

TO: BOARD OF DIRECTORS  
FROM: BRUCE BUEL *BB*  
DATE: JANUARY 23, 2009



PREVIEW STRATEGIC PLAN PROCESS

**ITEM**

Preview strategic plan process [RECOMMEND APPROVAL]

**BACKGROUND**

Attached is the scope of work for this year's strategic planning process with BHI. As set forth in the scope of work, Brent Ives will provide a survey to each Board Member on or about February 2, 2009 with a request that each Board Member return that survey no later than 2/16/09. Mr. Ives will then visit NCSD on 2/26/09 to meet with staff and interested Directors prior to the 2/27/09 workshop. The Workshop will start at 9am at the Southland Shop and last until approximately 4pm. Lunch will be provided.

**FISCAL IMPACT**

Funding for the process and staff time has been budgeted in this year's budget.

**RECOMMENDATION**

Staff recommends that the Board respond to the survey in a timely manner and participate in the workshop. Directors interested in meeting with Brent Ives on Thursday 2/26, should contact the General Manager.

**ATTACHMENTS**

- Scope of Work

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**-- Proposal --**  
**Professional Services for a**  
**Five-year Strategic Plan**  
**for the**  
**Nipomo Community Services District**  
Nipomo, CA  
October 2008

*BHI Management Consulting*  
2459 Neptune Ct., Suite 110  
Tracy, Ca.  
(209) 835-3772  
*brent@bhiconsulting.com*

**Overview of Amendment and Scope of Project:**

The objective of this proposal is to outline professional services to the Nipomo Community Services District (District) for assistance in the preparation of a comprehensive five-year Strategic Plan (Plan). Brent Ives (Consultant), Principal of BHI Management Consulting, will be the primary consultant on this project. BHI also proposes limited use of associate consultants and editorial assistance for the effort. Details are outlined in the Task/Cost/Expense table below. BHI's effort and scope of work will be organized in the following manner.

**Strategic Planning Overview:**

Strategic Planning utilizing the action-oriented model herein offers a number of benefits for a public agency. Crucial to any practical planning effort is a clearly delineated workplan in the form of projects, initiatives and actions that result from and get planned by the document. In this case, a five-year workplan will be forthcoming as part of the published Plan. This planning method focuses on assuring that both the Board and Staff are fully involved in the evolution of the Plan. This creates the leadership "TEAM" that is crucial for developing a Plan that has buy-in and can be respected and used as a true roadmap for the District.

Our planning model involves members of the elected Board of Directors to deliberately engage at the proper level and provides a pathway for the articulation of true Mission and Vision statements for the agency. This is clearly the position of the elected officials and one where they can reflect why the agency exists, what its clear role is and where they want it to go.

**-- BHI Management Consulting --**  
**(209)740-6779**  
***brent@bhiconsulting.com***



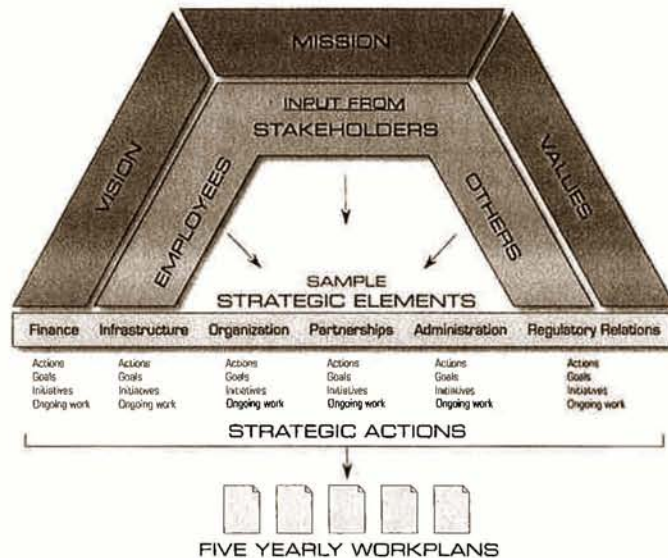
This method and model also allows for professional staff to do what they do best, organize and implement positive and productive work programs. The action oriented strategic planning model allows for linkage between the foundational statements of Mission and Vision to actual work plans, projects and initiatives that move an agency forward. (see graphic model below) In this way the staff is allowed to show how they can meet the Vision and intentions of the Board by applying their professional judgment and expertise to the direction of the District.

Top-to-Bottom planning creates important clarity for all involved by articulating the agency’s future. Any reader can see a succinct Plan of where the District is going, why it’s important, what the strategy is and how it intends to get there. The resultant Plan becomes the “way we plan here”, for agencies that fully implement its annual maintenance and integrate it into the daily District administrative of the District. It is usually about 20-30 pages long and contains an integrated overview table that shows the plan for each operational element of the District, what will be done and when. This serves as the Executive Overview Strategy Table. Since the Plan articulates a clear view into the future, it truly eliminates many of the issues facing public agencies today. Included in the planning process are clear steps to assure practical level usage and updating of the plan to keep it alive and routinely used by the agency.

**Specific Task Detail:**

The work outlined herein is generally divided into 3 basic phases, with sub-parts:

1. Information Gathering
2. Board Strategic Planning Workshop
3. Document Development



The general detail of these three phases is outlined below.

**Phase 1- Information Gathering –**

1a. Consultant will conduct initial meetings with General Manager, key staff (and Board President), if desired, to discuss background, develop specific approach to the various planning events and tasks and discuss key coverage areas for inclusion in the Plan. Throughout the process this group may act as the Document Delivery Team for the Plan.

1b. Conduct meetings with District employees to gather their thoughts and perspectives regarding future District-wide vision, initiatives and strategy, while allowing their integration into the planning process. This allows the employees the opportunity to feed the Board with their future perspective for consideration in the Plan.

1c. (OPTIONAL) Consultant will conduct meetings with the public to gather valuable perspectives on the future for the Board to consider (2 meetings). These meetings allow the public the opportunity to provide input in the various areas of the Plan including Mission, Vision, Values and important future considerations for the Board to consider.

1d. (OPTIONAL) Consultant and District senior staff will meet with nearby partner agencies to allow for them to discuss the future in the context of this effort and provide any perspective they may have for the Board to consider.

**Phase 2 - Board of Directors Workshop –**

2a. Consultant will circulate individual questionnaires to each Board member to gather their thoughts and perspectives regarding the future of the District and collect their individual vision for the future. This allows for the Board members and Consultant to meet one another, share thoughts regarding planning and for the consultant to hear important background information. The interviews also allow for the best utilization of time at the workshop by properly focusing the discussions.

2b. Consultant will facilitate the Strategic Planning workshop (estimated 6-8 hours, if desired 2 meetings could be scheduled to accommodate the Board) with the Board including the following elements.

- Re-visit, refine, clarify any current, or write new, Mission Statement, develop a Vision Statement and Core Values of the District Board.
- Organize the future by determining the key strategic elements of District operations and management under which the workplan will be organized (see Sample Strategic Elements in graphic above). The Board will then craft an objective and strategy statement for each strategic element. This statement provides clear and specific direction to staff as they assemble a five-year workplan that meets the Board's Vision. The assembled group will also briefly consider an overview of initial workplan strategies for each of the "strategic elements" to begin setting the five-year workplan.



**Phase 3 - Strategic Plan Document Development –**

3a. The Consultant will work with senior staff to produce progressive stages of the plan through to final draft phase. This is anticipated to comprise 2-4 meetings of this group (Document Delivery Team), generally on a bi-monthly frequency.

