

TO: BOARD OF DIRECTORS  
FROM: DON SPAGNOLO  
GENERAL MANAGER  
DATE: SEPTEMBER 16, 2010



**AGENDA ITEM**  
**D**  
**SEPTEMBER 22, 2010**

## 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) WARRANTS [RECOMMEND APPROVAL]
- D-2) BOARD MEETING MINUTES OF SEPTEMBER 8, 2010 [RECOMMEND APPROVAL]
- D-3) WILLOW ROAD WATERLINE EXTENSION PROJECT PHASE 2 INITIAL DEPOSIT WITH SAN LUIS OBISPO COUNTY [RECOMMEND APPROVAL]
- D-4) ADOPT NEW PURCHASING POLICY [RECOMMEND APPROVAL]

TO: BOARD OF DIRECTORS  
 FROM: DON SPAGNOLO  
 GENERAL MANAGER   
 DATE: SEPTEMBER 17, 2010

**AGENDA ITEM  
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**TOTAL COMPUTER  
 CHECKS  
 \$429,729.14**

**HAND WRITTEN CHECKS**

09-07-10	20157	MICHAEL WINN	SOUTHLAND WWTF UPGRADE COMMITTEE	100.00
09-07-10	20158	JAMES HARRISON	SOUTHLAND WWTF UPGRADE COMMITTEE	100.00
09-13-10	20159	MICHAEL WINN	WATER CONSERVATION COMMITTEE	100.00
09-13-10	20160	LARRY VIERHEILIG	WATER CONSERVATION COMMITTEE	100.00
09-13-10	20161	ED EBY	FINANCE AND AUDIT COMMITTEE	100.00
09-14-10	20162	POSTMASTER	STAMPS	88.00

VOID - NONE

**COMPUTER GENERATED CHECKS**

18455	09/17/10	CAL19	CALIFORNIA STATE DISBURSE	344.76	.00	344.76	B00914	WITHHOLDING ORDER
18456	09/17/10	EMP01	EMPLOYMENT DEVELOP DEPT	1359.26	.00	1359.26	B00914	STATE INCOME TAX
18457	09/17/10	FRA01	FRANCHISE TAX BOARD	125.00	.00	125.00	B00914	WITHHOLDING ORDER
18458	09/17/10	MID01	RABOBANK-PAYROLL TAX DEPO	3665.65	.00	3665.65	B00914	FEDERAL INCOME TAX
				50.84	.00	50.84	1B00914	FICA
				1016.84	.00	1016.84	2B00914	MEDICARE (FICA)
			Check Total.....:	4733.33	.00	4733.33		
18459	09/17/10	MID02	RABOBANK-DIRECT DEPOSIT	28146.40	.00	28146.40	B00914	NET PAY
18460	09/17/10	PER01	PERS RETIREMENT	8659.25	.00	8659.25	B00914	PERS PAYROLL REMITTANCE
18461	09/17/10	STA01	ING-PERS 457 DEFERRED COM	875.00	.00	875.00	B00914	457 DEFERRED COMP
018462	09/22/10	ABA01	ABALONE COAST BACTERIOLOG	105.00	.00	105.00	10-2252	LAB TEST-SOUTHLAND WWTP
				147.00	.00	147.00	10-2648	LAB TEST-SOUTHLAND WWTP
				105.00	.00	105.00	10-2649	LAB TEST-SOUTHLAND WWTP
				175.00	.00	175.00	10-2744	LAB TEST-WATER SAMPLES
				20.00	.00	20.00	10-2764	LAB TEST-BL WWTP
				124.00	.00	124.00	10-2765	LAB TEST-BL WWTP
				176.00	.00	176.00	10-2766	LAB TEST-SOUTHLAND WWTP
				105.00	.00	105.00	10-2767	LAB TEST-SOUTHLAND WWTP
				147.00	.00	147.00	10-2768	LAB TEST-SOUTHLAND WWTP
				20.00	.00	20.00	10-2814	LAB TEST-BL WWTP
				20.00	.00	20.00	10-2833	LAB TEST-BL WWTP
				14.40	.00	14.40	10-2880	LAB TEST-WATER SAMPLE
				175.00	.00	175.00	10-2881	LAB TEST-WATER SAMPLES
				20.00	.00	20.00	10-2883	LAB TEST-BL WWTP
				124.00	.00	124.00	10-2914	LAB TEST-BL WWTP
				176.00	.00	176.00	10-2915	LAB TEST-SOUTHLAND WWTP
				14.40	.00	14.40	10-2916	LAB TEST-WATER SAMPLE
				20.00	.00	20.00	10-2919	LAB TEST-BL WWTP
				20.00	.00	20.00	10-2972	LAB TEST-BL WWTP
				20.00	.00	20.00	10-3001	LAB TEST-BL WWTP
			Check Total.....:	1727.80	.00	1727.80		
018463	09/22/10	AEC01	AECOM USA INC	35307.09	.00	35307.09	7084830	SOUTHLAND WWTF UPGRADE
				2516.40	.00	2516.40	7085325	SEWER SCADA UPGRADES
				423.90	.00	423.90	7085327	PCI-VINTAGE TRACT 2650
				2624.40	.00	2624.40	7085328	WATER SCADA UPGRADES
				136700.00	.00	136700.00	7085546	WATERLINE INTERTIE DESIGN
			Check Total.....:	177571.79	.00	177571.79		
018464	09/22/10	ALX01	ALEXANDER'S CONTRACT SERV	3261.02	.00	3261.02	SEPT 2010	METER READING
018465	09/22/10	AME03	AMERI PRIDE	114.49	.00	114.49	172208	UNIFORMS
				145.06	.00	145.06	178619	UNIFORMS
			Check Total.....:	259.55	.00	259.55		
018466	09/22/10	AQU01	AQUA-METRIC SALES CO.	5871.48	.00	5871.48	34299	WATER METERS
018467	09/22/10	ATT01	AT&T/MCI	185.28	.00	185.28	1613255	TELEPHONE
018468	09/22/10	BLU02	BLUE SHIELD OF CALIFORNIA	836.55	.00	836.55	OCT 2010	COBRA SUBSIDY-OCTOBER

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018469	09/22/10	BRE02	BRENNTAG PACIFIC INC.	536.39	.00	536.39	BPI028139	SODIUM HYPOCHLORITE
				782.19	.00	782.19	BPI028140	SODIUM HYPOCHLORITE
				845.91	.00	845.91	BPI032146	SODIUM HYPOCHLORITE
				636.53	.00	636.53	BPI032147	SODIUM HYPOCHLORITE
			Check Total.....:	2801.02	.00	2801.02		
018470	09/22/10	CAL03	CALIFORNIA ELECTRIC SUPPL	143.70	.00	143.70	421493	OPERATING SUPPLIES
018471	09/22/10	CAL14	CALIFORNIA WATER	132.00	.00	132.00	B00910	MEMBERSHIP-RODRIGUEZ
018472	09/22/10	CAN02	CANNON ASSOCIATES	1510.00	.00	1510.00	49364	QUAD TANK SITING
018473	09/22/10	CHE02	CHEMSEARCH	1065.41	.00	1065.41	769952	OPERATING SUPPLIES
				79.30	.00	79.30	769953	OPERATING SUPPLIES
			Check Total.....:	1144.71	.00	1144.71		
018474	09/22/10	CLE06	CLEVER DUCKS	250.00	.00	250.00	11147	COMPUTER SERVICE
018475	09/22/10	COA02	COASTAL ROLLOFF	287.28	.00	287.28	50547	ROLLOFF SERVICE
018476	09/22/10	CON03	CONTROLCO	2289.20	.00	2289.20	10316	LIFT STATION REPLACEMENT
				1312.86	.00	1312.86	10479	BL LIFT STATION REPLACEMENT
			Check Total.....:	3602.06	.00	3602.06		
018477	09/22/10	CRO03	CROSNO CONSTRUCTION INC	46890.00	.00	46890.00	4	TANK REHABILITATION PROGRE
018478	09/22/10	CWE01	CWEA	275.00	.00	275.00	8302010	EMPLOYMENT AD
018479	09/22/10	DKF01	DKF SOLUTIONS GROUP, LLC	350.00	.00	350.00	1161	SAFETY SUBSCRIPTION
018480	09/22/10	DWI01	DWIGHT'S AUTOMOTIVE	15.00	.00	15.00	B00909	TIRE REPAIR
018481	09/22/10	EBY01	EBY, ED	100.00	.00	100.00	092210	REGULAR BOARD MEETING 9-2
018482	09/22/10	FAR02	FAR WEST EXPRESS	25.00	.00	25.00	AUG 2010	DELIVERY
018483	09/22/10	FER01	FERGUSON ENTERPRISES INC	816.32	.00	816.32	6436137	OPERATING SUPPLIES
018484	09/22/10	FIS02	FISHER SCIENTIFIC	1873.44	.00	1873.44	6549051	LAB EQUIPMENT
				57.50	.00	57.50	6855135	LAB SUPPLIES
				956.46	.00	956.46	6933730	LAB SUPPLIES
			Check Total.....:	2887.40	.00	2887.40		
018485	09/22/10	FUG01	FUGRO WEST, INC.	6347.50	.00	6347.50	3596.5-20	PASQUINI PHASE 2
018486	09/22/10	GIL01	GIM, INC.	487.46	.00	487.46	AUG 2010	LANDSCAPE MAINTENANCE
018487	09/22/10	GLO02	GLOBAL EQUIPMENT CO INC	136.49	.00	136.49	103686431	SHELF BINS
018488	09/22/10	HAL01	HALTERMAN & ASSOCIATES	2151.96	.00	2151.96	22072010	BASE STATION/REMOTE SYSTE
				320.00	.00	320.00	22072011	VEHICLE IGNITION TIMERS
			Check Total.....:	2471.96	.00	2471.96		
018489	09/22/10	HAM02	HAMNER JEWELL & ASSOCIATE	4811.25	.00	4811.25	4981	PROPERTY ACQUISITION
018490	09/22/10	HAR02	HARRISON, JAMES	100.00	.00	100.00	092210	REGULAR BOARD MEETING 9-2
018491	09/22/10	HAR04	HARPER & ASSOCIATES ENG I	7220.00	.00	7220.00	4149	CONSTRUCTION MGMT-TANK RE
018492	09/22/10	ITT01	ITT WATER & WASTEWATER US	456.82	.00	456.82	7597475	JUNIPER L/S PARTS
018493	09/22/10	JOB01	JOBS AVAILABLE INC	455.00	.00	455.00	T20025	EMPLOYMENT AD
018494	09/22/10	KAR01	PAUL J. KARP, P.E.	3992.30	.00	3992.30	40	PEER REVIEW 90% SUBMITTAL
018495	09/22/10	LAY02	LAYNE CHRISTENSEN COMPANY	76794.88	.00	76794.88	10002329	VIA CONCHA WELL REHABILIT
018496	09/22/10	LIN02	LINC DELIVERY	264.00	.00	264.00	AUG 2010	DELIVERY
018497	09/22/10	MIN02	MINER'S ACE HARDWARE	421.71	.00	421.71	AUG 2010	OPERATING SUPPLIES
018498	09/22/10	MOR02	MORE OFFICE SOLUTIONS	508.78	.00	508.78	578086	COPIER MAINTENANCE
018499	09/22/10	NEL01	NELSON, WILLIAM J	100.00	.00	100.00	092210	REGULAR BOARD MEETING 9-2
018500	09/22/10	NIP08	NIPOMO CSD	817.76	.00	817.76	AUG 2010	WATER-LANDSCAPE MAINT DIS
018501	09/22/10	OFF01	OFFICE DEPOT	87.96	.00	87.96	8319001	OFFICE SUPPLIES
018502	09/22/10	PEO01	PEOPLESCHOICE HEATING & A	2176.00	.00	2176.00	3857	ROOF VENTILATORS SUNDALE/
018503	09/22/10	RAB02	RABOBANK PETTY CASH	141.54	.00	141.54	B00914	MEETING SUPPLIES
018504	09/22/10	ROD01	RODRIGUEZ, RIGOBERTO	120.00	.00	120.00	B00917	STEEL TOE BOOT REIMBURSEM

