

TO: BOARD OF DIRECTORS
FROM: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER
DATE: FEBRUARY 24, 2012



CONSENT AGENDA

The following items are considered routine and non-controversial by staff and may be approved by one motion if no member of the Board wishes an item be removed. If discussion is desired, the item will be removed from the Consent Agenda and will be considered separately.

**Questions or clarification may be made by the Board members
without removal from the Consent Agenda.**

- D-1) WARRANTS [RECOMMEND APPROVAL]
- D-2) APPROVE FEBRUARY 8, 2012 REGULAR BOARD MEETING MINUTES [RECOMMEND APPROVE]
- D-3) APPROVE BOARD BY-LAWS [RECOMMEND APPROVAL]
- D-4) CONSIDER PAY OFF OF INSTALLMENT SALE AGREEMENT FOR 2009 PURCHASE OF SEWER VACUUM TRUCK [REVIEW AND CONSIDER ADOPTION OF RESOLUTION]

TO: BOARD OF DIRECTORS
 FROM: MICHAEL S. LEBRUN *MLL*
 GENERAL MANAGER
 DATE: FEBRUARY 24, 2012

**AGENDA ITEM
 D-1
 FEBRUARY 29, 2012**

**TOTAL COMPUTER CHECKS
 \$265,399.64**

HAND WRITTEN CHECKS

02-29-12	10039	HOLLY BARBER	WASHER REBATE	\$75.00
02-29-12	10040	MARISSA DIGNAM	WASHER REBATE	\$75.00
02-29-12	10041	JOHN KOPP	WASHER REBATE	\$75.00
02-29-12	10042	MICHELLE PAREDES	WASHER REBATE	\$75.00

VOIDS – NONE

COMPUTER GENERATED CHECKS

20377	02/17/12	EMP01	EMPLOYMENT DEVELOP DEPT	1210.46	.00	1210.46	B20213	STATE INCOME TAX
20378	02/17/12	MID01	RABOBANK-PAYROLL TAX DEPO	3361.97	.00	3361.97	B20213	FEDERAL INCOME TAX
				78.00	.00	78.00	1B20213	FICA
				906.98	.00	906.98	2B20213	MEDICARE (FICA)
			Check Total.....:	4346.95	.00	4346.95		
20379	02/17/12	MID02	RABOBANK-DIRECT DEPOSIT	23887.07	.00	23887.07	B20213	NET PAY
20380	02/17/12	PER01	PERS RETIREMENT	8142.56	.00	8142.56	B20213	PERS PAYROLL REMITTANCE
20381	02/17/12	STA01	CALPERS 457 DEFERRED COMP	2005.00	.00	2005.00	B20213	457 DEFERRED COMP
020382	02/21/12	AME03	AMERI PRIDE	118.50	.00	118.50	549074	UNIFORMS
				109.02	.00	109.02	554106	UNIFORMS
				118.50	.00	118.50	559145	UNIFORMS
				101.36	.00	101.36	564209	UNIFORMS
			Check Total.....:	447.38	.00	447.38		
020383	02/21/12	ANC01	ANCHOR SCIENTIFIC, INC.	879.39	.00	879.39	194457	FLOATSWITCHES FOR OAKS L/
020384	02/21/12	ATT02	AT&T	185.07	.00	185.07	3019456	TELEPHONE
020385	02/21/12	BEE01	BEE SAFE LOCK & KEY	341.01	.00	341.01	85444	REPLACE TOOL BOX LOCKS/ON
020386	02/21/12	BIG01	BIG BRAND TIRE & SERVICE	26.87	.00	26.87	192095	OIL CHANGE/04' FORD
				26.87	.00	26.87	192148	OIL CHANGE/04' CHEVY
				26.87	.00	26.87	192158	OIL CHANGE/1 TON
				497.04	.00	497.04	192173	2 WHEEL ALIGNMENT/PITARM/
			Check Total.....:	577.65	.00	577.65		
020387	02/21/12	BRE02	BRENNTAG PACIFIC INC.	645.86	.00	645.86	BPI169853	SODIUM HYPOCHLORITE
				465.43	.00	465.43	BPI169854	SODIUM HYPOCHLORITE
			Check Total.....:	1111.29	.00	1111.29		
020388	02/21/12	BRE03	BREWER, REED	116.60	.00	116.60	B20216	REIMBURSEMENT/TRAINING D
020389	02/21/12	CAL03	CALIFORNIA ELECTRIC SUPPL	127.38	.00	127.38	476199	120VAC-110VDC
020390	02/21/12	CAL08	CALIFORNIA RURAL WATER A	250.00	.00	250.00	B20216	S. GERMAN-D3 REVIEW
020391	02/21/12	CLE06	CNSSLO INC	2041.00	.00	2041.00	14229	COMPUTER SUPPORT
020392	02/21/12	COA02	COASTAL ROLLOFF	161.16	.00	161.16	3593582	ROLLOFF SERVICE
020393	02/21/12	COR02	CORRPRO COMPANIES, INC.	529.25	.00	529.25	104625	CATHODIC PROTECTION SYSTE
020394	02/21/12	CRY01	CRYSTAL SPRINGS	30.68	.00	30.68	JAN 2012	DISTILLED WATER-LAB
020395	02/21/12	CWE01	CWEA	73.00	.00	73.00	B20216	DAVISON-GRADE 1 RENEWEL
020396	02/21/12	DAV03	DAVISON, PETE	120.00	.00	120.00	B20216	DAVISON-WORK BOOT REIMBUR
020397	02/21/12	DKF01	DKF SOLUTIONS GROUP, LLC	350.00	.00	350.00	1492	MONTHLY SAFETY SUBSCRIPTIO
020398	02/21/12	MOR02	MORE OFFICE SOLUTIONS	74.23	.00	74.23	205821	B/W COPIES
				150.44	.00	150.44	210790	B&W/COLORED COPIES
			Check Total.....:	224.67	.00	224.67		
020399	02/21/12	MUN03	MUNICIPAL MAINTENANCE EQU	34.44	.00	34.44	0072120	TOGGLE SWITCH
020400	02/21/12	NUT01	NU TECH PEST MGMT	3570.00	.00	3570.00	89890	WEED CONTROL

