

TO: BOARD OF DIRECTORS
FROM: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER
DATE: JULY 7, 2011

AGENDA ITEM
E-1
JULY 13, 2011

**REVIEW LETTER FROM SAN LUIS OBISPO COUNTY REGARDING
JIM O. MILLER PARK SITE**

ITEM

Review May 18, 2011 Letter from San Luis Obispo County regarding the proposed Jim O. Miller Park site. [RECOMMEND REVIEW LETTER AND DIRECT STAFF]

BACKGROUND

On May 18, 2011 the County of San Luis Obispo transmitted the attached letter regarding proposed Jim O. Miller Park to the District. On May 23, 2011 your Board directed staff to bring and item forward at a Regular Board meeting for discussion of the letter.

FISCAL IMPACT

None

RECOMMENDATION

Staff recommends that the Board review and discuss the letter and provide staff direction.

ATTACHMENTS

- May 18, 2011 Letter

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\2011\110713 COUNTY MILLER PARK LETTER.DOCX



County of San Luis Obispo General Services Agency

GENERAL SERVICES

Janette D. Pell, Director

Katie Perez, Deputy Director

May 18, 2011

Michael LeBrun
District Manager
Nipomo Community Services District
148 S. Wilson Avenue
Nipomo, CA 93444

SUBJECT: JIM O. MILLER PARK SITE

Dear Mr. LeBrun:

As you are aware, the County Board of Supervisors approved a Memorandum of Understanding ("MOU") with the Nipomo Community Services District ("NCSD") on March 24, 2009 defining the steps preparatory to a transfer from the County to the NCSD of 1.4 acres of land on Tefft Street in Nipomo. The purpose of the transfer is to create a community park, and the transfer is subject to approval of the park's design, LAFCO approval of NCSD park powers, and confirmation of NCSD's funding to construct and operate the park.

Initially, the NCSD took steps toward completing the conditions of the transfer. On August 20, 2009, LAFCO gave conditional approval of the NCSD's application for park powers, and in January 2010 the NCSD obtained an environmental analysis of the property which indicated hydrocarbon and lead/heavy metal contamination. The NCSD also conducted an assessment district vote to fund the park operations.

The assessment district, however, was not approved by the voters in December 2009. Since that time, the NCSD has determined that it has other major infrastructure improvements that are required in the near future, which has revised its priorities. On March 9, 2011, the board of the NCSD updated its strategic plan through the year 2014, and deleted the Jim O. Miller Park as a goal.

In the meantime, County Environmental Health has been working with ConocoPhillips on a workplan for the hydrocarbon contamination. The County also contracted for the initial testing of the lead/heavy metal contamination at the site. Environmental Health has recently determined that more sampling is necessary, and Earth Systems has given the County a bid of \$9,550 to complete the sampling and provide a workplan.

I understand that on February 2, 2011, you attended a meeting of the Olde Towne Nipomo Association ("OTNA") with Supervisor Paul Teixeira and Linda Van Fleet. The OTNA apparently expressed frustration at the lack of progress on the park. You conveyed interest in allowing the OTNA to develop community awareness of the site and to work on approval of

the park design. The OTNA followed up with a letter to Supervisor Teixeira, dated February 17, 2011, in which it stated a desire to work with the NCSD to "bring this park to fruition."

County managers, County Counsel, and the County Administrative Office have had several discussions recently regarding the future of the MOU. It is clear by the NCSD's strategic plan that the park is not an identified priority through 2014. That position is underscored by the fact that the NCSD allowed its conditional park powers approval from LAFCO to expire on August 20, 2010.

Clearly, the financing and approvals for the park are not the only hurdle. The environmental contamination on the site is also a significant issue. County Environmental Health has determined that the lead and heavy metals existing in the soil at the site do not need to be remediated at this time because there is no activity currently on the site and the contamination is not a threat to the groundwater. They have recommended that we not allow use of the site by the public until the contamination is remediated. The County will not be proceeding with Earth System's proposal for the additional soil sampling and development of the workplan. The NCSD may proceed with the process if it wishes to do so, and the County would issue a permit to access the site for that purpose.

We encourage the OTNA to work with the NCSD to help move the park forward. We would ask the NCSD to work directly with the OTNA in such an endeavor. The County and the NCSD are the parties to the MOU for development of the park, and the NCSD may oversee the OTNA in performing certain functions to promote the park, consistent with the NCSD's direction. Approvals, permits, and discussions would remain between the County and the NCSD.

While ConocoPhillips performs its remediation at the site, the County is in a position to wait and see how the NCSD satisfies the conditions of the MOU. We hope that there is sufficient interest in the community to support funding of the lead/heavy metal remediation as well as the construction and operation of the park.

Sincerely,



Janette D. Pell
General Services Agency Director

c: Paul Teixeira, County Supervisor, 4th District
Kathy Kubiak, President, Olde Towne Nipomo Association
Caryn Maddalena, County Real Property Manager
Linda Van Fleet, County Associate Real Property Agent
Chuck Stevenson, County Senior Planner

TO: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER

FROM: PETER V. SEVCIK *P.V.S.*
DISTRICT ENGINEER

DATE: JULY 8, 2011

**AGENDA ITEM
E-2
JULY 13, 2011**

**AWARD CONTRACT FOR
SOUTH FRONTAGE ROAD TRUNK SEWER REPLACEMENT PROJECT**

ITEM

Award contract for South Frontage Road Trunk Sewer Replacement Project to R. Baker, Inc. in the amount of \$1,459,236 and authorize construction contingency in the amount of \$150,000 [RECOMMEND BY MOTION AND ROLL CALL VOTE ADOPT RESOLUTION AWARDDING CONTRACT TO LOWEST RESPONSIVE AND RESPONSIBLE BIDDER R. BAKER, INC. IN THE AMOUNT OF \$1,459,236, AUTHORIZE STAFF TO EXECUTE CONTRACT, AND AUTHORIZE CHANGE ORDER CONSTRUCTION CONTINGENCY IN THE AMOUNT OF \$150,000].

BACKGROUND

A portion of the South Frontage Road Trunk Sewer Replacement Project (Trunk Sewer Project) was initially included in the Supplemental Water Project and the remaining portion was included in the Southland Wastewater Treatment Facility (WWTF) Upgrade Project. The Trunk Sewer Project involves the replacement of approximately 4300 linear feet of sewer line in Frontage Road between Division Street and the Southland WWTF influent pump station. The Trunk Sewer Project was designed concurrently with the Supplemental Water Project waterline in Frontage Road to ensure that both lines could be installed within the limited available right-of-way. In 2010, the Board directed staff to separate the Frontage Road Trunk Sewer Project from the Supplemental Water Project since the Trunk Sewer Project needs to be constructed prior to the Southland WWTF Upgrade project.

On July 6, 2011, bids for the Trunk Sewer Project were opened from seven (7) bidders as listed below:

R. Baker, Inc.	\$1,459,279
Arthurs Contracting, Inc.	\$1,477,355
HPS Mechanical, Inc.	\$1,576,848
Specialty Construction, Inc.	\$1,622,042
Brough Construction, Inc.	\$1,642,144
Raminha Construction, Inc.	\$1,766,957
MGE Underground, Inc.	\$1,838,979

The apparent low bidder was R. Baker, Inc. with a bid of \$1,459,279. Staff reviewed the bid and determined that the bid is responsive and the bidder is responsible. Furthermore, staff reviewed the contractor's bid calculations and determined that there was a discrepancy between the overall total in the R. Baker, Inc. bid and the amounts listed for the individual bid items. Staff confirmed the corrected overall bid amount with the contractor in accordance with the procedures outlined in the bid documents. The corrected overall total bid amount based on the unit prices submitted by R. Baker, Inc. is \$1,459,236. The Engineer's Estimate for construction of the project was \$1,820,000.

Regarding compliance with the California Environmental Quality Act (CEQA), the District previously adopted a Mitigated Negative Declaration for the Trunk Sewer Project and the appropriate mitigation measures have been incorporated into the technical specifications for the project.

FISCAL IMPACT

The FY 11-12 Budget includes \$1,166,000 for construction of the Trunk Sewer Project in Fund 710, Town Sewer Capacity Charges, and \$1,034,000 in Fund 830, Funded Replacement Town Sewer, for a total amount of \$2,200,000. The funding required to complete the Trunk Sewer Project is estimated as follows:

Activity	Cost
Construction	\$1,459,236
Construction Contingency	\$ 150,000
Construction Management	\$ 247,790
Construction Management Contingency	\$ 25,000
Total Costs	\$1,882,026

RECOMMENDATION

Staff recommends that the Board, by motion and roll call vote, adopt Resolution 2011-XXXX South Frontage Road Trunk Sewer Bid Award to:

1. Award the bid for the South Frontage Road Trunk Sewer Replacement Project to lowest responsive and responsible bidder, R. Baker, Inc., in the amount of \$1,459,236 and authorize General Manager to execute construction agreement.
2. Authorize the General Manager to issue Change Orders for construction of the project with an aggregate total amount not to exceed \$150,000.

