

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BSB*
DATE: DECEMBER 7, 2007



CONSENT AGENDA

The following items are considered routine and non-controversial by staff and may be approved by one motion if no member of the Board wishes an item be removed. If discussion is desired, the item will be removed from the Consent Agenda and will be considered separately.

**Questions or clarification may be made by the Board members
without removal from the Consent Agenda.**

- D-1) APPROVE WARRANTS [RECOMMEND APPROVAL]
- D-2) APPROVE BOARD MEETING MINUTES [RECOMMEND APPROVAL]
Approve Minutes of 11/28/07, 11/30/07, and 12/01/07 Meetings
- D-3) AUTHORIZE EXECUTION OF AGREEMENT WITH ACTUARIAL FIRM TO
EVALUATE POST RETIREMENT LIABILITIES [RECOMMEND APPROVAL]
- D-4) AWARD LOW BID FOR PURCHASE OF PICK UP TRUCK [RECOMMEND
APPROVAL]
- D-5) AWARD LOW BID FOR PURCHASE OF TRACTOR [RECOMMEND APPROVAL]
- D-6) AUTHORIZE EXECUTION OF CONTRACT WITH LANDSCAPE MAINTENANCE
FIRM FOR MAINTENANCE OF OFFICE AND BLACKLAKE TANK LANDSCAPE
[RECOMMEND APPROVAL]
- D-7) ADOPT REVISED INJURY AND ILLNESS PROGRAM AND 2008 CODE OF SAFE
PRACTICES [RECOMMEND APPROVAL]
- D-8) ACCEPT NIPOMO TOWN SQUARE UTILITY EASEMENTS [RECOMMEND
APPROVAL]
- D-9) AUTHORIZE INSTALLATION OF COMPOST TUMBLER AND WORM FARM ON
OFFICE LOT [RECOMMEND APPROVAL]
- D-10) AUTHORIZE ISSUANCE OF COURTESY NOTICES DURING WATER SUPPLY
EMERGENCIES [RECOMMEND APPROVAL]

TO: BOARD OF DIRECTORS
 FROM: BRUCE BUEL *BB*
 DATE: DECEMBER 7, 2007

**AGENDA ITEM
 D-1
 DECEMBER 12, 2007**

HAND WRITTEN CHECKS

| | | | |
|----------|-------|----------------------|----------|
| 11-26-07 | 19676 | M WINN | 50.00 |
| 11-26-07 | 19677 | L VIERHEILIG | 50.00 |
| 11-30-07 | 19679 | TEMPLETON CSD | 1,360.00 |
| 11-30-07 | 19680 | M WINN | 100.00 |
| 11-30-07 | 19681 | L VIERHEILIG | 100.00 |
| 11-30-07 | 19682 | C TROTTER | 100.00 |
| 11-30-07 | 19683 | E EBY | 100.00 |
| 11-30-07 | 19684 | J HARRISON | 100.00 |
| 12-01-07 | 19685 | M WINN | 100.00 |
| 12-01-07 | 19686 | L VIERHEILIG | 100.00 |
| 12-01-07 | 19687 | C TROTTER | 100.00 |
| 12-01-07 | 19688 | E EBY | 100.00 |
| 12-01-07 | 19689 | J HARRISON | 100.00 |
| 12-01-07 | 19690 | MID STATE PETTY CASH | 191.83 |
| 12-03-07 | 19691 | M WINN | 50.00 |
| 12-03-07 | 19692 | J HARRISON | 50.00 |
| 12-03-07 | 19693 | J HARPER | 85.00 |

**TOTAL COMPUTER
 CHECKS
 \$319,266.56**

VOID 19674, 19678

COMPUTER GENERATED CHECKS

| Check Number | Check Date | Vendor Number | Name | Gross Amount | Discount Amount | Net Amount | Invoice # | Payment Information Description |
|--------------|------------|---------------|---------------------------|--------------|-----------------|-------------------------|-----------|---------------------------------|
| 14323 | 11/30/07 | EMP01 | EMPLOYMENT DEVELOP DEPT | A71126 | 11/26/07 | STATE INCOME TAX | 11-07 | 735.28 735.28 |
| 14324 | 11/30/07 | MID01 | MIDSTATE BANK-PR TAX DEP | A71126 | 11/26/07 | COMBINED CHECK | 11-07 | 4025.82 4025.82 |
| 14325 | 11/30/07 | MID02 | MIDSTATE BANK - DIRECT DP | A71126 | 11/26/07 | NET PAY | 11-07 | 23893.26 23893.26 |
| 14326 | 11/30/07 | PER01 | PERS RETIREMENT | A71126 | 11/26/07 | PERS PAYROLL REMITTANCE | 11-07 | 7088.92 7088.92 |
| 14327 | 11/30/07 | STA01 | STATE STREET GLOBAL | A71126 | 11/26/07 | 457 DEFERRED COMP | 11-07 | 1180.00 1180.00 |
| 014328 | 12/12/07 | ABA01 | ABALONE COAST BACTERIOLOG | 20.00 | .00 | 20.00 | 2437 | BL WWTF LAB |
| | | | | 176.00 | .00 | 176.00 | 2438 | TOWN WWTF LAB |
| | | | | 20.00 | .00 | 20.00 | 2444 | BL WWTF LAB |
| | | | | 20.00 | .00 | 20.00 | 2450 | BL WWTF LAB |
| | | | | 20.00 | .00 | 20.00 | 2473 | BL WWTF LAB |
| | | | | 80.00 | .00 | 80.00 | 2474 | WATER SAMPLES |
| | | | | 20.00 | .00 | 20.00 | 2480 | BL WWTF LAB |
| | | | | 14.40 | .00 | 14.40 | 2481 | WATER MAIN LAB |
| | | | | 176.00 | .00 | 176.00 | 2482 | TOWN WWTF LAB |
| | | | | 20.00 | .00 | 20.00 | 2507 | BL WWTF LAB |
| | | | | 80.00 | .00 | 80.00 | 2508 | WATER SAMPLES |
| | | | | 20.00 | .00 | 20.00 | 2516 | BL WWTF LAB |
| | | | | 176.00 | .00 | 176.00 | 2517 | TOWN WWTF LAB |
| | | | | 14.40 | .00 | 14.40 | 2541 | TOWN WATER LAB |
| | | | Check Total.....: | 856.80 | .00 | 856.80 | | |
| 014329 | 12/12/07 | ADV01 | ADVANTAGE ANSWERING PLUS | 104.95 | .00 | 104.95 | 91706 | ANSWERING SERVICE |
| 014330 | 12/12/07 | ALX01 | ALEXANDER'S CONTRACT SERV | 2084.45 | .00 | 2084.45 | 110012 | METER READING SERVICE |
| 014331 | 12/12/07 | AME03 | AMERI PRIDE | 5.56 | .00 | 5.56 | F050170 | VEST |
| | | | | 82.74 | .00 | 82.74 | F340821 | UNIFORMS ETC |
| | | | | 89.30 | .00 | 89.30 | F346517 | UNIFORMS ETC |
| | | | Check Total.....: | 177.60 | .00 | 177.60 | | |
| 014332 | 12/12/07 | AQU01 | AQUA-METRIC SALES CO. | 6045.68 | .00 | 6045.68 | 19785 | METERS |
| | | | | 5256.59 | .00 | 5256.59 | 19786 | METERS |
| | | | | 371.55 | .00 | 371.55 | 19895 | METER |
| | | | Check Total.....: | 11673.82 | .00 | 11673.82 | | |
| 014333 | 12/12/07 | ASC01 | ASCE MEMBERSHIP | 250.00 | .00 | 250.00 | 010108 | MEMBERSHIP RENEWAL |
| 014334 | 12/12/07 | BRE02 | BRENNTAG PACIFIC INC. | 463.42 | .00 | 463.42 | BPI738403 | CHLORINE |
| | | | | 553.05 | .00 | 553.05 | BPI738404 | CHLORINE |
| | | | Check Total.....: | 1016.47 | .00 | 1016.47 | | |
| 014335 | 12/12/07 | BUE01 | BUEL, BRUCE | 83.85 | .00 | 83.85 | 120307+ | REIMB FOR MEALS AT MEETIN |
| | | | | 300.00 | .00 | 300.00 | 12-01-07 | REIMBURSE-STRATEGIC PLAN |
| | | | Check Total.....: | 383.85 | .00 | 383.85 | | |
| 014336 | 12/12/07 | CAP01 | CAPMARK FINANCE INC | 3225.00 | .00 | 3225.00 | 111907 | DEBT SERVICE INT EUREKA |
| 014337 | 12/12/07 | CLE06 | CLEVER DUCKS | 42466.89 | .00 | 42466.89 | SAL344-01 | COMPUTERS FOR SHOP UPGRAD |

