

NIPOMO COMMUNITY SERVICES DISTRICT

Serving the Community Since 1965

REGULAR MINUTES

AUGUST 12, 2015, 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 August 12, 2015 to order at 9:00 a.m. and led the flag salute.

00:00:34

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

At Roll Call, all Directors were present.

There were no public comments.

President Armstrong announced that Item E-1 would be heard next.

00:00:50

E-1) 1141 DIVISION STREET SEWER SERVICE LETTER, CONSIDER REQUEST BY OWNER/DEVELOPER

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

The following members of the public spoke:

Tom Girard, Pro Real Estate, commented on the Intent-to-Serve letter for the property at 1141 Division Street and past payment of sewer capacity charges by the County of San Luis Obispo.

Sharon Tanner, Grover Beach Resident and Owner of 1141 Division Street, commented on the process and asked about capacity charges.

Andy Mangano, MFI Limited, asked that an extension be given so that the Intent-to-Serve application does not expire while they investigate fees paid by the County. Mr. Mangano also commented that any fees due should be at the retroactive rate.

Mike Seitz, District Legal Counsel, commented that if capacity charges for this property are not paid to the District, the application will expire.

Director Eby commented that fees are due and cannot be forgiven due to a potential "gift of public funds" violation.

Upon the motion of Director Bob Blair and seconded, the Board approved a six (6) month extension for the District issued Intent-to-Serve Letter for 1141 Division Street.
Vote 4-1.

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

00:22:00

E-2) CONSIDER GRANT REQUEST FROM NIPOMO CHAMBER OF COMMERCE IN AMOUNT OF \$1,980 FOR SOLID WASTE REMOVAL

Richard Malvarose, Nipomo Chamber of Commerce President, addressed the Board regarding the funding request for the Adopt-a-Highway Program. Mr. Malvarose answered questions from the Board.

There were no public comments.

Upon the motion of Director Bob Blair and seconded, the Board unanimously approved grant funding in the amount of \$1,980 to the Nipomo Chamber of Commerce for solid waste removal.
Vote 5-0.

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

00:25:42

E-3) INTENT-TO-SERVE LETTER POLICY DISCUSSION

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

Mike Seitz, District Legal Counsel, commented that the original intention of the Policy was to eliminate applicants who were past the 240-day period and had not started their project. Mr. Seitz also commented that the Board can choose to change the Policy.

Director Eby recommended giving applicants an extension if they can provide substantive evidence of progress.

Director Woodson commented that the District should review applicant progress.

Director Blair recommended between a six-month to one-year extension and that the Board consider each application on a case-by-case basis.

The following members of the public spoke:

00:38:36

Noel Heal, NCSD customer, commented on the expired Intent-to-Serve applications and the current Policy. Mr. Heal stated that he did not support an extension.

Rob Rossi, Developer, commented on the project at Blacklake and asked for an extension while working with the County.

Dorothy De Santis, NCSD Customer and Blacklake resident, commented on the Rossi project at Blacklake. Ms. De Santis stated that she did not support changes to the existing Policy.

Director Eby commented that the Ordinance needs to be changed to reflect County processing time.

Director Gaddis recommended the applicants provide the District with documentation stating where they are in the process.

The following members of the public spoke:

Noel Heal, NCSO customer, commented on applicants making progress with the County.

Jamie Kirk, representative for the Rossi project, clarified where the project was in the County process and that it is scheduled to be reviewed by the Board of Supervisors at their January 12th, 2016 meeting. Ms. Kirk also clarified that the Board of Supervisors could authorize the project, not authorize the project, or postpone the discussion to another date.

Kit Carter, NCSO Customer and Blacklake resident, commented on the Rossi project and stated that the Blacklake committee is discussing the project with the developer.

President Armstrong directed staff to review the current Policy and develop a proposal for review at a future Board meeting.

Upon the motion of Director Craig Armstrong and seconded, the Board unanimously agreed and directed staff to notice the 5 Intent-to-Serve applicants not involved in the Rossi project at Blacklake to submit substantive evidence of progress to the District within 60 days.

The Board also directed staff to schedule a discussion of the 5 Rossi Intent-to-Serve applications for its second meeting in January 2016, following the County Board of Supervisors meeting.

Vote 5-0.

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

President Armstrong announced that the Board would return to Presentations and Reports and hear Item C-1 next.

C. PRESENTATIONS AND REPORTS

01:16:10

- C-1) REPORT ON JULY 22, 2015 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 July 22, 2015 Regular Meeting (Conference with District Legal Counsel re: pending litigation pursuant to GC §54956.9 SMVWCD VS. NCSO) in closed session, but took no reportable action.

01:16:39

- 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

Nipomo Community Services District
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Director Eby

- ◇ August 5, Attended the Homebuilder Association's water conservation presentation.
- ◇ August 10, Attended the Nipomo Mesa Management Area's (NMMA) meeting.
- ◇ The South County Water Symposium will be on August 13th at 5 PM at the South County Regional Center in Arroyo Grande.
- ◇ The Blacklake Homeowner's Association (HOA) meeting will be on August 15 at 10 AM in the Blacklake Community Room.
- ◇ There will be a Local Area Formation Committee (LAFCO) meeting regarding the Paso Robles basin on August 20th and September 17th.