ATTACHMENTS

- Resolution 2011-XXXX South Frontage Road Trunk Sewer Bid Award

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2011-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT AWARDING BID FOR THE SOUTH FRONTAGE ROAD
TRUNK SEWER REPLACEMENT PROJECT TO R. BAKER, INC. IN THE AMOUNT OF \$1,459,236
AND AUTHORIZING CONSTRUCTION CONTINGENCY OF \$150,000**

WHEREAS, the 2007 Water and Sewer Master Plan and the 2010 Strategic Plan outline the need for upgrading and replacement of District Facilities; and

WHEREAS, the District's April 2010 Sewer System Management Plan, as required by the State of California State Water Board, includes the District's plans for sewer system management, operations and maintenance, as well as capacity assurance; and

WHEREAS, peak flows in the South Frontage Road Trunk Sewer exceed the hydraulic capacity of the trunk sewer; and

WHEREAS, the District will remain in compliance with the Sewer System Management Plan by upgrading the South Frontage Road Trunk Sewer to ensure adequate hydraulic capacity; and

WHEREAS, plans and technical specifications for the South Frontage Road Trunk Sewer Replacement Project, dated June 2011, were prepared by AECOM Inc.; and

WHEREAS, based on the staff report, staff presentation and public comment, the Board makes the following findings:

1. The project was advertised for bids in accordance with State of California Public Contracts Code requirements.
2. The District received seven bids for the project.
3. Staff has reviewed the bids and has determined that R. Baker, Inc., the apparent low bidder, submitted a responsive bid and is a responsible bidder.

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

1. The bid for the South Frontage Road Trunk Sewer Replacement Project is hereby awarded to the lowest responsive and responsible bidder, R. Baker, Inc., in the amount of \$1,459,236 and the General Manager is authorized to execute the construction agreement.
2. The General Manager is authorized to issue Change Orders for construction of the project with an aggregate total amount not to exceed \$150,000.
3. The above recitals and findings are incorporated herein by this reference.

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

AYES:
NOES:
ABSENT:
CONFLICTS:

The foregoing resolution is hereby adopted this 13th day of July 2011.

Jim Harrison, President
Nipomo Community Services District

ATTEST:

Michael S. LeBrun
General Manager and Secretary to the Board

Jon S. Seitz,
General Counsel

TO: MICHAEL S. LEBRUN *M.S.L.*
GENERAL MANAGER

FROM: PETER V. SEVCIK *P.V.S.*
DISTRICT ENGINEER

DATE: JULY 8, 2011

AGENDA ITEM
E-3
JULY 13, 2011

AUTHORIZE TASK ORDER FOR CONSTRUCTION MANAGEMENT SERVICES FOR SOUTH FRONTAGE ROAD TRUNK SEWER REPLACEMENT PROJECT

ITEM

Authorize Task Order for South Frontage Road Trunk Sewer Replacement Project Construction Management Services with MNS Engineers, Inc. in the amount of \$247,790 and authorize contingency in the amount of \$25,000 [RECOMMEND BY MOTION AND ROLL CALL VOTE ADOPT RESOLUTION TO AUTHORIZE TASK ORDER WITH MNS ENGINEERS, INC. IN THE AMOUNT OF \$247,790, AUTHORIZE STAFF TO EXECUTE TASK ORDER, AND AUTHORIZE CHANGE ORDER CONTINGENCY IN THE AMOUNT OF \$25,000].

BACKGROUND

A portion of the South Frontage Road Trunk Sewer Replacement Project (Trunk Sewer Project) was initially included in the Supplemental Water Project and the remaining portion was included in the Southland Wastewater Treatment Facility (WWTF) Upgrade Project. The Trunk Sewer Project involves the replacement of approximately 4300 linear feet of sewer line in Frontage Road between Division Street and the Southland WWTF influent pump station. The Trunk Sewer Project was designed concurrently with the Supplemental Water Project waterline in Frontage Road to ensure that both lines could be installed within the limited available right-of-way. In 2010, the Board directed staff to separate the Frontage Road Trunk Sewer Project from the Supplemental Water Project since the Trunk Sewer Project needs to be constructed prior to the Southland WWTF Upgrade project.

MNS Engineers, Inc. was selected by the District to provide constructability, bid phase services and construction management services for both the Supplemental Water project and the Southland WWTF Upgrade project. Staff requested a separate proposal from MNS Engineers, Inc. to review stand-alone construction documents for the Trunk Sewer Project and assist with bidding of the Project. The Board previously authorized this work.

Subsequently, staff requested that MNS Engineers, Inc. provide a proposal for construction management services for the Trunk Sewer Project. MNS Engineers, Inc. submitted the attached proposal to perform the work for a not to exceed amount of \$247,790. The proposal includes materials testing, survey control, biological monitoring and cultural monitoring services required for the project.

FISCAL IMPACT

The FY 11-12 Budget includes \$1,166,000 for construction of this project in Fund 710, Town Sewer Capacity Charges, and \$1,034,000 in Fund 830, Funded Replacement Town Sewer, for a total amount of \$2,200,000. The proposed task order will be funded from the project budget and sufficient funding is available.

RECOMMENDATION

Staff recommends that the Board, by motion and roll call vote, adopt Resolution 2011-XXXX South Frontage Road Trunk Sewer Construction Management Services to:

1. Authorize Task Order for South Frontage Road Trunk Sewer Replacement Project Construction Management Services with MNS Engineers, Inc., in the amount of \$247,790 and authorize General Manager to execute Task Order.
2. Authorize the General Manager to issue Change Orders to the Task Order with an aggregate total amount not to exceed \$25,000.

ATTACHMENTS

- MNS Engineers, Inc. proposal dated February 24, 2011
- Resolution 2011-XXXX South Frontage Road Trunk Sewer Construction Management Services



SAN LUIS OBISPO
2231 Broad Street
San Luis Obispo, CA 93401
805.787.0326 Phone

February 24, 2011

Mr. Peter Sevcik
District Engineer
Nipomo Community Services District
148 South Wilson Street
Nipomo, CA 93444

**SUBJECT: PROPOSAL FOR CONSTRUCTION MANAGEMENT SERVICES
Frontage Road Trunk Sewer Line Project**

Dear Mr. Sevcik:

MNS Engineers, Inc. (MNS) is pleased to submit the enclosed proposal and cost estimate to provide Construction Management services for the Frontage Road Trunk Sewer Line Project.

MNS is currently providing pre-construction phase services for the District on the Trunk Sewer Line project and we are familiar with the project components. The trunk sewer line along the South Frontage Road is being pulled out of the main Intertie project and will be constructed separately. The District is requesting construction management services for this stand alone project.

Scope of Work

MNS will provide construction management services as shown in the attached Scope of Work.

We intend to provide the aforementioned services on a time and materials basis as shown on the attached Staffing Plan. Actual costs billed to the District will be on actual time spent. Based upon the attached scope of work, it is estimated that the fee to provide these services for the duration of the project will be \$247,790.00.

I look forward to working further with the District, and if you have any questions please feel free to contact me at (805) 692-6921, or at gchelini@mnsengineers.com.

Sincerely,
MNS ENGINEERS, INC.

A handwritten signature in black ink, appearing to read "G. Chelini".

Gregory Chelini, P.E.
Vice President/Principal Construction Manager

CONSTRUCTION PHASE

TASK 1 – PROJECT MANAGEMENT SERVICES

1.1 Project Oversight

MNS will provide the services of a principal-in-charge to provide overall project supervision and assure that contractual obligations and client concerns are consistently met.

1.2 Ongoing Project Management

MNS will provide pre-construction phase and construction phase project management as required by the needs of the project by providing a Construction Manager to perform the following project functions:

- **Administration of Consultant Obligations** - MNS will provide task schedules; coordination with District staff, utilities, and other contractors; maintenance of quality control; report preparation as part of the regular project management duties.
- **Construction Engineering** - MNS will provide construction engineering to facilitate review of shop and working drawings, submittals, safety and accident prevention plans. We will also perform contract drawing and specification interpretation as part of the regular project management duties.
- **Construction Coordination Meetings** - MNS will conduct weekly meetings as part of the regular construction engineering duties. Additionally, meeting minutes will be written and distributed to all attendees and others as designated by the District.
- **Schedule** - MNS will review the Contractor's schedule and forward written conclusions to the District. We will review to ensure milestone dates and any permit dates are realized in the schedule.

TASK 2 – CONSTRUCTION MANAGEMENT SERVICES

2.1 Contract Administration

MNS will provide Construction Contract Administration Services as required to maintain accurate documentation of the construction.

- **Construction Management Plan** - MNS will prepare a Construction Management Plan that outlines the roles and responsibilities of the CM team during construction. The CM Plan will establish the protocol and procedures to be followed during construction such as submittal and RFI review; CCO review and approval; correspondence; contract administration and documentation requirements.
- **Correspondence and Reports** – As part of the Construction Administration, MNS will manage all correspondence including tracking submittals, RFIs, CCOs, progress pay estimates, meeting minutes, and testing reports. Other correspondence will be produced as appropriate to the project status.
- **Submittal and RFI Review** - MNS will coordinate with AECOM for the efficient review and processing of all submittals including shop drawings, product data, samples, SWPPP, and project specific plans. . An updated submittal log will be maintained to accurately track review and approval of all submittals. MNS will review and coordinate with the project designer (if

needed) the resolution of contractor requests for information (RFIs) and other requests in a timely manner, and maintain a running log.

- **Contract Time/Delays** - MNS will track all working days and non-working days including weather days, CCO days, delays and will provide a weekly update of contract time at the weekly meeting. MNS will review any contractor requests for time extension and will make a recommendation to the District. Such requests will be cross referenced with the Contractor's baseline schedule.
- **Material Substitutions** - Submittals which are non-standard or substitute alternatives for items specified, will be forwarded to AECOM for review. MNS will also be proactive in soliciting information from contractors after award of bid to determine which items they may be making substitutions. Then it can be anticipated that these will require extra review time will require the Contractor to submit early.
- **Weekly Meetings** - MNS will hold regular construction meetings for each contract. The meetings are a valuable tool utilized to discuss project issues and concerns, discuss upcoming work items, potential contract change orders, cost and schedule impacts, permit requirements, submittals, RFIs, and quality of work.
- **Certified Payroll Review** - MNS will perform a general review the Contractor's certified payroll for completeness, accuracy, and prevailing wage compliance. MNS will perform periodic employee interviews to verify Contractor's labor compliance and employees are being paid correctly in accordance to their duties.
- **Permits** - MNS will verify that Contractor is adhering to and has maintained all permits applicable to the project.