3b. Consultant will make a briefing presentation of the initial draft to the Board for “tone check” to assure that the Plan is headed in the direction expected.

3c. Consultant will provide a briefing presentation of the final draft for Staff to present to the Board. (Consultant can be available for this final presentation if desired).  
**(OPTIONAL)**

3d. Consultant will print and provide 25 bound copies of final Plan to the District along with electronic version on CD in Microsoft Word and .PDF formats.

*Note: (BHI Management Consulting may use associate consultants to assist during planning sessions and steering committee work. Brent Ives, Principal of BHI will be the primary consultant for the project and attend most meetings and all workshops.)*

**Preliminary Schedule (dates approximate):**

Engagement begins approximately two – four weeks from receipt of this signed agreement. The work outlined in the table below is also divided into 3 phases:

1. Information Gathering
2. Board Strategic Planning Workshop
3. Document Development

The estimated schedule of these three phases is broken down below. Schedule depends heavily on ability to schedule meeting times and the availability of Board and Staff at the times proposed.

**Task Set Schedule:**

- |   |                |
|---|----------------|
| 1a. Initial meetings with Sr. Staff                               | (Week 2-4)     |
| 1b. Conduct employee input sessions                               | (Week 5-6)     |
| 2a. Circulate, collect/analyze Board questionnaire input          | (Week 6-8)     |
| 2b. Conduct strategic planning workshop (Board/Sr. Staff)         | (Week 10-14?)  |
| 3a. Meet with Document Delivery Team to draft the plan (2-4 mtgs) | (Weeks 14-22?) |
| 3b. “Tone-check” meeting with the Board                           | (Week 22-25?)  |
| 3c. Presentation final plan to Board for approval                 | (Week 26-30?)  |
| 3d. Publish Plan  | (Week 35?)     |

**Terms and Conditions:**

BHI Management Consulting shall perform above services as agreed under authorized signature amendment of the District. Consultant shall not begin work until receipt of signed agreement. Billing shall be monthly. The estimated costs per phase below are an estimated spread of hourly costs across the BHI organization. The cost for the three phases will generally be broken down as follows:

- |    |                       |     |
|----|-----------------------|-----|
| 1. | Information Gathering | 35% |
| 2. | Workshop              | 25% |
| 3. | Plan Development      | 40% |

Effort will be spread not to exceed the agreed amendment amount. Signature lines are provided below.

**Costs and Rates:**

The total estimated cost of the effort to support the work scope described is estimated at \$17,615.00 as outlined in Table 1 below. Expenses are estimated and listed separately in the table. Options are listed below the table and priced by fixed price listed.



Table 1 – Task Cost Breakdown

Additional tasks, not covered specifically by this amendment may be added by contract addendum. The undersigned parties agree to the terms and conditions of the workscope as described in this amendment.

<b>NIPOMO CSD Estimated Effort Costs</b>	<b>Principal (Ives) @\$220/hr.</b>	<b>Sr. Consultant @\$110/hr.</b>	<b>Editor @\$65/hr.</b>	<b>LaborHours/task Total</b>	<b>Task Cost</b>	<b>Comments</b>
Task Set	Hours	Hours	Hours	Hours		
1a. Initial Meetings	3	0	0	3	\$ 660.00	
1b. Employee Meetings	6	6	0	12	\$ 1,980.00	
2a. Board Input Interviews/questionnaires	6	0	0	6	\$ 1,320.00	
2b. Board Workshop	16	12	0	28	\$ 4,840.00	
3a. Document Development	24	0	6	30	\$ 5,670.00	Assumes 3 trips to meet with Staff for the Principal,
3b. Board "Tone Check" meeting	6	2	0	8	\$ 1,540.00	
3c. Final Board approval briefing	4	2	1	7	\$ 1,165.00	
3d. Publish approved Plan	2	0	0	2	\$ 440.00	
<b>TOTAL PLAN</b>	<b>67</b>	<b>22</b>	<b>7</b>	<b>96</b>	<b>\$ 17,615.00</b>	

<b>Estimated Expenses</b>						
	<b>Time or Expense</b>	<b>Cost per</b>	<b>Cost</b>		<b>Cost Total</b>	
<b>Travel miles</b>	Travel expense for in-District visits	7 visits @an estimated \$550/trip	4950		\$ 3,850.00	Trips estimated herein at times include both Principal and associate, can vary, and can be reduced by multiple client cost sharing.
<b>Reproduction</b>	-	-	200		\$ 200.00	
<b>Office Supplies and telephone costs</b>	-	-	100		\$ 100.00	
<b>TOTAL ESTIMATED EXPENSES</b>	<b>0</b>	<b>0</b>	<b>5250</b>	<b>0</b>	<b>\$ 4,150.00</b>	


**OPTIONAL SERVICES**

1c. Public Meetings	8	6	0	14	\$ 2,420.00	Assumes 2 meetings for the public
1d. Partner agencies meeting	4	0	0	4	\$ 880.00	--

**Authorization:**

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Mr. Bruce Buel, General Manager                      Date  
Nipomo CSD  
Nipomo, CA

 10/3/08  
Brent H. Ives, Principal                      Date  
BHI Management Consulting  
Tracy, CA



**About the Firm and Primary Consultants:**

BHI Management Consulting brings unique qualifications to this project by a dual perspective approach to the process of drafting such statements that are both practical and useful. The firm is owned and operated by Brent Ives and is located in Tracy, CA. It was begun in 1996 and has focused on providing for the organizational health issues of Special Districts since 1999. The firm carries Brent as the Principal and three associates, Mr. Jim Raymond, Senior Consultant, Ms. Tammy Colonese, HR Specialist and Ms. Lynda Ives, Editor. Other contracted associates are contracted as projects demand relative to the engagement and/or Agency specific needs. While Mr. Brent Ives will be the primary project manager, Mr. Jim Raymond will be assigned to this project as an associate consultant.

**Mr. Brent Ives** has worked with numerous Special Districts and Cities across the state dealing with organizational issues primarily in optimizing operational approach for each Agency as needed. BHI is currently engaged with five similar projects with California special districts on strategic planning. Additionally, Brent serves as a faculty member on the Special Districts Governance Academy for Special District Board members, teaching classes in the “Foundations of Governance”, “Setting Direction and Community Leadership” and “The Board’s Role in Human Resources”. Brent has taught representative Board members and staff from over 100 Districts across the state and Oregon. He is the Chapter Ambassador for the CSDA and teaches his own curriculum on Strategic Planning for Association sponsored classes across California. He is educated in Organizational Behavior at the University of San Francisco, 26 years experience as a technical manager for the Lawrence Livermore National Laboratory and 14 years as a City Council Member in the City of Tracy California. He is currently the directly elected Mayor of Tracy, California and a member of the Altamont Commuter Express (commute rail service) commission and a member of the South County Fire Protection Authority in San Joaquin County and is Chairman of the San Joaquin Council of Governments.

Brent and BHI Management Consulting bring unique perspective to the planning process that differentiate them from other firms. He is an elected official and has been for 17 years. Brent is also an experienced manager who has led groups of engineers and technicians on complex multi-million dollar projects for the Department of Energy at the Lawrence Livermore National Laboratory. Brent has taught Nuclear Materials Control and Accountability to Russian scientists and technicians in Russia for the US Government.

This broad experience in organizational effectiveness is captured by the agency when they commission BHI Management Consulting in Brent’s experience and expertise. Brent is known for establishing a sincere and knowledgeable relationship with both the Board members and staff. Brent’s time as an elected official allows him the perspective that helps him to “see” it from their points of view which assists in capturing the Board’s will in going forward. Brent will lead the Agency through a solid, proven strategic



planning process and conduct a thorough operational audit and findings that will be realistic, honest, broad and integrated.

