

NIPOMO COMMUNITY SERVICES DISTRICT

Serving the Community Since 1965

REGULAR MINUTES

JULY 12, 2017 AT 9:00 A.M.

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

BOARD of DIRECTORS

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

PRINCIPAL STAFF

MARIO IGLESIAS, **GENERAL MANAGER**
LISA BOGNUDA, **FINANCE DIRECTOR**
WHITNEY MCDONALD, **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 Gaddis called the Regular Meeting of July 12, 2017 to order at 9:00 a.m. and led the flag salute.

00:00:32 B. ROLL CALL AND PUBLIC COMMENT FOR ITEMS NOT ON AGENDA

At Roll Call, all Directors were present.

There were no public comments.

00:00:41 C. PRESENTATIONS AND REPORTS

C-1) 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

- July 10, Attended the Integrated Regional Water Management (IRWM) meeting.

Director Eby

- July 4, Attended Nipomo's Fourth of July Parade.
- July 7, Attended the Nipomo Mesa Management Area Technical Group (NMMA) meeting.
- July 10, Attended the IRWM meeting.

Director Gaddis

- July 5, Attended the District Board Officer's meeting.

Director Blair

- July 4, Participated in Nipomo's Fourth of July Parade.

C-2) 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.

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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, Woodson, Blair, Armstrong and Gaddis	None	None

00:02:15

D. CONSENT AGENDA

D-1) WARRANTS

D-2) APPROVE JUNE 28, REGULAR BOARD MEETING MINUTES

Directors Woodson and Gaddis requested clarification on warrants. Mario Iglesias, General Manager, and Peter Sevcik, Director of Engineering & Operations, responded.

There were no public comments.

Upon the motion of Director Craig Armstrong and seconded, the Board unanimously approved the Consent Agenda.

Vote 5-0.

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

E. ADMINISTRATIVE ITEMS

00:05:16

E-1) CONSIDER ACCEPTING DRAFT 2017 WATER FUND RATE STUDY AND RATE ADOPTION SCHEDULE

Mario Iglesias, General Manager, reviewed the report as presented in the Board Packet and introduced the District's rate consultant, Clayton Tuckfield of Tuckfield & Associates.

Mr. Tuckfield gave a presentation on the Draft 2017 Water Fund Rate Study. Mr. Tuckfield reported that a water rate study was necessary to sustain a water system on a sound financial basis. Mr. Tuckfield also reported that, even with the proposed water rate increase, District water rates are among the lowest in the County.

Mr. Iglesias identified a correction to the presentation. Rates would go into effect December 1, 2017.

00:24:50

The following members of the public spoke:

Kent Makofsky, NCS D Customer, commented on the purpose of the Rate Study as well as taxes. Mr. Makofsky also stated there should be a note in the report stating customers are the first and last resort for recovering funds.

Director Eby responded to the public comment stating that water rates are not a tax but rather a cost of service.

The Board discussed. Mr. Tuckfield and Mr. Iglesias answered questions from the Board.

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*Upon the motion of Director Craig Armstrong and seconded, the Board unanimously accepted the Draft 2017 Water Fund Rate Study and rate adoption schedule.
Vote 5-0.*

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

00:30:46

E-2) CONSIDER APPROVING CONTRACT AMENDMENT WITH MKN & ASSOCIATES TO AMEND BLACKLAKE SEWER MASTER PLAN TO INCLUDE A COMPREHENSIVE EVALUATION OF THE SEWER REGIONALIZATION STRATEGY

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

Director Eby asked if District staff worked with the Blacklake Facilities Committee regarding this proposed change. Mr. Iglesias responded that the District has held meetings with the Committee and attended Master Association Meetings regarding this option.

The following members of the public spoke:

Kent Macofsky, NCSO Customer, commented on the cost to maintain the Blacklake facility. Mr. Macofsky asked about timeframe for this additional evaluation. Mr. Iglesias responded that it would take approximately 4-6 weeks.

Jim Babcock, NCSO Customer, commented on purple pipe being used if regionalizing the system and is interested in the District's idea on recycled water. Mr. Iglesias and Director Eby responded.

Mark Randall, Blacklake resident and member of the Blacklake Facilities Committee, asked about where the additional \$16,000 would come from. Mr. Iglesias commented that it would come out of the Blacklake Sewer Fund. Mr. Iglesias also commented that he will be meeting with the Blacklake Facilities Committee.

The Board discussed.

