

# NIPOMO COMMUNITY SERVICES DISTRICT

*Celebrating 42 - Years of Service 1965 - 2007*

## MINUTES

**JUNE 27, 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. GENERAL MANAGER**  
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.

00:00:41

#### B. ROLL CALL

At Roll Call, all directors were present.

00:01:01

#### C. PRESENTATIONS AND PUBLIC COMMENT

##### C-1) MIKE NUNLEY OF BOYLE ENGINEERING

Mike Nunley, of Boyle Engineering and Project Manager for the Southland Wastewater Treatment Facility Master Plan presented an update on the project. There was a kick-off meeting with Fugro.

There is a Wastewater Committee meeting planned for July 23, 2007.

The Board thanked Mr. Nunley for his presentation.

##### C-2) BUD MADDOX OF CULLIGAN

Bud Maddox from the Santa Maria Culligan Water Conditioning explained basically how the softening of water occurs in an on-site system or an exchange canister. Installation is free and the monthly fee depends on the frequency of deliveries (typical - \$50.00).

Mr. Maddox answered questions from the Board.

The Board thanked Mr. Maddox for his presentation.

##### C-3) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST

Receive Announcements from Directors Items of District & Community Interest

###### Director Eby

Dana Adobe fundraiser barbeque at St Joseph's, July 22, 2007, 4:00 to 7:00 p.m. \$100.00 tickets for two meals and a drawing for cash prizes.

###### Director Harrison

Chamber of Commerce Summer Event July 14<sup>th</sup> at Nipomo Park.

Nipomo Incorporation Committee for Education met June 26, 2007, and discussed the by-laws.

###### Director Winn

WRAC (Water Resources Advisory Committee) meeting the third Wednesday, July 18<sup>th</sup> at 1:30 p.m. in San Luis Obispo to discuss Proposition 50 funding.

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C-4) PUBLIC COMMENT ON ITEMS NOT ON AGENDA

There was no public comment.

D. CONSENT AGENDA

D-1) APPROVE WARRANTS

D-2) APPROVE BOARD MEETING MINUTES

Approve Minutes of June 13, 2007 Meeting

D-3) ACCEPT CYR WATER IMPROVEMENTS ON EASY LANE (APN 091-311-015)

D-4) AUTHORIZE VOTE FOR BARBARA MANN TO FILL VACANT LAFCO SEAT

D-5) AUTHORIZE EXECUTION OF AN AGREEMENT WITH THE WALLACE GROUP TO PROVIDE PARKS FUNDING DISTRICT EVALUATION

D-6) ADOPT POLICY REGARDING RETENTION OF CONSTRUCTION MANAGEMENT SERVICES

D-7) ACCEPT NEWDOLL WATER AND SEWER IMPROVEMENTS ON HONEY GROVE LANE (CO-0089)

Bruce Buel, General Manager, reviewed the items to be considered on the Consent Agenda. The Board had minor changes in the Minutes – Items E-7 & G.

Upon motion by Director Eby, and seconded by Director Vierheilig, the Board unanimously approved the Consent Agenda, as amended. There was no public comment. Vote 5-0.

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

**RESOLUTION NO. 2007-1025**  
A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
ACCEPTING THE WATER IMPROVEMENTS  
FOR APN 091-311-015 AND 091-311-016 (CYR)

**RESOLUTION NO. 2007-1026**  
A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
ACCEPTING THE WATER AND SEWER IMPROVEMENTS  
FOR CO 03-0089 (HONEY GROVE IV-NEWDOLL)

00:20:11

E. ADMINISTRATIVE ITEMS

E-1) REVIEW DRAFT SUPPLEMENTAL WATER PROJECT CONSTRAINTS ANALYSIS

Mike Nunley, Boyle Engineering Project Manager for the Supplemental Water Evaluation Project gave a summary of the first steps taken to obtain a supplemental water supply. He introduced Malcom McEwen who reviewed the presentation of the "Evaluation of Supplemental Water Alternatives." (A copy of the slide presentation is available for viewing in the District office.)

Mike Nunley answered questions from the Board.

The following members of the public spoke:

Kevin Beauchamp, local business owner – asked about the \$10 million cost difference between 3,000 AFY and 6,300 AFY. He asked about why it would cost \$25 million to tie into a pipeline that already exists in Thompson Avenue. If we tied into the pipeline for a short term basis until desalination gets on line, can that cost be monetized or is it a forever buy-in? Does the CCWA pipeline require a general vote to remove the Prohibition District voters approved by referendum?

