

NIPOMO COMMUNITY SERVICES DISTRICT

Celebrating 41 - Years of Service 1965 - 2006

MINUTES

SEPTEMBER 27, 2006 9:00 A. M.

BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

BOARD of DIRECTORS

LARRY VIERHEILIG, **PRESIDENT**
MICHAEL WINN, **VICE PRESIDENT**
JUDITH WIRSING, **DIRECTOR**
CLIFFORD TROTTER, **DIRECTOR**
ED EBY, **DIRECTOR**

PRINCIPAL STAFF

BRUCE BUEL, **GENERAL MANAGER**
LISA BOGNUDA, **ASSIST. ADMINISTRATOR**
DONNA JOHNSON, **BOARD SECRETARY**
JON SEITZ, **GENERAL COUNSEL**
DAN MIGLIAZZO, **UTILITY SUPERVISOR**

Mission Statement: The Nipomo Community Services District's mission is to provide the citizens of the District with quality, innovative, and cost-effective services through responsive and responsible local government to meet the changing needs of the community.

00:00:00

A. CALL TO ORDER AND FLAG SALUTE

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

00:00:35

B. ROLL CALL

At Roll Call, all Board members were present.

00:02:40

C. PUBLIC COMMENT PERIOD PUBLIC COMMENT

There was no public comment on items not on the agenda.

Bruce Buel, General Manager explained that a series of new reports will be in Section C.

C-1) NCSD UTILITY SUPERVISOR DAN MIGLIAZZO

Dan Migliazzo presented information about the operations of the Utility Department.

- New employee working out well, learning the systems quickly
- Meter replacement program progressing
- Blacklake booster station upgrade and intertie in process
- Both wastewater plants are in operation with no violations
- Olympic Well will be back on line soon
- Inspections keeping Butch Simmons busy
- Lift stations being cleaned and degreased

Director Trotter asked if the valve in the BL area can be fenced. Mr. Migliazzo stated it is in the plans. Director Trotter also asked if the grease traps at the restaurants have inspections. Mr. Buel stated that it is the responsibility of the County but NCSD will be looking at that next year during the sanitary sewer overflow study.

Mr. Migliazzo stated that it usually runs \$900-1100 per month to maintain the Sundale Well.

Director Eby asked about the capacity of the Olympic Well. Mr. Migliazzo stated that it is maintaining about 150 gpm.

The following member of the public spoke:

Bob Blair asked about the well levels. Mr. Migliazzo stated that he would get that information to him.

President Vierheilig thanked Mr. Migliazzo for his informative presentation.

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C-2) NCSD WATER CONSERVATION/COMPLIANCE SPECIALIST MADONNA DUNBAR
Madonna Dunbar presented information concerning the water conservation activities, most of which are listed in the Manager’s Report in Item F of the Board packet.
Events upcoming – Creek Day Saturday, Sept. 30, 2006, 9:00 a.m. to 12:00 p.m.
October Festival – Oct. 14, 2006, at the Nipomo Regional Park.
October 21, 2006 – Storm Drain marking
High School Progressive Group meeting Thursday, September 28, 2006

C-3) NCSD GENERAL MANAGER BRUCE BUEL
Bruce Buel, General Manager, presented information concerning the NCSD Emergency Response Plan Guide, which is required by the federal government.
Director Eby asked about the number of service connections listed. Mr. Buel will look into it.
Director Trotter suggested broaching the subject - “Ways of Surviving Without Water. In the event of an emergency, there should be at least one well activated where people can come for water.
There was no public comment.

