

NIPOMO COMMUNITY SERVICES DISTRICT MINUTES

SEPTEMBER 26, 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.

00:00:40

B. ROLL CALL

At Roll Call, all Board members were present.

00:00:53

C. PRESENTATIONS AND PUBLIC COMMENT

C-1) COMMANDER HASCALL FROM SLO COUNTY SHERIFF'S OFFICE

Chief Deputy Martin Basti stated that he was planning to introduce the new Commander but he had not arrived yet. He thanked the Board for allowing him to report the Sheriff's activities on the Nipomo Mesa. The Board thanked Chief Deputy Basti for his contributions to the community.

Chief Deputy Basti returned after Mr. Migliazzo's presentation. Commander Hascall arrived and was introduced.

Commander Brian Hascall stated that he is looking forward to working with the District. The Board welcomed him to the area and the District.

C-2) UTILITY SUPERVISOR DAN MIGLIAZZO

Dan Migliazzo presented an update on utility field efforts.

- Three of the maintenance crew passed the collections test.
- An incentive check in the amount of \$4,001.06 will be mailed to the District through the Agricultural Pumping Efficiency Program for improving the efficiency of the pump for the Blacklake Well #4.
- Three hydrants were knocked over by vehicles and were replaced with new hydrants. Ballards are being installed around hydrants to prevent future problems.
- Souza Construction is working on the culverts on Mallagh and Chestnut. The District crew is inspecting and assisting when needed.
- Sundale Well is not operational at this time but is having more maintenance.

The Board asked questions and Mr. Migliazzo answered.

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

Receive Announcements from Directors Items of District & Community Interest

Director Trotter

Bruce Buel and Bob Reed did an excellent job presenting the proposed merger and rate structure at the meeting Tuesday, September 25, 2007, at Blacklake.

Director Harrison

October 20, 2007, 9:00 a.m. -12:00 p.m. – General membership meeting of the Nipomo Incorporation Committee for Education (NICE) at the Blacklake Community Room.

SCAC meeting Monday, September 24, 2007, addressed mitigation fees for ConocoPhillips

The District needs to do something about the wasteful use of water, such as construction water.

Director Eby

He attended a meeting for the Community Park Master Plan. There will be public notice of a Notice of Intent to Adopt a Negative Declaration available for public review on website starting September 27, 2007.

LAFCo

- Proposing to shrink the Sphere of Influence in Morro Bay
- Considering a proposal to annex a housing development into Pismo Beach and the well on the property is proposed to be used for the City.

Director Vierheilig

Nipomo Native Gardens will be having its annual plant sale October 7, 2007, 9:00 a.m. – 3:00 p.m. in the Rabobank (formerly Mid State Bank) parking lot. There will be approx. 1500 plants for sale.

Director Winn

Clean Up Week in progress this week. There seems to be less being picked up because of the aggressive past collections.

We need to continue advertising the availability of the Hazardous Waste Site on Saturdays from 11:00 a.m. to 3:00 p.m. at South Frontage and Southland.

Saturday, September 29, 2007, Creek Day – all are welcome to participate.

Thursday, September 20, 2007, Mr. Buel and Mr. Winn met with the Economic Advisory Committee in San Luis Obispo. Bruce Buel gave a report on monitoring methods.

October 3, 2007, 1:30 p.m. WRAC meeting in San Luis Obispo -

Draft EIR to be crafted for Santa Margarita Ranch will set a pattern for the County.

C-4) PUBLIC COMMENT ON ITEMS NOT ON AGENDA

There was no public comment.

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00:26:16

- D. CONSENT AGENDA
 - D-1) APPROVE WARRANTS
 - D-2) APPROVE BOARD MEETING MINUTES
Approve Minutes of September 12, 2007 Meeting
 - D-3) AUTHORIZE EXECUTION OF AMERICORPS AGREEMENT FOR USE OF PART-TIME AMERICORPS WORKER IN 2008
 - D-4) NOT USED
 - D-5) NOT USED
 - D-6) ACCEPT TOWN SEWER FUND FINANCIAL PLAN; PROPOSE USER FEES AND CAPACITY CHARGES AND AUTHORIZE 45 DAY NOTICE FOR PUBLIC HEARINGS PURSUANT TO CA CONSTITUTION ARTICLE XIID
 - D-7) ACCEPT BLACKLAKE SEWER FUND FINANCIAL PLAN; PROPOSE USER FEES AND AUTHORIZE 45 DAY NOTICE FOR PUBLIC HEARING PURSUANT TO CA CONSTITUTION ARTICLE XIID

Bruce Buel, General Manager, requested that Item D-7 be pulled for separate consideration.

