

TO: BOARD OF DIRECTORS
FROM: RAY DIENZO, P.E. R.D.
GENERAL MANAGER
DATE: DECEMBER 4, 2024



**REVIEW AND FILE NOTICE OF VACANCY ON
THE NIPOMO COMMUNITY SERVICES DISTRICT'S
GOVERNING BOARD OF DIRECTORS**

ITEM

Review and discuss the appropriate response to the vacancy on the Nipomo Community Services District's ("District") Governing Board. [RECOMMEND RECEIVE, DISCUSS, AND PROVIDE DIRECTION TO STAFF REGARDING FILLING THE VACANCY]

BACKGROUND

With the vacancy on the District's Governing Board, the District's legal counsel has provided discussion points in a memorandum [Attachment A] for the Board of Directors to consider when addressing the matter of filling the post.

FINANCIAL IMPACT

No financial impact.

STRATEGIC PLAN

Goal 6. GOVERNANCE AND ADMINISTRATION. Conduct District activities in an efficient, equitable and cost-effective manner.

RECOMMENDATION

It is recommended that the Board of Directors review and discuss how best to address the current vacancy on its Board and direct staff.

ATTACHMENTS

- A. RWG Memorandum – Notice of Vacancy on the Governing Board and Options for Filling the Vacancy
- B. Letter of Resignation from Director Gaddis

DECEMBER 11, 2024

ITEM E-1

ATTACHMENT A



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MEMORANDUM

TO: Honorable President Eby and Members of the Board

CC: Raymond Dienzo, General Manager

FROM: Craig A. Steele, General Counsel

DATE: December 11, 2024

SUBJECT: Notice of Vacancy on the Governing Board and Options for Filling the Vacancy

Director Dan Allen Gaddis has submitted a letter of resignation from the Board of Directors. As the Board is aware, he has moved out of the District. Under Government Code Section 1770(a), this memorandum constitutes notice to the Board that Director Gaddis' office is vacant. Government Code Section 1780 provides the procedures the Board must follow to fill the vacancy. Those steps are summarized in this memorandum, and all of the deadlines stated below are based on the December 11, 2024 date this notice of vacancy was provided to the Board, as required by Government Code Section 1780(d)(1).

The District must notify the County Elections Official of the vacancy no later than 15 days after the Board was notified of the vacancy. The deadline for this notification to the County will be **December 26, 2024**. We have provided a notice for the General Manager to send to the County Elections Official prior to the holiday.

The remaining members of the Board can fill the vacancy within 60 days after the Board was notified of the vacancy, either by making an appointment to fill the office or by calling an election. The deadline for making this decision is February 9, 2025. Because February 9, 2025 is a Sunday, the deadline will be extended to **Monday, February 10, 2024**. There are two scheduled regular Board meeting dates before that deadline.

If the Board chooses to appoint a person to Director Gaddis' office, the District must first post a notice of vacancy in at least three conspicuous places in the District at least 15 days before the Board makes the appointment. Director Gaddis' term would have expired immediately after the November 2026 District election, so any person appointed would hold office only for the approximately two years remaining in the term. The Board may choose any

qualified member of the community - a registered voter who is a resident of the District - to serve.

If the Board does not make an appointment, the vacancy must be filled by a special election on a regularly scheduled election date in 2025 that is at least 130 days from the call of the election. At this point, under Elections Code Section 1000, the deadline for calling a special election in March of 2025 has passed, and the only available date for a special election would be November 4, 2025.

If the Board does not fill the vacancy by appointment or call an election within 60 days, the San Luis Obispo County Board of Supervisors may call an election or appoint a person to fill the vacancy within 90 days of the date the District Board is notified of the vacancy. If the Board of Supervisors does not act by the 90th day, then the District Board must call an election to fill the vacancy.

No formal action will be proposed at the December 11, 2024 meeting, because the District must take the preliminary steps noted above. The Board will have two regular meetings scheduled before the February 10, 2025 deadline to act and could schedule other meetings if necessary. However, the Board should give direction to staff now as to the process the Board intends to follow.

