

TO: BOARD OF DIRECTORS
FROM: MARIO IGLESIAS
GENERAL MANAGER
DATE: DECEMBER 9, 2016



AGENDA ITEM
C
DECEMBER 14, 2016

PRESENTATIONS AND REPORTS

The following presentations and reports are scheduled:

- C-1) DIRECTOR OF ENGINEERING AND OPERATIONS SUMMARY OF ACTIVITIES – MONTHLY REPORT; JOSHUA ROAD PUMP STATION CONSTRUCTION
- C-2) 2016 FALL GROUNDWATER INDEX REVIEW, NEWTON GEO-HYDROLOGY CONSULTING SERVICES
- C-3) GENERAL MANAGER'S WATER SERVICES REVIEW – STATUS OF ACTIVE INTENT-TO-SERVE LETTERS
- C-4) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST AND REPORTS ON ATTENDANCE AT PUBLIC MEETINGS, TRAINING PROGRAMS, CONFERENCES, AND SEMINARS.
Receive Announcements and Reports from Directors
- C-5) RECEIVE PUBLIC COMMENT ON PRESENTATIONS AND REPORTS PRESENTED UNDER ITEM C AND BY MOTION RECEIVE AND FILE PRESENTATIONS AND REPORTS

TO: BOARD OF DIRECTORS

FROM: MARIO E. IGLESIAS
GENERAL MANAGER



DATE: DECEMBER 9, 2016

AGENDA ITEM
C-1
DECEMBER 14, 2016

**DIRECTOR OF ENGINEERING AND OPERATIONS
SUMMARY OF ACTIVITIES – MONTHLY REPORT; JOSHUA ROAD
PUMP STATION CONSTRUCTION**

ITEM

Engineering and Operations monthly report and update for Joshua Road Pump Station Reservoir, November 2016 Report [NO ACTION REQUESTED].

BACKGROUND

Director of Engineering and Operations, Peter Sevcik will overview his update (attached) and discuss recent activities at the JRPS Reservoir Project.

RECOMMENDATION

Staff recommends that your Honorable Board receive the update.

ATTACHMENTS

- A. Engineering and Operations Update for Joshua Road Pump Station Reservoir

December 14, 2016

ITEM C-1

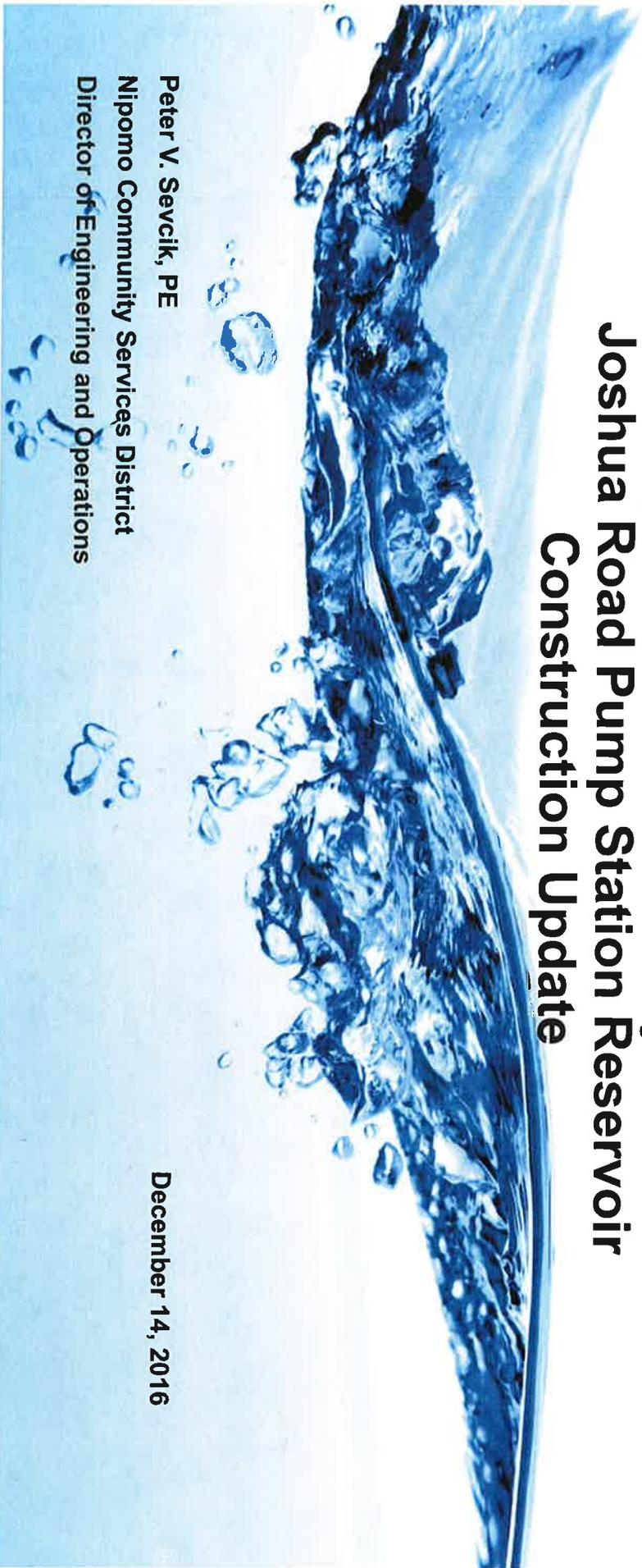
ATTACHMENT A



Supplemental Water Project - Joshua Road Pump Station Reservoir Construction Update

Peter V. Sevcik, PE
Nipomo Community Services District
Director of Engineering and Operations

December 14, 2016



SWP Joshua Road Pump Station Reservoir

Schedule and Budget Summary

Schedule Summary

Notice to Proceed	April 25, 2016
Original Contract Days	270
Contract Days Added	83
Revised Contract Days	353
Elapsed Time (Days)	(214)
Remaining Time (Days)	139
Contract Completion Date	April 12, 2017
Time Elapsed to Date	60.6 %
Work Completed to Date	63.1 %
Approved Change Orders (Days)	83 days

Budget Summary

Original Contract Amount	\$2,463,375.00
Approved Change Orders (Cost)	\$271,269.17
Revised Contract Amount	\$2,734,644.17
Previous Payments	\$1,540,909.73
Current Month Pay Request	\$185,850.00
Total Work Completed	\$1,726,759.73
Work Remaining	\$1,007,884.44



SWP Phase Joshua Road Pump Station Reservoir

- DN Tank mobilized their equipment and crew
- Water blasted the exterior of the tank wall at 23,000 psi, which removed a thin layer of concrete and roughened the surface
- Post tensioned tank by wrapping steel cable around the tank
- Sprayed shotcrete over the cable, then cured by wrapping the tank in plastic



SWP Joshua Road Pump Station Reservoir



Water Blasting Outside of Tank





SWP Joshua Road Pump Station Reservoir



Wrapping Cable Around Tank



SWP Joshua Road Pump Station Reservoir



Spraying Shotcrete Over Post Tensioning Cables

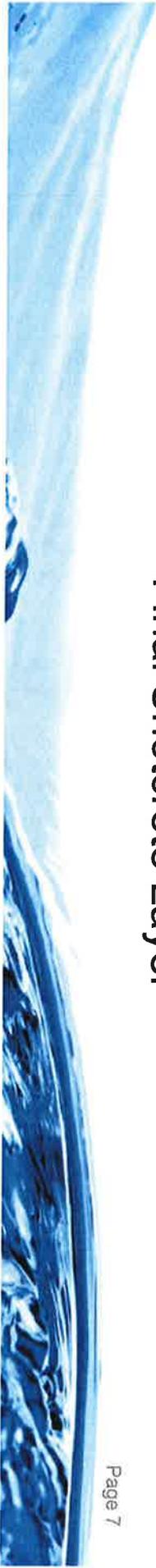




SWP Joshua Road Pump Station Reservoir



Final Shotcrete Layer



SWP Joshua Road Pump Station Reservoir



Plastic Wrapping of Tank Completed



SWP Joshua Road Pump Station Reservoir



Aerial View



TO: BOARD OF DIRECTORS
FROM: MARIO IGLESIAS
GENERAL MANAGER
DATE: DECEMBER 9, 2016

**AGENDA ITEM
C-2
DECEMBER 14, 2016**

**2016 FALL GROUNDWATER INDEX REVIEW, NEWTON
GEO-HYDROLOGY CONSULTING SERVICES**

ITEM

Presentation of the fall groundwater index for the Nipomo Mesa area. [RECOMMEND RECEIVE REPORT]

BACKGROUND

Doctor Brad Newton will review recent work to update the Ground Water Index and will provide a presentation of the fall 2016 Ground Water Index reading.

Doctor Newton's report and the Ground Water Index is an independent work product of the District and is not reviewed by the Nipomo Mesa Management Area Technical group.

FISCAL IMPACT

Funds for preparation of this report are included in the FY 2016-17 Budget.

STRATEGIC PLAN

Goal 1. WATER SUPPLIES. Actively plan to provide reliable water supply of sufficient quality and quantity to serve both current customers and those in the long-term future.

1.6 Continue to monitor and participate in water supply issues and programs with other local and regional organizations

RECOMMENDATION

Staff recommends that the Board receive the Report and give direction to staff.

ATTACHMENTS

A. Fall 2016 Groundwater Index Presentation

December 14, 2016

ITEM C-2

ATTACHMENT A

An aerial photograph of a rural landscape, likely in Newton, Massachusetts, showing a patchwork of green and brown agricultural fields. A yellow line is drawn across the image, outlining a specific geographic area. The text is overlaid on the right side of the image.

2016 GWI

**Groundwater Surface Elevations
and Hydrologic Inventory**

Prepared by

Newton **Geo-Hydrology Consulting Services**

December 14, 2016

2016 GWI

Spring and Fall
Groundwater Index
(GWI, Acre-Feet)

Year	Rainfall (Inches)	Spring GWI (Acre-Feet)	Number of Wells	Fall GWI (Acre-Feet)	Number of Wells	Spring to Fall Difference (Acre-Feet)	
1975	17.29	99,000	54	91,000	54	8,000	
1976	13.45	82,000	45	76,000	65	6,000	
1977	10.23	64,000	59	54,000	63	10,000	
1978	30.66	84,000	62	—	35	—	
1979	15.80	72,000	57	77,000	63	(5,000)	
1980	16.57	88,000	55	89,000	46	(1,000)	
1981	13.39	97,000	46	75,000	47	22,000	
1982	18.58	123,000	42	—	31	—	
1983	33.21	—	35	95,000	42	—	
1984	11.22	—	14	76,000	37	—	
1985	12.20	106,000	37	82,000	41	24,000	
2009	10.31	76,000	44	65,000	43	43	11,000
2010	20.07	80,000	45	67,000	42	42	13,000
2011	34.05	87,000	43	81,000	43	43	6,000
2012	15.35	89,000	45	65,000	44	44	24,000
2013	8.07	67,000	45	42,000	43	43	25,000
2014	4.72	57,000	45	47,000	42	42	10,000
2015	8.09	52,000	42	45,000	39	39	7,000
2016	11.10*	62,000	39	50,000	41	41	12,000

