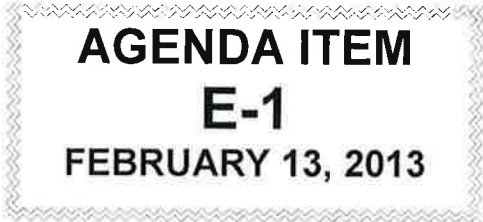


TO: BOARD OF DIRECTORS
FROM: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER
DATE: FEBRUARY 7, 2013



**CONDUCT PROTEST HEARING, DETERMINE PROTEST STATUS,
AND IF THERE IS NOT A MAJORITY PROTEST CONSIDER
ADOPT A RESOLUTION INCREASING DISTRICT SOLID
WASTE FEES**

ITEM

CONDUCT PROTEST HEARING, DETERMINE PROTEST STATUS, AND IF THERE IS NOT A MAJORITY PROTEST CONSIDER ADOPT A RESOLUTION INCREASING DISTRICT SOLID WASTE FEES [ADOPT RESOLUTION]

BACKGROUND

South County Sanitary Services (SCSS) provides solid waste collection services to homes throughout southern San Luis Obispo County. SCSS provides these services to District customers under a Franchise Agreement with the District.

On December 12, 2012, your Board considered SCSS application for a base year rate increase and discussed options for addressing the rate application and two previous rate increases the Board had deferred through expenditure of solid waste reserves. Your Board approved conducting a 45-day rate hearing with a proposed 11.6% increase in solid waste rates.

On or about December 21, 2012, the District mailed notice of the proposed solid waste rate increase to all owners of record and customers of record (Attached).

USE OF SOLID WASTE REVENUES

The District solid waste franchise is operated as a separate enterprise. The revenues derived from the solid waste rate increase do not exceed the funds required to provide solid waste service because the rates are calculated to provide:

- Provide sufficient funds for on-going operation and maintenance.
- Rehabilitate, replace and upgrade facilities needed to provide services for the District solid waste customers.
- Establish reserves to reduce risk and prudently manage the District's solid waste services.

Solid waste revenues collected from solid waste customers are deposited into designated accounts and cannot be used for any purpose other than that for which the charge is imposed as outlined above.

FISCAL IMPACT

With the adopted rate, the District will collect approximately \$145,000 in franchise fees annually.

STRATEGIC PLAN

Strategic Plan Goal 6.1 - Operate all enterprise funds to be financially sound.

Strategic Plan Goal 7.A.1 – Promote recycling

Strategic Plan Goal 7.A.2 - Provide additional solid waste services

Strategic Plan Goal 7.A.3 - Communicate with customers

RECOMMENDATION

Staff recommends as follows:

1. Conduct Public Hearing\receive Public Comment & receive Written Protest.
2. Close Public Hearing.
3. Establish number of valid Written Protests that have been submitted per Prop 218\Article XIII D of the California Constitution.
4. If there is no majority protest, adopt Resolution 2013 – Solid Waste Rate Increase; or
5. If there is a Majority Protest, direct staff to develop alternatives.

ATTACHMENT

- A. Resolution 2013 – XXX Solid Waste Rate
- B. Proposition 218 Notice to owners of record and customers of record

FEBRUARY 13, 2013

ITEM E-1

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2013-XXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
DETERMINING SUFFICIENCY OF WRITTEN PROTESTS RELATED TO FEES AND CHARGES
FOR SOLID WASTE COLLECTION WITHIN THE
NIPOMO COMMUNITY SERVICES DISTRICT**

WHEREAS, pursuant to San Luis Obispo County Local Agency Formation Commission (LAFCO) Resolution 2001-02 the Nipomo Community Services District (District) is authorized to provide its residents with the collection and disposal of garbage and refuse matter pursuant to Government Code Section 61000 (c); and

WHEREAS, pursuant to LAFCO Resolution 2001-02 South County Sanitary, Inc. has an exclusive franchise to provide District residents with the collection and disposal of solid waste; and

WHEREAS, the Nipomo Community Services District ("District") intends to adopt updated solid waste fees and charges within the District; and

WHEREAS, Government Code §61115 authorizes the District to adopt rates and charges by Resolution; and

WHEREAS, the District, pursuant to Article XIID §6(a) of the California Constitution has provided written notice ("Notice") to record owners of identified parcels within the District upon which the fee or charge is proposed for solid waste collection services. Said Notices are incorporated herein by this reference; and

WHEREAS, on February 13, 2013, the District conducted a duly noticed public hearing wherein the Board of Directors considered public comment in support and in opposition to the proposed rate increase and whether or not a majority protest to the proposed rate increase exists pursuant to Section 6 of Article XIII D of the California Constitution. At the conclusion of the public hearing, the Board found that approximately _____ written protests were received and that a majority protest did not exist.

WHEREAS, based on facts provide in the Base Year Rate Adjustment Application provided by South County Sanitary Service, written protests received prior to the close of the February 13, 2013 public hearing, the Staff Report, Staff Presentation and public testimony received, the Board of Directors finds:

A. The District identified the parcels upon which the new rates and charges will be imposed, calculated the amount of the rates, and mailed notices to all Owners of Record and Customers of Record of properties responsible for the solid waste rates and charges, which notices provided information on the proposed rates and charges, the basis for the calculation, the reason for the rates and charges, and the date, time, and location for a public hearing which was not less than 45 days after the date of mailing.

B. The public hearing adopting this Resolution has been properly noticed pursuant to Government Code §54954.2 (The Brown Act).

NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2013-XXX

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT
DETERMINING SUFFICIENCY OF WRITTEN PROTESTS RELATED TO FEES AND CHARGES FOR SOLID WASTE
COLLECTION WITHIN THE NIPOMO COMMUNITY SERVICES DISTRICT

- C. The rates and charges adopted by this Resolution:
1. Are for the purposes of meeting operation, maintenance, and capital replacement expenses for providing solid waste services for District customers.
 2. Do not exceed the funds required to provide solid waste services to District customers.
 3. Do not exceed the proportional cost of services attributable to those parcels receiving solid waste service.

D. The revenues derived from the solid waste rates and charges will not be used for any purpose other than that for which the charge is imposed.

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

Section 1. Incorporation of Recitals

The Recitals are true and correct and incorporated herein by this reference. The Recitals and referenced reports and studies contained therein constitute and support the findings of the District in support of this Resolution.

Section 2. Solid waste Rates

Exhibit A to Chapter 7.09 of the District Code (Solid Waste Rates and Charges) is hereby repealed in its entirety and replaced with the solid waste rates and charges reflected in Exhibit "A", attached hereto and incorporated into this Resolution by reference.

Section 3. Repeal of Prior Ordinances and Resolutions

All Ordinances, Resolutions and sections of Ordinances and Resolutions that are inconsistent with this Resolution are hereby repealed.

Section 4. Effect of Repeal on Past Actions and Obligations

This Resolution does not affect prosecutions for violations committed prior to the effective date of this Resolution, does not waive any fee or penalty due and unpaid on the effective date of this Resolution, and does not affect the validity of any bond or cash deposit posted, filed or deposited pursuant to the requirements of any prior Resolution or Ordinance.

Section 5. CEQA Findings

The Board of Directors of the District finds that the rates and charges adopted by this Resolution exempt from the California Environmental Quality Act pursuant to Public Resources Code § 21080(b)(8) and CEQA Guidelines Section 15273. The District General Manager is directed to prepare and file appropriate notices.

NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2013-XXX

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT
DETERMINING SUFFICIENCY OF WRITTEN PROTESTS RELATED TO FEES AND CHARGES FOR SOLID WASTE
COLLECTION WITHIN THE NIPOMO COMMUNITY SERVICES DISTRICT

Section 6. Severance Clause

If any section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be unconstitutional, ineffective or in any manner in conflict with the laws of the United States, or the State of California, such decision shall not affect the validity of the remaining portions of this Resolution. The Governing Board of the District hereby declares that it would have adopted this Resolution and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional, ineffective, or in any manner in conflict with the laws of the United States or the State of California.

Section 7. Effective Date

This Resolution shall take effect immediately. The rates and charges adopted by this Resolution shall take effect March 1, 2013.

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

AYES:
NOES:
ABSENT:
CONFLICTS:

the foregoing resolution is hereby adopted this 13th day of February 2013.

James Harrison, President
Nipomo Community Services District
Board of Directors

ATTEST:

APPROVED AS TO FORM:

Michael S. LeBrun
Secretary to the Board

Michael W. Seitz
District Legal Counsel

EXHIBIT A

RATE EFFECTIVE March 1, 2013 NIPOMO CSD			
Service Description	Pickups Per Week	Monthly Rate Effective	3-1-2013
RESIDENTIAL:			
32 Gallon Waste Wheeler	1		\$16.74
64 Gallon Waste Wheeler	1		\$23.98
96 Gallon Waste Wheeler	1		\$31.43
TWO-64 Gallon Waste Wheelers	1		\$37.42
ONE 64 & ONE 96 Gallon	1		\$43.41
TWO-96 Gallon Waste Wheelers	1		\$49.42
Residential customers must use the waste wheelers provided by the garbage company.			
APARTMENTS, TRIPLEX, DUPLEX			
Rates are the same as commercial rates (below).			
COMMERCIAL DUMPSTERS - ALL AREAS:			
96 gallon waste wheeler	1		\$31.43
1 yd dumpster	1		\$64.17
1 yd dumpster	2		\$92.33
1 yd dumpster	3		\$122.00
1 yd dumpster	4		\$150.17
1 yd dumpster	5		\$181.43
1 yd dumpster	6		\$211.16
1 yd dumpster	7		\$281.53
1.5 yd dumpster	1		\$76.62
1.5 yd dumpster	2		\$117.25
1.5 yd dumpster	3		\$158.01
1.5 yd dumpster	4		\$220.52
1.5 yd dumpster	5		\$268.99
1.5 yd dumpster	6		\$320.64
1.5 yd dumpster	7		\$423.92
2 yd dumpster	1		\$82.90
2 yd dumpster	2		\$136.05
2 yd dumpster	3		\$193.87
2 yd dumpster	4		\$283.12
2 yd dumpster	5		\$347.30
2 yd dumpster	6		\$414.48
2 yd dumpster	7		\$567.74
3 yd dumpster	1		\$98.53
3 yd dumpster	2		\$184.51
3 yd dumpster	3		\$258.06
3 yd dumpster	4		\$459.78
3 yd dumpster	5		\$545.86
3 yd dumpster	6		\$638.12
3 yd dumpster	7		\$878.94
COMMERCIAL DUMPSTERS - ALL AREAS (Con't):			
4 yd dumpster	1		\$142.31
4 yd dumpster	2		\$214.34
4 yd dumpster	3		\$308.09
4 yd dumpster	4		\$483.34
4 yd dumpster	5		\$598.99
4 yd dumpster	6		\$680.38
4 yd dumpster	7		\$1,057.26

EXHIBIT A

RATE EFFECTIVE March 1, 2013
NIPOMO CSD

Service Description	Pickups Per Week	Monthly Rate Effective 3-1-2013
COMMERCIAL GARBAGE CANS - ALL AREAS:		
32 gallon waste wheeler	1	\$20.21
64 gallon waste wheeler	2	\$39.17
96 gallon waste wheeler	3	\$59.43
RECYCLING DUMPSTER CONTAINERS (PER MONTH)		
96 gallon waste wheeler	1	\$15.71
1 yd dumpster	1	\$32.09
1 yd dumpster	2	\$46.16
1 yd dumpster	3	\$61.00
1 yd dumpster	4	\$75.08
1 yd dumpster	5	\$90.71
1.5 yd dumpster	1	\$38.31
1.5 yd dumpster	2	\$58.62
1.5 yd dumpster	3	\$79.01
1.5 yd dumpster	4	\$110.26
1.5 yd dumpster	5	\$134.49
2 yd dumpster	1	\$41.45
2 yd dumpster	2	\$68.03
2 yd dumpster	3	\$96.94
2 yd dumpster	4	\$141.56
2 yd dumpster	5	\$173.65
3 yd dumpster	1	\$49.27
3 yd dumpster	2	\$92.25
3 yd dumpster	3	\$129.03
3 yd dumpster	4	\$229.89
3 yd dumpster	5	\$272.93
RECYCLING DUMPSTER CONTAINERS (PER MONTH)		
4 yd dumpster	1	\$71.16
4 yd dumpster	2	\$107.17
4 yd dumpster	3	\$154.05
4 yd dumpster	4	\$241.67
4 yd dumpster	5	\$299.50

The rates shown above include the monthly container rental fee and a semi-annual dumpster cleaning.

