

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS  
GENERAL MANAGER



DATE: FEBRUARY 4, 2016

**AGENDA ITEM**  
**D**  
**FEBRUARY 10, 2016**

**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 27, REGULAR BOARD MEETING MINUTES [RECOMMEND APPROVAL]
- D-3) SUPPLEMENTAL WATER PROJECT PHASE 1, CONSIDER REQUEST FOR PARTIAL RELEASE OF RETENTION [RECOMMEND AUTHORIZE STAFF TO RELEASE \$135,828 OF RETENTION]

TO: BOARD OF DIRECTOR

REVIEWED: MARIO IGLESIAS  
GENERAL MANAGER

FROM: LISA BOGNUDA  
FINANCE DIRECTOR

DATE: FEBRUARY 5, 2016

**AGENDA ITEM  
D-1  
FEBRUARY 10, 2016**

PAGE ONE

**HAND WRITTEN CHECKS**

02-10-16 20464 SWRCB  
02-10-16 20465 CWEA  
02-10-16 20467 CWEA  
02-10-16 20468 CWEA

**TOTAL COMPUTER CHECKS**

\$193,354.19  
CERT RENEWAL-RODRIGUEZ \$120.00  
CERT RENEWAL-CALLEJA \$81.00  
CERT RENEWAL-VOELKER \$81.00  
CERT/MEMBERSHIP RENEWAL-RODRIGUEZ \$245.00

VOIDS - 20466

**COMPUTER GENERATED CHECKS**

25292	01/29/16	EMP01	EMPLOYMENT DEVELOP DEPT	2182.03	.00	2182.03	B60125	STATE INCOME TAX
				114.18	.00	114.18	1B60125	STATE INCOME TAX
				442.52	.00	442.52	2B60125	STATE INCOME TAX
				506.06	.00	506.06	3B60125	STATE INCOME TAX
			Check Total.....:	3244.79	.00	3244.79		
25293	01/29/16	MID01	RABOBANK-PAYROLL TAX DEPO	6762.67	.00	6762.67	B60125	FEDERAL INCOME TAX
				62.00	.00	62.00	1B60125	FICA
				1586.44	.00	1586.44	2B60125	MEDICARE (FICA)
				397.48	.00	397.48	3B60125	FEDERAL INCOME TAX
				93.28	.00	93.28	4B60125	MEDICARE (FICA)
				1676.21	.00	1676.21	5B60125	FEDERAL INCOME TAX
				194.44	.00	194.44	6B60125	MEDICARE (FICA)
				1916.89	.00	1916.89	7B60125	FEDERAL INCOME TAX
				222.36	.00	222.36	8B60125	MEDICARE (FICA)
			Check Total.....:	12911.77	.00	12911.77		
25294	01/29/16	MID02	RABOBANK-DIRECT DEPOSIT	40795.63	.00	40795.63	B60125	NET PAY
				2528.63	.00	2528.63	1B60125	NET PAY
			Check Total.....:	43324.26	.00	43324.26		
25295	01/29/16	PER01	PERS RETIREMENT	9479.41	.00	9479.41	B60125	PERS PAYROLL REMITTANCE
				.00	.00	.00	1B60125	PERS PAYROLL REMITTANCE
				.00	.00	.00	2B60125	PERS PAYROLL REMITTANCE
				.00	.00	.00	3B60125	PERS PAYROLL REMITTANCE
			Check Total.....:	9479.41	.00	9479.41		
25296	01/29/16	STA01	CALPERS 457 DEFERRED COMP	2000.00	.00	2000.00	B60125	457 DEFERRED COMP
02597	01/29/16	COR01	CORBIN WILLITS SYSTEMS	755.83	.00	755.83	B601151	MONTHLY SOFTWARE SUPPORT
025298	02/10/16	ABA01	ABALONE COAST BACTERIOLOG	5074.60	.00	5074.60	2724	LAB TESTS
025299	02/10/16	ADV01	ADVANTAGE ANSWERING PLUS	195.61	.00	195.61	01252016	ANSWERING SERVICE
025300	02/10/16	AEC01	AECOM USA INC	297.00	.00	297.00	37688204	SUPPLEMENTAL WATER PHASE
				3753.00	.00	3753.00	37688206	SUPPLEMENTAL WATER PHASE
				13042.43	.00	13042.43	37688207	SOUTHLAND WWTF UPGRADE
			Check Total.....:	17092.43	.00	17092.43		
025301	02/10/16	AIR01	AIR POLLUTION CONTROL	1065.00	.00	1065.00	17356	PERMIT TO OPERATE - JOSHU
025302	02/10/16	ALX01	ALEXANDER'S CONTRACT SERV	2469.89	.00	2469.89	1280872	METER READING
025303	02/10/16	AME02	AMERICAN INDUSTRIAL SUPPL	42.53	.00	42.53	289517	STRUT CLAMP, CAP SCREW, W
				407.51	.00	407.51	289752	CAP SCREW, HEX NUT, WASHE
			Check Total.....:	450.04	.00	450.04		
025304	02/10/16	AME03	AMERI PRIDE	208.71	.00	208.71	01526309	UNIFORMS
				222.82	.00	222.82	01551490	UNIFORMS
				201.71	.00	201.71	01556893	UNIFORMS
			Check Total.....:	633.24	.00	633.24		
025305	02/10/16	BAU01	BAUMGARTEN, MICHAEL	164.00	.00	164.00	B60205	MEMBERSHIP RENEWAL REIMBU
025306	02/10/16	BEN02	BENTLEY SYSTEMS, INC.	1784.75	.00	1784.75	47729551	WATERGEMS SUBSCRIPTION

