

NIPOMO COMMUNITY SERVICES DISTRICT

Celebrating 41 - Years of Service 1965 - 2006

MINUTES

DECEMBER 13, 2006 9:00 A. M.

BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

BOARD of DIRECTORS

LARRY VIERHEILIG, **PRESIDENT**
MICHAEL WINN, **VICE PRESIDENT**
CLIFFORD TROTTER, **DIRECTOR**
ED EBY, **DIRECTOR**
JAMES HARRISON, **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 9:01 a.m. and led the flag salute.

00:01:07

B. ROLL CALL AND WELCOME TO NEW DIRECTOR JAMES D. HARRISON

At Roll Call, all Board members were present.

President Vierheilig welcomed Director Harrison to the Board.

00:01:53

C. PRESENTATIONS AND PUBLIC COMMENT

C-1) COMMANDER BASTI OF SOUTH COUNTY SHERIFF'S STATION

Bruce Buel, General Manager, explained that Commander Basti had another meeting and apologized that he could not be here on time, but he has asked to address the Board at a later time.

C-2) BATTALION CHIEF BILL FISHER OF CA DEPARTMENT OF FORESTRY (CDF)

Battalion Chief Bill Fisher of the California Department of Forestry introduced himself. He has worked in San Luis Obispo County off and on for approximately 24 years. He has also worked in Riverside, Ventura, and Monterey. His duties will include working in Nipomo, Avila, Pismo and at the San Luis Obispo airport.

Chief Fisher presented CDF activities on the Nipomo Mesa.

Station 22 had the following calls during November = 13 fires, 27 medical, 4 TC and 10 others. Station 20 had 15 fires, 90 medical, 14 TC and 13 others.

He warned that this is the time of year when house fires occur and to be careful with open flames.

Operation Santa Claus is on-going. Citizens may drop off unwrapped gifts at the fire station.

President Vierheilig thanked Mr. Fisher for his presentation.

C-3) LARRY KRAEMER OF CANNON AND ASSOCIATES

Bruce Buel, General Manager, introduced Larry Kraemer of Cannon Associates.

Larry Kraemer gave the Board a packet of information pertaining to the progress in developing the Water and Sewer Master Plan (packet in the office copy). The study includes developing water demand and sewer flow projections for use in the master planning process.

The Board discussed the project with Mr. Kraemer. The Board would like to have the water demand scenarios to include a 3% or higher growth rate.

- C-3) LARRY KRAEMER OF CANNON AND ASSOCIATES (continued)
Malcolm McEwen, from Garing, Taylor & Associates, explained how the figures for the percentages were obtained. Director Winn stated that the reality of the growth does not match with the projections. The projections need to look at a higher rate of growth. Mr. Kraemer stated that their firm would be looking at ultimate build-out. Director Trotter stated that the public needs to be informed about what NCSD is doing. There was no public comment. Mr. Buel stated that a workshop concerning the Master Plan will be held in the near future.
- C- 4) STAFF UPDATE ON DISCUSSIONS WITH BLACKLAKE RE: BOOSTER STATION
Bruce Buel, General Manager, presented the status of Blacklake discussions for the possibility of combining with the Town Division water system. Boyle Engineering has been retained to compare the alternatives of either upgrading the Blacklake Booster Station and leaving Blacklake as a stand-alone water system or the cost of merging Blacklake with the existing community system. Dee Jasper Associates has been retained to do a peer review of the earlier design memorandum of the design of the booster station. Both reports will be presented in January. There will be additional discussions with the committee appointed by the Blacklake community and the NCSD Board Ad Hoc Committee in January.
- C-5) PUBLIC COMMENT ON PRESENTATIONS AND ITEMS NOT ON AGENDA
Jesse Hill, NCSD customer – commented about the allocation limit being different than how the basin works. It might help to have Scalminini help explain. He sent a letter to LAFCo asking to waive their conditions because the Holloway project will be using less water than they are presently using. He asked that NCSD help to move the possible annexation forward.
Director Eby asked Mr. Hill if he had received a letter from LAFCo denying the appeal because the project was outside the statute of limitations.
Mr. Hill stated that he did receive such a letter not allowing the annexation until supplemental water comes through.
Ed Jones, TCG, project management company for the Maria Vista Estates – handed the Board a packet of information (a copy is in the office). He reviewed the outline. He thanked the Board for its time.
Jon Seitz, District Legal Counsel, asked Mr. Jones if the video tapes NCSD had requested had been delivered to the District.
Mr. Jones stated that the tapes were due to be copied and will be delivered today.
Herb Kandel, NCSD resident – welcomed Director Harrison to the Board. He stated that he wished to compliment the Board for the conservation education efforts and Ms. Dunbar's work with the high school kids and others. The efforts may not be measurable but it is valuable.
He stated that he would like to do a presentation soon. The Land Conservancy has completed the Nipomo Water Shed Management Plan. He would like to give the Board a truncated version sometime soon. Cambria CSD is facing difficulties similar to NCSD and they have some good ideas he would like to share with the Board.
Chad Wittstrom, developer – stated that a minor ag cluster project received recommendation for denial by NCAC. ECO-SLO suggested a green-build project.
He would like to know what steps he needs to take to be approved by the NCSD Board.
Jon Seitz, District Legal Counsel, stated that the District has an water allocation policy and is in the process of reconsidering the policy.

