

TO: BOARD OF DIRECTORS

FROM: MICHAEL S. LEBRUN
GENERAL MANAGER



DATE: FEBRUARY 20, 2015

**AGENDA ITEM
C
FEBRUARY 25, 2015**

PRESENTATIONS AND REPORTS

The following presentations and reports are scheduled:

- C-1) DISTRICT DIRECTOR OF ENGINEERING AND OPERATIONS SUMMARY OF ACTIVITIES
- C-2) REPORT ON FEBRUARY 11, 2015 REGULAR MEETING CLOSED SESSION
Announcement of actions, if any, taken in Closed Session
- C-3) 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-4) 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: MICHAEL S. LEBRUN
GENERAL MANAGER



DATE: FEBRUARY 20, 2015

AGENDA ITEM
C-1
FEBRUARY 25, 2015

**DISTRICT DIRECTOR OF ENGINEERING AND OPERATIONS
SUMMARY OF ACTIVITIES**

ITEM

Report on recent engineering and operations activities [NO ACTION REQUESTED].

BACKGROUND

Director of Engineering and Operations, Peter Sevcik will summarize recent engineering and operations activities.

RECOMMENDATION

Staff recommends that your Honorable Board receive the update.

ATTACHMENTS

- A. Engineering and Operations Update for January 2015

February 25, 2015

C-1

ATTACHMENT A



NIPOMO COMMUNITY SERVICES DISTRICT

148 SOUTH WILSON STREET
POST OFFICE BOX 326
NIPOMO, CA 93444 - 0326
(805) 929-1133 FAX (805) 929-1932
Web site address www.ncsd.ca.gov

MEMORANDUM

TO: MICHAEL S. LEBRUN, P.E., GENERAL MANAGER
FROM: PETER V. SEVCIK, P.E., DIRECTOR OF ENGINEERING & OPERATIONS
DATE: FEBRUARY 19, 2015
RE: ENGINEERING AND OPERATIONS UPDATE FOR JANUARY 2015

PROJECTS IN CONSTRUCTION

- **Supplemental Water Project Phase 1 Bid Package 4 – Joshua Road Pump Station**
 - SCOPE OF WORK – 1930 lineal feet of 24-inch diameter waterline, 400 gpm pump station with back-up power, controls, and instrumentation systems, a pressure reducing station and chloramination systems at 4 existing District wells. Work also includes Blosser Road flow control and metering station.
 - STATUS
 - Scheduled Contract Completion – June 2015

| SWP Bid Package 4 Construction Contract Cost Summary | |
|---|--------------------|
| Contract Amount – Spiess Construction Co. Inc. | \$4,364,030 |
| Change Orders | \$595,013 |
| Revised Contract Amount | \$4,959,043 |
| Completed to Date | \$2,712,518 |

- **Supplemental Water Project Phase 1 – Blosser Road Water Main**
 - SCOPE OF WORK – 5970 lineal feet of 24-inch diameter waterline including 300 lineal feet levee crossing jack and bore
 - STATUS
 - Scheduled Contract Completion – March 2015

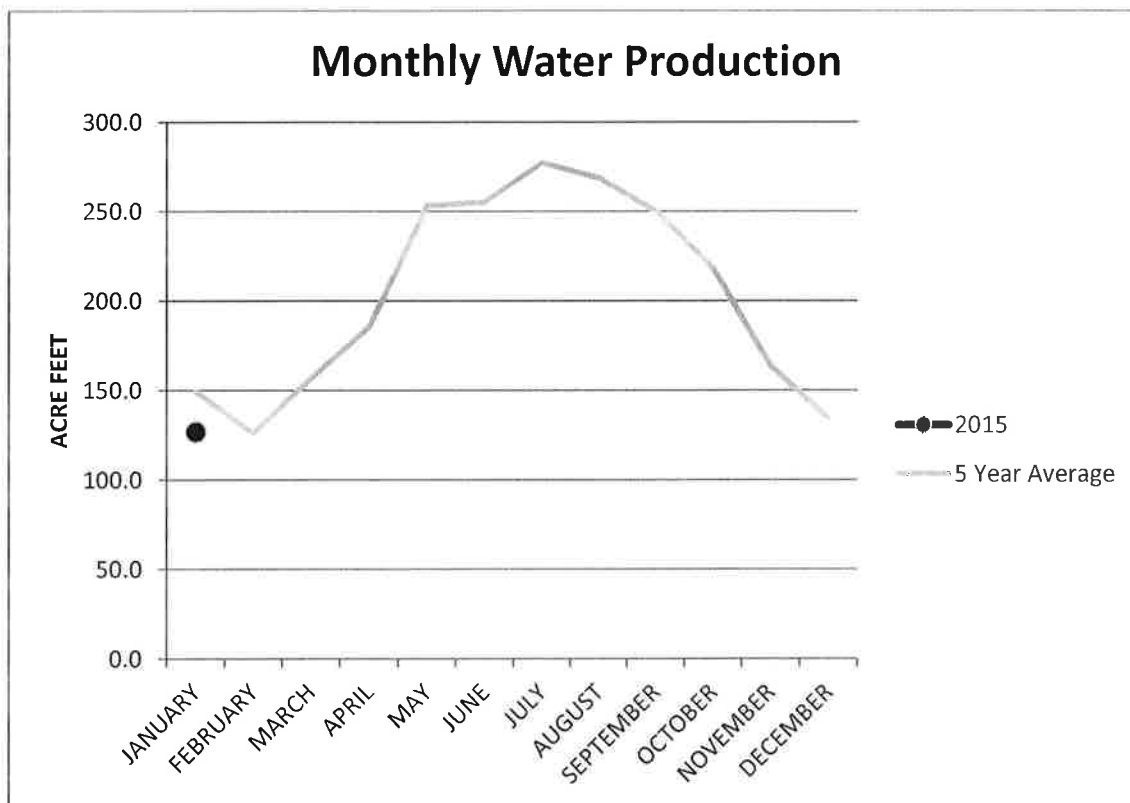
| SWP Blosser Road Water Main Construction Contract Cost Summary | |
|---|--------------------|
| Contract Amount – D-Kal Engineering Inc. | \$1,599,999 |
| Change Orders | \$36,256 |
| Revised Contract Amount | \$1,623,255 |
| Completed to Date | \$1,496,641 |