2001	21.62	118,000	43	85,000	35	33,000	
2002	10.25	96,000	29	79,000	41	17,000	
2003	11.39	94,000	37	66,000	42	28,000	
2004	12.57	89,000	42	81,000	35	8,000	
2005	22.23	98,000	38	79,000	39	19,000	
2006	20.83	107,000	44	78,000	41	29,000	
2007	7.11	93,000	44	66,000	42	27,000	
2008	15.10	82,000	42	65,000	42	17,000	
2009	10.31	76,000	44	65,000	43	11,000	
2010	20.07	80,000	45	67,000	42	13,000	
2011	34.05	87,000	43	81,000	43	6,000	
2012	15.35	89,000	45	65,000	44	24,000	
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2015	8.09	52,000	42	45,000	39	7,000	
2016	11.10*	62,000	39	50,000	41	12,000	

—: Insufficient for evaluation
*: Preliminary value

*: Preliminary value

GWI

2016 GWI

Spring and Fall
Groundwater Index
(GWI, Acre-Feet)

Year	Rainfall (inches)	Spring GWI (Acre-Feet)	Number of Wells	Fall GWI (Acre-Feet)	Number of Wells	Spring to Fall Difference (Acre-Feet)
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1979	15.80	72,000	57	77,000	63	(5,000)
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1981	13.39	97,000	46	75,000	47	22,000
1982	18.58	123,000	42	—	31	—
1983	33.21	—	35	95,000	42	—
1984	11.22	—	14	76,000	37	—
1985	12.20	106,000	37	82,000	41	24,000
1986	16.85	98,000	51	67,000	51	31,000
1987	11.29	83,000	48	71,000	52	12,000
1988	12.66	80,000	51	66,000	49	14,000
1989	12.22	59,000	47	47,000	57	12,000
1990	7.12	62,000	55	49,000	53	13,000
1991	13.18	62,000	52	55,000	54	7,000
1992	15.66	61,000	52	35,000	48	26,000
1993	20.17	72,000	54	52,000	61	20,000
1994	12.15	60,000	54	—	36	—
1995	25.87	87,000	35	74,000	52	13,000
1996	16.54	76,000	45	62,000	57	14,000
1997	20.50	—	20	91,000	48	—
1998	33.67	105,000	41	93,000	44	12,000
1999	12.98	106,000	56	88,000	49	18,000
2000	14.47	108,000	44	84,000	41	24,000
1994	12.15	60,000	54	—	36	—
1995	25.87	87,000	35	74,000	52	13,000
1996	16.54	76,000	45	62,000	57	14,000
2001	21.62	118,000	43	85,000	35	33,000
2002	10.25	96,000	29	79,000	41	17,000
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2015	8.09	52,000	42	45,000	39	7,000
2016	11.10*	62,000	39	50,000	41	12,000

GWI

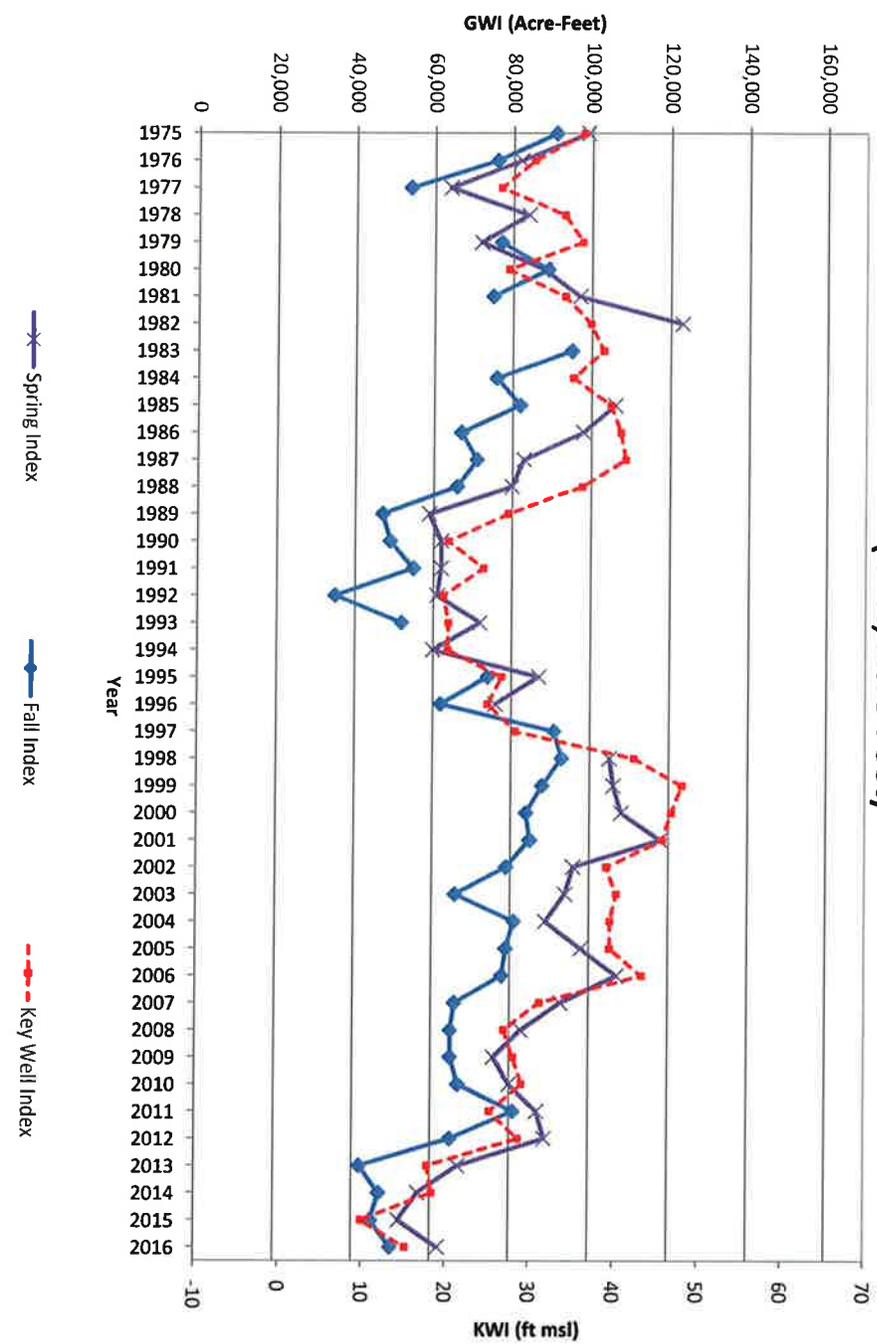
*: Preliminary value

—: Insufficient for evaluation
*: Preliminary value

2016 GWI

GWI

Spring and Fall Groundwater Index (GWI, Acre-Feet)



Conceptual Model

Summary Water Balance

$$GWI \approx \Delta S_{gw} = R - CU - \Delta S_s + F_{in} - F_{out}$$

Summary Water Balance with NSWP and Conservation

$$GWI \approx \Delta S_{gw} = R + NSWP - CU_{(1)} - \Delta S_s + F_{in} - F_{out}$$