The Board asked for some minor changes in the Minutes of the September 12, 2007 meeting. Upon motion by Director Eby and seconded by Director Trotter, the Board unanimously approved Items D-1 through D-6 of the Consent Agenda, as amended. There was no public comment. Vote 5-0.

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

Bruce Buel, General Manager, explained Item D-7 and introduced Bob Reed. Bob Reed, The Reed Group – reviewed the report. The Board discussed sewer rates based on water use and other items in the report.

The following member of the public spoke:

Bill Nelson, Nipomo resident – stated that the condos in the Blacklake development being discussed do not use landscaping water. It is proposed that private contractor check the water use in the common areas for efficiency.

Upon motion by Director Eby and seconded by Director Trotter, the Board agreed to accept the Draft Plan as revised; to propose the User Fees and Surcharges set forth in the Plan, as revised; and to authorize publication of the 45-day notice for an approval hearing to be held on January 23, 2008. Vote 5-0

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

E. ADMINISTRATIVE ITEMS

00:48:28

E-1) ACCEPT COMBINED WATER FUND (TOWN AND BLACKLAKE) FINANCIAL PLAN AND DETERMINE NEED FOR RATE INCREASE

Bruce Buel, General Manager, introduced Bob Reed to present the recommended combined Town and Blacklake water rates.

Bob Reed, The Reed Group – discussed the report in the Board packet and presented slides (available for viewing in the District office) showing the financial plan for the combined water rates for the Town and Blacklake water systems. He started with the proposed merger of the Town and the Blacklake water systems beginning with the equity surcharge of \$1,672 per residence.

The Board asked questions concerning the report and the slide presentation. President Winn asked for public comment on the merger and to have the presentation on the rate structure after that.

The following member of the public spoke:

Bill Nelson, NCSD resident – stated that Mr. Reed is doing a great job with the rate structuring.

Bob Reed continued with the rate structure portion of the report. The Board discussed the rates including sewer rates based on water use.

The following member of the public spoke:

Bill Nelson, NCSD resident – stated that at Blacklake there are landscaping meters that could be downsized to one inch.

1. Upon motion by Director Trotter and seconded by Director Eby, the Board unanimously agreed to ask the Blacklake Association Council to advise on behalf of all Blacklake customers no later than October 10, 2007, so the Board can act at the October 24, 2007 meeting. Vote 5-0.

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

2. Upon motion by Director Vierheilig and seconded by Director Eby, the Board unanimously agreed that if there is a merger, the Board shall process the equity surcharge as set forth in the draft Reed report and staff shall process a 45-day notice for an adoption hearing to be held on January 23, 2008.

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

3. Director Eby made a motion to keep the 2008-2009 rates in effect at least until we know what the supplemental water costs will be. Director Eby withdrew the motion.

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E-1) ACCEPT COMBINED WATER FUND (TOWN AND BLACKLAKE) FINANCIAL PLAN AND DETERMINE NEED FOR RATE INCREASE (continued)

- 4. Upon motion by Director Eby and seconded by Director Trotter, the Board agreed to direct staff to work with Mr. Reed to come back with an analysis of the rate structure for multi-family which includes keeping the other rates at 2008-2009 level or until we get a better handle on the costs of the supplemental water project. Vote 4-1 with Director Harrison voting no.

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

- 5. No motion on this item.

The Board took a break at 11:38 p.m.

02:39:49

E-2) AWARD BID FOR CONSTRUCTION OF SOUTHLAND SHOP OFFICE MODULAR AND AUTHORIZE EXECUTION OF AGREEMENT [ADOPT RECOMMENDATION]

Bruce Buel, General Manager, reviewed the bid process for the Southland Shop modular.

There was no public comment.

Upon motion by Director Trotter and seconded by Director Harrison, the Board unanimously agreed to award the bid to MSI for \$265,390.00; authorize the General Manager to execute change orders of up to \$20,000.00; direct the General Manager to file the Notice of Determination in compliance with CEQA; and authorize the General Manager to execute the agreement with MSI for \$265,390.00. Vote 5-0.

