

NIPOMO COMMUNITY SERVICES DISTRICT

Serving the Community Since 1965

REGULAR MINUTES

SEPTEMBER 10, 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

President Armstrong called the Regular Meeting of September 10, 2014, to order at 9:00 a.m. at the Southland Wastewater Treatment and Reclamation Facility.

00:00:00

B. ROLL CALL

At roll call, all Board members were present.

C. PRESENTATIONS AND PUBLIC COMMENT

C-1) RIBBON CUTTING SOUTHLAND WASTEWATER TREATMENT FACILITY

A ceremony was conducted to celebrate the completion of the District's Southland Wastewater Treatment and Reclamation Facility Upgrade.

The Ribbon Cutting Ceremony was conducted.

President Armstrong adjourned the meeting at 9:32 a.m.

President Armstrong reconvened the meeting at 1:00 p.m. at the Jon S. Seitz District Board Room 148 South Wilson, Nipomo and led the flag salute.

At roll call, all Board members were present.

00:01:00

C-2) REPORT ON PREVIOUS CLOSED SESSION DISCUSSION

Announcement of actions, if any, taken in Closed Session

Mike Seitz, District Legal Counsel, announced that the Board discussed Item One from the August 13, 2014, Regular Meeting (Conference with District Legal Counsel re: pending litigation pursuant to GC §54956.9 SMVWCD VS. NCSD, NCSD VS. County SLOCSC, and Bening Company LLC VS. NCSD) in closed session, but took no reportable action.

The Board discussed Item Two from the August 13, 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.

Mike Seitz, District Legal Counsel, announced that the Board heard an update and discussed Item One from the September 3, 2014, Special 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.

**Nipomo Community Services District
REGULAR MEETING
MINUTES**

C-3) 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 Gaddis

- ◇ August 22, Attended SCAC meeting.
- ◇ August 27, Attended a presentation by Mr. Rob Rossi regarding a proposed hotel at Blacklake Golf Resort.
- ◇ September 3, Attended a WRAC meeting and heard a presentation on digitized well data and agricultural offset programs.

Director Harrison

- ◇ August 27, Attended a presentation by Mr. Rob Rossi regarding a proposed hotel at Blacklake Golf Resort.
- ◇ Commented on the information presented at the WRAC meeting on September 3.

Director Vierheilig

- ◇ August 27, Attended a presentation by Mr. Rob Rossi regarding a proposed hotel at Blacklake Golf Resort.
- ◇ September 4, Attended public meeting at Blacklake regarding Supplemental Water Rates

Director Blair

- ◇ August 27, Attended a presentation by Mr. Rob Rossi regarding a proposed hotel at Blacklake Golf Resort.
- ◇ September 4, Attended public meeting at NCSD regarding Supplemental Water Rates

Director Armstrong

- ◇ August 27, Attended a presentation by Mr. Rob Rossi regarding a proposed hotel at Blacklake Golf Resort.
- ◇ September 3, Attended a WRAC meeting.
- ◇ September 4, Attended public meeting at Blacklake regarding Supplemental Water Rates

00:09:15

C-4) RECEIVE PUBLIC COMMENT ON PRESENTATIONS AND REPORTS PRESENTED UNDER ITEM C AND BY MOTION RECEIVE and FILE PRESENTATIONS AND REPORTS

The following members of the public spoke:

Ed Eby, NCSD Customer, commented on the presentation by Mr. Rob Rossi at Blacklake and asked for more information on an item in the Agenda.

Dan Hall, NCSD Customer, asked about the water pressure at Blacklake.

Upon the motion of Director Vierheilig and seconded by Director Harrison, the Board unanimously approved to receive and file the presentations and reports as submitted.

Vote 5-0.

YES VOTES	NO VOTES	ABSENT
Directors Vierheilig, Harrison, Gaddis, Blair, Armstrong	None	None

00:14:55

D. CONSENT AGENDA

- D-1) WARRANTS
- D-2) APPROVE AUGUST 13, 2014 REGULAR BOARD MEETING MINUTES

There was no public comment.

Upon the motion of Director Gaddis and seconded by Director Vierheilig, the Board unanimously approved the consent agenda.

Vote 5-0.

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

00:20:08

E. ADMINISTRATIVE ITEMS

- E-1) RECEIVE PRESENTATION AND REVIEW DRAFT RATE STUDY

Clayton Tuckfield, Rate Consultant with Tuckfield & Associates, reviewed the report as presented in the Board Packet. Mr. Tuckfield and Michael LeBrun, General Manager answered questions from the Board.

The following members of the public spoke:

Ed Eby, NCSD Customer, asked questions regarding the draft rate study including reserves, purveyor reimbursements and capacity charges.

Dan Hall, NCSD Customer, asked about an additional projected rate increase.

Upon the motion of Director Blair and seconded by Director Vierheilig, the Board unanimously approved the draft, with corrections, and directed staff to schedule approval of rate study for next Regular Board Meeting.

Vote 5-0.