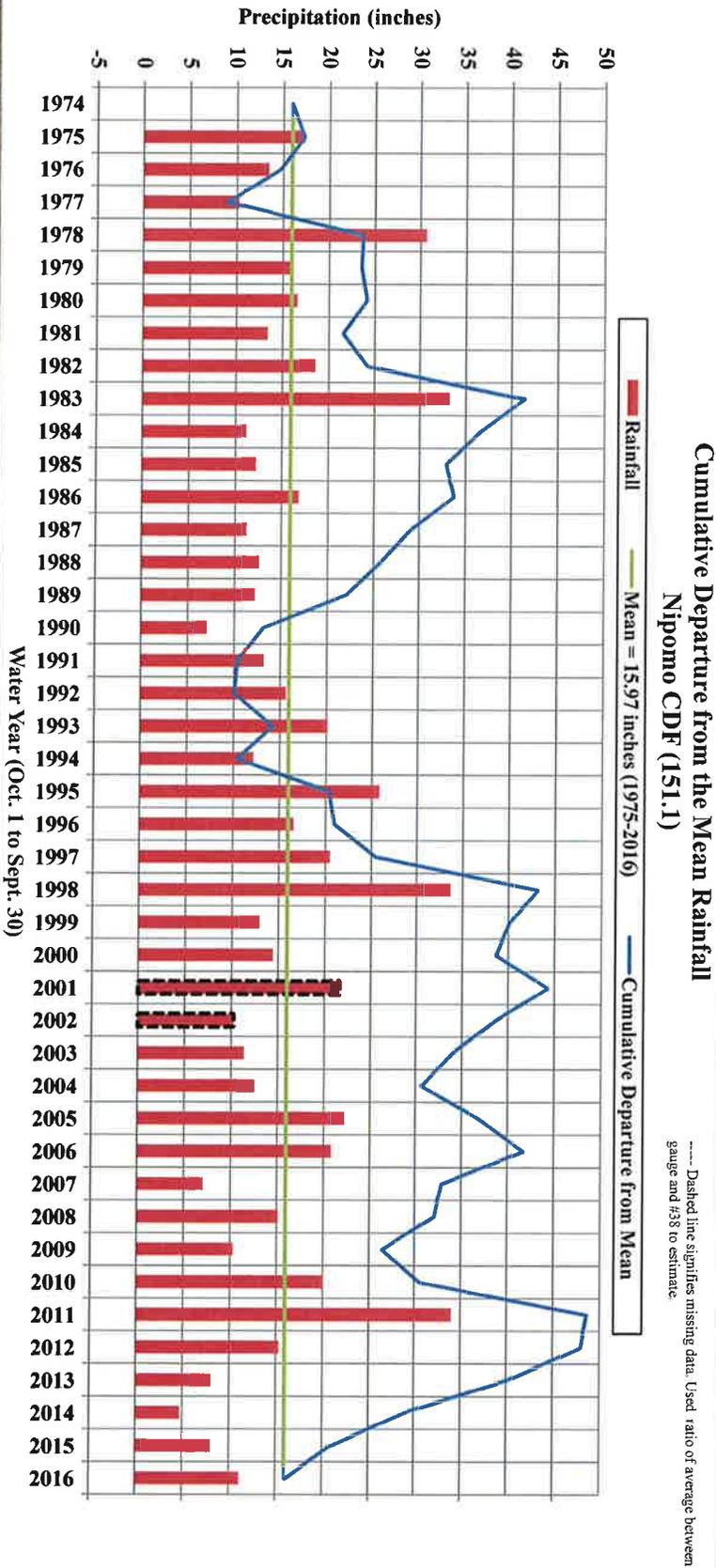
Annual Rainfall

Water Year 2016

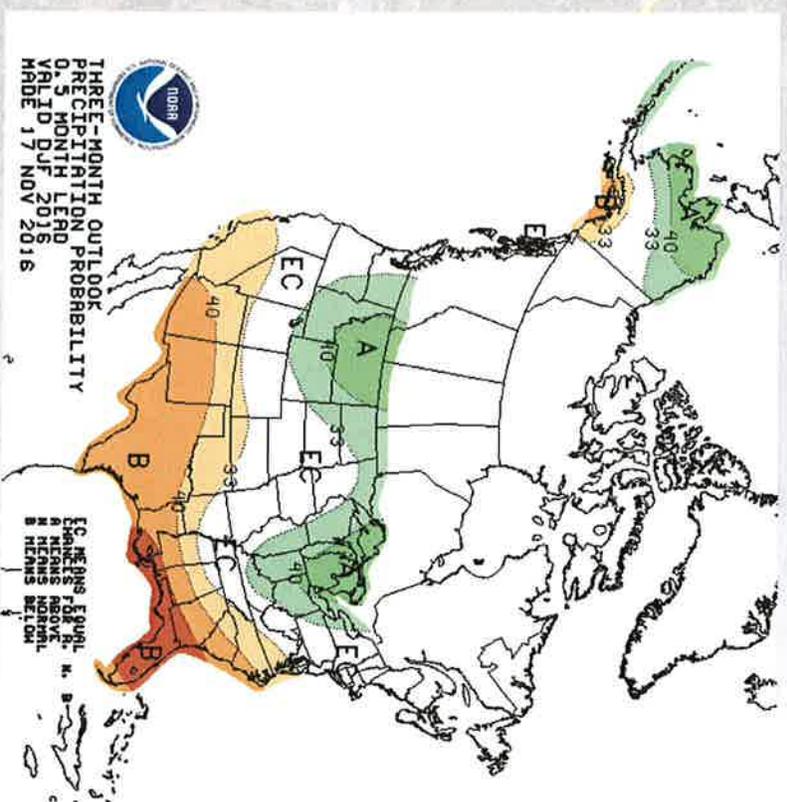
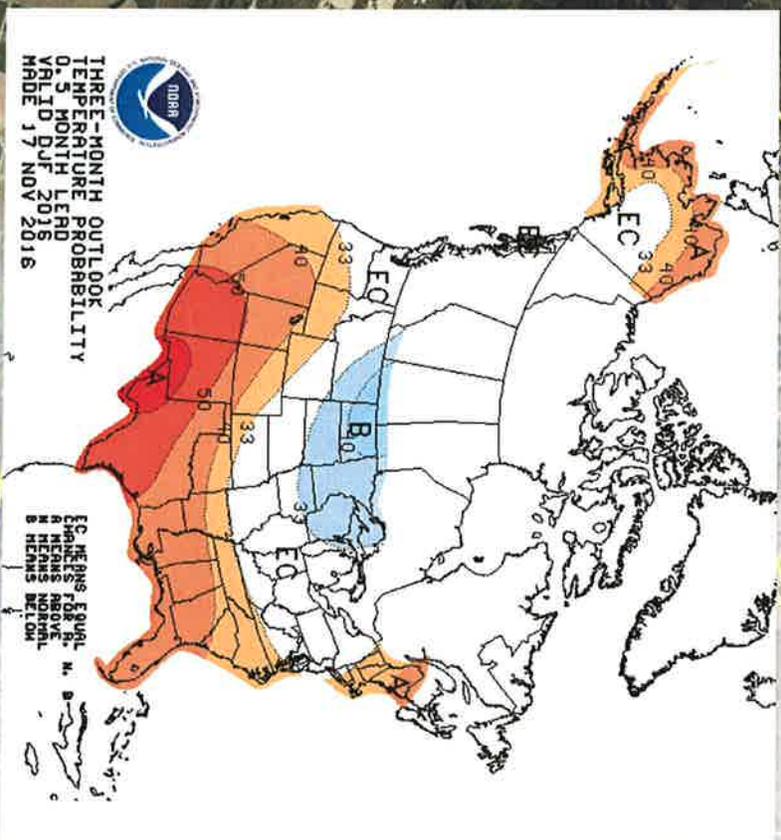
Nipomo East (728)
Currently – 12.28 in.

Nipomo South (730)
Currently – 9.57 in.

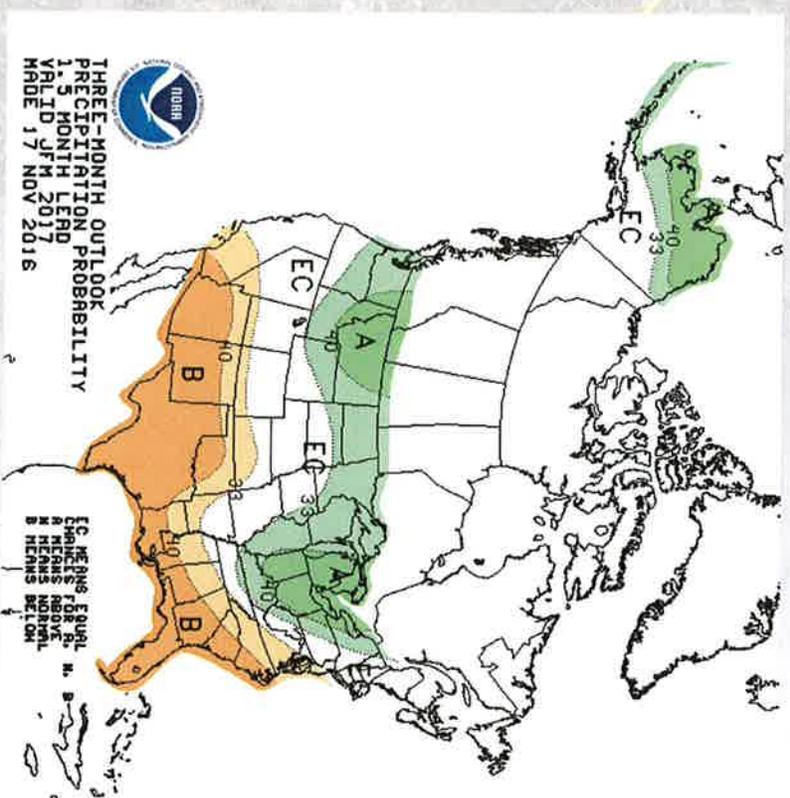
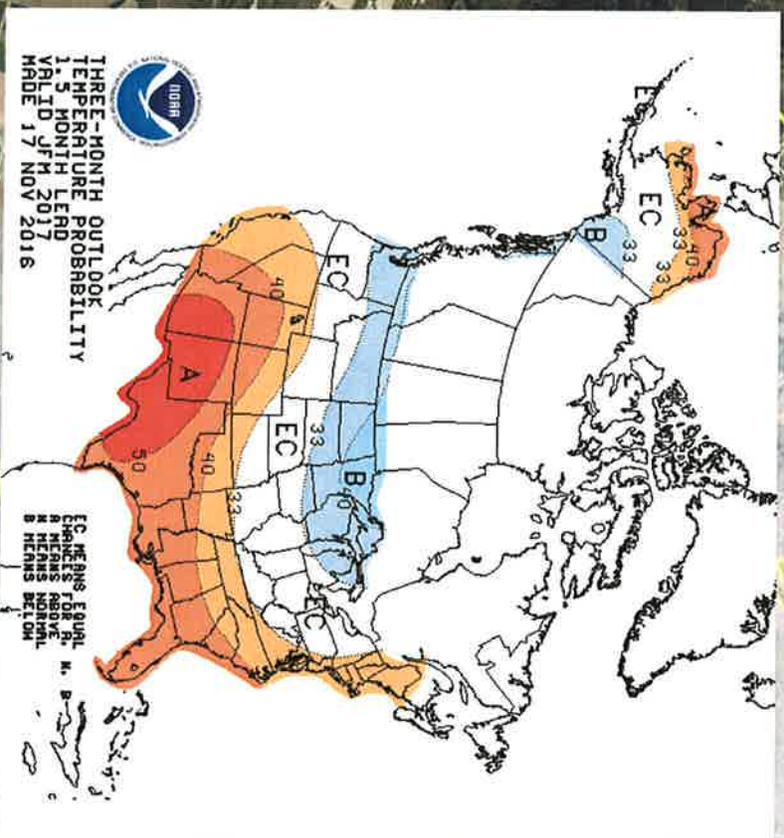
Oceano (795)
Currently – 11.46 in.



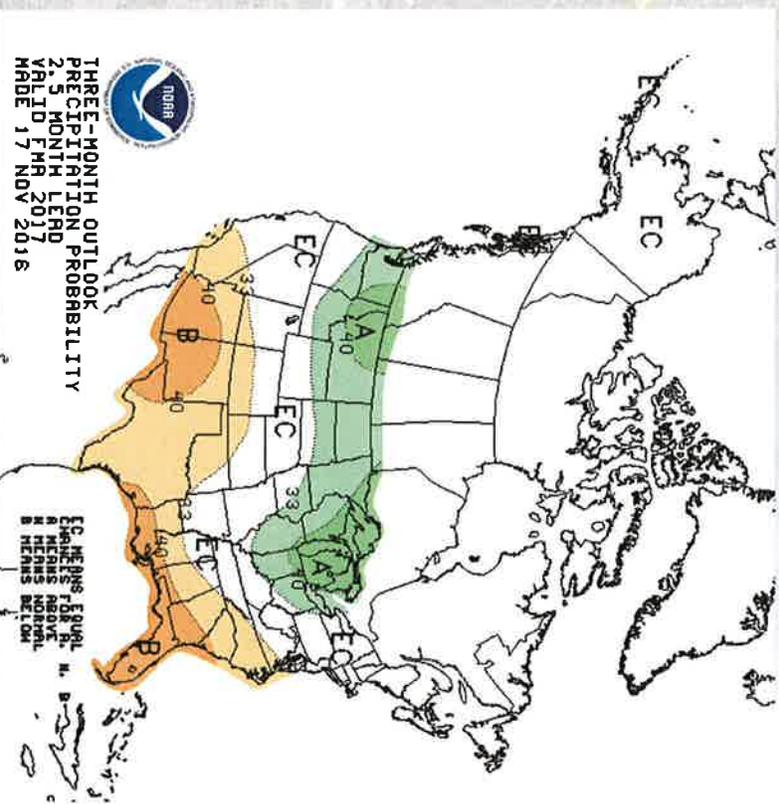
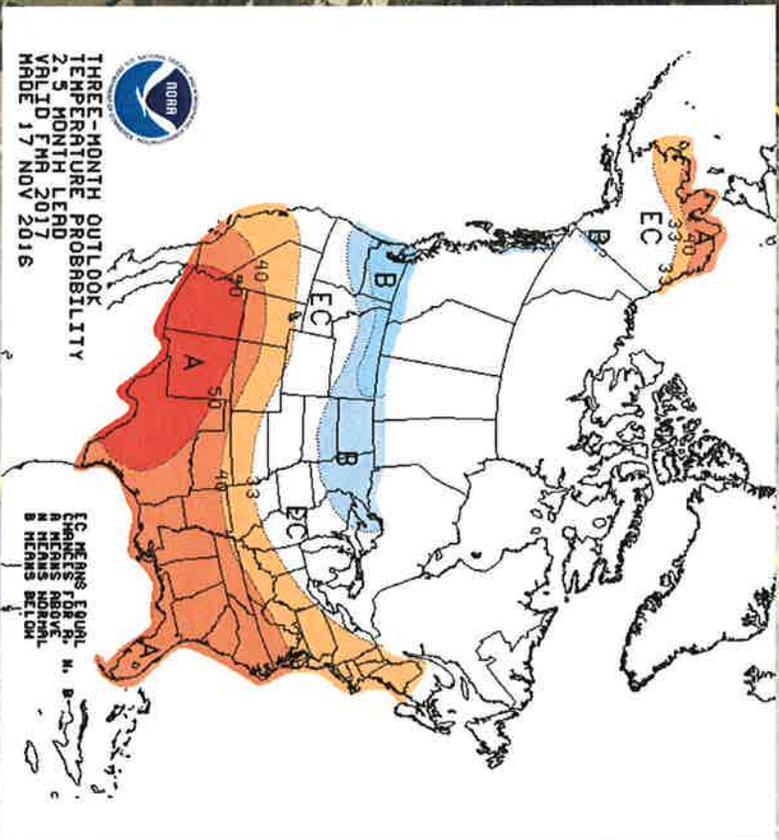
Forecast Temperature



