

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BBB*
DATE: FEBRUARY 19, 2009

**AGENDA ITEM
D-4
FEBRUARY 25, 2009**

AUTHORIZE PURCHASE OF WATER CONSERVATION SOFTWARE

ITEM

AUTHORIZE PURCHASE OF WATER CONSERVATION SOFTWARE [RECOMMEND APPROVAL]

BACKGROUND

In February 2007, the NCSD Board of Directors approved the Water Conservation Program, which includes several measures which can be implemented. The first measure implemented, the Rebate Program for High-Efficiency Clothes Washers (HEW) was the first implemented.

An important part of any Water Conservation Program (WCP) is accountability and measurement, where possible, of water savings related to the measures implemented.

NCSD's billing program for water and sewer use is very limited in its ability to provide the kind of data that we can use, in the format we can use.

In addition, the Rebate Program for HEWs was recently suspended by the California Urban Water Conservation Council (CUWCC) secondary to a the California State Department of Water Resources (DWR) suspending its funding of the subsidized portion of the HEW rebates processed through the CUWCC. NCSD has the option of continuing with the CUWCC processing the rebates, but NCSD would have to pay the full cost of both the rebates and the processing fees. The CUWCC HEW rebate program was especially attractive because of the processing and administrative services it provided, freeing up significant time that staff would have had to spend if NCSD staff was processing each application for rebate.

At a previous NCSD Board Meeting, request was made to investigate ways to better track the impact of the WCP's implemented measures.

CONSERVETRAK

Staff spent much time and energy searching for an integrated software program that would provide the range of options we need. One software program, "ConserveTrak," was found, and subsequently researched. Most of the water agencies that have purchased ConserveTrak did so through a sole-source approach, with documentation.

ConserveTrak is the product of Right There, Inc., which has been in business since 1999, developing web-accessed software to solve tracking and administration problems for water agencies. ConserveTrak was developed in response to customer requests from the City of Santa Cruz and the Soquel Creek Water District.

ConserveTrak has six customers up and running, with additional customers being installed this year. The customers range from large agencies (Orange County, FL), some are medium sized (Soquel Creek, Santa Cruz), and some are small.

The software is versatile and easily integrates with Microsoft Office programs (Word, Excel, Outlook). The company has been a member of the CUWCC for many years, and is on the list to receive the

RFP for building the online BMP reporting system. They are developing a set of ConserveTrak reports that will match the new BMPs directly, and will be easily able to import data from a water agency's ConserveTrak software's database to complete the forms.

Training and documentation is included in the price of the software.

According to the vendor, ConserveTrak's IT staff, and they believe that their success at being able to extract data from very diverse billing systems indicates that they will be able to work with NCSD's system.

The ConserveTrak (CT) program is structured for conservation, using a standard interface for all programs, with unified reporting and global planning. Because it is web-based, it can be used anywhere (including the field), there is no installation on our own network, and we are not responsible for updating the program.

CT can handle retrofits, rebates, surveys, restrictions, violations, and drought issues, providing analysis, reporting and evaluation.

KEY FEATURES:

Manage Programs

- Rebates
- Violations
- Inspections
- Surveys/Audits
- Retrofit on Sale
- Water Demand Offset
- Outreach-Education

Information

- Water Consumption by account, property, block, subdivision, zip code, service type, property type, etc.
- Budgets, expenses by project.
- Customer interactions: phone, email, letters, visits, inspections, surveys.

Reporting and Evaluation

- Water Savings (predicted and actual)
- Counts (cases, visits, devices, surveys, properties, accounts, etc.)
- Budgets and expenses
- Comprehensive summaries

Communicate

- Mail merge letters (notices, warnings, citations, fines)
- Track mass mailings of brochures, other materials.
- Track advertising