OPERATIONS

• **Wells and Water Distribution System – January 2015**

| <u>YEAR</u> | <u>TOTAL MONTHLY PRODUCTION</u> | <u>AVERAGE DAILY PRODUCTION</u> |
|----------------|---------------------------------|---------------------------------|
| 2015 | 127.0 Acre Feet | 4.1 Acre Feet Per Day |
| 5 Year Average | 149.4 Acre Feet | 4.8 Acre Feet Per Day |

- Daily operation and maintenance of 6 operational wells
- 7 raw water samples
- 16+ distribution system routine coliform monitoring samples
- 30+ distribution system disinfectant residual monitoring samples
- Olympic Well – out of service
- Church Standby Well – out of service



• **Southland Wastewater Treatment Facility and Collection System – January 2015**

| <u>TOTAL EFFLUENT TREATED</u> | <u>AVERAGE DAILY FLOW TREATED</u> | <u>BOD₅</u> | <u>TSS</u> |
|-------------------------------|-----------------------------------|------------------------|------------------------|
| 18.0 Million Gallons | .583 Million Gallons Per Day | 3 mg/l Monthly Average | 4 mg/l Monthly Average |
| 55.2 Acre Feet | 1.8 Acre Feet Per Day | 3 mg/l Daily Maximum | 5 mg/l Daily Maximum |

- Daily maintenance and operation of .9 MGD treatment plant and 10 lift stations
- 1 reportable sewer system overflow
- Effluent biochemical oxygen demand (BOD) requirement for monthly average of 60 mg/L met and daily maximum of 100 mg/L requirement met

- Effluent total suspended solids (TSS) requirement for monthly average of 60 mg/L met and daily maximum of 100 mg/L requirement met
- 4 Each influent BOD, TSS regulatory compliance samples
- 4 Each effluent BOD, TSS regulatory compliance samples
- 31 Effluent settleable solids regulatory compliance samples
- 31 Each effluent pH, dissolved oxygen regulatory compliance samples
- Numerous daily process control samples

• **Blacklake Wastewater Reclamation Facility and Collection System – January 2015**

| <u>TOTAL EFFLUENT TREATED</u> | <u>AVERAGE DAILY FLOW TREATED</u> | <u>BOD₅</u> | <u>TSS</u> |
|-------------------------------|-----------------------------------|-------------------------|------------------------|
| 1.5 Million Gallons | .089 Million Gallons Per Day | 15 mg/l Monthly Average | 8 mg/l Monthly Average |
| 4.6 Acre Feet | .15 Acre Feet Per Day | 27 mg/l Daily Maximum | 16 mg/l Daily Maximum |

- Daily maintenance and operation of .2 MGD treatment plant and 3 lift stations
- Effluent biochemical oxygen demand (BOD) requirement for monthly average of 40 mg/L met and daily maximum 100 mg/L requirement met
- Effluent total suspended solids (TSS) requirement for monthly average of 30 mg/L met and daily maximum of 100 mg/L requirement met
- No sewer system overflows
- 4 Each effluent BOD, TSS, dissolved oxygen regulatory compliance samples
- 21 Each effluent total coliform, settleable solids, chlorine residual, pH regulatory compliance samples

• **Compliance Reporting**

- December Monthly Distribution System Coliform Monitoring Summary to California Department of Public Health
- December Wastewater Monitoring Report for the Blacklake Wastewater Reclamation Facility to Central Coast Regional Water Quality Control Board
- December Monthly Wastewater Monitoring Report for the Southland Wastewater Treatment Facility to Central Coast Regional Water Quality Control Board
- December Monthly Spill for California Integrated Water Quality System (CIWQS) for Southland Collection System
- December Monthly 'No-Spill' Certification for California Integrated Water Quality System (CIWQS) for Blacklake Sewer Collection System

PROJECTS IN DESIGN AND PLANNING STAGES

• **Blacklake Wastewater Master Plan**

- Treatment plant head works project in design
- Technical evaluation of existing wastewater plant and sewer collection system on hold

OTHER PROJECTS AND PROGRAMS

- **Safety Program**
 - Weekly operations tailgate safety meeting for Operations staff
 - New employee safety orientation for three new operations employees
 - On-line safety training for all District employees

ATTACHMENTS

- A. January 2015 Supplemental Water Project Phase 1 Bid Package 4 Monthly Construction Progress Report
- B. January 2015 Supplemental Water Project Blosser Road Water Main Monthly Construction Progress Report

TO: BOARD OF DIRECTORS

FROM: MICHAEL S. LEBRUN
GENERAL MANAGER

DATE: FEBRUARY 20, 2015

AGENDA ITEM
C-2
FEBRUARY 25, 2015

CLOSED SESSION REPORT

ITEM

Announcement of actions, if any, taken during Closed Session at previous Board Meetings [NO ACTION REQUESTED]

BACKGROUND

The February 11, 2015 Regular Meeting Closed Session included:

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).

Staff will report on closed session action taken, if any.