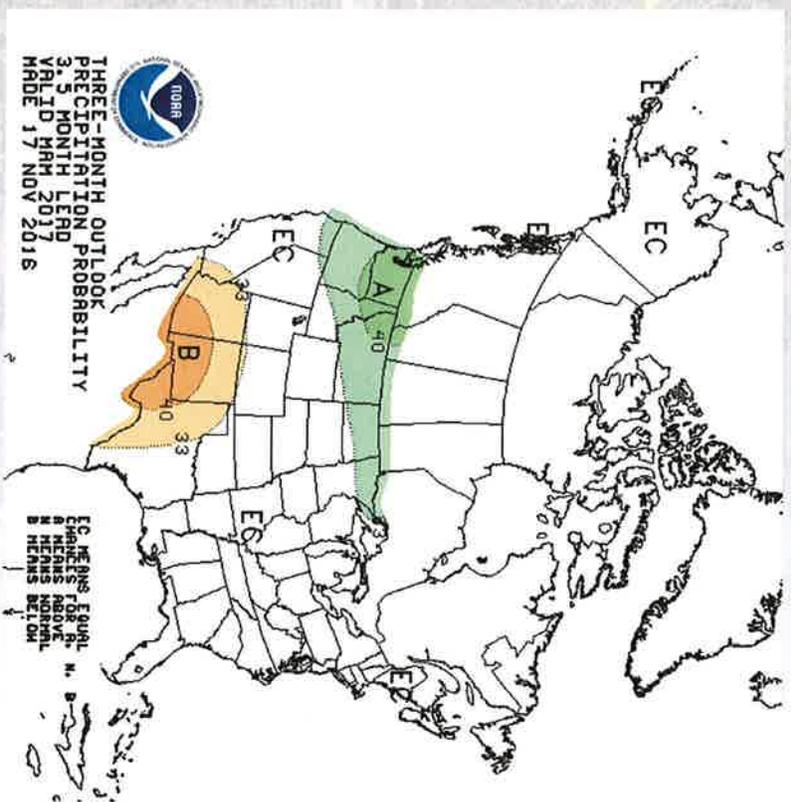
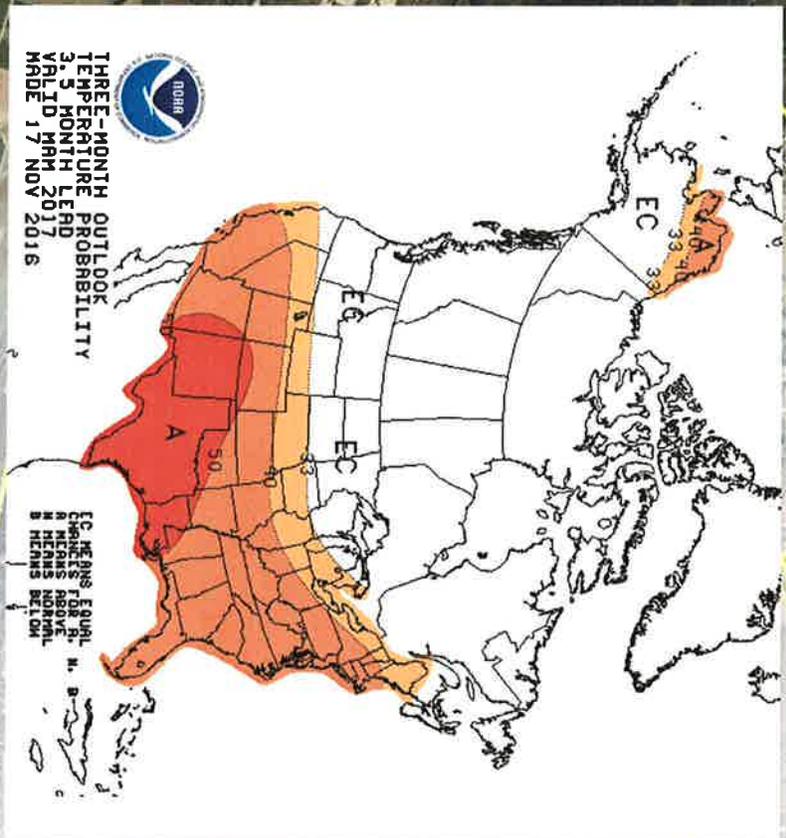
Forecast Temperature

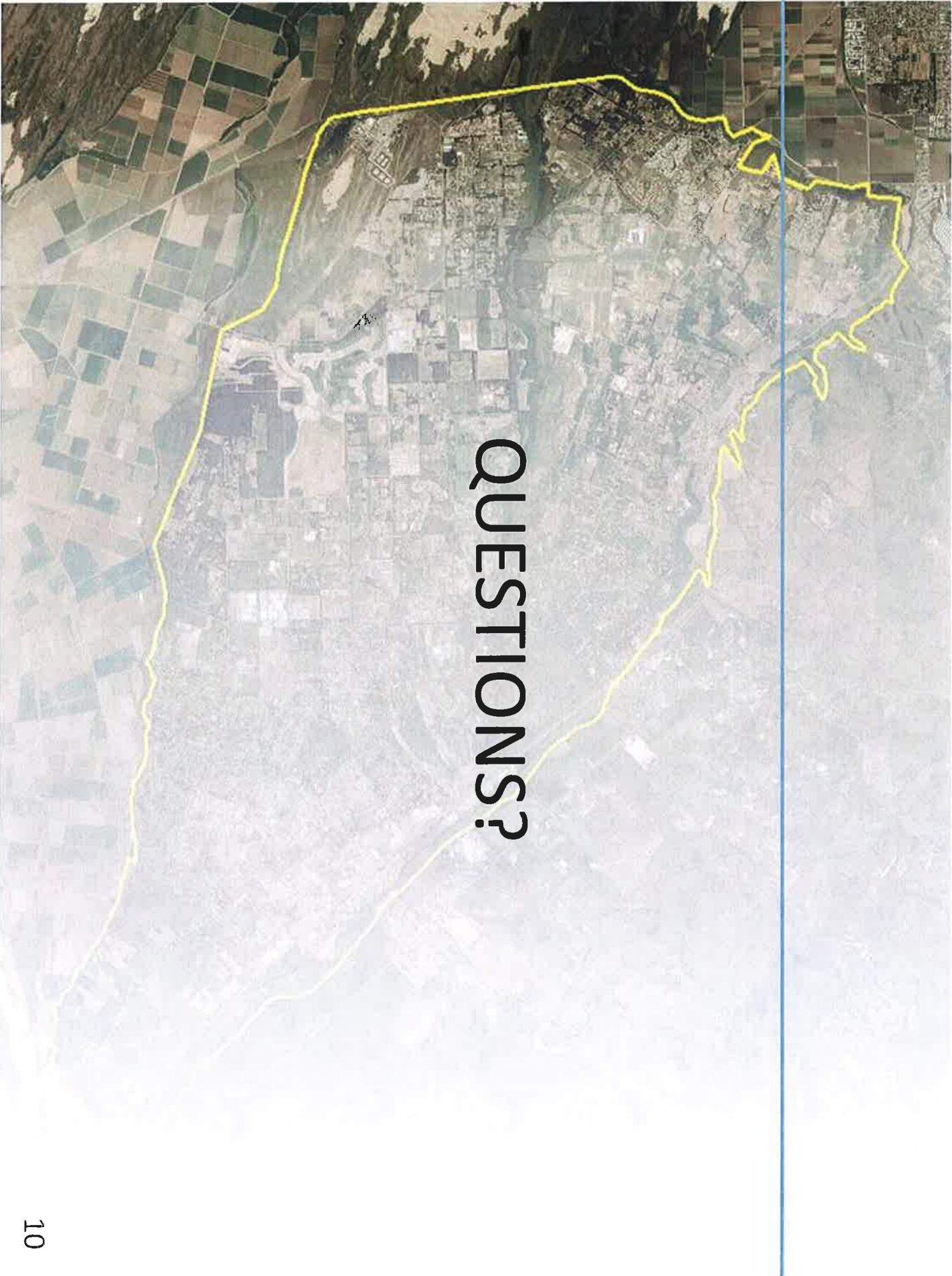


Forecast Precipitation



Forecast Temperature





QUESTIONS?

TO: BOARD OF DIRECTORS
FROM: MARIO E. IGLESIAS
GENERAL MANAGER
DATE: DECEMBER 9, 2016



**AGENDA ITEM
C-3
DECEMBER 14, 2016**

**GENERAL MANAGER’S WATER SERVICES REVIEW – STATUS OF
ACTIVE INTENT-TO-SERVE LETTERS**

ITEM

General Manager’s status report on active Intent-to-Serve Letters: report to provide Board with background information and review process. [NO ACTION REQUESTED].

BACKGROUND

The Board is looking to evaluate the impact that active Intent-to-Serve (“ITS”) water commitments may impose on the District’s water supply if all ITS applications matured to Will-Serve commitments. The Board has given staff direction to provide a compilation of actions including presentations and reports, so the Board can take the appropriate actions needed to protect the groundwater basin, meet basin management pumping requirements while recognizing District commitments to applicants who have an economic investment in their projects.

RECOMMENDATION

Staff recommends that your Honorable Board receive the presentation.

ATTACHMENTS

- A. General Manager’s Water Service Review – Intent-to Serve Letters

December 14, 2016

ITEM C-3

ATTACHMENT A



**General Manager's
Water Service Review**

Status of Intent-to-Serve Letters

Status Report: Purpose

- Provide NCSD Board Members with a review of Intent-to-Serve Letters currently and subject to suspension under Stage IV of NCSD's Water Shortage Response and Management Plan (WSRMP).
 - The Board may use its discretion, limited by the State of California Government Codes and Regulations for Community Service Districts, to determine how best to protect the resources needed to meet their constituency's service needs.

