

NIPOMO COMMUNITY SERVICES DISTRICT

Celebrating 44 - Years of Service 1965 - 2009

MINUTES

FEBRUARY 11, 2009 AT 9AM

BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

BOARD of DIRECTORS

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

PRINCIPAL STAFF

BRUCE BUEL, **GENERAL MANAGER**
LISA BOGNUDA, **ASST. 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 Harrison called the February 11, 2009 Regular Board of Directors meeting to order at 9:00 a.m. and led the flag salute.

B. ROLL CALL

At Roll Call, all directors were present.

00:00:58

C. PRESENTATIONS AND PUBLIC COMMENT

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

Commander Brian Hascall gave an update of the Sheriff's activities on the Nipomo Mesa. A huge cockfighting ring was raided on January 29th. 1300 birds were confiscated and five people were arrested.

There is an increase in fraud crimes. A recent scam is an email stating WalMart will give a gift card if the party provides information. Another is a scam of someone saying they are calling from the jail asking for money for bail when the relative mentioned isn't in jail. The jail does not call; the inmate is allowed a phone call.

Another scam is a letter being sent to people to help file a form for property tax reassessment to reduce property taxes. People can file that form themselves.

He suggested using a cross-cut shredder to destroy any unwanted information with your name and address on it rather than putting personal information in the recycling container.

The Board thanked Commander Hascall for his presentation.

C-2) BATTALION CHIEF BILL FISHER OF CAL FIRE

Battalion Chief Bill Fisher of Cal Fire gave an update of the Cal Fire activities on the Nipomo Mesa.

He stated that the offices will be closed the first and third Fridays of each month. The fire stations will not be closed.

The chipping program is scheduled for February 26th & 27th for the Suey Creek area.

For January 2009, Nipomo Station 20 had a total of 99 calls: 5 fires, 10 vehicle accidents, 50 medical aids and 34 other calls.

Mesa Station 22 had a total of 60 calls: 8 fires, 6 vehicle accidents, 24 medical aids and 22 other calls.

The Board thanked Chief Fisher for his presentation.

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- C-3) DISTRICT ENGINEER PETER SEVCIK
Update re: District Engineer Activities

Peter Sevcik, District Engineer, reviewed the information presented in the Board letter outline of District Engineer activities for January 2009.

Mr. Sevcik answered questions from the Board concerning emergency response, status of the Blacklake sewer line, the Misty Glen intertie, the Willow Road extension, the SEMS training, well testing and other projects.

- C-4) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST
Receive Announcements from Directors - Items of District & Community Interest

Director Trotter

Bill Petrick will be the director-at-large for the Blacklake Management Association.

Director Vierheilig

Saturday, February 21st Nipomo Recreation Group will hold a workshop at the Nipomo High School at 1:00 p.m.

Director Winn

Friday, Feb. 6th was an Energy Summit meeting in San Luis Obispo concerning photo solar energy.

Monday, Feb. 9th SCAC opened the nomination for candidates.

Tuesday, Feb 10th at the Board of Supervisors meeting; the RMS report left the Level of Severity III unchanged; John Snyder presented a large document of mis-information.

Land Use Committee will meet Monday, Feb 16th

Feb 20th- CSDA meeting 6:00 p.m. at SLO Library. Mr. Harrison will be voting for NCSD.

Feb 21st - 1:00-4:00 p.m. - information meeting in Olympic Hall at Nipomo High School concerning the recreation needs. Some proposals may have high water demands.

Feb. 23rd South County Advisory Commission at 6:30 p.m.

March 4th Water Resource Advisory Committee meeting in San Luis Obispo at 1:30 p.m.

Director Harrison

Feb. 19th - Public meeting 6:00 pm at the High School concerning the Willow Rd extension.

- C-5) PUBLIC COMMENT ON ITEMS NOT ON AGENDA

There was no public comment.

00:48:25

D. CONSENT AGENDA

- D-1) APPROVE WARRANTS

- D-2) APPROVE BOARD MEETING MINUTES
Approve Minutes of 1/28/09 Regular Meeting

- D-3) RECEIVE BLACKLAKE AREA OVERSIGHT COMMITTEE BYLAWS

- D-4) CONFIRM FY09-10 BUDGET DEVELOPMENT PROCESS

- D-5) AUTHORIZE LETTER OF SUPPORT FOR CONSERVATION CORPS

Director Eby asked to pull Item D-3 for separate consideration.

