

NIPOMO COMMUNITY SERVICES DISTRICT

Serving the Community Since 1965

REGULAR MINUTES

OCTOBER 23, 2013, AT 9:00 A.M.

BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

BOARD of DIRECTORS

JAMES HARRISON, **PRESIDENT**
LARRY VIERHEILIG, **VICE PRESIDENT**
DAN GADDIS, **DIRECTOR**
BOB BLAIR, **DIRECTOR**
CRAIG ARMSTRONG, **DIRECTOR**

PRINCIPAL STAFF

MICHAEL S. LEBRUN, **GENERAL MANAGER**
LISA BOGNUDA, **FINANCE DIRECTOR**
MICHAEL W. SEITZ, **GENERAL COUNSEL**
PETER SEVCIK, **DIRECTOR OF ENG. & OPS.**
MERRIE WALLRAVIN, **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 Harrison called the Regular Meeting of October 23, 2013, to order at 9:00 a.m. and led the flag salute.

00:00:40

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

At roll call, all Board members were present.

There was no public present.

President Harrison adjourned the meeting at 9:02 a.m.

President Harrison reconvened the meeting at 10:00 a.m. in the City of Santa Maria, North Blosser Road at the Santa Maria River Levee.

At roll call, all Board members were present.

C. PRESENTATIONS AND PUBLIC COMMENT

C-1) RIVER CROSSING CELEBRATION

A ceremony will be conducted to celebrate the commencement of District's supplemental water project and pipeline crossing under the Santa Maria river.

The River Crossing Celebration Ceremony was conducted. (See Exhibit "A" The Program).

President Harrison adjourned the meeting at 10:36 a.m.

President Harrison reconvened the meeting at 1:00 p.m. at the District Board Room 148 South Wilson, Nipomo.

At roll call, all Board members were present.

C-2) SAN LUIS OBISPO COUNTY SHERIFF COMMANDER JAY DONOVAN Update Report re: South County Law Enforcement and Department News

Sargent Jay Wells, substituting for Commander Jay Donovan gave a summary of reported crimes in the Nipomo area (See Exhibit "B"). Sargent Wells answered questions from the Board. The Board thanked Sargent Wells for his report.

- C-3) CAL FIRE BATTALION CHIEF PAUL VAN GERWEN
Update Report re: South County Cal Fire Activity and Department News

Battalion Chief Paul Van Gerwen introduced himself and gave activity reports for July, August, and September 2013 (See Exhibit "C"). Battalion Chief Van Gerwen answered questions from the Board. The Board thanked Battalion Chief Van Gerwen for his report.

- 00:16:31 C-4) REPORT ON SEPTEMBER 25, 2013 REGULAR MEETING CLOSED SESSION
Announcement of actions, if any, taken in Closed Session

Mike Seitz, District Legal Counsel, announced that the Board discussed Item One (Conference with District Legal Counsel re: pending litigation pursuant to GC §54956.9 SMVWCD VS. NCSD) in closed session, but took no reportable action.

The Board discussed Item Two (Conference with District Legal Counsel re: anticipated litigation pursuant to GC §54956.9 MCA VS. NCSD) in closed session, but took no reportable action.

- C-5) DIRECTOR OF ENGINEERING AND OPERATIONS
RE: Summary of recent activities

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

- C-6) 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 Vierheilig

- ◇ *November 1, Blacklake Management Association will meet at the Blacklake Community Center at 10:00 a.m. to discuss the proposed signal light at the Willow Road and Pomeroy Road intersection.*
- ◇ *November 6, San Luis Obispo County Water Resources Advisory Committee will meet and discuss the Paso Robles Groundwater Basin's urgency Ordinance 3246 and Cambria groundwater levels.*

Director Blair

- ◇ *Commented on attending a pipeline safety meeting and the importance of dialing 811 before digging.*

Director Harrison

- ◇ *October 22, Attended the San Luis Obispo County Board of Supervisors meeting to hear an update on the proposed 5 lot spilt on El Campo Road.*
- ◇ *Met with Caren Ray, San Luis Obispo County 4th District Supervisor.*
- ◇ *Attended a COLAB mixer at the Edwards Bar.*
- ◇ *Attended the Fire Safe Council meeting.*

Nipomo Community Services District
REGULAR MEETING
MINUTES

- C-7) RECEIVE PUBLIC COMMENT ON PRESENTATIONS AND REPORTS PRESENTED UNDER ITEM C AND BY MOTION RECEIVE and FILE PRESENTATIONS AND REPORTS

There was no public comment.

