

NIPOMO COMMUNITY SERVICES DISTRICT

Celebrating 42 - Years of Service 1965 - 2007

MINUTES

APRIL 11, 2007 9:00 A. M.

BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

BOARD of DIRECTORS

MICHAEL WINN, **PRESIDENT**
LARRY VIERHEILIG, **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 community with reliable, quality and cost-effective services.

Vision Statement: The Nipomo Community Services District's vision is to manage the resources and future growth of the community.

00:00:00

A. CALL TO ORDER AND FLAG SALUTE

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

00:00:15

B. ROLL CALL

At Roll Call, all Board members were present.

00:00:49

C. PRESENTATIONS AND PUBLIC COMMENT

C-1) MIKE NUNLEY OF BOYLE ENGINEERING

Mike Nunley, Boyle Engineering's Project Manager for the Supplemental Water Alternatives Analysis, provided an update for the project.

At the March 28, 2007, Board meeting the Board amended the contract to give more evaluation to the CCWA pipeline alternative.

Water quality data has been gathered.

Alternatives include: Nacimiento, Santa Maria Valley Groundwater, CCWA, reclaimed water, ag water exchange, Wastewater recharge, and desalination.

The schedule is on track:

There was no public comment.

The Board thanked Mr. Nunley for his presentation.

C-2) MARK HUTCHINSON OF SLO COUNTY PUBLIC WORKS DEPARTMENT

Mark Hutchinson of the San Luis Obispo County Public Works Department presented information concerning the Draft SLO County Storm Water Pollution Prevention Program. Copies of the slides presented are available for viewing in the District office.

Mr. Hutchinson answered questions from the Board.

Bruce Buel, General Manager, explained that Nipomo Community Services District will play its part in the Stormwater Management Program with public information and outreach.

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C-3) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST
Receive Announcements from Directors Items of District & Community Interest

Director Harrison

- Saturday, April 14, 2007, 10th Annual Rotary Club Celebration at Edwards Barn.

Director Vierheilig

- Thursday, April 12, 2007, Dunes Collaboration in Oceano
- Thursday, April 12, 2007, Olde Towne Nipomo Association meeting
- Wednesday, April 18, 2007, Finance, Audit, Personnel Standing Committee meets at 9:00 a.m. in the District Board room.
- Thursday, April 19, 2007, Nipomo Native Gardens meets in the District Board room at 7:00 p.m.
- Friday, April 27, 2007, CSDA Annual meeting - Templeton CSD at 6:00 p.m.

Director Winn

- April 25, 2007, TDC meeting
- April 17, 2007, Board of Supervisors will be discussing the Oceano Dunes issue.
- April 23-27, 2007 – Clean Up Week – Collection will be the regular pick up day during that week
- Friday, April 27, 2007, CSDA Annual meeting - Templeton CSD at 6:00 p.m.
- Saturday, April 28, 2007, Central Coast Greenhouse Growers Association Open House
- Monday, April 9, 2007, was the Conservation Committee meeting
- Wednesday, May 2, 2007, WRAC meeting – John Snyder and Jon Seitz will present information concerning the groundwater management situation

C-4) PUBLIC COMMENT ON ITEMS NOT ON AGENDA

The following members of the public spoke:

Bill Nelson, liaison for the Black Lake Management Association, stated that the members had a meeting April 10, 2007, and agreed to merge the Black Lake water system with the Town Division's water system.

Bruce Buel, General Manager, apologized for not putting the presentations by Commander Martin Basti (Sheriff Dept.) and Battalion Chief Bill Fisher (Cal Fire) on the agenda.

