

TO: FINANCE AND AUDIT COMMITTEE

REVIEWED: MARIO IGLESIAS
GENERAL MANAGER



FROM: LISA BOGNUDA
FINANCE DIRECTOR AND
JANA ETTEDDGUE
ADMINISTRATIVE SUPERVISOR



DATE: FEBRUARY 13, 2023

AGENDA ITEM
2
FEBRUARY 15, 2023

**REVIEW INVESTMENT OPTIONS AND POLICY
IN ACCORDANCE WITH GOVERNMENT CODES**

ITEM

Review the Nipomo Community Services District ("District") investment policy and evaluate options for managing returns in accordance with government codes and guidelines. [RECOMMEND RECEIVE REPORT AND DIRECT STAFF]

BACKGROUND

On January 25, 2023, the District's Board of Directors directed staff to explore investment options that may yield a greater return on monies held in the current money markets and Local Agency Investment Fund (LAIF). One such investment the Board of Directors asked staff to research was government-issued Treasury bills. The Board of Directors also directed staff to survey surrounding agencies investment practices, to determine what other local Community Service District's portfolios consist of besides LAIF accounts, certificates of deposit, and money market funds.

With regard to current investment practices, staff refers to and follows the District's investment policy (Attachment A), Section 7 (A) as stated:

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))*

The Local Agency Investment Guidelines – California Debt and Investment Advisory Commission pages 26-27 (Attachment B), provides guidance for government agencies on Custodial accounts for investments. Government-issued Treasury bills are not excluded from the investments the District could utilize in its investment portfolio. However, there are several steps the District will need to take that the Board of Directors will need to consider and approve.

When purchasing government-issued Treasury Bills, while not statutorily required, it is highly recommended that government agencies use a custodial bank and create a custodial account to

administer the purchase and sales of government-issued Treasury Bills. These institutions provide safekeeping and segregation of duties for investments. Ultimately, custodial accounts provide a high level of security for financial transactions between two or more parties.

If the District were to hire a custodial bank to manage the purchase, reporting, and sales of government-issued Treasury Bills, there would be fees associated with creating and maintaining the custodial account (Attachment C). The District would also have to create and utilize a brokerage account in addition to creating a Custodial Account.

Under current conditions, the projected earnings gained by the District by purchasing government-issued Treasury Bills at the most recent rate, when compared to current earnings from LAIF, would be approximately \$55,000.00 per year higher, even with the fees associated with maintaining a custodial account (Attachment D).

As of February 8, 2023, LAIF's Pooled Money Investment Account (PMIA) has a Daily Effective Yield of 2.57% (Attachment E). The government-issued Treasury Bill rate as of February 10, 2023 is 4.66% (Attachment F). While LAIF's PMIA and Treasury Bill rates are both upward trending as seen in the graph on Attachment G, it is unlikely they will reach the same level of return, thus estimating that Treasury Bills will outperform LAIF accounts.

FISCAL IMPACT

Funds for staff time to support the Board's direction to review and revise policies and procedures are included in the FY 2022-23 Budget. The net result of purchasing government-issued Treasury Bills would have a positive financial impact under the current conditions. The amount of impact is dependent on the financial commitment away from LAIF accounts and redirected to government-issued Treasury Bills. The liquidity offered by LAIF accounts would need to be measured against any restrictions placed on alternatives such as government-issued Treasury bills.

STRATEGIC PLAN

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

4.b. Ongoing Activities

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

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

RECOMMENDATION

It is recommended that the Finance and Audit Committee reviews the presentation and attachments, and provides staff with direction on the following options:

- a. Continue investing only in LAIF accounts
- b. Continue investing in LAIF accounts and pursue investing in Treasury Bills, directing staff to obtain quotes from Custodial Banks and brokerage firms.

ATTACHMENTS

- A. Resolution 2023-1652 Investment Policy
- B. Local Agency Investment Guidelines – California Debt and Investment Advisory Commission pages 26-27
- C. Quote from a Custodial bank – BNY Mellon Corporate Trust
- D. Analysis of Projected Earnings
- E. PMIA Daily Effective Yield (LAIF)
- F. Daily Treasury Bill Rates (U.S. Department of the Treasury)
- G. Average monthly yield for LAIF and Treasury Bills provided by Columbia Capital Management, LLC

FEBRUARY 15, 2023

ITEM 2

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2023-1652**

**A RESOLUTION OF THE
BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING 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 2023 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.

