

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL
DATE: OCTOBER 23, 2009



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 10/14/09 Regular Meeting
- D-3) AUTHORIZE PARTICIPATION IN STATE PROPERTY TAX SECURITIZATION PROGRAM [ADOPT RESOLUTION]
- D-4) RECOGNIZE THE BLACKLAKE COMMUNITY FOR WATER SAVINGS [ADOPT]

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\2009\CONSENT AGENDA\CONSENT 10-28-09.DOC

TO: BOARD OF DIRECTORS
 FROM: BRUCE BUEL
 DATE: OCTOBER 23, 2009

**AGENDA ITEM
 D-1
 OCTOBER 28, 2009**

**TOTAL COMPUTER
 CHECKS
 \$204,945.19**

HAND WRITTEN CHECKS

10-12-09	19993	MULLAHEY FORD INC	18,056.96
10-12-09	19994	BUSINESS FILINGS	235.00
10-16-09	19995	MAINLINE AUTO BODY	2,387.36
10-28-09	19996	CATHLEEN HOLMES	75.00
10-28-09	19997	MELISSA WHITING	75.00
10-28-09	19998	DAVID HAYES	75.00
10-28-09	19999	PATRICI PERSKY	75.00
10-28-09	20000	ALAN H. MCHUGH	75.00
10-28-09	20001	KRISTI STECKLER	75.00
10-28-09	20002	TOM NOVAK	75.00
10-28-09	20003	LORNA B. GILL	75.00
10-28-09	20004	ANDRIA ORR	75.00
10-28-09	20005	ANASTASIA ANGELINE	75.00
10-28-09	20006	TANYA MCCAFFEY	75.00

VOID - NONE

COMPUTER GENERATED CHECKS

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
17146	10/16/09	EMP01	EMPLOYMENT DEVELOP DEPT	1057.25	.00	1057.25	A91012	STATE INCOME TAX
17147	10/16/09	MID01	RABOBANK-PAYROLL TAX DEPO	3268.54	.00	3268.54	A91012	FEDERAL INCOME TAX
				45.70	.00	45.70	1A91012	FICA
				955.08	.00	955.08	2A91012	MEDICARE (FICA)
			Check Total.....:	4269.32	.00	4269.32		
17148	10/16/09	MID02	RABOBANK-DIRECT DEPOSIT	28664.42	.00	28664.42	A91012	NET PAY
17149	10/16/09	PER01	PERS RETIREMENT	9151.31	.00	9151.31	A91012	PERS PAYROLL REMITTANCE
17150	10/16/09	STA01	ING-PERS 457 DEFERRED COM	1325.00	.00	1325.00	A91012	457 DEFERRED COMP
017151	10/28/09	ABA01	ABALONE COAST BACTERIOLOG	20.00	.00	20.00	09-1346	LAB TEST-BL WWTF
				97.00	.00	97.00	09-1992	TOWN WWTF LAB
				97.00	.00	97.00	09-2040	TOWN WWTF LAB
				20.00	.00	20.00	09-2148	BL WWTF LAB
				20.00	.00	20.00	09-2159	BL WWTF LAB
				175.00	.00	175.00	09-2160	WATER SAMPLES
				176.00	.00	176.00	09-2175	TOWN WWTF LAB
				20.00	.00	20.00	09-2176	BL WWTF LAB
				.00	.00	.00	09-2186	BL WWTF LAB
				20.00	.00	20.00	09-2196	BL WWTF LAB
				14.40	.00	14.40	09-2207	WATER SAMPLES
				20.00	.00	20.00	09-2208	LAB TEST-BL WWTF
				14.40	.00	14.40	09-2215	LAB TEST-WATER
				175.00	.00	175.00	09-2216	LAB TEST-WATER
				20.00	.00	20.00	09-2217	LAB TEST-BL WWTF
				20.00	.00	20.00	09-2222	LAB TEST-BL WWTF
				20.00	.00	20.00	09-2234	LAB TEST-BL WWTF
				20.00	.00	20.00	09-2239	LAB TEST-WWTF
			Check Total.....:	948.80	.00	948.80		
017152	10/28/09	AME03	AMERI PRIDE	111.91	.00	111.91	F892506	UNIFORMS, ETC
				105.40	.00	105.40	F898763	UNIFORMS, ETC
			Check Total.....:	217.31	.00	217.31		
017153	10/28/09	ATT01	AT&T/MCI	185.41	.00	185.41	905181	PHONE
017154	10/28/09	BLR01	BLR	237.07	.00	237.07	6792771	MANAGEMENT CD
017155	10/28/09	BRE02	BRENNTAG PACIFIC INC.	892.44	.00	892.44	BPI936676	CHLORINE
017156	10/28/09	CAN02	CANNON ASSOCIATES	90.00	.00	90.00	47236	TEJAS SCADA SERVICE
				5075.00	.00	5075.00	47286	WILLOW RD PHASE II
				10770.12	.00	10770.12	47290	WILLOW ROAD EXTENSION
			Check Total.....:	15935.12	.00	15935.12		

**NIPOMO COMMUNITY SERVICES DISTRICT
WARRANTS OCTOBER 23, 2009**

**AGENDA ITEM
D-1
OCTOBER 28, 2009
PAGE TWO**

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information- Description
017157	10/28/09	CAR04	CAR QUEST AUTO PARTS	22.17	.00	22.17	452923	LAMP
				2.49	.00	2.49	452927	MINI LAMP
				194.53	.00	194.53	454867	WIPER BLADES
			Check Total.....:	219.19	.00	219.19		
017158	10/28/09	CHI01	CHICAGO GRADE LANDFILL, I	36722.51	.00	36722.51	11181	BIOSOLIDS CONTRACT
017159	10/28/09	COR01	CORBIN WILLITS SYSTEMS	815.83	.00	815.83	A91023	MONTHLY SUPPORT
017160	10/28/09	COR02	CORRPRO COMPANIES, INC.	2880.00	.00	2880.00	SI089433	WATER TANK SERVICE
017161	10/28/09	DKF01	DKF SOLUTIONS GROUP, LLC	350.00	.00	350.00	1026	SAFETY SUBSCRIPTION
017162	10/28/09	EBY01	EBY, ED	100.00	.00	100.00	102809	REG BD MEETING 102809
017163	10/28/09	FAR01	FARM SUPPLY COMPANY	633.81	.00	633.81	128938+	SUPPLIES
017164	10/28/09	FGL01	FGL ENVIRONMENTAL	331.00	.00	331.00	909560A	TOWN WWTF LAB
				56.00	.00	56.00	909563A	BL WWTF LAB
				306.00	.00	306.00	909804A	TOWN WWTF LAB
				81.00	.00	81.00	909805A	BL WWTF LAB
				192.00	.00	192.00	910117A	LAB TEST-BLWWTF
				24.00	.00	24.00	910118A	BEVINGTON WELL SAMPLE
017164	10/28/09	FGL01	FGL ENVIRONMENTAL	331.00	.00	331.00	910119A	LAB TEST-SOUTHLAND WWTF
				63.00	.00	63.00	910120A	LAB TEST-BL WWTF
			Check Total.....:	1384.00	.00	1384.00		
017165	10/28/09	FLE01	FLEET ONE, INC.	4232.58	.00	4232.58	A91023	VEHICLE GPS UNITS
017166	10/28/09	FUG01	FUGRO WEST, INC.	22182.90	.00	22182.90	3596.5.9	SOUTHLAND EXPANSION
017167	10/28/09	GRI01	GRIETENS, TINA	25.00	.00	25.00	100809	WATER SEMINAR
017168	10/28/09	HAM02	HAMNER JEWELL & ASSOCIATE	1962.50	.00	1962.50	4650	WATERLINE INTERTIE
017169	10/28/09	HAR02	HARRISON, JAMES	100.00	.00	100.00	102809	REG BD MEETING 102809
017170	10/28/09	IRR01	IRRIGATION ASSOCIATION	125.00	.00	125.00	722032010	MEMBERSHIP
017171	10/28/09	LIN01	LINE-X OF SANTA MARIA	471.41	.00	471.41	5802	BED LINER FOR NEW TRUCK
017172	10/28/09	LIN02	LINC DELIVERY	242.00	.00	242.00	49088+	LAB DELIVERIES
017173	10/28/09	MAC01	MACH SECURITY SOLUTIONS	867.43	.00	867.43	5279	KEY AUTHORIZER
017174	10/28/09	MOR02	MORE OFFICE SOLUTIONS	382.26	.00	382.26	514694	COPIER MAINT
017175	10/28/09	NEL01	NELSON, WILLIAM J	100.00	.00	100.00	102809	REG BD MEETING 102809
017176	10/28/09	NEX01	NEXTEL COMMUNICATIONS	456.43	.00	456.43	A91023	CELLULAR SERVICE
017177	10/28/09	OFF01	OFFICE DEPOT	102.40	.00	102.40	859001	OFFICE SUPPLIES
				83.28	.00	83.28	492299173	SUPPLIES
			Check Total.....:	185.68	.00	185.68		
017178	10/28/09	PAC03	PACIFIC SOLUTIONS CONSTRU	9760.47	.00	9760.47	5764B	TEJAS LIFT STATION
017179	10/28/09	PAP01	PAPICH CONSTRUCTION CO IN	478.00	.00	478.00	362	RAISE VALVE
017180	10/28/09	PGE01	P G & E	550.65	.00	550.65	100809	ELECTRICITY
017181	10/28/09	QUI04	QUINN POWER SYSTEMS	1116.45	.00	1116.45	330004299	MV LFT STN GENERATOR
017182	10/28/09	RAY02	RAY'S AUTO PARTS	124.42	.00	124.42	228954+	SUPPLIES
017183	10/28/09	RIC01	RICHARDS, WATSON, GERSHON	3188.20	.00	3188.20	167655	GROUNDWATER LITIGATION
017184	10/28/09	ROC01	ROCKHURST UNIVERSITY	179.00	.00	179.00	702800049	SEMINAR - CRUZ
017185	10/28/09	SAF02	SAFETY CENTER, INC.	840.00	.00	840.00	62117	ON-SITE FLAGGER
017186	10/28/09	SAI01	SAIC	298.75	.00	298.75	142715037	GENERAL CONSULT
				3745.90	.00	3745.90	165923022	NMMA TG
			Check Total.....:	4044.65	.00	4044.65		
017187	10/28/09	SAN09	SAN LUIS MAILING SERVICE	832.36	.00	832.36	40582A	POSTAGE FOR BILLS
				205.01	.00	205.01	40582B	MAILING SERVICE
			Check Total.....:	1037.37	.00	1037.37		
017188	10/28/09	SHI01	SHIPSEY & SEITZ, INC	16160.22	.00	16160.22	091509	LEGAL SERVICES
017189	10/28/09	SLO06	SAN LUIS OBISPO TAX COLL	1062.84	.00	1062.84	91232016	2009/10 TAXES 091232016