**BIO of Sr. Consultant for this Project – Mr. Jim Raymond** is a subject matter expert in the area of Recreation Services. He has over 35 years in the field as the Parks and Community Services Department Head for three California cities including Petaluma, Tracy and Alameda, managed multi-million dollar level projects, hundreds of staff and administered numerous programs and services to thousands of California citizens. Jim holds an MS degree in Public Administration for San Jose State University. In 1993 Jim served the president of the California Parks and Recreational Association.

Since 1996, BHI Management Consulting is a recognized firm that serves primarily California Special Districts in areas such as organizational performance, strategic planning, Board effectiveness, employee performance management and executive search.

**SIMILAR PAST ENGAGEMENTS AND EXPERIENCE:**

**Palmdale Water District** (Mr. Raul Figueroa, Board President, Mr. Dennis LaMoreaux, General Manager, (661-947-4111). Performed numerous organizational services including a full five-year **Strategic Plan**, employee survey, organizational review, supervisory training, and employee performance appraisal rework. (EXAMPLE STRATEGIC PLAN INCLUDED IN THIS PROPOSAL)

**Mt. View Sanitary District** (Mr. Dave Contreras, General Manager, (925-228-5635, x-32) Performed organizational analysis, reworked job descriptions, created a comprehensive five-year **Strategic Plan** for the District.

**Conejo Recreation and Park District** (Mr. Jim Friedl, General Manager, 805-381-1239), Led Board and staff through comprehensive strategic planning process. Plan was done on time and within the original budget.

**Tuolumne Utilities District, (Water and Sanitary Services)** (Mr. Pete Kampa, General Manager, (pkampa@tuolumneutilities.com), 209-536-6485 – Project included the development a comprehensive five-year **Strategic Plan** for the District. The nature of the Tuolumne Utilities area in light of this effort created significant visibility with public and partner agencies. The Plan includes sections for both water and sanitary services. All public, employee and partner agencies have provided their input to the Plan through meetings. (EXAMPLE INCLUDED IN THIS PROPOSAL)

Numerous others upon request.



**Orange County Sanitation District (Mr. Bob Ghirelli, Assistant General Manager, (rghirelli@OCSD.com), 714-593-7400** - BHI was engaged to assist the with a **Strategic Plan** for this prestigious organization (2.5 million served with sanitation services, nearly all of Orange County, California). Brent has worked, and is currently working with, the Board of Directors in a series of workshops (25 members from various member agencies (Mayors, Council Members and County Supervisors), along with leading the Executive Management Team of the agency to complete its multi-year Strategic Plan. Brent is the Principal consultant for this project. The Plan is now in its first year revision process.

**Dublin San Ramon Services District, (Water and Sanitary Services) (Mr. Bert Michalczyk, General Manager, (michalczyk@dsrcsd.com), 925-828-0515** – Currently on final stages of performing background reviews and meeting with senior staff for developing a five-year **Strategic Plan** for the District. The District provides water and sanitary sewer services for 120,000 in the Dublin-San Ramon Valley in Northern California. Brent is the Principal consultant for this project.

**Las Gallinas Valley Sanitary District, Mr. Mark Williams, General Manager, (mwilliams@lcvsd.org), 415-472-1734,** - Very small sanitary agency currently in the final stages of completing the five-year **Strategic Plan** for this agency.

**Big Bear City Department of Water and Power, Mr. Bill LaHaye, Interim General Manager, (Lahayeb@CITYBIGBEARLAKE.com), 909-866-5050,** Assisted the Department with a two-year project oriented Strategic Plan to assist the agency with prioritization and direction. Project currently in final stages of drafting.

**Hayward Area Recreation and Park District, Ms. Rita Shue, General Manager, (510-881-6725, ShuR@haywardrec.org)** BHI was recently contracted to lead the District through a comprehensive five-year strategic planning effort. The District serves over 120,000 people with recreation and park services in the East Bay in Northern California. Have met with staff in planning and reconciling a past Master Plan to the current needs and planning structure. Plan will include input from numerous sources to assure that public needs are clear and integrated into the Plan. Partner agencies will also play a key role in gaining perspective in future leveraged associations. Brent is the Principal consultant for this project.

TO: BOARD OF DIRECTORS  
 FROM: BRUCE BUEL *BBB*  
 DATE: JANUARY 23, 2009

**AGENDA ITEM  
 D-4  
 JANUARY 28, 2009**

**INVESTMENT POLICY – FOURTH QUARTER REPORT**

The Board of Directors have adopted an Investment Policy for NCSD which states that the 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 Board of Directors.

Below is the December 31, 2008 Quarterly Report for your review. The Finance Officer is pleased to report to the Board of Directors that the District is in compliance with the Investment Policy.

As District Finance Officer and Treasurer, I am pleased to inform the Board of Directors that the District is in compliance with the 2008 Investment Policy and that the objectives of safety, liquidity, and yield have been met. The District has the ability to meet cash flow requirements for the next six months.

After Board consideration and public comment, it is recommended that your Honorable Board accept the quarterly report by motion and minute order.

**INVESTMENT POLICY-FOURTH QUARTER REPORT 12/31/08**

Investment	Institution	Amount of Deposit 12/31/08	Rate of Interest	Quarterly Interest Earned or Accrued 12/31/08	Amount of Deposit 12/31/07	Rate of Interest	Quarterly Interest Earned or Accrued 12/31/07
Money Market	Rabaobank	\$88,740.78	.10%	\$33.58	\$168,736.69	.15%	\$74.79
Savings	Rabobank	\$924.77	.25%	\$5.59	\$921.87	.50%	\$1.16
Pooled Money Investment	Local Agency Investment Fund (LAIF)	\$22,527,816.82	2.54%	\$142,325.36	\$20,679,203.54	4.96%	\$251,110.08
Certificate of Deposit (COP)	Rabobank	\$2,033,337.36	2.40%	\$13,874.05	\$1,976,238.98	3.39%	\$16,735.85

**ATTACHMENTS**

None



TO: BOARD OF DIRECTORS  
FROM: BRUCE BUEL *BEB*  
DATE: JANUARY 23, 2009

**AGENDA ITEM  
D-5  
JANUARY 28, 2009**

ACCEPT QUARTERLY FINANCIAL REPORT

**ITEM**

ACCEPT QUARTERLY FINANCIAL REPORT [RECOMMEND APPROVAL]

**BACKGROUND**

The District's fiscal year is now 50% complete. The consolidated operating revenues are at 54.80% of the budget, operating expenditures are at 39.97% of the budget and general and administrative expenditures are at 38.69 % of the budget.

Attached are the following which provide an overview of the first six months of the fiscal year:

- |           |  |
|-----------|--|
| Page 1    | Summary of Approved Budget Amendments  |
| Page 2    | Summary of Revenues, Expenses and Cash Balances by Fund                              |
| Page 3    | Consolidated Balance Sheet   |
| Page 4-5  | Consolidated Income Statement  |
| Page 6-7  | Graphs for Consolidated Revenues and Expenses  |
| Page 8-11 | Graphs for major funds (Town Water, Town Sewer, Blacklake Water and Blacklake Sewer) |

Detailed information by fund is available in the office.

**RECOMMENDATION**

It is recommended that your Honorable Board accept and direct Staff to file the quarterly financial report for the second quarter of fiscal year 2008-2009.