Status Report: Process

- December 14, 2016 Board Meeting
 - Initial ITS Review – Generate Questions,
 - Geo-Hydrologist Fall Groundwater Presentation
- Jan 11, 2017 Board Meeting
 - Follow-up Presentation ITS Review
 - Review Supplemental Water Accounting Policy
- Jan 25, 2017 Board Meeting
 - Targeted Date for Board Action

Status Report: WSRMP

SUMMARY NCSD WATER SHORTAGE RESPONSE AND MANAGEMENT PLAN Key Features of the Plan

	Stage I	Stage II	Stage III	Stage IV	Stage V
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TARGET REDUCTIONS

CONSERVATION OBJECTIVE	Ongoing conservation education	More intensive education	Target 30% reduction in District ground water production	Target 50% reduction in District ground water production	Target 60% reduction in District ground water production
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IF TARGET REDUCTIONS NOT MET

(POSSIBLE ACTIONS TO REACH CONSERVATION OBJECTIVE)

APPLICATIONS FOR WATER SERVICE	Applications are accepted and processed	Applications are accepted and processed	New Applications NOT accepted.	New Applications NOT accepted. Suspend processing existing applications	No Water Allocated to Projects in the application process.
NEW SERVICE CONNECTIONS	New service connections are made	New service connections are made	New service connections are made	New connections Only to completed commitments (Will Serve Ltrs)	No new service connections are made

Status Report: GW Pumping

	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	July-Nov	Target
Total Calculated GW Production	157.6	148.6	137.5	118.7	77.5	639.8	621.6
Average GW Production for 2009-2013	291.2	284.7	264.7	223.6	179.1	1,243.3	1,243.3
NCSD Percentage of GW Reduction	45.9%	47.8%	48.1%	46.9%	56.7%	48.5%	50%

18.2 Acre Feet Difference

Status Report: ITS Total

Project Name	Issue Date	Expiration Date	Acre Feet
164 S. Mallagh	6/26/2013	6/25/2017	3.2
Hillside Terrace (530 Hill St)	7/24/2013	7/23/2017	10.6
OTNA Park	10/23/2013	10/22/2017	0.5
Tract 2923 (545 Grande)	6/12/2013	6/11/2017	9
Hill Street Hotel (549 Hill St)	9/10/2014	9/9/2018	3.2
Blacklake Canyon	10/22/2014	10/21/2018	80.8
Tract 2441 (Grande/Blume)	12/10/2014	12/9/2018	20.1
719 W Tefft	12/10/2014	12/9/2018	0.5
CO 15-0055 (875 Theodora St)	2/11/2015	2/10/2019	1.6
Tract 2642 (S Oak Glen)	Outside User	3/15/2017	9.5
Tract 2650 (Via Concha)	Outside User	N/A	8.4
Tract 2652 (Mary Street)	5/12/2015	5/11/2019	36.3
Tract 2558 (Oak Terrace)	5/27/2015	5/26/2019	7.9
CO 15-0065 (1650 Rocky Place)	5/27/2015	5/26/2019	1.1

14 Projects with a Total Water Assignment 192.6

Status Report: ITS w/PCIA

Plan Check and Inspection Agreement (PCIA) w/Extensions

Project Name	Issue Date	Expiration Date	Acre Feet
Tract 2923 (545 Grande)	6/12/2013	6/11/2017	9.0
164 S. Mallagh	6/26/2013	6/25/2017	3.2
Hillside Terrace (530 Hill St)	7/24/2013	7/23/2017	10.6
OTNA Park	10/23/2013	10/22/2017	0.5
Hill Street Hotel (549 Hill St)	9/10/2014	9/9/2018	3.2
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Tract 2558 (Oak Terrace)	5/27/2015	5/26/2019	7.9
CO 15-0065 (1650 Rocky Place)	5/27/2015	5/26/2019	1.1

7 Projects with a Total Water Assignment

59.1

Status Report: Summary

1. Defined Purpose of Intent-to-Serve Review
2. Outlined Review Process
3. Assessed WSRMP Requirements and Options
4. Measured Conservation Program Effectiveness
5. Quantified Intent-to-Serve Obligations

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS
GENERAL MANAGER 

DATE: DECEMBER 9, 2016

AGENDA ITEM
D
DECEMBER 14, 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 NOVEMBER 9 REGULAR BOARD MEETING MINUTES
[RECOMMEND APPROVAL]
- D-3) ACCEPT FIRST QUARTER FISCAL YEAR 2017 QUARTERLY FINANCIAL
REPORT [RECOMMEND ACCEPT AND APPROVE]

TO: BOARD OF DIRECTOR

REVIEWED: MARIO IGLESIAS
GENERAL MANAGER

FROM: LISA BOGNUDA
FINANCE DIRECTOR

DATE: DECEMBER 9, 2016

AGENDA ITEM
D-1
DECEMBER 14, 2016

WARRANTS WILL BE DISTRIBUTED ON TUESDAY, DECEMBER 13, 2016

TO: BOARD OF DIRECTORS
FROM: MARIO IGLESIAS
GENERAL MANAGER
DATE: DECEMBER 9, 2016

**AGENDA ITEM
D-2
DECEMBER 14, 2016**

**APPROVE NOVEMBER 9, 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. November 9, 2016 draft Regular Board Meeting Minutes

December 14, 2016

ITEM D-2

ATTACHMENT A

NIPOMO COMMUNITY SERVICES DISTRICT

Serving the Community Since 1965

DRAFT REGULAR MINUTES

NOVEMBER 9, 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 November 9, 2016 to order at 9:00 a.m. and led the flag salute.

00:00:35 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 the Board would hear Item E-3 next.

00:00:44 E-3) CONDUCT PUBLIC HEARING FOR VARIANCE REQUEST TO PROVIDE ADDITIONAL WATER AND SEWER SERVICE AT APN 092-577-008

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

PRESIDENT ARMSTRONG OPENED THE HEARING

The following members of the public spoke:

David Masheyekan, Customer and Developer, commented on the variance request for the project. He also commented on the need for safety upgrades and convenience to his customers.

Steve Osler, pharmacy customer, commented in support of a variance for relocation of the pharmacy.

Jessica Masheyekan, pharmacy manager, commented on the need for the relocation due to safety concerns and patient convenience.

Eileen Getzoff, NCSD Customer, handed a letter to the Board (available for review at the District office) and commented on the need for a relocation to better serve pharmacy customers.

Jan Sanderwood, Nipomo resident and pharmacy customer, commented on the need for a relocation for customer convenience.

Courtney Taylor, Land Use Consultant, commented on the project and summarized the plans. Ms. Taylor also commented that there would be no impact on water use.

SUBJECT TO BOARD APPROVAL

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

Director Eby asked about water use at the old location should he move to the new location. Mr. Masheyekan responded that the old location would only be used for file storage and no water use would be necessary.

PRESIDENT ARMSTRONG CLOSED THE HEARING

Director Armstrong recommended that the District Director of Engineering and Operations review the submitted plans first before the Board makes a decision.

Peter Sevcik, Director of Engineering and Operations, commented that he will need to look at the plans and make a determination on capacity of the current meter at the proposed new location.

Director Gaddis commented on staff's recommendation and asked if the District would be setting a precedent by approving the variance. Mike Seitz, District Legal Counsel, responded that this process is part of policy and would not set a precedent. All NCSD customers can ask for a variance to District requirements/regulations.

Director Armstrong suggested the Item be continued to a future meeting so that Mr. Sevcik can review the plans and directed staff to work with Mr. Masheyekan to obtain any necessary documents.

Upon the motion of Director Craig Armstrong and seconded, the Board unanimously agreed to continue the Item to the December 14, 2016 Regular meeting.
Vote 5-0.

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

President Armstrong announced that the Board would hear Item E-4 next.

E-4) ACCEPT FINANCIAL AUDIT REPORT FOR FISCAL YEAR 2015-2016

Mario Iglesias, General Manager, reviewed the report as presented in the Board Packet and introduced Terry Shea with Rogers, Anderson, Malody & Scott, LLP.

Mr. Shea presented the annual audit report and stated that the District received an "unmodified opinion," the highest rating. Mr. Shea answered questions from the Board.

There were no public comments.

Upon the motion of Director Craig Armstrong and seconded, the Board unanimously accepted the 2015-2016 Annual Audit Report and directed staff to file the Report.
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 Item C-1.

00:45:55

C. PRESENTATIONS AND REPORTS

00:58:02

- 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 Gaddis

- ◇ November 2, Attended the Regional Water Management Group (RWMG) meeting.
- ◇ November 2, Attended the Water Resources Advisory Council (WRAC) meeting.

Director Eby

- ◇ October 26-28, Attended the California Local Area Formation Commission (LAFCO) conference in Santa Barbara where the SLO LAFCO was awarded "Most Effective LAFCO in California."
- ◇ November 2, Attended the Water Resources Advisory Council (WRAC) meeting.

- 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 Dan Allen Gaddis 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 Gaddis, Eby, Blair, Woodson, and Armstrong	None	None

00:59:50

D. CONSENT AGENDA

- D-1) WARRANTS

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

Director Gaddis asked a question regarding Item D-1. Mario Iglesias, General Manager, responded.

There were no public comments.

*Upon the motion of Director Bob Blair and seconded, the Board unanimously approved the Consent Agenda.
 Vote 5-0.*

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

E. ADMINISTRATIVE ITEMS

01:01:05

E-1) AWARD CONSTRUCTION CONTRACT FOR BLACKLAKE WATER RECLAMATION FACILITY HEADWORKS REHABILITATION PROJECT TO CUSHMAN CONTRACTING CORPORATION

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

The Board discussed and asked about funding for the project. Lisa Bognuda, Finance Director, responded that the project will not deplete reserves since it will come out of budgeted Funded Replacement.

Mario Iglesias, General Manager, commented that the District has been working with the Blacklake Facilities Committee to keep them involved in the process.

There were no public comments.

Upon the motion of Director Craig Armstrong and seconded, the Board unanimously agreed to award the Contract to Cushman Contracting Corporation in the amount of \$185,865, authorized staff to execute the Contract, authorized a Change Order Contingency in the amount of \$20,000, and authorized staff to amend the 2016-2017 Budget.

Vote 5-0.

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

RESOLUTION NO. 2016-1428

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT AWARDING THE BID FOR THE CONSTRUCTION OF THE BLACKLAKE WATER RECLAMATION FACILITY HEADWORKS REHABILITATION PROJECT TO CUSHMAN CONTRACTING CORPORATION IN THE AMOUNT OF \$185,865, AUTHORIZING CONSTRUCTION CONTINGENCY OF \$20,000 AND AMENDING FY 2016/17 BUDGET

01:08:23

E-2) AWARD CONSTRUCTION INSPECTION CONTRACT FOR BLACKLAKE WATER RECLAMATION FACILITY HEADWORKS REHABILITATION PROJECT TO MNS ENGINEERS INC.

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 Dan Allen Gaddis and seconded, the Board unanimously adopted the Resolution authorizing a Task Order for construction inspection services with MNS Engineers Inc. in the amount of \$27,324.

Vote 5-0.

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

RESOLUTION NO. 2016-1429

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT AUTHORIZING A TASK ORDER FOR BLACKLAKE WATER RECLAMATION FACILITY HEADWORKS REHABILITATION PROJECT CONSTRUCTION INSPECTION SERVICES WITH MNS ENGINEERS, INC. IN THE AMOUNT OF \$27,324

Items E-3 and E-4 were heard earlier in the meeting.

01:12:07

E-5) ANNUAL REVIEW OF CASH RESERVES IN ACCORDANCE WITH CASH RESERVES POLICY

Mario Iglesias, General Manager, reviewed the report as presented in the Board Packet. Mr. Iglesias and Lisa Bognuda, Finance Director, answered questions from the Board.

Ms. Bognuda also noted a correction to the staff report Recommendation #3; the amount should be \$29,000.

There were no public comments.

Upon the motion of Director Dan Allen Gaddis and seconded, the Board unanimously approved staff's recommendation as amended.

Vote 5-0.

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

01:15:36

E-6) AUTHORIZE CONTRACT FOR KNOLLWOOD WELL REPAIR

Mario Iglesias, General Manager, reviewed the report as presented in the Board Packet. Peter Sevcik, Director of Engineering and Operation, answered questions from the Board.