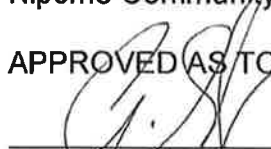
PASSED AND ADOPTED by the Board of Directors of the Nipomo Community Services District this 25th day of January 2023, on the following roll call vote:

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



RICHARD MALVAROSE, President
Nipomo Community Services District

APPROVED AS TO FORM:



CRAIG A. STEELE
District Legal Counsel

ATTEST:



MARIO IGLESIAS
Secretary to the Board

**RESOLUTION 2023-1652
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. 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.

**RESOLUTION 2023-1652
EXHIBIT A**

**INVESTMENT POLICY
NIPOMO COMMUNITY SERVICES DISTRICT**

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.

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))

**RESOLUTION 2023-1652
EXHIBIT A**

**INVESTMENT POLICY
NIPOMO COMMUNITY SERVICES DISTRICT**

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 \$500,000.

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 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 all securities held by the District as well as securities under the management of any outside party that is not also a local agency or the State of California Local Agency Investment Fund
6. Rate of Interest
7. Statement of compliance with the Statement of Investment Policy or the manner in which the portfolio is not in compliance
8. Statement of the District's ability to meet cash flow requirements, including any pool expenditure requirements, for the next six months, or an explanation as to why sufficient money may not be available

**RESOLUTION 2023-1652
EXHIBIT A**

**INVESTMENT POLICY
NIPOMO COMMUNITY SERVICES DISTRICT**

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.

FEBRUARY 15, 2023

ITEM 2

ATTACHMENT B

mature after June 20. The minimum legal requirements are clear for securities that have an identifiable term to maturity. However, the law is ambiguous when an agency invests the proceeds of temporary borrowing in items that do not have a specific maturity date, such as investments in county pools or other funds that may have an average maturity that is longer than the temporary borrowing.

CONSENSUS RECOMMENDATION:

The proceeds of temporary borrowing can be placed in investments that have no specific term to maturity so long as the proceeds can be removed within the term of the temporary borrowing without a penalty. Therefore, cash equivalent shares in liquid funds such as LAIF or county pools—where an agency has relatively quick access to its deposits—are legitimate investments for the proceeds of temporary borrowing, as long as withdrawals in amounts sufficient to repay the temporary borrowing when due are not restricted or penalized.

II. N What is an appropriate safekeeping arrangement for securities? [Sections 53601 and 53608]

Sections 53601 and 53608 address the appropriate safekeeping arrangements for securities. While a third party institution is the standard used in safekeeping arrangements, securities may be held by the same firm from which they were purchased as long as the securities for safekeeping are in the name of or under the control of the local agency and kept in a legally separate trust department.

MINIMUM LEGAL REQUIREMENT:

Section 53601 specifically allows local agencies to use a counterparty bank's trust department or separate safekeeping department for the physical delivery of a security if the security is held in the name of the local agency. Section 53608 authorizes general safekeeping arrangements that allows local agencies to use for deposit for safekeeping a federal or state association (as defined by Section 5102 of the Financial Code), a trust company or a state or national bank located within this state or with the Federal Reserve Bank of San Francisco or any branch thereof within this state, or with any Federal Reserve bank or with any state or national bank located in any city designated as a reserve city by the Board of Governors of the Federal Reserve System, the bonds, notes, bills, debentures, obligations, certificates of indebtedness, warrants, or other evidences of indebtedness in which the money of the local agency is invested pursuant to this article or pursuant to other legislative authority. The local agency shall take from such financial institution a receipt for securities so deposited.

CONSENSUS RECOMMENDATION:

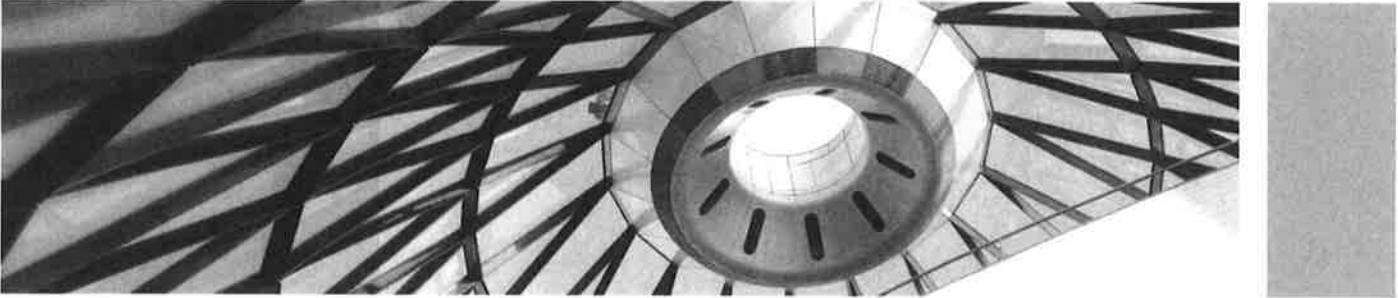
Industry standard is to set up a third-party (an institution other than the party that sold the agency the investment) safekeeping agreement. In order for the securities to be held by the same institution that sold the security, they must be

kept in a separate area of the institution such as its trust department. The security must be in the local agency's name or "perfected" by transferring the security through a signed agreement that contains a description of the security.

FEBRUARY 15, 2023

ITEM 2

ATTACHMENT C



Nipomo Community Services District Custody Account

Date: February 13, 2023

Presented By:

BNY Mellon Corporate Trust

Fee Schedule for the following:

- Custody Services

Fee Schedule

Subject to the Terms and Disclosures below, upon appointment of The Bank of New York Mellon Trust Company, N.A. (“BNYM” or “us” or “affiliates” or “subsidiaries”) in the roles as outlined within this Fee Schedule (this “Fee Schedule”), Nipomo Community Services District (“Client”) shall be responsible for the payment of the fees, expenses and charges as set forth herein. Fees are payable or accrue at the time of the execution of the governing documents (the “Transaction Documents”) in connection with the closing of the transaction (the “Transaction”) which is the subject of this Fee Schedule.

General Fees

Acceptance Fee

Waived

The Transaction Acceptance Fee is payable at the time of the execution of the governing documents in connection with the closing of the transaction which is the subject of this Agreement (the “Transaction”), and compensates BNYM for the following: review of all supporting documents, initial establishment of the required accounts and Know Your Client checks.

Administration Asset Fees

See Below

An annual fee covering the duties and responsibilities related to account administration, which may include maintenance of accounts on various systems, collection and payment of principal and interest on assets held in the account. Fees are calculated based on the total market value of assets in arrears on a quarterly billing cycle.

Account Administration Fee 1 Basis Point (0.0001)
 (Annual Minimum \$7,500)

Account Activity Fees

See Below

Security purchase, sale or transfer (book entry):	\$ 25.00
Wires	\$ 20.00
Audit Confirm	\$ 50.00

Extraordinary Services/Miscellaneous Fees

At Cost

The charges may be hourly or fixed for performing extraordinary or other services not contemplated at the time of the execution of the Transaction Documents or not specifically covered elsewhere in this schedule will be commensurate with the service to be provided and may be charged in BNY Mellon’s sole discretion. If it is contemplated that BNY Mellon hold/and or value collateral, additional acceptance, administration and counsel review fees will be applicable to the agreement governing such services.

Miscellaneous fees and expenses may include, but are not necessarily limited to supplemental agreements, preparation of special or interim reports, auditor confirmation fees, wire transfer fees, , and reconciliation fees to balance trust account balances to third-party investment provider statements. Counsel, accountants, special agents and others will be charged at the actual amount of fees and expenses billed. FDIC or other governmental charges will be passed along as incurred. Reimbursement will be required for any out-of-pocket expenses and will be invoiced to the Client at cost.

Client agrees to reimburse BNYM for extraordinary expenses incurred by it in connection with the Transaction to the extent permitted by law.

PRIVATE AND CONFIDENTIAL

The information contained within this Fee Schedule is the proprietary information of The Bank of New York Mellon and is confidential. Except as otherwise provided by law, this document, either in whole or in part, must not be reproduced or disclosed to others or used for purposes other than that for which it has been supplied without the prior written permission of The Bank of New York Mellon. Client shall not use BNY Mellon’s name or trademarks without its prior written permission.