TO: BOARD OF DIRECTORS

FROM: MICHAEL S. LEBRUN
GENERAL MANAGER



DATE: FEBRUARY 20, 2015

AGENDA ITEM
D
FEBRUARY 25, 2015

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 FEBRUARY 11, 2015 REGULAR BOARD MEETING MINUTES
[RECOMMEND APPROVAL]
- D-3) REVISE DISTRICT CASH RESERVE POLICY [RECOMMEND ADOPT
RESOLUTION AND REVISE POLICY]

TO: BOARD OF DIRECTORS
 FROM: MICHAEL S. LEBRUN
 GENERAL MANAGER
 DATE: FEBRUARY 20, 2015

MSL

**AGENDA ITEM
 D-1
 FEBRUARY 25, 2015**

HAND WRITTEN CHECKS

| | | |
|----------|-------|---------------------------|
| 02-11-15 | 20364 | APCD-SLO COUNTY |
| 02-11-05 | 20365 | CHP |
| 02-11-15 | 20366 | SLO COUNTY CLERK-RECORDER |
| 02-25-15 | 20367 | JILL MCPEEK |
| 02-25-15 | 20368 | SWRCB |
| 02-25-15 | 20369 | SWRCB |
| 02-25-15 | 20370 | CAPSLO |

**TOTAL COMPUTER CHECKS
 \$352,482.03**

| | |
|---|------------|
| PERMIT | \$195.00 |
| ACCIDENT REPORT | \$10.00 |
| RECORDING FEE | \$78.00 |
| WASHER REBATE | \$75.00 |
| GRADE 1 EXAM – BROWN | \$50.00 |
| GRADE 2 EXAM – MALDONADO | \$180.00 |
| REIMBURSEMENT FOR OVERPAYMENT OF DEPOSIT | \$8,526.00 |

VOIDS – NONE

COMPUTER GENERATED CHECKS

| | | | | | | | | |
|--------|----------|-------|---------------------------|-----------|-----|-----------|----------|---------------------------|
| 23984 | 02/13/15 | EMP01 | EMPLOYMENT DEVELOP DEPT | 1535.19 | .00 | 1535.19 | B50209 | STATE INCOME TAX |
| 23985 | 02/13/15 | MID01 | RABOBANK-PAYROLL TAX DEPO | 4906.67 | .00 | 4906.67 | B50209 | FEDERAL INCOME TAX |
| | | | | 111.60 | .00 | 111.60 | 1B50209 | FICA |
| | | | | 1284.60 | .00 | 1284.60 | 2B50209 | MEDICARE (FICA) |
| | | | Check Total.....: | 6302.87 | .00 | 6302.87 | | |
| 23986 | 02/13/15 | MID02 | RABOBANK-DIRECT DEPOSIT | 33084.68 | .00 | 33084.68 | B50209 | NET PAY |
| 23987 | 02/13/15 | PER01 | PERS RETIREMENT | 10806.94 | .00 | 10806.94 | B50209 | PERS PAYROLL REMITTANCE |
| 23988 | 02/13/15 | STA01 | CALPERS 457 DEFERRED COMP | 2580.00 | .00 | 2580.00 | B50209 | 457 DEFERRED COMP |
| 023989 | 02/25/15 | AEC01 | AECOM USA INC | 1134.00 | .00 | 1134.00 | 37506698 | SUPPLEMENTAL WATER |
| 023990 | 02/25/15 | AME03 | AMERI PRIDE | 187.12 | .00 | 187.12 | 306409 | UNIFORMS |
| | | | | 198.75 | .00 | 198.75 | 311149 | UNIFORMS |
| | | | Check Total.....: | 385.87 | .00 | 385.87 | | |
| 023991 | 02/25/15 | ATT01 | AT&T | 189.45 | .00 | 189.45 | 6233314 | TELEPHONE |
| 023992 | 02/25/15 | BRE02 | BRENNTAG PACIFIC INC. | 304.33 | .00 | 304.33 | 484794 | SODIUM HYPOCHLORITE |
| | | | | 424.22 | .00 | 424.22 | 494402 | SODIUM HYPOCHLORITE |
| | | | | 288.59 | .00 | 288.59 | 496287 | SODIUM HYPOCHLORITE |
| | | | | 252.43 | .00 | 252.43 | 496288 | SODIUM HYPOCHLORITE |
| | | | Check Total.....: | 1269.57 | .00 | 1269.57 | | |
| 023993 | 02/25/15 | BRO04 | BROWN, KENNETH O. | 150.00 | .00 | 150.00 | B50218 | WORK BOOT REIMBURSEMENT |
| 023994 | 02/25/15 | CAL03 | CALIFORNIA ELECTRIC SUPPL | 36.87 | .00 | 36.87 | 596679 | SUPPLIES |
| | | | | 18.59 | .00 | 18.59 | 597353 | LAMPS |
| | | | Check Total.....: | 55.46 | .00 | 55.46 | | |
| 023995 | 02/25/15 | CLE06 | CNSLO INC | 2209.00 | .00 | 2209.00 | 19530 | COMPUTER SUPPORT |
| 023996 | 02/25/15 | COR01 | CORBIN WILLITS SYSTEMS | 65.00 | .00 | 65.00 | B50131 | COMPUTER SUPPORT |
| 023997 | 02/25/15 | CRY01 | CRYSTAL SPRINGS | 42.65 | .00 | 42.65 | JAN2015 | DISTILLED WATER |
| 023998 | 02/25/15 | CWE01 | CWEA | 306.00 | .00 | 306.00 | B50218 | COLLECTIONS CERTIFICATION |
| 023999 | 02/25/15 | DEP04 | DEPT OF MOTOR VEHICLES | 10.00 | .00 | 10.00 | B50218 | PTI NOTICE 2010 UTIL TRAI |
| 024000 | 02/25/15 | DEW01 | J B DEWAR INC | 365.29 | .00 | 365.29 | 302074 | WELL PUMP OIL |
| 024001 | 02/25/15 | DKA01 | D-KAL ENGINEERING, INC. | 272632.90 | .00 | 272632.90 | 4 | PROGRESS PAYMENT #4 |
| 024002 | 02/25/15 | FGL01 | FGL ENVIRONMENTAL | 417.70 | .00 | 417.70 | 580015A | LAB TESTS |
| | | | | 539.80 | .00 | 539.80 | 580218A | LAB TESTS |
| | | | Check Total.....: | 957.50 | .00 | 957.50 | | |
| 024003 | 02/25/15 | GAD02 | GADDIS, DAN | 33.93 | .00 | 33.93 | B50213 | MILEAGE REIMBURSEMENT |
| 024004 | 02/25/15 | INT02 | INTEGRATED INDUSTRIAL SUP | 70.34 | .00 | 70.34 | 29711 | LATEX GLOVES,SS NIPPLE/TE |
| | | | | 146.85 | .00 | 146.85 | 29730 | GLOVES, FACESHIELD |
| | | | | 76.54 | .00 | 76.54 | 29750 | LATEX GLOVES |
| | | | | 270.74 | .00 | 270.74 | 29802 | SS BALL VALVE, NIPPLE, BU |
| | | | Check Total.....: | 564.47 | .00 | 564.47 | | |
| 024005 | 02/25/15 | LEB02 | LeBRUN, MICHAEL | 65.00 | .00 | 65.00 | FEB2015 | CELL PHONE REIMBURSEMENT |