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018505	09/22/10	SAN09	SAN LUIS MAILING SERVICE	45.86	.00	45.86	214560A	MAIL LATE NOTICES
				131.56	.00	131.56	214560B	POSTAGE FOR LATE NOTICES
				163.59	.00	163.59	214655A	MAIL BILLS
				825.52	.00	825.52	214655B	POSTAGE FOR BILLS
				74.38	.00	74.38	214714A	MAIL BILLS
				282.35	.00	282.35	214714B	POSTAGE FOR BILLS
			Check Total.....:	1523.26	.00	1523.26		
018506	09/22/10	SOU01	SOUTH COUNTY SANITARY	34.92	.00	34.92	3047766	TRASH SERVICE
				169.12	.00	169.12	3049175	OLD TOWN TRASH SERVICE
			Check Total.....:	204.04	.00	204.04		
018507	09/22/10	SPE01	SPECIAL DISTRICT RISK	5740.00	.00	5740.00	34241	WORKERS COMP INS OCT-DEC
018508	09/22/10	TAF01	TAFT ELECTRIC	1401.25	.00	1401.25	30617T	ELECTRICAL REPAIRS
				1520.00	.00	1520.00	30617U	ELECTRICAL REPAIRS
			Check Total.....:	2921.25	.00	2921.25		
018509	09/22/10	TIT01	TITAN INDUSTRIAL & SAFETY	133.50	.00	133.50	1042445	SUPPLIES
				373.76	.00	373.76	1042539	CALIBRATION GAS
				907.86	.00	907.86	1042540	CHLORINE SPILL KITS
			Check Total.....:	1415.12	.00	1415.12		
018510	09/22/10	TUC01	TUCKFIELD & ASSOCIATES	4302.00	.00	4302.00	281	RATE STUDY PROGRESS BILLI
018511	09/22/10	USA01	USA BLUEBOOK	275.99	.00	275.99	223610	OPERATING SUPPLIES
018512	09/22/10	VIE01	VIERHEILIG, LARRY	100.00	.00	100.00	092210	REGULAR BOARD MEETING 9-2
018513	09/22/10	WAL01	WALLACE GROUP	352.86	.00	352.86	30420	INTERTIE ASSESSMENT DISTR
018514	09/22/10	WAY01	WAYNE COOPER AG SERVICES	1800.00	.00	1800.00	1024	ELECTRIC PUMP TESTS
018515	09/22/10	WIN01	WINN, MICHAEL	100.00	.00	100.00	092210	REGULAR BOARD MEETING 9-2
018516	09/22/10	WOOD01	DOUGLAS WOOD & ASSOCIATES	3755.00	.00	3755.00	B00908	FRONTAGE TRUNCK SEWER MAI
018517	09/22/10	WSC01	WSC	4142.25	.00	4142.25	172	UWMP UPDATE PROGRESS BILL



# NIPOMO COMMUNITY SERVICES DISTRICT

*Celebrating 45 Years of Service 1965 - 2010*

## DRAFT MINUTES

SEPTEMBER 08, 2010 AT 9:00 A.M.

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

DON SPAGNOLO, **GENERAL MANAGER**  
LISA BOGNUDA, **ASSIST. GENERAL MANAGER**  
MERRIE WALLRAVIN, **SECRETARY/CLERK**  
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 Regular Meeting of September 8, 2010, to order at 9:05 a.m. and led the flag salute.

#### B. ROLL CALL

At Roll Call, all Board members were present.

00:02:00

#### C. PRESENTATIONS AND PUBLIC COMMENT

##### C-1) SHERIFF COMMANDER KEN CONWAY

Update re: South County Law Enforcement Activities

Commander Conway was unable to attend this meeting and will give his report at a meeting next month.

##### C-2) CAL FIRE BATTALION CHIEF BILL FISHER

Update re: South County Cal Fire Activities

Battalion Chief Bill Fisher reviewed the activity report for August 2010.

Some of the information in the report includes:

In August 2010, Nipomo Station #20 had a total of 91 calls: 8 fire calls, 10 vehicle accidents, 48 medical aids and 25 other calls.

Mesa Station #22 had a total of 54 calls: 3 fire call, 4 vehicle accidents, 36 medical aids and 11 other calls.

He reported that Nipomo-Paid Call Firefighters trained on structure fires, hose lays, ladders, and breathing apparatuses.

He reported they are working on LE-100 (wild land inspections) and there will be a 600 acre controlled burn in Huasna Valley.

The BBQ Fundraiser to benefit Firefighter Garon Coalwell's wife went well. \$32,000.00 was raised for the family.

The Board thanked Mr. Fisher for the report.

##### C-3) MIKE NUNLEY OF AECOM

Update re: Southland Wastewater Treatment Plant Upgrade

Mike Nunley, AECOM Engineering Project Manager, reviewed the report as presented in the Board packet. Peter Sevcik, District Engineer, and Mr. Nunley answered questions from the Board. The Board thanked Mr. Nunley for the report. There was no public comment.

C-4) NCSD DISTRICT ENGINEER PETER SEVCIK

Update re: Recent Activities

Peter Sevcik, District Engineer, reviewed the report as presented in the Board packet and answered questions from the Board. The Board thanked Mr. Sevcik for the report. There was no public comment.

C-5) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST

Receive Announcements from Directors Items of District & Community Interest

Director Nelson

- ◇ Chamber of Commerce Mixer tonight at Dana Adobe.
- ◇ October 9, 2010 – Nipomo October Fest at Nipomo Community Park.

Director Vierheilig

- ◇ September 18, 2010 – Olde Towne Nipomo Chili Cook Off from 12:00 to 5:00 p.m.
- ◇ October 3, 2010 – Nipomo Native Garden Plant Sale from 9:00 a.m. to 3:00 p.m.
- ◇ September 13, 2010 – Finance Committee meeting at 2:00 p.m.

Director Eby

- ◇ NMMA TG will meet tomorrow at 10:00 a.m. at NCSD.
- ◇ At the last WRAC meeting, they voted 17-0 not to add a position on the Board for contractor or developer.

Director Winn

- ◇ Concerns with a complaint on Blackhawk Rd.
- ◇ Progress was made on The SLO County Master Water Plan, at the last WRAC study session.
- ◇ On September 7, 2010 - The SLO Board of Supervisors met and spent some time on CFD's (Community Facility Districts) and sent it back to staff.
- ◇ September 13, 2010 – Water Conservation Committee meeting at 9:00 a.m.
- ◇ September 15, 2010 – Sun Power meeting at 7:00 p.m. at the Embassy Suites in San Luis Obispo to look at their DEIR for their proposed plant in Carrizo.
- ◇ September 17, 2010 – CSDA bimonthly meeting at 11:30 a.m. at The Wallace Group in San Luis Obispo.
- ◇ September 20, 2010 – SCAC Land Use meeting at NCSD at 9:00 a.m.
- ◇ September 27, 2010 – SCAC monthly meeting at NCSD at 6:30 p.m.

Director Harrison

- ◇ September 16, 2010 – Parks Committee meeting at 10:00 a.m.

C-6) PUBLIC COMMENT ON ITEMS NOT ON AGENDA

Brian Pedrotti, SLO County Public Works, expressed concerns with County Ordinance §3090 and the Jack Ready Park Project. Planning will send their proposal to the NCSD by September 15.

Jeremy Freund, The Wallace Group, is working with Jacks Helping Hands, a non-profit organization, on The Jack Ready Park Project. They are looking for support from NSCD due to conflict County Ordinance §3090.

00:50:00

D. CONSENT AGENDA

D-1) WARRANTS

D-2) BOARD MEETING MINUTES

- AUGUST 25, 2010 REGULAR BOARD MEETING
- AUGUST 20, 2010 STUDY SESSION

D-3) CONTRACT WITH SAN LUIS OBISPO COUNTY FOR CROSS CONNECTION CONTROL INSPECTION

Don Spagnolo, General Manager, and Peter Sevcik, District Engineer, answered questions from the Board.

Upon the motion of Director Winn and seconded by Director Eby, the Board unanimously approved items D-1, D-2, and D-3. There was no public comment.

Vote 5-0.

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

E. ADMINISTRATIVE ITEMS

01:03:10

E-1) CONSIDER AECOM CONTRACT AMENDMENT #3 FOR THE SOUTHLAND WWTF PHASE 1 IMPROVEMENT PROJECT

Mike Nunley, AECOM Engineering Project Manager, reviewed the report in the Board packet. Peter Sevcik, District Engineer and Mr. Nunley answered questions from the Board.

Upon the motion of Director Winn and seconded by Director Vierheilig, the Board unanimously approved item E-1. There was no public comment.

Vote 5-0.

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

*The Board took a break from 10:35 a.m. to 10:45 a.m.*

01:36:51

E-2) CONSIDER MODIFICATION TO GROUNDWATER CONSULTING CONTRACT WITH SAIC

The General Manager reviewed the report presented in the Board packet. Jon Seitz, District Legal Counsel, and the General Manager answered questions from the Board.

Upon the motion of Director Winn and seconded by Director Vierheilig, the Board unanimously approved the following:

- Not to bifurcate the contract for groundwater consulting.
- Terminate the contract with SAIC.
- Pay outstanding bills to SAIC, not to exceed \$3,000.00.
- Have staff bring back a contract that might be awarded to SAIC or Wagner.

There was no public comment.

Vote 5-0.

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

02:01:50

E-5) CONSIDER UPDATED PURCHASING POLICY

The General Manager introduced the item. Mr. Seitz and Lisa Bognuda, NCSD Finance Director, reviewed the general principals of the purchasing policy and answered questions from the Board. The Board made suggestions and directed Staff to prepare a red line draft for the purchasing policy and bring it back to the next Board meeting. There was no public comment.

*The Board considered Closed Session next.*

02:47:27

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 PENDING LITIGATION GC§54956.9 MARIA VISTA VS. NCSD (CASE NO. CV 040877), MARIA VISTA VS. NCSD (CASE NO. CV 061079), AND MARIA VISTA VS. LINDA VISTA FARMS, NCSD ET AL. (CASE NO. CV 040150);
3. CONFERENCE WITH LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GC SECTION 54956.9; NCSD VS. COUNTY SLO, ET AL. (CASE #CV090010)

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There was no public comment.

K. ADJOURN TO CLOSED SESSION

President Harrison adjourned to Closed Session at 12:00 p.m.

02:47:40

L. OPEN SESSION

ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

The Board came back into Open Session at 12:40 p.m.

Jon Seitz, District Legal Counsel, announced that the Board heard an update on the items listed above, but took no reportable action.

