

TO: BOARD OF DIRECTORS

FROM: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER

DATE: SEPTEMBER 18, 2014

AGENDA ITEM
D
SEPTEMBER 24, 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 BOARD MEETING MINUTES [RECOMMEND APPROVAL]
 - SEPTEMBER 3, 2014 SPECIAL MEETING
 - SEPTEMBER 10, 2014 REGULAR MEETING
- D-3) STANDPIPE TANK MODIFICATION AND REHABILITATION PROJECT ACCEPTANCE [RECOMMEND, BY MOTION AND ROLL CALL VOTE, ACCEPT PROJECT AND DIRECT STAFF TO FILE NOTICE OF COMPLETION]

TO: BOARD OF DIRECTORS
FROM: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER
DATE: SEPTEMBER 18, 2014

AGENDA ITEM
D-1
SEPTEMBER 24, 2014

WARRANTS WILL BE DISTRIBUTED ON TUESDAY, SEPTEMBER 23, 2014

TO: BOARD OF DIRECTORS
FROM: MICHAEL S. LEBRUN *ML*
GENERAL MANAGER
DATE: SEPTEMBER 18, 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. September 3, 2014 draft Special Board Meeting Minutes
- B. September 10, 2014, draft Regular Board Meeting Minutes

September 24, 2014

ITEM D-2

ATTACHMENT A

NIPOMO COMMUNITY SERVICES DISTRICT

Serving the Community Since 1965

DRAFT SPECIAL MEETING MINUTES

SEPTEMBER 3, 2014, 9:00 A.M.

JON S. SEITZ 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.**

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 AND FLAG SALUTE

President Armstrong called the Special Meeting of September 3, 2014, to order at 9AM and led the flag salute.

ROLL CALL

At Roll Call, all Board members were present.

2. SUPPLEMENTAL WATER PROJECT PHASE 1 LABOR COMPLIANCE PROGRAM [RECOMMEND APPROVE RESOLUTION ADOPTING LABOR COMPLIANCE PROGRAM]

Michael LeBrun, General Manager, presented the item and answered questions from the Board.

There was no public comment.

Upon the motion of Director Vierheilig and seconded by Director Blair, the Board voted to approve Resolution and adopt the labor compliance program. Vote 5-0.

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

3. SUPPLEMENTAL WATER PROJECT PHASE 1 AWARD OF CONSTRUCTION CONTRACT FOR BLOSSER ROAD WATER MAIN [RECOMMEND BY MOTION AND ROLL CALL VOTE ADOPT RESOLUTION AWARDDING CONTRACT TO LOWEST RESPONSIVE AND RESPONSIBLE BIDDER D-KAL ENGINEERING, INC. IN AMOUNT OF \$1,599,999, AUTHORIZE STAFF TO EXECUTE CONTRACT, AND AUTHORIZE CHANGE ORDER CONSTRUCTION CONTINGENCY IN THE AMOUNT OF \$160,000]

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

There was no public comment.

**Nipomo Community Services District
SPECIAL MEETING
Minutes**

Upon the motion of Director Harrison and seconded by Director Vierheilig, the Board voted to adopt Resolution and award contract to lowest responsive and responsible bidder D-Kal Engineering, Inc. in amount of \$1,599,999, authorize staff to execute contract, and authorize change order construction contingency in the amount of \$160,000. Vote 5-0.

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

4. 2014 CONFLICT OF INTEREST BIENNIAL REVISION [RECOMMEND ADOPT RESOLUTION REAPPROVING CONFLICT OF INTEREST CODE]

Michael Seitz, District Legal Counsel, presented the item and answered questions from the Board.

There was no public comment.

Upon the motion of Director Harrison and seconded by Director Vierheilig, the Board voted to approve changes to conflict of interest code, Exhibit A.

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

5. APPROVE WARRANTS [RECOMMEND APPROVE]

Michael LeBrun, General Manager, presented the item and answered questions from the Board.

There was no public comment.

Upon the motion of Director Gaddis and seconded by Director Harrison, the Board voted to approve warrants. Vote 5-0.

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

6. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There was no public comment.

The Board adjourned to closed session at 9:19 a.m.

7. CLOSED SESSION

a. CONFERENCE WITH LEGAL COUNSEL: LIABILITY CLAIM PURSUANT TO SECTION 54956.95:

Claimant: Specialty Construction
Agency: NCSD

The Board came back into Open Session at 9:26 a.m.

