

# NIPOMO COMMUNITY SERVICES DISTRICT

*Serving the Community since 1965*

## REGULAR MINUTES

**APRIL 26, 2023 AT 9:00 A.M.**

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

### BOARD of DIRECTORS

RICHARD MALVAROSE, PRESIDENT  
DAN ALLEN GADDIS, VICE PRESIDENT  
ED EBY, DIRECTOR  
DAN WOODSON, DIRECTOR  
GARY HANSEN, DIRECTOR

### PRINCIPAL STAFF

MARIO IGLESIAS, GENERAL MANAGER  
LISA BOGNUDA, ASST GENERAL MANAGER  
JANA ETTEDDGUE, FINANCE DIRECTOR  
PETER SEVCIK, DIRECTOR OF ENG. & OPS.  
CRAIG STEELE, GENERAL COUNSEL

#### Mission Statement:

Provide our customers with reliable, quality, and cost-effective services now and in the future.

#### A. CALL TO ORDER AND FLAG SALUTE

*President Malvarose called the Regular Meeting of April 26, 2023, 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.*

*There were no public comments.*

#### C. PRESENTATIONS AND REPORTS

##### C-1) ENGINEERS QUARTERLY REPORT TO THE BOARD [RECOMMEND RECEIVE AND FILE]

*Peter Sevcik, Director of Engineering and Operations, presented the item and answered questions from the Board.*

##### C-2) DIRECTORS' ANNOUNCEMENTS OF DISTRICT AND COMMUNITY INTEREST AND REPORTS ON ATTENDANCE AT PUBLIC MEETINGS, TRAINING PROGRAMS, CONFERENCES AND SEMINARS. Receive Announcements and Reports from Directors

###### *Director Gaddis*

- *April 17, attended Harassment Prevention Training*

###### *Director Eby*

- *April 17, attended Harassment Prevention Training*
- *April 19, attended Finance and Audit Committee Meeting*
- *April 20, attended LAFCO Meeting*
- *April 21, attended SLO – SCDA Luncheon*

###### *Director Malvarose*

- *April 18, attended Board Officers' Meeting*

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- 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 Eby and seconded, the Board approved receiving and filing presentations and reports.*

*Vote 5-0.*

YES VOTES	NO VOTES	ABSENT
<i>Directors Eby, Woodson, Hansen, Gaddis, and Malvarose</i>	<i>None</i>	<i>None</i>

D. CONSENT AGENDA

- D-1) WARRANTS [RECOMMEND APPROVAL]
- D-2) APPROVE APRIL 12, 2023, REGULAR BOARD MEETING MINUTES [RECOMMEND APPROVE MINUTES]
- D-3) ACCEPT DEED RESTRICTION FOR APN 090-384-015, 135 EAST BRANCH STREET, NIPOMO [RECOMMEND ADOPT RESOLUTION ACCEPTING OFFER OF DEED RESTRICTION]
- D-4) AUTHORIZE STAFF TO BID SOUTHLAND WASTEWATER TREATMENT FACILITY INFLUENT LIFT STATION REHABILITATION PROJECT [RECOMMEND AUTHORIZE STAFF TO BID LIFT STATION REHABILITATION PROJECT]

*Staff answered questions regarding item D-3.*

*There were no public comments.*

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

YES VOTES	NO VOTES	ABSENT
<i>Directors Eby, Woodson, Hansen, Gaddis, and Malvarose</i>	<i>None</i>	<i>None</i>

RESOLUTION NO. 2023-1663  
A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
ACCEPTING 135 BRANCH STREET DEED RESTRICTION  
APN 090-384-015

E. ADMINISTRATIVE ITEMS

- E-1) ADOPT RESOLUTION AMENDING INVESTMENT POLICY AND REVIEW PROPOSED POLICY GUIDELINES FOR INVESTING [RECOMMEND ADOPT RESOLUTION AMENDING DISTRICT INVESTMENT POLICY]

*Jana Etteddgue, Finance Director, presented the item and answered questions from the Board.*

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*Director Gaddis requested his statement be included in the minutes:*

*"The Nipomo Community Services District (NCSD) was formed on January 28, 1965, 58 years ago. The District has historically invested funds, not needed in the short- term, in the Local Agency Fund (LAIF).*

*Who in NCSD will monitor & make buying and selling decisions on short term securities such as Treasury Bills ( T-Bills) & Certificates of Deposit (CD's).  
The Finance Director & the General Manager.*

*Do we have sufficient staff to adequately monitor buys & sells of these short term securities?*

*How much are we willing to invest?  
Anywhere from \$250,000 to \$9,000,000?*

*The present General Manager is retiring on June 30, 2023, but in reality is leaving on June 22nd and utilizing earned vacation days. So in effect, after about 57 days, the present General Manager will no longer be in charge.*

*Right now we have engaged a recruitment firm to find a new General Manager.*

*I think this new type of short term investing, put forward by Director Eby, in investing in short term securities such as Treasury Bills (T-Bills) & Certificates of Deposit (CD'S), can be economically beneficial to NCSD.*

