

# NIPOMO COMMUNITY SERVICES DISTRICT

*Celebrating 43 - Years of Service 1965 - 2008*

## MINUTES

**FEBRUARY 13, 2008 AT 9AM**

BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

### BOARD of DIRECTORS

MICHAEL WINN, **PRESIDENT**  
JAMES HARRISON, **VICE PRESIDENT**  
CLIFFORD TROTTER, **DIRECTOR**  
LARRY VIEHEILIG, **DIRECTOR**  
ED EBY, **DIRECTOR**

### PRINCIPAL STAFF

BRUCE BUEL, **GENERAL MANAGER**  
LISA BOGNUDA, **ASSIST. GENERAL MANAGER**  
DONNA JOHNSON, **BOARD SECRETARY**  
JON SEITZ, **GENERAL COUNSEL**  
PETER SEVCIK, **DISTRICT ENGINEER**

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 9:03 a.m. and led the flag salute.

00:00:39

#### B. ROLL CALL & INTRODUCTION OF NEW SUPERINTENDENT

At Roll Call, all directors were present.

Bruce Buel, General Manager, introduced the new Utility Superintendent, Tina Grietens.

Tina Grietens gave a brief overview of her employment history, including 19 years in the water and wastewater field, before coming to the District.

The Board thanked Ms. Grietens.

00:01:47

#### C. PRESENTATIONS AND PUBLIC COMMENT

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

Update re: Sheriff's Activities on the Nipomo Mesa

Commander Brian Hascall from the San Luis Obispo County Sherriff's office, South Station, gave an update of the Sherriff's activities on the Nipomo Mesa.

There have been a series of vehicle burglaries near the high school.

The suspect for the stabbing that occurred in January was taken into custody. The stabbing was gang-related.

There was an armed robbery at the Sunshine Donuts on West Tefft Street. The male suspect is being sought. Any information on the suspect would be appreciated.

The Board thanked him for his presentation.

##### C-2) BATTALION CHIEF BILL FISHER OF CAL FIRE

Update re: CAL FIRE Activities on the Nipomo Mesa

Fire Apparatus Engineer Scott Gomes gave an update of the activities of Cal Fire for the Nipomo Mesa. He gave the Board a list of activities.

Nipomo Station 20: 95 total calls, 5 fire, 14 vehicle accidents, 50 medical and 26 other.

Mesa Station 22: 60 total calls, 4 fire, 9 vehicle accidents, 32 medical and 15 other.

The Board thanked him for his presentation.

**Nipomo Community Services District**  
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C-3) NCS D DISTRICT ENGINEER PETER SEVCIK  
Update on District Engineer Activities

Peter Sevcik, District Engineer, gave an update on the activities listed in the Manager's Report in the Board Packet, including progress on the following projects:

- Southland WWTF Upgrade
- Water and Sewer Master Plan
- Santa Maria Waterline Intertie Project
- Safety Program
- Replacement Study
- New Operations Center
- Compliance reports for the water and sewer systems
- Compliance reports for the Southland WWTF and Blacklake WWTF

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

Director Vierheilig

Sat. Feb 23, 9:30 a.m. Nipomo 2030 Community Workshop led by Cal Poly students to get input from residents to define what Nipomo residents want to see Nipomo become.

Director Eby

SCAC elections March 11, 2008. The application to be on the Committee is March 10<sup>th</sup>. For more information, go to the website at [scac.ca.gov](http://scac.ca.gov).

LAFCo newsletter reported reducing the Sphere of Influence in some places

Director Harrison

Biorn EIR is in final draft. They did not take into consideration that it is on a flood plain. It does not seem to mitigate the pollution or traffic.

The Fire Safe Council of San Luis Obispo County has created a CD called "Defensible Space" showing homeowners how to protect by forming a space around your house to help protect it in a wildland fire. Each fire station has a copy of the CD available for groups.

SCAC Land Use Meeting – Monday, March 9

SCAC regular meeting – Monday, February 25, 2008, 6:30 p.m.

SCAC Land Use – Monday, February 18<sup>th</sup>, 9:00 a.m.

Ride general membership meeting February 28, 2008, 6:00 p.m. at Pacific Breeze Restaurant. Call 343-1949 if you wish to attend. Speaker Johnny Branquino, a rancher in Santa Barbara County area.