EXHIBIT A

RATE EFFECTIVE March 1, 2013 NIPOMO CSD			
Service Description	Pickups Per Week	Monthly Rate Effective	3-1-2013
Service Description	Pickups Per Week	Monthly Rate Effective	3-1-2013
MISCELLANEOUS CHARGES - ALL CUSTOMERS:			
Overstacked Garbage & extra bags Minimum/unit	each		\$4.52
Overstacked Greenwaste & extra bags Minimum/unit	each		\$2.19
Overstacked Blue Bin & extra bags Minimum/unit	each		\$2.19
In yard service (per can or commodity) IN ADDITION TO STANDARD GARBAGE RATES	per month		\$11.29
Monthly charge for additional 96-gallon green waste service	per month		\$3.13
Extended Vacation Service	per month		\$10.52
Waste wheeler cleaning	each time		\$16.83
Trip charge	each time		\$11.29
Non-payment downsize service	each time		\$11.29
Non-payment redeliver waste wheeler	each time		\$11.29
Non-payment reconnect service	each time		\$27.13
Small item pickup (TV, toilet)	each		\$26.48
Appliance pickup-residential	each		\$37.33
Larger than residential appliance or glass, glass doors, or plate glass			
Garbage extras on your scheduled pickup day	per yard		\$9.52
Garbage extras -NOT ON YOUR SCHEDULED PICKUP DAY	per yard		\$26.29
Commercial Waste Wheeler rent	per month		\$3.49
Re-deliver bin on stopped acct	each time		\$32.38
Large Compactors (> 4 yards)	per yard		\$13.17
Small Compactors (4 yards & below)	assume 3 to 1 compaction -rate is 3 times garbage rate		
Sunday Service (in additional to garbage service level)	per month		\$56.51
Recycle bin rental	per month		\$6.28
Stand by time	per hour		\$54.26
Extra bin cleaning			\$50.49
Damage/Destruction of bins or waste wheelers			
Short Term Dumpsters:			
Delivery & Pickup-Bin			\$32.38
Delivery & Pickup-Waste Wheeler			\$11.29
Rental	Per Day		\$2.39
Empties	Per Yard		\$26.29
Mattress:			
Twin	Each		\$12.22
Double	Each		\$22.67
Queen	Each		\$31.37
King	Each		\$36.63
Late Fee (8)	Per Month		\$5.00
ADDITIONAL INFORMATION ALL CUSTOMERS:			
Late Fees are imposed for residential customers over 30 days delinquent and commercial customers over 30 days			

FEBRUARY 13, 2013

ITEM E-1

ATTACHMENT B



BOARD MEMBERS

JAMES HARRISON, PRESIDENT
LARRY VIERHEILIG, VICE PRESIDENT
DAN A GADDIS, DIRECTOR
BOB BLAIR, DIRECTOR
CRAIG ARMSTRONG, DIRECTOR

STAFF

MICHAEL S. LEBRUN, GENERAL MANAGER
LISA BOGNUDA, ASSISTANT GENERAL MANAGER
PETER SEVCIK, P.E., DISTRICT ENGINEER
TINA GRIETENS, UTILITY SUPERINTENDENT
JON SEITZ, GENERAL COUNSEL

Serving the Community Since 1965

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

NOTICE OF PUBLIC HEARING REGARDING PROPOSED SOLID WASTE RATE INCREASE

Dear Property Owners and Tenants-Customers:

This notice serves to inform you that the Nipomo Community Services District Board of Directors ("District") will hold a public hearing regarding a solid waste disposal rate increase (the "Proposed Rate Increase") proposed by South County Sanitary Service ("the Garbage Company") for properties and customers receiving solid waste services within the District. The Proposed Rate Increase will be considered by the Nipomo CSD Board at the date, time and location specified below. Consistent with the requirements of Proposition 218, this notice also provides you with the following information:

- The Date, Time and Place of the Public Hearing
- The Majority Protest Procedures
- The Basis for the Proposed Rate Increase; and
- The Proposed Rate Increase Amounts

NOTICE OF PUBLIC HEARING

A Public Hearing for the Proposed Solid Waste Rate Increases within the District's boundary will be held on:

Date: February 13, 2013

Time: 9:00 am

Place: Nipomo CSD Board Room, 148 South Wilson Street, Nipomo, CA

At the Public Hearing the Nipomo Community Services District Board of Directors will consider all public comment in support and in opposition of the Proposed Rate Increase and whether or not a Majority Protest exists pursuant to the California Constitution (below). If approved, the Proposed Rate Increase would become effective March 1, 2013.

MAJORITY PROTEST

Pursuant to Section 6 of Article XIII D of the California Constitution, the following persons may submit a written protest against the Proposed Rate Increase to the District's Secretary before the close of the Public Hearing referenced above.

- An owner(s) of property (parcel(s)) receiving solid waste service within the District's boundary. If the person(s) signing the protest, as an owner, is not shown on the last equalized assessment roll as the owner of the parcel(s) then the protest must contain or be accompanied by written evidence that such person signing the protest is the owner of the parcel(s) receiving water service; and
- A Tenant(s) whose name appears on the Garbage Company's records as the customer of record for the corresponding parcel receiving solid waste service within the District's boundary (tenant-customer).

A valid written protest must contain a statement that you protest the increase in solid waste rates, the address and Assessor's Parcel Number (APN) of the parcel or parcels which receive solid waste service and must be signed by either the owner or the tenant-customer of the parcel or parcels. One written protest per parcel shall be counted in calculating a majority protest to the proposed solid waste rate increase subject to the requirements of Section 6 of Article XIII D of the California Constitution. Written protests will not be accepted by e-mail or by facsimile. Verbal protests will not be counted in determining the existence of a majority protest. To be counted, a protest must be received in writing by the District Secretary before the close of the Public Hearing referenced above.

Written protests regarding the solid waste rate increase may be mailed to:

**Nipomo Community Services District
Attn: Board Secretary
P.O. Box 326
Nipomo, CA 93444-0326**

Written protests may also be personally delivered to the Board Secretary at the Nipomo Community Service District Office located at 148 South Wilson Street, Nipomo, California.

If valid written protests are presented by a majority of owners and/or tenants-customers of parcels receiving solid waste service within the District's boundary, then the District will not adjust/increase the solid waste rates. Only one protest per parcel will be counted in determining whether or not a majority protest exists.

REASON FOR THE PROPOSED RATE INCREASES

The Proposed Rate Increases (amounting to an increase of approximately 12% for each category of service) are necessary for the Garbage Company and the District to continue to provide safe, environmentally sound and reliable solid waste removal, transportation and disposal services to the citizens of the Nipomo Community Services District. The increases requested are due to increasing operational costs. Several factors have contributed to these increased costs, including, but not limited to, the rising costs associated with the operation of a garbage company, increased costs associated with operation and fuel for vehicles, ongoing maintenance, increased labor costs, increased landfill rates, increased green waste fees, increased costs associated with meeting more stringent State and Federal regulations, deferral of previous rate increases by the District.

BASIS FOR THE PROPOSED RATE INCREASE

The Proposed Rate Increases (amounting to an increase of approximately 12% for each category of service) is based on the deferral of two previous rate increases by the Nipomo Community Services District Board of Directors and cost increases incurred by the Garbage Company. More specifically:

1. 3.2% of the Proposed Rate Increase is based on \$95,000 increase in fuel prices and \$212,000 on all other line items, such as labor, corporate overhead and other general and administrative costs.
2. There is no Proposed Rate Increase based on landfilling price increase for 2013 as there still is an appeal in process on the Cold Canyon EIR conditions. Those costs will be reflective in any price increase in 2014 or thereafter.
3. The remainder of the proposed rate increase is to recover \$575,000 that had previously been used or uncollected, from excess reserves in the NCSO Solid Waste Franchise Fee fund, to avoid garbage rate increases. There has not been an increase in Nipomo Community Services District Customer's garbage rates since September 1, 2005.

PROPOSED RATE INCREASE AMOUNTS

The following charts provide a summary of the current solid waste rates and proposed rate increases:

SOUTH COUNTY SANITARY SERVICE RATE INCREASE EFFECTIVE MARCH 1, 2013 NIPOMO CSD					
Service Description	Pickups Per Week	Current Monthly Rate Effective 12-1-2005	Proposed Rate Adj %	Proposed Increase \$	Proposed Monthly Rate Effective 3-1-2013
RESIDENTIAL:					
32 Gallon Waste Wheeler	1	\$15.00	11.60%	\$1.74	\$16.74
64 Gallon Waste Wheeler	1	\$21.49	11.60%	\$2.49	\$23.98
96 Gallon Waste Wheeler	1	\$28.16	11.60%	\$3.27	\$31.43
TWO-64 Gallon Waste Wheelers	1	\$33.53	11.60%	\$3.89	\$37.42
ONE 64 & ONE 96 Gallon	1	\$38.90	11.60%	\$4.51	\$43.41
TWO-96 Gallon Waste Wheelers	1	\$44.28	11.60%	\$5.14	\$49.42
Residential customers must use the waste wheelers provided by the garbage company.					
APARTMENTS, TRIPLEX, DUPLEX					
Rates are the same as commercial rates (below).					
COMMERCIAL DUMPSTERS - ALL AREAS:					
96 gallon waste wheeler	1	\$28.16	11.60%	\$3.27	\$31.43
1 yd dumpster	1	\$57.50	11.60%	\$6.67	\$64.17
1 yd dumpster	2	\$82.73	11.60%	\$9.60	\$92.33
1 yd dumpster	3	\$109.32	11.60%	\$12.68	\$122.00
1 yd dumpster	4	\$134.56	11.60%	\$15.61	\$150.17
1 yd dumpster	5	\$162.57	11.60%	\$18.86	\$181.43
1 yd dumpster	6	\$189.21	11.60%	\$21.95	\$211.16
1 yd dumpster	7	\$252.27	11.60%	\$29.26	\$281.53
1.5 yd dumpster	1	\$68.66	11.60%	\$7.96	\$76.62
1.5 yd dumpster	2	\$105.06	11.60%	\$12.19	\$117.25
1.5 yd dumpster	3	\$141.59	11.60%	\$16.42	\$158.01
1.5 yd dumpster	4	\$197.60	11.60%	\$22.92	\$220.52
1.5 yd dumpster	5	\$241.03	11.60%	\$27.96	\$268.99
1.5 yd dumpster	6	\$287.31	11.60%	\$33.33	\$320.64
1.5 yd dumpster	7	\$379.86	11.60%	\$44.06	\$423.92
2 yd dumpster	1	\$74.28	11.60%	\$8.62	\$82.90
2 yd dumpster	2	\$121.91	11.60%	\$14.14	\$136.05
2 yd dumpster	3	\$173.72	11.60%	\$20.15	\$193.87
2 yd dumpster	4	\$253.69	11.60%	\$29.43	\$283.12
2 yd dumpster	5	\$311.20	11.60%	\$36.10	\$347.30
2 yd dumpster	6	\$371.40	11.60%	\$43.08	\$414.48
2 yd dumpster	7	\$508.73	11.60%	\$59.01	\$567.74

3 yd dumpster	1	\$88.29	11.60%	\$10.24	\$98.53
3 yd dumpster	2	\$165.33	11.60%	\$19.18	\$184.51
3 yd dumpster	3	\$231.24	11.60%	\$26.82	\$258.06
3 yd dumpster	4	\$411.99	11.60%	\$47.79	\$459.78
3 yd dumpster	5	\$489.12	11.60%	\$56.74	\$545.86
3 yd dumpster	6	\$571.79	11.60%	\$66.33	\$638.12
3 yd dumpster	7	\$787.58	11.60%	\$91.36	\$878.94

COMMERCIAL DUMPSTERS - ALL AREAS (Con't):

4 yd dumpster	1	\$127.52	11.60%	\$14.79	\$142.31
4 yd dumpster	2	\$192.06	11.60%	\$22.28	\$214.34
4 yd dumpster	3	\$276.07	11.60%	\$32.02	\$308.09
4 yd dumpster	4	\$433.10	11.60%	\$50.24	\$483.34
4 yd dumpster	5	\$536.73	11.60%	\$62.26	\$598.99
4 yd dumpster	6	\$609.66	11.60%	\$70.72	\$680.38
4 yd dumpster	7	\$947.37	11.60%	\$109.89	\$1,057.26
6 yd dumpster	1	\$191.28	11.60%	\$22.19	\$213.47
6 yd dumpster	2	\$288.09	11.60%	\$33.42	\$321.51
6 yd dumpster	3	\$414.11	11.60%	\$48.04	\$462.15
6 yd dumpster	4	\$649.65	11.60%	\$75.36	\$725.01
6 yd dumpster	5	\$805.10	11.60%	\$93.39	\$898.49
6 yd dumpster	6	\$914.49	11.60%	\$106.08	\$1,020.57
6 yd dumpster	7	\$1,421.06	11.60%	\$164.84	\$1,585.90
8 yd dumpster	1	\$255.04	11.60%	\$29.58	\$284.62
8 yd dumpster	2	\$384.12	11.60%	\$44.56	\$428.68
8 yd dumpster	3	\$552.14	11.60%	\$64.05	\$616.19
8 yd dumpster	4	\$866.20	11.60%	\$100.48	\$966.68
8 yd dumpster	5	\$1,073.46	11.60%	\$124.52	\$1,197.98
8 yd dumpster	6	\$1,219.32	11.60%	\$141.44	\$1,360.76
8 yd dumpster	7	\$1,894.74	11.60%	\$219.79	\$2,114.53

The rates shown above include the monthly container rental fee and a semi-annual dumpster cleaning.