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E-1) REVIEW DRAFT SUPPLEMENTAL WATER PROJECT CONSTRAINTS ANALYSIS  
(continued)

Mr. Beauchamp stated that he would be in favor of a desalination solution because the other solutions would have a reliability issue. If we could make it 8-10 years, then he supports using only desalination for the supplemental water supply rather than any of the other proposed sources.

Mr. McEwen answered Mr. Beauchamp's questions. Most of the difference in the 3,000 to 6,000 AFY is the cost of energy. The CCWA pipeline and the Intertie Project estimated costs are similar because the analysis assumed that the District probably would be required to pay for some of the past buy-in costs that Santa Maria has paid toward the State Water.

Bill Nelson, NCSD resident – stated that the data will need refining to find the best solution and he appreciates the Board's work in trying to develop a solution. He would like the Board to consider desalination so as not to be dependent on somebody else's good will.

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

- (1) Direct Boyle Engineering to revise the Supplemental Water Project Agreement Scope of Work to refocus the remaining funding on development of short-term water at the Nipomo turnout via an agreement with the City of Santa Maria to buy a portion of the City's CCWA Allotment and on development of long-term water using desalination technology with a phase in of the two projects over time, and
- (2) Direct Cannon Associates to revise its evaluation of Supplemental Water Projects in the Water and Sewer Master Plan to cost out the system upgrades related to the short term and long term projects described above.

Vote 5-0.

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

*The Board took a break at 10:37 a.m. and returned at 10:47 a.m.*

01:37:26

E-2) RECEIVE UPDATE ON BLACKLAKE WWTF POND #3 LINER REPLACEMENT PROJECT BIDS [RECEIVE UPDATE AND CONTINUE CONSIDERATION OF BID AWARD TO JULY 25, 2007 MEETING]

Bruce Buel, General Manager, explained that bids were received from five companies. There is an alleged irregularity in the low bidder's package. The second low bidder has protested. The District has retained the legal services of McDonough Holland and Allen to find the appropriate answer to the bid evaluation. The bids are valid for 90 days.

Upon motion by Director Eby and seconded by Director Vierheilig, the Board unanimously agreed to continue this item until July 25, 2007. There was no public comment. Vote 5-0.

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

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01:43:50

E-3) REVISE SELECTION CRITERIA FOR NOMINATIONS OF IN-DISTRICT MEMBERS TO PARKS CITIZEN'S ADVISORY SUB-COMMITTEE

Bruce Buel, General Manager, reviewed the present selection criteria for nominations of In-District members to the Citizen's Advisory Sub-Committee for parks. The Board proposed some changes. There was no public comment. Upon motion by Director Trotter and seconded by Director Harrison, the Board unanimously agreed to the following revisions in the selection criteria: Vote 5-0.

- I. CRITERIA FOR 5 IN-DISTRICT MEMBERS
  - a. Resided in District for at least five years.
  - b. Not a director or employee of NCSD.
  - \* Previous experience in Parks and Recreation may be a plus
- II. CRITERIA FOR 2 SOI MEMBERS
  - a. Resided in area of current SOI for at least five years.
  - b. Not a director or employee of NCSD.
  - \* Previous experience in Parks and Recreation may be a plus

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

Mr. Buel asked that the nominations be supplied by July 25, 2007.

01:57:00

E-4) REVIEW STAFF PROPOSAL TO INCREASE FEES FOR PROCESSING OF INTENT-TO-SERVE LETTER APPLICATIONS

Bruce Buel, General Manager, reviewed the proposal to increase the fees for processing of Intent-to-Serve letters. Presently, the fees do not cover the costs. The Board discussed options. Upon motion by Director Harrison and seconded by Director Trotter, the Board unanimously agreed to authorize staff to prepare a resolution for subsequent consideration. There was no public present to comment. Vote 5-0

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

02:07:37

E-5) CONSIDER RETENTION OF ACTUARIAL CONSULTANT TO EVALUATE THE UNFUNDED LIABILITY ASSOCIATED WITH "OTHER POST EMPLOYMENT BENEFITS (OPEB)

Bruce Buel, General Manager, reviewed the concept of retaining an actuarial consultant to evaluate the unfunded liability associated with "Other Post Employment Benefits" (OPEB). Board discussion ensued. Upon motion by Director Eby and seconded by Director Vierheilig, the Board unanimously agreed to direct staff to prepare and circulate an RFP for actuarial services and to submit the resultant proposals for review by the Board of Directors at a future Board meeting. There was no public present. Vote 5-0.