02:49:11

F. GENERAL MANAGER'S REPORT

Don Spagnolo, General Manager, reviewed the Manager's Report presented in the Board packet. Mr. Spagnolo answered questions from the Board. There was no public comment.

03:05:50

G. COMMITTEE REPORT

September 7, 2010 Southland Upgrade Committee

The report was as presented. There was no public comment.



03:17:40

E-6) CONSIDER ESTABLISHING FEES FOR PROCESSING APPLICATIONS FOR DEFERRAL OF DISTRICT CONNECTION CHARGES

The General Manager reviewed the report as presented in the Board packet. Mr. Seitz, Mr. Sevcik, and The General Manager answered questions from the board.

Upon the motion of Director Nelson and seconded by Director Vierheilg, the Board unanimously approved item E-6. There was no public comment.

Vote 5-0.

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

RESOLUTION NO. 2010-1199

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT ESTABLISHING  
FEES FOR PROCESSING APPLICATIONS  
FOR DEFERRAL OF DISTRICT CONNECTION CHARGES

03:35:55

E-3) CONSIDER DRAFT WATER RATE STRUCTURE

The General Manager introduced the item. Clayton Tuckfield, Tuckfield & Associates, reviewed the report as presented in the Board packet. Mr. Tuckfield answered questions from the Board.

The Board discussed the item of Residential multi-tiered rate structure.

Upon motion of Director Winn and seconded by Director Vierheilg, the Board approved the 4 block structure for residential water rates (shown on page 6, Table 3, as presented in the Board packet). There was no public comment.

Vote 4-1.

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

The Board discussed the item of Agriculture rate structure.

Upon the motion of Director Winn and seconded by Director Vierheilg, the Board unanimously approved a Uniform water rate for Agriculture (shown on page 8, Table 4, as present in the Board packet). There was no public comment.

Vote 5-0.

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

The Board discussed the item of Irrigation rate structure.

Upon the motion of Director Winn and seconded by Director Nelson, the Board unanimously approved Alternative 1 water rate for Irrigation (shown on page 9, Table 5, as presented in the Board packet). There was no public comment.

Vote 5-0.

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

04:28:20

E-4) CONSIDER USE OF SOLAR ELECTRICITY GENERATION

The General Manager introduced the item. Ryan Work, REC Solar Sales Manager, reviewed the report as present in the Board Packet. Mr. Work answered questions from the Board. The Board thanked Mr. Work for the presentation. There was no public comment.

H. DIRECTORS REQUESTS TO STAFF AND SUPPLEMENT REPORTS

No requests were made.

ADJOURN

President Harrison adjourned the meeting at 3:30 p.m.

TO: BOARD OF DIRECTORS

FROM: DON SPAGNOLO  
GENERAL MANAGER



DATE: SEPTEMBER 15, 2010

**AGENDA ITEM  
D-3**

**SEPTEMBER 22, 2010**

**WILLOW ROAD WATERLINE EXTENSION PROJECT PHASE 2  
INITIAL DEPOSIT TO SAN LUIS OBISPO COUNTY**

**ITEM**

Consider approval of the Willow Road Waterline Extension Project Phase 2 initial deposit for construction to San Luis Obispo County [ADOPT RESOLUTION].

**BACKGROUND**

San Luis Obispo County is planning to extend Willow Road from Hetrick Road to US 101. The District's 2007 Water and Sewer Master Plan Update recommended the construction of a 12 inch diameter waterline in this segment of roadway. The County has finalized the design for the roadway and the District has finalized the design for the waterline from Hetrick Road to future Frontage Road so that the projects can be bid concurrently.

In September 2010, the District entered into an agreement with the County to incorporate the construction of the District's proposed waterline into the County's project. Under the terms of the agreement, the District will be responsible for design and inspection of the waterline, direct construction cost of the waterline and reimbursement to the County for all reasonable administrative costs incurred for the preparation of contract documents, bidding and/or construction phase related to the waterline work. In exchange, the County will bid and construct the District's waterline work as part of the County's project. Installation of the District's waterline concurrent with the County's roadway project is more cost-effective than installing the line in the future since the water line can be installed before the roadway is paved. Staff anticipates this approach to the project will result in a total overall project cost that will be significantly less than if the District was to construct the project separate from the County's roadway project.

The County adopted an Environmental Impact Report for the roadway project that is available on the County's website. A copy of the report is available at the District office. Staff recommends that your Honorable Board concur with the County's Environmental Impact Report and authorize staff to file a Notice of Determination.

**FISCAL IMPACT**

The FY 10-11 Budget includes \$300,000 in the Water Capacity Charge Fund (Fund #700) for the construction of the Willow Road Waterline Extension Project Phase 2. The engineer's cost estimate based on the final design submittal is \$414,651. The initial deposit due to the County in accordance with the reimbursement agreement is 30% of the engineer's estimate or \$124,396.

**RECOMMENDATION**

Staff recommends that your Honorable Board approve Resolution 2010-XXX authorizing the deposit of \$124,396 to San Luis Obispo County for Construction of the Willow Road Phase 2 Waterline Extension.

AGENDA ITEM D-3  
SEPTEMBER 22, 2010

**ATTACHMENTS**

- Resolution 2010-XXX Authorizing deposit to SLO County for construction of the Willow Road Waterline Extension Project Phase 2

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\2010\100922 WILLOW ROAD WATERLINE PHASE 2 DEPOSIT TO SLO COUNTY.doc



**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2010-XXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE NIPOMO COMMUNITY SERVICES DISTRICT  
AUTHORIZING DEPOSIT TO SAN LUIS OBISPO COUNTY FOR CONSTRUCTION  
OF WILLOW ROAD PHASE 2 WATERLINE EXTENSION**

**WHEREAS**, the County of San Luis Obispo is preparing to construct Phase 2 of the Willow Road Extension Project in Nipomo; and

**WHEREAS**, the District desires to have certain District waterlines and appurtenances incorporated into the County's project into the County's project; and

**WHEREAS**, the District agrees to reimburse the County for all reasonable costs incurred by the County, relating to the District's waterline work in accordance with the Reimbursement Agreement dated September 28, 2010.

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

- 1) The District Board of Directors does hereby approve the project.
- 2) The District Board of Directors does hereby authorize the payment of \$124,396 (30% of the engineer's estimate) from Water Capacity Fund #700 to San Luis Obispo County for the initial deposit for the project.
- 3) The District Board of Directors concurs with the County's Environmental Impact Report and authorizes the General Manager to file a Notice of Determination for the project.

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

AYES:  
NOES:  
ABSENT:  
ABSTAINING:

the foregoing Resolution is hereby adopted this 22<sup>nd</sup> day of September, 2010.


\_\_\_\_\_  
James Harrison, President  
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Don Spagnolo  
General Manager and  
Secretary to the Board

\_\_\_\_\_  
Jon S. Seitz  
General Counsel

TO: BOARD OF DIRECTORS  
FROM: DON SPAGNOLO  
GENERAL MANAGER   
DATE: SEPTEMBER 17, 2010

**AGENDA ITEM**  
**D-4**  
**SEPTEMBER 22, 2010**

## **ADOPT NEW PURCHASING POLICY**

### **ITEM**

Consider adopting new Purchasing Policy [RECOMMEND APPROVAL].

### **BACKGROUND**

Section 61045(g) of the Community Services District Law provides:

The Board of Directors shall adopt policies for the operation of the District, including, but not limited to, administrative policies, fiscal policies, personnel policies, and the purchasing policies required by this division.

The District previously adopted the following policies relating to purchasing and contracting (copies of these documents can be found in Section 4 of the Policy Manual):

- Resolution 2001-800 – Establishing Policies, Procedures and Regulations Governing the Purchase of Supplies and Equipment
- Resolution 2006-974 – Establishing Policies and Procedures for Executing Task Orders for Environmental Review Services
- Resolution 2006-988 – Establishing Policies and Procedures for Executing Task Orders for Retention of contractors to Construct Small Project Works
- Resolution 2008-1066 – Procedures for Executing Task Orders and Contracts for Engineering Services under Non-Emergency and Emergency Situations
- Policy regarding Retention of Construction Management Services (no Resolution adopted)

Staff prepared an updated Purchasing Policy by combining all of the relevant policies and procedures from the previously adopted documents into one master document as well as adding new sections where applicable. The Board of Directors reviewed the draft on September 8, 2010, and provided comments which have been included in the Purchasing Policy presented for adoption.

### **FISCAL IMPACT**

None

### **RECOMMENDATION**

Staff recommends Your Honorable Board adopt Resolution 2010-XXX (New Purchasing Policy).

### **ATTACHMENTS**

- Red-lined Exhibit "A"
- Resolution with Exhibit "A" (clean copy)

**TITLE 8**  
**PURCHASE POLICIES AND PROCEDURES**  
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**TITLE 8**  
**NIPOMO COMMUNITY SERVICES DISTRICT**  
**PURCHASE POLICIES AND PROCEDURES**

**CHAPTER 8.1**  
**POLICY**

**8.1.10. PROCEDURES**

This title provides the authority, approval requirements and procedures for the procurement of materials, supplies, equipment, Public Works and services referenced in the approved fiscal year budget.

**8.1.20. FISCAL YEAR BUDGET**

The fiscal year budget approved by the Board provides the authority to NCSD staff to procure materials, supplies, equipment, services and Public Works referenced in the approved budget for the upcoming fiscal year.

**8.1.30. CONFLICTS WITH LAWS**

In the event these policies and procedures are inconsistent with State or Federal law, then said State or Federal law shall control.

**8.1.40. SEVERABILITY**

If any one or more of the provisions/sections contained in these Purchase Policies and Procedures shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and these Policies shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

**8.1.50. MONITORING**

A. It is important for the NCSD to evaluate materials, equipment, and services of all current suppliers. Suppliers with a low rating can be viewed as costing the NCSD time and money, and, therefore, should be terminated upon documentation.

B. In an effort to obtain the best prices possible, vendors contacted for quotes and/or bids shall be regularly reviewed to ensure competitive pricing and maintenance of vendor lists.

C. This policy should be reviewed on an annual basis and changed where deemed appropriate to reflect changes in the NCSD's operations. The General Manager, acting with the Board, may at any time make changes to this policy to facilitate a more efficient and accountable purchasing process for the NCSD.

#### 8.1.60. LIMITATIONS

Except for Section 8.6.10 (B) these policies do not apply to payment of recurring expenditures.

#### 8.1.70. CONFLICTING PROCEDURES

When contracting for services that includes the installation of equipment such as computers and electronic devices, the determination of whether the purchase should be as a procurement of material, supplies, and equipment or the procurement of services shall be made at the General Manager's discretion after giving consideration to the costs of the equipment, whether or not the equipment is unique to the person or firm providing the services and the cost of the services.

#### 8.1.80 EMPLOYEE CONFLICTS

B.A. District employees are prohibited from using the following practices in conducting business activities:

B. Practices which might result in unlawful activity including, but not limited to, rebates, kickbacks or other unlawful consideration.

1. Participating in the selection process when the employee has a relationship with a person or business entity seeking a contract which would subject the employee to the same prohibition as in Govt. Codes Section 87100 related to Conflicts of Interest, which provides:

No public official at any level of state or local government shall make, participate in making or in any way attempt to use his official position to

influence a governmental decision in which he knows or has reason to know he has a financial interest.