TO: BOARD OF DIRECTORS
 FROM: MICHAEL S. LEBRUN
 GENERAL MANAGER
 DATE: FEBRUARY 20, 2015

AGENDA ITEM
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FEBRUARY 25, 2015
PAGE TWO

| | | | | | | | | |
|--------|----------|-------|---------------------------|---------|-----|---------|----------|---------------------------|
| 024006 | 02/25/15 | MOR02 | MORE OFFICE SOLUTIONS | 308.00 | .00 | 308.00 | 837726 | COLOR/B&W COPIES |
| | | | | 223.37 | .00 | 223.37 | 842955 | COLOR/B&W COPIES |
| | | | Check Total.....: | 531.37 | .00 | 531.37 | | |
| 024007 | 02/25/15 | MUN03 | MUNICIPAL MAINTENANCE EQU | 267.40 | .00 | 267.40 | 97969 | CLAMP, ROTARY JOINT |
| 024008 | 02/25/15 | NIP05 | NIPOMO CHAMBER OF COMMERC | 2876.50 | .00 | 2876.50 | B50213 | CHAMBER GRANT |
| 024009 | 02/25/15 | NUN01 | NUNLEY, MICHAEL K. & ASSO | 3725.00 | .00 | 3725.00 | 597 | OPERATIONS MOU |
| | | | | 150.00 | .00 | 150.00 | 605 | BRANCH WATERLINE ABANDONM |
| | | | | 640.00 | .00 | 640.00 | 610 | NITRIFICATION MONITORING |
| | | | Check Total.....: | 4515.00 | .00 | 4515.00 | | |
| 024010 | 02/25/15 | OFF01 | OFFICE DEPOT | 106.03 | .00 | 106.03 | 523001 | OFFICE SUPPLIES |
| 024011 | 02/25/15 | POO01 | POOR RICHARD'S PRESS | 318.71 | .00 | 318.71 | 264358 | MAIL BILLS |
| | | | | 62.48 | .00 | 62.48 | 264334A | MAIL LATE NOTICES |
| | | | | 229.92 | .00 | 229.92 | 264334B | POSTAGE FOR LATE NOTICES |
| | | | | 843.84 | .00 | 843.84 | 264358B | POSTAGE FOR BILLS |
| | | | Check Total.....: | 1454.95 | .00 | 1454.95 | | |
| 024012 | 02/25/15 | RAU01 | RAUCH COMMUNICATION CONSU | 371.25 | .00 | 371.25 | NOV-1413 | OUTREACH |
| 024013 | 02/25/15 | SLO02 | DIV OF ENVIRON HEALTH | 1213.70 | .00 | 1213.70 | 97068 | BACKFLOW PROGRAM |
| 024014 | 02/25/15 | SLO03 | SAN LUIS OBISPO RECORDER | 652.76 | .00 | 652.76 | B50213 | CONSOLIDATED GENERAL ELEC |
| 024015 | 02/25/15 | STA03 | STATEWIDE SAFETY & SIGNS | 52.03 | .00 | 52.03 | 3000254 | BLUE SURVEY MARKING PAINT |
| 024016 | 02/25/15 | STR02 | STREATOR PIPE & SUPPLY | 84.41 | .00 | 84.41 | 1318635 | PVC PIPE, COUPLING, VALVE |
| 024017 | 02/25/15 | USA01 | USA BLUEBOOK | 267.07 | .00 | 267.07 | 563063 | LAB SUPPLIES |
| | | | | 23.63 | .00 | 23.63 | 565028 | LAB SUPPLIES |
| | | | | 405.15 | .00 | 405.15 | 567436 | METER WRENCH, TUBING BEND |
| | | | Check Total.....: | 695.85 | .00 | 695.85 | | |
| 024018 | 02/25/15 | WAL01 | WALLACE GROUP | 2115.01 | .00 | 2115.01 | 38571 | FOG INSPECTION |
| 024019 | 02/25/15 | YOU01 | YOUR PEOPLE PROFESSIONALS | 2800.00 | .00 | 2800.00 | FEB 2015 | EMPLOYMENT AGENCY-DEPOSIT |

TO: BOARD OF DIRECTORS
FROM: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER
DATE: FEBRUARY 20, 2015

**AGENDA ITEM
D-2
FEBRUARY 25, 2015**

APPROVE MINUTES OF PREVIOUS BOARD MEETINGS

ITEM

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

BACKGROUND

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

RECOMMENDATION

Approve minutes as part of Consent Agenda.

ATTACHMENT

- A. February 11, 2015, draft Regular Board Meeting Minutes

February 25, 2015

D-2

ATTACHMENT A

NIPOMO COMMUNITY SERVICES DISTRICT

Serving the Community Since 1965

DRAFT REGULAR MINUTES

FEBRUARY 11, 2015, AT 9:00 A.M.

