

NIPOMO COMMUNITY SERVICES DISTRICT

Serving the Community since 1965

REGULAR MINUTES

JUNE 14, 2023 AT 9:00 A.M.

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

BOARD of DIRECTORS

RICHARD MALVAROSE, **PRESIDENT**
DAN ALLEN GADDIS, **VICE PRESIDENT**
ED EBY, **DIRECTOR**
DAN WOODSON, **DIRECTOR**
GARY HANSEN, **DIRECTOR**

PRINCIPAL STAFF

MARIO IGLESIAS, **GENERAL MANAGER**
LISA BOGNUDA, **ASST GENERAL MANAGER**
JANA ETTEDDGUE, **FINANCE DIRECTOR**
PETER SEVCIK, **DIRECTOR OF ENG. & OPS.**
CRAIG STEELE, **GENERAL COUNSEL**

Mission Statement:

Provide our customers with reliable, quality, and cost-effective services now and in the future.

A. CALL TO ORDER AND FLAG SALUTE

President Malvarose called the Regular Meeting of June 14, 2023, to order at 9:00 a.m. and led the flag salute.

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

At Roll Call, all Directors were present.

There were no public comments.

C. PRESENTATIONS AND REPORTS

- C-1) DIRECTORS' ANNOUNCEMENTS OF DISTRICT AND COMMUNITY INTEREST AND REPORTS ON ATTENDANCE AT PUBLIC MEETINGS, TRAINING PROGRAMS, CONFERENCES AND SEMINARS. Receive Announcements and Reports from Directors

Director Gaddis

- *June 7, attended Board Officers' Meeting*
- *Announced today is Donald Trump's 77th Birthday*

Director Eby

- *June 7, attended WRAC meeting*
- *June 13, the NMMA Technical Group met*
- *June 13, attended Blacklake Oversight Committee meeting*

Director Malvarose

- *May 31, attended Meeting with the SLO County CAO and Supervisor Jimmy Paulding regarding the Tax Sharing Agreement*
- *Announced that the Nipomo 4th of July parade would be starting at Nipomo High School and end at the Nipomo Regional Park*

- C-2) RECEIVE PUBLIC COMMENT ON PRESENTATIONS AND REPORTS PRESENTED UNDER ITEM C AND BY MOTION RECEIVE AND FILE PRESENTATIONS AND REPORTS

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There were no public comments.

*Upon the motion of Director Eby and seconded, the Board approved receiving and filing presentations and reports.
Vote 5-0.*

YES VOTES	NO VOTES	ABSTAIN
Directors Eby, Woodson, Hansen, Gaddis, and Malvarose	None	None

D. CONSENT AGENDA

D-1) WARRANTS [RECOMMEND APPROVAL]

D-2) APPROVE MAY 24, 2023, REGULAR BOARD MEETING MINUTES [RECOMMEND APPROVE MINUTES]

There were no public comments.

*Upon the motion of Director Woodson and seconded, the Board approved the Consent Agenda with a correction to the minutes. Director Hansen abstained from Item D-2 due to absence at May 24, 2023 meeting.
Vote 5-0 on D-1.
Vote 4-0-1 on D-2.*

	YES VOTES	ABSENT	ABSTAIN
D-1	Directors Woodson, Eby, Hansen, Gaddis, and Malvarose	None	None
D-2	Directors Woodson, Eby, Gaddis, and Malvarose	None	Hansen

E. ADMINISTRATIVE ITEMS

E-1) CONSIDER GRANT REQUEST FROM ONE COOL EARTH IN THE AMOUNT OF \$15,000 TO SUPPORT THE NIPOMO ELEMENTARY SCHOOL GARDEN PROGRAM [RECOMMEND AUTHORIZE GENERAL MANAGER TO EXECUTE AGREEMENT WITH ONE COOL EARTH]

Mario Iglesias, General Manager, presented the item and answered questions from the Board.

There were no public comments.