NIPOMO COMMUNITY SERVICES DISTRICT  
SUMMARY OF APPROVED BUDGET AMENDMENTS  
FIRST QUARTER ENDING SEPTEMBER 30, 2008

DATE	DESCRIPTION	FUNDS	APPROVED BUDGET	APPROVED AMENDMENT	AMENDED BUDGET
	NONE				

NIPOMO COMMUNITY SERVICES DISTRICT  
SUMMARY OF APPROVED BUDGET AMENDMENTS  
FIRST QUARTER ENDING DECEMBER 31, 2008

DATE	DESCRIPTION	FUNDS	APPROVED BUDGET	APPROVED AMENDMENT	AMENDED BUDGET
12/10/08	Hetrick Right-of-Way Clean Up Project (Resolution 2008-1114)	Fund #300 – Solid Waste	\$0	\$7,700	\$7,700
1/14/09	Prosecution of Litigation (Resolution 2009-1116)	Fund #600 – Property Taxes	\$0	\$40,000	\$40,000

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NIPOMO COMMUNITY SERVICES DISTRICT  
SUMMARY OF REVENUES AND EXPENSES BY FUND  
SIX MONTHS ENDING DECEMBER 31, 2008

FUND	FUND #	YTD REVENUES	YTD EXPENSES	FUNDED REPLACEMENT	SEWER SINKING FUND	YTD SUPRPLUS/ (DEFICIT)
Administration	110	180,252	(180,252)	0		0
Town Water	120	1,604,918	(809,457)	(375,000)		420,461
Town Sewer	130	556,794	(367,699)	(62,500)	(115,500)	11,095
Blacklake Water	140	265,517	(177,287)	0		88,230
Blacklake Sewer	150	126,762	(138,136)	0		(11,374)
Blacklake Street Lighting	200	10,911	(9,161)	0		1,750
Street Landscape Maintenance	250	6,604	(2,054)	0		4,550
Solid Waste	300	41,132	(22,174)	0		18,958
Drainage Maintenance	400	8,002	0	0		8,002
Supplemental Water Capacity Fees	500	51,653	0	0		51,653
Property Taxes	600	318,752	(36,463)	0		282,289
Town Water Capacity Fees	700	64,001	(1,003)	0		62,998
Town Sewer Capacity Fees	710	68,747	0	0		68,747
Funded Replacement-Town Water	800	33,460	0	375,000		408,460
Funded Replacement-Town Sewer	810	43,717	0	62,500		106,217
Funded Replacement-BL Water	820	3,587	0	0		3,587
Funded Replacement-BL Sewer	830	0	0	0		0
Town Sewer Sinking Fund	880	746	0	0	115,500	116,246
<b>TOTAL</b>		<b>3,385,555</b>	<b>(1,743,686)</b>	<b>0</b>	<b>0</b>	<b>1,641,869</b>

CASH BALANCE OF EACH FUND  
AS OF DECEMBER 31, 2008

FUND	FUND #	CASH BALANCE 12/31/2008
Administration	110	(24,554)
Town Water	120	2,129,749
Town Sewer	130	345,433
Blacklake Water	140	77,674
Blacklake Sewer	150	(37,886)
Blacklake Street Lighting	200	41,972
Street Landscape Maintenance	250	20,995
Solid Waste	300	565,399
Drainage Maintenance	400	13,076
Supplemental Water	500	3,665,263
Property Taxes (incl COP)	600	1,550,474
Town Water Capacity Fees	700	4,769,061
Town Sewer Capacity Fees	710	5,177,694
Funded Replacement-Town Water	800	2,721,678
Funded Replacement-Town Sewer	810	3,353,725
Funded Replacement-BL Water	820	269,124
Funded Replacement-BL Sewer	830	(135,119)
Sinking Fund-Town Sewer	880	115,700
Funds held by Trustee		249,998
<b>TOTAL</b>		<b>24,869,456</b>

NIPOMO COMMUNITY SERVICES DISTRICT  
BALANCE SHEET - CONSOLIDATED  
AS OF DECEMBER 31, 2008

ASSETS

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Cash and Cash Equivalents	24,869,456.84
Accounts Receivable - Utility Billing	192,760.45
Unbilled Accounts Receivable	652,500.00
Property, Plant & Equipment	40,453,418.06
Accumulated Depreciation	(12,253,188.72)
Prepaid Expenses	24,132.27
Accrued Interest Receivable	141,974.97
Reservation Fee	37,500.00
Loan Fees - SRF Loan	256,834.00
Accumulated Amortization - SRF Loan Fees	(162,957.16)
Revenue COP's Bond Discount	178,100.60
Accumulated Amortization - Bond Discount	(30,425.28)
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Total Assets	54,360,106.03
=====	

LIABILITIES

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Accounts Payable	274,491.07
Other Payables	3,159.08
Refunds Payable	625.63
Construction Meter Deposits	7,500.00
Compensated Absences Payable	61,802.00
Deposits	54,789.97
Payroll Taxes Payable	(2,592.64)
Deposit - Maintenance Guarantee	3,657.55
Deposit - Pomeroy Rd Water Line	24,170.00
Deferred Revenue	6,300.00
Revenue Bonds - Current Portion	10,000.00
SRF Loan #110 - Current Portion	34,868.35
SRF Loan #120 - Current Portion	42,180.25
Revenue COP's-Current Portion	85,000.00
Revenue Bonds Payable - Long Term Portion	110,000.00
SRF Loan #110 Payable - Long Term Portion	348,683.50
SRF Loan #120 Payable - Long Term Portion	463,982.75
Revenue COP's - Long Term Portion	3,510,000.00
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Total Liabilities	5,038,617.51
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FUND EQUITY

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Contributed Capital - Assets	11,004,855.78
Contributed Capital - Capacity Fees (CY)	17,603.25
Contributed Capital - Supplemental Water Fees (CY)	59,937.75
Contributed Capital - Capacity Fees (PY)	17,312,497.62
Contributed Capital - Supplemental Water Fees (PY)	2,947,664.75
Contributed Capital - Right of Way	70,100.00
Contributed Capital - Assessment Districts	1,290,867.00
Contributed Capital - Grants	2,767,269.66
Retained Earnings-Reserved (Debt Service)	15,600.00
Retained Earnings-Reserved (Emergencies)	50,000.00
Retained Earnings-Reserved (Sewer Grant)	315,000.00
Retained Earnings-Reserved (Funded Replacement)	6,694,880.14
Retained Earnings - Unreserved	5,133,343.14
CURRENT EARNINGS	1,641,869.43
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Total Fund Equity	49,321,488.52
-----	
Total Liabilities and Fund Equity	54,360,106.03
=====	

