

# NIPOMO COMMUNITY SERVICES DISTRICT

*Serving the Community Since 1965*

## REGULAR MINUTES

DECEMBER 10, 2014, AT 9:00 A.M.

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

### BOARD of DIRECTORS

CRAIG ARMSTRONG, **PRESIDENT**  
DAN GADDIS, **VICE PRESIDENT**  
BOB BLAIR, **DIRECTOR**  
ED EBY, **DIRECTOR**  
DAN WOODSON, **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 December 10, 2014, to order at 9:00 a.m. and led the flag salute.*

00:00:40

#### B. SWEAR IN AND SEAT NEW DIRECTORS, ROLL CALL AND PUBLIC COMMENT FOR ITEMS NOT ON AGENDA

*Michael S. LeBrun, General Manager, administered the Oath of Office for Directors Dan A. Gaddis, Ed Eby, and Dan Woodson. At roll call, all Board members were present.*

*There were no public comments.*

00:03:06

#### C. PRESENTATIONS AND REPORTS

##### C-1) REPORT ON NOVEMBER 12, 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 November 12, 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 Items I.1(b) (NCSD v. County) and I.1(c) (Bening v. NCSD) in closed session, but took no reportable action.*

*The Board discussed Item I.2 from the November 12, 2014, Regular Meeting (Conference with District Legal Counsel re: liability claim pursuant to GC §54956.9 Specialty Construction and NCSD) in closed session and, by roll call vote, unanimously authorized a settlement of \$132,500.*

00:04:01

##### C-2) 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 Armstrong

◇ *December 3, Attended Water Resources Advisory Committee meeting.*

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- C-3) 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 Gaddis and seconded by Director Eby, the Board unanimously approved to receive and file the presentations and reports as submitted.  
Vote 5-0.*

YES VOTES	NO VOTES	ABSENT
<i>Directors Gaddis, Eby, Blair, Woodson, and Armstrong</i>	<i>None</i>	<i>None</i>

00:09:59

D. CONSENT AGENDA

- D-1) WARRANTS
- D-2) APPROVE MINUTES OF PREVIOUS BOARD MEETINGS
  - NOVEMBER 12, 2014 REGULAR MEETING
  - NOVEMBER 21, 2014 SPECIAL MEETING
- D-3) ADOPT RESOLUTION RECOGNIZING SERVICE OF FORMER DIRECTOR HARRISON
- D-4) ADOPT RESOLUTION RECOGNIZING SERVICE OF FORMER DIRECTOR VIERHEILIG
- D-5) CONSIDER PURCHASE ORDER WITH DOW DIVERSIFIED INC. FOR LABORATORY IMPROVEMENTS

*President Armstrong requested to pull Item D-2 for separate consideration.*

**ITEMS D-1, D-3, D-4, AND D-5**

*Director Gaddis requested clarification on warrants.*

*There were no public comments.*

*Upon the motion of Director Gaddis and seconded by Director Blair, the Board unanimously approved the items.  
Vote 5-0.*

YES VOTES	NO VOTES	ABSENT
<i>Directors Gaddis, Blair, Eby, Woodson and Armstrong</i>	<i>None</i>	<i>None</i>

**RESOLUTION NO. 2014-1361**  
**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT**  
**COMMENDING JIM HARRISON FOR HIS DEDICATED SERVICE TO NIPOMO COMMUNITY SERVICES DISTRICT**

**RESOLUTION NO. 2014-1362**  
**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT**  
**COMMENDING LARRY VIERHEILIG FOR HIS DEDICATED SERVICE TO NIPOMO COMMUNITY SERVICES DISTRICT**

**ITEM D-2**

*There were no public comments.*

*Upon the motion of Director Armstrong and seconded by Director Blair, the Board unanimously approved the November 12, 2014 Regular Board Meeting Minutes and the November 21, 2014 Special Meeting Minutes.*

*Vote 3-0. (Directors Eby and Woodson were not qualified to vote.)*

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

00:13:14

**E. ADMINISTRATIVE ITEMS**

**E-1) SERVICE REQUEST – 699 WEST TEFFT STREET APN 092-577-008 MIXED USE DEVELOPMENT**

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

*Director Armstrong requested changes to future Staff Reports regarding Intent-to-Serve letters.*

*Director Eby requested specific information when tracking development water usage. Michael Seitz, District Legal Counsel, commented on the tracking system.*

*There were no public comments.*

*Upon the motion of Director Eby and seconded by Director Gaddis, the Board approved staff's recommendation to issue an Intent To Serve Letter with conditions.*

*Vote 4-1.*

YES VOTES	NO VOTES	ABSENT
<i>Directors Eby, Gaddis, Woodson, and Armstrong</i>	<i>Director Blair</i>	<i>None</i>

00:26:23

**E-2) SERVICE REQUEST – 719 WEST TEFFT STREET APN 092-577-001 COMMERCIAL DEVELOPMENT**

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

*Director Eby asked why there was no engineer or architect estimate of water and sewer demand as required in item 16 of applicant's Into-to-Serve Application. Staff indicated the phased nature of the proposed commercial project did not allow for reasonably accurate estimates of water and sewer demand at this time. Staff added conditions to the project that will allow accurate accounting for service levels once the project is better defined through the County development approval process.*

*The following members of the public spoke:*

*William Kengel, NCSD Customer, commented on the project and its phases. Mr. Kengel handed out copies of his public comment to the Directors. (Available for review at the District office).*

00:46:21

*Upon the motion of Director Blair and seconded by Director Armstrong, the Board*

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approved staff's recommendation to issue an Intent To Serve Letter with conditions.  
Vote 4-1.