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00:55:36

C-5) PUBLIC COMMENT ON PRESENTATIONS AND ITEMS NOT ON AGENDA (continued)
Commander Basti from the South County Sheriff's station spoke to the Board. He apologized for being late. He had been to a very important budget meeting. He presented information concerning Sheriff's activities on the Nipomo Mesa.

- "Avoid the 14" – fourteen law enforcement agencies provide extra patrol for drunk driving during the holiday season.
- Tips to avoid identity theft include, pick up mail immediately, take mail to the post office, activate gift cards
- Six will graduate from academy Saturday, December 16TH
- Six more to be hired in January to go to the academy

Director Winn asked about graffiti removal. Cmdr. Basti explained that Miner's Hardware has donated paint. Volunteers are allowed to paint over the graffiti after the sheriff's office has identified the writing.
 Cmdr. Basti congratulated Mr. Harrison for becoming the newest Board member.

00:46:00

CONSENT AGENDA

- D-1) WARRANTS Delete check # 12939
- D-2) BOARD MEETING MINUTES
 Approve Minutes of November 15, 2006, Special Meeting
 Approve Minutes of November 22, 2006, Regular Meeting
 Correction: E-1 (typo)
- D-3) ADOPT RESOLUTION OF APPRECIATION FOR JUDITH WIRSING

**RESOLUTION 2006-998
 A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
 NIPOMO COMMUNITY SERVICES DISTRICT
 THANKING JUDITH WIRSING
 FOR HER SERVICE TO THE NIPOMO COMMUNITY SERVICES DISTRICT
 AND TO THE COMMUNITY OF NIPOMO**
- D-4) AMEND AGREEMENT WITH SHIPSEY AND SEITZ TO INCREASE HOURLY CHARGES
- D-5) AMEND AGREEMENT WITH RICHARDS WATSON LAW FIRM TO INCREASE HOURLY CHARGES
- D-6) THE ADDITION OF JAMES D. HARRISON TO BANK SIGNATURE CARDS
- D-7) AUTHORIZE RETENTION OF OFFICE TEMPORARY HELP DURING RECRUITMENTS PERIOD
- D-8) ADOPT RESOLUTION AMENDING DESIGNATED PARTY FOR SANITARY SEWER OVERFLOW REPORTING

**RESOLUTION NO. 2006-999
 A RESOLUTION OF THE BOARD OF DIRECTORS
 OF THE NIPOMO COMMUNITY SERVICES DISTRICT
 AUTHORIZING BRUCE BUEL, NCS D GENERAL MANAGER,
 AS A LEGALLY RECOGNIZED REPRESENTATIVE FOR REPORTING PURPOSES**

Upon motion of Director Winn, and seconded by Director Eby, the Board unanimously approved the Consent Agenda, as amended in D-1, and D-2. Vote 5-0.