UNAUDITED



NIPOMO COMMUNITY SERVICES DISTRICT  
 INCOME STATEMENT - CONSOLIDATED  
 FOR THE PERIOD ENDING DECEMBER 31, 2008

	YTD ACTUAL	ANNUAL BUDGET	% OF BUDGET
<b>REVENUES</b>			
Water - Fixed Charge	382,005.12	785,000.00	48.66 %
Water - Usage	1,400,079.34	2,034,000.00	68.83 %
Construction Water	10,122.54	0	.00 %
Fire System Fee	2,082.00	3,800.00	54.79 %
Emergency Intertie Water Sales - SCWC	4,509.92	0	.00 %
Sewer Charges	678,503.42	1,446,500.00	46.91 %
Fees and Penalties	21,459.18	38,400.00	55.88 %
Meters	550.00	6,875.00	8.00 %
Plan Check & Inspection Fees	422.20	500.00	84.44 %
Franchise Fees	33,864.41	91,200.00	37.13 %
Miscellaneous Income	33,384.74	33,700.00	99.06 %
Street Lighting Charges	10,390.00	18,836.00	55.16 %
Landscape Maintenance Dist Charges	6,374.71	10,857.00	58.72 %
Operating Transfers In - Funded Administration	168,827.20	477,131.00	35.38 %
Operating Transfers In - Funded Replacement	437,499.96	875,000.00	50.00 %
<b>Total Revenues</b>	<b>3,190,074.74</b>	<b>5,821,799.00</b>	<b>54.80 %</b>
<b>OPERATIONS AND MAINTENANCE</b>			
Wages and Benefits	269,036.94	711,525.00	37.81 %
Electricity	250,581.83	557,120.00	44.98 %
Natural Gas	35,945.19	86,000.00	41.80 %
Water	749.48	3,150.00	23.79 %
Chemicals	14,590.68	31,000.00	47.07 %
Lab Tests	30,737.56	78,000.00	39.41 %
Operating Supplies	28,452.15	150,000.00	18.97 %
Outside Services	14,447.72	44,000.00	32.84 %
Permits and Operating Fees	18,841.16	17,500.00	107.66 %
Repairs and Maintenance	135,708.12	395,600.00	34.30 %
Engineering	16,037.12	13,500.00	118.79 %
Fuel	12,137.07	39,670.00	30.60 %
Paging Service	2,701.82	7,205.00	37.50 %
Meters - New Installation	0	20,000.00	.00 %
Meters - Replacement Program	0	44,500.00	.00 %
Uniforms	3,376.12	7,340.00	46.00 %
Landscape Maintenance & Water	1,257.92	3,580.00	35.14 %
Clean Up	161.39	11,000.00	1.47 %
Conservation Program	22,327.45	138,975.00	16.07 %
Street Sweeping/Trash Collection	8,338.72	25,100.00	33.22 %
Operating Transfers Out - Funded Replacement	437,499.96	875,000.00	50.00 %
<b>Subtotal - O &amp; M</b>	<b>1,302,928.40</b>	<b>3,259,765.00</b>	<b>39.97 %</b>
<b>GENERAL AND ADMINISTRATIVE</b>			
Wages and Benefits	308,357.10	638,025.00	48.33 %
Utilities	4,675.66	28,000.00	16.70 %
Audit	8,000.00	8,500.00	94.12 %

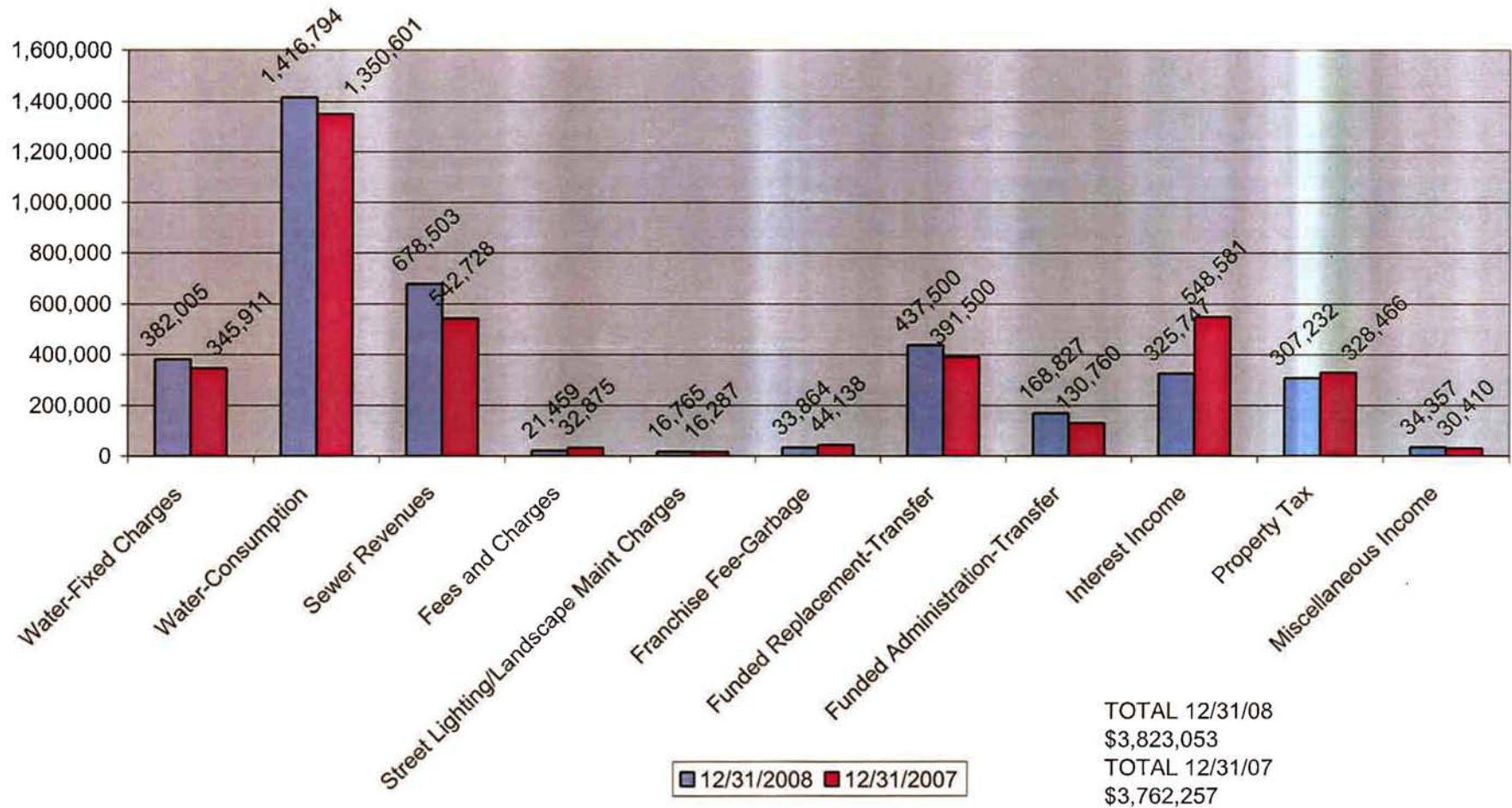
NIPOMO COMMUNITY SERVICES DISTRICT  
 INCOME STATEMENT - CONSOLIDATED  
 FOR THE PERIOD ENDING DECEMBER 31, 2008