2.2 Photo Record Maintenance

MNS will regularly photograph construction activity in digital format and deliver in electronic format on CD-ROM. A photo log will be maintained on an ongoing basis as the project proceeds.

2.3 Inspection

MNS will provide an onsite inspector. The inspectors' primary duties will be to inspect and verify that all work in place meets the requirements of the contract plans and specifications, shop drawings, change orders, and O & M manuals as well as maintenance of project documentation. A daily inspection report will be maintained.

2.4 Quality Assurance

MNS will review and inspect all work in progress to assure that it meets the requirements and quality of work outlined in the contract documents. Any deficient work will be rejected.

2.5 Safety

MNS will review and ensure compliance of contractor's safety plan as well as Cal OSHA requirements. We will notify the contractor of safety problems immediately and direct the contractor to suspend work if imminent hazard is not immediately remedied or a dangerous condition persists.

2.6 Construction Materials Testing

MNS will coordinate with Fugro, our CM team materials testing firm, to assure all material meets the project documents. All tests will be logged and copies of all test reports will be maintained in the project files.

2.7 Construction Survey

The Contractor will be responsible for the construction staking on the project, but MNS will periodically check the Contractor's staking to assure proper alignment and grades are being maintained and will verify grades in the field with the Contractor.

2.8 Progress Payments

MNS will track and monitor the construction costs on the contract. MNS will check contract item quantities with the Contractor's Monthly Payment Request. Upon our review and approval of the Contractor's payment request, we will forward a copy of the Monthly Payment Report form to the District for final approval and payment. Tracking of contract change order payments, extra work, and supplemental work will also be performed.

2.9 Schedule

MNS will review the Contractor's baseline and monthly schedule to ensure milestone dates and any shutdown dates for tie-in's are realized in the schedule. The schedule will be used as the basis of determination for granting extra days relative to change orders. Should a Contractor start to fall behind schedule, we will request a Recovery schedule and discuss methods to expedite the work.

2.10 Change Order Processing and Review

Prior to the start of construction, MNS will meet with the District to establish change order procedures. During construction MNS will review and evaluate contractor change order requests, recommend solutions, verify costs, negotiate change orders, prepare change order form, and maintain a log of all change orders and costs. MNS will coordinate design related changes with the design engineer or other affected agencies and check to make sure all pertinent information is provided for timely review. All changes are reviewed against the project schedule to determine any time impact. Upon evaluation of any changes, MNS will make a recommendation to the District.

2.11 Claims Management

The main objective relating to claims on any project is to avoid them when possible. Good tools toward accomplishing this is by anticipating and addressing any potential problems before they occur, timely response to RFIs, prompt processing of change orders, thorough review of the contractor's schedule and experienced review of the project work. If unforeseen conditions occur, MNS will identify and resolve cost & schedule related issues to keep the project on schedule and within budget. During construction MNS will work to assure that conflicts in the field are identified ahead of scheduled work the conflict affects, work to reduce or minimize third party impacts to the work, and notify the contractor in a timely manner such that his schedule is not disrupted.

2.12 Biological and Cultural Monitoring

MNS will coordinate with Padre to provide pre-construction biological survey; worker orientation program; and cultural monitoring per the project plan.

TASK 3 – PROJECT CLOSEOUT

MNS will be proactive during the close out of the Contract.

3.1 "Punchlist" Inspection

The project inspector and Construction Manager will administer the specifications' final acceptance requirements and develop a deficiency list (punch-list) for the work performed, notify the Contractor,



Scope of Work – Frontage Road Trunk Sewer Line

and re-inspect the completed work. MNS will also conduct a final inspection in presence of District representatives and the Contractor.

3.2 Record Drawing

MNS will review the Contractors' record set for completeness and accuracy. Submittal of Final Record Drawings will be required prior to recommending final completion.

3.3 Closeout

Upon satisfactory completion of all contract work, we will perform a final inspection, compile final invoices, assemble and submit contract closeout packages, prepare project closeout files and reports and recommend final acceptance of the project. A certificate of completion will be submitted to the District.

**Staffing Plan for Construction Management Services
for Nipomo Community Services District
Frontage Road Trunk Sewer Line Project**



CONSTRUCTION MANAGEMENT SERVICES

ROLE	STAFF	2011												TOTAL HOURS	HOURLY RATE	TOTAL COST		
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec					
ProConstruction Phase																		
PM	Greg Chelini, P.E.			8												8	180.00	\$1,440.00
Resident Engineer	Kim Lindbery, P.E.			40												40	155.00	\$6,200.00
Office Engineer				30												30	95.00	\$2,850.00
Construction Phase																		
PM	Greg Chelini, P.E.				8	6	6	6	6	8						40	180.00	\$7,200.00
Resident Engineer/Inspector	Kim Lindbery, P.E.				172	172	172	172	172	80						940	155.00	\$145,700.00
Office Engineer					32											32	95.00	\$3,040.00
Post Construction Phase																		
PM	Greg Chelini, P.E.									12						12	180.00	2,160.00
Resident Engineer	Kim Lindbery, P.E.									80						80	155.00	12,400.00
Office Engineer										40						40	95.00	3,800.00
SUB-TOTAL		0	0	78	212	178	178	178	178	220	0	0	0			1222		\$184,790.00

* Prevailing Wage Rates

Direct Expenses	TOTAL COST
Materials Testing	\$20,000.00
Survey Control	\$7,000.00
Biological and Cultural Monitoring	\$35,000.00
Supplies and services	\$1,000.00
SUB-TOTAL	\$63,000.00

TOTAL COST	\$247,790
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Assumptions Used:

1. Assuming construction period from April, 2011 with pre-construction services starting a month prior for submittals, meetings, site documentation.
2. Assuming Construction period of 160 calendar days.
2. Hours based upon 8 hour working days
3. Used an average of 172 hours per month, based upon no overtime being worked.
4. Assume RE will be able to utilize space at District WWTP office in lieu of providing field trailer

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2011-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT AUTHORIZING TASK ORDER FOR SOUTH FRONTAGE
ROAD TRUNK SEWER REPLACEMENT PROJECT CONSTRUCTION MANAGEMENT SERVICES WITH
MNS ENGINEERS, INC. IN THE AMOUNT OF \$247,790 AND AUTHORIZING CONTINGENCY OF \$25,000**

WHEREAS, the Frontage Road Trunk Sewer Replacement Project was originally part of the Supplemental Water Project and the Southland Wastewater Treatment Facility (WWTF) Upgrade Project; and

WHEREAS, MNS Engineers, Inc. was previously selected by the District to provide construction management services for the Supplemental Water Project and the Southland WWTF Upgrade Project; and

WHEREAS, the Frontage Road Trunk Sewer Replacement Project was separated from the Supplemental Water Project and the Southland WWTF Upgrade Project so that it could be constructed in advance of the Southland WWTF Upgrade project; and

WHEREAS, plans and technical specifications for the South Frontage Road Trunk Sewer Replacement Project, dated June 2011, were prepared by AECOM Inc.; and

WHEREAS, the project was advertised for bids in accordance with State of California Public Contracts Code requirements; and

WHEREAS, the District received 7 bids for the project and has awarded the construction contract for the project; and

WHEREAS, the District desires to have MNS Engineers, Inc. provide construction management services for the South Frontage Road Trunk Sewer Replacement Project.

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

1. The task order for South Frontage Road Trunk Sewer Replacement Project construction management services with MNS Engineers, Inc. in the amount of \$247,790 is hereby authorized and the General Manager is authorized to execute the task order.
2. The General Manager is authorized to issue Change Orders for the task order with an aggregate total amount not to exceed \$25,000.
3. The above recitals are incorporated herein by this reference.

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

AYES:
NOES:
ABSENT:
CONFLICTS:

The foregoing resolution is hereby adopted this 13th day of July 2011.

Jim Harrison, President
Nipomo Community Services District

ATTEST:

Michael S. LeBrun
General Manager and Secretary to the Board

Jon S. Seitz,
General Counsel

TO: BOARD OF DIRECTORS

FROM: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER

DATE: JULY 7, 2011

AGENDA ITEM

E-4

JULY 13, 2011

AUTHORIZE AGREEMENTS FOR BOND AND DISCLOSURE COUNSEL AND FINANCIAL ADVISORY SERVICES IN SUPPORT OF SOUTHLAND WASTEWATER TREATMENT FACILITY PHASE 1 UPGRADE PROJECT [RECOMMEND APPROVAL]

ITEM

Authorize Agreements with Fulbright Jaworski L.L.P. and C.M. deCrisis & Co., Inc with approximate value of \$150,000 for Bond and Disclosure Counsel and Financial Advisory Services in support of Southland Wastewater Treatment Facility Phase 1 Upgrade Project [RECOMMEND BY MOTION AND ROLL CALL VOTE AUTHORIZE STAFF TO EXECUTE AN AGREEMENT TO RETAIN FULBRIGHT JAWORSKI LLP AND C.M. DECRINIS & CO., INC].

