

NIPOMO COMMUNITY SERVICES DISTRICT

Serving the Community Since 1965

REGULAR MINUTES

NOVEMBER 14, 2012, AT 9:00 A.M.

BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

BOARD of DIRECTORS

JAMES HARRISON, PRESIDENT
LARRY VIERHEILIG, VICE PRESIDENT
MICHAEL WINN, DIRECTOR
ED EBY, DIRECTOR
DAN A. GADDIS, DIRECTOR

PRINCIPAL STAFF

MICHAEL S. LEBRUN, GENERAL MANAGER
LISA BOGNUDA, ASSISTANT GENERAL MANAGER
MERRIE WALLRAVIN, SECRETARY/CLERK
JON SEITZ, GENERAL COUNSEL
PETER SEVCIK, DISTRICT ENGINEER

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 Harrison called the Regular Meeting of November 14, 2012, to order at 9:00 a.m. and led the flag salute.

00:00:40

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

At Roll Call, Directors Gaddis, Winn, Vierheilig, and Harrison were present. Director Eby was not present.

The following member of the public spoke:

Bret Faulkner, South County Sanitary Assistant District Manager, handed the Board a worksheet on the Cold Canyon Appeal of the Planning Commission recommendation on the landfill expansion EIR and asked the Board to support the appeal.

C. PRESENTATIONS AND PUBLIC COMMENT

C-1) REPORT ON OCTOBER 24, 2012 REGULAR MEETING CLOSED SESSION Announcement of Actions, if any, taken in Closed Session

Mike Seitz, District Deputy Legal Counsel, announced that the Board discussed Item One (Conference with District Legal Counsel re: pending litigation pursuant to GC §54956.9 SMVWCD VS. NCSD) in closed session, but took no reportable action.

The Board discussed Item Two (Conference with District Legal Counsel re: pending litigation pursuant to GC §54956.9, Whitlow/NCSD) in closed session, but took no reportable action.

The Board discussed Item Three (Conference with Legal Counsel pursuant to GC §54956.9, Anticipated litigation) in closed session, but took no reportable action.

C-2) NCSD DISTRICT ENGINEER PETER SEVCIK Update Report re: Recent Activities

Peter Sevcik, District Engineer, reviewed the report as presented in the Board packet. Michael LeBrun, General Manager, and Mr. Sevcik answered questions from the Board. The Board thanked Mr. Sevcik for his report.

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C. PRESENTATIONS AND PUBLIC COMMENT (Continued)

C-4) 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 Gaddis

- ◇ November 6, The SLO County Board of Supervisors met and considered the approval of the Nipomo Community Park PEIR and the Nipomo Community Park Master Plan, but postponed it until December 18, 2012.
- ◇ November 26, SCAC will meet at NCSD at 6:00 p.m.

Director Vierheilig

- ◇ November 14, Nipomo Chamber Mixer from 6:00 to 7:30 p.m. at the UPS Store.
- ◇ November 15, Nipomo Chamber Luncheon at 11:45 a.m. at Tahlia's Cuisina.
- ◇ November 17, Friends of the Nipomo Library will hold a book sale from 10:00 a.m. to 3:00 p.m. at the Nipomo Library.
- ◇ CSDA will have a seminar on New Board Member training in Monterey and Fountain Valley.

Director Winn

- ◇ October 26, Attended the Willow Road Ribbon Cutting Ceremony.
- ◇ November 6, The SLO County Board of Supervisors met and considered the approval of the Nipomo Community Park PEIR and the Nipomo Community Park Master Plan, but postponed it until December 18, 2012.
- ◇ November 13, The SLO County Board of Supervisors met and passed the General Plan Amendments.
- ◇ December 5, The WRAC will meet at 1:30 p.m. at the San Luis Obispo Library.
- ◇ Commented on SLO County not having a hydraulic fracking forum.

Director Harrison

- ◇ October 26, Attended the Willow Road Ribbon Cutting Ceremony.
- ◇ Commented on meeting with the SLO County Parks Director regarding the Nipomo Community Park PEIR.
- ◇ November 15, 9:00 a.m., The Fire Safe Council will meet.