Upon the motion of Director Vierheilig and seconded by Director Gaddis, the Board unanimously approved to receive and file the presentations and reports as submitted. Vote 5-0.

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

00:39:47

D. CONSENT AGENDA

- D-1) WARRANTS
- D-2) APPROVE OCTOBER 9, 2013 REGULAR BOARD MEETING MINUTES
- D-3) DECLARE 2002 TOYOTA PICK UP TRUCK SURPLUS AND AUTHORIZE SALE
- D-4) RECEIVE QUARTERLY INVESTMENT REPORT

Peter Sevcik, Director of Engineering and Operations, and Lisa Bognuda, Finance Director, answered questions from the Board.

There was no public comment.

Upon the motion of Director Armstrong and seconded by Director Gaddis, the Board unanimously approved the consent agenda. Vote 5-0.

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

E. ADMINISTRATIVE ITEMS

00:46:12

- E-1) E-1) APPROVE SERVICE REQUEST (INTENT TO SERVE LETTER) FOR WATER AND SEWER SERVICE TO JIM MILLER PARK

Michael LeBrun, General Manager, reviewed the report as presented in the Board Packet. Mike Seitz, Legal Counsel, and Mr. LeBrun answered questions from the Board.

The following members of the public spoke:

Kathy Kubiak, Olde Towne Nipomo Association President, had concerns about the fees and feels the fees should be waived.

Michael LeBrun, General Manager, commented on Ms. Kubiak's concerns.

ITEM E-1(Continued)

Upon the motion of Director Armstrong and seconded by Director Gaddis, the Board approved the application and directed staff to issue an Intent-to-Serve letter with the conditions outlined in the staff report.

Vote 4-1.

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

01:06:03

E-2) ANNUAL REVIEW OF CASH RESERVES IN ACCORDANCE WITH CASH RESERVE POLICY

Michael LeBrun, General Manager, reviewed the report as presented in the Board packet. Lisa Bognuda, Finance Director, and Mr. LeBrun answered questions from the Board.

There was no public comment.

Upon the motion of Director Vierheilig and seconded by Director Armstrong, the Board unanimously approved staff's recommendation.

Vote 5-0.

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

01:15:21

F. GENERAL MANAGER'S REPORT

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

There was no public comment.

G. COMMITTEE REPORTS

Water Resources Committee.

There was no public comment.

01:23:01

H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

Director Blair

- Mentioned the State Water pipeline valve near the intersection of Thompson and Mehlschau Roads.*

Director Harrison

- Commented on Governor Brown's pending bill regarding infrastructure for State water.*

01:28:42

I. CLOSED SESSION ANNOUNCEMENTS

- 1. CONFERENCE WITH DISTRICT LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GC §54956.9 SMVWCD VS. NCSD (SANTA CLARA COUNTY CASE NO. CV 770214, SIXTH APPELLATE COURT CASE NO. H032750 AND ALL CONSOLIDATED CASES).
- 2. CONFERENCE WITH LEGAL COUNSEL PURSUANT TO GOVT. CODE §54956.9(a):
Existing litigation - 1 case: Mesa Community Alliance Vs. District, Case No. CV 130222
- 3. CONFERENCE WITH LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GC SECTION 54956.9; NCSD VS. COUNTY SLO, ET AL. (CASE #CV090010)

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There was no public comment.

K. ADJOURN TO CLOSED SESSION

President Harrison adjourned to closed session at 2:30 p.m.

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

The Board came back into Open Session at 2:54 p.m.

Mike Seitz, District Legal Counsel, announced that the Board discussed Items One, Two, and Three listed above under closed session announcements, but took no reportable action.

ADJOURN

President Harrison adjourned the meeting at 2:55 p.m.

MEETING SUMMARY	HOURS & MINUTES
Regular Meeting	2 hours 30 minutes
Closed Session	25 minutes
TOTAL HOURS	2 hours 55 minutes

OCTOBER 23, 2012

REGULAR BOARD MEETING MINUTES

EXHIBIT "A"

BOARD OF DIRECTORS

JAMES HARRISON, PRESIDENT

LARRY VIERHEILIG, VICE PRESIDENT

DAN GADDIS, DIRECTOR

BOB BLAIR, DIRECTOR

CRAIG ARMSTRONG, DIRECTOR

DISTRICT MANAGEMENT STAFF

MICHAEL S. LEBRUN, P.E., GENERAL MANAGER

PETER V. SEVCIK, P.E., DIRECTOR OF
ENGINEERING AND OPERATIONS

LISA BOGNUDA, FINANCE DIRECTOR

DESIGN ENGINEER

AECOM, INC.