Rotary Club – Annual Fundraiser March 16, 2008, at St. Joseph's 4:00 p.m.

Director Winn

February 4, 2008, 8:45 a.m. SLO County Planning Commission considering supplemental EIR of Inclusionary Housing Ordinance.

Members of the public speaking at the meetings have been helpful. The EIR for the proposed ordinance, including items that were withdrawn from circulation the environmental review, could be finalized. These are serious issues in terms of water supply.

SLO County Council, Jim Leindholm, has passed on. A memorial service will be held Sunday, 3:00 p.m. at the Presbyterian Church in SLO.

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

Director Winn (continued)

February 28, 2008, Planning Commission meeting for "Framework for Planning". County staff is being given a Negative Declaration for environmental review.

Water Resources Advisory Committee is meeting Wed., March 5, 2008. Discussion will be the Santa Margarita Ranch subdivision using native water in the area.

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

There was no public comment.

00:29:43

D. CONSENT AGENDA

- D-1) APPROVE WARRANTS  
D-2) APPROVE BOARD MEETING MINUTES  
Approve Minutes of 1/16/08, 1/23/08 & 1/30/08 Meetings  
D-3) AWARD BID FOR REMOVAL OF DANGEROUS TREES AT OFFICE, AUTHORIZE EXECUTION OF AGREEMENT, & TRANSFER FUNDS  
D-4) ACCEPT QUARTERLY FINANCIAL REPORT  
D-5) ACCEPT QUARTERLY INVESTMENT REPORT  
D-6) RESCHEDULE 4/23/08 MEETING TO 4/30/08  
D-7) CONFIRM BUDGET ADOPTION TIMELINE AND SET REVIEW WORKSHOP FOR 5/21/08  
D-8) AUTHORIZE PRESIDENT AND GENERAL MANAGER TO TRAVEL TO WASHINGTON DC TO LOBBY FOR FEDERAL WATER FUNDING AND TRANSFER FUNDS

Bruce Buel, General Manager, reviewed the items to be considered on the Consent Agenda. He expanded on Item D-8. The purpose of the trip to Washington is to speak directly to Congresswoman Capps, Congressman Kevin McCarthy, and staff of Senator Feinstein and Senator Boxer about federal funds for the water project.

The following members of the public spoke:

Bill Petrick, NCS D resident, questioned the minutes for the Jan. 30, 2008 meeting. He also stated that he disagrees with the planned expenditures in Item D-8. The District needs to check for lower rates. Also, he objected the idea of two representatives being sent to Washington.

Mr. Buel answered that the costs quoted were for both representatives. And he feels that talking face-to-face with government officials is more effective.

The Board discussed Mr. Petrick's comments on the January 30<sup>th</sup> meeting minutes. Director Vierheilig stated that the District did not pay \$750,000 for the MOU. The District only paid \$35,000. The \$750,000 costs will be shared by the other agencies when wet water is in the pipes.

## E. ADMINISTRATIVE ITEMS

01:05:04

## E-1) DISCUSS FEEDBACK FROM PUBLIC REGARDING EMERGENCY WATER SHORTAGE REGULATIONS, RECOMMEND EDITS, AND CONSIDER AUTHORIZING SAIC TO COMPUTE HISTORIC FALL GROUNDWATER STORAGE VOLUMES

Bruce Buel, General Manager, stated that the Board held a workshop on January 30, 2008, in the Nipomo High School Forum. He thanked all the public who attended and for the input received. Mr. Buel reviewed a list of themes that staff heard as a summary of the workshop.

## A. REWORK REGULATIONS

1. Wait for others to agree to EWS Regulations before implementation
2. Wait until knowledge of Basin Hydrology is improved (concern that SAIC Reports were not scientific and data points were cherry-picked)
3. Reduce/revise punitive/excessive enforcement measures
4. Eliminate prohibition on outside watering
5. Provide Education to help customers save water – Target big users first
6. Develop Alternate Trigger Points

## B. STOP ISSUING INTENT-TO-SERVE LETTERS

## C. MONITOR GROUNDWATER STORAGE MORE OFTEN

1. Spend the \$10,000 to evaluate Fall results

## D. STOP SPENDING MONEY ON REPORTS

## E. ELIMINATE ALLEGED USE OF SCARE TACTICS

The Board asked questions such as: Can the directors receive copies of the reports from SAIC? Can we get a second opinion?