Mr. Iglesias also noted a correction to the Resolution.

There were no public comments.

Upon the motion of Director Dan Woodson and seconded, the Board unanimously adopted the Resolution as amended authorizing a Contract with Fisher Pump and Well Service Inc. in the amount of \$38,184 and Change Order Contingency in the amount of \$5,000.

Vote 5-0.

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

RESOLUTION NO. 2016-1430

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT
 AUTHORIZING A CONTRACT FOR KNOLLWOOD WELL REPAIR WITH FISHER PUMP AND WELL SERVICE INC.**

01:19:59

E-7) CALIFORNIA STATE DISABILITIES INSURANCE – RESOLUTION OF APPROVAL

Mario Iglesias, General Manager, reviewed the report as presented in the Board Packet. Mr. Iglesias and Lisa Bognuda, Finance Director, answered questions from the Board.

There were no public comments.

*Upon the motion of Director Dan Allen Gaddis and seconded, the Board unanimously adopted the Resolution.
 Vote 5-0.*

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

RESOLUTION NO. 2016-1431
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT
APPROVING THE FILING OF A STATE DISABILITY INSURANCE COVERAGE APPLICATION FOR ELECTIVE
COVERAGE UNDER SECTION 710.5 OF THE UNEMPLOYMENT INSURANCE CODE

01:25:34 F. GENERAL MANAGER'S REPORT

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

Mr. Iglesias also reported the following:

- *The District's groundwater pumping is reaching its current targets.*

There were no public comments.

G. COMMITTEE REPORTS

None.

01:26:54 H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

None.

01:27:07 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).
2. INSTRUCTION TO NEGOTIATORS MARIO IGLESIAS, MIKE SEITZ AND LILLIAN JEWELL PURSUANT TO GOVERNMENT CODE SECTION 54956.8 FOR PURCHASE OF EASEMENT 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 10:34 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 11:04 AM.

Mike Seitz, District Legal Counsel, announced that the Board discussed Item 1.1(a), heard a report, but took no reportable action.

Mr. Seitz reported that the Board discussed Item 2, heard a report, but took no reportable action.

ADJOURN

President Armstrong adjourned the meeting at 11:05 AM.

MEETING SUMMARY	HOURS & MINUTES
Regular Meeting	1 hours 35 minutes
Closed Session	30 minutes
TOTAL HOURS	2 hours 5 minutes

Respectfully submitted,

Mario Iglesias, General Manager and Secretary to the Board

Date

TO: BOARD OF DIRECTORS

REVIEWED: MARIO IGLESIAS
GENERAL MANAGER

FROM: LISA BOGNUDA
FINANCE DIRECTOR

DATE: DECEMBER 9, 2016

AGENDA ITEM
D-3
DECEMBER 14, 2016

**ACCEPT FIRST QUARTER FISCAL YEAR 2017
QUARTERLY FINANCIAL REPORT**

BACKGROUND

As of September 30, 2016, the 2016-2017 Fiscal year is 25% complete. The consolidated operating revenues are 27.46% of budget, operating expenditures are at 22.13% of budget and general and administrative expenditures are at 22.39% of budget.

Attached are the following which provide an overview of the first nine months of the fiscal year:

Page 1	Consolidated Statement of Net Position
Page 2-3	Consolidated Statement of Revenues and Expenses
Page 4	Summary of Revenues, Expenses and Cash Balances by Fund
Page 5	Summary of Approved Budget Adjustments
Page 6-7	Graphs for Consolidated Revenues and Expenses
Page 8-10	Graphs for major funds (Water, Town Sewer, and Blacklake Sewer)

STRATEGIC PLAN

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

RECOMMENDATION

It is recommended that your Honorable Board accept report and direct Staff to file the quarterly financial report for the first quarter of fiscal year 2016-2017.

ATTACHMENT

A. Pages 1-10 – NCSD Quarterly Financial Report

December 14, 2016

ITEM D-3

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT
STATEMENT OF NET POSITION - (Unaudited)
SEPTEMBER 30, 2016**

ASSETS

Current assets:

Cash and cash equivalents	\$ 16,445,871
Accounts receivable	360,713
Unbilled utilities receivable	937,000
Accrued interest receivable	24,326
Due from the State	110,000
Due from partner purveyors	133,947
Contracts receivable, current portion	70,036
Total current assets	<u>18,081,893</u>

Noncurrent assets:

Restricted cash-NSWP funded replacement	207,092
Cash with fiscal agent	604,924
Deposits and other assets	137,026
Contracts receivable, less current portion	6,041,232
Net OPEB asset	73,140

Capital assets:

Capital assets, net of depreciation	<u>65,254,820</u>
Total noncurrent assets	<u>72,318,234</u>

Total assets 90,400,127 (A)

Deferred Outflows of Resources

Pension related 373,960 (B)

LIABILITIES

Current liabilities:

Accounts payable	705,833
Deposits	796,566
Accrued Liabilities	105,074
Current portion of long-term debt	482,049
Total current liabilities	<u>2,089,522</u>

Noncurrent liabilities:

Net pension liability	1,174,145
Long-term debt, less current portion	<u>20,776,277</u>
Total noncurrent liabilities	<u>21,950,422</u>

Total liabilities 24,039,944 (C)

Deferred Inflows of Resources

Pension related 173,064 (D)

NET POSITION

Net investment in capital assets	42,717,685
Restricted for system expansion, replacement and debt service	11,831,772
Unrestricted	<u>12,011,622</u>

Total net position (A)+(B)-(C)-(D) \$ 66,561,079

**NIPOMO COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES AND EXPENSES - (Unaudited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2016**

	<u>YEAR-TO- DATE</u>	<u>BUDGET</u>	<u>% OF BUDGET</u>
<u>OPERATING REVENUES</u>			
Water fixed charges	\$ 328,769	1,221,000	26.93%
Supplemental fixed charges	96,871	362,000	26.76%
Water usage charges	762,236	2,295,000	33.21%
Supplemental water usage charges	217,031	754,500	28.76%
Sewer charges	587,578	2,453,000	23.95%
Miscellaneous fees and charges	55,216	146,459	37.70%
Street light and landscape maintenance charges	0	24,508	0.00%
Franchise fees	13,016	103,000	12.64%
NSWP - collections from purveyors	133,947	523,628	25.58%
Operating transfers in - Funded Administration	105,693	392,445	26.93%
Operating transfers in - Funded Replacement	282,250	1,129,000	25.00%
Total Operating Revenues	<u>2,582,607</u>	<u>9,404,540</u>	<u>27.46%</u>
<u>OPERATING EXPENSES - OPERATIONS AND MAINTENANCE</u>			
Wages and benefits	297,215	1,396,300	21.29%
Purchased water-NCSD	218,036	850,304	25.64%
Purchased water - purveyors	108,952	424,896	25.64%
Electricity	181,016	605,050	29.92%
Water	4,453	17,500	25.45%
Chemicals	19,132	85,000	22.51%
Lab tests	19,851	102,000	19.46%
Operating supplies	44,602	131,000	34.05%
Outside services	38,328	272,000	14.09%
Permits and operating fees	0	38,000	0.00%
Repairs and maintenance	20,177	310,000	6.51%
Engineering	1,800	18,000	10.00%
Fuel	5,192	33,000	15.73%
Meters	0	50,000	0.00%
Safety program	0	11,000	0.00%
Uniforms	3,178	14,600	21.77%
Insurance-NSWP	4,186	5,100	82.08%
Landscape maintance district	2,174	9,600	22.65%
Solid waste program	7,001	150,000	4.67%
Conservation program	4,494	50,000	8.99%
Operating transter out - Funded Replacement	282,250	1,129,000	25.00%
Subtotal - Operating Expenses (Operations and Maintenance)	<u>1,262,037</u>	<u>5,702,350</u>	<u>22.13%</u>

continued on next page

**NIPOMO COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES AND EXPENSES - (Unaudited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2016**

	<u>YEAR-TO- DATE</u>	<u>BUDGET</u>	<u>% OF BUDGET</u>
<u>OPERATING EXPENSES - GENERAL AND ADMINISTRATIVE</u>			
Wages and benefits	176,174	828,565	21.26%
Outside services	8,307	22,535	36.86%
Bank charges and fees	2,188	8,000	27.35%
Computer expense	12,193	90,000	13.55%
Dues and subscriptions	29,034	43,100	67.36%
Education and training	4,376	12,500	35.01%
Elections	0	10,000	0.00%
Liability insurance	18,556	80,000	23.20%
Landscape and janitorial	3,180	15,000	21.20%
Legal counsel-general	36,238	100,000	36.24%
Legal counsel-water	19,515	150,000	13.01%
Professional services	26,961	187,000	14.42%
Miscellaneous	80	6,000	1.33%
Newsletters and mailers	1,299	11,550	11.25%
Office supplies	4,844	17,000	28.49%
Postage	5,476	28,000	19.56%
Public notices	441	8,000	5.51%
Repairs and maintenance	1,131	16,550	6.83%
Property taxes	0	1,700	0.00%
Telephone	1,961	9,660	20.30%
Travel and mileage	1,909	13,500	14.14%
Utilities	4,181	20,500	20.40%
Operating transfer out - Funded Administration	105,693	392,445	26.93%
Subtotal - Operating Expenses (General and Administrative)	<u>463,737</u>	<u>2,071,605</u>	<u>22.39%</u>
 Total Operating Expenses	 <u>1,725,774</u>	 <u>7,773,955</u>	 <u>22.20%</u>
 Total Operating Surplus (Deficit)	 856,833	 1,630,585	 52.55%
<u>NON-OPERATING INCOME (EXPENSES)</u>			
Interest income	24,888	390,000	6.38%
Property tax revenue	19,689	612,600	3.21%
Cell site revenue	9,682	38,500	25.15%
Other revenue - purveyors	438,728	0	0.00%
Capacity Charges collected	91,055	0	0.00%
Interest expense	(83,058)	(878,908)	9.45%
Total non-operating revenues (expenses)	<u>500,984</u>	<u>162,192</u>	<u>308.88%</u>
 Total Operating and Non-operating Surplus (Deficit)	 \$ <u>1,357,817</u>	 <u>1,792,777</u>	

NIPOMO COMMUNITY SERVICES DISTRICT
SUMMARY OF REVENUES AND EXPENSES BY FUND
THREE MONTHS ENDING SEPTEMBER 30, 2016

FUND	FUND #	YTD REVENUES	YTD EXPENSES	SUBTOTAL	FUNDED REPLACEMENT	TRANSFERS B/W FUNDS	YTD SUPRLUS/ (DEFICIT)
Administration	110	111,520	(111,520)	0	0	0	0
Water	125	1,136,611	(665,900)	470,711	(141,500)	0	329,211
NCSO Supplemental Water	126	314,033	(276,681)	37,352	0	0	37,352
Water Rate Stabilization	128	594	0	594	0	0	594
Town Sewer	130	511,295	(246,969)	264,326	(98,750)	0	165,576
Town Sewer Rate Stabilization	135	446	0	446	0	0	446
Blacklake Sewer	150	83,405	(53,180)	30,225	(42,000)	0	(11,775)
Blacklake Sewer Rate Stabilization	155	74	0	74	0	0	74
Blacklake Street Lighting	200	38	(6,647)	(6,609)	0	0	(6,609)
Street Landscape Maintenance	250	32	(2,205)	(2,173)	0	0	(2,173)
Solid Waste	300	13,436	(11,364)	2,072	0	0	2,072
Drainage Maintenance	400	601	0	601	0	0	601
Supplemental Water Capacity Fees	500	471,539	(65,291)	406,248	0	0	406,248
Property Taxes	600	19,487	(20,858)	(1,371)	0	0	(1,371)
Water Capacity Fees	700	25,501	0	25,501	0	0	25,501
Town Sewer Capacity Fees	710	51,639	0	51,639	0	0	51,639
Funded Replacement-Water	805	4,567	0	4,567	141,500	0	146,067
Funded Replacement-Town Sewer	810	3,451	0	3,451	98,750	0	102,201
Funded Replacement-BL Sewer	830	1,246	0	1,246	42,000	0	43,246
Town Sewer Sinking Fund	880	853	0	853	0	0	853
NSWP Operations & Maintenance	910	358,910	(342,653)	16,257	0	0	16,257
NSWP Funded Replacement	915	51,807	0	51,807	0	0	51,807
TOTAL		3,161,085	(1,803,268)	1,357,817	0	0	1,357,817