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

02:42:57

E-3) CONSIDER GOULARTE INTENT-TO-SERVE LETTER APPLICATION FOR WATER AND SEWER SERVICE TO FIVE-LOT SINGLE-FAMILY SUBDIVISION OFF OF BLUME STREET

Bruce Buel, General Manager, explained the request from Goularte Construction Company for water and sewer service for a five-lot subdivision at 350 Blume Street. The Board discussed the project and the water allocation available.

There was no public comment.

Upon motion by Director Harrison and seconded by Director Trotter, the Board approved allocation of water and the issuance of an Intent-to-Serve letter for Tract 2643. Vote 4-1 with Director Vierheilig voting no.

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

02:52:20

F. MANAGER’S REPORT

Bruce Buel, General Manager, presented the report as delivered in the Board packet. He added Maria Vista Estates has requested 2 more meters, which brings their total to ten. The landscaping meters to be set do not count against 27 permitted. He also noted that the desalination feasibility report is expected to be delivered Friday to the Board. The committee has received an administrative draft. The report will be on the agenda for October 10, 2007.

A draft water conservation plan will be presented Friday.

The District tried to get into the grant from Integrated Regional Water Management Plan for the County. The rankings have been proposed to be submitted to the State. County staff is recommending one million dollars for NCS D for the Southland Wastewater Treatment Facility. WRAC – County staff has proposed a temporary water transfer agreement with CCWA. Mr. Buel participated in the first subcommittee meeting. The next subcommittee meeting will be October 3, prior to the WRAC meeting to finish the agreement.

Director Eby asked about construction water being taken outside the District. Mr. Buel stated that it will be addressed in the emergency water supply ordinance to be introduced at the October 10, 2007 meeting. Director Trotter asked about how to notify customers that they are wasting water. Director Winn answered that the new conservation plan includes ways of notifying customers via a door-hanger that says "OOPS".

02:59:00

G. COMMITTEE REPORTS

1. 9/19/07 Parks Citizens Advisory Sub-Committee Meeting

There was a change in the Minutes. Item 3, change Julie Steiner to Donna Mills. The Board accepted the report., as amended

03:00:00

H. DIRECTORS’ REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

Director Vierheilig asked about the Blacklake Wastewater Treatment Facility and planning for upgrading to meet State Regional Water Quality Control permit requirements. Also, the Southland WWTF needs an action plan to meet requirements.

Director Trotter asked about the desalination draft action plan.

Director Winn suggested that whoever designs it should not be the ones who construct it.

Draft Environmental Review for the Nipomo Park comes out Thursday, September 27, 2007, and will be on line. The District needs to look at the water use there. The Board needs to look at the Santa Margarita Ranch DEIR and what effect it may have on this District.

He went to Troesch plant on Monday, September 24, 2007. The DEIR is coming out for the plant to be expanded greatly. There is storage of asphalt near the Santa Maria River. He asked if staff could ask County Planning to keep the District informed.

There is about \$7 million in the Guadalupe Dunes mitigation fees. He would like to see how the money could be used.

03:09:32

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 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, 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; MARIA VISTA ESTATES V. NCSO ET AL. (CASE NO. ND07-10362RR IN UNITED STATES BANKRUPTCY COURT, CENTRAL DISTRICT, NORTHERN DIVISION
4. CONFERENCE WITH LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9; NCSO VS. SLO COUNTY (CASE NO. CV 070066)
5. CONFERENCE WITH LABOR NEGOTIATORS – PROVIDE INSTRUCTIONS TO JON SEITZ AND MIKE WINN REGARDING NEGOTIATIONS WITH UNREPRESENTED EMPLOYEE (GENERAL MANAGER) PURSUANT TO GOVERNMENT CODE SECTION 54957.6

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There was no public present to comment.

K. ADJOURN TO CLOSED SESSION

The Board adjourned to Closed Session at 12:21 p.m.
 Director Trotter left the meeting at 12:30 p.m.

03:10:55

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

The Board came back into Open Session at 1:40 p.m.
 There was no public present in the audience. Jon Seitz, District Legal Counsel, announced that the Board heard reports from legal counsel on the items listed above. The Board took no reportable action.

ADJOURN

President Winn adjourned the meeting at 1:42 p.m.

➤ **THE NEXT REGULAR BOARD MEETING IS OCTOBER 10, 2007.**

TENTATIVELY SCHEDULED ITEMS INCLUDE:

- Review SWP Technical Memorandum re Desalination
- Select Consultant to Develop Office Landscape and Irrigation Re-Design
- Review Draft Water Supply Emergency Ordinance
- Review Draft Water Conservation Program