

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS  
GENERAL MANAGER



DATE: July 21, 2016

## AGENDA ITEM

# D

JULY 27, 2016

### 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 JULY 13, REGULAR BOARD MEETING MINUTES [RECOMMEND APPROVAL]
- D-3) REVIEW INVESTMENT POLICY SECOND QUARTER REPORT [RECOMMEND REVIEW, ACCEPT AND FILE REPORT]

TO: BOARD OF DIRECTOR

REVIEWED: MARIO IGLESIAS  
GENERAL MANAGER



FROM: LISA BOGNUDA  
FINANCE DIRECTOR



DATE: JULY 22, 2016

**AGENDA ITEM**

**D-1**

**JULY 27, 2016**

**TOTAL COMPUTER CHECKS**

\$411,931.65

**HAND WRITTEN CHECKS**

None

VOIDS – NONE

**COMPUTER GENERATED CHECKS – SEE ATTACHED**



Nipomo Community Services District

# Item D-1 Warrants July 27, 2016

By Payment Number

Payment Dates 07/27/2016 - 07/27/2016

Vendor Name	Description (Payable)	Payable Number	Amount
<b>Payment: 1489</b>			
AECOM USA Inc.	Joshua Road pump station res	37778287	920.70
			<b>Payment 1489 Total: 920.70</b>
<b>Payment: 1490</b>			
AmeriPride	Uniforms	1501675149	219.32
			<b>Payment 1490 Total: 219.32</b>
<b>Payment: 1491</b>			
AT&T	Telephone	8310410	173.52
			<b>Payment 1491 Total: 173.52</b>
<b>Payment: 1492</b>			
Big Brand Tire & Service	Vehicle repair/maintenance	259976	392.00
Big Brand Tire & Service	Vehicle repair/maintenance	259975	944.29
			<b>Payment 1492 Total: 1,336.29</b>
<b>Payment: 1493</b>			
Brenntag Pacific, Inc.	Sodium hypochlorite	639676	2,621.75
			<b>Payment 1493 Total: 2,621.75</b>
<b>Payment: 1494</b>			
Burdine Printing	Mail bills	30536A	333.50
Burdine Printing	Postage for bills	30536b	1,268.31
			<b>Payment 1494 Total: 1,601.81</b>
<b>Payment: 1495</b>			
Cal-Coast Machinery, Inc.	Grease	332739	3.27
			<b>Payment 1495 Total: 3.27</b>
<b>Payment: 1496</b>			
California Electric Supply	Speedseal	7826-655434	188.65
			<b>Payment 1496 Total: 188.65</b>
<b>Payment: 1497</b>			
California Rural Water Associa	D3 review - Voelker	Voelker2016	250.00
			<b>Payment 1497 Total: 250.00</b>
<b>Payment: 1498</b>			
California Water Environment	Grade 1 certification renewal-	Maldonado2016B	83.00
California Water Environment	CWEA membership renewal -	Voelker2016B	172.00
			<b>Payment 1498 Total: 255.00</b>
<b>Payment: 1499</b>			
City of Santa Maria	Water purchased 4/1/16 to 6/	69579	255,419.54
			<b>Payment 1499 Total: 255,419.54</b>
<b>Payment: 1500</b>			
Clever Ducks	Computer expense	22123	2,535.00
			<b>Payment 1500 Total: 2,535.00</b>
<b>Payment: 1501</b>			
Corix Water Products (US) Inc	Meter boxes, concrete lids	17613018021	763.03
			<b>Payment 1501 Total: 763.03</b>
<b>Payment: 1502</b>			
Ferguson Enterprises, Inc.	Sewer supplies	3507746	2,168.82
			<b>Payment 1502 Total: 2,168.82</b>
<b>Payment: 1503</b>			
FGL Environmental	Lab tests	681608	171.00
			<b>Payment 1503 Total: 171.00</b>