BACKGROUND

The District is scheduled to award bids for the Southland WWTF Phase 1 Upgrade Project in January 2012. The project design is at the 95% design stage and the Public Draft EIR is currently being circulated for public review and comment. The Engineer's Estimate for project construction cost is approximately \$12,000,000. The August 24, 2007 Town Sewer System Financial Plan establishes a financial strategy for funding the project which includes issuing about \$10.6 million in long-term debt to provide about \$8.9 million in net proceeds for the upgrade project.

In order to issue bonds, the District will need to acquire Bond Counsel services. Fees for Bond Counsel, Disclosure Counsel, and Financial Advisory Services are contingent on successful issuance.

Procurement of Professional Services such as Bond Counsel is covered under Chapter 8.4 of the District's Purchase Policies and Procedures. Non-competitive negotiations are allowed in limited situations with the following findings:

1. The service provider demonstrates competence and qualifications for the type of service to be performed;
2. The cost of the service is reasonable; and
3. The proposed service provider is uniquely knowledgeable and qualified because similar/related services have been previously provided to the District.

The District is currently using Bond and Disclosure Counsel and Financial Advisory Services in support of the Supplemental Water Project. Fulbright Jaworski L.L.P. and C.M. de Crinis & Co., Inc. are providing those services. Both firms have extensive experience and they are adept at working together as Bond/Disclosure Counsel (Fulbright) and Financial Advisor (de Crinis & Co.).

The combined proposed fee for services from Fulbright/deCrisis (Attached) is approximately \$150,000 (dependent on principal amount issued, estimated fee is based on issuing \$9.8 million in principal). The proposed fee is approximately 1.65% of the issue amount. Staff requested and received an additional proposal for services from CSDA Finance Corporation (Attached). The CSDA proposal is similar in scope and proposed fee.

FISCAL IMPACT

The FY 11-12 Budget includes \$4,400,000 for construction of this project in Fund 710 and additional \$6,597,000 is budgeted from Fund 710 in FY 12-13. The August 24, 2007 Town Sewer System Financial Plan established the funding plan and rates to support the Southland WWTF Upgrade project. The Financial Plan calls for issuing about \$10.6 million in long-term debt to provide about \$8.9 million in net proceeds for the upgrade project. The funds to meet the terms of the proposed agreement would be derived from and contingent on the bond issue.

RECOMMENDATION

Staff recommends that the Board, by motion and roll call vote, authorize staff to execute an Agreement for Financial Advisory Services, per the attached proposal and scope of work, with Fulbright Jaworski L.L.P. and C.M. deCrisis & Co., Inc.

ATTACHMENTS

- May 25, 2011 Fulbright Proposal and References
- May 25, 2011 de Crinis Proposal
- June 23, 2011 CSDA Finance Corporation Proposal

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FULBRIGHT
Jaworski L.L.P.
Attorneys at Law

555 South Flower Street • Forty-First Floor • Los Angeles, California 90071
mgoodkind@fulbright.com • Direct: 213 892 9328 • Main: 213 892 9200 • Facsimile: 213 892 9494

May 25, 2011

Michael S. LeBrun, P.E.
Interim General Manager
Nipomo Community Services District
148 South Wilson Street
Nipomo, CA 93444

Re: Nipomo Community Services District Certificates of Participation
(Southland Wastewater Treatment Facility Phase 1 Upgrade Project)

Dear Mr. Lebrun:

We are pleased to provide a proposal to serve as Bond and Disclosure Counsel to the Nipomo Community Services District (the "District") in connection with the authorization, execution and delivery of tax-exempt bonds or other obligations relating to the Southland Wastewater Treatment Facility Phase 1 Upgrade Project.

Fulbright & Jaworski L.L.P. ("Fulbright" or the "Firm") has one of the largest tax-exempt bond practices in the United States and has approximately 50 attorneys who work in the area of public finance or federal income taxation as it relates to public finance. **For many years, Fulbright has been ranked in the top ten national Bond Counsel firms, and, for 2010, was ranked seventh nationally as bond counsel, second nationally as disclosure counsel and seventh nationally as underwriter's counsel.** The Firm is very active in all areas of public finance, including water and wastewater financings of all types in California.

Fulbright is among the largest law firms in the United States with **approximately 1,000 attorneys** of which 382 are partners and 584 are counsel and associates. **The Firm was founded in 1919 and has had an active municipal finance practice since 1923.** There are 16 Fulbright locations worldwide. In addition to our Los Angeles office, Fulbright has offices in Austin, Dallas, Houston and San Antonio, Texas; Denver, Colorado; Washington, D.C.; New York, New York; St. Louis, Missouri; Minneapolis, Minnesota; with international locations in London, England; Munich, Germany; Hong Kong; Beijing, China; Dubai, United Arab Emirates; and Riyadh, Saudi Arabia. Fulbright's overall reputation places it in the top tier of international law firms.

Attached is a summary of recent water and wastewater transactions completed by our Los Angeles office. In fact, last year we closed \$12,030,000 Wastewater Enterprise and \$55,715,000 Water Enterprise Revenue Bond issues for nearby City of Santa Paula and \$7,480,000 Water

86030989.1

Austin • Beijing • Dallas • Denver • Dubai • Greater Pittsburgh Area (Washington County) • Hong Kong • Houston
London • Los Angeles • Minneapolis • Munich • New York • Riyadh • San Antonio • St. Louis • Washington DC
www.fulbright.com

System Refunding Revenue Bond issue for nearby City of Fillmore, in which we served as Bond and Disclosure Counsel.

As **Bond Counsel**, Fulbright will assist in developing the structure of the financing and provide customary Bond Counsel services necessary to enable the District to authorize, issue, sell and deliver bonds or other obligations under existing laws, as more fully set forth below. In addition, we would make our offices available to the District for the purpose of conducting meetings with regard to the documents relating to an offering of bonds or other obligations, and for all bid openings, pre-closings and closings of any transactions.

To the extent necessary, we will undertake statutory, decisional and constitutional law research inquiries as to the validity and legal authority of any method of financing chosen by the District. We will prepare, where necessary, the various resolutions, ordinances, trust indentures, notices inviting bids and security agreements required for each transaction. Where necessary, the Firm will prepare or review agreements for any credit support facility, escrow deposit, trustee, paying agent or registrar, and we would discuss and comment upon such agreements with financial officers and the financial advisor engaged by the District in connection therewith. The Firm will also be available to discuss and comment upon any aspect of the transaction related to its role as Bond Counsel, including any issues concerning the rating agencies or any other participant to the transaction. We will prepare or review all documents of the District necessary for the closing and delivery of the bonds or other obligations to the purchasers. The Firm will also prepare or review the various closing certificates and opinions required of trustees, accountants, consulting engineers, and other interested parties. At the closing, the Firm would deliver a final approving opinion in respect of the bonds or other obligations, stating, among other things, that such obligations are valid and binding obligations of the District and, if applicable, that interest on such obligations is exempt from personal income taxes under the laws of the United States and the State of California.

The proposed financing for a particular issuance of tax-exempt obligations will be reviewed by the Firm's Tax Department to assure that all aspects of the financing are in compliance with the requirements of the Internal Revenue Code, relevant Internal Revenue Service rulings and Treasury Department regulations so that the federal tax exemption of interest paid on the obligations is applicable. More specifically, such a review would entail an analysis of the financing structure to determine if such obligations are "arbitrage bonds" within the meaning of the Internal Revenue Code. In connection with such review, our Tax Department would prepare a certificate as to arbitrage which would be delivered at the closing. In addition, the Firm would review the applicable requirements under California tax laws, regulations and procedures to insure the availability of State tax-exempt status.

Subject to completion of all legal proceedings and issuance of the bonds to our satisfaction, Fulbright & Jaworski L.L.P. will issue its approving legal opinion with respect to the authorization, sale and delivery of the bonds and, if applicable, the exclusion of the interest

on the bonds from gross income for Federal and State income tax purposes. We will issue appropriate supplemental opinions and certificates as may be necessary or appropriate.

Since the official statement for a financing is recognized by the Securities and Exchange Commission as the issuer's document, many issuers have determined the need to have an opinion addressed to the issuer as to the adequacy and completeness of the official statement. We would be happy to serve the District as **Disclosure Counsel**. In such event, we would prepare and review, upon consultation with District officials and the financial advisor, preliminary and final versions of the official statement, sale documents and a continuing disclosure agreement, and at closing we would deliver an opinion addressed to the District regarding the official statement. We have extensive experience as Disclosure Counsel for virtually every type of tax-exempt municipal financing transaction. We would be happy to provide a list of the Firm's Disclosure Counsel transactions upon request.

Our fees for services as Bond Counsel would be calculated as follows:

- 1½% of the first \$1,000,000 principal amount issued; plus
- ½ % of the next \$8,000,000 principal amount issued; plus
- ¼ % of the next \$6,000,000 principal amount issued; plus
- 1/8 % of the balance of the principal amount issued.

Our fees for services as Disclosure Counsel shall be \$25,000 for the issue.

The District shall also pay to Fulbright reimbursement \$1,800 per series of obligations issued for Fulbright's out-of-pocket expenses incurred in connection with preparation of transcripts and legal services rendered by Fulbright as Bond Counsel and Disclosure Counsel under this Agreement.

Such Bond and Disclosure Counsel fees are entirely contingent on the successful delivery of the obligations. In the event the obligations are not sold and delivered, the District shall not be liable for any legal services provided or costs incurred by Fulbright.

The provisions herein for payment of fees on a fixed fee basis or a capped fee basis pertain to the ordinary and customary services rendered in connection with transactions of type described herein. Services performed which are occasioned by unforeseen delays, litigation, adverse litigation, validation actions, the need to obtain federal tax rulings, the use of derivative products or investment agreements, or other similar matters are to be billed at regular hourly rates.