**NIPOMO COMMUNITY SERVICES DISTRICT
WARRANTS OCTOBER 23, 2009**

**AGENDA ITEM
D-1
OCTOBER 28, 2009
PAGE FOUR**

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	-----Payment Information----- Invoice #	Description
017189	10/28/09	SLO06	SAN LUIS OBISPO TAX COLL	7.00	.00	7.00	92231016	2009/10 TAXES 092231016
			Check Total.....:	1069.84	.00	1069.84		
017190	10/28/09	SPE01	SPECIAL DISTRICT RISK	561.96	.00	561.96	31144	FORD RANGER INSURANCE
017191	10/28/09	STA03	STATEWIDE SAFETY & SIGNS	245.73	.00	245.73	73878	BLUE MRKERS
017192	10/28/09	TRI05	TRI COUNTY OFFICE FURNITU	326.25	.00	326.25	78698	FURNITURE SET UP
017193	10/28/09	UNI05	UNIVERSITY ENTERPRISES	103.04	.00	103.04	561726	SEMINAR & BOOKS - GERMAN
017194	10/28/09	VAN01	VAN SCOYOC ASSOCIATES	4500.00	.00	4500.00	OCT 2009	RETAINER OCTOBER
017195	10/28/09	VIE01	VIERHEILIG, LARRY	100.00	.00	100.00	102809	REG BD MEETING 102809
017196	10/28/09	WAL01	WALLACE GROUP	5715.50	.00	5715.50	28659	GIS DATA MAINT
				9149.40	.00	9149.40	28687	MILLER PARK
				1215.05	.00	1215.05	28688	INTERTIE ASSESSMENT DIST
				1582.25	.00	1582.25	28689	AB1600 ANALYSIS
			Check Total.....:	17662.20	.00	17662.20		
017197	10/28/09	WHI02	CELESTE WHITLOW	690.50	.00	690.50	1	TRAVEL
				330.00	.00	330.00	2	EDUCATION
				264.74	.00	264.74	3	OFFICE SUPPLIES
				308.31	.00	308.31	4	LANDSCAPE
			Check Total.....:	1593.55	.00	1593.55		
017198	10/28/09	WIN01	WINN, MICHAEL	100.00	.00	100.00	102809	REG BD MEETING 102809
017199	10/28/09	WOO01	DOUGLAS WOOD & ASSOCIATES	905.00	.00	905.00	MILLER#5	MILLER PARK ASMT DIST
				2976.21	.00	2976.21	TWWTF #6	SOUTHLAND WWTF UPGRADE

NIPOMO COMMUNITY SERVICES DISTRICT

Celebrating 44 - Years of Service 1965 - 2009

DRAFT MINUTES

OCTOBER 14, 2009 AT 9AM

BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

D2

BOARD of DIRECTORS

JAMES HARRISON, **PRESIDENT**
LARRY VIERHEILIG, **VICE PRESIDENT**
MICHAEL WINN, **DIRECTOR**
ED EBY, **DIRECTOR**
BILL NELSON, **DIRECTOR**

PRINCIPAL STAFF

BRUCE BUEL, **GENERAL MANAGER**
LISA BOGNUDA, **ASST. 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 its customers with reliable, quality, and cost-effective services now and in the future.

00:00:00

A. CALL TO ORDER AND FLAG SALUTE

President Harrison called the October 14, 2009 Regular Meeting of the Nipomo Community Services District to order at 9:02 a.m. and led the flag salute.

00:01:05

B. ROLL CALL

At Roll Call, all Board members were present.

00:01:23

C. PRESENTATIONS AND PUBLIC COMMENT

C-1) SHERIFF COMMANDER BRIAN HASCALL

Update re: South County Law Enforcement Activities

Commander Brian Hascall introduced Sgt. David Lapanovich, who may come to speak to the Board in case Commander Hascall cannot attend the meeting.

Cmdr. Hascall reported that on October 3, 2009, a Grande Ave. resident saw a man in the resident's car in his garage at 12:30 a.m. The perpetrator was apprehended.

Cmdr. Hascall warned the public to keep vehicles and houses locked.

A residence in Oceano was burglarized. Firearms were taken from the house.

The Board thanked Cmdr. Hascall for his presentation.

C-2) CAL FIRE BATTALION CHIEF BILL FISHER

Update re: South County Cal Fire Activities

Battalion Chief Bill Fisher gave an update of the CalFire activities on the Nipomo Mesa and reviewed the activity report given to the Board and public.

In September 2009, Nipomo Station #20 had a total of 115 calls: 6 fire calls, 15 vehicle accidents, 71 medical aids, and 23 other calls.

Mesa Station #22 had a total of 49 calls: 3 fire calls, 2 vehicle accidents, 27 medical aids, and 6 other calls.

The Board asked Cmdr. Hascall and Chief Fisher about code enforcement, such as campers on neighborhood property. They said to call them later with the details.

The Board thanked Chief Fisher for his report.

MINUTES SUBJECT TO BOARD APPROVAL

Copy of document found at www.NipomoWspTax.com

**Nipomo Community Services District
REGULAR MEETING
DRAFT MINUTES**

- C-3) NCS D DISTRICT ENGINEER PETER SEVCIK
Update re: Sundale Well and September 2009 Activities
Peter Sevcik, District Engineer, reviewed the report presented in the Board packet. He answered questions from the Board. The Board thanked Mr. Sevcik for the report.

- C-4) NCS D GENERAL MANAGER BRUCE BUEL
Update re: Summary of 9/29/08 Miller Park Design Forum
Bruce Buel, General Manager, gave a summary of the September 29th design forum for the Miller Park. There were 23 in attendance. Mr. Buel answered questions from the Board.
The Board thanked Mr. Buel for the report.

- C-5) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST
Receive Announcements from Directors Items of District & Community Interest
Director Vierheilig
 - o The Air Pollution Control District will have a public meeting Oct. 15, 2009, 2-4 p.m. concerning the draft CEQA Air Quality handbook. For more information, go to SLO Clean-Air.org.
Director Eby
 - o Would like to hear announcements from NMMA TG meeting.
 - o LAFCo will meet at the Dallidet Adobe at 1136 Pacific Street, SLO on Oct. 15 at 11:30 a.m. to approve a resolution honoring the service of retiring Executive Director, Paul Hood.
 - o .
Director Winn
 - o Thursday, Oct. 15, 11:30 a.m. – the Water Resources Advisory Committee (WRAC) sub-committee will meet in Atascadero to discuss the Master Water Plan. Oct. 23rd is the last day for WRAC to receive comments on the plan.
 - o Friday, Oct, 16, Technical Group
 - o Monday, Oct 19, 9:00 a.m. SCAC Land Use Committee will meet in the NCS D Board room.
 - o Thursday, Oct. 22, Mr. Winn will meet with SLO BoS Supervisor Patterson.
 - o Friday, Oct 23, Mr. Winn will not be able to be contacted.
Director Harrison
 - o There was only one person in attendance at the Transition meeting.
 - o Oct. 31, 2009, there will be a Walk for Polio at Oso Flaco Lake sponsored by the Nipomo Rotary Club. There will be hot dogs and hamburgers for the walkers.
 - o Oct. 16, 2009 - Retirement party for the Fire Chief for the City of Santa Maria, at the Maldonado Center.
 - o Dir. Harrison asked when NCS D requires landscape meter. Peter Sevcik, District Engineer, answered that the District requires all commercial and residential multi-family projects to install a separate irrigation meter. Customers believing such a meter should not be required may appeal to the Board.

Nipomo Community Services District
REGULAR MEETING
DRAFT MINUTES

C-6) PUBLIC COMMENT ON ITEMS NOT ON AGENDA

There was no public comment.

00:55:33

D. CONSENT AGENDA

President Harrison announced that Item D-6 would be pulled from the agenda. Items D-4 and D-5 were pulled for separate consideration.

D-1) APPROVE WARRANTS

D-2) APPROVE BOARD MEETING MINUTES

Approve Minutes of 9/30/09 Regular Meeting

D-3) REVISE BUDGET TO ACCOMMODATE EXTRA-BUDGET COSTS IN SETTING UP EMERGENCY OPERATIONS CENTER

Upon motion by Director Winn and seconded by Director Vierheilig, the Board unanimously approved Items D-1, D-2 and D-3 of the Consent Agenda, as amended. There was no public comment. Vote 5-0.

YES VOTES	NO VOTES	ABSENT
Directors Winn, Vierheilig, Eby, Nelson and Harrison	None	None

RESOLUTION NO. 2009-1164
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
AMENDING THE DISTRICT BUDGET TO ACCOMMODATE
ADDITIONAL COSTS IN SETTING UP EMERGENCY OPERATIONS CENTER

D-4) AUTHORIZE ROLL-OVER OF CD AT MISSION COMMUNITY BANK

After some discussion, Director Eby made the motion to approve the roll-over of the CD at Mission Community Bank. Director Winn seconded the motion. There was no public comment. Vote 4-1, with Director Harrison dissenting.

YES VOTES	NO VOTES	ABSENT
Directors Eby, Winn, Vierheilig, and Nelson	Director Harrison	None

D-5) EXTEND TERM FOR VINTAGE HOMES (CRAIG) OUTSIDE USER AGREEMENT

Jon Seitz, District Legal Counsel answered questions from the Board.

The following member of the public spoke

Carol Florence, Oasis Landscape Architecture & Planning and representative for Vintage Homes, asked the Board to extend the Intent-to-Serve letter for Tract 2650.

Upon motion by Director Winn and seconded by Director Nelson, the Board approved an extension of the Intent-to-Serve letter for Tract 2650 for one year. Vote 4-1, with Director Eby dissenting.

YES VOTES	NO VOTES	ABSENT
Directors Winn, Vierheilig, Nelson, and Harrison	Director Eby	None

D-6) REVISE COMMITTEE ASSIGNMENT ROSTER TO REPLACE DIRECTOR WINN WITH DIRECTOR HARRISON ON SCAC

This item was removed from the agenda. No action taken.

Nipomo Community Services District
REGULAR MEETING
DRAFT MINUTES

E. ADMINISTRATIVE ITEMS

01:14:09

- E-1) REVIEW DRAFT ASSESSMENT ENGINEER'S REPORT FOR PROPOSED MILLER PARK ASSESSMENT DISTRICT, ADOPT RESOLUTION ACCEPTING REPORT AND RETAIN THE WALLACE GROUP TO PROCESS THE ELECTION

Bruce Buel, General Manager, reviewed steps necessary to form an assessment district for services provided. The Wallace Group proposed to conduct the election, including preparing, mailing, and counting the ballots.

The Board discussed the process. The ballots are kept confidential until the public hearing.

Upon motion by Director Winn and seconded by Director Vierheilig, the Board adopted the resolution approving engineer's report, as amended, and authorized staff to execute an agreement with Wallace Group. Vote 5-0.