Negative Interest Rates – Charges

With respect to any funds invested or deposited by BNYM in connection with the Transaction, if: (i) any recognized overnight benchmark rate or any official overnight interest rate set by a central bank or other monetary authority is negative or zero; or (ii) any market counterparty or other institution applies a negative interest rate or any related charge to any account or balance of BNYM or any account or balance opened for You by BNYM, BNYM may apply a charge to any of Your accounts or balances. BNYM will give You prompt written notice of the application of any such charges. You acknowledge and agree that the application of such a charge by BNYM may cause the effective interest rate applicable to Your account or balance to be negative, notwithstanding that one or more of the rates set by third parties specified in clauses (i) and (ii) above may be positive.

Terms and Disclosures

General

BNYM's final acceptance of its appointment pursuant to the Transaction Documents is subject to the full review and approval of all related documentation and standard Know Your Client procedures. In the event that this Transaction does not proceed with BNYM in the roles contemplated by this Fee Schedule and the Transaction Documents, Client will be responsible for payment of any external counsel fees and expenses and out-of-pocket expenses which BNYM may have incurred up to and including the termination date.

Client shall be responsible for filing any applicable information returns with the U.S. Department of Treasury, Internal Revenue Service in connection with payments made by BNYM to vendors who have not performed services for BNYM's benefit under the various bond or note issuances or other undertakings contemplated by this Fee Schedule.

The Bank of New York Mellon Corporation is a global financial organization that operates in and provides services and products to clients through its affiliates and subsidiaries located in multiple jurisdictions (the "BNY Mellon Group"). The BNY Mellon Group may (i) centralize in one or more affiliates and subsidiaries certain activities (the "Centralized Functions"), including audit, accounting, administration, risk management, legal, compliance, sales, product communication, relationship management, and the compilation and analysis of information and data regarding Client (which, for purposes of this provision, includes the name and business contact information for Client employees and representatives) and the accounts established pursuant to the Transaction Documents ("Client Information") and (ii) use third party service providers to store, maintain and process Client Information ("Outsourced Functions"). Notwithstanding anything to the contrary contained elsewhere in this Fee Schedule or the Transaction Documents and solely in connection with the Centralized Functions and/or Outsourced Functions, Client consents to the disclosure of, and authorizes BNY Mellon to disclose, Client Information to (i) other members of the BNY Mellon Group (and their respective officers, directors and employees) and to (ii) third-party service providers (but solely in connection with Outsourced Functions) who are required to maintain the confidentiality of Client Information. In addition, the BNY Mellon Group may aggregate Client Information with other data collected and/or calculated by the BNY Mellon Group, and the BNY Mellon Group will own all such aggregated data, provided that the BNY Mellon Group shall not distribute the aggregated data in a format that identifies Client Information with Client specifically. Client represents that it is authorized to consent to the foregoing and that the disclosure of Client Information in connection with the Centralized Functions and/or Outsourced Functions does not violate any relevant data protection legislation. Client also consents to the disclosure of Client Information to governmental and regulatory authorities in jurisdictions where the BNY Mellon Group operates and otherwise as required by law.

Please note the fees quoted in this Fee Schedule are based upon the information available at the present time. Further quotes may be provided once the structure of the deal has been finalized. Annual Fees cover a period of one year and any portion thereof and are not subject to pro-rata. Fees may be subject to adjustment during the life of the engagement.

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The information contained within this Fee Schedule is the proprietary information of The Bank of New York Mellon and is confidential. Except as otherwise provided by law, this document, either in whole or in part, must not be reproduced or disclosed to others or used for purposes other than that for which it has been supplied without the prior written permission of The Bank of New York Mellon. Client shall not use BNY Mellon's name or trademarks without its prior written permission.

Advance Fees

BNYM requires that Client agree to the fees quoted in this Fee Schedule prior to the commencement of any work or the provision of any services by BNYM in relation to the Transaction. In the event that BNYM provides any services to Client prior to your agreement to the fees quoted herein, the commencement of such work or the provision of such services shall not be deemed to constitute a waiver of the fees listed in this Fee Schedule. BNYM reserves the right to cease providing services until such time as Client agrees to the fees quoted herein. BNYM reserves the right to request that any and all fees due and payable pursuant to this Fee Schedule and related in any way to the Transaction are paid in advance (either in whole or in part) prior to the provision of any services.