	YTD ACTUAL	ANNUAL BUDGET	% OF BUDGET
Bank Charges and Fees	792.12	2,100.00	37.72 %
Computer Expense	22,470.85	47,000.00	47.81 %
Director Fees	8,100.00	25,200.00	32.14 %
Dues and Subscriptions	8,399.45	12,000.00	70.00 %
Education and Training	5,558.45	35,000.00	15.88 %
Elections	483.43	5,000.00	9.67 %
Insurance - Liability	20,352.00	42,000.00	48.46 %
LAFCO Funding	19,756.00	19,756.00	100.00 %
Landscape and Janitorial	6,529.29	14,320.00	45.60 %
Legal - General Counsel	40,949.52	132,000.00	31.02 %
Legal - Special Counsel	1,367.54	0	.00 %
Legal - Water Counsel	16,239.18	90,000.00	18.04 %
Professional Services	89,636.72	235,000.00	38.14 %
Miscellaneous	2,229.21	5,500.00	40.53 %
Newsletters & Mailers	2,456.05	11,000.00	22.33 %
Office Supplies	11,404.76	19,000.00	60.03 %
Outside Service	5,114.61	24,500.00	20.88 %
Postage	8,929.42	20,000.00	44.65 %
Public Notices	2,509.93	13,350.00	18.80 %
Repairs and Maintenance	20,294.39	113,590.00	17.87 %
Property Taxes	1,023.96	1,065.00	96.15 %
Telephone	3,883.53	7,500.00	51.78 %
Travel and Mileage	3,375.58	20,000.00	16.88 %
Operating Transfer Out - Funded Administration	168,827.20	477,131.00	35.38 %
<b>Subtotal - G &amp; A</b>	<b>791,715.95</b>	<b>2,046,537.00</b>	<b>38.69 %</b>
<b>NON OPERATING INCOME</b>			
Interest Income	325,747.21	645,110.00	50.49 %
Property Tax Revenues	307,231.83	508,140.00	60.46 %
Town Sewer Sinking Fund Transfer In	115,500.00	231,000.00	50.00 %
<b>Subtotal - Non Operating Income</b>	<b>748,479.04</b>	<b>1,384,250.00</b>	<b>54.07 %</b>
<b>NON OPERATING EXPENSES</b>			
Interest Expense	30,040.00	167,424.00	17.94 %
Town Sewer Transfer Out	115,500.00	231,000.00	50.00 %
Other Post Employment Benefits (OPEB)	56,500.00	113,000.00	50.00 %
<b>Subtotal - Non Operating Expenses</b>	<b>202,040.00</b>	<b>511,424.00</b>	<b>39.51 %</b>
<b>Net Surplus/(Deficit)</b>	<b>1,641,869.43</b>	<b>1,388,323.00</b>	<b>118.26 %</b>

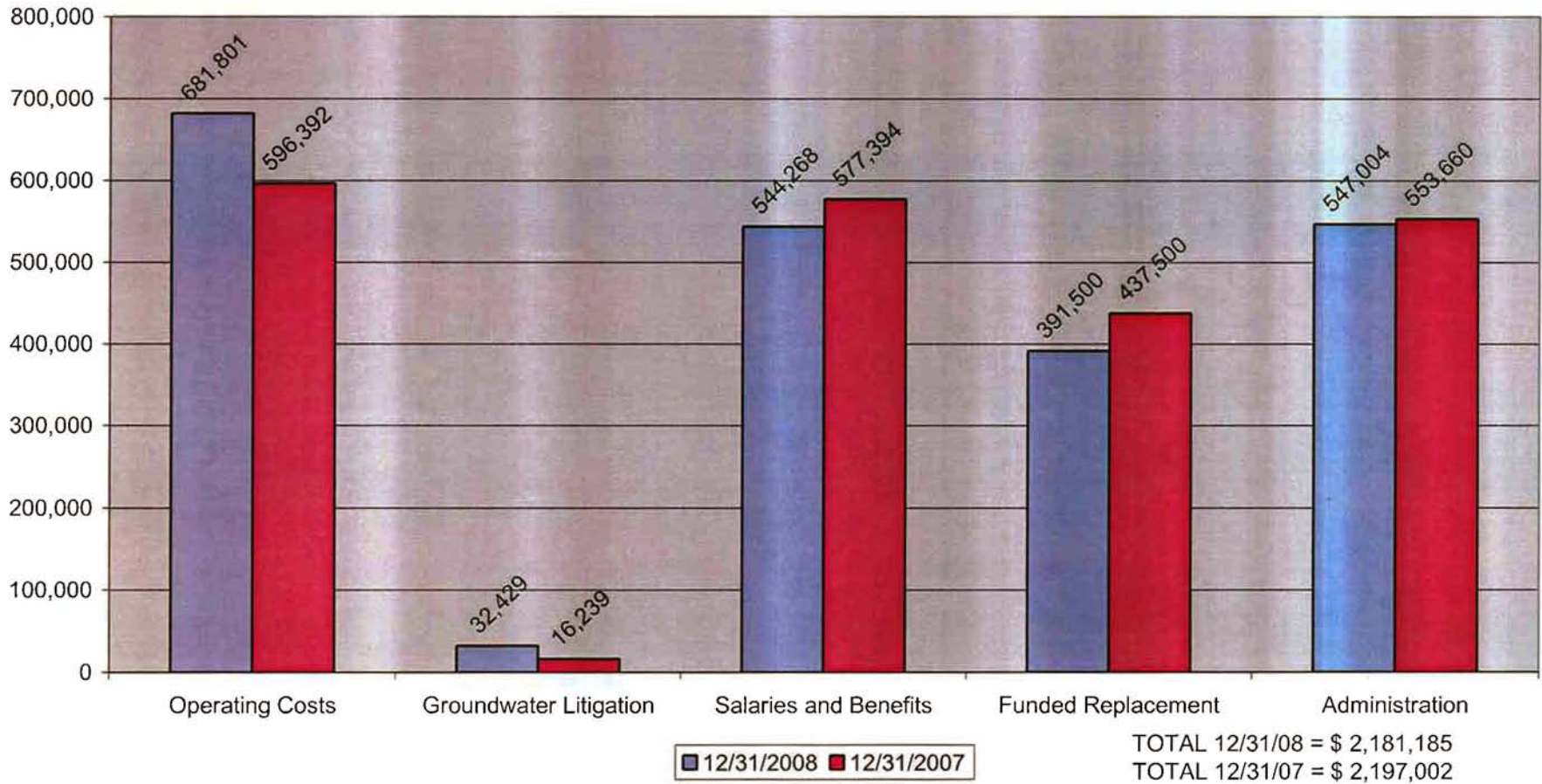
UNAUDITED



**NIPOMO COMMUNITY SERVICES DISTRICT  
 COMBINED REVENUES FOR ALL FUNDS  
 SIX MONTHS ENDED  
 DECEMBER 31, 2008 AND DECEMBER 31, 2007**

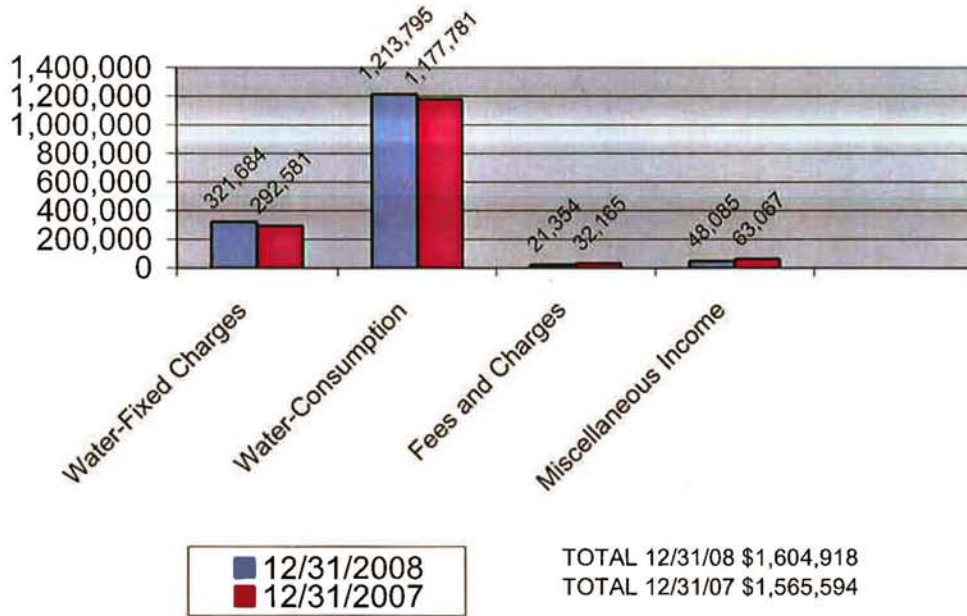


**NIPOMO COMMUNITY SERVICES DISTRICT  
 COMBINED EXPENDITURES FOR ALL FUNDS  
 SIX MONTHS ENDED  
 DECEMBER 31, 2008 AND DECEMBER 31, 2007**