CONSTRUCTION MANAGER

MNS ENGINEERS, INC.

CONSTRUCTION CONTRACTORS

ARB, INC.

SPECIALTY CONSTRUCTION, INC.

SPIESS CONSTRUCTION CO., INC.

NIPOMO COMMUNITY
SERVICES DISTRICT

RIVER CROSSING CELEBRATION
SUPPLEMENTAL WATER PROJECT
PHASE 1

WEDNESDAY, OCTOBER 23, 2013

10:00 AM

SANTA MARIA RIVER LEVEE AT BLOSSER ROAD
SANTA MARIA, CALIFORNIA

PROJECT HIGHLIGHTS

THE SUPPLEMENTAL WATER PROJECT IS A \$17.5 MILLION PUBLIC WORKS CONSTRUCTION PROJECT, SUPPORTED BY A \$2.2 MILLION DEPARTMENT OF WATER RESOURCES GRANT. THE PROJECT WILL FACILITATE INTERCONNECTION OF FOUR REGIONAL WATER PROVIDERS AND THE IMPORTATION OF DEVELOPED WATER FROM THE CITY OF SANTA MARIA TO THE NIPOMO MESA MANAGEMENT AREA IN ACCORDANCE WITH A COURT ORDER.

THE PROJECT WILL INCREASE NIPOMO'S WATER RESOURCES FOR GENERATIONS TO COME AND INCREASE SUPPLY RELIABILITY.

RIVER CROSSING SCHEDULED TO BE COMPLETED

FALL 2013

SUPPLEMENTAL WATER PROJECT SCHEDULED FOR COMPLETION

MAY 2015



CEREMONY

CALL MEETING TO ORDER
BOARD PRESIDENT JIM HARRISON

OPENING COMMENTS
GENERAL MANAGER MICHAEL S. LEBRUN

INTRODUCTIONS
BOARD PRESIDENT JIM HARRISON

COMMENTS BY ELECTED LEADERS:
CA 33RD DISTRICT ASSEMBLYMAN
KATCHO ACHADJIAN

FIELD REPRESENTATIVE FROM THE OFFICE
OF SENATOR WILLIAM MONNING
KEVIN BOMMARITO

SAN LUIS OBISPO COUNTY 4TH DISTRICT
SUPERVISOR CAREN RAY

SANTA MARIA COUNCILMEMBER
JACK BOYSEN

BOARD PRESIDENT JIM HARRISON

ADJOURN MEETING TO 1PM AT
148 S WILSON, NIPOMO

LIGHT REFRESHMENTS AND SNACKS SERVED

February 2013; Board reestablishes processing of applications for new water connections.

February 2013; Supreme Court of CA denies appellants petition for review of Groundwater ruling effectively marking the end of sixteen-year adjudication.

March 2013; Total of construction bid exceeds project cost estimate by 24%. Total project construction costs projected to be \$17.8 Million for Phase 1 project.

April 2013; Board meets to discuss revised projected costs and direct District Finance and Audit Committee to convene and consider a revised Financing Plan based on updated cost projections. Committee meets on April 17 and on April 24, Board approves a revised Financing Plan for the project.

May 3, 2013; Mesa Community Alliance (MCA) files a law suit in San Luis Obispo County Superior Court raising concerns over the District's plan to use \$4M in Water Replacement funds to finance the project. The Board schedule for consideration of issuing public financing on May 12 is continued.

May 10, 2013; In a Special Meeting, Board approves a revised project financing plan that relies on borrowing \$9M and avoids using Water Replacement funds.

May 29 and June 5, 2013; The court gives favorable initial rulings regarding the scope of the lawsuit filed by MCA which allow the District to move forward with revised alternate funding plan.

June 12, 2013; Board authorizes sale of up to \$10.5M in bonds as part of project financing plan.

June 19, 2013; Bond sale commences and bonds are priced.

June 20, 2013; In a Special Meeting, the Board approves award of the three project construction contracts contingent on successful bond sale.

June 21, 2013; Bond sale closes and Notice of Award is sent to all three contractors prior to the expiration of bid price guarantees (bids set to expire on June 24 and 26).

July 10, 2013; Construction contracts signed with ARB Inc., Spiess Construction Company Inc., and Specialty Construction Inc. for the completion of Nipomo Supplemental Water Project, Phase 1. Notice to Proceed issued to ARB for horizontal directional drill phase of project.

