



C-3) RECEIVE PUBLIC COMMENT ON PRESENTATIONS AND REPORTS PRESENTED UNDER ITEM C AND BY MOTION RECEIVE AND FILE PRESENTATIONS AND REPORTS

D. 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. Questions or clarification may be made by the Board members without removal from the Consent Agenda. 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.*

D-1) WARRANTS [RECOMMEND APPROVAL]

D-2) APPROVE JANUARY 8, 2014 REGULAR BOARD MEETING MINUTES [RECOMMEND APPROVAL]

D-3) APPROVE JANUARY 10, 2014 SPECIAL BOARD MEETING MINUTES [RECOMMEND APPROVAL]

D-4) APPROVE JANUARY 16, 2014 SPECIAL BOARD MEETING MINUTES [RECOMMEND APPROVAL]

D-5) APPROVE JANUARY 22, 2014 REGULAR BOARD MEETING MINUTES [RECOMMEND APPROVAL]

D-6) APPROVE FEBRUARY 3, 2014 SPECIAL BOARD MEETING MINUTES [RECOMMEND APPROVAL]

D-7) ADOPT RESOLUTION APPROVING 2014 BOARD BY-LAWS [RECOMMEND ADOPT RESOLUTION]

D-8) RECEIVE DECEMBER 2014 (MID FISCAL-YEAR) FINANCIAL SUMMARY [RECOMMEND RECEIVE REPORT]

E. ADMINISTRATIVE ITEMS

E-1) REVIEW WATER SHORTAGE RESPONSE AND MANAGEMENT PLAN [RECOMMEND APPROVE PLAN]

F. GENERAL MANAGER'S REPORT

G. COMMITTEE REPORTS

H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

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 PURSUANT TO GOVT. CODE §54956.9(d)(2)&(e)(1):  
Significant Exposure to Litigation - 1 case.
4. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION  
(Paragraph (1) of subdivision (d) of Section 54956.9)  
Name of case: NCSD v Troesh et. al. SLOCSC# CV130175

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

K. ADJOURN TO CLOSED SESSION

L. OPEN SESSION

ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

ADJOURN

- **Finance and Audit Committee will meet at 9AM, Wednesday February 19 to receive an update on the Water Rate Study**
- **Next Regular Board Meeting is 9AM, Wednesday February 26, 2014.**

TO: BOARD OF DIRECTORS  
FROM: MICHAEL S. LEBRUN *MSL*  
GENERAL MANAGER  
DATE: FEBRUARY 7, 2014



## PRESENTATIONS AND REPORTS

The following presentations and reports are scheduled:

- C-1) REPORT ON JANUARY 22, 2014 REGULAR MEETING CLOSED SESSION  
Announcement of actions, if any, taken in Closed Session
- C-2) 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-3) 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 *MSL*  
GENERAL MANAGER  
DATE: FEBRUARY 7 2014



**JANUARY 22, 2014 REGULAR MEETING  
CLOSED SESSION REPORT**

**ITEM**

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

**BACKGROUND**

The January 22, 2014 Regular Meeting Closed Session included:

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 PURSUANT TO GOVT. CODE §54956.9(d)(2)&(e)(1):  
Significant Exposure to Litigation - 1 case.

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

TO: BOARD OF DIRECTORS  
FROM: MICHAEL S. LEBRUN *MSL*  
GENERAL MANAGER  
DATE: FEBRUARY 7, 2014



## 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 JANUARY 8, 2014 REGULAR BOARD MEETING MINUTES  
[RECOMMEND APPROVAL]
- D-3) APPROVE JANUARY 10, 2014 SPECIAL BOARD MEETING MINUTES  
[RECOMMEND APPROVAL]
- D-4) APPROVE JANUARY 16, 2014 SPECIAL BOARD MEETING MINUTES  
[RECOMMEND APPROVAL]
- D-5) APPROVE JANUARY 22, 2014 REGULAR BOARD MEETING MINUTES  
[RECOMMEND APPROVAL]
- D-6) APPROVE FEBRUARY 3, 2014 SPECIAL BOARD MEETING MINUTES  
[RECOMMEND APPROVAL]
- D-7) ADOPT RESOLUTION APPROVING 2014 BOARD BY-LAWS [RECOMMEND  
ADOPT RESOLUTION]
- D-8) RECEIVE DECEMBER 2014 (MID FISCAL-YEAR) FINANCIAL SUMMARY  
[RECOMMEND RECEIVE REPORT]

TO: BOARD OF DIRECTORS  
 FROM: MICHAEL S. LEBRUN *MSL*  
 GENERAL MANAGER  
 DATE: FEBRUARY 7, 2014

**AGENDA ITEM  
 D-1  
 FEBRUARY 12, 2014**

**HAND WRITTEN CHECKS**

02-12-14 10227 SELENA MCCALIP  
 02-12-14 10228 JAMES SKINNER & ANDREA BEY

**TOTAL COMPUTER CHECKS**

\$425,686.68  
 \$75.00  
 \$75.00

WASHER REBATE  
 WASHER REBATE

VOIDS – NONE

**COMPUTER GENERATED CHECKS**

22693	01/31/14	EMP01	EMPLOYMENT DEVELOP DEPT	1241.10	.00	1241.10	B40127	STATE INCOME TAX
22694	01/31/14	MID01	RABOBANK-PAYROLL TAX DEPO	3950.30	.00	3950.30	B40127	FEDERAL INCOME TAX
				111.60	.00	111.60	1B40127	FICA
				1058.18	.00	1058.18	2B40127	MEDICARE (FICA)
			Check Total.....:	5120.08	.00	5120.08		
22695	01/31/14	MID02	RABOBANK-DIRECT DEPOSIT	27112.83	.00	27112.83	B40127	NET PAY
22696	01/31/14	PER01	PERS RETIREMENT	8700.65	.00	8700.65	B40127	PERS PAYROLL REMITTANCE
22697	01/31/14	STA01	CALPERS 457 DEFERRED COMP	2580.00	.00	2580.00	B40127	457 DEFERRED COMP
022698	02/12/14	ABA01	ABALONE COAST BACTERIOLOG	5904.00	.00	5904.00	JAN 2014	LAB TESTS
022699	02/12/14	ADA01	ADAMSKI MOROSKI MADDEN CU	2233.00	.00	2233.00	5001-001	LEGAL SERVICES THRU 12/31
022700	02/12/14	ADV01	ADVANTAGE ANSWERING PLUS	165.08	.00	165.08	FEB 2014	ANSWERING SERVICE
022701	02/12/14	AEC01	AECOM USA INC	51401.06	.00	51401.06	37409721	SWP ENGINEERING DURING CO
022702	02/12/14	ALX01	ALEXANDER'S CONTRACT SERV	2464.07	.00	2464.07	FEB 2014	METER READING
022703	02/12/14	AME03	AMERI PRIDE	159.72	.00	159.72	41283	UNIFORMS
				183.92	.00	183.92	45386	UNIFORMS
				147.54	.00	147.54	54606	UNIFORMS
				243.63	.00	243.63	050032	UNIFORMS
			Check Total.....:	734.81	.00	734.81		
022704	02/12/14	ATT01	AT&T/MCI	147.46	.00	147.46	5066951	TELEPHONE
				22.36	.00	22.36	5067195	TELEPHONE
				176.17	.00	176.17	5067265	TELEPHONE
			Check Total.....:	345.99	.00	345.99		
022705	02/12/14	AVC01	AVCO FIRE EXTINGUISHER C.	31.20	.00	31.20	7981	FIRE EXT SERVICE
022706	02/12/14	BEN02	BENTLEY SYSTEMS, INC.	1705.25	.00	1705.25	47569480	WATER/SEWER GEMS SUBSCRIP
022707	02/12/14	BES01	BEST BEST & KRIEGER	5370.56	.00	5370.56	718240	PERSONNEL MANUAL UPDATE
				1534.00	.00	1534.00	718241	SUPPLEMENTAL WATER PROJEC
				934.32	.00	934.32	718242	MCA VS NCSD
			Check Total.....:	7838.88	.00	7838.88		
022708	02/12/14	BRE02	BRENNTAG PACIFIC INC.	512.71	.00	512.71	BPI379366	SODIUM HYPOCHLORITE
				385.11	.00	385.11	BPI381492	SODIUM HYPOCHLORITE
				647.34	.00	647.34	BPI381493	SODIUM HYPOCHLORITE
				276.61	.00	276.61	BPI383170	SODIUM HYPOCHLORITE
				448.40	.00	448.40	BPI383171	SODIUM HYPOCHLORITE
				466.50	.00	466.50	BPI385673	SODIUM HYPOCHLORITE
				556.91	.00	556.91	BPI385674	SODIUM HYPOCHLORITE
			Check Total.....:	3293.58	.00	3293.58		
022709	02/12/14	BRE03	BREWER, REED	383.60	.00	383.60	BPI379367	SODIUM HYPOCHLORITE
022710	02/12/14	CHA02	CHARTER COMMUNICATIONS	204.99	.00	204.99	FEB 2014A	INTERNET-SOUTHLAND
				204.99	.00	204.99	FEB 2014B	INTERNET-OFFICE
			Check Total.....:	409.98	.00	409.98		
022711	02/12/14	CIT01	CITY NATIONAL BANK	10989.00	.00	10989.00	01-032	DEBT SERVICE-A/D 93-1
022712	02/12/14	COA02	COASTAL ROLLOFF	517.45	.00	517.45	4368184	DISPOSAL FEE
022713	02/12/14	COR01	CORBIN WILLITS SYSTEMS	750.83	.00	750.83	B401151	COMPUTER SUPPORT
022714	02/12/14	CRY01	CRYSTAL SPRINGS	23.83	.00	23.83	JAN 2014	DISTILLED WATER
022715	02/12/14	CWE01	CWEA	82.00	.00	82.00	BREWER	GRADE 2 RENEWAL

