

C-3) RECEIVE PUBLIC COMMENT ON PRESENTATIONS AND REPORTS PRESENTED UNDER ITEM C AND BY MOTION RECEIVE AND FILE PRESENTATIONS AND REPORTS

D. 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 removed. If discussion is desired, the item may be removed from the Consent Agenda by a Board member and will be considered separately at the conclusion of the Administrative Items. Questions or clarification may be made by the Board members without removal from the Consent Agenda. Individual items on the Consent Agenda are approved by the same vote that approves the Consent Agenda, unless an item is pulled for separate consideration. The recommendations for each item are noted in bracket. Members of the public may comment on the Consent Agenda items.*

D-1) WARRANTS [RECOMMEND APPROVAL]

D-2) APPROVE JANUARY 8, 2014 REGULAR BOARD MEETING MINUTES [RECOMMEND APPROVAL]

D-3) APPROVE JANUARY 10, 2014 SPECIAL BOARD MEETING MINUTES [RECOMMEND APPROVAL]

D-4) APPROVE JANUARY 16, 2014 SPECIAL BOARD MEETING MINUTES [RECOMMEND APPROVAL]

D-5) APPROVE JANUARY 22, 2014 REGULAR BOARD MEETING MINUTES [RECOMMEND APPROVAL]

D-6) APPROVE FEBRUARY 3, 2014 SPECIAL BOARD MEETING MINUTES [RECOMMEND APPROVAL]

D-7) ADOPT RESOLUTION APPROVING 2014 BOARD BY-LAWS [RECOMMEND ADOPT RESOLUTION]

D-8) RECEIVE DECEMBER 2014 (MID FISCAL-YEAR) FINANCIAL SUMMARY [RECOMMEND RECEIVE REPORT]

E. ADMINISTRATIVE ITEMS

E-1) REVIEW WATER SHORTAGE RESPONSE AND MANAGEMENT PLAN [RECOMMEND APPROVE PLAN]

F. GENERAL MANAGER'S REPORT

G. COMMITTEE REPORTS

H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

I. CLOSED SESSION ANNOUNCEMENTS

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).
2. CONFERENCE WITH LEGAL COUNSEL PURSUANT TO GOVT. CODE §54956.9(a):
Existing litigation - 1 case: Mesa Community Alliance Vs. District, Case No. CV 130222
3. CONFERENCE WITH LEGAL COUNSEL PURSUANT TO GOVT. CODE §54956.9(d)(2)&(e)(1):
Significant Exposure to Litigation - 1 case.
4. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION
(Paragraph (1) of subdivision (d) of Section 54956.9)
Name of case: NCSD v Troesh et. al. SLOCSC# CV130175

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

K. ADJOURN TO CLOSED SESSION

L. OPEN SESSION

ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

ADJOURN

- **Finance and Audit Committee will meet at 9AM, Wednesday February 19 to receive an update on the Water Rate Study**
- **Next Regular Board Meeting is 9AM, Wednesday February 26, 2014.**

TO: BOARD OF DIRECTORS
FROM: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER
DATE: FEBRUARY 7, 2014



PRESENTATIONS AND REPORTS

The following presentations and reports are scheduled:

- C-1) REPORT ON JANUARY 22, 2014 REGULAR MEETING CLOSED SESSION
Announcement of actions, if any, taken in Closed Session
- C-2) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST AND REPORTS ON ATTENDANCE AT PUBLIC MEETINGS, TRAINING PROGRAMS, CONFERENCES, AND SEMINARS.
Receive Announcements and Reports from Directors
- C-3) RECEIVE PUBLIC COMMENT ON PRESENTATIONS AND REPORTS PRESENTED UNDER ITEM C AND BY MOTION RECEIVE AND FILE PRESENTATIONS AND REPORTS

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\2014\PRESENTATIONS\PRESENTATIONS AND REPORTS .DOCX

TO: BOARD OF DIRECTORS
FROM: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER
DATE: FEBRUARY 7 2014

**AGENDA ITEM
C-1
FEBRUARY 12, 2014**

**JANUARY 22, 2014 REGULAR MEETING
CLOSED SESSION REPORT**

ITEM

Announcement of actions, if any, taken during Closed Session at previous Board Meeting [NO ACTION REQUESTED]

BACKGROUND

The January 22, 2014 Regular Meeting Closed Session included:

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).
2. CONFERENCE WITH LEGAL COUNSEL PURSUANT TO GOVT. CODE §54956.9(a):
Existing litigation - 1 case: Mesa Community Alliance Vs. District, Case No. CV 130222
3. CONFERENCE WITH LEGAL COUNSEL PURSUANT TO GOVT. CODE §54956.9(d)(2)&(e)(1):
Significant Exposure to Litigation - 1 case.

Staff will report on closed session action taken, if any.

TO: BOARD OF DIRECTORS
FROM: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER
DATE: FEBRUARY 7, 2014



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 removed. If discussion is desired, the item may be removed from the Consent Agenda by a Board member and will be considered separately at the conclusion of the Administrative Items. Individual items on the Consent Agenda are approved by the same vote that approves the Consent Agenda, unless an item is pulled for separate consideration. The recommendations for each item are noted in bracket. Members of the public may comment on the Consent Agenda items.

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

- D-1) WARRANTS [RECOMMEND APPROVAL]
- D-2) APPROVE JANUARY 8, 2014 REGULAR BOARD MEETING MINUTES
[RECOMMEND APPROVAL]
- D-3) APPROVE JANUARY 10, 2014 SPECIAL BOARD MEETING MINUTES
[RECOMMEND APPROVAL]
- D-4) APPROVE JANUARY 16, 2014 SPECIAL BOARD MEETING MINUTES
[RECOMMEND APPROVAL]
- D-5) APPROVE JANUARY 22, 2014 REGULAR BOARD MEETING MINUTES
[RECOMMEND APPROVAL]
- D-6) APPROVE FEBRUARY 3, 2014 SPECIAL BOARD MEETING MINUTES
[RECOMMEND APPROVAL]
- D-7) ADOPT RESOLUTION APPROVING 2014 BOARD BY-LAWS [RECOMMEND
ADOPT RESOLUTION]
- D-8) RECEIVE DECEMBER 2014 (MID FISCAL-YEAR) FINANCIAL SUMMARY
[RECOMMEND RECEIVE REPORT]

TO: BOARD OF DIRECTORS
 FROM: MICHAEL S. LEBRUN *MSL*
 GENERAL MANAGER
 DATE: FEBRUARY 7, 2014

**AGENDA ITEM
 D-1
 FEBRUARY 12, 2014**

HAND WRITTEN CHECKS

02-12-14 10227 SELENA MCCALIP
 02-12-14 10228 JAMES SKINNER & ANDREA BEY

TOTAL COMPUTER CHECKS

\$425,686.68
 \$75.00
 \$75.00

WASHER REBATE
 WASHER REBATE

VOIDS - NONE

COMPUTER GENERATED CHECKS

| | | | | | | | | |
|--------|----------|-------|---------------------------|----------|-----|----------|-----------|---------------------------|
| 22693 | 01/31/14 | EMP01 | EMPLOYMENT DEVELOP DEPT | 1241.10 | .00 | 1241.10 | B40127 | STATE INCOME TAX |
| 22694 | 01/31/14 | MID01 | RABOBANK-PAYROLL TAX DEPO | 3950.30 | .00 | 3950.30 | B40127 | FEDERAL INCOME TAX |
| | | | | 111.60 | .00 | 111.60 | 1B40127 | FICA |
| | | | | 1058.18 | .00 | 1058.18 | 2B40127 | MEDICARE (FICA) |
| | | | Check Total.....: | 5120.08 | .00 | 5120.08 | | |
| 22695 | 01/31/14 | MID02 | RABOBANK-DIRECT DEPOSIT | 27112.83 | .00 | 27112.83 | B40127 | NET PAY |
| 22696 | 01/31/14 | PER01 | PERS RETIREMENT | 8700.65 | .00 | 8700.65 | B40127 | PERS PAYROLL REMITTANCE |
| 22697 | 01/31/14 | STA01 | CALPERS 457 DEFERRED COMP | 2580.00 | .00 | 2580.00 | B40127 | 457 DEFERRED COMP |
| 022698 | 02/12/14 | ABA01 | ABALONE COAST BACTERIOLOG | 5904.00 | .00 | 5904.00 | JAN 2014 | LAB TESTS |
| 022699 | 02/12/14 | ADA01 | ADAMSKI MOROSKI MADDEN CU | 2233.00 | .00 | 2233.00 | 5001-001 | LEGAL SERVICES THRU 12/31 |
| 022700 | 02/12/14 | ADV01 | ADVANTAGE ANSWERING PLUS | 165.08 | .00 | 165.08 | FEB 2014 | ANSWERING SERVICE |
| 022701 | 02/12/14 | AEC01 | AECOM USA INC | 51401.06 | .00 | 51401.06 | 37409721 | SWP ENGINEERING DURING CO |
| 022702 | 02/12/14 | ALX01 | ALEXANDER'S CONTRACT SERV | 2464.07 | .00 | 2464.07 | FEB 2014 | METER READING |
| 022703 | 02/12/14 | AME03 | AMERI PRIDE | 159.72 | .00 | 159.72 | 41283 | UNIFORMS |
| | | | | 183.92 | .00 | 183.92 | 45386 | UNIFORMS |
| | | | | 147.54 | .00 | 147.54 | 54606 | UNIFORMS |
| | | | | 243.63 | .00 | 243.63 | 050032 | UNIFORMS |
| | | | Check Total.....: | 734.81 | .00 | 734.81 | | |
| 022704 | 02/12/14 | ATT01 | AT&T/MCI | 147.46 | .00 | 147.46 | 5066951 | TELEPHONE |
| | | | | 22.36 | .00 | 22.36 | 5067195 | TELEPHONE |
| | | | | 176.17 | .00 | 176.17 | 5067265 | TELEPHONE |
| | | | Check Total.....: | 345.99 | .00 | 345.99 | | |
| 022705 | 02/12/14 | AVC01 | AVCO FIRE EXTINGUISHER C. | 31.20 | .00 | 31.20 | 7981 | FIRE EXT SERVICE |
| 022706 | 02/12/14 | BEN02 | BENTLEY SYSTEMS, INC. | 1705.25 | .00 | 1705.25 | 47569480 | WATER/SEWER GEMS SUBSCRIP |
| 022707 | 02/12/14 | BES01 | BEST BEST & KRIEGER | 5370.56 | .00 | 5370.56 | 718240 | PERSONNEL MANUAL UPDATE |
| | | | | 1534.00 | .00 | 1534.00 | 718241 | SUPPLEMENTAL WATER PROJEC |
| | | | | 934.32 | .00 | 934.32 | 718242 | MCA VS NCSD |
| | | | Check Total.....: | 7838.88 | .00 | 7838.88 | | |
| 022708 | 02/12/14 | BRE02 | BRENNTAG PACIFIC INC. | 512.71 | .00 | 512.71 | BPI379366 | SODIUM HYPOCHLORITE |
| | | | | 385.11 | .00 | 385.11 | BPI381492 | SODIUM HYPOCHLORITE |
| | | | | 647.34 | .00 | 647.34 | BPI381493 | SODIUM HYPOCHLORITE |
| | | | | 276.61 | .00 | 276.61 | BPI383170 | SODIUM HYPOCHLORITE |
| | | | | 448.40 | .00 | 448.40 | BPI383171 | SODIUM HYPOCHLORITE |
| | | | | 466.50 | .00 | 466.50 | BPI385673 | SODIUM HYPOCHLORITE |
| | | | | 556.91 | .00 | 556.91 | BPI385674 | SODIUM HYPOCHLORITE |
| | | | Check Total.....: | 3293.58 | .00 | 3293.58 | | |
| 022709 | 02/12/14 | BRE03 | BREWER, REED | 383.60 | .00 | 383.60 | BPI379367 | SODIUM HYPOCHLORITE |
| 022710 | 02/12/14 | CHA02 | CHARTER COMMUNICATIONS | 204.99 | .00 | 204.99 | FEB 2014A | INTERNET-SOUTHLAND |
| | | | | 204.99 | .00 | 204.99 | FEB 2014B | INTERNET-OFFICE |
| | | | Check Total.....: | 409.98 | .00 | 409.98 | | |
| 022711 | 02/12/14 | CIT01 | CITY NATIONAL BANK | 10989.00 | .00 | 10989.00 | 01-032 | DEBT SERVICE-A/D 93-1 |
| 022712 | 02/12/14 | COA02 | COASTAL ROLLOFF | 517.45 | .00 | 517.45 | 4368184 | DISPOSAL FEE |
| 022713 | 02/12/14 | COR01 | CORBIN WILLITS SYSTEMS | 750.83 | .00 | 750.83 | B401151 | COMPUTER SUPPORT |
| 022714 | 02/12/14 | CRY01 | CRYSTAL SPRINGS | 23.83 | .00 | 23.83 | JAN 2014 | DISTILLED WATER |
| 022715 | 02/12/14 | CWE01 | CWEA | | .00 | | BREWER | GRADE 2 RENEWAL |

