

TO: BOARD OF DIRECTORS

REVIEWED: RAY DIENZO, P.E. *R.D.*
GENERAL MANAGER

FROM: JANA ETTEDDGUE *Jn*
FINANCE DIRECTOR

DATE: MARCH 20, 2024



CONSIDER REFINANCING THE 2013A AND 2013 CERTIFICATES OF PARTICIPATION AND, IF APPROPRIATE, APPROVE FEE AGREEMENTS WITH FINANCIAL CONSULTANT AND BOND COUNSEL

ITEM

Consider options for refinancing the 2013A and 2013 Certificates of Participation ("COPs") that were issued for improvements to water infrastructure and the Supplemental Water Project Phase I. [RECOMMEND DIRECT STAFF TO ENTER INTO FEE AGREEMENTS WITH COLUMBIA CAPITAL AND BOND COUNSEL FOR THE PURPOSE OF REFUNDING AND REFINANCING 2013A AND 2013 CERTIFICATES OF PARTICIPATION].

BACKGROUND

The Nipomo Community Services District ("District") refunded Revenue Bond 2013A in 2013 to fund water projects and issued Revenue COPs 2013 to fund the Supplemental Water Project Phase 1. Recently, Columbia Capital contacted staff with a potential opportunity to refund/refinance the 2013A and 2013 COPs for debt service savings, which are currently eligible for refunding. Columbia Capital completed an evaluation and provided a presentation at the March 12 Finance and Audit Committee meeting [Attachment A].

If the District chooses to refinance the 2013A and 2013 COPs, it would take advantage of lower interest rates and generate an estimated net present value savings of \$592,974.

An additional option staff is exploring is to refund the 2013A and 2013 COPs and also include an option to bond the savings and add additional monies for water enterprise projects. In this scenario, the District would lock in refinancing savings while also extending the repayment term by five years to 2048, resulting in new total debt service payments at around \$900,000 per year. The debt service for these Bonds is first secured by ad valorem property taxes, which is estimated to be \$900,000 per year, and then by water revenue. This option would allow the District to borrow an estimated \$4 Million to pay for water enterprise capital projects that are in the draft Fiscal Year 24-25 budget. [Attachment B] Should interest rates increase, the borrowed amount may need to be adjusted downward to keep debt service at the \$900,000 level. On the other hand, should interest rates fall, there may be an opportunity to increase this amount.

The refinancing proposal of the COPs and the use of funds as described above are consistent with and comply with the District's Debt Management Policy under Resolution No. 2022-1614.

Should the District's Board of Directors find it advantageous to refinance the 2013A and 2013 COPs and thereby direct staff to advance this process, regardless of the preferred savings or spending options, Fee Agreements will need to be approved by the Board of Directors to enlist the professional services of Columbia Capital and bond Counsel. These agreements have been reviewed by District General Counsel and are attached. [Attachments C and D].

STRATEGIC PLAN

Goal 2. FACILITIES THAT ARE RELIABLE, ENVIRONMENTALLY SENSIBLE AND EFFICIENT. Plan, provide for and maintain District facilities and other physical assets to achieve reliable, environmentally sensible, and efficient District operations.

B.1 NCS D shall maintain long-range infrastructure management, upgrade and replacement planning.

B.2 Manage both collection systems with the objective of zero spills and zero permit violations from all regulatory oversight agencies and to ensure the long-term preservation of assets.

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

B.1 Evaluate, plan for and maintain finances that are adequate for all needs, stable, and reliable over the long-term.

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

A.1 Periodically review, update and reaffirm District policies and procedures.

FISCAL IMPACT

The fiscal impact to the District's Water Enterprise Fund will vary depending on the Board's decision regarding the refunding or refinancing of the 2013A and 2013 COPs. If the Board concludes that it does not wish to refinance the 2013A and 2013 COPs, then the District will maintain its current debt service and final maturity date. Should the Board decide to move forward with the refinancing of the 2013A and 2013 COPs, there are opportunities for cost savings and/or project funding.

Options for refinancing the 2013A and 2013 COPs:

1. Only pursue the refunding, which would reduce the level of annual debt service and maintain the same payment duration;
2. Pursue the refunding and issue debt for new projects, which would minimally increase the level of debt service and extend the payment duration for 5 years (allows for about \$4 Million available for new money to finance water enterprise projects based on current market conditions, subject to change)

Staff is recommending extending the payment duration and borrowing additional funds, which would provide the District with capital improvement funds that will accelerate the District's ability to build needed infrastructure for the Water Enterprise. This approach takes advantage of the timing of the refinancing and economies of scale in financing the new money borrowing with the 2013A and 2013 COPs refinancing. Combining the refunding with the new money borrowing saves on financing cost and District administrative burden vs. standalone transactions.

RECOMMENDATION

It is recommended your Board discuss options and opportunities, and if appropriate, authorize the General Manager to enter into Fee Agreements with Norton Rose Fulbright US LLP and Columbia Capital Management LLC to advance the 2013A and 2013 COPs refinancing.

ATTACHMENT

- A. Columbia Capital Presentation – Refunding and New Money Borrowing Opportunities
- B. Capital Project Overview Worksheet – Foothill Tank #5 Project
- C. Agreement for Legal Services – Norton Rose Fulbright US LLP
- D. Agreement for Financial Services – Columbia Capital

MARCH 27, 2024

ITEM E-1

ATTACHMENT A

NIPOMO COMMUNITY SERVICES DISTRICT



Refunding and New Money Borrowing Opportunities

March 2024



Refunding Opportunity

- The District's Revenue Certificates of Participation (Supplemental Water Project), Series 2013 and Water Revenue Refunding Bonds, Series 2013A, can be refunded (refinanced) for savings into one series of water revenue bonds.

Summary of Refunding Opportunity			
Series	2013 COPs	2013A Revenue	Total
Call Date	3/1/23	9/1/23	N/A
Callable Par	\$8,200,000	\$1,660,000	\$9,860,000
Estimated Cash Flow Savings	\$738,389	\$87,585	\$825,974
Est. Net Present Value Savings	\$512,959	\$79,635	\$592,594
Net Present Value Savings as a % of Refunded Par	6.3%	4.8%	6.0%

Refunding Opportunity (Continued)