**NIPOMO COMMUNITY SERVICES DISTRICT
WARRANTS DECEMBER 7, 2007**

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| Check Number | Check Date | Vendor Number | Name | Gross Amount | Discount Amount | Net Amount | Payment Information | |
|--------------|------------|---------------|---------------------------|---|--|---|--|--|
| | | | | | | | Invoice # | Description |
| 014338 | 12/12/07 | COR01 | CORBIN WILLITS SYSTEMS | 260.00 724.18 | .00 .00 | 260.00 724.18 | A71130 A711151 | COMPUTER SUPPORT COMPUTER SUPPORT |
| | | | Check Total.....: | 984.18 | .00 | 984.18 | | |
| 014339 | 12/12/07 | COU01 | COURIER SYSTEMS | 174.04 | .00 | 174.04 | 120107 | DELIVERY TO LAB |
| 014340 | 12/12/07 | CUE01 | CUESTA EQUIPMENT | 40.54 | .00 | 40.54 | 166473 | SUPPLIES |
| 014341 | 12/12/07 | CUL02 | CULLIGAN WATER CONDITION | 18.81 | .00 | 18.81 | 113007 | DELIVERY |
| 014342 | 12/12/07 | EBY01 | EBY, ED | 100.00 | .00 | 100.00 | 121207 | REG BD MEETING 121207 |
| 014343 | 12/12/07 | FAR01 | FARM SUPPLY COMPANY | 317.27 | .00 | 317.27 | 533804+ | SUPPLIES |
| 014344 | 12/12/07 | FAR02 | FAR WEST EXPRESS | 25.00 | .00 | 25.00 | E10527+ | DELIVERY TO MAIL BILLS |
| 014345 | 12/12/07 | FGL01 | FGL ENVIRONMENTAL | 86.00 459.00 86.00 327.00 434.00 187.00 36.00 81.00 | .00 .00 .00 .00 .00 .00 .00 .00 | 86.00 459.00 86.00 327.00 434.00 187.00 36.00 81.00 | 710109A 711738A 712009A 712228A 712232A 712478A 712486a 712487A | TOWN WWTF LAB TOWN WWTF LAB TOWN WWTF LAB BL WWTF LAB TOWN WWTF LAB TOWN WWTF LAB TOWN WWTF LAB BL WWTF LAB |
| | | | Check Total.....: | 1696.00 | .00 | 1696.00 | | |
| 014346 | 12/12/07 | FIR01 | FIRST AMERICAN REAL ESTAT | 1400.00 | .00 | 1400.00 | 110689 | APN MAPS AND OWNER DATA |
| 014347 | 12/12/07 | FIS01 | FISHER PUMP SERVICE | 5169.33 3964.25 | .00 .00 | 5169.33 3964.25 | 533 540 | BL #4 ENERJET VIA CONCHA MOTOR REWIND |
| | | | Check Total.....: | 9133.58 | .00 | 9133.58 | | |
| 014348 | 12/12/07 | FUG01 | FUGRO WEST, INC. | 63920.56 | .00 | 63920.56 | 3596-0004 | TOWN WWTG DISCHARGE STUDY |
| 014349 | 12/12/07 | GAS02 | GAS COMPANY, THE | 44.68 6838.29 | .00 .00 | 44.68 6838.29 | 111607 112907 | OFFICE HEAT GAS ENGINE |
| | | | Check Total.....: | 6882.97 | .00 | 6882.97 | | |
| 014350 | 12/12/07 | GEO01 | GEOSOLUTIONS, INC. | 285.00 | .00 | 285.00 | 15136 | COMPACTION TESTING FOR SH |
| 014351 | 12/12/07 | GIL01 | GLM, INC. | 100.00 650.00 | .00 .00 | 100.00 650.00 | 112907A 112907B | LANDSCAPE AT BL OFFICE LANDSCAPE |
| | | | Check Total.....: | 750.00 | .00 | 750.00 | | |
| 014352 | 12/12/07 | GRO01 | GROENIGER & CO | 321.10 573.23 5574.32 263.84 75.08 192.19 1201.20 422.38 | .00 .00 .00 .00 .00 .00 .00 .00 | 321.10 573.23 5574.32 263.84 75.08 192.19 1201.20 422.38 | 756450SM 756452SM 756455SM 757584SM 759375SM 761060SM 761062SM 761065SM | SUPPLIES SUPPLIES SUPPLIES SUPPLIES SUPPLIES GAS LINE FOR SHOP UPGRADE BL METER PARTS SUPPLIES |
| | | | Check Total.....: | 8623.34 | .00 | 8623.34 | | |
| 014353 | 12/12/07 | GWA01 | GWA INC | 28.00 | .00 | 28.00 | 711006401 | FIRE ALARM SYSTEM |
| 014354 | 12/12/07 | HAR02 | HARRISON, JAMES | 100.00 | .00 | 100.00 | 121207 | REG BD MEETING 121207 |
| 014355 | 12/12/07 | HOM01 | HOME MOTORS | 241.66 | .00 | 241.66 | TCS228930 | 2004 CHEVY MAINT |
| 014356 | 12/12/07 | KOR01 | KORNREICH ARCHITECTS | 2277.85 | .00 | 2277.85 | 111407 | SHOP UPGRADE |
| 014357 | 12/12/07 | LAN02 | LANDMARK LANDSCAPE CO INC | 214.00 | .00 | 214.00 | 39796 | TRACT 2409 LANDSCAPE MAIN |
| 014358 | 12/12/07 | MCD01 | McDONOUGH HOLLAND & ALLEN | 637.00 | .00 | 637.00 | 195608 | LEGAL SERVICES |
| 014359 | 12/12/07 | MUL01 | MULLAHEY FORD | 819.78 | .00 | 819.78 | 111207 | 04 FORD TRUCK MAINT |
| 014360 | 12/12/07 | NEX01 | NEXTEL COMMUNICATIONS | 447.53 | .00 | 447.53 | 87314072 | CELL PHONES |
| 014361 | 12/12/07 | NIP01 | NIPOMO ACE HARDWARE INC | 254.44 | .00 | 254.44 | A71206 | SUPPLIES |

**NIPOMO COMMUNITY SERVICES DISTRICT
WARRANTS DECEMBER 7, 2007**

**AGENDA ITEM
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| Check Number | Check Date | Vendor Number | Name | Gross Amount | Discount Amount | Net Amount | Invoice # | Payment Information Description |
|--------------|------------|---------------|---------------------------|--|--------------------------|--|------------------------------|--|
| 014362 | 12/12/07 | NIP09 | NIPOMO MARKET PLACE | 2685.73 | .00 | 2685.73 | 657317 | GASOLINE |
| 014363 | 12/12/07 | PER04 | PERRY'S ELECTRIC MOTORS | 811.87 810.34 | .00 .00 | 811.87 810.34 | 7808 7819 | MOTOR MAINTENANCE MOTOR MAINTENANCE |
| | | | Check Total.....: | 1622.21 | .00 | 1622.21 | | |
| 014364 | 12/12/07 | PGE01 | P G & E | 48371.17 | .00 | 48371.17 | 111907 | ELECTRICITY 449664603-3 |
| 014365 | 12/12/07 | POO01 | POOR RICHARD'S PRESS | 710.21 | .00 | 710.21 | 134030 | CONSERVATION FLYER |
| 014366 | 12/12/07 | PRE01 | PRECISION JANITORIAL | 275.00 | .00 | 275.00 | 168 | JANITORIAL SERVICE FOR NO |
| 014367 | 12/12/07 | PWM01 | PW MANN ELECTRIC INC | 16000.00 | .00 | 16000.00 | 7078 | GENERATOR FOR SHOP |
| 014368 | 12/12/07 | REE01 | REEDER, GILMAN & ASSOC. | 3500.00 | .00 | 3500.00 | 7283 | SOUTHLAND WWTF UPGRADE PR |
| 014369 | 12/12/07 | REE02 | THE REED GROUP INC | 1671.95 | .00 | 1671.95 | 998 | RATE STUDY |
| 014370 | 12/12/07 | REL01 | RELIABLE | 125.50 | .00 | 125.50 | FWG40500 | OFFICE SPPLIES |
| 014371 | 12/12/07 | SAI01 | SAIC | 12258.78 5601.70 | .00 .00 | 12258.78 5601.70 | 910013 922817 | GENERAL CONSULTATION HYDROLOGIC MONITORING PR |
| | | | Check Total.....: | 17860.48 | .00 | 17860.48 | | |
| 014372 | 12/12/07 | SAN04 | SANTA MARIA TIMES | 248.02 | .00 | 248.02 | 378617 | AD FOR EMPLOYMENT |
| 014373 | 12/12/07 | SAN09 | SAN LUIS MAILING SERVICE | 324.12 484.40 | .00 .00 | 324.12 484.40 | 32501A 32501B | SEWER RATE INCREASE MAILI SEWER RATE INCREASE POSTA |
| | | | Check Total.....: | 808.52 | .00 | 808.52 | | |
| 014374 | 12/12/07 | SAN11 | SAN LUIS PAPER CO. | 186.80 | .00 | 186.80 | 531169 | SUPPLIES |
| 014375 | 12/12/07 | SHI01 | SHIPSEY & SEITZ, INC | 11945.50 | .00 | 11945.50 | 111507 | LEGAL SERVICES |
| 014376 | 12/12/07 | SLO02 | DIV OF ENVIRON HEALTH | 224.00 562.41 | .00 .00 | 224.00 562.41 | 53812 56723 | BL HAZARDOUS MATERIALS CROSS CONNECTION |
| | | | Check Total.....: | 786.41 | .00 | 786.41 | | |
| 014377 | 12/12/07 | SOU01 | SOUTH COUNTY SANITARY | 34.24 165.80 | .00 .00 | 34.24 165.80 | 2009453 2016694 | TRASH COLLECTION OFFICE TRASH COLLECTION OLDE TOW |
| | | | Check Total.....: | 200.04 | .00 | 200.04 | | |
| 014378 | 12/12/07 | SPM01 | SP MAINTENANCE SERVICES | 1832.00 | .00 | 1832.00 | 21039 | STREET SWEEPING |
| 014379 | 12/12/07 | STA08 | STAPLES | 322.27 | .00 | 322.27 | 103107 | OFFICE SUPPLIES |
| 014380 | 12/12/07 | TER01 | TERMINIX | 244.44 | .00 | 244.44 | 27351345 | PEST CONTROL OFFICE |
| 014381 | 12/12/07 | TRIO3 | THE TRIBUNE | 500.52 | .00 | 500.52 | 6658648 | AD FOR EMPLOYMENT |
| 014382 | 12/12/07 | TRO01 | TROTTER, CLIFFORD | 100.00 | .00 | 100.00 | 121207 | REG BD MEETING 121207 |
| 014383 | 12/12/07 | UND01 | UNDERGROUND SERVICE ALERT | 150.00 | .00 | 150.00 | 70110054 | UNDERGROUND NOTIFICATION |
| 014384 | 12/12/07 | USB01 | US BANK TRUST | 134.94 217.31 131.83 | .00 .00 .00 | 134.94 217.31 131.83 | 112307 112307A 112307B | SUPPLIES FOR BD MEETING TRAVEL TO AWWA CONF COMPUTER SUPPLIES |
| | | | Check Total.....: | 484.08 | .00 | 484.08 | | |
| 014385 | 12/12/07 | VAL01 | VALLEY SEPTIC SERVICE | 862.20 1348.80 1652.70 425.00 | .00 .00 .00 .00 | 862.20 1348.80 1652.70 425.00 | 4724 4725 4726 4759 | JETTING SEWER LINES JETTING SEWER LINES JETTING SEWER LINES PUMP BL LFT STN |
| | | | Check Total.....: | 4288.70 | .00 | 4288.70 | | |
| 014386 | 12/12/07 | VER01 | VERIZON | 33.73 34.66 | .00 .00 | 33.73 34.66 | 111907A 111907B | BL PHONE BL PHONE |
| | | | Check Total.....: | 68.39 | .00 | 68.39 | | |
| 014387 | 12/12/07 | VIC01 | VICTOR BACKHOE, INC. | 3983.96 305.24 305.24 | .00 .00 .00 | 3983.96 305.24 305.24 | 2195 2202 2203 | RAISE MAIN LINES LOCATE VALE FOR HYDRANT R RAISE VALVE BOX AVOCADO |
| | | | Check Total.....: | 4594.44 | .00 | 4594.44 | | |
| 014388 | 12/12/07 | VIE01 | VIERHEILIG, LARRY | 100.00 | .00 | 100.00 | 121207 | REG BD MEETING 121207 |
| 014389 | 12/12/07 | WIN01 | WINN, MICHAEL | 100.00 | .00 | 100.00 | 121207 | REG BD MEETING 121207 |
| 014390 | 12/12/07 | XER01 | XEROX CORPORATION | 90.20 | .00 | 90.20 | 29394581 | COPIER MAINT |
| 014391 | 12/12/07 | \H001 | HALSELL BUILDERS, | 448.21 | .00 | 448.21 | 000A71201 | MQ CUSTOMER REFUND FOR HA |
| 014392 | 12/12/07 | \P002 | PACE BROS CONSTRUCTION, | 411.11 | .00 | 411.11 | 000A71201 | MQ CUSTOMER REFUND FOR PA |

NIPOMO COMMUNITY SERVICES DISTRICT

Celebrating 42 - Years of Service 1965 - 2007

MINUTES

NOVEMBER 28, 2007 AT 9:00 A.M.

BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

BOARD of DIRECTORS

MICHAEL WINN, **PRESIDENT**
LARRY VIERHEILIG, **VICE PRESIDENT**
CLIFFORD TROTTER, **DIRECTOR**
ED EBY, **DIRECTOR**
JAMES HARRISON, **DIRECTOR**

PRINCIPAL STAFF

BRUCE BUEL, **GENERAL MANAGER**
LISA BOGNUA, **ASSIST. GENERAL MANAGER**
DONNA JOHNSON, **BOARD SECRETARY**
JON SEITZ, **GENERAL COUNSEL**
PETER SEVCIK, **DISTRICT ENGINEER**

Mission Statement: The Nipomo Community Services District's mission is to provide the community with reliable, quality and cost-effective services.
Vision Statement: The Nipomo Community Services District's vision is to manage the resources and future growth of the community.

00:00:00

A. CALL TO ORDER AND FLAG SALUTE

President Winn called the meeting to order at 9:01a.m. and led the flag salute.

B. ROLL CALL

At Roll Call, all Board members were present.

00:01:07

C. PRESENTATIONS AND PUBLIC COMMENT

C-1) NCSD UTILITY SUPERVISOR DAN MIGLIAZZO

Dan Migliazzo updated the Board on the activities in the Utility Department. Sludge Basin 2 is being desludged. The crew has been replacing valves in the water system in Juniper Street and Chaparral. The new office building has been delivered and is in the process of being assembled. Special sampling of the monitoring wells in concert with Fugro has been completed. District staff took samples two weeks before Fugro and two weeks after Fugro sampled. Fire hydrant replacements are in process. PGE awarded a rebate of more than \$4,000 for improved efficiency at the Blacklake Booster Station. Blacklake Well #3 has been cleaned. Production increased by 60 gpm. The Board asked Mr. Migliazzo questions about the horse power versus production at the wells. Well #3 tested at 325 gallons per minute but only performed at 100 gpm. After some repair work, the well provided 160 gpm. The Board thanked Mr. Migliazzo for his presentation.

C-2) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST

Receive Announcements from Directors Items of District & Community Interest
Director Vierheilig
Saturday, December 1, 2007, 9:00 a.m. to noon Work Day at the Nipomo Native Garden.
Director Eby
At the SCAC meeting Monday night (Nov. 26, 2007) Jan Dalio from County Parks spoke on the Parks Master Plan Study. An EIR will probably be done on it.

MINUTES SUBJECT TO BOARD APPROVAL

Nipomo Community Services District
REGULAR MEETING
AGENDA

- C-2) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST
Receive Announcements from Directors Items of District & Community Interest

Director Winn

SLO County Planning Commission to meet Thursday, November 29, 2007. One item on the agenda is Affordable Housing.

NCSD Strategic Planning Forum will be Friday, November 30, 2007, 1:00 to 5:00 p.m. and Saturday, December 1, 2007 from 8:30 a.m. to 5:00 p.m.

Wednesday, December 5, 2007 – Water Resources Advisory Committee for the County will meet 1:30 -3:30 p.m. at the San Luis Obispo Library and will be considering the Resource Management System and Resource Conservation Studies in County General Plan.

- C-3) PUBLIC COMMENT ON ITEMS NOT ON AGENDA

There was no public comment.

00:13:12

D. CONSENT AGENDA

- D-1) APPROVE WARRANTS
- D-2) APPROVE BOARD MEETING MINUTES
Approve Minutes of November 14, 2007 Meeting
- D-3) PREVIEW 11/30/07 & 12/1/07 STRATEGIC PLAN WORKSHOP
- D-4) AUTHORIZE PURCHASE OF COMPUTER, PHONE, AND GENERATOR SYSTEMS FOR SHOP OFFICE AND AMEND FY07-08 BUDGET

Director Vierheilg asked to have Item D-4 pulled for separate consideration.

He also pointed out a few items in the Minutes to be corrected.

Bruce Buel, General Manager, reviewed Item D-3 in regard to some of the guest speakers expected at the Strategic Planning Forum. (Chuck Beesley {facilitator}, Mike Wolken, Paavo Ogren, and Mike Nunley.)

Upon motion by Director Vierheilg, and seconded by Director Eby, the Board approved Items D1, D2 and D3 on the Consent Agenda, as amended. Vote 5-0.

| YES VOTES | NO VOTES | ABSENT |
|---|----------|--------|
| Directors Vierheilg, Eby, Trotter, Harrison, and Winn | None | None |

Item D-4

Bruce Buel, General Manager, described the proposed computer and phone systems that will connect with the office better than they had in the past. The Board asked if the natural gas generator can be changed into propane in case of damage to the gas line. Mr. Migliazzo stated that it could. The Board directed staff to report back with a proposal.

Upon motion of Director Vierheilg and seconded by Director Eby, the Board unanimously approved Item D-4. Vote 5-0.

| YES VOTES | NO VOTES | ABSENT |
|---|----------|--------|
| Directors Vierheilg, Eby, Trotter, Harrison, and Winn | None | None |

MINUTES SUBJECT TO BOARD APPROVAL

00:35:21

E. ADMINISTRATIVE ITEMS

The Board opted to consider item E-7 first before E-1.

00:35:52

E-7) REVIEW REQUEST TO RECONSIDER FINANCIAL PLAN COMPONENTS OF MOTION ADOPTED AT 11/14/07 BOARD MEETING RE: BLACKLAKE AND COMMISSION SPECIAL COUNSEL LEGAL ANALYSIS OF INCLUDING/EXCLUDING TOWN WATER FUND 700 (CAPACITY CHARGES) IN EQUITY COMPARISON

Director Eby explained that the motion he made at the November 14, 2007 meeting included the following:

- “To commission Boyle to prepare a study to upgrade the hydro-geologic capacities supply and demand of Blacklake;
- To commission Boyle to revisit the cost to replace the pressurized system at Blacklake; and
- To commission Reed to develop a detailed cost rate study for the stand-alone and fully merged Blacklake-Town systems based on the previous two analyses”.

He explained that after the meeting was over, he and the director who seconded the motion (Director Trotter) agreed that they would prefer to include only the first two parts of the motion and withdraw the third portion.

Jon Seitz, District Legal Counsel, explained that the entire motion would need to be rescinded and a new motion would need to be made. There was no public comment. Upon motion by Director Eby and seconded by Director Trotter, the Board unanimously agreed to reconsider the Board's action related to the Blacklake and Town Divisions' merger. Vote 5-0

| YES VOTES | NO VOTES | ABSENT |
|--|----------|--------|
| Directors Eby, Trotter, Vierheilig, Harrison, and Winn | None | None |

Director Eby made a motion for staff to commission to determine hydro-geologic capacity supply of Blacklake as a stand-alone operation to see if the Blacklake wells can provide enough water to supply the Blacklake area and to verify costs of replacing a pressurized system and report back at a subsequent meeting for historic purposes. The motion died for the lack of a second.

Director Vierheilig made a motion to direct staff and other necessary experts to look at the appropriateness and legal defensibility of including or excluding Fund 700 from the equity surcharge calculation for the merger of Town and Blacklake systems with regard to the Blacklake merger. Director Harrison seconded the motion.

The following members of the public commented on the motion:

Pat Eby, NCSD resident – stated that she would like to have the equity surcharge removed. She asked how the District is legally able to charge the surcharge.

John Snyder, Nipomo resident – stated that the Board has underfunded the capital to adequately maintain the Blacklake system pumps leaving a deficit. Also the Board has issued will-serve letters without sufficient water. Blacklake has appropriate water rights.

Jon Seitz, District Legal Counsel, addressed the comments. He stated that the water on the mesa is mesa-wide, coined by the county as Nipomo Conservation Area. The Blacklake development was operated under CSA 1-E. Blacklake was never an appropriator. Blacklake did not have overlying water rights.

Mr. Buel stated that all NCSD water customers pay for supplemental water.

MINUTES SUBJECT TO BOARD APPROVAL

Nipomo Community Services District
**REGULAR MEETING
 AGENDA**

- E-7) REVIEW REQUEST TO RECONSIDER FINANCIAL PLAN COMPONENTS OF MOTION ADOPTED AT 11/14/07 BOARD MEETING RE: BLACKLAKE AND COMMISSION SPECIAL COUNSEL LEGAL ANALYSIS OF INCLUDING/EXCLUDING TOWN WATER FUND 700 (CAPACITY CHARGES) IN EQUITY COMPARISON (continued)

The Board discussed the motion further. Vote 5-0.

| YES VOTES | NO VOTES | ABSENT |
|--|----------|--------|
| Directors Vierheilig, Harrison, Eby, Trotter, and Winn | None | None |

01:07:03

The Board took a break at 10:10 a.m. and returned at 10:18 a.m.

- E-1) RECEIVE DRAFT WATER AND SEWER MASTER PLAN AND SET HEARING TO CONSIDER TENTATIVE ADOPTION

Bruce Buel, General Manager, presented the Draft Water and Sewer Master Plan as prepared by Cannon Associates and introduced Larry Kraemer.

Larry Kraemer, Cannon Associates, provided an overview of the priorities, the water and sewer projects and the implementation plan. He reviewed some of the topics included in the Plan. The Board discussed the Plan with Mr. Kraemer.

Bruce Buel, General Manager, read into record an email message from Jesse Hill received November 21, 2007, stating that he did not like the term "sub-basin" as inserted in Attachment 15 and is requesting a revision of the use of that term. Director Winn and Mr. Buel agreed that is now referred to as Nipomo Mesa Management Area or the Water Conservation Area.