Nipomo Community Services District
SPECIAL MEETING
Minutes

Michael Seitz, District Legal Counsel, announced that the Board gave staff direction, but took no reportable action.

8. ADJOURN

President Armstrong adjourned the meeting at 9:27 a.m.

MEETING SUMMARY	HOURS
Special Meeting	:20
Closed Session	:07
TOTAL HOURS	:27

September 24, 2014

ITEM D-2

ATTACHMENT B

NIPOMO COMMUNITY SERVICES DISTRICT

Serving the Community Since 1965

DRAFT REGULAR MINUTES

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

JON S. SEITZ 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.**
JESSICA MATSON, **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 A. CALL TO ORDER

President Armstrong called the Regular Meeting of September 10, 2014, to order at 9:00 a.m. at the Southland Wastewater Treatment and Reclamation Facility.

00:00:00 B. ROLL CALL

At roll call, all Board members were present.

C. PRESENTATIONS AND PUBLIC COMMENT

C-1) RIBBON CUTTING SOUTHLAND WASTEWATER TREATMENT FACILITY

A ceremony was conducted to celebrate the completion of the District's Southland Wastewater Treatment and Reclamation Facility Upgrade.

The Ribbon Cutting Ceremony was conducted.

President Armstrong adjourned the meeting at 9:32 a.m.

President Armstrong reconvened the meeting at 1:00 p.m. at the Jon S. Seitz District Board Room 148 South Wilson, Nipomo and led the flag salute.

At roll call, all Board members were present.

00:01:00 C-2) REPORT ON PREVIOUS CLOSED SESSION DISCUSSION

Announcement of actions, if any, taken in Closed Session

Mike Seitz, District Legal Counsel, announced that the Board discussed Item One from the August 13, 2014, Regular Meeting (Conference with District Legal Counsel re: pending litigation pursuant to GC §54956.9 SMVWCD VS. NCSD, NCSD VS. County SLOCSC, and Bening Company LLC VS. NCSD) in closed session, but took no reportable action.

The Board discussed Item Two from the August 13, 2014, Regular Meeting (Conference with District Legal Counsel re: liability claim pursuant to GC §54956.9 Specialty Construction and NCSD) in closed session, but took no reportable action.

Mike Seitz, District Legal Counsel, announced that the Board heard an update and discussed Item One from the September 3, 2014, Special Meeting (Conference with District Legal Counsel re: liability claim pursuant to GC §54956.9 Specialty Construction and NCSD) in closed session, but took no reportable action.

SUBJECT TO BOARD APPROVAL

Nipomo Community Services District
REGULAR MEETING
MINUTES

C-3) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST AND REPORTS ON ATTENDANCE AT PUBLIC MEETINGS, TRAINING PROGRAMS, CONFERENCES, AND SEMINARS.

Receive Announcements and Reports from Directors

Director Gaddis

- ◇ August 22, Attended SCAC meeting.
- ◇ August 27, Attended a presentation by Mr. Rob Rossi regarding a proposed hotel at Blacklake Golf Resort.
- ◇ September 3, Attended a WRAC meeting and heard a presentation on digitized well data and agricultural offset programs.

Director Harrison

- ◇ August 27, Attended a presentation by Mr. Rob Rossi regarding a proposed hotel at Blacklake Golf Resort.
- ◇ Commented on the information presented at the WRAC meeting on September 3.

Director Vierheilig

- ◇ August 27, Attended a presentation by Mr. Rob Rossi regarding a proposed hotel at Blacklake Golf Resort.
- ◇ September 4, Attended public meeting at Blacklake regarding Supplemental Water Rates

Director Blair

- ◇ August 27, Attended a presentation by Mr. Rob Rossi regarding a proposed hotel at Blacklake Golf Resort.
- ◇ September 4, Attended public meeting at NCSD regarding Supplemental Water Rates

Director Armstrong

- ◇ August 27, Attended a presentation by Mr. Rob Rossi regarding a proposed hotel at Blacklake Golf Resort.
- ◇ September 3, Attended a WRAC meeting.
- ◇ September 4, Attended public meeting at Blacklake regarding Supplemental Water Rates

C-4) RECEIVE PUBLIC COMMENT ON PRESENTATIONS AND REPORTS PRESENTED UNDER ITEM C AND BY MOTION RECEIVE and FILE PRESENTATIONS AND REPORTS

The following members of the public spoke:

Ed Eby, NCSD Customer, commented on the presentation by Mr. Rob Rossi at Blacklake and asked for more information on an item in the Agenda.