OFAC Sanctions

You covenant and represent that neither You nor any of Your affiliates, subsidiaries, directors or officers are the target or subject of any sanctions enforced by the US Government, (including, the Office of Foreign Assets Control of the US Department of the Treasury ("OFAC")), the United Nations Security Council, the European Union, HM Treasury, or other relevant sanctions authority (collectively "Sanctions"). You covenant and represent that neither You nor any of Your affiliates, subsidiaries, directors or officers will use any payments made pursuant to the Transaction: (i) to fund or facilitate any activities of or business with any person who, at the time of such funding or facilitation, is the subject or target of Sanctions, (ii) to fund or facilitate any activities of or business with any country or territory that is the target or subject of Sanctions, or (iii) in any other manner that will result in a violation of Sanctions by any person.

Acceptance/Revocation of Offer

You may agree to the fees quoted herein by (i) executing this Fee Schedule and returning it to us, (ii) closing the Transaction, or (iii) instructing us or continuing to instruct us after receipt of this Fee Schedule. Upon the earlier to occur of (i), (ii) and (iii), the fees quoted herein shall be deemed accepted by you. If you agree to the fees quoted herein, the terms of this Fee Schedule shall supersede any prior fees quoted with respect to the Transaction. BNYM may revoke the terms of this Fee Schedule if the Transaction does not close within three months from the date of this Fee Schedule. Should the Transaction fail to close for any reason, a termination fee equal to BNYM's Acceptance Fee, any external counsel fees, expenses and disbursements and all out-of-pocket expenses will apply.

Confidential Information

Except as otherwise provided by law, all information provided to Client by BNYM must remain confidential and may not be intentionally disclosed, reproduced, copied, published, or displayed in any form to any third party without BNYM's prior written approval.

Privacy Notice

Your personal information is collected and will be used by the BNY Mellon Group. BNYM is responsible for collecting and processing your personal information. Your personal information will be used in connection with the preparation of internal distribution lists, the distribution of materials for the purposes of hearing more about BNYM's services and events, and compliance with legal requirements pertaining to individual and organizational identification (including Know Your Client requirements). This includes information required for onboarding of new clients, updating of information on existing client relationships, and information relating to associated parties with respect to any transaction with BNYM, where applicable. Your personal information will be shared within the BNY Mellon Group as well as with third parties, including BNY Mellon Group's third-party service providers, where necessary for the aforementioned purposes. The BNYM Group will transfer or store your personal information in countries other than the country of administration of the Transaction, including those outside Europe and the European Economic Area, under the protection of appropriate safeguards. For more information about how we collect, use, and share personal information and your legal rights see the BNY Mellon Group's full privacy notice (the "Privacy Notice") at <https://www.bnymellon.com/us/en/data-privacy.html> or contact your BNYM Relationship Manager.

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The information contained within this Fee Schedule is the proprietary information of The Bank of New York Mellon and is confidential. Except as otherwise provided by law, this document, either in whole or in part, must not be reproduced or disclosed to others or used for purposes other than that for which it has been supplied without the prior written permission of The Bank of New York Mellon. Client shall not use BNY Mellon's name or trademarks without its prior written permission.

Client Notice Required By the USA Patriot Act

To help the U.S. government fight the funding of terrorism and money laundering activities, US Federal law requires all financial institutions to obtain, verify and record information that identifies each person (whether an individual or organization) for which a relationship is established. When Client establishes a relationship with BNYM, we will ask Client to provide certain information (and documents) that will help us to identify Client. We will ask for your organization's name, physical address, tax identification or other government registration number and other information that will help us identify Client. We may also ask for a Certificate of Incorporation or similar document or other pertinent identifying documentation for your type of organization.

Nipomo Community Services District hereby accepts and agrees to the fees and the terms and conditions set forth in this Fee Schedule.

By: _____
Name: _____ *(Print name in full)*
Title: _____
Date: _____

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FEBRUARY 15, 2023

ITEM 2

ATTACHMENT D

Analysis of projected earnings

		3 Month	1 Year
Available for investment	3,000,000		
LAIF Rate as of 2/8/23	2.57%		
Projected interest earnings for		\$19,275	\$77,100
Available for investment	3,000,000		
Treasury Bill Rate as of 2/8/23	4.66%		
Projected interest earnings		\$34,950	\$139,800
Commission (X basis points) 1=.0001% (\$7,500 annual minimum)		\$300	\$7,500
Other Fees		\$95	\$380
Projected interest earnings -Net of commission/Fees		\$34,555	\$131,920
	Difference	\$15,280	\$54,820