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020401	02/21/12	OFF01	OFFICE DEPOT	55.39	.00	55.39	542974001	OFFICE SUPPLIES
				97.59	.00	97.59	840742001	OFFICE SUPPLIES-TONER
				53.61	.00	53.61	840895001	OFFICE SUPPLIES
			Check Total.....:	206.59	.00	206.59		
020402	02/21/12	RAB02	RABOBANK PETTY CASH	31.55	.00	31.55	022112A	POSTAGE
				67.61	.00	67.61	022112B	OFFICE SUPPLIES
			Check Total.....:	99.16	.00	99.16		
020403	02/21/12	SAN09	SAN LUIS MAILING SERVICE	118.76	.00	118.76	226329	MAIL BILLS
				58.61	.00	58.61	226189A	LATE NOTICES
				239.98	.00	239.98	226189B	POSTAGE-LATE NOTICES
				680.94	.00	680.94	226329B	POSTAGE-BILLS
			Check Total.....:	1098.29	.00	1098.29		
020404	02/21/12	SOU07	SOUTH COUNTY SANITARY	8694.00	.00	8694.00	FEB/MAR	2 MONTH DEFFERAL-RESIDENT
020405	02/21/12	SOU08	SOUTH COUNTY SANITARY SVC	1353.00	.00	1353.00	3593516	RATE DEFFERAL-COMMERCIAL
020406	02/21/12	TAF01	TAFT ELECTRIC	1425.00	.00	1425.00	30924-1	REPLACED HOA SWITCH CONTA
020407	02/21/12	THE05	THE CAPRICORN GROUP	710.57	.00	710.57	7494	FILTERS/DESSICATOR CABINE
				603.32	.00	603.32	7501	STIR BAR RETRIEVERS/SPATU
			Check Total.....:	1313.89	.00	1313.89		
020408	02/21/12	TIT01	TITAN INDUSTRIAL & SAFETY	363.48	.00	363.48	1048812	GAS MONITOR/CALIBRATION G
020409	02/21/12	UCM01	UTILITY COST MANAGEMENT L	4534.33	.00	4534.33	16336	ELECTRICAL SAVINGS OCT-DE
020410	02/21/12	\C007	CSRJ LAND & CATTLE,	236.06	.00	236.06	000B20201	MQ CUSTOMER REFUND FOR CS
020411	02/21/12	\T004	LEO TIDWELL EXCUATING,	447.82	.00	447.82	000B20201	MQ CUSTOMER REFUND FOR TI
020412	02/29/12	AEC01	AECOM USA INC	2413.80	.00	2413.80	37205300	FRONTAGE RD UPGRADE
				3627.72	.00	3627.72	37205301	SCADA PROPOSAL AND CONSTR
				6933.33	.00	6933.33	37205435	BIO MITIGATION MP
				50185.44	.00	50185.44	37205682	WATERLINE INTERTIE PROJEC
			Check Total.....:	63160.29	.00	63160.29		
020413	02/29/12	ANC01	ANCHOR SCIENTIFIC, INC.	877.71	.00	877.71	194694	OAKS L/S NO/NC FLOAT SWIT
020414	02/29/12	BES01	BEST BEST & KRIEGER	1043.12	.00	1043.12	670337	DEC LEGAL-PRE QUAL
				184.08	.00	184.08	670338	LEGAL SERVICES
				61.36	.00	61.36	670976	DEC LEGAL-PRE QUAL
			Check Total.....:	1288.56	.00	1288.56		
020415	02/29/12	CAN02	CANNON CORPORATION	4147.50	.00	4147.50	52224	BLACKLAKE WELL NO. 4
				2914.20	.00	2914.20	52264	WILLOW ROAD PHASE II
			Check Total.....:	7061.70	.00	7061.70		
020416	02/29/12	CHA02	CHARTER COMMUNICATIONS	208.06	.00	208.06	MAR 2012A	SHOP INTERNET
020417	02/29/12	COR01	CORBIN WILLITS SYSTEMS	750.83	.00	750.83	B202151	COMPUTER SUPPORT
020418	02/29/12	EBY02	ED EBY	44.80	.00	44.80	B20224	REIMBURSEMENT-PHONE CALLS
020419	02/29/12	FGL01	FGL ENVIRONMENTAL	357.00	.00	357.00	280233A	LAB TESTS
020420	02/29/12	FRA02	FRANK'S LOCK AND KEY	100.00	.00	100.00	33285	CHANGED CODE
020421	02/29/12	HAR05	HARRISON, JAMES	122.65	.00	122.65	B20223	REIMBURSEMENT-MILEAGE/PER
020422	02/29/12	LAN02	LANDMARK LANDSCAPE CO INC	261.44	.00	261.44	55293	LANDSCAPE MAINTENANCE DIS
020423	02/29/12	LEB02	LeBRUN, MICHAEL	65.00	.00	65.00	FEB 2012	REIMBURSEMENT FOR CELL PH
020424	02/29/12	LEE02	LEE CENTRAL COAST NEWSPAP	367.01	.00	367.01	1074851	OUTREACH-WORKSHOP ADS
020425	02/29/12	LIN02	LINC DELIVERY	252.00	.00	252.00	JAN 2012	DELIVERY
020426	02/29/12	LIP01	TONY LIPKA	2500.00	.00	2500.00	1201	SAFETY-LOCKOUT/TAGOUT CON

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020427	02/29/12	LUC01	LUCIA MAR UNIFIED SCHOOL	339.32	.00	339.32	120344	FACILITY USE-WORKSHOPS
				588.00	.00	588.00	120203B	REPLACEMENT CK #20174/FAC
			Check Total.....:	927.32	.00	927.32		
020428	02/29/12	MAI02	MAINLINE UTILITY COMPANY	3701.04	.00	3701.04	4606	VIDEO INSPECTION
020429	02/29/12	MNS01	MNS ENGINEERS INC	30549.00	.00	30549.00	61786	FRONTAGE RD SEWER LINE PR
				360.00	.00	360.00	61787	SOUTHLAND WWTF UPGRADE
				930.00	.00	930.00	61788	CONSTRUCTION MANAGEMENT/I
			Check Total.....:	31839.00	.00	31839.00		
020430	02/29/12	NEX01	NEXTEL COMMUNICATIONS	503.40	.00	503.40	FEB 2012	CELLULAR SERVICE
020431	02/29/12	NEX03	NEXTRAQ	308.50	.00	308.50	MAR 2012	GPS SERVICE
020432	02/29/12	SHI01	SHIPSEY & SEITZ, INC	14709.00	.00	14709.00	01-31-12	LEGAL SERVICES
020433	02/29/12	SLO02	DIV OF ENVIRON HEALTH	1111.76	.00	1111.76	79557	CROSS CONNECTION
020434	02/29/12	SLO08	SAN LUIS OBISPO COUNTY	898.72	.00	898.72	3460	INSPECTION-SEWER
020435	02/29/12	WAG01	WAGNER & BONSIGNORE	21030.07	.00	21030.07	2-12-1	GENERAL CONSULTATION
020436	02/29/12	WAL01	WALLACE GROUP	145.81	.00	145.81	32937	FOG OUTREACH AND INSPECTI
				42219.13	.00	42219.13	33018	INTERTIE ASSESSMENT DISTR
			Check Total.....:	42364.94	.00	42364.94		
020437	02/29/12	\L005	S KOBARA & SONS,	55.21	.00	55.21	000B20201	MQ CUSTOMER REFUND FOR LA

NIPOMO COMMUNITY SERVICES DISTRICT

Serving the Community Since 1965

REGULAR MINUTES

FEBRUARY 8, 2012, AT 9:00 A.M.

BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

D2

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 February 8, 2015, to order at 9:00 a.m. and led the flag salute.