*Upon the motion of Director Eby and seconded, the Board approved to authorize the General Manager to execute the agreement with One Cool Earth.
Vote 5-0.*

YES VOTES	NO VOTES	ABSTAIN
Directors Eby, Hansen, Woodson, Gaddis, and Malvarose	None	None

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- E-2) PUBLIC HEARING - APPROVE GENERAL MANAGER'S REPORT AND AUTHORIZE RECORDATION OF TAX LIENS FOR PROPERTIES IN ARREARS IN PAYMENT OF SOLID WASTE FEES [RECOMMEND CONDUCT HEARING, AMEND GENERAL MANAGER'S REPORT IF NECESSARY, AND BY MOTION AND ROLL CALL VOTE ADOPT RESOLUTION APPROVING GENERAL MANAGER'S REPORT AND AUTHORIZING RECORDATION OF LIENS]

Jana Ettedgue, Finance Director, presented the item.

President Malvarose opened the Public Hearing.

There were no public comments and no written protests received.

President Malvarose closed the Public Hearing.

Upon the motion of Director Hansen and seconded, the Board approved the Resolution. Vote 5-0.

YES VOTES	NO VOTES	ABSTAIN
Directors Hansen, Woodson, Eby, Gaddis, and Malvarose	None	None

RESOLUTION NO. 2023-1669
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT CONFIRMING REPORT OF DISTRICT GENERAL MANAGER AND ORDERING THE COLLECTION OF UNPAID SOLID WASTE COLLECTION CHARGES ON THE TAX ROLL

- E-3) PUBLIC HEARING - APPROVE ENGINEER'S REPORT AND AUTHORIZE COLLECTION OF FY 2023-2024 STREET LANDSCAPE MAINTENANCE DISTRICT ASSESSMENTS [RECOMMEND CONDUCT HEARING, AMEND ENGINEER'S REPORT IF NECESSARY AND BY MOTION AND ROLL CALL VOTE ADOPT RESOLUTION APPROVING ENGINEER'S REPORT AND AUTHORIZING COLLECTION OF ASSESSMENTS]

Jana Ettedgue, Finance Director, presented the item.

President Malvarose opened the Public Hearing.

There were no public comments and no written protests received.

President Malvarose closed the Public Hearing.

Upon the motion of Director Hansen and seconded, the Board approved the Resolution. Vote 5-0.

YES VOTES	NO VOTES	ABSTAIN
Directors Hansen, Woodson, Eby, Gaddis, and Malvarose	None	None

RESOLUTION NO. 2023-1670
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT ORDERING THE LEVY AND COLLECTION OF ASSESSMENTS FOR THE STREET LANDSCAPE MAINTENANCE DISTRICT NO. 1 FOR FISCAL YEAR 2023-2024

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- E-4) PUBLIC HEARING - APPROVE ENGINEER'S REPORT AND AUTHORIZE COLLECTION OF FY 2023-2024 BLACKLAKE STREET LIGHTING MAINTENANCE DISTRICT 2022-1 ASSESSMENTS [RECOMMEND CONDUCT HEARING, AMEND ENGINEER'S REPORT IF NECESSARY AND BY MOTION AND ROLL CALL VOTE ADOPT RESOLUTION APPROVING ENGINEER'S REPORT AND AUTHORIZING COLLECTION OF ASSESSMENTS]

Jana Etteddgue, Finance Director, presented the item.

President Malvarose opened the Public Hearing.

There were no public comments and no written protests received.

President Malvarose closed the Public Hearing.

Upon the motion of Director Gaddis and seconded, the Board approved the Resolution. Director Hansen abstained as he lives in the Blacklake Street Lighting Maintenance District 2022-1. Vote 4-0-1.

YES VOTES	NO VOTES	ABSTAIN
Directors Gaddis, Woodson, Eby, and Malvarose	None	Hansen

RESOLUTION NO. 2023-1671
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT ORDERING THE LEVY AND COLLECTION OF ASSESSMENTS FOR THE BLACKLAKE STREET LIGHTING MAINTENANCE DISTRICT NO. 2022-1 FOR FISCAL YEAR 2023-2024

- E-5) (A) PUBLIC HEARING TO ADOPT 2023-2024 FISCAL YEAR BUDGET AND APPROPRIATION LIMIT [RECOMMEND CONDUCT PUBLIC HEARING, CONSIDER TESTIMONY, ORDER EDITS IF ANY AND BY MOTION AND ROLL CALL VOTE ADOPT RESOLUTION APPROVING 2023-2024 FISCAL YEAR BUDGET AND APPROPRIATION LIMITATION]

Jana Etteddgue, Finance Director, presented the item.

