

NIPOMO COMMUNITY SERVICES DISTRICT

Serving the Community Since 1965

REGULAR MINUTES

NOVEMBER 12, 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 November 12, 2014, to order at 9:00 a.m. and led the flag salute.

00:00:56

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

At roll call, all Board members were present.

The following members of the public spoke:

John Snyder, Nipomo resident, commented on the Notice of Water Rate Increase for Supplemental Water and distributed to the Board a single, written copy of his public comment (Available for review at the District office).

Ed Eby, NCSD Customer, commented on recent news story regarding SCADA system breaches and suggested the District look into possible vulnerability.

00:06:02

C. PRESENTATIONS AND REPORTS

C-1) REPORT ON OCTOBER 22, 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 22, 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.

The Board discussed Item I.2 from the October 22, 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.

00:06:57

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

Director Harrison

- ◇ Attended a display on how to make homes fire safe.
- ◇ Attended a groundbreaking ceremony for the Botanical Gardens.
- ◇ Nipomo's Community Thanksgiving Dinner is on Sunday, November 23rd from 1 PM – 4 PM at the St. Joseph Parish Hall in Nipomo.

Director Armstrong

- ◇ November 5, Attended Water Resources Advisory Committee meeting.
- ◇ Announced that the current meeting is Director Harrison's and Director Vierheilg's last Regular Board Meeting with the District after 20 years of combined service.

00:11:23

C-3) 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 Blair, the Board unanimously approved to receive and file the presentations and reports as submitted.
 Vote 5-0.*

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

00:11:26

D. CONSENT AGENDA

D-1) WARRANTS

D-2) APPROVE MINUTES OF PREVIOUS BOARD MEETINGS

- OCTOBER 22, 2014 REGULAR MEETING

Vice President Harrison requested to pull Item D-2 for separate consideration.

ITEM D-1

Directors Gaddis and Harrison requested clarification on warrants.

There were no public comments.

*Upon the motion of Director Harrison and seconded by Director Gaddis, the Board unanimously approved the warrants.
 Vote 5-0.*

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

00:14:46

ITEM D-2

There were no public comments.

Upon the motion of Director Vierheilig and seconded by Director Armstrong, the Board unanimously approved the October 22, 2014 Regular Board Meeting Minutes. Vote 4-0. (Director Harrison was not qualified to vote.)

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

00:15:31

E. ADMINISTRATIVE ITEMS

E-1) ACCEPT FINANCIAL AUDIT REPORT FOR FISCAL YEAR 2013-2014

Michael LeBrun, General Manager, reviewed the report as presented in the Board packet and introduced auditor Bob Crosby of The Crosby Company. Mr. Crosby presented the Audit Report and answered questions from the Board. Director Gaddis made suggestions for next year's Audit Report.

The Board commended staff for producing a good Report.

The following members of the public spoke:

John Snyder, Nipomo resident, commented on the Audit Report.

Upon the motion of Director Armstrong and seconded by Director Gaddis, the Board unanimously approved staff's recommendation to accept the 2013-2014 Audit Report and directed staff to file the Report.

Vote 5-0.

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

00:31:25

E-2) CONSIDER TASK ORDER FOR SUPPLEMENTAL WATER PROJECT PHASE 2A FINAL DESIGN WITH AECOM IN THE AMOUNT OF \$58,066

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

There were no public comments.

Upon the motion of Director Harrison and seconded by Director Vierheilig, the Board unanimously approved staff's recommendation to authorize a Task Order in the amount of \$58,066 for Supplemental Water Project Phase 2A final design with AECOM.

Vote 5-0.

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

00:42:41

E-3) CONDUCT HEARING TO CONSIDER ADOPTING APPROVED WATER SYSTEM CAPACITY CHARGES

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

PRESIDENT ARMSTRONG OPENED THE PUBLIC HEARING

There were no public comments.

PRESIDENT ARMSTRONG CLOSED THE PUBLIC HEARING

Upon the motion of Director Blair and seconded by Director Vierheilig, the Board unanimously approved a Resolution adopting approved water system capacity charges. Vote 5-0.

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

**RESOLUTION NO. 2014-1359
 A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT
 AMENDING APPENDIX A TO CHAPTER 3.04 OF THE NIPOMO COMMUNITY SERVICES DISTRICT CODE TO AMEND
 WATER CAPACITY CHARGES**

00:52:36

E-4) REVIEW DISTRICT WATER SHORTAGE RESPONSE AND MANAGEMENT PLAN

Michael LeBrun, General Manager, reviewed the report as presented in the Board packet and mentioned a correction in the report's wording. Mr. LeBrun answered questions from the Board.

Mike Seitz, District Legal Counsel, answered questions from the Board.

President Armstrong directed staff to add some language to the Plan.

The following members of the public spoke:

John Snyder, Nipomo resident, expressed concerns regarding data reported by the technical groups.

The Board and District Legal Counsel commented on Mr. Snyder's concerns.

01:21:12

F. GENERAL MANAGER'S REPORT

Michael LeBrun, General Manager, reviewed the report as presented in the Board packet. Mr. LeBrun also reported the District had a 10% reduction in groundwater production for October and gave an update on supplemental water rate protests received. Mr. LeBrun answered questions from the Board.

There were no public comments.

01:44:54

G. COMMITTEE REPORTS

None

01:44:58

H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

Director Blair

- *Distributed public information items to staff for review.*

01:46:47

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).

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.

01:52:27

K. ADJOURN TO CLOSED SESSION

President Armstrong adjourned to closed session at 11:03 a.m.

L. OPEN SESSION

ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

The Board came back into Open Session at 11:25 a.m.

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

Mr. Seitz also announced that the Board discussed Item 2 in closed session and unanimously approved a settlement of the Claim with Specialty Construction in the amount of \$132,500.

ADJOURN

President Armstrong adjourned the meeting at 11:26 a.m.

MEETING SUMMARY	HOURS & MINUTES
Regular Meeting	2 hours 4 minutes
Closed Session	22 minutes
TOTAL HOURS	2 hours 26 minutes