Bond Year 1-Sep	Existing Debt Service			Pro Forma Series 2023A Water Revenue Bonds				
	Series 2013*	Series 2013A*	Total	2013 COPs Portion		2013A Revenue Portion		Total Savings
	COPS	Rev Bonds		New Debt Service	Savings	New Debt Service	Savings	
2024	530,300.00	228,050.00	758,350.00	494,898.61	35,401.39	220,064.58	7,985.42	43,386.81
2025	533,700.00	225,300.00	759,000.00	497,750.00	35,950.00	214,500.00	10,800.00	46,750.00
2026	531,700.00	227,300.00	759,000.00	496,000.00	35,700.00	217,250.00	10,050.00	45,750.00
2027	529,500.00	228,800.00	758,300.00	494,000.00	35,500.00	219,500.00	9,300.00	44,800.00
2028	532,100.00	224,800.00	756,900.00	496,750.00	35,350.00	216,250.00	8,550.00	43,900.00
2029	534,300.00	222,400.00	756,700.00	499,000.00	35,300.00	212,750.00	9,650.00	44,950.00
2030	530,587.50	224,800.00	755,387.50	495,750.00	34,837.50	214,000.00	10,800.00	45,637.50
2031	531,662.50	226,800.00	758,462.50	492,250.00	39,412.50	214,750.00	12,050.00	51,462.50
2032	537,312.50	218,400.00	755,712.50	498,500.00	38,812.50	210,000.00	8,400.00	47,212.50
2033	757,325.00	0.00	757,325.00	719,000.00	38,325.00	0.00	0.00	38,325.00
2034	757,562.50	0.00	757,562.50	718,000.00	39,562.50	0.00	0.00	39,562.50
2035	755,737.50	0.00	755,737.50	721,000.00	34,737.50	0.00	0.00	34,737.50
2036	758,012.50	0.00	758,012.50	722,750.00	35,262.50	0.00	0.00	35,262.50
2037	759,162.50	0.00	759,162.50	723,250.00	35,912.50	0.00	0.00	35,912.50
2038	759,187.50	0.00	759,187.50	722,500.00	36,687.50	0.00	0.00	36,687.50
2039	758,087.50	0.00	758,087.50	720,500.00	37,587.50	0.00	0.00	37,587.50
2040	755,106.26	0.00	755,106.26	717,250.00	37,856.26	0.00	0.00	37,856.26
2041	755,968.76	0.00	755,968.76	717,750.00	38,218.76	0.00	0.00	38,218.76
2042	755,443.76	0.00	755,443.76	716,750.00	38,693.76	0.00	0.00	38,693.76
2043	758,531.26	0.00	758,531.26	719,250.00	39,281.26	0.00	0.00	39,281.26
2044	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2045	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2046	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2047	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2048	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2049	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	13,121,287.54	2,026,650.00	15,147,937.54	12,382,898.61	738,388.93	1,939,064.58	87,585.42	825,974.35
Principal Outstanding Call Dates	\$8,200,000 3/1/23	\$1,660,000 9/1/23	\$9,860,000	NPV Savings (\$):	\$512,959	\$79,635	\$79,635	\$592,594
				NPV Savings (%):	6.3%	4.8%		6.0%

Financing Options

The District can pursue the refunding as a standalone transaction, or combine it with a new money component

	Option 1 Refunding Only	Option 2 Refunding and New Money
Debt Service Savings	Yes	Yes
New Project Proceeds	No	Yes
Total Debt Service Post Refunding	Est. \$715,000	Est. \$900,000
Final Maturity	2043	Est. 2048
New Project Proceeds	\$0	Est. \$4,000,000

- The debt service savings from a refunding are contingent on interest rate conditions at the time of the bond sale
- The new money proceeds projection of \$4 million is also contingent on interest rate levels, for instance, if rates move higher the \$4 million in project proceeds may not be achievable unless annual debt service is increased
- The \$900,000 annual debt service target under Option 2 was designed to match the approximate amount of property tax collections

Coverage Analysis

- The District's water debt has had historically high debt service coverage ranging from 3.8x to 5.4x over the last 5 years, according to the District Continuing Disclosure Reports
- The additional of approximately \$4 million of new debt would not interfere with the District's minimum 1.25x coverage requirement, coverage would go from about 5.4x to about 4.5x

Coverage Calculation Post Issuance

2022-23 Net Revenues:

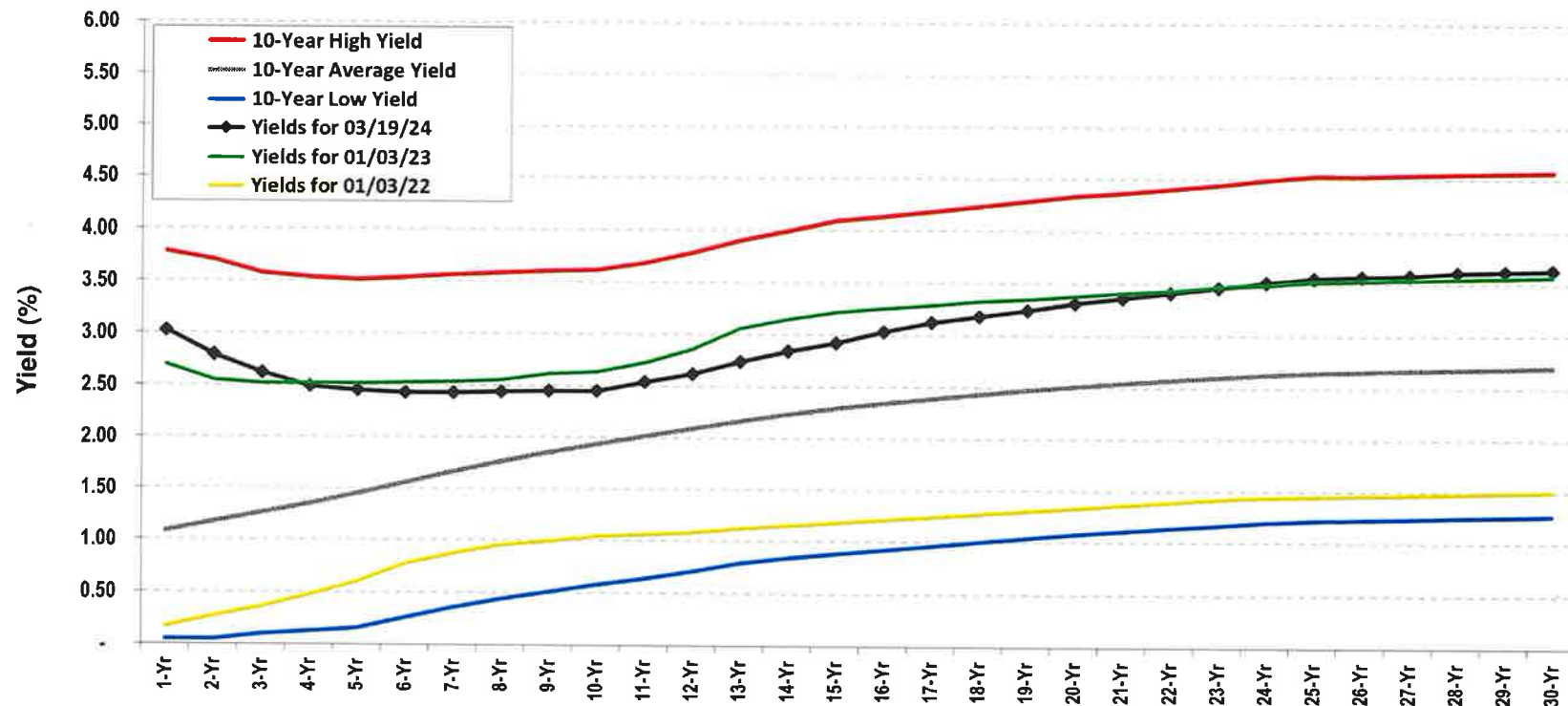
Revenues	\$10,455,962
Expenses	<u>(\$6,371,114)</u>
Net Revenues	<u>\$4,084,848</u>

Estimated Debt Service	\$900,000
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Coverage	4.54x
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Current Market Conditions

- Rates are currently above their 10-year average; however, rates have fallen significantly since hitting their high in 2023
- The chart below provide a detailed history of tax-exempt municipal rates



High-Level Finance Timeline*

MONTH	ACTION
March - April	Plan of finance development
April - May	Plan of finance and timeline confirmed Sale method determined Finance team confirmed
May	Transaction Documented
June	Formal Board approval
July	Pricing
July or August	Bond closing
August	Redeem 2013 COPS and 2013 Revenue Bonds

*Preliminary, subject to change

MARCH 27, 2024

ITEM E-1

ATTACHMENT B



Nipomo Community Services District Foothill Tank #5 Project Overview

FUNDING ENTERPRISE: WATER

Project Description: Construct 1-million-gallon potable water storage tank, along with control valves and chemical feed facilities, at Foothill Tank site at Tefft and Foothill.