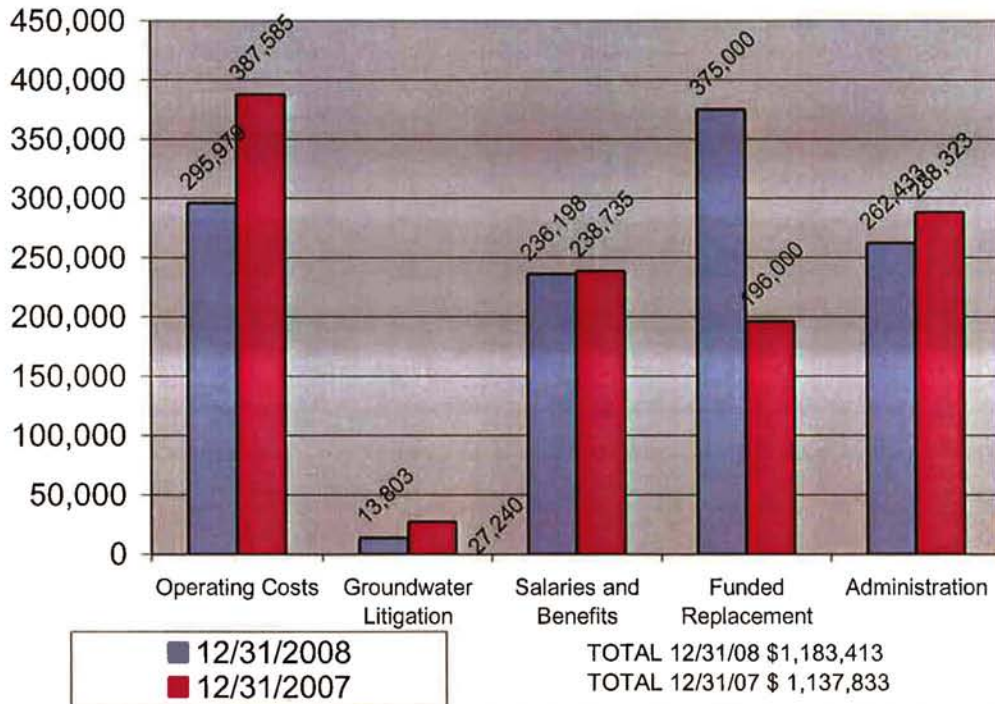




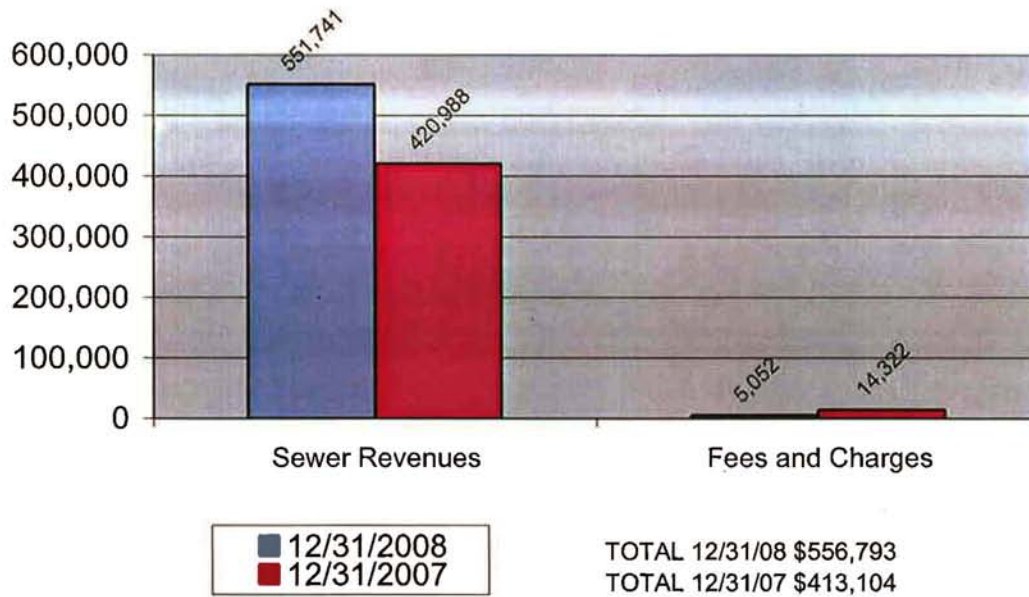
**NIPOMO COMMUNITY SERVICES DISTRICT  
TOWN WATER FUND #120  
REVENUES-DECEMBER 31 2008 AND DECEMBER 31, 2007**



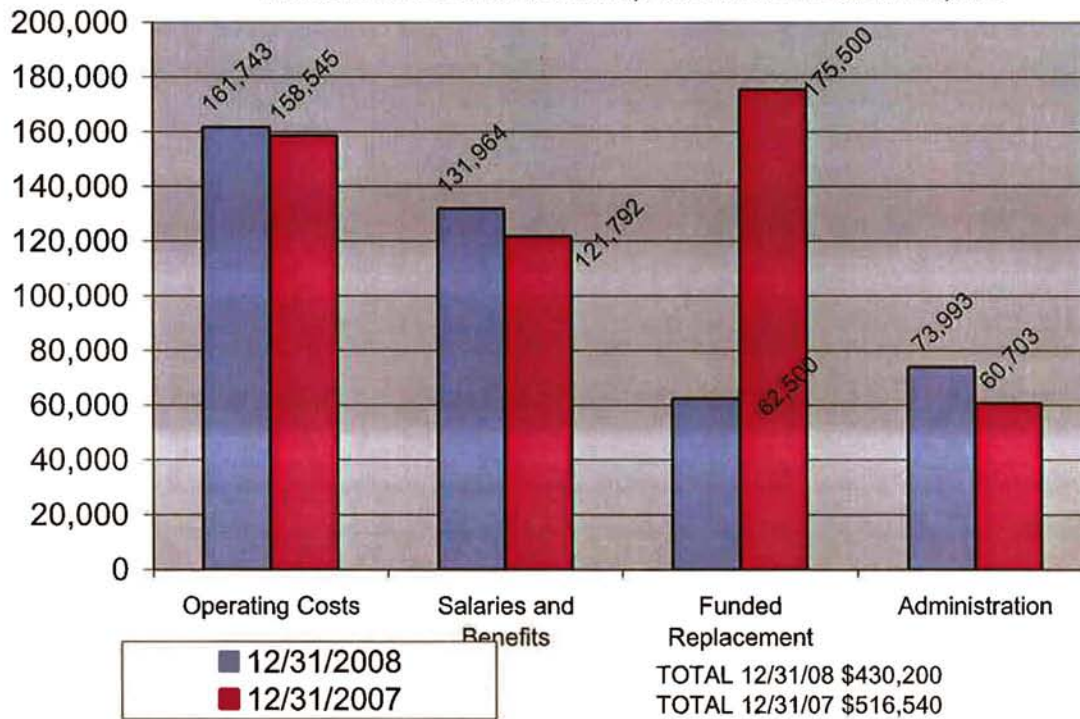
**NIPOMO COMMUNITY SERVICES DISTRICT  
TOWN WATER FUND #120  
EXPENDITURES-DECEMBER 31, 2008 AND DECEMBER 31, 2007**