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

BOARD of DIRECTORS

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

PRINCIPAL STAFF

MICHAEL S. LEBRUN, GENERAL MANAGER
LISA BOGNUDA, FINANCE DIRECTOR
MICHAEL W. SEITZ, GENERAL COUNSEL
PETER SEVCIK, DIRECTOR OF ENG. & OPS.
JESSICA MATSON, BOARD CLERK

| |
|--|
| Mission Statement: The Nipomo Community Services District's mission is to provide its customers with reliable, quality, and cost-effective services now and in the future. |
|--|

00:00:00 A. CALL TO ORDER AND FLAG SALUTE

President Armstrong called the Regular Meeting of February 11, 2015 to order at 9:00 a.m. and led the flag salute.

00:00:39 B. ROLL CALL AND PUBLIC COMMENT FOR ITEMS NOT ON AGENDA

At Roll Call, Directors Eby, Woodson, and Armstrong were present. Directors Gaddis and Blair were absent.

There were no public comments.

00:00:54 C. PRESENTATIONS AND REPORTS

C-1) ENGINEERING AND OPERATIONS – INTRODUCTION OF NEW EMPLOYEES

Peter Sevcik, Director of Engineering and Operations, introduced three new Operations staff to the Board. Mr. Dillon Sly and Mr. Kenneth Brown were hired by the District as Maintenance/Customer Service Workers. Mr. Russ Newman was hired by the District as the Wastewater Supervisor/Chief Plant Operator.

C-2) SLO COUNTY SHERIFF COMMANDER JAY DONOVAN

SLO County Sheriff Commander Donovan did not attend the meeting.

President Armstrong announced that Item E-2 would be heard next.

00:03:33 E-2) CONSIDER GRANT REQUEST FROM NIPOMO CHAMBER OF COMMERCE IN AMOUNT OF \$30,000 FOR SOLID WASTE REMOVAL IN NIPOMO COMMUNITY COMMON AREAS

Richard Malvarose, Nipomo Chamber of Commerce President, addressed the Board requesting grant funds for solid waste removal. Mr. Malvarose answered questions from the Board.

There were no public comments.

Upon the motion of Director Armstrong and seconded by Director Eby, the Board approved the grant request in the amount of \$30,000.

Vote 3-0.

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

SUBJECT TO BOARD APPROVAL

President Armstrong announced that Item E-3 would be heard next.

00:06:03 E-3) DISCUSS PROPOSED JIM O MILLER PARK

Michael LeBrun, General Manager, reviewed the report as presented in the Board packet.

Ruth Brackett, Olde Towne Nipomo Association President, addressed the Board regarding the proposed Jim O Miller Park and answered questions from the Board.

President Armstrong commented that the District is working with Olde Towne Nipomo Association to come up with solutions to park development challenges.

Director Eby suggested that Olde Towne Nipomo Association set up a meeting with the County and LAFCO.

Mr. LeBrun suggested Olde Towne Nipomo Association contact 4th District Supervisor Lynn Compton and ask to have Jim O Miller Park added to the County Park Plan.

The following members of the public spoke:

Rudy Stowell, former Nipomo Chamber of Commerce President, commented on Olde Towne Nipomo Association's 501(c)(3) status and answered questions from the Board.

Jim Tefft, Olde Towne Nipomo Association member, commented on the proposed park and the need for support.

Mike Seitz, District Legal Counsel, addressed funding issues for the District to take over maintenance of the proposed park.

President Armstrong directed staff to meet with legal counsel and create a document for Olde Towne Nipomo Association outlining barriers to the District becoming responsible for the park. This document is to be delivered to Ms. Brackett.

President Armstrong announced that the Board would return to Presentations and Reports and hear Item C-3 next.

00:55:38 C-3) REPORT ON JANUARY 14, 2015 REGULAR MEETING CLOSED SESSION
Announcement of actions, if any, taken in Closed Session

Mike Seitz, District Legal Counsel, announced that the Board discussed Item I.1(a) from the January 14, 2015 Regular Meeting (Conference with District Legal Counsel re: pending litigation pursuant to GC §54956.9 SMVWCD VS. NCSD) in closed session, gave direction, but took no reportable action.

Mr. Seitz reported that the Board discussed Item I.1(b) (NCSD v. County) and Item I.1(c) (Bening v. NCSD) in closed session, but took no reportable action.

Nipomo Community Services District
**REGULAR MEETING
 MINUTES**

00:56:30

- 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

Director Woodson

- ◇ January 26, Attended South County Advisory Committee meeting.

Director Eby

- ◇ January 20, Attended Blacklake Management Association meeting.
- ◇ Will be attending the annual Blacklake Management Association meeting on Saturday, March 7th.

Director Armstrong

- ◇ February 4, Attended Water Resources Advisory Committee meeting.

00:59:06

- C-5) 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 Eby and seconded by Director Woodson, the Board approved to receive and file the presentations and reports as submitted.
 Vote 3-0.*

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

01:00:13

D. CONSENT AGENDA

- D-1) WARRANTS
- D-2) APPROVE MINUTES OF PREVIOUS BOARD MEETINGS
 - JANUARY 28, 2015 REGULAR MEETING
- D-3) INVESTMENT POLICY – FOURTH QUARTER REPORT
- D-4) SECOND QUARTER FINANCIAL REPORT

There were no public comments.

*Upon the motion of Director Woodson and seconded by Director Eby, the Board approved the consent agenda.
 Vote 3-0.*

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

01:01:49

E. ADMINISTRATIVE ITEMS

E-1) SERVICE REQUEST 875 THEODORA STREET 4 LOT RESIDENTIAL DEVELOPMENT

Peter Sevcik, Director of Engineering & 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 Armstrong and seconded by Director Woodson, the Board approved the service request with conditions.

Vote 3-0.

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

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

01:07:58

E-4) CONDUCT A HEARING TO ADOPT AN ORDINANCE AMENDING TITLE 2, 3 AND TITLE 4 OF THE NIPOMO COMMUNITY SERVICES DISTRICT CODE TO AMEND AND TO ESTABLISH NEW ADMINISTRATIVE PROCEDURES AND APPROVE RESOLUTION ADOPTING UPDATED AND NEW MISCELLANEOUS FEES

PRESIDENT ARMSTRONG OPENED THE PUBLIC HEARING.