Director Eby stated that for those interested in learning more about the District's intentions of relocating the groundwater recharge areas, Appendix J addresses that subject. At the end it recommends several steps, including further study, an environmental assessment of the solutions and development of alignment procedures. It is a work in progress and not completed as some have claimed. Mr. Buel added that list of sewer priority funding includes several "unknowns". The District does not know yet what the project will be.

The following members of the public spoke:

John Snyder, Nipomo resident – stated that the Sewer and Water Master Plan was set up for rate increases which fund the future. He stated that there has been no proper analysis of discharging treated wastewater to Mesa Road. Ag will need more water if you add more salts into the groundwater. He stated that there should be a revision of the plan.

Joan Bonino, Nipomo resident – asked about Appendix J addressing water near a dilutant, and asked about Groundwater Recharge Regulations if water is recharged. She stated that she would like the situation looked into.

Doug Lombardo, Board of Directors of the Community Health Center in Nipomo – stated his concern about wastewater discharging into a pond and possibly going bad causing big problems.

Ingmar Lauringson, Nipomo resident – asked the Board to look at the possibility of the value of homes in the area decreasing and increasing he cost of the project for compensation for the loss of value.

MINUTES SUBJECT TO BOARD APPROVAL

E-1) RECEIVE DRAFT WATER AND SEWER MASTER PLAN AND SET HEARING TO CONSIDER TENTATIVE ADOPTION (continued)

Stephanie Green, NCS D resident – stated that when she lived in Los Angeles there was overflow of effluent behind her house. She asked about testing for TB, Aids, and testosterone in the effluent. She stated her desire to put the project into a commercial area rather than a residential area.

David Gale, Nipomo resident – asked why the District was choosing the Mesa Rd. area. He stated that he did not support the idea.

Public comment was closed to the public.

The directors discussed the matter. The Board and staff informed the public that no decisions have been made. The Board has commissioned a hydro-geologic study to determine the best place for the treated wastewater.

Bruce Buel, General Manager, recommended that the Board set a hearing for January 9, 2008, to consider tentative adoption of the Water and Sewer Master Plan.

02:08:23

E-2) DISCUSS DRAFT STAFF PROPOSAL RE: SOLID WASTE FEE EXEMPTIONS AND SET HEARING TO CONSIDER ADOPTION

Bruce Buel, General Manager, explained that the staff proposes a policy for solid waste fee exemptions.

Tom Martin, South County Sanitation Controller – stated that California State Law determines the need to remove trash weekly.

There was no public comment.

The Board discussed the proposed policy and gave some suggestions for revisions. The Board agreed to set a hearing at December 12, 2007 meeting to consider adoption of the final policy.

The Board took a break at 11:35 a.m. and returned at 11:45 a. m.

The Board agreed to hear Item E-5 next.

02:22:07

E-5) CONSIDER TRACT 2611 (FRONTAGE AT HILL MIXED-USE PROJECT) VARIANCE APPLICATION TO EXTEND INTENT-TO-SERVE APPROVAL TERM

Bruce Buel, General Manager, described the request from EDA on behalf of Ed Shapiro to extend the term for the Intent-to-Serve letter for Tract 2611 four months from November 19, 2007 to March 19, 2008.

Paul Reichardt of EDA discussed the matter with the Board.

There was no public comment. The Board suggested a few edits to the resolution.

MINUTES SUBJECT TO BOARD APPROVAL

Nipomo Community Services District
REGULAR MEETING
AGENDA

E-5) CONSIDER TRACT 2611 (FRONTAGE AT HILL MIXED-USE PROJECT) VARIANCE APPLICATION TO EXTEND INTENT-TO-SERVE APPROVAL TERM (continued)

Upon motion by Director Vierheilig and seconded by Director Harrison, the Board unanimously approved Resolution 2007-1051, as amended. Vote 5-0.

| | | |
|--|----------|--------|
| YES VOTES | NO VOTES | ABSENT |
| Directors Vierheilig, Harrison, Eby, Trotter, and Winn | None | None |

RESOLUTION NO. 2007-1051
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
EXTENDING THE TERM OF THE TRACT 2611 INTENT-TO-SERVE LETTER TO MAY 19, 2008

02:40:37

E-3) DISCUSS ARBORIST'S RECOMMENDATIONS FOR OFFICE LANDSCAPE

Bruce Buel, General Manager, explained that staff has received recommendations from an arborist and is looking for direction from the Board.

Celeste Whitlow, Water Conservation Specialist – reviewed the Board's decision to have an arborist evaluate the trees on the District property. She showed a slide presentation with pictures of the trees and suggestions for each one. The Board discussed the suggestions.

Director Harrison made a motion to get bids for removing and grinding down of the trees posing safety problems and placing grating around the suggested trees. Director Vierheilig seconded the motion. There was no public comment. Vote 5-0.

| | | |
|--|----------|--------|
| YES VOTES | NO VOTES | ABSENT |
| Directors Harrison, Vierheilig, Eby, Trotter, and Winn | None | None |

03:17:25

E-4) INITIATE BYLAWS REVISION TO INCREASE MEETING COMPENSATION AND SET HEARING TO CONSIDER ADOPTION

This item is to be continued at a future meeting. There was no public comment.

The Board chose to go into Closed Session next.
E-6 will be heard after the Closed Session.

03:18:20

I. CLOSED SESSION ANNOUNCEMENTS

Jon Seitz, District Legal Counsel, announced the items to be heard during Closed Session.

1. CONFERENCE WITH LEGAL COUNSEL PENDING LITIGATION GC§54956.9 SMVWCD VS NCSA SANTA CLARA COUNTY CASE NO. CV 770214 AND ALL CONSOLIDATED CASES.
2. CONFERENCE WITH LEGAL COUNSEL PENDING LITIGATION GC§54956.9 MARIA VISTA VS. NCSA CASE NO. CV 040877, MARIA VISTA VS. NCSA CASE NO. CV 061079, AND MARIA VISTA VS. LINDA VISTA FARMS, NCSA ET AL. CASE NO. CV 040150;

MINUTES SUBJECT TO BOARD APPROVAL

**Nipomo Community Services District
REGULAR MEETING
AGENDA**

I. CLOSED SESSION ANNOUNCEMENTS (continued)

- 3. CONFERENCE WITH LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9; MARIA VISTA ESTATES V. NCSD ET AL. (CASE NO. ND07-10362RR IN UNITED STATES BANKRUPTCY COURT, CENTRAL DISTRICT, NORTHERN DIVISION
- 4. CONFERENCE WITH LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9; NCSD VS. SLO COUNTY (CASE NO. CV 070066)

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There was no public comment.

K. ADJOURN TO CLOSED SESSION

The Board adjourned to Closed Session at 12:43 p.m.
The Board announced that they would probably return at 1:15 p.m.

03:20:17

L. OPEN SESSION
ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

At 1:19 p.m., the Board came back into Open Session. Jon Seitz, District Legal Counsel, announced that the Board heard an update on the items listed above. There was no reportable action.

03:21:07

E-6) ENROLL BOARD MEMBERS IN STATE MANDATED NIMS/SEMS/ICS TRAINING COURSE

Bruce Buel, General Manager, reviewed the notice from the Templeton Community Services District announcing the availability of a National Incident Management System (NIMS)/Standardized Emergency Management System (SEMS)/Incident Command System (ICS) training course on December 7, 2007 in Templeton.
There was no public comment. All Board members agreed to attend the class.

03:30:40

E-8) CONFIRM IMPLEMENTATION OF 2008 TOWN AND BLACKLAKE WATER RATE INCREASE PREVIOUSLY APPROVED

Bruce Buel, General Manager, explained that the water rate increases were approved with Ordinance No. 2005-103.

Upon motion by Director Vierheilg and seconded by Director Trotter, the Board agreed to confirm implementation of 2008 rates previously adopted. There was no public comment. Vote 5-0.

| YES VOTES | NO VOTES | ABSENT |
|---|----------|--------|
| Directors Vierheilg, Trotter, Harrison, Eby, and Winn | None | None |

03:32:53

E-9) INITIATE CONSIDERATION OF STATE GRANT APPLICATION TO FUND NIPOMO MESA GROUNDWATER RESEARCH AND SET 12/12/07 HEARING TO ADOPT

Bruce Buel, General Manager, explained the process suggested for application for a State grant to help fund the Nipomo Mesa groundwater research.

MINUTES SUBJECT TO BOARD APPROVAL

**Nipomo Community Services District
REGULAR MEETING
AGENDA**

E-9) INITIATE CONSIDERATION OF STATE GRANT APPLICATION TO FUND NIPOMO MESA GROUNDWATER RESEARCH AND SET 12/12/07 HEARING TO ADOPT (continued)

Dr Brad Newton, SAIC – discussed the application process with the Board. It was suggested that a funding profile be included in the application. The Board asked questions and made other suggestions for the wording in the application.

Upon motion by Director Harrison and seconded by Director Trotter, the Board unanimously agreed to authorize staff to submit a tentative filing of the application for a State grant by the State's deadline and set a hearing for the December 12, 2007 Board meeting to consider adoption of the required resolution. There was no public comment. Vote 5-0.

| YES VOTES | NO VOTES | ABSENT |
|---|----------|--------|
| Directors Vierheilg, Trotter, Harrison, Eby, and Winn | None | None |

04:17:18 F. MANAGER'S REPORT

Bruce Buel, General Manager, presented his report as written. The Board asked questions about the Craig Annexation. Mr. Buel answered that LAFCo had approved the annexation in error and also withdrew it. The Board asked about supplemental water and also about fees Mr. Shapiro will need to pay.

04:25:07 G. COMMITTEE REPORTS

1. Water Conservation Committee Meeting of 11/9/07
The Minutes are as published. There were no corrections.
Water Conservation Committee met again November 26, 2007 and will meet again December 19, 2007.
Southland Wastewater Treatment Facility Upgrade Committee will meet Dec. 3, 2007.
Supplemental Water Committee will meet December 10th.
Parks Committee will meet December 17, 2007.

04:26:36 H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

Director Winn – A gross well production spreadsheet from Lisa was found helpful. Lisa provide a list of expenditures for Fund 700 for the past ten years. Allocations for housing have come from the State for SLO County. There are approx. 4900 homes and approx. 1300 for the unincorporated areas, Nipomo being a large portion.
Director Vierheilg stated budgeting needs to be better.
Director Eby asked about the Draft Emergency Water Storage. He asked if supplemental water will be on the next meeting.