TO: BOARD OF DIRECTORS  
 FROM: MICHAEL S. LEBRUN  
 GENERAL MANAGER  
 DATE: FEBRUARY 7, 2014

**AGENDA ITEM**  
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**PAGE TWO**

022716	02/12/14	DEW01	J B DEWAR INC	2314.78	.00	2314.78	989239	DIESEL
022717	02/12/14	DLT01	DLT SOLUTIONS INC	354.85	.00	354.85	S1243532	AUDTOCAD SUBSCRIPTION REN
022718	02/12/14	FAR02	FAR WEST EXPRESS	24.00	.00	24.00	JAN 2014	DELIVERY
022719	02/12/14	FGL01	FGL ENVIRONMENTAL	396.26	.00	396.26	383478A	LAB TEST
				417.70	.00	417.70	480016A	LAB TEST
				63.53	.00	63.53	480107A	LAB TEST
				21.45	.00	21.45	480192A	LAB TEST
			Check Total.....:	898.94	.00	898.94		
022720	02/12/14	GAD02	GADDIS, DAN	29.12	.00	29.12	B40128	REIMBURSEMENT-MILEAGE
022721	02/12/14	GIL01	GLM, INC.	340.00	.00	340.00	JAN 2014	LANDSCAPE MAINTENANCE
022722	02/12/14	GWA01	GWA INC	87.00	.00	87.00	FEB 2014A	ALARM-509 SOUTHLAND
				55.00	.00	55.00	FEB 2014B	ALARM-WILSON
				87.00	.00	87.00	FEB 2014C	ALARM-SHOP
			Check Total.....:	229.00	.00	229.00		
022723	02/12/14	HAY01	HAYES ADVANCED DESIGN	897.00	.00	897.00	B40206	ASPHALT REPAIR
022724	02/12/14	LAN02	LANDMARK LANDSCAPE CO INC	214.00	.00	214.00	60812	LANDSCAPE MAINTENANCE
022725	02/12/14	LEE02	LEE CENTRAL COAST NEWSPAP	664.72	.00	664.72	JAN 2014	WATER CONSERVATION ADS
022726	02/12/14	MIN02	MINER'S ACE HARDWARE	286.31	.00	286.31	JAN 2014	SUPPLIES
022727	02/12/14	MNS01	MNS ENGINEERS INC	52306.94	.00	52306.94	64005	SOUTHLAND WWTf UPGRADE
				37187.78	.00	37187.78	64006	SUPPLEMENTAL WATER PROJEC
			Check Total.....:	89494.72	.00	89494.72		
022728	02/12/14	NEW05	NEWTON GEO-HYDROLOGY CONS	9343.23	.00	9343.23	JAN 2014	LITIGATION SUPPORT
022729	02/12/14	NEX01	NEXTEL COMMUNICATIONS	460.18	.00	460.18	87314-146	CELLULAR SERVICE
022730	02/12/14	NEX03	NEXTRAQ	408.50	.00	408.50	1010174	GPS SERVICE
022731	02/12/14	NIP05	NIPOMO CHAMBER OF COMMERC	2090.00	.00	2090.00	DEC 2013	NIPOMO CHAMBER OF COMMECE
				2581.00	.00	2581.00	DEC 2013A	NIPOMO CHAMBER OF COMMERC
			Check Total.....:	4671.00	.00	4671.00		
022732	02/12/14	NUN01	NUNLEY, MICHAEL K. & ASSO	1742.50	.00	1742.50	128	BL MASTER PLAN
				5312.43	.00	5312.43	135	GIS SERVICES
			Check Total.....:	7054.93	.00	7054.93		
022733	02/12/14	NUT01	NU TECH PEST MGMT	265.00	.00	265.00	102748	RODENT CONTROL
				75.00	.00	75.00	102750	RODENT CONTROL
			Check Total.....:	340.00	.00	340.00		
022734	02/12/14	OFF01	OFFICE DEPOT	164.31	.00	164.31	428001	OFFICE SUPPLIES
				90.27	.00	90.27	3089001	OFFICE SUPPLIES
				241.82	.00	241.82	3096001	OFFICE SUPPLIES
			Check Total.....:	496.40	.00	496.40		
022735	02/12/14	PGE01	P G & E	34688.37	.00	34688.37	JAN 2014	ELECTRICITY
022736	02/12/14	PRA01	PRAXAIR	472.68	.00	472.68	48233852	SET UP OXY/ACET TANKS
022737	02/12/14	PRE01	PRECISION JANITORIAL	650.00	.00	650.00	244	JANITORIAL
022738	02/12/14	PRI02	PRICE, POSTEL & PARMA, LL	11420.71	.00	11420.71	114796	SWP RIGHT-OF-WAY
022739	02/12/14	RAB02	RABOBANK PETTY CASH	22.25	.00	22.25	JAN 2014A	POSTAGE
				29.99	.00	29.99	JAN 2014B	OFFICE SUPPLIES
				73.20	.00	73.20	JAN 2014C	SUPPLIES
			Check Total.....:	125.44	.00	125.44		
022740	02/12/14	RAU01	RAUCH COMMUNICATION CONSU	4326.57	.00	4326.57	JAN-1405	PROGRESS PMT-STRATEGIC PL
022741	02/12/14	RBA01	R BAKER, INC	3272.79	.00	3272.79	11147406	SEWER LIFT STATION REPAIR
022742	02/12/14	RIC01	RICHARDS, WATSON, GERSHON	652.50	.00	652.50	194115	GROUNDWATER LITIGATION
022743	02/12/14	SAN01	SANTA MARIA TIRE INC	675.16	.00	675.16	188366	BACKHOE TIES
022744	02/12/14	SAN02	SANSONE COMPANY, INC	7986.84	.00	7986.84	2	PROGRESS PMT #2-BL WELL #
022745	02/12/14	SLO09	SAN LUIS OBISPO COUNTY IW	10.00	.00	10.00	2829	BATTERY BUCKET RECYCLE



TO: BOARD OF DIRECTORS  
 FROM: MICHAEL S. LEBRUN  
 GENERAL MANAGER  
 DATE: FEBRUARY 7, 2014

**AGENDA ITEM**  
**D-1**  
**FEBRUARY 12, 2014**  
**PAGE THREE**

022746	02/12/14	SOU01	SOUTH COUNTY SANITARY	38.98	.00	38.98	4366335	WASTE COLLECTION OFFICE
				188.70	.00	188.70	4367567	WASTE COLLECTION-OLD TOWN
			Check Total.....:	227.68	.00	227.68		
022747	02/12/14	SPE04	SPECIALTY CONSTRUCTION	24337.88	.00	24337.88	3	PROGRESS PAYMENT #3
022748	02/12/14	SPE05	SPECIALTY CONSTRUCTION/ES	1280.96	.00	1280.96	3	PROGRESS PAYMENT #3 RETEN
022749	02/12/14	STA11	STATE WATER BOARD ACTG	4367.00	.00	4367.00	0090560	SOUTHLAND WWTF ANNUAL PER
022750	02/12/14	TER01	TERMINIX	42.00	.00	42.00	B40128	PEST CONTROL-WILSON
022751	02/12/14	TES01	TESCO CONTROLS, INC.	49788.25	.00	49788.25	53521	SOUTHLAND WWTF UPGRADE
				11819.69	.00	11819.69	53535	SYSTEM FIELD WORK
			Check Total.....:	61607.94	.00	61607.94		
022752	02/12/14	THE01	THE GAS COMPANY	17.26	.00	17.26	B40128	HEAT-509B SOUTHLAND
				69.94	.00	69.94	B40131	HEAT-WILSON
			Check Total.....:	87.20	.00	87.20		
022753	02/12/14	UND01	UNDERGROUND SERVICE ALERT	126.00	.00	126.00	13120248	UNDERGROUND SERVICE ALERT
022754	02/12/14	USA01	USA BLUEBOOK	740.18	.00	740.18	247113	CABLE W/ PROBE & SUPPLIES
				128.89	.00	128.89	247390	EYE PROTECTION
				405.06	.00	405.06	251338	FIRE HYDRANT PAINT
			Check Total.....:	1274.13	.00	1274.13		
022755	02/12/14	USB01	US BANK (VISA)	129.27	.00	129.27	JAN 2014A	SUPPLIES
				176.95	.00	176.95	JAN 2014B	PUBLICATIONS
				280.00	.00	280.00	JAN 2014C	CHAMBER INSTALLATION DINN
				370.00	.00	370.00	JAN 2014D	GFOA CAFR REVIEW
			Check Total.....:	956.22	.00	956.22		
022756	02/12/14	VER01	VERIZON	48.73	.00	48.73	B40128	TELEPHONE
022757	02/12/14	WSC01	WSC	609.00	.00	609.00	845	CUWCC SUPPORT
				10752.00	.00	10752.00	846	WATER DEMAND ANALYSIS
			Check Total.....:	11361.00	.00	11361.00		
022758	02/12/14	YOU01	YOUR PEOPLE PROFESSIONALS	3005.00	.00	3005.00	FEB 2014	FEBRUARY DEP-EMPLOYMENT A
022759	02/12/14	\H009	ANDREW HEAD & KIM ASLANID	133.93	.00	133.93	000B40201	MQ CUSTOMER REFUND FOR HE

**FUNDS TO BE WIRED (IN LIEU OF CHECKS) FOR  
 SOUTHLAND WWTF IMPROVEMENTS PHASE 1 PROJECT**

Cushman Contracting	Period 1/1/14 to 1/31/14	\$196,436.19
First Republic Bank	Period 1/1/14 to 1/31/14 Retention	\$10,340.17
	<b>TOTAL</b>	<b>\$206,803.36</b>

**FUNDS TO BE WIRED (IN LIEU OF CHECKS) FOR  
 SUPPLEMENTAL WATER PROJECT PHASE 1 – BID PACKAGE #1**

ARB, Inc.	Period 12/1/13 to 12/31/13	\$243,523.05
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TO: BOARD OF DIRECTORS  
FROM: MICHAEL S. LEBRUN *MSL*  
GENERAL MANAGER  
DATE: FEBRUARY 7, 2014

**AGENDA ITEM**  
**D-2**  
**FEBRUARY 12, 2014**

## **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. January 8, 2014 draft Regular Board Meeting Minutes

FEBRUARY 12, 2014

ITEM D-2

ATTACHMENT A

# NIPOMO COMMUNITY SERVICES DISTRICT

*Serving the Community Since 1965*

## REGULAR MEETING MINUTES

**JANUARY 8, 2014 AT 9:00 A.M.**

BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

### BOARD of DIRECTORS

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

### PRINCIPAL STAFF

MICHAEL S. LEBRUN, GENERAL MANAGER  
LISA BOGNUDA, FINANCE DIRECTOR  
MICHAEL W. SEITZ, GENERAL COUNSEL  
PETER SEVCIK, DIRECTOR OF ENG. & OPS.  
NITA WINDSOR, 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.

**0:00:00** A. CALL TO ORDER AND FLAG SALUTE

*President Armstrong called the Regular Meeting of January 8, 2014 to order at 9:00 a.m. and Led the flag salute.*

**0:00:40** B. ROLL CALL AND PUBLIC COMMENT FOR ITEMS NOT ON AGENDA

*At Roll Call, all Board members were present.*

*Homer Fox, NCSD Customer, requested an updated Will-Serve letter from the Board, and also commented on the fact that the door was locked at the Southland office.*

*President Armstrong directed Staff to place Mr. Fox's request on the February 12, 2014 agenda.*

C. PRESENTATIONS AND REPORTS

*President Armstrong presented James Harrison, 2013 Board President, with a gavel as a thank you for his service as President from 2009-2013.*

C-1) REPORT ON DECEMBER 11, 2013 REGULAR MEETING CLOSED SESSION  
Announcement of actions, if any, taken in Closed Session

*Michael 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.*

*Michael Seitz, District Legal Counsel, announced that Item Two (Conference with Legal Counsel re: pending litigation pursuant to GC §54956.9 WHITLOW VS. NCSD) is now closed.*

*The Board discussed Item Three (Conference with Legal Counsel – existing litigation (Paragraph (1) of subdivision (d) of Section 54956.9 NCSD VS. TROESH, et al) in closed session, but took no reportable action.*

SUBJECT TO BOARD APPROVAL

Nipomo Community Services District  
REGULAR MEETING  
MINUTES

- C-2) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST AND REPORTS ON ATTENDANCE AT PUBLIC MEETINGS, TRAINING PROGRAMS, CONFERENCES, AND SEMINARS.

Director Vierheilig

- ◇ January 14, 2014, Blacklake Management Association meeting at 2:00 p.m.

Director Harrison

- ◇ December 12, 2013, Attended meeting regarding the Santa Maria Refinery proposed rail spur.
- ◇ December 15, 2013, Met with 4<sup>th</sup> District Supervisor Caren Ray
- ◇ December 17, 2013, Attended County Board of Supervisors Meeting
- ◇ Met with 4<sup>th</sup> District Supervisor candidate Lynn Compton

- C-3) 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
Directors Vierheilig, Gaddis, Blair, Harrison and Armstrong	None	None

0:15:19

D. CONSENT AGENDA

- D-1) WARRANTS
- D-2) APPROVE DECEMBER 11, 2013 REGULAR BOARD MEETING MINUTES

*Director Gaddis requested item D-2 be pulled for discussion and requested clarification on warrants.*

*There was no public comment.*

*Upon the motion of Director Blair and seconded by Director Vierheilig, the Board unanimously approved Item D-1.*

*Vote 5-0.*

YES VOTES	NO VOTES	ABSENT
Directors Blair, Vierheilig, Gaddis, Harrison and Armstrong	None	None

**CONSENT AGENDA (CONTINUED)**

Item D-2

Director Gaddis noted the omission of the board election which was held in December in the December 11, 2013 Board Minutes.

There was no public comment.

Upon the motion of Director Gaddis and seconded by Director Vierheilig, the Board voted to withhold the approval of the December 11, 2013 Board Meeting minutes pending correction of the omission as stated above until the next regular Board Meeting on January 22, 2014.

Vote 5-0.

YES VOTES	NO VOTES	ABSENT
Directors Gaddis, Vierheilig, Blair, Harrison, and Armstrong	None	None

**E. ADMINISTRATIVE ITEMS**

**E-1) CONSIDER RESOLUTION IMPLEMENTING FINGER PRINTING OF DISTRICT STAFF**

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

There was no public comment.

Upon the motion of Director Harrison and seconded by Director Gaddis the Board unanimously approved Resolution No. 2014-1327.

Vote 5-0.

YES VOTES	NO VOTES	ABSENT
Directors Harrison, Gaddis, Blair, Vierheilig and Armstrong	None	None

**RESOLUTION NO. 2014-1327**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
 OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
 TO IMPLEMENT LIVESCAN FINGERPRINTING**

**E-2) ANNUAL REVIEW OF DISTRICT INVESTMENT POLICY**

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

There was no public comment.

Nipomo Community Services District  
REGULAR MEETING  
MINUTES

ITEM E-2 (CONTINUED)

Upon the motion of Director Vierheilig and seconded by Director Gaddis, the Board unanimously approved Resolution 2014-1328.

Vote 5-0.

YES VOTES	NO VOTES	ABSENT
Directors Vierheilig, Gaddis, Blair, Harrison, and Armstrong	None	None

RESOLUTION NO. 2014-1328

A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
ADOPTING THE YEAR 2014 DISTRICT INVESTMENT POLICY

E-3) AFFIRM 2014 BOARD MEETING SCHEDULE

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

There was no public comment.

Upon the motion of Director Gaddis and seconded by Director Vierheilig, the Board unanimously approved the 2014 Board Meeting Schedule.