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

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02:13:30

E-6) AUTHORIZE EXECUTION OF AGREEMENT WITH CANNON ASSOCIATES TO DESIGN WATER LINE RE-LOCATIONS UNDER COUNTY DRAINAGE CULVERTS

Bruce Buel, General Manager, reviewed the plans for SLO County to re-construct drainage culverts in the Fall and next Spring. These projects will require NCSD to re-locate at least one of our water lines. The Board discussed the matter. Upon motion by Director Vierheilig and seconded by Director Eby, the Board unanimously agreed to direct the President to execute a standard consultant services agreement with Cannon Associates to perform the services set forth in Cannon's proposal on a time-and-materials basis with a not-to-exceed expenditure limit of \$24,750. There was no public present. Vote 5-0.

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

02:20:00

F. MANAGER'S REPORT

Bruce Buel, General Manager, presented the report as in the Board letter. He added that on June 18, 2007, he met with Dave Flynn and Dale Ramey of SLO County and discussed the Willow Road crossing. It is not clear about the funding. He also stated that he met with some folks from the Crystal Oaks development (Greg Parker, Peter Piller and Damien Mavin) The Board had questions concerning the report.

Mr. Buel read a letter into the record at Mr. George Billinger's request because Mr. Billinger had another commitment and could not be present. This letter, concerning the drilling of two wells and repair of a water pump station within the Blacklake development, was from the Blacklake Golf Course Superintendent to Blacklake residents.

President Winn directed a Special Meeting to be held July 2, 2007, at 2:00 p.m. concerning the Maria Vista Estates development.

Bruce Buel, General Manager will be on vacation July 5<sup>th</sup> through July 17, 2007.

02:41:28

G. COMMITTEE REPORTS

1. 6/18/07 Supplemental Water Committee Meeting  
The Minutes are included in the Board packet.

The Water Conservation Sub-Committee met June 19, 2007.

July 3, 2007, Water Conservation Committee meeting at 2:00 p.m.

July 18, 2007, Parks Committee meeting at 1:00 p.m.

July 23, 2007, Southland Wastewater Treatment Facility Committee meeting at 2:00 p.m.

02:47:00

H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

None

02:47:13

I. CLOSED SESSION ANNOUNCEMENTS

Jon Seitz, District Legal Counsel, announced the following items to be discussed in Closed Session. There was no public present.

1. CONFERENCE WITH LEGAL COUNSEL PENDING LITIGATION  
GC§54956.9 SMVWCD VS NCSD SANTA CLARA COUNTY CASE  
NO. CV 770214 AND ALL CONSOLIDATED CASES.

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- 2. CONFERENCE WITH LEGAL COUNSEL PENDING LITIGATION GC§54956.9 MARIA VISTA VS. NCSO CASE NO. CV 040877, MARIA VISTA VS. NCSO CASE NO. CV 061079, AND MARIA VISTA VS. LINDA VISTA FARMS, NCSO ET AL CASE NO. CV 040150;
- 3. CONFERENCE WITH LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9; NCSO 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. NCSO ET AL. (CASE NO. ND07-10362RR IN UNITED STATES BANKRUPTCY COURT, CENTRAL DISTRICT, NORTHERN DIVISION)

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There was no public comment.

K. ADJOURN TO CLOSED SESSION

President Winn adjourned to Closed Session at 12:00 p.m.

L. OPEN SESSION

ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

The Board came back into Open Session at 12:45 p.m. Jon Seitz, District Legal Counsel, announced that the Board did hear reports on the items listed above. There was no reportable action.

ADJOURN

President Winn adjourned the meeting at 12:46 p.m.

➤ **THE FOLLOWING REGULAR BOARD MEETING IS JULY 25, 2007.**

**TENTATIVELY SCHEDULED ITEMS INCLUDE:**

- Parks Survey Results
- Preliminary Rate Study Results
- Water Conservation Program

NOTE: The July 11, 2007, Board Meeting has been cancelled.

Taping started over at 00:00:00