**AGENDA ITEM D-1 Warrants  
FEBRUARY 10, 2016**

025307	02/10/16	BRE02	BRENNTAG PACIFIC INC.	661.27 601.60 607.03	.00 .00 .00	661.27 601.60 607.03	592433 595016 5966179	SODIUM HYPOCHLORITE SODIUM HYPOCHLORITE SODIUM HYPOCHLORITE
			Check Total.....:	1869.90	.00	1869.90		
025308	02/10/16	CAL03	CALIFORNIA ELECTRIC SUPPL	275.15 47.21	.00 .00	275.15 47.21	636321 636345	RESET MECHANISM KIT, FUSE FUSES
			Check Total.....:	322.36	.00	322.36		
025309	02/10/16	CAN03	CANVAS SOLUTIONS, INC.	1050.00	.00	1050.00	497685229	CANVAS SUBSCRIPTION
025310	02/10/16	CHA02	CHARTER COMMUNICATIONS	225.00 225.00	.00 .00	225.00 225.00	FEB2016A FEB2016B	INTERNET - SHOP INTERNET - OFFICE
			Check Total.....:	450.00	.00	450.00		
025311	02/10/16	CIT01	CITY NATIONAL BANK	7645.13	.00	7645.13	B60204	DEBT SERVICE A/D 93-01
025312	02/10/16	CLE06	CNSSLO INC	2256.91	.00	2256.91	21370	NOTEBOOK COMPUTER, SOFTWA
025313	02/10/16	COR04	CORIX WATER PRODUCTS (US)	762.63 1019.10	.00 .00	762.63 1019.10	613000788 613001368	VALVES, COUPLINGS PIPE, EPOXY, BLADES
			Check Total.....:	1781.73	.00	1781.73		
025314	02/10/16	DEW01	J B DEWAR INC	713.68	.00	713.68	132346	COMPRESSOR OIL
025315	02/10/16	ELE03	ELECTRICRAFT, INC.	5854.00	.00	5854.00	14385	CO2 TEGG SERVICE
025316	02/10/16	FAR01	FARM SUPPLY COMPANY	201.22	.00	201.22	32611	HYDRATED LIME, CAT LITTER
025317	02/10/16	FAR02	FAR WEST EXPRESS	24.00	.00	24.00	JAN2016	DELIVERY
025318	02/10/16	FGL01	FGL ENVIRONMENTAL	68.48 539.80 417.70	.00 .00 .00	68.48 539.80 417.70	680031 680032 680033	LAB TESTS LAB TESTS LAB TESTS
			Check Total.....:	1025.98	.00	1025.98		
025319	02/10/16	FIS01	FISHER PUMP SERVICE	2220.00	.00	2220.00	4237	SUNDALE WELL MOTOR REPAIR
025320	02/10/16	GAD02	GADDIS, DAN	33.86	.00	33.86	B60204	TRAVEL REIMBURSEMENT
025321	02/10/16	GIL01	GLM, INC.	360.00	.00	360.00	JAN2016	LANDSCAPE MAINTENANCE
025322	02/10/16	GWA01	GWA INC	55.00 87.00 87.00	.00 .00 .00	55.00 87.00 87.00	100640101 102062101 102107101	ALARM SERVICE ALARM SERVICE ALARM SERVICE
			Check Total.....:	229.00	.00	229.00		
025323	02/10/16	HAC01	HACH COMPANY	1477.34 64.23 133.04	.00 .00 .00	1477.34 64.23 133.04	9750455 9753074 9767115	CHEMKEYS SUSPENSION HARNESS ASSEMBLY TRAY
			Check Total.....:	1674.61	.00	1674.61		
025324	02/10/16	HAY01	HAYES ADVANCED DESIGN	1550.00	.00	1550.00	B60204	PAVE REPAIR 768 PALMER/10
025325	02/10/16	INT02	INTEGRATED INDUSTRIAL SUP	107.18 15.05 53.70	.00 .00 .00	107.18 15.05 53.70	35725 36314 36723	SAFETY GLASSES, HEARING M FIRE EXTINGUISHER METRIC HEX BIT SOCKET SET
			Check Total.....:	175.93	.00	175.93		
025326	02/10/16	LAN02	LANDMARK LANDSCAPE CO INC	214.00	.00	214.00	66844	LANDSCAPE MAINTENANCE
025327	02/10/16	LEE02	LEE CENTRAL COAST NEWSPAP	780.00	.00	780.00	JAN2016	CONSERVATION ADS
025328	02/10/16	MIN02	MINER'S ACE HARDWARE	415.04	.00	415.04	JAN2016	SUPPLIES
025329	02/10/16	MNS01	MNS ENGINEERS INC	20887.81	.00	20887.81	66517	SUPPLEMENTAL WATER
025330	02/10/16	MUN03	MUNICIPAL MAINTENANCE EQU	1652.36	.00	1652.36	107389	VACCON REPAIR
025331	02/10/16	NEW05	NEWTON GEO-HYDROLOGY CONS	8418.23 1850.73	.00 .00	8418.23 1850.73	JAN2016A JAN2016B	LITIGATION SUPPORT GENERAL SUPPORT
			Check Total.....:	10268.96	.00	10268.96		
025332	02/10/16	NEX03	NEXTRAQ	399.50	.00	399.50	1254093	GPS SUBSCRIPTION
025333	02/10/16	NIP05	NIPOMO CHAMBER OF COMMERC	2178.00	.00	2178.00	B60204	CHAMBER CLEAN-UP GRANT DI
025334	02/10/16	NUT01	NU TECH PEST MGMT	265.00 75.00	.00 .00	265.00 75.00	117048 117049	PEST CONTROL RODENT CONTROL
			Check Total.....:	340.00	.00	340.00		

