

TO: BOARD OF DIRECTORS

FROM: MICHAEL S. LEBRUN
GENERAL MANAGER

DATE: OCTOBER 17, 2014

AGENDA ITEM

D

OCTOBER 22, 2014

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 removed. If discussion is desired, the item may be removed from the Consent Agenda by a Board member and will be considered separately at the conclusion of the Administrative Items. Individual items on the Consent Agenda are approved by the same vote that approves the Consent Agenda, unless an item is pulled for separate consideration. The recommendations for each item are noted in bracket. Members of the public may comment on the Consent Agenda items.

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

- D-1) WARRANTS [RECOMMEND APPROVAL]
- D-2) APPROVE OCTOBER 8, 2014 REGULAR BOARD MEETING MINUTES
[RECOMMEND APPROVAL]
- D-3) ACCEPT SOUTHLAND WASTEWATER TREATMENT FACILITY PHASE 1
IMPROVEMENT PROJECT [RECOMMEND ACCEPT PROJECT AND DIRECT
STAFF TO FILE NOTICE OF COMPLETION]
- D-4) RECEIVE 3RD QUARTER INVESTMENT REPORT [RECOMMEND RECEIVE
REPORT]

TO: BOARD OF DIRECTORS
FROM: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER
DATE: OCTOBER 17, 2014

**AGENDA ITEM
D-1
OCTOBER 22, 2014**

WARRANTS WILL BE DISTRIBUTED ON TUESDAY, OCTOBER 21, 2014

TO: BOARD OF DIRECTORS
FROM: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER
DATE: OCTOBER 17, 2014

AGENDA ITEM
D-2
OCTOBER 22, 2014

APPROVE MINUTES OF PREVIOUS BOARD MEETINGS

ITEM

Approve action minutes from previous Board meetings. [RECOMMENDED APPROVE MINUTES]

BACKGROUND

The draft minutes are a written record of the previous Board Meeting action.

RECOMMENDATION

Approve minutes as part of Consent Agenda.

ATTACHMENT

- A. October 8, 2014, draft Regular Board Meeting Minutes

October 22, 2014

ITEM D-2

ATTACHMENT A

NIPOMO COMMUNITY SERVICES DISTRICT

Serving the Community Since 1965

DRAFT REGULAR MINUTES

OCTOBER 8, 2014, AT 9:00 A.M.

JON S. SEITZ BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

BOARD of DIRECTORS

CRAIG ARMSTRONG, **PRESIDENT**
JAMES HARRISON, **VICE PRESIDENT**
LARRY VIERHEILIG, **DIRECTOR**
DAN GADDIS, **DIRECTOR**
BOB BLAIR, **DIRECTOR**

PRINCIPAL STAFF

MICHAEL S. LEBRUN, **GENERAL MANAGER**
LISA BOGNUDA, **FINANCE DIRECTOR**
MICHAEL W. SEITZ, **GENERAL COUNSEL**
PETER SEVCIK, **DIRECTOR OF ENG. & OPS.**
JESSICA MATSON, **BOARD CLERK**

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 Armstrong called the Regular Meeting of October 8, 2014, to order at 9:00 a.m. and led the flag salute.

00:00:27

B. ROLL CALL AND PUBLIC COMMENT FOR ITEMS NOT ON AGENDA

At roll call, all Board members were present.

There were no public comments.

00:00:40

C. PRESENTATIONS AND REPORTS

C-1) SAN LUIS OBISPO COUNTY SHERIFF

South County Watch Commander Jay Donovan did not attend the meeting.

C-2) SAN LUIS OBISPO COUNTY PLANNING STAFF WATER OFF-SET PROGRAM

San Luis Obispo County Planning Department, Senior Planner, James Caruso will provide a presentation regarding water offset program the County is developing.

James Caruso, Senior Planner for the San Luis Obispo County Planning Department, made a presentation on the County's Water Off-Set Program. Mr. Caruso answered questions from the Board and Legal Counsel.

There were no public comments.

00:43:43

C-3) REPORT ON SEPTEMBER 24, 2014 REGULAR MEETING CLOSED SESSION

Announcement of actions, if any, taken in Closed Session

Mike Seitz, District Legal Counsel, announced that the Board discussed Item I.1(a) from the September 24, 2014, Regular Meeting (Conference with District Legal Counsel re: pending litigation pursuant to GC §54956.9 SMVWCD VS. NCSD) in closed session, but took no reportable action.

Mr. Seitz reported that the Board discussed Item I.1(b) (NCSD v. County) in closed session, but took no reportable action.

Mr. Seitz reported that the Board discussed Item I.1(c) (Bening v. NCSD) in closed session, but took no reportable action.

SUBJECT TO BOARD APPROVAL

ITEM C-3 (Continued)

The Board discussed Item I.2 from the September 24, 2014, Regular Meeting (Conference with District Legal Counsel re: liability claim pursuant to GC §54956.9 Specialty Construction and NCSD) in closed session, but took no reportable action.