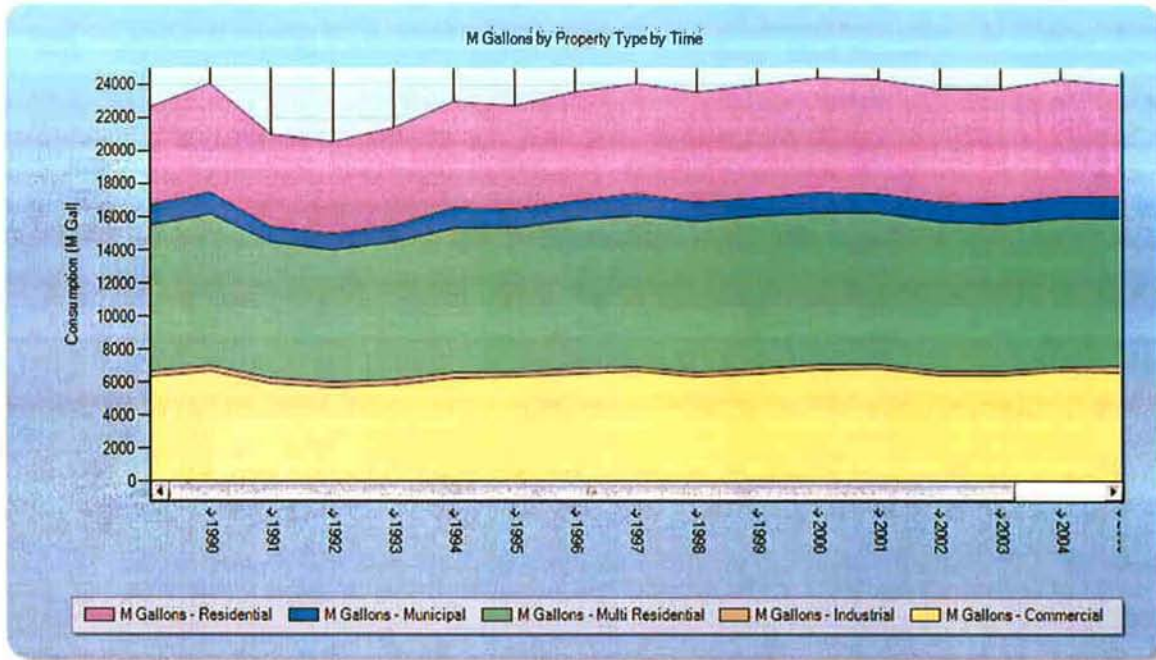
Explore Water Use

- Explore how water is used throughout your system; where can water be saved?

Follow are selected displays and screen shots of the types of reports CT produces.