Vote 5-0.

YES VOTES	NO VOTES	ABSENT
Directors Gaddis, Vierheilig, Blair, Harrison, and Armstrong	None	None

E-4) RATIFY 2014 BOARD COMMITTEE ASSIGNMENTS

Director Harrison noted that SCAC does not allow for an Alternate.

There was no public comment.

Upon the motion of Director Vierheilig and seconded by Director Harrison, the Board unanimously agreed to ratify the 2014 Board Committee Assignments with the correction as stated above.

Vote 5-0.

YES VOTES	NO VOTES	ABSENT
Directors Vierheilig, Harrison, Blair, Gaddis and Armstrong	None	None

00:42:47 F. GENERAL MANAGER'S REPORT

Michael LeBrun, General Manager, announced a Special Board Meeting to be held January 10, 2014 at 9:00 a.m.

Mr. LeBrun reviewed the report as presented in the Board packet. Mr. LeBrun answered questions from the Board.

SUBJECT TO BOARD APPROVAL

Nipomo Community Services District  
REGULAR MEETING  
MINUTES

**GENERAL MANAGER’S REPORT (CONTINUED)**

*There was no public comment.*

G. COMMITTEE REPORTS

*There were no committee reports.*

H. DIRECTORS’ REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

*Director Gaddis suggested that the Board invite Supervisor Ray to attend a future Board Meeting.*

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

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

*There was no public comment.*

K. ADJOURN TO CLOSED SESSION

*President Armstrong adjourned to closed session at 10:00 a.m.*

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

*The Board came back into Open Session at 10:55 a.m.*

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

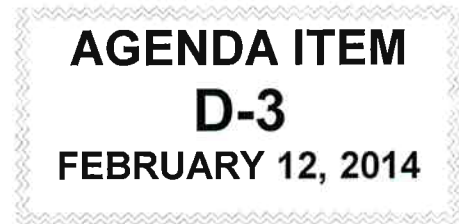
ADJOURN

*President Harrison adjourned the meeting at 10:56 a.m.*

MEETING SUMMARY	HOURS & MINUTES
Regular Meeting	1 hours 00 minutes
Closed Session	55 minutes
TOTAL HOURS	1 hours 55 minutes



TO: BOARD OF DIRECTORS  
FROM: MICHAEL S. LEBRUN *MSL*  
GENERAL MANAGER  
DATE: FEBRUARY 7, 2014



## **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. January 10, 2014 draft Special Board Meeting Minutes

FEBRUARY 12, 2014

ITEM D-3

ATTACHMENT A

# NIPOMO COMMUNITY SERVICES DISTRICT

*Serving the Community Since 1965*

## SPECIAL MEETING MINUTES

**JANUARY 10, 2014, AT 9:00 A.M.**

BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

### BOARD of DIRECTORS

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

### PRINCIPAL STAFF

MICHAEL S. LEBRUN, GENERAL MANAGER  
LISA BOGNUDA, FINANCE DIRECTOR  
MICHAEL W. SEITZ, GENERAL COUNSEL  
PETER SEVCIK, DIRECTOR OF ENG. & OPS.  
NITA WINDSOR, 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

#### 1. CALL TO ORDER AND FLAG SALUTE AND ROLL CALL

*President Armstrong called the Special Meeting of January 10, 2014, to order at 9:04 a.m. and led the flag salute.*

*At Roll Call, all Board members were present.*

#### 2. CLOSED SESSION ANNOUNCEMENT

- a. **CONFERENCE WITH LEGAL COUNSEL PURSUANT TO GOVT. CODE §54956.9(d)(2) &(e)(1):**  
Significant Exposure to Litigation - 1 case.

#### 3. PUBLIC COMMENT ON CLOSED SESSION ITEMS.

*There was no public comment.*

#### 4. ADJOURN TO CLOSED SESSION

*President Armstrong adjourned to closed session at 9:08 a.m.*

01:10:00

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

*The Board came back into Open Session at 10:10 a.m.*

*Michael Seitz, District Legal Counsel, announced that there was no reportable action on closed session items.*

#### 6. CONSIDER TERMINATION FOR CONVENIENCE OF THE CONSTRUCTION CONTRACT FOR SUPPLEMENTAL WATER PROJECT PHASE 1, BID PACKAGE 3 WITH SPECIALTY CONSTRUCTION INC. INCLUDING ALTERNATE BID ITEM GROUP A

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

SUBJECT TO BOARD APPROVAL

**Nipomo Community Services District  
SPECIAL MEETING  
MINUTES**

ITEM 6 (CONTINUED)

*The following members of the public spoke:*

*Rudy Bachmann, Specialty Construction, commented on and expressed concerns as to the Contract termination.*

*Michael LeBrun, General Manager, and Michael Seitz, District Legal Counsel, commented on Mr. Bachmann's concerns, and Mr. LeBrun agreed to meet with Mr. Bachmann on Monday, January 13 at 3:00 p.m. to discuss further.*

*Upon the motion of Director Harrison and seconded by Director Vierheilig, the Board unanimously approved Resolution No. 2014-1329, and directed Staff to meet with Specialty Construction.*

*Vote 5-0.*

YES VOTES	NO VOTES	ABSENT
Directors Harrison, Vierheilig, Blair, Gaddis and Armstrong	None	None

**RESOLUTION NO. 2014-1329**

**CONSIDER TERMINATION FOR CONVENIENCE  
OF THE CONSTRUCTION CONTRACT FOR SUPPLEMENTAL WATER PROJECT  
PHASE 1, BID PACKAGE 3 WITH SPECIALTY CONSTRUCTION INC.  
INCLUDING ALTERNATE BID ITEM GROUP A**

01:25:00

**ADJOURN**

*President Armstrong adjourned the meeting at 10:25 a.m*

MEETING SUMMARY	HOURS & MINUTES
Regular Meeting	0 hour 19 minutes
Closed Session	1 hour 02 minutes
<b>TOTAL HOURS</b>	<b>1 hour 21 minutes</b>

TO: BOARD OF DIRECTORS  
FROM: MICHAEL S. LEBRUN *MSL*  
GENERAL MANAGER  
DATE: FEBRUARY 7, 2014

**AGENDA ITEM**  
**D-4**  
**FEBRUARY 12, 2014**

**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. January 16, 2014 draft Special Board Meeting Minutes

FEBRUARY 12, 2014

ITEM D-4

ATTACHMENT A

# NIPOMO COMMUNITY SERVICES DISTRICT

*Serving the Community Since 1965*

## SPECIAL MEETING MINUTES

**JANUARY 16, 2014 AT 8:00 A.M.**

FIELD OFFICE CONFERENCE ROOM 509 SOUTHLAND STREET, NIPOMO, CA

### BOARD of DIRECTORS

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

### PRINCIPAL STAFF

MICHAEL S. LEBRUN, **GENERAL MANAGER**  
LISA BOGNUDA, **FINANCE DIRECTOR**  
MICHAEL W. SEITZ, **GENERAL COUNSEL**  
PETER SEVCIK, **DIRECTOR OF ENG. & OPS.**  
NITA WINDSOR, **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.
--

#### 1. CALL TO ORDER, FLAG SALUTE

*President Armstrong called the Special Meeting of January 16, 2014, to order at 8:00 a.m. and led the flag salute.*

#### ROLL CALL

*At Roll Call, all Board members were present.*

#### 2. CONDUCT STRATEGIC PLAN WORKSHOP

Martin Rauch of Rauch Communications conducted a Strategic Plan Workshop with the Board of Directors, General Manager, Finance Director and Director of Engineering and Operations.

The next Strategic Plan Workshop will be held on February 3, 2014 at 8:30 a.m. at the Field Office Conference Room.

Note: A morning break, lunch and afternoon break were taken.

#### 3. PUBLIC COMMENT ON WORKSHOP

There was no public comment.

#### ADJOURN

*President Armstrong adjourned the meeting at 3:10 p.m.*

MEETING SUMMARY	HOURS
Special Meeting	6.00
Closed Session	.00
TOTAL HOURS	6.00

TO: BOARD OF DIRECTORS  
FROM: MICHAEL S. LEBRUN *MSL*  
GENERAL MANAGER  
DATE: FEBRUARY 7, 2014

**AGENDA ITEM  
D-5  
FEBRUARY 12, 2014**

**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. January 22, 2014 draft Regular Board Meeting Minutes



FEBRUARY 12, 2014

ITEM D-5

ATTACHMENT A

# NIPOMO COMMUNITY SERVICES DISTRICT

*Serving the Community Since 1965*

## REGULAR MINUTES

**JANUARY 22, 2014 AT 9:00 A.M.**

BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

### BOARD of DIRECTORS

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

### PRINCIPAL STAFF

MICHAEL S. LEBRUN, GENERAL MANAGER  
LISA BOGNUDA, FINANCE DIRECTOR  
MICHAEL W. SEITZ, GENERAL COUNSEL  
PETER SEVCIK, DIRECTOR OF ENG. & OPS.  
NITA WINDSOR, 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

#### A. CALL TO ORDER AND FLAG SALUTE

*President Armstrong called the Regular Meeting of January 22, 2014 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, Directors Gaddis, Vierheilig, Harrison and Armstrong were present. Director Blair was absent.*

*Kevin Beauchamp, NCSD Customer, commented on the current drought affecting the housing market, the Supplemental Water Project, the potential for future desalination projects and the Santa Maria Refinery Rail Spur.*

*Ed Eby, NCSD Customer, suggested that the Board of Directors meet with 4<sup>th</sup> District Supervisor Ray on a regular basis to better serve both NCSD customers and Nipomo residents.*

0:06:37

#### C. PRESENTATIONS AND REPORTS

##### C-1) SAN LUIS OBISPO COUNTY SHERIFF COMMANDER JAY DONOVAN Update Report re: South County Law Enforcement and Department News

*San Luis Obispo County Sheriff Senior Deputy Bill Miller attended in place of Sheriff Commander Jay Donovan. Deputy Miller gave an update on criminal activity in the area, and answered questions from the Board. The Board thanked Deputy Miller for his update.*

##### C-2) CAL FIRE BATTALION CHIEF PAUL VAN GERWEN Update Report re: South County Cal Fire Activity and Department News

*Chief Van Gerwen was not in attendance.*

SUBJECT TO BOARD APPROVAL

**PRESENTATIONS AND REPORTS (CONTINUED)****C-3) DIRECTOR OF ENGINEERING AND OPERATIONS**  
RE: Summary of Activities

*Peter Sevcik, Director of Engineering and Operations, provided the Engineering and Operations update for 2013. Mr. Sevcik also provided Monthly Progress Reports on both the Southland WWTF Improvements Phase 1 Project and the Supplemental Water Project Bid Package 1. Mr. Sevcik answered questions from the Board. The Board thanked Mr. Sevcik for his reports.*

**C-4) REPORT ON JANUARY 8, 2014 REGULAR MEETING CLOSED SESSION**  
Announcement of actions, if any, taken in Closed Session

*Michael 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.*

*Mr. Seitz announced that the Board discussed Item Two (Conference with legal counsel pursuant to Govt. Code §54956.9(a): existing litigation – 1 case: Mesa Community Alliance Vs. District, Case No. CV 130222 in closed session but took no reportable action. Mr. Seitz also announced that the Court ruled in favor of the District on January 21, 2014.*

**C-5) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST AND REPORTS ON ATTENDANCE AT PUBLIC MEETINGS, TRAINING PROGRAMS, CONFERENCES, AND SEMINARS.**Director Vierheilig

- ◇ *Attended the BLMA Meeting on January 14*
- ◇ *Spoke with Santa Maria Mayor Alice Patino and Pismo Beach Mayor Shelly Higginbotham regarding regional water issues*
- ◇ *Will see both Mayors again in April*

Director Gaddis

- ◇ *Attended the NCSD Special Meeting on January 10*
- ◇ *Attended the NCSD Board Workshop on January 16*
- ◇ *Attended the Nipomo Chamber of Commerce Installation Dinner on January 16*
- ◇ *Attended Court Hearing – MCA vs. NCSD in San Luis Obispo on January 21*

Director Harrison

- ◇ *Attended NMMA Meeting on January 14*
- ◇ *Attended the NCSD Board Workshop on January 16*
- ◇ *Attended the Nipomo Chamber of Commerce Installation Dinner on January 16*
- ◇ *Met with 4<sup>th</sup> District Supervisor Caren Ray on January 21*
- ◇ *Attended Court Hearing – MCA vs. NCSD in San Luis Obispo on January 21*
- ◇ *Attended Nipomo Old Town Meeting on January 15*

- C-6) RECEIVE PUBLIC COMMENT ON PRESENTATIONS AND REPORTS PRESENTED UNDER ITEM C AND BY MOTION RECEIVE AND FILE PRESENTATIONS AND REPORTS