- C-4) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST AND REPORTS ON ATTENDANCE AT PUBLIC MEETINGS, TRAINING PROGRAMS, CONFERENCES, AND SEMINARS.
Receive Announcements and Reports from Directors

Director Blair

- ◇ *September 29 - October 2, Attended CSDA Conference in Palm Springs.*

Director Vierheilig

- ◇ *Nipomo Native Gardens had a successful plant sale on October 5th.*

Director Harrison

- ◇ *September 29 - October 2, Attended CSDA Conference in Palm Springs and received safety award on behalf of the District.*
- ◇ *Toured Paso Robles tanker base.*

Director Gaddis

- ◇ *September 30, Attended Phillips 66's open house at the South County Regional Center.*

Director Armstrong

- ◇ *October 1, Attended Water Resources Advisory Committee meeting.*
- ◇ *October 6, Attended Nipomo Mesa Management Area meeting.*

- C-5) RECEIVE PUBLIC COMMENT ON PRESENTATIONS AND REPORTS PRESENTED UNDER ITEM C AND BY MOTION RECEIVE and FILE PRESENTATIONS AND REPORTS

There were no public comments.

Upon the motion of Director Vierheilig and seconded by Director Gaddis, the Board unanimously approved to receive and file the presentations and reports as submitted. Vote 5-0.

YES VOTES	NO VOTES	ABSENT
<i>Directors Vierheilig, Gaddis, Blair, Harrison, and Armstrong</i>	None	None

00:55:20

D. CONSENT AGENDA

D-1) WARRANTS

D-2) APPROVE MINUTES OF PREVIOUS BOARD MEETINGS

- SEPTEMBER 24, 2014 REGULAR MEETING

Directors Harrison and Vierheilg asked for clarification on warrants.

There were no public comments.

Upon the motion of Director Vierheilg and seconded by Director Harrison, the Board unanimously approved the consent agenda.

Vote 5-0.

YES VOTES	NO VOTES	ABSENT
Directors Vierheilg, Harrison, Gaddis, Blair, and Armstrong	None	None

E. ADMINISTRATIVE ITEMS

00:58:10

E-1) APPROVE RESOLUTION ADOPTING SOCIAL MEDIA POLICY

Michael LeBrun, General Manager, reviewed the policy as presented in the Board packet and distributed revised staff guidelines. Mr. LeBrun answered questions from the Board.

The following members of the public spoke:

Ed Eby, NCSD Customer, commented on the policy and asked questions regarding privacy and security.

Upon the motion of Director Harrison and seconded by Director Blair, the Board approved staff's recommendation to adopt a Resolution 2014-1387 creating social media policy subject to a one-year review period unless terminated by staff.

Vote 4-1.

YES VOTES	NO VOTES	ABSENT
Directors Harrison, Blair, Vierheilg, and Armstrong	Director Gaddis	None

**RESOLUTION NO. 2014-1387
 A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT
 ADOPTING SOCIAL MEDIA POLICY FOR THE DISTRICT**

01:35:21

E-2) ANNUAL REVIEW OF CASH RESERVES IN ACCORDANCE WITH RESERVE POLICY

Lisa Bognuda, Finance Director, reviewed the report as presented in the Board packet. Ms. Bognuda answered questions from the Board.

There were no public comments.

Upon the motion of Director Harrison and seconded by Director Gaddis, the Board unanimously approved staff's recommendation to transfer \$58,000 from Blacklake Sewer Fund #150 to Blacklake Sewer – Funded Replacement Fund #830.

Vote 5-0.

YES VOTES	NO VOTES	ABSENT
Directors Harrison, Gaddis, Vierheilg, Blair, and Armstrong	None	None

01:41:41

F. GENERAL MANAGER'S REPORT

Michael LeBrun, General Manager, reviewed the report as presented in the Board packet. Mr. LeBrun also reported the District had a 21% reduction in groundwater production for September. Mr. LeBrun answered questions from the Board.

There were no public comments.

01:53:17

G. COMMITTEE REPORTS

- Finance & Audit Committee will meet October 9, 2014 @ 9 AM

01:54:21

H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

Director Vierheilig

- *Would like an update on the replacement fund study.*

01:56:17

I. CLOSED SESSION ANNOUNCEMENTS

1. CONFERENCE WITH DISTRICT LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GC §54956.9

- a) SMVWCD VS. NCSD (SANTA CLARA COUNTY CASE NO. CV 770214, SIXTH APPELLATE COURT CASE NO. H032750 AND ALL CONSOLIDATED CASES).
- b) NCSD v County SLOCSC #CV090010
- c) Bening v NCSD SLOCSC #14CV-0069

2. CONFERENCE WITH LEGAL COUNSEL: LIABILITY CLAIM PURSUANT TO SECTION 54956.95:

Claimant: Specialty Construction
Agency: NCSD

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There were no public comments.