**AGENDA ITEM D-1 Warrants  
FEBRUARY 10, 2016**

025335	02/10/16	OFF01	OFFICE DEPOT	255.31	.00	255.31	250378001	OFFICE SUPPLIES
025336	02/10/16	PRE01	PRECISION JANITORIAL	700.00	.00	700.00	268	JANITORIAL SERVICES
025337	02/10/16	REC01	RECOGNITION WORKS	229.39	.00	229.39	265459	MISC ENGRAVING
025338	02/10/16	RIC01	RICHARDS, WATSON, GERSHON	13134.63	.00	13134.63	205179	WATER RIGHTS ADJUDICATION
025339	02/10/16	SAN01	SANTA MARIA TIRE INC	191.74	.00	191.74	01-19195	BACKHOE TIRES
025340	02/10/16	SLO02	DIV OF ENVIRON HEALTH	1175.90	.00	1175.90	0102794	BACKFLOW PROGRAM
025341	02/10/16	SOU01	SOUTH COUNTY SANITARY	40.18	.00	40.18	5149580	WASTE COLLECTION - OFFICE
				213.08	.00	213.08	5150703	WASTE COLLECTION - OLDE T
				185.06	.00	185.06	5151198	WASTE COLLECTION - SOUTH
			Check Total.....:	438.32	.00	438.32		
025342	02/10/16	TER01	TERMINIX	46.00	.00	46.00	351691863	PEST CONTROL
025343	02/10/16	THE01	THE GAS COMPANY	81.04	.00	81.04	FEB2016A	HEAT - OFFICE
				25.01	.00	25.01	FEB2016B	HEAT - SHOP
			Check Total.....:	106.05	.00	106.05		
025344	02/10/16	TYL01	TYLER TECHNOLOGIES, INC.	4750.00	.00	4750.00	146647	TYLER IMPLEMENTATION
025345	02/10/16	UND01	UNDERGROUND SERVICE ALERT	150.00	.00	150.00	16010224	SERVICE ALERTS
025346	02/10/16	USA01	USA BLUEBOOK	334.99	.00	334.99	845311	LAB SUPPLIES
				78.70	.00	78.70	848771	LAB SUPPLIES
				3291.71	.00	3291.71	856035	CHLORINE REAGENT SETS
			Check Total.....:	3705.40	.00	3705.40		
025347	02/10/16	USB01	US BANK (VISA)	92.77	.00	92.77	JAN2016	SUPPLIES
025348	02/10/16	VER01	VERIZON	59.08	.00	59.08	JAN2016	BL PHONE
025349	02/10/16	YOU01	YOUR PEOPLE PROFESSIONALS	1100.00	.00	1100.00	FEB2016	EMPLOYMENT AGENCY DEPOSIT

TO: BOARD OF DIRECTORS  
FROM: MARIO IGLESIAS  
GENERAL MANAGER  
DATE: FEBRUARY 4, 2016



**AGENDA ITEM  
D-2  
FEBRUARY 10, 2016**

**APPROVE JANUARY 27, 2016  
REGULAR BOARD MEETING MINUTES**

**ITEM**

Approve action minutes from previous Board meetings. [RECOMMEND APPROVE MINUTES]

**BACKGROUND**

The draft minutes are a written record of the previous Board Meeting action.

**RECOMMENDATION**

Approve Minutes

**ATTACHMENT**

- A. January 27, 2016 draft Regular Board Meeting Minutes

February 10, 2016

ITEM D-2

ATTACHMENT A

# NIPOMO COMMUNITY SERVICES DISTRICT

*Serving the Community Since 1965*

## DRAFT REGULAR MINUTES

JANUARY 27, 2016 AT 9:00 A.M.

JON S. SEITZ BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