*Upon the motion of Director Craig Armstrong and seconded, the Board unanimously Agreed to amend the contract with MKN & Associates by \$16,640 to expand the Blacklake Sewer Master Plan to include the evaluation of a regionalization strategy.
Vote 5-0.*

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

00:45:54

E-3) RECEIVE AND DISCUSS REPORT ON KEY WELLS INDEX FROM DISTRICT'S GEO-HYDROLOGIST AND CONSIDER POSSIBLE ACTIONS UNDER STAGE IV OF THE DISTRICT'S WATER SHORTAGE RESPONSE AND MANAGEMENT PLAN

Mario Iglesias, General Manager, reviewed the report as presented in the Board Packet and introduced the District's Geo-Hydrologist, Dr. Brad Newton of Newton Geo-Hydrology Consulting Services.

Dr. Newton gave a presentation on the 2017 Key Wells Index which shows the Nipomo area remains in Severe Criterion and Stage IV of the Water Shortage Response and

Management Plan.

Director Eby asked about seawater contamination. Dr. Newton responded that it has not happened here yet, but it is possible if the water table drops below sea level. If that happens, it could contaminate the water supply.

The Board discussed. Dr. Newton answered questions from the Board.

Mario Iglesias, General Manager, discussed the District's Water Shortage Response and Management Plan, current actions in place by the District and options available to the Board.

The following members of the public spoke:

Kent Makofsky, NCSO Customer, asked about the period of measurement. Dr. Newton responded that measurements are based on the water year which runs from October 1 through September 30. Mr. Makofsky also asked about percolation rates. Dr. Newton responded.

Director Woodson commented that the District should not move beyond Stage IV due to supplemental water.

Director Blair commented that the District should have some discretionary water from the supplemental water project that can be used to build homes.

Directors Eby, Armstrong and Gaddis commented that District should remain in Stage IV and not enforce additional actions.

The following members of the public spoke:

Debra Musch, NCSO customer, commented on water service to a portion of their property and requested an exception to the rule so they could continue developing their property.

Patrick Bainbridge, Nipomo resident, requested the Board consider allowing new construction that will have net zero consumption due to conservation measures.

Director Blair made a motion to remain in Stage IV of the Water Shortage Response Management Plan but build in exceptions for single family homes with water consumption up to 50 Acre Feet per Year. The motion was not seconded.

The Board consensus was to remain in Stage IV of the District's Water Shortage Response and Management Plan, not impose additional actions, and not remove any actions.

01:42:23 F. MANAGER'S REPORT

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

- Overall reduction in groundwater pumping for the July 2016-June 2017 period was 51%. June saw a reduction of 56.7%.*
- The District received the Transparency Certificate of Excellence for a third time and commended staff.*
- Willow Market completed their lift station and will assess community perception. A sampling report is scheduled to take place prior to July 26.*

Mr. Iglesias answered questions from the Board.

Director Armstrong requested an update on the smell at the Southland Wastewater Treatment Facility. Mr. Iglesias responded that the issue should be resolved by the end of July.

The following members of the public spoke:

Mark Randall, Blacklake resident, asked when testing at Willow Market will be completed. Mr. Iglesias commented that it is scheduled to be completed by July 26.

G. COMMITTEE REPORTS

None.

01:48:49 H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

Director Woodson

- *Requested the status of the District's development of a public art policy. Mario Iglesias, General Manager, responded that staff have investigated other agency programs and will look at developing a policy for Board review in August.*
- *Requested an update on the data presented in the Consumer Confidence Report. Peter Sevcik, Director of Engineering & Operations, responded that the data presented what the State requested and what was provided by the City of Santa Maria. Mr. Sevcik will follow-up.*

Director Blair

- *Stated that he will bring some photos of public art displays for the Board to review.*

Director Eby

- *Requested staff agendaize an adjustment to the Board meeting schedule.*

01:55:10 I. CLOSED SESSION ANNOUNCEMENTS

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

- a) SMVWCD VS. NCSO (SANTA CLARA COUNTY CASE NO. CV 770214, SIXTH APPELLATE COURT CASE NO. H032750 AND ALL CONSOLIDATED CASES).
- b) NCSO VS. LOS PRIMOS PROPERTIES LLC, SAN LUIS OBISPO COUNTY CASE NO. 16CV0512

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There were no public comments.

K. ADJOURN TO CLOSED SESSION

President Gaddis adjourned to closed session at 11:10 a.m.

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

The Board came back into Open Session at 11:18 a.m.

Whitney McDonald, District Legal Counsel, announced that the Board discussed Item I.1(a) and 1(b), but took no reportable action.

ADJOURN

President Gaddis adjourned the meeting at 11:19 a.m.

MEETING SUMMARY	HOURS & MINUTES
Regular Meeting	2 hours 11 minutes
Closed Session	8 minutes
TOTAL HOURS	2 hours 19 minutes

Respectfully submitted,



Mario Iglesias, General Manager and Secretary to the Board

7-31-17
Date