. Under the current Stage 4 of the NMMA Water Shortage Response Stages, the targeted groundwater

pumping reduction is 1,266 AFY (50% of 2009-2013 average District GW Pumping). At the current usage rate through the first 6 months of the fiscal year, the District is predicted to reach its pumping reduction goals for fiscal year 2021.

Table 4. FY 2020 v. FY 2021 Groundwater Pumping								
Dec-20	Jul 20 -Jun 21	Dec-19 Ju	ıl 19-Jun 20					
79.9	962.5	27.2	1,026.0					
25.0	349.7	26.0	323.1					
104.9	1,312.2	53.3	1,349.1					
141.4	2,533.4	141.4	2,533.4					
26%	48%	62%	47%					
	79.9 25.0 104.9 141.4	Dec-20 Jul 20 -Jun 21 79.9 962.5 25.0 349.7 104.9 1,312.2 141.4 2,533.4	Dec-20 Jul 20 - Jun 21 Dec-19 Jul 20 - Jun 21 79.9 962.5 27.2 27.2 25.0 349.7 26.0 26.0 104.9 1,312.2 53.3 141.4 141.4 2,533.4 141.4					

Table 4 compares the previous year's groundwater pumping with the current year's groundwater pumping for the same period. With the Fiscal Year 2021 requirement to import 8% more water from the City of Santa Maria than 2020, a requirement in the water purchase agreement, it is anticipated that the District will reduce groundwater pumping to the 50% self-imposed restriction. As the year progresses, it is anticipated that the GW Reduction percentage will increase from the 48% shown in table 4. With the high water demand the District experienced in December, the groundwater reduction was not as great as Dec. 2019, but the District is still in a better position to meet its 50% as it did last fiscal year.

Rainfall Gauge – (gathered from the following websites)

Note 1: SLO County Website

https://wr.slocountywater.org/site.php?site_id=3&site=935e7af7-0e94-4042-bc11-e02906d5ba44

Note 2: SLO County Website

https://wr.slocountywater.org/site.php?site_id=2&site=878bfdbf-5c40-4398-8226-418372e4039b

(Reported in inches) December 2020 Total	Nipomo East (Dana Hills Reservoirs) 1.18	Nipomo South (Southland Plant) 0.91
July-2020 through June-2021 (Season Total)	1.65	1.46
Jan 1, 2021 to Jan 4, 2021 Total Rainfall to date	<u>0.00</u> 1.65	<u>0.00</u> 1.46
Average Annual Year Rainfall	18.0 ¹	14.0 ²

Safety Program

Forth Quarterly Safety Meeting – Video Training "What is COVID19". CDC Training Library

Other Items

COVID19 NCSD Response Plan Update [Attachment A]

Supplemental Water Capacity Accounting

Summary Since January 25, 2008	Number of Equivalent Meters	AFY
Supplemental Water Available for Allocation	947	500
Supplemental Water Reserved (Will Serve Letter Issued)	124	-65.5
Subtotal Net Supplemental Water Available for Allocation	823	434.5
Supplemental Water Assigned (Intent-to-Serve Issued)	177	-93.4
Total Remaining Supplemental Water Available for Allocation	646	341.1

As of January 6, 2021

Connection Report

Nipomo Community Services District Water and Sewer Connections	END OF MONTH REPORT											
	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Water Connections (Total)	4441	4444	4444	4445	4449	4452	4459	4465	4471	4471	4475	4475
Sewer Connections (Total)	3208	3211	3211	3213	3217	3220	3227	3231	3237	3237	3241	3242
New Water Connections	0	3	0	1	4	5	7	6	6	0	4	0
New Sewer Connection	1	3	0	2	4	1	7	4	6	0	4	1
Galaxy & PSHH at Orchard and Division Sewer												
Connections billed to the County	476	476	476	476	476	476	476	476	476	476	476	477

The Connection Report is current through January 21, 2021.

Meetings (January 10 through January 23)

Meetings Attended (telephonically or in person):

- Jan. 11, SLO County EOC Briefing
- Jan. 12, Eng/Admin Coordination Meeting
- Jan. 13, Rotary
- Jan. 13, Regular NCSD Board Meeting
- Jan. 13, Exec. Team After-Board Meeting
- Jan. 14, NMMA Manager's Meeting
- Jan. 14, Energy Consultant Southland WWTP
- Jan. 15, Staff Mtg. CSS & Admin Sup.
- Jan. 15, SLO County EOC Briefing
- Jan. 18, Holiday MLK Day
- Jan. 19, Staff Mtg. Cust. Service Specialist
- Jan. 19, Management Team Meeting
- Jan. 20, Rotary
- Jan. 20, Investment Policy Review
- Jan. 20, NMMA-TG Meeting
- Jan. 20, CSDA Manager's Meeting
- Jan. 20, Board Officer Meeting
- Jan. 21, Staff Mtg. Cust. Service Specialist
- Jan. 21, Sedaru Meeting
- Jan. 21, Water Loss Control Seminar -DWR