Item D-1 Warrants July 27, 2016

Payment Dates: 07/27/2016 - 07/27/2016

Vendor Name	Description (Payable)	Payable Number	Amount
<b>Payment: 1504</b>			
FP Mailing Solutions	Postage meter	102908976	335.40
<b>Payment 1504 Total:</b>			<b>335.40</b>
<b>Payment: 1505</b>			
Garcia Drywall	Drywall repair for conference	2749	465.00
<b>Payment 1505 Total:</b>			<b>465.00</b>
<b>Payment: 1506</b>			
Hach Company	CHEMKEYS	10006829	1,102.05
Hach Company	CHEMKEYS	10006869	2,090.09
<b>Payment 1506 Total:</b>			<b>3,192.14</b>
<b>Payment: 1507</b>			
Integrated Industrial Supply, I	A/C filters	39703	24.42
<b>Payment 1507 Total:</b>			<b>24.42</b>
<b>Payment: 1508</b>			
Mario Iglesias	Cell phone reimbursement	July2016	65.00
<b>Payment 1508 Total:</b>			<b>65.00</b>
<b>Payment: 1509</b>			
MNS Engineers, Inc.	Supplemental Water Project	67223	10,081.15
MNS Engineers, Inc.	Supplemental Water Project	67224	35,652.00
<b>Payment 1509 Total:</b>			<b>45,733.15</b>
<b>Payment: 1510</b>			
NexTraq	GPS subscription	1307109	399.50
NexTraq	GPS subscription	1292103	399.50
<b>Payment 1510 Total:</b>			<b>799.00</b>
<b>Payment: 1511</b>			
Nipomo Community Services	LMD	June2016	416.04
<b>Payment 1511 Total:</b>			<b>416.04</b>
<b>Payment: 1512</b>			
Nu-Tech Pest Management	Pest control	0120685	265.00
Nu-Tech Pest Management	Rodent control	0120686	75.00
<b>Payment 1512 Total:</b>			<b>340.00</b>
<b>Payment: 1513</b>			
PG&E	Electricity	July2016	65,257.18
<b>Payment 1513 Total:</b>			<b>65,257.18</b>
<b>Payment: 1514</b>			
Price, Postel & Parma, LLP	Water Inter-Tie Project	131871	1,417.50
<b>Payment 1514 Total:</b>			<b>1,417.50</b>
<b>Payment: 1515</b>			
Quinn Company	Semi-annual inspections	WON3-1562	285.18
Quinn Company	Semi-annual inspection	WON3-1561	285.18
Quinn Company	Equipment rental - trailer	V8544601	163.47
<b>Payment 1515 Total:</b>			<b>733.83</b>
<b>Payment: 1516</b>			
Richards, Watson & Gershon	Water rights adjudication	207658	8,616.50
<b>Payment 1516 Total:</b>			<b>8,616.50</b>
<b>Payment: 1517</b>			
Shipsey & Seitz, Inc.	Legal services through June 3	June2016	14,509.00
<b>Payment 1517 Total:</b>			<b>14,509.00</b>
<b>Payment: 1518</b>			
Streator Pipe & Supply	PVC pipe	1365098.001	32.91
<b>Payment 1518 Total:</b>			<b>32.91</b>
<b>Payment: 1519</b>			
Xylem Water Solutions USA, I	Oil	3556910101	166.88
<b>Payment 1519 Total:</b>			<b>166.88</b>

Item D-1 Warrants July 27, 2016

Payment Dates: 07/27/2016 - 07/27/2016

Vendor Name	Description (Payable)	Payable Number	Amount
<b>Payment: 1520</b>			
Your People Professionals	Employment agency deposit	August2016	1,200.00
			<u>1,200.00</u>
			<b>Payment 1520 Total: 1,200.00</b>
			<u><u>411,931.65</u></u>
			<b>Grand Total: 411,931.65</b>

TO: BOARD OF DIRECTORS  
FROM: MARIO IGLESIAS  
GENERAL MANAGER  
DATE: JULY 21, 2016

**AGENDA ITEM**  
**D-2**  
**JULY 27, 2016**

**APPROVE JULY 13, 2016  
REGULAR BOARD MEETING MINUTES**

**ITEM**

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

**BACKGROUND**

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

**RECOMMENDATION**

Approve Minutes

**ATTACHMENT**

- A. July 13, 2016 draft Regular Board Meeting Minutes

July 27, 2016

ITEM D-2

ATTACHMENT A

# NIPOMO COMMUNITY SERVICES DISTRICT

*Serving the Community Since 1965*

## DRAFT REGULAR MINUTES

**JULY 13, 2016 AT 9:00 A.M.**

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

### **BOARD of DIRECTORS**

CRAIG ARMSTRONG, **PRESIDENT**  
DAN ALLEN GADDIS, **VICE PRESIDENT**  
BOB BLAIR, **DIRECTOR**  
ED EBY, **DIRECTOR**  
DAN WOODSON, **DIRECTOR**