01:56:27

K. ADJOURN TO CLOSED SESSION

President Armstrong adjourned to closed session at 11:10 a.m.

L. OPEN SESSION

ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

The Board came back into Open Session at 11:30 a.m.

Mike Seitz, District Legal Counsel, announced that the Board discussed Item 1(a), Item 1(c) and Item 2 in closed session but took no reportable action.

ADJOURN

President Armstrong adjourned the meeting at 11:31 a.m.

**Nipomo Community Services District
REGULAR MEETING
MINUTES**

MEETING SUMMARY	HOURS & MINUTES
Regular Meeting	2 hours 11 minutes
Closed Session	20 minutes
TOTAL HOURS	2 hours 31 minutes

TO: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER

FROM: PETER V. SEVCIK, P.E.
DIRECTOR OF ENGINEERING
& OPERATIONS

DATE: OCTOBER 16, 2014

AGENDA ITEM
D-3
OCTOBER 22, 2014

**SOUTHLAND WASTEWATER TREATMENT FACILITY
PHASE 1 IMPROVEMENT PROJECT ACCEPTANCE**

ITEM

Accept Work Performed by Cushman Contracting Corporation for the Southland Wastewater Treatment Facility Phase 1 Improvement Project and Authorize Staff to File Notice of Completion. [RECOMMEND, BY MOTION AND ROLL CALL VOTE, ACCEPT PROJECT AND DIRECT STAFF TO FILE NOTICE OF COMPLETION].

BACKGROUND

At the June 13, 2012 Board meeting, the Board approved a contract with Cushman Contracting Corporation for construction of the Southland Wastewater Treatment Facility Phase 1 Improvement Project. The approved contract amount was \$10,224,900 and the Board also authorized a construction contingency of \$500,000. The Board subsequently authorized a Change Order in the amount of \$867,900 for the construction of 2 additional disposal ponds. Change Orders in the total amount of \$451,219 were issued during the construction of the project from the construction contingency authorized by the Board. The final contract amount was \$11,544,019. Construction has been completed and all inspections have been completed.

FISCAL IMPACT

Construction Contract Cost Summary	
Original Contract Amount – Cushman Construction Co.	\$10,224,900
Change Order for Alternate Y, Additional Disposal Ponds	\$867,900
Other Change Orders	\$451,219
Revised Contract Amount	\$11,544,019
Completed to Date	\$11,544,019

STRATEGIC PLAN

Goal 2 – FACILITIES THAT ARE RELIABLE, ENVIRONMENTALLY SENSIBLE AND EFFICIENT – Plan, provide for and maintain District facilities and other physical assets to achieve reliable, environmentally sensible, and efficient District operations.

RECOMMENDATION

Staff recommends that your Honorable Board accept the project and authorize the General Manager to file a Notice of Completion for the project.

ATTACHMENTS

None

TO: BOARD OF DIRECTORS
 FROM: MICHAEL S. LEBRUN *MSL*
 GENERAL MANAGER
 DATE: OCTOBER 17, 2014

**AGENDA ITEM
 D-4
 OCTOBER 22, 2014**

INVESTMENT POLICY – THIRD QUARTER REPORT

The Board of Directors have adopted an Investment Policy for NCSD which states that the Finance Officer shall file a quarterly report that identifies the District's investments and their compliance with the District's Investment Policy. The quarterly report must be filed with the District's auditor and considered by the Board of Directors.

Below is the September 30, 2014 Quarterly Report for your review. As District Finance Officer and Treasurer, I am pleased to inform the Board of Directors that the District is in compliance with the 2014 Investment Policy and that the objectives of safety, liquidity, and yield have been met. The District has the ability to meet cash flow requirements for the next six months.

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

INVESTMENT POLICY-THIRD QUARTER REPORT 9/30/14

Investment	Institution	Amount of Deposit 9/30/14	Rate of Interest 9/30/14	Quarterly Interest Earned or Accrued 9/30/14	Amount of Deposit 9/30/13	Rate of Interest	Quarterly Interest Earned or Accrued 9/30/13
Money Market	Rabobank (1)	\$131,163.31	N/A	\$0.00	\$148,704.33	N/A	\$0.00
Savings – Improvement Bonds	Rabobank	\$172,973.16	0.26%	\$109.71	\$172,531.70	0.27%	\$110.82
Savings – Performance Bond	Rabobank	\$200,734.65	0.26%	\$127.32	\$200,222.34	0.27%	\$132.35
Pooled Money Investment	Local Agency Investment Fund (LAIF)	\$20,290,540.87	0.24 %	\$12,508.56	\$23,221,454.30	0.26%	\$14,409.58

N/A – Not Applicable

(1) Account placed on Analyzed Services

ATTACHMENTS

None