ADJOURN

President Winn adjourned the meeting at 2:41 p.m.

➤ THE NEXT REGULAR BOARD MEETING IS DECEMBER 12, 2007.
TENTATIVELY SCHEDULED ITEMS INCLUDE:

- Report on Supplemental Water Development
- Draft Emergency Water Shortage Regulations

MINUTES SUBJECT TO BOARD APPROVAL

**NIPOMO COMMUNITY SERVICES DISTRICT
SPECIAL MEETING
MINUTES**

NOVEMBER 30, 2007 1:00 P. M.

BOARD CHAMBERS – NCSD OFFICE - NIPOMO, CA

BOARD of DIRECTORS

MICHAEL WINN, **PRESIDENT**
LARRY VIERHEILIG, **VICE PRESIDENT**
CLIFFORD TROTTER, **DIRECTOR**
ED EBY, **DIRECTOR**
JAMES HARRISON, **DIRECTOR**

PRINCIPAL STAFF

BRUCE BUEL, **GEN. MANAGER**
LISA BOGNUDA, **ASSIST. ADMINISTRATOR**
DONNA JOHNSON, **BOARD SECRETARY**
JON SEITZ, **GENERAL COUNSEL**
PETER SEVCIK, **DISTRICT ENGINEER**

Mission Statement: The Nipomo Community Services District's mission is to provide the citizens of the District with quality, innovative, and cost-effective services through responsive and responsible local government to meet the changing needs of the community.

A. CALL TO ORDER, FLAG SALUTE, AND ROLL CALL

President Winn called the meeting to order at 1:00 p.m. and led the flag salute. General Manager Bruce Buel called the roll and determined that President Winn, Vice President Vierheilig, Director Trotter, Director Eby and Director Harrison were present. In addition, General Manager Bruce Buel, Assistant General Manager Lisa Bognuda, District Engineer Peter Sevcik and District Counsel Jon Seitz were present. Paavo Ogren and Straith Zanarto attended for the SLO County Public Works Department; Dana Lilley attended from SLO County Planning Department; Mike Nunley attended from Boyle Engineering; and Chuck Beesley attended. There were two members of the public.

B. STRATEGIC PLAN WORKSHOP

President Winn and General Manager Buel introduced Chuck Beesley and described Mr. Beesley's role as facilitator. Mr. Beesley then reviewed his background and provided an overview of the strategic planning process. Each Director and Staff member then summarized their respective expectations for the session.

General Manager Buel introduced Paavo Ogren and Mr. Ogren reviewed the financial status of CSA 1, the Nipomo Lighting District and Flood Control District 16. Board discussion followed. There was no public comment.

General Manager Buel introduced Dana Lilley and Mr. Lilley provided an update on Planning Department activities. Board discussion followed. There was no public comment.

The Board recessed from 3:00 pm to 3:45 pm.

General Manager Buel introduced Jon Seitz and Mike Nunley, who reviewed NCSD's problems with salt discharge and summarized options to address the problem. Board discussion followed. John Snyder urged NCSD to evaluate the tipping point in the hardness of delivered water to set a target for salt reduction.

General Manager Buel reviewed the District's progress in implementing last year's strategic plan report. Board discussion followed.

C. ADJOURNMENT

President Winn adjourned the Meeting at 4:34 pm.

**NIPOMO COMMUNITY SERVICES DISTRICT
SPECIAL MEETING
MINUTES**

DECEMBER 1, 2007 8:30 A. M.

BOARD CHAMBERS – NCSD OFFICE - NIPOMO, CA

BOARD of DIRECTORS

MICHAEL WINN, **PRESIDENT**
LARRY VIERHEILIG, **VICE PRESIDENT**
CLIFFORD TROTTER, **DIRECTOR**
ED EBY, **DIRECTOR**
JAMES HARRISON, **DIRECTOR**

PRINCIPAL STAFF

BRUCE BUEL, **GEN. MANAGER**
LISA BOGNUDA, **ASSIST. ADMINISTRATOR**
DONNA JOHNSON, **BOARD SECRETARY**
JON SEITZ, **GENERAL COUNSEL**
PETER SEVCIK, **DISTRICT ENGINEER**

Mission Statement: The Nipomo Community Services District's mission is to provide the citizens of the District with quality, innovative, and cost-effective services through responsive and responsible local government to meet the changing needs of the community.

A. CALL TO ORDER, FLAG SALUTE, AND ROLL CALL

President Winn called the meeting to order at 8:30 a.m. and led the flag salute. General Manager Bruce Buel called the roll and determined that President Winn, Vice President Vierheilig, Director Trotter, Director Eby and Director Harrison were present. In addition, General Manager Bruce Buel, Assistant General Manager Lisa Bognuda, District Engineer Peter Sevcik, District Utility Supervisor Dan Migliazzo and facilitator Chuck Beesley were present. There was one member of the public.

B. STRATEGIC PLAN WORKSHOP

Chuck Beesley reviewed the topics that were identified for discussion at the November 30, 2007 Session and requested Board discussion on the Board's Vision for the Future verses the Community's Vision for the future; On Site Wastewater Management Regulations; and Lessons Learned from Previous Projects. There was no public comment. The Board recessed from 10:05 am to 10:20 am.

General Manager Buel introduced District Engineer Peter Sevcik. Peter Sevcik presented information on Maintenance Management and Sanitary Sewer Overflow Regulations. Board discussion followed on each topic. There was no public comment. The Board recessed from 12:16 pm to 12:45 pm.

District Engineer Peter Sevcik presented information on staff's proposed safety program with Board discussion following. General Manager Buel reviewed the options for funding parks and the Board agreed to consider parks funding at its January 9, 2008 Board Meeting. There was no public comment. The Board recessed from 2:45 pm to 3:05 pm.

The Board discussed information outreach to the community; current and future Blacklake Wastewater Discharge Standards; and the presentations from November 30, 2007. The Board agreed in concept that they were not interested in absorbing CSA 1. Bill Nelson reviewed Blacklake's current efforts to control salt discharge.

Chuck Beesley thanked the Board for its efforts and agreed to provide a detailed report of the proceedings in January 2008.

C. ADJOURNMENT

President Winn adjourned the Meeting at 3:40 pm.

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BBB*
DATE: DECEMBER 7, 2007

**AGENDA ITEM
D-3
DECEMBER 12, 2007**

**AUTHORIZE EXECUTION OF AGREEMENT WITH ACTUARIAL FIRM TO EVALUATE
OTHER POST EMPLOYMENT BENEFITS (OPEB)**

ITEM

Authorize execution of agreement with actuarial firm to evaluate "Other Post Employment Benefits" (OPEB)

BACKGROUND

In 1990, NCSD adopted Resolution No. 426 to contract with CALPERS for health insurance coverage for its employees. The Resolution stipulates the District will contribute the total amount of insurance premiums for employees and retirees and their dependents.

On December 14, 2005, NCSD adopted Resolution 2005-959 to set a health benefits vesting requirement for future retirees. This action was taken to limit the District's financial liability for post retirement medical insurance. The amendment requires vesting for employees before retirement medical benefits are 100% employer paid. This vesting applies to all employees hired on or after February 1, 2006. The vesting requires the retiree to have worked 20 years under the CALPERS system including at least 5 with the District.

Retiree medical benefits are unlike the pension benefit because there is no funding plan. CALPERS pension is funded through monthly employer contributions and the investment gains of the plan. There is a recent concern for all government agencies on how they will fund future medical benefits to retirees. These are known as "Other Post Employment Benefits" (OPEB). The only OPEB NCSD provides is medical, however, OPEB can include medical, dental, vision and life insurance.

Currently, most (if not all) government agencies fund these OPEB through annual operating income without any thought to the future liability of these expenses. This is often referred to as the "pay-as-you-go" method. This has led the Governmental Accounting Standards Board (GASB) to adopt Statement No. 45 that will require State and local governments to recognize and display OPEB expenses and related liabilities on their financial reports (audits). The GASB No. 45 will be effective for periods beginning after December 15, 2008 for governments with less than \$10M in total annual revenues. This means that NCSD must comply in the Fiscal Year 2009-2010. Although, NCSD has several years to comply, it is prudent to start addressing this issue now and be in compliance prior to the effective date.

The District currently has two retired employees receiving medical benefits. The current annual cost for our retired employee's medical is \$18,480. We are funding this cost from annual operating income. Much of the GASB No. 45 concern focuses on the large cities that have millions of dollars of OPEB costs with no funding plan. Nevertheless, NCSD's cost will grow as more employees retire and medical costs continue to increase. This liability could become a real issue to the District if it is disclosed on our audit as an unfunded liability.

To address the concerns of local agencies with OPEB, CALPERS has begun a program to assist in funding. The California Employers' Retiree Benefit Trust (CERBT) Fund is a new Section 115 Trust set up for the purpose of receiving employer contributions that will prefund health and other post employment benefit costs for retirees and their beneficiaries. By joining this new trust fund, CALPERS employers can help finance future costs in large part from the investment earnings provided by CALPERS. Just as earnings from invested retirement contributions cover \$3 of every \$4 spent in pension benefits, this new trust will generate

significant revenues to apply toward OPEB obligations. There are several advantages to prefunding these OPEB with CALPERS:

- Prefunding allows an agency to make actuarially determined periodic contributions to partially or completely fund future obligations
- Earnings on assets reduce employer contributions
- Investment return assumptions, known as discount rate assumptions, will be higher, making annual expense and unfunded liability lower
- Prevents your net obligation from becoming a significant liability on your balance sheet
- Can contribute to a positive credit rating
- Enhances financial security for retirees.

If NCSD is interested in participating in the CALPERS Prefunding Plan, NCSD must obtain an actuarial evaluation using the actuarial assumptions and methods prescribed by CALPERS. Once the valuation is completed, NCSD must adopt and execute an agreement with CALPERS. An actuarial evaluation is required bi-annually or as otherwise required by GASB and directed by CALPERS.

CALPERS indicated that NCSD should expect to pay between \$5,000 and \$10,000 to have the actuarial evaluation performed. On October 16, 2007, Staff sent out six Request for Proposals to actuarial firms. Only one actuarial firm submitted a proposal. Attached for your review is the proposal from The Epler Company.

The 2007-2008 budget included an amount of \$10,000 in Professional Services for actuarial services.

RECOMMENDATION

Direct Staff to prepare and execute Agreement with The Epler Company in the amount not-to-exceed, including expenses, \$6,600.00.