Bruce Buel, General Manager, announced a suggested change from President Harrison for Item E-3 of the January 28th Minutes. A copy of the proposed change was provided to the Board and the public.

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D. CONSENT AGENDA (CONTINUED)

Upon motion by Director Vierheilig and seconded by Director Winn, the Board unanimously approved Items D-1, 2, 4, and 5 of the Consent Agenda, as amended.

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

D-3 RECEIVE BLACKLAKE AREA OVERSIGHT COMMITTEE BYLAWS

The Board discussed the proposed by-laws presented to the NCS D Board for the first time at this meeting, but were required by Resolution 96-592 adopted in 1996.

The following members of the public spoke:

Bill Petrick, NCS D resident, stated that he thinks he will be on the Blacklake Management Association Board because he is running unopposed. He did not like some of the language in the proposed by-laws.

Nancy Fleming, Blacklake Management Association Board President, stated that the Association has been working on the by-laws for over a year.

Upon motion by Director Winn and seconded by Director Eby, the Board unanimously agreed to continue this item until the March 11, 2009 meeting. Vote 5-0.

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

The Board took a break at 10:34 a.m. and resumed at 10:49 a.m.

E. ADMINISTRATIVE ITEMS

01:33:49

E-1) CONSIDER SECOND READING AND ADOPTION OF ORDINANCE AND ADOPTION OF RESOLUTION IMPLEMENTING THE MERGER OF THE TOWN AND BLACKLAKE WATER SYSTEMS

Bruce Buel, General Manager read the agenda for the Special Meeting to be held concurrently with this regular meeting.

Consider adoption of Resolution implementing rate adjustment and buy-in charge within the Blacklake area to facilitate the merger of the Town and Blacklake water systems and consider second reading and adoption of Ordinance merging the Town and Blacklake water systems (Adopt Resolution and Ordinance).

Mr. Buel explained on January 28, 2009, the Board held a protest hearing. It was determined that there was not a majority protest. An ordinance and a resolution merging the two water systems and establishing uniform water rates are to be considered at today's meeting.

The Board discussed the resolution and the ordinance.

Upon motion by Director Winn and seconded by Director Eby, the Board unanimously approved Resolution 2009-1121. There was no public comment. Vote 5-0.

**RESOLUTION NO. 2009-1121
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING WATER RATE ADJUSTMENT AND BUY-IN CHARGE WITHIN THE
CURRENT BLACKLAKE WATER DIVISION TO FACILITATE THE MERGER
OF THE BLACKLAKE WATER DIVISION AND TOWN WATER DIVISION**

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- E-1) CONSIDER SECOND READING AND ADOPTION OF ORDINANCE AND ADOPTION OF RESOLUTION IMPLEMENTING THE MERGER OF THE TOWN AND BLACKLAKE WATER SYSTEMS (CONTINUED)

Upon motion by Director Winn and seconded by Director Eby, the Board unanimously approved Ordinance 2009-111. There was no public comment. Vote 5-0.

ORDINANCE NO. 2009-111
AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ADDING CHAPTER 3.40 TO THE DISTRICT CODE MERGING
TOWN WATER DIVISION AND BLACKLAKE WATER DIVISION

01:44:22

- E-2) EDIT WATERLINE INTERTIE PROJECT OBJECTIVES

Bruce Buel, General Manager explained that the Waterline Intertie Project Committee, on January 26, 2009, recommended that the Board edit Objective 4 in response to the comment letter received from Paul Hood of SLO County LAFCO by adding the following sentences:

Each phase will be separately approved and funded by authorization of the NCSD Board of Directors. Phases 1 and Phase 2 will supply water only to customers in the current NCSD boundaries, and other water purveyors in the NMMA, specifically the Woodlands Water Company, Golden State Water Company, and Rural Water Company. Only in Phase 3 will water be made available to new customers in the 2004 Sphere of Influence that are annexed into the NCSD boundaries.