There were no public comments.

PRESIDENT ARMSTRONG CLOSED THE PUBLIC HEARING.

Upon the motion of Director Armstrong and seconded by Director Woodson, the Board adopted the Ordinance and approved the Resolution.

Vote 3-0.

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

ORDINANCE NO. 2015-120
AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT AMENDING TITLE 2, 3 AND TITLE 4 OF THE NIPOMO COMMUNITY SERVICES DISTRICT CODE TO AMEND AND TO ESTABLISH NEW ADMINISTRATIVE PROCEDURES

RESOLUTION NO. 2015-1364
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT TO RESTATE, AMEND AND/OR ESTABLISH MISCELLANEOUS FEES

01:09:56

E-5) REVIEW BOARD BY-LAWS AND POLICIES AND PROPOSE EDITS FOR CONSIDERATION

Michael LeBrun, General Manager, reviewed the report as presented in the Board packet. Mr. LeBrun commented on making changes to the title of the Board By-Laws and requested other proposed edits.

SUBJECT TO BOARD APPROVAL

Item E-5 Continued

Directors suggested changes to the Board By-Laws.

There were no public comments.

President Armstrong directed staff to bring the Board By-Laws with suggested edits to the February 25th Regular Board meeting.

01:35:44

E-6) WATER RESOURCES POLICY DISCUSSION

Michael LeBrun, General Manager, reviewed the report as presented in the Board packet.

Directors Armstrong and Eby suggested changes to the Policy.

There were no public comments.

President Armstrong tabled Water Resources Policy discussion until the next Regular Board meeting on February 25th.

President Armstrong directed the Facilities & Water Resources Committee Chair to write a preamble statement and work with staff to make additional edits.

01:58:51

E-7) DISCUSS SUPPLEMENTAL WATER ALLOCATION AND RESERVATION METHODOLOGY

Michael LeBrun, General Manager, reviewed the report as presented in the Board packet.

President Armstrong directed staff to develop an accounting system for supplemental water and bring to the Facilities & Water Resources Committee.

E-8) REVIEW THE COUNTY'S 2012-2014 RESOURCES MANAGEMENT SUMMARY REPORT AND CONSIDER PROPOSED COMMENTS

02:39:07

Michael LeBrun, General Manager, reviewed the report as presented in the Board packet.

Director Eby directed staff to make edits to the letter before sending.

Upon the motion of Director Eby and seconded by Director Woodson, the Board approved the letter as amended.

Vote 3-0.

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

02:43:40

E-9) ANNUAL REVIEW OF DISTRICT DEBT MANAGEMENT, CASH RESERVE AND INVESTMENT POLICY

Lisa Bognuda, Finance Director, reviewed the report as presented in the Board packet. Ms. Bognuda answered questions from the Board.

President Armstrong directed staff to bring back the Cash Reserve Policy for amendment.

02:43:40

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 were no public comments.

03:03:19

G. COMMITTEE REPORTS

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

03:03:40

H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

Director Eby

- *Requested that staff explore the possibility of Board tours at the Price Canyon Recycling Facility, Cambria desalination plant, Paso Robles water treatment plant, and Morro Bay desalination plant.*

03:11:32

I. CLOSED SESSION ANNOUNCEMENTS

1. CONFERENCE WITH DISTRICT LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GC §54956.9

- a) SMVWCD VS. NCSD (SANTA CLARA COUNTY CASE NO. CV 770214, SIXTH APPELLATE COURT CASE NO. H032750 AND ALL CONSOLIDATED CASES).

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There were no public comments.

03:12:01

K. ADJOURN TO CLOSED SESSION

President Armstrong adjourned to closed session at 12:23 p.m.

L. OPEN SESSION

ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

The Board came back into Open Session at 1:30 p.m.

Mike Seitz, District Legal Counsel, announced that the Board discussed Item 1(a), gave direction, but took no reportable action.

Nipomo Community Services District
REGULAR MEETING
MINUTES

ADJOURN

President Armstrong adjourned the meeting at 1:31 p.m.

| MEETING SUMMARY | HOURS & MINUTES |
|-----------------|--------------------|
| Regular Meeting | 3 hours 24 minutes |
| Closed Session | 1 hour 7 minutes |
| TOTAL HOURS | 4 hours 31 minutes |

TO: BOARD OF DIRECTORS

FROM: MICHAEL S. LEBRUN
GENERAL MANAGER

DATE: FEBRUARY 20, 2015



REVISE DISTRICT CASH RESERVE POLICY

ITEM

REVISE DISTRICT CASH RESERVE POLICY [RECOMMEND REVIEW AND DIRECT STAFF]

BACKGROUND

On February 11, 2015, the Board of Directors conducted an annual review of the District's Cash Reserve Policy.

Staff recommends a modification to the Target Criteria of the Property Tax Fund #600 to reflect the District's legal obligation (pledge of property tax revenue) as outlined in the Bond Indentures for the 2013 Certificates of Participation and the 2013 Refunding Revenue Bonds. The modifications are reflected on page 5 of the Cash Reserve Policy.

STRATEGIC PLAN

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

RECOMMENDATION

Staff recommends your Board approve Resolution.

ATTACHMENTS

- A. Resolution 2015-xxx, including Exhibit A, Cash Reserve

February 25, 2015

D-3

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2015-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO
COMMUNITY SERVICES DISTRICT AMENDING THE CASH RESERVE
POLICY FOR THE DISTRICT**

WHEREAS, the Board of Directors of the Nipomo Community Services District ("District") intends that the District will at all times have sufficient capital available to meet its operating, replacement, capital projects and debt service payments; and

WHEREAS, the District desires to establish sound financial policies to promote favorable bond ratings in capital markets so that bonds may be used for future financing of District projects; and

WHEREAS, the District desires to reserve capital for unanticipated and unforeseeable expenses; and

WHEREAS, the District desires to establish a buffer should revenue estimates in any year not meet projections; and

WHEREAS, the Cash Reserve Policy has been amended and is hereby presented at this meeting and it is appropriate at this time for the Board of Directors to consider approval of the adoption of the amended Policy.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Nipomo Community Services District:

SECTION 1. The above recitals are true and correct.