### **PRINCIPAL STAFF**

MARIO IGLESIAS, **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 July 13, 2016 to order at 9:00 a.m. and led the flag salute.*

**00:00:33** B. ROLL CALL AND PUBLIC COMMENT FOR ITEMS NOT ON AGENDA

*At Roll Call, all Directors were present.*

*There were no public comments.*

**00:00:46** C. PRESENTATIONS AND REPORTS

C-1) 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 Eby

- ◇ *The next Nipomo Mesa Management Area (NMMA) Technical Group meeting will be on July 18<sup>th</sup> at 10 AM at the NCSD office and he would like to attend.*

Director Gaddis

- ◇ *July 5, Attended the NCSD officer's meeting.*

Director Armstrong

- ◇ *Will be attending the NMMA Technical Group meeting on July 18<sup>th</sup>.*

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 Ed Eby and seconded, the Board unanimously approved to receive and file the presentations and reports as submitted.*

*Vote 5-0.*

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

00:01:33 D. CONSENT AGENDA

D-1) WARRANTS

D-2) APPROVE MINUTES OF PREVIOUS BOARD MEETINGS

- JUNE 22, 2016 REGULAR MEETING

D-3) ACCEPT PHASE I OF THE SUPPLEMENTAL WATER PROJECT

D-4) ACCEPT OFFER OF WATER AND SEWER IMPROVEMENTS FOR APN 090-111-008, ST. JOSEPH'S CHURCH, 298 SOUTH THOMPSON AVENUE, NIPOMO

*There were no public comments.*

*Upon the motion of Director Dan Allen Gaddis and seconded, the Board unanimously approved the Consent 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. 2016-1420  
 A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
 ACCEPTING WATER AND SEWER IMPROVEMENTS FOR ST. JOSEPH'S CHURCH**

E. ADMINISTRATIVE ITEMS

00:02:08 E-1) INTRODUCE ORDINANCE TO REPEAL DISTRICT CODE SECTION 3.05.070.B.1 APPLICATION FOR INTENT-TO-SERVE LETTERS, WILL-SERVE LETTERS AND TERMINATION

*Mario Iglesias, General Manager, reviewed the report as presented in the Board Packet. Mr. Iglesias answered questions from the Board.*

*Mike Seitz, District Legal Counsel, reminded the Board of the process to change an Ordinance.*

*The Board discussed the Ordinance.*

*The following members of the public spoke:*

*Noel Heal, Blacklake resident, distributed a letter to the Board (available for review at the District office) and commented on the Intent-to-Serve (ITS) application process and government code.*

*Emily Ure, Planner with Oasis Associates, commented on the ITS process with the County.*

*Rob Rossi, Developer, commented on the length of time it takes to get through the County process.*

*Ray Wells, NCSO Customer, commented that the District should restrict all irrigation due to the drought.*

*Greg Nester, Developer, commented that the District's 240 day timeframe is challenging.*

**SUBJECT TO BOARD APPROVAL**

**Nipomo Community Services District  
REGULAR MEETING  
MINUTES**

Barbara Deming, NCS D Customer, commented on water supply in Nipomo and the agricultural impact.

Ian Wallace, NCS D Customer, commented on the Rossi project at Blacklake and District policy making. Mr. Wallace commented that policy should not be retroactive.

Upon the motion of Director Ed Eby and seconded, the Board unanimously agreed to authorize staff to read the proposed Ordinance by title only.  
Vote 5-0.

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

Upon the motion of Director Dan Allen Gaddis and seconded, the Board unanimously agreed to introduce the proposed Ordinance and set July 27, 2016 for public hearing and adoption.  
Vote 5-0.