Interactive Analytics

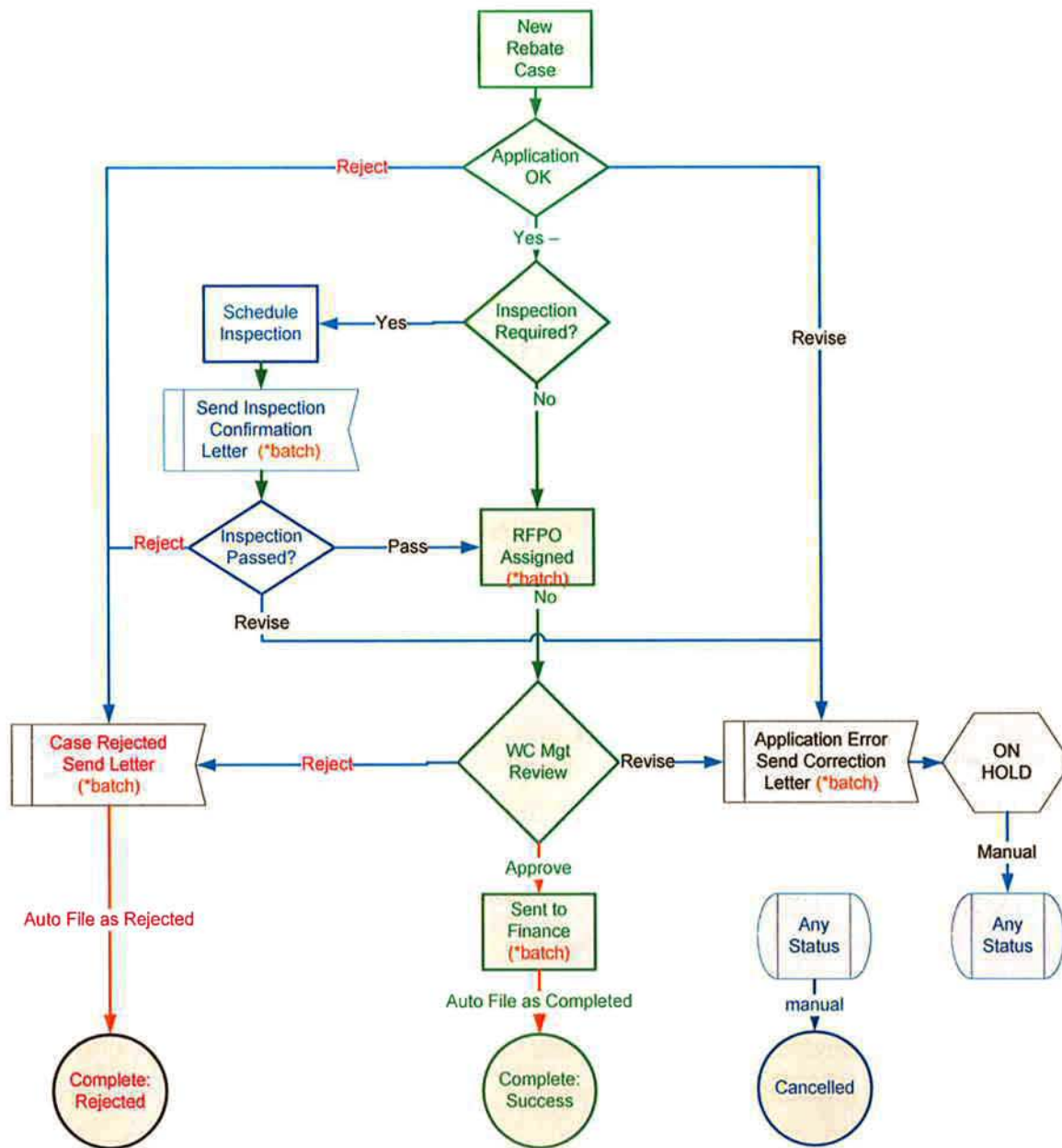
User: joe Logout



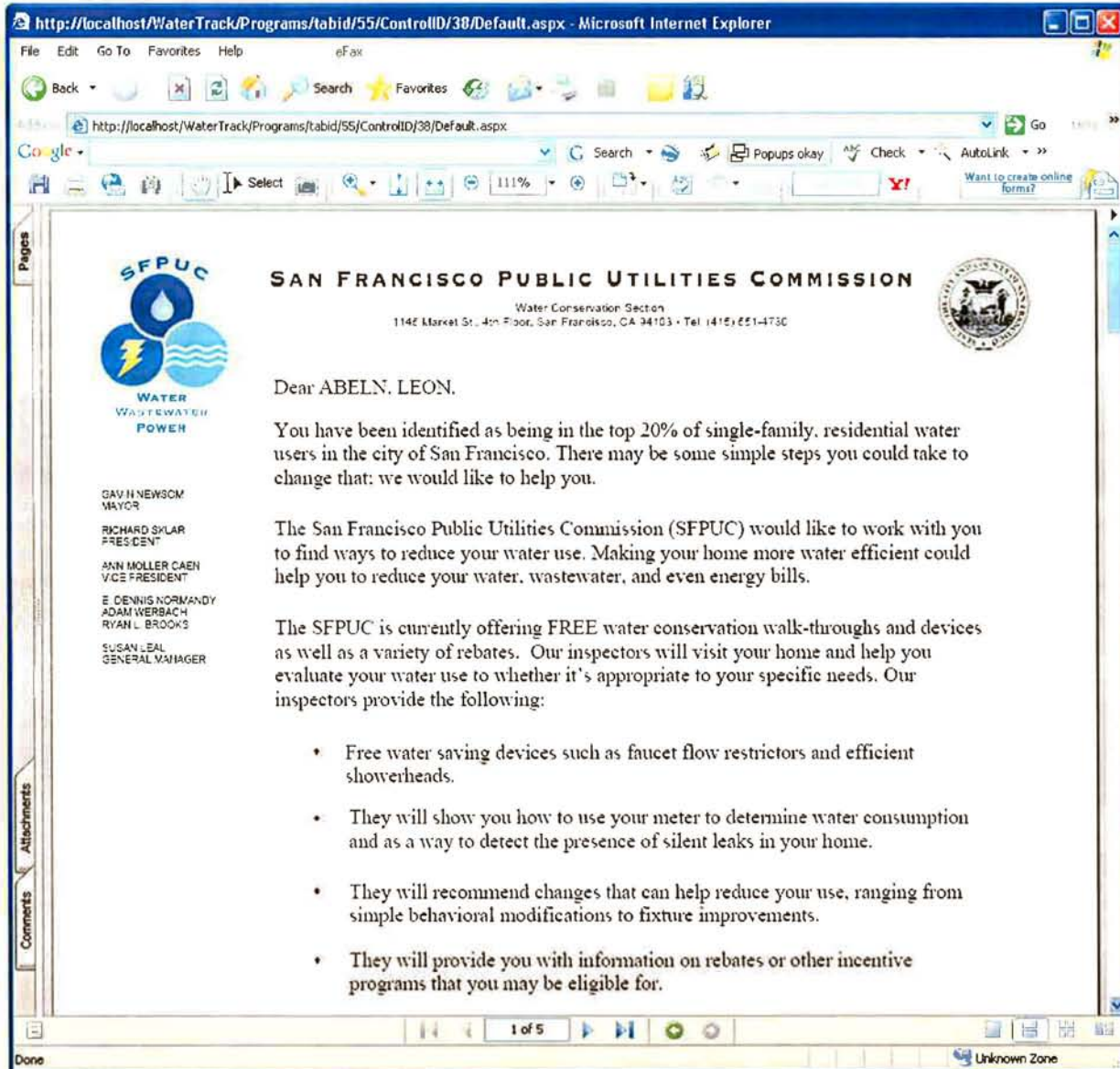
Graphic display of consumption by group.



Graphic display of consumption by year



Standardized process for rebate processing.



Mail Merge Letters and Notices: MM letters, notices, warnings, fines, filings.

PHSC Participation

General Information

Account #: **124** Installation Address: **214 MAPLE LN**
Participant: **KENT BROWN** Owner: **SUSAN BONNICI VERGARA**
Funding Type: Process Status:
Start Date: **1/4/2007** End Date:
Own or Rent: **Own** Aware of Program:
Referral:

Violation Information

Violation Date / Time: **1/1/2007 8:00 AM**

Source of water: Sprinkler Hose Hose Sprinkler Curb Opening Pipe Unknown (After Hours)
✓ ✓ ✓ ✓ ✓ ✓ ✓

Causing RO: ✓

Water Going To: Street Driveway Sidewalk Gutte Other
✓ ✓ ✓ ✓ ✓

Violator: **Female Gardener/Maintenance**

Violation Description: **No codes selected.**

Additional Description: **Add**


Corrective Action: **No codes selected.**

Additional Action: **Add act**

Fine Amount: **225.00**

Compliance Date: **1/5/2007**

Photo Evidence:



