

NIPOMO COMMUNITY SERVICES DISTRICT

Serving the Community Since 1965

REGULAR MINUTES

SEPTEMBER 12, 2018 AT 9:00 A.M.

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

BOARD of DIRECTORS

ED EBY, PRESIDENT
DAN ALLEN GADDIS, 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.

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.

A. CALL TO ORDER AND FLAG SALUTE

President Eby called the Regular Meeting of September 12, 2018, to order at 9:00 a.m. and led the flag salute.

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

At Roll Call, all Directors were present.

C. PRESENTATIONS AND REPORTS

C-1) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST AND REPORTS ON ATTENDANCE AT PUBLIC MEETINGS, TRAINING PROGRAMS, CONFERENCES, AND SEMINARS.

Director Woodson

- *August 27, attended SCAC meeting.*

Director Gaddis

- *September 4, attended Board Officer's meeting.*

Director Armstrong

- *September 5, attended WRAC meeting.*

Director Eby

- *August 20, attended the NMMA Technical Group meeting.*
- *September 4, attended Ad Hoc meeting on WSRMP.*
- *September 4, attended Board Officer's meeting.*
- *September 5, attended meeting with SLO County Auditor Controller.*

C-2) RECEIVE PUBLIC COMMENT ON PRESENTATIONS AND REPORTS PRESENTED UNDER ITEM C AND BY MOTION RECEIVE AND FILE PRESENTATIONS AND REPORTS

There was no public comment.

*Upon the motion of Director Gaddis and seconded, the Board unanimously approved to receive and file the presentations and reports as submitted.
Vote 5-0.*

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

D. CONSENT AGENDA

D-1) WARRANTS [RECOMMEND APPROVAL]

D-2) APPROVE AUGUST 8, 2018, REGULAR BOARD MEETING MINUTES
 [RECOMMEND APPROVE MINUTES]

D-3) APPROVE AMENDED GENERAL MANAGER EMPLOYMENT CONTRACT

District Legal Counsel, Whitney McDonald, provided an oral summary of the amended General Manager employment contract:

- Salary adjustment of 4.99%, consisting of 2.12% merit and 2.87% Cost of Living Adjustment. Salary increased from \$153,000 to \$160,635.00 annually, effective July 1, 2018.
- Increase the number of Administrative Leave days from five to eight, effective July 1, 2018.

There was a typographical error Section 12 (A)(1). It should be 1 and 1/4th not 1 and 114th. It was also noted that all District employees received the 2.87% Cost of Living Adjustment on July 1, 2018.

There were no public comments.

*Upon the motion of Director Armstrong and seconded, the Board unanimously approved the Consent Agenda (with correction to Item D-3, Section 12(A)(1)).
 Vote 5-0.*

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

E. ADMINISTRATIVE ITEMS

E-1) SOLID WASTE FUND #300 REVIEW OF RESERVE LEVEL AND SPENDING PLAN
 [RECOMMEND REVIEW AND DISCUSS FINANCE AND AUDIT COMMITTEE
 RECOMMENDATIONS AND DIRECT STAFF]

Mario Iglesias, General Manager, presented the report as presented in the Board packet and answered questions from the Board. The Finance and Audit Committee met on August 6, and after consideration, the Committee recommended the full Board consider the following three items:

1. What Cash Reserve Level should be maintained?
2. How should annual franchise fees be used?
3. What percent of the franchise fee should the District maintain?

The following members of the public spoke:

Thomas Geaslen, Nipomo resident, requested the Board consider using local Non-Profit organizations to manage the solid waste grant program.

Jeff Long, Executive Director of Nipomo Recreation, described his organization and its ability to manage the solid waste grant program due to its 50+ employees.

Deb Geaslen, Chief Financial Officer of the Olde Town Nipomo Association (OTNA), stated the purpose of the organization and described completed projects and on-going beautification projects. Ms. Geaslen stated the Olde Town Nipomo Association could properly manage the solid waste grant program and requested the Board to look favorably and unbiased on the OTNA. Ms. Geaslen handed out a letter to the Board of Directors.

Mr. Iglesias also read a letter addressed to the Board of Directors dated September 5, 2018 from Mr. Thomas Geaslen.

President Eby requested the following excerpt of Mr. Geaslen's letter be placed into the minutes:

"Please consider the following Nipomo Non-Profits for the management of the Achievement House waste materials contract. The Nipomo Recreation Association, the Nipomo Old Town Association and the Nipomo VFW Chapter 10978. All three have the resources and compliance structure in place to ensure the cleanup management function is carried out the way it was designed. All three are in good standing. All three are fiscally responsible. All three will make proper use of the monies generated by re-investing in the Nipomo Community. Each of these groups have a significant impact on the Nipomo community, so whoever you choose will satisfy the obligation with highest regard. Please allow each of these groups to present a solution that addresses this opportunity."

President Eby stated the Board is not considering grant funding options at this meeting. The agenda items for consideration will be addressed.

1. What Cash Reserve Level should be maintained?

Director Woodson suggested \$150,000 and Directors Blair Gaddis and Armstrong all said they could agree. Director Eby preferred \$115,000 but could agree to \$150,000.

The Cash Reserve Policy annual review will take place at the October Board meeting and this item will be included as a recommended modification.

2. How should annual franchise fee be used?

Status Quo (use of funds for local clean-up projects, Creek Clean Up, Olde Towne garbage can pick up and other Board approved uses) was preferred by all Board members. It was noted that the Board does not want to participate in future County neighborhood clean-up days.