The following members of the public spoke:

Pat Eby, NCSD resident - stated that it seems out of line for NCSD to set trigger points. She suggested that the Board rephrase or eliminate 3.24.0690 B & D and keep A & C. She also suggested stiffening the fees for water use over the limit.

Bill Petrick, NCSD resident – stated that there are errors in the staff cover letter to the Board. He stated that he attended the February 7, 2008 NMMA meeting. He offered for the Blacklake committee to do all the calculations in SAIC's proposal to compute fall GWS from 1975 through 2006.

John Snyder, Nipomo resident – stated that the Board should attend the court hearing in Santa Clara. He stated that there is no reason why well owners on the mesa will adhere to the District's harsh regulations. He handed a map to the Board titled "Area of Use Vs Areas of Supply". Water that falls on the District should be available for District customers. He asked why NCSD customers should pay for supplemental water from Santa Maria when they could buy it from the farmers for \$15 per acre-foot.

Mike Milton, Lucia Mar Unified School District Operations Manager – stated that he did not attend the Jan. 30<sup>th</sup> meeting but would like special consideration for the School District. State regulations dictate health and safety issues in the restrooms and kitchen facilities. He asked the Board to consider the cost to the taxpayers.

Board discussion ensued. The Technical Group is supposed to establish standards. If NCSD's trigger points are lower than those adopted by the Technical Group, NCSD must raise its trigger points. If they are higher, NCSD may keep their own or lower to meet the Technical Group's. The rainfall data will be given to Mr. Petrick and the Blacklake Committee if they wish to make an independent analysis.

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- E-1) DISCUSS FEEDBACK FROM PUBLIC REGARDING EMERGENCY WATER SHORTAGE REGULATIONS, RECOMMEND EDITS, AND CONSIDER AUTHORIZING SAIC TO COMPUTE HISTORIC FALL GROUNDWATER STORAGE VOLUMES (continued)

Upon motion by Director Trotter and seconded by Director Eby, the Board unanimously agreed to table the Water Emergency Shortage Regulations until the June 11, 2008 meeting. The Board agreed to eliminate the removal of meters and the jail time from the enforcement portion of the regulations. Vote 5-0.

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

The Board continued discussion of the necessity for Spring and Fall readings and consumptive use figures. Upon motion by Director Vierheilig and seconded by Director Eby, the Board authorized execution of an agreement with SAIC to develop the historic record of Fall groundwater storage above sea level on a time-and-materials basis with a not-to-exceed expenditure limit of \$10,000.00. Vote 4-1 - Director Harrison voting no.

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

*The Board took a break at 11:25 a.m. and returned at 11:35 a.m.*

02:11:04

- E-2) CONFIRM BLACKLAKE EQUITY SURCHARGE CALCULATION AND SET MAY 14, 2008 PROTEST HEARING FOR ADOPTION OF USER RATES FOR BLACKLAKE WATER CUSTOMERS OR TAKE ALTERNATE ACTION

Bruce Buel stated that the Board letter provided the history with the milestones to merging the Blacklake and the Town Division water systems

**2005** - Board determined that the Blacklake Water Booster Station was failing and needed to be replaced and NCSO retained Boyle Engineering to design a replacement Booster Station.

**October 2006** - Boyle submitted its design and Board retained Dee Jaspar and Associates to render a second opinion.

**November 2006** - Board formed a committee to explore the possibility of merging the Blacklake Water Fund with the Town Water Fund to avoid the cost of replacing the Blacklake Water Booster Station.

**December 2006** - Dee Jaspar's design memorandum was received and Board retained Boyle to prepare a memo comparing the two designs with the concept of merging the two Water Funds.

**February 2007** - Boyle submitted a Comparative Analysis, which summarized the two cost opinions and the likely cost of a temporary fix until the decision could be made on the merger.

**March 2007** - Board received Boyle's Interconnection Schematic memo and authorized staff to install a transfer pump to replace the old Booster Station on an interim basis pending closure on the merger proposal.