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

01:00:25

D. ADMINISTRATIVE ITEMS

E-1) REVIEW WATER ALLOCATION AND ANNEXATION OPTIONS AND DEVELOP PROPOSAL FOR SUBSEQUENT CONSIDERATION

Bruce Buel, General Manager, suggested to the Board that because of the time restraints today, that the Board continue this item until the January 2007 meeting. There was no public comment. Upon motion of Director Trotter and seconded by Director Winn, the Board agreed to continue this item until the January 10, 2007, meeting. Vote 5-0

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

01:05:07

E-2) CONSIDER INTENT-TO-SERVE LETTER APPLICATION FROM GEORGE NEWMAN FOR TRACT 2652 COMMERCIAL PROJECT AT MARY AND JUNIPER

Bruce Buel, General Manager, reviewed the request for water and sewer service for Tract 2652, a commercial project at Mary and Juniper. The Board asked if a lift station would be necessary for sewer service. Dan Migliazzo, NCSD Utility Supervisor – explained how there was no problem for the sewer gravity flow from the project. The Board asked if what was presented today was the entire project.

George Newman, project developer – answered that the project will not be bigger. Director Eby asked if Mr. Newman is aware that the fees are based on the old Capacity Fee schedule for the \$6 million previously projected costs of the supplemental water project and not the higher-cost supplemental water project. Mr. Newman – Yes. He commented that the trend occurring is the increasing District fees and service improvements and County road improvements. He asked that the Board consider a broader base for funding the supplemental water project. Director Trotter stated that the costs must be borne by the developers and not the ratepayers. There was no public comment. Upon motion of Director Winn and seconded by Director Trotter, the Board unanimously agreed to direct staff to issue an Intent-to-Serve letter for the project (Tract 2652) with general and special conditions, as outlined in the Board letter. Vote 5-0.

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

01:24:12

E-3) AUTHORIZE EXECUTION OF AGREEMENT WITH BOYLE ENGINEERING REGARDING DEVELOPMENT OF AN EVALUATION OF SUPPLEMENTAL WATER ALTERNATIVES

Bruce Buel, General Manager, informed the Board of the draft Scope of Work proposed by Boyle Engineering to perform a Water Supply Alternatives Evaluation. Mike Nunley, Boyle Engineering – handed the Board the proposed Scope of Work (a copy is in the office). He reviewed the draft scope. Mr. Buel recommended that Boyle perform the work as proposed. The Board asked questions of Mr. Nunley and Mr. Buel:

- o Dual lines in Tefft Street

E-3) AUTHORIZE EXECUTION OF AGREEMENT WITH BOYLE ENGINEERING REGARDING DEVELOPMENT OF AN EVALUATION OF SUPPLEMENTAL WATER ALTERNATIVES (continued)

- o If a project being considered is not feasible, the Board suggested not to spend too much time on it
- o Consider recycle wastewater return flow rights.
- o Would like more meetings to inform the public more thoroughly
- o Seawater feasibility
- o Are legal fees included
- o Water analysis to be borne by the District

There was no public comment.

Upon motion of Director Trotter and seconded by Director Harrison, the Board unanimously agreed to accept the proposal from Boyle with the recommended changes (such as including the cost of the pipeline) to include not-to-exceed \$183,000. Vote 5-0.

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

E-4) RECEIVE PRESENTATION FROM BOYLE ENGINEERING REGARDING SOUTHLAND WWTF MASTER PLAN CONCEPTS

Bruce Buel, General Manager, reviewed the possibility of continuing this item until a special meeting February 21.

There was no public comment.