3. Purchasing or otherwise acquiring District property and equipment, including surplus property and equipment.

C. Employees must recues themselves from all purchasing activities when an economic conflict of interest exists. NCS D Employees may not perform services for the NCS D on a contractual basis. Employees may not economically benefit from their employment within the NCS D except as related to their approved salary and benefits.

C. Employees shall not use their employment status with the NCS D to obtain discounts or any other advantage for personal purchases. Unsolicited discounts offered by vendors for all NCS D employees are exempt.

## CHAPTER 8.2 - GENERAL

### 8.2.10. DEFINITIONS

A. General Manager. The NCS D General Manager and Treasurer, or, in his/her absence, the Assistant General Manager.

B. Assistant General Manager. The NCS D Finance Director and Assistant General Manager.

C. Board of Directors or Board. The ~~NCS D~~ Board of Directors of a District that establishes policies for the operation of the District.

D. Capital Equipment. Equipment with a purchase price of five thousand (\$5,000) dollars or more as designated by the General Manager.

E. Contract. A written agreement covering the performance of work or services including the furnishing of labor, materials, tools and equipment in performing services to the NCS D. The term Contract includes Purchase Orders.

F. NCS D. Nipomo Community Services District



G. Department Manager. The General Manger, Assistant General Manager, Utility Superintendent and District Engineer.

H. Change Order or Contract Amendment. Alterations, deviations, additions to or deletions from the plan, specifications and/or scope of services, including the right to increase or decrease the quantity of any item or portion of the work or services or to delete any item or portion of the work or services as may be deemed to be necessary, as determined by the District, for the proper completion, construction of the work or services contemplated.

I. Task Order Contract. Contract with pre-qualified consultant or contractor where specific services are contracted for by Task Orders.

J. Emergency. "Emergency" means a sudden, unexpected occurrence, involving a clear and imminent danger, demanding immediate action to prevent or mitigate loss of, or damage to, life, health, property, or essential public services.

K. Purchasing Agent. Department Managers.

L. Purchase Order. A form designed to contain all necessary information and signatures relevant to purchases by the NCSD and is used as a written order to a vendor and may be either an original order or may confirm a verbal order. The current Purchase Order forms may be developed and/or modified from time to time at the discretion of the General Manager.

M. Recurring Expenditures. Administrative expenditures that occur from time to time in the normal course of NCSD business, including, but not limited to, the following: Utilities (electricity, natural gas, telephone service, etc.), servicing of District equipment pursuant to contract, fuel for operation of District vehicles and equipment, debt service payments, payroll, payroll taxes and benefits, insurance, postage, postage meter rental and on-going rental payments. ~~shall not require requisition or Purchase Orders.~~

~~N. Warrants. Checks for payment of materials, supplies, equipment, Public Works and services received by the District.~~

~~O. Purchase Policy and Procedures or Purchase Policy(ies). Title 8 of the District Code~~

## 8.2.20. SIGNING AUTHORITY



The General Manager, or in his/her absence the Assistant General Manager, is hereby authorized to sign on behalf of the NCSD the following documents:

A. Any documents necessary to conduct the general business of the NCSD that does not require prior approval of the Board.

B. Any documents necessary to conduct the general business of the NCSD requiring approval of the Board, after said documents have received approval of the Board, unless the Board specifies that the document be signed by the Board President.

### 8.2.30. BUDGETED PROCUREMENTS

A. Budget. At the beginning of each fiscal year the Finance Director shall issue a complete NCSD Budget approved by the Board. This budget will contain the purchasing account titles, description of line items, and numbers corresponding with budgeted funds for each item. Each NCSD department will receive its own budget for conducting purchasing transactions. It is the responsibility of each Department Manager to control spending and monitor the funds in the account line items that they are authorized to use. A monthly or quarterly status report will be issued showing a comparison between budgeted amounts and the department purchasing activity.

B. General Manager Approval. Subject to Section C, below, the General Manager or, in his/her absence, the Assistant General Manager shall approve all Contracts, Contract Amendments, Change Orders, Task Order Contracts (and related Task Orders) and Purchase Orders.

C. Board Approval Required. Board approval is required for the following:

1.) Contracts, Contract Amendments and Purchase Orders for the purchase of supplies, equipment or materials where the estimated cumulative cost is twenty-five thousand (\$25,000) dollars or more.

2.) Professional service contracts and Amendments where the estimated cumulative cost is twenty-five thousand (\$25,000) dollars or more.

3.) Public Works contracts where the engineer's estimated cumulative cost is twenty-five thousand (\$25,000) dollars or more.

4.) Task Orders or Task Order Amendments where the original scope of service or work is exceed by ten thousand (\$10,000) dollars.

5.) Any procurement referred to the Board by the General Manager or Assistant General Manager.

#### 8.2.40. UNBUDGETED PROCUREMENTS

The Board shall approve all unbudgeted expenditures except for the following:

A. The General Manager or, in his/her absence, the Assistant General Manager is authorized to approve unbudgeted expenditures up to five thousand (\$5,000) dollars for any single purchase.

B. Upon written finding of the General Manager that an emergency situation exists, the General Manager is authorized to approve unbudgeted expenditures up twenty-five thousand (\$25,000) dollars.

C. The General Manager shall account to the Board within thirty (30) days of the expenditures authorized by subparagraphs A & B, above and request the appropriate budget amendments and/or transfers.

#### 8.2.50. METHODS OF PROCUREMENTS.

The following chart summarizes methods of procurement by category. ~~The Assistant General Manager should be consulted when a Purchasing Agent has a question about which method should be used to implement procurements.~~

A. Materials, Supplies and Equipment – See Chapter 8.3, below, for procedures and limitations.

\$0-500	No Purchase Order Required
\$501-\$5,000	Written Quote (minimum 2 quotes) Purchase Order or Contract Required
\$5,001-\$24,999	Written Quote (minimum 3 quotes) Purchase Order or Contract Required
\$25,000 +	Prepare Notice of Inviting Proposals for Board Approval – Board Approval Required for Contract or Purchase Order

**B. Professional Services.** - See Chapter 8.4, below, for procedures and limitations.

\$0-\$24,999	Solicit Proposals From a Qualified Consultant/Professional By Whatever Method The Purchasing Agent Deems Appropriate Under The Circumstances.
\$25,000 +	Prepare Request For Proposals for Board Approval – Board Approval of Contract Required.

**C. Public Works.** - See Chapter 8.5, below, for procedures and limitations.

\$0-\$24,999	Same as Material Supplies and Equipment (subparagraph A, above) by Purchase Order or Contract.  Construction – Comparative pricing or competitive bidding by Contract only.
\$25,000 +	Formal Bid Procedures – Board Approval Required.

**CHAPTER 8.3  
PURCHASE OF MATERIALS, SUPPLIES and EQUIPMENT**

**8.3.10. INTRODUCTION**

**A** The following procedures are established for the purchase of materials, supplies and equipment, as referenced in Government Code Section 54202.

**B** In addition to the procedures of this Chapter:

1.) The NCSD may request the State Department of General Services to make purchases of materials, equipment, or supplies on its behalf pursuant to Section 10298 of the Public Contract Code; and

2.) The NCSD may request the Purchasing Agent of the County of San Luis Obispo to make purchases of materials, equipment, or supplies on its behalf pursuant to Article 7 (commencing with Section 25500) of Chapter 5 of Division 2 of Title 3.

C. Methods of Procurement.

1.) Purchases of materials, supplies and equipment are normally made pursuant to Purchase Orders as described in this Chapter.

2.) In the discretion of the Purchasing Agent and with the approval of the General Manager and NCSD Legal Counsel a contract may be substituted for a Purchase Order.

**8.3.20. PURCHASES OF MATERIALS, SUPPLIES AND EQUIPMENT WITH AN ESTIMATED COST OF LESS THAN TWENTY-FIVE THOUSAND (\$25,000) DOLLARS.**

For purchases of materials, supplies and equipment with an estimated cost of less than \$25,000 the following shall apply:

A. Competitive written quotes applies to purchase of materials, supplies and/or equipment with an estimated price of greater than \$500.

B. Types of Quotations:

1.) Verbal - Verbal requests for written quotations will be sent to a minimum of two (2) vendors for purchases of standard or non-complex materials with an estimated price of \$501 to \$5,000 and not covered by a contractual agreement.

2.) Written - Written requests for quotations (RFQ) will be sent to a minimum of three (3) vendors under the following conditions:

a.) Purchases estimated to exceed \$5,000, but less than a total of \$25,000.

b.) All Capital Equipment purchases exceeding \$5,000, but less than a total of \$25,000.

c.) Non-standard conditions, requirements, instructions, etc.

d.) Any occasion where more permanent documentation is advisable.

e.) Any purchase based on best value rather than lowest price.

C. **Award of Purchase Orders:** The Department Manager will examine the quotations for completion and thereon determine the most responsive bidder with consideration of price and date of delivery. The quotation will be attached to the Purchase Order. The



purchase order and the award will be made by the Department Manager after review by the General Manager. The Department Manager or his/her designee will notify the successful and unsuccessful vendors.

### **8.3.30 PURCHASES OF MATERIALS, SUPPLIES AND EQUIPMENT EQUAL TO OR GREATER THAN TWENTY-FIVE THOUSAND (\$25,000) DOLLARS.**

**A.** Purchases of material, supplies and equipment equaling to or greater than twenty-five thousand (\$25,000) dollars shall be approved by the Board with the vendor who, in response to the Notice of Inviting Proposals, submits a proposal that most closely meets the NCSD's specifications with the consideration of price and delivery dates.

**B.** The Notice of Inviting Proposals shall be approved by the Board of Directors and published and distributed by the Department Manager in a manner to reasonably assure that the proposed purchase is made to a vendor that most closely meets the NCSD's specification with consideration of price, availability of service and delivery dates, the lowest responsive and responsible vendor

**C.** Notice of Inviting Proposals shall include the following:

- 1.) A statement of specifications of equipment and/or supplies to be purchased;
- 2.) The location and deadline for submission of proposals;
- 3.) The location where the specifications and proposal blanks forms, if required, may be secured;
- 4.) The proposed delivery date and place of delivery;
- 5.) The date, time and place assigned for the opening of sealed proposals;
- 6.) The type and character of proposal security required, if any;
- 7.) A statement that the NCSD intends to award the Contract to the vendor who submits a proposal that most closely meets the NCSD specifications with the consideration of price and delivery dates;
- 8.) That the NCSD reserves the right to reject all proposals; and

9.) Notice that no vendor can withdraw its proposal for a period of sixty (60) days from the date of opening proposals.

**D. Alternative Procedure.** As an alternative to the procedures described in Paragraphs A, B and C, above, the Board may approve the purchase of supplies and equipment by accepting a proposal submitted by a vendor to another agency for similar equipment and/or supplies upon the Board approving the purchase by Resolution making the following findings:

1.) The other agency's procedures for the purchase were substantially similar to the NCSD's procedures as stated in Paragraphs A, B and C, above.

2.) The equipment and/or supplies to be purchased by NCSD is substantially similar to the supplies and equipment purchased by the other agency, so that the submitted proposals would be responsive to the NCSD's specifications.

3.) The negotiations regarding the purchase are minor and the proposed purchase is consistent with the policy of awarding the contract to the most responsive vendor with the consideration of price and delivery date.