RESOLUTION NO. 2009-1165
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT TENTATIVELY APPROVING ENGINEER'S
REPORT AND DECLARING THE INTENTION OF THE BOARD OF DIRECTORS TO
ORDER THE FORMATION OF NIPOMO COMMUNITY SERVICES DISTRICT PARK
MAINTENANCE DISTRICT NO. 1, TO LEVY AND COLLECT ASSESSMENTS

YES VOTES	NO VOTES	ABSENT
Directors Winn, Vierheilig, Nelson, Eby, and Harrison	None	None

01:49:35

- E-2) REVIEW BOARD OF SUPERVISORS ACTION ON PROPOSED JPA AND AUTHORIZE NEGOTIATION

Bruce Buel, General Manager, explained that the District submitted a request to Supervisor Achadjian to authorize the County and the County Flood Control District to proceed with the development of a Joint Powers Agreement (JPA) to facilitate the creation of one or more assessment districts to finance a supplemental water project for the delivery of water to various water companies with the Nipomo Mesa Water Conservation Area. The Board of Supervisors discussed the matter September 22, 2009.

Jon Seitz, District Legal Counsel, discussed some edits in the proposed JPA. The Board discussed the agreement and suggested some edits.

Upon motion by Director Winn and seconded by Director Eby, the Board unanimously authorized staff to expedite the negotiations with the County. Vote 5-0.

YES VOTES	NO VOTES	ABSENT
Directors Winn, Eby, Vierheilig, Nelson, and Harrison	None	None

02:12:52

- E-3) ADOPT ORDINANCE ESTABLISHING VOLUNTARY WATER SHORTAGE REGULATIONS

Bruce Buel, General Manager, explained that the Board reviewed an introductory version of the proposed ordinance on Sept. 30, 2009.

Director Winn made a motion to read the ordinance by Title only. Director Eby seconded the motion. There was no public comment. Vote 5-0.

YES VOTES	NO VOTES	ABSENT
Directors Winn, Eby, Vierheilig, Nelson, and Harrison	None	None

Nipomo Community Services District
REGULAR MEETING
DRAFT MINUTES

E-3) ADOPT ORDINANCE ESTABLISHING VOLUNTARY WATER SHORTAGE REGULATIONS (CONTINUED)

Bruce Buel, General Manager, read the title of the proposed ordinance.

Upon motion by Director Winn and seconded by Director Eby, the Board unanimously adopted Ordinance No. 2009-113. There was no public comment. Vote 5-0.

ORDINANCE NO. 2009-113
AN ORDINANCE OF THE NIPOMO COMMUNITY SERVICES DISTRICT
AMENDING CHAPTER 3.24 OF THE DISTRICT CODE

YES VOTES	NO VOTES	ABSENT
Directors Winn, Eby, Vierheilg, Nelson, and Harrison	None	None

02:16:27

E-4) ADOPT ORDINANCE AMENDING WATER SERVICE ALLOCATION PROGRAM AND INTENT-TO-SERVE PROCESS

Bruce Buel, General Manager, explained that the Board introduced the ordinance amending water service limitations.

The Board discussed the ordinance and made minor, non-substantive edits.

Upon motion by Director Vierheilg and seconded by Director Nelson, the Board unanimously agreed to have the ordinance read by title only. Vote 5-0.

Mr. Buel read the title of the proposed ordinance.

YES VOTES	NO VOTES	ABSENT
Directors Vierheilg, Nelson, Winn, Eby, and Harrison	None	None

Upon motion by Director Vierheilg and seconded by Director Nelson, the Board adopted Ordinance 2009-114, with the proposed resolutions in the shell which are determined to be clerical not substantive. Vote 3-2, with Directors Eby and Harrison voting no.

YES VOTES	NO VOTES	ABSENT
Directors Vierheilg, Nelson and Winn	Directors Eby and Harrison	None

ORDINANCE NO. 2009-114
AN ORDINANCE OF THE NIPOMO COMMUNITY SERVICES DISTRICT
AMENDING CHAPTER 3.05 OF THE DISTRICT CODE
WATER SERVICE LIMITATIONS

02:29:03

E-5) AWARD QUOTE AND AUTHORIZE FINANCING FOR SEWER VACUUM TRUCK

Robert Cruz, Inspector/Preventive Maintenance Supervisor, answered questions from the Board about the proposed purchase of a sewer vacuum truck.

There was no public comment.

Upon motion by Director Nelson and seconded by Director Vierheilg, the Board and approved Resolution 2009-1166. Vote 4-1, with Director Harrison voting no.

RESOLUTION NO. 2009-1166
AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT SALE AGREEMENT,
AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS IN CONNECTION
WITH THE ACQUISITION OF A SEWER VACUUM TRUCK

YES VOTES	NO VOTES	ABSENT
Directors Nelson Vierheilg, Eby, and Winn	Director Harrison	None

Nipomo Community Services District
REGULAR MEETING
DRAFT MINUTES

The Board went to Closed Session next.

02:55:05

I. CLOSED SESSION ANNOUNCEMENTS

Jon Seitz, District Legal Counsel, announced the following to be considered in Closed Session:

1. CONFERENCE WITH DISTRICT LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GC §54956.9 SMVWCD VS. NCSD (SANTA CLARA COUNTY CASE NO. CV 770214, SIXTH APPELLATE COURT CASE NO. H032750 AND ALL CONSOLIDATED CASES).
2. CONFERENCE WITH LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GC SECTION 54956.9; NCSD VS. COUNTY SLO, ET AL. (CASE #CV090010)
3. INSTRUCTION TO NEGOTIATORS BRUCE BUEL, JON SEITZ AND LILLIAN JEWELL PURSUANT TO GOVERNMENT CODE SECTION 54956.8 FOR PURCHASE OF EASEMENT INTEREST IN APN 090-291-040, 041, 042, 043 AND 044 (OWNER: LINDA VISTA FARMS, NEGOTIATOR: JACQUELINE FREDERICK)
4. INITIATION OF LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (4 CASES)
5. REVIEW OF GENERAL MANAGER'S PERFORMANCE PURSUANT TO GOVERNMENT CODE SECTION 94957

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There was no public present to comment.

K. ADJOURN TO CLOSED SESSION

President Harrison adjourned the meeting to Closed Session at 12:12 p.m.

L. OPEN SESSION

ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

The Board came into Open Session at 1:43 p.m.

Jon Seitz, District Legal Counsel, announced the Board heard an update on Items 1 & 2 above and took no reportable action.

Item 3 – The Board gave instructions to its negotiators but took no reportable action.

Item 4 – The Board gave instructions to Legal Counsel.

Item 5 – The Board heard an update but took no reportable action.

02:58:12

E-6) CONSIDER GREY FAMILY TRUST REQUEST TO EXTEND TERM OF INTENT-TO-SERVE LETTER

Peter Sevcik, District Engineer, explained the request from Tract 2441, a thirty-eight lot subdivision, to extend the term of the Intent-to-Serve letter, which expires October 27, 2009.

Mr. Sevcik answered questions from the Board.

The Board discussed the situation. The ordinance passed at this meeting will extend all Intent-to-Serve letters for one year.

Nipomo Community Services District
REGULAR MEETING
DRAFT MINUTES

E-6) CONSIDER GREY FAMILY TRUST REQUEST TO EXTEND TERM OF INTENT-TO-SERVE LETTER (CONTINUED)

Upon motion by Director Harrison and seconded by Director Vierheilg, the Board denied the extension request on the basis that because of Board action today, a pre-existing extension is in place. There was no public comment. Vote 4-1, with Director Eby voting no.

YES VOTES	NO VOTES	ABSENT
Directors Harrison, Vierheilg, Nelson and Winn	Director Eby	None

03:29:50

F. MANAGER'S REPORT

Bruce Buel, General Manager, presented the Manager's Report as written. He added some information from the Department of Public Health. Copies of handout entitled "How to Dispose of Unused Medicines" were made available to the Board and the public.

Copies of "Guidelines for Physical Security of Wastewater/Stormwater Utilities" were also handed out.

Mr. Buel told the Board that Senate Bill 802 was vetoed by the governor.

Mr. Buel told the Board that Speedling Nursery will be pulling water until November 2, 2009.

Bill Mays from Eco Star will be presenting information on full tertiary treatment. Mr. Buel suggested Mr. Mays get the information he needed from the District's website.

Holiday lunch announced.

04:00:51

G. COMMITTEE REPORT

The Committee Report is as submitted.

04:01:07

H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

Director Winn

o Would like to agendize further discussion of monitoring wells.

o CIMIS station at Blacklake was authorized by the County and it took 5 years to complete.

Mr. Buel assured Dir. Winn that NCSD is in charge and will be in operation sooner.

o Would like to talk to staff before October 22nd meeting before talking to Mr. Patterson about

District's position on bio-solids and vermiculture.

o Would like to agendize discussion of emergency outside water use sales.

o Would like discussion on legal structure and obligations of mutual water companies.

Director Eby

Water Resources Advisory Committee meeting - Comments on technical memorandum needed by October 23rd.

Would like AB 2822 information.

ADJOURN

President Harrison adjourned the meeting at 2:57 p. m.

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *JB*
DATE: OCT. 23, 2009

**AGENDA ITEM
D-3
OCT. 28, 2009**

AUTHORIZE PARTICIPATION IN SECURITIZATION PROGRAM

ITEM

Authorize participation in state property tax Securitization Program [ADOPT RESOLUTION]

BACKGROUND

The State has triggered the provisions in Proposition 1A allowing for the borrowing of 8% of NCSD's FY09-10 Property Tax Proceeds with repayment of any such borrowing by June 30, 2013. The legislature has approved SB67, which enables the Proposition 1A Securitization Program. The intent of the program is to pay participating agencies 100% of the Annual Property Taxes when those taxes would otherwise be dispersed with the state paying all out of pocket expenses. In return, participating agencies would waive the rights to any interest that otherwise would have accompanied the loan.

Attached is a draft Resolution and Agreement prepared by the State and reviewed by District Legal Counsel. Agencies that wish to participate must submit executed originals of both by November 6, 2009.

FISCAL IMPACT

Development of this draft did use previously budgeted staff time and legal consulting cost. Participation in the program would be revenue/expense neutral to NCSD.

RECOMMENDATION

Staff recommends that the Board adopt the attached resolution authorizing the execution of the agreement and required submittals.