RECOMMENDATION:

Staff recommends that the Board discuss the options and, if there is a consensus to pursue an appointment, direct staff to start that process. The election process is well-established; but if the Board intends to make an appointment, we suggest that you provide staff with direction as to what process the Board would use to choose a candidate. Some boards take applications from interested persons and conduct interviews. Other boards simply discuss known candidates and make an appointment. There is no appointment process the Board is required to follow, other than discuss and make any appointment in an open meeting and follow the notice requirements specified above. Most recently, the Board has accepted written applications and chosen from among the applicants.

DECEMBER 11, 2024

ITEM E-1

ATTACHMENT B

Wednesday, November 13, 2024

Ray Dienzo
General Manager
Nipomo Community Services District

Re: Retirement.

As you know, Betty & I have sold our home in Nipomo and are moving to Oregon to be near our grand children.

Our last day living in Nipomo and the day of my retirement from N.C.S.D. will be effective Sunday, November 17, 2014.,

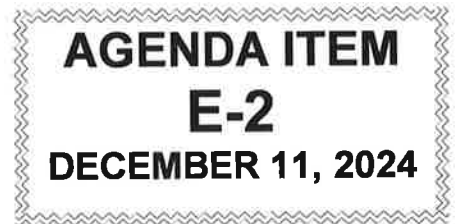
Wishing good days ahead for N.C.S.D.

Cordially,

A handwritten signature in cursive script, appearing to read "Dan Allen Gaddis".

Dan Allen Gaddis
Director

TO: BOARD OF DIRECTORS
FROM: RAY DIENZO R.D.
GENERAL MANAGER
DATE: DECEMBER 4, 2024



ELECTION OF BOARD PRESIDENT AND VICE PRESIDENT FOR 2025

ITEM

Election of Board President and Vice President for 2025 [RECOMMEND DIRECTORS ELECT BOARD OFFICERS FOR 2025 CALENDAR YEAR]

BACKGROUND

Section 1.4 of the Board By-Laws requires the Board of Directors elect a President and a Vice President for the upcoming year at the last regular meeting of the calendar year. The term of office for the President and Vice President shall commence on January 1 and end on December 31, annually.

FISCAL IMPACT

None

STRATEGIC PLAN

Goal 6. GOVERNANCE AND ADMINISTRATION. Conduct District activities in an efficient, equitable and cost-effective manner.

RECOMMENDATION

At your Board's direction, the General Manager will administer the election of officers of the Board of Directors as follows:

- Nominations taken for the President of the Board
- Public Comment is taken
- Voice vote taken for the President, if by acclamation
- If there are two or more candidates, Staff will distribute ballots
- Staff will announce the results of the ballots – both the voting Director and vote cast.
- Nominations taken for the Vice President of the Board
- Public Comment is taken
- Voice vote taken for the Vice President, if by acclamation
- If there are two or more candidates, Staff will distribute ballots
- Staff will announce the results of the ballots – both the voting Director and vote cast.

TO: BOARD OF DIRECTORS
 FROM: RAY DIENZO, P.E. *R.D.*
 GENERAL MANAGER
 DATE: DECEMBER 4, 2024

**AGENDA ITEM
 F
 DECEMBER 11, 2024**

GENERAL MANAGER'S REPORT

ITEM

Standing report to your Honorable Board -- *Period covered by this report is 11/10/2024 – 12/7/2024.*

DISTRICT BUSINESS

Administrative

The District encourages residents to provide reports of any observed water waste. The District also keeps an accounting of leak adjustments as a measure of non-revenue water lost to leaks and tracks late fee waivers. The table below provides November 2024 data, which is the most recent monthly data available.

| OFFICE ACTIVITIES | Nov 24 | Jan 24- Nov 24 |
|-----------------------------------|---------------|-----------------------|
| Leak Adjustments | 3 | 20 |
| Leak Adjustment Amount | \$514.80 | \$4812.47 |
| Late Fee Waivers | 0 | 75 |
| Late Fee Waiver Adjustment Amount | \$0 | \$3476.20 |

Water Resources

For the five (5) months of the 2024-2025 Fiscal Year, the District's total combined production, including groundwater production wells and supplemental water imported through the Joshua Road Pump Station, registered **150.4 AF**.