July 2013 – May 2015; pipeline construction scheduled to take 22 months.

Note: All referenced reports and additional information can be found on the District website
(ncsd.ca.gov)

Nipomo Community Services District Supplemental Water History

Updated July 5, 2013

Chronology

1970's and 1980's; Nipomo Community Services Board of Directors (District) expresses concern over groundwater resources in response to County approved development projects across the Nipomo Mesa, including Blacklake Golf Resort.

1991; District customer's Vote to not participate in County led State Water Project. The vote is considered 'advisory' and NCSB Board moves forward with participation in the State Water project.

1992; District customers demand and receive a binding vote regarding participation in the State Water project. Customers vote overwhelmingly to not participate in State Water.

1993; Prolonged drought and failing wells leads to emergency annexation of the Summit Station area of the Nipomo Mesa into Nipomo CSD.

1994; In the midst of continued drought conditions, the District commissions first study of alternatives for supplementing its groundwater only supply. Evaluation of Alternative Supplemental Water Supplies, Bookman-Edmonston Engineering, Inc. Robert Beeby, Project Manager, July 15, 1994. The report concludes/ recommends: Construct turn-out in Nipomo on CCWA (State Water) pipeline; Negotiate for City of Santa Barbara Desal water; Negotiate for other sources of 'State Water'; Reclaim wastewater at South County Sanitation; Deep fractured rock wells; Groundwater Management District formation and leadership; Conservation.

1996; District attempts, unsuccessfully, to get an 'Emergency Turnout' built on State Water line traversing Nipomo.

1997; Santa Maria Valley Groundwater Litigation begins

2001; District commissions an updated study of supplemental water alternatives. Evaluation of Water Supply Alternatives, Kennedy/Jenks Consultants, October 2001. Conclusions: Conservation; Intertie with City of Santa Maria; Refinery reclaim water; SLOCSD reclaim to offset agricultural pumping, and; Deep fractured rock wells. Direct connection to State Water is found to be too politically complicated to be viable any longer.

2004; San Luis Obispo County consultant S.S. Papadopoulos & Associates completes the Nipomo Mesa Groundwater Resource Capacity Study, March 2004. Conclusion is the Mesa area groundwater is in overdraft.

2004; District signs MOU with City of SM outlining the future purchase of City water by District. The cost of building an inter-tie connection is estimated at \$4 million based on conceptual river crossing approaches.

April 2005; District completes Waterline Feasibility Study, Santa Maria River Crossing Alternatives and Probable Cost Estimates, Cannon Associates, April & June 2005. Conclusions – horizontal directional drill under the river is best crossing method. Crossing and connection estimated at \$10 million.

June 2005; Groundwater Court files a settlement Stipulation agreed to by vast majority of litigants. Nipomo CSD–City of Santa Maria Intertie pipeline and supplemental water delivery is incorporated in to settlement as a ‘Physical Solution’ for the Nipomo Mesa Management Area (NIMMA). The other three major municipal water purveyors within the NIMMA stipulate to paying for 33% of the first 2,500 Acre-feet of water delivered annually. Additionally, the Stipulation requires all new urban water demands within the NIMMA are required to pay fee or deliver supplemental water.

August 2005; District abandons deep well project in Nipomo Valley - \$400K loss

May 2006; SLO County adopts Ordinance 3090 requiring new subdivisions within Nipomo Mesa Water Conservation Area to pay a supplemental water fee toward the Nipomo/CSM intertie. 3090 requires amendments to the General Plan which increase urban water demand to rely on imported or supplemental water – thereby holding amendments until supplemental water is delivered.

June 2006; Preliminary Engineering Memorandum and Cost Estimate for intertie with Santa Maria; Boyle Engineers. – Cost opinion = \$25M, capacity 3000 AFY project. Board suspends work on design and orders a review of alternatives and costs.

June 26, 2006; SLO County Board of Supervisors certify a Level of Severity III (most severe) for Nipomo Mesa water resource. Certification is based on the 2004 Resource Capacity Study.

2007; District completes a series of Technical Memoranda (Evaluation of Supplemental Water Alternatives, Boyle, June 2007; Evaluation of Desalination as a Source of Supplemental Supply, Boyle, September 2007; Evaluation of Water Supply from CCWA/State Water Pipeline, Boyle, November 2007), evaluating alternatives for supplemental water supply – intertie with SM found most feasible and cost effective. Board directs intertie project design be restarted and completed as quickly as possible.

2007 – 2011; District works to complete project design and construction cost detail. District works with County and project partners to define a funding approach for raising capital.