C-5) 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 Vierheilig and seconded by Director Winn, the Board unanimously approved to receive and file the presentations and reports as submitted.
 Vote 4-0.

YES VOTES	NO VOTES	ABSENT
Directors Vierheilig, Winn, Gaddis, and Harrison	None	Director Eby

00:40:39

D. CONSENT AGENDA

- D-1) WARRANTS
- D-2) APPROVE OCTOBER 24, 2012 REGULAR BOARD MEETING MINUTES
- D-3) FIRST QUARTER FINANCIAL REPORT

Michael LeBrun, General Manager, reviewed the report as presented in the Board packet. Tina Grietens, Utility Superintendent, Lisa Bognuda, Finance Director, and Mr. LeBrun answered questions from the Board.

There was no public comment.

Upon the motion of Director Winn and seconded by Director Gaddis, the Board unanimously approved the consent agenda, with a commendation to staff on the financial report.

Vote 4-0.

YES VOTES	NO VOTES	ABSENT
Directors Winn, Gaddis, Vierheilig, and Harrison	None	Director Eby

E. ADMINISTRATIVE ITEMS

00:50:11

- E-1) BLACKLAKE SEWER SYSTEM MASTER PLAN PROJECT, AUTHORIZE STAFF TO CIRCULATE REQUEST FOR PROPOSALS

Michael LeBrun, General Manager, reviewed the report as presented in the Board packet. Mr. LeBrun answered questions from the Board.

The following members of the public spoke:

Bill Morrow, NCSD customer, had concerns with the review of the proposals and questioned the status of the reserve fund for the Blacklake Sewer system.

Dan Hall, NCSD customer, handed the Board comments on the Blacklake Sewer system (See Exhibit A). Mr. Hall questioned the total reserve fund and questioned where monies were spent.

Upon motion of Director Winn and seconded by Director Vierheilig, the Board unanimously authorized staff to post and mail the Blacklake Sewer Plan request for proposals to qualified engineering firms.

Vote 4-0.

YES VOTES	NO VOTES	ABSENT
Directors Winn, Vierheilig, Gaddis, and Harrison	None	Director Eby

The Board took a break from 10:00 to 10:15 a.m.

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01:02:36

- E-2) AUTHORIZE PURCHASE A UTILITY TRUCK FOR \$20,050 AND A SERVICE TRUCK FOR \$80,691

Tina Grietens, Utility Superintendent, reviewed the report as presented in the Board packet. Michael LeBrun, General Manager, and Ms. Grietens answered questions from the Board.

The following member of the public spoke:

Bob Blair, NCSD customer and Director Elect, commented on sales tax, warranty use, and preference of vehicle brand.

Upon the motion of Director Winn and seconded by Director Vierheilg, the Board approved the purchase of the Ford F150 pick-up from Santa Maria Ford for the base price of \$17,696 plus tax and directed staff to bring back to the Board more information for the purchase of a heavy duty truck.

Vote 3-1.

YES VOTES	NO VOTES	ABSENT
Directors Winn, Vierheilg, and Gaddis	Director Harrison	Director Eby

01:36:15

- E-3) STANDPIPE MIXING AND RECOAT PROJECT AUTHORIZATION TO BID

Peter Sevcik, District Engineer, reviewed the report as presented in the Board packet. Mr. Sevcik answered questions from the Board.

The following member of the public spoke:

Bob Blair, NCSD customer and Director Elect, commented on reconstructing the tank and had concerns on enough pressure for fire flow at Summit Station.

Upon the motion of Director Winn and seconded by Director Vierheilg, the Board unanimously authorized staff to solicit bids to construct the Standpipe modification and rehabilitation; and file a notice of exemption for the project.

Vote 4-0.

YES VOTES	NO VOTES	ABSENT
Directors Winn, Vierheilg, Gaddis, and Harrison	None	Director Eby

01:50:20

- E-4) BLACKLAKE WELL 4 PUMP REPLACEMENT PROJECT AUTHORIZATION TO BID

Peter Sevcik, District Engineer, reviewed the report as presented in the Board packet. Mr. Sevcik answered questions from the Board.