01:13:27

D. CONSENT AGENDA

D-1) APPROVE WARRANTS

D-2) APPROVE BOARD MEETING MINUTES

Approve Minutes of March 21, 2007, Special Meeting

Approve Minutes of March 28, 2007, Regular Meeting

D-3) REQUEST THAT STATE LEGISLATURE AMEND SB 343 TO CLARIFY REQUIREMENTS TO SUBMITTAL OF LATE INFORMATION TO THE DISTRICT BOARD

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D. CONSENT AGENDA (continued)

D-4) INITIATE PROCESS TO APPROVE FY2007-08 ASSESSMENTS FOR STREET LANDSCAPE MAINTENANCE DISTRICT NO. 1

RESOLUTION NO. 2007-1008
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT INITIATING PROCEEDINGS FOR ANNUAL LEVY OF ASSESSMENTS FOR THE STREET LANDSCAPE MAINTENANCE DISTRICT NO. 1 FOR FISCAL YEAR 2007-2008 PURSUANT TO THE PROVISIONS OF PART 2 OF DIVISION 15 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE

D-5) ACCEPT TRACT 2439 WATER IMPROVEMENTS (5 LOT SUBDIVISION ON GLENHAVEN PLACE)

RESOLUTION NO. 2007-1009
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT ACCEPTING THE WATER IMPROVEMENTS FOR THE FOR TRACT 2439 (ALONZO)

D-6) ACCEPT APN 092-130-084 (CO 02-0246) WATER AND SEWER IMPROVEMENTS FOR COMMERCIAL COMPLEX AT THE BACK OF 681 WEST TEFFT STREET

RESOLUTION NO. 2007-1010
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT ACCEPTING THE WATER AND SEWER IMPROVEMENTS FOR THE FOR CO 02-0246 (DIAZ)

D-7) ACCEPT TRACT 2619 WATER AND SEWER IMPROVEMENTS FOR MULTI-FAMILY COMPLEX AT 1 AVENIDA DE AMIGOS

RESOLUTION NO. 2007-1011
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT ACCEPTING THE WATER AND SEWER IMPROVEMENTS FOR THE FOR TRACT 2619 (ALLSHOUSE)

There were corrections to the Minutes of March 28, 2007, for Items C-3, C-4, D-6, E-3, and F. Director Vierheilg asked about the warrant for TGP (Sundale Well repair). Dan Migliazzo, Utility Supervisor, explained that the Sundale Well engine has been problematic for years. He stated that hopefully, this rebuild of the motor will solve the problem.

Director Eby asked about the State Revolving Fund Loan warrant. Mr. Buel explained that it was a payment for the Southland Wastewater Treatment Facility expansion. There was no public comment.

Upon motion of Director Eby and seconded by Director Harrison, the Board unanimously approved as amended in the Minutes of March 28, 2007. Vote 5-0.

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

01:28:50

E. ADMINISTRATIVE ITEMS

E-1) AUTHORIZE EXECUTION OF AGREEMENT WITH THE REED GROUP TO PERFORM RATE STUDIES AND AMEND FY06-07 BUDGET

Bruce Buel, General Manager reviewed the proposal from The Reed Group to perform rate studies necessary to address the respective requirements of the three projects described below:

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E-1) AUTHORIZE EXECUTION OF AGREEMENT WITH THE REED GROUP TO PERFORM RATE STUDIES AND AMEND FY06-07 BUDGET (continued)

- (1.) Evaluating the equity implications of merging the Black Lake Water Fund with the Town Water Fund;
- (2.) Evaluating the impacts of the Black Lake WWTF Liner on Black Lake Sewer Rates for 2008, 2009 and 2010; and
- (3.) Evaluating the impacts of the Southland WWTF Upgrade on the Town Sewer User Rates and Capacity Fees for 2008, 2009 and 2010.

Director Trotter stated that the study should be per connection and not per capita. There was more Board discussion.

The following member of the public spoke:

Bill Nelson, NCS D resident – suggested that the Board look at the projects planned for the next three years to aid in the rate amendments.

Director Harrison asked about equity for Black Lake rate payers and the Town Division rate payers.

Director Trotter stated that the residents of Black Lake want to pay their fair share.