January 2008; Superior Court of California, County of Santa Clara, issues Final Judgment in Santa Maria Groundwater Litigation. Court "... approves the Stipulation, orders the Stipulating Parties to comply with each and every term thereof," Case is appealed by non-stipulating parties.

October 2008; SLO County adopts Ordinance 3160 based on findings of 'overdraft' of groundwater underlying Nipomo Mesa Water Conservation Area. Ordinance implements conservation measures such as toilet retrofits.

March 2009; NCSDD/City of Santa Maria waterline intertie project Environmental Impact Report certified.

January 2010; District enters a Water Wholesale Agreement with City of Santa Maria – this agreement replaces/supersedes the 2004 sales memorandum.

January 2011; intertie project is awarded \$2.3M grant of State water bond funds through County coordinated grant requests.

May 2012 Assessment District formation to fund \$19 million of the intertie pipeline infrastructure is defeated by property owners.

June 2012, District revises policy and ceases processing of applications for new water service (Moratorium).

August 2012, Board of Directors appoints an independent volunteer citizen's committee ("Supplemental Water Alternatives Review Committee") to conduct a fourth formal review of alternatives for supplemental water.

October 2012, District approves feasibility study of a phased intertie pipeline with Santa Maria and authorizes design to proceed.

November 2012, CA Court of Appeal, Sixth Appellate District, upholds the majority of the Superior Court original ruling. (Ruling filed 11/21/12). Non-stipulating parties petition CA Supreme court to review the case.

February 2013; District receives Final report from citizen's committee. The Committee ranks an intertie pipeline with City of Santa Maria as most feasible and cost effective near-term (5-10) source of supplemental water. Committee recommends the District and other Mesa water users redouble efforts in conservation, education, and groundwater basin management.

February 2013; District approves funding plan for a \$14 Million Phase 1 intertie pipeline and authorizes staff to bid the construction project. Construction award is scheduled for end of April with a construction schedule of May 2013– September 2014.

OCTOBER 23, 2012

REGULAR BOARD MEETING MINUTES

EXHIBIT "B"

**San Luis Obispo County Sheriff's Office
South Patrol Station
Report to Nipomo Community Service District**

Date: 10/23/2013

Summary of reported crimes, Nipomo area, 09/22/2013-10/22/2013

Total Calls for Service (CFS), Nipomo: 971 (CFS are inclusive of all received calls and dispositions, probation activity, medical/fire 9-1-1, and calls transferred to other agencies.)

Reports taken by Sheriff's office for reporting period by classification:

Theft/Burglary:	43
Assault:	4
Sex offense:	1
Domestic Violence:	19
Vandalism:	2
Drug related:	11
Alcohol related:	9
Traffic related:	9
Warrant arrests:	15
Miscellaneous:	13

Report prepared by Sgt. Jay Wells, Sheriff's South Patrol Station

OCTOBER 23, 2012

REGULAR BOARD MEETING MINUTES

EXHIBIT "C"



CAL FIRE
San Luis Obispo
County Fire Department

635 N. Santa Rosa • San Luis Obispo, CA 93405
Phone: 805-543-4244 • Fax: 805-543-4248
www.calfireslo.org



Robert Lewin, Fire Chief

Nipomo Station 20 Monthly Response Stats

July 2013: 137 total calls

16 Fires
63 EMS
18 Vehicle Accidents
40 Various Others

August 2013: 126 total calls

13 Fires
70 EMS
4 Vehicle Accidents
39 Various Other

September 2013: 120 total calls

9 Fires
62 EMS
14 Vehicle Accidents
35 Various Other



CAL FIRE
San Luis Obispo
County Fire Department

635 N. Santa Rosa • San Luis Obispo, CA 93405
Phone: 805.543.4244 • Fax: 805.543.4248
www.cdfsto.org



Matt Jenkins, Fire Chief

Mesa Station 22 Monthly Response Stats

July 2013 : 73 Total calls (

4 Fires
44 EMS
11 Vehicle Accidents
20 Various Other
13 Dunes Calls

August 2013 79 Total Calls (dunes 29)

3 Fires
58 EMS
13 Vehicle Accidents
15 Various Other
29 Dune calls

September 2013 63 total calls

4 Fires
48 Medical Aid:
6 Vehicle Accidents
9 Various Other
8 Dune calls

Dune calls since July 4th: 49
Medicals year to date 356

Year to date total= 669 calls

Report completed by Battalion Chief Paul Van Gerwen 10/20/2013