President Malvarose opened the Public Hearing for Item E-4(A).

There were no public comments and no written protests received.

President Malvarose closed the Public Hearing for Item E-4(A).

Upon the motion of Director Eby and seconded, the Board approved the Resolutions adopting the 2023-2024 Budget and Appropriations Limitation. Vote 5-0.

YES VOTES	NO VOTES	ABSTAIN
Directors Eby, Woodson, Hansen, Gaddis, and Malvarose	None	None

RESOLUTION 2023 - 1672
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT ADOPTING THE 2023-2024 FISCAL YEAR BUDGET

RESOLUTION NO. 2023-1673
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT DETERMINING THE APPROPRIATION LIMITATION FOR THE 2023-2024 FISCAL YEAR

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- E-5) (B) ADOPT 2023-2024 FISCAL YEAR BUDGET FOR NIPOMO SUPPLEMENTAL WATER PROJECT (NSWP) [RECOMMEND CONDUCT PUBLIC HEARING, CONSIDER TESTIMONY, ORDER EDITS IF ANY AND BY MOTION AND ROLL CALL VOTE ADOPT RESOLUTION APPROVING NSWP 2023-2024 FISCAL YEAR BUDGET]

Jana Ettedgue, Finance Director, presented the item.

President Malvarose opened the Public Hearing for Item E-4(B).

There were no public comments and no written protests received.

President Malvarose closed the Public Hearing for Item E-4(B).

Upon the motion of Director Gaddis and seconded, the Board approved the Resolution. Vote 5-0.

YES VOTES	NO VOTES	ABSTAIN
Directors Gaddis, Hansen, Woodson, Eby, and Malvarose	None	None

RESOLUTION 2023-1674
 A RESOLUTION OF THE BOARD OF DIRECTORS
 OF THE NIPOMO COMMUNITY SERVICES DISTRICT
 ADOPTING THE NSWP (NIPOMO SUPPLEMENTAL WATER PROJECT)
 2023-2024 FISCAL YEAR BUDGET

- E-6) SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY 2023 BOARD OF DIRECTORS ELECTION BALLOT [RECOMMEND REVIEW BALLOT AND DIRECT STAFF TO SUBMIT A BALLOT WITH THE NIPOMO COMMUNITY SERVICES DISTRICT'S BOARD OF DIRECTOR'S PREFERRED SDRMA BOARD CANDIDATE(S) IF ANY]

Mario Iglesias, General Manager, presented the item and answered questions from the Board.

The Board directed staff to submit a ballot voting for Robert Swan, Jesse Claypool and Sandy Seifert-Raffelson for the Special District Risk Management Authority for the 2023 Board of Directors Election.

- E-7) AUTHORIZE INVESTMENT PURCHASES PER THE INVESTMENT POLICY [RECOMMEND AUTHORIZE STAFF TO PURCHASE SECURITIES ACCORDING TO THE INVESTMENT POLICY AND GUIDELINES]

Mario Iglesias, General Manager, presented the item and answered questions from the Board.

Director Eby commented on the rates of Treasuries and CD's and that he would like for the District to invest the \$5.6 million and recommended two options to consider.

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Director Gaddis commented on the timing of purchasing the investments.

Director Gaddis requested his statement be included in the minutes:

"Re: June 14, 2023 Board Agenda

Item E-7: Authorize Investment Purchases Per the Investment Policy

When to implement is the question.

Implement right away, or after the new General Manager is hired and seated in 68 days.

Again, the Finance and Audit Committee met on Wednesday, May 17, 2023. The Committee authorized staff to purchase \$2 million in short-term Treasuries & \$1 million in CD's 3 years or less. The open question was when to implement.

The Committee provided those alternatives for the entire Board to consider on when to move funds out of LAIF and into securities.

Implement right away, or after the new General Manager is hired and seated in 68 days.

The Board has appointed the General Manager as the District Finance Officer and Treasurer.

The Finance Officer/Treasurer (General Manager) will handle the District's investment Portfolio.

The Finance Officer/Treasurer (General Manager) is authorized to deposit or invest District funds.