Upon motion of Director Eby and seconded by Director by Director Trotter with the per connection amendment, the Board unanimously agreed to accept the recommendation from Staff that (1) the Board authorize execution of an agreement with the Reed Group to perform the work detailed in the proposal on a time and materials basis with a not-to-exceed expenditure limit of \$52,450. (2) Board transfer \$8,250 from Black Lake Water Reserves to the Black Lake Operating Budget; \$7,350 from Black Lake Sewer Reserves to the Black Lake Sewer Operating Budget; and \$10,625 from Town Sewer Reserves to the Town Sewer Operating Budget to pay for the respective work to be done in FY06-07. Staff proposes to include the remainder of the required funding in the FY07-08 Budget. Vote 5-0

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

01:43:03

E-2) REVIEW WATER AND SEWER MASTER PLAN DEMAND PROJECTIONS AND PROVIDE POLICY GUIDANCE

Bruce Buel, General Manager, reviewed the history of previous Board meetings discussing water and sewer demand projections. The Board had directed staff and Cannon Associates to develop a scenario based on a water demand of 10,000 AFY.

Jon Seitz, District Legal Counsel, described a case in which a water district planned a water project to match the proposed the County's General Plan. The Court determined that the water district should not plan the water system in excess of the general plan. Mr. Seitz' opinion is that this district can look at different scenarios but the plan for the project should match the densities of the County's existing General Plan.

Mike Cannon presented information concerning land use scenarios. There was much Board discussion.

Upon motion of Director Eby and seconded by Director Trotter, the Board unanimously agreed to adopt Staff's recommendation to primarily base the plumbing upgrades on Scenario 1 of the Water & Sewer Master Plan, which includes full build-out of the current District and Sphere of Influence as set forth in the relevant County General Plan. Vote 5-0.

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

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02:24:17

E-3) ACCEPT CLASSIFICATION STUDY, AUTHORIZE RECRUITMENT OF INSPECTOR, AND SET HEARING TO REVISE PERSONNEL POLICY

Bruce Buel, General Manager, reviewed some of the history of this Classification Study performed by Koff & Associates. Mr. Buel handed the Board more information (available for viewing in the District office).

Dan Migliazzo, gave his opinion of the study as was presented at the March 25th meeting.

The Board discussed different some step options for the positions of Inspector, Superintendent and Supervisor. There was no public comment.

Recommendation #1

Upon motion of Director Vierheilig and seconded by Director Harrison, the Board unanimously agreed to accept the Final Report of the Classification Study, as amended, changing the title of the Supervisor to "Inspector and Preventative Maintenance Supervisor" and adding detail to the Superintendent job description. Vote 5-0.

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

Recommendation #2 & 3

Upon motion of Director Eby and seconded by Director Harrison, the Board unanimously agreed to accept the general manager's recommendations numbers 2 and 3:

- 2. Direct Staff to prepare the modifications to the Personnel Policies and Procedures Manual for tentative approval at the April 25, 2007 Board meeting (modifications include new job descriptions and organizational chart); and
- 3. Direct Staff to circulate the changes to the Personnel Policy to District employees and request that their comments in writing be submitted to the General Manager by May 9, 2007;

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

Vote 5-0

Recommendation #4

Director Vierheilig made a motion to accept the salaries that were recommended at the March 28th meeting for the 3 positions at Steps 46 and 52 respectively and direct Staff to prepare revisions to the adopted Monthly Salary Scale showing the Utility Superintendent at Salary Range #52, the Utility Supervisor at Salary Range #46, and the Inspector/Maintenance Supervisor at Salary Range #46. The motion died for a lack of a second.

Director Harrison asked what the monetary difference between the April 11th recommended salary range and the salary range which was proposed in the motion made by Director Vierheilig. Mr. Buel answered that it would be approximately \$18,000 per year. The Board discussed the situation a little further.

Director Vierheilig made the same motion as above. Director Harrison seconded the motion. Motion passed with a 4-1 vote with Director Winn voting no.

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

E-3) ACCEPT CLASSIFICATION STUDY, AUTHORIZE RECRUITMENT OF INSPECTOR, AND SET HEARING TO REVISE PERSONNEL POLICY (continued)

Recommendation #5

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Upon motion of Director Harrison and seconded by Director Eby, the Board unanimously agreed to authorize recruitment only for the Inspector/Preventative Maintenance Supervisor at NCSD Monthly Salary Range #46. Vote 5-0.