TO: BOARD OF DIRECTORS
 FROM: MICHAEL S. LEBRUN
 GENERAL MANAGER
 DATE: FEBRUARY 7, 2014

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PAGE TWO

| | | | | | | | | |
|--------|----------|-------|---------------------------|------------------------------------|--------------------------|------------------------------------|--|--|
| 022716 | 02/12/14 | DEW01 | J B DEWAR INC | 2314.78 | .00 | 2314.78 | 989239 | DIESEL |
| 022717 | 02/12/14 | DLT01 | DLT SOLUTIONS INC | 354.85 | .00 | 354.85 | S1243532 | AUDTOCAD SUBSCRIPTION REN |
| 022718 | 02/12/14 | FAR02 | FAR WEST EXPRESS | 24.00 | .00 | 24.00 | JAN 2014 | DELIVERY |
| 022719 | 02/12/14 | FGL01 | FGL ENVIRONMENTAL | 396.26 417.70 63.53 21.45 | .00 .00 .00 .00 | 396.26 417.70 63.53 21.45 | 383478A 480016A 480107A 480192A | LAB TEST LAB TEST LAB TEST LAB TEST |
| | | | Check Total.....: | 898.94 | .00 | 898.94 | | |
| 022720 | 02/12/14 | GAD02 | GADDIS, DAN | 29.12 | .00 | 29.12 | B40128 | REIMBURSEMENT-MILEAGE |
| 022721 | 02/12/14 | GIL01 | GLM, INC. | 340.00 | .00 | 340.00 | JAN 2014 | LANDSCAPE MAINTENANCE |
| 022722 | 02/12/14 | GWA01 | GWA INC | 87.00 55.00 87.00 | .00 .00 .00 | 87.00 55.00 87.00 | FEB 2014A FEB 2014B FEB 2014C | ALARM-509 SOUTHLAND ALARM-WILSON ALARM-SHOP |
| | | | Check Total.....: | 229.00 | .00 | 229.00 | | |
| 022723 | 02/12/14 | HAY01 | HAYES ADVANCED DESIGN | 897.00 | .00 | 897.00 | B40206 | ASPHALT REPAIR |
| 022724 | 02/12/14 | LAN02 | LANDMARK LANDSCAPE CO INC | 214.00 | .00 | 214.00 | 60812 | LANDSCAPE MAINTENANCE |
| 022725 | 02/12/14 | LEE02 | LEE CENTRAL COAST NEWSPAP | 664.72 | .00 | 664.72 | JAN 2014 | WATER CONSERVATION ADS |
| 022726 | 02/12/14 | MIN02 | MINER'S ACE HARDWARE | 286.31 | .00 | 286.31 | JAN 2014 | SUPPLIES |
| 022727 | 02/12/14 | MNS01 | MNS ENGINEERS INC | 52306.94 37187.78 | .00 .00 | 52306.94 37187.78 | 64005 64006 | SOUTHLAND WWTF UPGRADE SUPPLEMENTAL WATER PROJEC |
| | | | Check Total.....: | 89494.72 | .00 | 89494.72 | | |
| 022728 | 02/12/14 | NEW05 | NEWTON GEO-HYDROLOGY CONS | 9343.23 | .00 | 9343.23 | JAN 2014 | LITIGATION SUPPORT |
| 022729 | 02/12/14 | NEX01 | NEXTEL COMMUNICATIONS | 460.18 | .00 | 460.18 | 87314-146 | CELLULAR SERVICE |
| 022730 | 02/12/14 | NEX03 | NEXTRAQ | 408.50 | .00 | 408.50 | 1010174 | GPS SERVICE |
| 022731 | 02/12/14 | NIP05 | NIPOMO CHAMBER OF COMMERC | 2090.00 2581.00 | .00 .00 | 2090.00 2581.00 | DEC 2013 DEC 2013A | NIPOMO CHAMBER OF COMMECE NIPOMO CHAMBER OF COMMERC |
| | | | Check Total.....: | 4671.00 | .00 | 4671.00 | | |
| 022732 | 02/12/14 | NUN01 | NUNLEY, MICHAEL K. & ASSO | 1742.50 5312.43 | .00 .00 | 1742.50 5312.43 | 128 135 | BL MASTER PLAN GIS SERVICES |
| | | | Check Total.....: | 7054.93 | .00 | 7054.93 | | |
| 022733 | 02/12/14 | NUT01 | NU TECH PEST MGMT | 265.00 75.00 | .00 .00 | 265.00 75.00 | 102748 102750 | RODENT CONTROL RODENT CONTROL |
| | | | Check Total.....: | 340.00 | .00 | 340.00 | | |
| 022734 | 02/12/14 | OFF01 | OFFICE DEPOT | 164.31 90.27 241.82 | .00 .00 .00 | 164.31 90.27 241.82 | 428001 3089001 3096001 | OFFICE SUPPLIES OFFICE SUPPLIES OFFICE SUPPLIES |
| | | | Check Total.....: | 496.40 | .00 | 496.40 | | |
| 022735 | 02/12/14 | PGE01 | P G & E | 34688.37 | .00 | 34688.37 | JAN 2014 | ELECTRICITY |
| 022736 | 02/12/14 | PRA01 | PRAXAIR | 472.68 | .00 | 472.68 | 48233852 | SET UP OXY/ACET TANKS |
| 022737 | 02/12/14 | PRE01 | PRECISION JANITORIAL | 650.00 | .00 | 650.00 | 244 | JANITORIAL |
| 022738 | 02/12/14 | PRI02 | PRICE, POSTEL & PARMA, LL | 11420.71 | .00 | 11420.71 | 114796 | SWP RIGHT-OF-WAY |
| 022739 | 02/12/14 | RAB02 | RABOBANK PETTY CASH | 22.25 29.99 73.20 | .00 .00 .00 | 22.25 29.99 73.20 | JAN 2014A JAN 2014B JAN 2014C | POSTAGE OFFICE SUPPLIES SUPPLIES |
| | | | Check Total.....: | 125.44 | .00 | 125.44 | | |
| 022740 | 02/12/14 | RAU01 | RAUCH COMMUNICATION CONSU | 4326.57 | .00 | 4326.57 | JAN-1405 | PROGRESS PMT-STRATEGIC PL |
| 022741 | 02/12/14 | RBA01 | R BAKER, INC | 3272.79 | .00 | 3272.79 | 11147406 | SEWER LIFT STATION REPAIR |
| 022742 | 02/12/14 | RIC01 | RICHARDS, WATSON, GERSHON | 652.50 | .00 | 652.50 | 194115 | GROUNDWATER LITIGATION |
| 022743 | 02/12/14 | SAN01 | SANTA MARIA TIRE INC | 675.16 | .00 | 675.16 | 188366 | BACKHOE TIES |
| 022744 | 02/12/14 | SAN02 | SANSONE COMPANY, INC | 7986.84 | .00 | 7986.84 | 2 | PROGRESS PMT #2-BL WELL # |
| 022745 | 02/12/14 | SLO09 | SAN LUIS OBISPO | | .00 | | 2829 | BATTERY BUCKET RECYCLE |

TO: BOARD OF DIRECTORS
 FROM: MICHAEL S. LEBRUN
 GENERAL MANAGER
 DATE: FEBRUARY 7, 2014

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FEBRUARY 12, 2014
PAGE THREE

| | | | | | | | | |
|--------|----------|-------|---------------------------|----------|-----|----------|-----------|---------------------------|
| 022746 | 02/12/14 | SOU01 | SOUTH COUNTY SANITARY | 38.98 | .00 | 38.98 | 4366335 | WASTE COLLECTION OFFICE |
| | | | | 188.70 | .00 | 188.70 | 4367567 | WASTE COLLECTION-OLD TOWN |
| | | | Check Total.....: | 227.68 | .00 | 227.68 | | |
| 022747 | 02/12/14 | SPE04 | SPECIALTY CONSTRUCTION | 24337.88 | .00 | 24337.88 | 3 | PROGRESS PAYMENT #3 |
| 022748 | 02/12/14 | SPE05 | SPECIALTY CONSTRUCTION/ES | 1280.96 | .00 | 1280.96 | 3 | PROGRESS PAYMENT #3 RETEN |
| 022749 | 02/12/14 | STA11 | STATE WATER BOARD ACTG | 4367.00 | .00 | 4367.00 | 0090560 | SOUTHLAND WWTF ANNUAL PER |
| 022750 | 02/12/14 | TER01 | TERMINIX | 42.00 | .00 | 42.00 | B40128 | PEST CONTROL-WILSON |
| 022751 | 02/12/14 | TES01 | TESCO CONTROLS, INC. | 49788.25 | .00 | 49788.25 | 53521 | SOUTHLAND WWTF UPGRADE |
| | | | | 11819.69 | .00 | 11819.69 | 53535 | SYSTEM FIELD WORK |
| | | | Check Total.....: | 61607.94 | .00 | 61607.94 | | |
| 022752 | 02/12/14 | THE01 | THE GAS COMPANY | 17.26 | .00 | 17.26 | B40128 | HEAT-509B SOUTHLAND |
| | | | | 69.94 | .00 | 69.94 | B40131 | HEAT-WILSON |
| | | | Check Total.....: | 87.20 | .00 | 87.20 | | |
| 022753 | 02/12/14 | UND01 | UNDERGROUND SERVICE ALERT | 126.00 | .00 | 126.00 | 13120248 | UNDERGROUND SERVICE ALERT |
| 022754 | 02/12/14 | USA01 | USA BLUEBOOK | 740.18 | .00 | 740.18 | 247113 | CABLE W/ PROBE & SUPPLIES |
| | | | | 128.89 | .00 | 128.89 | 247390 | EYE PROTECTION |
| | | | | 405.06 | .00 | 405.06 | 251338 | FIRE HYDRANT PAINT |
| | | | Check Total.....: | 1274.13 | .00 | 1274.13 | | |
| 022755 | 02/12/14 | USB01 | US BANK (VISA) | 129.27 | .00 | 129.27 | JAN 2014A | SUPPLIES |
| | | | | 176.95 | .00 | 176.95 | JAN 2014B | PUBLICATIONS |
| | | | | 280.00 | .00 | 280.00 | JAN 2014C | CHAMBER INSTALLATION DINN |
| | | | | 370.00 | .00 | 370.00 | JAN 2014D | GFOA CAFR REVIEW |
| | | | Check Total.....: | 956.22 | .00 | 956.22 | | |
| 022756 | 02/12/14 | VER01 | VERIZON | 48.73 | .00 | 48.73 | B40128 | TELEPHONE |
| 022757 | 02/12/14 | WSC01 | WSC | 609.00 | .00 | 609.00 | 845 | CUWCC SUPPORT |
| | | | | 10752.00 | .00 | 10752.00 | 846 | WATER DEMAND ANALYSIS |
| | | | Check Total.....: | 11361.00 | .00 | 11361.00 | | |
| 022758 | 02/12/14 | YOU01 | YOUR PEOPLE PROFESSIONALS | 3005.00 | .00 | 3005.00 | FEB 2014 | FEBRUARY DEP-EMPLOYMENT A |
| 022759 | 02/12/14 | \H009 | ANDREW HEAD & KIM ASLANID | 133.93 | .00 | 133.93 | 000B40201 | MQ CUSTOMER REFUND FOR HE |

