CALL TO ORDER AND FLAG SALUTE

President Vierheilig called the meeting to order at 9:00 a.m. and led the flag salute.

ROLL CALL

At Roll Call, all Board members were present.

PUBLIC COMMENT PERIOD

C-1) PRESENTATION OF POSTER ART CONTEST WINNERS

President Vierheilig recognized local students who are concerned about Nipomo’s water. He awarded “Nipomo Water Keeper” certificates and cash prizes to Melinda Marchiano, Claire Bodger, Nikki Pesce and Amber Pesce, in recognition of their prize winning posters entered in the NCSD 2006 “Water Awareness” student poster art contest.

President Vierheilig presented a resolution commending Mr. Michael LeBrun for his service to the District.

RESOLUTION 2006-971
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
THANKING MICHAEL LeBRUN
FOR HIS SERVICE TO THE NIPOMO COMMUNITY SERVICES DISTRICT
AND TO THE COMMUNITY OF NIPOMO

C-2) COMMANDER MARTIN BASTI OF SOUTH COUNTY SHERIFF STATION

Commander Basti thanked Mr. LeBrun for working so well with him during his time working for the District and congratulated him for the Resolution. He then presented information concerning sheriff activities in the Nipomo area.

- With gas prices rising, fuel thefts have been increasing. People are putting holes in the gas tank.
- May 14-20 National Law Enforcement Memorial Week. Special services will be held Wednesday, May 17th, at the Pismo pier at 9:00 a.m. for those officers who have lost their lives in the line of duty.
- May 13 – Torch Run to raise funds for Special Olympic athletes will be through Nipomo around noon. All are invited to come out and watch.

Commander Basti introduced Lt. Commander Stephan Neumann from the California Highway Patrol.

Lt. Neumann congratulated Mr. LeBrun for the send off.

He described the duties of the Highway Patrol. He can be reached at 593-3300. The main areas are public information, enforcement, education and community involvement.
C. PUBLIC COMMENT PERIOD  (continued)
   - Provide safety of the motoring public, provide public information about freeway closures, wind advisory, etc., enforcement of traffic incidents, speeding, track complaints, DUI prevention programs, car seat inspection program, community involvement with school safety meetings, DUI check point.
   - Grant funding has been obtained to deploy extra units when needed.
   - The department is trying to reduce auto theft with a bait car with a 360° license plate reader.
   - Public Affairs Officer, Joe Vega, is available for public speaking.
   - Informative pamphlets are available at the Highway Patrol office or can get from Sacramento office.
   - VIN verification can be obtained by appointment.
   - Explorer Program is starting up again. If anyone knows a young person interested in becoming a police officer, they can contact the office.

He was informed that last year’s clean up day was a success and would like more information for the next one. The Department will be willing to assist.

May 16 & 17 High School “Every 15 Minute” Program
Director Eby asked if Lt. Neumann would be available to speak at the South County Advisory Council May 22nd at 6:30 p.m.
Director Winn asked about abandoned vehicles. Cmdr. Neumann answered that the Highway Patrol handles those at this time. They are working toward getting the County Code Enforcement people involved.

C-3) DAN ANDERSON, CDF BATTALION CHIEF, CALIFORNIA DEPARTMENT OF FORESTRY (CDF)
CDF Battalion Chief, Dan Anderson, presented information about CDF activities in the Nipomo area.
There were 117 calls on the mesa of which 69 were medical and 9 were fires.
The annual chipping program is in progress.
There is a paramedic program in Nipomo.
Firefighter Danner was promoted to engineer. An engineer was promoted to captain and will be going to Santa Margarita. Positions will need to be filled.
New legislation was enacted this year requiring more extensive brush clearance around structures. It has been extended from a 30 foot clearance to 100 feet. The vacant lots are more difficult to get cleared because owners often live out of town.
He wished Mr. LeBrun the best and appreciated working with him.

D. CONSENT AGENDA
D-1) WARRANTS
D-2) BOARD MEETING MINUTES
   Regular meeting April 26, 2006
   Special meeting April 28, 2006
   Special Meeting May 3, 2006
D-3) STREET LANDSCAPE MAINTENANCE DISTRICT NO. 1
   A. RESOLUTION GRANTING APPROVAL OF THE ANNUAL ENGINEER’S LEVY REPORT 2006-07
   RESOLUTION NO. 2006-972
D. CONSENT AGENDA  (continued)

B. RESOLUTION DECLARING ITS INTENTION TO LEVY ANNUAL ASSESSMENTS FOR 2006-07

RESOLUTION NO. 2006-973
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT DECLARING ITS INTENTION TO
LEVY ANNUAL ASSESSMENTS FOR THE STREET LANDSCAPE AND
MAINTENANCE DISTRICT NO. 1 FOR FISCAL YEAR 2006/2007

D-4) STANDARD ENVIRONMENTAL SERVICES AGREEMENT BY TASK ORDER AND
RESOLUTION ESTABLISHING PROCEDURES

RESOLUTION NO. 2006–974
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
ESTABLISHING THE POLICIES AND PROCEDURES FOR EXECUTING TASK ORDERS
FOR ENVIRONMENTAL REVIEW SERVICES