Track violations

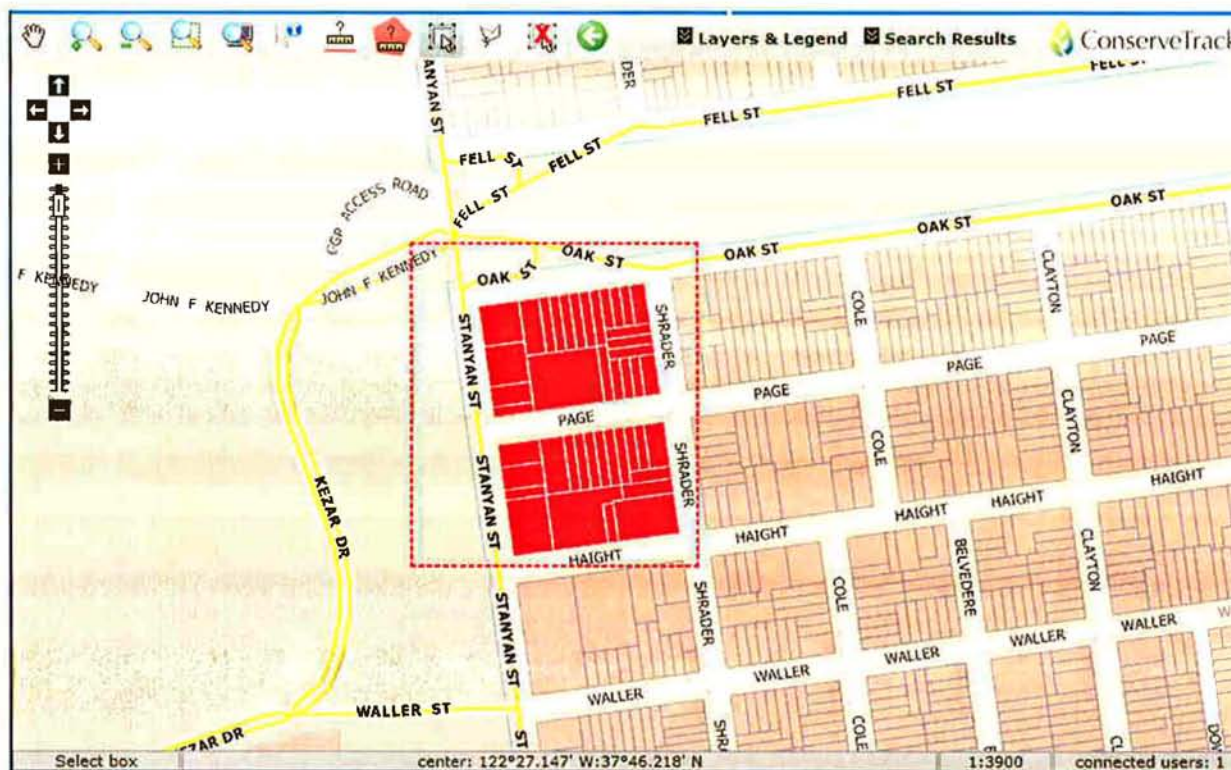
Mail merge Warning and Violation Letters

Include Photo evidence in database and letters.

Can work with GIS/Mapping (extra module)



Example of GIS map for parcels participating in a program.



Example of GIS selecting and displaying parcels with high water consumption (i.e., "Find the top 10 commercial water users in these two blocks")

FISCAL IMPACT

The estimated costs of the program would depend on the options we chose. Follows is from CT's 37-page quote:

Pricing

ConserveTrak may be purchased or leased. If purchased, the system software is installed on the customer's server within their Local Area Network, and managed by the IT staff with RightThere's support. If leased, Right There operates and manages the entire system, and nothing is installed at the customer site.

Training, Integration, and Minor Customization is included in the pricing below.

Purchase Option

Customers may purchase a license to use ConserveTrak on their local area network. The license is for an unlimited number of users for ConserveTrak. (Water Explorer uses a per seat licensing model.)

The purchase option requires NCS D IT to provide a server within the local network, which will host the ConserveTrak application and database. RightThere will perform all customization and installation tasks and will deliver a turnkey system. We will provide

ongoing technical support for system administrators, database administrator, and users through a Support Agreement. Users will access the system through their web browser, connecting to a server on the Local Area Network.

- RightThere will provide all hardware and software required for the development and testing (server hardware, OS and DB licenses, software licenses etc.).
- NCSO will provide all required operational computers and software licenses.

Leased / Hosted Service Option

In this option, RightThere will install the NCSO ConserveTrak system on our own server, and will then operate and manage the system. NCSO Users will access the system through their web browser, connecting to a server on the Local Area Network.

NCSO IT will only need to provide a monthly export of Billing System data to ConserveTrak. There is no software or hardware to install or manage. RightThere is completely responsible for the operation of the system in this option.

All data will be stored on the RightThere servers. RightThere will provide all hardware and software required to maintain and operate the system. RightThere will monitor the system operations.

The hosting service is added to the support agreement.

* Let us know if you would like pricing for this option.

WaterExplorer

WaterExplorer is licensed and priced by seat. A 2-user license is included in the ConserveTrak quote below. WaterExplorer may be useful in other areas of the NCSO besides conservation. Therefore, the licensing is per seat. Additional seats can be added as needed.

Payment Options and Payment Schedule

Payment Option 1: Pricing below is for the programs outlined in Section 3.1:

1. Purchase Option - including Customization and Integration of Billing Data and Conservation Program Data:

Software Licenses: \$28,000

Support: Maintenance and Upgrades: 20% of software costs per year.

(* This option includes Customization and Integration of Billing Data and Conservation Program Data as outlined in Section 3.3.)