00:24:50 D. CONSENT AGENDA

D-1) WARRANTS

D-2) BOARD MEETING MINUTES
Approve minutes of September 13, 2006 Special Meeting

D-3) CONFIRM CHANGE IN NCSD WEBSITE DOMAIN NAME

D-4) AUTHORIZE PARTICIPATION WITH SLO APCD RE INSTALLATION OF DEMONSTRATION AREA AT NCSD OFFICE
Upon motion of Director Trotter and seconded by Director Eby, the Board unanimously approved the Consent Agenda, as amended in Items C-2 and H of the Minutes. Vote 5-0

YES VOTES	NO VOTES	ABSENT
Directors Trotter, Eby, Wirsing, Winn, and Vierheilig	None	None

00:30:00 E. ADMINISTRATIVE ITEMS

E-1) RECEIVE STATUS REPORT REGARDING REQUEST FROM MARIA VISTA ESTATES TO ACCEPT WATER AND SEWER IMPROVEMENTS, TO ACCEPT EASEMENTS, AND TO SET WATER METERS IN TRACTS 1802 AND 1856

Bruce Buel, General Manager, reviewed the progress of the improvements for Tracts 1802 and 1856. The improvements are not ready for acceptance.
Ed Jones, TCG Project Manager for the Maria Vista development, handed the Board a packet of information. He reviewed each page of the information.
Jon Seitz, District Legal Counsel, stated that just because staff does not respond does not mean staff concurs or disagrees with the statements made by Mr. Jones.

The following member of the public spoke:
Bob Blair, NCSD resident – stated that this project has been going for a long time and needs to be squared away.

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00:44:53

E-2) AUTHORIZE EXECUTION OF SUPPLEMENTAL WATER AGREEMENT WITH THE WOODLANDS FOR APPROXIMATELY 417 ACRE FEET PER YEAR FROM THE NCSD/CITY OF SANTA MARIA WATERLINE INTERTIE PROJECT

Jon Seitz, District Legal Counsel, reviewed the agreement between NCSD and the Woodlands. Board discussion ensued.

Director Trotter stated that the Board needs to know about the variables.

Bruce Buel, General Manager, explained that the agreement is in favor of NCSD customers.

Director Eby asked when it is anticipated that the document will be signed. Jon Seitz, District Legal Counsel, explained that the attorney for Woodlands agreed to the agreement so it should be executed in a couple of weeks.

The following members of the public spoke:

Bob Blair, NCSD resident – stated that he liked this agreement. Woodlands always said they would pay their fair share of the pipeline project.

Bill Nelson, NCSD resident – asked where the intertie with the City of Santa Maria will be.

Mr. Buel answered that NCSD is not in a position to answer that today. The pre-design report due November 8th should reveal the location of the connection. The agreement does not need to specify that information.

Upon motion of Director Winn and seconded by Director Eby, the Board approved the agreement, as amended and authorized the President to execute the agreement once it has been executed by the Woodlands. Vote 5-0

YES VOTES	NO VOTES	ABSENT
Directors Winn, Eby, Wirsing, Trotter, and Vierheilig	None	None

The Board took a break at 10:14 a.m. and returned at 10:28 a.m.

E-3) CONSIDER ANNEXATION APPLICATION OF SAL ORTIZ TO ANNEX APN 091-301-061 AT THE NORTH EAST CORNER OF HETRICK ROAD AND CHEROKEE ROAD

Bruce Buel, General Manager, reviewed the request to annex property within the NCSD Sphere of Influence for water service to two parcels at 660 Cherokee Place.

Board discussion ensued.

John Mack, representative for Sal Ortiz (owner of property at Cherokee Place), stated that he would like to work with District staff in forming an annexation agreement.

Director Wirsing asked what the proposed water usage would be. Mr. Mack answered 460 gallons per day.

The following member of the public spoke:

Bob Blair, NCSD resident – stated that he could not justify allowing lot splits in the Cherokee Place area when there is a law suit (Summit Station) going on.

Jon Seitz, District Legal Counsel, explained that if this annexation is approved, the proposed annexation area would not receive water from NCSD until the waterline from Santa Maria is complete and LAFCo conditions are met.

Director Eby stated that within the Annexation Policy Exhibit “A” III-E states “...the Board of Directors will consider annexation requests where it can be demonstrated that the benefits of the proposed annexation outweigh the disadvantages.” He stated the disadvantages are as follows:

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E-3) CONSIDER ANNEXATION APPLICATION (continued)

- There is no allocation determination for properties outside the District.
- The Board needs to have a policy in place before stacking up obligations.
- The supplemental water determinations have not been designated.
- There is no assurance of when supplemental water will be delivered.

Director Eby stated that he could not see any advantages.

