

NIPOMO COMMUNITY SERVICES DISTRICT

Celebrating 41 - Years of Service 1965 - 2006

MINUTES

NOVEMBER 22, 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.

00:00:39 B. ROLL CALL AND RECOGNITION OF JUDITH WIRSING'S SERVICE

At Roll Call, all Board members were present.

President Vierheilig thanked Director Wirsing for all her participation on the Board. He presented her with a card that had been signed by all of the other Board members and some flowers. Director Wirsing thanked the Board.

00:03:46 C. PRESENTATIONS AND PUBLIC COMMENT

C-1) LARRY KRAEMER OF CANNON RE: WATER AND SEWER MASTER PLAN

Bruce Buel, General Manager, introduced Larry Kraemer of Cannon and Malcom McEwen from Garing, Taylor and Associates who are working together on the Master Plan.

Larry Kraemer of Cannon and Associates presented information concerning the progress in developing the Water and Sewer Master Plan. He had presented a rough draft of the First Technical Memorandum to staff for comments. A final Technical Memo should soon be ready for Board comments. The Board asked what percentage was used for growth rates. Mr. Kraemer answered 2.3%.

There was much Board discussion with Mr. Kraemer. The Board suggested using actual water usage rather than the usage values adopted in the Urban Water Management Plan. President Vierheilig thanked Mr. Kraemer for his report.

00:25:11 C-2) NCSD UTILITY SUPERVISOR DAN MIGLIAZZO

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

He is working with Cannon on the Master Plan and Boyle Engineering on the Southland Plant upgrade and the waterline planned from Santa Maria.

The crew will be flushing the east side of town starting December 11th. There will be notices suggesting non-use of water during the flushing process To prevent dirty water in their systems.

The crew is locating blow-off valves in Blacklake and town. They will be added to the preventative maintenance schedule.

There are some pre-design plans for connecting the Blacklake water, if the connection is decided. There were divers in the Blacklake water tank last week.

Meter replacement program is working well with the students and the customer service representative, Reed Brewer.

Director Trotter stated that Mr. Billinger is working as the chair of a committee to decide whether to join with the Town Water Division.

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C-2) NCSD UTILITY SUPERVISOR DAN MIGLIAZZO (continued)

Bruce Buel, General Manager, stated that there were 67 blow-offs located which means 67 dead ends and will be included in the Master Plan.
 President Vierheilg thanked Mr. Migliazzo for his report.

00:32:19

C-3) NCSD WATER CONSERVATION SPECIALIST MADONNA DUNBAR

Madonna Dunbar presented information concerning Water Conservation Activities.
 October 21, 2006, NCSD partnered with SLO County Public Works Department for a stormwater drain marking program. 52 drains were marked by high school students.
 Construction is complete on the stormwater diversion, rainwater harvesting demonstration area in the back of the NCSD office. A brochure is forthcoming on the water conservation benefits of constructing such an area.
 October 28, 2006, 2nd Composting workshop had 32 attendees.
 November 16, 2006, Flood Preparedness Forum was held in NCSD board room. There were several presenters from SLO County, the SLO Land Conservancy. Jeff Wurst, County Public Works (four major culvert construction projects in the plans), American Red Cross (flood issues addressed, plans to have emergency materials stored and available in Nipomo).
 Questionnaire concerning Water Conservation Program was mailed to approx 20 agencies in the area.
 Working on report of water consumption in the Town and Blacklake water divisions.
 Upgrading the web site.
 November 20, 2006, meeting with President Vierheilg, Director Winn and Bruce Buel concerning emergency response for water conservation.
 President Vierheilg thanked Ms. Dunbar for her report.

00:40:02

C-4) PUBLIC COMMENT ON PRESENTATIONS AND ITEMS NOT ON AGENDA

There was no public comment.

0:41:22

D. CONSENT AGENDA

D-1) WARRANTS

D-2) BOARD MEETING MINUTES

Minutes of November 8, 2006 Regular Meeting
 Corrections in Items C-2, E-2, E-6, E-3, E-5 and the recording time on Item I.