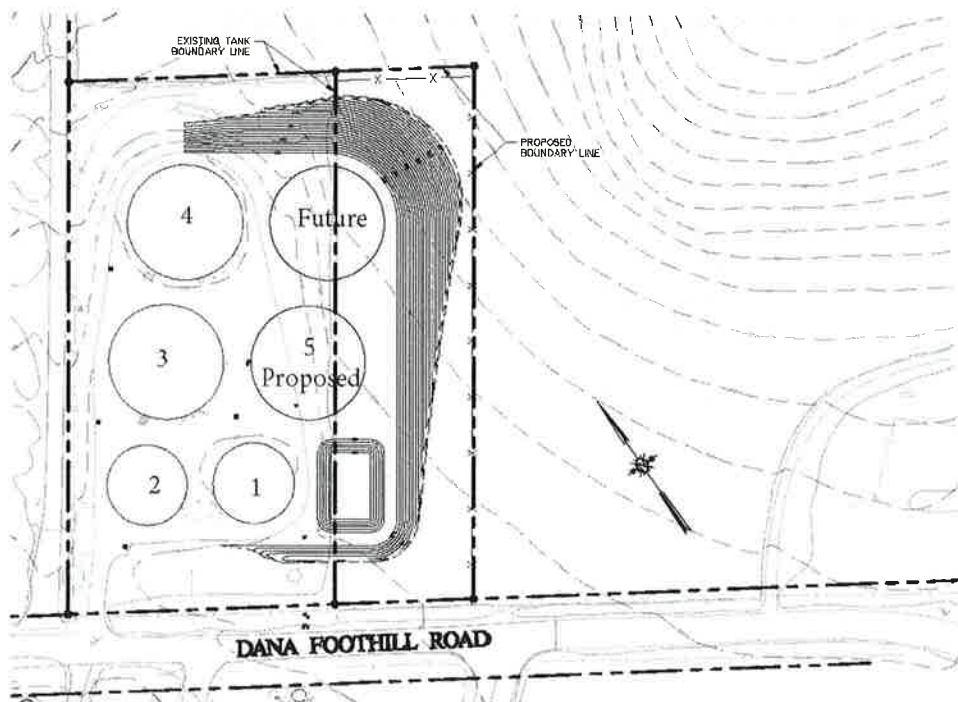
Project Purpose:

The purpose of the project is to increase the water storage capacity of the District’s water system to provide additional fire, equalization and emergency storage at the Foothill Tank site. A Mitigated Negative Declaration CEQA document was completed in August 2022 and purchase of the additional permanent and temporary construction easements for the project was completed in November 2023. The temporary construction easement expires in November 2027. The design work for the project is scheduled for FY 2024-25, but the construction work needed to complete the project is not yet funded.

Estimated Project Cost: \$4,520,000 (ENR LA CCI August 2023 = 15179.26)

Description	Cost
Engineering, Administration and Construction Management	\$850,000
Construction	\$2,820,000
Contingency	\$850,000
Total	\$4,520,000

Preliminary Site Plan:



MARCH 27, 2024

ITEM E-1

ATTACHMENT C

AGREEMENT FOR LEGAL SERVICES

2024 WATER REVENUE CERTIFICATES OF PARTICIPATION

THIS AGREEMENT, made and entered into this ____ day of March, 2024, by and between the NIPOMO COMMUNITY SERVICES DISTRICT (herein called the “District”) and NORTON ROSE FULBRIGHT US LLP, Los Angeles, California (herein called “Attorneys”);

WITNESSETH:

WHEREAS, the District intends to (a) refund its Certificates of Participation (Supplemental Water Project), Series 2013, outstanding in the principal amount of \$8,200,000, and its Water Revenue Refunding Bonds, Series 2013A, outstanding in the principal amount of \$1,660,000, and (b) finance new water system improvements (collectively, the “Project”) through the issuance of Water Revenue Certificates of Participation, Series 2024 (the “Obligations”), and

WHEREAS, the District has determined that Attorneys are experienced in providing services as special counsel and disclosure counsel in proceedings for the authorization and issuance of the Obligations, and Attorneys are willing to provide such services to the District;

NOW, THEREFORE, the District engages Attorneys and Attorneys accept such engagement upon the following terms and conditions:

ARTICLE I

DUTIES OF ATTORNEYS

Section 1.01. Special and Disclosure Counsel Services. Attorneys shall perform and render the following services as Special and Disclosure Counsel:

(a) Confer and consult with the General District Manager, Counsel to the District, and other members of the District administrative staff (acting in their respective capacities as staff of the District or other entity or district created by the District) and with their financial advisor, engineering consultants and other consultants, as to any matters relating to the authorization, execution and delivery of the Obligations.

(b) Attend such meetings of the District and any staff or administrative meetings at which the Obligations are to be discussed, as Attorneys, in their judgment deem necessary, for the proper authorization, execution and delivery of the Obligations, or as requested by the District.

(c) Assist in developing the structure of the financing and provide customary Special Counsel services necessary to enable the District to authorize, execute, sell and deliver the Obligations under existing laws.

(d) Make Attorneys' offices available to the District for the purpose of conducting meetings with regard to the documents relating to an offering of the Obligations, and for all bid openings, pre-closings and closings of any transactions.

(e) To the extent necessary, undertake statutory, decisional and constitutional law research inquiries as to the validity and legal authority of any method of financing chosen by the District.

(f) Prepare, where necessary, the various resolutions, ordinances, trust indentures, notices inviting bids and security agreements required for each transaction. Where necessary, prepare or review agreements for any credit support facility, escrow deposit, trustee, paying agent or registrar, and discuss and comment upon such agreements with financial officers and the financial advisor engaged by the District. Be available to discuss and comment upon any aspect of the transaction related to Attorneys role as Special Counsel, including any issues concerning the rating agencies or any other participant to the transaction.

(g) Prepare or review all documents of the District necessary for the closing and delivery of the Obligations to the purchasers. Prepare or review the various closing certificates and opinions required of trustees, accountants, consulting engineers, and other interested parties.

(h) At the closing, deliver a final approving opinion in respect of the Obligations, stating, among other things, that such obligations are valid and binding obligations of the District and, if applicable, that interest on such obligations is exempt from personal income taxes under the laws of the United States and the State of California, and issue appropriate supplemental opinions and certificates as may be necessary or appropriate.

(i) As Disclosure Counsel, conduct all necessary due diligence review with respect to this transaction, prepare and review, upon consultation with District officials and the municipal advisor, preliminary and final versions of the official statement, sale documents and a continuing disclosure certificate, and at closing deliver an opinion addressed to the District regarding the official statement.

(j) Keep the District informed during the course of this engagement as to applicable rulings issued by Federal and State regulatory agencies that impact the District's disclosure, including those issued by the SEC and the MSRB. More specifically, we would keep District staff and the Board informed and educated, as requested and appropriate, regarding applicable disclosure requirements. If requested, attorneys in our firm can present disclosure practices workshops to you that include a review of recent SEC enforcement actions.

Section 1.02. Cooperation of District. The District shall assist Attorneys by making readily available all existing data and other records requested by Attorneys that are pertinent to the work to be performed by Attorneys, including data and records relating to the Project and the District. The District shall also make its personnel reasonably available to Attorneys to provide information pertinent to such work when requested by Attorneys. The District shall also provide such staff assistance as it has personnel available to provide, and as such staff assistance is reasonably requested by Attorney, including assistance from the Counsel to the District.

Section 1.03. Primary Attorney. The Attorneys designate Maryann Goodkind as the primary contact to the District for the Attorneys unless otherwise agreed.

