

NIPOMO COMMUNITY SERVICES DISTRICT

MINUTES

SPECIAL MEETING

MARCH 31, 1999 7:00 P.M.

BOARD ROOM 148 S. WILSON STREET NIPOMO, CA

BOARD MEMBERS

ROBERT BLAIR, **PRESIDENT**
GENE KAYE, **VICE PRESIDENT**
AL SIMON, **DIRECTOR**
RICHARD MOBRAATEN, **DIRECTOR**
ALEX MENDOZA, **DIRECTOR**

STAFF

DOUGLAS JONES, **GENERAL MANAGER**
DONNA JOHNSON, **SECRETARY TO THE BOARD**
JON SEITZ, **GENERAL COUNSEL**

NOTE: All comments concerning any item on the agenda are to be directed to the Board Chairperson.

CALL TO ORDER AND FLAG SALUTE

President Blair called the March 31 meeting to order at 7:00 p.m. and led the flag salute.

ROLL CALL

At Roll Call, all Board members were present.

APPROVAL OF MINUTES

1. REGULAR MEETING OF MARCH 17, 1999

Upon motion of Director Simon and seconded by Director Kaye, the Board unanimously approved the Minutes of the March 17, 1999 Regular meeting.

PUBLIC COMMENTS PERIOD

2. PUBLIC COMMENTS

Any member of the public may address and ask questions of the Board relating to any matter within the Board's jurisdiction, provided the matter is not on the Board's agenda, or pending before the Board.

Presentations are limited to three (3) minutes or otherwise at the discretion of the Chair.

President Blair opened the meeting to Public Comments. There were none.

BOARD ADMINISTRATION (The following may be discussed and action may be taken by the Board.)

3. RESOLUTION OF NECESSITY - TEFFT ST/DANAFOOTHILL RD. TANK SITE

Necessary action to begin Eminent Domain proceeding to acquire an easement for a water storage site.

Mr. Jones explained that the Board approved the planning and has gone out to bid for the water main and water tank storage project known as the Thompson-Tefft Water Main and Storage Project. Mr. Jones and Director Mendoza met with the Dana's but no agreement has been reached. A Resolution of Necessity is a prerequisite to initiating eminent domain proceedings to acquire the real property necessary to construct the project. Deputy Legal Counsel explained further.

Mr. David Dana, one of the owners of the property, asked the Board why the present lease could not continue as it is now and also wanted to be assured that the site would not be a future well-site for the District. Mr. Jim Garing, District Engineer, explained that the site would be used for a storage facility and not a well-site. There were no public comments.

Upon motion of Director Mendoza and seconded by Director Kaye, the Board unanimously approved Resolution 99-678 and without acting on the resolution pending further negotiations with the Dana's through April 21, 1999.

RESOLUTION 99-678

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
OF NECESSITY FOR CONDEMNATION OF REAL PROPERTY
FOR THE THOMPSON-TEFFT WATER STORAGE PROJECT**

4. NEW WATERLINE AND STORAGE FACILITY

Review bids received to construct new water lines and storage

The bid opening for the construction of new water lines in Sea Street, Thompson Avenue and Tefft Street and a storage facility at Dana-Foothill Rd and Tefft St. was March 29, 1999. The Board discussed waiting until the easement negotiations for the tank site is complete before awarding the contract for the construction. Upon motion of Director Kaye, seconded by Director Mendoza, the Board unanimously decided to table this item until the April 21, 1999 meeting.

5. BLACK LAKE INTER-TIE

Review bids received for the construction of the Black Lake Inter-tie

Mr. Jones explained that the bids for the construction of the Black Lake Inter-tie were opened March 24, 1999. The apparent low bidder was D-Kal Engineering, but Lee Wilson Electric Co. sent a letter of protest concerning the rules of bid opening. A letter was sent to Lee Wilson explaining the process of a formal protest. Deputy Legal Counsel asked District Engineer five questions pertaining to the bid. The Board of Directors heard testimony from Douglas Jones and James Garing regarding the materiality of the alleged defect in the bidding process relating to whether or not the discrepancy (1) affected the amount of the bid, (2) gives an advantage to the bidder over others, (3) be a potential vehicle for favoritism, (4) influence potential bidders to refrain from bidding, or (5) affect the ability to make bid comparisons. Mr Garing testified that the answer to all five questions was "No."

Mr. David Lakrin of D-Kal Engineering spoke to the Board. There were no public comments. Upon motion of Director Simon and seconded by Director Kaye, the Board unanimously approved Resolution 99-679 to award the bid to D-Kal Engineering subject to any written document for bid protest received from Lee Wilson by April 14, 1999.

RESOLUTION NO. 99-679

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
AWARDING THE CONTRACT TO D-KAL ENGINEERING
FOR CONSTRUCTION OF THE BLACK LAKE INTER-TIE**

6. DISTRICT LIABILITY INSURANCE COVERAGE

Possible change of insurance carrier

Mr. Jones explained that the Coregis Insurance has quoted coverage for the District at a lower rate and better coverage than SDRMA, which now covers the District. The Joint Powers Agreement with SDRMA requires that written notice must be given by April 1st to withdraw from the pool. There were no public comments. Upon motion of Director Kaye and seconded by Director Mobraaten, the Board unanimously authorized staff to notify SDRMA of the intent to withdraw coverage and reserve the right to remain in the pool.

FINANCIAL REPORT

7. APPROVAL OF WARRANTS

Upon motion of Director Kaye and seconded by Director Mendoza, the Board unanimously approved the Warrants presented at the March 31, 1999 meeting.

OTHER BUSINESS

8. MANAGER'S REPORT

Mr. Jones presented information on the following:

1. LIQUID ASSETS ARTICLE-WALL STREET JOURNAL
2. WATER RIGHT LETTER - DRAFT

9. DIRECTORS COMMENTS

Director Mobraaten expressed appreciation for the readability of the newsletter.

Director Mendoza would like to see the newsletter published more often. Board directed staff to come back with options.

Director Kaye gave a report on the Chamber of Commerce Meeting and the community Network Meeting. Also commented that the Town Meeting was more controlled.

CLOSED SESSION

Deputy Legal Counsel, Mike Seitz, explained the need to go into Closed Session. He identified that the property to be negotiated was at the intersection of Dana-Foothill and Tefft Roads in Nipomo. The purpose of the negotiation is for terms and conditions to purchase an easement for a proposed tank site. He identified the negotiator for the District as Doug Jones and the negotiator for the Dana Estates as Attorney Dick Weldon, esq.

CONFERENCE WITH LEGAL COUNSEL (a) and (b) GC§54956.8

- a. NCSD vs. Shell Oil, et. al. Case No. CV 077387
- b. SMVWCD vs NCSD Case No. CV 770214
- c. Real Property Negotiation, Dist. Rep. Gen. Manager., Prop rep. Dana Estates, acquisition of tank site easement at Dana-Foothill & Tefft St.

The Board came back into Open Session and had no reportable action.

April 7, 1999 Regular Meeting is canceled.

Next Regular Meeting is to be held on April 21, 1999.

ADJOURN

President Blair adjourned the meeting at 9:45 p.m.