Director Trotter stated that the mechanics of an annexation would be awkward.

Director Winn stated that the advantage he could see would be the advantage of scale, to spread the costs across a larger base.

The disadvantages would be the need to have a Board policy in place for allocation for outside District properties. The annexation should be the whole block rather than just the two parcels. The property owners do not have an emergency. There is enough water being produced from the existing well to serve two residences.

Director Wirsing asked about Mr. Seitz suggesting that the applicant would have to go out and get a supplemental water supply. Mr. Seitz explained.

Upon motion of Director Eby and seconded by Director Wirsing, the Board agreed to deny the request for annexation without prejudice until the District has an "excess supplemental water supply" policy in place. Vote 5-0

YES VOTES	NO VOTES	ABSENT
Directors Eby, Wirsing, Winn, Trotter, and Vierheilig	None	None

01:58:01

E-4) CONSIDER APPROVING WATER AND SEWER INTENT TO SERVE LETTER FOR 38-UNIT SUBDIVISION AT BLUME AND GRANDE

Bruce Buel, General Manager, reviewed the information presented in the Board letter concerning a request for an Intent-to-Serve letter for Tract 2441. The allocation of water would need to be phased. Director Eby asked if the allocations were correct. Mr. Buel answered that the allocations for this type of project are defined in the allocation Ordinance 2004-100, approved by the Board October 2004.

Terry Orton of Westland Engineering – agent for the applicant – explained that the project has been at the County and in front of NCAC for about five years. Some of the lay-out has changed since the first request for service.

Jon Seitz, District Legal Counsel, asked Mr. Orton if he would be willing to certify the amount allocated for the project at the time of setting meters. Mr. Orton said yes.

The following members of the public spoke:

Bob Blair, NCS D resident – With the County Planning Department taking so long to approve projects, there is a housing shortage in this county and prices of housing continue to rise.

Director Eby stated that the Allocation Policy was an interim policy and needs to be redone based on supply rather than demand.

Director Trotter stated that the Board will recall when the policy was written it was determined that there would be a yearly allocation of 51 acre-feet and the application falls within that 51 acre-feet. In fact, the District has not, to date, allocated the original 51 acre-feet.

Director Trotter would like to wait until the District gets some figures of water amounts from Mr. Bob Beeby, who is studying water supply availability. He and Mr. Buel will be meeting with Mr. Beeby on September 28th in Santa Barbara.

Director Wirsing also stated that the Allocation Policy needs to be revisited.

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- E-4) CONSIDER APPROVING WATER AND SEWER INTENT TO SERVE LETTER FOR 38-UNIT SUBDIVISION AT BLUME AND GRANDE (continued)

Upon motion of Director Eby and seconded by Director Wirsing, the Board agreed to continue this application for water and sewer services until the October 25th meeting. Vote 3-2 with Directors Winn and Vierheilig voting no.

YES VOTES	NO VOTES	ABSENT
Directors Eby, Wirsing, and Trotter,	Directors Winn, and Vierheilig	None

President Vierheilig stated that the Allocation Policy needs to be revisited, including the actual water usage and not the target number. He suggested that the Board go ahead with this project but future applications would have to be deferred.

- 03:01:27 E-5) CONSIDER ADOPTION OF INITIAL SAFETY PROGRAM FOR DISTRICT EMPLOYEES

Ms. Madonna Dunbar reviewed possible methods to obtain an effective Safety Program. She asked for feedback from the Board. The Board discussed the possibilities and thanked Ms. Dunbar for the report.

- 03:19:36 E-6) SET DATE AND TIME FOR STRATEGIC PLAN WORKSHOP AND CREATE AD HOC STEERING COMMITTEE

Bruce Buel, General Manager, reviewed the possibility of a planning workshop to develop a vision for the future. There was much Board discussion. The following member of the public spoke:
Bob Blair, NCS D resident – stated that if he should get elected that he is usually available the first half of the month.
 Director Winn made a motion to create an ad hoc committee to form a proposal for the Board to meet with staff at the earliest, reasonable convenience. Director Trotter seconded the motion. Vote 4-1 with Director Wirsing abstaining.