Section 1.04. Insurance. You are advised that Attorneys maintain Professional Errors and Omissions insurance coverage applicable to the services which we would be rendering

Section 1.05. Miscellaneous. The Attorneys do not have a formal or informal arrangement with any other unrelated individuals or entities with regards to the sharing of any compensation, fees or profits received from or in relation to entering into a required professional services agreement with the District. The District should be aware that the Attorneys may represent or has represented certain municipal advisors/financial advisors, underwriters and others in other municipal bond matters, provided such representations do not violate standards of professional responsibility. The Attorneys do not believe that the foregoing representations will, nor do we anticipate or have knowledge of any other arrangement or representation, formal or informal, with any other party that potentially could conflict with our obligation to provide independent and unbiased advice and recommendations to the District for its transactions.

ARTICLE II

COMPENSATION

Section 2.01. Special Counsel Fee. Fees for services by Attorneys as Special Counsel shall be \$57,000 for the issue.

Section 2.02. Disclosure Counsel Fee. Fees for services by Attorneys as Disclosure Counsel shall be \$35,000 for the issue.

Section 2.03. Reimbursement of Costs. In addition, Attorneys shall be reimbursed for any costs advanced by Attorneys on behalf of the District and for Attorneys' out-of-pocket expenses incurred in connection with preparation of transcripts and legal services rendered by Attorneys as Special Counsel and Disclosure Counsel under this Agreement, including delivery and messenger services, closing costs, duplication costs, printing or posting costs and expenses for travel, not to exceed \$1,000 per series of obligations.

Section 2.04. Non Contingent Fees. Such Attorneys' fees and costs are not contingent on the successful delivery of the Obligations. In the event the Assessment District is not formed, or the District determines not to issue the Obligations, or this Agreement is terminated pursuant to Section 3.01, the District shall pay to Attorneys the work completed to date based on regular hourly rates or compensated on the basis of reasonable fees to be agreed upon by the District, not to exceed the fees set forth in Sections 2.01 and 2.02.

Section 2.05. Additional Work. The provisions herein for payment of fees on a fixed fee basis or a capped fee basis pertain to the ordinary and customary services rendered in connection with transactions of type described herein. Services performed which are occasioned by unforeseen delays, litigation, adverse litigation, validation actions, the need to obtain federal tax rulings, the use of derivative products or investment agreements, or other similar matters are to be billed at regular hourly rates or compensated on the basis of reasonable fees to be agreed upon by the District.

ARTICLE III

TERMINATION AND AMENDMENT

Section 3.01. Termination. This Agreement may be terminated by either party on reasonable notice to the other. In the event of such termination or abandonment of this Agreement prior to its consummation, the District shall not be under any obligation to Attorneys except as provided in Section 2.04.

Section 3.02. Amendment. This Agreement may be altered or amended in writing by mutual agreement of the parties at any time.

IN WITNESS WHEREOF, the District has caused this Agreement to be executed in its corporate names, by its duly authorized officers and Attorneys have caused it to be executed in its firm name by one of its duly authorized officers, all as of the day and year first above written.

**NIPOMO COMMUNITY SERVICES
DISTRICT**

By: _____
Ray Dienzo, General Manager

Approved as to Form:

By: _____
Counsel to District

NORTON ROSE FULBRIGHT US LLP

By _____
Maryann L. Goodkind
Counsel

MARCH 27, 2024

ITEM E-1

ATTACHMENT D



March 6, 2024

Raymond Dienzo – General Manager
Nipomo Community Services District
P.O. Box 326
148 South Wilson Street
Nipomo, CA 93444

Via Electronic Mail

Dear Raymond:

Thank you for the opportunity to serve the Nipomo Community Services District (“the District”)! The purpose of this letter is to document our scope of services and fees related to the District’s refunding of its (1) Series 2013 Revenue Certificates of Participation (Supplemental Water Project), (2) 2013A Revenue Bonds and (3) the issuance of approximately \$4 million for new money projects, subject to change. Our Task Order Agreement For Professional Services with the District (dated 5/23/23) requires separate Task Orders that (1) describe the scope of services, (2) include compensation schedules for services including reimbursable expenses, (3) include a not to exceed fee amount and (4) be signed by us prior to execution by NCSA. The purpose of this letter is to satisfy all these requirements.

FINANCIAL ADVISORY SERVICES

Outlined below are the typical municipal advisory services generally provided by our firm when municipal offerings are issued. We expect to provide a similar range of services to the District on this task, though not all the services below may be required or requested and other services may be needed depending on the circumstances of this financing.

1. Analyze, review and advise on proposed funding options. Provide supporting analysis as needed.
2. Review and confirm revenues available for debt service including review of prior audits, budgets, rating reports and continuing disclosure and other documents.
3. Develop plan of finance including a financing calendar.
4. Assist the District in retaining other financing team members as required. Assess benefits of competitive vs. negotiated sale; make recommendation. Prepare RFPs as needed.
5. Evaluate underwriter responses if negotiated sale is advisable. Manage competitive sale mechanics if a competitive sale is advisable.

6. Review and evaluate debt structure options including recommended debt coverage, legal covenants and other terms; work with staff, consultants, and board as necessary.
7. Modify plan of finance as needed.
8. Prepare required reports; prepare other reports, materials and analysis required or requested.
9. Maintain and manage a financing calendar.
10. Work with issue legal counsel in the drafting of required legal documents, investor disclosure documents and bond sale documents and terms. To the extent the transaction includes a disclosure document (official statement or similar), review and comment on such disclosure document.
11. Assist the District by managing the financing process; provide updated bond market information; provide advice on market conditions and updates on estimated refunding savings when appropriate.
12. Assist the District in preparing and presenting rating and bond insurance applications, as advisable.
13. Assist the District in final negotiations of terms with insurers as needed.
14. Advise on and coordinate bond sale activities, represent District in underwriter negotiations or competitive sale processes. Assess reasonableness of bond pricing and bond sale terms.
15. Assist the District and legal counsel in finalizing all bond documents and closing documents. Prepare closing memo and confirm wiring instructions.
16. In conjunction with bond counsel, coordinate closing of transaction.
17. Provide post-closing follow up and advice as needed.
18. Provide other services as needed or requested to ensure the success of the transaction.

FEE PROPOSAL

We propose a fixed fee for this scope of services of \$78,000. We will not seek reimbursement for out of pocket expenses. Our fee will be due and payable upon the successful closing of the financing. If the financing is cancelled or postponed for more than six months by the District for reasons other than Columbia's failure to perform, the District agrees to negotiate a termination fee, based upon work completed, with Columbia for work undertaken to the date of cancellation.

Columbia will assign Jim Prichard to lead the transaction with Shannon Harris and Deric Marr-Andrews as support staff and Curt M. de Crinis to advise as-needed.

TERM OF AGREEMENT

This agreement will remain in force until terminated by one of the parties or until the financing is complete and all fees have been paid. The Task Order For Professional Services dated 5/23/23 includes provisions for termination.

REGULATORY COMPLIANCE

Pursuant to the full implementation of the US Securities and Exchange Commission (SEC) effective July 1, 2014, except under certain limited exceptions and exclusions, only registered municipal advisors may provide municipal bond issuers, like the District, advice with respect to municipal bonds and other municipal financial products. Columbia Capital maintains such registration. We will timely notify the District of any change in our registration status.

FIDUCIARY DUTY

Columbia Capital is registered as a Municipal Advisor with the SEC and Municipal Securities Rulemaking Board ("MSRB"). As such, Columbia Capital has a fiduciary duty to the District and assumes both a duty of care and a duty of loyalty as required by Federal law.