### **BOARD of DIRECTORS**

CRAIG ARMSTRONG, **PRESIDENT**  
DAN ALLEN GADDIS, **VICE PRESIDENT**  
BOB BLAIR, **DIRECTOR**  
ED EBY, **DIRECTOR**  
DAN WOODSON, **DIRECTOR**

### **PRINCIPAL STAFF**

MARIO IGLESIAS, **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 January 27, 2016 to order at 9:00 a.m. and led the flag salute.*

00:00:37 B. ROLL CALL AND PUBLIC COMMENT FOR ITEMS NOT ON AGENDA

*At Roll Call, all Directors were present.*

*The following members of the public spoke:*

00:00:40 *Noel Heal, Blacklake resident, commented on the quality of a past meeting audio recording.*

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

00:01:30 E-1) REVIEW STATUS OF BLACKLAKE DEVELOPMENT PLANS AND INTENT-TO-SERVE LETTERS

*Mario Iglesias, General Manager, reviewed the report as presented in the Board Packet.*

*Mike Seitz, District Legal Counsel, discussed his review of the policy and stated the Staff report was correct. Mr. Seitz recommended the Board review its Intent to Service policy to determine relevance in the current environment and how it relates to a General Plan Amendment. Mr. Seitz stated that Mr. Rossi, Blacklake developer, did comply and it does not affect District policy.*

*Peter Sevcik, Director of Engineering & Operations, discussed his review of current water demands and stated the District has not received a re-submittal from Mr. Rossi. An Intent to Serve Letter has been issued to Mr. Rossi and water for the project has been assigned.*

00:10:17 *The following members of the public spoke:*

*Noel Heal, Blacklake resident, commented on General Counsel's legal theory and stated the District has an obligation to uphold the Ordinance. Mr. Heal commented on Mr. Rossi's Intent-to-Serve Letter expiration.*

*Wally Crooks, Blacklake resident, commented on the Rossi project and spoke in support of the policy.*

*Bill Hayson, Blacklake resident, commented on the Rossi project and current water issues. He stated that water should not be provided for the project.*

SUBJECT TO BOARD APPROVAL

Jamie Kirk, Rossi Project representative, commented on the Intent to Serve process and timing of the project. Ms. Kirk stated the project has been amended, water assumptions are lower, and they continue to modify the plan throughout the process. She requested that the Board honor their Intent to Serve.