The following member of the public spoke:

Bob Blair, NCSD customer and Director Elect, questioned the size of the pump.

Upon the motion of Director Vierheilg and seconded by Director Winn, the Board unanimously authorized staff to solicit bids to construct the Blacklake Well 4 Pump Replacement project; and file a notice of CEQA exemption for the project.

Vote 4-0.

E-4) Continued

YES VOTES	NO VOTES	ABSENT
Directors Vierheilig, Winn, Gaddis, and Harrison	None	Director Eby

02:02:27

E-5) ESTABLISH PRE-QUALIFICATION POLICY AND APPEALS PROCEDURE FOR SUPPLEMENTAL WATER PROJECT BID PACKAGE 1 – SANTA MARIA CROSSING

Peter Sevcik, District Engineer, reviewed the report as presented in the Board packet. Michael LeBrun, General Manager, Mike Seitz, Deputy District Legal Counsel, and Mr. Sevcik answered questions from the Board.

The following member of the public spoke:

Bob Blair, NCSD customer and Director Elect, questioned the costs and commented in opposition to the pipeline.

Upon the motion of Director Winn and seconded by Director Vierheilig, the Board adopted Resolution 2012-1282, establishing a pre-qualification policy and appeals procedure for Supplemental Water Project Bid Package 1 – Santa Maria River Crossing, as amended.

Vote 3-1.

YES VOTES	NO VOTES	ABSENT
Directors Winn, Vierheilig, and Gaddis	Director Harrison	Director Eby

RESOLUTION NO. 2012-1282

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ESTABLISHING A PRE-QUALIFICATION POLICY AND APPEALS
PROCEDURE FOR SUPPLEMENTAL WATER PROJECT BID PACKAGE
1 – SANTA MARIA RIVER CROSSING.

02:23:07

E-6) CONSIDER A \$32,000 BUDGET AUGMENTATION FOR HAMNER, JEWELL & ASSOCIATES INCREASING NOT TO EXCEED LIMIT FOR PROPERTY NEGOTIATION SERVICES IN SUPPORT OF SUPPLEMENTAL WATER PROJECT FROM \$82,000 TO \$114,000

Michael LeBrun, General Manager, reviewed the report as presented in the Board packet. Mike Seitz, Deputy District Legal Counsel, and Mr. LeBrun answered questions from the Board.

The following member of the public spoke:

Bob Blair, NCSD customer and Director Elect, commented on new alternatives now, bringing down costs, and having Phillips 66 fund some of the project.

Upon the motion of Director Winn and seconded by Director Gaddis, the Board approved a \$32,000 budget augmentation with Hamner, Jewell & Associates, and directed staff to issue a task order, and revise the project not-to-exceed to \$114,000.

Vote 3-1.

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E-6) Continued

YES VOTES	NO VOTES	ABSENT
Directors Winn, Gaddis, and Vierheilig	Director Harrison	Director Eby

I. CLOSED SESSION ANNOUNCEMENTS

1. CONFERENCE WITH DISTRICT LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GC §54956.9 SMVWCD VS. NCSO (SANTA CLARA COUNTY CASE NO. CV 770214, SIXTH APPELLATE COURT CASE NO. H032750 AND ALL CONSOLIDATED CASES).
2. CONFERENCE WITH LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GC SECTION 54956.9, WHITLOW/NCSO (CASE # E20112E1116-00-APS FILED WITH THE DEPARTMENT OF FAIR HOUSING AND EMPLOYMENT)
3. CONFERENCE WITH LEGAL COUNSEL PURSUANT TO GOVT. CODE §54956.9(b):
Anticipated litigation - 1 case

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There was no public comment.

K. ADJOURN TO CLOSED SESSION

President Harrison adjourned to closed session at 12:00 p.m.

02:37:51

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

The Board came back into Open Session at 1:15 p.m.

Mike Seitz, Deputy District Legal Counsel, announced that the Board discussed Items 1, 2, and 3, listed above for Closed Session but took no reportable action.