*Ed Eby, NCSD Customer, inquired if the District can recoup legal fees from MCA.*

*Kevin Beauchamp, NCSD Customer, requested clarification on the termination of Construction contract for Supplemental Water Project Phase 1, Bid Package 3.*

*Upon the motion of Director Harrison and seconded by Director Gaddis, the Board unanimously approved to receive and file the presentations and reports as submitted. Vote 4-0.*

YES VOTES	NO VOTES	ABSENT
Directors Harrison, Gaddis, Vierheilig, and Armstrong	None	Blair

**0:43:10** D. CONSENT AGENDA

- D-1) WARRANTS
- D-2) APPROVE DECEMBER 11, 2013 REGULAR BOARD MEETING MINUTES
- D-3) RECEIVE QUARTERLY INVESTMENT REPORT
- D-4) SUPPLEMENTAL WATER PROJECT PHASE 1 BID PACKAGE 1 – SANTA MARIA RIVER CROSSING PROJECT ACCEPTANCE

*President Armstrong asked if any Directors desired to pull items from the Consent Agenda or had any questions. No items were pulled from the Consent Agenda. 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 Gaddis, the Board unanimously approved the Consent Agenda.. Vote 4-0.*

YES VOTES	NO VOTES	ABSENT
Directors Vierheilig, Gaddis, Harrison, and Armstrong	None	Blair

**0:47:56** E. ADMINISTRATIVE ITEMS

- E-1) REVIEW BOARD BY-LAWS AND POLICES AND PROPOSE EDITS FOR CONSIDERATION

*Michael LeBrun, General Manager, reviewed the report as presented in the Board packet, and answered questions from the Board. President Armstrong directed Staff to place approval of the By-Laws on the agenda for the next Regular Board Meeting*

*There was no public comment.*

E-2) REVIEW AND DISCUSS SLO COUNTY DRAFT CHANGES TO RESOURCE MANAGEMENT SYSTEM

*Michael LeBrun, General Manager, reviewed the report as presented in the Board Packet, and answered questions from the Board.*

*The following members of the public spoke:*

*Ed Eby, NCSD Customer, commented on the report and expressed concern as to the formatting and content of report, and suggested that the Board should review further.*

*Mr. LeBrun indicated that he would obtain a clearer copy of the report for further Committee review.*

*Director Vierheilig suggested that he and Ed Eby meet to review this report. Michael Seitz, District Legal Counsel, confirmed that this outside meeting would not conflict with Brown Act compliance, nor would it conflict with Standing Committees. Director Vierheilig will bring back review results for Standing Committee and Board consideration before the April deadline.*

*The Board took a break at 10:27 a.m. and reconvened at 10:39 a.m.*

1:26:58 F. GENERAL MANAGER'S REPORT

*Michael LeBrun, General Manager, reviewed the report as presented in the Board packet. Mr. LeBrun also commented on Governor Brown's January 17, 2014 Drought Declaration. Mr. LeBrun answered questions from the board.*

*There was no public comment.*

G. COMMITTEE REPORTS

*There were no committee reports.*

H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

*President Armstrong announced that he and Director Harrison will attend the NMMA meeting on February 4, 2014 in the NCSD Board room.*

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).

Nipomo Community Services District  
REGULAR MEETING  
MINUTES

**CLOSED SESSION ANNOUNCEMENTS (CONTINUED)**

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 PURSUANT TO GOVT. CODE §54956.9(d)(2)&(e)(1):  
Significant Exposure to Litigation - 1 case.

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

*There was no public comment.*

0:02:00 K. ADJOURN TO CLOSED SESSION

*President Armstrong adjourned to closed session at 11:00 a.m.*

0:03:13 L. OPEN SESSION  
ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

*The Board came back into Open Session at 12:13 p.m.*

*Michael 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 Armstrong adjourned the meeting at 12:15 p.m.*

MEETING SUMMARY	HOURS & MINUTES
Regular Meeting	2 hours 02 minutes
Closed Session	1 hour 13 minutes
TOTAL HOURS	3 hours 15 minutes

TO: BOARD OF DIRECTORS  
FROM: MICHAEL S. LEBRUN *MSL*  
GENERAL MANAGER  
DATE: FEBRUARY 7, 2014

**AGENDA ITEM  
D-6  
FEBRUARY 12, 2014**

**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 3, 2014 draft Special Board Meeting Minutes

FEBRUARY 12, 2014

ITEM D-6

ATTACHMENT A



# NIPOMO COMMUNITY SERVICES DISTRICT

*Serving the Community Since 1965*

## SPECIAL MEETING MINUTES

**FEBRUARY 3, 2014 AT 8:30 A.M.**

FIELD OFFICE CONFERENCE ROOM 509 SOUTHLAND STREET, NIPOMO, CA

### BOARD of DIRECTORS

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

### PRINCIPAL STAFF

MICHAEL S. LEBRUN, **GENERAL MANAGER**  
LISA BOGNUDA, **FINANCE DIRECTOR**  
MICHAEL W. SEITZ, **GENERAL COUNSEL**  
PETER SEVCIK, **DIRECTOR OF ENG. & OPS.**  
NITA WINDSOR, **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.
--

### 1. CALL TO ORDER, FLAG SALUTE

*President Armstrong called the Special Meeting of February 3, 2014, to order at 8:30 a.m. and led the flag salute.*

### ROLL CALL

*At Roll Call, all Board members were present.*

### 2. CONDUCT STRATEGIC PLAN WORKSHOP

Martin Rauch of Rauch Communications conducted a Strategic Plan Workshop with the Board of Directors, General Manager, Finance Director and Director of Engineering and Operations.

Note: A morning break and lunch were taken.

### 3. PUBLIC COMMENT ON WORKSHOP

There was no public comment.

### ADJOURN

*President Armstrong adjourned the meeting at 12:40 p.m.*

MEETING SUMMARY	HOURS
Special Meeting	3.5
Closed Session	.00
TOTAL HOURS	3.5

TO: BOARD OF DIRECTORS  
FROM: MICHAEL S. LEBRUN *MGL*  
GENERAL MANAGER  
DATE: FEBRUARY 7, 2014

**AGENDA ITEM  
D-7  
FEBRUARY 12, 2014**

## **APPROVE BOARD BY-LAWS AND POLICIES**

### **ITEM**

Approve Board By-Laws and Policies [RECOMMEND ADOPT RESOLUTION APPROVING BY-LAWS]

### **BACKGROUND**

Pursuant to Section 17 of the Board By-Laws, the Board By-Laws Policy shall be reviewed annually at the first regular meeting in February. The review shall be provided by District Counsel and ratified by Board action.

Your Board reviewed the By-Laws at the January 22, 2014 Regular Meeting and directed staff to make minor edits. Attached are the Board By-Laws and Policies with the directed edits in 'mark-up' view for your review and approval.

### **RECOMMENDATION**

Staff recommends that your Honorable Board review the by-laws propose any changes and by motion and roll call vote adopt the attached Resolution approving the revised By-Laws.

### **ATTACHMENT**

- A. Draft Resolution with Proposed 2014 By-Laws

FEBRUARY 12, 2014

ITEM D-7

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2014-XXXX  
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT  
ADOPTING AMENDED BOARD BY-LAWS AND POLICIES (2014)**

**WHEREAS**, the Board of Directors of Nipomo Community Services District (District) is committed to providing excellence in legislative leadership; and

**WHEREAS**, the District is a member of the Special District Risk Management Authority (**SDRMA**); and

**WHEREAS**, **SDRMA** has adopted a Credit Incentive Program whereby the District may receive a credit on insurance premiums for the annual review of Board Policies and Procedures (Board By-Laws and Policies); and

**WHEREAS**, Section 16 of the Board By-Laws and Policies provides for the annual review of the Board By-Laws and Policies by District Legal Counsel; and

**WHEREAS**, Government Code §§ 61045 and 61047 requires the Board of Directors to adopt:

- A Rules or By-laws governing its proceedings;
- B Administrative Policies;
- C Director Compensation Policies; and
- D Director Reimbursement Policies; and

**WHEREAS**, Government Code Section § 54954.3(b) provides in relevant part:

“The legislative body of a local agency may adopt reasonable regulations -----  
-- limiting the total amount of time allocated for public testimony on particular  
issues and for each individual speaker;” and

**WHEREAS**, on J, District Legal Counsel review the District’s previously adopted Board By-Laws and Policies and the District Board of Directors instructed Staff to return with a revised version for Board adoption; and

**WHEREAS**, on January 22, 2014, the District conducted a public hearing and considered public comment regarding the adoption of the revised Board By-Laws and Policies (2014 update).

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** by the Board of Directors of the Nipomo Community Services District, as follows:

1. The Nipomo Community Services District Board By-Laws and Policies (2014 update) attached hereto as Exhibit “A” are hereby approved and adopted.

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2014-XXXX  
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT  
ADOPTING AMENDED BOARD BY-LAWS AND POLICIES (2014)**

2. All prior District Board By-Laws and Policies, Resolutions and Policies of the District that are inconsistent with the Board By-Laws and Polices (2014 update) attached hereto as Exhibit "A" are hereby repealed.

Upon motion by Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, on the following roll call vote, to wit:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

the foregoing resolution is hereby passed and adopted this 12th day of February, 2014.

\_\_\_\_\_  
**CRAIG ARMSTRONG,**  
President of the Board of Directors

ATTEST:

APPROVED:

\_\_\_\_\_  
**MICHAEL S. LEBRUN**  
General Manager and Secretary to the Board

\_\_\_\_\_  
**MICHAEL W. SEITZ**  
District Legal Counsel

NIPOMO COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTOR  
2014 UPDATE  
BOARD BY-LAWS AND POLICIES  
EXHIBIT "A"

1. OFFICERS OF THE BOARD OF DIRECTORS

- 1.1 The officers of the Board of Directors are President and Vice President.
- 1.2 The President of the Board of Directors shall serve as chairperson at all Board meetings. He/She shall have the same rights as the other Directors of the Board in voting, introducing motions, resolutions and ordinances, and any discussion of questions that follow said actions.
- 1.3 In the absence of the President, the Vice President of the Board of Directors shall serve as chairperson over all meetings of the Board. If the President and Vice President of the Board are both absent, the remaining Directors present shall select one of themselves to act as chairperson of the meeting.
- 1.4 The President and Vice President of the Board shall be elected annually at the last meeting of each calendar year.
- 1.5 The term of office for the President and Vice President of the Board shall commence on January 1 of the year immediately following their election.
- 1.6 The President or, in his/her absence, the Vice President or their designee are authorized to attend meetings of the San Luis Obispo County Planning Commission and meetings of the San Luis Obispo County Board of Supervisors without compensation except reimbursement for use of his/her private vehicle to attend such meetings pursuant to 10.1(b) of these by-laws.

2. MEETINGS

- 2.1 Subject to holiday and scheduling conflicts, regular meetings of the Board of Directors shall commence at 9:00 a.m. on the second and fourth Wednesday of each calendar month in the Board Room at the District Office located at 148 South Wilson, Nipomo, CA. The Board of Directors reserves the right to cancel and/or designate other dates, places, and times for Director meetings due to scheduling conflicts and holidays.

2.2 Special Meetings.

Special meetings may be called by the President or three (3) Directors with a minimum of twenty-four (24) hours public notice. Special meeting agenda shall be prepared and distributed pursuant to the procedures of the Brown Act by the General Manager or the Assistant General Manager in consultation with the President or, in his or her absence, the Vice President or those Directors calling the meeting.

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- 2.3 Directors shall attend all regular and special meetings of the Board unless there is good cause for absence.
- 2.4 No action or discussion may be taken on an item not on the posted agenda; provided, however, matters deemed to be emergencies or of an urgent nature may be added to the agenda under the procedures of the Brown Act. Pursuant to the Brown Act:
- (a) Directors may briefly respond to statements or questions from the public;
  - (b) Directors may, on their own initiative or in response to public questions, ask questions for clarification, provide references to staff or other resources for factual information, or request staff to report back at a subsequent meeting;
  - (c) The Board may take action to direct the General Manager to place a matter on a future agenda;
  - (d) Directors may make brief announcements or make a brief report on his/her own activities under the Director Comment portion of the Agenda.
- 2.5 The President, or in his/her absence the Vice President, shall be the presiding officer at District Board meetings. He/She shall conduct all meetings in a manner consistent with the policies of the District. He/She shall determine the order in which agenda items shall be considered for discussion and/or actions taken by the Board. He/She shall vote on all questions, and on roll call votes his/her name shall be called last.
- 2.6 Three (3) Directors of the Board shall constitute a quorum for the transaction of District business. When a quorum is lacking for a regular, adjourned, or special meeting, the President, Vice President, or any Director shall adjourn such meeting; or, if no Director is present, the District Secretary shall adjourn the meeting.
- 2.7 Except as otherwise specifically provided by law, a majority vote of the total membership of the Board of Directors is required for the Board of Directors to take action.
- 2.8 A roll call vote shall be taken upon the passage of all ordinances and resolutions, and shall be entered in the minutes of the Board, showing those Directors voting aye, those voting no, those temporarily absent because of a conflict of interest, and absent. A roll call vote shall be taken and recorded on any motion not passed unanimously by the Board. Silence shall be recorded as an affirmative vote.