The rates are the same for bins and garwoods, when volume is identical. Bins and garwoods are types of containers used for recycling.

COMMERCIAL GARBAGE CANS - ALL AREAS:

32 gallon waste wheeler	1	\$18.11	11.60%	\$2.10	\$20.21
64 gallon waste wheeler	2	\$35.10	11.60%	\$4.07	\$39.17
96 gallon waste wheeler	3	\$53.25	11.60%	\$6.18	\$59.43

RECYCLING DUMPSTER CONTAINERS (PER MONTH)

96 gallon waste wheeler	1	\$14.08	11.60%	\$1.63	\$15.71
1 yd dumpster	1	\$28.75	11.60%	\$3.34	\$32.09
1 yd dumpster	2	\$41.37	11.60%	\$4.80	\$46.16
1 yd dumpster	3	\$54.66	11.60%	\$6.34	\$61.00
1 yd dumpster	4	\$67.28	11.60%	\$7.80	\$75.08
1 yd dumpster	5	\$81.29	11.60%	\$9.43	\$90.71
1.5 yd dumpster	1	\$34.33	11.60%	\$3.98	\$38.31

1.5 yd dumpster	2	\$52.53	11.60%	\$6.09	\$58.62
1.5 yd dumpster	3	\$70.80	11.60%	\$8.21	\$79.01
1.5 yd dumpster	4	\$98.80	11.60%	\$11.46	\$110.26
1.5 yd dumpster	5	\$120.52	11.60%	\$13.98	\$134.49
2 yd dumpster	1	\$37.14	11.60%	\$4.31	\$41.45
2 yd dumpster	2	\$60.96	11.60%	\$7.07	\$68.03
2 yd dumpster	3	\$86.86	11.60%	\$10.08	\$96.94
2 yd dumpster	4	\$126.85	11.60%	\$14.71	\$141.56
2 yd dumpster	5	\$155.60	11.60%	\$18.05	\$173.65
3 yd dumpster	1	\$44.15	11.60%	\$5.12	\$49.27
3 yd dumpster	2	\$82.67	11.60%	\$9.59	\$92.25
3 yd dumpster	3	\$115.62	11.60%	\$13.41	\$129.03
3 yd dumpster	4	\$206.00	11.60%	\$23.90	\$229.89
3 yd dumpster	5	\$244.56	11.60%	\$28.37	\$272.93

RECYCLING DUMPSTER CONTAINERS (PER MONTH)

4 yd dumpster	1	\$63.76	11.60%	\$7.40	\$71.16
4 yd dumpster	2	\$96.03	11.60%	\$11.14	\$107.17
4 yd dumpster	3	\$138.04	11.60%	\$16.01	\$154.05
4 yd dumpster	4	\$216.55	11.60%	\$25.12	\$241.67
4 yd dumpster	5	\$268.37	11.60%	\$31.13	\$299.50

The rates shown above include the monthly container rental fee and a semi-annual dumpster cleaning.

The rates are the same for bins and garwoods, when volume is identical. Bins and garwoods are types of containers used for recycling.

MISCELLANEOUS CHARGES - ALL CUSTOMERS:

Overstacked Garbage & extra bags Minimum/unit	each	\$4.38	3.20%	\$0.14	\$4.52
Overstacked Greenwaste & extra bags Minimum/unit	each	\$2.19	3.20%	\$0.07	\$2.26
Overstacked Blue Bin & extra bags Minimum/unit	each	\$2.19	3.20%	\$0.07	\$2.26
In yard service (per can or commodity) IN ADDITION TO STANDARD GARBAGE RATES	per month	\$10.94	3.20%	\$0.35	\$11.29
Monthly charge for additional 96- gallon green waste service	per month	\$3.03	3.20%	\$0.10	\$3.13
Extended Vacation Service	per month	\$10.19	3.20%	\$0.33	\$10.52
Waste wheeler cleaning	each time	\$16.31	3.20%	\$0.52	\$16.83
Trip charge	each time	\$10.94	3.20%	\$0.35	\$11.29
Non-payment downsize service	each time	\$10.94	3.20%	\$0.35	\$11.29
Non-payment redeliver waste wheeler	each time	\$10.94	3.20%	\$0.35	\$11.29
Non-payment reconnect service	each time	\$26.29	3.20%	\$0.84	\$27.13
Small item pickup (TV, toilet)	each	\$25.66	3.20%	\$0.82	\$26.48
Appliance pickup-residential	each	\$36.17	3.20%	\$1.16	\$37.33
Larger than residential appliance or glass, glass doors, or plate glass			By quote	only	

Garbage extras on your scheduled pickup day	per yard	\$9.23	3.20%	\$0.30	\$9.53
Garbage extras -NOT ON YOUR SCHEDULED PICKUP DAY	per yard	\$25.48	3.20%	\$0.82	\$26.30
Commercial Waste Wheeler rent	per month	\$3.38	3.20%	\$0.11	\$3.49
Re-deliver bin on stopped acct	each time	\$31.38	3.20%	\$1.00	\$32.38
Large Compactors (> 4 yards)	per yard	\$13.71	3.20%	\$0.44	\$14.15
Small Compactors (4 yards & below)	assume 3 to 1 compaction -rate is 3 times garbage rate				
Sunday Service (in additional to garbage service level)	per month	\$54.76	3.20%	\$1.75	\$56.51
Recycle bin rental	per month	\$6.09	3.20%	\$0.19	\$6.28
Stand by time	per hour	\$52.58	3.20%	\$1.68	\$54.26
Extra bin cleaning		\$48.93	3.20%	\$1.57	\$50.50
Damage/Destruction of bins or waste wheelers		replacement	at current	market	price
Short Term Dumpsters:					
Delivery & Pickup-Bin		\$31.38	3.20%	\$1.00	\$32.38
Delivery & Pickup-Waste Wheeler		\$10.94	3.20%	\$0.35	\$11.29
Rental	Per Day	\$2.32	3.20%	\$0.07	\$2.39
Empties	Per Yard	\$25.47	3.20%	\$0.82	\$26.29
Mattress:					
Twin	Each	\$11.84	3.20%	\$0.38	\$12.22
Double	Each	\$21.96	3.20%	\$0.70	\$22.66
Queen	Each	\$30.40	3.20%	\$0.97	\$31.37
King	Each	\$35.49	3.20%	\$1.14	\$36.63
Late Fee (8)	Per Month	\$5.00		\$0.00	\$5.00
ADDITIONAL INFORMATION ALL CUSTOMERS:					
Late Fees are imposed for residential customers over 30 days delinquent and commercial customers over 30 days delinquent. The fee is 1.5% per month of the outstanding charge, with a minimum fee of \$5.00. No prior notice is required, as this late fee policy is stated at the bottom of every bill.					
Please recycle, its cheaper and it helps the Community achieve its AB939 goal to reduce waste.					
Any additional recycling services are charged out at 50% of the garbage rate.					

FURTHER INFORMATION

If you have questions about the Proposed Rate Increase, please call the offices of South County Sanitary, at (805) 489-4246.

GARBAGEMEN WORK EVERY HOLIDAY EXCEPT FOR CHRISTMAS

SO FOR 2012, JUST THE WEEK OF CHRISTMAS:

Monday customers get picked up on Monday 12-24-2012

Tuesday customers get picked up on Wednesday 12-26-2012

Wednesday customers get picked up on Thursday 12-27-2012

Thursday customers get picked up on Friday 12-28-2012

Friday customers get picked up on Saturday 12-29-2012

BACK TO NORMAL SCHEDULE THE WEEK OF NEW YEARS

CLEANUP WEEKS

APRIL 22-26, 2013

SEPTEMBER 23-27, 2013

TO: BOARD OF DIRECTORS
 FROM: MICHAEL S. LEBRUN *MSL*
 GENERAL MANAGER
 DATE: FEBRUARY 7, 2013

**AGENDA ITEM
 E-2
 FEBRUARY 13, 2013**

**CONSIDER PROPOSED FINANCING OF
 SUPPLEMENTAL WATER PROJECT PHASE 1**

ITEM

Review proposed financing of \$14.1M Supplemental Water Project Phase 1. [RECOMMEND APPROVE PROPOSED FINANCING PLAN]

BACKGROUND

On September 12, 2012, your Board approved a schedule and contract to finalize the design of Supplemental Water Project Phase 1. The Project will be capable of delivering 650-900 acre-feet of water annually from the City of Santa Maria. Your Board is scheduled to award the project construction bid in April 2013.

FISCAL IMPACT

To date, the District has invested nearly \$3 million in designing, permitting, and conducting environmental review of a water pipeline to intertie the District's water system with that of the City of Santa Maria for the purpose of delivering supplemental water to the District and community.

The engineer's construction cost opinion for the Phase 1 Project is \$11.4 million. Other project costs include right-of-way acquisition, design, and construction management based on the proposed construction phasing plan. The total estimated Phase 1 costs are as follows:

Description	Estimated Cost
Bid Package 1 - Santa Maria River Crossing	\$ 4,347,000
Bid Package 2 - Nipomo Area Pipeline Improvements	\$ -
Bid Package 3 - Blosser Road Waterline and Flow Meter	\$ 2,418,000
Bid Package 4 - Joshua Street Pump Station and WellheadChloramination Systems	\$ 3,160,000
Construction Subtotal	\$ 9,925,000
Construction Contingency (15%)	\$ 1,485,000
Estimated Construction Total	\$11,410,000
Right-of-Way (ROW) Acquisition	\$ 250,000
Design Engineering	\$ 450,000
Construction Management	\$ 1,736,000
Non-Construction Subtotal	\$ 2,436,000
Non-Construction Contingency (10%)	\$ 243,000
Estimated Total Non-Construction Costs	\$ 2,679,000
Estimated Total Cost	\$14,089,000

The remaining ROW acquisition cost includes updated title reports, updated appraisals, ROW agent services, and property purchase costs for four properties.

The design engineering cost noted above includes the contract amendment for AECOM to complete the Phase 1 design and also includes Engineering Services During Construction (ESDC) that were previously authorized by the Board.

The construction management cost has been updated based on the Phase 1 scope of work and schedule.

Potential funding availability for the project is as follows:

Description	Funds Available
DWR Proposition 84 Grant	\$ 2,200,000
New COP secured by remaining property tax revenue	\$ 5,000,000
Fund #500 Supplemental Water Fund	\$ 1,000,000
Fund #600 Property Tax Fund	\$ 2,400,000
Fund #805 Funded Replacement – Water Fund	\$ 3,489,000
Total From All Funding Sources	\$ 14,089,000

The \$2.2 million California Department of Water Resources (DWR) grant awarded to the District through San Luis Obispo County's Integrated Regional Water Management Grant application is still available for the project if the project proceeds in a timely manner.

New Certificates of Participation (COP) could be issued, in coordination with the refinancing of the 2003 COPs and raise approximately \$5,000,000 in capital. Based on the current market conditions and assuming a bond rating of A+ (the current rating of the 2003 COPs), the True Interest Cost over 30 years in today's market for this issue is estimated to be about 3.5%. If the new issue is combined with the refinancing, the District can expect to save approximately \$145,000 in issuance costs by not having to issue two series of bonds. The annual debt service for the combined issue would be on average \$485,512. The District would pledge its annual property tax revenue stream of approximately \$500,000 per year for repayment of the debt. C.M. de Crinis & Co, Inc., the District's independent financial advisors to the Intertie and Southland Financing Projects from last year, has provided the District with financing analysis. Mr. de Crinis will be present to answer questions from your Board.

The majority of Fund 500, Supplemental Water Fund, is designated for the project. Approximately \$75,000 of this fund is designated for desalinization supplemental water project. The desalinization designated funds are not reflected in the estimate above and would not be used on this project.