Meetings Scheduled (January 24 through January 31):

Upcoming Meetings (telephonically or in person):

- Jan. 25, SLO County EOC Briefing
- Jan. 26, Eng/Admin Coordination Meeting
- Jan. 27, Rotary
- Jan. 27, Regular NCSD Board Meeting
- Jan. 27, Exec. Team After-Board Meeting
- Jan. 27, US 101 Business Plan SLOCOG
- Jan. 28, Executive Team NCSD District Code Book Update
- Jan. 28, Sedaru Update Meeting.
- Jan. 29, SLO County EOC Briefing
- Jan. 29, Staff Mtg. Cust. Service Specialist

Upcoming Water Resource and Other Meetings

Upcoming Standing Meetings:

- NMMA-TG: February 16th (Tuesday) @ 10:00 AM, Conf. Call
- RWMG: No Schedule Posted -
- WRAC: February 3rd (Wednesday) @ 1:30 PM, Zoom Meeting
- NMMA Purveyor Meeting: February 11th (Thursday) @ 10:00 AM, Zoom Meeting
- NCSD Board Officer Meeting: February 1st (Monday) @ 2:00 PM, NCSD Conf. Rm.

RECOMMENDATION

Staff seeks direction and input from your Board

ATTACHMENTS

A. COVID19 - NCSD Response Plan Update

JANUARY 27, 2021

ITEM F

ATTACHMENT A

Date: January 27, 2021

Response Activities to COVID19 Health Emergency Prepared by: Mario Iglesias, General Manager

DISTRICT RESPONSE TO COVID 19

New Actions

Personnel on Quarantine

Office Personnel:

One Admin Worker is under quarantine; will return on 2/1/21

Operational Personnel:

No operational personnel affected at this time.

County EOC

Gearing up for Vaccine – Essential Workers Tier 1-C

Effects on Operations

Several Capital Improvement Projects are unable to be completed on schedule due to material delivery delays.

Palm Lift Station
JRPS Pump Installations
Southland WWTP Screw Press Installation

Ongoing Actions

- 1. Participate in SLO County EOC Briefings
- 2. Review SLO County Daily EOC Status Report
- 3. Practicing Social Distancing
- 4. Face coverings are required when employees are in District Buildings when they are away from their work stations

Previous Actions

- 1. NCSD Board Passes Resolution Declaring Emergency in District [Res. 2020-1550, Mar. 24, 2020]
- 2. Admin Office Closed to the Public
 - a. Meetings are virtual Conference Calls
- 3. Discontinued: Split staff into two teams
 - a. See schedule on Response Plan
- 4. Received directions for FEMA Public Assistance Cost Tracking Guidance
- 5. Governor's Executive Order No Water Turn-offs
 - a. District instituted this policy as well as a No Late Fee No Penalty Fees
- 6. Wipe-down between shifts
- 7. Each operator in separate designated vehicle.
- 8. Received additional PPE. Administration Staff will be on normal schedule 8-4:30 starting Monday May 18th
- 9. Operations Staff are on normal 7:00 am to 3:30 pm work schedule as of Monday, May 4th. County opened up construction sites.

Date: January 27, 2021

Response Activities to COVID19 Health Emergency Prepared by: Mario Iglesias, General Manager

- 10. Expanded Customer Service Work to include site visits for investigations (high bills, meter issues) week of May 11
- 11. Trailers for quarantine have been returned May 1
- 12. District to begin wastewater sampling in conjunction with County effort to determine presence of COVID19 in communities May 11
- 13. Temporary Admin Support Workers brought back to Office (Provider incentivized due to PPP Funds)

 June 1
- 14. Lobby Modifications: Glass will be equipped with speaker plates to allow the communication between customer and clerk without opening the sliding window.
- 15. Board Meetings open to the public.
- 16. County Offices Continued Closed with Appointments provided to some departments as needed.
- 17. June 18, 2020, Governor Order issued requiring face masks be worn in public places. District management purchased disposable face masks for staff, Board Members, and any public that attends District Board Meetings and lack a face mask.
- 18. The customer counter window modifications at the office are being rescheduled for November 16, 2020 by Valley Glass.