**NIPOMO COMMUNITY SERVICES DISTRICT  
TOWN SEWER FUND #130  
REVENUES-DECEMBER 31, 2008 AND DECEMBER 31, 2007**

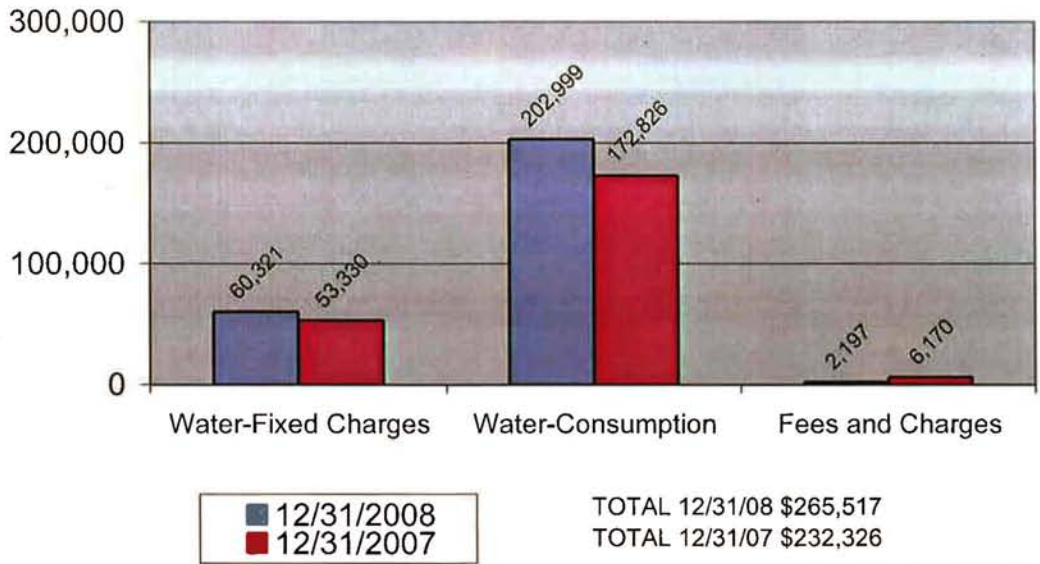


**NIPOMO COMMUNITY SERVICES DISTRICT  
TOWN SEWER FUND #130  
EXPENDITURES-DECEMBER 31, 2008 AND DECEMBER 31, 2007**

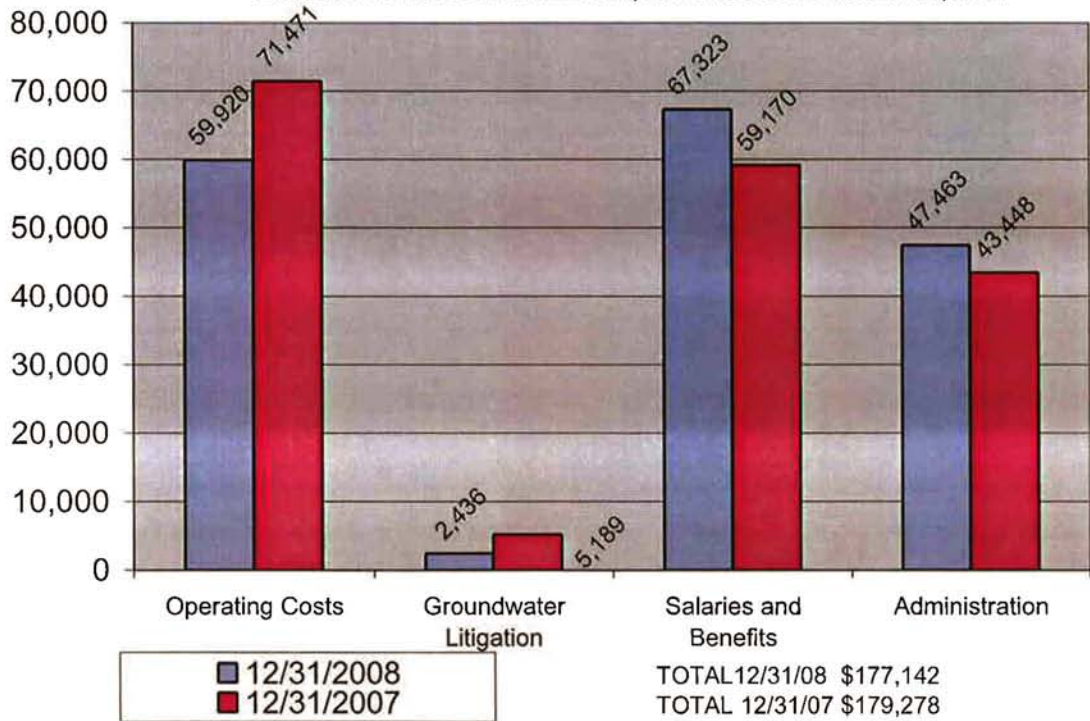




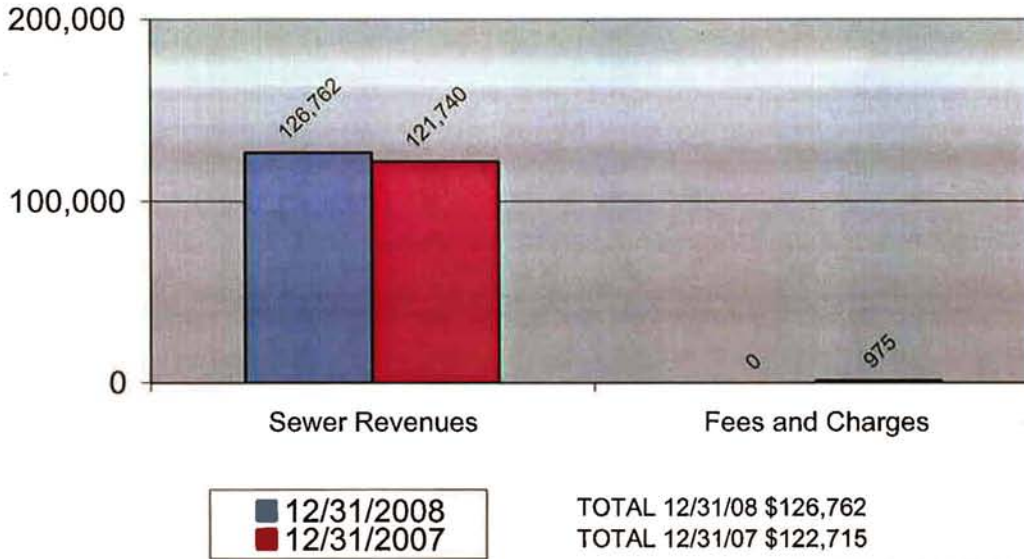
**NIPOMO COMMUNITY SERVICES DISTRICT  
BLACKLAKE WATER FUND #140  
REVENUES-DECEMBER 31, 2008 AND DECEMBER 31, 2007**



**NIPOMO COMMUNITY SERVICES DISTRICT  
BLACKLAKE WATER FUND #140  
EXPENDITURES-DECEMBER 31, 2008 AND DECEMBER 31, 2007**



**NIPOMO COMMUNITY SERVICES DISTRICT  
BLACKLAKE SEWER FUND #150  
REVENUES-DECEMBER 31, 2008 AND DECEMBER 31, 2007**



**NIPOMO COMMUNITY SERVICES DISTRICT  
BLACKLAKE SEWER FUND #150  
EXPENDITURES-DECEMBER 31, 2008 AND DECEMBER 31, 2007**