CASH BALANCE OF EACH FUND

FUND	FUND #	CASH BALANCE 9/30/2016
Administration	110	577,118
Water	125	1,539,201
NCSO Supplemental Water	126	122,910
Water Rate Stabilization	128	404,564
Town Sewer	130	1,946,645
Town Sewer Rate Stabilization	135	303,680
Blacklake Sewer	150	214,455
Blacklake Sewer Rate Stabilization	155	50,570
Blacklake Street Lighting	200	22,511
Street Landscape Maintenance	250	20,491
Solid Waste	300	290,841
Drainage Maintenance	400	48,427
Supplemental Water	500	2,390,764
Property Taxes	600	147,524
Water Capacity Fees	700	1,619,426
Town Sewer Capacity Fees	710	379,995
Funded Replacement-Water	805	3,157,317
Funded Replacement-Town Sewer	810	2,382,821
Funded Replacement-BL Sewer	830	856,288
Sinking Fund-Town Sewer	880	575,247
NSWP-Funded Replacement	915	207,092
Funds held by Trustee		-604,924
Restricted		-207,092
TOTAL		16,445,871

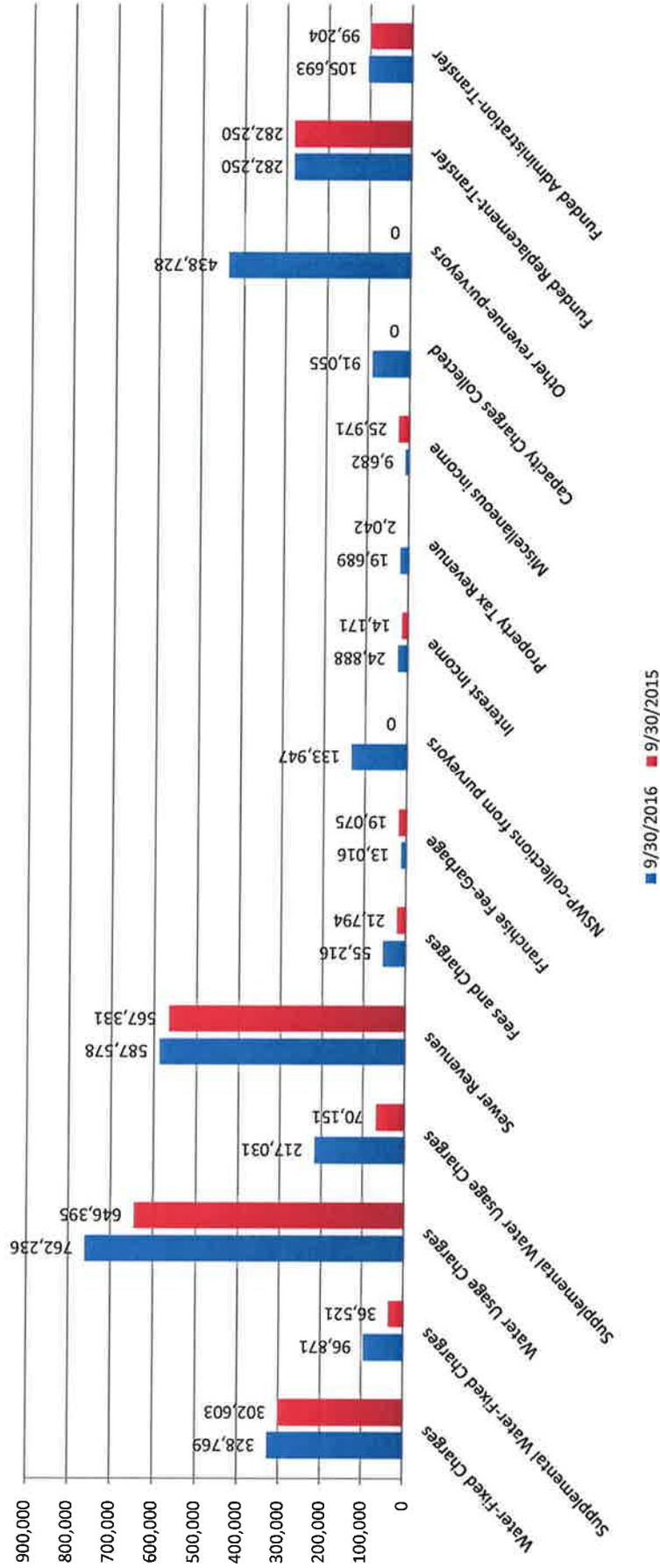
NOTE:
BALANCE SHEETS AND INCOME STATEMENTS
FOR EACH FUND ARE AVAILABLE FOR REVIEW
UPON REQUEST