STANDARD DISCLOSURES

We have provided you with Columbia Capital's Standard Disclosures under separate cover. These Standard Disclosures are provided to you in accordance with MSRB Rule G-42(b).

If these terms are satisfactory to the District, please provide your signature below and return an executed copy to me by PDF or hard copy. We look forward to working with you! We look forward to continuing our long-standing relationship with you!

Respectfully submitted,
COLUMBIA CAPITAL MANAGEMENT, LLC



Jim Prichard
Managing Director and LLC Member

ACKNOWLEDGED AND APPROVED:

Raymond Dienzo – General Manager
Nipomo Community Services District

Date



STANDARD DISCLOSURES

Date: 3/6/23

Client: Nipomo Community Services District

INTRODUCTION

The Municipal Securities Rulemaking Board (MSRB) has promulgated regulations impacting the way municipal advisors interact with their clients. In compliance with those regulations, Columbia Capital Management, LLC (Columbia Capital) offers the following disclosures (Standard Disclosures).

These Standard Disclosures are provided to you in accordance with MSRB Rule G-42(b). Please confirm receipt of these Standard Disclosures by email confirmation or other written confirmation method that we can retain for our records.

MUNICIPAL ADVISOR CERTIFICATION

Columbia Capital is a municipal advisor as defined by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. As of the date listed above, Columbia Capital has fully complied with the municipal advisor registration requirements of both the US Securities and Exchange Commission (SEC) and the MSRB, both for the firm and for its employees engaged in municipal advisory activities.

CONFLICTS OF INTEREST

As of the date listed above, Columbia certifies that it has no known actual or perceived material conflicts of interest related to our work for you.

AFFILIATES

Columbia Capital does not have any affiliate that provides any advice, services, or products to or on behalf of your organization that is directly related to the municipal advisory activities to be performed by Columbia Capital.

NO PAYMENTS BY COLUMBIA CAPITAL

Columbia Capital has not made any payments, directly or indirectly, to obtain or retain this engagement to perform municipal advisory activities for your organization.

NO PAYMENTS TO COLUMBIA CAPITAL

Columbia Capital has not received any payments from a third party to enlist a recommendation by Columbia Capital to your organization of its services, any municipal securities transaction or any municipal financial product.

NO FEE-SPLITTING ARRANGEMENTS

Columbia Capital has not entered into any fee-splitting arrangements involving your organization with any provider of investments or services to your organization.

THIRD-PARTY PAYMENTS

Columbia's general practice is not to accept payments from third-parties related to our work for your organization. On occasion, it may be more convenient for you to require a third-party to pay us for our work for you. In any case where a third party will pay us in connection with our engagement with you, we will disclose all such payments to you in writing in advance.

CONSIDERATIONS RELATED TO FEES

The MSRB has determined that the method of calculation of the fees paid by issuers and obligated persons to municipal advisors can lead to incentives for the municipal advisor that differ from yours. Regardless of the method, however, the fees we charge are not permitted to be excessive given the scope of the engagement. The paragraphs below describe the different incentives our common fee methods may create.

In the event our fee is **contingent** upon the successful outcome of the engagement (typically, the successful closing of a financing transaction), our incentive is to both complete the transaction and to do so quickly. In certain circumstances completion of the transaction may not be in your best interest.

In the event our fee is **hourly**, our incentive is to both take longer to complete the engagement and to spend more time working on it. Delays in completion of an engagement or additional fees due to the amount of time expended may not be in your best interest.

In the event our fee is a **fixed** amount, our incentive is to complete the engagement more quickly and to limit our time investment in completing the engagement. Because the fixed fee is paid regardless of the outcome, you may incur fees without assurance of a successful outcome.

The mode and amount of our fee will be disclosed in the documentation of our engagement with you.

LEGAL OR DISCIPLINARY MEASURES

Neither Columbia Capital nor any representative of Columbia Capital has been subject to any legal or disciplinary event that is material to the evaluation of Columbia Capital or the integrity of our management or advisory personnel.

COMPLAINTS

As a regulated entity, we are obligated to provide our municipal advisory clients annual disclosures pursuant to MSRB Rule G-10. No action is required on your part. Please find our required disclosures below:

- Columbia is registered as a municipal advisor with the U.S. Securities and Exchange Commission and the MSRB
- the MSRB's website is www.msrb.org
- the MSRB makes available on its website a brochure for municipal issuers and borrowers describing the protections that may be provided by the MSRB to issuers and borrowers, MSRB's rules and how to file a complaint with an appropriate regulatory authority. That brochure can be found here: <http://www.msrb.org/~media/Files/Resources/MSRB-MA-Clients-Brochure.ashx>

Additionally, you may address concerns or complaints to our chief compliance officer by emailing ccm_compliance@columbiacapital.com.

QUESTIONS

Please direct any questions about these Standard Disclosures to:

Stacey Walter
Compliance Officer
Columbia Capital Management, LLC
6700 Antioch, Suite 250
Merriam, Kansas 66204
913-312-8057
swalter@columbiacapital.com

**Nipomo Community Services District
P.O. Box 326
Nipomo, CA 93444**

**TASK ORDER AGREEMENT FOR PROFESSIONAL SERVICES
WITH COLUMBIA CAPITAL MANAGEMENT LLC**

THIS AGREEMENT (hereinafter referred to as "Agreement") is made by and between the Nipomo Community Services District, a Community Services District duly existing and operating pursuant to the provisions of Government Code Section 61000 et seq. (hereinafter referred to as "NCSD" or "District") and Columbia Capital Management LLC (herein referred to as "Consultant"), with reference to the following Recitals:

RECITALS

A. NCSD desires to retain Consultant to provide professional tasks as identified in individual task orders ("Task Orders").

B. NCSD desires to engage Consultant to provide services by reason of his qualifications and experience in performing such services, and Consultant has offered to provide the required services through Task Orders on the terms and in the manner set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

1. DESIGNATED REPRESENTATIVES. Mario Iglesias, General Manager, at telephone number (805) 929-1133 is the representative of NCSD and will administer this Agreement for and on behalf of NCSD. James Prichard, at telephone number (913) 312-8072, is the authorized representative for Consultant. Changes in designated representatives shall be made only after advance written notices to the other party.

2. NOTICES. Any notice or consent required or permitted to be given under this Agreement shall be given to the respective parties in writing, by first-class mail, postage prepaid, or otherwise delivered as follows:

NCSD: Nipomo Community Services District
P.O. Box 326
Nipomo, CA 93444
Attn: Mario Iglesias, General Manager
Facsimile: (805) 929-1932
Email: gm@ncsd.ca.gov

CONSULTANT: Columbia Capital Management LLC
2292 Faraday Avenue Suite 8
Carlsbad, CA 92008
Attn: James Prichard
Email: jprichard@columbiacapital.com

or at such other address or to such other person that the parties may from time to time designate. Notices and consents under this section, which are sent by mail, shall be deemed to be received five (5) days following their deposit in the U.S. mail.

3. TASK ORDERS.

A. Task Orders shall:

1. Describe the Scope of Services to be performed by Consultant;
2. Include Compensation Schedules for services including reimbursable expenses;
3. Include a "Not To Exceed Amount";
4. Be signed by the Consultant prior to execution by NCSD.

B. The terms and conditions of this Agreement are incorporated into individual Task Orders.

4. SCOPE OF SERVICES. Consultant agrees to provide the Services and submit deliverables to NCSD in accordance with the individual Task Orders and this Agreement, subject to the direction of NCSD as provided from time to time. Consultant represents and warrants that the Not to Exceed Amount represented in individual Task Orders will be sufficient to provide the Services and submit the deliverables identified in individual Task Orders. In addition and prior to submitting monthly invoices, Consultant shall participate in at least one (1) phone conference with District General Manager and/or other District representative regarding Consultant's efforts.