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- 2.10 Any person attending a meeting of the Board of Directors may record the proceedings with an audio or video tape recorder or a still or motion picture camera in the absence of a reasonable finding that the recording cannot continue without disruptive noise, illumination, or obstruction of view that constitutes or would constitute a disruption of the proceedings.
- 2.11 All recording devices, including but not limited to tape recorders, video tape recorders, still and/or motion picture cameras shall remain stationary and shall be located and operated in plain public view and from behind the public speaker's podium. The President retains the discretion to alter these guidelines, including the authority to require that all video tape recorders, still and/or motion picture cameras be located in the back of the room.

3. AGENDAS

- 3.1. The General Manager, in cooperation with the Board President, shall prepare the agenda for each regular and special meeting of the Board of Directors. Any Director may call the General Manager and request an item to be placed on the regular meeting agenda no later than 4:30 p.m. twelve calendar days prior to the meeting date. Such a request must be also submitted in writing either at the time of communication with the General Manager or delivered to the office within the next working day.
- 3.2 The following applies to reconsideration of prior Board actions.
- (a) After the passage of 9 months from the effective date of the motion, resolution, or ordinance, the matter may be placed on the agenda pursuant to Section 3.1, above, or other provisions of the Brown Act.
  - (b) Prior to the passage of 9 months, any member of the Board of Directors or the General Manager may request the Board of Directors, by motion, to agree to reconsider a prior Board action at a subsequent meeting of the Board.
  - (c) The President of the Board of Directors, upon a determination that there is a need to take immediate action, may place an item on the agenda for reconsideration.
- 3.3 Subject to the following rules, a block of 20 minutes is set aside for each agenda item for public comment, including general public comment:
- (a) Comments on agendized items should be held until the appropriate item is called.
  - (b) Unless otherwise directed by the President, public comment shall be presented from the podium.



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- (c) The person giving public comment shall state his/her name and whether or not he/she lives within the District boundary prior to giving his/her comment. Public comment shall be directed to the President of the Board.
  - (d) The President, after consideration of the length of the Agenda, the nature of the Agenda item, and the meeting limitations, may expand or further limit the 20-minute time allocation for public comment.
  - (e) Each public commenter shall be limited to 3 minutes unless shortened or extended by the President with consideration of the length of the Agenda, the nature of the Agenda item, and the meeting limitations.
- 3.4 Those items on the District Agenda which are considered to be of a routine and non-controversial nature are placed on the "Consent Agenda". These items shall be approved, adopted, and accepted, etc. by one motion of the Board of Directors; for example, approval of Minutes, approval of Warrants, various Resolutions accepting developer improvements, minor budgetary items, status reports, and routine District operations.
- (a) Directors may request that any item listed under "Consent Agenda" be removed from the "Consent Agenda", and the Board will then take action separately on that item. Members of the public will be given an opportunity to comment on the "Consent Agenda"; however, only a member of the Board of Directors can remove an item from the "Consent Agenda". Items which are removed ("pulled") by Directors of the Board for discussion will typically be heard after other "Consent Agenda" items are approved unless the President chooses an earlier or later time.
  - (b) A Director may ask questions on any item on the "Consent Agenda". When a Director has a minor question for clarification concerning a consent item which will not involve extended discussion, the item may be discussed for clarification and the questions will be addressed along with the rest of the "Consent Agenda". Directors are encouraged to seek clarifications prior to the meeting if possible.

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- (c) When a Director wishes to consider/"pull" an item simply to register a dissenting vote, an abstention or conflict of interest, the Director shall inform the presiding officer that he/she wishes to register a dissenting vote, an abstention or conflict of interest, on a particular item without discussion. The item will be handled along with the rest of the Consent Agenda, and the District Secretary shall register a "no" vote, an abstention or conflict of interest, in the minutes on the item identified by the Director.

4. PREPARATION OF MINUTES AND MAINTENANCE OF RECORDINGS

- 4.1 The minutes of the Board shall be kept by the District Secretary and shall be neatly produced and kept in a file for that purpose, with a record of each particular type of business transacted set off in paragraphs with proper subheads.
- 4.2 The minutes of the Board of Directors shall record the aye and no votes taken by the members of the Board of Directors for the passage or denial of all ordinances, resolutions, or motions.
- 4.3 The District Secretary shall be required to make a record only of such business as was actually considered by a vote of the Board and, except as provided in Sections 4.4 and 4.6 below, shall not be required to record any remarks of Directors or any other person.
- 4.4 The District Secretary shall attempt to record the names and general place of residence of persons addressing the Board during general public comment.
- 4.5 Any Director may request for inclusion into the minutes brief comments pertinent to an agenda item, only at the meeting in which the item is discussed. In addition, the minutes shall include the names of speakers who provided public comment on each agenda item and a summary of the Directors' reports. Materials submitted with such comments shall be appended to the minutes at the request of the General Manager, District Counsel, the Board President, or any Director.
- 4.6 Whenever the Board acts in a quasi-judicial proceeding such as in assessment matters, the District Secretary shall compile a summary of the testimony of the witnesses.

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- 4.7 Any recording of a District meeting made for whatever purpose at the direction of the District shall be subject to inspection pursuant to the California Public Records Act. Consistent with Government Code Section 54953.5(b), the District will maintain the recordings for a 30-day period after the recording. During the 30-day period, the District will provide, without charge, the necessary equipment for inspection of said recordings at the District Office during regular business hours. In addition to the 30-day requirement, the District will attempt to maintain the recordings, without legal obligation to do so, for a minimum of 5 years after the date of the recording. However, during this extended period, the District may not be able to provide the necessary equipment to facilitate inspections.

5. DIRECTORS

- 5.1 Directors shall prepare themselves to discuss agenda items at meetings of the Board of Directors. Directors are encouraged to seek clarification prior to the meeting, if possible.
- 5.2 Members of the Board of Directors shall exercise their independent judgment on behalf of the interest of the entire District, including the residents, property owners and the public as a whole.
- 5.3 Information may be requested from staff before meetings, within such limitations as required by the Brown Act. Information that is requested shall be distributed through the General Manager, and all Directors will receive a copy of all information being distributed.
- 5.4 Directors shall at all times conduct themselves with courtesy to each other, to staff and to members of the audience present at Board meetings.
- 5.5 Differing viewpoints are healthy in the decision-making process. Individuals have the right to disagree with ideas and opinions, but without being disagreeable. Once the Board of Directors takes action, dissenting Directors should not create barriers to the implementation of said action.
- 5.6 Pursuant to §54952.2 of the Brown Act:
- (a) Except during an open and public meeting, a majority of the Board of Directors shall not use a series of communications of any kind, directly or thru intermediaries, to discuss, deliberate, or take action on any item of business that is within the subject matter of the District.

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(b) Subsection (a) above shall not be construed as preventing District management staff from engaging in separate conversations or communications with members of the District Board of Directors in order to answer questions or provide information regarding a matter that is within the subject matter jurisdiction of the District, provided that District Staff does not communicate to members of the Board of Directors the comments or positions of any other member or members of the Board of Directors.

5.7 Directors shall not be prohibited by action of the Board of Directors from citing his or her District affiliation or title in any endorsement or publication, so long as no misrepresentation is made, or implied, about the District's position on an issue.

6. AUTHORITY OF DIRECTORS

6.1 The Board of Directors is the unit of authority within the District. Apart from his/her normal function as a part of this unit, a Director has no individual authority. As individuals, Directors may not commit the District to any policy, act, or expenditure.

6.2 Directors do not represent any fractional segment of the District but are, rather, a part of the body which represents and acts for the District as a whole.

6.3 The primary responsibility of the Board of Directors is the formulation and evaluation of policy. Routine matters concerning the operational aspects of the District are to be delegated to professional staff members of the District.

7. AUTHORITY OF THE GENERAL MANAGER

Pursuant to Government Code §61051, the General Manager shall be responsible for the following:

7.1. The implementation of the policies established by the Board of Directors for the operation of the District;

7.2. The appointment, supervision, discipline, and dismissal of the District's employees, consistent with the employee relations system established by the Board of Directors;

7.3. The supervision of the District's facilities and services;

7.4. The supervision of the District's finances.

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8. DIRECTOR GUIDELINES

- 8.1 Directors, by making a request to the General Manager or Assistant General Manager, shall have access to information relative to the operation of the District, including but not limited to statistical information, information serving as the basis for certain actions of Staff, justification for Staff recommendations, etc. If the General Manager or the Assistant General Manager cannot timely provide the requested information by reason of information deficiency, or major interruption in work schedules, work loads, and priorities, then the General Manager or Assistant General Manager shall inform the individual Director why the information is not or cannot be made available.
- 8.2 In handling complaints from residents or property owners within the District, or other members of the public, Directors are encouraged to listen carefully to the concerns, but the complaint should be referred to the General Manager for processing and the District's response, if any.
- 8.3 Directors, when seeking clarification of policy-related concerns, especially those involving personnel, legal action, land acquisition and development, finances, and programming, should refer said concerns directly to the General Manager.
- 8.4 When approached by District personnel concerning a specific District policy, Directors should direct inquiries to the General Manager or Assistant General Manager. The chain of command should be followed. If a Director concludes that a personnel issue is not being adequately addressed in this manner, he/she should refer it to the Board's personnel committee for further consideration, in accordance with District Personnel Policy.
- 8.5 Directors and General Manager should develop a working relationship so that current issues, concerns, and District projects can be discussed comfortably and openly.
- 8.6 When responding to constituent requests and concerns, Directors should respond to individuals in a positive manner and route their questions to the General Manager, or in his/her absence, to the Assistant General Manager.
- 8.7 Directors are responsible for monitoring the District's progress in attaining its goals and objectives, while pursuing its mission.

9. DIRECTOR COMPENSATION

- 9.1 Each Director is authorized to receive one hundred dollars (\$100.00) as compensation for each regular adjourned or special meeting of the Board of Directors attended by him/her.

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- 9.2 Each Director appointed to a committee is authorized to receive one hundred dollars (\$100) as compensation for each public meeting of a standing committee attended by him/her.
- 9.3 Each Director appointed to an ad hoc committee is authorized to receive seventy-five dollars (\$75.00) as compensation for each ad hoc committee meeting attended by him/her.
- 9.4 Each Director is authorized to receive one hundred dollars (\$100) per day as compensation for representation of the District at a public meeting or public hearing conducted by another public agency and/or participation in a training program on a topic that is directly related to the District, provided the Board of Directors has previously approved the member's participation and the member delivers a written report to the Board of Directors at the District's next regular meeting regarding the member's participation.
- 9.5 In no event shall Director compensation exceed \$100 per day.
- 9.6 Director compensation shall not exceed six full days in any one calendar month.

10. DIRECTOR REIMBURSEMENT

- 10.1 Subject to the following rules and budgetary limitations, each Director is entitled to reimbursement for their actual and necessary expenses (including the cost of programs and seminars), for his/her attendance at programs, conferences, and seminars that are related to District functions and/or Director development.

- (a) It is the policy of the District to exercise prudence with respect to hotel/motel accommodations. It is also the policy of the District for Directors and staff to stay at the main hotel/motel location of a conference, seminar, or class to gain maximum participation and advantage of interaction with others whenever possible.

If lodging is in connection with a conference or organized education activity, lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available to the member of the Board of Directors at the time of booking. If the group rate is not available, the Director shall use lodging that is comparable with the group rate. Personal phone calls, room service, and other discretionary expenditures are not reimbursable.

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- (b) Members of the Board of Directors shall use government and group rates offered by a provider of transportation for travel when available. Directors, using his/her private vehicle on District business, shall be compensated at the prevailing IRS per diem mileage rate.
  - (c) Any Director traveling on District business shall receive in addition to transportation and lodging expenses, a per diem allowance to cover ordinary expenses such as meals, refreshments, and tips. The amount set for per diem shall be considered fair reimbursement. The per diem shall include \$10.00 for breakfast, \$15.00 for lunch and \$30.00 for dinner, for a daily total of \$55.00.
  - (d) All travel and other expenses for District business, conferences, or seminars outside of the State of California shall require separate Board authorization, with specific accountability as to how the District shall benefit by such expenditure.
- 10.2 All expenses that do not fall within the reimbursement policy set forth in 10.1, above, shall be approved by the Board of Directors, at a public meeting, before the expense is incurred.
- 10.3 Board members shall submit an expense report on the District form within ten (10) calendar days after incurring the expense. The expense report shall be accompanied by receipts documenting each expense. Expense reports for mileage, as referenced in Section 10.1(b), shall be submitted no later than the end of each quarter (March, June, September, and December).
- 10.4 Members of the Board of Directors shall provide brief reports on the program, conferences, and seminars attended at the expense of the District at the next regular meeting of the Board of Directors.