Donna Fredericks, Blacklake resident, stated there is confusion among officials regarding Intent to Serve and Will Serve letters and requested clarification. Ms. Fredericks stated that Mr. Rossi should not have a 'soft' deadline.

Mr. Seitz responded stating that new applications for service would not be approved due to the District being in Stage III of their Water Shortage Response and Management Plan. Mr. Rossi's application was considered during Stage II and water service could be denied if the District moves into higher stages.

Director Eby commented on the applicability and realistic requirements of the policy. He stated the Board needs to revisit the Ordinance for possible revisions.

President Armstrong stated that water issues will be reviewed in the project's Environmental Impact Report (EIR).

Director Woodson stated that the District is currently operating under an interpretive policy and should not deviate.

Absent any objections from the Board, President Armstrong stated that the Intent-to-Serve will stay in affect and directed Staff to bring the policy with suggested edits before the Board in February.

President Armstrong announced that the Board would return to Item C-1.

#### C. PRESENTATIONS AND REPORTS

00:31:40 C-1) REPORT ON PREVIOUS MEETING CLOSED SESSION

Announcement of actions, if any, taken during Closed Session at previous Board Meeting

Mike Seitz, District Legal Counsel, announced that the Board discussed Item I.1(a) from the January 13, 2016 Regular Meeting (Conference with District Legal Counsel re: pending litigation pursuant to GC §54956.9 SMVWCD VS. NCSD) in closed session, heard a report but took no reportable action.

Mr. Seitz reported that the Board discussed Item I.1(b) (HEAL VS. NCSD), heard a report but took no reportable action.

00:32:25 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 Woodson

- ◇ January 25, Attended the South County Advisory Council meeting where he introduced the District's new General Manager.



Nipomo Community Services District  
REGULAR MEETING  
MINUTES

Director Blair

- ◇ January 21, Attended the Nipomo Chamber of Commerce Annual Installation and Awards dinner where he accepted the Keeping Nipomo Clean award on behalf of the District.

Director Gaddis

- ◇ January 13, Attended the District Board officers meeting.

Director Eby

- ◇ January 19, Attended the Blacklake Management Association's meeting where they discussed the Rossi project and forming a committee regarding the project.
- ◇ January 20, Attended the Blacklake Homeowner Facilities Committee meeting.
- ◇ January 22, Attended the NMMA (Nipomo Mesa Management Area) Technical Group meeting.

Director Armstrong

- ◇ January 19, Attended the Blacklake Management Association's meeting.
- ◇ January 21, Attended the Nipomo Chamber of Commerce Annual Installation and Awards dinner.
- ◇ January 22, Attended the NMMA (Nipomo Mesa Management Area) Technical Group meeting.

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 Ed Eby and seconded, the Board unanimously approved to receive and file the presentations and reports as submitted.*

*Vote 5-0.*

YES VOTES	NO VOTES	ABSENT
Directors Eby, Gaddis, Blair, Woodson, and Armstrong	None	None

00:34:50

D. CONSENT AGENDA

D-1) WARRANTS

D-2) APPROVE MINUTES OF PREVIOUS BOARD MEETINGS

- JANUARY 13, 2016 REGULAR MEETING

D-3) FOURTH QUARTER INVESTMENT REPORT

D-4) APPROVE RESOLUTION OF APPRECIATION FOR OUTGOING GENERAL MANAGER MICHAEL S. LEBRUN

*There were no public comments.*

*Directors Eby and Gaddis asked questions regarding Item D-3. Lisa Bognuda, Finance Director, responded.*

SUBJECT TO BOARD APPROVAL

**Nipomo Community Services District  
REGULAR MEETING  
MINUTES**

*Upon the motion of Director Ed Eby and seconded, the Board unanimously approved the Consent Items.*