00:00:48

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

At Roll Call, Directors Harrison, Winn, and Eby were present. Director Vierheilig was not present, due to a scheduled absence.

The following members of the public spoke:

Dan Hall, NCSD customer, invited NCSD Board to do a half-hour presentation on Supplemental Water at a town hall meeting at Blacklake Village.

Ruth Brackett, NCSD customer, had conflicts and concerns about the Supplemental Water Project. Her main concerns were on the future reliability and future costs.

Directors Harrison and Eby commented on Ms. Brackett's comments and concerns.

Carl Marshall, NCSD customer, had questions about the costs of the Supplemental Water Project.

Jon Seitz, District Legal Counsel, Director Harrison, and Director Eby commented on Mr. Marshall's questions.

C. PRESENTATIONS AND PUBLIC COMMENT

C-1) REPORT ON January 11, 2012 REGULAR MEETING CLOSED SESSION Announcement of Actions, if any, Taken in Closed Session

Jon Seitz, District 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 NCSD VS COUNTY SLO) in closed session, but took no reportable action.

The Board discussed Item Three (Conference with District Legal Counsel re: significant exposure to litigation pursuant to CG §54956.9 (b) (3) (c) receipt of tort liability claim. Claimant: Celeste Whitlow. Agency claimed against Nipomo Community Services District) in closed session, but took no reportable action.

00:25:36

- C-1) REPORT ON January 11, 2012 REGULAR MEETING CLOSED SESSION (Cont.)
Announcement of Actions, if any, Taken in Closed Session

The Board discussed Item Four (Public employee evaluation GC §54957 Title District General Manager Sixth-Month Performance Evaluation) in closed session, and will continue the discussion in today's closed session.

- C-2) SHERIFF COMMANDER JAMES TAYLOR
Update re: South County Law Enforcement Activities

Sheriff Commander Taylor gave an update of the law enforcement activities in South County. Commander Taylor answered questions from the Board. The Board thanked Commander Taylor for his report.

- C-3) MIKE NUNLEY OF AECOM

Eileen Shields, AECOM Assistant Project Manager, reviewed the report as presented in the Board packet. Michael LeBrun, General Manager, and Ms. Shields answered questions from the Board. The Board thanked Ms. Shields for her report.

- C-4) NCSD DISTRICT ENGINEER PETER SEVCIK
Update Report re: Recent Activities

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

- C-5) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST
Receive Announcements from Directors Items of District & Community Interest

Director Gaddis

- ◇ February 27, 2012 – SCAC will meet at 6:30 p.m. at NCSD.

Director Eby

- ◇ Announced that LAFCO will not meet in February. The next meeting will be in March and they will hear a hydrological analysis on the Los Robles Del Mar annexation.
- ◇ Announced that NCSD held 4 workshops on financial effects of funding the Supplemental Water Project. The workshops were attended by approximately 500 people.
- ◇ This week the NMMA will meet and work on the 2011 annual report completion.
- ◇ February 24 and March 16 – will be the following 2 NMMA meetings.

Director Winn

- ◇ February 1, 2012 – WRAC met and had a workshop in the morning on governance issues for the IRWM Plan and held the regular meeting in the afternoon.
- ◇ February 3, 2012 – Attended the Annual Conference held at UCLA, for Land Use Law and Water Laws. This year information from the Conference will be posted on-line.
- ◇ March 7, 2012 – WRAC will meet in the afternoon and will work on the formal adoption of the IRWM Plan.

Nipomo Community Services District
REGULAR MEETING
MINUTES

- C-5) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST (Cont.)
Receive Announcements from Directors Items of District & Community Interest

Director Harrison

- ◇ February 3, 2012 – Attended the Annual Planning Conference held at UCLA, for Land Use Law and Water Laws.
- ◇ February 1, 2012 – President Harrison, the General Manager, 4th District Supervisor, and Paavo Ogren met. The meeting went well and was very informative.
- ◇ Announce that the Fire Safe Council received a grant for \$200,000. This grant will allow them to fund the chipping event this year.

- C-6) 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.

The Board took a break from 10:15 to 10:30 a.m.

Jon Seitz, District Legal Counsel, announced that the Board is on Agenda Item C-6.

There was no public comment.

Upon the motion of Director Eby and seconded by Director Winn, the Board unanimously approved to receive and file presentations and reports as submitted.

Vote 4-0.

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

01:15:01

D. CONSENT AGENDA

- D-1) APPROVE WARRANTS
- D-2) APPROVE JANUARY 25, 2012 REGULAR BOARD MEETING MINUTES
- D-3) ACCEPT QUARTERLY FINANCIAL REPORT

Michael LeBrun, General Manager, and Lisa Bognuda, Finance Director answered questions from the Board.

At the request of Director Gaddis, Director Harrison pulled item D-3 for further discussion.

There was no public comment.

Upon the motion of Director Eby and seconded by Director Winn, the Board unanimously approved Items D-1 and D-2, as amended.

Vote 4-0.

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

Nipomo Community Services District
REGULAR MEETING
MINUTES

CONSENT AGENDA (Cont.)

Item D-3

Lisa Bognuda, Finance Director, 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 Quarterly Financial Report with their appreciation of the presentation by staff.

Vote 4-0.

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

E. ADMINISTRATIVE ITEMS

01:28:10

E-1) APPROVE DOUGLAS WOOD & ASSOCIATES, INC. TASK ORDER FOR SUPPLEMENTAL WATER PROJECT ADDENDUM EIR

Peter Sevcik, District Engineer, reviewed the report as presented in the Board packet. Jon Seitz, District Legal Counsel, Douglas Wood, Douglas Wood & Associates, and Mr. Sevcik, answered questions from the Board. The Board thanked Mr. Sevcik for his report.

There was no public comment.

Upon the motion of Director Eby and seconded by Director Gaddis, the Board unanimously approved a Douglas Wood & Associates, Inc. task order for the preparation of the addendum EIR for the Supplemental Water Project in the amount of \$13,630.

Vote 4-0.

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

01:57:14

E-2) REVIEW DRAFT INVESTMENT POLICY

Paul McDonnell, C.M. de Crinis & Co., reviewed the report as presented in the Board packet. Jon Seitz, District Legal Counsel, and Mr. McDonnell answered questions from the Board.

There was no public comment.

Upon the motion of Director Eby and seconded by Director Winn, the Board unanimously adopted the 2012 Investment Policy, Resolution 2012-1244, as amended.

Vote 4-0.

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

RESOLUTION NO. 2012-1244

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING THE YEAR 2012 DISTRICT
INVESTMENT POLICY

Copy of document found at www.NoNewWipTax.com

SUBJECT TO BOARD APPROVAL

**Nipomo Community Services District
REGULAR MEETING
MINUTES**

02:05:17

E-3) REVIEW DRAFT DEBT MANAGEMENT POLICY

Michael LeBrun, General Manager, reviewed the report as presented in the Board packet. Maryann Goodkind, Fulbright & Jaworski, reviewed the policy in detail. Jon Seitz, District Legal Counsel, Lisa Bognuda, Finance Director, Michael LeBrun, General Manager, and Ms. Goodkind answered questions from the Board.