ATTACHMENTS

- DRAFT RESOLUTION
- DRAFT AGREEMENT

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\2009\SECURITIZATION091028.DOC

RESOLUTION NO. _____

**BOARD OF DIRECTORS
OF THE
NIPOMO COMMUNITY SERVICES DISTRICT**

A RESOLUTION APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AND SALE AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE SALE OF THE SELLER'S PROPOSITION 1A RECEIVABLE FROM THE STATE; AND DIRECTING AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, pursuant to Section 25.5 of Article XIII of the California Constitution and Chapter 14XXXX of the California Statutes of 2009 (Assembly Bill No. 15), as amended (the "Act"), certain local agencies within the State of California (the "State") are entitled to receive certain payments to be made by the State on or before June 30, 2013, as reimbursement for reductions in the percentage of the total amount of ad valorem property tax revenues allocated to such local agencies during the State's 2009-10 fiscal year (the "Reimbursement Payments"), which reductions have been authorized pursuant to Sections 100.05 and 100.06 of the California Revenue and Taxation Code;

WHEREAS, the Nipomo Community Services District, a local agency within the meaning of Section 6585(f) of the California Government Code (the "Seller"), is entitled to and has determined to sell all right, title and interest of the Seller in and to its "Proposition 1A receivable", as defined in Section 6585(g) of the California Government Code (the "Proposition 1A Receivable"), namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code, in order to obtain money to fund public capital improvements or working capital;

WHEREAS, the Seller is authorized to sell or otherwise dispose of its property as the interests of its residents require;

WHEREAS, the California Statewide Communities Development Authority, a joint exercise of powers authority organized and existing under the laws of the State (the "Purchaser"), has been authorized pursuant to Section 6588(x) of the California Government Code to purchase the Proposition 1A Receivable;

WHEREAS, the Purchaser desires to purchase the Proposition 1A Receivable and the Seller desires to sell the Proposition 1A Receivable pursuant to a purchase and sale agreement by and between the Seller and the Purchaser in the form presented to this Board of Directors (the "Sale Agreement") for the purposes set forth herein;

WHEREAS, in order to finance the purchase price of the Proposition 1A Receivable from the Seller and the purchase price of other Proposition 1A Receivables from other local agencies, the Purchaser will issue its bonds (the "Bonds") pursuant to Section 6590 of the California Government Code and an Indenture (the "Indenture"), by and between the Purchaser and Wells Fargo Bank, National Association, as trustee (the "Trustee"), which Bonds will be payable solely

from the proceeds of the Seller's Proposition 1A Receivable and other Proposition 1A Receivables sold to the Purchaser by local agencies in connection with the issuance of the Bonds;

WHEREAS, the Seller acknowledges that (i) any transfer of its Proposition 1A Receivable to the Purchaser pursuant to the Sale Agreement shall be treated as an absolute sale and transfer of the property so transferred and not as a pledge or grant of a security interest by Nipomo Community Services District to secure a borrowing, (ii) any such sale of its Proposition 1A Receivable to the Purchaser shall automatically be perfected without the need for physical delivery, recordation, filing or further act, (iii) the provisions of Division 9 (commencing with Section 9101) of the California Commercial Code and Sections 954.5 to 955.1 of the California Civil Code, inclusive, shall not apply to the sale of its Proposition 1A Receivable, and (iv) after such transfer, the Seller shall have no right, title, or interest in or to the Proposition 1A Receivable sold to the Purchaser and the Proposition 1A Receivable will thereafter be owned, received, held and disbursed only by the Purchaser or a trustee or agent appointed by the Purchaser;

WHEREAS, the Seller acknowledges that the Purchaser will grant a security interest in the Proposition 1A Receivable to the Trustee and any credit enhancer to secure payment of the Bonds;

WHEREAS, a portion of the proceeds of the Bonds will be used by the Purchaser to, among other things, pay the purchase price of the Proposition 1A Receivable;

WHEREAS, the Seller will use the proceeds received from the sale of the Proposition 1A Receivable for any lawful purpose as permitted under the applicable laws of the State;

NOW THEREFORE, the Board of Directors of the Nipomo Community Services District hereby resolves as follows:

Section 1. All of the recitals set forth above are true and correct, and this Board of Directors hereby so finds and determines.

Section 2. The Seller hereby authorizes the sale of the Proposition 1A Receivable to the Purchaser for a price equal to the amount certified as the Initial Amount (as defined in the Sale Agreement) by the County auditor pursuant to the Act. The form of Sale Agreement presented to the Board of Directors is hereby approved. An Authorized Officer (as set forth in Appendix A of this Resolution, attached hereto and by this reference incorporated herein) is hereby authorized and directed to execute and deliver the Sale Agreement on behalf of the Seller, which shall be in the form presented at this meeting.

Section 3. Any Authorized Officer is hereby authorized and directed to send, or to cause to be sent, an irrevocable written instruction to the State Controller (the "Irrevocable Written Instruction") notifying the State of the sale of the Proposition 1A Receivable and instructing the disbursement pursuant to Section 6588.6(c) of California Government Code of the Proposition 1A Receivable to the Trustee, on behalf of the Purchaser, which Irrevocable Written Instruction shall be in the form presented at this meeting.

Section 4. The Authorized Officers and such other Seller officers, as appropriate, are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, including but not limited to, if required, appropriate escrow instructions relating to the delivery into escrow of executed documents prior to the closing of the Bonds, and such other documents mentioned in the Sale Agreement or the Indenture, which any of them may deem necessary or desirable in order to implement the Sale Agreement and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution; and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 5. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the sale of the Proposition 1A Receivable or the issuance of the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, may be given or taken by an Authorized Officer without further authorization by this Board of Directors, and each Authorized Officer is hereby authorized and directed to give any such consent, approval, notice, order or request, to execute any necessary or appropriate documents or amendments, and to take any such action that such Authorized Officer may deem necessary or desirable to further the purposes of this Resolution.

Section 6. The Board of Directors acknowledges that, upon execution and delivery of the Sale Agreement, the Seller is contractually obligated to sell the Proposition 1A Receivable to the Purchaser pursuant to the Sale Agreement and the Seller shall not have any option to revoke its approval of the Sale Agreement or to determine not to perform its obligations thereunder.

Section 7. This Resolution shall take effect from and after its adoption and approval.

PASSED AND ADOPTED by the Board of Directors of the Nipomo Community Services District, State of California, this _____ day of _____, 2009, by the following vote:

AYES:

NOES:

ABSENT:

President

Attest:

Secretary

Approved as to form :

SELLER'S COUNSEL

By _____

Dated: _____

APPENDIX A

NIPOMO COMMUNITY SERVICES DISTRICT

Authorized Officers: James Harrison, President

Bruce Buel, General Manager

Donna Johnson, Secretary

any designee of any of them, as appointed in a written certificate of such Authorized Officer delivered to the Trustee.

NIPOMO COMMUNITY SERVICES DISTRICT, CALIFORNIA,
as Seller

and

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY,
as Purchaser

PURCHASE AND SALE AGREEMENT

Dated as of November 1, 2009

TABLE OF CONTENTS

	Page
1. DEFINITIONS AND INTERPRETATION	2
2. AGREEMENT TO SELL AND PURCHASE; CONDITIONS PRECEDENT	2
3. PURCHASE PRICE, CONVEYANCE OF PROPOSITION 1A RECEIVABLE AND PAYMENT OF PURCHASE PRICE	3
4. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER	4
5. REPRESENTATIONS AND WARRANTIES OF THE SELLER	5
6. COVENANTS OF THE SELLER	7
7. THE PURCHASER'S ACKNOWLEDGMENT	9
8. NOTICES OF BREACH	9
9. LIABILITY OF SELLER; INDEMNIFICATION	9
10. LIMITATION ON LIABILITY	10
11. THE SELLER'S ACKNOWLEDGMENT	10
12. NOTICES	10
13. AMENDMENTS	10
14. SUCCESSORS AND ASSIGNS	10
15. THIRD PARTY RIGHTS	11
16. PARTIAL INVALIDITY	11
17. COUNTERPARTS	11
18. ENTIRE AGREEMENT	11
19. GOVERNING LAW	12
EXHIBIT A – DEFINITIONS	A-1
EXHIBIT B1 – OPINION OF SELLER'S COUNSEL	B1-1
EXHIBIT B2 – BRINGDOWN OPINION OF SELLER'S COUNSEL	B2-1
EXHIBIT C1 – CLERK'S CERTIFICATE	C1-1
EXHIBIT C2 – SELLER CERTIFICATE	C2-1
EXHIBIT C3 – BILL OF SALE AND BRINGDOWN CERTIFICATE	C3-1
EXHIBIT D – IRREVOCABLE INSTRUCTIONS TO CONTROLLER	D-1
EXHIBIT E – ESCROW INSTRUCTION LETTER	E-1

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT, dated as of November 1, 2009 (this "Agreement"), is entered into by and between:

(1) NIPOMO COMMUNITY SERVICES DISTRICT, a local agency of the State of California within the meaning of Section 6585(f) of the California Government Code (the "Seller"); and

(2) CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California (the "Purchaser").

RECITALS

A. Pursuant to Section 25.5 of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code, local agencies within the meaning of Section 6585(f) of the California Government Code are entitled to receive certain payments to be made by the State of California (the "State") on or before June 30, 2013, as reimbursement for reductions in the percentage of the total amount of ad valorem property tax revenues allocated to such local agencies during the State's 2009-10 fiscal year, which reductions have been authorized pursuant to Sections 100.05 and 100.06 of the California Revenue and Taxation Code.

B. The Seller is the owner of the Proposition 1A Receivable (as defined below) and is entitled to and has determined to sell all right, title and interest in and to the Proposition 1A receivable, namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code, in order to obtain money to fund any lawful purpose as permitted under the applicable laws of the State.

C. The Seller is authorized to sell or otherwise dispose of its property as the interests of its residents require.

D. The Purchaser, a joint exercise of powers authority organized and existing under the laws of the State, has been authorized pursuant to Section 6588(x) of the California Government Code to purchase the Proposition 1A Receivable.

E. The Seller is willing to sell, and the Purchaser is willing to purchase, the Proposition 1A Receivable upon the terms specified in this Agreement.

F. Pursuant to its Proposition 1A Receivable Financing Program (the "Program"), the Purchaser will issue its bonds (the "Bonds") pursuant to an Indenture (the "Indenture"), between the Purchaser and Wells Fargo Bank, National Association, as trustee (the "Trustee"), and will use a portion of the proceeds thereof to purchase the Proposition 1A Receivable from the Seller.

G. The Purchaser will grant a security interest in such Proposition 1A Receivable to the Trustee and each Credit Enhancer to secure the Bonds.

AGREEMENT

NOW, THEREFORE, in consideration of the above Recitals and the mutual covenants herein contained, the parties hereto hereby agree as follows:

1. Definitions and Interpretation.

(a) For all purposes of this Agreement, except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in Exhibit A attached hereto and which is incorporated by reference herein.

(b) The words “hereof,” “herein,” “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement; section and exhibits references contained in this Agreement are references to sections and exhibits in or to this Agreement unless otherwise specified; and the term “including” shall mean “including without limitation.”

(c) Any agreement, instrument or statute defined or referred to herein or in any instrument or certificate delivered in connection herewith means such agreement, instrument or statute as from time to time may be amended, modified or supplemented and includes (in the case of agreements or instruments) references to all attachments and exhibits thereto and instruments incorporated therein; and any references to a Person are also to its permitted successors and assigns.

2. Agreement to Sell and Purchase; Conditions Precedent.

(a) The Seller agrees to sell, and the Purchaser agrees to purchase, on the Closing Date, for an amount equal to the Purchase Price, all right, title and interest of the Seller in and to the “Proposition 1A receivable” as defined in Section 6585(g) of the California Government Code (the “Proposition 1A Receivable”), namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code. The Purchase Price shall be paid by the Purchaser to the Seller in two equal cash installment payments, without interest (each, an “Installment Payment” and, collectively, the “Installment Payments”), on January 15, 2010, and May 3, 2010 (each a “Payment Date” and, collectively, the “Payment Dates”). The Purchaser shall pay the Purchase Price by wire transfer pursuant to wire instructions provided by the Seller to the Trustee by e-mail to john.delaray@wellsfargo.com or by facsimile to 213-614-3355, Attention: John Delaray. If wire instructions are not provided to the Trustee (or if such wire instructions are invalid) payment will be made by check mailed to the Seller’s Principal Place of Business.