5. TERM. Consultant shall commence performance within five (5) days of NCSD's Execution of Task Orders and unless otherwise directed in writing by NCSD or unless earlier terminated as provided in this Agreement, shall complete performance and make deliverable as provided in this Agreement and individual Task Orders.

6. COMPENSATION OF CONSULTANT.

A. Consultant will be paid for the Services provided to NCSD in accordance with the Schedule set forth in the Task Orders and subject to the Not to Exceed Amount.

B. Consultant shall submit invoices no more often than monthly for Services performed and Reimbursable Expenses incurred. Each invoice shall identify the person providing the service, the services performed, a report on the services performed that at a minimum summarizes the meetings and conferences attended by Consultant on behalf of the District, and the corresponding Task Order.

C. NCSD shall review each invoice submitted by Consultant to determine whether it accurately reflects the Services performed and Reimbursable Expenses incurred in compliance with the provisions of this Agreement and the Task Order. In the event no charges or expenses are disputed, the invoice shall be approved and paid within thirty (30) days of receipt of the invoice. In the event NCSD disputes any charge or expenses, it shall return the original invoice to Consultant for correction and resubmission, however, the undisputed amount shall be paid as indicated above.

D. NCSD shall not pay Consultant more than the Not-to-Exceed Amount referenced in individual Task Orders without the prior written authorization of the NCSD. In order for NCSD to increase the Not-To-Exceed Amount Consultant must timely, and prior to sixty percent (60%) completion of the services referenced in individual Task Orders, identify and document how circumstances beyond its reasonable control have increased the time and/or costs of performing the Services beyond the amounts identified in the Task Orders. The NCSD, in its sole discretion, may deny in part or in whole the request to increase the Not to Exceed Amount, modify the Scope of Services, or approve the increase in the Not to Exceed Amount.

E. Payment to Consultant shall be full compensation for all personnel, materials, supplies, and equipment used in carrying out the Services.

F. Payment of an invoice by NCSD shall not constitute acceptance of defective Services, and NCSD's failure to discover or object to any unsatisfactory Services or billing prior to payment will not constitute a waiver of NCSD's right to:

1. Require Consultant to correct such work or billings; or
2. Seek any other legal remedy.

G. NCSD may withhold, or on account of subsequently discovered evidence nullify, the whole or a part of any payment to such extent as may be necessary to protect NCSD from loss, including costs and attorneys' fees, on account of (1) defective or deficient work product not remedied; (2) subsequently discovered errors in invoices previously paid; (3) claims filed or reasonable evidence indicating probable filing of a claim or claims; (4) failure of Consultant to make payments properly to its employees or sub-

consultants; or (5) Consultant's failure to adhere to the Schedules or to achieve sufficient progress with the Services such that Consultant is unlikely to achieve timely completion.

7. STATUS OF CONSULTANT.

A. Consultant is and shall at all times remain a wholly independent contractor and not an officer, employee or agent of NCSD. Consultant shall have no authority to bind NCSD in any manner, nor to incur any obligation, debt or liability of any kind on behalf of or against NCSD, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by NCSD.

B. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither NCSD, nor any elected or appointed boards, officers, officials, employees or agents of NCSD, shall have control over the conduct of Consultant or any of Consultant's officers, employees or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that Consultant or any of Consultant's officers, employees, subcontractors, or agents are in any manner officials, officers, employees or agents of NCSD.

C. Neither Consultant, nor any of Consultant's officers, employees, subcontractors, or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to NCSD's employees. Consultant expressly waives any claim Consultant may have to any such rights.

8. PERFORMANCE STANDARDS.

A. Compliance with laws. Consultant shall (and shall cause its agents and sub-contractors), at its sole cost and expense, to comply with all State and Federal ordinances, regulations and statutes now in force or which may hereafter be in force with regard to the Services referenced in individual Task Orders, and this Agreement. The judgment of any court of competent jurisdiction, or the admission of Consultant in any action or proceeding against Consultant, whether NCSD be a party thereto or not, that Consultant has violated any such ordinance or statute, shall be conclusive of that fact as between Consultant and NCSD. Except as provided above, any corrections to Consultant's Services which become necessary as a result of the Consultant's failure to comply with these requirements shall be made at Consultant's expense.

B. Standard of Performance. Consultant represents that it has the skills, expertise, and licenses necessary to perform the Services required under this Agreement and subsequently executed Task Orders. Consultant shall perform all such Services in the manner and according to the standards normally observed by professionals experienced in providing Services identified in individual Task Orders. All documents and services of whatsoever nature that Consultant delivers to NCSD pursuant to this Agreement and individual Task Orders shall conform to the standards of quality normally observed by professionals experienced in providing Services identified in individual Task

Orders. Consultant shall promptly correct or revise any errors or omissions at NCSD's request without additional compensation. Licenses required to perform such services shall be obtained and maintained by Consultant without additional compensation throughout the term of this Agreement

No other warranty, express or implied, is included in this Agreement or in any drawing, specification, report, or opinion produced pursuant to this Agreement. Consultant's opinions, estimates, and forecasts of current and future cost levels, revenue levels, other levels and events shall be made on the basis of available information and Consultant's experience and qualifications as a professional. Consultant does not guarantee that estimates and forecasts of current and future levels and events will not vary from Consultant's estimates and forecasts.

9. FAMILIARITY WITH SERVICES TO BE PERFORMED. By executing individual Task Orders, Consultant represents that Consultant (a) has thoroughly investigated and considered the Scope of Services referenced in Task Orders to be performed; (b) has carefully considered how the services should be performed; (c) fully understands the difficulties and restrictions attending performance of the services under this Agreement; and (d) that the "not to exceed amount" is adequate for the Services to be performed by Consultant.

10. TAXES. Consultant shall pay all taxes, assessments and premiums under the federal Social Security Act, any applicable unemployment insurance contributions, Workers Compensation insurance premiums, sales taxes, use taxes, personal property taxes, or other taxes or assessments now or hereafter in effect and payable by reason of or in connection with the services to be performed by Consultant.

11. CONFLICT OF INTEREST. Consultant covenants that neither it, nor any officer or principal of its firm, or subcontractors retained by Consultant has, or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of NCSD for Task Order work or which would in any way hinder Consultant's performance of services under this Agreement or Task Order. Consultant further covenants that in the performance of the Services, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the prior express written consent of the NCSD Manager. Consultant agrees to at all times avoid conflicts of interest, or the appearance of any conflicts of interest, with the interests of the NCSD in the performance of the Services pursuant to Individual Task Orders.

12. RESPONSIBILITIES OF NCSD. NCSD shall provide all information reasonably necessary by Consultant in performing the services provided herein.

13. OWNERSHIP OF DOCUMENTS. All reports, documents, drawings, photographs, videotape, specifications, data, and other instruments of professional service, in paper and electronic form, whether in draft or final, prepared by Consultant during the performance of this Agreement (the "Documents") shall be and become the property of NCSD. Consultant shall deliver the Documents to the NCSD promptly upon

completion of the Services or termination of this Agreement, for any reason, whichever shall occur first.

However, Consultant shall have rights to their use and shall retain its rights in its specifications, standard databases, computer software, and other intellectual and proprietary rights. Rights to intellectual property developed, utilized, or modified in the performance of the Services shall remain the property of Consultant. Any use by Consultant of intellectual property owned by the NCSD is authorized solely for this project.