There was no public comment.

Jon Seitz, District Legal Counsel, read back all edits to the Board.

Upon the motion of Director Eby and seconded by Director Winn, the Board unanimously approved staff to bring the debt management policy back to the Board with all edits and any proposed changes, on February 29, 2012, with an option to adopt the debt management policy.

Vote 4-0.

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

02:56:01

I. CLOSED SESSION ANNOUNCEMENTS

I-1) CONFERENCE WITH DISTRICT LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GC §54956.9 SMVWCD VS. NCSD (SANTA CLARA COUNTY CASE NO. CV 770214, SIXTH APPELLATE COURT CASE NO. H032750 AND ALL CONSOLIDATED CASES).

I-2) CONFERENCE WITH LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GC SECTION 54956.9; NCSD VS. COUNTY SLO, ET AL. (CASE #CV090010)

I-3) PUBLIC EMPLOYEE EVALUATION (GOVERNMENT CODE §54957)
Title: District General Manager Six-Month Performance Evaluation, pursuant to contract.

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There was no public comment.

K. ADJOURN TO CLOSED SESSION

President Harrison adjourned to closed session at 12:15 p.m.

02:25:55

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

The Board came back into Open Session at 1:50 p.m.

Jon Seitz, District Legal Counsel, announced that the Board discussed Items I-1 and I-2 listed above for closed session, but took no reportable action. For Item I-3 listed above for closed session, on a 4-0 vote, with Director Vierheilig being absent, the Board adopted an evaluation stating:

“During this evaluation period you (being the General Manager) have met and generally exceeded the expectations of the Board. You have demonstrated a high level of competence and motivation in implementing Districts projects. The District is thriving under your leadership of District staff.”

02:59:47

E-4) SUPPLEMENTAL WATER PROJECT UPDATE

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

There was no public comment.

There was no action taken.

03:25:07

E-5) REVIEW BOARD BY-LAWS AND POLICES AND PROPOSE EDITS FOR CONSIDERATION

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

There was no public comment.

Upon the motion of Director Harrison and seconded by Director Gaddis, the Board unanimously directed staff to bring this item back to the Board on February 29th meeting with all changes as noted.

Vote 4-0.

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

03:53:00

F. MANAGER'S REPORT

Michael LeBrun, General Manager, reviewed the report as presented in the Board packet. Mr. LeBrun answered questions from the Board. There was no public comment.

G. COMMITTEE REPORT

Ad Hoc Committee for Education and Outreach. There was no public comment.

04:24:10

H. DIRECTOR'S REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

Director Winn

- ◇ Requested to have the County Chapter CSDA give training for ethics as well as sexual harassment prevention training if it is required.
- ◇ Requested staff to agendize a discussion of contract with Tramutola for the meeting of February 29, 2012.
- ◇ Suggested the consideration of adopting an Ordinance on submission of materials to the Board.

Director Harrison

- ◇ Requested an update on the contract between all water purveyors to install the intertie connections.
- ◇ Confirmed that the next NMMA meeting will be held on February 24, 2012, at 10:00 a.m. Directors Eby and Gaddis will attend.
- ◇ Confirmed that the NMMA will meet again on March 16, 2012, at 10:00 a.m. Directors Eby and Winn will attend.

Nipomo Community Services District
REGULAR MEETING
MINUTES

ADJOURN

President Harrison adjourned the meeting at 3:25 p.m.

MEETING SUMMARY	HOURS
Regular Meeting	5.00
Closed Session	1.30
TOTAL HOURS	6.30

TO: BOARD OF DIRECTORS
FROM: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER
DATE: FEBRUARY 23, 2012

**AGENDA ITEM
D-3
FEBRUARY 29, 2012**

APPROVE BOARD BY-LAWS AND POLICIES

ITEM

Approve Board By-Laws and Policies [RECOMMEND ADOPT RESOLUTION APPROVING BY-LAWS]

BACKGROUND

Pursuant to Section 17 of the Board By-Laws, the Board By-Laws Policy shall be reviewed annually at the first regular meeting in February. The review shall be provided by District Counsel and ratified by Board action.

Your Board reviewed the By-Laws at the February 8, 2012 Regular Meeting and directed staff to make a number of edits. Attached are the Board By-Laws and Policies with proposed edits in 'mark-up' view for your review and approval.

RECOMMENDATION

Staff recommends that your Honorable Board review the by-laws propose any changes and by motion and role call vote adopt the attached draft Resolution approving the revised By-Laws.

ATTACHMENT

- Proposed 2012 By-Laws
- Draft Resolution

t:\board matters\board meetings\board letter\2012\120229 bylaws.docx

NIPOMO COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTOR
20121 UPDATE
BOARD BY-LAWS AND POLICIES
(ATTACHMENT "A" TO RESOLUTION 20121-XXXX1212)

1. OFFICERS OF THE BOARD OF DIRECTORS

- 1.1 The officers of the Board of Directors are ~~the~~ President and Vice President.
- 1.2 The President of the Board of Directors shall serve as chairperson at all Board meetings. He/She shall have the same rights as the other Directors of the Board in voting, introducing motions, resolutions and ordinances, and any discussion of questions that follow said actions.
- 1.3 In the absence of the President, the Vice President of the Board of Directors shall serve as chairperson over all meetings of the Board. If the President and Vice President of the Board are both absent, the remaining Directors present shall select one of themselves to act as chairperson of the meeting.
- 1.4 The President and Vice President of the Board shall be elected annually at the last meeting of each calendar year.
- 1.5 The term of office for the President and Vice President of the Board shall commence on January 1 of the year immediately following their election.
- 1.6 The President, and in his/her absence the Vice President or their designee, are authorized to attend meetings of the San Luis Obispo County Planning Commission and meetings of the San Luis Obispo County Board of Supervisors without compensation except reimbursement for use of his/her private vehicle to attend such meetings pursuant to 10.1(b) of these by-laws.

2. MEETINGS

- 2.1 Subject to holiday and scheduling conflicts, regular meetings of the Board of Directors shall commence at 9:00 a.m. on the second and fourth Wednesday of each calendar month in the Board Room at the District Office located at 148 South Wilson, Nipomo, CA. The Board of Directors reserves the right to cancel and/or designate other dates, places, and times for Director meetings due to scheduling conflicts and holidays.
- 2.2 Special Meetings.

Special meetings may be called by the President or three (3) Directors with a minimum of twenty-four (24) hours public notice. Special meeting agenda shall be prepared and distributed pursuant to the procedures of the Brown Act by the General Manager or the Assistant General Manager in consultation with the President or in his or her absence, the Vice President or those Directors calling the meeting.
- 2.3 Directors shall attend all regular and special meetings of the Board unless there is good cause for absence.