The District imported more water through the Joshua Road Pump Station than it produced from groundwater sources. This trend will continue through the year as the District strives to maintain the 50% groundwater reduction goal while also reaching the District's contract import water take amount of 1,000 AFY minimum.

| | Nov 24 | Jul 24- Nov 24 |
|-----------------------------|--------------|----------------|
| Groundwater Production | 47.1 | 349.8 |
| Supplemental Water Imported | <u>103.2</u> | <u>569.5</u> |
| Total Production | 150.4 | 919.3 |

NCSD GW Reduction

The District's purveyor customers, Golden State Water Company and Woodlands Mutual Water Company, each are responsible for 16.66% (cumulatively 33.33%) of the imported water NCSD brings onto the basin through the NSW. Of the 1,000 AF minimum imported water from the City of Santa Maria, 333 AF or 33.33% of the total imported water – whichever is greater – will be credited to these two purveyor customers. The credited amount must be added to the District's groundwater pumping total every month to reflect the groundwater pumped by these customers in-lieu of taking imported water from the District. Table 2, below, captures this data.

(No changes from 10/9/2024 Meeting)

Table 2. NCSD GW Production (NCSD GW Well Production plus Purveyor Credit)

| | Nov-24 | Jul 24 – Nov 24 |
|--|--------|-----------------|
| NCSD GW Well Production | 47.1 | 349.8 |
| Purveyor Customer Credit (33.3% of Import Water) | 34.4 | 189.8 |
| NCSD Total Calculated GW Production | 81.5 | 539.6 |
| Average GW Production for 2009-2013 | 179.1 | 1243.3 |
| NCSD Percentage of GW Reduction | 54% | 57% |

2024-2025 Fiscal Year Groundwater Pumping Forecast

Below, Table 3 projects the District's groundwater pumping reduction for the 2023-24 Fiscal Year. Though we are currently in Stage 2 conditions, we were under Stage 4 NMMA Water Shortage Response Stages conditions through eleven months; the District's targeted groundwater pumping reduction goal is to pump no more than 1,266 AFY (50% of the 2009-2013 average District GW Pumping). The Fiscal Year 2024-25 actual – July through Nov – shows a groundwater pumping reduction of 57%.

Table 3. Projected Groundwater Pumping

| | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Year-to-Date | Target | Over/(Under) |
|--|--------|--------|--------|--------|--------|--------------|---------|--------------|
| NCSD GW Well Production | 89.6 | 80.2 | 73.0 | 59.8 | 47.1 | 349.8 | | |
| Purveyor Customer Credit (33.3% of Import Water) | 38.8 | 38.9 | 37.5 | 40.1 | 34.4 | 189.8 | | |
| NCSD Total Calculated GW Production | 128.4 | 119.1 | 110.5 | 100.0 | 81.5 | 539.5 | 621.6 | 82 AcFt |
| 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 | 56% | 58% | 58% | 55.3% | 54% | 56.6% | 50.0% | |

As demonstrated in Table 3, the District achieved its 50% groundwater pumping reduction target by 82 AcFt under the conditions stated in the previous paragraph.

Other Items

- Dana Reserve Annexation Progress
 - o LAFCO Hearing – 11/14/2024 – The Commission approved the annexation.
- Sewer Rate Study – in progress – target effective date July 2025

Blacklake Lighting District Update

- Staff is aware that some of the streetlights are out. PG&E acknowledges that line repair is needed for #252 and has scheduled the repair within 60 days.

