

NIPOMO COMMUNITY SERVICES DISTRICT

Serving the Community Since 1965

REGULAR MINUTES

MAY 10, 2017 AT 9:00 A.M.

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

BOARD of DIRECTORS

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

PRINCIPAL STAFF

MARIO IGLESIAS, **GENERAL MANAGER**
LISA BOGNUDA, **FINANCE DIRECTOR**
WHITNEY MCDONALD, **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

Vice President Eby called the Regular Meeting of May 10, 2017 to order at 9:00 a.m. and led the flag salute.

00:00:57 B. ROLL CALL AND PUBLIC COMMENT FOR ITEMS NOT ON AGENDA

At Roll Call, all Directors were present except Director Gaddis.

There were no public comments.

Vice President Eby announced the Board would hear Item E-1 next.

00:01:12 E-1) PUBLIC HEARING – NOTICE OF VIOLATION OF DISTRICT SEWER USE REGULATIONS, CONSIDER AN ORDER TO TERMINATE WATER SERVICE AT 1050 WILLOW ROAD – WILLOW MARKET

Mario Iglesias, General Manager, introduced the Item and District Legal Counsel, Whitney McDonald. Ms. McDonald explained the Hearing process.

Mr. Iglesias reviewed the report as presented in the Board Packet.

Peter Sevcik, Director of Engineering and Operations, explained the violations. Mr. Sevcik answered questions from the Board.

Mr. Iglesias commented that he received two correspondences from neighbors in the area and provided them for the Board and public in attendance (available for review at the District office). Ms. McDonald commented that some confidential information has been redacted from the documents.

VICE PRESIDENT EBY OPENED THE PUBLIC HEARING

The following members of the public spoke:

Joe White, Manager at Willow Market, commented on working with the District and attempting to address the violations. Mr. White stated that the Market is now pumping monthly to help alleviate the odor. Mr. White also commented that the Market worked with an engineer in February 2016 to develop improvement plans and have been considering options before preparing a proposal. They have reached out to Clay Septic for guidance and are working on a schedule for improvements.

The Board discussed. Mr. White answered questions from the Board.

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Clay Barks, Clay Septic & Jetting, commented on the Market's waste process and clarified there is no septic tank on the property. Mr. Barks discussed various options to address the violations. Mr. Barks answered questions from the Board.

00:38:46

Ken Pacofsky, Blacklake resident, commented on the odor and the Market's processes stating that the real problem has not been addressed. Mr. Pacofsky asked staff and the Board if they knew what the issue was and how to have it resolved. Director Eby responded that solutions need to be reviewed by the District's Engineer.

VICE PRESIDENT EBY CLOSED THE PUBLIC HEARING

The Board discussed.

Mr. Iglesias summarized the discussion and commented that Staff is working with Willow Market's manager. Mr. Iglesias reviewed the Staff's recommendation and stated the District's priority is to protect customers and the system and the Board should apply necessary pressures so the problem is resolved.

Upon the motion of Director Ed Eby and seconded, the Board agreed that Willow Market is to mitigate the issue by July 24, 2017, the Board will take action at the July 26, 2017 Regular Board Meeting, if necessary, and directed Staff to report progress of the project at all Regular Board meetings up to the July 26, 2017 meeting.
Vote 4-0.

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

Director Eby clarified the steps ahead to the public in attendance and directed Staff to send a follow-up letter to the Willow Market.

Vice President Eby announced the Board would return to Item C-1.

C. PRESENTATIONS AND REPORTS

00:52:03

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 Woodson

- May 3, Attended the Facilities/Water Resources Committee meeting.

Director Armstrong

- Attended the Water Resources Advisory Council (WRAC) meeting where Director Eby notified the group that the District is working with the County regarding Groundwater Sustainability Agency (GSA) matters.

Director Eby

- April 28, Attended a planning session for the Joshua Road Pump Station Reservoir Ribbon Cutting ceremony.
- May 1, Attended the District Board Officer's meeting.
- May 3, Attended the Facilities/Water Resources Committee meeting

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- May 3, Attended the WRAC meeting.
- May 5, Attended the Blacklake Facilities Group meeting where the Blacklake Sewer Master Plan was presented.

C-2) 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 Craig Armstrong and seconded, the Board unanimously approved to receive and file the presentations and reports as submitted.

Vote 4-0.

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

00:55:16 D. CONSENT AGENDA

D-1) WARRANTS

D-2) APPROVE APRIL 26, REGULAR BOARD MEETING MINUTES

D-3) APPROVAL OF THE ENGINEER'S LEVY REPORT AND DECLARATION OF INTENTION TO LEVY ANNUAL ASSESSMENTS FOR STREET LANDSCAPE MAINTENANCE DISTRICT NO. 1 FOR FISCAL YEAR 2017-2018

D-4) ACCEPT THIRD QUARTER FISCAL YEAR 2017 QUARTERLY FINANCIAL REPORT

Director Armstrong requested clarification on the Consumer Price Index (CPI) in Item D-3. Mario Iglesias, General Manager, and Peter Sevcik, Director of Engineering and Operations, responded.

Whitney McDonald, District Legal Counsel, clarified that the CPI process is built into the Landscape Maintenance District formation and would require a process to change.

There were no public comments.

Upon the motion of Director Craig Armstrong and seconded, the Board unanimously approved the Consent Agenda.

Vote 4-0.