*Vote 5-0.*

YES VOTES	NO VOTES	ABSENT
<i>Directors Eby, Gaddis, Blair, Woodson, and Armstrong</i>	<i>None</i>	<i>None</i>

**RESOLUTION NO. 2016-1400**  
**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT**  
**COMMENDING MICHAEL S. LEBRUN FOR HIS DEDICATED SERVICE TO THE NIPOMO COMMUNITY SERVICES**  
**DISTRICT AND THE COMMUNITY OF NIPOMO**

**E. ADMINISTRATIVE ITEMS**

ITEM E-1 WAS HEARD EARLIER IN THE MEETING

00:42:05

**E-2) SUPPLEMENTAL WATER PROJECT JOSHUA ROAD PUMP STATION RESERVOIR AUTHORIZATION TO BID**

*Peter Sevcik, Director of Engineering & 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 Dan Allen Gaddis and seconded, the Board unanimously adopted the Resolution authorizing staff to advertise the project for bid.*

*Vote 5-0.*

YES VOTES	NO VOTES	ABSENT
<i>Directors Gaddis, Eby, Blair, Woodson, and Armstrong</i>	<i>None</i>	<i>None</i>

**RESOLUTION NO. 2016-1401**  
**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT**  
**AUTHORIZING STAFF TO SOLICIT BIDS FOR SUPPLEMENTAL WATER PROJECT JOSHUA ROAD PUMP STATION**  
**RESERVOIR**

00:47:14

**E-3) APPROVE CONTRACT WITH SLO COUNTY FOR CROSS-CONNECTION SERVICES**

*Mario Iglesias, General Manager, reviewed the report as presented in the Board packet. Mr. Iglesias answered questions from the Board.*

*Directors Woodson and Blair asked whether this task is something the District could complete in-house in the future. Mr. Iglesias responded.*

*Directors Eby and Blair asked questions regarding the testing. Peter Sevcik, Director of Engineering & Operations, and Lisa Bognuda, Finance Director, responded.*

*There were no public comments.*

*Upon the motion of Director Dan Woodson and seconded, the Board unanimously approved the contract in the amount of \$8,000.*

*Vote 5-0.*

YES VOTES	NO VOTES	ABSENT
<i>Directors Woodson, Eby, Blair, Gaddis, and Armstrong</i>	<i>None</i>	<i>None</i>

SUBJECT TO BOARD APPROVAL

00:58:56

## E-4) ANNUAL REVIEW SUPPLEMENTAL WATER ACCOUNTING

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

*The following members of the public spoke:*

*Bill Petrick, Blacklake resident, requested clarification on the policy and why it is necessary now.*

*President Armstrong responded with clarification regarding the District's requirement to issue Intent-to-Serve Letters in Stage II and that the District is currently in Stage III and not accepting new applications for service.*

*Mike Seitz, District Legal Counsel, responded with the legal responsibility to provide Intent-to-Serve Letters.*

*Sharon Petrick, Blacklake resident, commented on supplemental water and Intent to Serve Letters.*

*Director Eby clarified that the District is not currently accepting new applications for service.*

*Mike Seitz clarified regarding the Court Stipulation.*

*Kit Carter, Blacklake resident, commented on the accounting process and suggested staff consider metered water use when accounting for the 500 AFY.*

*Absent any objections from the Board, President Armstrong stated the District will continue with the current policy.*

01:15:37

## E-5) ANNUAL REVIEW OF DISTRICT DEBT MANAGEMENT, CASH RESERVE AND INVESTMENT POLICY

*Lisa Bognuda, Finance Director, reviewed the report as presented in the Board packet. Ms. Bognuda answered questions from the Board.*

*President Armstrong directed staff to review cash reserve balances and determine where the excess can go as well as review the bond issuance statement for Blacklake to determine if appropriate.*

*President Armstrong directed staff to review the debt management policy and confer with the Bond Council.*

*Ms. Bognuda recommended taking the policy to the Finance & Audit Committee for review and recommendation to the full Board.*

*The following members of the public spoke:*

*Wally Crooks, Blacklake resident, commented on the District's cash reserves and financials for Blacklake.*

SUBJECT TO BOARD APPROVAL

01:38:10

E-6) SECOND QUARTER FINANCIAL REPORT

*Lisa Bognuda, Finance Director, reviewed the report as presented in the Board packet. Ms. Bognuda answered questions from the Board.*

