

NIPOMO COMMUNITY SERVICES DISTRICT

Serving the Community Since 1965

REGULAR MINUTES

OCTOBER 22, 2014, AT 9:00 A.M.

JON S. SEITZ 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.**
JESSICA MATSON, **BOARD CLERK**

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

00:00:00

A. CALL TO ORDER AND FLAG SALUTE

President Armstrong called the Regular Meeting of October 22, 2014, to order at 9:00 a.m. and led the flag salute.

00:00:26

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

At Roll Call, Directors Gaddis, Vierheilig, Blair and Armstrong were present. Director Harrison was absent.

There were no public comments.

00:00:36

C. PRESENTATIONS AND REPORTS

- C-1) SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY McMURCHIE EXCELLENCE IN SAFETY 2014 AWARD PRESENTATION
Receive award

Director Armstrong presented Peter Sevcik, Director of Engineering and Operations and the District's Safety Officer, with the safety award. Mr. Sevcik addressed Operations and Administrative staff and commended them for their efforts.

- C-2) CAL FIRE UPDATE
South County Battalion Chief VanGerwen did not attend the meeting.

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

00:02:22

- E-3) CONSIDER LETTER FROM CITIES OF ARROYO GRANDE, GROVER BEACH, AND PISMO BEACH RE: SANTA MARIA GROUND WATER BASIN

Michael LeBrun, General Manager, reviewed the letter as presented in the Board packet. Shelly Higginbotham, Mayor of Pismo Beach, addressed the Board regarding concern for the area's groundwater basin and answered questions from the Board.

The following members of the public spoke:

Ben Fine, City of Pismo Beach Director of Public Works, commented on public agencies responsibility to bring in water and urged the District to issue another moratorium.

00:22:30

Ed Eby, NCSD Customer, commented on the letter and suggested a meeting between the Nipomo Mesa Management Area (NMMA) and Northern Cities Management Area (NCMA).

ITEM E-3 (Continued)

Director Armstrong directed staff to contact County Supervisor, Caren Ray, and arrange a meeting between representatives of the entities in management areas.

President Armstrong announced that Item E-1 would be heard next.

00:39:16

E-1) SERVICE REQUEST - BLACKLAKE RESORT LODGE, BUNGALOWS, AND RETIREMENT VILLAGE

Peter Sevcik, Director of Engineering and Operations, reviewed the report as presented in the Board packet. Mr. Sevcik answered questions from the Board.

Mike Seitz, District Legal Counsel, commented that, if the drought moves into Severe criterion, the Board should reference the District's Water Shortage Response and Management Plan.

00:58:09

*The following members of the public spoke:
Rob Rossi, Blacklake Developer, commented on the project.*

Ben Fine, City of Pismo Beach Director of Public Works, recommended the Board not allow new water connections until supplemental water is delivered.

Dan Hall, NCSD Customer, expressed concerns regarding Blacklake property values if the golf course closes and voiced his support for the project.

Upon the motion of Director Blair and seconded by Director Armstrong, the Board approved the Intent-to-Serve Letter for Blacklake Resort Lodge, Bungalows, and Retirement Village subject to District Water Shortage Response and Management Plan. Vote 4-0.

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

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

01:08:19

**C-3) DIRECTOR OF ENGINEERING AND OPERATIONS
 Summary of recent activities**

Peter Sevcik, Director of Engineering and Operations, reviewed the report as presented in the Board Packet. Mr. Sevcik answered questions from the Board.

01:23:58

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

Mike Seitz, District Legal Counsel, announced that the Board discussed Item I.1(a) from the October 8, 2014, Regular Meeting (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 reported that the Board discussed Item I.1(c) (Bening v. NCSD) in closed session, but took no reportable action.

ITEM C-4 (Continued)

The Board discussed Item I.2 from the October 8, 2014, Regular Meeting (Conference with District Legal Counsel re: liability claim pursuant to GC §54956.9 Specialty Construction and NCSD) in closed session, but took no reportable action.

01:24:43

- C-5) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST AND REPORTS ON ATTENDANCE AT PUBLIC MEETINGS, TRAINING PROGRAMS, CONFERENCES, AND SEMINARS.
 Receive Announcements and Reports from Directors

Director Blair

- ◇ October 21, Attended pipeline certification class in Santa Maria.

Director Gaddis

- ◇ October 14, Attended San Luis Obispo County Water Summit.

Director Armstrong

- ◇ October 14, Attended San Luis Obispo County Water Summit.