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

03:23:08

E-4) REVIEW PROCESS TO MERGE BLACK LAKE WATER FUND WITH TOWN WATER FUND AND TO RESET WATER RATES FOR BLACK LAKE CUSTOMERS

Bruce Buel, General Manager, reviewed the potential for two water funds to merge. The Black Lake community has indicated that it supports the merger. The Board discussed the proposed process and timeline. There was no public comment.
No action is necessary on this item.

03:34:58

F. MANAGER’S REPORT

Bruce Buel, General Manager, presented the Manager's Report as written. He urged the directors to attend the CSDA Annual meeting on April 27th in Templeton. {Director Trotter asked that the District send an RSVP for him and his wife.} Reminded the directors of a presentation by Supervisor Achadjian on April 25th. He suggested that the Board recess at approximately 11:45 am and reconvene at 2:00 pm to attend the chamber lunch at Black Lake.
Director Eby asked about the status of the Nipomo Mesa Management Technical Group forming and becoming effective.
Mr. Buel answered that timing will be discussed during Closed Session.
Director Eby also asked about timing of desalination presentation.
Mr. Buel answered that the desalination presentation is scheduled for May 16, 2007.

The Board chose to go to Closed Session at this time and consider Items G and H after Closed Session.

03:38:30

I. CLOSED SESSION ANNOUNCEMENTS

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

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, MARIA VISTA VS. NCSD CASE NO. CV 061079, AND MARIA VISTA VS. LINDA VISTA FARMS, NCSD ET AL CASE NO. CV 040150;
3. CONFERENCE WITH LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9; NCSD VS. SLO COUNTY (CASE NO. CV 070066)
4. CONFERENCE WITH LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9; MARIA VISTA ESTATES V. NCSD ET AL (CASE NO. ND07-10362RR IN UNITED STATES BANKRUPTCY COURT, CENTRAL DISTRICT, NORTHERN DIVISION

03:39:41

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There was no public comment.

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03:39:49 K. ADJOURN TO CLOSED SESSION

The Board adjourned to Closed Session at 12:55 p.m.

03:40:00 L. OPEN SESSION
ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

The Board came back into Open Session.

Jon Seitz, District Legal Counsel, announced that the Board heard an update on the items listed above.

There was no reportable action taken.

Director Trotter left the meeting at 2:00 p.m.

03:40:59 G. COMMITTEE REPORTS

The Conservation Committee (Directors Winn and Vierheilig) met with Mr. Buel, Monday, April 9, 2007. The Committee worked on a draft of conservation measures. Information will be circulated to entire Board before action is taken.

03:41:31 H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

Director Eby

Level III will be discussed at the SLO County Board of Supervisors in June. He stated that SAIC needs to redo the study as of April 2007 to take to the Board of Supervisors meeting in June.

SCAC has on its agenda in May to take position on Level III.

Director Winn

WRAC meeting discussed the AB 885 – new septic systems

Vineyard Supreme Court Ruling – higher standard for California to certify an EIR for water supply

Rainfall 30% of the average, reservoirs are down 20 to 40 percent.

Central Valley is discussing options to help get rid of polluted water (selenium).

Court ruled State Water allocation shut off.

WRAC asked for Mr. Buel to attend CCWA Board meetings and technical meetings and report to WRAC

WRAC voted unanimously on the support certification of a Level of Severity III.

WRAC is asking to change the by-laws concerning selecting alternates.

Mr. Winn and Mr. Buel will be attending the Arroyo Grande Cemetery District meeting today

03:46:26 ADJOURN

President Winn adjourned the meeting at 2:14 p.m.

➤ **THE FOLLOWING SPECIAL BOARD MEETING IS APRIL 25, 2007.**

TENTATIVELY SCHEDULED ITEMS INCLUDE:

- Introduce Allocation Ordinance
- Division of Southland WWTF Upgrade Costs
- Receive Sanitary Sewer Overflow Timeline
- Amend Personnel Policy