NIPOMO COMMUNITY SERVICES DISTRICT
BOARD BY-LAWS AND POLICIES

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- 2.4 No action or discussion may be taken on an item not on the posted agenda; provided, however, matters deemed to be emergencies or of an urgent nature may be added to the agenda under the procedures of the Brown Act. Pursuant to the Brown Act:
- (a) Directors may briefly respond to statements or questions from the public;
 - (b) Directors may, on their own initiative or in response to public questions, ask questions for clarification, provide references to staff or other resources for factual information, or request staff to report back at a subsequent meeting;
 - (c) The Board may take action to direct the General Manager to place a matter on a future agenda;
 - (d) Directors may make brief announcements or make a brief report on his/her own activities under the Director Comment portion of the Agenda.
- 2.5 The President, or in his/her absence the Vice President, shall be the presiding officer at District Board meetings. He/She shall conduct all meetings in a manner consistent with the policies of the District. He/She shall determine the order in which agenda items shall be considered for discussion and/or actions taken by the Board. He/She shall vote on all questions and on roll call votes his/her name shall be called last.
- 2.6 Three (3) Directors of the Board shall constitute a quorum for the transaction of District business. When a quorum is lacking for a regular, adjourned, or special meeting, the President, Vice President, or any Director shall adjourn such meeting; or, if no Director is present, the District Secretary shall adjourn the meeting.
- 2.7 Except as otherwise specifically provided by law, a majority vote of the total membership of the Board of Directors is required for the Board of Directors to take action.
- 2.8 A roll call vote shall be taken upon the passage of all ordinances and resolutions, and shall be entered in the minutes of the Board, showing those Directors voting aye, those voting no, those abstaining, those not voting because of a conflict of interest, and absent. A roll call vote shall be taken and recorded on any motion not passed unanimously by the Board. Silence shall be recorded as an affirmative vote.
- 2.9 Votes of abstention shall be counted as a no vote.
- 2.10 Any person attending a meeting of the Board of Directors may record the proceedings with an audio or video tape recorder or a still or motion picture camera in the absence of a reasonable finding that the recording cannot continue

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BOARD BY-LAWS AND POLICIES

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without disruptive noise, illumination, or obstruction of view that constitutes or would constitute a disruption of the proceedings.

2.102.11

2.11 All recording devices, including but not limited to tape recorders, video tape recorders, still and/or motion picture cameras shall remain stationary and shall be located and operated in plain public view and from behind the public speaker's podium ~~once the meeting begins~~. The President retains the discretion to alter these guidelines, including the authority to require that all video tape recorders, still and/or motion picture cameras be located in the back of the room.

3. AGENDAS

3.1. The General Manager, in cooperation with the Board President, shall prepare the agenda for each regular and special meeting of the Board of Directors. Any Director may call the General Manager and request an item to be placed on the regular meeting agenda no later than 4:30 p.m. twelve calendar days prior to the meeting date. Such a request must be also submitted in writing either at the time of communication with the General Manager or delivered to the office within the next working day.

3.2 The following applies to reconsideration of prior Board actions.

(a) After the passage of 9 months from the effective date of the motion, resolution, or ordinance, the matter may be placed on the agenda pursuant to Section 3.1, above, or other provisions of the Brown Act.

(b) Prior to the passage of 9 months, any member of the Board of Directors or the General Manager may request the Board of Directors, by motion, to agree to reconsider a prior Board action at a subsequent meeting of the Board.

(c) The President of the Board of Directors, upon a determination that there is a need to take immediate action, may place an item on the agenda for reconsideration.

3.3 Subject to the following rules, a block of 20 minutes is set aside for each agenda item for public comment, including general public comment:

(a) Comments on agendized items should be held until the appropriate item is called.

(b) Unless otherwise directed by the President, public comment shall be presented from the podium.

(c) The person giving public comment shall state his/her name and whether or not he/she lives within the District boundary prior to giving his/her comment. Public comment shall be directed to the President of the Board.

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- (d) The President, after consideration of the length of the Agenda, the nature of the Agenda item, and the meeting limitations, may expand or further limit the 20 minute time allocation for public comment.
- (e) Each public commenter shall be limited to 3 minutes unless shortened or extended by the President with consideration of the length of the Agenda, the nature of the Agenda item, and the meeting limitations.

3.4 Those items on the District Agenda which are considered to be of a routine and non-controversial nature are placed on the "Consent Agenda". These items shall be approved, adopted, and accepted, etc. by one motion of the Board of Directors; for example, approval of Minutes, approval of Warrants, various Resolutions accepting developer improvements, minor budgetary items, status reports, and routine District operations.

- (a) Directors may request that any item listed under "Consent Agenda" be removed from the "Consent Agenda", and the Board will then take action separately on that item. Members of the public will be given an opportunity to comment on the "Consent Agenda"; however, only a member of the Board of Directors can remove an item from the "Consent Agenda". Items which are removed ("pulled") by Directors of the Board for discussion will typically be heard after other "Consent Agenda" items are approved unless the President chooses an earlier or later time.
- (b) A Director may ask questions on any item on the "Consent Agenda". When a Director has a minor question for clarification concerning a consent item which will not involve extended discussion, the item may be discussed for clarification and the questions will be addressed along with the rest of the "Consent Agenda". Directors are encouraged to seek clarifications prior to the meeting if possible.
- (c) When a Director wishes to consider/"pull" an item simply to register a dissenting vote, an abstention or conflict of interest, the Director shall inform the presiding officer that he/she wishes to register a dissenting vote, an abstention or conflict of interest, on a particular item without discussion. The item will be handled along with the rest of the Consent Agenda, and the District Secretary shall register a "no" vote, an abstention or conflict of interest, in the minutes on the item identified by the Director.

4. PREPARATION OF MINUTES AND MAINTENANCE OF RECORDINGS

4.1 The minutes of the Board shall be kept by the District Secretary and shall be neatly produced and kept in a file for that purpose, with a record of each particular type of business transacted set off in paragraphs with proper subheads;

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BOARD BY-LAWS AND POLICIES

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- 4.2 The minutes of the Board of Directors shall record the aye and no votes taken by the members of the Board of Directors for the passage or denial of all ordinances, resolutions, or motions.
- 4.3 The District Secretary shall be required to make a record only of such business as was actually considered by a vote of the Board and, except as provided in Sections 4.4 and 4.6 below, shall not be required to record any remarks of Directors or any other person;
- 4.4 The District Secretary shall attempt to record the names and general place of residence of persons addressing the Board during general public comment.
- 4.5 Any Director may request for inclusion into the minutes brief comments pertinent to an agenda item, only at the meeting in which the item is discussed. In addition, the minutes shall include the names of speakers who provided public comment on each agenda item and a summary of the Directors' reports. Materials submitted with such comments shall be appended to the minutes at the request of the General Manager, District Counsel, the Board President, or any Director.
- 4.6 Whenever the Board acts in a quasi-judicial proceeding such as in assessment matters, the District Secretary shall compile a summary of the testimony of the witnesses.
- 4.7 Any recording of a District meeting made for whatever purpose at the direction of the District shall be subject to inspection pursuant to the California Public Records Act. Consistent with Government Code Section 54953.5(b), the District will maintain the recordings for a 30-day period after the recording. During the 30-day period, the District will provide, without charge, the necessary equipment for inspection of said recordings at the District Office during regular business hours. In addition to the 30-day requirement, the District will attempt to maintain the recordings, without legal obligation to do so, for a minimum of 5 years after the date of the recording. However, during this extended period, the District may not be able to provide the necessary equipment to facilitate inspections.