11. TRAINING

11.1 Ethics Training

- (a) Pursuant to sections 53234 et seq. of the Government Code, all Directors and designated District personnel shall receive at least 2 hours of ethics training every two years.
- (b) Each newly elected Board Member and designated District personnel shall receive ethics training no later than one year from the first day of service with the District and thereafter shall receive ethics training at least once every two years.

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11.2 Sexual Harassment Prevention Training

Board members may receive, and the General Manager, and supervisors that are designated in the Districts conflict of interest code shall receive sexual harassment prevention training in accordance with the law

12. COMMITTEES

12.1 Ad Hoc Committees

The Board President shall appoint such ad hoc committees as may be deemed necessary or advisable by himself/herself and/or the Board. The duties of the ad hoc committees shall be outlined at the time of appointment, and the committee shall be considered dissolved when its final report has been made.

12.2 Standing Committees

- (a) The Board may create standing committees at its discretion. The Board President shall propose and the Board of Directors shall approve standing committee membership.
- (b) Standing committees shall be advisory committees to the Board of Directors and shall not commit the District to any policy, act or expenditure. Each standing committee may consider District-related issues, on a continuing basis, assigned to it by the Board of Directors. Members of the standing committees shall be appointed by the Board of Directors.
- (c) All standing committee meetings shall be conducted as public meetings in accordance with the Brown Act and Sections 2, 3 and 4 of these By-Laws. Summary notes for each meeting of each committee shall be forwarded to the NCSD Board of Directors as a public record.

13. CORRESPONDENCE DISTRIBUTION POLICY

Time permitting, the following letters and other documents shall be accumulated and delivered to the Board of Directors on Monday of each week and/or with agenda packet.

- 13.1 All letters approved by the Board of Directors and/or signed by the President on behalf of the District, and
- 13.2 All letters and other documents received by the District that are of District-wide concern, as determined by District staff.



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14. CONFLICTS AND RELATED POLICY

State laws are in place which attempt to eliminate any action by a Director or the District which may reflect a conflict of interest. The purpose of such laws and regulations is to insure that all actions are taken in the public interest. Laws which regulate conflicts are very complicated. The following provides a brief policy summary of various conflict related laws. Directors are encouraged to consult with District Legal Counsel and/or the FPPC at 1-800-ASK-FPPC (1-800-275-3772), prior to the day of the meeting, if they have questions about a particular agenda item.

14.1 Conflict of Interest

Each Director is encouraged to review the District Conflict Code on an annual basis. The general rule is that an official may not participate in the making of a governmental decision if it is: reasonably foreseeable that the decision will have a material financial effect on the official or a member of his or her immediate family or on an economic interest of the official, and the effect is distinguishable from the effect on the public generally. FPPC regulations related to interests in real property provide that, if the real property in which the Director has an interest is located within 500 feet of the boundaries of the property affected by a decision, that interest is now deemed to be directly involved in the decision.

14.2 Interest in Contracts, Government Code Section 1090

The prohibitions of Government Code Section 1090 provide that the Board of Directors may not contract with any business in which another Director has a financial interest.

14.3 Incompatible Office, Government Code Section 1099

The basic rule is that public policy requires that when the duties of two offices are repugnant or overlap so that their exercise may require contradictory or inconsistent action, to the detriment to the other public interest, their discharge by one person is incompatible with that interest. When a Director is sworn in for such a second office, he/she is simultaneously terminated from holding the first office.

15. EVALUATION OF CONSULTANTS

The District's legal counsel shall be evaluated by the Board of Directors annually during the months of May and June of each year.

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16. CONTINUING EDUCATION

Directors are encouraged to attend educational conferences and professional meetings when the purposes of such activities are to improve District operation. Subject to budgetary constraints, there is no limit to the number of Directors attending a particular conference or seminar when it is apparent that their attendance is beneficial to the District.

17. BOARD BY-LAWS REVIEW POLICY

Subject to 3.1 the Board By-Laws and Policies shall be reviewed annually at the first regular meeting in February. The review shall be provided by District Counsel and ratified by Board action.

18. RESTRICTIONS ON BY-LAWS

The rules contained herein shall govern the Board in all cases to which they are applicable, and in which they are not inconsistent with State or Federal laws.

TO: MICHAEL S. LEBRUN  
GENERAL MANAGER

*MSL*

FROM: LISA BOGNUDA  
FINANCE DIRECTOR

DATE: FEBRUARY 7, 2014



**ACCEPT QUARTERLY FINANCIAL REPORT**

**ITEM**

ACCEPT QUARTERLY FINANCIAL REPORT [RECOMMEND ACCEPT AND APPROVE]

**BACKGROUND**

The District's fiscal year is now 50% complete. The consolidated operating revenues are at 52.70% of the budget, operating expenditures are at 41.65% of the budget and general and administrative expenditures are at 40.23% of the budget.

Attached are the following which provide an overview of the first six months of the fiscal year:

- Page 1 Summary of Approved Budget Amendments
- Page 2 Summary of Revenues, Expenses and Cash Balances by Fund
- Page 3 Consolidated Balance Sheet
- Page 4-5 Consolidated Income Statement
- Page 6-7 Graphs for Consolidated Revenues and Expenses
- Page 8-10 Graphs for major funds (Water, Town Sewer, and Blacklake Sewer)

Detailed information by fund is available in the office.

**RECOMMENDATION**

It is recommended that your Honorable Board accept report and direct Staff to file the quarterly financial report for the second quarter of fiscal year 2013-2014.

NIPOMO COMMUNITY SERVICES DISTRICT  
SUMMARY OF APPROVED BUDGET AMENDMENTS  
FISCAL YEAR ENDING JUNE 30, 2014

SECOND QUARTER ENDING DECEMBER 31, 2013

DATE	DESCRIPTION	FUNDS	APPROVED BUDGET	APPROVED AMENDMENT	AMENDED BUDGET
	<b>None</b>				

FIRST QUARTER ENDING SEPTEMBER 30, 2013

DATE	DESCRIPTION	FUNDS	APPROVED BUDGET	APPROVED AMENDMENT	AMENDED BUDGET
	<b>None</b>				

NIPOMO COMMUNITY SERVICES DISTRICT  
SUMMARY OF REVENUES AND EXPENSES BY FUND  
SIX MONTHS ENDING DECEMBER 31, 2013

FUND	FUND #	YTD REVENUES	YTD EXPENSES	FUNDED REPLACEMENT	TRANSFERS B/W FUNDS	YTD SUPRLUS/ (DEFICIT)
Administration	110	213,187	(213,187)	0	0	0
Water	125	2,184,424	(1,417,008)	(138,000)	0	629,416
Water Rate Stabilization	128	506	0	0	0	506
Town Sewer	130	918,977	(519,118)	(197,500)	620,225	822,584
Town Sewer Rate Stabilization	135	380	0	0	0	380
Blacklake Sewer	150	248,933	(130,811)	(84,000)	0	34,122
Blacklake Sewer Rate Stabilization	155	63	0	0	0	63
Blacklake Street Lighting	200	14,632	(10,826)	0	0	3,806
Street Landscape Maintenance	250	5,472	(3,092)	0	0	2,380
Solid Waste	300	53,896	(21,795)	0	0	32,101
Drainage Maintenance	400	8,141	0	0	0	8,141
Supplemental Water Capacity Fees	500	836	0	0	0	836
Property Taxes	600	295,012	(132,758)	0	0	162,254
Water Capacity Fees	700	3,990	0	0	0	3,990
Town Sewer Capacity Fees	710	434	0	0	0	434
Funded Replacement-Water	805	6,453	0	138,000	0	144,453
Funded Replacement-Town Sewer	810	5,438	0	197,500	(432,398)	(229,460)
Funded Replacement-BL Sewer	830	446	0	84,000	0	84,446
Town Sewer Sinking Fund	880	2,602	0	0	(187,827)	(185,225)
TOTAL		3,963,822	(2,448,595)	0	0	1,515,227

CASH BALANCE OF EACH FUND  
AS OF DECEMBER 31, 2013

FUND	FUND #	CASH BALANCE 12/31/2013
Administration	110	72,152
Water	125	3,142,703
Water Rate Stabilization	128	400,929
Town Sewer	130	850,349
Town Sewer Rate Stabilization	135	300,952
Blacklake Sewer	150	236,533
Blacklake Sewer Rate Stabilization	155	50,116
Blacklake Street Lighting	200	31,388
Street Landscape Maintenance	250	19,916
Solid Waste	300	357,405
Drainage Maintenance	400	26,670
Supplemental Water (Incl COP)	500	641,452
Property Taxes	600	2,651,850
Water Capacity Fees	700	3,149,592
Town Sewer Capacity Fees	710	354,505
Funded Replacement-Water	805	5,164,659
Funded Replacement-Town Sewer	810	3,850,058
Funded Replacement-BL Sewer	830	380,814
Sinking Fund-Town Sewer	880	1,922,094
Funds held by Trustee		4,089,999
TOTAL		27,694,136

NIPOMO COMMUNITY SERVICES DISTRICT  
BALANCE SHEET - CONSOLIDATED  
AS OF DECEMBER 31, 2013

ASSETS  
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Cash and Cash Equivalents	27,694,136.61
Accounts Receivable - Utility Billing	263,616.88
Unbilled Accounts Receivable	887,000.00
Property, Plant & Equipment	72,230,624.93
Accumulated Depreciation	(16,714,676.72)
Prepaid Expenses	37,985.80
Accrued Interest Receivable	14,972.52
Notes Receivable - BL Sewer - Current	20,264.84
Notes Receivable - BL Water Merger - Current	21,813.57
Reservation Fee	37,500.00
Notes Receivable - BL Sewer - Long Term	108,564.53
Notes Receivable - BL Water Merger - Long Term	119,419.37
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Total Assets	84,721,222.33
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LIABILITIES  
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Accounts Payable	638,626.08
Other Payables	17.00
Construction Meter Deposits	3,500.00
Compensated Absences Payable	72,866.00
Accrued Interest Payable	206,089.48
Deposits	227,653.47
P/R Tax and Workers Comp Payable	(2,316.36)
Retention Payable	300,411.83
Deposit - NMWCA	284,700.00
Deposit - Tefft Street Project	203,657.55
Bond Premium - 2012 Revenue COP's	72,473.37
Bond Premium - 2013 Refunding	225,543.70
Notes Payable - Property Tax Fund - Current	20,264.84
Notes Payable - BL Water Merger - Current	21,813.57
SRF Loan #110 - Current Portion	34,868.35
SRF Loan #120 - Current Portion	42,180.25
2012 Revenue COP's - Current Portion	145,000.00
Notes Payable - Property Tax Fund - Long Term	108,564.53
Notes Payable - BL Water Merger - Long Term	119,419.37
SRF Loan #110 Payable - Long Term Portion	174,341.75
SRF Loan #120 Payable - Long Term Portion	253,081.50
2012 Revenue COP's - Long Term Portion	9,490,000.00
2013 Refunding - Long Term Portion	2,845,000.00
2013 COP's - Long Term Portion	9,660,000.00
	-----
Total Liabilities	25,147,756.28
	=====

FUND EQUITY  
-----

Contributed Capital - Assets	15,134,509.78
Contributed Capital - Capacity Fees (CY)	52,956.00
Contributed Capital - Supplemental Water Fees (CY)	124,604.26
Contributed Capital - Capacity Fees (PY)	17,728,551.37
Contributed Capital - Supplemental Water Fees (PY)	3,499,777.87
Contributed Capital - Right of Way	70,100.00
Contributed Capital - Assessment Districts	1,120,502.00
Contributed Capital - Grants	2,304,014.66
Retained Earnings - Reserved (Funded Replacement)	12,551,233.15
Retained Earnings - Unreserved	5,471,989.22
CURRENT EARNINGS	1,515,227.74
	-----
Total Fund Equity	59,573,466.05
	=====
Total Liabilities and Fund Equity	84,721,222.33
	=====