#### **8.3.40 NON-COMPETITIVE NEGOTIATIONS.**

**A.** This approach involves procurement of materials, supplies and equipment through solicitation of a proposal from only one source. Such negotiations may be used in limited situations when the award of a contract or purchase order is not feasible under other methods upon the following findings:

1.) The purchase price is reasonable; and

2.) One or more of the following exists:

a.) The product is the only one that will properly meet the needs of the NCSD because:

- The item is unique and is available only from a sole source; or
- The item is unique and is designed to match others used in or furnished to a particular installation, program, facility or location.

b.) The product will be used in a field test or experiment to determine the products suitability for future use.

- c.) Public exigency or emergency will not permit delay.
- d.) The Federal Grantor authorized non-competitive negotiations.

**B. Findings**

1.) The Department Manager shall make written findings referenced in subparagraph A2 above to be approved by the General Manager for purchases less than twenty-five thousand (\$25,000) dollars that are not otherwise approved by the Board.

2.) The Board by Resolutions shall adopt findings for purchases referenced in subparagraph A2 above for purchases of twenty-five thousand (\$25,000) dollars or more.

**8.3.50 PURCHASE ORDER PREPARATION**

**A.** Purchase orders shall be prepared from a properly completed purchase order form. The form is designed to contain all the necessary information and signatures relevant to the purchase within the NCSD. ~~The current purchase order form may be redesigned from time to time at the discretion of the General Manager, or his/her designee, whenever conditions warrant.~~

**B.** The purchase order form is used as a written order to a vendor and shall include a Purchase Order number. A Purchase Order may also serve as a written change order. Purchase Orders must be approved as referenced in Section 8.3.2 above.

**C.** Each purchase order form shall be filled out by the NCSD employee prior to NCSD funds being obligated for a purchase and shall contain the following information:

- 1.) Purchase order number, date, department, and who wrote it.
- 2.) To whom the purchase order is issued, together with a complete address.
- 3.) Quantity/unit and description of item(s) to be purchased.
- 4.) Account number to be charged.
- 5.) Unit price and extended amount (depending upon quantity).
- 6.) If applicable, the words "OPEN PO" and "EXPIRATION DATE," not to exceed past the end of the current fiscal year, at the top of the purchase order form.
- 7.) The words "NOT TO EXCEED" if it is for a repetitive purchase or a contract

amount.

8.) The total amount of the purchase order shall include charges for freight and tax, if applicable.

9.) The initial purchase order MUST have attached to it the following: the written quote or estimate or a copy of the contract, or other backup supporting documentation.

**D.** The completed purchase order shall be distributed as follows:

1.) Vendor Copy (white original) – to be delivered to the vendor, if desired and or/required.

2.) Accounts Payable (yellow carbon) – to be delivered to Accounts Payable and attached to the approved invoice.

3.) Department Copy (pink carbon) – shall be maintained by the Department in chronological order for accountability purposes.

**E.** The purchase order must be submitted immediately to the General Manager or his/her designee. The purchase order date must precede the order date.

**F.** Any incomplete purchase orders will be returned to the Department Manager for completion.

**G.** Insofar that it does not conflict with any other Purchasing Policy limitations, a purchase order may be exceeded by up to 10% of the original purchase order amount. No increase may be given for quoted prices.

**H.** When a purchase order is intended to be used to issue a check, write "Check Request" on the purchase order.

### **8.3.60 OPEN PURCHASE ORDERS.**

**A.** A blanket or open purchase order can be used to reduce the time consuming process of filling out a purchase order form for each purchase when it is with the same vendor and for repeat materials.

**B.** Open purchase orders are to be used when the NCSD will:

1.) Purchase repetitive, specified services or items, or categories of items from



the same vendor over a period of less than one year, or on a monthly basis.

2.) Order standard materials or maintenance supplies, which require numerous shipments.

3.) Obtain more favorable pricing through volume commitments.

C. An employee making a purchase with an open purchase order vendor shall immediately transmit the invoice to his/her Department Manager for processing. The Department Manager shall sign the invoice and indicate the budgetary account upon the face of the invoice and promptly route the invoice to Accounts Payable for payment.

D. Open purchase orders generally should NOT be used when:

1.) No benefit will be derived over and above a regular purchase.

2.) Prices are unknown at ordering time, or subject to change later without notice.

3.) Quality of vendor or service is questionable.

4.) Control over NCSD expenditures would be weakened significantly.

E. An open purchase order differs from the normal purchase order only in the date entry block that now has a date range not to exceed past the end of the current fiscal year.

F. Each year during the month of June, each Department Manager will review all department blanket purchase orders and reissue all necessary blanket purchase orders effective July 1.

## **CHAPTER 8.4 PROCUREMENT OF PROFESSIONAL SERVICES**

### **8.4.10 APPLICABILITY.**

A. The procedures established herein are for the procurement of professional and consulting services including, but not limited to, auditors, electricians, financial advisors, technology advisors, rate consultants, plumbers, private architects, landscape architect, engineers, environmental consultants, land surveyors, and/or construction project managers.

B. It is the policy of the NCSD to employ professional and other consultant services

whenever it is in the NCSD's best interest.

C. The requirements to solicit proposals referenced in Sections 8.4.40 & 8.4.50, below, do not apply to:

1.) Contract Amendments so long as the amendment is related to the completion of the contemplated work or services of the original Contract.

2.) Contracts for the continuation of professional service where the key personnel providing services have relocated to a different firm or company.

3.) Contracts for services related to litigation.

#### **8.4.20 METHOD OF PROCUREMENT.**

Procurement of Professional Services is normally made pursuant to a Contract or Task Order Contract.

#### **8.4.30 QUALIFICATIONS.**

Professional service contracts shall be awarded on the basis of demonstrated competence and qualifications for the type of service to be performed and at a fair and reasonable price to the District.

#### **8.4.40 PROFESSIONAL SERVICES WITH AN ESTIMATED COST OF LESS THAN TWENTY-FIVE THOUSAND (\$25,000) DOLLARS.**

A. For contracts estimated to be less than \$25,000 the Purchasing Agent will solicit proposals from the qualified consultants and professionals by whatever method the Purchasing Agent deems most appropriate under the circumstances. ~~Should we have some language regarding requirements for written proposals i.e., "normally (blank) written proposals will be solicited for services with an estimated cost in excess of \$15,000".~~

B. Professional services will only be procured by a contract that is approved by the General Manager and District legal counsel.

#### **8.4.50 PROFESSIONAL SERVICES WITH AN ESTIMATED COST OF TWENTY-FIVE THOUSAND (\$25,000) DOLLARS OR MORE.**

The following procedures shall apply the procurement of professional services with an estimated cost of twenty-five thousand (\$25,000) dollars or greater.

A. The Board of Directors shall approve the request for proposals and the award of professional service contracts.

B. The written contract shall be awarded to the professional service provider who, in response to a request for proposals, ~~that~~ submits a statement of qualifications and proposal for services that most closely meets the District's requirements at a fair and reasonable cost.

#### **8.4.60 NON-COMPETITIVE NEGOTIATIONS.**

A. This approach involves procurement of professional and consultant services through solicitation of proposals from only one source. Such negotiations may be used in limited situations based on the following findings:

1.) The service provider is qualified pursuant to Section 8.4.30.

2.) The cost of the services is reasonable; and

3.) One or more of the following exists:

a.) The proposed service provider is uniquely knowledgeable and qualified because similar/related services have been previously provided to the District; or

b.) An Emergency will not permit delay.

#### **B. Findings**

1.) The Department Manager shall make written findings referenced in subparagraph A, above, to be approved by the General Manager for Professional Services Contracts where the cumulative costs are estimated at less than twenty-five thousand (\$25,000) dollars that are not otherwise approved by the Board.

2.) The Board by Resolutions shall adopt findings references in subparagraph A, above, for Professional Services Contracts where the cumulative costs are estimated at twenty-five thousand (\$25,000) dollars or more.

### **CHAPTER 8.5 PROCUREMENT OF PUBLIC WORKS**

#### **8.5.10 APPLICABILITY.**

A. The following procedures apply to:

1.) To the purchase of materials and supplies for the construction or completion of buildings, structures or improvements as referenced in Public Contract Code Section 20682.

2.) The construction or completion of buildings, structures or improvements as referenced in Public Contract Code Section 20682.5 .

B. These procedures do not apply to emergency procurement as defined in Public Contracts Code Section 22050. ~~Should we include 22050?~~

C. In addition to the procedures of this Chapter, the District may request the purchasing agent of the County of San Luis Obispo to contract with persons to provide projects, services, and programs authorized by this division pursuant to Article 7 (commencing with Section 25500) of Chapter 5 of Division 2 of Title 3.

**8.5.20 PURCHASE OF MATERIALS and SUPPLIES FOR CONSTRUCTION OR COMPLETION OF BUILDINGS, STRUCTURES OR IMPROVEMENTS WITH ACOST OF LESS THAN TWENTY-FIVE THOUSAND (\$25,000) DOLLARS.**

The contract or purchase order for the purchase of materials and supplies for the construction or completion of buildings, structures or improvements where the estimated cost is less than twenty-five thousand (\$25,000) dollars shall be let pursuant to the quotation procedures referenced in Section 8.3.30.

**8.5.30 CONSTRUCTION OR COMPLETION OF BUILDINGS, STRUCTURES, OR IMPROVEMENTS WHERE THE ESTIMATED COST IS LESS THAN TWENTY-FIVE THOUSAND (\$25,000) DOLLARS.**

A. The District may construct or complete any building, structure, or improvement with its own forces or by contract without bidding when the cost does not exceed twenty-five thousand (\$25,000) dollars.

B. Except as provided in subparagraph A, above, for the construction or completion of buildings, structures or improvements with an estimated cost of \$25,000 or less the Purchasing Agent shall seek the most favorable terms and price through comparative pricing or competitive bidding, whichever method the Purchasing Agent deems most appropriate under the circumstances.

**8.5.40 PURCHASE OF MATERIALS and SUPPLIES FOR CONSTRUCTION OR**



**COMPLETION OF BUILDINGS, STRUCTURES OR IMPROVEMENTS WITH AN ESTIMATED COST OF \$25,000 OR MORE.**

Contracts or purchase orders for materials and supplies for the construction or completing of any building, structure or improvement with an estimated cost of twenty-five thousand (\$25,000) dollars or more shall be contracted for and let to the lowest responsive and responsible bidder after notice pursuant to the provisions of Sections 20680 et seq. of the Public Contract Code.

**8.5.50 CONSTRUCTION OR COMPLETION OF BUILDINGS, STRUCTURES OR IMPROVEMENTS WITH AN ESTIMATED COST OF TWENTY-FIVE THOUSAND (\$25,000) DOLLARS OR MORE.**

Contracts for the construction or completion of any building, structure or improvement with an estimated cost of twenty-five thousand (\$25,000) dollars or more shall be contracted for and let to the lowest responsive and responsible bidder after notice pursuant to the provisions of Section 20680 of the Public Contract Code.

**8.5.60 AUTHORITY OF THE GENERAL MANAGER.**

A. The General Manger is the District's authorized agent to consent to substitution of contractors as provided in Public Contract Code Section 4107.

B. Unless otherwise directed by the Board of Directors at the time of the award of the contract, the General Manager is authorized to execute changed orders up to 15% of the contract price upon a written finding of project budget consistency. Once the 15% is expended, further change order authority requires Board of Directors approval.