All work-product is reviewed and approved by the partners in charge of the engagement. Maryann Goodkind is the proposed lead attorney for your financings, and if requested, routinely

Mr. Michael LeBrun
May 25, 2011
Page 4

attends meetings, study sessions and finance team meetings for our public agency clients to ensure that we provide the kind of "in-person" support and level of experience we believe is unparalleled among our competitors.

You are advised that the firm maintains Professional Errors and Omissions insurance coverage applicable to the services which we would be rendering.

If this arrangement is satisfactory to you, please return to us a copy of this letter executed by an authorized officer of the District.

Respectfully submitted,

Fulbright & Jaworski L.L.P.

By: 
Maryam L. Goodkind, Counsel

Terms of Bond and Disclosure Counsel Employment
Approved This ____ Day
of _____, 2011

NIPOMO COMMUNITY SERVICES DISTRICT

Name: _____

Title: _____

Fulbright & Jaworski L.L.P.
Los Angeles Public Finance Group
Water and Wastewater Transactions Closed Between October 15, 2004 and May 25, 2011

\$22,750,000 SLO County Financing Authority Lopez Dam Improvement Refunding Revenue Bonds, 2011 Series A. Served as Bond Counsel. Closed June 8, 2011.

\$30,165,000 South Placer Wastewater Authority Wastewater Revenue Refunding Bonds, Series 2011A (Variable Rate Demand Bonds). Served as Bank Counsel. Closed April 7, 2011.

\$30,160,000 South Placer Wastewater Authority Wastewater Revenue Refunding Bonds, Series 2011B (Variable Rate Demand Bonds). Served as Bank Counsel. Closed April 7, 2011.

\$160,570,000 East Bay Municipal Utility District Water System Revenue Refunding Bonds, Series 2009A-2 (SIFMA-Based Term Interest Rate Period). Served as Co-Bond Counsel. Closed March 1, 2011.

\$65,905,000 East Bay Municipal Utility District Wastewater System Revenue Refunding Bonds, Series 2011A. Served as Co-Bond Counsel. Closed January 19, 2011.

\$25,425,000 City of Pasadena Water Revenue Bonds, 2010A Series (Taxable Build America Bonds-Direct Payment). Served as Bond Counsel and Disclosure Counsel. Closed December 23, 2010.

\$4,575,000 City of Pasadena Water Revenue Bonds, 2010B Series (Tax-Exempt). Served as Bond Counsel and Disclosure Counsel. Closed December 23, 2010.

\$157,000,000 Orange County Sanitation District Wastewater Revenue Obligations, Series 2010C (Taxable Build America Bonds). Served as Bond Counsel and Disclosure Counsel. Closed December 8, 2010.

\$160,570,000 East Bay Municipal Utility District Water System Revenue Refunding Bonds, Series 2009A-1 (SIFMA-Based Term Interest Rate Period). Served as Co-Bond Counsel. Closed December 1, 2010.

\$7,480,000 Fillmore Public Financing Authority Revenue Bonds (Water System Refunding), Series 2010 (Bank Qualified). Served as Bond Counsel and Disclosure Counsel. Closed November 30, 2010.

\$154,665,000 Orange County Sanitation District Revenue Refunding Certificate Anticipation Notes, Series 2010B. Served as Special Counsel and Disclosure Counsel. Closed November 23, 2010.

\$275,000,000 New York City Municipal Water Finance Authority Water and Sewer System Second General Resolution Revenue Bonds, Adjustable Rate Fiscal 2011 Series DD. Served as Bank Counsel. Closed November 18, 2010.

\$8,795,000 City of Burbank Water and Power Water Revenue/Refunding Bonds, Series of 2010A. Served as Bond Counsel and Disclosure Counsel. Closed November 10, 2010.

\$27,945,000 City of Burbank Water and Power Water Revenue Bonds, Series of 2010B (Taxable Build America Bonds). Served as Bond Counsel and Disclosure Counsel. Closed November 10, 2010.

\$4,835,000 Anaheim Public Financing Authority Revenue Bonds, Series 2010-A (Water System Project) (Tax-Exempt). Served as Bond Counsel. Closed October 28, 2010.

\$29,690,000 Anaheim Public Financing Authority Revenue Bonds, Series 2010-B (Water System Project) (Federally Taxable Build America Bonds). Served as Bond Counsel. Closed October 28, 2010.

\$9,965,000 Monte Vista Water District Revenue Certificates of Participation, Series 2010A. Served as Underwriter's Counsel. Closed October 28, 2010.

\$58,095,000 East Bay Municipal Utility District Wastewater System Revenue/Refunding Bonds, Series 2010A. Served as Co-Bond Counsel. Closed October 20, 2010.

\$150,000,000 East Bay Municipal Utility District Wastewater System Revenue Bonds, Series 2010B (Taxable Build America Bonds - Direct Payment). Served as Co-Bond Counsel. Closed October 20, 2010.

\$24,990,000 Imperial Irrigation District Water System Refunding Revenue Bonds, 2010 Series. Served as Bond Counsel and Disclosure Counsel. Closed October 14, 2010.

\$194,000,000 Orange County Sanitation District Refunding Certificates of Participation, Series 2000-A and Series 2000-B (2010 Remarketing). Served as Special Counsel and Disclosure Counsel. Closed August 25, 2010.

\$11,765,000 Hercules Public Financing Authority Wastewater Revenue Bonds, Series 2010. Served as Bond Counsel. Closed August 10, 2010.

\$\$200,000,000 Imperial Irrigation District Revenue Commercial Paper Warrants (Electric System and Water System Projects), Series A (Tax-Exempt) and Series B (Taxable) (Letter of Credit Substitution). Served as Special Counsel. Closed August 3, 2010.

\$80,000,000 Orange County Sanitation District Wastewater Revenue Obligations, Series 2010A (Federally Taxable Build America Bonds). Served as Special Counsel and Disclosure Counsel. Closed May 18, 2010.

\$35,825,000 City of Burbank Water and Power Electric Revenue/Refunding Bonds, Series of 2010A. Served as Bond Counsel and Disclosure Counsel. Closed March 31, 2010.

\$52,665,000 City of Burbank Water and Power Electric Revenue Bonds, Series of 2010B (Taxable Build America Bonds). Served as Bond Counsel and Disclosure Counsel. Closed March 31, 2010.

\$37,935,000 Central Basin Municipal Water District Refunding Revenue Certificates of Participation, Series 2010A. Served as Underwriter's Counsel. Closed March 10, 2010.

\$326,060,000 East Bay Municipal Utility District Water System Subordinated Revenue Refunding Bonds, Series 2009A (SIFMA-Based Term Interest Rate Period). Served as Co-Bond Counsel. Closed March 1, 2010.

\$55,715,000 Santa Paula Utility Authority Water Enterprise Revenue Bonds, 2010 Series. Served as Bond Counsel and Disclosure Counsel. Closed February 23, 2010.

\$5,900,000 Santa Paula Utility Authority Wastewater Enterprise Revenue Bonds, 2010A Series. Served as Bond Counsel and Disclosure Counsel. Closed February 23, 2010.

\$6,130,000 Santa Paula Utility Authority Wastewater Enterprise Revenue Bonds, 2010B Series (Taxable). Served as Bond Counsel and Disclosure Counsel. Closed February 23, 2010.

\$400,000,000 East Bay Municipal Utility District Water System Subordinated Revenue Bonds, Series 2010B (Taxable Build America Bonds). Served as Co-Bond Counsel. Closed February 23, 2010.

\$192,830,000 East Bay Municipal Utility District Water System Subordinated Revenue/Refunding Bonds, Series 2010A. Served as Co-Bond Counsel. Closed February 3, 2010.

\$2,250,000 City of Mendota 2010-1 Certificates of Participation (Wastewater System Improvement Project). Served as Special Counsel. Closed January 26, 2010.

\$165,865,000 Orange County Sanitation District Revenue Refunding Certificate Anticipation Notes, Series 2009B. Served as Special Counsel and Disclosure Counsel. Closed December 1, 2009.

\$8,525,000 Auburn Public Financing Authority Wastewater Revenue Bonds, Series 2009. Served as Underwriter's Counsel. Closed August 13, 2009.

\$75,000,000 Irvine Ranch Water District Consolidated Series 2009A Constituting the Consolidated Several General Obligations of Improvement District Nos. 105, 112, 113, 121, 130, 140, 161, 182, 184, 186, 188, 212, 213, 221, 230, 240, 250, 261, 282, 284, 286 and 288. Served as Underwriter's Counsel. Closed June 4, 2009.

\$75,000,000 Irvine Ranch Water District Consolidated Series 2009B Constituting the Consolidated Several General Obligations of Improvement District Nos. 105, 112, 113, 121, 130, 140, 161, 182, 184, 186, 188, 212, 213, 221, 230, 240, 250, 261, 282, 284, 286 and 288. Served as Underwriter's Counsel. Closed June 4, 2009.

\$98,135,000 Turlock Irrigation District First Priority Subordinated Refunding Revenue Notes, Series 2009. Served as Underwriter's Counsel. Closed May 21, 2009.

\$200,000,000 Orange County Sanitation District Certificates of Participation, Series 2009A. Served as Special Counsel and Disclosure Counsel. Closed May 7, 2009.

\$132,145,000 Modesto Irrigation District Series 2009A Certificates of Participation (Capital Improvements). Served as Underwriters' Counsel. Closed March 31, 2009.