ATTACHMENT

Proposal to Provide Actuarial Study on OPEB

**Proposal to Provide
Actuarial Study
On
Other Post-Employment Benefits
For
Nipomo Community Services District**

Submitted to:

**Nipomo Community Services District
P.O. Box 326
148 South Wilson Street
Nipomo, CA 92444
Attn: Ms. Lisa Bognuda**

Submitted by:

**The Epler Company
450 B Street, Suite 750
San Diego, CA 92101-8002
(619) 239-0831 Phone
(619) 239-0807 Fax**

November 2007

November 8, 2007

PRIVATE

Ms. Lisa Bognuda
Assistant General Manager
P.O. Box 326
148 South Wilson Street
Nipomo, CA 93444

Re: Proposal to Perform Actuarial Study on Other Post-employment Benefits

Dear Ms. Bognuda:

The Epler Company, a San Diego based privately held actuarial corporation, is pleased to submit eight (8) copies of our proposal to perform an actuarial study for the Nipomo Community Services District (the "District"). The District is seeking an actuarial study of its current OPEB (Other Postemployment Benefits) program which provides retiree medical benefits to current and future eligible retirees. The actuarial study is to be performed using the CalPERS OPEB Assumptions and Methods Model and in compliance with the requirements of Government Accounting Standard Board Statement No. 45 ("GASB 45"). The results of the study will be used by the District for implementation of GASB 45.

We propose to provide the actuarial services as outlined in Section 1 of our proposal which are consistent with the services requested in the District's request for proposals (RFP). The contact information for our company is as follows:

The Epler Company
450 B Street, Suite 750
San Diego, CA 92101

Phone: (619) 239-0831
Fax: (619) 239-0807
Internet Address: www.eplercompany.com

The following individual is authorized to enter a contract with the District and can be contacted at the above address or phone number with respect to any questions on our proposal:

Marilyn Jones, Vice President & Actuary mjones@eplercompany.com

Nipomo Community Services District
November 8, 2007
Page 2

Having all of the qualifications to provide actuarial consulting services, we are interested in establishing an ongoing relationship with the District. Our approach to working with the District will include both account management and project management to ensure that the objectives and needs of the District are met and that quality services are delivered in a timely fashion. In addition, we are a full service actuarial and benefits consulting firm and thus will be available for the other optional services as needed by the District.

The following are some key distinguishing characteristics of The Epler Company:

- Significant FAS 106, AB 3141 and GASB 43/45 expertise
- Regular and significant participation in continuing education programs related to GASB & retiree health and welfare benefits
- Both health care & actuarial valuation expertise
- Significant experience with government entities
- Objectivity & independence
- Collaborative working relationship with clients

We look forward to the opportunity to work with the District. If you should have any questions regarding our proposal or qualifications please feel free to contact us.

Thank you for your consideration on this important engagement.

Sincerely,

THE EPLER COMPANY



Marilyn K. Jones
Vice President & Actuary

MKJ:em
Enclosures

Section 1. Description of Proposed Services & Approach

Background

The Nipomo Community Services District (the "District") is seeking an actuarial study of its retiree medical benefits for compliance with GASB 45. The District currently provides health benefits for 12 active full-time employees and 2 retirees. There are two different coverage groups which are based on an employee's date of hire. Eligible retirees may continue medical coverage which is currently provided through the CalPERS Health Program. The District does not provide any other post-employment benefits to its retirees. GASB 45 requires accrual accounting for the expensing of other post-employment benefits including retiree medical benefits. The District is in need of an actuarial valuation to provide the District with the information necessary to implement GASB 45.

Proposed Services

The Epler Company will perform an actuarial valuation of the District's retiree medical benefits in compliance with GASB 45. The proposed services will include the following:

1. Calculation of the post-retirement medical benefit liability based on the present value of future benefits to be provided to current and future retirees, by bargaining unit.
2. Utilize the OPEB Actuarial Assumptions and Methods prescribed by CalPERS.
3. Complete the Summary of Actuarial Information Required for CalPERS Financial Statements spreadsheet and save it on CD as requested by CalPERS.
4. Develop a projection of the post-employment medical benefit payments for the next twenty year, by bargaining unit.
5. Recommend the amount of reserves the District should accumulate in the next five years to appropriately fund the post-retirement medical benefit liability.
6. Provide a comprehensive report and a clear, concise and non-technical executive summary discussing assumptions, data utilized and results. The report will provide sufficient information for staff to implement GASB 45 reporting on the District's annual financial statement, including note disclosure and required supplemental information.
7. Attend one Finance Committee meeting and one public meeting to present the study results.

Approach Providing Services

The Epler Company's approach for providing actuarial valuation services typically involves the steps listed below which can be modified to meet the District's objectives as established at the onset of the engagement. The entire process typically takes four (4) to six (6) weeks from receipt of complete data.

- ♦ Submit data request to the District (included with our proposal in **Appendix 1**).
- ♦ Meet or conference call with the District to discuss engagement objectives, confirm our understanding of plan design and discuss & set assumptions and methods for the valuation process.
- ♦ Receive & review required data from the District.
- ♦ Reconcile participant data & confirm population to include for valuation.
- ♦ Submit for the District's approval, a summary of plan provisions and actuarial assumptions to be used in the valuation. We encourage the District to involve their auditors prior to approval of actuarial assumptions and methods.
- ♦ Discuss and receive approval of final actuarial assumptions and method.
- ♦ Program, test & perform actuarial valuation using the District's specific plan design and actuarial assumptions and methods.
- ♦ Draft actuarial valuation report.
- ♦ Send via email draft actuarial valuation report to the District for review.
- ♦ Meet or conference call with District & other interested parties as determined by the District to review draft report.
- ♦ Issue bound copy of final actuarial valuation report.
- ♦ Present to District's finance committee.
- ♦ Present results at one public meeting.

The actuarial valuation will be performed using generally accepted actuarial procedures and our experience with similar assignments, current census data, and a measurement date and actuarial assumptions and methods in accordance with the CalPERS OPEB Actuarial Assumptions and Methods Model as approved through discussions with the District. The results will be determined based on a closed-group valuation method, meaning that only current active (but not future hires) and retired employees will be included. After completion of the actuarial

valuation, we will provide the District with a report setting forth all liabilities and expense estimates for its retiree health benefits program required under GASB 45. Our actuarial valuation report will typically contain the following information with customization per the District's specification:

- ♦ Executive Summary;
- ♦ The terminal liability (actuarial present value) of the retiree health benefits;
- ♦ Disclosure of the actuarial accrued liability and the unfunded actuarial accrued liability determined in accordance with GASB 45;
- ♦ The components the annual required contribution determined in accordance with GASB 45;
- ♦ A sensitivity analysis measuring impact of changes to the discount rate;
- ♦ Projected annual pay-as-you-go expenditures for the next 30 years;
- ♦ Level annual funding amounts as a level-dollar and level percentage of pay, to pre-fund the obligations;
- ♦ A summary of retiree health benefit plan provisions;
- ♦ A summary of actuarial assumptions and methods;
- ♦ Age and service distribution of employee population included in the valuation; and
- ♦ Actuarial certification.

Section 2. Description of The Epler Company

The Epler Company is an independent, full-service actuarial and benefits consulting firm, headquartered in San Diego, at the following location:

The Epler Company
450 B Street, Suite 750
San Diego, CA 92101
Phone: (619) 239-0831
Fax: (619) 239-0807
Internet Address: www.eplercompany.com

We have been in business for over 35 years as a privately held corporation, and are licensed to conduct business in the State of California. We specialize in providing actuarial, benefits and compensation consulting services for both private and public sector clients. The Epler Company performs a variety of employee benefit and actuarial consulting services including: the design, actuarial valuation, administration and plan compliance for all types of employee benefit plans including active and retiree health and welfare benefit plans. In addition, we offer specialized health and welfare consulting services including the marketing, underwriting and financial management for group health and welfare insurance plans.

Our firm is a woman-owned business. The firm is owned by Jane Barry who has been with the firm for over 25 years and President and Director of the firm for more than 20 years. We maintain a quality staff of approximately 16 actuaries and benefit specialists who have been providing actuarial and benefit consulting services on average for over 15 years. All employees have significant experience working with public entities as approximately 50% of our client work is for government entities. Their expertise includes measuring retirement plan and retiree health plan liabilities, providing required accounting information under FASB and GASB and consulting on the design and funding options for these plans. In addition to participation in related professional organizations, all professional staff are required to annually meet continuing education requirements. The firm collectively maintains the following professional designations:

- Enrolled Actuary
- Member, Society of Actuaries
- Member, American Academy of Actuaries
- Member, Conference of Consulting Actuaries

- Member, Western Pension & Benefits Conference
- Group Insurance License

Our firm adheres to the highest professional standards when performing and delivering work to our clients. Our dedicated group of experienced professionals have developed and maintained quality processes that are followed in all aspects of their work. Their work is supported by the necessary computer hardware and software. We maintain a back-up server to ensure round-the-clock access and perform nightly backups of all our systems. Our firm carries the appropriate business insurance coverages including a \$1,000,000 professional/liability coverage which is standard in the industry and legally required coverages such as workers compensation, disability and unemployment insurance. See **Appendix 2** of the proposal for documentation of relevant coverages.

The Epler Company has been consulting with clients in the area of assessing other post-employment benefit (OPEB) liabilities since the issuance of the FASB 106 Exposure Draft in 1986, which required accounting for postretirement health benefits by the private sector. Our Chief Actuary began her career working on a study of the impact of FASB 106 on Fortune 100 companies. Since the issuance of FASB 106, many public entities have periodically evaluated their comparable liabilities to either comply with state and other requirements such as Assembly Bill 3141, to assess funding requirements or to measure the impact of benefit and cost sharing changes to their retiree health plans. Since the issuance of the proposed GASB OPEB accounting requirements in 2003, we have assisted public entities with determining their OPEB liabilities under GASB Statements No. 43 & 45 (GASB 43/45) and exploring funding options. In 2005, The Epler Company was selected to be one of three preferred actuarial firms to provide GASB 43/45 consulting services to members of the California Community College League. In 2006, The Epler Company was selected to be the single preferred actuarial firm to provide GASB 43/45 consulting services for the San Diego County Office of Education (a JPA representing over 25 school districts). Finally, in addition to assessing OPEB liabilities and GASB 43/45 impact, we often consult with our clients on the design, administration and financing of both their active and retiree health plans.

The Epler Company has worked with public sector clients in and outside of California for over 35 years and understands the unique needs and requirements of the public sector. In many instances, our firm interfaces either directly or indirectly with the elected governing board or a subcommittee of the board. **Appendix 3** provides a representative list of public sector clients that we have worked with in the recent years. This appendix separately identifies those clients



for whom we have recently performed consulting services and actuarial valuations in conjunction with GASB 45.