The District Finance Officer/Treasurer (General Manager) shall make monthly reports to the Board.

The District Finance Officer/Treasurer (General Manager) shall file a quarterly report.

The District Finance Officer/Treasurer (General Manager) shall file & submit an Annual Report to the District's Auditors & Board of Directors.

This is an investment management burden we are placing on the new General Manager who we are planning on hiring and seating in his new position in only 68 days from now, on August 21st_

We are a non-profit organization, not a for profit one. We also will be long term investors & not day traders.

I do not think it worthwhile to implement now to get a small gain in profit over the next 68 days.

I believe it is better to wait until the new General Manager is seated to implement, and allow the new General Manager to be a part of this new investment decision making process.

Director: Gaddis"

There were no public comments.

Director Eby motioned:

"1. Approve the resolution in attachment A with the amount of \$5.6M inserted in the text as funds available for investment in Fiscal Year 2022-2023.

2. Authorize the District Staff to purchase up to \$5.6 Million in securities (up to \$4.6 million in short term treasuries with maturities from 3 months to 12 months and up to \$1 million in non-callable CDs with maturities not to exceed 3 years). Less than the total amount may be invested at any time at the discretion of the District Staff."

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Upon the motion of Director Eby and seconded, the Board approved the Resolution with \$5.6 million to be inserted in the Resolution as available funds to be invested.
Vote 4-1.

YES VOTES	NO VOTES	ABSTAIN
Directors Eby, Woodson, Hansen, and Malvarose	Gaddis	None

Upon the motion of Director Eby and seconded, the Board approved the Resolution with \$5.6 million to be inserted in the Resolution as available funds to be invested, where \$4.6 million would be invested in short term Treasuries and \$1 million invested in non-callable CD's with a maturity not to exceed 3 years at the discretion of the District Staff.
Vote 4-1.

YES VOTES	NO VOTES	ABSTAIN
Directors Eby, Malvarose, Woodson, and Hansen	Gaddis	None

RESOLUTION NO. 2023-1675
A RESOLUTION OF THE
BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
DETERMINING AMOUNT OF FUNDS TO BE
INVESTED ANNUALLY PURSUANT TO
THE DISTRICT'S INVESTMENT POLICY

- E-8) APPROVE APPOINTMENT OF INTERIM GENERAL MANAGER [RECOMMEND ADOPT RESOLUTION APPROVING THE APPOINTMENT OF MARIO E. IGLESIAS AS INTERIM GENERAL MANAGER, EFFECTIVE JULY 1, 2023]

Mario Iglesias, General Manager, left the room for this item.

Craig Steele, General Counsel, presented the item and answered questions from the Board.

There were no public comments.

Upon the motion of Director Hansen and seconded, the Board approved to the Resolution.
Vote 5-0.

YES VOTES	NO VOTES	ABSTAIN
Directors Hansen, Woodson, Eby, Gaddis, and Malvarose	None	None

RESOLUTION NO. 2023-1676
A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
APPROVING THE APPOINTMENT OF MARIO E. IGLESIAS
AS INTERIM GENERAL MANAGER, EFFECTIVE JULY 1, 2023

2. GENERAL MANAGER'S REPORT

Mario Iglesias, General Manager, presented the item and answered questions from the Board.

There were no public comments.

3. COMMITTEE REPORTS

None.

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4. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

Director Eby requested that any updates on the Dana Reserve be forwarded to him so he could inform the WRAC Committee.

I. CLOSED SESSION ANNOUNCEMENTS

Craig Steele, District Legal Counsel, announced that there would be no closed session.

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

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

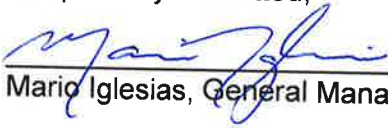
There were no public comments.

ADJOURN MEETING

President Malvarose adjourned the meeting at 10:12 a.m.

MEETING SUMMARY	HOURS & MINUTES
Regular Meeting	1 hour 12 minutes
Closed Session	0 hour 00 minutes
TOTAL HOURS	1 hour 12 minutes

Respectfully submitted,



Mario Iglesias, General Manager and Secretary to the Board

7-12-23

Date