Payment Option 2: Pricing below is for the programs outlined in Section 3.1:

2. Purchase Option - including import of Conservation Program Data:

Software Licenses: \$19,000

Support Maintenance and Upgrades: 20% of software costs per year.

(* This option includes up to 5 days of work by ConserveTrak technical staff to help import existing NCSO conservation program data from different sources into ConserveTrak; e.g. Access Databases, Excel Spreadsheets.)

(* Billing Data Integration may be added on in the future for \$13,000)

Payment Schedule:

- License Fees: 50% due at start of contract, additional 25 % due after 50% completion and 25% due upon acceptance.
 - Payment for each deliverable will be invoiced upon delivery of each item. Terms are net 30 days.
 - Items will be partially invoiced based on percent complete. Individual deliverable items will be declared complete when the NCSD has tested and verified their completeness, possibly through beta testing on the internet staging site.
 - Hosting, Leasing and Maintenance fees are due at the start of each service quarter.
-

The FY 2008/2009 budget for the WCP was for \$138,233, with \$27,731 having been used to date, and with \$110,502 left in the program. There is enough unused funding in this FY's budget to purchase and get us up and running with the CT program.

RECOMMENDATION

Staff recommends that the Board authorize purchase, installation, and other start-up charges for the ConserveTrak water-conservation software program. The recommended choice of the options is as follows:

Leased/Hosted Service Program, with the start-up 2-seat Water Explorer license Payment Option #1:	\$28,000
Yearly software maintenance and updates:	\$ 5,600

ATTACHMENT

ConserveTrak Quote Section 3 and 3.1

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3. Scope of Work

This section outlines the tasks and deliverables that will be completed as a part of this project. Any tasks that are not a part of the stated licenses and tasks will be considered out of scope. Tasks that are out of scope will require separate cost estimate payment. RightThere will inform client of any such tasks and submit a separate cost estimate for your pre-approval.

3.1 Program Management Tools for NCSD:

The NCSD system will include the following Programs initially: (We have included popular programs below – we can certainly amend these lists as appropriate per NCSD requirements.)

1) Rebate Programs:

This tool manages many types of device distribution programs. In this case the following types of retrofits will be included:

- o High Efficiency Toilets
- o High Efficiency Clothes Washers
- o Turf Replacement
- o Irrigation Smart Controllers
- o Cisterns

2) Audits and House Calls:

- a) Data entry for audit results
- b) Track fixture information on a room by room basis (indoor)
- c) Track water uses outdoors (pools, hot tubs, irrigation details)
- d) Track general information, and recommendations.
- e) Free form data entry because of the wide variety of possible water saving interventions.

3) Outreach and Educational Programs:

- a) Track educational visits to schools, fairs, adult workshops etc.
- b) Track advertisement placements
- c) Track printed materials

4) WaterExplorer Tool:

- o WaterExplorer is an interactive analysis tool used to 'slice and dice' water usage data.
- o Users can interactively select how they want the water usage (and savings) data tabulated and charted.
- o Selection parameters include:
 - Property Type
 - Zip code
 - SIC Codes
 - Meter route and book
 - Program participation
 - Water Usage (e.g. top 50 users or top 1%)
 - And any parameter available in the billing system database
 - And any combination of these parameters.

- Grouping and totaling by:
 - Month, quarter, year
 - Property Type
 - Intervention Type
 - SIC Code
 - Zip Code
 - Meter route and book
 - Others as available

5) Search Matrix Tool

- a) View all programs and properties in a single matrix
- b) View ALL property past participation in programs.
- c) Search on multiple parameters to narrow list of properties
- d) Search by program participation
- e) Launch campaigns for targeted properties

6) Additional Tools Included:

- Global Reporting – ability to create reports across multiple programs and phases.
- Program Budget Tracker – tracks budget and expenditures for each Program.
- Process Manager – implements user defined steps for each Program.
- Calendars – shows scheduled appointments, inspections, visits, reminders etc.
- Device Manager – users edit which devices (e.g. HETs, HECWs) are used in each program.
- Property/Service Point Viewer – shows details of the Property and Service Point, and the water consumption history
- Users and Roles administration.
- Device and Device Types administration – including efficiency level and predicted savings values.

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BBB*
DATE: February 18, 2009

**AGENDA ITEM
D-5
FEBRUARY 25, 2009**

APPROVE VILLAGE AT NIPOMO LLC REIMBURSEMENT PAYMENT

ITEM

Consider approval of reimbursement payment to Village at Nipomo LLC for over-sizing of water line on Mary Avenue, amend FY 08-09 Budget and transfer reserves [ADOPT RESOLUTION].

BACKGROUND

Village at Nipomo LLC developed a commercial project on Mary Avenue, CO 06-0037. The District requested and the Developer agreed to construct a twelve (12) inch water line in place of the eight (8) waterline normally required for new development as recommended in the Water and Sewer Master Plan to improve the capacity of the distribution system in the area. The new water line was dedicated to the District.

Village at Nipomo LLC connected a portion of the project to a new sewer line in Hill Street that was installed by the developer of Tract 2732. The developer of Tract 2732 has requested a reimbursement agreement for the sanitary sewer constructed in Hill Street that has yet to be finalized. However, staff has been able to approximate the reimbursement amount that Village at Nipomo LLC will owe the developer of Tract 2732 for the sanitary sewer in Hill Street.