**FUNDS TO BE WIRED (IN LIEU OF CHECKS) FOR
 SOUTHLAND WWTF IMPROVEMENTS PHASE 1 PROJECT**

| | | |
|---------------------|------------------------------------|---------------------|
| Cushman Contracting | Period 1/1/14 to 1/31/14 | \$196,436.19 |
| First Republic Bank | Period 1/1/14 to 1/31/14 Retention | \$10,340.17 |
| | TOTAL | \$206,803.36 |

**FUNDS TO BE WIRED (IN LIEU OF CHECKS) FOR
 SUPPLEMENTAL WATER PROJECT PHASE 1 – BID PACKAGE #1**

| | | |
|-----------|----------------------------|--------------|
| ARB, Inc. | Period 12/1/13 to 12/31/13 | \$243,523.05 |
|-----------|----------------------------|--------------|

TO: BOARD OF DIRECTORS
FROM: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER
DATE: FEBRUARY 7, 2014



APPROVE MINUTES OF PREVIOUS BOARD MEETINGS

ITEM

Approve action minutes from previous Board meetings. [RECOMMENDED APPROVE MINUTES]

BACKGROUND

The draft minutes are a written record of the previous Board Meeting action.

RECOMMENDATION

Approve minutes as part of Consent Agenda.

ATTACHMENT

- A. January 8, 2014 draft Regular Board Meeting Minutes

FEBRUARY 12, 2014

ITEM D-2

ATTACHMENT A

NIPOMO COMMUNITY SERVICES DISTRICT

Serving the Community Since 1965

REGULAR MEETING MINUTES

JANUARY 8, 2014 AT 9:00 A.M.

BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

BOARD of DIRECTORS

CRAIG ARMSTRONG, PRESIDENT
JAMES HARRISON, VICE PRESIDENT
LARRY VIERHEILIG, DIRECTOR
DAN GADDIS, DIRECTOR
BOB BLAIR, DIRECTOR

PRINCIPAL STAFF

MICHAEL S. LEBRUN, GENERAL MANAGER
LISA BOGNUDA, FINANCE DIRECTOR
MICHAEL W. SEITZ, GENERAL COUNSEL
PETER SEVCIK, DIRECTOR OF ENG. & OPS.
NITA WINDSOR, BOARD CLERK

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.

0:00:00 A. CALL TO ORDER AND FLAG SALUTE

President Armstrong called the Regular Meeting of January 8, 2014 to order at 9:00 a.m. and Led the flag salute.

0:00:40 B. ROLL CALL AND PUBLIC COMMENT FOR ITEMS NOT ON AGENDA

At Roll Call, all Board members were present.

Homer Fox, NCSD Customer, requested an updated Will-Serve letter from the Board, and also commented on the fact that the door was locked at the Southland office.

President Armstrong directed Staff to place Mr. Fox's request on the February 12, 2014 agenda.

C. PRESENTATIONS AND REPORTS

President Armstrong presented James Harrison, 2013 Board President, with a gavel as a thank you for his service as President from 2009-2013.

C-1) REPORT ON DECEMBER 11, 2013 REGULAR MEETING CLOSED SESSION
Announcement of actions, if any, taken in Closed Session

Michael 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.

Michael Seitz, District Legal Counsel, announced that Item Two (Conference with Legal Counsel re: pending litigation pursuant to GC §54956.9 WHITLOW VS. NCSD) is now closed.

The Board discussed Item Three (Conference with Legal Counsel – existing litigation (Paragraph (1) of subdivision (d) of Section 54956.9 NCSD VS. TROESH, et al) in closed session, but took no reportable action.

Nipomo Community Services District
REGULAR MEETING
MINUTES

- C-2) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST AND REPORTS ON ATTENDANCE AT PUBLIC MEETINGS, TRAINING PROGRAMS, CONFERENCES, AND SEMINARS.

Director Vierheilig

- ◇ January 14, 2014, Blacklake Management Association meeting at 2:00 p.m.

Director Harrison

- ◇ December 12, 2013, Attended meeting regarding the Santa Maria Refinery proposed rail spur.
- ◇ December 15, 2013, Met with 4th District Supervisor Caren Ray
- ◇ December 17, 2013, Attended County Board of Supervisors Meeting
- ◇ Met with 4th District Supervisor candidate Lynn Compton

- C-3) 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 Gaddis, the Board unanimously approved to receive and file the presentations and reports as submitted. Vote 5-0.

| YES VOTES | NO VOTES | ABSENT |
|---|----------|--------|
| Directors Vierheilig, Gaddis, Blair, Harrison and Armstrong | None | None |

0:15:19

D. CONSENT AGENDA

- D-1) WARRANTS
- D-2) APPROVE DECEMBER 11, 2013 REGULAR BOARD MEETING MINUTES

Director Gaddis requested item D-2 be pulled for discussion and requested clarification on warrants.

There was no public comment.

Upon the motion of Director Blair and seconded by Director Vierheilig, the Board unanimously approved Item D-1. Vote 5-0.

| YES VOTES | NO VOTES | ABSENT |
|---|----------|--------|
| Directors Blair, Vierheilig, Gaddis, Harrison and Armstrong | None | None |

Nipomo Community Services District
REGULAR MEETING
MINUTES

CONSENT AGENDA (CONTINUED)

Item D-2

Director Gaddis noted the omission of the board election which was held in December in the December 11, 2013 Board Minutes.

There was no public comment.

Upon the motion of Director Gaddis and seconded by Director Vierheilig, the Board voted to withhold the approval of the December 11, 2013 Board Meeting minutes pending correction of the omission as stated above until the next regular Board Meeting on January 22, 2014.

Vote 5-0.

| YES VOTES | NO VOTES | ABSENT |
|--|----------|--------|
| Directors Gaddis, Vierheilig, Blair, Harrison, and Armstrong | None | None |

E. ADMINISTRATIVE ITEMS

E-1) CONSIDER RESOLUTION IMPLEMENTING FINGER PRINTING OF DISTRICT STAFF

Michael LeBrun, General Manager, reviewed the report as presented in the Board Packet.

There was no public comment.

Upon the motion of Director Harrison and seconded by Director Gaddis the Board unanimously approved Resolution No. 2014-1327.

Vote 5-0.

| YES VOTES | NO VOTES | ABSENT |
|---|----------|--------|
| Directors Harrison, Gaddis, Blair, Vierheilig and Armstrong | None | None |

RESOLUTION NO. 2014-1327

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
TO IMPLEMENT LIVESCAN FINGERPRINTING**

E-2) ANNUAL REVIEW OF DISTRICT INVESTMENT POLICY

Michael LeBrun, General Manager, reviewed the report as presented in the Board packet.

There was no public comment.

**Nipomo Community Services District
REGULAR MEETING
MINUTES**

ITEM E-2 (CONTINUED)

Upon the motion of Director Vierheilig and seconded by Director Gaddis, the Board unanimously approved Resolution 2014-1328.

Vote 5-0.

| YES VOTES | NO VOTES | ABSENT |
|---|-------------|-------------|
| <i>Directors Vierheilig, Gaddis, Blair, Harrison, and Armstrong</i> | <i>None</i> | <i>None</i> |

RESOLUTION NO. 2014-1328

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING THE YEAR 2014 DISTRICT INVESTMENT POLICY**

E-3) AFFIRM 2014 BOARD MEETING SCHEDULE

Michael LeBrun, General Manager, reviewed the report as presented in the Board packet.

There was no public comment.

Upon the motion of Director Gaddis and seconded by Director Vierheilig, the Board unanimously approved the 2014 Board Meeting Schedule.

Vote 5-0.

| YES VOTES | NO VOTES | ABSENT |
|---|-------------|-------------|
| <i>Directors Gaddis, Vierheilig, Blair, Harrison, and Armstrong</i> | <i>None</i> | <i>None</i> |

E-4) RATIFY 2014 BOARD COMMITTEE ASSIGNMENTS

Director Harrison noted that SCAC does not allow for an Alternate.

There was no public comment.

Upon the motion of Director Vierheilig and seconded by Director Harrison, the Board unanimously agreed to ratify the 2014 Board Committee Assignments with the correction as stated above.

Vote 5-0.

| YES VOTES | NO VOTES | ABSENT |
|--|-------------|-------------|
| <i>Directors Vierheilig, Harrison, Blair, Gaddis and Armstrong</i> | <i>None</i> | <i>None</i> |

00:42:47 F. GENERAL MANAGER'S REPORT

Michael LeBrun, General Manager, announced a Special Board Meeting to be held January 10, 2014 at 9:00 a.m.

Mr. LeBrun reviewed the report as presented in the Board packet. Mr. LeBrun answered questions from the Board.

Nipomo Community Services District
REGULAR MEETING
MINUTES

GENERAL MANAGER’S REPORT (CONTINUED)

There was no public comment.

G. COMMITTEE REPORTS

There were no committee reports.

H. DIRECTORS’ REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

Director Gaddis suggested that the Board invite Supervisor Ray to attend a future Board Meeting.

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 PURSUANT TO GOVT. CODE §54956.9(a):
Existing litigation - 1 case: Mesa Community Alliance Vs. District, Case No. CV 130222

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There was no public comment.

K. ADJOURN TO CLOSED SESSION

President Armstrong adjourned to closed session at 10:00 a.m.

L. OPEN SESSION

ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

The Board came back into Open Session at 10:55 a.m.

Michael Seitz, District Legal Counsel, announced that the Board discussed Items One and Two, listed above under closed session announcements, but took no reportable action.

ADJOURN

President Harrison adjourned the meeting at 10:56 a.m.

| MEETING SUMMARY | HOURS & MINUTES |
|-----------------|--------------------|
| Regular Meeting | 1 hours 00 minutes |
| Closed Session | 55 minutes |
| TOTAL HOURS | 1 hours 55 minutes |

TO: BOARD OF DIRECTORS
FROM: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER
DATE: FEBRUARY 7, 2014

**AGENDA ITEM
D-3
FEBRUARY 12, 2014**

APPROVE MINUTES OF PREVIOUS BOARD MEETINGS

ITEM

Approve action minutes from previous Board meetings. [RECOMMENDED APPROVE MINUTES]

BACKGROUND

The draft minutes are a written record of the previous Board Meeting action.

RECOMMENDATION

Approve minutes as part of Consent Agenda.