Fund 600, Property Tax Fund, are reserves generated by annual property tax revenues (after pledge for repayment of 2003 COP debt service). Your Board would need to make a finding to use the reserves for the project and pledge/dedicate the annual property tax revenue stream for repayment of the debt.

Fund 805, Funded Replacement – Water Fund, is designated for replacing existing water infrastructure. Use of this fund would be appropriate since the proposed supplemental water project would replace/offset current water sources (wells).

On January 31, 2013 your Board's Finance and Audit Committee considered the Funding Plan and recommended review and approval of the plan by your Board.

STRATEGIC PLAN

Strategic Plan Goal 1.2 – Secure New Water Supplies

Strategic Plan Goal 6.1 – Operate all enterprise funds to be financially sound
Strategic Plan Goal 6.2 – Achieve targeted operating and non-operating reserves
Strategic Plan Goal 6.3 – Ensure that decisions consider short and long term fiscal impacts
Strategic Plan Goal 6.4 – Minimize commitment of discretionary resources to long term projects

RECOMMENDATION

Staff recommends that your Board review and approve the proposed funding plan for Supplemental Water Project Phase 1.

ATTACHMENT

None

TO: MICHAEL S. LEBRUN
GENERAL MANAGER

FROM: PETER V. SEVCIK *P.V.S.*
DISTRICT ENGINEER

DATE: FEBRUARY 7, 2013

AGENDA ITEM
E-3
FEBRUARY 13, 2013

**SUPPLEMENTAL WATER PROJECT PHASE 1
AUTHORIZATION TO BID**

ITEM

Authorize staff to advertise Supplemental Water Project Phase 1 for bid [RECOMMEND, BY MOTION AND ROLL CALL VOTE, ADOPT RESOLUTION AUTHORIZING STAFF TO ADVERTISE PROJECT FOR BID].

BACKGROUND

The Nipomo Supplemental Water Project Phase 1 (Project) will interconnect the District water distribution system with the City of Santa Maria water distribution system. The Project consists of approximately 4800 lineal feet of 18 inch diameter ductile iron pipe (DIP) waterline (24 inch diameter DIP waterline bid alternate), 2600 lineal feet of 24 inch nominal inside diameter high-density polyethylene (HDPE) pipe under the Santa Maria River, 2726 lineal feet of 24 inch diameter DIP waterline, a flow meter and flow control station, a 400 gallon per minute (gpm) pump station with two (2) pumps, a chloramination system, and related power, back-up power, controls and instrumentation systems, a pressure reducing station, and chloramination systems at four (4) existing District production wells (Figure 1).

The Project will deliver 650 to 900 acre-feet per year (AFY) of supplemental water purchased by the District from the City of Santa Maria and will allow the District to reduce pumping from existing wells to slow the depletion of groundwater and reduce the potential for seawater intrusion on the Nipomo Mesa. The Project will also increase the reliability of the District water supply by providing an additional source other than groundwater. The Project is consistent with the settlement agreement and the judgment related to the groundwater adjudication of the Santa Maria Groundwater Basin.

The design drawings and specifications were developed as three separate bid packages as follows:

1. Bid Package 1 – Santa Maria River Crossing
2. Bid Package 3 – Blosser Road Waterline, Meter, and Flow Control Station
3. Bid Package 4 – Joshua Street Pump Station and Wellhead Chloramination Systems

Design of the Project was completed to current civil, geotechnical, seismic, mechanical, electrical, and architectural standard practices. Each submittal went through a third party review for value engineering as well as constructability.

SUPPLEMENTAL WATER PROJECT PHASE 1 ENVIRONMENTAL REVIEW

The Project Final EIR was certified by the District in April 2009. In May 2009, the Board adopted a resolution making CEQA project findings, adopting a statement of overriding considerations, adopting a project mitigation monitoring plan, approving the Supplemental Water Project and directing staff to file a Notice of Determination with the County in compliance with CEQA. A Supplemental EIR was certified by the District in April 2012.

PRE-QUALIFICATION OF CONTRACTORS FOR SUPPLEMENTAL WATER PROJECT BID PACKAGE 1 – SANTA MARIA RIVER CROSSING

The District's design engineer, AECOM, recommended that the District pre-qualify horizontal directional drilling (HDD) contractors for Supplemental Water Project Bid Package 1 – Santa Maria River Crossing. The California Public Contracts Code ("PCC") Section 20101 permits the District to pre-qualify contractors who wish to bid on the District's public works contracts. PCC Section 20101 requires the District to establish pre-qualification policies and the method by which decisions regarding Contractor's qualifications may be appealed. Pre-Qualification of Contractors helps to ensure that a project is constructed by reputable, experienced, and qualified contractors.

In December 2012, the Board adopted Resolution 2012-1282 that established a project specific pre-qualification policy for the Supplemental Water Project Bid Package 1 – Santa Maria River Crossing. AECOM and District staff has finalized the list of HDD general contractors that have pre-qualified to submit bids for the Supplemental Water Project Bid Package 1 – Santa Maria River Crossing. The final procurement step, in accordance with the District's Purchasing Policy, is Board approval to solicit bids for the project.

PROCESS CONTROL AND INSTRUMENTATION SYSTEM INTEGRATOR

In December 2011, at the conclusion of a Request for Proposals (RFP) process, the Board selected Tesco Controls, Inc. to provide process control and instrumentation system integration services for the District's Supervisory Control and Data Acquisition (SCADA) System Upgrade Project. The District's SCADA system monitors 27 remote sites including water wells, water storage tanks, water pressure reducing stations, sanitary sewer lift stations and both of the District's wastewater treatment plants. Tesco has successfully completed the project and the project is in the process of being closed out.

In a separate contractor pre-qualification process and subsequent bid process for the Southland WWTF Phase 1 Improvement Project, the District pre-qualified and the general contractor, Cushman Contracting Corporation, selected Tesco Controls, Inc. to provide process control and instrumentation system integration services for the Southland WWTF Phase 1 Improvement Project. The project is currently under construction.

Supplemental Water Project Bid Package 3 includes a flow meter and flow control valve that will be remotely monitored through the District's SCADA system. Supplemental Water Project Bid Package 4, Joshua Street Pump Station, includes a 400 gpm pump station that will be remotely monitored and conversion of four of the District's existing wells to chloramination with remote monitoring requirements as well. These projects will require the services of a process control and instrumentation system integrator to add the remote monitoring and control functionality for the new facilities to the District's SCADA system.

In order to maintain the integrity of the District's SCADA System, minimize the potential for multiple system integrators simultaneously working on the District's SCADA System, and minimize the coordination risk/expense to the District, staff recommends that the Project bid documents include a provision that all process control and instrumentation system integration work be completed by Tesco Controls, Inc. In accordance with the District's Purchasing Policy, Tesco Controls, Inc. is uniquely knowledgeable and qualified because similar/related services have been previously provided to the District. Tesco programmed and is currently supporting the District's SCADA system.

SCHEDULE

The current project schedule is as follows:

- Solicit Bids February to March 2013
- Bid review April 2013
- Award construction contract April 24, 2013
- Construction May 2013 to September 2014

FISCAL IMPACT

The engineer’s construction cost opinion for the Phase 1 Project is \$11.4 million. Other project costs include right-of-way acquisition, design, and construction management based on the proposed construction phasing plan. The total estimated Phase 1 costs are as follows:

Description	Estimated Cost
Bid Package 1 - Santa Maria River Crossing	\$ 4,347,000
Bid Package 2 - Nipomo Area Pipeline Improvements	\$ -
Bid Package 3 - Blosser Road Waterline and Flow Meter	\$ 2,418,000
Bid Package 4 - Joshua Street Pump Station and Wellhead Chloramination Systems	\$ 3,160,000
Construction Subtotal	\$ 9,925,000
Construction Contingency (15%)	\$ 1,485,000
Estimated Construction Total	\$11,410,000
Right-of-Way (ROW) Acquisition	\$ 250,000
Design Engineering	\$ 450,000
Construction Management	\$ 1,736,000
Non-Construction Subtotal	\$ 2,436,000
Non-Construction Contingency (10%)	\$ 243,000
Estimated Total Non-Construction Costs	\$ 2,679,000
Estimated Total Cost	\$14,089,000

Staff has developed a funding plan for the project that has been reviewed by the Finance and Audit Committee and that is scheduled to be considered by the Board on February 13, 2013.

STRATEGIC PLAN

Strategic Plan Goal 1.2 – Secure New Water Supplies

RECOMMENDATION

Staff recommends that the Board, by motion and roll call vote, adopt the attached resolution that authorizes staff to advertise Supplemental Water Project Phase 1 for bid.

ATTACHMENTS

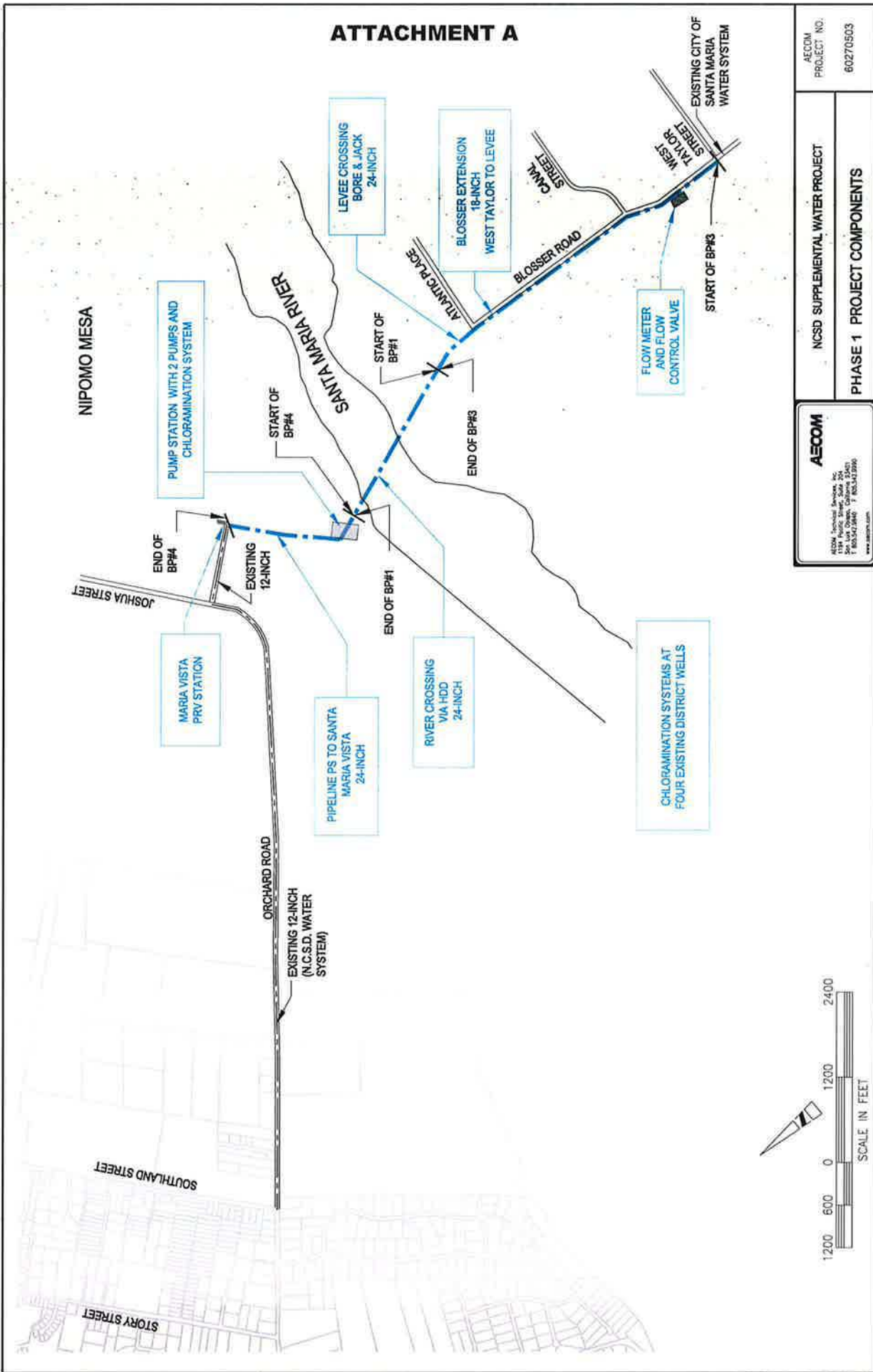
- A. Project Overview
- B. Draft Resolution 2013-XXXX Supplemental Water Project Phase 1 Authorization to Bid

FEBRUARY 13, 2013

ITEM E-3

ATTACHMENT A

ATTACHMENT A



AECOM
 11550 Wilshire Blvd., Suite 200
 Los Angeles, California 90025
 Tel: 310.744.1000 Fax: 310.744.1001
 www.aecom.com