**April 2007** - Board retained Bob Reed of the Reed Group to prepare an equity analysis to evaluate the equity payment necessary for Blacklake Water Fund customers to pay to the Town Water Fund if a merger of the funds was to occur.

**July 2007** - Mr. Reed's initial report received. Board ordered Mr. Reed to edit the original draft report and directed staff to notify the Blacklake customers of their choices and to hold a briefing regarding these choices.

**September 14, 2007** - Bob Reed submitted the Final Report including a section of the calculation of the equity payment (See attached excerpt).

**September 13, 2007** - Staff mailed notice of the informational hearing.

**September 25, 2007** - conducted the briefing.

**October 10, October 24, November 14, 2007; and January 9, 2008** Board meetings - Board discussed the merger. Board received numerous submittals from Blacklake residents, a legal opinion regarding Board's discretion to merge the two systems and an opinion letter from the District's Auditor regarding the Generally Accepted Accounting Principles guiding calculation of the equity surcharge.

**January 28, 2008** - Ad hoc committee formed by the Board to discuss Blacklake fiscal issues met with Blacklake residents and is scheduled to meet again on February 11, 2008.

## E-2) CONFIRM BLACKLAKE EQUITY SURCHARGE CALCULATION AND SET MAY 14, 2008 PROTEST HEARING FOR ADOPTION OF USER RATES FOR BLACKLAKE WATER CUSTOMERS OR TAKE ALTERNATE ACTION (continued)

Mr. Buel stated that the Ad Hoc Committee had met two times.

Director Trotter commended the Board, staff and the Blacklake Committee for their efforts in this situation. Director Winn gave a brief report on the two meetings with the Blacklake Committee. He stated that the District's Committee did not negotiate but only communicated with the BL Committee. The meetings did not produce full agreement but new concepts were viewed.

The following members of the public spoke:

Carl Drow, NCS D resident – stated his support of the BL Committee. He asked about the fairness of the equity surcharge. He asked that the Board focus on Fund 700. He stated that it takes 226 votes from Blacklake to protest the Board's decision.

Mark Westfall, NCS D resident – asked that the Board ignore Fund 700, ignore Mr. Reed's report and keep this community going.

Bill Petrick, NCS D resident – stated that he is on the Blacklake committee that met twice with the District's ad hoc committee. He handed the Board a summary outlining the differences between the Board and the BL Committee. He reviewed the outline. Now it is up to the Board to decide.

Mr. Petrick's handout included the following positions:

- Date of merger – 1993 when annexation was approved. The enterprise funds are not really separate – they have common elements. Alternative, use 1998 when the water systems were physically merged due to the Sundale Well.
- Accounts used in the calculation – Town Capacity Fund should not be used – it has been funded by developers, not town water customers. There is no longer any Blacklake Capacity fund.
- Legal precedent – There is no precedent for this type of equity surcharge.
- Method of calculation – There is no scientific method to make this calculation – it is a negotiable issue (NCS D auditor).
- Board Motion – November 28, 2007, from the Minutes Item E-7, "Director Vierheilig made a motion to direct staff and other necessary experts to look at the appropriateness and legal defensibility of including or excluding Fund 700 from the equity surcharge calculation for the merger of Town and Blacklake..." We have not seen a response by the staff to this motion.
- Use water rates as a basis for equity – There appears to be a difference in base rates and water rates between the Town and Blacklake that suggest an inequity has occurred.
- Use production capacity as a basis for equity – This is another reasonable way to assess equity.

Harry Eby, NCS D resident – stated there is a question about when Blacklake merged with NCS D and a question of the valuation of the two systems. He stated that fairness would dictate no equity surcharge.

Pat Eby, NCS D resident – stated that the ad hoc committee meetings were pointless for the equity surcharge situation. The District has caused much anger among the Blacklake community.

There was Board discussion about capacity funds and how much of Fund 700 has already been spent on behalf of Blacklake.