D-5) AMEND BOYLE AGREEMENT FOR DESIGN OF BLACKLAKE WATER SYSTEM PUMP
STATION TO ADDRESS INCREASED PROJECT SCOPE

RESOLUTION 2006-975
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
AMENDING TASK ORDER B-009-05 FOR BOYLE ENGINEERING CORPORATION TO PERFORM
ENGINEERING SERVICES IN SUPPORT BLACKLAKE WATER PLANT IMPROVEMENTS

D-6) ACCEPT TELEMETRY SYSTEM UPGRADE, ISSUE NOTICE OF COMPLETION

D-7) APPROVE UPDATE TO DISTRICT STANDARDS AND SPECIFICATIONS FOR WATER
AND SEWER IMPROVEMENTS TO BE DEDICATED TO DISTRICT

RESOLUTION NO. 2006-976
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING STANDARD SPECIFICATIONS
FOR WATER AND SEWER SYSTEM IMPROVEMENTS

The Board briefly discussed items on the Consent Agenda. There was no public
comment. Upon motion of Director Winn and seconded by Director Trotter, the Board
unanimously approved the Consent Agenda. Vote 5-0

<table>
<thead>
<tr>
<th>YES VOTES</th>
<th>NO VOTES</th>
<th>ABSENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors Winn, Eby, Wirsing, Trotter, and Vierheilig</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>

E. ADMINISTRATIVE ITEMS

E-1) ANNEXATION APPLICATION – APN 091-181-031 (CRAIG)

The Board discussed the request for annexation of an 18.9-acre parcel on Willow Road west of Blacklake. The applicant requests water service to a development for 16 homes on 1-acre planned lots.

Carol Florence, principal planner from Oasis Associates, discussed the project with the Board.

Director Winn asked if the 16 homes would be served with septic tanks rather than connecting to a sewer system. Ms. Florence said yes.

There was no public comment.

Director Eby stated that no annexations should be approved until supplemental water is in the District system. He recommended not authorizing annexation.

Director Winn supports the annexation.

Director Wirsing stated that the District should wait for the report from SAIC and would like to table the item.

Director Trotter and President Vierheilig support the annexation request.

E-1) ANNEXATION APPLICATION – APN 091-181-031 (CRAIG) (continued)
Upon motion of Director Winn and seconded by Director Trotter, the Board approved the annexation request and directed staff to draft an annexation agreement which meets the intent of the District’s Annexation Policy. Vote 3-2

<table>
<thead>
<tr>
<th>YES VOTES</th>
<th>NO VOTES</th>
<th>ABSENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors Winn, Trotter, and Vierheilig</td>
<td>Directors Eby and Wirsing</td>
<td>None</td>
</tr>
</tbody>
</table>

E-2) SERVICES REQUEST – APN 092-130-043 (ROOSEVELT APARTMENTS)

The Board discussed the request for water and sewer service to a 52-unit multi-family/low income development at 750 Grande Street. Mr. LeBrun explained that there would be a four-year water phasing allotment given to the project.

Stephen Glover, Global Premier Development – discussed the project with the Board. The apartments are considered affordable housing.

There was no public comment.

Director Eby stated that the allocation policy needs to be revisited. Director Winn supports the project. Director Trotter stated that the allocation policy is in force now. Director Wirsing stated that she wants to be on the side of safety for water allocations.

Upon motion of Director Winn and seconded by Director Trotter, the Board approved the Intent-to-Serve letter, as outlined in the Board letter. Vote 3-2

<table>
<thead>
<tr>
<th>YES VOTES</th>
<th>NO VOTES</th>
<th>ABSENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors Winn, Trotter, and Vierheilig</td>
<td>Directors Eby and Wirsing</td>
<td>None</td>
</tr>
</tbody>
</table>

The Board took a break at 10:15 a.m. and returned at 10:25 a.m.

E-3) CONFLICT OF INTEREST CODE REVIEW

Jon Seitz, District Legal Counsel, reviewed the proposed update of the District Conflict of Interest Code to designate Form 700 filers and categories of disclosure.

There was no public comment.

Upon motion of Director Trotter and seconded by Director Eby, the Board unanimously approved Resolution 2006-977 revising Form 700 reporting positions and categories.

There was no public comment. Vote 5-0

RESOLUTION NO. 2006-977
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
REVISING DISTRICT’S FORM 700
REPORTING POSITIONS AND REPORTING CATEGORIES

<table>
<thead>
<tr>
<th>YES VOTES</th>
<th>NO VOTES</th>
<th>ABSENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors Winn, Eby, Wirsing, Trotter, and Vierheilig</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>

E-4) ENCUMBER AND CONSOLIDATE 2003 COP PROCEEDS

Bruce Buel, Projects Assistant, explained the proposed Resolution encumbering, consolidating, and dedicating remaining proceeds from Certificates of Participation (COPs) issued in 2003, to the Santa Maria Inter-tie project. The Board discussed the resolution. The Board would like to receive a summary of the monies spent for the different projects within the COP planned improvement projects.