Dan Hall, NCSD Customer, asked about the water pressure at Blacklake.

*Upon the motion of Director Vierheilig and seconded by Director Harrison, the Board unanimously approved to receive and file the presentations and reports as submitted.
Vote 5-0.*

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

00:09:15

00:14:55

D. CONSENT AGENDA

- D-1) WARRANTS
- D-2) APPROVE AUGUST 13, 2014 REGULAR BOARD MEETING MINUTES

There was no public comment.

*Upon the motion of Director Gaddis and seconded by Director Vierheilig, the Board unanimously approved the consent agenda.
Vote 5-0.*

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

E. ADMINISTRATIVE ITEMS

00:20:08

E-1) RECEIVE PRESENTATION AND REVIEW DRAFT RATE STUDY

Clayton Tuckfield, Rate Consultant with Tuckfield & Associates, reviewed the report as presented in the Board Packet. Mr. Tuckfield and Michael LeBrun, General Manager answered questions from the Board.

*The following members of the public spoke:
Ed Eby, NCSD Customer, asked questions regarding the draft rate study including reserves, purveyor reimbursements and capacity charges.*

Dan Hall, NCSD Customer, asked about an additional projected rate increase.

Upon the motion of Director Blair and seconded by Director Vierheilig, the Board unanimously approved the draft, with corrections, and directed staff to schedule approval of rate study for next Regular Board Meeting.

Vote 5-0.

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

E-2) AUTHORIZE TASK ORDER WITH MICHAEL K. NUNLEY & ASSOCIATES FOR SUPPLEMENTAL WATER PROJECT PHASE 1 CHLORAMINATION OPERATIONS AND PERMITTING SUPPORT

01:25:34

Peter Sevcik, Director of Engineering and Operations, reviewed the report as presented in the Board packet. Michael Nunley and Mr. Sevcik answered questions from the Board.

*The following members of the public spoke:
Ed Eby, NCSD Customer, asked questions regarding the project.*

Upon the motion of Director Gaddis and seconded by Director Blair, the Board unanimously approved staff's recommendation to authorize a task order with Michael K. Nunley & Associates in the amount of \$57,460 and change order contingency in the amount of \$11,000.

Vote 5-0.

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

01:42:24

E-3) SERVICE REQUEST – 549 HILL STREET APN 092-579-004 HOME 2 SUITES HOTEL

Director Armstrong recused himself and left the Board room during this item due to a conflict of interest.

Peter Sevcik, Director of Engineering and Operations, reviewed the report as presented in the Board packet. Robert Winslow, Project Engineer, and Mr. Sevcik answered questions from the Board.

The following members of the public spoke:

Ed Eby, NCSD Customer, asked questions regarding the project and capacity charges.

Upon the motion of Director Blair and seconded by Director Vierheilg, the Board approved staff's recommendation to issue an Intent-to-Serve Letter with conditions as outlined in Staff Report.

Vote 4-0.

YES VOTES	NO VOTES	CONFLICT
<i>Directors Blair, Vierheilg, Gaddis, and Harrison</i>	<i>None</i>	<i>Armstrong</i>

Director Armstrong re-joined the Board meeting.

01:56:28

E-4) AUTHORIZE CHANGE ORDER FOR STANDPIPE TANK MODIFICATION AND REHABILITATION PROJECT

Peter Sevcik, Director of Engineering and Operations, reviewed the report as presented in the Board packet. Mr. Sevcik answered questions from the Board.

The following members of the public spoke:

Ed Eby, NCSD Customer, asked questions regarding the project.

Upon the motion of Director Gaddis and seconded by Director Vierheilg, the Board approved staff's recommendation to issue a change order in the amount of \$20,056.06 with addition of "due to changed field conditions."

Vote 5-0.

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

02:11:11

E-5) APPROVE BUDGET AMENDMENT FOR CONSTRUCTION MANAGEMENT SERVICES WITH CANNON FOR STANDPIPE TANK MODIFICATION AND REHABILITATION PROJECT

Peter Sevcik, Director of Engineering and Operations, reviewed the report as presented in the Board packet. Mr. Sevcik answered questions from the Board.

There were no public comments.