E-2) CONFIRM BLACKLAKE EQUITY SURCHARGE CALCULATION AND SET MAY 14, 2008 PROTEST HEARING FOR ADOPTION OF USER RATES FOR BLACKLAKE WATER CUSTOMERS OR TAKE ALTERNATE ACTION (continued)

Jon Seitz, District Legal Counsel, explained that Town Division capacity fees are charged to the developers to buy into the existing system and to pay for supplemental water. The fees did not take serving Blacklake into account. The developers also pay for specific projects. The equity surcharge helps cover the costs for the existing Town system.

President Winn disagreed with each of the "Blacklake Positions" set forth in Bill Petrick's "Equity Surcharge Redux" handout and indicated that he had personally provided Legal Counsel's opinion on the legal defensibility of the equity surcharge to Mr. Petrick.

President Winn noted the following points which the District's ad hoc committee tried to convey at the meeting with the Blacklake committee. He stated that they were all in agreement that the critical issue is Fund 700.

- Who paid into it?  
It was the contention that the homeowners didn't have to pay because the developers had to pay. The fees, paid by the developers, were passed on the home buyers.
- Who benefits?  
Even though a neighborhood is built out, the benefit is that there is a stake in the net value of the distribution system that the Town has paid into and Blacklake has not. Blacklake customers are already benefitting from Fund 700 monies; the water main that was constructed on Willow Road is an example.
- Fund 700 does not pay for lateral expansion. The developer has to pay fees for lateral expansion. The developer does not get donations from the Fund 700. Internal expansion (such as resizing of pipes) is paid for by Fund 700 and all benefit from such.
- Merger requires taking two sets of values until we all have an equal stake. \$6 million in cash reserves were created by Town customers' water rates. The Blacklake representatives expressed the desire for the District not to take the litigation fees by raising their rates but to take their portion out of their reserves. Even though it may have been a bad choice, the customers in the Blacklake community had years of paying lower rates than they could have and should have. The question is who pays to make it up now? It is the people who benefitted from the lower rates.
- The part that should be taken out of the calculation is a state grant that paid for the laterals in the Olde Towne. No homeowner in the Town Division had to pay for that and nobody in Blacklake should have to match it.

Director Harrison commented that the District did ask for and received a legal opinion about removing or including Fund 700. Before the November 28th meeting, Legal Counsel opined that there was no precedent not to include the funds. At the January 19th meeting, Jon Seitz, District Legal Counsel stated that he cannot give an opinion that Fund 700 can be removed since it's an integral part of the model. When Mr. Petrick says there is no legal precedent, legal counsel says there is.

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E-2) CONFIRM BLACKLAKE EQUITY SURCHARGE CALCULATION AND SET MAY 14, 2008 PROTEST HEARING FOR ADOPTION OF USER RATES FOR BLACKLAKE WATER CUSTOMERS OR TAKE ALTERNATE ACTION (continued)

The directors discussed that the values put in the Town system need to be examined. If NCSD drills a new well, the costs would come out of Fund 700, which was funded by developers. Fund 700 also pays for internal expansion, resizing of pipes, etc. The Blacklake community has had lower rates than prudent for years because funds were taken out of reserves to cover litigation costs. The Town Division paid into the litigation costs through user fees. Legal counsel opined, concerning excluding Fund 700, that Fund 700 is an integral part of the model for the equity surcharge calculation for the Town/Blacklake merger.

Director Trotter stated that portions of the Town system that do not help convey water to Blacklake should not be part of the Town equity.

Upon motion by Director Vierheilig and seconded by Director Harrison, the Board unanimously agreed to direct staff to bring details of the "Option 3" merger to the March 12<sup>th</sup> Board meeting, including the merger of the two systems and leave Blacklake rates as is, deleting the Olde Towne lateral monies from the calculation of the difference in the net value of the two systems, and applying the difference from Blacklake to Fund 700 to make payments on the annexation buy-in. Vote 5-0.

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

The Board chose to go into Closed Session next.

03:00:53

I. CLOSED SESSION ANNOUNCEMENTS

Jon Seitz, District Legal Counsel, announced the items to be considered in 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; MARIA VISTA ESTATES V. NCSD 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; NCSD VS. SLO COUNTY (CASE NO. CV 070066)

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There was no public comment.

K. ADJOURN TO CLOSED SESSION

The Board adjourned to Closed Session at 12:26 p.m.