ATTACHMENT

- A. January 10, 2014 draft Special Board Meeting Minutes

FEBRUARY 12, 2014

ITEM D-3

ATTACHMENT A

NIPOMO COMMUNITY SERVICES DISTRICT

Serving the Community Since 1965

SPECIAL MEETING MINUTES

JANUARY 10, 2014, AT 9:00 A.M.

BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

BOARD of DIRECTORS

CRAIG ARMSTRONG, **PRESIDENT**
JAMES HARRISON, **VICE PRESIDENT**
LARRY VIERHEILIG, **DIRECTOR**
DAN GADDIS, **DIRECTOR**
BOB BLAIR, **DIRECTOR**

PRINCIPAL STAFF

MICHAEL S. LEBRUN, **GENERAL MANAGER**
LISA BOGNUDA, **FINANCE DIRECTOR**
MICHAEL W. SEITZ, **GENERAL COUNSEL**
PETER SEVCIK, **DIRECTOR OF ENG. & OPS.**
NITA WINDSOR, **BOARD CLERK**

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

1. CALL TO ORDER AND FLAG SALUTE AND ROLL CALL

President Armstrong called the Special Meeting of January 10, 2014, to order at 9:04 a.m. and led the flag salute.

At Roll Call, all Board members were present.

2. CLOSED SESSION ANNOUNCEMENT

- a. **CONFERENCE WITH LEGAL COUNSEL PURSUANT TO GOVT. CODE §54956.9(d)(2) &(e)(1):**
Significant Exposure to Litigation - 1 case.

3. PUBLIC COMMENT ON CLOSED SESSION ITEMS.

There was no public comment.

4. ADJOURN TO CLOSED SESSION

President Armstrong adjourned to closed session at 9:08 a.m.

01:10:00

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

The Board came back into Open Session at 10:10 a.m.

Michael Seitz, District Legal Counsel, announced that there was no reportable action on closed session items.

6. CONSIDER TERMINATION FOR CONVENIENCE OF THE CONSTRUCTION CONTRACT FOR SUPPLEMENTAL WATER PROJECT PHASE 1, BID PACKAGE 3 WITH SPECIALTY CONSTRUCTION INC. INCLUDING ALTERNATE BID ITEM GROUP A

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

**Nipomo Community Services District
SPECIAL MEETING
MINUTES**

ITEM 6 (CONTINUED)

The following members of the public spoke:

Rudy Bachmann, Specialty Construction, commented on and expressed concerns as to the Contract termination.

Michael LeBrun, General Manager, and Michael Seitz, District Legal Counsel, commented on Mr. Bachmann's concerns, and Mr. LeBrun agreed to meet with Mr. Bachmann on Monday, January 13 at 3:00 p.m. to discuss further.

Upon the motion of Director Harrison and seconded by Director Vierheilig, the Board unanimously approved Resolution No. 2014-1329, and directed Staff to meet with Specialty Construction.

Vote 5-0.

| YES VOTES | NO VOTES | ABSENT |
|---|----------|--------|
| Directors Harrison, Vierheilig, Blair, Gaddis and Armstrong | None | None |

RESOLUTION NO. 2014-1329

**CONSIDER TERMINATION FOR CONVENIENCE
OF THE CONSTRUCTION CONTRACT FOR SUPPLEMENTAL WATER PROJECT
PHASE 1, BID PACKAGE 3 WITH SPECIALTY CONSTRUCTION INC.
INCLUDING ALTERNATE BID ITEM GROUP A**

01:25:00

ADJOURN

President Armstrong adjourned the meeting at 10:25 a.m

| MEETING SUMMARY | HOURS & MINUTES |
|--------------------|--------------------------|
| Regular Meeting | 0 hour 19 minutes |
| Closed Session | 1 hour 02 minutes |
| TOTAL HOURS | 1 hour 21 minutes |

TO: BOARD OF DIRECTORS
FROM: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER
DATE: FEBRUARY 7, 2014

AGENDA ITEM
D-4
FEBRUARY 12, 2014

APPROVE MINUTES OF PREVIOUS BOARD MEETINGS

ITEM

Approve action minutes from previous Board meetings. [RECOMMENDED APPROVE MINUTES]

BACKGROUND

The draft minutes are a written record of the previous Board Meeting action.

RECOMMENDATION

Approve minutes as part of Consent Agenda.

ATTACHMENT

- A. January 16, 2014 draft Special Board Meeting Minutes

FEBRUARY 12, 2014

ITEM D-4

ATTACHMENT A

NIPOMO COMMUNITY SERVICES DISTRICT

Serving the Community Since 1965

SPECIAL MEETING MINUTES

JANUARY 16, 2014 AT 8:00 A.M.

FIELD OFFICE CONFERENCE ROOM 509 SOUTHLAND STREET, NIPOMO, CA

BOARD of DIRECTORS

CRAIG ARMSTRONG, **PRESIDENT**
JAMES HARRISON, **VICE PRESIDENT**
LARRY VIERHEILIG, **DIRECTOR**
DAN GADDIS, **DIRECTOR**
BOB BLAIR, **DIRECTOR**

PRINCIPAL STAFF

MICHAEL S. LEBRUN, **GENERAL MANAGER**
LISA BOGNUDA, **FINANCE DIRECTOR**
MICHAEL W. SEITZ, **GENERAL COUNSEL**
PETER SEVCIK, **DIRECTOR OF ENG. & OPS.**
NITA WINDSOR, **BOARD CLERK**

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| 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. |
|--|

1. CALL TO ORDER, FLAG SALUTE

President Armstrong called the Special Meeting of January 16, 2014, to order at 8:00 a.m. and led the flag salute.

ROLL CALL

At Roll Call, all Board members were present.

2. CONDUCT STRATEGIC PLAN WORKSHOP

Martin Rauch of Rauch Communications conducted a Strategic Plan Workshop with the Board of Directors, General Manager, Finance Director and Director of Engineering and Operations.

The next Strategic Plan Workshop will be held on February 3, 2014 at 8:30 a.m. at the Field Office Conference Room.

Note: A morning break, lunch and afternoon break were taken.

3. PUBLIC COMMENT ON WORKSHOP

There was no public comment.

ADJOURN

President Armstrong adjourned the meeting at 3:10 p.m.

| MEETING SUMMARY | HOURS |
|-----------------|-------|
| Special Meeting | 6.00 |
| Closed Session | .00 |
| TOTAL HOURS | 6.00 |

TO: BOARD OF DIRECTORS
FROM: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER
DATE: FEBRUARY 7, 2014

**AGENDA ITEM
D-5
FEBRUARY 12, 2014**

APPROVE MINUTES OF PREVIOUS BOARD MEETINGS

ITEM

Approve action minutes from previous Board meetings. [RECOMMENDED APPROVE MINUTES]

BACKGROUND

The draft minutes are a written record of the previous Board Meeting action.

RECOMMENDATION

Approve minutes as part of Consent Agenda.

ATTACHMENT

- A. January 22, 2014 draft Regular Board Meeting Minutes

FEBRUARY 12, 2014

ITEM D-5

ATTACHMENT A

NIPOMO COMMUNITY SERVICES DISTRICT

Serving the Community Since 1965

REGULAR MINUTES

JANUARY 22, 2014 AT 9:00 A.M.

BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

BOARD of DIRECTORS

CRAIG ARMSTRONG, PRESIDENT
JAMES HARRISON, VICE PRESIDENT
LARRY VIERHEILIG, DIRECTOR
DAN GADDIS, DIRECTOR
BOB BLAIR, DIRECTOR

PRINCIPAL STAFF

MICHAEL S. LEBRUN, GENERAL MANAGER
LISA BOGNUDA, FINANCE DIRECTOR
MICHAEL W. SEITZ, GENERAL COUNSEL
PETER SEVCIK, DIRECTOR OF ENG. & OPS.
NITA WINDSOR, BOARD CLERK

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| 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

A. CALL TO ORDER AND FLAG SALUTE

President Armstrong called the Regular Meeting of January 22, 2014 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, Directors Gaddis, Vierheilig, Harrison and Armstrong were present. Director Blair was absent.

Kevin Beauchamp, NCSD Customer, commented on the current drought affecting the housing market, the Supplemental Water Project, the potential for future desalination projects and the Santa Maria Refinery Rail Spur.

Ed Eby, NCSD Customer, suggested that the Board of Directors meet with 4th District Supervisor Ray on a regular basis to better serve both NCSD customers and Nipomo residents.

0:06:37

C. PRESENTATIONS AND REPORTS

C-1) SAN LUIS OBISPO COUNTY SHERIFF COMMANDER JAY DONOVAN Update Report re: South County Law Enforcement and Department News

San Luis Obispo County Sheriff Senior Deputy Bill Miller attended in place of Sheriff Commander Jay Donovan. Deputy Miller gave an update on criminal activity in the area, and answered questions from the Board. The Board thanked Deputy Miller for his update.

C-2) CAL FIRE BATTALION CHIEF PAUL VAN GERWEN Update Report re: South County Cal Fire Activity and Department News

Chief Van Gerwen was not in attendance.

PRESENTATIONS AND REPORTS (CONTINUED)

- C-3) DIRECTOR OF ENGINEERING AND OPERATIONS
RE: Summary of Activities

Peter Sevcik, Director of Engineering and Operations, provided the Engineering and Operations update for 2013. Mr. Sevcik also provided Monthly Progress Reports on both the Southland WWTF Improvements Phase 1 Project and the Supplemental Water Project Bid Package 1. Mr. Sevcik answered questions from the Board. The Board thanked Mr. Sevcik for his reports.

- C-4) REPORT ON JANUARY 8, 2014 REGULAR MEETING CLOSED SESSION
Announcement of actions, if any, taken in Closed Session

Michael 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.

Mr. Seitz announced that the Board discussed Item Two (Conference with legal counsel pursuant to Govt. Code §54956.9(a): existing litigation – 1 case: Mesa Community Alliance Vs. District, Case No. CV 130222 in closed session but took no reportable action. Mr. Seitz also announced that the Court ruled in favor of the District on January 21, 2014.

- C-5) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST AND REPORTS ON ATTENDANCE AT PUBLIC MEETINGS, TRAINING PROGRAMS, CONFERENCES, AND SEMINARS.

Director Vierheilig

- ◇ Attended the BLMA Meeting on January 14
- ◇ Spoke with Santa Maria Mayor Alice Patino and Pismo Beach Mayor Shelly Higginbotham regarding regional water issues
- ◇ Will see both Mayors again in April

Director Gaddis

- ◇ Attended the NCSD Special Meeting on January 10
- ◇ Attended the NCSD Board Workshop on January 16
- ◇ Attended the Nipomo Chamber of Commerce Installation Dinner on January 16
- ◇ Attended Court Hearing – MCA vs. NCSD in San Luis Obispo on January 21

Director Harrison

- ◇ Attended NMMA Meeting on January 14
- ◇ Attended the NCSD Board Workshop on January 16
- ◇ Attended the Nipomo Chamber of Commerce Installation Dinner on January 16
- ◇ Met with 4th District Supervisor Caren Ray on January 21
- ◇ Attended Court Hearing – MCA vs. NCSD in San Luis Obispo on January 21
- ◇ Attended Nipomo Old Town Meeting on January 15

**Nipomo Community Services District
REGULAR MEETING
MINUTES**

- C-6) RECEIVE PUBLIC COMMENT ON PRESENTATIONS AND REPORTS PRESENTED UNDER ITEM C AND BY MOTION RECEIVE AND FILE PRESENTATIONS AND REPORTS

Ed Eby, NCSD Customer, inquired if the District can recoup legal fees from MCA.