Upon the motion of Director Gaddis and seconded by Director Vierheilg, the Board approved staff's recommendation of a budget amendment in the amount of \$10,690 with addition of "due to changed field conditions."

Vote 5-0.

ITEM E-5(Continued)

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

02:12:23

E-6) CONSIDER CALIFORNIA URBAN WATER CONSERVATION COUNCIL PROPOSED BYLAW CHANGES

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

There were no public comments.

Upon the motion of Director Harrison and seconded by Director Blair, the Board approved staff's recommendation.

Vote 5-0.

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

02:13:42

F. GENERAL MANAGER'S REPORT

Michael LeBrun, General Manager, reviewed the report as presented in the Board packet. Mr. LeBrun also reported preliminary groundwater production numbers for August and stated that numbers would be finalized by the end of the week. Mr. LeBrun answered questions from the Board.

The following members of the public spoke:

Ed Eby, NCSD Customer, commented on landscape changes being completed by Woodlands residents.

02:22:40

G. COMMITTEE REPORTS

Director Blair gave a verbal report on Solid Waste Committee meeting held September 3, 2014.

There was no public comment.

02:26:19

H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

Director Blair

- *Asked staff about the fees and reporting for backflow devices*

02:29:43

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 DISTRICT LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GC §54956.9 NCSD VS. County SLOCSC (CASE NO. CV 090010).

Nipomo Community Services District
**REGULAR MEETING
 MINUTES**

ITEM I (Continued)

- 3. CONFERENCE WITH LEGAL COUNSEL RE: LIABILITY CLAIM PURSUANT TO GOVT. CODE §54956.9(a):

Claimant: Specialty Construction, Agency: NCSD

02:30:25

- J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There were no public comments.

- K. ADJOURN TO CLOSED SESSION

President Armstrong adjourned to closed session at 3:40 p.m.

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

The Board came back into Open Session at 3:56 p.m.

Mike Seitz, District Legal Counsel, announced that the Board discussed Item I.1.a but took no reportable action.

ADJOURN

President Armstrong adjourned the meeting at 3:57 p.m.

MEETING SUMMARY	HOURS & MINUTES
Regular Meeting	2 hours 40 minutes
Closed Session	16 minutes
TOTAL HOURS	2 hours 56 minutes

TO: MICHAEL S. LEBRUN
GENERAL MANAGER

MSL

FROM: PETER V. SEVCIK, P.E.
DIRECTOR OF ENGINEERING & OPERATIONS

P.V.S.

**AGENDA ITEM
D-3
SEPTEMBER 24, 2014**

DATE: SEPTEMBER 17, 2014

**STANDPIPE TANK MODIFICATION AND REHABILITATION PROJECT
ACCEPTANCE**

ITEM

Accept Work Performed by Crosno Construction, Inc. for Standpipe Tank Modification and Rehabilitation Project and Authorize Staff to File Notice of Completion. [RECOMMEND, BY MOTION AND ROLL CALL VOTE, ACCEPT PROJECT AND DIRECT STAFF TO FILE NOTICE OF COMPLETION].

BACKGROUND

At the December 11, 2013 Board meeting, the Board approved a contract with Crosno Construction, Inc. for construction of the Standpipe Tank Modification and Rehabilitation Project. The approved contract amount was \$263,350 and the Board also authorized a construction contingency of \$25,000. Change Orders in the total amount of \$18,087.29 were issued during the construction of the project from the construction contingency authorized by the Board and a final change order in the amount of \$20,056.06 was approved by the Board on September 10, 2014. The final contract amount was \$301,493.35. Construction has been completed and all inspections have been completed. In addition, the District's construction manager, Cannon, has prepared record drawings for the completed project.

FISCAL IMPACT

Project Cost Summary	
Construction Contract – Crosno	\$301,493.35
Construction Management – Cannon	\$70,281.00
Total Project Cost	\$371,774.35
Budgeted Project Cost	\$400,000.00

STRATEGIC PLAN

Goal 2 – FACILITIES THAT ARE RELIABLE, ENVIRONMENTALLY SENSIBLE AND EFFICIENT – Plan, provide for and maintain District facilities and other physical assets to achieve reliable, environmentally sensible, and efficient District operations.

RECOMMENDATION

Staff recommends that your Honorable Board accept the project and authorize the General Manager to file a Notice of Completion for the project.

ATTACHMENTS

None