All materials, including but not limited to, calculations, computer files, computer software and models prepared by Consultant pursuant to this Agreement are instruments of service in respect to the Project and are subject to protection under copyright laws. They are not intended or represented to be suitable for reuse by the NCSD or by others on extensions of the Project, updates, or on any other project. Any reuse without prior written verification or adaptation by Consultant for the specific purpose intended will be at NCSD's sole risk and without liability or legal exposure to Consultant. NCSD shall defend, indemnify, and hold harmless Consultant against all claims, losses, damages, injuries, and expenses, including attorney's fees, arising out of or resulting from such reuse including distribution of Documents by NCSD to another party.

14. RECORDS, AUDIT AND REVIEW. Consultant and Consultant's subcontractors shall keep such business records pursuant to this Agreement as would be kept by a reasonably prudent practitioner of Consultant's profession and shall maintain such records for one (1) year following the termination of this Agreement. All accounting records shall be kept in accordance with generally accepted accounting practices. NCSD shall have the right to audit and review all such documents and records at any time during Consultant's regular business hours or upon reasonable notice.

15. INDEMNIFICATION

- A. To the fullest extent permitted by law (including, without limitation, California Civil Code Sections 2782.8). Consultant shall defend indemnify and hold harmless the NCSD and its officers, agents, departments, officials, representatives and employees (collectively "Indemnitees") from and against legal liability for claims, loss, cost, damage, and expense to the extent that such claims, losses, damages, or expenses are caused by Consultant's negligent acts, errors, or omissions. Such obligations to defend, hold harmless and indemnify any Indemnitee shall not apply to the extent that such liabilities are caused by the negligence, active negligence, or willful misconduct of such Indemnitee.
- B. Nothing contained in the foregoing indemnity provisions shall be construed to require Consultant to indemnify NCSD, against any responsibility or liability in contravention of Civil Code §2782.8.

- C. Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth in this section from each and every subconsultant/subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. The NCSD's failure to monitor compliance with this requirement imposes no additional obligations on the NCSD and will in no way act as a waiver of any rights hereunder. The obligation to indemnify and defend the NCSD as set forth herein is binding on the successors of Consultant and shall survive the termination of this Agreement or this section.
- D. Neither termination of this Agreement or completion of services referenced in individual Task Orders under this Agreement shall release Consultant from its obligations of Section 14 as to any claims, so long as the event upon which such claims is predicated shall have occurred prior to the effective date of any such termination or completion and arose out of or was in any way connected with performance or operations under this Agreement by Consultant, its employees, agents or sub-consultants / subcontractors, or the employee, agent or consultant of any one of them.
- E. Indemnification by District. District agrees to defend, indemnify, and hold harmless Consultant, its agents and employees, from and against legal liability for claims, losses, damages, and expenses to the extent such claims, losses, damages, or expenses are caused by any alleged or untrue statement of material fact contained in any document, data, or report or any other written or oral communication provided by District and on which Consultant relies in connection with the services performed under this Agreement.
- F. Limitations of Liability. To the fullest extent permitted by law, Consultant's total liability to District for all claims, losses, damages and expenses resulting in any way from the performance of the Services shall not exceed the total compensation received by Consultant under this Agreement.
- G. Employee Claims. Consultant shall indemnify District against legal liability for damages arising out of claims by Consultant's employees. District shall indemnify Consultant against legal liability for damages arising out of claims by District's employees.

16. INSURANCE.

- A. Consultant and its subconsultants/subcontractors shall procure and maintain insurance with companies authorized to do business in the State of California and assigned an A.M. Best's rating of no less than A-(IX), the following insurance coverage on an "occurrence basis", written on the ISO

form shown below (or its equivalent) at the limits of liability specified for each:

General Liability Insurance (Including coverage for premises, products and completed operations, independent Consultants/vendors, personal injury and contractual obligations with combined single limits of coverage of at least (ISO Form CG001 11/85)	\$ 1 Million per occurrence \$ 1 Million in the aggregate
Commercial Automobile Liability Insurance (Non-owned and Hired Auto Liability only) (ISO Form CA001 12/90)	\$ 1 Million per accident
Workers' Compensation Insurance	Statutory
Employer's Liability Insurance	\$ 1 Million policy limit
Professional Liability Insurance	\$ 1 Million per claim \$ 1 Million in the aggregate

If Consultant's firm owns no motor vehicles, Consultant agrees to obtain Business Automobile liability insurance in compliance with this Agreement should any motor vehicle be acquired during the term of this Agreement.

If Consultant does not have employees other than the owners of the company or family members, Workers' Compensation and Employers' Liability coverage is not required. The Consultant agrees to obtain such insurance should any employees be engaged during the term of this Agreement.

- B. The General and Commercial Automobile liability policies shall be endorsed to include the following:
- (1) NCSD, its officers, directors, employees and agents shall be named as Additional Insureds.
 - (2) This policy shall be considered primary insurance with respect to the NCSD, its elected or appointed officers, officials, employees, agents and volunteers. Any insurance maintained by the NCSD, including any self-insured retention the NCSD may have shall be considered excess insurance only and shall not contribute with it.
 - (3) This insurance shall act for each insured and Additional Insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring company.

- (4) If not covered separately under a business automobile liability policy, the general liability policy shall also be endorsed to include non-owned and hired automobile liability.
 - (5) The insurer waives all rights of subrogation against the NCSD, its elected or appointed officers, officials, employees or agents.
- C. Prior to commencing work under this Agreement, Consultant shall provide NCSD with Certificates of Insurance evidencing compliance with the foregoing requirements, accompanied by copies of the required endorsements. Certificates of Insurance for commercial general liability, automobile liability, and professional liability insurance shall specify that the insurer shall give NCSD thirty (30) days advance written notice by the insurer prior to cancellation of the policy except ten (10) days for nonpayment of premium.
- D. All insurance coverage required hereunder shall be kept in full force and effect for the term of this Agreement. Professional liability insurance shall be maintained for an additional, uninterrupted period of one (1) year after termination of this Agreement, provided such insurance is commercially available at rates reasonably comparable to those currently in effect. Certificates of Insurance evidencing renewal of the required coverage shall be provided within ten (10) days of the expiration of any policy at any time during the period such policy is required to be maintained by Consultant hereunder. Any failure to comply with this requirement shall constitute a material breach of this Agreement.

17. PERSONNEL.

A. The Consultant represents that it has, or will secure at its own expense, all personnel, sub-consultants and/or subcontractors required in performing the Services under this Agreement. All of the Services required hereunder will be performed by the Consultant or under Consultant's supervision, and all personnel engaged in the work shall be qualified to perform such Services.

B. Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's employees, associates and subconsultants assigned to perform the Services required under this Agreement.

18. TERMINATION.

At any time, with or without cause, the District shall have the right, in its sole discretion, to terminate this Agreement by giving thirty (30) days written notice to Consultant. Consultant may terminate the Agreement upon written notice in the event of substantial failure of the District to perform in accordance with the terms of this

Agreement. District shall be liable to Consultant only for work done by Consultant up to and including the date of termination of this Agreement.

19. BREACH OF LAW. In the event the Consultant or any of its officers, directors, shareholders, employees, agents, subsidiaries or affiliates is convicted (i) of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of a contract or subcontract; (ii) under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a public consultant or Consultant; (iii) under state or federal antitrust statutes arising out of the submission of bids or proposals; or (iv) of violation of Paragraphs 11, 23, 24, 25 of this Agreement; or for any other cause the NCSD determines to be so serious and compelling as to affect Consultant's responsibility as a public consultant or Consultant, including but not limited to, debarment by another governmental agency, then the NCSD reserves the unilateral right to terminate this Agreement, seek indemnification and/or to impose such other sanctions (which may include financial sanctions, temporary suspensions or any other condition deemed appropriate short of termination) as it deems proper.