NIPOMO COMMUNITY SERVICES DISTRICT
SUMMARY OF APPROVED BUDGET AMENDMENTS
FISCAL YEAR JUNE 30, 2017

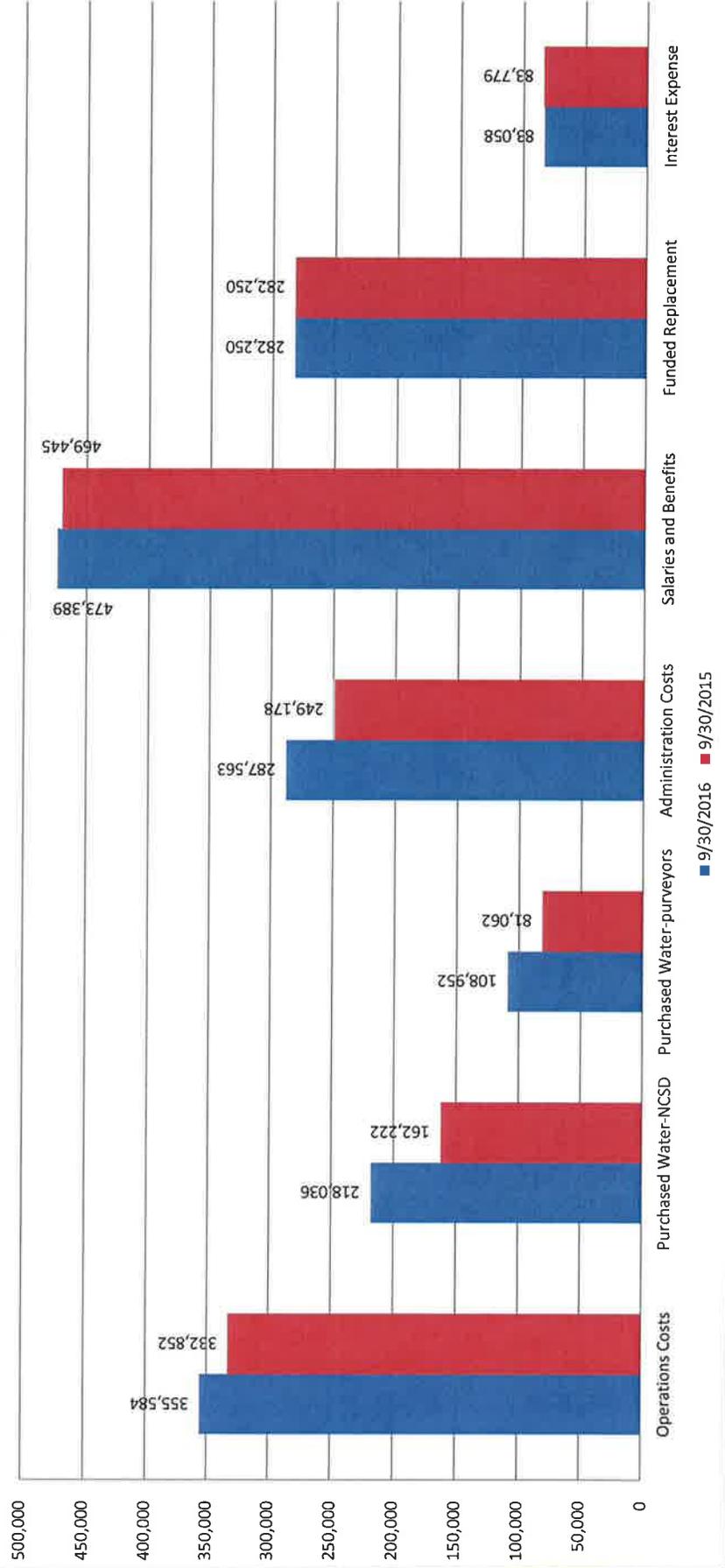
FIRST QUARTER ENDING SEPTEMBER 30, 2016

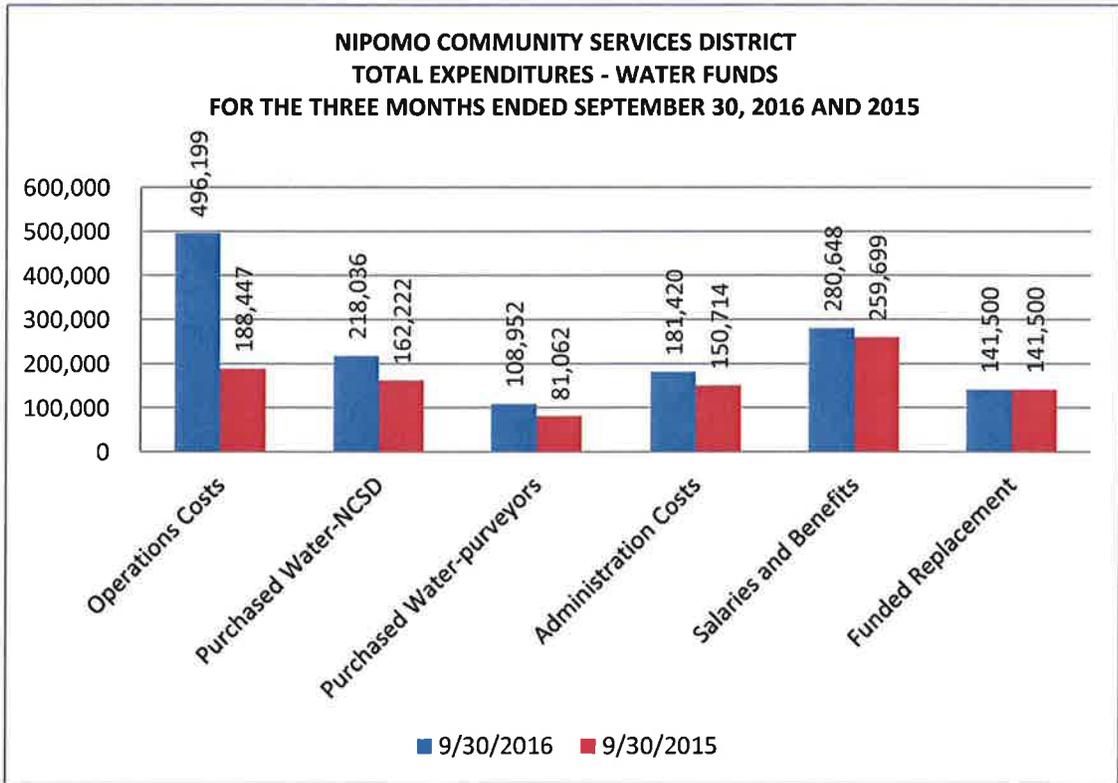
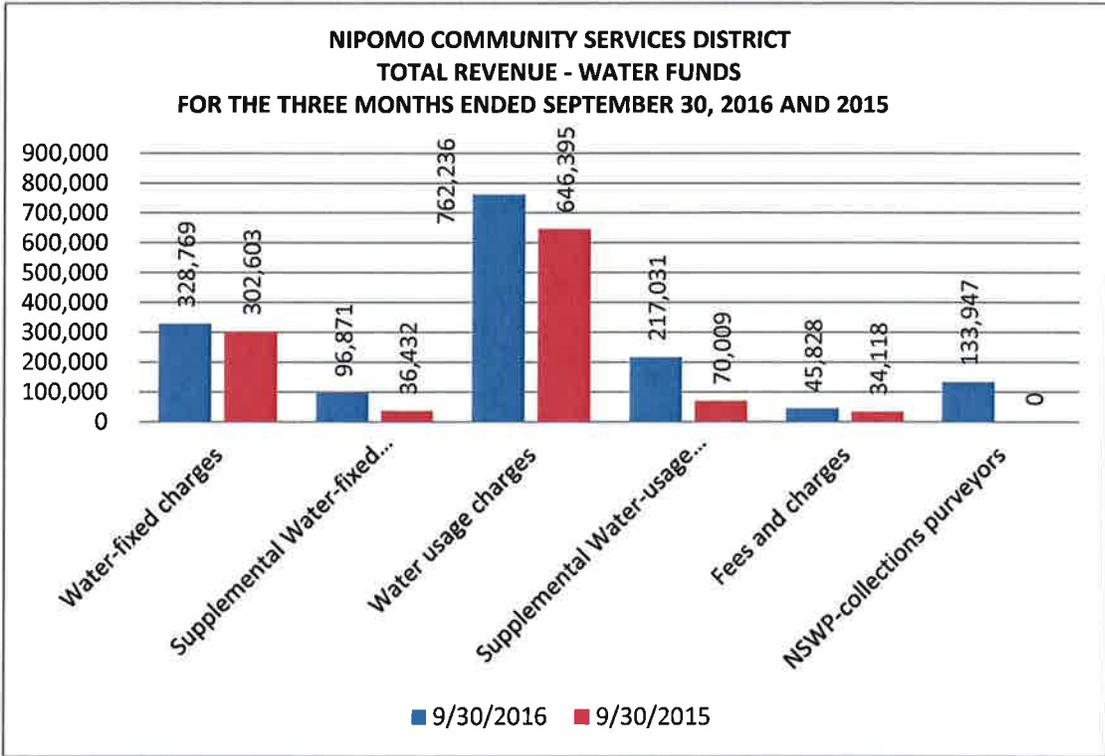
DATE	DESCRIPTION	FUND(S)	APPROVED BUDGET	APPROVED AMENDMENT	AMENDED BUDGET
	None				

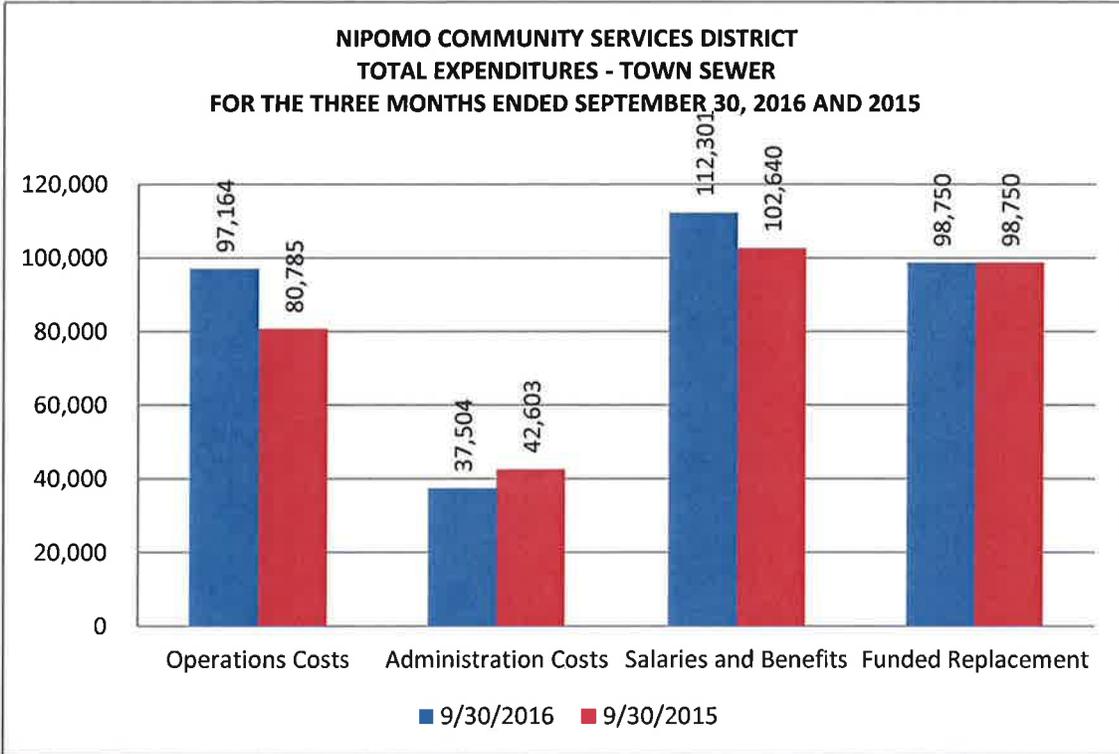
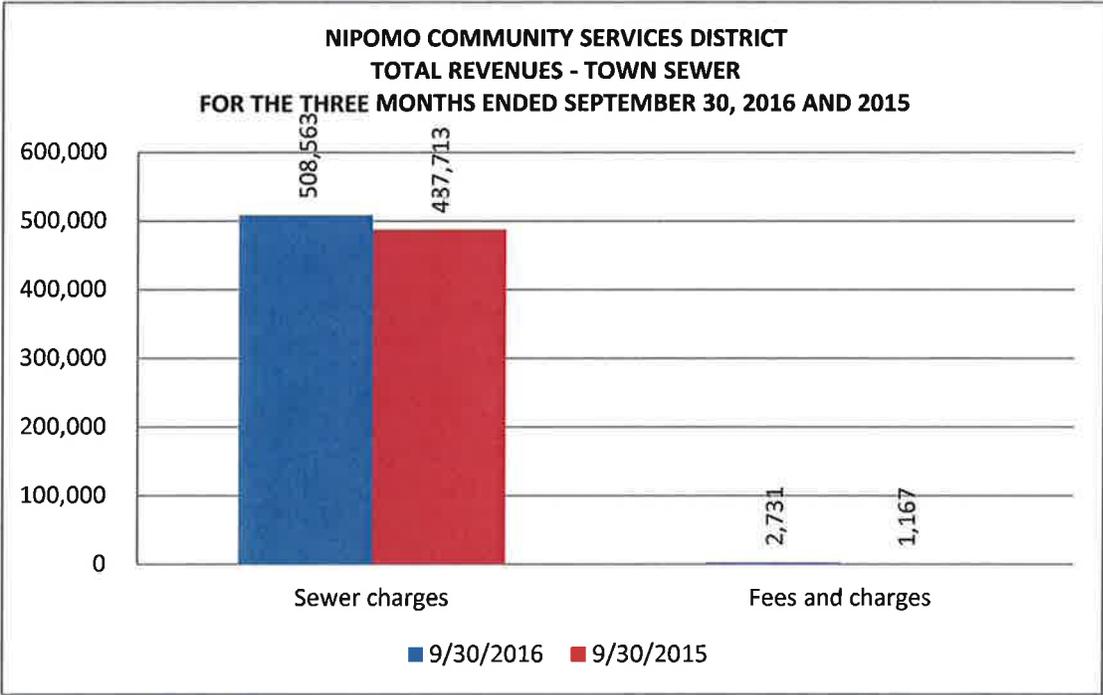
**NIPOMO COMMUNITY SERVICES DISTRICT
TOTAL REVENUES
FOR THREE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015**



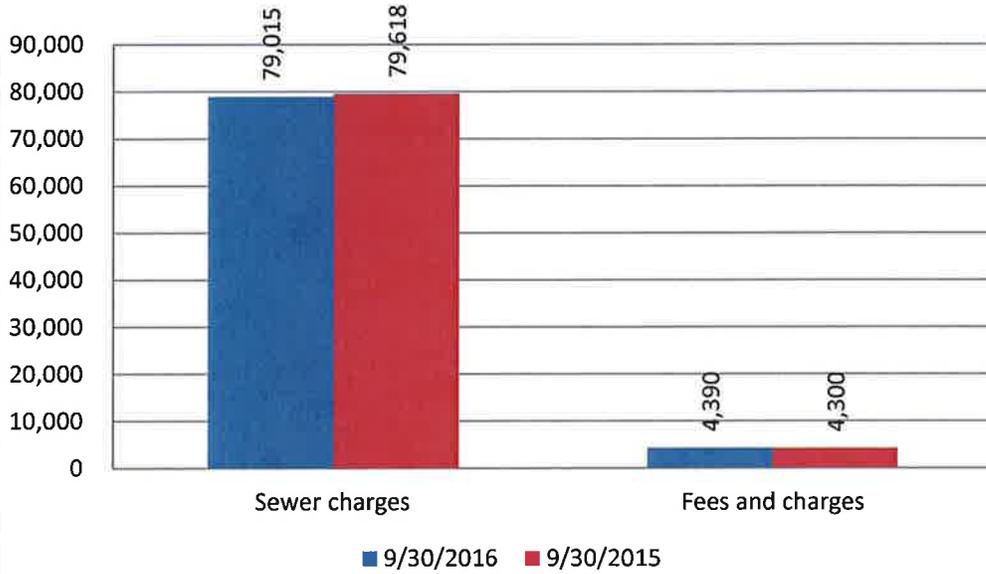
**NIPOMO COMMUNITY SERVICES DISTRICT
TOTAL EXPENDITURES
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015**







**NIPOMO COMMUNITY SERVICES DISTRICT
TOTAL REVENUES - BLACKLAKE SEWER
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015**



**NIPOMO COMMUNITY SERVICES DISTRICT
TOTAL EXPENDITURES - BLACKLAKE SEWER
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015**