NCS D SUPPLEMENTAL WATER PROJECT
 PHASE 1 PROJECT COMPONENTS
 AECOM PROJECT NO. 60270503



FEBRUARY 13, 2013

ITEM E-3

ATTACHMENT B

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2013-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
AUTHORIZING STAFF TO SOLICIT BIDS FOR
SUPPLEMENTAL WATER PROJECT PHASE 1**

WHEREAS, the District's Strategic Plan and 2010 Urban Water Management Plan outline the need for securing supplemental water sources; and

WHEREAS, the construction of Supplemental Water Project Phase 1 will increase the reliability of the District's water supply by providing an additional source other than groundwater; and

WHEREAS, the construction of Supplemental Water Project Phase 1 is consistent with the settlement agreement and the judgment related to the groundwater adjudication of the Santa Maria Groundwater Basin; and

WHEREAS, the construction of Supplemental Water Project Phase 1 will have beneficial effects on groundwater supplies within the Nipomo Mesa Management Area; and

WHEREAS, the District has pre-qualified horizontal directional drilling contractors who wish to bid on the Supplemental Water Project Phase 1 Bid Package 1 – Santa Maria River Crossing in accordance with Resolution 2012-1289; and

WHEREAS, Tesco Controls, Inc. provided process control and instrumentation system integration services for the District's SCADA Upgrade Project and is providing process control and instrumentation system integration services for the Southland WWTF Phase 1 Improvement Project; and

WHEREAS, including a provision in the Supplemental Water Project bid documents that all process control and instrumentation system integration work be completed by Tesco Controls, Inc., without substitutions, will maintain the integrity of the District's SCADA System, minimize the potential for multiple system integrators working on the District's SCADA System, and minimize the coordination risk/expense to the District; and

WHEREAS, District Purchasing Policy Resolution 2010-1201 provides for the procurement of professional services through non-competitive negotiations in limited situations; and

WHEREAS, Tesco Controls, Inc. is qualified pursuant to Section 8.4.30 of the District's Purchasing Policy, the cost of the services is reasonable, and Tesco Controls, Inc. is uniquely knowledgeable and qualified because similar/related services have been previously provided to the District.

NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE NIPOMO COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS AS FOLLOWS:

1. Tesco Controls, Inc. shall be designated in the bid documents to provide process control and instrumentation system integration services for the Supplemental Water Project Phase 1 and no substitution of subcontractors for this system shall be allowed.
2. The General Manager is authorized to solicit bids from pre-qualified horizontal directional drilling contractors for construction of Supplemental Water Project Bid Package 1 – Santa Maria River Crossing.

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2013-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
AUTHORIZING STAFF TO SOLICIT BIDS FOR SUPPLEMENTAL WATER PROJECT PHASE 1**

3. The General Manager is authorized to solicit bids for construction of Supplemental Water Project Bid Package 3 – Blosser Road Waterline, Meter, and Flow Control Station.
4. The General Manager is authorized to solicit bids for construction of Supplemental Water Project Bid Package 4 – Joshua Road Pump Station.
5. The above recitals are true and correct and constitute findings for the exclusive use of the Tesco Controls, Inc. to provide process control and instrumentation system integration services for Supplemental Water Project Phase 1.

On the motion of Director _____, seconded by Director _____ and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

CONFLICTS:

The foregoing resolution is hereby adopted this 13th day of February 2013.

James Harrison, President
Nipomo Community Services District

ATTEST:

Michael S. LeBrun
General Manager and Secretary to the Board

Michael W. Seitz
General Counsel

TO: BOARD OF DIRECTORS

FROM: MICHAEL S. LEBRUN
GENERAL MANAGER

DATE: FEBRUARY 8, 2013

AGENDA ITEM
E-4
FEBRUARY 13, 2013

**AUTHORIZE AGREEMENTS WITH FULBRIGHT & JAWORSKI LLP AND
C.M. DE CRINIS & CO., INC. FOR BOND AND DISCLOSURE COUNSEL
AND FINANCIAL ADVISORY SERVICES DIRECT STAFF TO PROCEED
WITH CERTIFICATES OF PARTICIPATION ISSUE**

ITEM

Authorize Agreements with Fulbright Jaworski L.L.P. and C.M. deCrisis & Co., Inc for Bond and Disclosure Counsel and Financial Advisory Services in support of Certificates of Participation issue [RECOMMEND BY MOTION AND ROLL CALL VOTE AUTHORIZE STAFF TO EXECUTE AGREEMENTS TO RETAIN FULBRIGHT JAWORSKI LLP AND C.M. DECRINIS & CO., INC AND DIRECT STAFF TO PROCEED WITH COP ISSUE].

BACKGROUND

2003 Certificates of Participation (COP)-Refinancing

In 2003, the District issued Certificates of Participation in the amount of \$4,000,000 to fund various water-related projects. The remaining Interest Cost on the unpaid principal is 4.74%. Average annual unpaid debt service is \$247,969. In addition to water system Net Revenues, the District pledged approximately one-half of its annual property tax revenue stream for repayment of the debt. The current principal outstanding is \$3,235,000 and will mature on September 1, 2033. The term of the original issuance was 30 years.

Interest rates have steadily declined to very low levels and it is fiscally prudent to consider refinancing the outstanding principal. C.M. de Crinis & Co, Inc., the District's independent financial advisors to the supplemental water and Southland Financing Projects from last year, has provided the District with a refinancing analysis of the 2003 COP's. Based on current market conditions and assuming a bond rating of A+ (the current rating of the 2003 COPs), the True Interest Cost in today's market for a Refunding Issue is estimated to be in the low 3% range. The estimated Net Present Value savings over the remaining twenty year life of the COP is \$347,000. The average annual reduction in debt service payments would be approximately \$22,000 per year.

In 2012, the District adopted a Debt Management Policy. The proposed refinancing would adhere to the District's objectives of ensuring ratepayer security, maintaining high credit ratings, and preserving financial flexibility. It is proposed that the refunding COPs would be sold by competitive bid as required under the Policy.

2013 Certificates of Participation-Issuance

In order to complete the funding for the Phased Supplemental Water Project, it is proposed that new Certificates of Participation be issued in coordination with the refinancing of the 2003 COPs and raise approximately \$5,000,000 in new capital. Based on the current market conditions and assuming a bond rating of A+ (the current rating of the 2003 COPs), the True Interest Cost over 30 years in today's market for this issue is estimated to be about 3.5%. If the new issue is combined with the refinancing, the District can expect to save approximately \$145,000 in issuance costs by not having to issue two series of bonds. The annual debt service for the combined issue would be on average \$485,512. The District would pledge its annual property tax revenue stream of approximately \$500,000 per year for repayment of the debt.

In order to issue bonds, the District will need to acquire Bond and Disclosure Counsel and Financial Advisory Services. Fees for both services are contingent on successful issuance.

Procurement of Professional Services such as Bond Counsel is covered under Chapter 8.4 of the District's Purchase Policies and Procedures. Non-competitive negotiations are allowed in limited situations with the following findings:

1. The service provider demonstrates competence and qualifications for the type of service to be performed;
2. The cost of the service is reasonable; and
3. The proposed service provider is uniquely knowledgeable and qualified because similar/related services have been previously provided to the District.

The District worked successfully with Bond and Disclosure Counsel and Financial Advisory Services in support of the Southland WWTF Phase 1 Upgrade Project and issued \$9 million in Certificates of Participation in June 2012. The District also worked with these firms in support of the Supplemental Water Project Assessment District last year.

The Finance and Audit Committee met on January 31, 2013 and reviewed the proposed refinancing of the 2003 Certificates of Participation and the proposed financing of the Phased Supplemental Water Project which included the potential issuance of new Certificates of Participation. Paul McDonnell of C.M. de Crinis & Co., Inc. was present meeting and answered questions from the Finance and Audit Committee. The Committee unanimously agreed on the following:

- Recommend to the Board of Directors to proceed with the refinancing of the 2003 Certificates of Participation.
- Recommend to the Board of Directors to consider issuing new Certificates of Participation after the Supplemental Water Project Phase 1 bids have been received and further combine the issuance with the refinancing.

FISCAL IMPACT

The approximate expenditure for Bond and Disclosure Counsel and Financial Advisor is \$145,000 (dependent on the principal amount issued) and will be paid for out of the bond proceeds. The proposed fee is approximately 1.65% of the issue amount.

RECOMMENDATION

Staff recommends that the Board, by motion and roll call vote, authorize staff to execute Agreements for Bond and Disclosure Counsel and Financial Advisory Services, per the attached proposal and scope of work, with Fulbright Jaworski L.L.P. and C.M. deCrinis & Co., Inc and direct staff to proceed with issuing new COPs to both refinance 2003 COPs and generate new funds to support the Supplemental Water Project Phase 1 financing plan.

ATTACHMENTS

- A. January 15, 2013 Fulbright & Jaworski LLP Proposal
- B. January 14, 2013 C.M. de Crinis & Co., Inc. Proposal

FEBRUARY 13, 2013

ITEM E-4

ATTACHMENT A



555 South Flower Street • Forty-First Floor • Los Angeles, California 90071
mgoodkind@fulbright.com • Direct: 213 892 9328 • Main: 213 892 9200 • Facsimile: 213 892 9494

January 15, 2013

Michael S. LeBrun, P.E.
General Manager
Nipomo Community Services District
148 South Wilson Street
Nipomo, CA 93444

Re: Nipomo Community Services District Certificates of Participation (Water Enterprise)

Dear Michael:

We are pleased to provide a proposal to serve as Bond and Disclosure Counsel to the Nipomo Community Services District (the "District") in connection with the financing of the first phase of the Intertie Project and the refinancing the District's Series 2003 Certificates of Participation (Pipeline and Storage Facility Project).

Fulbright & Jaworski L.L.P. ("Fulbright" or the "Firm") is uniquely qualified to serve the District. The Firm recently assisted the District with the successful financing of its latest wastewater project. In addition, our attorneys' personal knowledge of the phasing, construction and scheduling aspects of the Supplemental Water Intertie Pipeline project gained over the last few years during the proposed assessment proceedings will provide the District with swift, responsive service from Fulbright that fits into the District timeline for the first phase of the Intertie Project. We are thoroughly familiar with the water enterprise of the District, allowing us to timely assist the District with the integrated structuring of the refinancing of the COPs and the financing of the first phase of the Intertie Project, conduct all necessary due diligence, and maintain a short turnaround time for document production. Our hands-on approach of being available for study sessions, meetings and conference calls to fit the needs of the client and our ability to work with and counsel the District have been shown through our previous experience with the Board and District staff.

Fulbright has one of the largest tax-exempt bond practices in the United States and has consistently been among the leading law firms in the United States in terms of number of public finance transactions for which it has acted as bond counsel. For many years, Fulbright has been ranked in the top ten national Bond Counsel firms, and, for 2012, was ranked fifth nationally as bond counsel, eleventh nationally as disclosure counsel and fifth nationally as underwriter's

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counsel. The Firm is very active in all areas of public finance, including water and wastewater financings of all types in California. Attached is a summary of recent water and wastewater transactions completed by our Los Angeles office, including the District's recent Wastewater Revenue Certificates of Participation, in which the Firm was able to assist the District as Bond and Disclosure Counsel.

As **Bond Counsel**, Fulbright will assist in developing the structure of the financing and provide customary Bond Counsel services necessary to enable the District to authorize, issue, sell and deliver bonds or other obligations under existing laws, as more fully set forth below. In addition, we would make our offices available to the District for the purpose of conducting meetings with regard to the documents relating to an offering of bonds or other obligations, and for all bid openings, pre-closings and closings of any transactions. As in the past we will be available for study sessions and meetings at the District as requested.

To the extent necessary, we will undertake statutory, decisional and constitutional law research inquiries as to the validity and legal authority of any method of financing chosen by the District. We will prepare, where necessary, the various resolutions, ordinances, trust indentures, notices inviting bids and security agreements required for each transaction. Where necessary, the Firm will prepare or review agreements for any credit support facility, escrow deposit, trustee, paying agent or registrar, and we would discuss and comment upon such agreements with financial officers and the financial advisor engaged by the District in connection therewith. The Firm will also be available to discuss and comment upon any aspect of the transaction related to its role as Bond Counsel, including any issues concerning the rating agencies or any other participant to the transaction. We will prepare or review all documents of the District necessary for the closing and delivery of the bonds or other obligations to the purchasers. The Firm will also prepare or review the various closing certificates and opinions required of trustees, accountants, consulting engineers, and other interested parties. At the closing, the Firm would deliver a final approving opinion in respect of the bonds or other 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.