5. DIRECTORS

- 5.1 Directors shall prepare themselves to discuss agenda items at meetings of the Board of Directors. Directors are encouraged to seek clarification prior to the meeting, if possible.
- 5.2 Members of the Board of Directors shall exercise their independent judgment on behalf of the interest of the entire District, including the residents, property owners and the public as a whole.
- 5.3 Information may be requested from staff before meetings, within such limitations as required by the Brown Act. Information that is requested shall be distributed through the General Manager, and all Directors will receive a copy of all information being distributed.

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- 5.4 Directors shall at all times conduct themselves with courtesy to each other, to staff and to members of the audience present at Board meetings.
- 5.5 Differing viewpoints are healthy in the decision-making process. Individuals have the right to disagree with ideas and opinions, but without being disagreeable. Once the Board of Directors takes action, dissenting Directors should not create barriers to the implementation of said action.
- 5.6 Pursuant to §54952.2 of the Brown Act:
- (a) Except during an open and public meeting, a majority of the Board of Directors shall not use a series of communications of any kind, directly or thru intermediaries, to discuss, deliberate, or take action on any item of business that is within the subject matter of the District.
 - (b) Subsection (a) above shall not be construed as preventing District management staff from engaging in separate conversations or communications with members of the District Board of Directors in order to answer questions or provide information regarding a matter that is within the subject matter jurisdiction of the District, provided that District Staff does not communicate to members of the Board of Directors the comments or positions of any other member or members of the Board of Directors.
- 5.7 Directors shall not be prohibited by action of the Board of Directors from citing his or her District affiliation or title in any endorsement or publication, so long as no misrepresentation is made, or implied, about the District's position on ~~the-an~~ issue.

6. AUTHORITY OF DIRECTORS

- 6.1 The Board of Directors is the unit of authority within the District. Apart from his/her normal function as a part of this unit, ~~a Director has, have~~ no individual authority. As individuals, Directors may not commit the District to any policy, act, or expenditure.
- 6.2 Directors do not represent any fractional segment of the District but are, rather, a part of the body which represents and acts for the District as a whole.
- 6.3 The primary responsibility of the Board of Directors is the formulation and evaluation of policy. Routine matters concerning the operational aspects of the District are to be delegated to professional staff members of the District.

7. AUTHORITY OF THE GENERAL MANAGER

Pursuant to Government Code §61051, the General Manager shall be responsible for ~~all~~ of the following:

NIPOMO COMMUNITY SERVICES DISTRICT
BOARD BY-LAWS AND POLICIES

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- 7.1. The implementation of the policies established by the Board of Directors for the operation of the District.
- 7.2. The appointment, supervision, discipline, and dismissal of the District's employees, consistent with the employee relations system established by the Board of Directors.
- 7.3. The supervision of the District's facilities and services.
- 7.4. The supervision of the District's finances.

8. DIRECTOR GUIDELINES

- 8.1. Directors, by making a request to the General Manager or Assistant General Manager, shall have access to information relative to the operation of the District, including but not limited to statistical information, information serving as the basis for certain actions of Staff, justification for Staff recommendations, etc. If the General Manager or the Assistant General Manager cannot timely provide the requested information by reason of information deficiency, or major interruption in work schedules, work loads, and priorities, then the General Manager or Assistant General Manager shall inform the individual Director why the information is not or cannot be made available.
- 8.2. In handling complaints from residents or property owners within the District, or other members of the public, Directors are encouraged to listen carefully to the concerns, but the complaint should be referred to the General Manager for processing and the District's response, if any.
- 8.3. Directors, when seeking clarification of policy-related concerns, especially those involving personnel, legal action, land acquisition and development, finances, and programming, should refer said concerns directly to the General Manager.
- 8.4. When approached by District personnel concerning a specific District policy, Directors should direct inquiries to the General Manager or Assistant General Manager. The chain of command should be followed. If a Director concludes that a personnel issue is not being adequately addressed in this manner, he/she should refer it to the Board's personnel committee for further consideration, in accordance with District Personnel Policy.
- 8.5. Directors and General Manager should develop a working relationship so that current issues, concerns, and District projects can be discussed comfortably and openly.
- 8.6. When responding to constituent requests and concerns, Directors should respond to individuals in a positive manner and route their questions to the General Manager, or in his/her absence, to the Assistant General Manager.
- 8.7. Directors are responsible for monitoring the District's progress in attaining its goals and objectives, while pursuing its mission.

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BOARD BY-LAWS AND POLICIES

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9. DIRECTOR COMPENSATION

- 9.1 Each Director is authorized to receive one hundred dollars (\$100.00) as compensation for each regular adjourned or special meeting of the Board of Directors attended by him/her.
- 9.2 Each Director appointed to a committee is authorized to receive one hundred dollars (\$100) as compensation for each public meeting of a standing committee attended by him/her.
- 9.3 Each Director appointed to an ad hoc committee is authorized to receive seventy-five dollars (\$75.00) as compensation for each ad hoc committee meeting attended by him/her.
- 9.4 Each Director is authorized to receive one hundred dollars (\$100) per day as compensation for representation of the District at a public meeting or public hearing conducted by another public agency and/or participation in a training program on a topic that is directly related to the District, provided the Board of Directors has previously approved the member's participation and the member delivers a written report to the Board of Directors at the District's next regular meeting regarding the member's participation.
- 9.5 In no event shall Director compensation exceed \$100 per day.
- 9.6 Director compensation shall not exceed six full days in any one calendar month.

10. DIRECTOR REIMBURSEMENT

- 10.1 Subject to the following rules and budgetary limitations, each Director is entitled to reimbursement for their actual and necessary expenses (including the cost of programs and seminars), for his/her attendance at programs, conferences, and seminars that are related to District functions and/or Director development.

- (a) It is the policy of the District to exercise prudence with respect to hotel/motel accommodations. It is also the policy of the District for Directors and staff to stay at the main hotel/motel location of a conference, seminar, or class to gain maximum participation and advantage of interaction with others whenever possible.

If lodging is in connection with a conference or organized education activity, lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available to the member of the Board of Directors at the time of booking. If the group rate is not available, the Director shall use lodging that is comparable with the group rate. Personal phone calls, room service, and other discretionary expenditures are not reimbursable.