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

RESOLUTION 2017-1441

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT APPROVING THE ANNUAL ENGINEER'S LEVY REPORT, DECLARING ITS INTENTION TO LEVY ANNUAL ASSESSMENTS FOR THE STREET LANDSCAPE AND MAINTENANCE DISTRICT NO. 1 FOR FISCAL YEAR 2017-2018, AND SETTING A PUBLIC HEARING THEREON

E. ADMINISTRATIVE ITEMS

ITEM E-1 WAS HEARD EARLIER IN THE MEETING

00:57:36

E-2) REVIEW DWR BULLETIN 118 AND SANTA MARIA BASIN FRINGE AREAS WITHIN THE NIPOMO CSD BOUNDARIES AND CONSIDER ACTIONS TO SUPPORT SLO COUNTY'S BOUNDARY MODIFICATION APPLICATION

Mario Iglesias, General Manager, reviewed the report as presented in the Board Packet. Mr. Iglesias introduced Dick Tzou with County Water Services.

Mr. Tzou distributed the Sustainable Groundwater Management Act (SGMA) Basin Boundary Modification presentation as well as a "Guiding Principles/Road Map" document (available for review at the District office). Mr. Tzou reviewed the document and gave a presentation on the County's plan. He also stated that the County's priority is a characterization study to evaluate boundaries. The deadline to submit a modification request to the Department of Water Resources (DWR) is March 31, 2018. Mr. Tzou commented that the County will hold community outreach events throughout next six months and that June 26th is the kick-off meeting.

The Board discussed. Mr. Tzou answered questions from the Board and District Legal Counsel.

Director Eby commented that the District wants to have input in the modification of boundaries and that they should be shrunk to the adjudicated boundary. Mr. Tzou responded that the County is forming an advisory committee for this process.

The following members of the public spoke:

Jim Harrison, NCSO customer, commented on the fringe area stating that it should only include areas not being served with water.

The Board directed the General Manager to coordinate communication between the County and the Board.

01:26:50

F. MANAGER'S REPORT

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

- The District is still reducing pumping by over 50%.*
- The County Planning Commission is looking at Monarch Dunes development plans at their meeting on May 11th at 9 AM.*
- The County Board of Supervisors is conducting a public hearing on the Growth Management Ordinance on May 16th at 9 AM.*
- Distributed the District's 2017 Water Rate Study schedule (available for review at the District office) and commented on upcoming outreach events.*
- The California Special District's Association (CSDA) Chapter meeting is on July 27th at 3:30 PM in Paso Robles.*
- The District signed a letter of interest for the County's Office of Emergency Services (OES) Hazard Mitigation Plan.*
- The County Board of Supervisors will be discussing the Nipomo asphalt overlay project at its May 16th meeting.*

Mr. Iglesias answered questions from the Board.

Director Eby requested the September 27th date be removed from the Rate Study schedule due to the CSDA Annual Conference and requested staff bring a recommendation for the 218 process and rate adoption to the next Board meeting.

There were no public comments.

01:36:35

G. COMMITTEE REPORTS

Director Eby reviewed the Facilities/Water Resources Committee meeting minutes as presented in the Board Packet and commented that the same presentation was given at the Blacklake Facilities Group meeting on May 5th. Rehabilitation of a lift station and the Blacklake treatment plant was discussed as well as connecting Blacklake's treatment plant to the Town Sewer system. Director Eby commented that no decision was made and the next step is to work with Blacklake regarding the option of connecting to Town Sewer.

Director Armstrong requested that the Master Plan model include financing if borrowing funds to abandon the Blacklake treatment plant is an option.

Mario Iglesias, General Manager, commented on the Plan and that an implementation strategy would come later. Whitney McDonald, District Legal Counsel, commented on the function of a Master Plan and the County's environmental review process.

01:54:09

H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

Director Woodson

- Gave an update on the Tefft interchange project.

Director Blair

- Asked if there are any issues the Board or staff would like brought up when he speaks to Legislators next week at CSDA's Legislative Days.

Director Eby

- Requested staff report Willow Market's project progress at each Board meeting up to July 26, 2017.
- Requested the Blacklake Sewer Master Plan be agendized for an upcoming Board meeting.

01:57:48

I. CLOSED SESSION ANNOUNCEMENTS

1. CONFERENCE WITH DISTRICT LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GC §54956.9
 - a) SMVWCD VS. NCSO (SANTA CLARA COUNTY CASE NO. CV 770214, SIXTH APPELLATE COURT CASE NO. H032750 AND ALL CONSOLIDATED CASES).
 - b) BENING VS. NCSO SAN LUIS OBISPO COUNTY CASE NO 14CV0069
 - c) NCSO VS. LOS PRIMOS PROPERTIES LLC, SAN LUIS OBISPO COUNTY CASE NO. 16CV0512
2. CONTINUE STEP 2 OF 2 – ANNUAL PERFORMANCE REVIEW OF DISTRICT GENERAL MANAGER PURSUANT TO GOVERNMENT CODE SECTION 54957

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J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There were no public comments.

K. ADJOURN TO CLOSED SESSION

Vice President Eby adjourned to closed session at 11:04 a.m.

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

The Board came back into Open Session at 12:00 p.m.

Whitney McDonald, District Legal Counsel, announced that the Board discussed Item I.1(a), 1(b), 1(c), and Item I.2, but took no reportable action.

ADJOURN

Vice President Eby adjourned the meeting at 12:01 p.m.

MEETING SUMMARY	HOURS & MINUTES
Regular Meeting	2 hour 5 minutes
Closed Session	56 minutes
TOTAL HOURS	3 hours 1 minute

Respectfully submitted,



Mario Iglesias, General Manager and Secretary to the Board

5-26-17

Date