01:36:06

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

There were no public comments.

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

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

01:36:35

D. CONSENT AGENDA

- D-1) WARRANTS
- D-2) APPROVE MINUTES OF PREVIOUS BOARD MEETINGS
 - OCTOBER 8, 2014 REGULAR MEETING
- D-3) SOUTHLAND WASTEWATER TREATMENT FACILITY PHASE 1 IMPROVEMENT PROJECT ACCEPTANCE
- D-4) RECEIVE 3RD QUARTER INVESTMENT REPORT

There were no public comments.

*Upon the motion of Director Vierheilg and seconded by Director Gaddis, the Board approved the consent agenda.
 Vote 4-0.*

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

01:37:15

E. ADMINISTRATIVE ITEMS

ITEM E-1 WAS HEARD EARLIER IN THE MEETING

E-2) CONSIDER SAN LUIS OBISPO COUNTY DRAFT ORDINANCE REGULATING THE EXPORT OF GROUNDWATER

Michael LeBrun, General Manager, reviewed the report as presented in the Board packet. Mr. LeBrun answered questions from the Board.

Mike Seitz, District Legal Counsel, commented regarding the District's position on the County Draft Ordinance.

*The following members of the public spoke:
Ed Eby, NCSD Customer, commented on the County Draft Ordinance.*

The Board directed staff to send a letter to the County requesting that a specific problem be identified and that the Ordinance cover an entire groundwater basin and not just political boundaries.

ITEM E-3 WAS HEARD EARLIER IN THE MEETING

01:59:56

E-4) ANNUAL REVIEW OF SUSPENDED DISTRICT ORDINANCE 2012-117

Michael LeBrun, General Manager, reviewed the report as presented in the Board packet. Mr. LeBrun answered questions from the Board.

Mike Seitz, District Legal Counsel, commented that the District should leave the Ordinance in place until the Supplemental Water Project is complete.

*The following members of the public spoke:
Ed Eby, NCSD Customer, commented that the District should leave the Ordinance in place.*

The Board directed staff to leave Ordinance 2012-117 in affect.

02:05:09

E-5) CONSIDER SOLID WASTE RESERVE EXPENDITURE – DISCOUNT TO CUSTOMER SOLID WASTE BILL

Michael LeBrun, General Manager, reviewed the report as presented in the Board packet. Mr. LeBrun answered questions from the Board.

There were no public comments.

*Upon the motion of Director Armstrong and seconded by Director Blair, the Board approved a one-time 50% discount to customers' solid waste bill.
Vote 4-0.*

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

02:21:46 E-6) CONSIDER LOCAL AREA FORMATION COMMISSION SPECIAL DISTRICT SEAT NOMINATION

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

There were no Board members interested in being nominated.

02:24:48 F. GENERAL MANAGER'S REPORT

Michael LeBrun, General Manager, reviewed the report as presented in the Board packet and reviewed handouts. Mr. LeBrun answered questions from the Board.

There were no public comments.

02:36:25 G. COMMITTEE REPORTS

There were no committee reports.

02:36:48 H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

Director Gaddis

- Requested that staff research funding opportunities under Proposition 1.

02:45:36 I. CLOSED SESSION ANNOUNCEMENTS

1. CONFERENCE WITH DISTRICT LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GC §54956.9
 - a) SMVWCD VS. NCSD (SANTA CLARA COUNTY CASE NO. CV 770214, SIXTH APPELLATE COURT CASE NO. H032750 AND ALL CONSOLIDATED CASES).
 - b) NCSD v County SLOCSC #CV090010
 - c) Bening v NCSD SLOCSC #14CV-0069
2. CONFERENCE WITH LEGAL COUNSEL: LIABILITY CLAIM PURSUANT TO SECTION 54956.95:
Claimant: Specialty Construction
Agency: NCSD

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There were no public comments.

02:46:01 K. ADJOURN TO CLOSED SESSION

President Armstrong adjourned to closed session at 11:57 a.m.

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

The Board came back into Open Session at 12:47 p.m.

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

**Nipomo Community Services District
REGULAR MEETING
MINUTES**

Mr. Seitz announced that the Board discussed Item 2 in closed session and directed staff but took no reportable action.

ADJOURN

President Armstrong adjourned the meeting at 12:48 p.m.

MEETING SUMMARY	HOURS & MINUTES
Regular Meeting	2 hours 58 minutes
Closed Session	50 minutes
TOTAL HOURS	3 hours 48 minutes