YES VOTES	NO VOTES	ABSENT
Directors Blair, Armstrong, Gaddis, and Woodson	Director Eby	None

00:57:07

E-3) SERVICE REQUEST – TRACT 2441 38 LOT RESIDENTIAL DEVELOPMENT

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:

Terry Orton, Developer, asked the Board if there were any questions he could answer.

Upon the motion of Director Blair and seconded by Director Gaddis, the Board unanimously approved staff's recommendation to issue an Intent To Serve Letter with conditions.

Vote 5-0.

YES VOTES	NO VOTES	ABSENT
Directors Blair, Gaddis, Woodson, Eby and Armstrong	None	None

01:03:12

E-4) ACCEPT QUARTERLY FINANCIAL REPORT

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 Gaddis and seconded by Director Eby, the Board unanimously accepted and approved the First Quarterly Financial Report.

Vote 5-0.

YES VOTES	NO VOTES	ABSENT
Directors Gaddis, Eby, Blair, Woodson, and Armstrong	None	None

01:18:35

E-5) RECEIVE FALL 2014 GROUNDWATER INDEX REPORT BY BRAD NEWTON, PH.D, PG

Michael LeBrun, General Manager, reviewed the report as presented in the Board packet and introduced Dr. Brad Newton, Geohydrology consultant.

Mr. Newton gave a presentation on the fall 2014 groundwater index and answered questions from the Board.

The following members of the public spoke:

Rick Bacon, NCS D Customer, commented on the presentation and asked about index calculations.

Michael Seitz, District Legal Counsel, responded regarding index calculations and stated that the topic would be discussed during closed session.

Upon the motion of Director Armstrong and seconded by Director Gaddis, the Board unanimously received the Report and directed staff to file the Report.

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Vote 5-0.

YES VOTES	NO VOTES	ABSENT
Directors Armstrong, Gaddis, Blair, Woodson, and Eby	None	None

02:19:27

- E-6) APPROVE TASK ORDER SCOPE AND \$90,000 BUDGET FOR NEWTON GEO-HYDROLOGY CONSULTING SERVICES FOR 2015

*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 Armstrong and seconded by Director Gaddis, the Board unanimously approved the scope and \$90,000 budget and authorized staff to execute Task Orders.*

Vote 5-0.

YES VOTES	NO VOTES	ABSENT
Directors Armstrong, Gaddis, Blair, Woodson, and Eby	None	None

02:22:16

- E-7) ELECTION OF 2015 BOARD PRESIDENT AND VICE PRESIDENT

*Director Gaddis nominated Director Armstrong for President. There were no other nominations for President.*

*There were no public comments.*

*A voice vote was taken and Director Armstrong was selected as President of the Board for 2015.*

*Director Armstrong nominated Director Gaddis for Vice President. There were no other nominations for Vice President.*

*There were no public comments.*

*A voice vote was taken and Director Gaddis was selected as Vice President of the Board for 2015.*

02:23:36

- E-8) APPROVE 2015 BOARD MEETING SCHEDULE

*The Board of Directors reviewed the 2015 Board Meeting schedule as presented in the Board Packet.*

*Upon the motion of Director Eby and seconded by Director Blair, the Board unanimously approved the 2015 Board Meeting schedule.*

Vote 5-0.

YES VOTES	NO VOTES	ABSENT
Directors Eby, Blair, Gaddis, Woodson, and Armstrong	None	None

02:25:13 F. GENERAL MANAGER’S REPORT

*Michael LeBrun, General Manager, reviewed the report as presented in the Board packet. Mr. LeBrun also handed out the Water Production Summary and reported the District had a 27% reduction in groundwater production for November. Mr. LeBrun answered questions from the Board.*

*There were no public comments.*

02:40:33 G. COMMITTEE REPORTS

*None*

*President Armstrong announced that he will be sending a list of committees to the Board members for consideration.*

02:42:42 H. DIRECTORS’ REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

*None*

02:42:49 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

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

*There were no public comments.*

02:42:52 K. ADJOURN TO CLOSED SESSION

*President Armstrong adjourned to closed session at 11:56 a.m.*

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

*The Board came back into Open Session at 1:38 p.m.*

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

ADJOURN

*President Armstrong adjourned the meeting at 1:39 p.m.*

MEETING SUMMARY	HOURS & MINUTES
Regular Meeting	2 hours 57 minutes
Closed Session	1 hour 42 minutes
TOTAL HOURS	4 hours 39 minutes