YES VOTES	NO VOTES	ABSENT
Directors Winn, Trotter, Eby and Vierheilig	Directors Wirsing (abstain)	None

President Vierheilig appointed himself as chair and Director Winn to the Steering Committee.

- 03:36:19 E-7) CONFIRM BOARD MEETING AND OFFICE SCHEDULE – NOVEMBER AND DECEMBER

Bruce Buel, General Manager, reviewed the November and December meeting and staff schedules. The only change to the regular schedule is to cancel the December 27, 2006, meeting. There was no public comment. Upon motion of Director Trotter and seconded by Director Wirsing, the Board unanimously approved the schedule, as noted in the Board letter. Vote 5-0

YES VOTES	NO VOTES	ABSENT
Directors Trotter, Wirsing, Eby, Winn, and Vierheilig	None	None

03:39:00 F. MANAGER'S REPORT

Bruce Buel, General Manager, reviewed the Manager's Report as presented in the Board packet.

He also stated that September 26, 2006, he and President Vierheilig met with Don Pirolo of Conoco Philips. It was a good discussion.

Director Eby commented that the design committee meeting was informative. The City of Santa Maria discussed moving the pipeline 2000 feet to another location. Also, he would like the well levels information report from the telemetry system (IPAAC) checked.

Mr. Buel stated that he will provide the critical path network for the pipeline showing possible end-date changes.

Director Wirsing asked why Santa Maria might want to move the location of the pipeline 2000 feet. Mr. Buel explained that the City of SM is concerned that taking the water at Atlantic and Blosser will reduce their fire flows and system pressures to their customers in the very northern part of the city. They have a major node at Blosser and Taylor, where they have better circulation and better flow and would feel more comfortable delivering water to NCSD at that location. The meeting for Monday Oct 2nd is to discuss a solution. There was no public comment.

03:52:24 G. COMMITTEE REPORTS

G-1) September 11, 2006, Parks Committee Meeting Minutes

Director Trotter stated that the minutes in the packet describe the meeting. Also, there was a lengthy discussion concerning the Kaminaka/Nester property. The whole thing is in flux right now. The next meeting is October 16, 2006.

Director Wirsing suggested that the traffic will be terrific with the sports park planned. There are big trucks that speed down that road now.

President Vierheilig stated that the Finance Committee (Directors Vierheilig and Eby) met September 19, 2006, to receive the draft audit for FY 2005/06. It looks good over all.

03:55:46 H. DIRECTOR'S COMMENTS

Director Winn

Wednesday, Sept 27, 2006, Chamber of Commerce meeting at Blacklake, speaker SLO County Sheriff Commander Martin Basti

Wednesday, October 4, 2006, WRAC meeting, 1:30 p.m. SLO Library

Thursday, October 5, 2006, 7:00 p.m.– SLO County Planning at the SLO Library, 2nd of 2 meetings looking at WPAC-6 and water allocation numbers

Saturday, October 14, 2006, October Festival at Nipomo Regional Park

Tuesday, October 10, 2006, Energy Summit SLO Chamber of Commerce Workshop 8:30 a.m. to 4:30 p.m. at the Veterans Memorial Building

Wednesday, October 18, 2006, 7:00 p.m., NCSD Building - to talk about the north parcel that belongs to SLO County

Tuesday, October 24, 2006, 9:00 a.m. – Board of Supervisors will be looking at Rural Planned Development concept. This could allow all lands to be zoned down to as small as one acre. Basically, it turns agricultural land into RS zoning.

He states he is glad the chain link fence around the lift station will be considered.

If the District is actively pursuing desal water, there may be better leverage in the Santa Maria water negotiations. Two parcels have been offered to us. The value of those parcels will continue to rise.

Asked about a date for the CIMAS. Mr. Buel answered that a firm date has not been given.

H. DIRECTORS COMMENTS (continued)

Director Winn commented that it would give us a quality of data that would be a huge asset on the mesa. It has been authorized by the Board of Supervisors and paid for.

Perhaps water data is available on-line at Santa Clara complex with full public access. He stated that he will pursue it further.