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

00:20:42

E-2) EVALUATE POSSIBLE ACTIONS LISTED IN DISTRICT'S WATER SHORTAGE RESPONSE AND MANAGEMENT PLAN IN PREPARATION OF DECLARING STAGE IV WATER SHORTAGE CONDITION

Mario Iglesias, General Manager, reviewed the report as presented in the Board Packet.

The Board discussed the Plan's stages and possible actions. President Armstrong stated that the District is currently pumping 46% less groundwater.

00:36:05

The following members of the public spoke:

Phil Gray, Developer, commented on his housing project and stated that the Board should not declare a Stage IV shortage and restrict applications.

John Bullough, Property Owner, commented that he was nervous about the Board's decision since all his resources are tied up in his housing project. Mario Iglesias, General Manager, clarified that current Will-Serves will still be honored in Stage IV.

Jim Smith, Nipomo resident, commented on his project and the need for housing in Nipomo as well as the possible actions in Stage IV.

Roselyn Griffin, NCS D Customer, commented on the amount of money her and her neighbors have put into converting their landscapes to drought tolerant. Ms. Griffin also asked if the District uses reclaimed water. President Armstrong responded that the District currently returns reclaimed water back into the basin.

Emily Ure, Planner with Oasis Associates, commented on the Intent-to-Serve (ITS) process and requested a timeframe for completion for those currently in the application process if the Board does choose to enforce Stage IV actions.

Greg Nickerson, Nipomo property owner, requested clarification on the Key Wells Index and how it affects the District's Water Shortage Response and Management Plan stages.

SUBJECT TO BOARD APPROVAL

Nipomo Community Services District  
REGULAR MEETING  
MINUTES

President Armstrong responded.

Paul Bishof, Grover Beach contractor, requested that the Board consider the time and resources people have put into their projects and requested the Board not declare a Stage IV water shortage..

Don Wells, Blacklake resident, requested clarification on the processing of applications in Stage IV.

Greg Nester, Developer, requested that the Board look at all the projects and where they are in the process before suspending applications. Mr. Nester also stated that moving to Stage IV would hurt the community.

Jim Harrison, NCSD Customer, commented that the District will not be able to finish the Supplemental Water Project if the Board suspends Will-Serve letters. He also commented on the use of water out of District boundaries. Mario Iglesias, General Manager, responded.

President Armstrong proposed that the Board wait 6 months to see if the District is able to achieve a 50% reduction in groundwater pumping and review at their January meeting.

Director Eby requested staff clarify language in the Response Plan regarding the application process. Director Eby also requested more information on the arrival of more supplemental water and pumping reports. Mario Iglesias, General Manager, responded.

President Armstrong requested clarification on the maximum capacity of the Supplemental Water Project. Peter Sevcik, Director of Engineering and Operations, responded.

Director Eby recommended the Board declare a Stage IV water shortage but not implement the actions until further review at its January meeting.

01:13:31

The following members of the public spoke:

Eric Benham, Developer, commented on the supplemental water pipeline and other water companies and structures.

Upon the motion of Director Ed Eby and seconded, the Board unanimously agreed and directed staff to prepare a Resolution declaring a Stage IV water shortage, keep in place Stage III actions and place a review of groundwater pumping levels on the Agenda for its January 2017 Regular Board Meeting.  
Vote 5-0.

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

President Armstrong called a recess at 10:20 a.m.

President Armstrong called the meeting back into session at 10:30 a.m.

**01:16:43** F. GENERAL MANAGER'S REPORT

*Mario Iglesias, General Manager, reviewed the report as presented in the Board packet. Mr. Iglesias also reported the following:*

- *The District submitted a Water Supply Reliability Certification to the State Water Resources Control Board. MKN & Associates assisted with the preparation.*

*Mr. Iglesias answered questions from the Board.*

*There were no public comments.*

## G. COMMITTEE REPORTS

*None.*

**01:21:48** H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTSDirector Armstrong

- *Requested staff prepare a basic message to customers regarding Stage IV water shortage conditions.*

Director Eby

- *Asked staff to project when the District will reach a 50% reduction groundwater pumping. Mario Iglesias, General Manager, responded.*

