

NIPOMO COMMUNITY SERVICES DISTRICT

Serving the Community Since 1965

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 MAISON, **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.

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.

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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.

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*Upon the motion of Director Ed Eby and seconded, the Board unanimously approved the Consent Items.
Vote 5-0.*

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

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
Directors Gaddis, Eby, Blair, Woodson, and Armstrong	None	None

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
Directors Woodson, Eby, Blair, Gaddis, and Armstrong	None	None

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.

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 2nd 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 20th. 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) SMWWCD VS. NCSD (SANTA CLARA COUNTY CASE NO. CV 770214, SIXTH APPELLATE COURT CASE NO. H032750 AND ALL CONSOLIDATED CASES).
- b) HEAL VS. NCSD (SAN LUIS OBISPO COUNTY CASE NO CV 15-0539)
- c) INTERINSURANCE EXCHANGE OF THE AUTO CLUB (AN INTERINSURANCE EXCHANGE) VS. NCSD ET.AL. SAN LUIS OBISPO SUPERIOR COURT CASE NO. 15CV3808

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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 1.1(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

2-10-16
Date