There was no public comment.

E-4) ENCUMBER AND CONSOLIDATE 2003 COP PROCEEDS (continued)
Upon motion of Director Eby and seconded by Director Wirsing, the Board unanimously approved Resolution 2006-978. Vote 5-0

RESOLUTION NO. 2006-978
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ENCUMBERING AND CONSOLIDATING REMAINING PROCEEDS FROM
CERTIFICATES OF PARTICIPATION ISSUED IN 2003

<table>
<thead>
<tr>
<th>YES VOTES</th>
<th>NO VOTES</th>
<th>ABSENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors Winn, Eby, Wirsing, Trotter, and Vierheilig</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>

F. MANAGER’S REPORT
Michael LeBrun, District General Manager, introduced Edward Kreins, the newly hired Interim General Manager.
Mr. LeBrun reviewed the Manager’s Report as presented to the Board.
The LAFCo meeting for May has been cancelled. The next meeting will be June 15th.
Bruce Buel, Projects Assistant, reviewed his projects update report and answered questions from the Board.

G. COMMITTEE REPORTS
Director Trotter reported on the trip to Arvin-Edison with Bruce Buel and a Blacklake representative.
The Personnel Committee (Directors Wirsing and Vierheilig) met with Ralph Andersen and Associates to discuss the hiring of the new General Manager. Payment of relocation expenses and housing is being considered. A draft of the advertisement will soon be available.

H. DIRECTOR’S COMMENTS
Director Winn
- WRAC special meeting Tues. May 16th in Paso Robles for groundwater banking scheme
- WRAC regular meeting – Wed. June 7th
- Ribbon cutting for the opening of Dorthea Lange School – Wed. 4:00 p.m. May 24th.

Director Eby
- SLO County Board of Supervisors meeting May 9th. The items discussed were growth management ordinance, planning area standard, land use ordinance, building and safety ordinance. Our water issue and growth management ordinance will be discussed at the next meeting, May 16th.

President Vierheilig
- Water Wise Landscaping Workshops June, July & August here at District office.
- SLO draft Parks and Recreation Element – June 8th and July 13th in the Board of Supervisors chambers.
- Nipomo Arts Council would like to hang art in the Board room.

I. CLOSED SESSION ANNOUNCEMENTS
1. CONFERENCE WITH LEGAL COUNSEL Pending Litigation GC§54956.9
   SMVVCD VS NCSD SANTA CLARA COUNTY CASE NO. CV 770214 AND ALL CONSOLIDATED CASES.
2. CONFERENCE WITH LEGAL COUNSEL Pending Litigation GC§54956.9
   MARIA VISTA VS. NCSD CASE NO. CV 040877
3. CONFERENCE WITH LEGAL COUNSEL PENDING LITIGATION GC§54956.9
   CITIZENS AGAINST NON-NOTIFICATION (CANN) VS. NCSD, CASE NO. CV 051002
4. CONFERENCE WITH LEGAL COUNSEL PENDING LITIGATION GOVT. CODE §54956.9 – COASTKEEPER V. NCSD CV060349.

I. CLOSED SESSION ANNOUNCEMENTS (continued)
5. CONFERENCE WITH LEGAL COUNSEL PENDING LITIGATION GOVT. CODE §54956.9 – JESSE HILL (IN PRO PER) V. NCSD CV 060325 AND RELATED LIABILITY CLAIM PURSUANT TO GOVT. CODE §54961.

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS
There was no public comment.

K. ADJOURN TO CLOSED SESSION
The Board adjourned to Closed Session at 11:29 a.m.
Director Trotter left the meeting at 12:05 p.m.

L. OPEN SESSION
ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION
The Board came back into Open Session at 12:35 p.m. Jon Seitz, District Legal Counsel, announced the following:

- Items 1, 2, and 3 – The Board heard an update. There was no reportable action.
- Item 4 – The Board directed legal counsel to defend the lawsuit and seek assistance of outside counsel. Vote 5-0

<table>
<thead>
<tr>
<th>YES VOTES</th>
<th>NO VOTES</th>
<th>ABSENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors Winn, Eby, Wirsing, Trotter, and Vierheilig</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>

- Item 5 - The Board directed legal counsel to defend the lawsuit and seek assistance of outside counsel, McDonald, Allen, and Holland. Vote 4-0

<table>
<thead>
<tr>
<th>YES VOTES</th>
<th>NO VOTES</th>
<th>ABSENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors Winn, Eby, Wirsing and Vierheilig</td>
<td>None</td>
<td>Director Trotter</td>
</tr>
</tbody>
</table>

ADJOURN
President Vierheilig adjourned the meeting at 12:40 p.m.

THE NEXT REGULAR BOARD MEETING IS MAY 24, 2006.
TENTATIVELY SCHEDULED ITEMS INCLUDE:
  - Supplemental Water EIR Status Report
  - Supplemental Water Design Firm Selection
  - Street Sweeping Bids
  - Standing Committee Recommendation on Supplemental Water funding options