Director Gaddis

- *Requested an update on the Supplemental Water Project Joshua Road Pump Station Reservoir project. Peter Sevcik, Director of Engineering and Operations, responded.*

**01:24:51** 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) HEAL VS. NCSD (SAN LUIS OBISPO COUNTY CASE NO CV 15-0539)

## 2. INSTRUCTION TO NEGOTIATORS MARIO IGLESIAS, MIKE SEITZ, AND LILLIAN JEWELL PURSUANT TO GOVERNMENT CODE SECTION 54956.8 FOR PURCHASE OF EASMENT INTEREST IN APN 093-291-046 (OWNER: LOS PRIMOS PROPERTIES, LLC, NEGOTIATOR: VINCE MARTINEZ)

## J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

*There were no public comments.*

## K. ADJOURN TO CLOSED SESSION

*President Armstrong adjourned to closed session at 10:40 a.m.*

Nipomo Community Services District  
REGULAR MEETING  
MINUTES

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

*The Board came back into Open Session at 11:05 a.m.*

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

*Mr. Seitz also reported that the Board discussed Item I. 2, gave direction, but took no reportable action.*

ADJOURN

*President Armstrong adjourned the meeting at 11:06 a.m.*

MEETING SUMMARY	HOURS & MINUTES
Regular Meeting	1 hour 31 minutes
Closed Session	25 minutes
TOTAL HOURS	1 hour 56 minutes

Respectfully submitted,

\_\_\_\_\_  
Mario Iglesias, General Manager and Secretary to the Board

\_\_\_\_\_  
Date

TO: BOARD OF DIRECTOR

REVIEWED: MARIO IGLESIAS  
GENERAL MANAGER

FROM: LISA BOGNUDA  
FINANCE DIRECTOR

DATE: JULY 22, 2016

**AGENDA ITEM  
D-3  
JULY 27, 2016**

**REVIEW INVESTMENT POLICY SECOND QUARTER REPORT**

**ITEM**

Review Investment Policy Second Quarter Report [RECOMMEND ACCEPT]

**BACKGROUND**

The District's Investment Policy requires the Finance Officer to file a quarterly report that identifies the District's investments and their compliance with the policy. The quarterly report is considered by the Board of Directors and is filed with the District's auditor.

As District Finance Officer and Treasurer, I am pleased to inform the Board of Directors that the District is in compliance with the 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.

**INVESTMENT POLICY-SECOND QUARTER REPORT 6/30/16**

Investment	Institution	Amount of Deposit 6/30/16	Rate of Interest at 6/30/16	Quarterly Interest Earned or Accrued 6/30/16	Amount of Deposit 6/30/15	Rate of Interest at 6/30/15	Quarterly Interest Earned or Accrued 6/30/15
Public Checking	Rabobank	\$223,680.94	0.00%(1)	\$0.00	\$193,626.47	0.00%	\$0.00
Savings-Improvement Bonds	Rabobank	\$208,223.69	0.20%	\$103.79	\$190,413.13	0.21%	\$111.35
Savings-Performance Bonds	Rabobank	\$201,490.10	0.20%	\$100.44	\$201,086.45	0.21%	\$109.01
Savings-NMWCA Fees	Rabobank	\$518,925.40	0.20%	\$258.66	\$451,364.25	0.21%	\$224.83
Savings-NSWP Funded Replacement	Rabobank	\$155,283.76	0.20%	\$66.36	n/a	n/a	n/a
Pooled Money Investment	Local Agency Investment Fund (LAIF)	\$16,453,892.25	0.55%	\$22,686.17	\$17,368,510.08	0.28%	\$12,891.46

n/a-not applicable (account opened February 2016)

(1) Account on account analysis

**STRATEGIC PLAN**

Goal 4. FINANCE. Maintain conservative, long-term financial management to minimize rate impacts on customers while meeting program financial needs.

4.4 Maintain sound investment policy and investments.

**RECOMMENDATION**

After Board consideration and public comment, it is recommended that your Honorable Board accept the quarterly report by motion and roll call vote and direct staff to file the Report with District Auditor.

**ATTACHMENTS**

None