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BOARD BY-LAWS AND POLICIES

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- (b) Members of the Board of Directors shall use government and group rates offered by a provider of transportation for travel when available. Directors, using his/her private vehicle on District business, shall be compensated at the prevailing IRS per diem mileage rate.
 - (c) Any Director traveling on District business shall receive in addition to transportation and lodging expenses, a per diem allowance to cover ordinary expenses such as meals, refreshments, and tips. The amount set for per diem shall be considered fair reimbursement. The per diem shall include \$10.00 for breakfast, \$15.00 for lunch and \$30.00 for dinner, for a daily total of \$55.00.
 - (d) All travel and other expenses for District business, conferences, or seminars outside of the State of California shall require separate Board authorization, with specific accountability as to how the District shall benefit by such expenditure.
- 10.2 All expenses that do not fall within the reimbursement policy set forth in 10.1, above, shall be approved by the Board of Directors, at a public meeting, before the expense is incurred.
- 10.3 Board members shall submit an expense report on the District form within ten (10) calendar days after incurring the expense. The expense report shall be accompanied by receipts documenting each expense. Expense reports for mileage, as referenced in Section 10.1(b), shall be submitted no later than the end of each quarter (March, June, September, and December).
- 10.4 Members of the Board of Directors shall provide brief reports on the program, conferences, and seminars attended at the expense of the District at the next regular meeting of the Board of Directors.

11. ETHICS TRAINING

11.1 Ethics Training

(a) Pursuant to sections 53234 et seq. of the Government Code, all Directors and designated District personnel shall receive at least 2 hours of ethics training every two years.

(b) ~~11.2~~—Each newly elected Board Member and designated District personnel shall receive ethics training no later than one year from the first day of service with the District and thereafter shall receive ethics training at least once every two years.

11.2 Sexual Harassment Prevention Training

NIPOMO COMMUNITY SERVICES DISTRICT
BOARD BY-LAWS AND POLICIES

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(ATTACHMENT "A" TO RESOLUTION ~~2011-12122012-XXXX~~)

Board members, the General Manager, and supervisors that are designated in the Districts conflict of interest code shall receive sexual harassment prevention training in accordance with the law

12. COMMITTEES

12.1 Ad Hoc Committees

The Board President shall appoint such ad hoc committees as may be deemed necessary or advisable by himself/herself and/or the Board. The duties of the ad hoc committees shall be outlined at the time of appointment, and the committee shall be considered dissolved when its final report has been made.

12.2 Standing Committees

(a) The Board may create standing committees at its discretion. Standing committees shall be advisory committees to the Board of Directors and shall not commit the District to any policy, act or expenditure. Each standing committee may consider District-related issues, on a continuing basis, assigned to it by the Board of Directors. Members of the standing committees shall be appointed by the Board of Directors.

(b) All standing committee meetings shall be conducted as public meetings in accordance with the Brown Act and Sections 2, 3 and 4 of these By-Laws. Summary notes for each meeting of each committee shall be forwarded to the NCS D Board of Directors as a public record.

13. CORRESPONDENCE DISTRIBUTION POLICY

Time permitting, the following letters and other documents shall be accumulated and delivered to the Board of Directors on Monday of each week and/or with agenda packet.

13.1 All letters approved by the Board of Directors and/or signed by the President on behalf of the District; and

13.2 All letters and other documents received by the District that are of District-wide concern, as determined by District staff.

14. CONFLICTS AND RELATED POLICY

State laws are in place which attempt to eliminate any action by a Director or the District which may reflect a conflict of interest. The purpose of such laws and regulations is to insure that all actions are taken in the public interest. Laws which regulate conflicts are

NIPOMO COMMUNITY SERVICES DISTRICT
BOARD BY-LAWS AND POLICIES

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PAGE 11

(ATTACHMENT "A" TO RESOLUTION ~~2011-12122012-XXXX~~)

very complicated. The following provides a brief policy summary of various conflict related laws. Directors are encouraged to consult with District Legal Counsel and/or the FPPC at 1-800-ASK-FPPC (1-800-275-3772), prior to the day of the meeting, if they have questions about a particular agenda item.

14.1 Conflict of Interest

Each Director is encouraged to review the District Conflict Code on an annual basis. The general rule is that an official may not participate in the making of a governmental decision if it is reasonably foreseeable that the decision will have a material financial effect on the official or a member of his or her immediate family or on an economic interest of the official, and the effect is distinguishable from the effect on the public generally. ~~Additionally, the FPPC regulations relating to interests in real property provide that, have recently been changed.~~ If the real property in which the Director has an interest is located within 500 feet of the boundaries of the property affected by a decision, that interest is now deemed to be directly involved in the decision.

14.2 Interest in Contracts, Government Code Section 1090

The prohibitions of Government Code Section 1090 provide that the Board of Directors may not contract with any business in which another Director has a financial interest.

14.3 Incompatible Office, Government Code Section 1099

The basic rule is that public policy requires that when the duties of two offices are repugnant or overlap so that their exercise may require contradictory or inconsistent action, to the detriment to the other public interest, their discharge by one person is incompatible with that interest. When a Director is sworn in for such a second office, he/she is simultaneously terminated from holding the first office.

15. EVALUATION OF CONSULTANTS

The District's legal counsel shall be evaluated by the Board of Directors annually during the months of May and June of each year.

16. CONTINUING EDUCATION

Directors are encouraged to attend educational conferences and professional meetings when the purposes of such activities are to improve District operation. Subject to budgetary constraints, there is no limit to the number of Directors attending a particular conference or seminar when it is apparent that their attendance is beneficial to the District.

17. BOARD BY-LAWS REVIEW POLICY

NIPOMO COMMUNITY SERVICES DISTRICT
BOARD BY-LAWS AND POLICIES

~~2011-2012~~ UPDATE

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(ATTACHMENT "A" TO RESOLUTION ~~2011-1212~~2012-XXXX)

Subject to 3.1 the Board By-Laws and Policies shall be reviewed annually at the first regular meeting in February. The review shall be provided by District Counsel and ratified by Board action.

18. RESTRICTIONS ON BY-LAWS

The rules contained herein shall govern the Board in all cases to which they are applicable, and in which they are not inconsistent with State or Federal laws.

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2012-XXXX
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING AMENDED BOARD BY-LAWS AND POLICIES (2012)**

WHEREAS, the Board of Directors of Nipomo Community Services District (District) is committed to providing excellence in legislative leadership; and

WHEREAS, the District is a member of the Special District Risk Management Authority (**SDRMA**); and

WHEREAS, **SDRMA** has adopted a Credit Incentive Program whereby the District can receive a credit on insurance premiums for the annual review of Board Policies and Procedures (Board By-Laws and Policies); and

WHEREAS, Section 16 of the Board By-Laws and Policies provides for the annual review of the Board By-Laws and Policies by District Legal Counsel; and

WHEREAS, Government Code §§ 61045 and 61047 requires the Board of Directors to adopt:

- A Rules or By-laws governing its proceedings;
- B Administrative Policies;
- C Director Compensation Policies; and
- D Director Reimbursement Policies; and

WHEREAS, Government Code Section § 54954.3(b) provides in relevant part:

“The legislative body of a local agency may adopt reasonable regulations -----
-- limiting the total amount of time allocated for public testimony on particular
issues and for each individual speaker;” and

WHEREAS, on February 8, 2012, District Legal Counsel review the District's previously adopted Board By-Laws and Policies and the District Board of Directors instructed Staff to return with a revised version for Board adoption; and

WHEREAS, on XXXX, XX, XXXX, the District conducted a public hearing and considered public comment regarding the adoption of the revised Board By-Laws and Policies (2012 update).