*However, stating it again, in addition to their other duties, the Finance Director & General Manager will now also have to monitor the buying & selling of these short term investments.*

*However, stating it again, our present General Manager is leaving direct management in about 57 days. What is the rush to get Resolutions E-1 & E-2 approved ?*

*The new General Manager will have a big job helping to ensure our potential millions are invested properly.*

*The new General Manager will shortly be on board.  
I recommend we hold off on implementing resolutions for Agenda Items E-1 & E-2.*

*Hold off until the new General Manager is on board and can be part of this decision process.*

*Hold off on resolution to amend the Districts investment policy to allow investing in securities such as short term Treasury Bills (T-Bills) & certificates of Deposit ( CD's).*

*Hold off on passing resolution authorizing District to open an account with Multi-Bank Securities Inc., and a separate custodial account with Pershing LLC.*

*I think we should wait on approving these resolutions until the new General Manager is on board & let that person be part of the investment decision process.*

*To do otherwise I believe would be disrespectful to the new General Manager that will be hired."*

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*Director Eby stated that the District should take advantage of the current interest rates and investing in treasury bills and if the new manager would like to amend the Investment Policy he or she is able to bring that concern to the Board.*

*Director Malvarose thanked everyone for their work and thought it was a good idea.*

*Pam Wilson, NCS D Resident, asked what amount of District funds would be invested.*

*Staff answered questions from the Board and the public.*

*Upon the motion of Director Eby and seconded, the Board approved the Resolution. Vote 4-1.*

YES VOTES	NO VOTES	ABSENT
Directors Eby, Hansen, Woodson, and Malvarose	Gaddis	None

RESOLUTION NO. 2023-1664  
A RESOLUTION OF THE  
BOARD OF DIRECTORS OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT  
AMENDING THE DISTRICT'S INVESTMENT POLICY

E-2)

**CONSIDER ENTERING INTO AN AGREEMENT WITH MULITI-BANK SECURITIES, INC. (MBS) AND OPENING A CUSTODIAL ACCOUNT WITH PERSHING LLC [RECOMMEND APPROVAL AND AUTHORIZE GENERAL MANAGER TO SIGN AGREEMENTS ADOPT RESOLUTION]**

*Jana Etteddgue, Finance Director, presented the item and answered questions from the Board.*

*Director Eby asked about if MBS charged fees and if there was an obligation to MBS per the contract.*

*Craig Steele, General Council, stated that there is a 30 day termination clause in the agreement.*

*Director Malvarose asked how MBS makes money.*

*There were no public comments.*

*Upon the motion of Director Eby and seconded, the Board approved the agreement with MBS and authorized the General Manager to sign on behalf of the District and approved the Resolution.*

*Vote 4-1.*

YES VOTES	NO VOTES	ABSENT
Directors Eby, Woodson, Hansen, and Malvarose	Gaddis	None

RESOLUTION NO. 2023-1665  
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT  
AUTHORIZING DESIGNATING OFFICIALS OF THE  
DISTRICT TO TAKE SPECIFIED ACTIONS WITH  
REGARD TO DISTRICT INVESTMENTS

**E-3) ADOPT RESOLUTION APPROVING UPDATED PURCHASE POLICY AND PROCEDURES [RECOMMEND ADOPT RESOLUTION APPROVING UPDATED PURCHASE POLICY AND PROCEDURES]**

*Mario Iglesias, General Manager, presented the item and answered questions from the Board.*

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Mario Iglesias, General Manager, passed out an updated version of page 8 of the policy.

There were no public comments.

Upon the motion of Director Woodson and seconded, the Board approved the Resolution. Vote 5-0.

YES VOTES	NO VOTES	ABSENT
Directors Woodson, Hansen, Eby, Gaddis, and Malvarose	None	None

RESOLUTION NO. 2023-1666  
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT ADOPTING AN  
UPDATED PURCHASE POLICY AND PROCEDURES

F. GENERAL MANAGER'S REPORT

Mario Iglesias, General Manager, presented the item and answered questions from the Board.

There were no public comments.

G. COMMITTEE REPORTS

Director Eby attended the Finance and Audit Committee meeting on April 19<sup>th</sup> where the investment policy was reviewed and discussed. The Committee recommended the items be presented to the Board.

H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

None.

I. CLOSED SESSION ANNOUNCEMENTS

Craig Steele, District Legal Counsel, announced that there would be no closed session.

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

- a. SMVWCD V. NCSO (SANTA CLARA COUNTY CASE NO. CV 770214, SIXTH APPELLATE COURT CASE NO. H032750, AND ALL CONSOLIDATED CASES

There were no public comments.

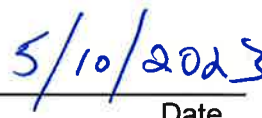
ADJOURN MEETING

President Malvarose adjourned the meeting at 9:54 a.m.

MEETING SUMMARY	HOURS & MINUTES
Regular Meeting	0 hour 54 minutes
Closed Session	0 hour 00 minutes
TOTAL HOURS	0 hour 54 minutes

Respectfully submitted,

  
Mario Iglesias, General Manager and Secretary to the Board

  
Date