**CHAPTER 8.6  
PAYMENT**

**8.6.10 WARRANTS**

A. All supporting documents including the, Purchase Order, Task Order, proof of receipt, packing slip, etc. will be attached to the Invoice and presented to the General Manager for payment pursuant to subparagraph B, below. The Invoices will be reviewed and initialed by the General Manager verifying that the documents are internally consistent, that invoices being

paid are original, that receipt of goods or services has been acknowledged by the NCSD Department Manager and that the amounts agree between documents.

B. The General Manager is authorized to approve Warrants for Recurring Expenditures that are within 110% of the budget. The Board of Directors shall approve all other Warrants as part of its approval of the Warrant Register.

C. A copy of the Warrant shall be made prior to it being mailed. The Invoice and supporting documentation shall be attached to the copy of the Warrant and then filed by vendor/service provider and separated by the fiscal year in which the payment was made.

#### **8.6.20 CHECK SIGNING PROCEDURES**

A. The Directors of the District, the General Manager and the Assistant General Manager are authorized to sign checks on ~~behave~~behalf of the District.

B. All checks issued by the District shall contain two (2) signatures, one of which shall be a Director of the District.

#### **8.6.30 PAYMENT VIA NCSD CREDIT CARDS**

A. All purchases using a NCSD credit card are subject to the same requirements and procedures as outlined in of this policy, and the following additional requirements:

1.) All NCSD credit cards shall be issued on a department basis in the name of each Department Manager. The General Manager shall manage the administration of NCSD credit cards.

2.) Only the General Manager and the Department Mangers are authorized to sign credit card purchases. Department Managers may allow their department employees to use the department credit card; however, the Department Manager is responsible for its care and control.

3.) The following travel and meeting expenses are authorized to be paid by NCSD credit cards:

- Telephone calls to the NCSD when out of town;

- Expenses related to travel by car on NCSD business;
- Lodging and meals when out of town on NCSD business; and
- NCSD approved seminars and business meetings.
- Credit card receipts SHALL BE obtained for these expenses and turned in immediately upon return to the NCSD Treasurer or his/her designee. If a credit card receipt is lost or misplaced, the receipt replacement form must be promptly filled out by the responsible person and turned in to the NCSD Treasurer or his/her designee.

4.) The credit limit on the NCSD credit cards shall be six thousand (\$6,000) dollars

per month for the General Manager and one thousand (\$1,000) dollars per month for each Department Manager ~~NCSD Treasurer and one thousand (\$1,000) dollars for the Utility Superintendent.~~

5.) Credit card purchases for orders that are made via telephone or Internet are permitted. Purchases over five hundred (\$500) dollars must be accompanied by a purchase order. A receipt must be obtained and turned in to Accounts Payable.

6.) The use of NCSD credit cards for personal purchases or spending is prohibited. Any violation of this policy will result in loss of NCSD credit card privileges and violations are subject to disciplinary action.

7.) Cash advances on any NCSD credit card are prohibited. Any violation of this policy will result in disciplinary action.

#### **8.6.40 PETTY CASH PROCEDURES**

**A.** The NCSD Treasurer or his/her designee shall maintain a petty cash fund of two hundred (\$200) dollars.

**B.** Signed receipts are required for all withdrawals from petty cash. There are no exceptions to the receipt rule.



**RESOLUTION NO. 2010-XXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT  
AMENDING AND RESTATING THE DISTRICT'S PURCHASE POLICY AND PROCEDURES**

**WHEREAS**, the Nipomo Community Services District (the "District") is an independent special district formed and operated pursuant to Sections 61000 et seq. of the California Government Code (herein Community Services District Law); and

**WHEREAS**, Section 61040(a) of the Community Services District Law provides: A legislative body of five members known as the board of directors shall govern each district. The board of directors shall establish policies for the operation of the district. The board of directors shall provide for the implementation of those policies which is the responsibility of the district's general manager; and

**WHEREAS**, Section 61045(g) of the Community Services District Law provides: The board of directors shall adopt policies for the operation of the district, including, but not limited to, administrative policies, fiscal policies, personnel policies, and the purchasing policies required by this division; and

**WHEREAS**, Section 61063(a) of the Community Services District Law provides: Each district shall adopt policies and procedures, including bidding regulations, governing the purchasing of supplies and equipment not governed by Article 43 (commencing with Section 20680) of Chapter 1 of Part 3 of the Public Contract Code. Each district shall adopt these policies and procedures by rule or regulation pursuant to Article 7 (commencing with Section 54201) of Chapter 5 of Division 2 of Title 5I and

**WHEREAS**, the District by prior separate actions has adopted policies related to the purchase of supplies, materials, equipment and services; and

**WHEREAS**, the District desires to amend and restate its Purchase Policies as Title 8 of the District Code.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:**

1. The amended and restated Purchase Policies and Procedures attached hereto, as Exhibit A, are incorporated herein by this reference and hereby adopted as the Purchase Policies and Procedures of the Nipomo Community Services District.
2. All prior Resolutions and Minute Orders that are inconsistent with this Resolution and the attached Purchase Policies and Procedures (Title 8) are hereby repealed. The repealed Resolutions and Minute Orders include, but are not limited, to Resolutions 2001-761, 2001-800, 2006-974, 2006-988, 2008-1066 and the District's Policy regarding the Retention of Construction Management Services, adopted June 27, 2007.
3. The above Recitals are true and correct and incorporated herein by reference.



RESOLUTION NO. 2010-XXX

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT  
AMENDING AND RESTATING THE DISTRICT'S PURCHASE POLICY AND PROCEDURES

4. The Board of Directors finds that the adoption of this Resolution and the attached Purchase Policies and Procedures constitutes "general policy and procedure making" described in Section 15378(b)(2) of the CEQA Guidelines which are deemed not to be "projects".
5. If any section, subsection, sentence, clause or phrase of the District's Purchase Policies and Procedures, as adopted by this Resolution is, for any reason, held to be invalid or unconstitutional, such findings shall not affect the remaining portions of the Purchase Policies and Procedures
6. This Resolution and the adopted Purchase Policies and Procedures, as restated and adopted herein, shall take effect immediately.

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

AYES:  
NOES:  
ABSENT:  
CONFLICTS:

The foregoing hereby adopted this 22nd day of September 2010.

\_\_\_\_\_  
James Harrison, President  
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Don Spagnolo  
Secretary to the Board

\_\_\_\_\_  
Jon S. Seitz  
District Legal Counsel

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**TITLE 8  
NIPOMO COMMUNITY SERVICES DISTRICT  
PURCHASE POLICIES AND PROCEDURES**

**CHAPTER 8.1  
POLICY**

**8.1.10. PROCEDURES**

This title provides the authority, approval requirements and procedures for the procurement of materials, supplies, equipment, Public Works and services referenced in the approved fiscal year budget.

**8.1.20. FISCAL YEAR BUDGET**

The fiscal year budget approved by the Board provides the authority to NCSD staff to procure materials, supplies, equipment, services and Public Works referenced in the approved budget for the upcoming fiscal year.

**8.1.30. CONFLICTS WITH LAWS**

In the event these policies and procedures are inconsistent with State or Federal law, then said State or Federal law shall control.

**8.1.40. SEVERABILITY**

If any one or more of the provisions/sections contained in these Purchase Policies and Procedures shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and these Policies shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

**8.1.50. MONITORING**

A. It is important for the NCSD to evaluate materials, equipment, and services of all current suppliers. Suppliers with a low rating can be viewed as costing the NCSD time and money, and, therefore, should be terminated upon documentation.



**B.** In an effort to obtain the best prices possible, vendors contacted for quotes and/or bids shall be regularly reviewed to ensure competitive pricing and maintenance of vendor lists.

**C.** This policy should be reviewed on an annual basis and changed where deemed appropriate to reflect changes in the NCSD's operations. The General Manager, acting with the Board, may at any time make changes to this policy to facilitate a more efficient and accountable purchasing process for the NCSD.

#### **8.1.60. LIMITATIONS**

Except for Section 8.6.10 (B) these policies do not apply to payment of recurring expenditures.

#### **8.1.70. CONFLICTING PROCEDURES**

When contracting for services that includes the installation of equipment such as computers and electronic devices, the determination of whether the purchase should be as a procurement of material, supplies, and equipment or the procurement of services shall be made at the General Manager's discretion after giving consideration to the costs of the equipment, whether or not the equipment is unique to the person or firm providing the services and the cost of the services.

#### **8.1.80 EMPLOYEE CONFLICTS**

**A.** District employees are prohibited from using the following practices in conducting business activities:

**B.** Practices which might result in unlawful activity including, but not limited to, rebates, kickbacks or other unlawful consideration.

1. Participating in the selection process when the employee has a relationship with a person or business entity seeking a contract which would subject the employee to the same prohibition as in Govt. Codes Section 87100 related to Conflicts of Interest, which provides:

No public official at any level of state or local government shall make, participate in making or in any way attempt to use his official position to

influence a governmental decision in which he knows or has reason to know he has a financial interest.

3. Purchasing or otherwise acquiring District property and equipment, including surplus property and equipment.

C. Employees may not perform services for the NCSD on a contractual basis. Employees may not economically benefit from their employment within the NCSD except as related to their approved salary and benefits.

## CHAPTER 8.2 - GENERAL

### 8.2.10. DEFINITIONS

A. General Manager. The NCSD General Manager and Treasurer or, in his/her absence, the Assistant General Manager.

B. Assistant General Manager. The NCSD Finance Director and Assistant General Manager.

C. Board of Directors or Board. The Board of Directors of a District that establishes policies for the operation of the District.

D. Capital Equipment. Equipment with a purchase price of five thousand (\$5,000) dollars or more as designated by the General Manager.

E. Contract. A written agreement covering the performance of work or services including the furnishing of labor, materials, tools and equipment in performing services to the NCSD. The term Contract includes Purchase Orders.

F. NCSD. Nipomo Community Services District

G. Department Manager. The General Manger, Assistant General Manager, Utility Superintendent and District Engineer.

H. Change Order or Contract Amendment. Alterations, deviations, additions to or deletions from the plan, specifications and/or scope of services, including the right to increase or decrease the quantity of any item or portion of the work or services or to delete any item or

portion of the work or services as may be deemed to be necessary, as determined by the District, for the proper completion, construction of the work or services contemplated.

**I. Task Order Contract.** Contract with pre-qualified consultant or contractor where specific services are contracted for by Task Orders.

**J. Emergency.** "Emergency" means a sudden, unexpected occurrence, involving a clear and imminent danger, demanding immediate action to prevent or mitigate loss of, or damage to, life, health, property, or essential public services.

**K. Purchasing Agent.** Department Manager.

**L. Purchase Order.** A form designed to contain all necessary information and signatures relevant to purchases by the NCSD and is used as a written order to a vendor and may be either an original order or may confirm a verbal order. The current Purchase Order forms may be developed and/or modified from time to time at the discretion of the General Manager.

**M. Recurring Expenditures.** Administrative expenditures that occur from time to time in the normal course of NCSD business, including, but not limited to, the following: Utilities (electricity, natural gas, telephone service, etc.), servicing of District equipment pursuant to contract, fuel for operation of District vehicles and equipment, debt service payments, payroll, payroll taxes and benefits, insurance, postage, postage meter rental and on-going rental payments.

**N. Warrants.** Checks for payment of materials, supplies, equipment, Public Works and services received by the District.