Upon motion of Director Eby and seconded by Director Winn, the Board unanimously agreed to continue this item to a future date. Vote 5-0

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

01:57:41

E-5) CONSIDER ACCEPTING COMPENSATION STUDY, APPROVE PHASE-IN OF SALARY ADJUSTMENTS, AND APPROVE MONTHLY SALARY SCHEDULE AND POSITION PLACEMENT

Bruce Buel, General Manager, reviewed the proposed salary adjustment and salary schedule. He reviewed the different meetings held with Koff and Associates and the employees, the Personnel Committee, and the Board. He recommended that the Board accept the Total Compensation Study prepared by Koff & Associates, approve the phase-in of salary adjustments, adopt the proposed resolution (approval of salary schedule, position placement), approve Staff recommendation of preserving the existing salary of Secretary/Clerk and Billing Clerk and provide for COLA adjustments on July 1 of each year until such time that the salary schedule is adjusted accordingly, authorize Staff to advertise for the positions of District Engineer, Utility Foreman and Water Conservation Specialist at the newly-approved monthly salary schedule.

Director Trotter suggested that in the future an employee be appointed as representative for the other employees for communication with the Board, if necessary or desirable.

Director Eby asked about the two positions (Secretary and Billing Clerk) that on one chart showed were over the average and another chart showed they were under. Mr. Buel explained that the charts compared total compensation and salaries with other agencies.

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E-5) CONSIDER ACCEPTING COMPENSATION STUDY, APPROVE PHASE IN OF SALARY ADJUSTMENTS, AND APPROVE MONTHLY SALARY SCHEDULE AND POSITION PLACEMENT (continued)

Director Eby also asked for clarification of the charts "Budgeted Salary of GM and Projects Manager Fiscal Year 2006-2007" and "Proposed Monthly and Annual Cost to NCSD". Mr. Buel explained.

Director Winn stated that he supports the recommendations from staff. He also stated that there is a problem with long-term entitlements, which will increase over the years. This should be looked at for new employees to reduce the costs to rate-payers.

President Vierheilig stated that on page 6B of 11 and page 2B of 11 it shows that the Billing Clerk and the Secretary would be receiving zero dollars increase. He recommended the following amendments: Billing Clerk salary adjustment of 5.7% resulting in a change to Salary Range 22. Secretary/Clerk salary adjustment of 6% resulting in a change to Salary Range 25.

Director Winn stated that he could not support the recommendation. The reason for going to a professional firm is to find out where the District is. If we only accept the employees whose compensation is low, then those who have been more generously compensated inflates our budget artificially. Those who have been paid more than the mean salary for years have enjoyed the benefits of being paid more over the years. There was no public comment.

Upon motion of Director Trotter and seconded by Director Harrison, the Board unanimously agreed to :

- Approve Resolution 2006-1000, approving the recommendations from the salary survey with the exception of the Billing Clerk salary adjustment of 5.7% resulting in a change to Salary Range 22. Secretary/Clerk salary adjustment of 6% resulting in a change to Salary Range 25, and
 - Authorize Staff to advertise for the positions of District Engineer, Utility Foreman and Water Conservation Specialist at the newly approved monthly salary schedule.
- Vote 5-0

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

**RESOLUTION NO. 2006-1000
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING THE MONTHLY SALARY SCHEDULE, PROPOSED SALARY
RANGE PLACEMENT, AND CPI INDEX**

02:20:49

E-6) ELECT 2007 OFFICERS

Bruce Buel, General Manager, described the process to elect 2007 officers of the Board.
Nomination for President.

Director Trotter nominated Director Winn for President.

Upon motion of Director Harrison and seconded by Director Eby, the Board agreed to close the nominations. Vote 5-0

Nomination for Vice President.

Director Winn nominated Director Vierheilig for Vice President.

Director Trotter nominated Director Eby for Vice President.

Ballots were passed out to each Board member. Mr. Buel explained the process. Mr. Seitz collected the ballots. Mr. Buel tabulated the votes.