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

01:25:34

- E-2) AUTHORIZE TASK ORDER WITH MICHAEL K. NUNLEY & ASSOCIATES FOR SUPPLEMENTAL WATER PROJECT PHASE 1 CHLORAMINATION OPERATIONS AND PERMITTING SUPPORT

Peter Sevcik, Director of Engineering and Operations, reviewed the report as presented in the Board packet. Michael Nunley and Mr. Sevcik answered questions from the Board.

The following members of the public spoke:

Ed Eby, NCSD Customer, asked questions regarding the project.

Upon the motion of Director Gaddis and seconded by Director Blair, the Board unanimously approved staff's recommendation to authorize a task order with Michael K. Nunley & Associates in the amount of \$57,460 and change order contingency in the amount of \$11,000.

Vote 5-0.

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

01:42:24

E-3) SERVICE REQUEST – 549 HILL STREET APN 092-579-004 HOME 2 SUITES HOTEL

Director Armstrong recused himself and left the Board room during this item due to a conflict of interest.

Peter Sevcik, Director of Engineering and Operations, reviewed the report as presented in the Board packet. Robert Winslow, Project Engineer, and Mr. Sevcik answered questions from the Board.

The following members of the public spoke:

Ed Eby, NCSD Customer, asked questions regarding the project and capacity charges.

Upon the motion of Director Blair and seconded by Director Vierheilig, the Board approved staff's recommendation to issue an Intent-to-Serve Letter with conditions as outlined in Staff Report.

Vote 4-0.

YES VOTES	NO VOTES	CONFLICT
Directors Blair, Vierheilig, Gaddis, and Harrison	None	Armstrong

Director Armstrong re-joined the Board meeting.

01:56:28

E-4) AUTHORIZE CHANGE ORDER FOR STANDPIPE TANK MODIFICATION AND REHABILITATION PROJECT

Peter Sevcik, Director of Engineering and Operations, reviewed the report as presented in the Board packet. Mr. Sevcik answered questions from the Board.

The following members of the public spoke:

Ed Eby, NCSD Customer, asked questions regarding the project.

Upon the motion of Director Gaddis and seconded by Director Vierheilig, the Board approved staff's recommendation to issue a change order in the amount of \$20,056.06 with addition of "due to changed field conditions."

Vote 5-0.

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

02:11:11

E-5) APPROVE BUDGET AMENDMENT FOR CONSTRUCTION MANAGEMENT SERVICES WITH CANNON FOR STANDPIPE TANK MODIFICATION AND REHABILITATION PROJECT

Peter Sevcik, Director of Engineering and Operations, reviewed the report as presented in the Board packet. Mr. Sevcik answered questions from the Board.

There were no public comments.

Upon the motion of Director Gaddis and seconded by Director Vierheilig, the Board approved staff's recommendation of a budget amendment in the amount of \$10,690 with addition of "due to changed field conditions."

Vote 5-0.

ITEM E-5(Continued)

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

02:12:23

E-6) CONSIDER CALIFORNIA URBAN WATER CONSERVATION COUNCIL PROPOSED BYLAW CHANGES

Michael LeBrun, General Manager, reviewed the report as presented in the Board packet. Mr. LeBrun answered questions from the Board.

There were no public comments.

Upon the motion of Director Harrison and seconded by Director Blair, the Board approved staff's recommendation.

Vote 5-0.

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

02:13:42

F. GENERAL MANAGER'S REPORT

Michael LeBrun, General Manager, reviewed the report as presented in the Board packet. Mr. LeBrun also reported preliminary groundwater production numbers for August and stated that numbers would be finalized by the end of the week. Mr. LeBrun answered questions from the Board.

The following members of the public spoke:

Ed Eby, NCS D Customer, commented on landscape changes being completed by Woodlands residents.

02:22:40

G. COMMITTEE REPORTS

Director Blair gave a verbal report on Solid Waste Committee meeting held September 3, 2014.

There was no public comment.

02:26:19

H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

Director Blair

- Asked staff about the fees and reporting for backflow devices*

02:29:43

I. CLOSED SESSION ANNOUNCEMENTS

1. CONFERENCE WITH DISTRICT LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GC §54956.9 SMVWCD VS. NCS D (SANTA CLARA COUNTY CASE NO. CV 770214, SIXTH APPELLATE COURT CASE NO. H032750 AND ALL CONSOLIDATED CASES).
2. CONFERENCE WITH DISTRICT LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GC §54956.9 NCS D VS. County SLOCSC (CASE NO. CV 090010).

ITEM I (Continued)

- 3. CONFERENCE WITH LEGAL COUNSEL RE: LIABILITY CLAIM PURSUANT TO GOVT. CODE §54956.9(a):
 Claimant: Specialty Construction, Agency: NCSD

02:30:25

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There were no public comments.

K. ADJOURN TO CLOSED SESSION

President Armstrong adjourned to closed session at 3:40 p.m.

L. OPEN SESSION
 ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

The Board came back into Open Session at 3:56 p.m.

Mike Seitz, District Legal Counsel, announced that the Board discussed Item I.1.a but took no reportable action.

ADJOURN

President Armstrong adjourned the meeting at 3:57 p.m.

MEETING SUMMARY	HOURS & MINUTES
Regular Meeting	2 hours 40 minutes
Closed Session	16 minutes
TOTAL HOURS	2 hours 56 minutes