

# NIPOMO COMMUNITY SERVICES DISTRICT

*Serving the Community since 1965*

## REGULAR MINUTES

**MAY 24, 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 May 24, 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, Director Woodson, Eby, Gaddis and Malvarose were present. Director Hansen was absent.*

*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*

- *May 17, attended Finance and Audit Committee Meeting*

*Director Eby*

- *May 12, attended Blacklake Consolidation Pipeline Project Groundbreaking*
- *May 17, attended Finance and Audit Committee Meeting*
- *May 18, attended LAFCO meeting*

*Director Malvarose*

- *May 16, attended Board Officers' Meeting*

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

*There were no public comments.*

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

*Vote 4-0.*

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

**D. CONSENT AGENDA**

- D-1) WARRANTS [RECOMMEND APPROVAL]
- D-2) APPROVE MAY 10, 2023, REGULAR BOARD MEETING MINUTES [RECOMMEND APPROVE MINUTES]
- D-3) AUTHORIZE CONTRACT AMENDMENT FOR CONSTRUCTION MANAGEMENT SERVICES FOR THE BLACKLAKE SEWER SYSTEM CONSOLIDATION PROJECT FORCE MAIN IN THE AMOUNT OF \$16,415 WITH MKN & ASSOCIATES, INC. [RECOMMEND AUTHORIZE CONTRACT AMENDMENT].
- D-4) DECLARE 2013 FORD PICKUP TRUCK SURPLUS AND AUTHORIZE SALE [RECOMMEND DECLARE 2013 FORD PICKUP SURPLUS AND AUTHORIZE STAFF TO DISPOSE OF BY SALE].
- D-5) AUTHORIZE CONTRACT AMENDMENT FOR SURVEY SERVICES FOR THE BLACKLAKE SEWER SYSTEM CONSOLIDATION PROJECT FORCE MAIN [RECOMMEND AUTHORIZE CONTRACT AMENDMENT]

*Staff answered questions regarding items D-2 and D-5.*

*Jessy McGraw, Blacklake Resident, asked about item D-5 regarding the timing of the staking.*

*Upon the motion of Director Eby and seconded, the Board approved Consent Agenda.  
Vote 4-0.*

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

**E. ADMINISTRATIVE ITEMS**

- E-1) AUTHORIZE INVESTMENT PURCHASES PER THE INVESTMENT POLICY [RECOMMEND AUTHORIZE STAFF TO PURCHASE SECURITIES ACCORDING TO THE INVESTMENT POLICY AND GUIDELINES]

*Mario Iglesias, General Manager, introduced the item.*

*Jana Etteddgue, Finance Director, presented the item and answered questions from the Board.*

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Director Gaddis requested his statement be included in the minutes:

"NCSD Board.

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 alternatives for the entire Board to consider on when to move funds out of LAIF and into securities:

Implement right away, or implement after the new General Manager is hired and in place.

The Board of Directors 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.

The District has not invested in T-Bills or CD's in the past 50 years of operation.

The Recruitment for a new General Manager Plan is to appoint a new General Manager on Monday, August 21, 2023. This is less than 3 months away.

With the investment responsibilities of the General Manager, I believe it is disrespectful to implement this new investment strategy prior to the new General Manager soon to be in place.

He should also be part of this decision making process."

Director Eby stated that by waiting, the District is losing money and he would like to go with option number 1 and give the General Manager authorization to purchase securities.

Jess McGraw, Blacklake Resident, asked if the Blacklake funds were to be invested.

Staff answered no, Blacklake funds are not available for investment by the District.

There were no public comments.

Upon the motion of Director Eby and seconded, the Board did not approve the Resolution. Vote 2-2.

YES VOTES	NO VOTES	ABSENT
Directors Eby and Malvarose	Woodson and Gaddis	Hansen

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Director Eby motioned to take the item to the next Board meeting.

Upon the motion of Director Eby and seconded, the Board concluded that this item would be presented at the next Board meeting.  
Vote 4-0.

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

- E-2) (A) REVIEW DRAFT BUDGET FOR FISCAL YEAR 2023-2024 [RECOMMEND CONSIDER DRAFT BUDGET AND SCHEDULE FOR ADOPTION ON JUNE 14, 2023]

Mario Iglesias, General Manager, introduced the item.

Jana Ettetddgue, Finance Director, presented the item and answered questions from the Board.

There were no public comments.

The Board agreed to set the Public Hearing to consider adoption of the Fiscal Year 2023-2024 Budget on June 14, 2023 at 9:00 a.m.

- E-2) (B) REVIEW THE DRAFT BUDGET FOR FISCAL YEAR 2023-2024 FOR THE NIPOMO SUPPLEMENTAL WATER PROJECT (NSWP) [RECOMMEND CONSIDER DRAFT BUDGET AND SCHEDULE FOR ADOPTION ON JUNE 14, 2023]

Mario Iglesias, General Manager, introduced the item.

Jana Ettetddgue, Finance Director, presented the item and answered questions from the Board.

There were no public comments.

The Board agreed to set the Public Hearing to consider adoption of the Fiscal Year 2023-2024 Nipomo Supplemental Water Budget on June 14, 2023 at 9:00 a.m.

F. GENERAL MANAGER'S REPORT

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

There were no public comments.

G. COMMITTEE REPORTS

Finance and Audit Committee meeting held on May 17, 2023 was discussed in item E-1.

H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

None.

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I. CLOSED SESSION ANNOUNCEMENTS

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

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

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

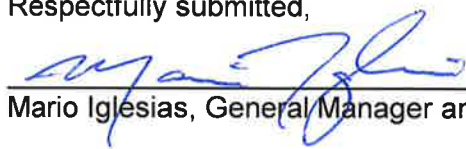
*There were no public comments.*

ADJOURN MEETING

*President Malvarose adjourned the meeting at 9:45 a.m.*

MEETING SUMMARY	HOURS & MINUTES
Regular Meeting	0 hour 45 minutes
Closed Session	0 hour 00 minutes
TOTAL HOURS	0 hour 45 minutes

Respectfully submitted,



Mario Iglesias, General Manager and Secretary to the Board

*6/14/2023*  
Date