(b) The performance by the Purchaser of its obligations hereunder shall be conditioned upon:

- (i) Transaction Counsel receiving on or before the date the Bonds are sold (the “Pricing Date”), to be held in escrow until the Closing Date and then delivered to the Purchaser on the Closing Date, the following documents

duly executed by the Seller or its counsel, as applicable: (1) an opinion of counsel to the Seller dated the Pricing Date in substantially the form attached hereto as Exhibit B1, (2) certificates dated the Pricing Date in substantially the forms attached hereto as Exhibit C1 and Exhibit C2, (3) irrevocable instructions to the Controller dated as of the Closing Date in substantially the form attached hereto as Exhibit D, (4) this Agreement, (5) a certified copy of the resolution of the Seller's Board of Directors approving this Agreement, the transactions contemplated hereby and the documents attached hereto as exhibits, and (6) an escrow instruction letter in substantially the form attached hereto as Exhibit E;

- (ii) Transaction Counsel receiving on or before the Pricing Date, (1) a bringdown opinion of counsel to the Seller dated as of the Closing Date in substantially the form attached hereto as Exhibit B2, and (2) a bill of sale and bringdown certificate of the Seller (the "Bill of Sale") in substantially the form attached hereto as Exhibit C3; provided that the Purchaser may waive, in its sole discretion, the requirements of Section 2(b)(ii)(1);
- (iii) the Purchaser issuing Bonds in an amount which will be sufficient to pay the Purchase Price; and
- (iv) the receipt by the Purchaser of a certification of the County Auditor confirming the Initial Amount of the Proposition 1A Receivable pursuant to the Act.

(c) The performance by the Seller of its obligations hereunder shall be conditioned solely upon the Purchaser's issuance of the Bonds its execution and delivery of this Agreement, pursuant to which it is legally obligated to pay the Installment Payments to the Seller on the Payment Dates as set forth in this Agreement, and no other act or omission on the part of the Purchaser or any other party shall excuse the Seller from performing its obligations hereunder. Seller specifically disclaims any right to rescind this Agreement, or to assert that title to the Proposition 1A Receivable has not passed to the Purchaser, should Purchaser fail to make Installment Payments in the requisite amounts on the Payment Dates.

3. Purchase Price, Conveyance of Proposition 1A Receivable and Payment of Purchase Price.

(a) Upon pricing of the Bonds by the Purchaser, the Purchaser will inform the Seller that it will pay the Purchase Price in Installment Payments on the Payment Dates.

(b) In consideration of the Purchaser's agreement to pay and deliver to the Seller the Installment Payments on the Payment Dates, the Seller agrees to (i) transfer, grant, bargain, sell, assign, convey, set over and deliver to the Purchaser, absolutely and not as collateral security, without recourse except as expressly provided herein, and the Purchaser agrees to purchase, accept and receive, the Proposition 1A Receivable, and (ii) assign to the Purchaser, to the extent permitted by law, all present or future rights, if any, of the Seller to enforce or cause the enforcement of payment of the Proposition 1A Receivable pursuant to the Act and other

applicable law. Such transfer, grant, bargain, sale, assignment, conveyance, set over and delivery is hereby expressly stated to be a sale and, pursuant to Section 6588.6(b) of the California Government Code, shall be treated as an absolute sale and transfer of the Proposition 1A Receivable, and not as a grant of a security interest by the Seller to secure a borrowing. This is the statement referred to in Sections 6588.6(b) and (c) of the California Government Code.

4. Representations and Warranties of the Purchaser. The Purchaser represents and warrants to the Seller, as of the date hereof, as follows:

(a) The Purchaser is duly organized, validly existing and in good standing under the laws of the State of California.

(b) The Purchaser has full power and authority to enter into this Agreement and to perform its obligations hereunder and has duly authorized such purchase and assignment of the Proposition 1A Receivable by the Purchaser by all necessary action.

(c) Neither the execution and delivery by the Purchaser of this Agreement, nor the performance by the Purchaser of its obligations hereunder, shall conflict with or result in a breach or default under any of its organizational documents, any law, rule, regulation, judgment, order or decree to which it is subject or any agreement or instrument to which it is a party.

(d) To the best of the knowledge of the Purchaser, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or threatened in any way against the Purchaser affecting the existence of the Purchaser or the titles of its commissioners or officers, or seeking to restrain or to enjoin the purchase of the Proposition 1A Receivable or to direct the application of the proceeds of the purchase thereof, or in any way contesting or affecting the validity or enforceability of any of the Transaction Documents or any other applicable agreements or any action of the Purchaser contemplated by any of said documents, or in any way contesting the powers of the Purchaser or its authority with respect to the Transaction Documents to which it is a party or any other applicable agreement, or any action on the part of the Purchaser contemplated by the Transaction Documents, or in any way seeking to enjoin or restrain the Purchaser from purchasing the Proposition 1A Receivable or which if determined adversely to the Purchaser would have an adverse effect upon the Purchaser's ability to purchase the Proposition 1A Receivable, nor to the knowledge of the Purchaser is there any basis therefor.

(e) This Agreement, and its execution, delivery and performance hereof have been duly authorized by it, and this Agreement has been duly executed and delivered by it and constitutes its valid and binding obligation enforceable against it in accordance with the terms hereof, subject to the effect of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally or the application of equitable principles in any proceeding, whether at law or in equity.

(f) The Purchaser is a separate legal entity, acting solely through its authorized representatives, from the Seller, maintaining separate records, books of account, assets, bank accounts and funds, which are not and have not been commingled with those of the Seller.

(g) All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would adversely affect, the purchase by the Purchaser of the Proposition 1A Receivable or the performance by the Purchaser of its obligations under the Transaction Documents to which it is a party and any other applicable agreements, have been obtained and are in full force and effect.

(h) Insofar as it would materially adversely affect the Purchaser's ability to enter into, carry out and perform its obligations under any or all of the Transaction Documents to which it is a party, or consummate the transactions contemplated by the same, the Purchaser is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which it is a party or to which it or any of its property or assets is otherwise subject, and, to the best of the knowledge of the Purchaser, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, and the execution and delivery by the Purchaser of the Transaction Documents to which it is a party, and compliance by the Purchaser with the provisions thereof, under the circumstances contemplated thereby, do not and will not conflict with or constitute on the part of the Purchaser a breach of or default under any agreement or other instrument to which the Purchaser is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Purchaser is subject.

5. Representations and Warranties of the Seller. The Seller hereby represents and warrants to the Purchaser, as of the date hereof, as follows:

(a) The Seller is a local agency within the meaning of Section 6585(f) of the California Government Code, with full power and authority to execute and deliver this Agreement and to carry out its terms.

(b) The Seller has full power, authority and legal right to sell and assign the Proposition 1A Receivable to the Purchaser and has duly authorized such sale and assignment to the Purchaser by all necessary action; and the execution, delivery and performance by the Seller of this Agreement has been duly authorized by the Seller by all necessary action.

(c) This Agreement has been, and as of the Closing Date the Bill of Sale will have been, duly executed and delivered by the Seller and, assuming the due authorization, execution and delivery of this Agreement by the Purchaser, each of this Agreement and the Bill of Sale constitutes a legal, valid and binding obligation of the Seller enforceable in accordance with its terms, subject to the effect of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally or the application of equitable principles in any proceeding, whether at law or in equity.

(d) All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would adversely affect, the sale by the Seller of the Proposition 1A Receivable or the performance by the Seller of its

obligations under the Resolution and the Transaction Documents to which it is a party and any other applicable agreements, have been obtained and are in full force and effect.

(e) Insofar as it would materially adversely affect the Seller's ability to enter into, carry out and perform its obligations under any or all of the Transaction Documents to which it is a party, or consummate the transactions contemplated by the same, the Seller is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which it is a party or to which it or any of its property or assets is otherwise subject, and, to the best of the knowledge of the Seller, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, and the adoption of the Resolution and the execution and delivery by the Seller of the Transaction Documents to which it is a party, and compliance by the Seller with the provisions thereof, under the circumstances contemplated thereby, do not and will not conflict with or constitute on the part of the Seller a breach of or default under any agreement or other instrument to which the Seller is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Seller is subject.

(f) To the best of the knowledge of the Seller, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or threatened in any way against the Seller affecting the existence of the Seller or the titles of its Board of Directors members or officers to their respective offices, or seeking to restrain or to enjoin the sale of the Proposition 1A Receivable or to direct the application of the proceeds of the sale thereof, or in any way contesting or affecting the validity or enforceability of any of the Transaction Documents or any other applicable agreements or any action of the Seller contemplated by any of said documents, or in any way contesting the powers of the Seller or its authority with respect to the Resolution or the Transaction Documents to which it is a party or any other applicable agreement, or any action on the part of the Seller contemplated by the Transaction Documents, or in any way seeking to enjoin or restrain the Seller from selling the Proposition 1A Receivable or which if determined adversely to the Seller would have an adverse effect upon the Seller's ability to sell the Proposition 1A Receivable, nor to the knowledge of the Seller is there any basis therefor.

(g) Prior to the sale of the Proposition 1A Receivable to the Purchaser, the Seller was the sole owner of the Proposition 1A Receivable, and has such right, title and interest to the Proposition 1A Receivable as provided in the Act. From and after the conveyance of the Proposition 1A Receivable by the Seller to Purchaser on the Closing Date, the Seller shall have no right, title or interest in or to the Proposition 1A Receivable. Except as provided in this Agreement, the Seller has not sold, transferred, assigned, set over or otherwise conveyed any right, title or interest of any kind whatsoever in all or any portion of the Proposition 1A Receivable, nor has the Seller created, or to the best knowledge of the Seller permitted the creation of, any lien, pledge, security interest or any other encumbrance (a "Lien") thereon. Prior to the sale of the Proposition 1A Receivable to the Purchaser, the Seller held title to the Proposition 1A Receivable free and clear of any Liens. As of the Closing Date, this Agreement, together with the Bill of Sale, constitutes a valid and absolute sale to the Buyer of all of the Seller's right, title and interest in and to the Proposition 1A Receivable.

(h) The Seller acts solely through its authorized officers or agents.

(i) The Seller maintains records and books of account separate from those of the Purchaser.

(j) The Seller maintains its respective assets separately from the assets of the Purchaser (including through the maintenance of separate bank accounts); the Seller's funds and assets, and records relating thereto, have not been and are not commingled with those of the Purchaser.

(k) The Seller's principal place of business and chief executive office is located at 148 So. Wilson Street, Nipomo, CA 93444.

(l) The aggregate amount of the Installment Payments is reasonably equivalent value for the Proposition 1A Receivable. The Seller acknowledges that the amount payable to or on behalf of the Purchaser by the State with respect to the Proposition 1A Receivable will be in excess of the Purchase Price and the Initial Amount of the Proposition 1A Receivable and confirms that it has no claim to any such excess amount whatsoever.

(m) The Seller does not act as an agent of the Purchaser in any capacity, but instead presents itself to the public as an entity separate from the Purchaser.