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Board of Directors of the Nipomo Community Services District, as follows:

1. The Nipomo Community Services District Board By-Laws and Policies (2012 update) attached hereto as Exhibit “A” are hereby approved and adopted.

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2012-XXXX
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING AMENDED BOARD BY-LAWS AND POLICIES (2012)**

2. All prior District Board By-Laws and Policies, Resolutions and Policies of the District that are inconsistent with the Board By-Laws and Polices (2012 update) attached hereto as Exhibit "A" are hereby repealed.

Upon motion by Director XXXX, seconded by Director XXXX, on the following roll call vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

the foregoing resolution is hereby passed and adopted this XX day of XXXXX, 2012.

JAMES HARRISON,
President of the Board of Directors

ATTEST:

APPROVED:

Michael S LeBrun
General Manager and Secretary to the Board

JON S. SEITZ
District Legal Counsel

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TO: MICHAEL S. LEBRUN *MSL*
 GENERAL MANAGER

FROM: LISA BOGNUDA *LB*
 FINANCE DIRECTOR

DATE: FEBRUARY 24, 2012

AGENDA ITEM

D-4

FEBRUARY 29, 2012

**CONSIDER PAY OFF OF INSTALLMENT SALE AGREEMENT
 WITH MUNICIPAL FINANCE CORP**

ITEM

Consider pay off of Installment Sale Agreement with Municipal Finance Corp

BACKGROUND

On October 20, 2009, the District entered into an Installment Sale Agreement to purchase a sewer vacuum truck. The Installment Sales Agreement was in the amount of \$207,952.31, payable over five years at 4.75% interest. The debt service schedule is as follows:

Due Date	Interest Portion (\$)	Principal Portion (\$)	Total Debt Service (\$)	Outstanding Principal Balance (\$)	Prepayment Option (\$)
				207,952.31	
9/1/10	4,938.87	18,668.29	23,607.16	189,284.02	194,016.12
3/1/11	4,495.50	19,111.66	23,607.16	170,172.36	174,426.67
9/1/11	4,041.59	19,565.57	23,607.16	150,606.79	154,371.96
3/1/12	3,576.91	20,030.25	23,607.16	130,576.54	133,840.95
9/1/12	3,101.19	20,505.97	23,607.16	110,070.57	112,822.33
3/1/13	2,614.18	20,992.98	23,607.16	89,077.59	91,304.53
9/1/13	2,115.59	21,491.57	23,607.16	67,586.02	69,275.67
3/1/14	1,605.17	22,001.99	23,607.16	45,584.03	46,723.63
9/1/14	1,082.62	22,524.54	23,607.16	23,059.49	23,635.98
3/1/15	547.67	23,059.49	23,607.16	0.00	0.00

The District has its reserve funds invested in Local Agency Investment Fund (LAIF). Due to the economic decline, interest rates on earnings have been averaging less than 0.05% the past two years. Based on the fiscal analysis below, the Board may consider paying off the Installment Sales Agreement early.

Pursuant to the Installment Sale Agreement, prepayments may only be made on March 1 or September 1.

The Finance and Audit Committee will review this proposed action on Monday, February 27, 2012, and provide your Board with their recommendation.

FISCAL IMPACT

Interest Expense March 1, 2012 to March 1, 2015	\$14,643
Prepayment Penalty (2.5% of principal) (\$133,841-\$130,577)	(\$3,264)
Estimated net Interest Expense Savings	\$11,379
Estimated Interest Income March 1, 2012 to March 1, 2015 (assuming 0.5% interest rate on \$130,577)	(\$196)
Estimated net Savings to District	\$11,183

RECOMMENDATION

It is recommended consider the Finance and Audit Committee recommendation and if warranted, by motion and roll call vote approve the attached Resolution approving payoff of Installment Sale Agreement with Municipal Finance Corp.

ATTACHMENT

- Draft Resolution

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2012-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
AUTHORIZING THE PAY OFF OF THE INSTALLMENT SALE AGREEMENT
WITH MUNICIPAL FINANCE CORP**

WHEREAS, on October 14, 2009, the Nipomo Community Services District (District) adopted Resolution 2009-1166 titled "A Resolution Authorizing the Execution and Delivery of an Installment Sale Agreement, and Authorizing and Directing Certain Actions in Connection with the Acquisition of a Sewer Vacuum Truck; and

WHEREAS, Resolution 2009-116 authorized the installment sale of TWO HUNDRED SEVEN THOUSAND NINE HUNDRED FIFTY-TWO DOLLARS AND THIRTY-ONE CENTS (\$207,952.31), whereby the District agreed to pay the debt together with interest on the unpaid balance from the issuance date at the rate of 4.75% per annum, payable on September 1, 2010, and semi-annual thereafter on March 1 and September 1 in each year until the principal amount is paid in full.; and

WHEREAS, as of September 1, 2011, there remains a principal balance of ONE HUNDRED FIFTY THOUSAND SIX HUNDRED SIX DOLLARS AND SEVENTY-NINE CENTS (\$150,606.79) owing on the Installment Sale; and

WHEREAS, Section 27, Prepayment Option, of the Installment Sales Agreement states, "If Purchaser is not in default of any term, condition or payment specified hereunder, Purchaser may exercise options to prepay this Installment Sale for not less than all of the Property in "as-is" and "where-is" condition on the specified dates and for the specified amounts set forth in the Schedule. Each prepayment option payment specified for a particular date is in addition to the Installment Payment due on the same date.", and

WHEREAS, it is the Districts desire to pay off the Installment Sale Agreement authorized by Resolution 2009-1166; and

WHEREAS, on February 29, 2012, the District, the District conducted a public hearing and considered public comment regarding the pay off of said Installment Sale Agreement.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Board of Directors of the Nipomo Community Services District, as follows:

1. The District is authorized to pay off the Installment Sale Agreement of \$130,576.54 plus the prepayment penalty of \$3,264.41 on March 1, 2012.
2. The District will request release of all liens pursuant to Section 28, Release of Liens, of the Installment Sale Agreement,

NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2012-XXXX

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
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Upon motion by Director _____, seconded by Director _____ on the following roll call vote,
to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

the foregoing resolution is hereby passed and adopted this 29th day of February, 2012.

JAMES HARRISON,
President of the Board of Directors

APPROVED:

ATTEST:

Michael S. LeBrun General Manager and
Secretary to the Board

JON S. SEITZ
District Legal Counsel