The proposed financing for a particular issuance of tax-exempt obligations will be reviewed by the Firm's Tax Department to assure that all aspects of the financing are in compliance with the requirements of the Internal Revenue Code, relevant Internal Revenue Service rulings and Treasury Department regulations so that the federal tax exemption of interest paid on the obligations is applicable. More specifically, such a review would entail an analysis of the financing structure to determine if such obligations are "arbitrage bonds" within the meaning of the Internal Revenue Code. In connection with such review, our Tax Department would prepare a certificate as to arbitrage which would be delivered at the closing. In addition, the Firm would review the applicable requirements under California tax laws, regulations and procedures to insure the availability of State tax-exempt status.

Subject to completion of all legal proceedings and issuance of the bonds to our satisfaction, Fulbright & Jaworski L.L.P. will issue its approving legal opinion with respect to the authorization, sale and delivery of the bonds and, if applicable, the exclusion of the interest on the bonds from gross income for Federal and State income tax purposes. We will issue appropriate supplemental opinions and certificates as may be necessary or appropriate.

Since the official statement for a financing is recognized by the Securities and Exchange Commission as the issuer's document, many issuers have determined the need to have an opinion addressed to the issuer as to the adequacy and completeness of the official statement. We would be happy to serve the District as **Disclosure Counsel**. In such event, we would prepare and review, upon consultation with District officials and the financial advisor, preliminary and final versions of the official statement, sale documents and a continuing disclosure agreement, and at closing we would deliver an opinion addressed to the District regarding the official statement. We have extensive experience as Disclosure Counsel for virtually every type of tax-exempt municipal financing transaction and already are familiar with the District's water enterprise.

Our fees for services as Bond Counsel would be calculated as follows:

- 1½% of the first \$1,000,000 principal amount issued; plus
- ½ % of the next \$5,000,000 principal amount issued; plus
- ¼ % of the next \$10,000,000 principal amount issued; plus
- 1/8 % of the balance of the principal amount issued.

Our fees for services as Disclosure Counsel shall be \$25,000 for the issue.

The District shall also pay to Fulbright reimbursement \$1,800 per series of obligations issued for Fulbright's out-of-pocket expenses incurred in connection with preparation of transcripts and legal services rendered by Fulbright as Bond Counsel and Disclosure Counsel under this Agreement.

Such Bond and Disclosure Counsel fees are entirely contingent on the successful delivery of the obligations. In the event the obligations are not sold and delivered, the District shall not be liable for any legal services provided or costs incurred by Fulbright.

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.

Mr. Michael LeBrun
January 15, 2013
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All work-product is reviewed and approved by the partners in charge of the engagement. Maryann Goodkind, who assisted with the prior assessment proceedings and the wastewater revenue certificates, is the proposed lead attorney for your financings, and if requested, routinely attends meetings, study sessions and finance team meetings for our public agency clients to ensure that we provide the kind of "in-person" support and level of experience we believe is unparalleled among our competitors.

You are advised that the firm maintains Professional Errors and Omissions insurance coverage applicable to the services which we would be rendering.

If this arrangement is satisfactory to you, please return to us a copy of this letter executed by an authorized officer of the District.

Respectfully submitted,

Fulbright & Jaworski L.L.P.

By: _____
Maryann L. Goodkind, Counsel

Terms of Bond and Disclosure Counsel Employment
Approved This ____ Day
of _____, 2013

NIPOMO COMMUNITY SERVICES DISTRICT

Name: _____

Title: _____

Fulbright & Jaworski L.L.P.
Los Angeles Public Finance Group
Water and Wastewater Transactions
Closed Between October 15, 2004 and January 15, 2013

\$154,275,000 East Bay Municipal Utility District Water System Revenue Refunding Bonds, Series 2008A-1, Series 2008A-2 and Series 2008A-3 (Liquidity Substitutions). Served as Co-Bond Counsel. Closed January 3, 2013.

\$35,000,000 City of Glendale Water Revenue Bonds, 2012 Series. Served as Bond Counsel and Disclosure Counsel. Closed December 19, 2012.

\$19,975,000 Chino Hills Financing Authority Water Revenue Bonds, Series 2012. Served as Disclosure Counsel. Closed December 18, 2012.

\$10,435,000 Coachella Water Authority Water Revenue Refunding Bonds, 2012 Series. Served as Bond Counsel and Disclosure Counsel. Closed December 13, 2012.

\$13,630,000 Coastal Districts Financing Authority (Carpinteria Sanitary District) 2012 Wastewater Revenue Bonds. Served as Underwriter's Counsel. Closed December 5, 2012.

\$41,040,000 East Bay Municipal Utility District Water System Revenue Refunding Bonds, Series 2009A-1 (SIFMA-Based Term Interest Rate Period) (2012 Remarketing). Served as Co-Bond Counsel. Closed December 3, 2012.

\$358,620,000 East Bay Municipal Utility District Water System Revenue Refunding Bonds, Series 2012B. Served as Co-Bond Counsel. Closed November 13, 2012.

\$131,700,000 Orange County Sanitation District Revenue Refunding Certificate Anticipation Notes, Series 2012C. Served as Special Counsel and Disclosure Counsel. Closed October 30, 2012.

\$1,655,000 New Del Puerto Water District Series 2012 Certificates of Participation (Supplemental Water Purchase Program) (Bank Qualified). Served as Bank Counsel. Closed October 4, 2012.

\$34,170,000 South Gate Utility Authority Water Revenue Bonds, 2012 Series. Served as Bond Counsel and Disclosure Counsel. Closed August 23, 2012.

\$66,395,000 Orange County Sanitation District Wastewater Refunding Revenue Obligations, Series 2012B. Served as Special Counsel and Disclosure Counsel. Closed August 16, 2012.

\$35,880,000 Corona Utility Authority 2012 Water Revenue Bonds (Water Projects). Served as Underwriter's Counsel. Closed August 1, 2012.

\$190,470,000 The Metropolitan Water District of Southern California Water Revenue Refunding Bonds, 2012 Series C. Served as Co-Bond Counsel. Closed June 28, 2012.

\$39,985,000 The Metropolitan Water District of Southern California Water Revenue Refunding Bonds, 2012 Series D (Federally Taxable). Served as Co-Bond Counsel. Closed June 28, 2012.

\$89,460,000 The Metropolitan Water District of Southern California Water Revenue Refunding Bonds (Term Mode), 2012 Series E-1, 2012 Series E-2 and 2012 Series E-3. Served as Co-Bond Counsel. Closed June 28, 2012.

\$9,795,000 Nipomo Community Services District Revenue Certificates of Participation (Southland Wastewater Project), Series 2012. Served as Bond Counsel and Disclosure Counsel. Closed June 21, 2012.

\$85,000,000 Marin Municipal Water District Financing Authority Water Revenue Bonds, 2012 Series A (Subordinate Lien). Served as Underwriters' Counsel. Closed June 20, 2012.

\$5,455,000 City of Merced Water System Refunding Revenue Bonds, 2012 Series. Served as Bond Counsel. Closed June 19, 2012.

\$12,540,000 City of Merced Wastewater System Refunding Revenue Bonds, 2012 Series. Served as Bond Counsel. Closed June 19, 2012.

\$9,810,000 City of Burbank Water and Power Electric Revenue Refunding Bonds, Series of 2012A. Served as Bond Counsel and Disclosure Counsel. Closed May 22, 2012.

\$9,345,000 City of Oxnard Financing Authority Water Revenue Refunding Bonds, Series 2012. Served as Underwriter's Counsel. Closed April 19, 2012.

\$10,065,000 Imperial Public Financing Authority Revenue Bonds (Water Facility), Series 2012. Served as Bond Counsel. Closed April 19, 2012.

\$8,550,000 Imperial Public Financing Authority Revenue Bonds (Wastewater Treatment Facility), Series 2012. Served as Bond Counsel. Closed April 19, 2012.

\$100,645,000 Orange County Sanitation District Wastewater Refunding Revenue Obligations, Series 2012A. Served as Special Counsel and Disclosure Counsel. Closed March 22, 2012.

\$181,180,000 The Metropolitan Water District of Southern California Water Revenue Refunding Bonds, 2012 Series A. Served as Co-Bond Counsel. Closed March 20, 2012.

\$158,025,000 East Bay Municipal Utility District Water System Revenue Refunding Bonds, Series 2009A-1 (SIFMA-Based Term Interest Rate Period) (2012 Remarketing). Served as Co-Bond Counsel. Closed March 1, 2012.

\$7,835,000 El Centro Financing Authority Wastewater Revenue Refunding Bonds, 2012 Series A. Served as Bond Counsel and Disclosure Counsel. Closed February 16, 2012.

\$159,210,000 East Bay Municipal Utility District Water System Revenue Refunding Bonds, Series 2011A. Served as Co-Bond Counsel. Closed December 29, 2011.

\$29,770,000 City of Pasadena Water Revenue Refunding Bonds, 2011A Series. Served as Bond Counsel and Disclosure Counsel. Closed December 20, 2011.

\$158,025,000 East Bay Municipal Utility District Water System Revenue Refunding Bonds, Series 2009A-1 (SIFMA-Based Term Interest Rate Period) (2011 Remarketing). Served as Co-Bond Counsel. Closed December 1, 2011.

\$143,205,000 Orange County Sanitation District Revenue Refunding Certification Anticipation Notes, Series 2011B. Served as Special Counsel and Disclosure Counsel. Closed November 10, 2011.

\$147,595,000 Orange County Sanitation District Wastewater Refunding Revenue Obligations, Series 2011A. Served as Special Counsel and Disclosure Counsel. Closed October 3, 2011.

\$2,220,000 Community Facilities District No. 99-1 of Western Municipal Water District Series 2011 Special Tax Refunding Bonds. Served as Underwriter's Counsel. Closed September 29, 2011.

\$94,540,000 San Diego County Water Authority Water Revenue Refunding Bonds, Series 2011B. Served as Underwriters' Counsel. Closed September 28, 2011.

\$157,100,000 The Metropolitan Water District of Southern California Water Revenue Refunding Bonds, 2011 Series C. Served as Co-Bond Counsel. Closed September 27, 2011.

\$69,195,000 Water Replenishment District of Southern California 2011 Water Revenue Certificates of Participation. Served as Underwriters' Counsel. Closed August 31, 2011.

\$12,925,000 Imperial Irrigation District Water System Refunding Revenue Bonds, 2011 Series. Served as Bond Counsel and Disclosure Counsel. Closed July 26, 2011.

\$167,855,000 The Metropolitan Water District of Southern California Water Revenue Refunding Bonds, 2011 Series B. Served as Co-Bond Counsel. Closed June 30, 2011.

\$22,750,000 SLO County Financing Authority Lopez Dam Improvement Refunding Revenue Bonds, 2011 Series A. Served as Bond Counsel. Closed June 8, 2011.

\$30,165,000 South Placer Wastewater Authority Wastewater Revenue Refunding Bonds, Series 2011A (Variable Rate Demand Bonds). Served as Bank Counsel. Closed April 7, 2011.

\$30,160,000 South Placer Wastewater Authority Wastewater Revenue Refunding Bonds, Series 2011B (Variable Rate Demand Bonds). Served as Bank Counsel. Closed April 7, 2011.

\$160,570,000 East Bay Municipal Utility District Water System Revenue Refunding Bonds, Series 2009A-2 (SIFMA-Based Term Interest Rate Period). Served as Co-Bond Counsel. Closed March 1, 2011.

\$65,905,000 East Bay Municipal Utility District Wastewater System Revenue Refunding Bonds, Series 2011A. Served as Co-Bond Counsel. Closed January 19, 2011.

\$25,425,000 City of Pasadena Water Revenue Bonds, 2010A Series (Taxable Build America Bonds-Direct Payment). Served as Bond Counsel and Disclosure Counsel. Closed December 23, 2010.

\$4,575,000 City of Pasadena Water Revenue Bonds, 2010B Series (Tax-Exempt). Served as Bond Counsel and Disclosure Counsel. Closed December 23, 2010.

\$157,000,000 Orange County Sanitation District Wastewater Revenue Obligations, Series 2010C (Taxable Build America Bonds). Served as Bond Counsel and Disclosure Counsel. Closed December 8, 2010.

\$160,570,000 East Bay Municipal Utility District Water System Revenue Refunding Bonds, Series 2009A-1 (SIFMA-Based Term Interest Rate Period). Served as Co-Bond Counsel. Closed December 1, 2010.

\$7,480,000 Fillmore Public Financing Authority Revenue Bonds (Water System Refunding), Series 2010 (Bank Qualified). Served as Bond Counsel and Disclosure Counsel. Closed November 30, 2010.