*President Armstrong directed staff to request a 2<sup>nd</sup> opinion or assurance report with all audit proposals.*

*Ms. Bognuda stated that the Finance & Audit Committee will review a Request for Proposal (RFP) at their next meeting.*

*Upon the motion of Director Dan Allen Gaddis and seconded, the Board unanimously approved and accepted the Second Quarter Financial Report.  
Vote 5-0.*

YES VOTES	NO VOTES	ABSENT
Directors Gaddis, Eby, Blair, Woodson, and Armstrong	None	None

01:57:30

F. GENERAL MANAGER'S REPORT

*Mario Iglesias, General Manager, reviewed the report as presented in the Board packet. Mr. Iglesias also reported the following:*

- *He spent his first two weeks meeting with local officials.*
- *The District received two thank-you letters from local schools regarding the conservation poster contest.*
- *There was a main waterline break at Blacklake on January 20<sup>th</sup>. The District received a letter from a Blacklake member commending the District on its prompt response.*

*Mr. Iglesias answered questions from the Board.*

*There were no public comments.*

G. COMMITTEE REPORTS

*None.*

02:04:02

H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

Director Eby

- *Requested the Board re-visit the Intent-to-Serve (ITS) Policy at a future meeting.*

02:05:12

I. CLOSED SESSION ANNOUNCEMENTS

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

- a) SMWCD VS. NCSO (SANTA CLARA COUNTY CASE NO. CV 770214, SIXTH APPELLATE COURT CASE NO. H032750 AND ALL CONSOLIDATED CASES).
- b) HEAL VS. NCSO (SAN LUIS OBISPO COUNTY CASE NO CV 15-0539)

Nipomo Community Services District  
REGULAR MEETING  
MINUTES

- c) INTERINSURANCE EXCHANGE OF THE AUTO CLUB (AN INTERINSURANCE EXCHANGE) VS. NCAS ET.AL. SAN LUIS OBISPO SUPERIOR COURT CASE NO. 15CV3808
- d) BENING VS. NCSD SAN LUIS OBISPO SUPERIOR COURT CASE NO. 14CV0069

2. LIABILITY CLAIMS: CONFERENCE WITH LEGAL COUNSEL PURSUANT TO GOVERNMENT CODE SECTION 54956.95

Claimant: Hollee Parker  
Agency claimed against: NCSD

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

*There were no public comments.*

K. ADJOURN TO CLOSED SESSION

*President Armstrong adjourned to closed session at 11:17 a.m.*

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

*The Board came back into Open Session at 11:37 a.m.*

*Mike Seitz, District Legal Counsel, announced that the Board discussed Item I.1(a), 1(b), 1(c), and 1(d), heard a report, but took no reportable action.*

*Mr. Seitz also announced that the Board discussed Item 2, voted unanimously to reject the claim and directed the General Manager to prepare and send the rejection notice.*

ADJOURN

*President Armstrong adjourned the meeting at 11:40 a.m.*

MEETING SUMMARY	HOURS & MINUTES
Regular Meeting	2 hours 20 minutes
Closed Session	20 minutes
TOTAL HOURS	2 hour 40 minutes

Respectfully submitted,

\_\_\_\_\_  
Mario Iglesias, General Manager and Secretary to the Board

\_\_\_\_\_  
Date

TO: BOARD OF DIRECTORS  
REVIEWED: MARIO IGLESIAS  
GENERAL MANAGER  
FROM: PETER V. SEVCIK, P.E.  
DIRECTOR OF  
ENGINEERING & OPERATIONS  
DATE: FEBRUARY 4, 2016

**AGENDA ITEM  
D-3  
FEBRUARY 10, 2016**

**SUPPLEMENTAL WATER PROJECT PHASE 1  
BID PACKAGE 4 – JOSHUA ROAD PUMP STATION  
AUTHORIZATION FOR PARTIAL RETENTION RELEASE**

**ITEM**

Authorize partial release of retention to Spiess Construction Co., Inc. for Supplemental Water Project Phase 1 Bid Package 4 – Joshua Road Pump Station [RECOMMEND AUTHORIZE STAFF TO RELEASE \$135,828 OF RETENTION].