**O. Purchase Policy and Procedures or Purchase Policy(ies).** Title 8 of the District Code

#### **8.2.20. SIGNING AUTHORITY**

The General Manager, or in his/her absence the Assistant General Manager, is hereby authorized to sign on behalf of the NCSD the following documents:

**A.** Any documents necessary to conduct the general business of the NCSD that does not require prior approval of the Board.

**B.** Any documents necessary to conduct the general business of the NCSD requiring

approval of the Board, after said documents have received approval of the Board, unless the Board specifies that the document be signed by the Board President.

### **8.2.30. BUDGETED PROCUREMENTS**

**A. Budget.** At the beginning of each fiscal year the Finance Director shall issue a complete NCS D Budget approved by the Board. This budget will contain the purchasing account titles, description of line items, and numbers corresponding with budgeted funds for each item. Each NCS D department will receive its own budget for conducting purchasing transactions. It is the responsibility of each Department Manager to control spending and monitor the funds in the account line items that they are authorized to use. A monthly or quarterly status report will be issued showing a comparison between budgeted amounts and the department purchasing activity.

**B. General Manager Approval.** Subject to Section C, below, the General Manager or, in his/her absence, the Assistant General Manager shall approve all Contracts, Contract Amendments, Change Orders, Task Order Contracts (and related Task Orders) and Purchase Orders.

**C. Board Approval Required.** Board approval is required for the following:

1.) Contracts, Contract Amendments and Purchase Orders for the purchase of supplies, equipment or materials where the estimated cumulative cost is twenty-five thousand (\$25,000) dollars or more.

2.) Professional service contracts and Amendments where the estimated cumulative cost is twenty-five thousand (\$25,000) dollars or more.

3.) Public Works contracts where the engineer's estimated cumulative cost is twenty-five thousand (\$25,000) dollars or more.

4.) Task Orders or Task Order Amendments where the original scope of service or work is exceed by ten thousand (\$10,000) dollars.

5.) Any procurement referred to the Board by the General Manager or Assistant General Manager.



**8.2.40. UNBUDGETED PROCUREMENTS**

The Board shall approve all unbudgeted expenditures except for the following:

A. The General Manager or, in his/her absence, the Assistant General Manager is authorized to approve unbudgeted expenditures up to five thousand (\$5,000) dollars for any single purchase.

B. Upon written finding of the General Manager that an emergency situation exists, the General Manager is authorized to approve unbudgeted expenditures up twenty-five thousand (\$25,000) dollars.

C. The General Manager shall account to the Board within thirty (30) days of the expenditures authorized by subparagraphs A & B, above and request the appropriate budget amendments and/or transfers.

**8.2.50. METHODS OF PROCUREMENTS.**

The following chart summarizes methods of procurement by category.

A. Materials, Supplies and Equipment – See Chapter 8.3, below, for procedures and limitations.

\$0-500	No Purchase Order Required
\$501-\$5,000	Written Quote (minimum 2 quotes) Purchase Order or Contract Required
\$5,001-\$24,999	Written Quote (minimum 3 quotes) Purchase Order or Contract Required
\$25,000 +	Prepare Notice of Inviting Proposals for Board Approval – Board Approval Required for Contract or Purchase Order

B. Professional Services. - See Chapter 8.4, below, for procedures and limitations.

\$0-\$24,999	Solicit Proposals From a Qualified Consultant/Professional By Whatever Method The Purchasing Agent Deems Appropriate Under The Circumstances.
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\$25,000 +	Prepare Request For Proposals for Board Approval – Board Approval of Contract Required.
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C. Public Works. - See Chapter 8.5, below, for procedures and limitations.

\$0-\$24,999	Same as Material Supplies and Equipment (subparagraph A, above) by Purchase Order or Contract.  Construction – Comparative pricing or competitive bidding by Contract only.
\$25,000 +	Formal Bid Procedures – Board Approval Required.

### CHAPTER 8.3 PURCHASE OF MATERIALS, SUPPLIES and EQUIPMENT

#### 8.3.10. INTRODUCTION

A The following procedures are established for the purchase of materials, supplies and equipment, as referenced in Government Code Section 54202.

B In addition to the procedures of this Chapter:

1.) The NCSD may request the State Department of General Services to make purchases of materials, equipment, or supplies on its behalf pursuant to Section 10298 of the Public Contract Code; and

2.) The NCSD may request the Purchasing Agent of the County of San Luis Obispo to make purchases of materials, equipment, or supplies on its behalf pursuant to Article 7 (commencing with Section 25500) of Chapter 5 of Division 2 of Title 3.

C. Methods of Procurement.

1.) Purchases of materials, supplies and equipment are normally made pursuant to Purchase Orders as described in this Chapter.

2.) In the discretion of the Purchasing Agent and with the approval of the General Manager and NCSD Legal Counsel a contract may be substituted for a Purchase Order.

**8.3.20. PURCHASES OF MATERIALS, SUPPLIES AND EQUIPMENT WITH AN ESTIMATED COST OF LESS THAN TWENTY-FIVE THOUSAND (\$25,000) DOLLARS.**

For purchases of materials, supplies and equipment with an estimated cost of less than \$25,000 the following shall apply:

A. Competitive written quotes applies to purchase of materials, supplies and/or equipment with an estimated price of greater than \$500.

B. Types of Quotations:

1.) Verbal - Verbal requests for written quotations will be sent to a minimum of two (2) vendors for purchases of standard or non-complex materials with an estimated price of \$501 to \$5,000 and not covered by a contractual agreement.

2.) Written - Written requests for quotations (RFQ) will be sent to a minimum of three (3) vendors under the following conditions:

- a.) Purchases estimated to exceed \$5,000, but less than a total of \$25,000.
- b.) All Capital Equipment purchases exceeding \$5,000, but less than a total of \$25,000.
- c.) Non-standard conditions, requirements, instructions, etc.
- d.) Any occasion where more permanent documentation is advisable.
- e.) Any purchase based on best value rather than lowest price.

C. Award of Purchase Orders: The Department Manager will examine the quotations for completion and thereon determine the most responsive bidder with consideration of price and date of delivery. The quotation will be attached to the Purchase Order. The purchase order and the award will be made by the Department Manager after review by the General Manager. The Department Manager or his/her designee will notify the successful and unsuccessful vendors.

**8.3.30 PURCHASES OF MATERIALS, SUPPLIES AND EQUIPMENT EQUAL TO OR GREATER THAN TWENTY-FIVE THOUSAND (\$25,000) DOLLARS.**

**A.** Purchases of material, supplies and equipment equaling to or greater than twenty-five thousand (\$25,000) dollars shall be approved by the Board with the vendor who, in response to the Notice of Inviting Proposals, submits a proposal that most closely meets the NCSD's specifications with the consideration of price and delivery dates.

**B.** The Notice of Inviting Proposals shall be approved by the Board of Directors and published and distributed by the Department Manager in a manner to reasonably assure that the proposed purchase is made to a vendor that most closely meets the NCSD's specification with consideration of price, availability of service and delivery dates.

**C.** Notice of Inviting Proposals shall include the following:

- 1.) A statement of specifications of equipment and/or supplies to be purchased;
- 2.) The location and deadline for submission of proposals;
- 3.) The location where the specifications and proposal blanks forms, if required, may be secured;
- 4.) The proposed delivery date and place of delivery;
- 5.) The date, time and place assigned for the opening of sealed proposals;
- 6.) The type and character of proposal security required, if any;
- 7.) A statement that the NCSD intends to award the Contract to the vendor who submits a proposal that most closely meets the NCSD specifications with the consideration of price and delivery dates;
- 8.) That the NCSD reserves the right to reject all proposals; and
- 9.) Notice that no vendor can withdraw its proposal for a period of sixty (60) days from the date of opening proposals.

**D.** Alternative Procedure. As an alternative to the procedures described in Paragraphs A, B and C, above, the Board may approve the purchase of supplies and equipment by accepting



a proposal submitted by a vendor to another agency for similar equipment and/or supplies upon the Board approving the purchase by Resolution making the following findings:

1.) The other agency's procedures for the purchase were substantially similar to the NCSD's procedures as stated in Paragraphs A, B and C, above.

2.) The equipment and/or supplies to be purchased by NCSD is substantially similar to the supplies and equipment purchased by the other agency, so that the submitted proposals would be responsive to the NCSD's specifications.

3.) The negotiations regarding the purchase are minor and the proposed purchase is consistent with the policy of awarding the contract to the most responsive vendor with the consideration of price and delivery date.

#### **8.3.40 NON-COMPETITIVE NEGOTIATIONS.**

A. This approach involves procurement of materials, supplies and equipment through solicitation of a proposal from only one source. Such negotiations may be used in limited situations when the award of a contract or purchase order is not feasible under other methods upon the following findings:

1.) The purchase price is reasonable; and

2.) One or more of the following exists:

a.) The product is the only one that will properly meet the needs of the NCSD because:

- The item is unique and is available only from a sole source; or
- The item is unique and is designed to match others used in or furnished to a particular installation, program, facility or location.

b.) The product will be used in a field test or experiment to determine the products suitability for future use.

c.) Public exigency or emergency will not permit delay.

d.) The Federal Grantor authorized non-competitive negotiations.

**B. Findings**

1.) The Department Manager shall make written findings referenced in subparagraph A2 above to be approved by the General Manager for purchases less than twenty-five thousand (\$25,000) dollars that are not otherwise approved by the Board.

2.) The Board by Resolutions shall adopt findings for purchases referenced in subparagraph A2 above for purchases of twenty-five thousand (\$25,000) dollars or more.

**8.3.50 PURCHASE ORDER PREPARATION**

**A.** Purchase orders shall be prepared from a properly completed purchase order form. The form is designed to contain all the necessary information and signatures relevant to the purchase within the NCSD.

**B.** The purchase order form is used as a written order to a vendor and shall include a Purchase Order number. A Purchase Order may also serve as a written change order. Purchase Orders must be approved as referenced in Section 8.3.2 above.

**C.** Each purchase order form shall be filled out by the NCSD employee prior to NCSD funds being obligated for a purchase and shall contain the following information:

- 1.) Purchase order number, date, department, and who wrote it.
- 2.) To whom the purchase order is issued, together with a complete address.
- 3.) Quantity/unit and description of item(s) to be purchased.
- 4.) Account number to be charged.
- 5.) Unit price and extended amount (depending upon quantity).
- 6.) If applicable, the words "OPEN PO" and "EXPIRATION DATE," not to exceed past the end of the current fiscal year, at the top of the purchase order form.
- 7.) The words "NOT TO EXCEED" if it is for a repetitive purchase or a contract amount.
- 8.) The total amount of the purchase order shall include charges for freight and tax, if applicable.
- 9.) The initial purchase order MUST have attached to it the following: the written

quote or estimate or a copy of the contract, or other backup supporting documentation.

**D.** The completed purchase order shall be distributed as follows:

1.) Vendor Copy (white original) – to be delivered to the vendor, if desired and or/required.

2.) Accounts Payable (yellow carbon) – to be delivered to Accounts Payable and attached to the approved invoice.

3.) Department Copy (pink carbon) – shall be maintained by the Department in chronological order for accountability purposes.

**E.** The purchase order must be submitted immediately to the General Manager or his/her designee. The purchase order date must precede the order date.