\$154,665,000 Orange County Sanitation District Revenue Refunding Certificate Anticipation Notes, Series 2010B. Served as Special Counsel and Disclosure Counsel. Closed November 23, 2010.

\$275,000,000 New York City Municipal Water Finance Authority Water and Sewer System Second General Resolution Revenue Bonds, Adjustable Rate Fiscal 2011 Series DD. Served as Bank Counsel. Closed November 18, 2010.

\$8,795,000 City of Burbank Water and Power Water Revenue/Refunding Bonds, Series of 2010A. Served as Bond Counsel and Disclosure Counsel. Closed November 10, 2010.

\$27,945,000 City of Burbank Water and Power Water Revenue Bonds, Series of 2010B (Taxable Build America Bonds). Served as Bond Counsel and Disclosure Counsel. Closed November 10, 2010.

\$4,835,000 Anaheim Public Financing Authority Revenue Bonds, Series 2010-A (Water System Project) (Tax-Exempt). Served as Bond Counsel. Closed October 28, 2010.

\$29,690,000 Anaheim Public Financing Authority Revenue Bonds, Series 2010-B (Water System Project) (Federally Taxable Build America Bonds). Served as Bond Counsel. Closed October 28, 2010.

\$9,965,000 Monte Vista Water District Revenue Certificates of Participation, Series 2010A. Served as Underwriter's Counsel. Closed October 28, 2010.

\$58,095,000 East Bay Municipal Utility District Wastewater System Revenue/Refunding Bonds, Series 2010A. Served as Co-Bond Counsel. Closed October 20, 2010.

\$150,000,000 East Bay Municipal Utility District Wastewater System Revenue Bonds, Series 2010B (Taxable Build America Bonds - Direct Payment). Served as Co-Bond Counsel. Closed October 20, 2010.

\$24,990,000 Imperial Irrigation District Water System Refunding Revenue Bonds, 2010 Series. Served as Bond Counsel and Disclosure Counsel. Closed October 14, 2010.

\$194,000,000 Orange County Sanitation District Refunding Certificates of Participation, Series 2000-A and Series 2000-B (2010 Remarketing). Served as Special Counsel and Disclosure Counsel. Closed August 25, 2010.

\$11,765,000 Hercules Public Financing Authority Wastewater Revenue Bonds, Series 2010. Served as Bond Counsel. Closed August 10, 2010.

\$200,000,000 Imperial Irrigation District Revenue Commercial Paper Warrants (Electric System and Water System Projects), Series A (Tax-Exempt) and Series B (Taxable) (Letter of Credit Substitution). Served as Special Counsel. Closed August 3, 2010.

\$80,000,000 Orange County Sanitation District Wastewater Revenue Obligations, Series 2010A (Federally Taxable Build America Bonds). Served as Special Counsel and Disclosure Counsel. Closed May 18, 2010.

\$35,825,000 City of Burbank Water and Power Electric Revenue/Refunding Bonds, Series of 2010A. Served as Bond Counsel and Disclosure Counsel. Closed March 31, 2010.

\$52,665,000 City of Burbank Water and Power Electric Revenue Bonds, Series of 2010B (Taxable Build America Bonds). Served as Bond Counsel and Disclosure Counsel. Closed March 31, 2010.

\$37,935,000 Central Basin Municipal Water District Refunding Revenue Certificates of Participation, Series 2010A. Served as Underwriter's Counsel. Closed March 10, 2010.

\$326,060,000 East Bay Municipal Utility District Water System Subordinated Revenue Refunding Bonds, Series 2009A (SIFMA-Based Term Interest Rate Period). Served as Co-Bond Counsel. Closed March 1, 2010.

\$55,715,000 Santa Paula Utility Authority Water Enterprise Revenue Bonds, 2010 Series. Served as Bond Counsel and Disclosure Counsel. Closed February 23, 2010.

\$5,900,000 Santa Paula Utility Authority Wastewater Enterprise Revenue Bonds, 2010A Series. Served as Bond Counsel and Disclosure Counsel. Closed February 23, 2010.

\$6,130,000 Santa Paula Utility Authority Wastewater Enterprise Revenue Bonds, 2010B Series (Taxable). Served as Bond Counsel and Disclosure Counsel. Closed February 23, 2010.

\$400,000,000 East Bay Municipal Utility District Water System Subordinated Revenue Bonds, Series 2010B (Taxable Build America Bonds). Served as Co-Bond Counsel. Closed February 23, 2010.

\$192,830,000 East Bay Municipal Utility District Water System Subordinated Revenue/Refunding Bonds, Series 2010A. Served as Co-Bond Counsel. Closed February 3, 2010.

\$2,250,000 City of Mendota 2010-1 Certificates of Participation (Wastewater System Improvement Project). Served as Special Counsel. Closed January 26, 2010.

\$165,865,000 Orange County Sanitation District Revenue Refunding Certificate Anticipation Notes, Series 2009B. Served as Special Counsel and Disclosure Counsel. Closed December 1, 2009.

\$8,525,000 Auburn Public Financing Authority Wastewater Revenue Bonds, Series 2009. Served as Underwriter's Counsel. Closed August 13, 2009.

\$75,000,000 Irvine Ranch Water District Consolidated Series 2009A Constituting the Consolidated Several General Obligations of Improvement District Nos. 105, 112, 113, 121, 130, 140, 161, 182, 184, 186, 188, 212, 213, 221, 230, 240, 250, 261, 282, 284, 286 and 288. Served as Underwriter's Counsel. Closed June 4, 2009.

\$75,000,000 Irvine Ranch Water District Consolidated Series 2009B Constituting the Consolidated Several General Obligations of Improvement District Nos. 105, 112, 113, 121, 130, 140, 161, 182, 184, 186, 188, 212, 213, 221, 230, 240, 250, 261, 282, 284, 286 and 288. Served as Underwriter's Counsel. Closed June 4, 2009.

\$98,135,000 Turlock Irrigation District First Priority Subordinated Refunding Revenue Notes, Series 2009. Served as Underwriter's Counsel. Closed May 21, 2009.

\$200,000,000 Orange County Sanitation District Certificates of Participation, Series 2009A. Served as Special Counsel and Disclosure Counsel. Closed May 7, 2009.

\$132,145,000 Modesto Irrigation District Series 2009A Certificates of Participation (Capital Improvements). Served as Underwriters' Counsel. Closed March 31, 2009.

\$331,155,000 East Bay Municipal Utility District Water System Subordinated Revenue Refunding Bonds, Series 2009A (SIFMA-Based Term Interest Rate Period). Served as Co-Bond Counsel. Closed March 12, 2009.

\$6,053,438.74 Carpinteria Sanitary District Assessment District No. 2007-1 Limited Obligation Improvement Bonds, Series A (Bank Qualified). Served as Underwriter's Counsel. Closed March 12, 2009.

\$157,190,000 Public Facilities Financing Authority of the City of San Diego Water Revenue Bonds, Refunding Series 2009A (Payable Solely From Installment Payments Secured by Net System Revenues of the Water Utility Fund). Served as Bond Counsel and Corporation Counsel. Closed January 29, 2009.

\$200,000,000 The Metropolitan Water District of Southern California Water Revenue Bonds, 2008 Authorization, Series A. Served as Underwriters' Counsel. Closed January 27, 2009.

\$176,115,000 Orange County Sanitation District Refunding Certificates of Participation, Series 2008C (Certificate Anticipation Notes). Served as Special Counsel and Disclosure Counsel. Closed December 10, 2008.

\$27,800,000 Orange County Sanitation District Refunding Certificates of Participation, Series 2008B. Served as Special Counsel and Disclosure Counsel. Closed September 11, 2008.

\$100,000,000 Contra Costa Water District Tax-Exempt Commercial Paper Notes, Series A. Served as Bank Counsel. Closed July 29, 2008.

\$48,580,000 Anaheim Public Financing Authority Revenue Bonds, Series 2008 (Water System Project). Served as Bond Counsel. Closed July 9, 2008.

\$89,440,000 Chino Basin Desalter Authority Desalter Revenue Refunding Bonds, Series 2008A. Served as Underwriter's Counsel. Closed June 11, 2008.

\$77,165,000 Orange County Sanitation District Refunding Certificates of Participation, Series 2008A. Served as Special Counsel and Disclosure Counsel. Closed May 29, 2008.

\$58,235,000 City of Riverside Water Revenue Bonds, Issue of 2008B. Served as Bond Counsel. Closed May 28, 2008.

\$60,300,000 City of Riverside Variable Rate Refunding Water Revenue Bonds, Issue of 2008A. Served as Bond Counsel. Closed May 13, 2008.

\$444,600,000 City of Los Angeles Wastewater System Subordinate Revenue Bonds, Variable Rate Refunding, Series 2008-A, Series 2008-B, Series 2008-C, Series 2008-D, Series 2008-E, Series 2008-F-1, Series 2008-F-2, Series 2008-G and Series 2008-H. Served as Bank Counsel. Closed May 1, 2008.

\$17,035,000 City of Beverly Hills Public Financing Authority 2008 Wastewater Revenue Refunding Bonds, Series A. Served as Underwriters' Counsel. Closed May 1, 2008.

\$40,300,000 Calleguas-Las Virgenes Public Financing Authority Variable Rate Refunding Revenue Bonds, 2008 Series A (Calleguas Municipal Water District Project). Served as Bond Counsel. Closed April 24, 2008.

\$68,945,000 Irvine Ranch Water District Certificates of Participation, Refunding Series 2008. Served as Underwriter's Counsel. Closed April 24, 2008.

\$60,215,000 Irvine Ranch Water District Consolidated Refunding Series 2008A Constituting the Consolidated Several General Obligations of Improvement District Nos. 105, 113, 135, 161, 182, 213, 250 and 261. Served as Underwriter's Counsel. Closed April 24, 2008.

\$100,355,000 Irvine Ranch Water District Consolidated Refunding Series 2008B Constituting the Consolidated Several General Obligations of Improvement Districts Nos. 105, 113, 213 and 250. Served as Underwriter's Counsel. Closed April 24, 2008.

\$72,504,000 South Placer Wastewater Authority Variable Rate Demand Refunding Wastewater Revenue Bonds, Series 2008A. Served as Bank Counsel. Closed April 10, 2008.

\$92,850,000 South Placer Wastewater Authority Variable Rate Demand Refunding Wastewater Revenue Bonds, Series 2008B. Served as Bank Counsel. Closed April 10, 2008.

\$501,575,000 The Metropolitan Water District of Southern California Water Revenue Refunding Bonds, 2008 Series A-1 and 2008 Series A-2. Served as Co-Bond Counsel. Closed March 25, 2008.

\$150,000,000 Public Facilities Financing Authority of the City of San Diego Subordinated Water Revenue Notes, Series 2008A (Payable Solely From Subordinated Installment Payments Secured by Net System Revenues of the Water Utility Fund). Served as Bond Counsel and Corporation Counsel. Closed February 28, 2008.

\$50,000,000 City of Glendale Water Revenue Bonds, 2008 Series. Served as Bond Counsel and Disclosure Counsel. Closed February 20, 2008.

\$300,000,000 Orange County Sanitation District Certificates of Participation, Series 2007B. Served as Special Counsel and Disclosure Counsel. Closed December 20, 2007.

\$11,315,000 County of Sonoma Lease Purchase Agreement and Solid Waste Certificates of Participation Refunding (Private Placement). Served as Special Counsel. Closed December 17, 2007.

\$26,860,000 Desert Water Agency Certificates of Participation (Water System Improvement Project), Series 2007. Served as Disclosure Counsel. Closed December 11, 2007.

\$81,900,000 The Metropolitan Water District of Southern California Water Revenue Refunding Bonds, 2007 Series B (Auction Rate Securities). Served as Co-Bond Counsel. Closed November 15, 2007.

\$157,845,000 SLO County Financing Authority Nacimiento Water Project Revenue Bonds, 2007 Series A. Served as Bond Counsel. Closed September 26, 2007.

\$38,565,000 SLO County Financing Authority Nacimiento Water Project Revenue Bonds, 2007 Series B (Taxable). Served as Bond Counsel. Closed September 26, 2007.

Calleguas-Las Virgenes Public Financing Authority \$58,265,000 Revenue Bonds, 2007 Series A (Calleguas Municipal Water District Project) and \$40,000,000 Auction Rate Revenue Bonds, 2007 Series B (Calleguas Municipal Water District Project). Served as Bond Counsel. Closed August 23, 2007.

\$25,905,000 California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (California Waste Solutions, Inc. Project), Series 2007A. Served as Bank Counsel. Closed June 27, 2007.