FEBRUARY 15, 2023

ITEM 2

ATTACHMENT E



CALIFORNIA STATE TREASURER
FIONA MA, CPA



PMIA Daily Effective Yield

Date	Daily	Quarter to Date	Average Maturity
02/08/23	2.57	2.45	273
02/07/23	2.58	2.45	271
02/06/23	2.57	2.45	272
02/05/23	2.57	2.45	273
02/04/23	2.57	2.44	273
02/03/23	2.57	2.44	273
02/02/23	2.56	2.43	274
02/01/23	2.56	2.43	274
01/31/23	2.55	2.43	273
01/30/23	2.51	2.42	273
01/29/23	2.50	2.42	277
01/28/23	2.50	2.42	277
01/27/23	2.50	2.41	277
01/26/23	2.50	2.41	273
01/25/23	2.46	2.40	272
01/24/23	2.46	2.40	274
01/23/23	2.47	2.40	273
01/22/23	2.47	2.40	275
01/21/23	2.47	2.39	275
01/20/23	2.47	2.39	275
01/19/23	2.47	2.39	276
01/18/23	2.45	2.38	278
01/17/23	2.43	2.38	277
01/16/23	2.41	2.37	278
01/15/23	2.41	2.37	279
01/14/23	2.41	2.37	280
01/13/23	2.41	2.36	280
01/12/23	2.41	2.36	280
01/11/23	2.41	2.36	279
01/10/23	2.39	2.35	279
01/09/23	2.37	2.35	281
01/08/23	2.37	2.34	283
01/07/23	2.37	2.34	283
01/06/23	2.37	2.33	283
01/05/23	2.37	2.33	283
01/04/23	2.35	2.31	284
01/03/23	2.32	2.30	286
01/02/23	2.29	2.29	285

*Daily yield does not reflect capital gains or losses

FEBRUARY 15, 2023

ITEM 2

ATTACHMENT F

U.S. DEPARTMENT OF THE TREASURY

Daily Treasury Bill Rates

 Get updates to this content

NOTICE: See Developer Notice on changes to the XML data feeds

XML View the XML feed**XSD** Download the XSD Schema for the XML feed

Render the XML feed in a browser

Download the daily XML files for all data sets

CSV Download CSV

Select type of Interest Rate Data

Daily Treasury Bill Rates ▼

Select Time Period

Current Month ▼

Date	4 WEEKS		8 WEEKS		13 WEEKS		17 WEEKS		26 WEEKS		52 WEEKS	
	BANK DISCOUNT	COUPON EQUIVALENT	BANK DISCOUNT	COUPON EQUIVALENT	BANK DISCOUNT	COUPON EQUIVALENT	BANK DISCOUNT	COUPON EQUIVALENT	BANK DISCOUNT	COUPON EQUIVALENT	BANK DISCOUNT	COUPON EQUIVALENT
02/01/2023	4.46	4.54	4.50	4.59	4.54	4.66	4.62	4.76	4.65	4.83	4.45	4.67
02/02/2023	4.49	4.57	4.50	4.59	4.53	4.65	4.59	4.73	4.62	4.80	4.43	4.64
02/03/2023	4.48	4.56	4.51	4.60	4.57	4.69	4.64	4.78	4.68	4.86	4.57	4.80
02/06/2023	4.49	4.57	4.51	4.60	4.59	4.71	4.64	4.78	4.75	4.93	4.63	4.86
02/07/2023	4.49	4.57	4.52	4.61	4.59	4.71	4.64	4.78	4.75	4.93	4.66	4.89
02/08/2023	4.51	4.59	4.53	4.62	4.59	4.71	4.70	4.84	4.74	4.92	4.64	4.87
02/09/2023	4.53	4.61	4.61	4.71	4.64	4.76	4.71	4.85	4.76	4.94	4.66	4.89
02/10/2023	4.53	4.61	4.61	4.71	4.66	4.78	4.73	4.87	4.75	4.93	4.66	4.89

Friday Feb 10, 2023

Daily Treasury Bill Rates: These rates are the daily secondary market quotations on the most recently auctioned Treasury Bills for each maturity tranche (4-week, 8-week, 13-week, 17-week, 26-week, and 52-week) for which Treasury currently issues new bills. Market quotations are obtained at approximately 3:30 PM each business day by the Federal Reserve Bank of New York. The Bank Discount rate is the rate at which a bill is quoted in the secondary market and is based on the par value, amount of the discount and a 360-day year. The Coupon Equivalent, also called the Bond Equivalent, or the Investment Yield, is the bill's yield based on the purchase price, discount, and a 365- or 366-day year. The Coupon Equivalent can be used to compare the yield on a discount bill to the yield on a nominal coupon security that pays semiannual interest with the same maturity date.