(n) The Seller has not guaranteed and shall not guarantee the obligations of the Purchaser, nor shall it hold itself out or permit itself to be held out as having agreed to pay or as being liable for the debts of the Purchaser; and the Seller has not received nor shall the Seller accept any credit or financing from any Person who is relying upon the availability of the assets of the Purchaser in extending such credit or financing. The Seller has not purchased and shall not purchase any of the Bonds or any interest therein.

(o) All transactions between or among the Seller, on the one hand, and the Purchaser on the other hand (including, without limitation, transactions governed by contracts for services and facilities, such as payroll, purchasing, accounting, legal and personnel services and office space), whether existing on the date hereof or entered into after the date hereof, shall be on terms and conditions (including, without limitation, terms relating to amounts to be paid thereunder) which are believed by each such party thereto to be both fair and reasonable and comparable to those available on an arms-length basis from Persons who are not affiliates.

(p) The Seller has not, under the provisions of Section 100.06(b) of the California Revenue and Taxation Code, received a reduction for hardship or otherwise, nor has it requested, made arrangements for, or completed a reallocation or exchange with any other local agency, of the total amount of the ad valorem property tax revenue reduction allocated to the Seller pursuant to Section 100.06(a) of the California Revenue and Taxation Code.

6. Covenants of the Seller.

(a) The Seller shall not take any action or omit to take any action which adversely affects the interests of the Purchaser in the Proposition 1A Receivable and in the proceeds thereof. The Seller shall not take any action or omit to take any action that shall adversely affect

the ability of the Purchaser, and any assignee of the Purchaser, to receive payments of the Proposition 1A Receivable.

(b) The Seller shall not take any action or omit to take any action that would impair the validity or effectiveness of the Act, nor, without the prior written consent of the Purchaser or its assignees, agree to any amendment, modification, termination, waiver or surrender of, the terms of the Act, or waive timely performance or observance under the Act. Nothing in this agreement shall impose a duty on the Seller to seek to enforce the Act or to seek enforcement thereof by others, or to prevent others from modifying, terminating, discharging or impairing the validity or effectiveness of the Act.

(c) Upon request of the Purchaser or its assignee, (i) the Seller shall execute and deliver such further instruments and do such further acts (including being named as a plaintiff in an appropriate proceeding) as may be reasonably necessary or proper to carry out more effectively the purposes and intent of this Agreement and the Act, and (ii) the Seller shall take all actions necessary to preserve, maintain and protect the title of the Purchaser to the Proposition 1A Receivable.

(d) On or before the Closing Date, the Seller shall send (or cause to be sent) an irrevocable instruction to the Controller pursuant to Section 6588.6(c) of California Government Code to cause the Controller to disburse all payments of the Proposition 1A Receivable to the Trustee, together with notice of the sale of the Proposition 1A Receivable to the Purchaser and the assignment of all or a portion of such assets by the Purchaser to the Trustee. Such notice and instructions shall be in the form of Exhibit D hereto. The Seller shall not take any action to revoke or which would have the effect of revoking, in whole or in part, such instructions to the Controller. Upon sending such irrevocable instruction, the Seller shall have relinquished and waived any control over the Proposition 1A Receivable, any authority to collect the Proposition 1A Receivable, and any power to revoke or amend the instructions to the Controller contemplated by this paragraph. Except as provided in Section 2(c) of this Agreement, the Seller shall not rescind, amend or modify the instruction described in the first sentence of this paragraph. The Seller shall cooperate with the Purchaser or its assignee in giving instructions to the Controller if the Purchaser or its assignee transfers the Proposition 1A Receivable. In the event that the Seller receives any proceeds of the Proposition 1A Receivable, the Seller shall hold the same in trust for the benefit of the Purchaser and the Trustee and each Credit Enhancer, as assignees of the Purchaser, and shall promptly remit the same to the Trustee.

(e) The Seller hereby covenants and agrees that it will not at any time institute against the Purchaser, or join in instituting against the Purchaser, any bankruptcy, reorganization, arrangement, insolvency, liquidation, or similar proceeding under any United States or state bankruptcy or similar law.

(f) The financial statements and books and records of the Seller prepared after the Closing Date shall reflect the separate existence of the Purchaser and the sale to the Purchaser of the Proposition 1A Receivable.

(g) The Seller shall treat the sale of the Proposition 1A Receivable as a sale for regulatory and accounting purposes.

(h) From and after the date of this Agreement, the Seller shall not sell, transfer, assign, set over or otherwise convey any right, title or interest of any kind whatsoever in all or any portion of the Proposition 1A Receivable, nor shall the Seller create, or to the knowledge of the Seller permit the creation of, any Lien thereon.

7. The Purchaser's Acknowledgment. The Purchaser acknowledges that the Proposition 1A Receivable is not a debt or liability of the Seller, and that the Proposition 1A Receivable is payable solely by the State from the funds of the State provided therefor. Consequently, neither the taxing power of the Seller, nor the full faith and credit thereof is pledged to the payment of the Proposition 1A Receivable. No representation is made by the Seller concerning the obligation or ability of the State to make any payment of the Proposition 1A Receivable pursuant to Section 100.06 of the Revenue and Taxation Code and Section 25.5 of Article XIII of the California Constitution, nor is any representation made with respect to the ability of the State to enact any change in the law applicable to the Transaction Documents (including without limitation Section 100.06 of the Revenue and Taxation Code or Section 6588.6 of the Government Code). The Purchaser acknowledges that the Seller has no obligation with respect to any offering document or disclosure related to the Bonds.

8. Notices of Breach.

(a) Upon discovery by the Seller or the Purchaser that the Seller or Purchaser has breached any of its covenants or that any of the representations or warranties of the Seller or the Purchaser are materially false or misleading, in a manner that materially and adversely affects the value of the Proposition 1A Receivable or the Purchase Price thereof, the discovering party shall give prompt written notice thereof to the other party and to the Trustee, as assignee of the Purchaser, who shall, pursuant to the Indenture, promptly thereafter notify each Credit Enhancer and the Rating Agencies.

(b) The Seller shall not be liable to the Purchaser, the Trustee, the holders of the Bonds, or any Credit Enhancer for any loss, cost or expense resulting from the failure of the Trustee, any Credit Enhancer or the Purchaser to promptly notify the Seller upon the discovery by an authorized officer of the Trustee, any Credit Enhancer or the Purchaser of a breach of any covenant or any materially false or misleading representation or warranty contained herein.

9. Liability of Seller; Indemnification. The Seller shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by the Seller under this Agreement. The Seller shall indemnify, defend and hold harmless the Purchaser, the Trustee and each Credit Enhancer, as assignees of the Purchaser, and their respective officers, directors, employees and agents from and against any and all costs, expenses, losses, claims, damages and liabilities to the extent that such cost, expense, loss, claim, damage or liability arose out of, or was imposed upon any such Person by the Seller's breach of any of its covenants contained herein or any materially false or misleading representation or warranty of the Seller contained herein. Notwithstanding anything to the contrary herein, the Seller shall have no liability for the payment of the principal of or interest on the Bonds issued by the Purchaser.

10. Limitation on Liability.

(a) The Seller and any officer or employee or agent of the Seller may rely in good faith on the advice of counsel or on any document of any kind, prima facie properly executed and submitted by any Person respecting any matters arising hereunder. The Seller shall not be under any obligation to appear in, prosecute or defend any legal action regarding the Act that is unrelated to its specific obligations under this Agreement.

(b) No officer or employee of the Seller shall have any liability for the representations, warranties, covenants, agreements or other obligations of the Seller hereunder or in any of the certificates, notices or agreements delivered pursuant hereto, as to all of which recourse shall be had solely to the assets of the Seller.

11. The Seller's Acknowledgment. The Seller hereby agrees and acknowledges that the Purchaser intends to assign and grant a security interest in all or a portion of (a) its rights hereunder and (b) the Proposition 1A Receivable, to the Trustee and each Credit Enhancer pursuant to the Indenture. The Seller further agrees and acknowledges that the Trustee, the holders of the Bonds, and each Credit Enhancer have relied and shall continue to rely upon each of the foregoing representations, warranties and covenants, and further agrees that such Persons are entitled so to rely thereon. Each of the above representations, warranties and covenants shall survive any assignment and grant of a security interest in all or a portion of this Agreement or the Proposition 1A Receivable to the Trustee and each Credit Enhancer and shall continue in full force and effect, notwithstanding any subsequent termination of this Agreement and the other Transaction Documents. The above representations, warranties and covenants shall inure to the benefit of the Trustee and each Credit Enhancer.

12. Notices. All demands upon or, notices and communications to, the Seller, the Purchaser, the Trustee or the Rating Agencies under this Agreement shall be in writing, personally delivered or mailed by certified mail, return receipt requested, to such party at the appropriate notice address, and shall be deemed to have been duly given upon receipt.

13. Amendments. This Agreement may be amended by the Seller and the Purchaser, with (a) the consent of the Trustee, (b) the consent of each Credit Enhancer, and (c) a Rating Agency Confirmation, but without the consent of any of the holders of the Bonds, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement.

Promptly after the execution of any such amendment, the Purchaser shall furnish written notification of the substance of such amendment to the Trustee and to the Rating Agencies.

14. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Seller, the Purchaser and their respective successors and permitted assigns. The Seller may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Purchaser. Except as specified herein, the Purchaser may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Seller.

15. Third Party Rights. The Trustee and each Credit Enhancer are express and intended third party beneficiaries under this Agreement. Nothing expressed in or to be implied from this Agreement is intended to give, or shall be construed to give, any Person, other than the parties hereto, the Trustee, and each Credit Enhancer, and their permitted successors and assigns hereunder, any benefit or legal or equitable right, remedy or claim under or by virtue of this Agreement or under or by virtue of any provision herein.

16. Partial Invalidity. If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Agreement nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

17. Counterparts. This Agreement may be executed in any number of identical counterparts, any set of which signed by all the parties hereto shall be deemed to constitute a complete, executed original for all purposes.

18. Entire Agreement. This Agreement sets forth the entire understanding and agreement of the parties with respect to the subject matter hereof and supersedes any and all oral or written agreements or understandings between the parties as to the subject matter hereof.

19. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the Seller and the Purchaser have caused this Agreement to be duly executed as of the date first written above.

**NIPOMO COMMUNITY SERVICES
DISTRICT, as Seller**

By: _____
Authorized Officer

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY, as Purchaser**

By: _____
Authorized Signatory

EXHIBIT A DEFINITIONS

For all purposes of this Agreement, except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms not otherwise defined herein shall have the meanings set forth below.

“Act” means Chapter 14XXXX of the California Statutes of 2009 (Assembly Bill No. 15), as amended.

“Bill of Sale” has the meaning given to that term in Section 2(b)(ii) hereof.

“Closing Date” means the date on which the Bonds are issued. The Closing Date is expected to be November 19, 2009, but the Purchaser may change the Closing Date by providing e-mail notification to bbuel@ncsd.ca.gov not later than one day prior to the Closing Date.

“Controller” means the Controller of the State.

“County Auditor” means the auditor or auditor-controller of the county within which the Seller is located.