D-3) AUTHORIZE PURCHASE OF FORD ESCAPE FOR ADMINISTRATIVE DUTIES, DECLARE TOYOTA COROLLA SURPLUS, AND AUTHORIZE SALE OF TOYOTA

D-4) AUTHORIZE EXECUTION OF AGREEMENT WITH BOYLE ENGINEERING TO PREPARE COMPARISON OF BLACKLAKE WATER SYSTEM STAND ALONE VERSES MERGED WITH TOWN SYSTEM

D-5) ACKNOWLEDGE INTERIM REVISIONS TO COMMITTEE ASSIGNMENTS FOR BALANCE OF 2006

D-6) ADOPT RESOLUTION COMMENDING BATTALION CHIEF DAN ANDERSON FOR HIS SERVICE TO NIPOMO

The Board wished to pull Item D-5 for further consideration.
 There were several corrections in the Minutes. See above. Upon motion of Director Trotter and seconded by Director Wirsing, the Board unanimously approved Items D-1 through D-4 and D-6, as amended. Vote 5-0.

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

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D. CONSENT AGENDA (continued)

RESOLUTION 2006-997
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
THANKING DAN ANDERSON
FOR HIS SERVICE TO THE NIPOMO COMMUNITY SERVICES DISTRICT
AND TO THE COMMUNITY OF NIPOMO

D-5 ACKNOWLEDGE INTERIM REVISIONS TO COMMITTEE ASSIGNMENTS FOR BALANCE OF 2006

The Board discussed the proposed Committee assignments.

Jon Seitz, District Legal Counsel, explained that a standing committee needs to be approved by the Board and an ad hoc committee is appointed by the President.

The Board discussed the types of committees. There was no public comment.

Upon motion of Director Wirsing and seconded by Director Eby, the Board unanimously agreed to acknowledge the changes to the Ad Hoc Committee assignments and the delegates to community organizations. The recommended changes to the Standing Committee assignments would be brought to the Board at its December 6th Special Meeting for action. Vote 5-0.

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

01:30:33

E. ADMINISTRATIVE ITEMS

E-1) AUTHORIZE SUBMITTAL OF COMMENTS TO SAN LUIS OBISPO COUNTY ON POTENTIAL REVISIONS TO RESOURCE CAPACITY STUDY REGARDING WATER SUPPLY FOR THE NIPOMO MESA AREA

Bruce Buel, General Manager, explained the recommendation to transmit a letter to San Luis Obispo County Board of Supervisors concerning potential revisions to the Resource Capacity Study regarding water supply for the Nipomo Mesa Area.

There was no public comment.

The Board discussed the possible revisions.

- Remind the County about supplemental water, that the District is not ready
- New information that the costs and the date of receiving supplemental water supply has changed since Level III Severity was declared
- The District has on-going activity seeking other sources of supplemental water
- When the Board of Supervisors certified Level III, part of the motion was that it would remain in place until water availability
- 2005 update on page 10 & 11 of the RMS Water Supply Criteria needs to be updated to include that in December of 2005, the Level of Severity was changed to a Level III Severity
- Page 33 of the report should state that Nipomo and associated mesa is served by four major water suppliers. List NCSD first, then the others
- Cal Cities needs to be updated to Golden State.
- Needs to be language describing the scope of supply for NCSD, Golden State Woodlands, and Rural Water Company
- Page 34 leaves out storage capacity information for NCSD
- Should say that the other major water suppliers have made commitments to share the costs of a supplemental water supply
- Chart on page 41 needs to be changed from Level II to Level III

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E-1) AUTHORIZE SUBMITTAL OF COMMENTS TO SAN LUIS OBISPO COUNTY ON POTENTIAL REVISIONS TO RESOURCE CAPACITY STUDY REGARDING WATER SUPPLY FOR THE NIPOMO MESA AREA (continued)

Upon motion of Director Trotter and seconded by Director Winn, the Board unanimously agreed to direct staff to compose a letter to the Board of Supervisors asking for revisions to the Resource Capacity Study, as suggested by the Board. Vote 5-0.

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

The Board took a break at 10:47 a.m. and returned at 10:55 a.m.