The Board discussed the proposed changes.

The following members of the public spoke:

Bill Petrick, NCSD resident – stated that the objective has not been reviewed by the NMMA.

Douglas Wood of Douglas Wood & Associates (preparer of the draft EIR) stated that revisions made to the objectives will be included in the Final EIR. The Board will be receiving a draft for review next week.

Director Winn stated that the Conditions of Approval included in LAFCO's 2004 "Sphere of Influence Update and Municipal Service Review" were not approved by NCSD. There was discussion about whether or not to add a footnote that the NMMA had not reviewed the information given.

Upon motion by Director Eby and seconded by Director Winn, the Board agreed to revise the objectives, as detailed in the staff report. Vote 4-1 with Director Harrison voting no. He explained that he voted no because he would like to have had the footnote added.

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

01:59:41

- E-3) PREVIEW FUTURE SCADA SYSTEM CAPABILITIES AND PRIORITIZE UPGRADES

Peter Sevcik, District Engineer, reviewed the proposed changes to the Supervisory Control and Data Acquisition (SCADA) System. The SCADA system is used to remotely monitor the operation of the District's water supply wells, sanitary sewer lift stations and wastewater treatment plants. The costs for the proposed changes are estimated at \$183,000.

The Board discussed the proposal and made suggestions.

E-3) PREVIEW FUTURE SCADA SYSTEM CAPABILITIES AND PRIORITIZE UPGRADES
(CONTINUED)

The following members of the public spoke:

Gary Wilson, representative from Cannon, the firm contracted to prepare a system design, spoke with the board concerning the upgrade report submitted. He stated that the labor costs to integrate the system were the greatest costs.

Bill Petrick, NCS D resident, spoke as the president of Capri Technologies and potential bidder of the project stated that his company builds and tests data acquisition systems, computer-based. He asked if the document represented a budgetary estimate and made suggestions to some of the specifications required.

There was Board discussion and the acknowledgment that there were many questions to be asked about Homeland Security, etc.

There was no Board action on this item.

The Board considered Closed Session next.

02:50:12

I. CLOSED SESSION ANNOUNCEMENTS

Jon Seitz, District Legal Counsel, announced the following to be considered in Closed Session:

1. CONFERENCE WITH LEGAL COUNSEL PENDING LITIGATION GC§54956.9 SMVWCD VS. NCS D (SANTA CLARA COUNTY CASE NO. CV 770214 AND ALL CONSOLIDATED CASES).
2. CONFERENCE WITH LEGAL COUNSEL PENDING LITIGATION GC§54956.9 MARIA VISTA VS. NCS D (CASE NO. CV 040877), MARIA VISTA VS. NCS D (CASE NO. CV 061079), AND MARIA VISTA VS. LINDA VISTA FARMS, NCS D ET AL. (CASE NO. CV 040150);
3. CONFERENCE WITH LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9; MARIA VISTA ESTATES VS. NCS D 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; NCS D VS. COUNTY OF SAN LUIS OBISPO, ET AL (CASE NO. CV090010)

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 12:07 p.m.

L. OPEN SESSION

ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

Director Trotter left the meeting at 1:15 p.m.

Jon Seitz, District Legal Counsel, announced that the Board heard an update on the items above and took no reportable action.

The Board considered E-4 next.

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02:51:53

E-4) REVIEW/EDIT INVESTMENT POLICY AND SET FOR HEARING

Bruce Buel, General Manager, explained that the California Government Code Section 53646 (2) requires local government entities adopt an annual investment policy. At the January 14, 2009, Board Meeting the Board of Directors reviewed the proposed 2009 Investment Policy. The Board of Directors expressed concern about the security of the District's Certificate of Deposit in Rabobank.

The Board discussed the concerns. There was no public present to comment.

Lisa Bognuda, NCS D Finance Director, discussed the proposed resolution with the Board.

Upon motion by Director Eby and seconded by Director Winn, the Board agreed to direct staff to look at not only CDARS and others like that, but also to determine if that type of procedure is any more secure than what we presently have. Vote 4-0 with Director Trotter being absent.