The following is the result of the votes:

Director Vierheilig is now the Vice President on a 4-1 vote with Director Trotter voting for Director Eby.

02:25:59 F. MANAGER'S REPORT

Bruce Buel, General Manager, directed the Board to the Manager's Report in the packet. He also mentioned the new fence around the Tefft Street Lift Station. Director Winn thanked Mr. Buel for following through on the Olde Towne perspective. President Vierheilg also appreciated the new fence.

Director Eby asked that now that the system for conservation has been so well set up by Ms. Dunbar, is a Conservation Specialist position necessary: How effective is the job? Mr. Buel stated that an item will be brought to the January meeting introducing the concept of a full time position for conservation and outreach.

There was no public comment.

02:30:00 G. COMMITTEE REPORTS

1.) RECEIVE MINUTES FROM 11/29/06 WATERLINE INTERTIE PROJECT DESIGN AND CONSTRUCTION COMMITTEE

There was no public comment.

02:31:30 H. DIRECTORS' COMMENTSDirector Trotter

No longer involved in the Parks Committee and the pipeline committee report was given.

Director Eby

He will provide a copy of the letter to Jesse Hill from LAFCo explaining that if Mr. Hill objected to the conditions set forth, the 30 days for comment ended in July. Mr. Winn stated that the County's ag open space element says ag pumping shall not create a residential pumping entitlement.

Director Winn

WRAC met December 1, 2006, in San Luis Obispo. Mr. Caruso was present. The discussion of the RMS has been changed ahead to January 10th.

Parks Committee (Winn & Harrison) met on December 11th.

WRAC will meet on the second Wednesday in January. It would be a good meeting for other NCSD Board members to attend because the RMS will be discussed.

He met with President Vierheilg and Supervisor Achadjian on December 3rd. A meeting is scheduled with Jon Seitz also on January 3rd to talk about the RMS, probably about supplemental water issues, and parks.

Saturday, January 13th, County CSDA in Templeton

I. CLOSED SESSION ANNOUNCEMENTS

Jon Seitz, District Legal Counsel, announced the following items to be discussed in Closed Session. Mr. Seitz had nothing to report for Items 3 and 5

1. CONFERENCE WITH LEGAL COUNSEL PENDING LITIGATION
GC§54956.9 SMVWCD 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 RE: PENDING LITIGATION
PURSUANT TO GOVERNMENT CODE SECTION 54956.9; SAN LUIS
OBISPO COASTKEEPER VS. NCSD (CASE NO. CV060349)~~

4. TORT LIABILITY CLAIM PURSUANT TO GOVERNMENT CODE
SECTION 54956.9 – CLAIMANT: DLG DEVELOPMENT – AGENCY
CLAIMED AGAINST: NIPOMO COMMUNITY SERVICES DISTRICT

~~5. INITIATION OF LITIGATION PURSUANT TO GOVERNMENT CODE~~
~~SECTION 54956.9(C) — 1 CASE~~

02:45:06

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There was no public comment.

02:45:15

K. ADJOURN TO CLOSED SESSION

The Board adjourned to Closed Session at 11:55 a.m.

L. OPEN SESSION

ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

The Board came back into Open Session at 12:56 p.m. Jon Seitz, District Legal Counsel, announced the following:

Upon motion of Director Eby and seconded by Director Trotter, the Board unanimously agreed to deny the Tort Liability Claim in Item I-4. Vote 5-0

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

The Board heard an update on Items I-1 and I-2. There was no reportable action.

ADJOURN

President Vierheilg adjourned the meeting at 12:58 p.m.

➤ **THE NEXT REGULAR BOARD MEETING IS JANUARY 10, 2006.****TENTATIVELY SCHEDULED ITEMS INCLUDE:**

- Southland WWTF Master Plan

➤ **THE NEXT SPECIAL BOARD MEETING IS JANUARY 17, 2006.****TENTATIVELY SCHEDULED ITEMS INCLUDE:**

- Desalination Technology