The District approved a reimbursement agreement at the October 22, 2008 Board meeting that outlined the conditions precedent to the District's obligation to make reimbursement to the developer. The developer has requested a reimbursement payment of \$81,902 for the incremental cost difference of installing the eight (8) inch water line and the actual cost of installing the twelve (12) inch water line. The District Engineer has reviewed the cost information submitted by the developer and has approved the reimbursement amount. In accordance with the agreement, the District will withhold \$10,500 from the reimbursement payment for the Tract 2732 sewer reimbursement agreement that is yet to be finalized. Thus, the net reimbursement payment due to Village at Nipomo LLC is \$71,402.

FISCAL IMPACT

The reimbursement amount should be paid from the Town Water Capacity Charge Fund (Fund #700). A budget amendment for the reimbursement amount of \$71,402 is required.

RECOMMENDATION

Staff recommends that your Honorable Board adopt Resolution 2009 – XXXX Village at Nipomo Reimbursement Payment.

ATTACHMENT

Engineer's Certification of Reimbursement Amount dated 2/9/2009
Resolution 2009-XXXX Village at Nipomo Reimbursement Payment

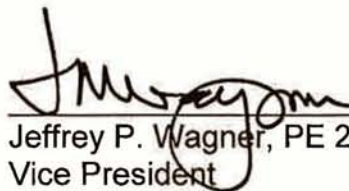
ENGINEER'S CERTIFICATION

The Nipomo Community Services District required that E.F. Moore & Company increase the size of a proposed 8-inch water main in Mary Avenue to a 12-inch water main, from Tefft Street to Hill Street. Additional costs were incurred by E.F. Moore & Company to redesign and construct the larger water main.

Additional costs were incurred by E.F. Moore & Company to redesign and construct the larger water main. The excess and allowable costs associated with the upsizing of the water main, including design, construction, and payments to contractors and/or engineers totaled \$81,902.00

I, Jeffrey P. Wagner, certify that I have reviewed the attached reports, which are submitted as documentation of E.F. Moore & Company's additional redesign and construction costs directly related to this required water main size increase. These documents were provided to **eda design professionals** by E.F. Moore & Company.

It is my opinion that the reported design and construction costs were incurred by E.F. Moore & Company, and that these costs were the direct result of the increase in the size of the subject water main.

 02/09/09
Jeffrey P. Wagner, PE 26,431
Vice President



**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2009-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
APPROVING A REIMBURSEMENT PAYMENT TO
VILLAGE AT NIPOMO LLC
AND AMENDING FY 08-09 BUDGET**

WHEREAS, the Board has accepted the water system improvements constructed to serve the Village at Nipomo, CO 06-0037; and

WHEREAS, the Board approved a Reimbursement Agreement and Covenant to Pay Sewer Reimbursement with Village at Nipomo LLC, the developer, on October 22, 2008 that outlined the conditions precedent to the District's obligation to make reimbursement to the developer for upsizing the water line improvements on Mary Avenue; and

WHEREAS, Village at Nipomo LLC, has provided the cost submittal required regarding the cost for upsizing the water line improvements in Mary Avenue; and

WHEREAS, the District Engineer has approved the developer's costs related to the Mary Avenue water line upsizing at eighty-one thousand nine hundred two dollars (\$81,902); and

WHEREAS, the reimbursement agreement requires the District to withhold ten thousand five hundred dollars (\$10,500) from the reimbursement amount due to Village at Nipomo LLC, for the Tract 2732 sewer reimbursement agreement that is yet to be approved by the Board; and

WHEREAS, on June 25, 2008 the District adopted its FY 08-09 Budget; and

WHEREAS, the District desires to amend the FY 08-09 Budget to allocate funds to reimburse developer in the amount of seventy one thousand four hundred two dollars (\$71,402).

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

- 1) The District Board of Directors does hereby approve the developer's costs related to the Mary Avenue water line upsizing at \$81,902.
- 2) The District Board of Directors does hereby approve the payment to Village at Nipomo LLC in the amount of \$71,402 in accordance with the Reimbursement Agreement and Covenant to Pay Sewer Reimbursement.
- 3) The District Board of Directors does hereby authorize the appropriation of \$71,402 from budget account #700 (Town Water Capacity Charge Reserves) to fund the reimbursement payment.

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

AYES:
NOES:
ABSENT:
ABSTAINING:

the foregoing Resolution is hereby adopted this 25th day of February, 2009.

James Harrison, President
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM:

Donna K. Johnson
Secretary to the Board

Jon S. Seitz
General Counsel

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TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BBB*
DATE: FEBRUARY 20, 2009

**AGENDA ITEM
D-6
FEBRUARY 25, 2009**

SANTA MARIA RIVER BRIDGE FUNDING SUPPORT

ITEM

Authorize letters of support for federal funding of Santa Maria Bridge re-construction
[RECOMMEND APPROVAL]

BACKGROUND

The City of Santa Maria has asked for NCSD's support in procuring federal funding for re-construction of the Santa Maria River Bridge (US 101). Attached is a sample of the letter that could be sent to both Senators, both Representatives and to the House Appropriations Committee.