SECTION 2. The Cash Reserve Policy, as amended, in the form presented at this meeting attached hereto Exhibit "A" are hereby approved and adopted.

SECTION 3. The officers of the District are hereby directed to do and cause to be done any and all acts and things necessary or proper in order to effectuate the purposes of this resolution.

SECTION 4. This resolution shall take effect immediately.

Upon a motion by Director _____, seconded by Director _____, on the following roll call vote, to wit:

AYES:
NOES:
ABSENT:
CONFLICTS:

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2015-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO
COMMUNITY SERVICES DISTRICT AMENDING THE CASH RESERVE
POLICY FOR THE DISTRICT**

The foregoing resolution is hereby adopted this 25th day of February 2015.

CRAIG ARMSTRONG
President, Board of Directors

ATTEST:

APPROVED AS TO FORM:

MICHAEL S. LEBRUN
General Manager and Secretary to the Board

MICHAEL W. SEITZ
District Legal Counsel

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2015-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO
COMMUNITY SERVICES DISTRICT AMENDING THE CASH RESERVE
POLICY FOR THE DISTRICT**

NIPOMO COMMUNITY SERVICES DISTRICT
CASH RESERVE POLICY
EXHIBIT "A"

PURPOSE

A key element of prudent financial planning is to ensure that sufficient funding is available for current operating, capital and debt service needs. Additionally, fiscal responsibility requires anticipating the likelihood of, and preparing for, unforeseen events. Nipomo Community Services District (District) will strive at all times to have sufficient funding available to meet its operating, capital and debt service obligations as well as to protect its creditworthiness. The District is committed to maintaining a financial structure that provides adequate and predictable revenues at the lowest possible cost to meet forecasted needs and operational objectives.

It should be noted that the District has a Debt Management Policy that establishes parameters for evaluating, issuing and managing the District's debt. The District's Debt Management Policy should be considered prior to committing to any new financial obligations.

The adequacy of the targeted cash reserve year-end balance ranges and/or annual contributions to each fund will be reviewed annually during the budgeting process or when a major change in conditions threatens the reserve levels established within this policy.

OPERATING FUNDS

WATER FUND (FUND #125)

Purpose: To ensure sufficient cash resources are available to fund daily administration, operations and maintenance of providing water services. (Funded from rates and charges)

Target Criteria: To meet the District's cash flow needs and unbudgeted expenses, the Water Fund cash reserves should be equal to or greater than twelve months (360 days) of annual budgeted operating expenses (not including Funded Replacement).

After adoption of the budget and within 90 days after the end of the fiscal year, the Board of Directors shall review the cash reserves, and if there is excess above the reserve requirement based on the cash reserve balance as of the fiscal year just completed, the Directors may approve a transfer of the excess to the Funded Replacement Water Fund #805.

TOWN SEWER FUND (FUND #130)

Purpose: To ensure sufficient cash resources are available to fund daily administration, operations and maintenance of providing waste water services. (Funded from rates and charges)

Target Criteria: To meet the District's cash flow needs and unbudgeted expenses, the Town Sewer Fund cash reserves should be equal to or greater than six months (180 days) of annual budgeted operating expenses (not including Funded Replacement).

NIPOMO COMMUNITY SERVICES DISTRICT
CASH RESERVE POLICY
EXHIBIT "A"

After adoption of the budget and within 90 days after the end of the fiscal year, the Board of Directors shall review the cash reserves, and if there is excess above the reserve requirement based on the cash reserve balance as of the fiscal year just completed, the Directors may Approve a transfer of the excess to the Funded Replacement Town Sewer Fund #810.

BLACKLAKE SEWER FUND (FUND #150)

Purpose: To ensure sufficient cash resources are available to fund daily administration, operations and maintenance of providing waste water services. (Funded from rates and charges)

Target Criteria: To meet the District's cash flow needs and unbudgeted expenses, the Blacklake Sewer Fund cash reserves should be equal to or greater than six months (180 days) of annual budgeted operating expenses (not including Funded Replacement).

After adoption of the budget and within 90 days after the end of the fiscal year, the Board of Directors shall review the cash reserves, and if there is excess above the reserve requirement based on the cash reserve balance as of the fiscal year just completed, the Directors may approve a transfer of the excess to the Funded Replacement Blacklake Sewer Fund #830.

WATER RATE STABILIZATION FUND (FUND #128)

Purpose: To serve as a buffer to water rates during any period where there are unexpected increases in operating costs or decreases in revenues. In addition, in a severe drought or extremely wet conditions, it is reasonable to expect that water sales could fluctuate significantly. As such, this fund will absorb these types of fluctuations in operations and help stabilize rates and enable smooth or level increases to rates despite uneven increases in underlying costs or variations in annual revenues received. This fund should not be used to artificially suppress rates (i.e. to sustain rates at levels below the costs of service). (Funded by rates and charges)

Target Criteria: Minimum reserve requirement of \$400,000.

TOWN SEWER RATE STABILIZATION FUND (FUND #135)

Purpose: To serve as a buffer to sewer rates during any period where there are unexpected increases in operating costs or decreases in revenues. This fund should be used to enable smooth or level increases to rates despite uneven increases in underlying costs or variations in annual revenues received. This fund should not be used to artificially suppress rates (i.e. to sustain rates at levels below the costs of service). (Funded by rates and charges)

Target Criteria: Minimum reserve requirement of \$300,000 set by Bond Indenture Agreement for the Revenue of Certificates of Participation Series 2012.