For more information regarding these statistics contact the Office of Debt Management by email at debt.management@do.treas.gov

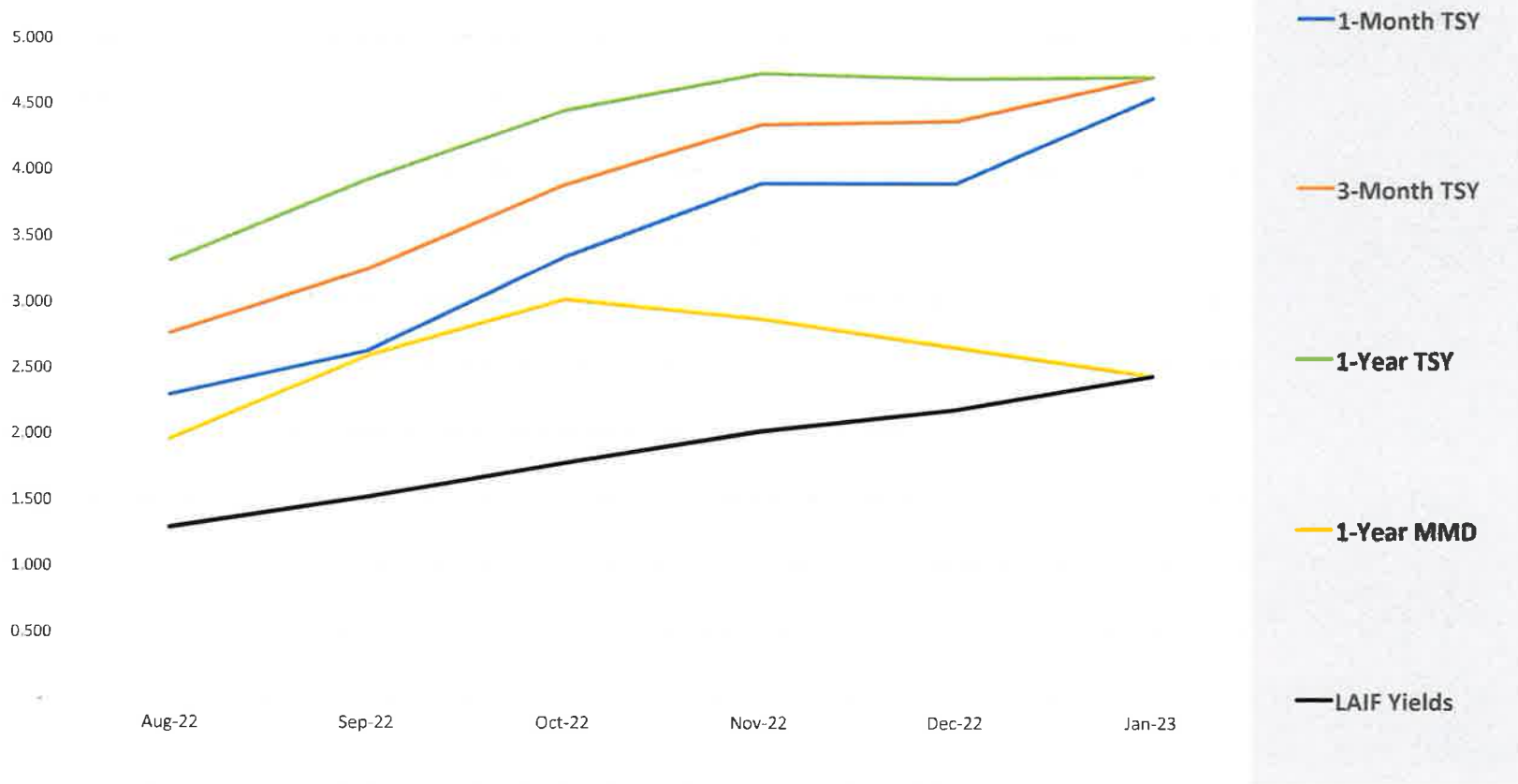
For other Public Debt information contact (202) 504-3550.

FEBRUARY 15, 2023

ITEM 2

ATTACHMENT G

Average Monthly Yields - Last 6 Months



Source: Columbia Capital Management, LLC