Director Eby

He asked about the October 18th meeting – whose meeting is it? Director Winn answered that it is being called by Supervisor Achadjian with the Olde Towne Nipomo Association. It is a public meeting. NCSD Board members are able to attend but cannot discuss District business with each other.

LAFCo meeting last week – LAFCo decided not to dissolve the Los Osos CSD, but took away their sewer. The reason they did not dissolve it was because the County would have incurred a liability between 40 and 80 million dollars, which would have been the liability of all the citizens of the County. The County will be taking over the design of the sewer.

He asked that a revision update of the Allocation Policy be put on the next agenda

- Supply-based
- Discussion of who does what
- Initiation of developing policy of what is done with the excess of the 3000 acre-feet of supplemental water

SLO Board of Supervisors voted to send Willow Rd project to SCAC on Oct. 23, 2006.

Director Wirsing

She would like to have the accounting of water use to add commercial use to allocation figures. She stated that our local, home-based newspaper in SLO not reporting facts and is changing candidates' comments. This is a complete disservice to the candidates. They are rewording candidates' statements.

Director Trotter

He requested that the 15% conservation figures be defined. Mr. Buel stated that that information will be brought to a future meeting.

President Vierheilig

Nipomo Native Gardens Plant Sale October 1, 2006, 9:00-3:00 at Mid State Bank

Mr. Buel talked about the meeting with Mr. Don Pirolo of Conoco Phillips.

The County has an oak tree conservation easement program. They will team with non-profits where the non-profit would hold the easement for the properties for the purpose of either maintaining the existing oaks or (given County funding) restore the oak woodlands.

Olde Towne Nipomo Association meeting at Anna's Creekside Sept 28

Allocation spread sheet numbers are based on policy target numbers. He would like to get real numbers rather than target numbers. The Allocation Policy could fit in commercial use even if just a percentage of residential.

He would like to have District take a policy on drilling wells within the District boundaries.

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04:29:10

I. CLOSED SESSION ANNOUNCEMENTS

Jon Seitz, District Legal Counsel, announced the following Closed Session items.

1. CONFERENCE WITH LEGAL COUNSEL PENDING LITIGATION GC§54956.9 SMVWCD VS NCSO SANTA CLARA COUNTY CASE NO. CV 770214 AND ALL CONSOLIDATED CASES.
2. CONFERENCE WITH LEGAL COUNSEL PENDING LITIGATION GC§54956.9 MARIA VISTA VS. NCSO CASE NO. CV 040877
3. CONFERENCE WITH LEGAL COUNSEL RE: PENDING LITIGATION GC 54956.9 NCSO VS. COUNTY OF SAN LUIS OBISPO (SUMMIT STATION LAND USE ORDINANCE AND ENVIRONMENTAL IMPACT REPORT
4. CONFERENCE WITH LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9; SAN LUIS OBISPO COASTKEEPER VS. NCSO (CASE NO. CV060349)
5. CONFERENCE WITH PROPERTY NEGOTIATORS BRUCE BUEL AND JON SEITZ TO PROVIDE DIRECTION REGARDING TERMS AND CONDITIONS FOR ACQUISITION OF A FEE TITLE OWNERSHIP IN APN 090-141-006 AT THE NORTH EAST CORNER OF WEST TEFFT STREET AND CARRILLO STREET PURSUANT TO GOVERNMENT CODE SECTION 54956.8 (OWNER: COUNTY OF SAN LUIS OBISPO, NEGOTIATOR: CHUCK STEVENSON)

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There was no public comment.

K. ADJOURN TO CLOSED SESSION

The Board adjourned to Closed Session at 1:46 p.m.

L. OPEN SESSION

ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

The Board came back into Open Session at 2:49 p.m.

Jon Seitz, District Legal Counsel, announced that the Board heard an update of the Closed Session items. There was no reportable action.

ADJOURN

President Vierheilg adjourned the meeting at 2:50 p.m.

➤ **THE NEXT REGULAR BOARD MEETING IS OCTOBER 11, 2006.**

TENTATIVELY SCHEDULED ITEMS INCLUDE:

- Hetrick Road Waterline Upgrade Environmental Determination
- Blacklake Pump Station Design