In addition to consulting with clients in the retirement plan area since the firm's inception, our firm has been consulting with clients in the area of assessing Other Post-employment Benefit ("OPEB") liabilities since the issuance of the Financial Accounting Standard Board Statement ("FASB") No. 106 Exposure Draft in 1986, which required accounting for postretirement health benefits by the private sector. Since the issuance of FASB 106, many public entities have periodically evaluated their comparable liabilities to either comply with state and other requirements such as Assembly Bill 3141, to assess funding requirements or to measure the impact of benefit and cost sharing changes to their retiree health plans. Since the issuance of the proposed Government Accounting Standard Board ("GASB") Statements No. 43 & 45 requirements in 2003, we have assisted public entities with determining and managing their OPEB liabilities under GASB 43 & 45. In 2005, The Epler Company was selected to be one of three preferred actuarial firms to provide Statements No. 43 & 45 consulting services to members of the California Community College League. In 2006, The Epler Company was named the sole recommended actuary to provide GASB 43 & 45 consulting services to all public schools within the San Diego County Department of Education. In addition to assessing OPEB liabilities and GASB 43 & 45 impact, we will often consult with our clients on the design, administration and financing of both their active and retiree health plans.

Section 3. Assigned Personnel & Resumes

Our firm adheres to the highest professional standards when performing and delivering work to our clients. Our firm maintains a professional staff of approximately 15 employees so that all client engagements will have back up resources available in addition to the assigned personnel. These additional resources can be utilized, if necessary, for the completion of any engagement. In addition, from the onset of the engagement, the District will have direct access to the most senior management of the firm to ensure that quality and timely services are delivered and to address any issues that arise during the course of the engagement.

We have assigned a team of full-time experienced professionals to work on this assignment. The qualifications for the individuals assigned to the team are listed in their biographies on the following pages and their roles on the assignment are outlined in the table below.

| Team Member | Role & Responsibilities |
|--------------------|--|
| Jane Barry | Relationship Manager: Ms. Barry's primary responsibility will be to ensure that the District is satisfied with the services delivered by The Epler Company. In addition, Ms. Barry will be a resource to the team and to the District in the public sector area. |
| Marilyn Jones | Chief Actuary & Project Manager: Ms. Jones will be the primary consultant and actuary who will assist the District with plan design, financing and funding issues. In addition, Ms. Jones will be the Chief Actuary responsible for assisting the District in setting assumptions and will be responsible for the final actuarial valuation results. |
| Maureen Ostrich | Actuarial Associate & Manager: Ms. Ostrich will oversee the actuarial valuation process including reconciliation of data issues. |
| Luis Murillo | Benefit Analyst: Mr. Murillo will provide analytical and data support as needed to members of the team. |

Jane M. Barry - President, CEO

jbarry@eplercompany.com

Ms. Barry has been associated with The Epler Company for over twenty-five years, serving as President and Chief Executive Officer for more than twenty years. She began her career in the employee benefit area with the group pension department of a large insurance company in Boston, Massachusetts, and subsequently relocated to San Francisco where she served as a pension consultant with a regional actuarial firm.

As CEO, Ms. Barry is responsible for establishing the firm's work ethic, mission, and quality assurance of all consulting projects. In addition, she is considered a leading authority in the defined benefit and executive compensation fields.

Ms. Barry is a graduate of St. Lawrence University with a degree in political science. She is an active member of the Western Pension & Benefits Conference and was general chair for the 1992 and 1999 annual conferences and co-chair for the 2005 meeting. Ms. Barry has been on the faculty of UCSD as well as a frequent guest lecturer at the graduate level at San Diego State University.

Marilyn K. Jones - Vice President & Actuary, ASA, MAAA, EA

mjones@eplercompany.com

Ms. Jones joined The Epler Company as Vice President & Chief Actuary of our actuarial practice. She has over twenty years of actuarial experience in the pension and healthcare areas and brings with her tremendous expertise in these two fields in both the private and public sectors.

Ms. Jones' primary responsibility is to maintain the high professional standards that have been the cornerstone of our long history and to continually monitor changes that may become necessary as a result of legislative activity. In addition, she provides the management of pension and healthcare actuarial services provided to all of her clients. All personnel in the pension and healthcare areas of the practice will report, either directly or indirectly, to Ms. Jones.

Prior to joining The Epler Company, Ms. Jones managed the local actuarial practice of a large international human resource consulting firms. She has also spent a significant portion of her career working at two of the Big Five accounting firms.

Ms. Jones is an active participant in several actuarial and employee benefits organizations. She is an Associate of the Society of Actuaries, a Member of the American Academy of Actuaries, a Member of the Conference of Consulting Actuaries and an Enrolled Actuary under the Employee Retirement Income Security Act (ERISA). Ms. Jones received a B.S. and M.S. in Mathematics & Statistics from the University of Illinois.



Maureen C. Ostrich - Manager, Actuarial Support Services

mostrich@eplercompany.com

Ms. Ostrich has over twenty-five years of experience in the actuarial field. Prior to joining The Epler Company, Ms. Ostrich was employed by a national employee benefits consulting firm and by the group pension department of a major life insurance company, specializing in actuarial valuations.

Ms. Ostrich is the supervisor in quality assurance for the actuarial department. She has extensive experience in all phases of actuarial valuations, data preparation and benefit calculations.

Ms. Ostrich is a graduate of UCLA with a B.A. in mathematics. She has successfully completed actuarial exams for the Society of Actuaries.

Luis Murillo – Actuarial Analyst

Lmurillo@eplercompany.com

Mr. Murillo recently joined the actuarial team at The Epler Company. He works as a consultant for several clients, focusing on retiree medical and defined benefit plans. His responsibilities include assisting in actuarial valuations, data preparations, annual IRS filings, and benefit calculations for the plan participants upon termination or retirement. Mr. Murillo was graduated with a Bachelors of Arts degree in Joint Mathematics and Economics University of California, San Diego. He is currently pursuing an associateship in the Society of Actuaries and has successfully completed actuarial exams for the Society of Actuaries.

Section 4. Proposal Fee Schedule

Our fees are based on the projected number of hours spent by each consultant on the project, multiplied by a billable rate that varies according to the experience and credentials of the consultant. We make every effort to hold down the costs incurred for the actuarial valuation, but not to the point of jeopardizing the successful conclusion of the assignment. The estimated not-to-exceed fee, including expenses, for the actuarial valuation services outlined in Section 1 and based on the assumptions below is \$6,600.

Our fees are based on the projected number of hours spent by each consultant on the project, multiplied by a billable rate that varies according to the experience and credentials of the consultant. We make every effort to hold down the costs incurred for the actuarial valuation, but not to the point of jeopardizing the successful conclusion of the assignment. The fee quote includes the following:

- Kick-off conference call: To include planning, objective and assumptions & methods discussion, and review of data requirements.
- Report conference call: To discuss results and general management strategies.
- Presentation of results to finance committee.
- Measurement for retiree health benefits only.
- Measurement using one set of assumptions and one cost method approved by the District and accordance with the CalPERS OPEB Assumptions and Methods Model
- Analysis of discount rate sensitivity on results.

The District also requested presentation at one public meeting. The above fees do not include this presentation. We are available to make this presentation. Our fees will be based on actual time and expenses which typically range from \$750 to \$1,500 per meeting.

Section 5. Proposed Project Schedule

We will work with you to ensure that the project is completed within your required time constraints. A sample timeline for the actuarial study is provided in the table below. The timing is contingent on when the District makes a decision on the consultant to provide the actuarial valuation services as well as the District's ability to provide the required data and give its approval of assumptions and methods to be used in the valuation within a set timeframe. Your actual schedule will be adapted to meet the actual time needed by the District to gather its data and to facilitate the required approvals.

| Date/Timing | Key Milestone | Responsibility |
|---|---|-----------------------|
| December 17, 2007 | Execute Contract | District |
| Week of December 17 th | Kick-off Conference Call <ul style="list-style-type: none"> • Discuss Objectives • Confirm Current Design & Cost Sharing • Discuss Valuation Assumptions & Methods • Review Data Requirements | District/Epler |
| January 7 th | Submit Required Plan Design, Rate & Census Information (See Appendix 1 for Data Requirements) | District |
| January 7 th to January 14 th | Data Reconciliation & Confirmation of Population to be Included in Actuarial Valuation | Epler |
| January 16 th | Send Plan Provisions, Valuation Data Tables & Proposed Actuarial Assumptions & Methods Summary to the District for Approval | Epler |
| January 23 rd | Approve Actuarial Assumptions & Methods for Valuation | District |
| January 23 rd to January 30 th | Perform Actuarial Valuation & Draft Valuation Report | Epler |
| January 30 th | Email Draft Valuation Report to the District | Epler |
| Week of February 4 th | Conference Call with the District to Review Actuarial Valuation Results and General Funding Strategies | District/Epler |
| February 8 th , 2008 | Issue Bound Copy of Actuarial Valuation Report | Epler |
| TBD | Presentation to Finance Committee | District/Epler |

Section 6. References

The Epler Company has been providing actuarial valuation services for retiree health plans and other post-employment benefits since 1986 and GASB actuarial valuations since issuance of the GASB exposure draft for post-employment benefits. We have provided below references the District may contact. If additional references are desired, we can provide them at the District's request.