\$331,155,000 East Bay Municipal Utility District Water System Subordinated Revenue Refunding Bonds, Series 2009A (SIFMA-Based Term Interest Rate Period). Served as Co-Bond Counsel. Closed March 12, 2009.

\$6,053,438.74 Carpinteria Sanitary District Assessment District No. 2007-1 Limited Obligation Improvement Bonds, Series A (Bank Qualified). Served as Underwriter's Counsel. Closed March 12, 2009.

\$157,190,000 Public Facilities Financing Authority of the City of San Diego Water Revenue Bonds, Refunding Series 2009A (Payable Solely From Installment Payments Secured by Net System Revenues of the Water Utility Fund). Served as Bond Counsel and Corporation Counsel. Closed January 29, 2009.

\$200,000,000 The Metropolitan Water District of Southern California Water Revenue Bonds, 2008 Authorization, Series A. Served as Underwriters' Counsel. Closed January 27, 2009.

\$176,115,000 Orange County Sanitation District Refunding Certificates of Participation, Series 2008C (Certificate Anticipation Notes). Served as Special Counsel and Disclosure Counsel. Closed December 10, 2008.

\$27,800,000 Orange County Sanitation District Refunding Certificates of Participation, Series 2008B. Served as Special Counsel and Disclosure Counsel. Closed September 11, 2008.

\$100,000,000 Contra Costa Water District Tax-Exempt Commercial Paper Notes, Series A. Served as Bank Counsel. Closed July 29, 2008.

\$48,580,000 Anaheim Public Financing Authority Revenue Bonds, Series 2008 (Water System Project). Served as Bond Counsel. Closed July 9, 2008.

\$89,440,000 Chino Basin Desalter Authority Desalter Revenue Refunding Bonds, Series 2008A. Served as Underwriter's Counsel. Closed June 11, 2008.

\$77,165,000 Orange County Sanitation District Refunding Certificates of Participation, Series 2008A. Served as Special Counsel and Disclosure Counsel. Closed May 29, 2008.

\$58,235,000 City of Riverside Water Revenue Bonds, Issue of 2008B. Served as Bond Counsel. Closed May 28, 2008.

\$60,300,000 City of Riverside Variable Rate Refunding Water Revenue Bonds, Issue of 2008A. Served as Bond Counsel. Closed May 13, 2008.

\$444,600,000 City of Los Angeles Wastewater System Subordinate Revenue Bonds, Variable Rate Refunding, Series 2008-A, Series 2008-B, Series 2008-C, Series 2008-D, Series 2008-E, Series 2008-F-1, Series 2008-F-2, Series 2008-G and Series 2008-H. Served as Bank Counsel. Closed May 1, 2008.

\$17,035,000 City of Beverly Hills Public Financing Authority 2008 Wastewater Revenue Refunding Bonds, Series A. Served as Underwriters' Counsel. Closed May 1, 2008.

\$40,300,000 Calleguas-Las Virgenes Public Financing Authority Variable Rate Refunding Revenue Bonds, 2008 Series A (Calleguas Municipal Water District Project). Served as Bond Counsel. Closed April 24, 2008.

\$68,945,000 Irvine Ranch Water District Certificates of Participation, Refunding Series 2008. Served as Underwriter's Counsel. Closed April 24, 2008.

\$60,215,000 Irvine Ranch Water District Consolidated Refunding Series 2008A Constituting the Consolidated Several General Obligations of Improvement District Nos. 105, 113, 135, 161, 182, 213, 250 and 261. Served as Underwriter's Counsel. Closed April 24, 2008.

\$100,355,000 Irvine Ranch Water District Consolidated Refunding Series 2008B Constituting the Consolidated Several General Obligations of Improvement Districts Nos. 105, 113, 213 and 250. Served as Underwriter's Counsel. Closed April 24, 2008.

\$72,504,000 South Placer Wastewater Authority Variable Rate Demand Refunding Wastewater Revenue Bonds, Series 2008A. Served as Bank Counsel. Closed April 10, 2008.

\$92,850,000 South Placer Wastewater Authority Variable Rate Demand Refunding Wastewater Revenue Bonds, Series 2008B. Served as Bank Counsel. Closed April 10, 2008.

\$501,575,000 The Metropolitan Water District of Southern California Water Revenue Refunding Bonds, 2008 Series A-1 and 2008 Series A-2. Served as Co-Bond Counsel. Closed March 25, 2008.

\$150,000,000 Public Facilities Financing Authority of the City of San Diego Subordinated Water Revenue Notes, Series 2008A (Payable Solely From Subordinated Installment Payments Secured by Net System Revenues of the Water Utility Fund). Served as Bond Counsel and Corporation Counsel. Closed February 28, 2008.

\$50,000,000 City of Glendale Water Revenue Bonds, 2008 Series. Served as Bond Counsel and Disclosure Counsel. Closed February 20, 2008.

\$300,000,000 Orange County Sanitation District Certificates of Participation, Series 2007B. Served as Special Counsel and Disclosure Counsel. Closed December 20, 2007.

\$11,315,000 County of Sonoma Lease Purchase Agreement and Solid Waste Certificates of Participation Refunding (Private Placement). Served as Special Counsel. Closed December 17, 2007.

\$26,860,000 Desert Water Agency Certificates of Participation (Water System Improvement Project), Series 2007. Served as Disclosure Counsel. Closed December 11, 2007.

\$81,900,000 The Metropolitan Water District of Southern California Water Revenue Refunding Bonds, 2007 Series B (Auction Rate Securities). Served as Co-Bond Counsel. Closed November 15, 2007.

\$157,845,000 SLO County Financing Authority Nacimiento Water Project Revenue Bonds, 2007 Series A. Served as Bond Counsel. Closed September 26, 2007.

\$38,565,000 SLO County Financing Authority Nacimiento Water Project Revenue Bonds, 2007 Series B (Taxable). Served as Bond Counsel. Closed September 26, 2007.

Calleguas-Las Virgenes Public Financing Authority \$58,265,000 Revenue Bonds, 2007 Series A (Calleguas Municipal Water District Project) and \$40,000,000 Auction Rate Revenue Bonds, 2007 Series B (Calleguas Municipal Water District Project). Served as Bond Counsel. Closed August 23, 2007.

\$25,905,000 California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (California Waste Solutions, Inc. Project), Series 2007A. Served as Bank Counsel. Closed June 27, 2007.

\$318,425,000 The Metropolitan Water District of Southern California Water Revenue Refunding Bonds, 2007 Series A-1 (Auction Rate Securities), Water Revenue Refunding Bonds, 2007 Series A-2 (Auction Rate Securities) and Water Revenue Bonds, 2006 Authorization, Series B (Auction Rate Securities). Served as Co-Bond Counsel. Closed June 7, 2007.

\$21,550,000 City of Pasadena Water Revenue Bonds, 2007 Series. Served as Bond Counsel and Disclosure Counsel. Closed May 1, 2007.

\$35,495,000 City of Beverly Hills Public Financing Authority 2007 Water Revenue Bonds. Served as Underwriters' Counsel. Closed January 31, 2007.

\$57,000,000 Public Facilities Financing Authority of the City of San Diego Non-Transferable Subordinated Water Revenue Notes, Series 2007A. Served as Purchaser's Counsel. Closed January 30, 2007.

\$620,600,000 Department of Water and Power of the City of Los Angeles Power System Variable Rate Demand Revenue Bonds, 2001 Series B (2007 Remarketing). Served as Bank Counsel. Closed January 24, 2007.

\$54,850,000 Azusa Public Financing Authority Parity Revenue Bonds (Water System Capital Improvements Program), Series 2006. Served as Bond Counsel and Disclosure Counsel. Closed December 20, 2006.

\$66,280,000 Rancho California Water District Financing Authority Adjustable Rate Revenue Bonds, Series of 2001B (2006 Remarketing). Served as Liquidity Provider's Counsel. Closed October 25, 2006.

\$36,250,000 Calleguas-Las Virgenes Public Financing Authority Refunding Revenue Bonds, 2006 Series A (Calleguas Municipal Water District Project). Served as Bond Counsel. Closed October 18, 2006.

\$58,370,000 City of Los Angeles Solid Waste Resources Revenue Bonds, Series 2006-A. Served as Bond Counsel. Closed September 26, 2006.

\$74,625,000 California Infrastructure and Economic Development Bank Refunding Revenue Bonds, Series 2006 (The Salvation Army Western Territory). Served as Bond Counsel. Closed September 20, 2006.

\$56,015,000 The Salvation Army Taxable Revenue Bonds, Series 2006. Served as Bond Counsel and Issuer's Counsel. Closed September 20, 2006.

\$23,460,000 City of Lake Elsinore Community Facilities District No. 2004-3 (Rosetta Canyon) Special Tax Bonds (Improvement Area No. 2), 2006 Series A. Served as Bond Counsel and Disclosure Counsel. Closed September 19, 2006.

\$10,710,000 West Covina Public Financing Authority Lease Revenue Bonds, 2006 Series A (Big League Dreams Project). Served as Bond Counsel and Disclosure Counsel. Closed September 19, 2006.

\$300,000,000 The Metropolitan Water District of Southern California Water Revenue Bonds, 2005 Authorization Series C, 2005 Authorization Series D-1 (Auction Rate Securities) and 2005 Authorization Series D-2 (Auction Rate Securities). Served as Co-Bond Counsel. Closed August 23, 2006.

\$33,120,000 El Centro Financing Authority Water Revenue Bonds, 2006 Series A. Served as Bond Counsel and Disclosure Counsel. Closed June 28, 2006.