FISCAL IMPACT – nominal costs related to production and mailing

RECOMMENDATION

Staff recommends that the Board authorize transmittal of the five letters

ATTACHMENTS

- Sample Letter

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February XX, 2009

The Honorable Dianne Feinstein
331 Hart Senate Office Building
Washington, DC 20510
(202) 228-3954 – fax

Dear Senator Feinstein:

As a Community Services District, we are tasked with providing water, wastewater, lighting, and solid waste disposal services to the approximately 12,000 residents of the Nipomo area in southern San Luis Obispo County. However, we understand that the widening of the U.S. Highway 101 Bridge over the Santa Maria River is a high priority of the San Luis Obispo Council of Governments, the Santa Barbara County Association of Governments, CALTRANS, and others.

Our residents rely daily on Highway 101 as the major arterial throughout the region. Also, many of our residents shop and work in the City of Santa Maria and points south and must use the Highway 101 Bridge over the Santa Maria River frequently.

Therefore, we strongly support Federal funding in the next Transportation Reauthorization legislation for the widening of the Highway 101 Bridge over the Santa Maria River. The widening project is of great importance to our community because of the regional nature of our area. The project will provide additional capacity to accommodate forecasted traffic demand, improve traffic safety, improve air quality, and allow for recreational uses of the corridor via a new bicycle path.

Thank you very much for your support of the Nipomo Community Services District and this vital regional transportation project.

Sincerely,

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BBB*
DATE: FEBRUARY 20, 2009

**AGENDA ITEM
D-7
FEBRUARY 25, 2009**

ADOPT RESOLUTION CONFIRMING INVESTMENT POLICY [ADOPT RESOLUTION]

ITEM

Adopt Resolution confirming Investment Policy

BACKGROUND

The California Government Code Section 53646 (2) requires local government entities adopt an annual investment policy. At the January 14 and February 11, 2009, Board Meetings the Board of Directors reviewed the proposed 2009 Investment Policy.

At the February 11, 2009, Board Meeting, the Board of Directors did not propose any edits to the Investment Policy as presented and directed Staff to place the item on the February 25, 2009, agenda for adoption.

RECOMMENDATION

Staff recommends adoption of Resolution 2009-xxx confirming the Investment Policy.

ATTACHMENTS

- Resolution 2009-xxx with Exhibit A

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**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2009-XX**

**A RESOLUTION OF THE
BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING THE YEAR 2009 DISTRICT INVESTMENT POLICY**

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

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

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

1. The District hereby adopted the Investment Policy attached hereto as Exhibit "A" as the District's Investment Policy;
2. The District General Manager shall act as Treasurer/Finance Officer of the District and is authorized to invest and re-invest funds in accordance with the Investment Policy for the succeeding twelve (12) month period or until such time as the delegation of authority is revoked.

PASSED AND ADOPTED by the Board of Directors of the Nipomo Community Services District this 25TH day of February, 2009, on the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

James Harrison, President
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM:

Donna K. Johnson
Secretary to the Board

Jon S. Seitz
District Legal Counsel

**RESOLUTION 2009-xx
EXHIBIT A**

**YEAR 2009 INVESTMENT POLICY
NIPOMO COMMUNITY SERVICES DISTRICT**

1. INTRODUCTION

The purpose of this written *Investment Policy* is to establish the guidelines for the prudent investment of Nipomo Community Services District funds (herein referred to as District's funds). The objectives of this policy are safety, liquidity, yield, and compliance with state and federal laws and policies.

District funds are to be managed with a high degree of care and prudence. Though all investments contain a degree of risk, the proper concern for prudence, maintenance of high level of ethical standards and proper delegation of authority reduces the potential for any realized loss.

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

2. FINANCE OFFICER

The Board of Directors appoints the General Manager as the District Finance Officer and Treasurer. The District's Assistant General Manager shall serve as the District's Finance Officer and Treasurer in the absence of the District's General Manager.

3. SCOPE

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

4. OBJECTIVES

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

A. SAFETY

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

B. LIQUIDITY

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

C. YIELD

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

D. COMPLIANCE

This Investment Policy is written to be in compliance with California and Federal law.

**RESOLUTION 2009-xx
EXHIBIT A**

**YEAR 2009 INVESTMENT POLICY
NIPOMO COMMUNITY SERVICES DISTRICT**

5. STANDARDS OF CARE

A. PRUDENCE

The Finance Officer will manage the portfolio pursuant to the "Prudent Investor Standard." When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds in the District's investment portfolio, the Finance Officer shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District.

B. DISCLOSURES

Finance Officer shall disclose any material interest in financial institutions with which he/she conducts the District business.

6. INVESTMENTS AUTHORITY

A. PERMITTED INVESTMENTS

The District Finance Officer is authorized to invest in the following institutions:

1. County pooled funds (California Government Code § 61730)
2. The Local Agency Investment Fund created by the California State Treasury (California Government Code § 16429.1)
3. One or more FDIC insured Banks and/or Savings and Loan Associations that are designated as District depositories by resolution of the Board of Directors (California Government Code § 61053).
4. Such other financial institutions or securities that may be designated by the Board of Directors from time to time in compliance with California and Federal law.

B. PROHIBITED INVESTMENTS

The District's Finance Officer shall not invest in:

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

C. DIVERSIFIED INVESTMENTS

Investments, other than investments referenced in paragraphs A (1) and (2) above, will be diversified to avoid losses that may be associated with any one investment.