Kevin Beauchamp, NCSD Customer, requested clarification on the termination of Construction contract for Supplemental Water Project Phase 1, Bid Package 3.

Upon the motion of Director Harrison and seconded by Director Gaddis, the Board unanimously approved to receive and file the presentations and reports as submitted. Vote 4-0.

| YES VOTES | NO VOTES | ABSENT |
|---|----------|--------|
| Directors Harrison, Gaddis, Vierheilig, and Armstrong | None | Blair |

0:43:10 D. CONSENT AGENDA

- D-1) WARRANTS
- D-2) APPROVE DECEMBER 11, 2013 REGULAR BOARD MEETING MINUTES
- D-3) RECEIVE QUARTERLY INVESTMENT REPORT
- D-4) SUPPLEMENTAL WATER PROJECT PHASE 1 BID PACKAGE 1 – SANTA MARIA RIVER CROSSING PROJECT ACCEPTANCE

President Armstrong asked if any Directors desired to pull items from the Consent Agenda or had any questions. No items were pulled from the Consent Agenda. Lisa Bognuda, Finance Director, and Mr. LeBrun answered questions from the Board.

There was no public comment.

Upon the motion of Director Vierheilig and seconded by Director Gaddis, the Board unanimously approved the Consent Agenda.. Vote 4-0.

| YES VOTES | NO VOTES | ABSENT |
|---|----------|--------|
| Directors Vierheilig, Gaddis, Harrison, and Armstrong | None | Blair |

0:47:56 E. ADMINISTRATIVE ITEMS

- E-1) REVIEW BOARD BY-LAWS AND POLICES AND PROPOSE EDITS FOR CONSIDERATION

Michael LeBrun, General Manager, reviewed the report as presented in the Board packet, and answered questions from the Board. President Armstrong directed Staff to place approval of the By-Laws on the agenda for the next Regular Board Meeting

There was no public comment.

E-2) REVIEW AND DISCUSS SLO COUNTY DRAFT CHANGES TO RESOURCE MANAGEMENT SYSTEM

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

The following members of the public spoke:

Ed Eby, NCSD Customer, commented on the report and expressed concern as to the formatting and content of report, and suggested that the Board should review further.

Mr. LeBrun indicated that he would obtain a clearer copy of the report for further Committee review.

Director Vierheilig suggested that he and Ed Eby meet to review this report. Michael Seitz, District Legal Counsel, confirmed that this outside meeting would not conflict with Brown Act compliance, nor would it conflict with Standing Committees. Director Vierheilig will bring back review results for Standing Committee and Board consideration before the April deadline.

The Board took a break at 10:27 a.m. and reconvened at 10:39 a.m.

1:26:58 F. GENERAL MANAGER'S REPORT

Michael LeBrun, General Manager, reviewed the report as presented in the Board packet. Mr. LeBrun also commented on Governor Brown's January 17, 2014 Drought Declaration. Mr. LeBrun answered questions from the board.

There was no public comment.

G. COMMITTEE REPORTS

There were no committee reports.

H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

President Armstrong announced that he and Director Harrison will attend the NMMA meeting on February 4, 2014 in the NCSD Board room.

I. CLOSED SESSION ANNOUNCEMENTS

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).

Nipomo Community Services District
REGULAR MEETING
MINUTES

CLOSED SESSION ANNOUNCEMENTS (CONTINUED)

2. CONFERENCE WITH LEGAL COUNSEL PURSUANT TO GOVT. CODE §54956.9(a):
Existing litigation - 1 case: Mesa Community Alliance Vs. District, Case No. CV 130222

3. CONFERENCE WITH LEGAL COUNSEL PURSUANT TO GOVT. CODE §54956.9(d)(2)&(e)(1):
Significant Exposure to Litigation - 1 case.

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There was no public comment.

0:02:00 K. ADJOURN TO CLOSED SESSION

President Armstrong adjourned to closed session at 11:00 a.m.

0:03:13 L. OPEN SESSION
ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

The Board came back into Open Session at 12:13 p.m.

Michael Seitz, District Legal Counsel, announced that the Board discussed Items One, Two and Three listed above under closed session announcements, but took no reportable action.

ADJOURN

President Armstrong adjourned the meeting at 12:15 p.m.

| MEETING SUMMARY | HOURS & MINUTES |
|-----------------|--------------------|
| Regular Meeting | 2 hours 02 minutes |
| Closed Session | 1 hour 13 minutes |
| TOTAL HOURS | 3 hours 15 minutes |

TO: BOARD OF DIRECTORS
FROM: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER
DATE: FEBRUARY 7, 2014

**AGENDA ITEM
D-6
FEBRUARY 12, 2014**

APPROVE MINUTES OF PREVIOUS BOARD MEETINGS

ITEM

Approve action minutes from previous Board meetings. [RECOMMENDED APPROVE MINUTES]

BACKGROUND

The draft minutes are a written record of the previous Board Meeting action.

RECOMMENDATION

Approve minutes as part of Consent Agenda.

ATTACHMENT

- A. February 3, 2014 draft Special Board Meeting Minutes

FEBRUARY 12, 2014

ITEM D-6

ATTACHMENT A

NIPOMO COMMUNITY SERVICES DISTRICT

Serving the Community Since 1965

SPECIAL MEETING MINUTES

FEBRUARY 3, 2014 AT 8:30 A.M.

FIELD OFFICE CONFERENCE ROOM 509 SOUTHLAND STREET, NIPOMO, CA

BOARD of DIRECTORS

CRAIG ARMSTRONG, **PRESIDENT**
JAMES HARRISON, **VICE PRESIDENT**
LARRY VIERHEILIG, **DIRECTOR**
DAN GADDIS, **DIRECTOR**
BOB BLAIR, **DIRECTOR**

PRINCIPAL STAFF

MICHAEL S. LEBRUN, **GENERAL MANAGER**
LISA BOGNUDA, **FINANCE DIRECTOR**
MICHAEL W. SEITZ, **GENERAL COUNSEL**
PETER SEVCIK, **DIRECTOR OF ENG. & OPS.**
NITA WINDSOR, **BOARD CLERK**

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|--|
| 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. |
|--|

1. CALL TO ORDER, FLAG SALUTE

President Armstrong called the Special Meeting of February 3, 2014, to order at 8:30 a.m. and led the flag salute.

ROLL CALL

At Roll Call, all Board members were present.

2. CONDUCT STRATEGIC PLAN WORKSHOP

Martin Rauch of Rauch Communications conducted a Strategic Plan Workshop with the Board of Directors, General Manager, Finance Director and Director of Engineering and Operations.

Note: A morning break and lunch were taken.

3. PUBLIC COMMENT ON WORKSHOP

There was no public comment.

ADJOURN

President Armstrong adjourned the meeting at 12:40 p.m.

| MEETING SUMMARY | HOURS |
|-----------------|-------|
| Special Meeting | 3.5 |
| Closed Session | .00 |
| TOTAL HOURS | 3.5 |

TO: BOARD OF DIRECTORS
FROM: MICHAEL S. LEBRUN *MGL*
GENERAL MANAGER
DATE: FEBRUARY 7, 2014

**AGENDA ITEM
D-7
FEBRUARY 12, 2014**

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 January 22, 2014 Regular Meeting and directed staff to make minor edits. Attached are the Board By-Laws and Policies with the directed 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 roll call vote adopt the attached Resolution approving the revised By-Laws.

ATTACHMENT

- A. Draft Resolution with Proposed 2014 By-Laws

t:\board matters\board meetings\board letter\2013\130227 bylaw adopt.docx

FEBRUARY 12, 2014

ITEM D-7

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2014-XXXX
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING AMENDED BOARD BY-LAWS AND POLICIES (2014)**

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 may 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 J, 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 January 22, 2014, the District conducted a public hearing and considered public comment regarding the adoption of the revised Board By-Laws and Policies (2014 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 (2014 update) attached hereto as Exhibit “A” are hereby approved and adopted.

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2014-XXXX
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING AMENDED BOARD BY-LAWS AND POLICIES (2014)**

2. All prior District Board By-Laws and Policies, Resolutions and Policies of the District that are inconsistent with the Board By-Laws and Policies (2014 update) attached hereto as Exhibit "A" are hereby repealed.

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 12th day of February, 2014.

CRAIG ARMSTRONG,
President of the Board of Directors

ATTEST:

APPROVED:

MICHAEL S. LEBRUN
General Manager and Secretary to the Board

MICHAEL W. SEITZ
District Legal Counsel

NIPOMO COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTOR
2014 UPDATE
BOARD BY-LAWS AND POLICIES
EXHIBIT "A"

1. OFFICERS OF THE BOARD OF DIRECTORS

- 1.1 The officers of the Board of Directors are 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 or, 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.

NIPOMO COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTOR
2014 UPDATE
BOARD BY-LAWS AND POLICIES
EXHIBIT "A"

- 2.3 Directors shall attend all regular and special meetings of the Board unless there is good cause for absence.
- 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 temporarily absent 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.

NIPOMO COMMUNITY SERVICES DISTRICT
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- 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 without disruptive noise, illumination, or obstruction of view that constitutes or would constitute a disruption of the proceedings.
- 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. 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.

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- (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.
 - (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.

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- (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.
- 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.

NIPOMO COMMUNITY SERVICES DISTRICT
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- 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.
- 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.

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(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 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 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 the following:

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.

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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.

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.

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- 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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- (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. 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) 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.

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11.2 Sexual Harassment Prevention Training

Board members may receive, and 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. The Board President shall propose and the Board of Directors shall approve standing committee membership.
- (b) 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.
- (c) 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 NCSD 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.

NIPOMO COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTOR
2014 UPDATE
BOARD BY-LAWS AND POLICIES
EXHIBIT "A"

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 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. FPPC regulations related to interests in real property provide that, 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.

NIPOMO COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTOR
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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

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.

TO: MICHAEL S. LEBRUN
GENERAL MANAGER

FROM: LISA BOGNUDA
FINANCE DIRECTOR

DATE: FEBRUARY 7, 2014

MSL



ACCEPT QUARTERLY FINANCIAL REPORT

ITEM

ACCEPT QUARTERLY FINANCIAL REPORT [RECOMMEND ACCEPT AND APPROVE]

BACKGROUND

The District's fiscal year is now 50% complete. The consolidated operating revenues are at 52.70% of the budget, operating expenditures are at 41.65% of the budget and general and administrative expenditures are at 40.23% of the budget.

Attached are the following which provide an overview of the first six months of the fiscal year:

| | |
|-----------|---|
| Page 1 | Summary of Approved Budget Amendments |
| Page 2 | Summary of Revenues, Expenses and Cash Balances by Fund |
| Page 3 | Consolidated Balance Sheet |
| Page 4-5 | Consolidated Income Statement |
| Page 6-7 | Graphs for Consolidated Revenues and Expenses |
| Page 8-10 | Graphs for major funds (Water, Town Sewer, and Blacklake Sewer) |

Detailed information by fund is available in the office.

RECOMMENDATION

It is recommended that your Honorable Board accept report and direct Staff to file the quarterly financial report for the second quarter of fiscal year 2013-2014.