20. DISPUTE RESOLUTION.

A. The parties agree in good faith to attempt to resolve amicably, without litigation, any dispute arising out of or relating to this agreement. In the event that any dispute cannot be resolved through direct discussions, the parties agree to endeavor to settle the dispute by mediation. Either party may make a written demand for mediation, which demand shall specify the facts of the dispute. The matter shall be submitted to a mediator who shall hear the matter and provide an informal nonbinding opinion and advice in order to help resolve the dispute. The mediator's fee shall be shared equally by the parties. If the dispute is not resolved through mediation, the matter may be submitted to the judicial system, in which event all litigation and collection expenses, witness fees, court costs and attorneys' fees shall be paid to the prevailing party.

B. No claim, potential claim, dispute or controversy, except non-payment by NCSD of undisputed amounts, shall interfere with the progress and performance of the Services referenced in Task Orders, or any changes thereto, and Consultant shall proceed as directed by the NCSD in all instances with its Services, including any disputed Services, or any changes thereto and any failure of Consultant to proceed shall be deemed a material breach of this Agreement entitling NCSD to all remedies available under Section 19 or other provision of the Agreement and/or applicable law. Except as provided elsewhere in this Agreement, NCSD shall continue to make payments in accordance with the Agreement.

21. NCSD NOT OBLIGATED TO THIRD PARTIES. NCSD shall not be obligated or liable for payment hereunder to any party other than the Consultant.

22. NON-DISCRIMINATION. Consultant shall not discriminate in any way against any person on the basis of race, color, religious creed, national origin, ancestry, sex, age, physical handicap, medical condition or marital status in connection with, or related to, the performance of this Agreement.

23. UNAUTHORIZED ALIENS. Consultant hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, et seq., as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Consultant so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should the any liability or sanctions be imposed against NCSD for such use of unauthorized aliens, Consultant hereby agrees to and shall reimburse NCSD for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by NCSD. Consultant shall comply with all the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, et seq., as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein.

24. CONFIDENTIAL INFORMATION; RELEASE OF INFORMATION.

A. All information gained or work product produced by Consultant in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Consultant. Consultant shall not release or disclose any such information or work product to persons or entities other than NCSD without prior written authorization from the District Manager, except as may be required by law.

NCSD acknowledges that ownership of, and any copyrights to, Consultant's and sub-consultants pre-existing standard details and specifications (such as MS Excel Rate Models) shall remain with their respective owners and NCSD shall not acquire any rights in any such pre-existing standard details and specifications and shall not release such files or Models without the prior written authorization of Consultant.

B. Consultant, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the District Manager or unless requested by the District Legal Counsel of NCSD, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives NCSD notice of such court order or subpoena.

C. If Consultant, or any officer, employee, agent or subcontractor of Consultant, provides any information or work product in violation of this Agreement, then NCSD shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorneys fees, caused by or incurred as a result of Consultant's conduct.

D. Consultant shall promptly notify NCS D should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed there-under. NCS D retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with NCS D and to provide NCS D with the opportunity to review any response to discovery requests provided by Consultant. However, this right to review any such response does not imply or mean the right by NCS D to control, direct, or rewrite said response.

25. ASSIGNMENT. The expertise and experience of Consultant are material considerations for this Agreement. NCS D has an interest in the qualifications of and capability of the persons and entities who will fulfill the duties and obligations imposed upon Consultant under this Agreement. In recognition of that interest, Consultant shall not assign or transfer this Agreement or any portion of this Agreement or the performance of any of Consultant's duties or obligations under this Agreement without the prior written consent of the District Board of Directors. Any attempted assignment shall be ineffective, null and void, and shall constitute a material breach of this Agreement entitling NCS D to any and all remedies at law or in equity, including summary termination of this Agreement. NCS D acknowledges, however, that Consultant, in the performance of its duties pursuant to this Agreement, may utilize subcontractors.

26. COSTS AND ATTORNEY'S FEES. Except for disputes that are resolved by non-binding mediation, the prevailing party in any action between the parties to this Agreement brought to enforce the terms of this Agreement or arising out of this Agreement may recover its reasonable costs and attorney's fees expended in connection with such an action from the other party.

27. SECTION HEADINGS. The headings of the several sections, and any table of contents appended hereto, shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof.

28. SEVERABILITY. If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

29. REMEDIES NOT EXCLUSIVE. Except for disputes related solely to the payment for Services performed by Consultant, no remedy herein conferred upon or reserved to the Parties is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition

to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

30. NONEXCLUSIVE AGREEMENT. Consultant understands that this is not an exclusive Agreement and that NCSD shall have the right to negotiate with and enter into contracts with others providing the same or similar services as those provided by Consultant as the NCSD desires.

31. NOT USED

32. NON-LIABILITY OF DISTRICT OFFICERS AND EMPLOYEES. No officer or employee of NCSD will be personally liable to Consultant, in the event of any default or breach by the NCSD or for any amount that may become due to Consultant.

33. INTERPRETATION OF THIS AGREEMENT. The parties acknowledge that each party and its attorney had the opportunity to review, negotiate and revise this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any document executed and delivered by any party in connection with the obligations contemplated by this Agreement.

34. TIME IS OF THE ESSENCE. Time is of the essence in this Agreement and each covenant and term is a condition herein.

35. NO WAIVER OF DEFAULT. No delay or omission of NCSD to exercise any right or power arising upon the occurrence of any event of default shall impair any such right or power or shall be construed to be a waiver of any such default of an acquiescence therein; and every power and remedy given by this Agreement to NCSD shall be exercised from time to time and as often as may be deemed expedient in the sole discretion of NCSD.

36. ENTIRE AGREEMENT AND AGREEMENT. In conjunction with the matters considered herein, this Agreement contains the entire understanding and Agreement of the parties and there have been no promises, representations, Agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature hereafter binding except as set forth herein. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the parties to this Agreement and by no other means. Each party waives their future right to claim, contest or assert that this Agreement was modified, canceled, superseded, or changed by any oral Agreements, course of conduct, waiver or estoppel.

37. SUCCESSORS AND ASSIGNS. All representations, covenants and warranties set forth in this Agreement, by or on behalf of, or for the benefit of any or all of the parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.

38. CALIFORNIA LAW. This Agreement shall be governed by the laws of the State of California. Any litigation regarding this Agreement or its contents shall be filed in the County of San Luis Obispo, if in state court, or in the federal court nearest to San Luis Obispo County, if in federal court.

39. EXECUTION OF COUNTERPARTS. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

40. PRECEDENCE. In the event of a conflict between the Task Orders and this Agreement, the provisions of this Agreement shall control.

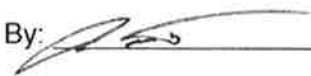
41. RECITALS. Recitals A through B are incorporated herein by reference as though set forth at length.

42. AUTHORITY TO EXECUTE. All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles, and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity (ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Furthermore, by entering into this Agreement, Consultant hereby warrants that it shall not have breached the terms or conditions of any other contract or Agreement to which Consultant is obligated, which breach would have a material effect hereon.

End of document, only signatures follow.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on the date executed by the NCSD.

CONSULTANT: COLUMBIA CAPITAL MANAGEMENT, LLC

By:  _____

James Prichard, Managing Director

Date: 5/22/23

NIPOMO COMMUNITY SERVICES DISTRICT

 _____
Mario E. Iglesias, General Manager

Nipomo Community Service District

Date: 5/23/2023