01:47:20

E-2) CONSIDER REQUEST FROM THE K BERGMAN GROUP TO DEFER CAPACITY FEES FOR THE CHESTNUT VILLAS COMMERCIAL PROJECT

Bruce Buel, General Manager, reviewed the request from Klara Bergman to defer capacity fees for the Chestnut Villa Commercial Project. The Board discussed that the only way to approve this would be to continue to another meeting and revise the code.

Klara Bergman, representing Chestnut Villas, gave the Board a letter and read it into the record explaining the request. (A copy of the letter will be in the office copy of the board packet.)

There was much Board discussion.

- How these fees would be paid or guaranteed.
- How has the County responded to this type of request?
- Today’s fees of \$14,000 could be near \$60,000 after supplemental water is ready.
- Should not defer without a policy change. Would need to apply to anyone who requests a deferment.
- Could the modified policy cause fees to be paid upon sale of the property
- If payment of fees were deferred, when would the clock start
- Will interest be paid

The following member of the public spoke:

Kevin Beauchamp, NCSD customer – stated that it is easy to say no to such a request when it has not been done in the past. These are desperate times. This may be a way to stimulate growth. He stated that he hopes the Board will consider the request.

Other Board considerations:

- Deferring Capacity Fees – Can it be limited to Olde Towne, not residential mixed use
- How can NCSD guarantee payment
- Rate study had a project of fees based on the waterline from Santa Maria costing \$6 million and not \$24 million.
- Partial Capacity Fees deferral could possibly be paid in annual payments.
- If NCSD fees were deferred, would a contractor accept deferral
- How would a lending institution view a deferral
- Code would need to be revised

Jon Seitz, District Legal Counsel, suggested that the Board look at different scenarios of deferral of payment of fees.

Director Wirsing stated that this is an emotional issue and cannot see how this is feasible, but the applicant could possibly pursue other investors.

Upon motion of Director Winn and seconded by Director Trotter, the Board agreed to defer the matter to staff for evaluation and no change in policy would be one option.

- E-2) CONSIDER REQUEST FROM THE K BERGMAN GROUP TO DEFER CAPACITY FEES FOR THE CHESTNUT VILLAS COMMERCIAL PROJECT (continued)
Director Eby asked for an analysis, such as financial ramifications. Director Wirsing stated that the Board should not even consider this as it is not in the best interest of the District and the Board should not put the District at risk. Vote 4-1 with Director Wirsing voting no.

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

02:38:20

- E-3) CONSIDER REQUEST FROM CHRIS WILL FOR DISTRICT TO ABSORB PUDWILL MUTUAL WATER COMPANY

Bruce Buel, General Manager, reviewed the request from Chris Will for the District to absorb the Pudwill Mutual Water Company. The Board denied annexation of the property two years ago. LAFCo would have to approve out of District service.

Chris Will, SLO Trio Properties – stated belief that it would benefit the community. The property has a very high capacity well. He stated that the District would not have costs to absorb the water system. He had planned to charge the new property owners capacity fees. He requests the District pay SLO Trio Properties those capacity fees.

The Board discussed the following:

- Subdivision was created by clustering
- County supplemental water fees
- SLO Trio fees
- Is this well connected with agreement with Woodlands
- Infrastructure payment
- Is service to these properties postponed until supplemental water supply is resolved
- Advantages – obtaining a well and keeping other customers off the groundwater
- SLO Trio should pay for evaluation by Garing, Taylor & Associates, for LAFCo costs and for staff time

Upon motion of Director Eby and seconded by Director Winn, the Board unanimously agreed to the following:

Authorize an evaluation of the works by Garing, Taylor and Associates, consultation with LAFCo staff regarding the process and negotiation with SLO Trio Properties to define the details of their offer. Stipulate that the applicant pay for GTA, LAFCo costs and staff time. All capacity fees will go to the District for all eight (8) parcels. Vote 5-0.