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

The Board came back into Open Session at 1:29 a.m. Jon Seitz, District Legal Counsel, announced that the Board heard an update on Items 1 and 2 above. There was no reportable action on either item.

03:03:16

E-3) REVIEW DRAFT MILLER PARK ASSESSMENT REPORT, PROPOSE FUNDING PLAN, AND AUTHORIZE STAFF TO INITIATE FORMATION OF ZONE OF BENEFIT

Bruce Buel, General Manager, reviewed the information provided in the Board letter, including the Parks Powers Activation Process.

The Board asked questions about the concept version of the proposed Miller Park and the report prepared by The Wallace Group.

Mr. Buel and Mr. Seitz answered the Board's questions. LAFCo requires a Financial Plan for the District to seek activation of Parks Authority. Prop 218 prohibits the District from collecting 100% of the O&M from the nearby property owners. There is a general benefit to the park. Property taxes must be pledged from the District. The Board had some suggestions for park design.

Upon motion by Director Harrison and seconded by Director Vierheilig, the Board agreed to the recommended plan revisions to the use of property taxes for a portion of the construction cost and for the use of property taxes for a portion of the operating cost.

Vote 4-1 with Director Eby voting no.

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

03:46:18

E-4) ADOPT REVISED WATER CONSERVATION PLAN

Bruce Buel, General Manager, introduced the process to approve the Water Conservation Program.

Celeste Whitlow, Water Conservation Specialist, answered questions from the Board. The Board asked about tiered rates. Ms. Whitlow stated that it is the Board's discretion to set the rates. Two tiers is a multi-tiered rate structure. When asked about the rebates, Ms. Whitlow explained that the CUWCC does all the administration of the rebate program. The Board asked about an ordinance to guarantee that the water saved would not go for new growth.

There was no public comment.

The Board discussed the program and made a few minor amendments.

Upon motion by Director Trotter and seconded by Director Eby, the Board unanimously adopted the Water Conservation Program, as revised. Vote 5-0.

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

*The Board took a break at 2:34 p.m. and returned at 2:40 p.m.*

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04:07:16

E-5) REVIEW AND RECOMMEND EDITS TO BOARD BY-LAWS FOR SUBSEQUENT CONSIDERATION

Jon Seitz, District Legal Counsel, reviewed the significant portions of the Board By-Laws. He pointed out the suggested changes for the previously adopted By-Laws. The Board discussed the proposed resolution. Upon motion by Director Trotter and seconded by Director Vierheilig, the Board unanimously approved moving the standing committee portion of Section 9.2 to 9.1, allowing those directors on a standing committee to receive \$100.00 compensation for a standing committee meeting. There was no public comment. Vote 5-0.

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

Upon motion by Director Harrison and seconded by Director Vierheilig, the Board unanimously agreed to set a hearing for March 12, 2008, for adoption of the Board By-Laws. Vote 5-0.

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

04:59:36

F. MANAGER'S REPORT

Bruce Buel, General Manager, stated that the Manager's Report is submitted as written. Mr. Buel answered some clarification questions from the Board.

05:01:00

G. COMMITTEE REPORTS

1. Jan 30, 2008 Water Conservation Committee Meeting
2. Jan 22, 2008 Supplemental Water Project Committee Meeting
3. Feb 4, 2008 Southland WWTF Upgrade Committee Meeting
4. Jan 28, 2008 Ad Hoc Blacklake Communications Committee Meeting
5. Feb 6, 2008 Educational Tour of Morro Bay Desalination Facility

The Committee Reports stand as submitted. The Board asked for a little clarification.

05:01:55

H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

Director Winn stated that we may receive a Sphere of Influence reduction in the next LAFCo SOI update. He stated that the District must protest the Biorn EIR because they are storing crushed asphalt in a flood plain. It will wash into the Santa Maria River and that is our groundwater. He asked Director Harrison for a copy of the Defensible Space CD.

Director Vierheilig will not be present at the February 27, 2008 meeting.

05:02:42

ADJOURN

President Winn adjourned the meeting at 3:36 p.m.

➤ THE NEXT REGULAR BOARD MEETING IS FEBRUARY 27, 2008.

TENTATIVELY SCHEDULED ITEMS INCLUDE:

- Emergency Water Shortage Regulations
- Confined Space Policy