\$32,500,000 El Centro Financing Authority Wastewater Revenue Bonds, 2006 Series A. Served as Bond Counsel and Disclosure Counsel. Closed June 28, 2006.

\$18,805,000 El Monte Water Authority Refunding Revenue Bonds, 2006 Series. Served as Bond Counsel and Disclosure Counsel. Closed June 15, 2006.

\$34,825,000 Improvement District M of the Mojave Water Agency General Obligation Bonds (Morongo Basin Pipeline Project), Election of 1990, Refunding Series 2006. Served as Underwriter's Counsel. Closed June 7, 2006.

City of Los Angeles Wastewater System Subordinate Revenue Bonds (Variable Rate Refunding) \$123,400,000 Series 2001-A, \$123,400,000 Series 2001-B, \$46,300,000 Series 2001-C and \$15,500,000 Series 2001-D. Served as Liquidity Provider's Counsel. Closed May 12, 2006.

City of Los Angeles \$118,810,000 Wastewater System Subordinate Revenue Bonds (Variable Rate Refunding) Series 2006-A, \$71,280,000 Series 2006-B, \$27,715,000 Series 2006-B-2, \$49,490,000 Series 2006-C and \$49,490,000 Series 2006-D. Served as Liquidity Provider's Counsel. Closed April 6, 2006.

\$13,070,000 Baldy Mesa Water District Parity Certificates of Participation (Water System Improvement Project), Series 2006. Served as Bond Counsel and Disclosure Counsel. Closed March 15, 2006.

\$4,070,000 Baldy Mesa Water District Refunding Improvement Bonds, Series 2006 (Assessment District No. 2-R). Served as Bond Counsel and Disclosure Counsel. Closed February 22, 2006.

\$6,555,000 SLO County Financing Authority Subordinate Bond Anticipation Notes (Nacimiento Pipeline Project), 2005 Series A. Served as Bond Counsel. Closed December 22, 2005.

\$35,635,000 Banning Utility Authority Water Enterprise Revenue Bonds, Refunding and Improvement Projects, 2005 Series. Served as Bond Counsel. Closed December 21, 2005.

\$7,100,000 Banning Utility Authority Wastewater Enterprise Revenue Bonds, Refunding and Improvement Projects, 2005 Series. Served as Bond Counsel. Closed December 21, 2005.

\$23,000,000 Camarillo Public Finance Authority Wastewater Revenue Bonds, Series 2005. Served as Bond Counsel and Disclosure Counsel. Closed November 30, 2005.

City of Imperial \$2,160,000 Parity Certificates of Participation (Water Facility), Series 2005 and \$2,845,000 Parity Certificates of Participation (Wastewater Treatment Facility), Series 2005. Served as Special Counsel and Disclosure Counsel. Closed November 17, 2005.

\$34,825,000 Improvement District M of the Mojave Water Agency General Obligation Bonds (Morongo Basin Pipeline Project), Election of 1990, Refunding Series 2006. Served as Underwriter's Counsel. Closed November 8, 2005.

\$200,000,000 New York City Municipal Water Finance Authority Water and Sewer System Second General Resolution Revenue Bonds, Adjustable Rate Fiscal 2006 Series AA-1. Served as Bank Counsel to California State Teachers' Retirement System. Closed October 27, 2005.

\$3,725,000 Mendota Joint Powers Financing Authority Wastewater Revenue Bonds, Series 2005. Served as Bond Counsel and Disclosure Counsel. Closed October 13, 2005.

\$61,125,000 City of Riverside Water Refunding/Revenue Bonds, Issue of 2005 (Auction Rate Securities). Served as Bond Counsel. Closed October 6, 2005.

\$45,750,000 City of Los Angeles Sanitation Equipment Charge Revenue Bonds, Series 2005-A. Served as Bond Counsel. Closed July 7, 2005.

\$29,020,000 City of Corona Department of Water and Power 2005 Certificates of Participation (Clearwater Cogeneration Project Completion and Electric Distribution Facilities Project). Served as Special Counsel and Disclosure Counsel. Closed June 7, 2005.

\$5,725,000 Coachella Financing Authority Wastewater Revenue Refunding Bonds, Series 2005A. Served as Disclosure Counsel. Closed April 13, 2005.

\$24,125,000 Mojave Water Agency 2004 Refunding Certificates of Participation (Supplemental Table A Amount Project). Served as Disclosure Counsel. Closed December 21, 2004.

\$60,000,000 Contra Costa Water District Commercial Paper Program (2004 Revolving Credit Agreement). Served as Bank Counsel to the California State Teachers' Retirement System and State Street Bank and Trust Company. Closed October 15, 2004.



C.M. de CRINIS & CO., INC.

Curt de Crinis
Managing Director

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E-mail: curt@cmdecrinis.com
www.cmdecrinis.com

May 25, 2011

Michael S. LeBrun, P.E.
Interim General Manager
Nipomo Community Services District

Re: Financial Advisory Fee Letter

Dear Michael;

Please consider this letter as our proposal to assist the Nipomo Community Services District in financing the Southland Wastewater Treatment Facility Upgrade Project. Our services will include a review of the financing options, assembling a financing team, developing a plan of finance, and structuring and managing the financing to completion. Our proposed scope of services is outlined as follows;

1. Review proposed Project and financing requirements.
2. Review and confirm wastewater revenues available for debt service including review of prior Audits, Budgets, 2007 Rate Study, continuing disclosure and other documents.
3. Review terms and conditions of existing State Revolving Fund Debt.
4. Prepare analysis outlining bonding capacity and debt structuring options. Identify impacts on future budgets and future capital financing needs.
5. Assist District in retaining other financing team members as required.
6. Review and evaluate debt structure options including recommended debt coverage, legal covenants and other terms; Work with District Staff, Consultants, and Board as necessary.
7. Develop final Recommended Plan of Finance.
8. Maintain Financing Calendar.
9. Work with Bond Counsel in the drafting of required legal documents, investor disclosure documents and bond sale documents and terms.
10. Assist the District by managing the financing process; provide updated bond market information, provide advice on market conditions.

11. Assist the District in preparing and presenting Rating and Bond Insurance Applications, as advisable.
12. Assist the District in final negotiations of terms with Rating Agencies and Insurers.



C.M. de CRINIS & CO., INC.

13. Recommend best method of sale based on expected bond market conditions on sale date; finalize competitive sale documents or develop RFP for underwriters if negotiated sale is recommended or selected.
14. Advise on and coordinate bond sale activities including bid openings and verifications; make recommendation on best bid or terms of sale. Verify interest costs bid; advise and represent District in underwriter negotiations, if sale is negotiated.
15. Assist the District and Bond Counsel in finalizing all bond documents and closing documents. Prepare closing memo and confirm all wiring instruction.
16. Coordinate closing of transaction. Review construction draw schedule and provide investment advice as needed for bond proceeds following closing.
17. Provide post closing follow up and advice as needed.

We expect our final fee, subject to District approval prior to closing, to not exceed \$60,000 depending on the final work required and results achieved. Expenses will not exceed 5% of the Final Fee amount. The fee is payable at time of closing from bond proceeds and is fully contingent on the successful sale and closing of the bonds. Alternatively we are also willing to discuss working on an hourly non contingent basis.

If the scope of services is reduced, expanded or the services are not provided or needed we agree to adjust our fee accordingly, following discussions with District staff. I will serve as the principal consultant on this transaction and Paul McDonnell from my office will assist me.

We look forward to working with the District.

Sincerely,

Curt M. de Crinis

Acknowledged and Accepted

June 23, 2011

Ms. Lisa Bognuda
Finance Director/Assistant GM
Nipomo Community Services District
PO Box 326
Nipomo, CA 93444

Dear Ms. Bognuda,

On behalf of the CSDA Finance Corporation (CSDA FC), I am pleased to submit our proposal to provide financial advisory services to Nipomo Community Services District. As a result of our long-standing history of providing public finance services to California special districts, CSDA FC is especially qualified to lead the District's financial advisory effort with regard to the proposed capital improvements financing program. Since our inception more than 20 years ago, we have provided services for nearly \$1 billion in special district financings. In a time when special districts are enduring continued economic and political assault, it is essential that a District's financial advisor possess relevant experience and knowledge regarding the unique financing constraints of special districts.

PROFESSIONALS DEDICATED TO THE DISTRICT

Our primary task is to work with the District to arrange a financing program which achieves the lowest funding costs while preserving the District's operating flexibility.

The professional financing team of CSDA FC will work with the District to offer insight into debt structuring options, and ensure that the District staff understands and is comfortable with each step of the financing program. We assist with the creation of the plan-of-finance, manage the credit-rating process, oversee the preparation of primary marketing materials, and supervise the bond offering, sales, and underwriting processes.

CSDA FINANCE CORPORATION: THE SPECIAL DISTRICT EXPERTS

CSDA FC's solid reputation and on-going success stems from our understanding of the needs and challenges faced by special districts and our ability to assist them in finding solutions to the challenges of funding mission-critical capital projects. We are dedicated to special districts, and providing efficient and effective access to the capital markets to municipalities like Nipomo Community Services District is our primary focus.

The CSDA Finance Corporation would be privileged to work with the District on its capital improvements program, and, if selected, we will work enthusiastically to help the District achieve an optimal funding solution.