UNAUDITED

NIPOMO COMMUNITY SERVICES DISTRICT  
INCOME STATEMENT - CONSOLIDATED  
FOR THE PERIOD ENDING DECEMBER 31, 2013

	YTD ACTUAL	ANNUAL BUDGET	% OF BUDGET
	-----	-----	-----
<b>OPERATING REVENUES</b>			
-----			
Water - Fixed Charge	479,571.00	926,000.00	51.79 %
Water - Usage	1,641,611.86	2,866,500.00	57.27 %
Sewer Charges	1,148,978.57	2,284,800.00	50.29 %
Fees and Penalties	23,323.39	46,000.00	50.70 %
Meters	1,100.00	4,950.00	22.22 %
Plan Check & Inspection Fees	100.00	500.00	20.00 %
Franchise Fees	53,483.86	137,900.00	38.78 %
Miscellaneous Income	23,055.25	46,000.00	50.12 %
Street Lighting Charges	14,600.00	24,508.00	59.57 %
Landscape Maintenance Dist Charges	5,450.00	9,240.00	58.98 %
Operating Transfers In - Funded Administration	198,633.72	421,910.00	47.08 %
Operating Transfers In - Funded Replacement	419,499.96	839,000.00	50.00 %
	-----	-----	-----
Total Operating Revenues	4,009,407.61	7,607,308.00	52.70 %
	-----	-----	-----
<b>OPERATING EXPENSES - OPERATIONS &amp; MAINTENANCE</b>			
-----			
Wages and Benefits	388,811.26	1,248,100.00	31.15 %
Electricity	367,943.98	629,150.00	58.48 %
Chemicals	29,909.48	69,500.00	43.04 %
Lab Tests	32,683.88	120,500.00	27.12 %
Operating Supplies	12,577.62	49,600.00	25.36 %
Outside Services	51,352.36	124,500.00	41.25 %
Permits and Operating Fees	14,694.63	33,500.00	43.86 %
Repairs and Maintenance	87,585.01	216,000.00	40.55 %
Engineering	10,528.79	20,000.00	52.64 %
Fuel	12,498.57	35,000.00	35.71 %
Paging Service	3,614.38	9,550.00	37.85 %
Meter Replacement Program	29,099.55	50,000.00	58.20 %
Safety Program	860.00	12,200.00	7.05 %
Uniforms	4,117.75	10,600.00	38.85 %
Landscape Maintenance & Water	3,032.51	7,400.00	40.98 %
Conservation Program	20,243.33	50,000.00	40.49 %
Solid Waste Program	10,121.21	75,000.00	13.49 %
Operating Transfers Out - Funded Replacement	419,499.96	839,000.00	50.00 %
	-----	-----	-----
Subtotal - Operating Expenses Operations & Maint	1,499,174.27	3,599,600.00	41.65 %
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<b>OPERATING EXPENSES - GENERAL AND ADMINISTRATIVE</b>			
-----			
Wages and Benefits	262,624.11	641,430.00	40.94 %
Audit	7,800.00	7,800.00	100.00 %
Bank Charges and Fees	3,367.59	6,800.00	49.52 %
Computer Expense	35,876.15	98,000.00	36.61 %
Dues and Subscriptions	10,483.70	16,500.00	63.54 %
Education and Training	3,937.00	11,000.00	35.79 %
Insurance - Liability	33,523.10	80,000.00	41.90 %
LAFCO Funding	21,231.30	21,000.00	101.10 %
Landscape and Janitorial	9,546.00	14,500.00	65.83 %
Legal - General Counsel	43,663.26	97,000.00	45.01 %
Legal - Water Counsel	752.50	169,000.00	.45 %
Professional Services	88,552.24	210,000.00	42.17 %
Miscellaneous	3,024.54	11,500.00	26.30 %
Newsletters & Mailers	1,638.08	9,100.00	18.00 %

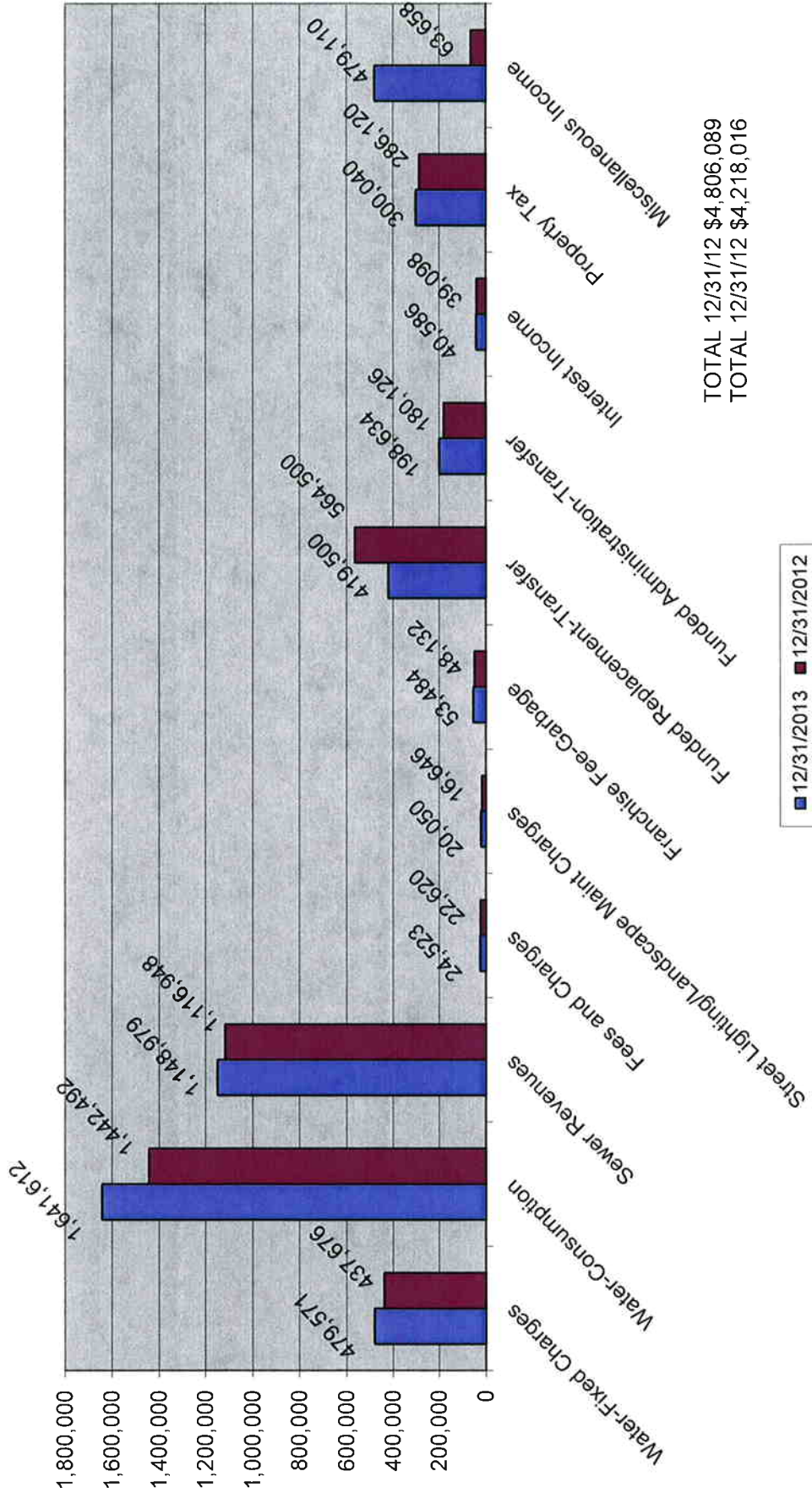
NIPOMO COMMUNITY SERVICES DISTRICT  
 INCOME STATEMENT - CONSOLIDATED  
 FOR THE PERIOD ENDING DECEMBER 31, 2013

	YTD ACTUAL	ANNUAL BUDGET	% OF BUDGET
Office Supplies	8,703.97	14,000.00	62.17 %
Outside Service	7,779.75	19,000.00	40.95 %
Postage	10,088.43	25,000.00	40.35 %
Public Notices	4,905.82	6,900.00	71.10 %
Repairs and Maintenance	4,869.43	16,000.00	30.43 %
Property Taxes	1,048.64	1,050.00	99.87 %
Telephone	3,690.44	9,540.00	38.68 %
Travel and Mileage	4,673.74	13,450.00	34.75 %
Utilities	9,465.20	18,000.00	52.58 %
Operating Transfer Out - Funded Administration	198,633.72	421,911.00	47.08 %
Subtotal - Operating Expenses General & Admin	779,878.71	1,938,481.00	40.23 %
Total Operating Expenses	2,279,052.98	5,538,081.00	41.15 %
Total Operating Surplus/(Deficit)	1,730,354.63	2,069,227.00	83.62 %
<u>NON OPERATING INCOME</u>			
Interest Income	40,586.13	89,897.00	45.15 %
Property Tax Revenues	300,040.08	513,850.00	58.39 %
BL Sewer Surcharge	12,257.87	24,480.00	50.07 %
BL Water Surcharge	12,597.41	25,779.00	48.87 %
Total Non Operating Income	365,481.49	654,006.00	55.88 %
<u>NON OPERATING EXPENSES</u>			
Interest Expense	451,683.38	799,984.00	56.46 %
Other Post Employment Benefits (OPEB)	57,200.00	114,406.00	50.00 %
Cost of Issuance	71,725.00	0	.00 %
Total Non Operating Expenses	580,608.38	914,390.00	63.50 %
Total Non Operating Surplus/(Deficit)	(215,126.89)	(260,384.00)	82.62 %
Total Operating & Non Operating Surplus/(Deficit)	1,515,227.74	1,808,843.00	83.77 %

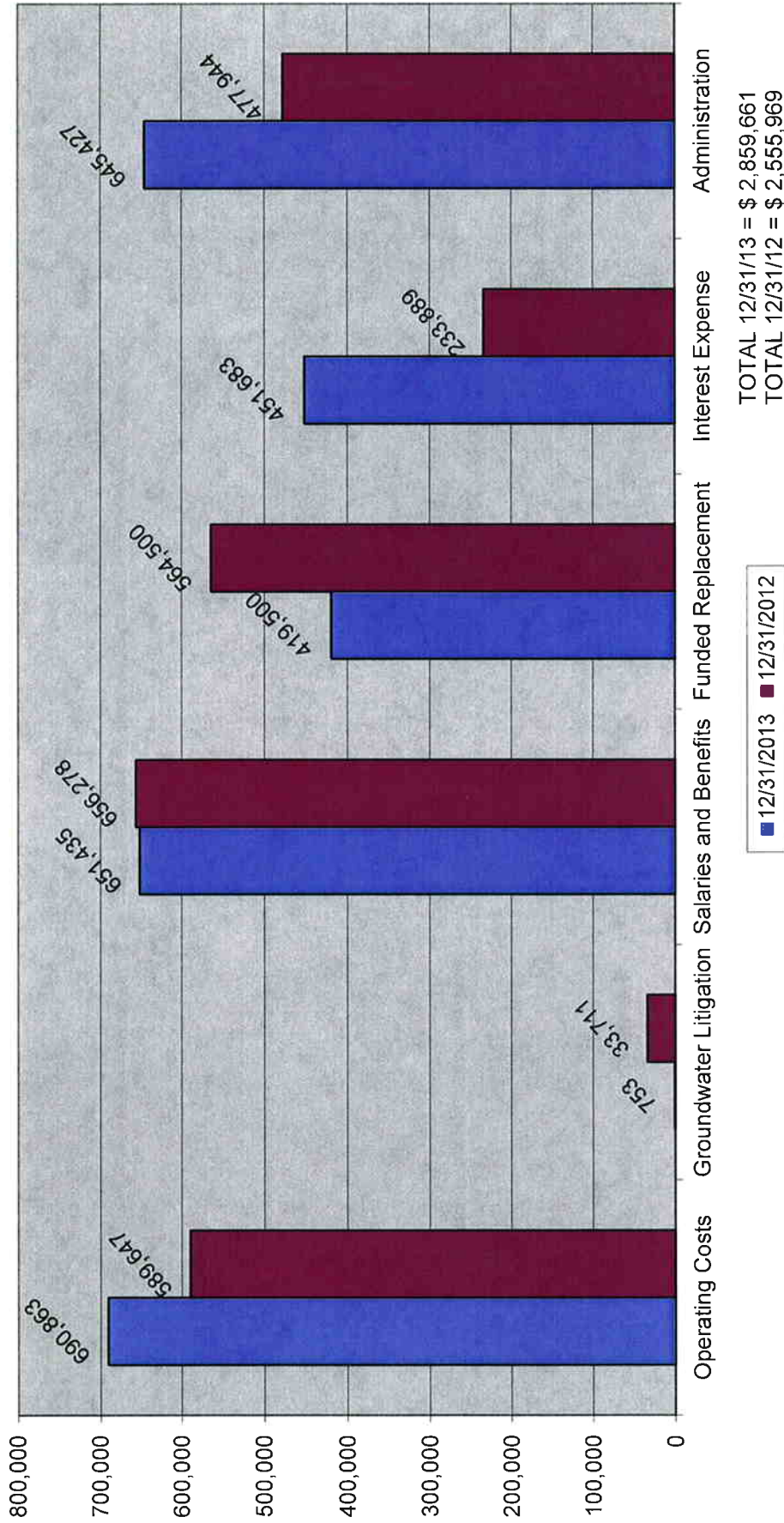
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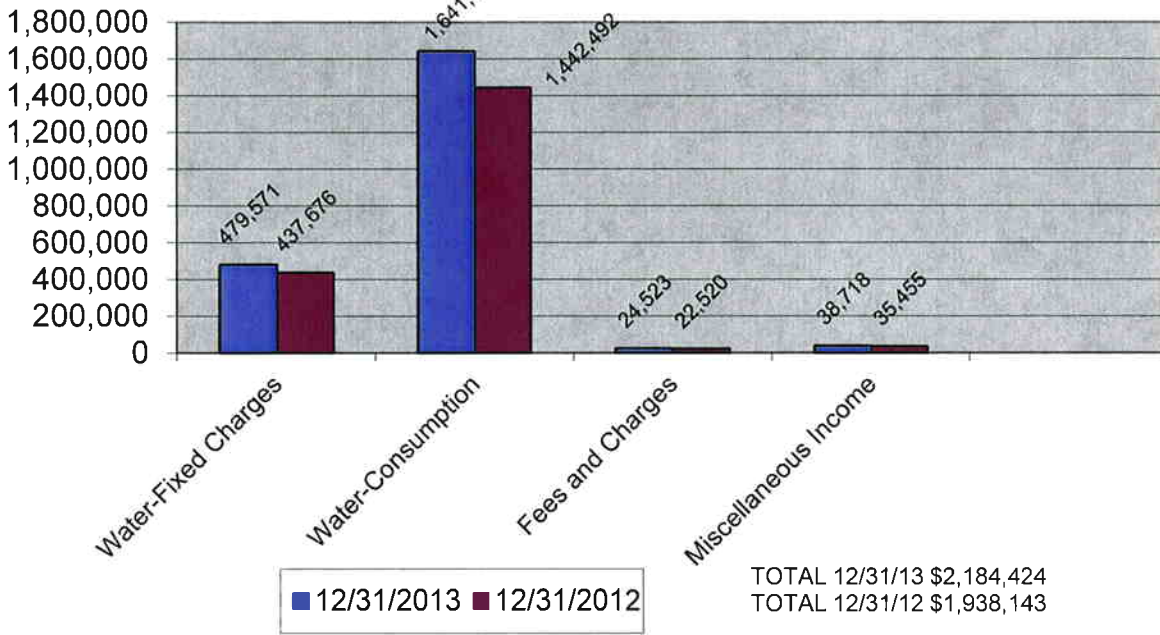
**NIPOMO COMMUNITY SERVICES DISTRICT  
 COMBINED REVENUES FOR ALL FUNDS  
 SIX MONTHS ENDED  
 DECEMBER 31, 2013 AND DECEMBER 31, 2012**