City of Calexico

Scope of Services: GASB 45 Actuarial Valuation
Reserve Analysis – Self Insured Medical Plan
GASB Presentation to City Council
Conduct Employee Meetings on GASB 45

Supervising Actuary: Marilyn Jones

Date of Services: December 2006 – April 2007

Contact: Ms. AJ Gaddis
Risk Manager/Human Resource Manager
608 Heber Avenue
Calexico, CA 92231
(760) 768-7436

Grossmont Healthcare District

Scope of Services: GASB 45 Actuarial Valuation
CalPERS OPEB Assumption & Methods Model

Supervising Actuary: Marilyn Jones

Contact: Mr. Barry Yantz
Chief Financial Officer
9001 Wakarusa Street
La Mesa, CA 91942
(619) 825-5050

Vista Irrigation District

Scope of Services: GASB 45 Actuarial Valuation

Supervising Actuary: Marilyn Jones

Date of Services: October/November 2007

Contact: Ms. Marlene Kelleher
Accounting Manager
1391 Engineer Street
Vista, CA 92081-8836
(760) 597-3100

Turlock Irrigation District

Scope of Services: GASB 45 Actuarial Valuation
General Funding Strategies

Supervising Actuary: Marilyn Jones

Date of Services: 2007

Contact: Mr. Joseph Malaski
Assistant General Manager
P.O. Box. 949
Turlock, CA 95381
(209) 883-8300

SANDAG

Scope of Services: GASB 45 Actuarial Valuation
CALPERS OPEB Assumption & Methods Model
Funding Strategies

Supervising Actuary: Marilyn Jones

Date of Services: October/November, 2007

Contact: Ms. Rene Wasmund, CPA
Department Director of Finance
401 B Street, Suite 800
San Diego, CA 92101-4231
(619) 699-4890

Section 7. Appendices

This section includes the required appendices to the proposal including the following:

- Appendix 1 – Data Request for GASB Actuarial Valuation
- Appendix 2 – Insurance Documentation
- Appendix 3 – Representative Public Clients

Appendix 1. Data Request for GASB Actuarial Valuation

General Information

- Description of current active & retiree supplemental and health coverages, including plan document, SPD, employee booklet, union agreements, Board memo, and/or Memorandum of Understanding
- Description of cost sharing arrangements for retiree health coverage
- Summary of material changes in retiree or supplemental retirement benefits over last 2-3 years
- Description of current funding policy and any proposed changes
- Market value of any assets earmarked or in trust to pay retiree supplemental or retiree health benefits (as of beginning of fiscal year)
- Copy of prior actuarial study of retiree supplemental and retiree health benefits, if applicable
- Other pension plan retirement provisions and actuarial assumptions, if applicable. If using CalPERS OPEB Assumptions and Method Model, please provide retirement benefit formula applicable to each employee group.

Healthcare Providers/Claim Costs for Retiree Health Benefits

- List of health providers, both funded and self-funded plans; for each plan indicate if it is experience rated, partially experience rated or community rated
- Number of employees electing coverage under each health plan for the last three years
- Last three years of rates (COBRA and funding rates if self insured, premium rates if fully insured) by plan and family coverage category
- **For self-insured plans only (not applicable if all plans provided through CalPERS Health Program):**
 - Monthly claims experience for the last 36 months
 - Monthly enrollment for the last 36 months
 - Monthly administrative expenses for the last 36 months including stop loss premiums
 - Large claims report and stop loss reimbursements, if any, for the last 36 months
 - A claim lag report. If this information is not available, industry standard claim lags will be used
 - The amount, if any, set aside for purpose of paying incurred but not reported (IBNR) claims

Census Information (Must be transmitted electronically; one record per employee)

Census data needed for each benefit eligible employee:

- ID Number
- Regular Earnings (period of earnings will also be needed if employees are on different payrolls)
- Date of birth
- Employee Sex
- Spouse's date of birth, if applicable and available
- Date of hire (Both District DOH and CalPERS DOH, if applicable)
- Applicable Employment Status Code (Business Unit, Full Time/Part Time, Hourly/Salaried, Union or Other Applicable Employee Groupings, etc.)
- CalPERS Employee Group, if applicable
- Medical Plan Election
- Family coverage category – Medical (single, two party, family, etc.)
- Dental Plan Election, if applicable
- Family coverage category – Dental (single, two party, family, etc.)
- Vision Plan Election, if applicable
- Family coverage category – Vision (single, two party, family, etc.)
- Employer contribution (split by medical/Rx, dental & vision, if applicable)
- Employee contribution (split by medical/Rx, dental & vision, if applicable)

Census data needed for each retiree:

- ID Number
- Date of birth
- Employee Sex
- Spouse's date of birth, if applicable
- Date of hire (Both District DOH and CalPERS DOH, if applicable)
- Date of retirement
- Applicable Employment Status Code (Business Unit, Full Time/Part Time, Hourly/Salaried, Union or Other Applicable Employee Groupings, etc.)
- CalPERS Employee Group, if applicable
- Medical Plan Election
- Family coverage category – Medical/Rx (single, two party, family, etc.)
- Dental Plan Election, if applicable
- Family coverage category – Dental (single, two party, family, etc.)
- Vision Plan Election, if applicable
- Family coverage category – Vision (single, two party, family, etc.)
- Employer contribution (split by medical/Rx, dental & vision, if applicable)
- Employee contribution (split by medical/Rx, dental & vision, if applicable)

Appendix 2: Insurance Documentation

Attached are copies of The Epler Company's Workers' Compensation, Automobile Liability and Professional Liability Coverages. The District can be added as an additional insured under this policy.

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
7/25/2007

PRODUCER
Michael Ehrenfeld Co Insurance Agents & Brokers
2655 Camino Del Rio North, #200
San Diego, California 92108-1633

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED
Epler Company, The
450 B Street
Suite #750
San Diego, CA 92101

INSURERS AFFORDING COVERAGE

NAIC #

INSURER A: Fidelity And Deposit Company Of Maryland

39306

INSURER B: Oak River Insurance Company

34630

INSURER C: Houston Casualty Company

42374

INSURER D:

INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR ADD'L LTR | INSRD | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE DATE (MM/DD/YY) | POLICY EXPIRATION DATE (MM/DD/YY) | LIMITS | |
|----------------|-------|--|--|----------------------------------|-----------------------------------|--|--------------|
| A | | GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Hired Auto <input checked="" type="checkbox"/> Non Owned Auto GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC | FSA000823007 Hired and Non-Owned auto liability is included at a limit of \$1,000,000 | 7/14/2007 | 7/14/2008 | EACH OCCURRENCE | \$ 1,000,000 |
| | | | | | | DAMAGE TO RENTED PREMISES (Ea occurrence) | \$ 1,000,000 |
| | | | | | | MED EXP (Any one person) | \$ 10,000 |
| | | | | | | PERSONAL & ADV INJURY | \$ 1,000,000 |
| | | | | | | GENERAL AGGREGATE | \$ 2,000,000 |
| | | | | | | PRODUCTS - COMP/OP AGG | \$ 2,000,000 |
| | | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT (Ea accident) | \$ |
| | | ANY AUTO | | | | BODILY INJURY (Per person) | \$ |
| | | ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) | \$ |
| | | SCHEDULED AUTOS | | | | PROPERTY DAMAGE (Per accident) | \$ |
| | | HIRED AUTOS | | | | | |
| | | NON-OWNED AUTOS | | | | | |
| | | GARAGE LIABILITY | | | | AUTO ONLY - EA ACCIDENT | \$ |
| | | ANY AUTO | | | | OTHER THAN AUTO ONLY: EA ACC | \$ |
| | | | | | | AGG | \$ |
| | | EXCESS/UMBRELLA LIABILITY | | | | EACH OCCURRENCE | \$ |
| | | <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE | | | | AGGREGATE | \$ |
| | | DEDUCTIBLE | | | | | \$ |
| | | RETENTION \$ | | | | | \$ |
| B | | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below | 2210007901-071 | 5/1/2007 | 5/1/2008 | <input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER | |
| | | | | | | E.L. EACH ACCIDENT | \$ 1,000,000 |
| | | | | | | E.L. DISEASE - EA EMPLOYEE | \$ 1,000,000 |
| | | | | | | E.L. DISEASE - POLICY LIMIT | \$ 1,000,000 |
| C | | OTHER Professional Liability/Claims Made/Retro Date: 6/28/87 | 1170614694 | 7/28/2007 | 7/28/2008 | Limit | 1,000,000 |
| | | | | | | Deductible (each claim including claim expenses) | 15,000 |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

CERTIFICATE HOLDER

Holder's Nature of Interest Certificate Holder
PROOF OF INSURANCE
00000

CANCELLATION 10 Day Notice For Non-Payment of Premium

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Appendix 3. Representative Public Clients

Below is a list of public agencies, cities, counties, colleges, community colleges and schools for whom we have completed actuarial work. We have noted with one asterisk (*), those entities for whom we have performed at least one retiree health actuarial valuation. These valuations have typically included GASB-like estimates. We have noted with two asterisks (**) those entities for whom we have performed recent work for compliance with recently issued GASB 43 & 45.

Antelope Valley Unified School District*

Arvin Unified School District*

Bellflower Unified School District

Beaumont Unified School District**

Belridge Elementary School District**

Cajon Valley Unified School District**

Campbell Unified School District

Carlsbad Unified School District**

Centinela Valley High School District

Chaffey School District*

Chula Vista School District

Chula Vista Elementary School District**

City of Calexico**

City of Carson*

City of Elko

City of Fillmore**

City of Henderson*

City of Norwalk*

City of Palm Desert*

City of Ridgecrest**

Clovis Unified School District*

Coachella Valley Mosquito and Vector Control District**

Community Development of Los Angeles*

Colton Unified School District**

Coronado Unified School District**

Del Mar Union School District**

Downey Unified School District

Escondido Union School District**

Fallbrook Unified Elementary School District*

Fresno Housing Authority*
Gavilan Community College District**
Grossmont-Cuyamaca Community College District*
Grossmont Healthcare District**
Grossmont Union High School District**
Hemet Unified School District*
Housing Authority of San Bernardino*
Huntington Beach
Housing Authority of the County of San Bernardino
Inyo County Department of Education*
Jurupa Unified School District**
Julian Union School District**
Kern County Office of Education*
Lamont School District*
Lawndale School*
Los Angeles Unified School District**
Lost Hills Unified School District*
MiraCosta Community College District**
Mono County*
Montebello Unified School District**
Monterey Peninsula College*
Napa Valley Community College District**
Ohlone College*
Orange Unified School District**
Owens Valley Unified School District*
Palisades Charter Schools**
Parlier Unified School District**
Pauma-Valley Center Unified School District**
Peralta Community College District**
Paramount Unified School District
Placentia Yorba Linda Unified School District
Poway Unified School District**
Rancho Santiago Community College District*
Riverside Unified School District
SANDAG**
San Diego County JPA**
San Diego County Office of Education**
San Diego Housing Commission

San Dieguito Union School District**
San Jose Evergreen Community College District*
San Luis Obispo County Office of Education**
San Marcos Unified School District**
San Ramon Valley Unified School District**
Santa Clara County Office of Education
Santa Maria Joint Unified School District
San Ysidro Unified School District**
Self-Insured Schools of California*
Sequoia Unified High School District*
Solana Beach Unified School District**
Southwestern Community College*
Standard School District*
County of Stanislaus
SunLine Transit Agency
Taft City Schools**
Three Valley Water District**
Turlock Irrigation District**
University of San Diego*
Vista Irrigation District**
Walnut Valley Water District**
County of Yolo
Yucaipa/Calimesa School District
West Valley - Mission Community College District*