02:44:36

E-7) REVIEW WATER CONSERVATION PROGRAM 2012 ACTIVITY AND DISCUSS PROGRAM DIRECTION IN 2013

Michael LeBrun, General Manager, reviewed the report as presented in the Board packet. Mr. LeBrun answered questions from the Board. The Board thanked staff for the report.

There was no public comment.

The Board took no action.

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02:51:01

E-8) CONSIDER LOCAL AREA FORMATION COMMISSION'S REQUEST FOR NOMINATIONS TO FILL SPECIAL DISTRICT SEAT

Michael LeBrun, General Manager, reviewed the report as presented in the Board packet. Mr. LeBrun answered questions from the Board.

The following member of the public spoke:

Bob Blair, NCSD customer and Director Elect, would like to be nominated for LAFCO Special District Member.

Upon the motion of Director Winn and seconded by Director Vierheilg, the Board unanimously directed staff to write a letter letting LAFCO know that the District will not be nominating anyone, but will support Mr. Muril Clift to hold his seat.

Vote 4-0.

YES VOTES	NO VOTES	ABSENT
Directors Winn, Vierheilg, Gaddis, and Harrison	None	Director Eby

02:57:01

F. GENERAL MANAGER'S REPORT

Michael LeBrun, General Manager, reviewed the report as presented in the Board packet. Mike Seitz, Deputy District Legal Counsel, and Mr. LeBrun answered questions from the Board.

The following member of the public spoke:

Bob Blair, NCSD customer and Director Elect, would like the District to change its policy on billing the owner of the property for water and sewer bills.

03:09:26

G. COMMITTEE REPORT

- OCTOBER 2, 2012 SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE MEETING MINUTES
- OCTOBER 25, 2012 WATER CONSERVATION COMMITTEE MEETING MINUTES

Craig Armstrong, SWAEC member and Director Elect, commented on the SWAEC meeting and answered questions from the Board.

03:11:22

H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

Director Vierheilg

- ◇ Requested staff to conduct a water audit on Vista Verde when Assistant Engineer is hired.
- ◇ Commented on the District having a replacement plan in our budget every year.
- ◇ December 11, The SLO County Sheriff Foundation will hold a public forum at NCSD at 6:30 p.m.
- ◇ December 14, "Garbage Man's Ball" from 6:30 to 8:30 p.m. in San Luis Obispo.

Director Winn

- ◇ Commented on the Santa Margarita Ag Cluster hearing.
- ◇ Commented on the WRAC, planning to serve through December, then resign his seat.
- ◇ Commented on the appreciation of working with District staff for 12 years, with particular mention of the General Manager, Jon and Mike Seitz, and Lisa Bognuda.

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Director Harrison

- ◇ Confirmed the Agenda setting meeting for Monday, December 3, 2012, at 2:00 p.m.

ADJOURN

President Harrison adjourned the meeting at 1:50 p.m.

MEETING SUMMARY	HOURS
Regular Meeting	3.35
Closed Session	1.15
TOTAL HOURS	4.50

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EXHIBIT "A"

NCSD Comments 11/14/12

BILL MORROW
+
DAN HALL

Express some concerns relative to the upcoming Request for Proposal to review the Blacklake Sewer System.

We would appreciate being updated as the procedure is going along. No involved reports but a brief review showing progress, Status and perceived outcomes.

We would like to have a brief report showing the current status of our sewer system outlining the following:

1. The current plan for liner replacement on each pond. Info should include the last year the liner was replaced and the planned replacement year.
2. The mil of the liners. Past liners have been inferior in the mil size which created unnecessary problem and expense.
3. The current health of the system to include what are the current problems. As an example it is known there is a problem with a lift station located near the 8th Hole of the Canyon golf course.
 - a. Please advise the seriousness of this problem and what the expense would be to correct the problem.
4. Due to inadequate reserves (Funded Replacement Fund) there was a \$275,000 loan at 3.5% over 10 years in 2009. The sewer rates have been increased 90.2% since 2009. We were told this was required to build reserves. What is the current value of reserves?