Best regards,



Neil McCormick
Administrator



1. General Information

The main office of the CSDA Finance Corporation (CSDA FC) is located in downtown Sacramento. The contact information for any communications regarding this proposal is identified below:

Neil McCormick
Administrator
CSDA Finance Corporation
1112 I Street, Suite 200
Sacramento, CA 95814
(916) 442-7887
neilm@csda.net

In 1988, the Board of Directors of the California Special Districts Association sponsored the formation of a non-profit public benefit corporation, CSDA FC, designed to assist California's special districts and other member agencies of the Association in their efforts to enhance revenues and reduce costs through the use of innovative financing programs.

In its twenty-plus years of existence, CSDA FC has facilitated the funding of almost \$1 billion in capital improvement and equipment purchase projects and has earned the respect of investors and special district clients alike.

CSDA FC's Board of Directors is composed of managers and directors from special districts throughout California. Together with the assistance of our financing team, CSDA FC is able to provide efficient, competitively priced, tax-exempt financing programs for special districts of all types and from all areas of the state.

2. Key Personnel

To work with our member districts, CSDA FC has assembled a team of uniquely qualified professionals with years of experience in municipal finance. Saul Rosenbaum will be the lead advisor in CSDA FC's efforts on behalf of Nipomo Community Services District and will provide financial advisory services to help establish the District's footings with the development, review and analysis of financing strategies.

Saul Rosenbaum

Mr. Rosenbaum is a Managing Director in the San Francisco office of Prager, Sealy & Co., LLC and has over 24 years of experience in public finance. He has particular expertise with water and wastewater agency financing, and is a regular speaker on certificate of participation

financing techniques. Prior to joining Prager in 1994, he was a Vice President in the San Francisco Public Finance Group of Prudential Securities Incorporated, where he concentrated on utility finance for the western United States. Prior to joining Prudential Securities Incorporated, Mr. Rosenbaum was a Senior Consultant in the Municipal Finance Consulting Division of Ernst & Young where he provided escrow, cash flow and yield verification services for municipalities nationwide.

Mr. Rosenbaum has extensive technical background in structuring and designing various types of municipal transactions. A partial listing of the types of issuers with whom Mr. Rosenbaum has worked include water and wastewater authorities, public utility agencies, transportation authorities, redevelopment authorities, and pooled financing authorities. Since its inception, Mr. Rosenbaum has served as the CSDA FC's investment banker.

Jeff Stava

Mr. Stava is a partner in the Irvine office of Nossaman LLP, a nationally recognized bond counsel firm with offices in San Francisco, Sacramento, Los Angeles, Irvine, and Washington, D.C. Mr. Stava has specialized in municipal finance since graduating from Loyola Law School in 1983 and has served as bond counsel since the CSDA Finance Corporation was formed in 1988. He has worked with a wide variety of special districts, with extensive experience serving as bond counsel, disclosure counsel and underwriter counsel on water and wastewater financings for districts throughout California. As bond counsel, Mr. Stava will address the legal issues associated with structuring the District's financing, including tax issues to ensure the District is able to issue its obligations on a tax exempt basis.

3. Experience

The finance team of CSDA FC has established relationships with numerous water and wastewater agencies throughout California including: Lake Hemet Municipal Water District, Del Paso Manor Water District, Rosedale-Rio Bravo Water Storage District, Antelope Valley-East Kern Water Agency, Montecito Sanitary District, Ventura Regional Sanitation District, and Rowland Water District.

This first-hand experience has provided us with a growing understanding of and appreciation for special districts' financing objectives and constraints.

4. Scope of Work

As the financial advisor for the District's funding of its Southland Wastewater Treatment Facility Upgrade, CSDA FC's objective is to assist the District with the creation of a funding plan which complies with the strategic objectives underpinning the District's mission. All of the appropriate resources of CSDA and its consultants will be available to assist the District in achieving its financial planning and funding goals.

To determine the optimal debt structure, our consultants will engage in extensive dialogue with the District's staff, general counsel, rating agencies, bond insurers, prospective investors, and letter-of-credit providers to examine the relative benefits of various financial instruments, amortization structures, credit enhancement opportunities, and redemption provisions. Our

goal is to assist the District in the creation, development, and execution of a funding plan which complies with the District's strategic objectives while providing it with the lowest possible costs of funds.

CSDA FC will, at a minimum, provide the following services, which are summarized on the following pages:

- Assist in the development of a plan-of-finance for funding the Southland Wastewater Treatment Facility Project;
- Coordinate presentations to the rating agencies and/ or credit enhancement providers;
- Coordinate the preparation and review of legal and disclosure documents;
- Develop the market for the bond sale;
- Implement the sale;
- Coordinate the closing and delivery of funds;
- Assist in the reinvestment of the bond proceeds;
- Monitor the bond's performance in the secondary market; and
- Provide continuing financial advisory service.

1. ***Development of Financing Plan & Structure*** - Before developing a specific financing plan for the District, the consultants of CSDA FC will hold in-depth discussions with the District concerning its strategic business and capital financing plans. Our intent will be to review and evaluate the current plans of the District and work with the District to make any revisions to accommodate its future goals. If phased financing is contemplated, we will pay particular attention to the timing and coordination of the project phases. This includes analyses to determine the optimum amount of bonds to issue in each phase and the consideration of various security provisions to ensure that the District's credit rating remains strong with each new issuance. After the evaluation of the District's strategic capital plans for the new projects, CSDA FC will consider the District's operating performance and capital structure, capital allocation guidelines and the identification of the various capital sources and financing options available, all in the spirit of helping the District achieve the highest credit rating possible.

The consultants of CSDA FC will work with the District and the other members of the project team to develop a financing plan that will result in the lowest possible cost of borrowing for the financing. We will be especially diligent in controlling and negotiating the costs of issuance. We will create financial models to evaluate various financing structures (such as the benefits of one financing instrument over another), call dates, payments to meet expected revenue draws and the benefits and risks of various fund alternatives products. We will also review of all issues relating to the tax-exempt status of the obligations. After this analysis, we will provide the District with final recommendations for each transaction.

2. ***Organization of Financing Team*** - Once the plan-of-finance is developed, we will assist the District in selecting the method-of-sale. In the event of a negotiated sale, we

will assist the District with the engagement of the underwriter. We will prepare and oversee the schedule of events and coordinate the timely accomplishment of those events by the responsible financing team members.

3. ***Coordinate Presentations to the Rating Agencies*** - During the structuring process, the question of whether or not the District should seek a rating and/or bond insurance will be determined. CSDA FC will take an active role in the determination process, and if the District proceeds with a rating and/or credit enhancement, we will be instrumental in that process as further detailed in this section.
4. ***Preparation of Legal Documents*** – The professionals assigned to the District's financing team are fully familiar with the legal documents that will be required for the District's bond issues and will ensure that all legal documents, including the disclosure documents, are prepared with due diligence and full disclosure. The members of the District's finance team are thoroughly knowledgeable with all the laws pertaining to the issuance of municipal securities -- specifically California public finance law, federal arbitrage law, federal disclosure standards and all applicable State laws.
5. ***Marketing the Bonds*** – CSDA FC will assist in the development of a market for the District's financings through a comprehensive education effort prior to the sale of the bonds.
6. ***Underwriting the Bonds*** - As the financial advisor, CSDA FC will provide the District with the following services, based upon market conditions at the time of sale:
 - Recommend the most advantageous method-of-sale;
 - Recommend the most advantageous time to offer the bonds;
 - Supervise the offering and underwriting processes;CSDA FC will keep the District and other members of the team completely informed and involved during the bond offering/ sale period. All information concerning orders, allotments, performance of underwriter(s), and a summary of the distribution of the District's bonds will be compiled for review by the District.
7. ***Closing*** – CSDA FC will take primary responsibility to ensure that the closing of the financing proceeds smoothly, including guaranteeing that funds are available on the day of closing and coordinating the execution and delivery of all legal documents and opinions, including an opinion on the tax-exempt status of the obligations.
8. ***Reinvestment of Bond Proceeds*** – CSDA FC will assist the District with the structuring of the most efficient investment portfolio for its bond proceeds. The portfolio established for the District will be tailored to meet its indenture restrictions, provide the highest allowable yields and allow a draw-down schedule that is the most appropriate for the District's projects.
11. ***Continuing Service*** – CSDA FC will provide ongoing financial services related to the bond offering.

5. Fee

CSDAFC's fee proposal for providing strategic financial advice with respect to all phases of the engagement is \$150,000 plus out-of-pocket expenses.* Fees are payable at closing from bond proceeds, and are contingent upon a successful completion of the financing.

***Out-of-Pocket:**

- word processing/ computer time & expenses - not billed
- air travel, hotel, meals – at cost
- mileage – \$0.55/mile
- reimbursable expenses - at cost
- communications + postage - at cost

6. References

Del Paso Manor Water District - \$5,000,000

Debra Sedwick, General Manager
debrasedwick@sbcglobal.net
916-487-0419

Lake Hemet Municipal Water District - \$7,820,000

Tom Wagner, General Manager
twagoner@lhmwd.org
(951) 658-3241 x241

Rowland Water District - \$20,545,000

Ken Deck, General Manager
kdeck@rowlandwater.com
(562) 690-7142

7. Unique Qualifications

In a time when special districts are enduring continued economic and political assault, it is essential that the District's financing team has relevant experience and knowledge regarding special districts. The CSDA FC's team has unparalleled experience guiding special districts through the process of acquiring tax-exempt funding – especially districts which are infrequent users of the capital marketplace. The majority of the special districts that have participated in CSDA FC programs are water and/or sewerage districts with concerns similar to those facing Nipomo Community Services District.

The experiences of working with numerous California special districts, their staff members and directors have provided the CSDA FC with a unique ability to assist Nipomo Community Services District through the financing process in a manner that is straightforward, understandable, and innovative.