“Credit Enhancer” means any municipal bond insurance company, bank or other financial institution or organization which is performing in all material respects its obligations under any Credit Support Instrument for some or all of the Bonds.

“Credit Support Instrument” means a policy of insurance, a letter of credit, a stand-by purchase agreement, a revolving credit agreement or other credit arrangement pursuant to which a Credit Enhancer provides credit or liquidity support with respect to the payment of interest, principal or purchase price of the Bonds.

“Initial Amount” means, with respect to the Proposition 1A Receivable, the amount of property tax revenue reallocated away from the Seller pursuant to the provisions of Section 100.06 of the Revenue and Taxation Code, as certified by the County Auditor pursuant to the Act.

“Installment Payments” have the meaning set forth in Section 2(a).

“Payment Dates” have the meaning set forth in Section 2(a).

“Pricing Date” means the date on which the Bonds are sold. The Pricing Date is expected to be November 10, 2009, but the Purchaser may change the Pricing Date by providing e-mail notification to bbuel@ncsd.ca.gov not later than one day prior to the Pricing Date.

“Principal Place of Business” means, with respect to the Seller, the location of the Seller’s principal place of business and chief executive office located at [148 So. Wilson Street, Nipomo, CA 93444](#).

“Proposition 1A Receivable” has the meaning set forth in Section 2(a).

“Purchase Price” means an amount equal to the Initial Amount.

“Rating Agency” means any nationally recognized rating agency then providing or maintaining a rating on the Bonds at the request of the Purchaser.

“Rating Agency Confirmation” means written confirmation from each Rating Agency that any proposed action will not, in and of itself, cause the Rating Agency to lower, suspend or withdraw the rating then assigned by such Rating Agency to any Bonds.

“Resolution” means the resolution adopted by the Board of Directors approving the sale of the Proposition 1A Receivable.

“State” means the State of California.

“Transaction Counsel” means Orrick, Herrington & Sutcliffe LLP.

“Transaction Documents” mean this Agreement, the Bill of Sale, the Indenture, the Bonds and the Irrevocable Instructions For Disbursement of Proposition 1A Receivable of Nipomo Community Services District, dated as of the Closing Date.

OPINION OF COUNSEL
to
NIPOMO COMMUNITY SERVICES DISTRICT

Dated: Pricing Date

California Statewide Communities Development Authority
Sacramento, California

Wells Fargo Bank, National Association
Los Angeles, California

Re: Sale of Proposition 1A Receivable

Ladies & Gentlemen:

[I have/This Office has] acted as counsel for the **Nipomo Community Services District** (the "Seller") in connection with the adoption of that certain resolution (the "Resolution") of the **Board of Directors** of the Seller (the "Governing Body") pursuant to which the Seller authorized the sale to the California Statewide Communities Development Authority (the "Purchaser") of the Seller's "Proposition 1A Receivable", as defined in and pursuant to the Purchase and Sale Agreement dated as of November 1, 2009 (the "Sale Agreement") between the Seller and the Purchaser. In connection with these transactions, the Seller has issued certain Irrevocable Instructions For Disbursement of the Seller's Proposition 1A Receivable to the Controller of the State of California (the "Disbursement Instructions") and a Bill of Sale and Bringdown Certificate of the Seller (the "Bill of Sale" and, collectively with the Sale Agreement and the Disbursement Instructions, the "Seller Documents").

Unless the context otherwise requires, capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the Sale Agreement. [I/We] have examined and are familiar with the Seller Documents and with those documents relating to the existence, organization, and operation of the Seller, the adoption of the Resolution, and the execution of the Seller Documents, and have satisfied ourselves as to such other matters as [I/we] deem necessary in order to render the following opinions. As to paragraphs numbered 3 and 4 below, [I/we] have relied as to factual matters on the representations and warranties of the Seller contained in the Sale Agreement.

Based upon the foregoing, and subject to the limitations and qualifications set forth herein, [I/we] are of the opinion that:

1. The Seller is a local agency, within the meaning of Section 6585(f) of the California Government Code. The Governing Body is the governing body of the Seller.

2. The Resolution was duly adopted at a meeting of the Governing Body, which was called and held pursuant to law and with all public notice required by law, and at which a quorum was present and acting throughout, and the Resolution is in full force and effect and has not been modified, amended or rescinded since the date of its adoption.

3. To the best of [my/our] knowledge, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or threatened in any way against the Seller (i) affecting the existence of the Seller or the titles of its Governing Body members or officers to their respective offices; (ii) seeking to restrain or to enjoin the sale of the Proposition 1A Receivable or to direct the application of the proceeds of the sale thereof, or materially adversely affecting the sale of the Proposition 1A Receivable; (iii) in any way contesting or affecting the validity or enforceability of the Resolution, Seller Documents or any other applicable agreements or any action of the Seller contemplated by any of said documents; or (iv) in any way contesting the powers of the Seller or its authority with respect to the Resolution or the Seller Documents or any other applicable agreement, or any action on the part of the Seller contemplated by any of said documents.

4. To the best of [my/our] knowledge, prior to the sale of the Proposition 1A Receivable to the Purchaser, the Seller had not sold, transferred, assigned, set over or otherwise conveyed any right, title or interest of any kind whatsoever in all or any portion of the Seller's Proposition 1A Receivable, nor had the Seller created, or permitted the creation of, any Lien thereon.

5. The Seller has duly authorized and executed the Seller Documents and, assuming the due authorization execution and delivery of the Sale Agreement by the Purchaser, each Seller Document will be legal, valid and binding against the Seller and enforceable against the Seller in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or laws relating to or affecting creditors' rights, and the application of equitable principles and the exercise of judicial discretion in appropriate areas.

No opinion is expressed concerning the obligation or ability of the State of California to make any payment of the Proposition 1A Receivable pursuant to Section 100.06 of the Revenue and Taxation Code and Section 25.5 of Article XIII of the California Constitution, nor is any opinion expressed with respect to the ability of the State to enact any change in the law applicable to the Seller Documents (including, without limitation, Section 100.06 of the Revenue and Taxation Code or Section 6588.6 of the Government Code). Furthermore, [I/we] express no opinion as to the value of the Proposition 1A Receivable or as to any legal or equitable remedies that may be available to any person should the Proposition 1A Receivable have little or no value. No opinion is expressed with respect to the sale of Bonds by the Purchaser.

The legal opinion set forth herein is intended for the information solely of the addressees hereof and for the purposes contemplated by the Sale Agreement. The addressees may not rely on it in connection with any transactions other than those described herein, and it is not to be relied upon by any other person or entity, or for any other purpose, or quoted as a whole or in part, or otherwise referred to, in any document, or to be filed with any governmental or administrative agency other than the Purchaser or with any other person or entity for any purpose without [my/our] prior written consent. In addition to the addressees hereof, each Credit Enhancer and the underwriters of the Bonds may rely upon this legal opinion as if it were addressed to them. [I/We] do not undertake to advise you of matters that may come to [my/our] attention subsequent to the date hereof that may affect the opinions expressed herein.

Very truly yours,

By: _____
Seller's Counsel

OPINION OF COUNSEL
to
NIPOMO COMMUNITY SERVICES DISTRICT

Dated: Closing Date

California Statewide Communities Development Authority
Sacramento, California

Wells Fargo Bank, National Association
Los Angeles, California

Re: Sale of Proposition 1A Receivable (Bringdown Opinion)

Ladies & Gentlemen:

Pursuant to that certain Purchase and Sale Agreement dated as of November 1, 2009 (the "Sale Agreement") between the Nipomo Community Services District (the "Seller") and the California Statewide Communities Development Authority (the "Purchaser"), this Office delivered an opinion (the "Opinion") dated the Pricing Date as counsel for the Seller in connection with the sale of the Seller's Proposition 1A Receivable (as defined in the Sale Agreement), the execution of documents related thereto and certain other related matters.

Capitalized terms used but not defined herein shall have the meanings given to such terms in the Sale Agreement.

I confirm that you may continue to rely upon the Opinion as if it were dated as of the date hereof. Each Credit Enhancer and the underwriters of the Bonds may rely upon this legal opinion as if it were addressed to them. This letter is delivered to you pursuant to Section 2(b)(ii)(1) of the Sale Agreement.

Very truly yours,

By: _____
Seller's Counsel

EXHIBIT C1
CLERK'S CERTIFICATE

CERTIFICATE OF THE
SECRETARY OF
NIPOMO COMMUNITY SERVICES DISTRICT, CALIFORNIA

Dated: Pricing Date

The undersigned Secretary of the Nipomo Community Services District (the "Seller"), a local agency of the State of California within the meaning of Section 6585(f) of the California Government Code, does hereby certify that the foregoing is a full, true and correct copy of Resolution No. _____ duly adopted at a regular meeting of the Board of Directors of said Seller duly and legally held at the regular meeting place thereof on the _____ day of _____, 2009, of which meeting all of the members of said Board of Directors had due notice and at which a quorum was present and acting throughout, and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

I do hereby further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office and that said resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes and that said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

I do hereby further certify that an agenda of said meeting was posted at least 72 hours before said meeting at a location in the City of Nipomo, California freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

Capitalized terms used but not defined herein shall have the meanings given to such terms in the Purchase and Sale Agreement, dated as of November 1, 2009, between the Seller and the California Statewide Communities Development Authority.

WITNESS by my hand as of the Pricing Date.

By: _____

Secretary of the Nipomo Community
Services District, California

**EXHIBIT C2
SELLER CERTIFICATE**

SELLER CERTIFICATE

Dated: Pricing Date

We, the undersigned officers of the Nipomo Community Services District (the "Seller"), a local agency of the State of California within the meaning of Section 6585(f) of the California Government Code, holding the respective offices herein below set opposite our signatures, do hereby certify that on the date hereof the following documents (the "Seller Transaction Documents") were officially executed and delivered by the Authorized Officer or Officers whose names appear on the executed copies thereof, to wit:

Document

1. Purchase and Sale Agreement, dated as of November 1, 2009 (the "Sale Agreement"), between the Seller and the California Statewide Communities Development Authority (the "Purchaser").
2. Irrevocable Instructions For Disbursement of Seller's Proposition 1A Receivable to the Controller of the State of California, dated the Closing Date.
3. Bill of Sale, dated the Closing Date.

Capitalized terms used herein and not defined herein shall have the meaning given such terms in the Sale Agreement.

We further certify as follows:

1. At the time of signing the Seller Transaction Documents and the other documents and opinions related thereto, we held said offices, respectively, and we now hold the same.
2. The representations and warranties of the Seller contained in the Seller Transaction Documents are true and correct as of the date hereof in all material respects.
3. The Board of Directors duly adopted its resolution (the "Resolution") approving the sale of the Seller's Proposition 1A Receivable at a meeting of the Board of Directors which was duly called and held pursuant to law with all public notice required by law and at which a quorum was present and acting when the Resolution was adopted, and such Resolution is in full force and effect and has not been amended, modified, supplemented or rescinded.

Name, Official Title _____

Signature

James Harrison, President

Bruce Buel, General Manager

Donna Bolinas, Secretary

I HEREBY CERTIFY that the signatures of the officers named above are genuine.