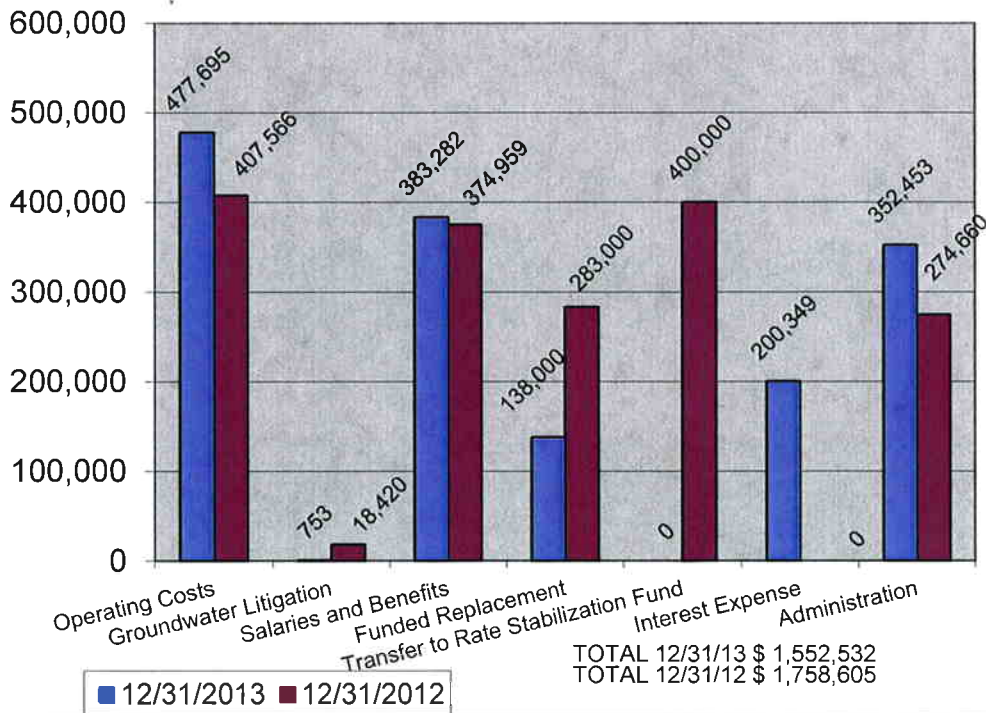
**NIPOMO COMMUNITY SERVICES DISTRICT  
 COMBINED EXPENDITURES FOR ALL FUNDS  
 SIX MONTHS ENDED  
 DECEMBER 31, 2013 AND DECEMBER 31, 2012**



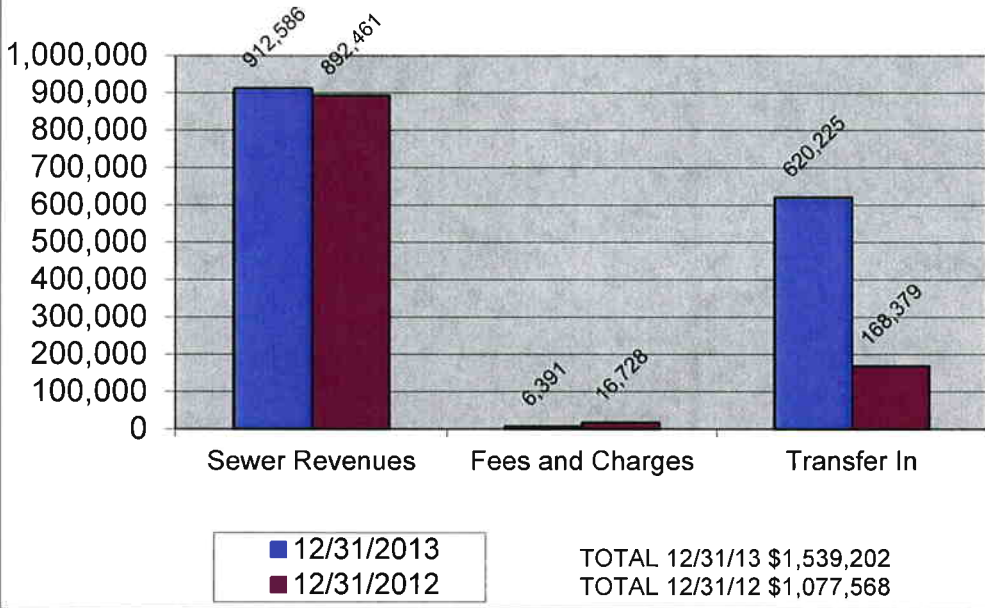
**NIPOMO COMMUNITY SERVICES DISTRICT  
WATER FUND #125  
REVENUES-DECEMBER 31 2013 AND DECEMBER 31, 2012**



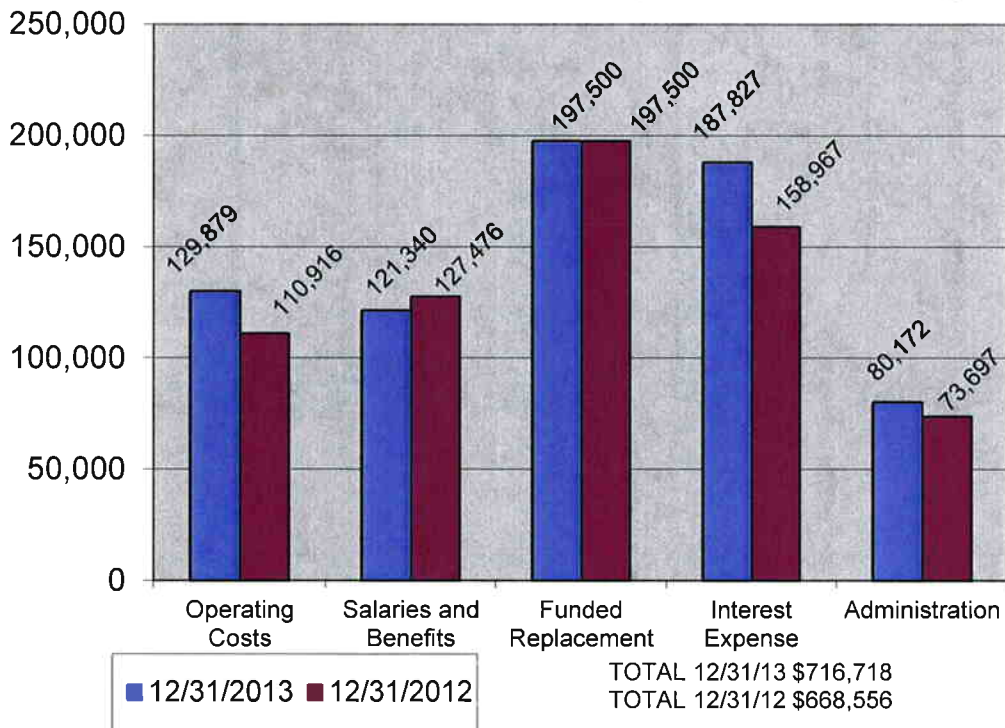
**NIPOMO COMMUNITY SERVICES DISTRICT  
WATER FUND #125  
EXPENDITURES-DECEMBER 31, 2013 AND DECEMBER 31, 2012**



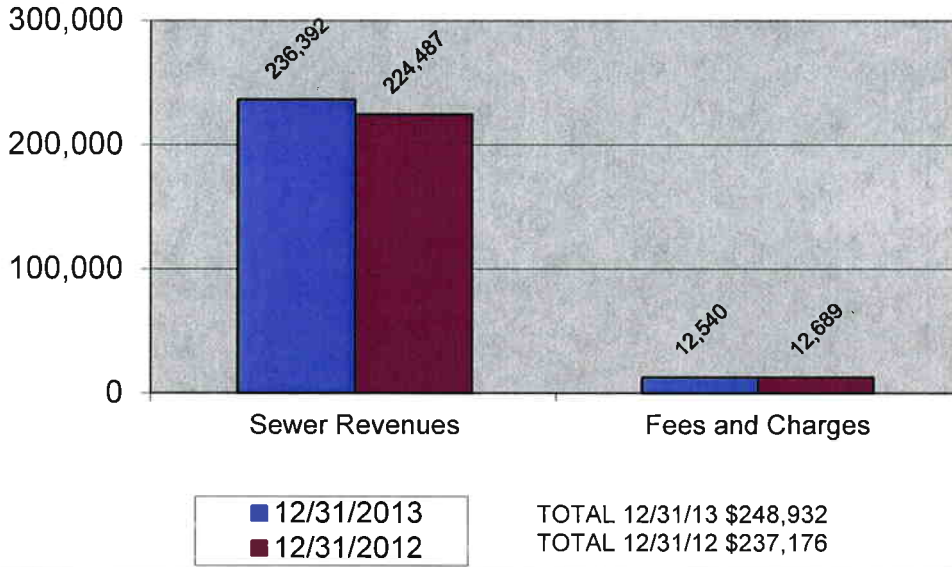
**NIPOMO COMMUNITY SERVICES DISTRICT  
TOWN SEWER FUND #130  
REVENUES-DECEMBER 31, 2013 AND DECEMBER 31, 2012**



**NIPOMO COMMUNITY SERVICES DISTRICT  
TOWN SEWER FUND #130  
EXPENDITURES-DECEMBER 31, 2013 AND DECEMBER 31, 2012**



**NIPOMO COMMUNITY SERVICES DISTRICT  
BLACKLAKE SEWER FUND #150  
REVENUES-DECEMBER 31, 2013 AND DECEMBER 31, 2012**



**NIPOMO COMMUNITY SERVICES DISTRICT  
BLACKLAKE SEWER FUND #150  
EXPENDITURES-DECEMBER 31, 2013 AND DECEMBER 31, 2012**