NIPOMO COMMUNITY SERVICES DISTRICT
SUMMARY OF APPROVED BUDGET AMENDMENTS
FISCAL YEAR ENDING JUNE 30, 2014

SECOND QUARTER ENDING DECEMBER 31, 2013

| DATE | DESCRIPTION | FUNDS | APPROVED BUDGET | APPROVED AMENDMENT | AMENDED BUDGET |
|------|-------------|-------|-----------------|--------------------|----------------|
| | None | | | | |

FIRST QUARTER ENDING SEPTEMBER 30, 2013

| DATE | DESCRIPTION | FUNDS | APPROVED BUDGET | APPROVED AMENDMENT | AMENDED BUDGET |
|------|-------------|-------|-----------------|--------------------|----------------|
| | None | | | | |

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NIPOMO COMMUNITY SERVICES DISTRICT
SUMMARY OF REVENUES AND EXPENSES BY FUND
SIX MONTHS ENDING DECEMBER 31, 2013

| FUND | FUND # | YTD REVENUES | YTD EXPENSES | FUNDED REPLACEMENT | TRANSFERS B/W FUNDS | YTD SUPRLUS/ (DEFICIT) |
|------------------------------------|--------|------------------|--------------------|--------------------|---------------------|------------------------|
| Administration | 110 | 213,187 | (213,187) | 0 | 0 | 0 |
| Water | 125 | 2,184,424 | (1,417,008) | (138,000) | 0 | 629,416 |
| Water Rate Stabilization | 128 | 506 | 0 | 0 | 0 | 506 |
| Town Sewer | 130 | 918,977 | (519,118) | (197,500) | 620,225 | 822,584 |
| Town Sewer Rate Stabilization | 135 | 380 | 0 | 0 | 0 | 380 |
| Blacklake Sewer | 150 | 248,933 | (130,811) | (84,000) | 0 | 34,122 |
| Blacklake Sewer Rate Stabilization | 155 | 63 | 0 | 0 | 0 | 63 |
| Blacklake Street Lighting | 200 | 14,632 | (10,826) | 0 | 0 | 3,806 |
| Street Landscape Maintenance | 250 | 5,472 | (3,092) | 0 | 0 | 2,380 |
| Solid Waste | 300 | 53,896 | (21,795) | 0 | 0 | 32,101 |
| Drainage Maintenance | 400 | 8,141 | 0 | 0 | 0 | 8,141 |
| Supplemental Water Capacity Fees | 500 | 836 | 0 | 0 | 0 | 836 |
| Property Taxes | 600 | 295,012 | (132,758) | 0 | 0 | 162,254 |
| Water Capacity Fees | 700 | 3,990 | 0 | 0 | 0 | 3,990 |
| Town Sewer Capacity Fees | 710 | 434 | 0 | 0 | 0 | 434 |
| Funded Replacement-Water | 805 | 6,453 | 0 | 138,000 | 0 | 144,453 |
| Funded Replacement-Town Sewer | 810 | 5,438 | 0 | 197,500 | (432,398) | (229,460) |
| Funded Replacement-BL Sewer | 830 | 446 | 0 | 84,000 | 0 | 84,446 |
| Town Sewer Sinking Fund | 880 | 2,602 | 0 | 0 | (187,827) | (185,225) |
| TOTAL | | 3,963,822 | (2,448,595) | 0 | 0 | 1,515,227 |

CASH BALANCE OF EACH FUND
AS OF DECEMBER 31, 2013

| FUND | FUND # | CASH BALANCE 12/31/2013 |
|------------------------------------|--------|-------------------------|
| Administration | 110 | 72,152 |
| Water | 125 | 3,142,703 |
| Water Rate Stabilization | 128 | 400,929 |
| Town Sewer | 130 | 850,349 |
| Town Sewer Rate Stabilization | 135 | 300,952 |
| Blacklake Sewer | 150 | 236,533 |
| Blacklake Sewer Rate Stabilization | 155 | 50,116 |
| Blacklake Street Lighting | 200 | 31,388 |
| Street Landscape Maintenance | 250 | 19,916 |
| Solid Waste | 300 | 357,405 |
| Drainage Maintenance | 400 | 26,670 |
| Supplemental Water (Incl COP) | 500 | 641,452 |
| Property Taxes | 600 | 2,651,850 |
| Water Capacity Fees | 700 | 3,149,592 |
| Town Sewer Capacity Fees | 710 | 354,505 |
| Funded Replacement-Water | 805 | 5,164,659 |
| Funded Replacement-Town Sewer | 810 | 3,850,058 |
| Funded Replacement-BL Sewer | 830 | 380,814 |
| Sinking Fund-Town Sewer | 880 | 1,922,094 |
| Funds held by Trustee | | 4,089,999 |
| TOTAL | | 27,694,136 |

NIPOMO COMMUNITY SERVICES DISTRICT
BALANCE SHEET - CONSOLIDATED
AS OF DECEMBER 31, 2013

ASSETS

| | |
|--|-----------------|
| Cash and Cash Equivalents | 27,694,136.61 |
| Accounts Receivable - Utility Billing | 263,616.88 |
| Unbilled Accounts Receivable | 887,000.00 |
| Property, Plant & Equipment | 72,230,624.93 |
| Accumulated Depreciation | (16,714,676.72) |
| Prepaid Expenses | 37,985.80 |
| Accrued Interest Receivable | 14,972.52 |
| Notes Receivable - BL Sewer - Current | 20,264.84 |
| Notes Receivable - BL Water Merger - Current | 21,813.57 |
| Reservation Fee | 37,500.00 |
| Notes Receivable - BL Sewer - Long Term | 108,564.53 |
| Notes Receivable - BL Water Merger - Long Term | 119,419.37 |
| | ----- |
| Total Assets | 84,721,222.33 |
| | ----- |

LIABILITIES

| | |
|---|---------------|
| Accounts Payable | 638,626.08 |
| Other Payables | 17.00 |
| Construction Meter Deposits | 3,500.00 |
| Compensated Absences Payable | 72,866.00 |
| Accrued Interest Payable | 206,089.48 |
| Deposits | 227,653.47 |
| P/R Tax and Workers Comp Payable | (2,316.36) |
| Retention Payable | 300,411.83 |
| Deposit - NMWCA | 284,700.00 |
| Deposit - Tefft Street Project | 203,657.55 |
| Bond Premium - 2012 Revenue COP's | 72,473.37 |
| Bond Premium - 2013 Refunding | 225,543.70 |
| Notes Payable - Property Tax Fund - Current | 20,264.84 |
| Notes Payable - BL Water Merger - Current | 21,813.57 |
| SRF Loan #110 - Current Portion | 34,868.35 |
| SRF Loan #120 - Current Portion | 42,180.25 |
| 2012 Revenue COP's - Current Portion | 145,000.00 |
| Notes Payable - Property Tax Fund - Long Term | 108,564.53 |
| Notes Payable - BL Water Merger - Long Term | 119,419.37 |
| SRF Loan #110 Payable - Long Term Portion | 174,341.75 |
| SRF Loan #120 Payable - Long Term Portion | 253,081.50 |
| 2012 Revenue COP's - Long Term Portion | 9,490,000.00 |
| 2013 Refunding - Long Term Portion | 2,845,000.00 |
| 2013 COP's - Long Term Portion | 9,660,000.00 |
| | ----- |
| Total Liabilities | 25,147,756.28 |
| | ----- |

FUND EQUITY

| | |
|--|---------------|
| Contributed Capital - Assets | 15,134,509.78 |
| Contributed Capital - Capacity Fees (CY) | 52,956.00 |
| Contributed Capital - Supplemental Water Fees (CY) | 124,604.26 |
| Contributed Capital - Capacity Fees (PY) | 17,728,551.37 |
| Contributed Capital - Supplemental Water Fees (PY) | 3,499,777.87 |
| Contributed Capital - Right of Way | 70,100.00 |
| Contributed Capital - Assessment Districts | 1,120,502.00 |
| Contributed Capital - Grants | 2,304,014.66 |
| Retained Earnings - Reserved (Funded Replacement) | 12,551,233.15 |
| Retained Earnings - Unreserved | 5,471,989.22 |
| CURRENT EARNINGS | 1,515,227.74 |
| | ----- |
| Total Fund Equity | 59,573,466.05 |
| | ----- |
| Total Liabilities and Fund Equity | 84,721,222.33 |
| | ----- |