Director Gaddis

- ◇ July 22, Met with 4th District Supervisor Lynn Compton and her Legislative Assistant.
- ◇ August 3, Attended the District's Finance & Audit meeting.

Director Blair

- ◇ Will be attending the California Special District Association (CSDA) San Luis Obispo Chapter meeting on August 13th in Avila Beach.

Director Woodson

- ◇ July 27, Attended the South County Advisory Council (SCAC) meeting where they voted to recommend approval of the Hilton hotel on Hill Street.

Director Armstrong

- ◇ July 22, Met with 4th District Supervisor Lynn Compton and her Legislative Assistant.
- ◇ August 3, Attended the District's Finance & Audit Committee meeting.

C-4) 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 Bob Blair and seconded, the Board unanimously approved to receive and file the presentations and reports as submitted.
Vote 5-0.*

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

D. CONSENT AGENDA

D-1) WARRANTS .

D-2) APPROVE MINUTES OF PREVIOUS BOARD MEETINGS

- JULY 22, 2015 REGULAR MEETING

Director Gaddis commented on the July 22nd Regular Meeting minutes, Item C-1 requesting staff clarify timing of the Supplemental Water Project Phase II bid award and revise the minutes accordingly.

There were no public comments.

01:24:22

Nipomo Community Services District
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ITEM D-1

*Upon the motion of Director Ed Eby and seconded, the Board unanimously approved the warrants.
Vote 5-0.*

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

ITEM D-2

*Upon the motion of Director Ed Eby and seconded, the Board unanimously approved the July 22, 2015 Regular Meeting minutes with directed amendment.
Vote 5-0.*

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

E. ADMINISTRATIVE ITEMS

ITEMS E-1, E-2, AND E-3 WERE HEARD EARLIER IN THE MEETING

E-4) CONSIDER SOLID WASTE FRANCHISE FEE EXPENDITURE – DISCOUNT TO CUSTOMER SOLID WASTE BILL, CONSIDER SERVICE PROVIDER REQUEST FOR SOLID WASTE RATE INCREASE

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 Dan Allen Gaddis and seconded, the Board unanimously approved a one-time 50% discount to District customers' solid waste bills for the months of September and October.
Vote 5-0.*

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

*Upon the motion of Director Dan Allen Gaddis and seconded, the Board unanimously agreed to lower the District's solid waste franchise fee from 8.13% to approximately 5.13%.
Vote 5-0.*

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

E-5) CONDUCT A HEARING TO ADOPT AN ORDINANCE TO REPEAL CHAPTER 3.24 OF DISTRICT CODE

PRESIDENT ARMSTRONG OPENED THE PUBLIC HEARING.

01:26:20

01:34:22

There were no public comments.

PRESIDENT ARMSTRONG CLOSED THE PUBLIC HEARING.

*Upon the motion of Director Bob Blair and seconded, the Board unanimously adopted the Ordinance and directed staff to prepare and file a CEQA notice.
Vote 5-0.*

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

**ORDINANCE NO. 2015-122
AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT
REPEALING CHAPTER 3.24 OF THE DISTRICT CODE**

01:35:01

F. GENERAL MANAGER'S REPORT

Michael LeBrun, General Manager, reviewed the report as presented in the Board packet. Mr. LeBrun also reported the following:

- *District pumping decreased by 56% for the month of July. Overall demand decreased by 37%.*
- *Social Media and website traffic are increasing.*
- *The South County Water Symposium on August 13th is open to all Board members.*
- *Will be attending the CSDA Chapter meeting on August 13th with Director Blair.*

Mr. LeBrun answered questions from the Board.

There were no public comments.

01:43:23

G. COMMITTEE REPORTS

There were no comments on the committee meeting minutes included in the Board Packet.

01:43:37

H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

Director Armstrong

- ◇ *Requested that the Finance Director prepare a methodology for applying a pumping credit to water purveyors based on the District importation of supplemental water.*
- ◇ *Requested that the performance review of Legal Counsel be added to the Agenda for the first meeting in September.*

Director Gaddis

- ◇ *Requested clarification on the bid schedule for Supplemental Water Project Phase II.*

01:46:54

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).

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There were no public comments.

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K. ADJOURN TO CLOSED SESSION

President Armstrong adjourned to closed session at 10:56 a.m.

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

The Board came back into Open Session at 11:19 a.m.

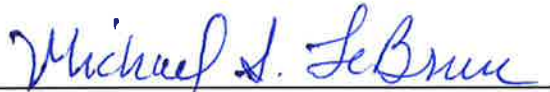
Mike Seitz, District Legal Counsel, announced that the Board discussed Item I.1(a), heard an update, but took no reportable action.

ADJOURN

President Armstrong adjourned the meeting at 11:20 a.m.

MEETING SUMMARY	HOURS & MINUTES
Regular Meeting	1 hour 57 minutes
Closed Session	23 minutes
TOTAL HOURS	2 hours 20 minutes

Respectfully submitted,



Michael S. LeBrun, General Manager and Secretary to the Board

9.10.2015

Date