**F.** Any incomplete purchase orders will be returned to the Department Manager for completion.

**G.** Insofar that it does not conflict with any other Purchasing Policy limitations, a purchase order may be exceeded by up to 10% of the original purchase order amount. No increase may be given for quoted prices.

**H.** When a purchase order is intended to be used to issue a check, write "Check Request" on the purchase order.

### **8.3.60 OPEN PURCHASE ORDERS.**

**A.** A blanket or open purchase order can be used to reduce the time consuming process of filling out a purchase order form for each purchase when it is with the same vendor and for repeat materials.

**B.** Open purchase orders are to be used when the NCSD will:

1.) Purchase repetitive, specified services or items, or categories of items from the same vendor over a period of less than one year, or on a monthly basis.

2.) Order standard materials or maintenance supplies, which require numerous shipments.

3.) Obtain more favorable pricing through volume commitments.

C. An employee making a purchase with an open purchase order vendor shall immediately transmit the invoice to his/her Department Manager for processing. The Department Manager shall sign the invoice and indicate the budgetary account upon the face of the invoice and promptly route the invoice to Accounts Payable for payment.

D. Open purchase orders generally should NOT be used when:

- 1.) No benefit will be derived over and above a regular purchase.
- 2.) Prices are unknown at ordering time, or subject to change later without notice.
- 3.) Quality of vendor or service is questionable.
- 4.) Control over NCSD expenditures would be weakened significantly.

E. An open purchase order differs from the normal purchase order only in the date entry block that now has a date range not to exceed past the end of the current fiscal year.

F. Each year during the month of June, each Department Manager will review all department blanket purchase orders and reissue all necessary blanket purchase orders effective July 1.

## **CHAPTER 8.4 PROCUREMENT OF PROFESSIONAL SERVICES**

### **8.4.10 APPLICABILITY.**

A. The procedures established herein are for the procurement of professional and consulting services including, but not limited to, auditors, electricians, financial advisors, technology advisors, rate consultants, plumbers, private architects, landscape architect, engineers, environmental consultants, land surveyors, and/or construction project managers.

B. It is the policy of the NCSD to employ professional and other consultant services whenever it is in the NCSD's best interest.

C. The requirements to solicit proposals referenced in Sections 8.4.40 & 8.4.50, below, do not apply to:

- 1.) Contract Amendments so long as the amendment is related to the completion of the contemplated work or services of the original Contract.



2.) Contracts for the continuation of professional service where the key personnel providing services have relocated to a different firm or company.

3.) Contracts for services related to litigation.

#### **8.4.20 METHOD OF PROCUREMENT.**

Procurement of Professional Services is normally made pursuant to a Contract or Task Order Contract.

#### **8.4.30 QUALIFICATIONS.**

Professional service contracts shall be awarded on the basis of demonstrated competence and qualifications for the type of service to be performed and at a fair and reasonable price to the District.

#### **8.4.40 PROFESSIONAL SERVICES WITH AN ESTIMATED COST OF LESS THAN TWENTY-FIVE THOUSAND (\$25,000) DOLLARS.**

A. For contracts estimated to be less than \$25,000 the Purchasing Agent will solicit proposals from the qualified consultants and professionals by whatever method the Purchasing Agent deems most appropriate under the circumstances.

B. Professional services will only be procured by a contract that is approved by the General Manager and District legal counsel.

#### **8.4.50 PROFESSIONAL SERVICES WITH AN ESTIMATED COST OF TWENTY-FIVE THOUSAND (\$25,000) DOLLARS OR MORE.**

The following procedures shall apply the procurement of professional services with an estimated cost of twenty-five thousand (\$25,000) dollars or greater.

A. The Board of Directors shall approve the request for proposals and the award of professional service contracts.

B. The written contract shall be awarded to the professional service provider who, in response to a request for proposals, submits a statement of qualifications and proposal for services that most closely meets the District's requirements at a fair and reasonable cost.

#### **8.4.60 NON-COMPETITIVE NEGOTIATIONS.**

A. This approach involves procurement of professional and consultant services through solicitation of proposals from only one source. Such negotiations may be used in limited situations based on the following findings:

1.) The service provider is qualified pursuant to Section 8.4.30.

2.) The cost of the services is reasonable; and

3.) One or more of the following exists:

a.) The proposed service provider is uniquely knowledgeable and qualified because similar/related services have been previously provided to the District; or

b.) An Emergency will not permit delay.

#### **B. Findings**

1.) The Department Manager shall make written findings referenced in subparagraph A, above, to be approved by the General Manager for Professional Services Contracts where the cumulative costs are estimated at less than twenty-five thousand (\$25,000) dollars that are not otherwise approved by the Board.

2.) The Board by Resolutions shall adopt findings references in subparagraph A, above, for Professional Services Contracts where the cumulative costs are estimated at twenty-five thousand (\$25,000) dollars or more.

### **CHAPTER 8.5 PROCUREMENT OF PUBLIC WORKS**

#### **8.5.10 APPLICABILITY.**

A. The following procedures apply to:

1.) To the purchase of materials and supplies for the construction or completion of buildings, structures or improvements as referenced in Public Contract Code Section 20682.

2.) The construction or completion of buildings, structures or improvements as referenced in Public Contract Code Section 20682.5 .

B. These procedures do not apply to emergency procurement as defined in Public Contracts Code Section 22050.

C. In addition to the procedures of this Chapter, the District may request the purchasing agent of the County of San Luis Obispo to contract with persons to provide projects, services, and programs authorized by this division pursuant to Article 7 (commencing with Section 25500) of Chapter 5 of Division 2 of Title 3.

**8.5.20 PURCHASE OF MATERIALS and SUPPLIES FOR CONSTRUCTION OR COMPLETION OF BUILDINGS, STRUCTURES OR IMPROVEMENTS WITH ACOST OF LESS THAN TWENTY-FIVE THOUSAND (\$25,000) DOLLARS.**

The contract or purchase order for the purchase of materials and supplies for the construction or completion of buildings, structures or improvements where the estimated cost is less than twenty-five thousand (\$25,000) dollars shall be let pursuant to the quotation procedures referenced in Section 8.3.30.

**8.5.30 CONSTRUCTION OR COMPLETION OF BUILDINGS, STRUCTURES, OR IMPROVEMENTS WHERE THE ESTIMATED COST IS LESS THAN TWENTY-FIVE THOUSAND (\$25,000) DOLLARS.**

A. The District may construct or complete any building, structure, or improvement with its own forces or by contract without bidding when the cost does not exceed twenty-five thousand (\$25,000) dollars.

B. Except as provided in subparagraph A, above, for the construction or completion of buildings, structures or improvements with an estimated cost of \$25,000 or less the Purchasing Agent shall seek the most favorable terms and price through comparative pricing or competitive bidding, whichever method the Purchasing Agent deems most appropriate under the circumstances.

**8.5.40 PURCHASE OF MATERIALS and SUPPLIES FOR CONSTRUCTION OR COMPLETION OF BUILDINGS, STRUCTURES OR IMPROVEMENTS WITH AN ESTIMATED COST OF \$25,000 OR MORE.**

Contracts or purchase orders for materials and supplies for the construction or completing of any building, structure or improvement with an estimated cost of twenty-five thousand (\$25,000) dollars or more shall be contracted for and let to the lowest responsive and responsible

bidder after notice pursuant to the provisions of Sections 20680 et seq. of the Public Contract Code.

**8.5.50 CONSTRUCTION OR COMPLETION OF BUILDINGS, STRUCTURES OR IMPROVEMENTS WITH AN ESTIMATED COST OF TWENTY-FIVE THOUSAND (\$25,000) DOLLARS OR MORE.**

Contracts for the construction or completion of any building, structure or improvement with an estimated cost of twenty-five thousand (\$25,000) dollars or more shall be contracted for and let to the lowest responsive and responsible bidder after notice pursuant to the provisions of Section 20680 of the Public Contract Code.

**8.5.60 AUTHORITY OF THE GENERAL MANAGER.**

A. The General Manger is the District's authorized agent to consent to substitution of contractors as provided in Public Contract Code Section 4107.

B. Unless otherwise directed by the Board of Directors at the time of the award of the contract, the General Manager is authorized to execute changed orders up to 15% of the contract price upon a written finding of project budget consistency. Once the 15% is expended, further change order authority requires Board of Directors approval.

**CHAPTER 8.6  
PAYMENT**

**8.6.10 WARRANTS**

A. All supporting documents including the, Purchase Order, Task Order, proof of receipt, packing slip, etc. will be attached to the Invoice and presented to the General Manager for payment pursuant to subparagraph B, below. The Invoices will be reviewed and initialed by the General Manager verifying that the documents are internally consistent, that invoices being paid are original, that receipt of goods or services has been acknowledged by the NCSD Department Manager and that the amounts agree between documents.

B. The General Manager is authorized to approve Warrants for Recurring Expenditures that are within 110% of the budget. The Board of Directors shall approve all other Warrants as part of its approval of the Warrant Register.



C. A copy of the Warrant shall be made prior to it being mailed. The Invoice and supporting documentation shall be attached to the copy of the Warrant and then filed by vendor/service provider and separated by the fiscal year in which the payment was made.

#### **8.6.20 CHECK SIGNING PROCEDURES**

A. The Directors of the District, the General Manager and the Assistant General Manager are authorized to sign checks on behalf of the District.

B. All checks issued by the District shall contain two (2) signatures, one of which shall be a Director of the District.

#### **8.6.30 PAYMENT VIA NCSD CREDIT CARDS**

A. All purchases using a NCSD credit card are subject to the same requirements and procedures as outlined in of this policy, and the following additional requirements:

1.) All NCSD credit cards shall be issued on a department basis in the name of each Department Manager. The General Manager shall manage the administration of NCSD credit cards.

2.) Only the General Manager and the Department Mangers are authorized to sign credit card purchases. Department Managers may allow their department employees to use the department credit card; however, the Department Manager is responsible for its care and control.

3.) The following travel and meeting expenses are authorized to be paid by NCSD credit cards:

- Telephone calls to the NCSD when out of town;
- Expenses related to travel by car on NCSD business;
- Lodging and meals when out of town on NCSD business; and
- NSCD approved seminars and business meetings.
- Credit card receipts SHALL BE obtained for these expenses and turned in immediately upon return to the NCSD Treasurer or his/her designee. If a credit

card receipt is lost or misplaced, the receipt replacement form must be promptly filled out by the responsible person and turned in to the NCSD Treasurer or his/her designee.

4.) The credit limit on the NCSD credit cards shall be six thousand (\$6,000) dollars per month for the General Manager and one thousand (\$1,000) dollars per month for each Department Manager .

5.) Credit card purchases for orders that are made via telephone or Internet are permitted. Purchases over five hundred (\$500) dollars must be accompanied by a purchase order. A receipt must be obtained and turned in to Accounts Payable.

6.) The use of NCSD credit cards for personal purchases or spending is prohibited. Any violation of this policy will result in loss of NCSD credit card privileges and violations are subject to disciplinary action.

7.) Cash advances on any NCSD credit card are prohibited. Any violation of this policy will result in disciplinary action.

#### **8.6.40 PETTY CASH PROCEDURES**

**A.** The NCSD Treasurer or his/her designee shall maintain a petty cash fund of two hundred (\$200) dollars.

**B.** Signed receipts are required for all withdrawals from petty cash. There are no exceptions to the receipt rule.