UNAUDITED

NIPOMO COMMUNITY SERVICES DISTRICT
INCOME STATEMENT - CONSOLIDATED
FOR THE PERIOD ENDING DECEMBER 31, 2013

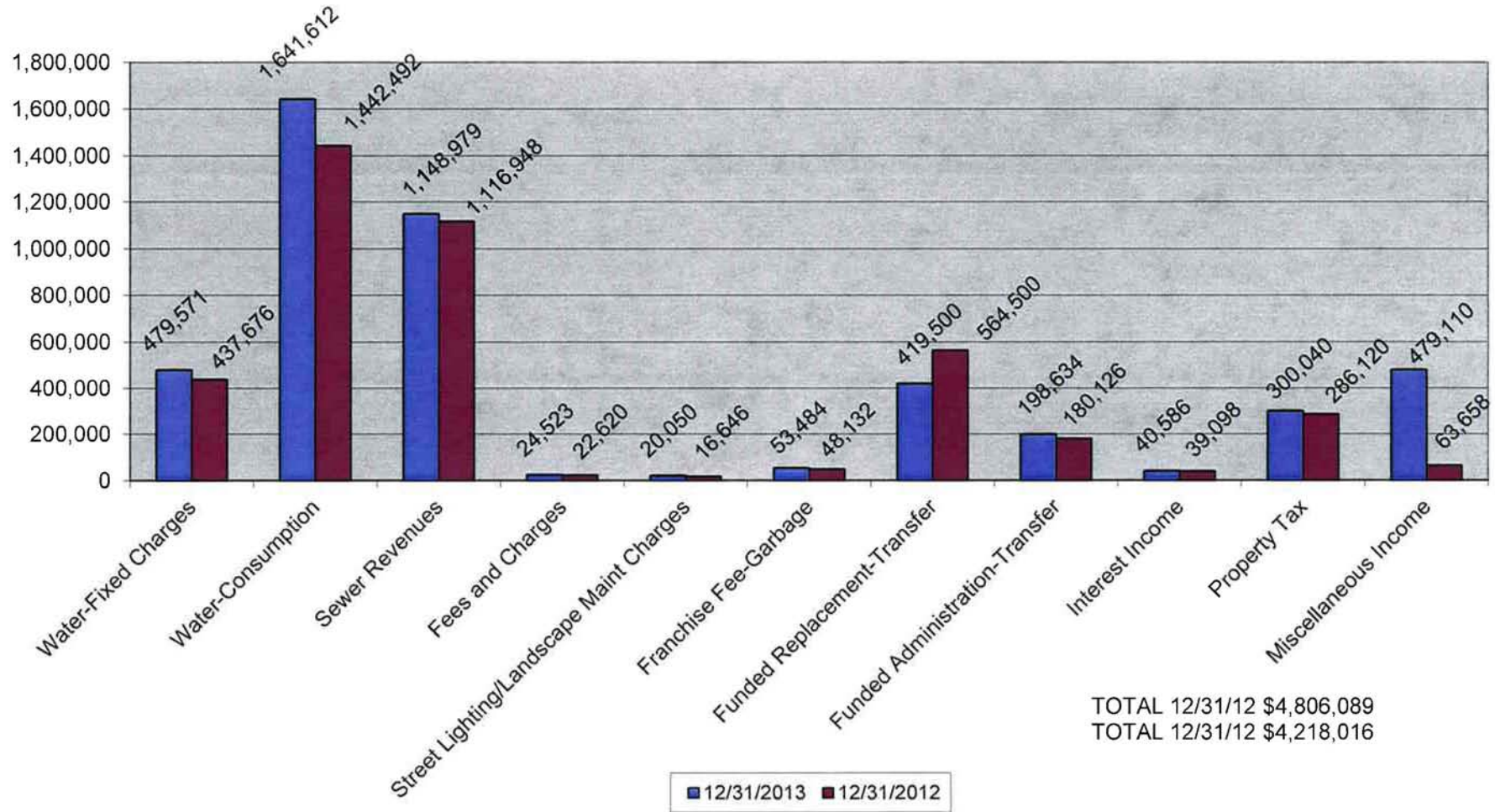
| | YTD ACTUAL | ANNUAL BUDGET | % OF BUDGET |
|---|---------------------|---------------------|----------------|
| OPERATING REVENUES | | | |
| Water - Fixed Charge | 479,571.00 | 926,000.00 | 51.79 % |
| Water - Usage | 1,641,611.86 | 2,866,500.00 | 57.27 % |
| Sewer Charges | 1,148,978.57 | 2,284,800.00 | 50.29 % |
| Fees and Penalties | 23,323.39 | 46,000.00 | 50.70 % |
| Meters | 1,100.00 | 4,950.00 | 22.22 % |
| Plan Check & Inspection Fees | 100.00 | 500.00 | 20.00 % |
| Franchise Fees | 53,483.86 | 137,900.00 | 38.78 % |
| Miscellaneous Income | 23,055.25 | 46,000.00 | 50.12 % |
| Street Lighting Charges | 14,600.00 | 24,508.00 | 59.57 % |
| Landscape Maintenance Dist Charges | 5,450.00 | 9,240.00 | 58.98 % |
| Operating Transfers In - Funded Administration | 198,633.72 | 421,910.00 | 47.08 % |
| Operating Transfers In - Funded Replacement | 419,499.96 | 839,000.00 | 50.00 % |
| Total Operating Revenues | 4,009,407.61 | 7,607,308.00 | 52.70 % |
| OPERATING EXPENSES - OPERATIONS & MAINTENANCE | | | |
| Wages and Benefits | 388,811.26 | 1,248,100.00 | 31.15 % |
| Electricity | 367,943.98 | 629,150.00 | 58.48 % |
| Chemicals | 29,909.48 | 69,500.00 | 43.04 % |
| Lab Tests | 32,683.88 | 120,500.00 | 27.12 % |
| Operating Supplies | 12,577.62 | 49,600.00 | 25.36 % |
| Outside Services | 51,352.36 | 124,500.00 | 41.25 % |
| Permits and Operating Fees | 14,694.63 | 33,500.00 | 43.86 % |
| Repairs and Maintenance | 87,585.01 | 216,000.00 | 40.55 % |
| Engineering | 10,528.79 | 20,000.00 | 52.64 % |
| Fuel | 12,498.57 | 35,000.00 | 35.71 % |
| Paging Service | 3,614.38 | 9,550.00 | 37.85 % |
| Meter Replacement Program | 29,099.55 | 50,000.00 | 58.20 % |
| Safety Program | 860.00 | 12,200.00 | 7.05 % |
| Uniforms | 4,117.75 | 10,600.00 | 38.85 % |
| Landscape Maintenance & Water | 3,032.51 | 7,400.00 | 40.98 % |
| Conservation Program | 20,243.33 | 50,000.00 | 40.49 % |
| Solid Waste Program | 10,121.21 | 75,000.00 | 13.49 % |
| Operating Transfers Out - Funded Replacement | 419,499.96 | 839,000.00 | 50.00 % |
| Subtotal - Operating Expenses Operations & Maint | 1,499,174.27 | 3,599,600.00 | 41.65 % |
| OPERATING EXPENSES - GENERAL AND ADMINISTRATIVE | | | |
| Wages and Benefits | 262,624.11 | 641,430.00 | 40.94 % |
| Audit | 7,800.00 | 7,800.00 | 100.00 % |
| Bank Charges and Fees | 3,367.59 | 6,800.00 | 49.52 % |
| Computer Expense | 35,876.15 | 98,000.00 | 36.61 % |
| Dues and Subscriptions | 10,483.70 | 16,500.00 | 63.54 % |
| Education and Training | 3,937.00 | 11,000.00 | 35.79 % |
| Insurance - Liability | 33,523.10 | 80,000.00 | 41.90 % |
| LAFCO Funding | 21,231.30 | 21,000.00 | 101.10 % |
| Landscape and Janitorial | 9,546.00 | 14,500.00 | 65.83 % |
| Legal - General Counsel | 43,663.26 | 97,000.00 | 45.01 % |
| Legal - Water Counsel | 752.50 | 169,000.00 | .45 % |
| Professional Services | 88,552.24 | 210,000.00 | 42.17 % |
| Miscellaneous | 3,024.54 | 11,500.00 | 26.30 % |
| Newsletters & Mailers | 1,638.08 | 9,100.00 | 18.00 % |

NIPOMO COMMUNITY SERVICES DISTRICT
 INCOME STATEMENT - CONSOLIDATED
 FOR THE PERIOD ENDING DECEMBER 31, 2013

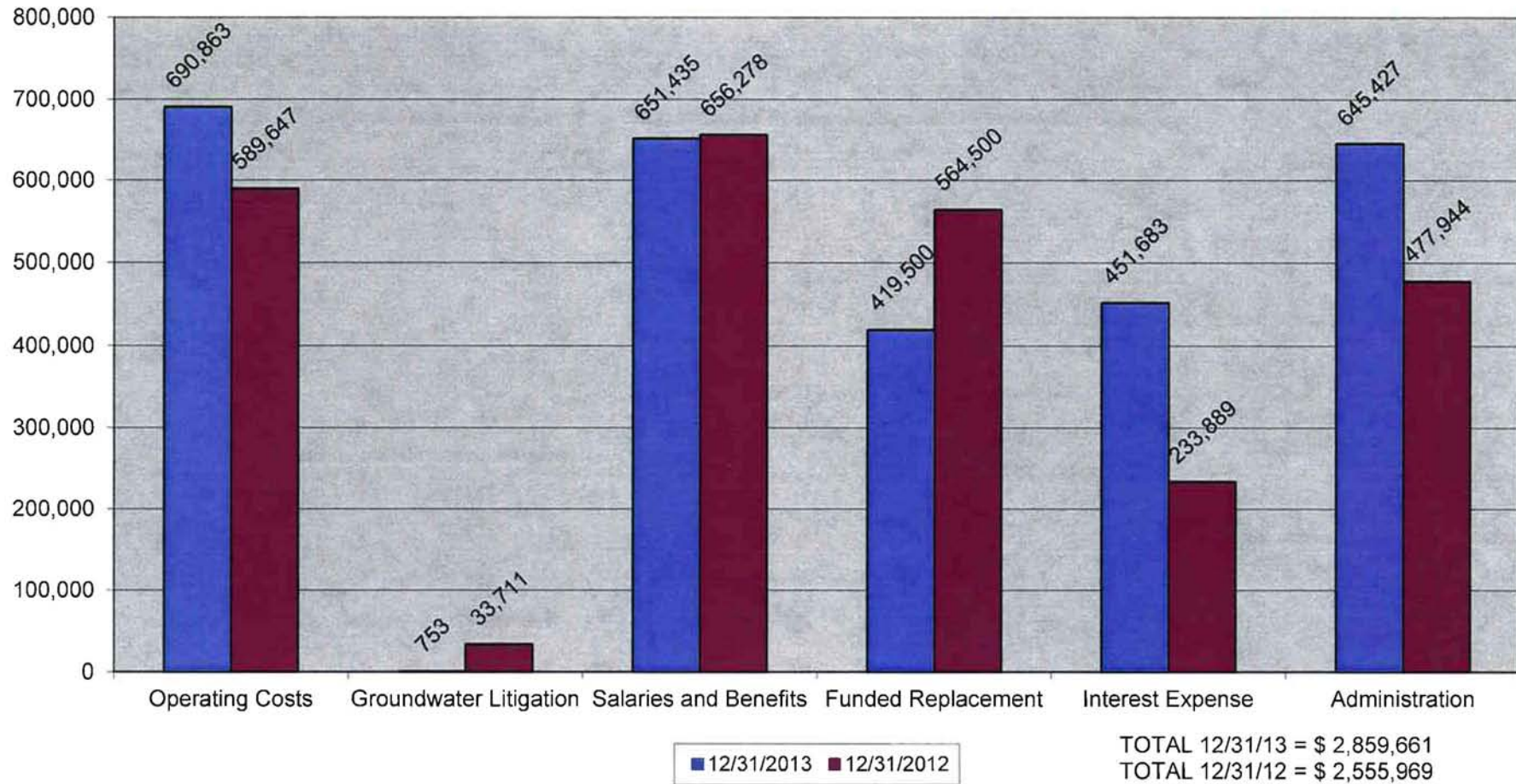
| | YTD ACTUAL | ANNUAL BUDGET | % OF BUDGET |
|--|---------------------|---------------------|----------------|
| Office Supplies | 8,703.97 | 14,000.00 | 62.17 % |
| Outside Service | 7,779.75 | 19,000.00 | 40.95 % |
| Postage | 10,088.43 | 25,000.00 | 40.35 % |
| Public Notices | 4,905.82 | 6,900.00 | 71.10 % |
| Repairs and Maintenance | 4,869.43 | 16,000.00 | 30.43 % |
| Property Taxes | 1,048.64 | 1,050.00 | 99.87 % |
| Telephone | 3,690.44 | 9,540.00 | 38.68 % |
| Travel and Mileage | 4,673.74 | 13,450.00 | 34.75 % |
| Utilities | 9,465.20 | 18,000.00 | 52.58 % |
| Operating Transfer Out - Funded Administration | 198,633.72 | 421,911.00 | 47.08 % |
| Subtotal - Operating Expenses General & Admin | 779,878.71 | 1,938,481.00 | 40.23 % |
| Total Operating Expenses | 2,279,052.98 | 5,538,081.00 | 41.15 % |
| Total Operating Surplus/(Deficit) | 1,730,354.63 | 2,069,227.00 | 83.62 % |
| NON OPERATING INCOME | | | |
| Interest Income | 40,586.13 | 89,897.00 | 45.15 % |
| Property Tax Revenues | 300,040.08 | 513,850.00 | 58.39 % |
| BL Sewer Surcharge | 12,257.87 | 24,480.00 | 50.07 % |
| BL Water Surcharge | 12,597.41 | 25,779.00 | 48.87 % |
| Total Non Operating Income | 365,481.49 | 654,006.00 | 55.88 % |
| NON OPERATING EXPENSES | | | |
| Interest Expense | 451,683.38 | 799,984.00 | 56.46 % |
| Other Post Employment Benefits (OPEB) | 57,200.00 | 114,406.00 | 50.00 % |
| Cost of Issuance | 71,725.00 | 0 | .00 % |
| Total Non Operating Expenses | 580,608.38 | 914,390.00 | 63.50 % |
| Total Non Operating Surplus/(Deficit) | (215,126.89) | (260,384.00) | 82.62 % |
| Total Operating & Non Operating Surplus/(Deficit) | 1,515,227.74 | 1,808,843.00 | 83.77 % |