3. What percent of the franchise fee should the District maintain?

The Board directed Staff to prepare a policy for Board consideration that addresses the franchise fee percentage, budgeted programs and use of excess funds over and above the established cash reserve balance.

E-2) CONSIDER AUTHORIZING TASK ORDER FOR DESIGN ENGINEERING SERVICES FOR SUPPLEMENTAL WATER PROJECT NIPOMO AREA PIPELINE IMPROVEMENTS [RECOMMEND ADOPT RESOLUTION AUTHORIZING FINAL DESIGN TASK ORDER WITH AECOM IN THE AMOUNT OF \$63,599]

Peter Sevcik, Director of Engineering and Operations, presented the item and answered questions from the Board. The reason to proceed now with a budget amendment is it will take 22 weeks to complete design and be ready to bid, a "shovel-ready project" will allow the District to be more competitive in obtaining Prop 1 funding, and if drought conditions continue, the District may need additional pipeline capacity.

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The Board directed Mr. Sevcik to contact AECOM and request a cost to include a bid alternate for a 16 inch pipe. This may be considered at a future Board meeting.

The following member of the public spoke:

Pam Wilson, NCS D customer, asked about future mix of water-groundwater and supplemental water.

Upon the motion of Director Armstrong and seconded, the Board unanimously approved the authorizing a Task Order to AECOM in the amount of \$63,599 for engineering services for supplemental water project Nipomo area pipeline improvements and amending the FY 2018-19 budget.

Vote 5-0.

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

2018-1485

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
AUTHORIZING A TASK ORDER TO AECOM IN THE AMOUNT OF \$63,5999
FOR ENGINNERING SERVICES FOR SUPPLEMENTAL WATER PROJECT
NIPOMO AREA PIPELINE IMPROVEMENTS AND AMENDING FY 2018-19 BUDGET**

- E-3) CONSIDER AUTHORIZING TASK ORDER FOR DESIGN ENGINEERING SERVICES FOR SUPPLEMENTAL WATER PROJECT GOLDEN STATE WATER COMPANY AND WOODLANDS MUTUAL WATER COMPANY INTERCONNECTS [RECOMMEND ADOPT RESOLUTION AUTHORIZING FINAL DESIGN TASK ORDER WITH MKN & ASSOCIATES IN THE AMOUNT OF \$78,836]

Peter Sevcik, Director of Engineering and Operations, presented the item and answered questions form the Board

There was no public comment.

Upon the motion of Director Gaddis and seconded, the Board unanimously approved the authorizing a Task Order to with MKN & Associates for final design engineering services for supplemental water project – Golden State Water company and Woodlands Mutual Water Company interconnects.

Vote 5-0.

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

2018-1486

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
AUTHORIZING A TASK ORDER WITH MKN & ASSOCIATES FOR FINAL DESIGN
SERCIES FOR SUPPLEMENTAL WATER PROJECT – GOLDEN STATE WATER COMPANY
AND WOODLANDS MUTUAL WATER COMPANY INTERCONNECTS**

F. MANAGER’S REPORT

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

There were no public comments.

G. COMMITTEE REPORTS

NCSD AD HOC COMMITTEE – WATER SHORTAGE AND RESPONSE PLAN REVIEW

Mario Iglesias, General Manager, reported the Ad Hoc Committee met on September 4.

- Committee discussed the Key Well Index (KWI) and the Water Shortage Response Management Plan (WSRMP).
- Committee reviewed the WSRMP and determined it needs to be modified due to the importation of supplemental water that started in 2015.
- Committee will meet again on September 18 to finalize their recommendations to the Board which is expected to be on October 10.

President Eby stated:

- Prior to importation of supplemental water, NCSD pumped 14% of all groundwater extracted from the NMMA, currently is pumping 8% of all NMMA groundwater extracted from the NMMA, and is expected to be pumping only 3% of the water from the NMMA in year 2025.
- NCSD’s shift away from groundwater pumping to importing water through the supplemental water project does not appear to have a measurable impact on the KWI.
- The Committee reviewed the construction schedule to complete the supplemental water project.
- The committee reviewed the possibility of allowing Intent-To-Serve letters to be issued in the future based on the availability of imported water.

There were no public comments.

H. DIRECTORS’ REQUEST TO STAFF AND SUPPLEMENTAL REPORTS

Director Blair requested staff review and consider modifying ordinance to allow meters to be turned off for a fee when property owner is not at home (i.e. extended vacation).

There were no public comments.

I. CLOSED SESSION

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

SMWWCD V. NCSD (SANTA CLARA COUNTY CASE NO. CV 770214, SIXTH APPELLATE COURT CASE NO. H032750 AND A LITIGATION PURSUANT TO GC §54956.9 ALL CONSOLIDATED CASES)

2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Gov. Code 54956.8)

Property: [APN 091-301-038]
Agency negotiator: Mario Iglesias
Negotiating parties: Verizon Wireless
Under negotiation: Price, terms of payment, or both

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J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

K. ADJOURN TO CLOSED SESSION

President Eby requested a 10 minute break and adjourned to Closed Session at 10:25 a.m.

L. OPEN SESSION

ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

Whitney McDonald, District Legal Counsel, announced that the Board discussed Items 1 and 2. The Board took no reportable action.

There were no public comments.

ADJOURN

President Eby adjourned the meeting at 11:25 a.m.

MEETING SUMMARY	HOURS & MINUTES
Regular Meeting	1 hour 25 minutes
Closed Session	1 hour 00 minutes
TOTAL HOURS	2 hour 25 minutes

Respectfully submitted,



Mario Iglesias, General Manager and Secretary to the Board

10-10-18
Date