NIPOMO COMMUNITY SERVICES DISTRICT
CASH RESERVE POLICY
EXHIBIT"A"

BLACKLAKE SEWER RATE STABILIZATION FUND (FUND #155)

Purpose: To serve as a buffer to sewer rates during any period where there are unexpected increases in operating costs or decreases in revenues. This fund should be used to enable smooth or level increases to rates despite uneven increases in underlying costs or variations in annual revenues received. This fund should not be used to artificially suppress rates (i.e. to sustain rates at levels below the costs of service). (Funded by rates and charges)

Target Criteria: Minimum reserve requirement of \$50,000.

BLACKLAKE STREET LIGHTING (FUND #200)

Purpose: To ensure sufficient cash resources are available to fund administration, operations and maintenance of providing street lighting services for Blacklake Village. (Funded by annual assessment to property owners in Blacklake Village)

Target Criteria: Minimum reserve requirement of \$30,000.

LANDSCAPE MAINTENANCE DISTRICT (FUND #250)

Purpose: To ensure sufficient cash resources are available to fund administration, operations and maintenance of providing landscape maintenance to the property owners of Tract 2409. (Funded by annual assessment to property owners in Tract 2409 aka Vista Verde Estates)

Target Criteria: Minimum reserve requirement of \$20,000.

SOLID WASTE (FUND #300)

Purpose: To ensure sufficient cash resources are available to fund solid waste programs, rate stabilization and to cover operating costs in the event that the District may find itself operating solid waste collection, disposal and recycling functions should its business partner now franchised to do these functions be unable to continue to provide these services due to an unforeseen event. This reserve provides assurance that solid waste services remain uninterrupted during an extended disruption to service provider. (Funded by Franchise Fees)

Target Criteria: Minimum reserve requirement of \$115,000.

DRAINAGE (FUND #400)

Purpose: To ensure sufficient cash resources are available to operate and maintain the Nipomo Drainage Maintenance District 76-02 (storm water conveyance system and basin serving Folkert Oaks Mobile Home Park and adjacent properties on Juniper Street). (Funded by a 1% ad valorem property tax rate)

Target Criteria: Minimum reserve requirement of \$50,000.

NIPOMO COMMUNITY SERVICES DISTRICT
CASH RESERVE POLICY
EXHIBIT"A"

FUNDED REPLACEMENT- WATER (FUND #805)

Purpose: The reserves can be used for both short-term and long-term purposes. The objective of the Funded Replacement Fund is to provide monies for the current and future replacement of existing capital assets as they reach the end of their useful lives. The District recognizes that the Funded Replacement fund may only be sufficient to pay a portion of the full cost of future capital asset replacements and other sources of replacement funding may be needed, such as a bond issuance. This fund will also help normalize the impact of the capital asset replacements on future water rates. (Funded by water rates and charges and interest earnings)

Target Criteria: Based on 2007 or current Replacement Study

FUNDED REPLACEMENT- TOWN SEWER (FUND #810)

Purpose: The reserves can be used for both short-term and long-term purposes. The objective of the Funded Replacement Fund is to provide monies for the current and future replacement of existing capital assets as they reach the end of their useful lives. The District recognizes that the Funded Replacement fund may only be sufficient to pay a portion of the full cost of future capital asset replacements and other sources of replacement funding may be needed, such as a bond issuance. This fund will also help normalize the impact of the capital asset replacements on future town sewer rates. (Funded by Town sewer rates and charges and interest earnings)

Target Criteria: Based on 2007 or current Replacement Study.

FUNDED REPLACEMENT- BLACKLAKE SEWER (FUND #830)

Purpose: The reserves can be used for both short-term and long-term purposes. The objective of the Funded Replacement Fund is to provide monies for the current and future replacement of existing capital assets as they reach the end of their useful lives. The District recognizes that the Funded Replacement fund may only be sufficient to pay a portion of the full cost of future capital asset replacements and other sources of replacement funding may be needed, such as a bond issuance. This fund will also help normalize the impact of the capital asset replacements on future Blacklake sewer rates. (Funded by Blacklake sewer rates and charges and interest earnings)

Target Criteria: Based on 2007 or current Replacement Study.

NON-OPERATING FUNDS

SUPPLEMENTAL WATER FUND (#500)

Purpose: The revenue generated from the Supplemental Water Capacity Charge accumulates in this fund and its use is restricted to projects, programs and expenditures that reduce the District's reliance on groundwater as its sole water supply. (Funded by development capacity charges and interest earnings)

Target Criteria: No minimum target is maintained.

NIPOMO COMMUNITY SERVICES DISTRICT
CASH RESERVE POLICY
EXHIBIT"A"

PROPERTY TAX (FUND #600)

Purpose: District's share of the 1% ad valorem tax on real property collected by the County of San Luis Obispo and distributed to the District pursuant to Article XIII A of the California Constitution. (Funded by property taxes and interest earnings)

Target Criteria: No minimum target is maintained, however, a portion of the annual property tax revenue stream is pledged to pay the annual debt service for the ~~2003 Certificates of Participation Revenue Bond~~ 2013 Certificates of Participation and the 2013 Refunding Revenue Bonds.

WATER CAPACITY CHARGES (FUND #700)

Purpose: The revenue generated from the Water Capacity Charge accumulates in this fund and is used to offset new development related capital improvements as outlined by the District's Capital Improvement Plan. (Funded by development capacity charges and interest)

Target Criteria: No minimum target is maintained.

TOWN SEWER CAPACITY CHARGES (FUND #710)

Purpose: The revenue generated from the Town Capacity Charge accumulates in this fund and is used to offset new development related capital improvements as outlined by the District's Capital Improvement Plan. (Funded by development capacity charges and interest earnings)

Target Criteria: No minimum target is maintained.

SINKING FUND- TOWN SEWER (FUND #880)

Purpose: The reserves may be used to pay annual debt service payments for the Revenue Certificates of Participation (Southland Wastewater Project) Series 2012. (Funded by Town sewer rates and charges in years 2008- 2012 in anticipation of the Southland Wastewater Treatment Facility Upgrade)

Target Criteria: No minimum target is maintained. Once the reserves in this fund are depleted, the fund will be terminated.