UNAUDITED

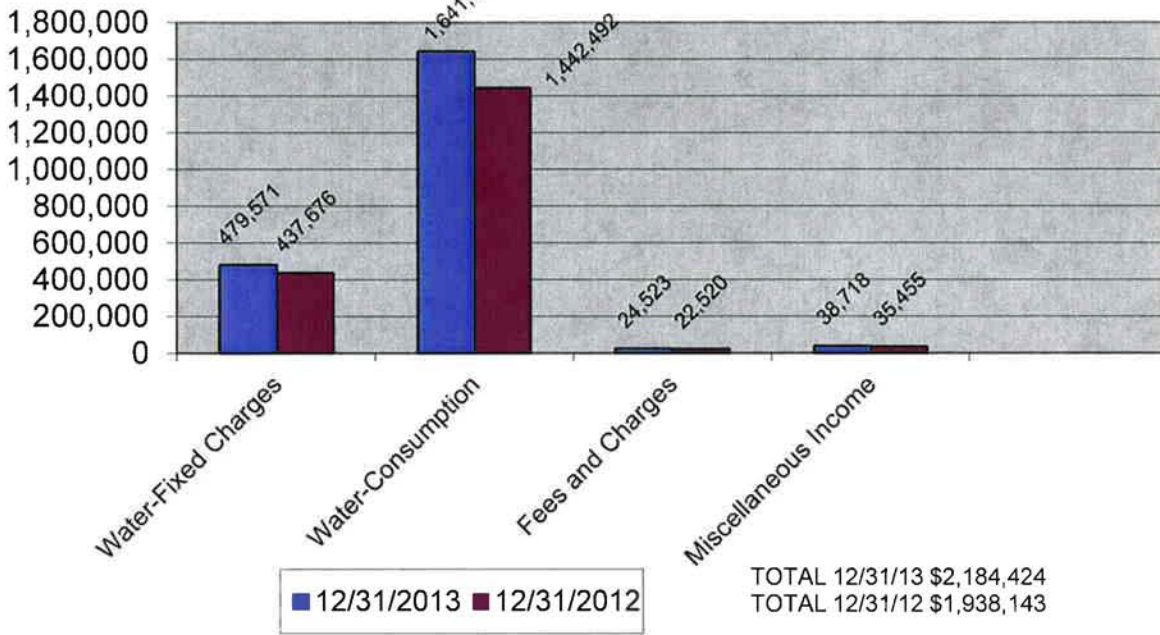
**NIPOMO COMMUNITY SERVICES DISTRICT
 COMBINED REVENUES FOR ALL FUNDS
 SIX MONTHS ENDED
 DECEMBER 31, 2013 AND DECEMBER 31, 2012**



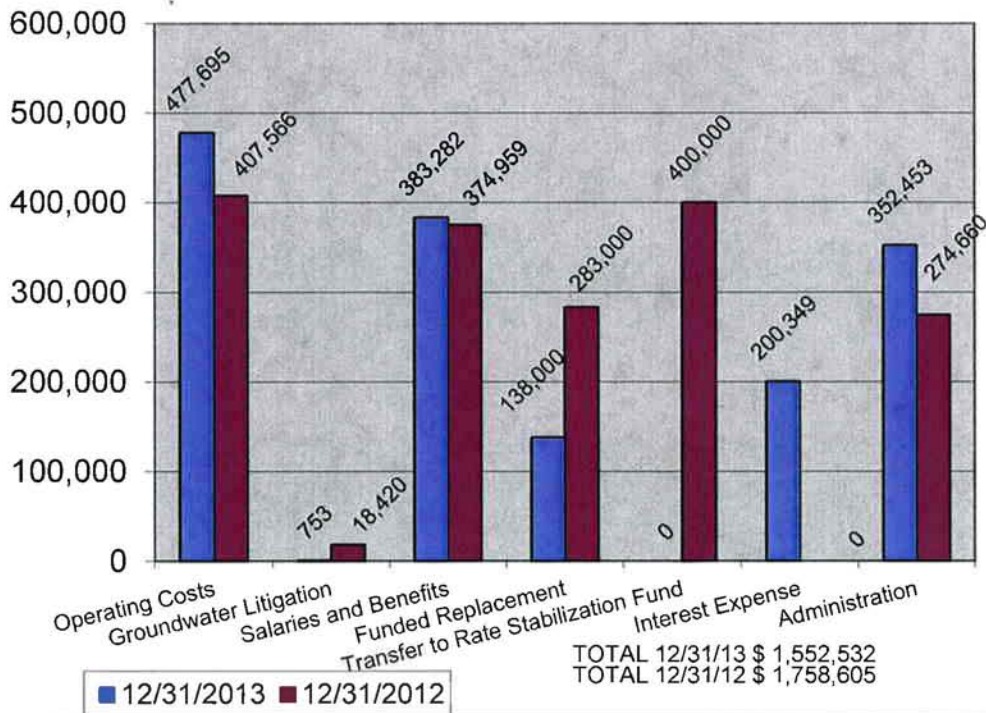
**NIPOMO COMMUNITY SERVICES DISTRICT
 COMBINED EXPENDITURES FOR ALL FUNDS
 SIX MONTHS ENDED
 DECEMBER 31, 2013 AND DECEMBER 31, 2012**



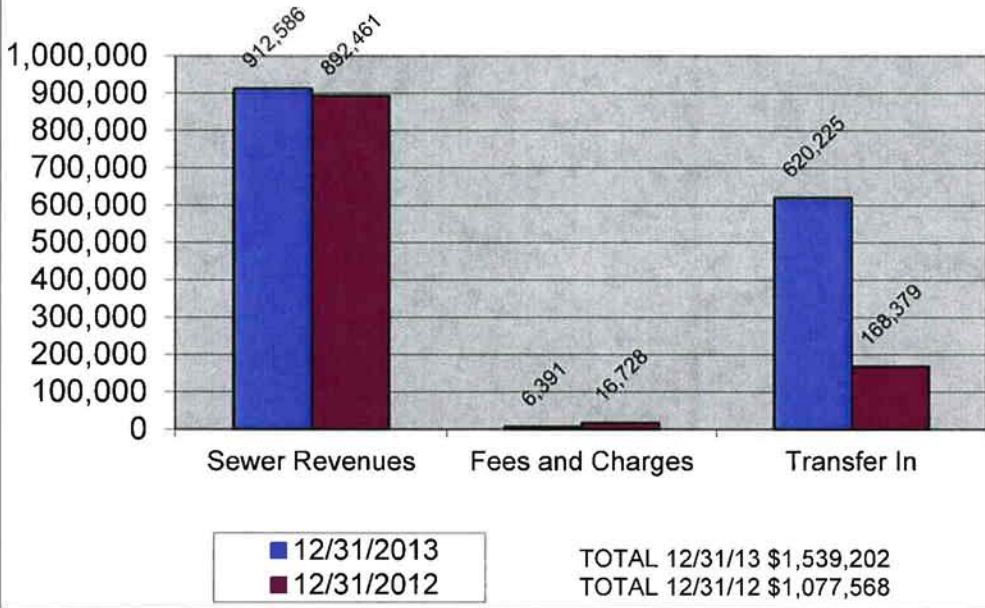
**NIPOMO COMMUNITY SERVICES DISTRICT
WATER FUND #125
REVENUES-DECEMBER 31 2013 AND DECEMBER 31, 2012**



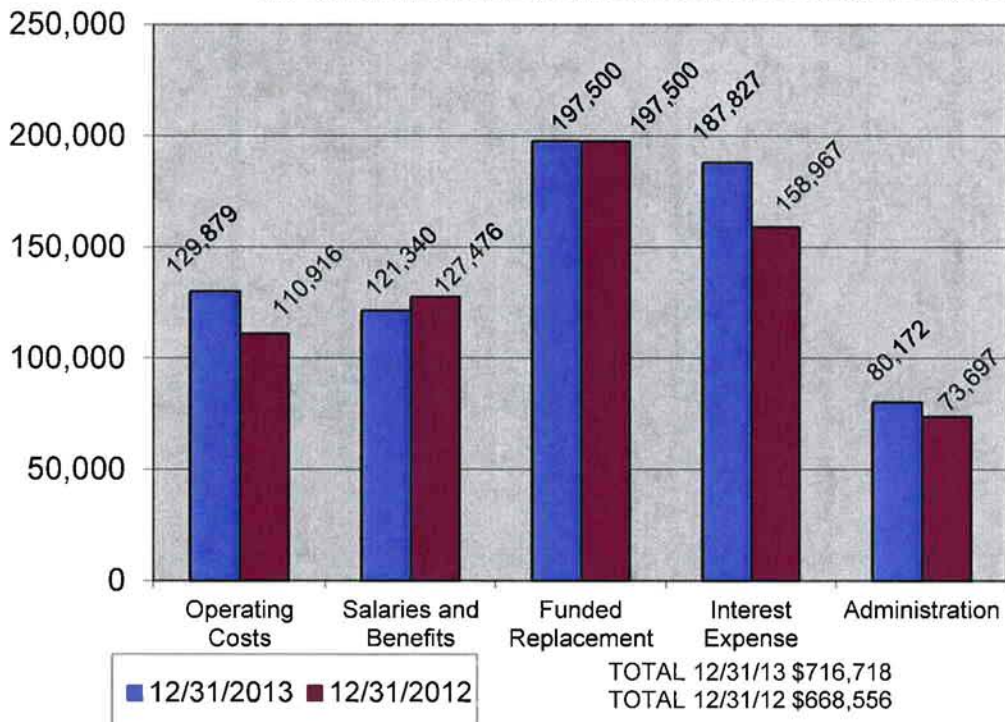
**NIPOMO COMMUNITY SERVICES DISTRICT
WATER FUND #125
EXPENDITURES-DECEMBER 31, 2013 AND DECEMBER 31, 2012**



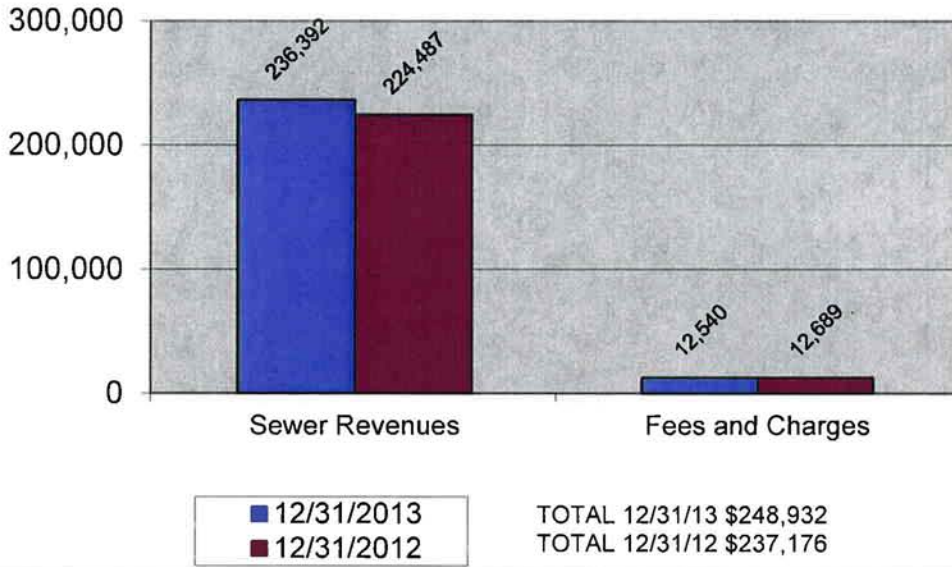
**NIPOMO COMMUNITY SERVICES DISTRICT
TOWN SEWER FUND #130
REVENUES-DECEMBER 31, 2013 AND DECEMBER 31, 2012**



**NIPOMO COMMUNITY SERVICES DISTRICT
TOWN SEWER FUND #130
EXPENDITURES-DECEMBER 31, 2013 AND DECEMBER 31, 2012**



**NIPOMO COMMUNITY SERVICES DISTRICT
BLACKLAKE SEWER FUND #150
REVENUES-DECEMBER 31, 2013 AND DECEMBER 31, 2012**



**NIPOMO COMMUNITY SERVICES DISTRICT
BLACKLAKE SEWER FUND #150
EXPENDITURES-DECEMBER 31, 2013 AND DECEMBER 31, 2012**