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

03:33:41

E-5) REVIEW BOARD BY-LAWS AND PROPOSE EDITS FOR CONSIDERATION

The Board discussed the proposed by-laws and made suggestions for changes.

Jon Seitz, District Legal Counsel, will make the suggested changes and bring back to a subsequent meeting.

04:52:56

E-6) AWARD QUOTE FOR HYDRANT FLUSHING AND VALVE EXERCISING AND AUTHORIZE EXECUTION OF CONTRACT

Peter Sevcik, District Engineer, explained that NCS D requested proposals from three service providers to develop, plan, and execute a program to locate, inspect, clean out, assess, exercise, flush, flow test, operationally test, mark, perform minor repairs, record mapping grade GPS data, document, create a deliverable GIS database and create work orders for water distribution system valves and hydrants to address approximately 35% of the valves and hydrants in the NCS D distribution system. The proposed program area is Town Division Water Service east of US 101. Two responses were received.

Mr. Sevcik answered questions from the Board.

Upon motion by Director Winn and seconded by Director Vierheilg, the Board agreed to award the quote for hydrant flushing and valve exercising to WACHS Utility Services for the amount of \$38,000.00. Vote 4-0 with Director Trotter being absent.

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

05:12:12

E-7) DISCUSS OPTIONS TO FUND HIGH EFFICIENCY WASHER REBATE PROGRAM

Celeste Whitlow, Conservation Coordinator, explained that the funding for the HEW rebate program, currently being administered by the CUWCC, has been suspended until further notice, due to the funding difficulties of the State of California. Ms. Whitlow suggested that the District fully fund the rebates to our customers.

There was much Board discussion. There was no public present to comment.

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E-7) DISCUSS OPTIONS TO FUND HIGH EFFICIENCY WASHER REBATE PROGRAM
(CONT)

Upon motion by Director Winn and seconded by Director Eby, the Board agreed to put the program on hold pending information from the State of California, that an article be placed in the newspaper to explain the situation, that we fully support the conservation program, that we wait until the State returns to participating with us and will resume as soon as the State renews the funding; to leave the \$11,000 with the State to hold our place, and to bring item back to the June 10, 2009 meeting. Vote 3-1 with Director Harrison voting no.

YES VOTES	NO VOTES	ABSENT
Directors Winn, Eby, and Vierheilig	Director Harrison	Director Trotter

05:31:32

F. MANAGER'S REPORT

Bruce Buel, General Manager, presented the Manager's Report as printed in the Board Packet. He asked the Board members to return the survey from Brent Ives back as soon as possible. He had an excellent meeting with Curt Batson.

05:34:10

G. COMMITTEE REPORT

- 1. 1/26/08 SWP Committee Meeting

Mr. Buel stated that the Committee Report is as submitted.

05:33:40

H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

Director Vierheilig

He will be meeting with Chairperson Gibson, Supervisor Hill and Supervisor Patterson on the Wednesday, Feb.18th regarding Miller Park.

Director Eby

NMMA meeting 19th - would like to be there. Mr. Buel stated that only two Board members could attend.

Asked last month for measured progress of water conservation program.

Director Winn

Met with supervisors for the Water Resources Advisory Committee (WRAC), talked about Miller Park. There seems to be support

Ask staff why there were no well measurements in August 2008 and asked that steps be taken to avoid that in the future.

Are we urging the County efforts to have no new well permitting within the Nipomo Mesa Water Conservation Area?

Would like to see public relations article and pictures in newspaper about the clean-up performed on Hetrick.

Resource Management Survey report this year – how it might be organized in the future?

Director Harrison

He asked if there will be a closed meeting on the 18th meeting. Mr. Buel stated that the meeting has been canceled and Mr. Markman would be standing by concerning an appeal.

ADJOURN

President Harrison adjourned the meeting at 4:22 p.m.

➤ THE NEXT REGULAR BOARD MEETING IS FEBRUARY 25, 2009

TENTATIVELY SCHEDULED ITEMS INCLUDE:

- Southland WWTF Upgrade Project Design
- Comment on Willow Road Funding Options

➤ THE NEXT SPECIALBOARD MEETING IS FEBRUARY 27, 2009 RE 2009-2014 STRATEGIC PLAN