Dated: Pricing Date

By:

Secretary of the Nipomo Community
Services District, California

EXHIBIT C3
BILL OF SALE AND BRINGDOWN CERTIFICATE

BILL OF SALE AND BRINGDOWN CERTIFICATE

Pursuant to terms and conditions of the Purchase and Sale Agreement (the "Sale Agreement"), dated as of November 1, 2009, between the undersigned (the "Seller") and the California Statewide Communities Development Authority (the "Purchaser"), and in consideration of the obligation of the Purchaser to pay and deliver to the Seller the Purchase Price (as defined in the Sale Agreement), in two equal installment payments to be made on January 15, 2010, and May 3, 2010 (collectively, the "Payment Dates"), the Seller does hereby (a) transfer, grant, bargain, sell, assign, convey, set over and deliver to the Purchaser, absolutely and not as collateral security, without recourse except as expressly provided in the Sale Agreement, the Proposition 1A Receivable as defined in the Sale Agreement (the "Proposition 1A Receivable"), and (b) assign to the Purchaser, to the extent permitted by law (as to which no representation is made), all present or future rights, if any, of the Seller to enforce or cause the enforcement of payment of the Proposition 1A Receivable pursuant to the Act and other applicable law. Such transfer, grant, bargain, sale, assignment, conveyance, set over and delivery is hereby expressly stated to be a sale and, pursuant to Section 6588.6(b) of the California Government Code, shall be treated as an absolute sale and transfer of the Proposition 1A Receivable, and not as a grant of a security interest by the Seller to secure a borrowing. Seller specifically disclaims any right to rescind the Agreement, or to assert that title to the Proposition 1A Receivable has not passed to the Purchaser, should Purchaser fail to make the installment payments in the requisite amounts on the Payment Dates.

The Seller hereby certifies that the representations and warranties of the Seller set forth in the Certificate of the Secretary, dated the Pricing Date, the Seller Certificate dated the Pricing Date and in the Transaction Documents to which the Seller is a party are true and correct in all material respects as of the date hereof (except for such representations and warranties made as of a specified date, which are true and correct as of such date). Capitalized terms used but not defined herein shall have the meanings given to such terms in the Sale Agreement.

Dated: Closing Date

NIPOMO COMMUNITY
SERVICES DISTRICT

By: _____
Authorized Officer

EXHIBIT D

IRREVOCABLE INSTRUCTIONS TO CONTROLLER

IRREVOCABLE INSTRUCTIONS FOR DISBURSEMENT
OF PROPOSITION 1A RECEIVABLE OF
NIPOMO COMMUNITY SERVICES DISTRICT

Dated: Closing Date

Office of the Controller
State of California
P.O. Box 942850
Sacramento, California 94250-5872

Re: Notice of Sale of Proposition 1A Receivable by the Nipomo Community Services District and Wiring Instructions Information Form

Dear Sir or Madam:

Pursuant to Section 6588.6(c) of the California Government Code, Nipomo Community Services District (the "Seller") hereby notifies you of the sale by Seller, effective as of the date of these instructions written above, of all right, title and interest of the Seller in and to the "Proposition 1A Receivable" as defined in Section 6585(g) of the California Government Code (the "Proposition 1A Receivable"), namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code.

By resolution, the Seller's Board of Directors authorized the sale of the Proposition 1A Receivable to the California Statewide Communities Development Authority (the "Purchaser") pursuant to a Purchase and Sale Agreement, dated as of November 1, 2009 (the "Purchase and Sale Agreement") and a Bill of Sale, dated the Closing Date (as defined in the Purchase and Sale Agreement). The Proposition 1A Receivable has been pledged and assigned by the Purchaser pursuant to an Indenture, dated as of November 1, 2009 (the "Indenture") between the Purchaser and Wells Fargo Bank, National Association, as Trustee (the "Trustee").

The Seller hereby irrevocably requests and directs that, commencing as of the date of these instructions written above, all payments of the Proposition 1A Receivable (and documentation related thereto) be made directly to Wells Fargo Bank, National Association, as Trustee, in accordance with the wire instructions and bank routing information set forth below.

Please note that the sale of the Proposition 1A Receivable by the Seller is irrevocable and that: (i) the Seller has no power to revoke or amend these instructions at any time; (ii) the Purchaser shall have the power to revoke or amend these instructions only if there are no notes of the Purchaser outstanding under the Indenture and the Indenture has been discharged; and (iii) so long as the Indenture has not been discharged, these instructions

cannot be revoked or amended by the Purchaser without the consent of the Trustee. Should the Purchaser, however, deliver a written notice to the Office of the Controller stating that: (a) the Seller failed to meet the requirements set forth in the Purchase and Sale Agreement; (b) the Purchaser has not waived such requirements; and (c) the Purchaser has not purchased the Proposition 1A Receivable as a result of the circumstances described in (a) and (b) above, then these instructions shall be automatically rescinded and the Seller shall again be entitled to receive all payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code.

Bank Name: Wells Fargo Bank, N.A.
Bank ABA Routing #: 121000248
Bank Account #: 0001038377
Bank Account Name: Corporate Trust Clearing
Further Credit To: CSCDA Proposition 1A Bonds
Bank Address: 707 Wilshire Blvd., 17th Floor
MAC E2818-176
Los Angeles, CA 90017
Bank Telephone #: (213) 614-3353
Bank Contact Person: Robert Schneider

Please do not hesitate to call the undersigned if you have any questions regarding this transaction. Thank you for your assistance in this matter.

Very truly yours,

NIPOMO COMMUNITY SERVICES DISTRICT

By: _____
Authorized Officer

EXHIBIT E
ESCROW INSTRUCTION LETTER

ESCROW INSTRUCTION LETTER

_____, 2009

California Statewide Communities Development Authority
1100 K Street
Sacramento, CA 95814

Re: Proposition 1A Receivable Financing

Dear Sir or Madam:

The Nipomo Community Services District (the "Seller") hereby notifies you of its agreement to participate in the California Statewide Communities Development Authority Proposition 1A Receivable Financing. By adoption of a resolution (the "Resolution") authorizing the sale of its Proposition 1A Receivable, the Seller's Board of Directors has agreed to sell to the California Statewide Communities Development Authority (the "Purchaser"), for a purchase price that meets the conditions set forth in the Resolution, all of its right, title and interest in the Proposition 1A Receivable.

Enclosed herewith are the following documents which have been duly approved and executed by the Seller and which are to be held in escrow by Orrick, Herrington & Sutcliffe LLP, as transaction counsel ("Transaction Counsel"), as instructed below:

1. certified copy of the Resolution, together with a certificate of the Secretary, dated the Pricing Date;
2. the Seller Certificate, dated the Pricing Date;
3. the Opinion of Seller's Counsel, dated the Pricing Date;
4. the Opinion of Seller's Counsel (bringdown opinion), dated the Closing Date;
5. the Purchase and Sale Agreement, dated as of November 1, 2009;
6. the Bill of Sale and Bringdown Certificate, dated the Closing Date; and
7. the Irrevocable Instructions to Controller, dated the Closing Date.

The foregoing documents are to be held in escrow by Transaction Counsel and shall be delivered on the Closing Date (as defined in the Purchase and Sale Agreement), provided that such Closing Date occurs on or before December 31, 2009.

Should (i) the Closing Date not occur on or before December 31, 2009, or (ii) Transaction Counsel receive prior to the Closing Date written notification from Seller or Seller's Counsel stating, respectively and in good faith, that the representations made in the Seller's Certificate are not true and accurate, or the opinions set forth in the Opinion of Seller's Counsel are not valid, in each case as of the Closing Date and provided that the Purchaser may, in its sole discretion, choose to waive receipt of such representations or opinions, then this agreement shall terminate and Transaction Counsel shall destroy all of the enclosed documents.


Very truly yours,

**NIPOMO COMMUNITY SERVICES
DISTRICT**

By: _____
Authorized Officer

Enclosures

cc: Orrick, Herrington & Sutcliffe LLP

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL 
DATE: OCT. 23, 2009

AGENDA ITEM
D-4
OCT. 28, 2009

RECOGNIZE THE BLACKLAKE COMMUNITY FOR WATER SAVINGS

ITEM

Recognize the Blacklake Community for water savings [ADOPT]

BACKGROUND

Your Honorable Board directed staff to prepare an accommodation to Blacklake re water savings in September.

Attached is a blank proclamation awaiting signatures following approval.

FISCAL IMPACT

Development of this draft did use previously budgeted staff time.

RECOMMENDATION

Staff recommends that the Board approve the proclamation and request presentation by President Jim Harrison and Director Bill Nelson.

ATTACHMENTS

- Proclamation

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\2009\BL WATER SAVINGS.DOC



NIPOMO COMMUNITY SERVICES DISTRICT

148 S. Wilson Street, Post Office Box 326
Nipomo, CA 93444
Ph: (805) 929-1133
Fax: (805) 929-1932
www.ncsd.ca.gov

October 28, 2009

The Nipomo Community Services District is pleased to commend the Blacklake Management Association for taking the initiative in water conservation by removing of 5000 square feet of lawn and replacing it with drought-tolerant plants.

It is anticipated long-term water savings will be accomplished from this effort.

By taking this step, the Blacklake Management Association shows support for the goal of decreasing the amount of water used on the Nipomo Mesa, and the NCSD gives its thanks for this effort.


Jim Harrison, President of the Board

Larry Vierheilig, Vice President

Michael Winn, Board Member

Ed Eby, Board Member

William Nelson, Board Member

TO: BOARD OF DIRECTORS
 FROM: BRUCE BUEL 
 DATE: OCTOBER 28, 2009

AGENDA ITEM
D-5
OCTOBER 28, 2009

INVESTMENT POLICY –THIRD QUARTER REPORT

BACKGROUND

The Board of Directors has 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 September 30, 2009, Quarterly Report for your review. 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.

INVESTMENT POLICY-THIRD QUARTER REPORT 9/30/09

Investment	Institution	Amount of Deposit <u>9/30/09</u>	Rate of Interest	Quarterly Interest Earned or Accrued 9/30/09	Amount of Deposit <u>9/30/08</u>	Rate of Interest	Quarterly Interest Earned or Accrued 9/30/08
Public Checking	Rabobank	\$234,196.50	0.00 % ⁽¹⁾	\$6.60	\$89,050.64	0.10%	\$39.73
Savings	Rabobank	\$925.96	0.16%	\$0.35	\$924.18	0.25%	\$0.61
Pooled Money Investment	Local Agency Investment Fund (LAIF)	\$21,424,806.33	0.90%	\$49,163.98	\$22,103,731.38	2.77%	\$154,085.44
Certificate of Deposit	Rabobank	\$0.00	n/a	n/a	\$2,019,463.31	2.40%	\$10,394.23
Certificate of Deposit Registry Service (CDARS)	Mission Community Bank	\$2,045,871.28	0.65%	\$5,873.96	\$0.00	n/a	n/a

(1) As of 7/31/09, Rabobank is no longer paying interest on Public Checking Accounts.
 n/a = not applicable

RECOMMENDATION

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

ATTACHMENT

None

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\2009\INVESTMENT QTRLY 9-30-09.DOC