**BACKGROUND**

On June 20, 2013, the Board awarded a construction contract for Supplemental Water Project Phase 1 Bid Package 4 – Joshua Road Pump Station to Spiess Construction Co., Inc. Construction began in December 2013 and is now almost completed.

The Bid Package 4 Project consisted of approximately 1700 lineal feet of 24 inch diameter ductile iron pipe (DIP) waterline, a flow meter and flow control station, a 400 gallon per minute (gpm) pump station with two (2) pumps, a chloramination system, and related power, back-up power, controls and instrumentation systems, a pressure reducing station, and chloramination systems at four (4) existing District production wells.

In July 2015, the Board authorized a change order for the construction of chloramination facilities at the Knollwood Well. This additional work is now anticipated to be completed in late April 2016, due to procurement delays for the chemical feed equipment that are beyond the contractor's control. The contractor has asked the District to consider a partial release of the retention being held for the overall project as well as to start the warranty period for all equipment and work performed to date.

The District's Construction Manager, MNS Engineers, provided the attached letter recommending that the District release 50% of the retention withheld for the project to date and that the warranty period start on February 10, 2016 for all equipment and work performed to date excluding SCADA improvements, chemical feed systems and remaining change order work. As stated in the letter from MNS, all punch list items, change order work, and required documentation will need to be completed before the District can consider approving the Notice of Completion and releasing the remaining retention.

**FISCAL IMPACT**

The summary of construction costs as of January 2016 is as follows:

<b>Construction Contract Cost Summary</b>	
Original Contract Amount – Spiess Construction Co. Inc.	<b>\$4,344,710</b>
Change Orders to Date	<b>\$1,190,889</b>
Revised Contract Amount	<b>\$5,535,598</b>
<b>Completed to Date</b>	<b>\$5,433,140</b>
<b>Total Paid to Date</b>	
	<b>\$5,161,483</b>
<b>Retention to Date</b>	<b>\$271,657</b>
<b>Proposed 50% Retention Release</b>	
	<b>\$135,828</b>

**STRATEGIC PLAN**

Goal 1 – WATER SUPPLY – Actively plan to provide reliable water supply of sufficient quality and quantity to serve both current customers and those in the long-term future.

**RECOMMENDATION**

Staff recommends that the Board, by motion and roll call vote, authorize staff to release \$135,828 of retention for Supplemental Water Project Phase 1 Bid Package 4 – Joshua Road Pump Station to Spiess Construction Co., Inc. and that the warranty period start on February 10, 2016 for all equipment and work performed to date excluding SCADA system improvements, chemical feed systems and remaining change order work.

**ATTACHMENTS**

- A. MNS Letter Dated February 4, 2016

February 10, 2016

ITEM D-3

ATTACHMENT A





811 El Capitan Way, Ste. 130 / San Luis Obispo CA 93401  
Ph. (805) 787-0326 / F. (805) 787-0437

February 4, 2016

Mr. Peter V. Sevcik  
Director of Engineering and Operations  
Nipomo Community Services District  
148 South Wilson Street  
Nipomo, CA 93444

**RE: Recommendation for 50% Retention Release  
Supplemental Water Project Phase 1 – Bid Package 4**

Dear Peter:

MNS Engineers, Inc. has reviewed the status of the District's contract with Spiess Construction, Inc. and has performed inspections of the project punch list work Spiess has completed to date.

Based on the status of the work, MNS is recommending the District release 50% of the retention withheld for the Supplemental Water Project Phase 1 – Bid Package #4, to Spiess Construction, Inc.

MNS also recommends the District begin the warranty period on February 10, 2016, for all equipment and work performed as part of Bid Package #4, excluding the chemical feed pumps, the SCADA system portions of the contract and remaining change order work.

Spiess will continue to perform punch list items, and change order work requested by the District, which will need to be completed before the Notice of Final Completion can be approved and remaining retention released.

Sincerely,

MNS ENGINEERS, INC.

A handwritten signature in blue ink that reads "Kim R. Lindbery".

Kim R. Lindbery, P.E.  
Project Manager

KRL/krl

cc: Greg Chelini, P.E. Construction Manager, MNS Engineers, Inc.

[mnsengineers.com](http://mnsengineers.com)

TRANSPORTATION / WATER RESOURCES / GOVERNMENT SERVICES / FEDERAL