\$318,425,000 The Metropolitan Water District of Southern California Water Revenue Refunding Bonds, 2007 Series A-1 (Auction Rate Securities), Water Revenue Refunding Bonds, 2007 Series A-2 (Auction Rate Securities) and Water Revenue Bonds, 2006 Authorization, Series B (Auction Rate Securities). Served as Co-Bond Counsel. Closed June 7, 2007.

\$21,550,000 City of Pasadena Water Revenue Bonds, 2007 Series. Served as Bond Counsel and Disclosure Counsel. Closed May 1, 2007.

\$35,495,000 City of Beverly Hills Public Financing Authority 2007 Water Revenue Bonds. Served as Underwriters' Counsel. Closed January 31, 2007.

\$57,000,000 Public Facilities Financing Authority of the City of San Diego Non-Transferable Subordinated Water Revenue Notes, Series 2007A. Served as Purchaser's Counsel. Closed January 30, 2007.

\$620,600,000 Department of Water and Power of the City of Los Angeles Power System Variable Rate Demand Revenue Bonds, 2001 Series B (2007 Remarketing). Served as Bank Counsel. Closed January 24, 2007.

\$54,850,000 Azusa Public Financing Authority Parity Revenue Bonds (Water System Capital Improvements Program), Series 2006. Served as Bond Counsel and Disclosure Counsel. Closed December 20, 2006.

\$66,280,000 Rancho California Water District Financing Authority Adjustable Rate Revenue Bonds, Series of 2001B (2006 Remarketing). Served as Liquidity Provider's Counsel. Closed October 25, 2006.

\$36,250,000 Calleguas-Las Virgenes Public Financing Authority Refunding Revenue Bonds, 2006 Series A (Calleguas Municipal Water District Project). Served as Bond Counsel. Closed October 18, 2006.

\$58,370,000 City of Los Angeles Solid Waste Resources Revenue Bonds, Series 2006-A. Served as Bond Counsel. Closed September 26, 2006.

\$74,625,000 California Infrastructure and Economic Development Bank Refunding Revenue Bonds, Series 2006 (The Salvation Army Western Territory). Served as Bond Counsel. Closed September 20, 2006.

\$56,015,000 The Salvation Army Taxable Revenue Bonds, Series 2006. Served as Bond Counsel and Issuer's Counsel. Closed September 20, 2006.

\$23,460,000 City of Lake Elsinore Community Facilities District No. 2004-3 (Rosetta Canyon) Special Tax Bonds (Improvement Area No. 2), 2006 Series A. Served as Bond Counsel and Disclosure Counsel. Closed September 19, 2006.

\$10,710,000 West Covina Public Financing Authority Lease Revenue Bonds, 2006 Series A (Big League Dreams Project). Served as Bond Counsel and Disclosure Counsel. Closed September 19, 2006.

\$300,000,000 The Metropolitan Water District of Southern California Water Revenue Bonds, 2005 Authorization Series C, 2005 Authorization Series D-1 (Auction Rate Securities) and 2005 Authorization Series D-2 (Auction Rate Securities). Served as Co-Bond Counsel. Closed August 23, 2006.

\$33,120,000 El Centro Financing Authority Water Revenue Bonds, 2006 Series A. Served as Bond Counsel and Disclosure Counsel. Closed June 28, 2006.

\$32,500,000 El Centro Financing Authority Wastewater Revenue Bonds, 2006 Series A. Served as Bond Counsel and Disclosure Counsel. Closed June 28, 2006.

\$18,805,000 El Monte Water Authority Refunding Revenue Bonds, 2006 Series. Served as Bond Counsel and Disclosure Counsel. Closed June 15, 2006.

\$34,825,000 Improvement District M of the Mojave Water Agency General Obligation Bonds (Morongo Basin Pipeline Project), Election of 1990, Refunding Series 2006. Served as Underwriter's Counsel. Closed June 7, 2006.

City of Los Angeles Wastewater System Subordinate Revenue Bonds (Variable Rate Refunding) \$123,400,000 Series 2001-A, \$123,400,000 Series 2001-B, \$46,300,000 Series 2001-C and \$15,500,000 Series 2001-D. Served as Liquidity Provider's Counsel. Closed May 12, 2006.

City of Los Angeles \$118,810,000 Wastewater System Subordinate Revenue Bonds (Variable Rate Refunding) Series 2006-A, \$71,280,000 Series 2006-B, \$27,715,000 Series 2006-B-2,

\$49,490,000 Series 2006-C and \$49,490,000 Series 2006-D. Served as Liquidity Provider's Counsel. Closed April 6, 2006.

\$13,070,000 Baldy Mesa Water District Parity Certificates of Participation (Water System Improvement Project), Series 2006. Served as Bond Counsel and Disclosure Counsel. Closed March 15, 2006.

\$4,070,000 Baldy Mesa Water District Refunding Improvement Bonds, Series 2006 (Assessment District No. 2-R). Served as Bond Counsel and Disclosure Counsel. Closed February 22, 2006.

\$6,555,000 SLO County Financing Authority Subordinate Bond Anticipation Notes (Nacimiento Pipeline Project), 2005 Series A. Served as Bond Counsel. Closed December 22, 2005.

\$35,635,000 Banning Utility Authority Water Enterprise Revenue Bonds, Refunding and Improvement Projects, 2005 Series. Served as Bond Counsel. Closed December 21, 2005.

\$7,100,000 Banning Utility Authority Wastewater Enterprise Revenue Bonds, Refunding and Improvement Projects, 2005 Series. Served as Bond Counsel. Closed December 21, 2005.

\$23,000,000 Camarillo Public Finance Authority Wastewater Revenue Bonds, Series 2005. Served as Bond Counsel and Disclosure Counsel. Closed November 30, 2005.

\$34,815,000 Norwalk Redevelopment Agency Tax Allocation Refunding Bonds, 2005 Series A (Merged Project Area). Served as Disclosure Counsel. Closed November 30, 2005.

\$29,310,000 Norwalk Redevelopment Agency Tax Allocation Bonds, 2005 Series B (Taxable) (Merged Project Area). Served as Disclosure Counsel. Closed November 30, 2005.

Long Beach Community College District \$65,000,000 General Obligation Bonds, 2002 Election, Series B (2005) and \$28,224,898.15 General Obligation Refunding Bonds, 2002 Election, Series C (2005). Served as Bond Counsel and Disclosure Counsel. Closed November 29, 2005.

City of Imperial \$2,160,000 Parity Certificates of Participation (Water Facility), Series 2005 and \$2,845,000 Parity Certificates of Participation (Wastewater Treatment Facility), Series 2005. Served as Special Counsel and Disclosure Counsel. Closed November 17, 2005.

\$34,825,000 Improvement District M of the Mojave Water Agency General Obligation Bonds (Morongo Basin Pipeline Project), Election of 1990, Refunding Series 2006. Served as Underwriter's Counsel. Closed November 8, 2005.

\$200,000,000 New York City Municipal Water Finance Authority Water and Sewer System Second General Resolution Revenue Bonds, Adjustable Rate Fiscal 2006 Series AA-1. Served as Bank Counsel to California State Teachers' Retirement System. Closed October 27, 2005.

\$3,725,000 Mendota Joint Powers Financing Authority Wastewater Revenue Bonds, Series 2005. Served as Bond Counsel and Disclosure Counsel. Closed October 13, 2005.

\$61,125,000 City of Riverside Water Refunding/Revenue Bonds, Issue of 2005 (Auction Rate Securities). Served as Bond Counsel. Closed October 6, 2005.

\$45,750,000 City of Los Angeles Sanitation Equipment Charge Revenue Bonds, Series 2005-A. Served as Bond Counsel. Closed July 7, 2005.

\$29,020,000 City of Corona Department of Water and Power 2005 Certificates of Participation (Clearwater Cogeneration Project Completion and Electric Distribution Facilities Project). Served as Special Counsel and Disclosure Counsel. Closed June 7, 2005.

\$5,725,000 Coachella Financing Authority Wastewater Revenue Refunding Bonds, Series 2005A. Served as Disclosure Counsel. Closed April 13, 2005.

\$24,125,000 Mojave Water Agency 2004 Refunding Certificates of Participation (Supplemental Table A Amount Project). Served as Disclosure Counsel. Closed December 21, 2004.

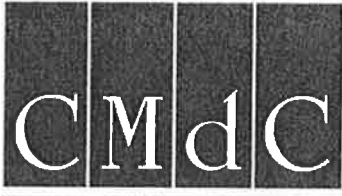
\$60,000,000 Contra Costa Water District Commercial Paper Program (2004 Revolving Credit Agreement). Served as Bank Counsel to the California State Teachers' Retirement System and State Street Bank and Trust Company. Closed October 15, 2004.

FEBRUARY 13, 2013

ITEM E-4

ATTACHMENT B

Financial Advisors, Public Finance
Serving California and Hawaii



C.M. de CRINIS & CO., INC.

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Managing Director

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January 14, 2013

Michael S. LeBrun, P.E.
General Manager
Nipomo Community Services District
148 South Wilson Street
Nipomo, CA 93444

Re: Financial Advisory Fee Letter

Dear Michael;

Please consider this letter as our proposal to assist the Nipomo Community Services District in financing the first phase of the Intertie Project and in refinancing the Series 2003 Certificates of Participation.

As you know we are very familiar with the Intertie Project having worked on the prior proposed assessment district. This experience has made us very familiar with requirement of the Stipulated Judgment on Nipomo CSD, the Rural Water Company, Golden State Water Company, and Woodland Mutual. This understanding will be important in the proposed financing as the completion of the first phase of the Intertie Water Project will impact both the revenues and operating expenses of the Nipomo. As part of our work on proposed Intertie Assessment District we also spend considerable time evaluating various revenue bond options as an alternative means of financing the Intertie Project. Our firm also served as financial advisor on the District's successful competitive bid of the 2012 Southland Wastewater Financing. Our ability to provide services locally is also enhance by Paul McDonnell, who is located in Cambria.

Our services will include a review of the financing options, assembling a financing team, developing a plan of finance, and structuring and managing the financing to completion. Our proposed scope of services is outlined as follows;

1. Review proposed Project and financing requirements.
2. Review and confirm water system revenues available for debt service including review of prior Audits, Budgets, Rate Studies, continuing disclosure and other documents.



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3. Review terms and conditions of existing Series 2003 debt. Prepare analysis outlining bonding capacity, savings and debt structuring options. Identify impacts on future budgets and future capital financing needs.
4. Assist District in retaining other financing team members as required.
5. Review and evaluate debt structure options including recommended debt coverage, legal covenants and other terms; Work with District Staff, Consultants, and Board as necessary.
6. Develop final Recommended Plan of Finance.
7. Maintain Financing Calendar.
8. Work with Bond Counsel in the drafting of required legal documents, investor disclosure documents and bond sale documents and terms.
9. Assist the District by managing the financing process; provide updated bond market information, provide advice on market conditions.
10. Assist the District in preparing and presenting Rating and Bond Insurance Applications, as advisable.
11. Assist the District in final negotiations of terms with Rating Agencies and Insurers
12. Recommend best method of sale based on expected bond market conditions on sale date; finalize competitive sale documents or develop RFP for underwriters if negotiated sale is recommended or selected.
13. Advise on and coordinate bond sale activities including bid openings and verifications; make recommendation on best bid or terms of sale. Verify interest costs bid; advise and represent District in underwriter negotiations, if sale is negotiated.
14. Assist the District and Bond Counsel in finalizing all bond documents and closing documents. Prepare closing memo and confirm all wiring instruction.
15. Coordinate closing of transaction. Review construction draw schedule and provide investment advice as needed for bond proceeds following closing.
16. Provide post closing follow up and advice as needed.

We propose our fee to be considered in two parts.

For the work related to the refunding of the Series 2003 Certificates of Participation our fee will not exceed \$57,750 inclusive of expenses. This fee will be fully contingent on the completion of the refunding and be due at time of bond closing.

For the additional work related to the Intertie financing, if financed together with the 2003 Refunding, we expect our final fee, subject to District approval prior to closing, to not exceed \$10,500 inclusive of all expenses. However we would request some fee flexibility depending on the complexity of the Intertie Project revenues and expense on the existing credit profile of the District and the time required to address all the related issues. The fee is payable at time of closing from bond proceeds. If the District abandons the Intertie Financing Project portion of the bond issue or delays the Intertie financing project by greater than one year, we request a minimum fee be paid, based on percentage of work completed not to exceed \$10,500.



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If the scope of services is reduced, expanded or the services are not provided or needed we agree to adjust our fee accordingly, following discussions with District staff. I will serve as the principal consultant on this transaction and Paul McDonnell from my office will assist me.

We look forward to working with the District.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Curt M. de Crinis', written in black ink.

Curt M. de Crinis

Acknowledged and Accepted