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

03:21:08

I. CLOSED SESSION ANNOUNCEMENTS

Jon Seitz, District Legal Counsel, announced the following items to be discussed in Closed Session:

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 PURSUANT TO GOVERNMENT CODE SECTION 54956.9; SAN LUIS OBISPO COASTKEEPER VS. NCSO (CASE NO. CV060349)

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- I. CLOSED SESSION ANNOUNCEMENTS (continued)
4. CONFERENCE WITH LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9; NCS D VS. COUNTY OF SAN LUIS OBISPO (SUMMIT STATION LAND USE ORDINANCE AND ENVIRONMENTAL IMPACT REPORT)
 5. TORT LIABILITY CLAIM PURSUANT TO GOVERNMENT CODE SECTION 54956.9 – CLAIMANT: DLG DEVELOPMENT – AGENCY CLAIMED AGAINST: NIPOMO COMMUNITY SERVICES DISTRICT

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

03:21:58

- K. ADJOURN TO CLOSED SESSION
The Board adjourned to Closed Session at 12:50 p.m.

Recording
started
over at
zero
00:0:00

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

The Board came back into Open Session at 1:00 p.m.

Jon Seitz, District Legal Counsel, announced the following:

The Board heard updates on all the items on the Closed Session Agenda.

Item 5

Upon motion of Director Winn and seconded by Director Eby, the Board unanimously agreed to instruct staff to send a Notice of Insufficiency to the claimant. Vote 5-0.

00:00:47

- F. MANAGER'S REPORT

Bruce Buel, General Manager presented the staff report to the Board. Also, there will be a holiday party for staff and Board, December 15, 2006, at noon in the patio area. Spouses will be invited. The Board discussed the following with Mr. Buel:

- The two positions, District Engineer and Utility Field Foreman
- Suggested checking with Cal Poly graduating classes for the engineer position.
- Formal discussion with the City of Santa Maria
- Directors Trotter and Winn and Mr. Buel will be meeting the week of November 28th with the Santa Maria city staff.

There was no public comment.

00:04:52

- G. COMMITTEE REPORTS

- 1.) RECEIVE MINUTES FROM 11/6/06 WATERLINE INTERTIE PROJECT DESIGN AND CONSTRUCTION COMMITTEE

Director Winn reported that the Conservation Committee met Monday, November 20, 2006, and discussed how the District would respond in the event of a drought.

The Waterline Intertie Project Design & Construction Committee will be meeting Wednesday, November 29, 2006, at 10:00 a.m.

The Parks Committee is tentatively scheduled to meet December 11, 2006 at 2:00 p.m.

There was no public comment.

H. DIRECTOR'S COMMENTS

Director Trotter

Blacklake Committee – George Billinger, chair, will be meeting to discuss the possibility of connecting Blacklake water with the Town Division.

Director Wirsing

Asked to agendize televising special meetings for supplemental water and other very important issues.

Thanked the Board for the flowers and card.

Congratulations to Jim Harrison on being elected to the Board.

Director Eby

Agrees with Director Wirsing to again bring up televising meetings.

Director Winn

Possibly ask AGP Video to give the District updates on cable use within the SOI

Asked that staff send a letter to the Chamber of Commerce asking that the monthly luncheon day be changed from the fourth Wednesday of the month.

Would like to agendize a strategy report from the staff how the District can stop the bleeding on the current pipeline project, how the District can cut back the spending on the waterline project.

Wednesday, December 6, 2006, 1:30 at SLO Library, WRAC meeting to discuss the RMS

Tuesday, December 12, 2006, SLO County Board of Supervisors to consider EIR for Halcyon Road, possibly transferring \$2 million from Nipomo to Arroyo Grande

President Vierheilig

Thursday, November 16, 2006 Olde Towne Nipomo Association met with Dana Lilley to talk about enterprise zones for Olde Towne and other areas

December 2, 2006, Nipomo Native Gardens will be having its Fall Planting from 9:00 a.m. to 12:00.

00:29:17

ADJOURN

President Vierheilig adjourned the meeting at 1:34 p.m.

- **THE NEXT REGULAR BOARD MEETING IS DECEMBER 13, 2006.**
TENTATIVELY SCHEDULED ITEMS INCLUDE:
 - Southland WWTF Master Plan
 - Implementation of Salary Survey

- **THE NEXT SPECIAL BOARD MEETING IS DECEMBER 6, 2006.**
TENTATIVELY SCHEDULED ITEMS INCLUDE:
 - Waterline Intertie Project Review

- **THE SECOND SPECIAL BOARD MEETING IS DECEMBER 9, 2006.**
TENTATIVELY SCHEDULED ITEMS INCLUDE:
 - Strategic Plan Workshop