**RESOLUTION 2009-xx
EXHIBIT A**

**YEAR 2009 INVESTMENT POLICY
NIPOMO COMMUNITY SERVICES DISTRICT**

7. REPORTS

A. MONTHLY REPORT

Finance Officer/Treasurer shall make monthly reports to the Board of investments made or retired during the preceding month.

B. QUARTERLY REPORT

Finance Officer shall file a quarterly report that identifies the District's investments and their compliance with the District's Investment Policy. The quarterly report must be filed with the District's auditor and considered by the District's Board of Directors within thirty (30) days after the end of each quarter (i.e., by May 1, August 1, November 1, and February 1) (California Government Code § 53646). Required elements of the quarterly report are as follows:

1. Type of Investment
2. Institution
3. Date of Maturity (if applicable)
4. Amount of deposit or cost of the security
5. Current market value of securities with maturity in excess of twelve months (if applicable)
6. Rate of Interest
7. Statement relating the report to the Statement of Investment Policy
8. Statement of the District's ability to meet cash flow requirements for the next six months.
9. Accrued Interest (if applicable)

C. ANNUAL REPORT

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

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

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

D. LIMITED QUARTERLY REPORT

If the District has placed all of its investments in the Local Agency Investment Fund (LAIF), created by California Government Code § 16429.1, or in Federal Deposit Insurance Corporation, insured accounts in a bank or savings and loan association, in a County investment pool, or any combination of these, the Finance Officer may submit to the Board of Directors, and the auditor of the District the most recent statement or statements received by the District from these institutions in lieu of the information required in paragraph 7.B, above. This special reporting policy does not relieve the Finance Officer of the obligation to prepare an annual investment report as identified in paragraph 7.C, above.

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BBB*
DATE: FEBRUARY 20, 2009



SOUTHLAND REIMBURSEMENT RESOLUTION

ITEM

Adopt reimbursement resolution for Southland WWTF Upgrade Project [ADOPT RESOLUTION]

BACKGROUND

Attached is a draft resolution, which enables (but does NOT mandate) recovery of costs in the project financing.

FISCAL IMPACT

Preparation of the Resolution entailed about \$300 of legal counsel's time.

RECOMMENDATION

Staff recommends that the Board adopt the attached new resolution

ATTACHMENTS

- New Draft Resolution

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**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2009-XXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
DECLARING INTENT TO BE REIMBURSED FOR DISTRICT EXPENDITURES
FROM PROCEEDS OF TAX EXEMPT OBLIGATIONS ISSUED BY DISTRICT
FOR THE DESIGN AND CONSTRUCTION
OF THE NIPOMO COMMUNITY SERVICES DISTRICT'S
SOUTHLAND WASTEWATER TREATMENT FACILITY UPGRADE PROJECT**

WHEREAS, the Board of Directors of the Nipomo Community Services District, ("District") proposes to undertake the following project ("Project");

The construction of additional facilities necessary to expand the treatment capabilities of the Southland Wastewater Treatment Facility (WTF). The Project includes the following:

- The replacement of an exiting 12-inch sewer trunk main;
- Construction at the WTF includes:
 - Upgrading the effluent pump station;
 - Provision of headworks improvements;
 - Reconstruction of two of the existing treatment ponds; and
 - Utilization of two remaining treatment ponds for storage, decanting, and disposal;
- Construction of the WTF disposal system may include:
 - Discharge into percolation ponds;
 - Discharge into subsurface disposal systems;
 - Surface irrigation;
 - Recycling to recreation/open space areas; or
 - Deep underground injection; and

WHEREAS, the District intends to finance the Project, or portions of the Project with proceeds from the sale of tax exempt obligations, the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"); and

WHEREAS, prior to the issuance of the Obligations the District will incur certain expenditures with respect to the Project from available monies of the District which expenditures are desired to be reimbursed by the District from a portion of the sale of the Obligations (herein "Reimbursement Expenditures); and

WHEREAS, United State Income Tax Regulations section 1.150-2 provides generally that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of issuance of such debt unless certain procedures are followed, one of which is a requirement that (with certain exceptions), prior to the payment of any such expenditure, the issuer declares an intention to reimburse such expenditure; and

WHEREAS, it is in the public interest and for the public benefit that the District declare its official intent to be reimbursed the expenditures referenced herein; and

WHEREAS, the District Board considered this item at its regularly scheduled February 25, 2009, Board Meeting.

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

1. The District hereby declares its intent to use the proceeds of the Obligations to pay Reimbursement Expenditures incurred prior to the issuance of the Obligations.
2. The reasonably expected maximum principal amount of the Obligations is twelve million dollars (\$12, 000,000.00).
3. This Resolution is adopted solely for the purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This Resolution does not bind the District to make any expenditure, incur any indebtedness, or to proceed with the Project.
4. This Resolution shall take effect immediately upon its passage.

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

AYES:
NOES:
ABSENT:
ABSTAIN:

the foregoing resolution is hereby passed, approved and adopted by the Board of Directors of the Nipomo Community Services District this 25th day of February, 2009.

James Harrison, President
Nipomo Community Services District
Board of Directors

ATTEST:

DONNA K. JOHNSON,
Secretary to the Board of Directors