Progress on Director Requests

- Ad-Hoc Committee for Supplemental Water – this committee will most likely be formed when the new Board of Directors are seated in the Dec 11 meeting.
- The January report will include an update on the Meter Aging program, and the District financial snapshot

Monthly Investment Policy Report

Pursuant to Section 8.A of the District’s Investment Policy, we will be posting a summary of our current investments every month. The following are the state of our investments as of October 31, 2024. This table will be updated in January 2025.

| Pursuant to Section 8.A. of the Investment Policy Nipomo Community Services District Investments October 31, 2024 | | | | | | |
|--|-----------|-----------|------------|-------------|----|----------------------|
| | CUSIP | Purchased | Maturity | to Maturity | | |
| Treasury Bills-6 Month Treasuries | 912797LF2 | 6/28/2024 | 12/5/2024 | 5.136% | \$ | 3,886,000 |
| CD's - Simmons Bank Pine- 12 month | 82869AGJ8 | 6/17/2024 | 6/17/2025 | 5.30% | \$ | 237,000 |
| CD's - Bar Harbor Bank & Trust- 12 month | 066851YJ9 | 6/17/2024 | 6/17/2025 | 5.30% | \$ | 237,000 |
| CD's - Charles Schwab-12 month | 15987UCV6 | 6/20/2024 | 6/17/2025 | 5.35% | \$ | 237,000 |
| CD's - CFSBank Charleroi PA-12 month | 12526AAP2 | 6/20/2024 | 6/20/2025 | 5.30% | \$ | 237,000 |
| CD's - Western Alliance Bank-12 month | 95763PTU5 | 6/21/2024 | 6/20/2025 | 5.40% | \$ | 237,000 |
| CD's - Gateway Bank Mendota-12 month | 36758RFA1 | 6/21/2024 | 6/20/2025 | 5.30% | \$ | 237,000 |
| CD's - Byline Bank Chicago-12 month | 12441PBQ8 | 6/21/2024 | 6/20/2025 | 5.35% | \$ | 237,000 |
| CD's - Alpine Bank Glenwood-18 month | 02081QCN8 | 6/28/2023 | 12/30/2024 | 5.15% | \$ | 200,000 |
| CD's - Mercantile Bank Grand-18 month | 587379AM0 | 6/30/2023 | 12/30/2024 | 5.15% | \$ | 200,000 |
| Local Agency Investment Fund-LAIF | | | | 4.71% | \$ | 13,474,593 |
| Investment Total | | | | | | \$ 19,419,593 |

(1) Par Value is the Face Value of the investment when it matures

Summary of Electronic Transfers (greater than \$500,000)

| Transfer Date | Amount | Transfer From | Transfer To |
|---------------|--------|---------------|-------------|
| None | | | |

Upcoming Water Resource and Other Meetings

| | | | |
|------------|------------------------------------|----------|---------------------|
| 12/18/2024 | - Discuss CSA 1 with County of SLO | 11:00 AM | SLOCo Board Room |
| 1/8/2025 | - NCSD Board Meeting | 9:00 AM | District Board Room |
| 1/14/2025 | - NMMA - TG | 10:00 AM | Teams |

The District office will be closed to the public between Christmas Day and New Year’s Day

Safety Program

No Safety Issues

FUTURE BOARD AGENDA ITEMS

Per Section 3.1 of the Board By-laws, "The General Manager, in cooperation with the Board President, shall prepare the agenda for each regular and special meeting of the Board of Directors."

Anticipated Board items for January 8, 2025

- RECOGNITION OF 2024 BOARD OFFICERS, AND SEATING OF 2025 BOARD OFFICERS
- 2024 FALL GROUNDWATER INDEX REVIEW
- RATIFY 2025 COMMITTEE ASSIGNMENTS
- APPOINTMENT OF DIRECTOR TO FILL VACANCY ON THE BOARD FOR THE REMAINDER OF DIRECTOR GADDIS'S TERM
- ADOPT CYBER SECURITY POLICY

SAFETY PROGRAM

No reportable issues

RECOMMENDATION

Staff seeks direction for format changes or future information your Board would desire to be included in future general manager reports.